

PINNACLE INVESTMENT SUMMIT

JULY, 2023

DR. DAVID ALLEN, LEAD PORTFOLIO MANAGER



Plato
INVESTMENT MANAGEMENT

The quest for all-weather alpha

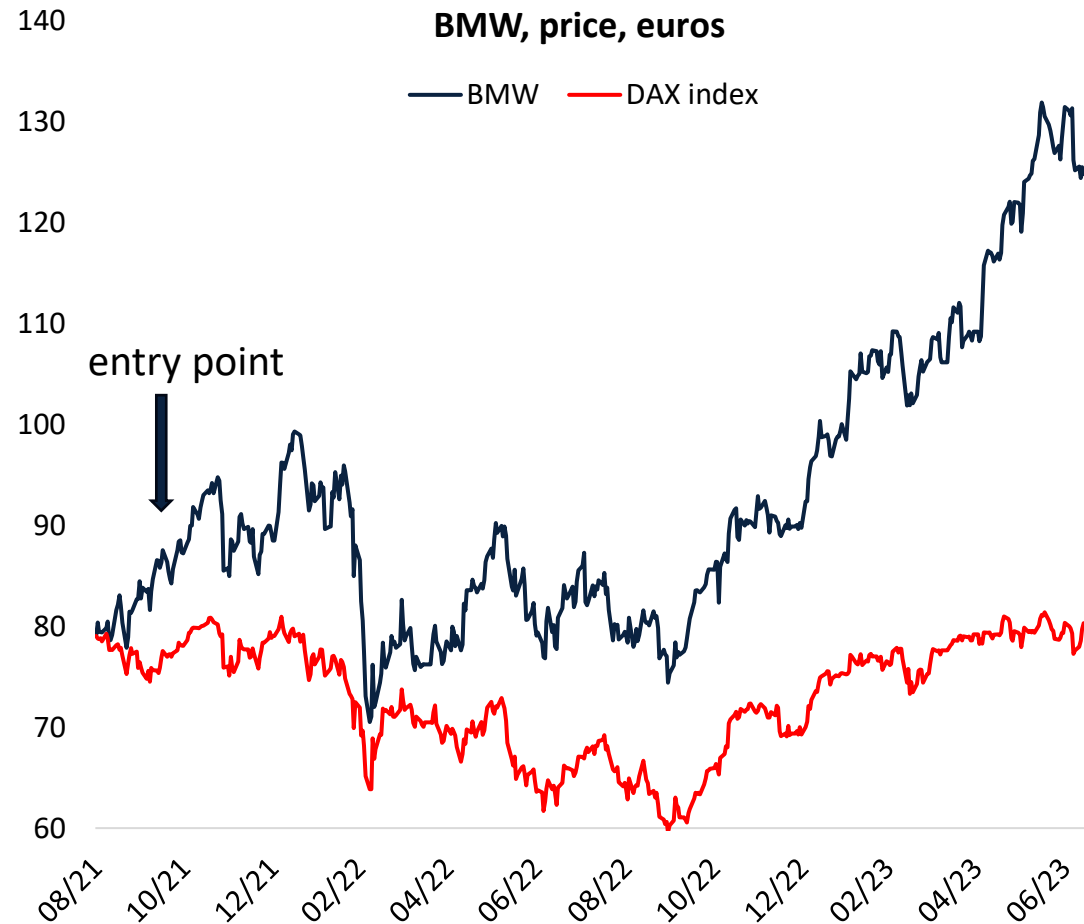
- **Plato Global Alpha**
- Global developed equities - MSCI World benchmark
- 150% long / 50% short / 100% market exposure
- 4-5% excess return target
- Core or satellite: ~4% tracking error, beta=1, diversified
- **All-weather approach focussing on consistent outperformance**

The best of Value, Growth, and Quality

VALUE, GERMANY, AUTOS



- Strong order book driven by '22 delays, China reopening
- Supply chains have healed
- 6.5x PE (FY23), 2x EBITDA



“Value + Growth + Quality = All-weather Alpha”

