



Plato Income Maximiser Limited (ASX:PL8)

INVESTMENT UPDATE AS AT 31 AUGUST 2019

Performance and Company Update

As at 31 August 2019, the Company's investments delivered a total return of 12.4%⁴ and the Company has distributed a yield of 12.1% (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 10.8%⁴ and a yield of 5.9%⁴.

Plato Income Maximiser successfully raised \$144m in the recently closed entitlement and shortfall offer which has been deployed in the market as of 12th September. Investors in the offer are eligible to receive the dividend payable on September 30, 2019. The Company believes this offer will benefit existing investors by facilitating greater liquidity, reducing share price volatility and lowering the management expense ratio due to economies of scale on the fixed costs.

12mth Dividend Yield over 10%

The Company aims to pay regular monthly dividends. The PL8 Board has declared three fully franked dividends of \$0.005 per share for July, August and September 2019 which translates to a 7.6% annualised gross yield⁴ based on the PL8 share price on August 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 11.4% (incl. franking) based on the PL8 share price on August 31, 2019.

Portfolio Performance ¹

Total return last 12mths:	12.4% ⁴
1 month – August 2019:	-2.2%
Income ² last 12mths:	12.1%
1 month – August 2019:	0.6%

Company Snapshot

ASX code share price:	PL8 \$1.125
Market capitalisation:	\$334m
Inception date:	28 April 2017
Listing date	5 May 2017
Management fee:	0.80% p.a. ³
Pre-tax NTA ⁷ :	\$1.095

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 Distributed income including franking credits.

³ 0.82% p.a. inclusive of the net impact of GST and RITC.

⁴ Including franking credits.

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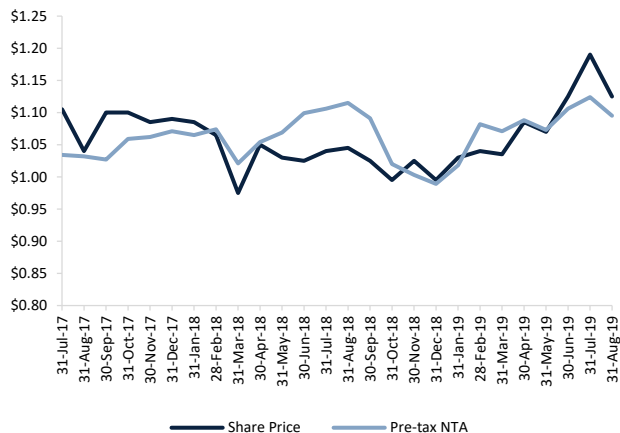
Market Overview

For the first time in 2019, the Australian market finished the month lower, falling just over 2% in August but finishing well above its mid-month 5% fall. This fall was in line with global markets as trade war rhetoric heated up. Australia's 10-year bond yield fell another 30bps to end the month of June at 0.89%, the lowest level in Australia's history, making it even more difficult for retirees to generate income from bonds or term deposits. This again resulted in the outperformance of defensive, lower risk stocks. The top performing sectors were Healthcare and Real Estate in contrast to Materials and Energy stocks which lagged.

The largest positive contributors to the Company's investments during the month were overweight positions in Woolworths and Qantas which announced an off-market buyback (see our analysis [here](#)) as well as underweight positions in Brambles and A2 Milk which both reported disappointing updates. During the month, McMillan Shakespeare also announced an off-market buyback which we intend to participate in for our investors. However, overweight positions in Magellan and Rio Tinto which both gave back some of their recent momentum as well as an underweight position in Newcrest 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^{6,7}



PORTFOLIO PERFORMANCE ¹	1 MTH	3 MTHS	1 YR	INCEPT. P.A.
Total return ⁴	-2.2%	4.0%	12.4%	10.7%
Income ⁵	0.6%	1.9%	12.1%	8.2%
Benchmark total return ⁴	-2.1%	4.5%	10.8%	11.1%
Excess total return ⁴	-0.1%	-0.5%	1.6%	-0.4%
Excess income ⁵	-0.4%	0.7%	6.2%	2.3%
Excess franking ⁵	-0.1%	0.3%	2.0%	0.9%

⁴ Including franking credits and special dividends.

⁵ Distributed income including franking credits.

NET TANGIBLE ASSETS (NTA) ⁶	
Pre-tax NTA ⁷	\$1.095
Post-tax NTA ⁸	\$1.098
Distributed Dividends since inception	\$0.142
Distributed Dividends (incl. franking)	\$0.203

⁶ 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 \$0.015 per share.

⁷ Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.

⁸ Post-tax NTA includes tax on realised and unrealised gains or losses and other earnings.

TOP 10 HOLDINGS	TOP 10 YIELDING	YIELD% P.A. ⁴
Aurizon Holdings	Fortescue Metals Group	18.2
ANZ	BHP Billiton	12.1
BHP Billiton	Wesfarmers	10.2
Commonwealth Bank	Westpac	9.5
CSL	National Australia Bank	9.5
Macquarie Group	CSR	8.8
Telstra	ANZ	8.5
Wesfarmers	Woodside Petroleum	8.0
Westpac	Commonwealth Bank	7.8
Woolworths	Super Retail Group	7.6

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