

Plato Australian Shares Income Fund

Product Disclosure Statement dated 31 August 2011

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Issued by: WHTM Capital Management Limited ACN 082 494 362 AFSL 238371



Plato
INVESTMENT MANAGEMENT

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This Product Disclosure Statement ('PDS') is a summary of significant information about the Plato Australian Shares Income Fund ('Fund'). **This PDS contains important information, including a number of references to important additional information which should be considered together with this PDS, which is marked with an '!' to help you identify it.** You can access this additional information on the internet at www.plato.com.au/fundprofiles or call us on +61 7 3212 1333 to request a copy free of charge.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. Before investing, you should obtain financial advice tailored to your personal circumstances.

Updated information

Information in this PDS is subject to change from time to time. Information that is not materially adverse can be updated by us. Updated information can be obtained free of charge by contacting your financial adviser, your master trust or wrap account operator (for indirect investors), going to the internet at www.plato.com.au/fundprofiles, or calling the Fund's administrator FundBPO Pty Ltd on 1300 133 451.

An investment in the Fund is an investment in a unit trust, and such investments are subject to risk. The value of your investment can change with the value of the assets of the Fund. Investors should be aware that these risks may include possible delays in payment of redemption proceeds and loss of income and principal invested.

Neither the original investment in the Fund nor any particular rate of return on any money invested in the Fund is guaranteed by the Investment Manager, the Responsible Entity or any other of their respective groups.

This PDS has been prepared in accordance with the simple managed investment disclosure regime under the Corporations Regulations.

The offer made in this PDS is available only to persons receiving this PDS within Australia.

Please call the Fund's administrator on 1300 133 451 if you would like a hard copy of this PDS and/or any of the incorporated information referred to in the PDS.

Section 1 : About WHTM Capital Management Limited

WHTM Capital Management Limited

WHTM Capital Management Limited ('Responsible Entity', 'RE', 'we', 'our', 'us') is an affiliate of Wilson HTM Investment Group Ltd, an Australian Securities Exchange ('ASX') listed investment house with foundations from 1895.

We are the responsible entity of the Fund and are responsible for its operation. We have appointed Plato Investment Management Limited, AFSL 307141('Plato' or 'Investment Manager') as the investment manager of the Fund.

Plato

Plato is a boutique Australian owned, quantitative equity funds manager. Plato's employees are majority equity partners in the business with the remainder owned by Pinnacle Investment Management Limited ('Pinnacle'). Pinnacle is a boutique funds management group majority owned by Wilson HTM Investment Group.

Plato's investment philosophy is that markets are less than perfectly efficient and a disciplined systematic process can take advantage of these inefficiencies, including tax based inefficiencies, to deliver higher levels of income than the market. Plato's investment process provides very attractive opportunities to generate out-performance, versus an appropriate benchmark, over the longer term.

