

## Company Update as at 31 October 2017

<b>Plato Investment Management Limited ('Manager')</b>	<ul style="list-style-type: none"> <li>Investment manager of Plato Income Maximiser Limited ('Company'), specialising in maximising retirement income for pension-phase investors and SMSFs</li> <li>Highly experienced investment team of eight, including four PhDs</li> </ul>
<b>Investment objective</b>	<p>The Company's investment objectives are to:</p> <ol style="list-style-type: none"> <li>generate annual income (including franking credits) that exceeds the gross income of the Benchmark<sup>^</sup>; and</li> <li>outperform (after fees) the Benchmark<sup>^</sup> in total return terms including franking credits over each full investment cycle (typically 3 to 5 years).</li> </ol> <p>The Company also aims to pay regular monthly dividends.</p>
<b>Investment strategy</b>	<p>The Company's investment strategy is implemented by fully investing in the Plato Australian Shares Income Fund ('Fund') managed by the Manager.</p>

<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 %	Inception %
<b>Total return<sup>2</sup></b>	3.5	4.1	1.0
Income <sup>3</sup>	0.1	4.1	4.6
Capital growth <sup>3</sup>	3.4	0.0	-3.6
Benchmark total return <sup>2</sup>	4.0	5.2	2.8
<b>Excess total return<sup>2</sup></b>	<b>-0.5</b>	<b>-1.1</b>	<b>-1.8</b>
<b>Excess income<sup>3</sup></b>	<b>0.1</b>	<b>2.2</b>	<b>1.6</b>
<b>Excess franking<sup>3</sup></b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</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

Company Facts	
ASX code   share price	PL8   \$1.100
ASX code   option price	PL8O   \$0.010
Market capitalisation	\$326m
Inception date	28 April 2017
Listing date	5 May 2017
Options outstanding	296,153,407
Options exercise price	\$1.100
Options expire	29 April 2019
Management fee	0.80% p.a. <sup>4</sup>

<sup>4</sup> 0.82% p.a. inclusive of the net impact of GST and RITC.

Net Tangible Assets (NTA) <sup>5</sup>	
NTA (which includes tax provided for on realised gains/losses)	\$1.059
NTA (which includes tax provided for on realised and unrealised gains/losses)	\$1.069

<sup>5</sup> NTA calculations exclude the Deferred Tax Asset relating to capitalised costs deductions and carried forward tax losses of \$0.008. The Franking Account Balance (not reflected in NTA) is \$0.011 per share.

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

<sup>6</sup> 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. The Board of PL8 has declared three fully franked dividends of 0.45 cents per share for October, November and December 2017.

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.

## Summary

As at 31 October 2017, the Company delivered a total return of 1.0% p.a. and a yield of 4.6% p.a. (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 2.8% p.a. and a yield of 3.0% p.a.

The Australian equity market sprang back to life in October, rising 4%, its best monthly performance in 2017. The drop of 2.3% in the value of the Australian dollar as well as another strong jobs number and a good NAB business conditions survey number helped lift sentiment. The best performing sectors were IT and Energy as Oil prices continued their rally, up 7.7% during the month. Every sector achieved a positive return for the month, with the worst performers, Property and Telcos still rallying over 2%.

The largest positive contributors to the Portfolio during the month were overweight positions in Macquarie which reported a strong result in October and Cimic which is benefiting from the infrastructure boom. However, overweight positions in Lend Lease and CSR retraced some of their recent gains and underweights in A2 Milk and Treasury Wines detracted from relative performance after growth stocks rallied in October.

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. <sup>2</sup>
ANZ	Fortescue Metals	13.9
BHP Billiton	Telstra	12.5
Commonwealth Bank	Harvey Norman	9.8
CSL	NAB	8.7
Insurance Australia	Westpac	8.1
Macquarie Group	Bank of Queensland	8.1
NAB	Commonwealth Bank	7.9
Telstra	ANZ	7.6
Westpac	Insurance Australia	7.2
Woolworths	Rio Tinto	6.2

## 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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