

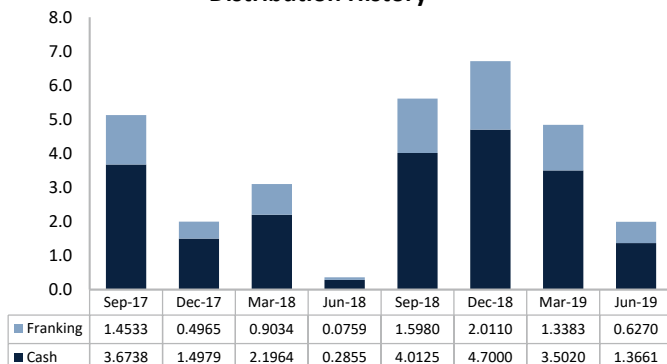
At a glance, as at 31 August 2019, the Fund achieved:

- 9.5% p.a. yield<sup>2</sup> since inception<sup>1</sup>
- 13.2% p.a. total return since inception<sup>1,2</sup>
- 0.9% p.a. excess total return since inception<sup>1,2</sup>

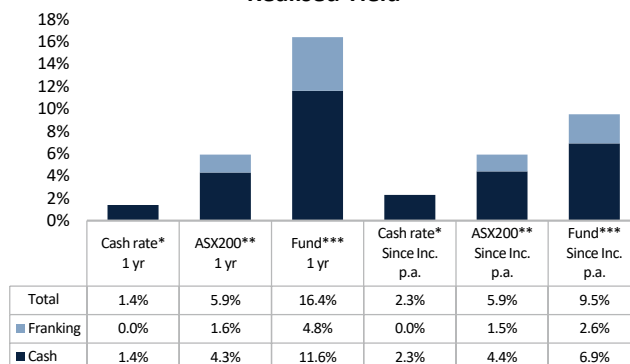


PERFORMANCE	1 MTH %	3 MTH %	1 YR %	3 YRS % P.A.	5 YRS % P.A.	INCEPTION <sup>1</sup> % P.A.
FUND TOTAL RETURN <sup>2</sup>	-2.2	4.0	12.3	12.7	9.4	13.2
INCOME <sup>2</sup>	1.6 <sup>3</sup>	1.7	16.4	11.4	10.5	9.5
CAPITAL GROWTH	-3.8 <sup>3</sup>	2.3	-4.1	1.3	-1.1	3.7
BENCHMARK TOTAL RETURN <sup>2</sup> ^	-2.1	4.5	10.8	13.0	9.5	12.3
EXCESS TOTAL RETURN <sup>2</sup>	-0.1	-0.5	1.5	-0.3	-0.1	0.9
EXCESS INCOME <sup>2</sup>	0.6 <sup>3</sup>	0.4	10.6	5.6	4.6	3.6
EXCESS FRANKING	0.1 <sup>3</sup>	0.2	3.2	1.8	1.5	1.1

## Distribution History



## Realised Yield



## Summary

As at 31 August 2019, the Plato Australian Shares Income Fund ('Fund') delivered a total return of 13.2% p.a.<sup>2</sup> and a yield of 9.5% p.a.<sup>2</sup> (incl. franking) since inception<sup>1</sup> compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 12.3% p.a.<sup>2</sup> and a yield of 5.9% p.a.<sup>2</sup>

For the first time in 2019, the Australian market finished the month lower, falling just over 2% in August but finishing well above its mid-month 5% fall. This fall was in line with global markets as trade war rhetoric heated up. Australia's 10-year bond yield fell another 30bps to end the month of June at 0.89%, the lowest level in Australia's history, making it even more difficult for retirees to generate income from bonds or term deposits. This again resulted in the outperformance of defensive, lower risk stocks. The top performing sectors were Healthcare and Real Estate in contrast to Materials and Energy stocks which lagged.

The largest positive contributors to the Fund during the month were overweight positions in Woolworths and Qantas which announced an off-market buyback (see our analysis [here](#)) as well as underweight positions in Brambles and A2 Milk which both reported disappointing updates. During the month, McMillan Shakespear also announced an off-market buyback which we intend to participate in for our investors. However, overweight positions in Magellan and Rio Tinto which both gave back some of their recent momentum as well as an underweight position in Newcrest detracted from relative performance.

The Fund remains actively positioned to deliver superior income and franking whilst also being able to allocate to companies that are expected to provide solid capital returns.

TOP 10 HOLDINGS	TOP 10 YIELDING	YIELD% P.A. <sup>2</sup>
Aurizon Holdings	Fortescue Metals Group	18.2
ANZ	BHP Billiton	12.1
BHP Billiton	Wesfarmers	10.2
Commonwealth Bank	Westpac	9.5
CSL	National Australia Bank	9.5
Macquarie Group	CSR	8.8
Telstra	ANZ	8.5
Wesfarmers	Woodside Petroleum	8.0
Westpac	Commonwealth Bank	7.8
Woolworths	Super Retail Group	7.6

<sup>1</sup> Inception date 9 September 2011.