Section 2 : How the Plato Australian Shares Income Fund works

What do you acquire?	<p>You will hold units in the Plato Australian Shares Income Fund ('Fund'), which is an Australian registered managed investment scheme of which WHTM Capital Management Limited is the responsible entity.</p> <p>The Fund invests in ASX listed entities and listed SPI futures and aims to provide an annual gross yield (including franking) that exceeds the gross yield of the S&P/ASX 200 before fees and taxes. The Fund also aims to outperform the S&P/ASX 200 Index after fees.</p>
How does the Fund operate?	<p>When you invest in the Fund, your money is pooled together with the money of other investors. The Investment Manager uses the money to purchase investments which are managed on behalf of all investors.</p>
What is the issue price of units?	<p>A unit price is calculated for each business day, which is equal to the value of the Fund's net assets including franking credits divided by the number of units in the Fund. Generally, the unit price changes daily as the market value of the Fund's assets rises or falls.</p> <p>When you invest in the Fund, you will be issued units at the next issue price calculated after we receive your application. The issue price is more than the unit price as it includes a 'buy spread' of 0.25%. The 'buy spread' represents your contribution to the costs of buying underlying assets of the Fund.</p> <p>The issue price for each business day will be posted at www.plato.com.au/fundprofiles.</p>
Applications	<p>Applications can be made daily, and must be received and accepted by 12.00pm AEST (Sydney time) on a business day. Applications received after that time, or on a non-business day, will be treated as being received on the next business day.</p> <p>You can increase your investment in the Fund by acquiring more units. To do this, complete an application form and send it to us, including your payment by either direct deposit or cheque.</p>
Minimum application amounts	<p>Initial applications – \$30,000</p> <p>Subsequent additional applications – \$5,000</p>
Withdrawals	<p>You can decrease your investment in the Fund by redeeming some or all of your units. To do this, complete a withdrawal request letter and send it to us.</p> <p>The minimum amount you can withdraw is \$5,000. If your withdrawal request would result in your investment balance being less than \$5,000 we may treat your withdrawal request as being for your entire investment.</p> <p>Withdrawal requests can be made daily, and must be received by 12.00pm AEST (Sydney time) on a business day. Withdrawal requests received after that time, or on a non-business day, will be treated as being received on the next business day.</p> <p>Your proceeds will usually be deposited to your nominated bank account within 5 business days after receipt and acceptance of your withdrawal request.</p>
What is the withdrawal price of units?	<p>When you withdraw from the Fund, your units will be redeemed at the next withdrawal price calculated after we receive and accept your withdrawal request. The withdrawal price is lower than the unit price as it includes a 'sell spread' of 0.25%, which represents your contribution to the cost of selling the underlying assets of the Fund.</p> <p>The withdrawal price for each business day will be posted at www.plato.com.au/fundprofiles.</p>
Access to funds	<p>Extreme market conditions can cause difficulties or delays to the Fund being able to sell its assets or requiring it to freeze withdrawals. These circumstances could result in it taking a period of time before you are able to withdraw your investment, or it taking longer than usual for you to receive your withdrawal proceeds.</p> <p>! You should read the important information sheet 'Restrictions on Withdrawals' before making a decision. Go to 'Additional Information to the PDS' at www.plato.com.au/fundprofiles. The material relating to 'Restrictions on Withdrawals' may change between the time you read this PDS and the day when you sign the Application Form.</p>
Unit pricing policy	<p>We have a policy for unit pricing discretions we use in relation to the Fund for the purpose of ASIC Class Order 05/26. Additional documents may be prepared for this purpose from time to time. This document may be revised or updated to reflect changes in the Fund constitution or the pricing policies of the Investment Manager. The unit pricing policy and discretions exercised by the RE are available from us free of charge upon request.</p>
Distributions	<p>Quarterly, subject to the Fund having sufficient distributable income. Distributions will be reinvested for additional units in the Fund, unless otherwise instructed.</p> <p>We calculate the distributable income of the Fund after the end of each quarter, being 30 September, 31 December, 31 March and 30 June. In some circumstances, we may also pay distributions at other times where we consider it appropriate. For example, where we believe it is in the interests of existing investors to do so in order to protect them against the dilution of income caused by new investors entering the Fund after the receipt of significant income within a distribution period.</p> <p>Your distribution = $\frac{\text{The Fund's distributable income}}{\text{Total number of units on issue}} \times \text{The number of units you hold}$</p> <p>The post-30 June distribution will include an estimated capital component distribution which will automatically be reinvested for additional units in the Fund.</p>

Indirect Investors

If you invest in the Fund via an investor directed portfolio service ('IDPS'), a master trust or wrap account, different terms may apply to your investment. You should read the disclosure document for that IDPS, master trust or wrap account together with this PDS prior to investing.

! You should read the important information about 'Indirect Investors' before making a decision. Go to 'Additional Information to the PDS' at www.plato.com.au/fundprofiles. The material relating to 'Indirect Investors' may change between the time when you read this PDS and the day when you sign the Application Form.

Section 3 : Benefits of investing in the Plato Australian Shares Income Fund

Significant features

The Plato Australian Shares Income Fund will invest in ASX listed entities and listed SPI futures and aims to provide an annual gross yield (including franking) that exceeds the gross yield of the S&P/ASX 200 Index before fees and taxes. The Fund also aims to outperform the S&P/ASX 200 Index after fees.