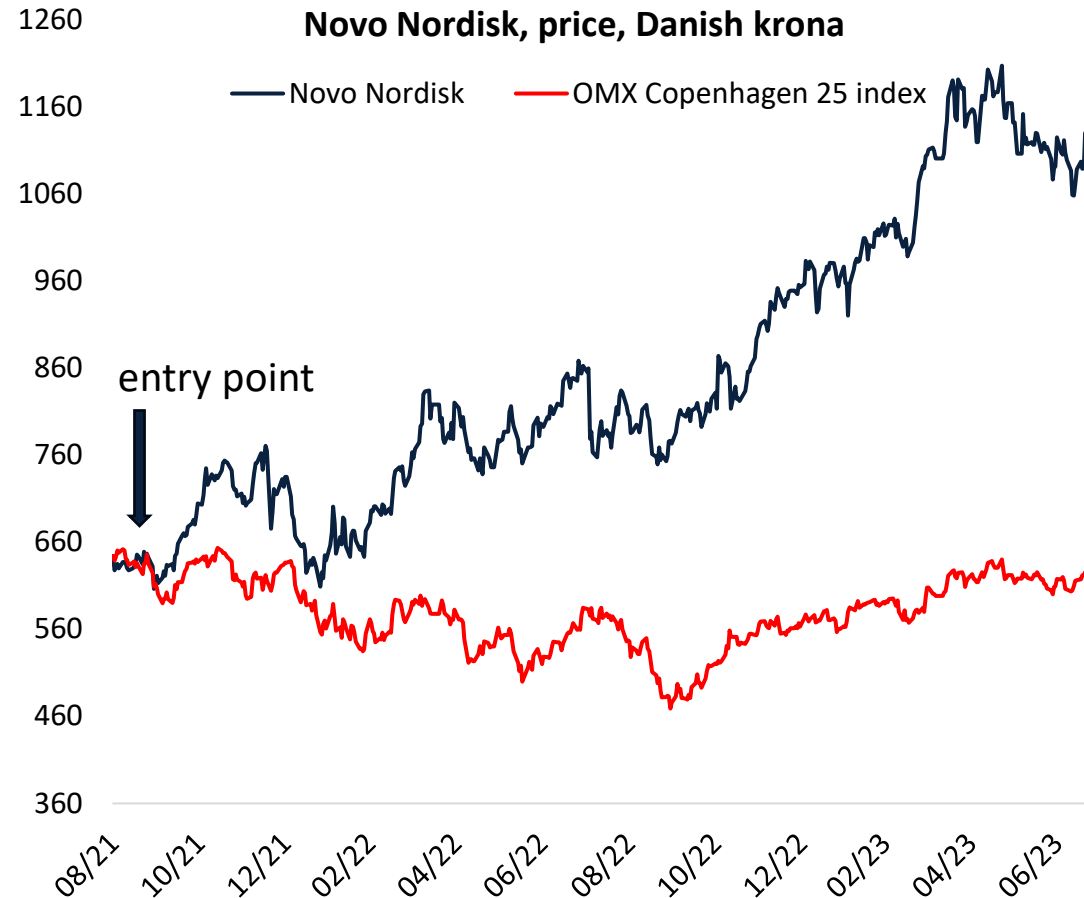
Source: Company examples are not buy or sell recommendations and are for illustrative purposes only.

The best of Value, Growth, and Quality

GROWTH, DENMARK, PHARMA



- 32% of diabetes drug market share
- 72% return on equity
- 90% cash flow growth, F21 to F22



“Value + Growth + Quality = All-weather Alpha”