<sup>2</sup> Including franking credits and special dividends.

<sup>3</sup> Includes accrued but not yet distributed dividends and franking credits as income.

^ Benchmark is the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

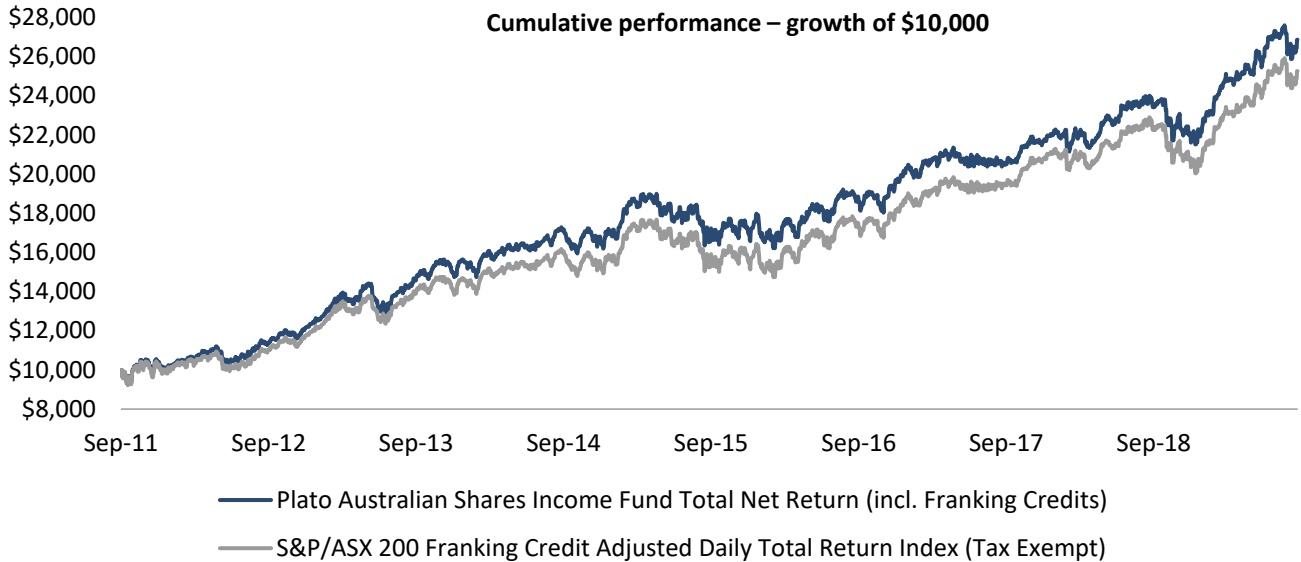
\* RBA cash rate.

\*\* S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

\*\*\* Plato Australian Shares Income Fund.

All data is as at 31 August 2019 unless indicated otherwise.

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



ASSETS UNDER MANAGEMENT:	PLATFORM AVAILABILITY:				
	\$1523 Million	AMP FS Colonial First Wrap Macquarie Wrap	AMP North HUB24 OneVue	Asgard BT Wrap mFund	Wealth Solutions Netwealth uXchange

INVESTMENT MANAGER	PLATO INVESTMENT MANAGEMENT LIMITED
<b>OBJECTIVE</b>	<ul style="list-style-type: none"> <li>To provide an annual gross yield (including franking) that exceeds the gross yield of the Benchmark after fees</li> <li>The Fund also aims to outperform the Benchmark after fees.</li> </ul>
<b>BENCHMARK</b>	S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)
<b>INVESTMENT APPROACH</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>MANAGEMENT COSTS</b>	0.90% p.a. (inclusive of the net effect of GST and RITC).
<b>BUY/SELL SPREAD</b>	+0.20% / -0.20%.
<b>MINIMUM INVESTMENT</b>	<ul style="list-style-type: none"> <li>Indirect investors: refer to the operator of your service.</li> <li>Direct investors: minimum initial investment \$100,000.</li> </ul>

This strategy is specifically managed for low tax investors, thus providing an aligned investment strategy for pension and charity investors. The Fund aims to generate higher income (including franking credits) than its Benchmark. A distinguishing feature of the strategy is that it aims to deliver higher yield without taking on large sector biases, such as overweighting banks.



For more information, please contact Pinnacle Investment Management Limited on 1300 010 311 or email [distribution@pinnacleinvestment.com.au](mailto:distribution@pinnacleinvestment.com.au)

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For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.beyond.lonsec.com.au/intelligence/lonsec-ratings>.

The Zenith Investment Partners ("Zenith") ABN 60 322 047 314 rating for the Plato Australian Shares Income Fund (Class A) assigned June 2019 referred to in this document is limited to "General Advice" (as defined by the Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Zenith usually charges the product issuer, fund manager or a related party to conduct Product Assessments. Full details regarding Zenith's methodology and regulatory compliance are available on our Product Assessment's and the Zenith website.