

## Company Update as at 28 February 2018

### Investment objective

The Company's investment objectives are to:

1. generate annual income (including franking credits) that exceeds the gross income of the Benchmark<sup>^</sup>; and
2. outperform (after fees) the Benchmark<sup>^</sup> in total return terms including franking credits over each full investment cycle (typically 3 to 5 years).

The Company also aims to pay regular monthly dividends.

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

Performance <sup>1</sup>	1 mth %	3 mths %	6 mths %	Inception %
<b>Total return<sup>2</sup></b>	1.3	3.0	8.2	4.9
Income <sup>3</sup>	1.4	1.9	6.0	7.9
Capital growth <sup>3</sup>	-0.1	1.1	2.2	-3.0
Benchmark total return <sup>2</sup>	0.6	2.0	8.3	6.8
<b>Excess total return<sup>2</sup></b>	<b>0.7</b>	<b>1.0</b>	<b>-0.1</b>	<b>-1.9</b>
<b>Excess income<sup>3</sup></b>	<b>0.4</b>	<b>0.7</b>	<b>3.2</b>	<b>2.8</b>
<b>Excess franking<sup>3</sup></b>	<b>0.1</b>	<b>0.3</b>	<b>1.0</b>	<b>0.9</b>

<sup>1</sup> Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes.

<sup>2</sup> Including franking credits. <sup>3</sup> Includes accrued but not yet distributed dividends and franking credits after portfolio related fees, costs and taxes as income.



### Net Tangible Assets (NTA)<sup>4</sup>

Pre-tax NTA <sup>5</sup>	\$1.074
Post-tax NTA <sup>6</sup>	\$1.079
Distributed Dividends	\$0.0225
Distributed Dividends (incl. franking)	\$0.0310

<sup>4</sup> NTA calculations exclude the Deferred Tax Asset relating to capitalised costs deductions and carried forward tax losses of \$0.009. The Franking Account Balance (not reflected in NTA) is \$0.009 per share.

<sup>5</sup> Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.

<sup>6</sup> Post-tax NTA includes tax on realised and unrealised gains or losses and other earnings.

### Dividend objective

The investment strategy implemented by the Manager is focused on investments with the potential to deliver regular income as well as capital growth over the long term. The Board of PL8 has declared three fully franked dividends of \$0.0045 per share for January, February and March 2018.

The declaration of the dividends is in line with the Board's stated policy to pay regular monthly dividends from available profits, provided it has sufficient reserves and it is permitted by law and within prudent business practices to do so.

Top 10 Holdings	Top 10 Yielding	Yield% p.a. <sup>2</sup>
ANZ	Fortescue Metals	12.8
BHP Billiton	Telstra	11.3
Commonwealth Bank	NAB	9.4
CSL	Westpac	8.7
Macquarie Group	Bendigo and Adelaide Bank	8.6
NAB	Commonwealth Bank	8.0
Rio Tinto	ANZ	7.9
Telstra	Suncorp	7.7
Westpac	AGL Energy	6.4
Woolworths	CSR	6.2

# Plato Income Maximiser Limited (ASX:PL8)

ACN 616 746 215



## Plato Investment Management Limited ('Manager')

- Investment manager of Plato Income Maximiser Limited ('Company'), specialising in maximising retirement income for pension-phase investors and SMSFs
- Highly experienced investment team of nine, including five PhDs

## Investment strategy

The Company's investment strategy is implemented by fully investing in the Plato Australian Shares Income Fund ('Fund') managed by the Manager.

## Summary

As at 28 February 2018, the Company's investments delivered a total return of 4.9% and a yield of 7.9% (incl. Franking after portfolio related fees, costs and taxes) since inception compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 6.8% and a yield of 5.1%.

The first signs of inflation caused a surge in the U.S. 10-year Treasury yield early in February which scared global equity markets with the S&P 500 falling up to 10% at one point. However the S&P/ASX 200 staged a turn-around, outperforming global markets and ending the month up 0.6% (incl. franking credits). Healthcare stocks rallied after a strong result from CSL caused the stock to rally 11.4% as well as Consumer Staples after an exceptional result from A2 Milk which rallied 47%. Telecom and Energy stocks fell during February after Woodside Petroleum completed a disappointing equity raising.

The largest positive contributors to the Company's investments during the month were overweight positions in IAG and Qantas which reported strong results and BlueScope Steel which would benefit from U.S. tariffs on steel due to its ownership in a U.S. steel mill. However, an underweight position in low yield stock, A2 Milk detracted from relative performance after rallying during the month.

The Company's investments 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.

## Further information

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## Company Facts

ASX code   share price	PL8   \$1.065
ASX code   option price	PL8O   \$0.004
Market capitalisation	\$316m
Inception date	28 April 2017
Listing date	5 May 2017
Options outstanding	295,935,237
Options exercise price	\$1.100
Options expire	29 April 2019
Management fee	0.80% p.a. <sup>7</sup>

<sup>7</sup> 0.82% p.a. inclusive of the net impact of GST and RITC.

## Board of Directors

Jonathan Trollip (Chairman) <sup>8</sup>	Don Hamson
Katrina Onishi <sup>8</sup>	Alex Ihlenfeldt
Lorraine Berends <sup>8</sup>	

<sup>8</sup> Independent Director.