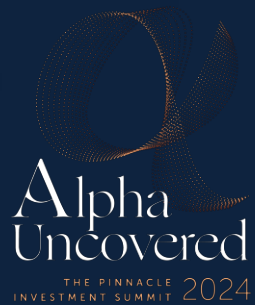




The best of value & growth  
for all-weather alpha



Plato  
INVESTMENT MANAGEMENT



# Plato Investment Management

## HIGHLIGHTS

- Founded in 2006, \$15.7bn. AUM\*
- Majority employee owned

- 15-person strong investment team
- 20 years average experience

- Backed by Pinnacle \$ 100.1 bn. AUM\*\*
- 100+ staff across support functions

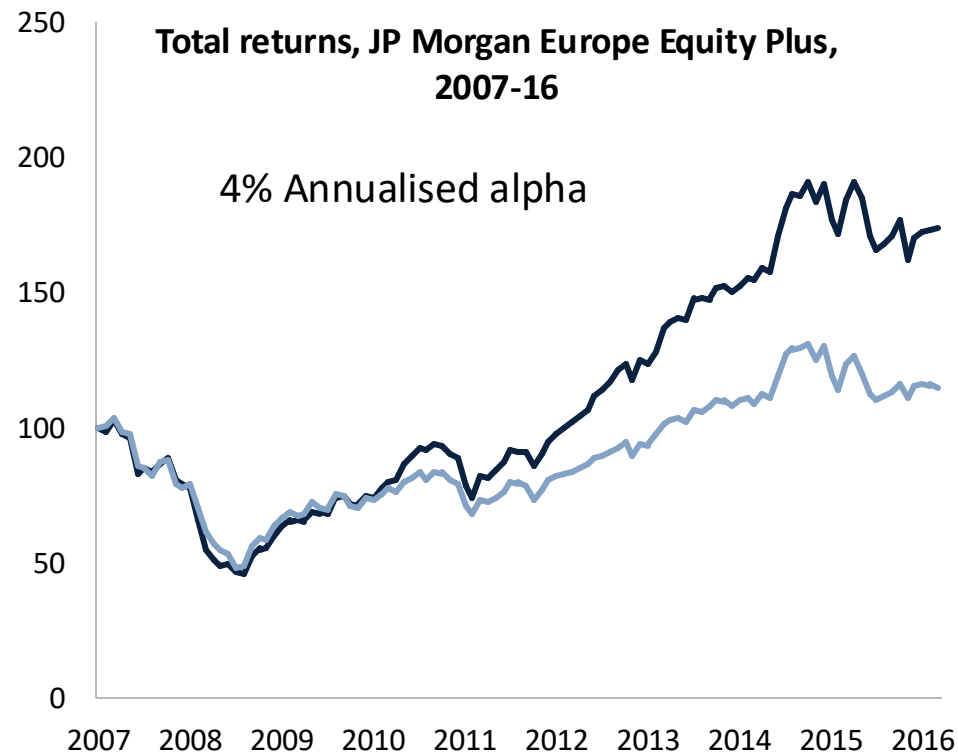
\*30/06/2024, \*\*31/12/2023

# Plato Global Alpha

- **Global developed equities - MSCI World benchmark**
- 150% long / 50% short / 100% market exposure
- Where does it fit? Core or satellite global allocation
- 32.3% return in 2023, 27.1% YTD
- Outperformed benchmark by 9.8% p.a. since inception (1/9/21)
- **All-weather approach focussing on consistent outperformance**