The Fund will typically hold a minimum of 50 and a maximum of 120 portfolio stocks and the holding of each stock will not be 5% more or less than that stock's weighting in the S&P/ASX 200 Index. The Fund will have a maximum cash exposure of 10%, although the Fund is intended to be fully invested with cash held for liquidity purposes only. SPI futures may be used for cashflow and exposure management so the Fund remains within the cash exposure guidelines. SPI futures are a derivative product which enables investors to trade movements in the S&P/ASX 200 Index in a single transaction. SPI futures provide exposure to Australian top 200 companies without having to buy or sell shares in every company in the index. 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 Fund is likely to exhibit high turnover of investments and investment decisions, such as participating in off-market buybacks, will be evaluated based on a zero tax rate. The investment process aims to maximize the value gained from franked dividends, primarily via holding stocks which pay franked dividends and participating in off-market buy-backs.

Significant benefits

Investing in the Fund offers investors a range of benefits:

- (a) investment expertise – access to Plato's investment expertise and quantitative portfolio optimisation techniques;
- (b) diversification – the pooling of assets into the Fund provides investors with access to investment opportunities and diversification that is not available to an individual investor;
- (c) regular distributions – investors in the Fund have the right to receive distributions which are usually paid quarterly following the end of September, December, March and June; and
- (d) income and capital growth – the potential to earn dividends and franking credits from Australian shares and participate in any capital growth of those shares.

Section 4 : Risks of investing in a managed investment scheme

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments and the level of returns will vary. Future returns may differ from past returns. Returns are not guaranteed, and you may lose some of your money.

The significant risks for the Fund are:

- (a) market risk – market risk broadly refers to the potential for changes in share prices to result in a loss in the value of your investment in the Fund. The Fund primarily invests in ASX listed entities and as a result is exposed to the movements in the share prices. Factors that drive changes in share prices may include changing profitability of companies and the sectors and markets in which they operate, investor demand levels, economic cycles, share issues, business confidence and government and central bank policies;
- (b) performance risk – the Fund may fail to perform as expected in which case the Fund's investment objective may not be achieved;
- (c) Investment Manager strategy risk – if the Investment Manager's investment strategy is not successful it may result in the underperformance of the Fund, either in absolute terms, or relative to the market, its peers or both. Also, there is a risk that the Investment Manager fails to implement the investment strategy successfully, does not perform as expected or its key staff leave;
- (d) income risk – the Fund's ability to distribute income is determined by the performance of the Fund and general market conditions. Consequently, there is no guarantee that you will receive any income and the Fund is not a fixed income product. Further, the Fund allows for quarterly distributions. If, during a financial year, the Fund pays out as distributions an income which exceeds total tax income for that particular financial year, the excess you receive may be treated as a return of capital rather than income. This could have tax implications for you;
- (e) company specific risk – when a security in a company is purchased, the Fund will be exposed to many of the risks to which the individual company is itself exposed. These risks may impact the value of a security in the company. They include such factors as changes in management, actions of competitors and regulators, changes in technology and market trends;
- (f) derivative risk – the Fund may use derivatives, specifically listed SPI futures, to manage risk. Changes in the value of derivatives may

occur due to a range of factors that include rises or falls in the value of a derivative in line with movements in the value of the underlying asset, potential illiquidity of the derivative and counterparty credit risk.

- (g) liquidity risk – whilst the Fund is exposed to ASX listed entities and listed SPI futures which are generally considered liquid investments, under extreme market conditions there is a risk that investments cannot be readily converted into cash or at an appropriate price. In these circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations within required timeframes, including payment of withdrawals, or it may be required to sell assets at a substantial loss in order to do so;
- (h) equity risk – the risk shares will fall over short or extended periods of time. Historically, over the long term, shares have outperformed other traditional asset classes. Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of time;
- (i) counterparty risk – this is the risk that any of the counterparties which the Fund deals with may default on their obligations to pay monies or deliver securities to the Fund. This may result in a loss; and
- (j) regulatory risk – the risk that the value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws.

You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.

Section 5 : How we invest your money

Before deciding whether to apply for units in the Fund, you should consider:

- the likely investment return of the Fund,
- the risk involved in investing in the Fund; and
- your investment time frame.

The Plato Australian Shares Income Fund offers exposure primarily to investments in ASX listed entities.