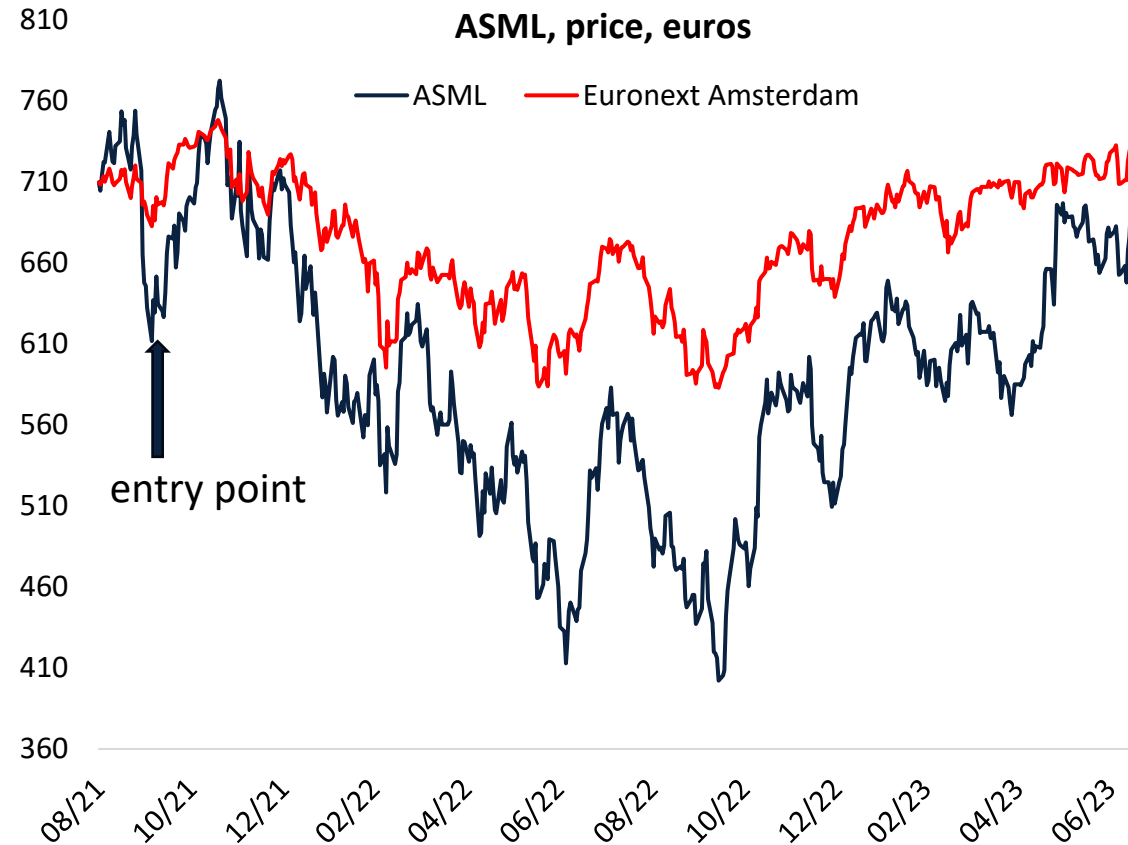
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The best of Value, Growth, and Quality