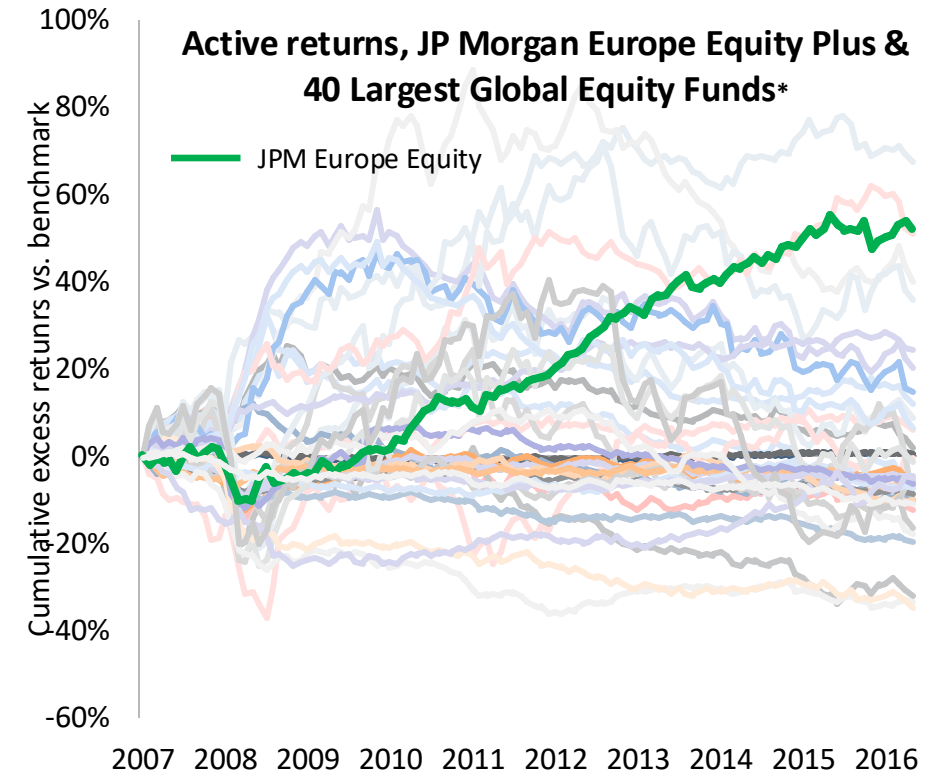
\*Source: Citigroup, June 30<sup>th</sup>, 2024, all returns are net of A class fees

# JP Morgan Europe Equity Plus (130/30)



Source: Pinnacle, Morningstar, 2023, returns are net of A class fees in both charts

- Number one fund in European universe, 2009-15
- Fund Manager, JPM Europe Equity Plus (€5bn)



Source: Pinnacle, Morningstar, 2023, \*40 largest global equity funds as of 2007

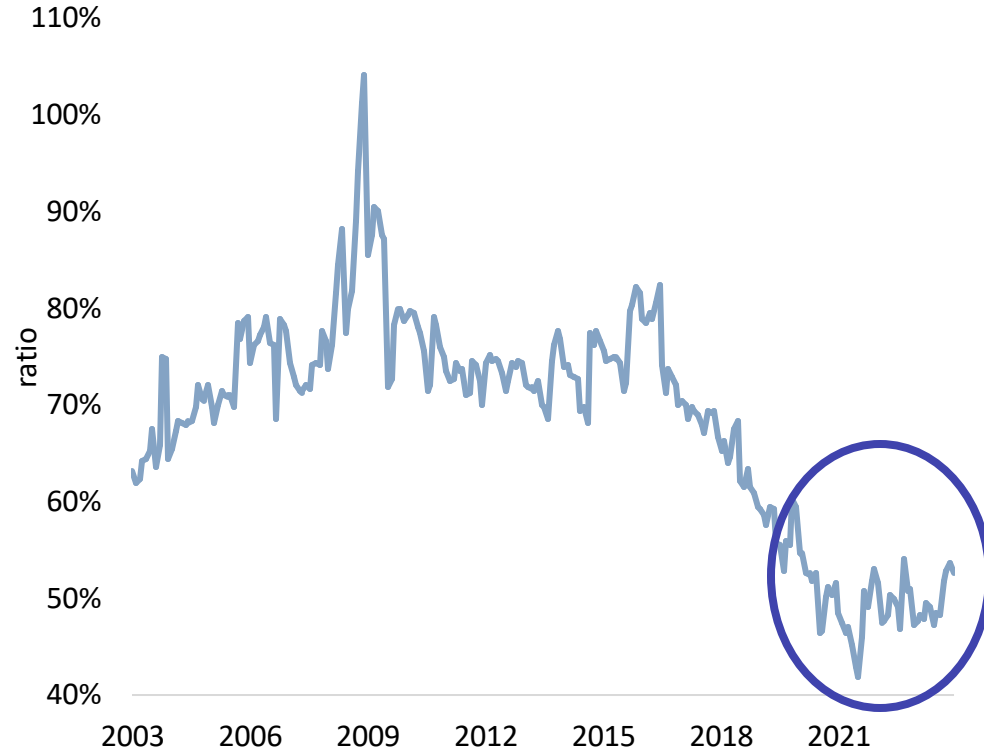
- 236% return vs. 113% peer group average, 2009-15
- Upside capture = 1.11, downside capture = 0.87

“Proven track record of delivering consistent alpha”

