

Plato Income Maximiser Limited (ASX:PL8)

ACN 616 746 215



Company Update as at 31 July 2017

Plato Investment Management Limited ('Manager')	<ul style="list-style-type: none"> 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 objective	<p>The Company's investment objectives are to:</p> <ol style="list-style-type: none"> generate annual income (including franking credits) that exceeds the gross income of the Benchmark[^]; and outperform (after fees) the Benchmark[^] in total return terms including franking credits over each full investment cycle (typically 3 to 5 years). <p>The Company also aims to pay regular monthly dividends once it has sufficient profit reserves.</p>
Investment strategy	<p>The Company's investment strategy is implemented by fully investing in the Plato Australian Shares Income Fund ('Fund') managed by the Manager.</p>

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

Performance ¹	1 mth %	3 mths %	Inception %
Total return²	-0.4	-3.0	-3.0
Income ³	0.0	1.7	1.7
Capital growth ³	-0.4	-4.7	-4.7
Benchmark total return ²	0.0	-2.4	-2.4
Excess total return²	-0.4	-0.6	-0.6
Excess income³	0.0	0.6	0.6
Excess franking³	0.0	0.1	0.1

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 as income

Company Facts	
ASX code share price	PL8 \$1.105
ASX code option price	PL8O \$0.013
Market capitalisation	\$327m
Inception date	28 April 2017
Listing date	5 May 2017
Options outstanding	296,258,407
Options exercise price	\$1.100
Options expire	29 April 2019
Management fee	0.80% p.a. ⁴

⁴ 0.82% p.a. inclusive of the net impact of GST and RITC.

Net Tangible Assets (NTA) ⁵	
NTA (which includes tax provided for on realised gains)	\$1.034
NTA (which includes tax provided for on realised and unrealised gains)	\$1.044

⁵ NTA calculations exclude the Deferred Tax Asset relating to capitalised costs deductions and carried forward tax losses of \$0.008.

Board of Directors	
Jonathan Trollip (Chairman) ⁶	Don Hamson
Katrina Onishi ⁶	Alex Ihlenfeldt
Lorraine Berends ⁶	

⁶ Independent Director.

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.

After sufficient profits have been built up, the Company aims to pay regular monthly dividends from available profits, provided it has sufficient profit reserves, and it is permitted by law and within prudent business practice to do so.

The declaration of dividends by the Company is at the full discretion of the Board. In declaring dividends, in addition to the matters set out above, the Board will also have regard to cash flow and franking credits. The Company is currently accumulating reserves in order to commence paying monthly dividends in the near future, and, subject to Board review, expects to declare the first monthly dividend in October 2017.

Summary

Following completion of the IPO, the Company received funds on 28 April 2017 which were fully invested in the Fund by 1 May 2017.

As at 31 July 2017, the Company delivered a total return of -3.0% p.a. and a yield of 1.7% p.a. (incl. franking) since inception compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of -2.4% p.a. and a yield of 1.1% p.a.

The Australian equity market again ended flat in July as the Australian dollar rallied 4.1% causing a selloff in the currency sensitive healthcare sector (down 7.5%). The resources sector rallied 5.0% following the 13.5% rally in the iron ore price and banks regained some of their May underperformance as regulatory capital requirements announced during the month were better than expected. In addition to Healthcare, Utilities and Telcos also fell in what was a challenging month for lower volatility stocks.

The largest positive contributors to the Fund during the month were overweight positions in Rio Tinto, JB Hi-fi (which reversed recent underperformance) and Cimic (which announced positive results and outlook). Underweights in CSL and Brambles also aided relative performance as foreign earners fell during the month. However, underweights in Westpac and ANZ detracted from relative performance.

The Company 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.

Top 10 Holdings	Top 10 Yielding	Yield% p.a. ²
BHP Billiton	Crown	15.2
Commonwealth Bank	Telstra	10.8
CSL	NAB	9.4
Macquarie Group	Bendigo and Adelaide Bank	8.7
NAB	Westpac	8.4
Rio Tinto	Fortescue Metals	8.0
Scentre	ANZ	7.7
Telstra	Coca-cola Amatil	7.4
Wesfarmers	CSR	7.3
Westpac	AMP	7.2

Further information

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Plato Investment Management Limited ABN 77 120 730 136 ('Plato'), a Corporate Authorised Representative (No. 304964) of Pinnacle Investment Management Limited ABN 66 109 659 109 AFSL 322140, is the investment manager of the Fund and Plato Income Maximiser Limited.

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