

Plato Australian Shares Income Fund

(Managed Risk)

ARSN 126 577 820

APIR WHT0055AU

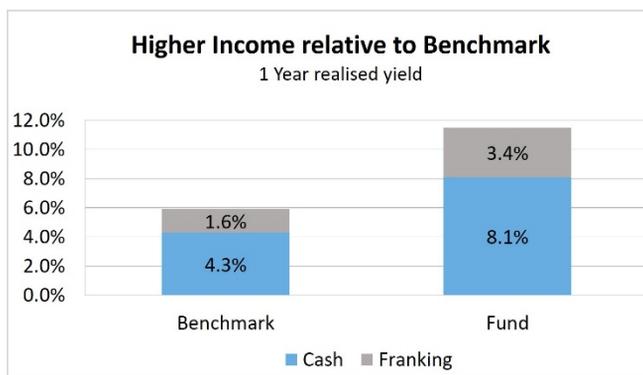
mFund PL102



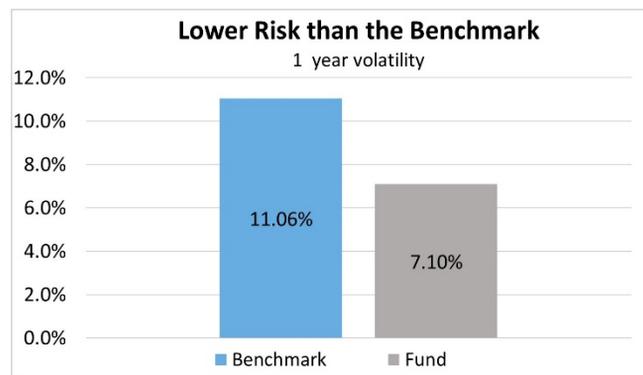
At a glance, as at 28 February 2019, the Fund achieved:

- 9.0% p.a. Yield² since inception¹
- 44% lower risk (volatility) relative to the Benchmark[^] since inception¹

Performance	1 mth %	3 mth %	1 yr %	3 yrs % p.a.	Inception ¹ % p.a.
Fund total return ²	4.5	6.8	6.9	7.3	4.8
Income ²	1.6 ³	4.9	11.5	9.5	9.0
Benchmark total return ^{2 ^}	6.3	10.4	8.8	14.6	9.0
Risk adjusted comparative measure ⁴	3.4	5.0	6.2	9.6	5.8
Fund volatility ²	5.0	5.9	7.1	6.9	7.3
Benchmark volatility ^{2 ^}	9.3	12.8	11.1	11.2	13.1
Excess return	-1.8	-3.6	-1.9	-7.3	-4.2
Excess income ²	0.6 ³	3.5	5.6	3.6	3.0



Source: Plato



Source: Plato

Summary

For the month ended 28 February 2019, the Plato Australian Shares Income Fund (Managed Risk) (the 'Fund') delivered a total return of 4.5% compared to the ASX/S&P 200 Accumulation Index ('Benchmark') return of 6.3%. The risk overlay employed by the Fund aims to reduce the Fund's exposure to the market and defend against major losses in market downturns which detracted from performance in February as the Australian market rallied. At the end of February, the effective market exposure of the Fund was 79%.

Underlying Fund

The Fund invests into the Plato Australian Share Income Fund (the "Underlying Fund") which invests in a portfolio of Australian shares aimed at providing high yields.

Global markets continued their rally in February and the Australian market followed, rallying 6.3% (including franking credits) in the month to get back to their levels in September 2018. The top performing industries were banks which experienced a relief rally after the release of the final recommendations of the Royal Commission as well as the Energy

¹ Inception date 8 April 2014. ² Including franking credits. ³ Includes accrued but not yet distributed dividends and franking credits as income.

⁴ We believe this measure is a more comparable measure than the Benchmark, given the realised risk of the Fund. It is calculated using the following formula: Risk adjusted comparative measure = (1-X)*Benchmark return + X*RBA cash rate where X = Fund realised standard deviation/Benchmark realised standard deviation over the relevant period.

[^] Benchmark is the S&P/ASX200 Accumulation Index (Including franking credits). All data is as at 28 February 2019 unless indicated otherwise.

Fund returns are after applicable fees, costs and taxes. Past performance is not a reliable indicator of future performance.

and Technology sectors. In contrast, Consumer Staples fell after a poor result from Coles and Healthcare and REITs also lagged given the risk seeking nature of the market.