# Value is extraordinarily cheap, but...

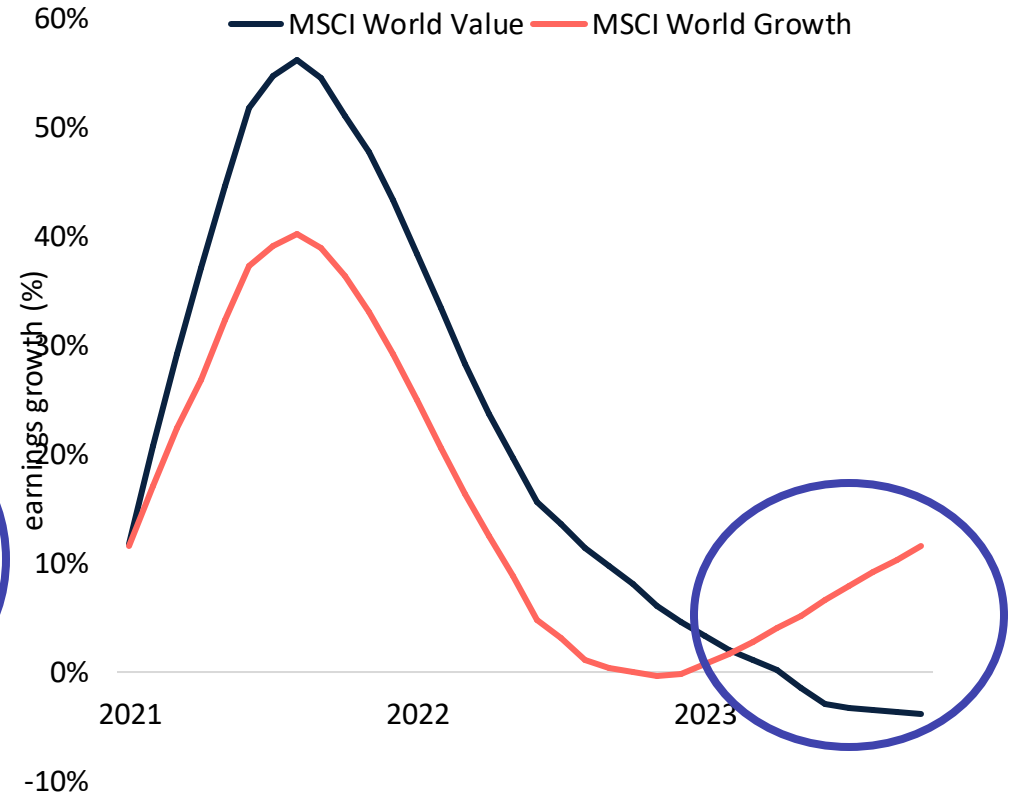
## VALUATIONS AND EARNINGS GROWTH

Ratio of PE of MSCI World Value to PE of MSCI World Growth



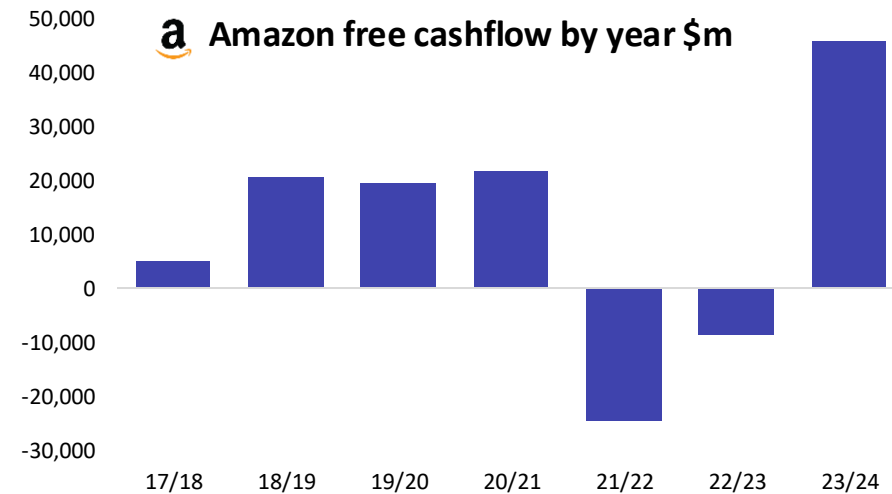
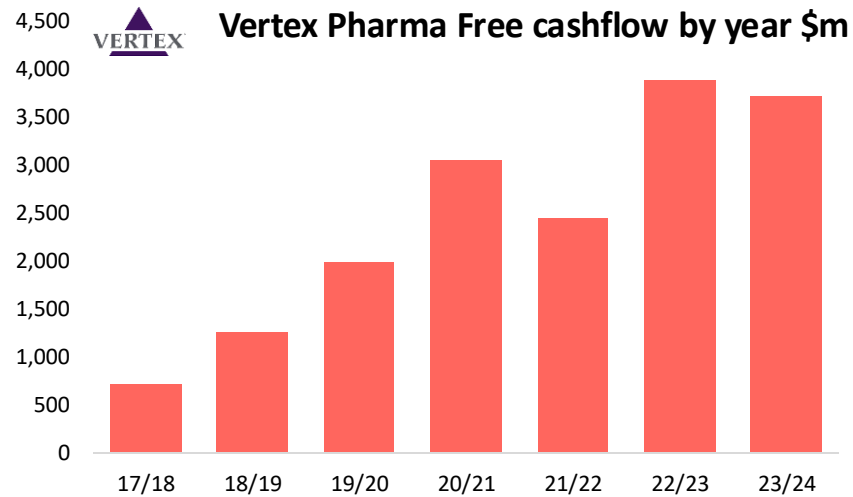
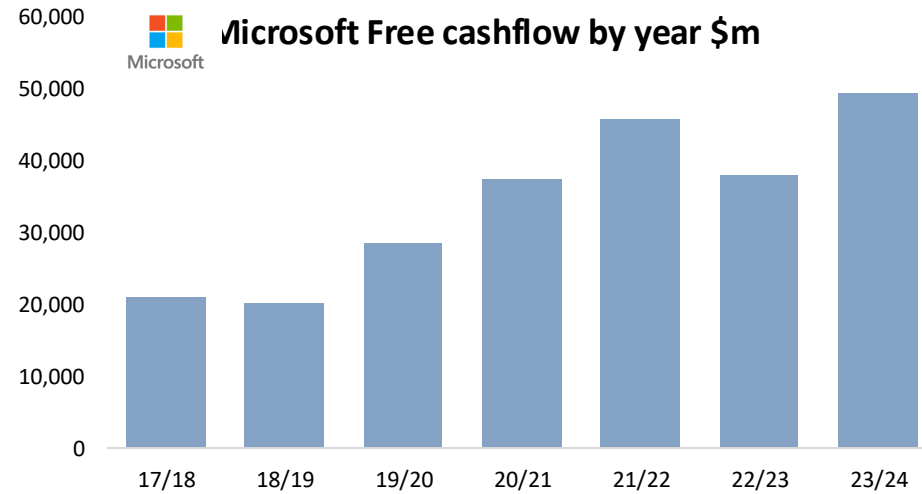
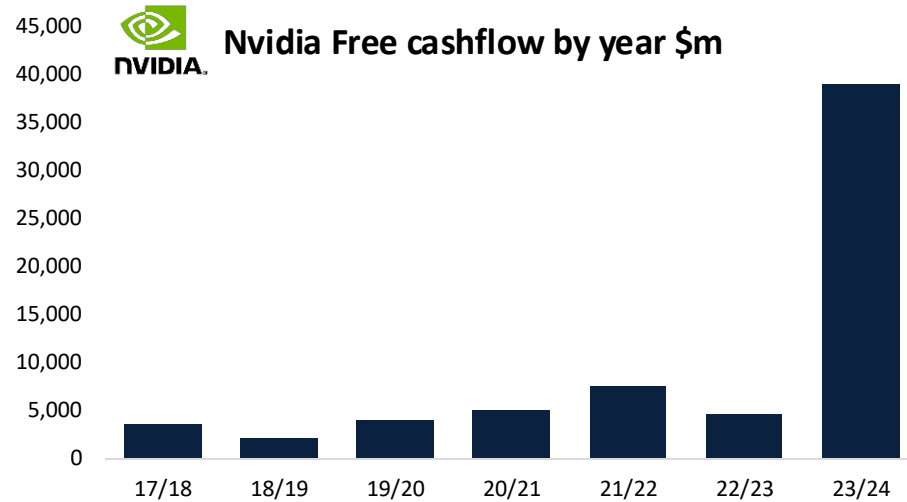
Source: Bloomberg, June, 2024

Year on Year Forecast Earnings Growth (%)



“...Growth is where all the action is”

# This is not the tech bubble...



Source: Plato Research, Factset, May 31<sup>st</sup>, 2024

# The best of Value, Growth, and Quality

## VALUE EXAMPLE, AUTOS



- 5x PE (FY23), 2x EBITDA
- 100% annual EV growth
- Sells more EVs than Ford, GM, and Rivian combined

## GROWTH EXAMPLE, PHARMA



- Anti-obesity drugs will be \$100bn revenue by 2030
- Eli Lilly's drug is 50% more effective than Ozempic!

