

# Plato Income Maximiser Limited (ASX:PL8)

## INVESTMENT UPDATE AS AT 31 OCTOBER 2019

### Performance and Company Update

As at 31 October 2019, the Company's investments delivered a total return of 22.0%<sup>4</sup> and the Company has distributed a yield of 12.0% (incl. franking) in the last 12mths compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 21.3%<sup>4</sup> and a yield of 6.0%<sup>4</sup>.

### 12mth Dividend Yield over 10%

The Company aims to pay regular monthly dividends. The PL8 Board has resolved to pay three fully franked dividends of \$0.005 per share for October, November and December 2019 which translates to a 7.3% annualised gross yield<sup>4</sup> based on the PL8 share price on October 31, 2019. The Company also paid a special dividend of \$0.03 per share in May 2019. This takes the total 12 month historical dividend yield including the special dividend to 11.0% (incl. franking) based on the PL8 share price on October 31, 2019.

Pleasingly PL8 has continued to trade at a premium to NTA post the \$144m issue of new shares from the recent entitlement offer completed in September.

### Portfolio Performance <sup>1</sup>

Total return last 12mths:	22.0% <sup>4</sup>
1 month – October 2019:	-0.8%
Income <sup>2</sup> last 12mths:	12.0%
1 month – October 2019:	0.6%

### Company Snapshot

ASX code   Share price:	PL8   \$1.170
Market capitalisation:	\$501m
Inception date:	28 April 2017
Listing date	5 May 2017
Management fee:	0.80% p.a. <sup>3</sup>
Pre-tax NTA <sup>7</sup> :	\$1.089

<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> Distributed income including franking credits.  
<sup>3</sup> 0.82% p.a. inclusive of the net impact of GST and RITC.  
<sup>4</sup> Including franking credits.

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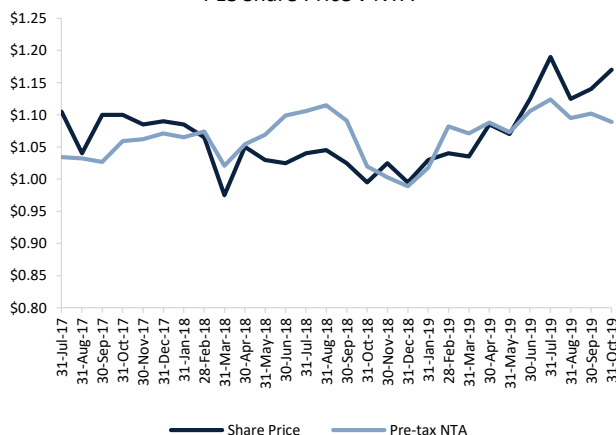
## Market Overview

The Australian market fell 0.4% in October trailing global developed markets which rose as there was a thawing in the US-China trade war. Australia's 10-year bond yield continued its September increase, rising by 12bps during the month despite a cut in the RBA official cash rate down to an all-time low of 0.75%. Retirees and savers invested in cash related investments, such as term deposits continue to see their income/savings squeezed. The drought in Australia continues to drive downgrades for some agricultural stocks (e.g. Bega and Costa). The top performing sectors were Healthcare (which was supported by a strong update from Resmed) and Industrials in contrast to the IT sector (which fell after broker concerns about future regulation in the Buy Now Pay Later stocks and a short report from J Capital into Wisetech came out) and Financials sector which lagged. During the month McMillan Shakespeare completed its off-market buyback which added 14% (including franking credits) for zero-tax investors for each share successfully tendered.

The largest positive contributors to the Company's investments during the month was an overweight position in Macquarie as well as underweight positions in Newcrest, Wisetech and Afterpay. However, an overweight position in Northern Star underperformed in line with the gold industry and underweight positions in CSL and Sydney Airport detracted from relative performance.

The Company's investments remain actively positioned to deliver superior income and franking whilst also being able to allocate to companies that are expected to provide solid capital returns.

PL8 Share Price v NTA<sup>6,7</sup>



Source: Iress, Plato Investment Management

PORTFOLIO PERFORMANCE <sup>1</sup>	1 MTH	3 MTHS	1 YR	INCEPT. P.A.
Total return <sup>4</sup>	-0.8%	-0.8%	22.0%	10.6%
Income <sup>5</sup>	0.6%	1.9%	12.0%	8.2%
Benchmark total return <sup>4</sup>	-0.3%	-0.4%	21.3%	11.1%
Excess total return <sup>4</sup>	-0.5%	-0.4%	0.7%	-0.5%
Excess income <sup>5</sup>	0.6%	0.1%	6.0%	2.3%
Excess franking <sup>5</sup>	0.2%	0.1%	1.9%	0.9%

<sup>4</sup> Including franking credits and special dividends.

<sup>5</sup> Distributed income including franking credits.

## NET TANGIBLE ASSETS (NTA)<sup>6</sup>

Pre-tax NTA <sup>7</sup>	\$1.089
Post-tax NTA <sup>8</sup>	\$1.095
Distributed Dividends since inception	\$0.152
Distributed Dividends (incl. franking)	\$0.217

<sup>6</sup> NTA calculations exclude the Deferred Tax Asset relating to capitalised costs deductions and carried forward tax losses of \$0.006. The Franking Account Balance (not reflected in NTA) is \$0.013 per share.

<sup>7</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>8</sup> Post-tax NTA includes tax on realised and unrealised gains or losses and other earnings.

TOP 10 HOLDINGS	TOP 10 YIELDING	YIELD% P.A. <sup>4</sup>
ANZ	Fortescue Metals Group	18.3
BHP Group	BHP Group	13.2
Commonwealth Bank	Wesfarmers	10.0
CSL	Westpac	9.5
Macquarie Group	National Australia Bank	9.1
National Australia Bank	ANZ	8.5
Transurban Group	CSR	8.3
Wesfarmers	Woodside Petroleum	8.0
Westpac	Commonwealth Bank	7.8
Woolworths	South32	7.7

# Plato

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