The largest positive contributors to the Underlying Fund during the month were overweight positions in Seven Group and Magellan which both reported strong results as well as an underweight position in Cochlear which reported a poor result during the month. However, overweight positions in Woolworths and Whitehaven Coal which reported disappointing volumes, underperformed and an underweight in QBE Insurance detracted from relative performance.

Risk reduction / yield enhancement

In February, the Fund experienced approximately 46% less risk (volatility) than the Benchmark. Since inception in April 2014, the Fund has on average experienced approximately half the volatility of the market whilst it delivered a yield of 9.0%² p.a., 3.0% p.a. greater than the Benchmark.

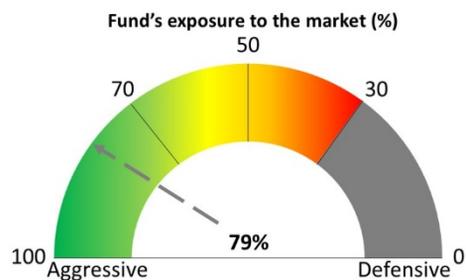
Plato Australian Shares Income Fund

(Managed Risk)

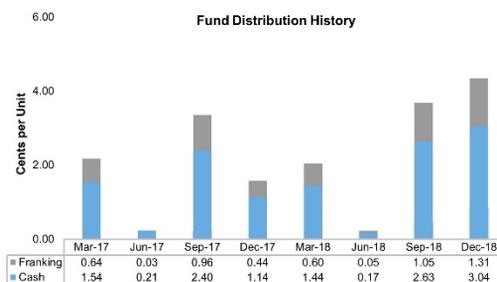
ARSN 126 577 820

APIR WHT0055AU

mFund PL102



Source: Plato



Source: Plato

Assets under management:
\$15 Million

Platform Availability:
AMP Badged Wrap
AMP North

Asgard
BT Wrap

IOOF Portfolio Service
Macquarie Wrap

uXchange

Investment Manager

Plato Investment Management Limited

Objective

- To provide an annual gross yield (including franking) that exceeds the gross yield of the S&P/ASX 200 Accumulation Index including franking after fees.
- The Fund also aims to outperform the S&P/ASX 200 Accumulation Index including franking after fees over rolling 5 to 7 year periods whilst delivering a lower level of risk than the S&P/ASX 200.

Investments

The Fund will invest in the Plato Australian Shares Income Fund, listed SPI and interest rate futures and cash.

Benchmark

S&P/ASX200 Accumulation Index

Investment approach

- The Fund is intended to be managed for low tax investors who can utilise franking credits. These investors include, but are not limited to, superannuation funds and charities.
- The investment process aims to maximise the value gained from franked dividends, primarily via holding stocks which pay franked dividends and participating in off-market buy-backs.
- The Milliman Risk Management Strategy, originally developed in 1998 to assist some of the world's largest insurance companies with their hedging programs, seeks to stabilise portfolio volatility, capture growth in up markets, and defend against losses during major downturns.

Portfolio allocation

- 90% to 100% invested in the Plato Australian Shares Income Fund, providing 30% to 100% effective exposure to Australian Equities and 0% to 70% effective exposure to cash and futures depending upon market risk levels and fund performance.
- Futures (SPI and interest rate) are held for liquidity purposes and to manage risk, cashflow and investment exposure.

Investment timeframe

Long term, being 5 to 7 years.

Management costs

0.99% p.a. (inclusive of the net effect of GST and RITC).

Buy/sell spread

+0.20% / -0.20%.

Minimum investment

- Indirect investors: refer to the operator of your service.
- Direct investors: minimum initial investment \$100,000.



For more information, please contact Pinnacle Investment Management Limited on 1300 010 311 or, email distribution@pinnacleinvestment.com.au

Interests in the Plato Australian Shares Income Fund (Managed Risk) (ARSN 126 577 820) and Plato Australian Shares Income Fund (ARSN 152 590 157) ('Plato Funds') are issued by Pinnacle Fund Services Limited, ABN 29 082 494 362 AFSL 238371. Pinnacle Fund Services Limited is not licensed to provide financial product advice. A copy of the most recent Product Disclosure Statement ('PDS') for each of the Plato Funds can be located at www.plato.com.au/retail-funds. You should consider the current PDS of the relevant fund in its entirety before making an investment decision. Plato Investment Management Limited AFSL 504616 ABN 77 120 730 136 ('Plato') is the investment manager of the Plato Funds. Pinnacle Fund Services Limited and Plato believe the information contained in this communication is reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of Plato and its representatives on the basis of information at the date of publication and may later change without notice. The information is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. This communication is for general information only. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice relevant to their particular circumstances, needs and investment objectives. Past performance is not a reliable indicator of future performance.