QUALITY, NETHERLANDS, AUTOS

ASML

- 39% global semis market share
- Gross margin of 52%
- 60% return on equity

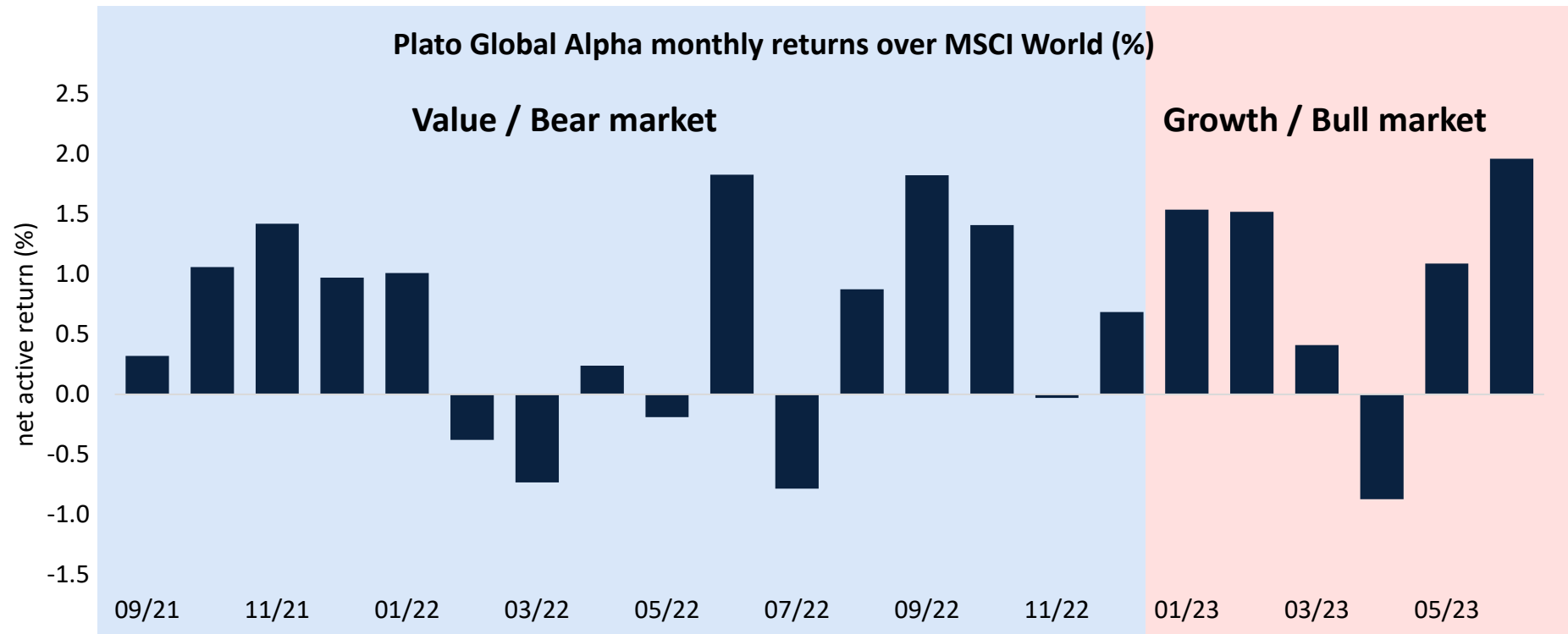


“Value + Growth + Quality = All-weather Alpha”

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Performance not tied to any one environment