## QUALITY EXAMPLE, IT



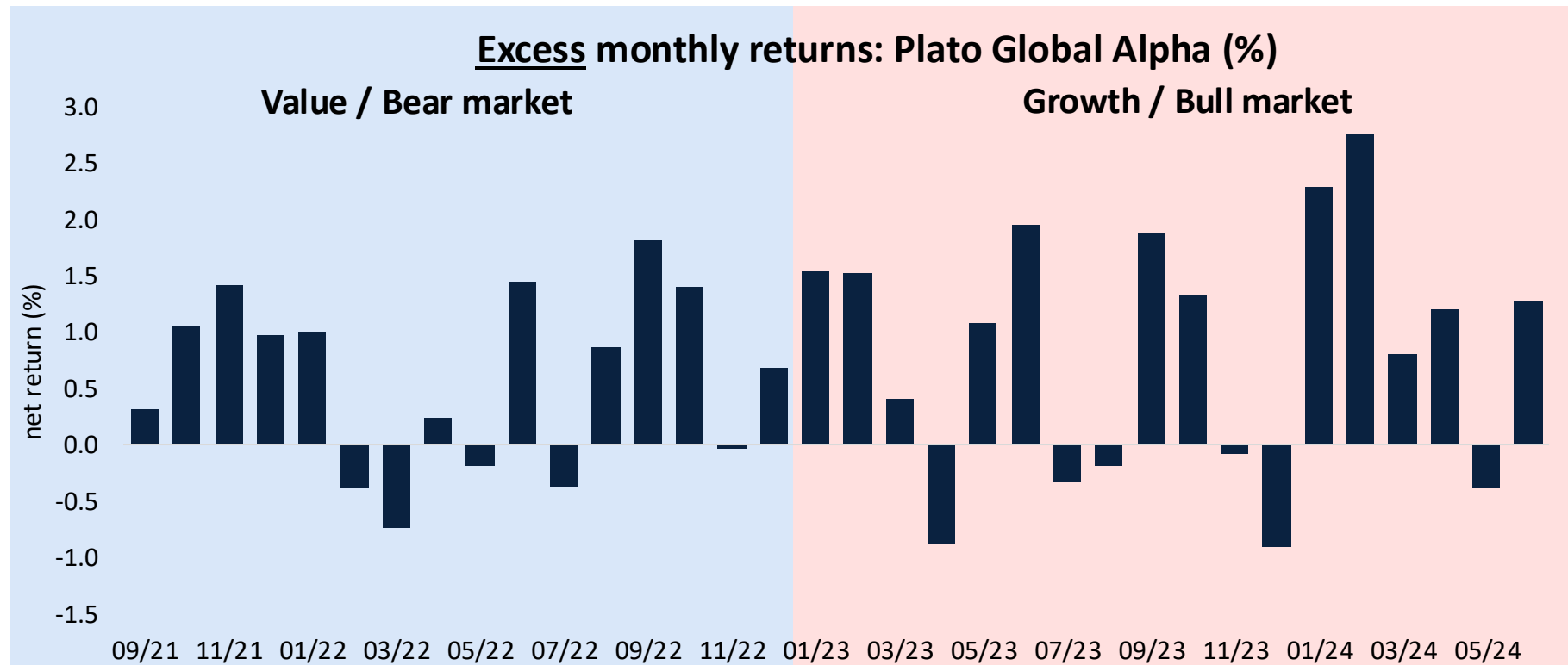
- Explosion in defence spending in uncertain world
- Up 222% since we bought twelve months ago

“The best international opportunities”

Source: Company examples are not buy or sell recommendations and are for illustrative purposes only. May, 31<sup>st</sup> 2024

