



Plato Income Maximiser Limited (ASX:PL8)

Investment Update as at 31 October 2018

Performance Update

As at 31 October 2018, the Company's investments delivered a total return of 4.5%⁴ and a yield of 7.8% (incl. franking after portfolio related fees, costs and taxes) in the last 12mths compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 4.4%⁴ and a yield of 5.7%⁴.

Dividend Update

The Company aims to pay regular monthly dividends. The PL8 Board has declared three fully franked dividends of \$0.005 per share for October, November and December 2018 which translates to an 8.6% annualized gross yield⁴ based on the PL8 share price on October 31, 2018. As announced on 12 September, as a result of legislation changes, PL8's dividends are now franked at 30%. This also applies to all PL8's historical dividends since it commenced paying dividends in October 2017.

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.

Portfolio performance¹

Total return last 12mths: 4.5%⁴
1 month – October 2018: -6.2%

Income² last 12mths: 7.8%
1 month – October 2018: 0.7%

Company Snapshot

ASX code share price:	PL80 \$0.995
ASX code option price:	PL80 \$0.001
Market capitalisation:	\$295m
Inception date:	28 April 2017
Listing date:	5 May 2017
Options outstanding:	295,917,055
Options exercise price:	\$1.100
Options expire:	29 April 2019
Management fee:	0.80% p.a. ³
Pre-tax NTA ⁷ :	\$1.020



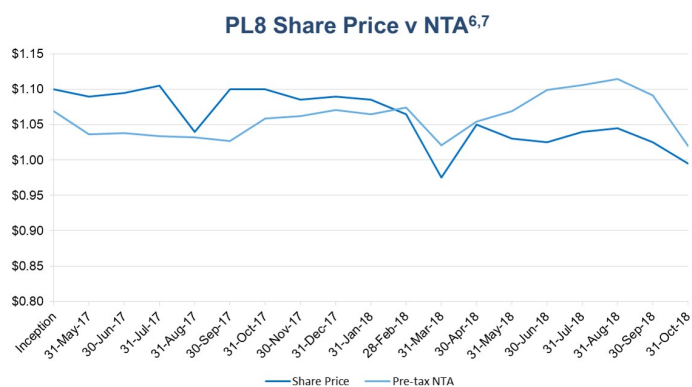
Market Overview

The Australian market fell more than 6% in October, its worst monthly fall since August 2015, following global markets down as risk assets in general were sold. Gold stocks were a safe-haven, rising strongly and the defensive sectors, Property Stocks, Telecoms and Utilities outperformed as Bond Yields fell. In contrast, the IT and Energy Sectors, which had been strong performers before this month, fell by more than 10%. On the 1st November BHP followed Rio Tinto in announcing an A\$7.3bn off-market buyback which looks valuable for low-tax investors (see [our analysis](#)) as well as an additional A\$7.3bn special dividend to go ex-div in January 2019.

The largest positive contributors to the Company's investments during the month were overweight positions in Woolworths, St Barbara and Regis Resources as well as an underweight position in AMP (which again announced a disappointing update, particularly around the sale of its life insurance business). However, an overweight position in Seven Group underperformed and underweights in Newcrest and Transurban detracted from relative performance.

PL8 has now paid out more income than the market over the past year. Although since inception paid income numbers are lower than the market, as PL8 built up an income buffer from May to September 2017. Accrued yield is equal to 8.8% p.a. since inception, compared to the index yield of 5.8% p.a. over the same period.

The Company's investments 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.



Portfolio performance ¹	1 mth	3 mths	1 yr	Incept. p.a.
Total return ⁴	-6.2%	-5.4%	4.5%	3.6%
Income ⁵	0.7%	2.1%	7.8%	5.6%
Capital growth	-6.9%	-7.5%	-3.3%	-2.0%
Benchmark total return ⁴	-6.0%	-5.5%	4.4%	4.8%
Excess total return ⁴	-0.2%	0.1%	0.1%	-1.2%
Excess income ⁵	0.7%	0.2%	2.1%	-0.2%
Excess franking ⁵	0.2%	0.1%	0.9%	0.2%

⁴ Including franking credits.

⁵ Distributed income including franking credits.

Net Tangible Assets (NTA)⁶

Pre-tax NTA ⁷	\$1.020
Post-tax NTA ⁸	\$1.045
Distributed Dividends since inception	\$0.062
Distributed Dividends (incl. franking)	\$0.089

⁶ NTA calculations exclude the Deferred Tax Asset relating to capitalised costs deductions and carried forward tax losses of \$0.007. The Franking Account Balance (not reflected in NTA) is \$0.012 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
ANZ	NAB	11.2
BHP Billiton	Telstra	10.2
Commonwealth Bank	Westpac	10.0
CSL	CSR	9.7
Insurance Australia	Whitehaven Coal	9.5
Macquarie Group	Commonwealth Bank	8.9
National Australia Bank	ANZ	8.8
Westpac	Insurance Australia	8.3
Woodside Petroleum	Rio Tinto	7.5
Woolworths	Stockland	7.3

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