An investment in the Fund may suit you if you are seeking:

- an investment which aims to provide an annual gross yield (including franking) which exceeds the gross yield of the S&P/ASX 200 Index before fees and taxes;
- regular income distributions and the potential for some capital growth;
- an investment that invests primarily in ASX listed entities; and
- have a medium to long term (3–5 year) investment horizon.

The Fund may not be suitable if you:

- do not want an investment which is subject to the volatility of the share market; or
- require a guaranteed fixed income return.

Summary of investment features

Objective	To provide an annual gross yield (including franking) that exceeds the gross yield of the S&P/ASX 200 Index before fees and taxes. The Fund also aims to outperform the S&P/ASX 200 Index after fees.
Investments	The Fund will invest in ASX listed entities and listed SPI futures.
Benchmark	S&P/ASX 200 Index
Portfolio allocation	<ul style="list-style-type: none"> ■ Minimum of 90% invested in ASX listed entities ■ Maximum of 10% invested in cash, although the Fund is intended to be fully invested with cash and SPI futures held for liquidity purposes and to manage cashflow and investment exposure.
Investment guidelines	The weighting of a stock in the Fund's portfolio will not be 5% more or 5% less than its S&P/ASX 200 weighting.
Number of stocks	The Fund will typically hold 50 to 120 stocks at any one time.
Risk level	Moderate to high. This means there is a medium to high risk of losing money in any year. Conversely, the Fund is likely to produce higher returns over the long term.
Fund borrowings	The Responsible Entity does not intend to borrow on behalf of the Fund.
Currency	Australian dollars
Investment timeframe	Medium to long-term, being 3 to 5 years.
Fund performance	Reported in the Fund's quarterly reports which are available at www.plato.com.au/fundprofiles .
Labour standards or environmental, social or ethical considerations	Neither the Responsible Entity or the Investment Manager take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of the investments of the Fund.
Change to Fund details	We have the right to change the Fund's asset classes, asset allocation ranges and investment return objective (including benchmark) and to terminate or close the Fund, without prior notice. We will inform investors of any material change to the Fund's details in our next regular communication or as otherwise required by law.

Section 6 : Fees and costs

Consumer advisory warning

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds calculator to help you check out different fee options.

What are the fees and costs of the Fund?

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	
Fees when your money moves in or out of the Fund		The management fee of the Fund is calculated daily based on the gross asset value of the Fund, expressed as a percentage of the net asset value, reflected in the daily unit price, and is deducted from the Fund's assets monthly, thereby reducing your investment returns. The fees and costs are inclusive of GST and any expected reduced input tax credits.
Establishment fee	Nil	
Contribution fee	Nil	
Withdrawal fee	Nil	
Termination fee	Nil	
Management costs		
The fees and costs for managing your investment	0.90% p.a.	

You should use this information to compare this product with other simple managed investment schemes.

There are no fees payable to a financial adviser in relation to your investment in the Fund. However, if you do consult a financial adviser they may separately charge you fees. If this is the case, the Statement of Advice you receive from your financial adviser will detail any fees payable to them.

Example of annual fees and costs

The following table gives an example of how the fees and costs applicable to units in the Fund can affect your investment over a one (1) year period.

Example	Balance of \$50,000 with a \$5,000 a year contribution	
Contribution Fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management Costs	0.90% p.a.	For every \$50,000 you have in the Fund you will be charged \$450 each year.
Equals Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$450. ¹

What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ This example assumes the \$5,000 contribution occurs at the end of the year and therefore Management Costs are calculated using the \$50,000 balance only. Additional fees may apply, including a Buy/Sell spread.

Please note that this is just an example. In practice, your investment balance will vary, as will related Management Costs.

We reserve the right to change fees and other costs without your consent, but subject to any limitations under the Constitution and applicable law. We will give you 30 days notice prior to increasing fees.

Fee rebates may be individually negotiated with wholesale clients.

! You should read the important information about 'Additional Information on Fees and Costs' before making a decision. Go to 'Additional Information to the PDS' at www.plato.com.au/fundprofiles. The material relating to 'Additional Information on Fees and Costs' may change between the time when you read this PDS and the day when you sign the Application Form.

Section 7 : How managed investment schemes are taxed

Investing in a managed fund is likely to have tax consequences.