# Performance not tied to any one environment

## ALL-WEATHER ALPHA

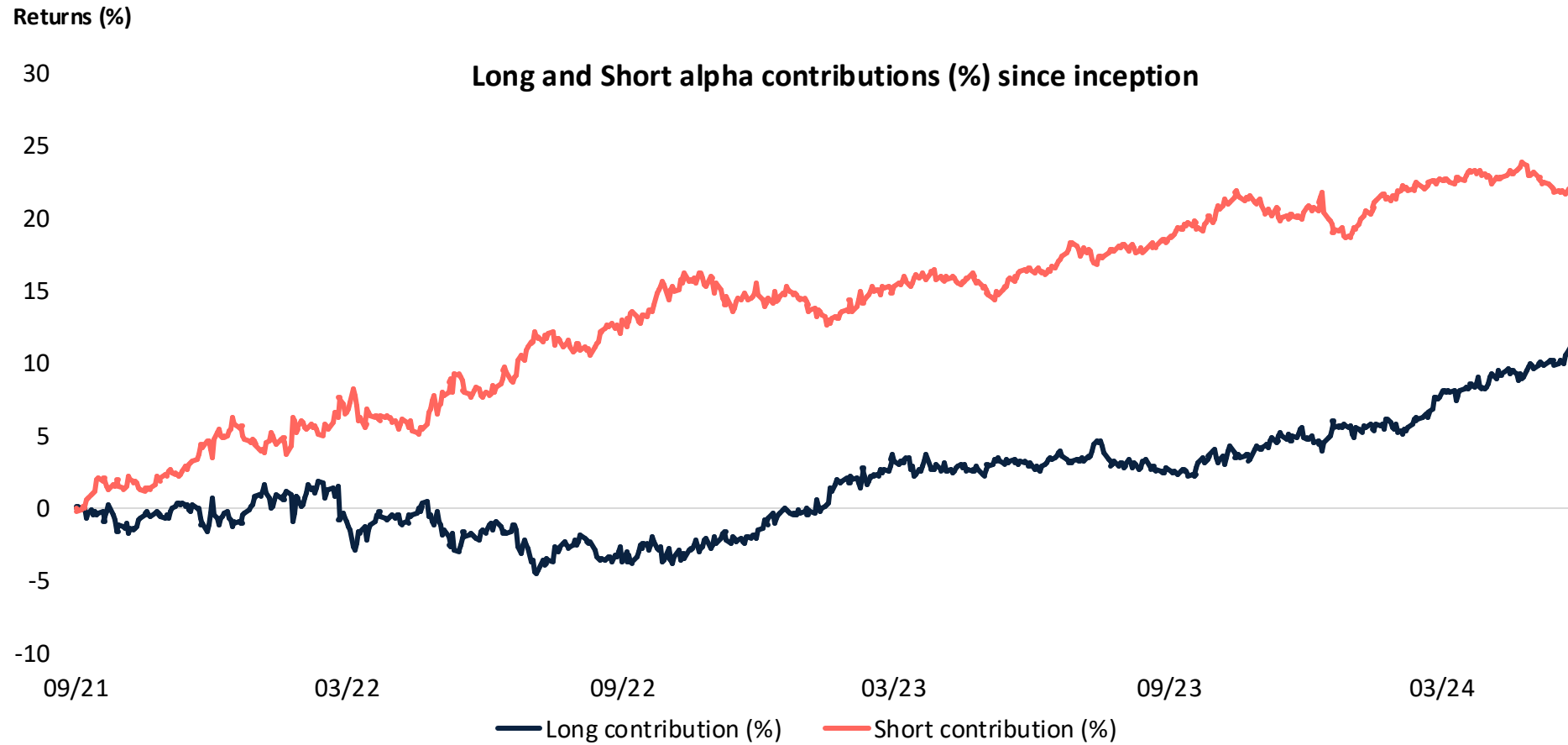


Source: Bloomberg, June 30, 2024, net of A class fees.

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



# Long and short alpha contribution

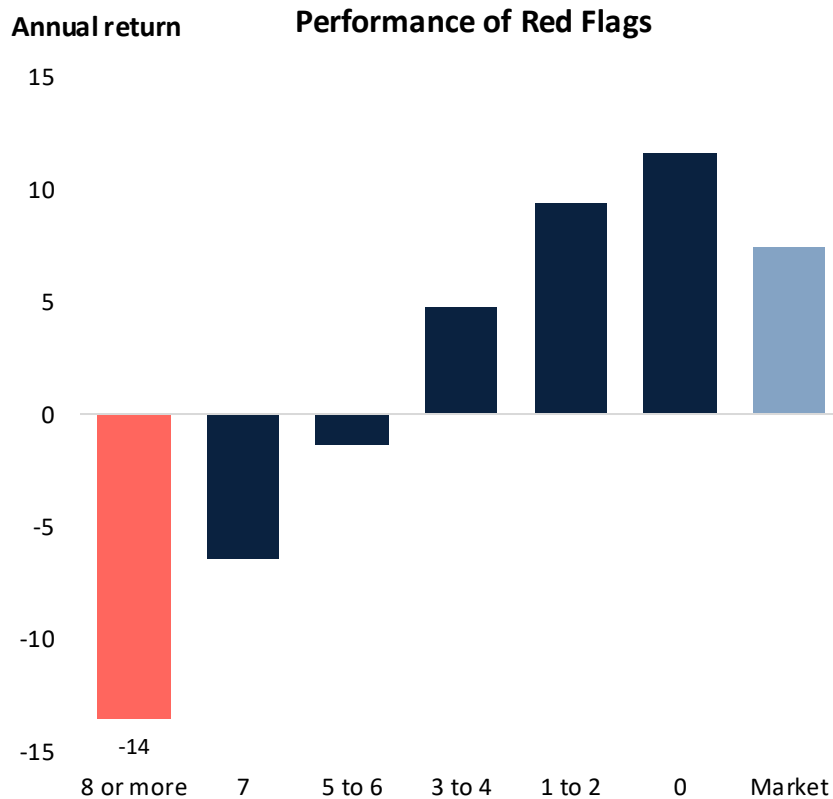


Source: Bloomberg, May 31<sup>st</sup>, 2024. Factset.