ALL-WEATHER ALPHA

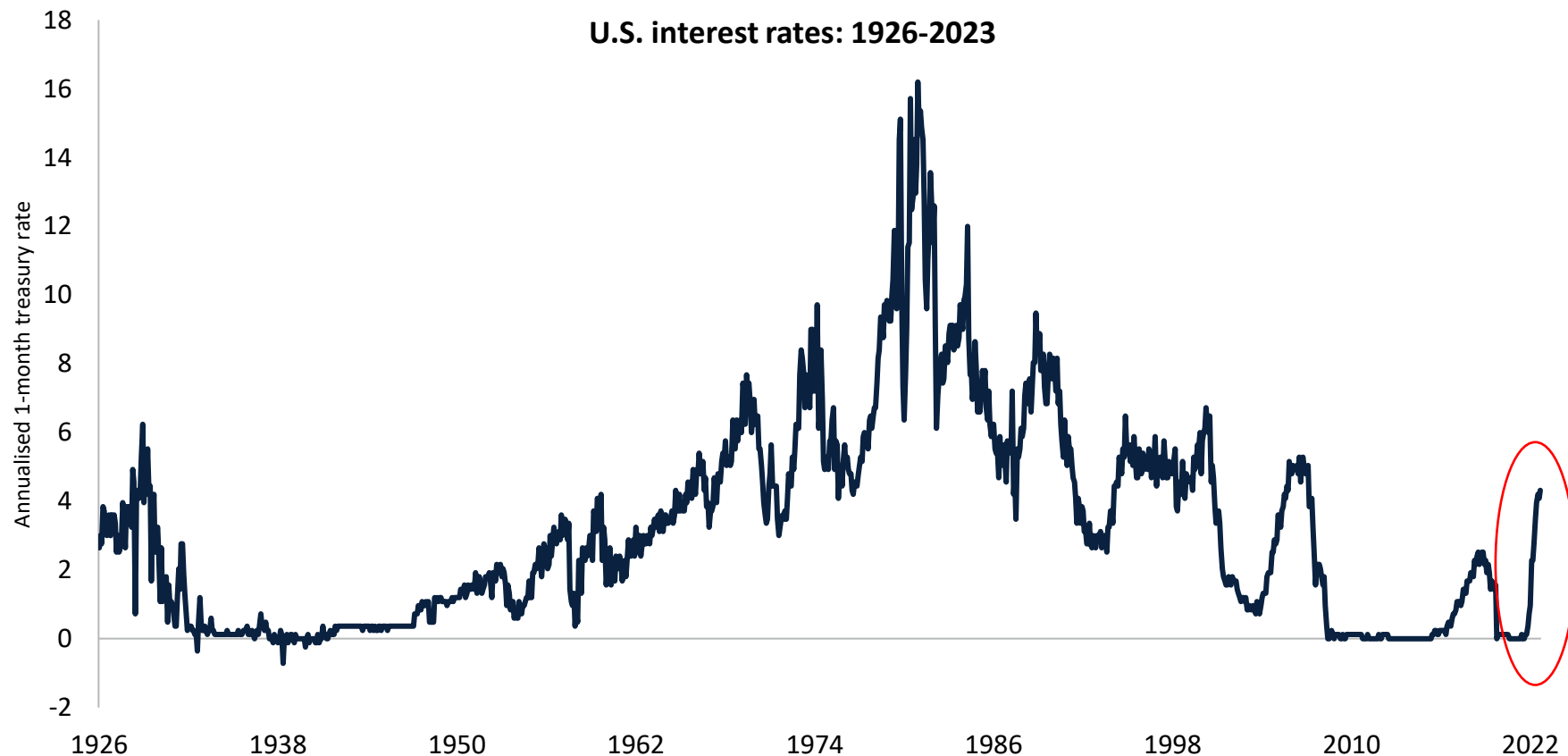


Source: Bloomberg, July, 2023

“Value + Growth + Quality = All-weather Alpha”