Australian tax laws are complex and subject to constant change.

We strongly advise you to seek professional tax advice before making a decision to invest.

Will I be liable to pay tax on distributions made by the Fund?

Managed funds are generally not subject to tax, and do not pay tax on behalf of investors.

Rather, you will be assessed on your share of income and net realised capital gains generated by the Fund.

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 Fund is likely to exhibit high turnover of investments and investment decisions, such as participating in off-market buybacks, will be evaluated based on a zero tax rate.

Tax may be payable on the taxable component of distributions even where such distributions are reinvested. We will send you an annual tax statement each year to assist in the preparation of your income tax return.

Will I be liable to pay tax when I withdraw money from the Fund?

If you are an Australian investor, when you withdraw or transfer units in the Fund, tax will generally be payable on any net capital gain that you make.

What is the composition of distributions likely to be?

Any taxable distributions you receive from the Fund are likely to be in the form of dividend income or capital gains. Any franking credits received by the Fund will be distributed to investors.

Any capital losses made by the Fund will not be able to be distributed to investors but can be retained within the Fund to offset against future capital gains.

Do I have to provide a Tax File Number ('TFN') or an Australian Business Number ('ABN')?

No. However, if you do not provide your TFN or ABN or claim an exemption, the Fund is required to deduct tax at the top marginal tax rate plus Medicare levy on the taxable component of any distributions.

Section 8 : How to apply

To apply for units in the Fund, please complete an Application Form. An Application Form can be downloaded from www.plato.com.au/fundprofiles.

Detailed information on how to manage your investment in the Fund is available on the website, or by calling the Fund's administrator FundBPO Pty Ltd on 1300 133 451.

Cooling-off period

A 14 day cooling-off period applies during which you may change your mind about your application for units and request the return of your money in writing. Generally, the cooling-off period runs for 14 days from the earlier of the time your application is confirmed, or the end of the fifth business day after your units are issued.

The amount refunded to you may be less than your investment amount due to market movements, adjusted for expenses, applicable taxes and transaction costs incurred between the date of the application and the date of withdrawal.

Complaints resolution

We have a complaints handling policy, and aim to resolve all complaints quickly and fairly. If you have a complaint about your investment, please contact us on:

Complaints Resolution Officer
WHTM Capital Management Limited
GPO Box 240
Brisbane QLD 4001
P 1300 133 230

All complaints received will be acknowledged in writing. We will act in good faith to ensure your complaint is investigated and resolved. If the issue has not been resolved within 45 days, you may be entitled to refer your complaint to the Financial Ombudsman Service Limited. They will be able to advise you whether they can assist you in this matter. Please quote our membership number to them which is 10252 for WHTM Capital Management Limited managed investment schemes.

The contact details for the Financial Ombudsman Service are:

Financial Ombudsman Service Limited
ACN 131 124 448
GPO Box 3
Melbourne VIC 3001
T 1300 780 808 F 03 9513 6399
info@fos.org.au | www.fos.org.au

The Financial Ombudsman Service Limited is an independent body whose decisions are binding on the RE.

Section 9 : Other information

Disclosing entity

The Fund may become a disclosing entity in which case the following arrangements will apply.

As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You will have the right to obtain various financial reports lodged with ASIC for the Fund.

We will satisfy our continuous disclosure obligations for the Fund by publishing material information at <http://www.wilsonhtm.com.au/personal-investors/forms-and-pds/>

Any material information affecting the Fund will be placed on this website.

Accordingly, given the disclosure of material information will be made on the website, we will not be required to lodge continuous disclosure notices for the Fund with ASIC.

Consents

Plato Investment Management Limited, the Investment Manager, and the Fund's administrator, FundBPO Pty Ltd, have consented to being named in this PDS in the form and context in which they are named. Plato has also consented to the inclusion of the statements under the heading 'Plato' in section 1 in the form and context in which these statements are included.

Material agreement

We have entered into an Investment Management Agreement with Plato for the management of the Fund's investments.

! You should read the important information about 'Investment Management Agreement' before making a decision. Go to 'Additional Information to the PDS' at www.plato.com.au/fundprofiles. The material relating to 'Investment Management Agreement' may change between the time when you read this PDS and the day when you sign the Application Form.