“Environment has been favourable for shorts”

# 100+ Red Flags

## AVOID LANDMINES, IDENTIFY DISTRESSED COMPANIES



Source: Plato Investment Management. MSCI World All Cap universe, 1/1997-12/2023



### 16 Red Flags

CEO selling stock into weakness, very poor board quality, very poor governance quality, high and increasing short interest, extreme growth projections, Large growth in payables days, negative cfo, low fixed charge cover, high capex to depreciation



### 12 Red Flags

Massive CEO sell down, undersized board, inexperienced CEO, very poor governance scores, debtor days doubled in last 12 months, terrible employee ratings, extreme revenue growth, capitalisation of expenses, potential tax avoidance, chequered track record of auditor



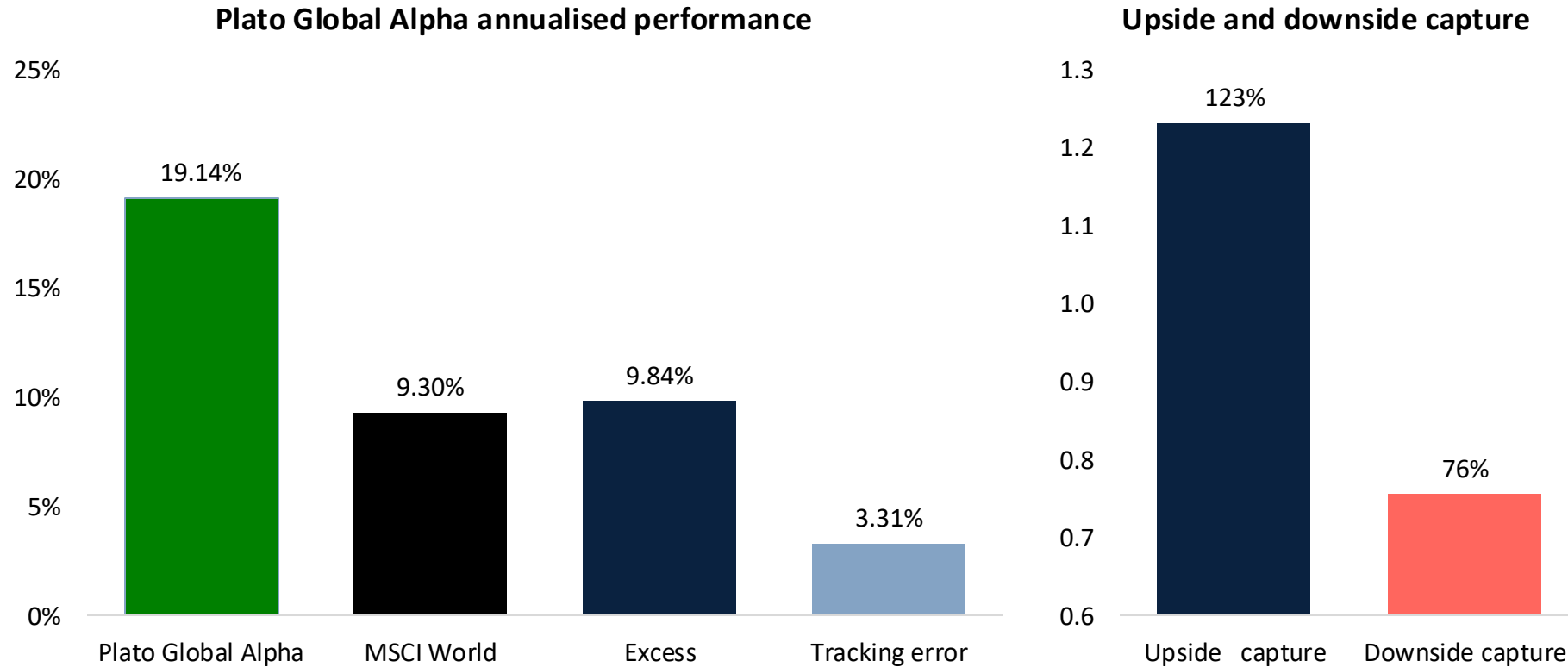
### 15 Red Flags

High accounting manipulation score, high bankruptcy probability, significant vote against pay, negative director votes, poor governance disclosure, massive employee expansion, large growth in inventory days, poor R&D conversion

“8 or more red flags spell disaster”