Fastest rate hiking in a hundred years

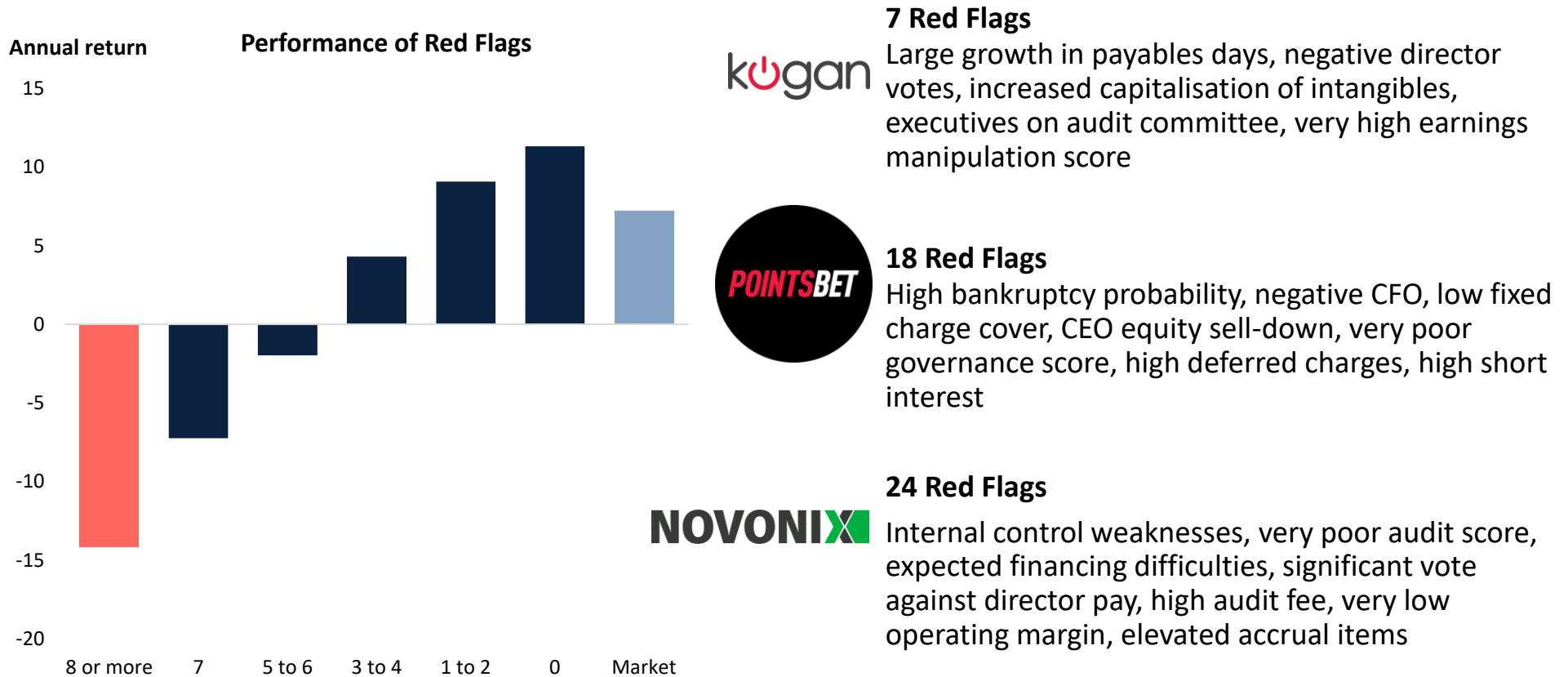
LONG-TERM US RATES



“Interest rates hikes are crushing zombie companies”

100+ Red Flags

AVOID LANDMINES, IDENTIFY DISTRESSED COMPANIES



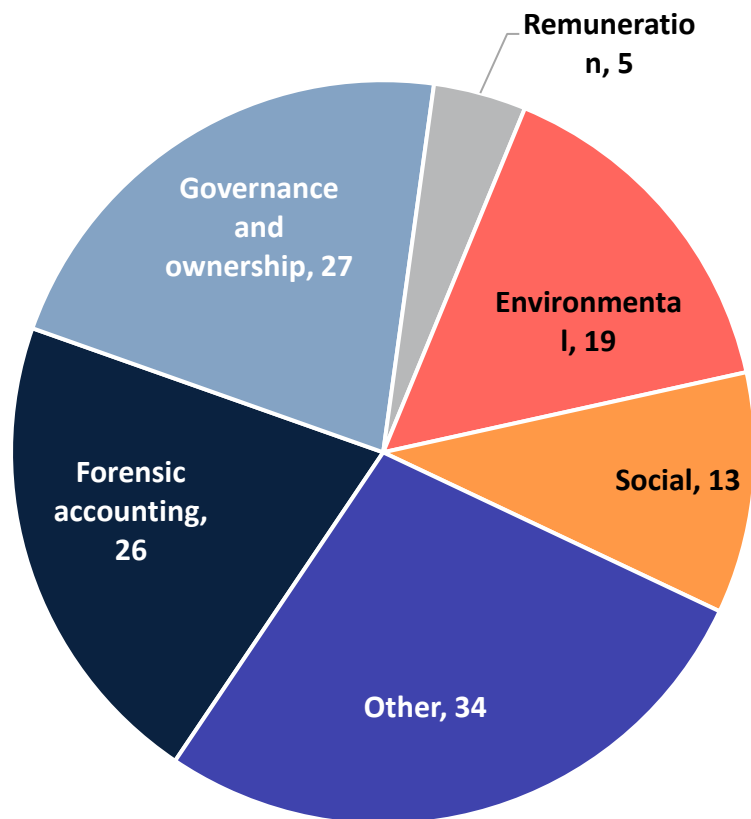
Source: Plato Investment Management. MSCI World All Cap universe, 1/1997-12/2022

“8 or more red flags spell disaster”

100+ Red Flags

BREAKDOWN OF RED FLAGS

Number of red flags by category



Source: Plato Investment Management, May, 2023



22 Red Flags

Large growth inventory days, Benford's law violation, high audit fees to sales, negative cfo elevated bankruptcy probability, golden parachutes, extreme growth expectations, poor R&D conversion, high shorting costs



14 Red Flags

Auditor opinion non unqualified, audit committee lacking financial expert, elevated financial distress, very low fixed charge cover, undersized board, large share issuance



