

## PRESS RELEASE

**Sydney, 14 October 2022 – Foresight Analytics Rates Plato Global Net Zero Hedge Fund as VERY STRONG**

Foresight Analytics has recently completed a rating assessment of the **Plato Global Net Zero Hedge Fund (PGNZHF)**. The Fund has been assigned a VERY STRONG rating and a Foresight Product Complexity Indicator of MORE COMPLEX. The fund is a registered retail unit trust managed by Plato Investment Management Ltd., a boutique quantitative fund manager that is partly owned by the ASX listed Pinnacle Group (PNI).

The investment rating of VERY STRONG is the second highest rating on the scale used by Foresight Analytics and reflects a very strong level of confidence that the Fund can deliver a risk-adjusted return in line with its investment objectives. A Foresight Complexity Indicator of MORE COMPLEX has been assigned, indicating that the Fund invests in listed assets and uses leverage, short-selling and derivatives. This type of investment is suitable for investors who understand the characteristics of these types of investments.

Plato was established in 2006 as an independent funds-management business within Pinnacle's 'house of boutiques'. The firm manages approximately \$9.8 billion in assets across a range of strategies including Enhanced Index, Core, Tax-Exempt, Income (Australian and Global), Low Volatility, Global Low Carbon and Global Net Zero. The firm uses a systematic, quantitative investment process across all of its equity investment strategies. Plato's approach is based on fundamental, bottom-up analysis, using factors such as intrinsic value, sentiment, and holistic quality to forecast stock performance.

The Plato Global Net Zero Hedge Fund was launched on 1 September 2021. The Fund also targets a net-zero carbon footprint at the overall portfolio level. In practice, this translates to a target of at least -5% carbon exposure vs. the MSCI World Index (the 'benchmark'). This creates a margin of safety to ensure that the Fund achieves its net-zero objective. The carbon credentials (ex-post) of this strategy have been independently verified by Foresight Analytics.

Foresight's Analytics' analyst, Dan Grioli says "The Fund is managed by Dr David Allen, an experienced portfolio manager whose career includes managing both quantitative long/short and low-carbon investment strategies".

Dan Grioli further added that "While the Fund has a relatively short track record, Plato's business, investment team, philosophy and process are all well established. The Fund's long/short strategy makes it possible to achieve net-zero carbon exposure without taking excessive risk. These characteristics give Foresight the strong conviction that the Fund is capable of meeting its medium-to-long-term investment and carbon objectives"

## About Foresight Analytics' Investment Due Diligence Rating (IDD Rating)

The objective of Foresight Analytics' Investment Due Diligence Rating (IDD Rating) is to identify the best funds and opportunities for future investment. We assess the fund's historical risk-adjusted performance – compared to its peers – to form a holistic view of the manager's ability to deliver future returns. The IDD rating indicates the quality of the investment option within the context of a diversified portfolio and full investment cycle.

Foresight's analysts use a 5-point scale to determine how the fund will perform against a range of risk factors.

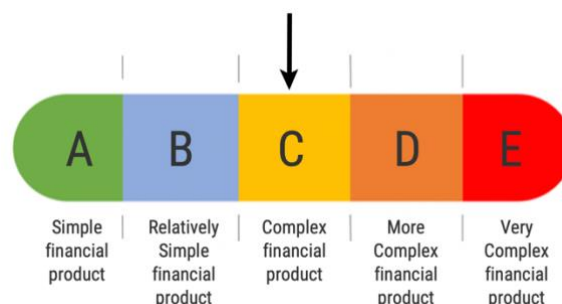
- SUPERIOR indicates the highest level of confidence that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is highly suitable for inclusion on APLs.
- VERY STRONG indicates a very strong conviction that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- STRONG indicates a strong likelihood that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- COMPETENT indicates the fund may deliver a risk-adjusted return in line with its relevant benchmark and that it may be suitable for APLs.
- WEAK indicates the fund is unlikely to deliver a risk-adjusted return in line with its investment objective and that it is not suitable for most APLs.

A 'Hold' designation is applied to a fund's rating if a material change impacts the fund manager, and we need to review the rating.

A 'Sell' designation indicates the Foresight Investment Ratings Committee considers risk factors to be elevated enough that maintaining an investment in the fund as part of their diversified portfolio is questionable.

## Foresight Complexity Indicator

A Foresight Complexity Indicator (FCI) highlights the complexity of an investment product based on a range of indicators. These typically include its terms and conditions, performance-based fees, liquidity structure, financial leverage, use of derivatives, rare and niche asset class/opportunity set, currency exposure and the level of transparency offered for investors. Foresight believes these factors can disproportionately affect risk-adjusted return outcomes for investors even if a manager is very skilled. Investors can use FCI as a guide to portfolio position sizing within a diversified portfolio context.



The full research report is available on the Foresight 360 Digital platform. The platform can be accessed via [www.foresight-analytics.com](http://www.foresight-analytics.com)

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## **About Foresight Analytics**

Foresight Analytics, an independent Sydney-based firm, provides investment diligence, data analytics, and advisory solutions to leading investment management companies, superannuation funds and wealth groups across the Asia Pacific. Foresight's innovative, evidence-based approach blends both human and forensic insights to provide a range of analytical, predictive and market intelligence solutions to investors. Foresight Analytics was founded in 2015 by Jay Kumar, a former executive of Morningstar, Optimix Investment Management, ANZ Wealth & Private Bank and the Reserve Bank of Fiji.

Foresight's fiduciary solutions include Diligence Services (Investment, Operational, ESG & Risk Diligence), Data Analytics and Asset Consulting. Foresight's fund strategy solutions include Data Analytics for asset managers, Fund Strategy Benchmarking Solutions and Strategic Research.

For more information on our capabilities, please visit our website at [www.foresight-analytics.com](http://www.foresight-analytics.com) and social media platforms via [LinkedIn](#), [Facebook](#) or [Twitter](#).

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