

Company Update as at 31 December 2017

Investment objective

The Company's investment objectives are to:

1. generate annual income (including franking credits) that exceeds the gross income of the Benchmark[^]; and
2. outperform (after fees) the Benchmark[^] 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.

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

Performance ¹	1 mth %	3 mths %	6 mths %	Inception %
Total return²	1.9	6.3	6.5	3.7
Income ³	1.9	1.9	6.0	6.4
Capital growth ³	0.0	4.4	0.5	-2.7
Benchmark total return ²	1.8	7.9	9.2	6.6
Excess total return²	0.1	-1.6	-2.7	-2.9
Excess income³	1.2	0.8	3.0	2.3
Excess franking³	0.5	0.3	1.0	0.7

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

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



Net Tangible Assets (NTA)⁴

Pre-tax NTA ⁵	\$1.071
Post-tax NTA ⁶	\$1.080
Distributed Dividends	\$0.0135
Distributed Dividends (incl. franking)	\$0.0186

⁴ 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 \$0.012 per share.

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

⁶ 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. ²
ANZ	Fortescue Metals	13.2
BHP Billiton	Telstra	12.2
Commonwealth Bank	NAB	9.6
CSL	Westpac	8.6
Insurance Australia	Bendigo and Adelaide Bank	8.3
Macquarie Group	ANZ	8.0
NAB	Commonwealth Bank	7.6
Telstra	Suncorp	7.5
Westpac	Wesfarmers	7.2
Woolworths	JB Hi-fi	6.8

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 eight, including four 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 31 December 2017, the Company's investments delivered a total return of 3.7% and a yield of 6.4% (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 6.6% and a yield of 4.1%.

The Australian equity market had a strong finish to the year, rising over 1.8% in December, mirroring the trend in global markets. The U.S. market recorded a first, rising in every calendar month in 2017. Energy and Materials again rallied over 6% for the month and were up over 20% in 2017. The interest rate sensitive sectors, Utilities and REITs had a weak month as bond yields rallied.

2017 has seen a tough start for active performance for the Company's investments, due to a number of one-off announcements which have hurt performance such as CBA's Austrac issue and Telstra's forecast dividend cut which both occurred during the period leading up to their dividend ex-dates. In addition, the current market environment has been favouring low yield high growth stocks such as A2 Milk, Cochlear, Treasury Wines to name a few. The Company holds some exposure to stocks such as CSL which has also performed very strongly, however it is always likely to be underweight this segment of the market.

In contrast to the Company investment's 3.7% return, a portfolio that was equally weighted between the 4 major banks and Telstra would have been down 5.2% (including franking credits). The Company has been disappointed with the performance of its investments but doesn't expect the same market environment to continue going forward.

Further information

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Company Facts

ASX code share price	PL8	\$1.090
ASX code option price	PL8O	\$0.007
Market capitalisation		\$323m
Inception date		28 April 2017
Listing date		5 May 2017
Options outstanding		296,131,407
Options exercise price		\$1.100
Options expire		29 April 2019
Management fee		0.80% p.a. ⁷

⁷ 0.82% p.a. inclusive of the net impact of GST and RITC.

Board of Directors

Jonathan Trollip (Chairman) ⁸	Don Hamson
Katrina Onishi ⁸	Alex Ihlenfeldt
Lorraine Berends ⁸	

⁸ Independent Director.

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