# Performance

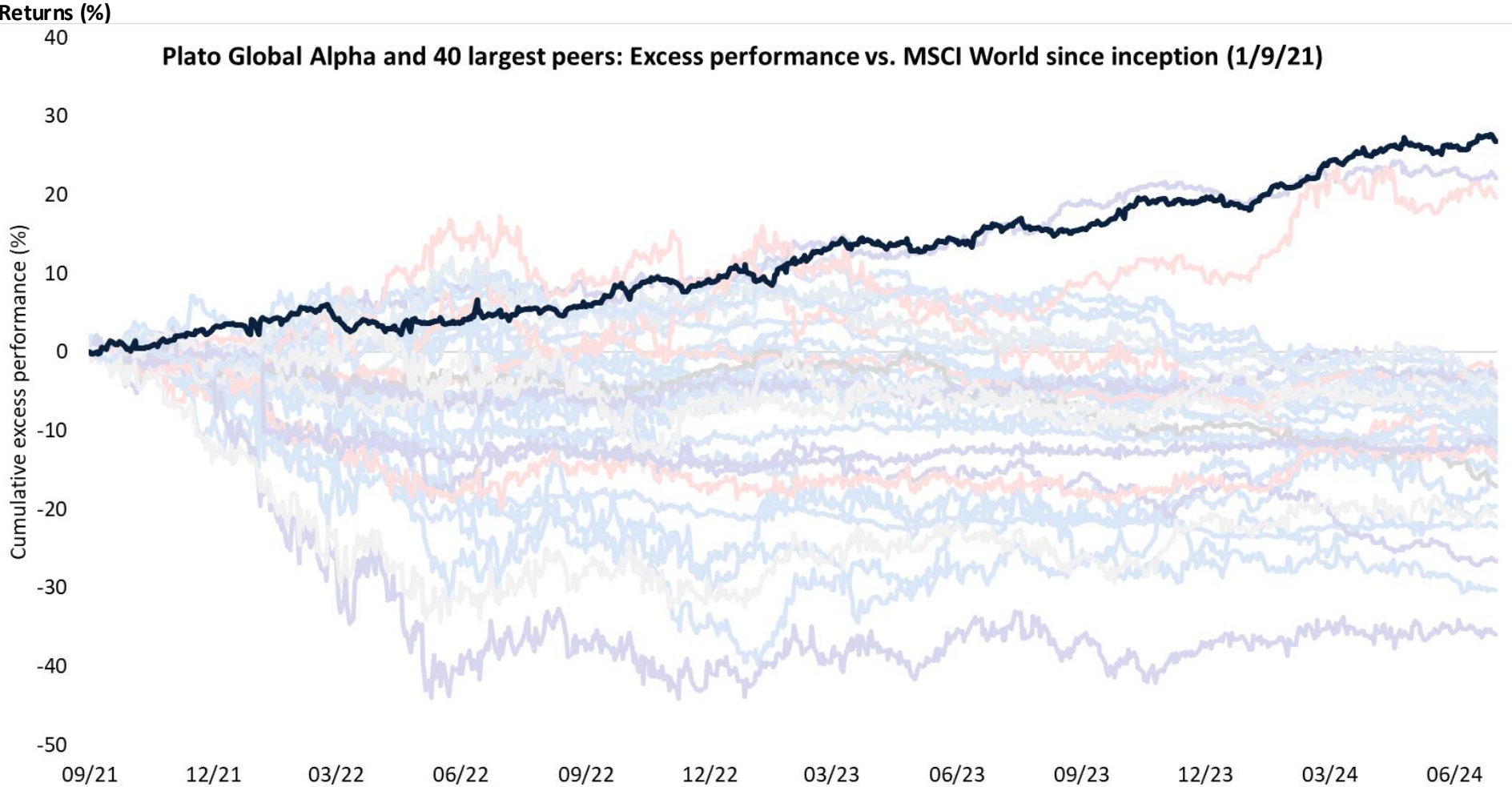
## PERFORMANCE SINCE LAUNCH



Source: Plato Investment Management. Net of A class fees, Bloomberg, June 30, 2024. Inception date is 1/9/21. Past performance is not a reliable indicator of future performance.

“Strong and consistent performance since launch”

# Significantly outperforming market and peers



Source: Bloomberg, June 30, 2024. Net of A class fees. Past performance is not a reliable indicator of future performance. Morningstar World Large Cap universe

# Ratings and platform availability



# Uncovering All-Weather Alpha: Key Takeaways

- Value + Growth + Quality = All Weather Alpha
- 100+ Red Flags to avoid landmines and identify great shorts
- Long track record of delivering market beating alpha

Plato Global Alpha Fund