

## Company Update as at 30 September 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>	0.7	0.2	-2.4
Income <sup>3</sup>	4.3	4.3	4.8
Capital growth <sup>3</sup>	-3.6	-4.1	-7.2
Benchmark total return <sup>2</sup>	0.2	1.2	-1.2
<b>Excess total return<sup>2</sup></b>	<b>0.5</b>	<b>-1.0</b>	<b>-1.2</b>
<b>Excess income<sup>3</sup></b>	<b>3.6</b>	<b>2.5</b>	<b>1.8</b>
<b>Excess franking<sup>3</sup></b>	<b>1.1</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 as income

Company Facts		
ASX code   share price	PL8	\$1.100
ASX code   option price	PL8O	\$0.009
Market capitalisation		\$326m
Inception date		28 April 2017
Listing date		5 May 2017
Options outstanding		296,253,407
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)	\$1.027
NTA (which includes tax provided for on realised and unrealised gains)	\$1.048
<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 \$0.012 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.

## As at 30 September 2017

### 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

Following completion of the IPO, the Company received funds on 28 April 2017 which were fully invested in the Fund by 1 May 2017.

As at 30 September 2017, the Company delivered a total return of -2.4% p.a. and a yield of 4.8% p.a. (incl. franking) since inception compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of -1.2% p.a. and a yield of 3.0% p.a.

The Australian equity market traded within a tight range during September, with the S&P/ASX 200 Accumulation index ending the month flat in contrast to the MSCI World ex Australia (Unhedged) which was up 3.4%. This was despite a strong employment growth number during the month, bringing the annual increase in jobs in Australia to 268K. The best performing sectors were Healthcare, Banks and Energy as Oil prices rallied 7.5% during the month. In contrast, Telcos fell and Utilities struggled as bond yields rallied. During the month Rio Tinto announced a small (\$700m) off-market buyback. The buyback is valuable to low taxed investors, however in the context of Rio Tinto's market capitalization we expect significant scale-back.

The largest positive contributors to the Fund during the month were overweight positions in CSR and NAB which are in their run-up period as well as Lend Lease which is benefiting from the strong infrastructure spending.

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	Telstra	12.7
BHP Billiton	Fortescue Metals	12.5
Commonwealth Bank	Harvey Norman	11.4
CSL	NAB	9.0
Insurance Australia	Westpac	8.4
Macquarie Group	Bank of Queensland	8.4
NAB	Commonwealth Bank	8.1
Telstra	ANZ	7.7
Westpac	Rio Tinto	6.5
Woolworths	AusNet Services	6.4

### Further information

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