THE STAR
ENTERTAINMENT
GROUP

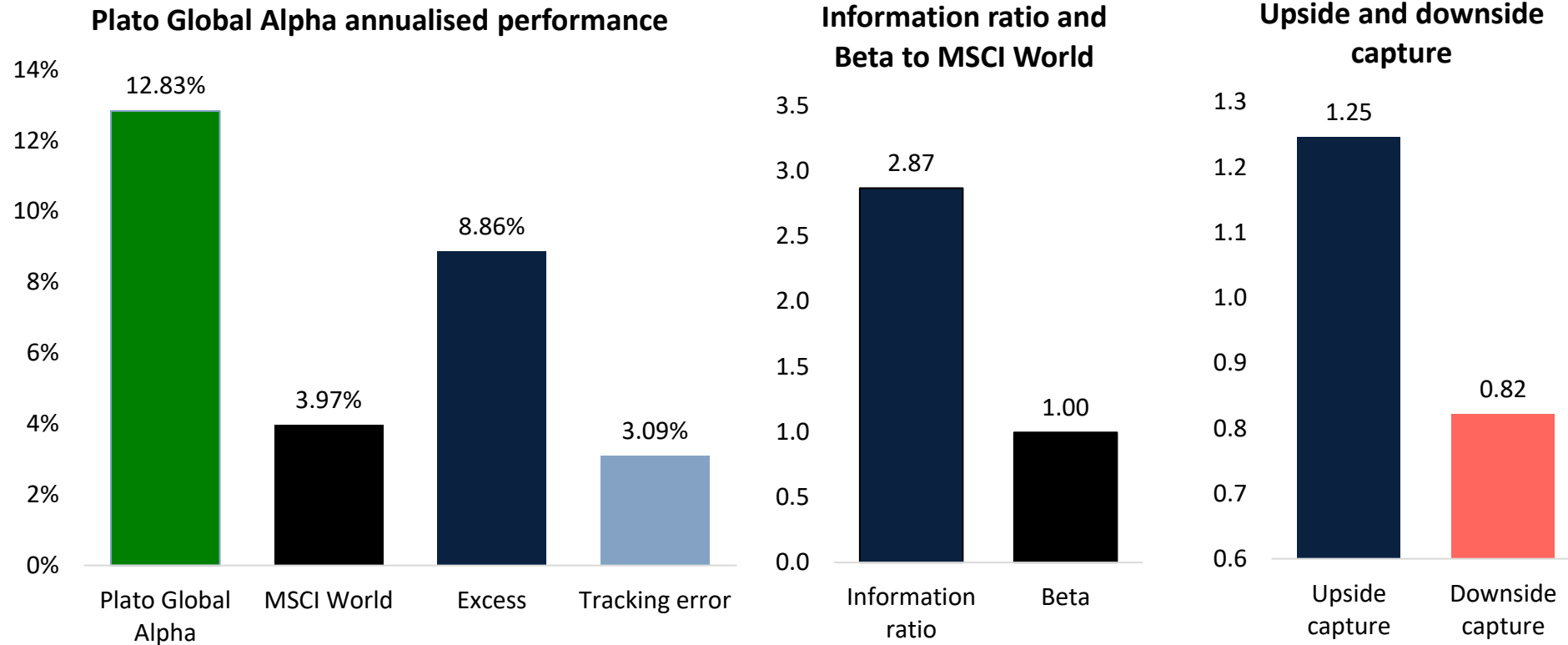
7 Red Flags

Executives on compensation committee, high bankruptcy probability, dividend cancelled, audit opinion not unqualified, regulatory fines

“Avoid landmines, generate short alpha”

Performance

PERFORMANCE SINCE LAUNCH



Source: Plato Investment Management. A share class, Bloomberg, June, 2023. Past performance is not a reliable indicator of future performance.

“Strong and consistent performance since launch”

Plato Global Alpha

- Best of Value, Growth, and Quality

- 100+ Red Flags to avoid landmines and identify great shorts

- 6th highest return of 243 funds in peer group since launch*

*Morningstar World Large Blend peer group, July, 2023

Disclaimer

Note: Past performance is not a reliable indicator of future performance.

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Link to the [Target Market Determination](#)

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