

Plato Income Maximiser Limited (ASX:PL8)

ACN 616 746 215



Company Update as at 30 April 2018

Investment objective

The Company's investment objectives are to:

1. generate annual income (including franking credits) that exceeds the gross income of the Benchmark[^]; and
2. outperform (after fees) the Benchmark[^] in total return terms including franking credits over each full investment cycle (typically 3 to 5 years).

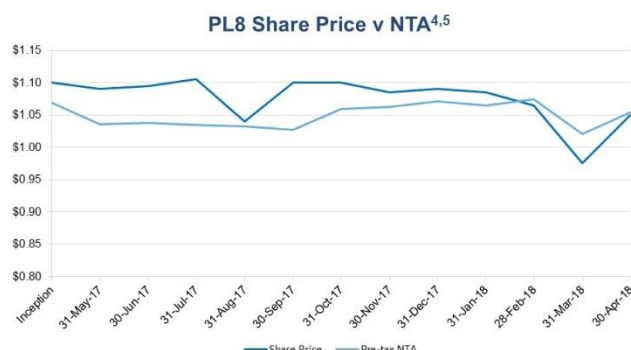
The Company also aims to pay regular monthly dividends.

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

Performance ¹	1 mth %	3 mths %	6 mths %	Inception ⁴ %
Total return²	3.8	1.1	3.7	4.7
Income ³	0.1	2.6	4.5	9.0
Capital growth ³	3.7	-1.5	-0.8	-4.3
Benchmark total return ²	3.9	0.8	4.1	7.0
Excess total return²	-0.1	0.3	-0.4	-2.3
Excess income³	0.1	0.9	1.7	3.2
Excess franking³	0.0	0.3	0.6	1.0

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 after portfolio related fees, costs and taxes as income. ⁴ Inception date 28th April 2017.



Net Tangible Assets (NTA)⁵

Pre-tax NTA ⁶	\$1.054
Post-tax NTA ⁷	\$1.067
Distributed Dividends	\$0.0320
Distributed Dividends (incl. franking)	\$0.0441

⁵ 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 \$0.013 per share.

⁶ Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.

⁷ Post-tax NTA includes tax on realised and unrealised gains or losses and other earnings.

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 \$0.005 per share for April, May and June 2018 which is an 11% increase on the prior monthly dividends.

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.

Top 10 Holdings	Top 10 Yielding	Yield% p.a. ²
ANZ	Bank of Queensland	11.9
BHP Billiton	Telstra	11.9
Commonwealth Bank	NAB	9.8
CSL	Harvey Norman	9.7
Macquarie Group	Westpac	9.4
NAB	Commonwealth Bank	8.6
Qantas	ANZ	8.5
Westpac	Suncorp	7.4
Woodside Petroleum	Wesfarmers	7.3
Woolworths	Janus Henderson	6.6

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Plato Investment Management Limited ('Manager')

- Investment manager of Plato Income Maximiser Limited ('Company'), specialising in maximising retirement income for pension-phase investors and SMSFs
- Highly experienced investment team of nine, including five PhDs

Investment strategy

The Company's investment strategy is implemented by fully investing in the Plato Australian Shares Income Fund ('Fund') managed by the Manager.

Summary

As at 30 April 2018, the Company's investments delivered a total return of 4.7% and a yield of 9.0% (incl. Franking after portfolio related fees, costs and taxes) since inception⁴ compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 7.0% and a yield of 5.8%.

The Australian market rebounded in April, reversing March's poor performance as prospects of a trade war between the U.S. and China diminished and relations on the Korean peninsula improved with North Korea expressing a desire for de-nuclearisation. Round 2 of the Banking Royal Commission began, focusing on financial advice which saw the financials sector underperform and in particular AMP (-19%) and IOOF (-12%). In contrast, Energy rallied over 10%, with Materials and Healthcare also outperforming during the month.

Sometimes winning is a matter of not losing and the largest positive relative contributor to the Company's investments during the month was our underweight position in AMP whose share price fell after evidence emerged that it had charged clients fees for no service. Since that news, the AMP CEO and chairperson have stepped down. Underweight in Santos and Healthscope which are both takeover targets detracted from relative performance during the month.

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.

Company Facts

ASX code share price	PL8	\$1.050
ASX code option price	PL8O	\$0.002
Market capitalisation	\$311m	
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. ⁸	

⁸ 0.82% p.a. inclusive of the net impact of GST and RITC.

Board of Directors

Jonathan Trollip (Chairman) ⁹	Don Hamson
Katrina Onishi ⁹	Alex Ihlenfeldt
Lorraine Berends ⁹	

⁹ Independent Director.

Further information

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