

COMPANY FULL-YEAR FY22 RESULTS

PLATO INCOME MAXIMISER LIMITED

ASX: PL8



Plato
INCOME MAXIMISER

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Note: Past performance is not a reliable indicator of future performance.

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Agenda

01
PL8 Company Update

02
Market update

03
Questions



PL8 Company Update



FY22 sees dividends restored

FY22 loss	FY22 Portfolio performance (incl. franking)	Total dividends paid in FY22
- \$12.9m	- 3.2 %¹ (+ 1.9% to benchmark²)	6.55c³

- FY22 operating loss after tax of \$12.9 million, impacted by market falls in June 2022 quarter
- Total dividends of \$0.0655 per share, equivalent to annualised distributed yield of 7.5%⁴
- Monthly fully franked dividends increased from \$0.0045 per share in September 2021 quarter to \$0.0055 by June 2022 quarter (representing largest monthly dividend since ASX listing in May 2017)
- Special 5th birthday dividend of paid \$0.0055 per share paid in May 2022
- Total portfolio return of -3.2%¹, +1.9% compared to benchmark of -5.1% (+0.2% p.a. to benchmark since inception)
- Distributed income of +7.5%⁴ for the year, +2.1% compared to benchmark of 5.4% (+2.3% p.a. to benchmark since inception)
- \$139.4 million raised via wholesale placement and Share Purchase Plan (SPP) during 1HFY22

¹Including franking credits, net of portfolio related fees, costs and taxes.

²S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

³Paid via 3 consecutive \$0.0045 monthly dividends (Sept 2021 quarter), 6 consecutive \$0.005 monthly dividends (Dec 2021 and Mar 2022 quarters), and 3 consecutive \$0.0055 monthly dividends (Jun 2022 quarter), plus 5th anniversary \$0.0055 special dividend in May 2022

⁴Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the period, annualised

PL8 investment portfolio performance

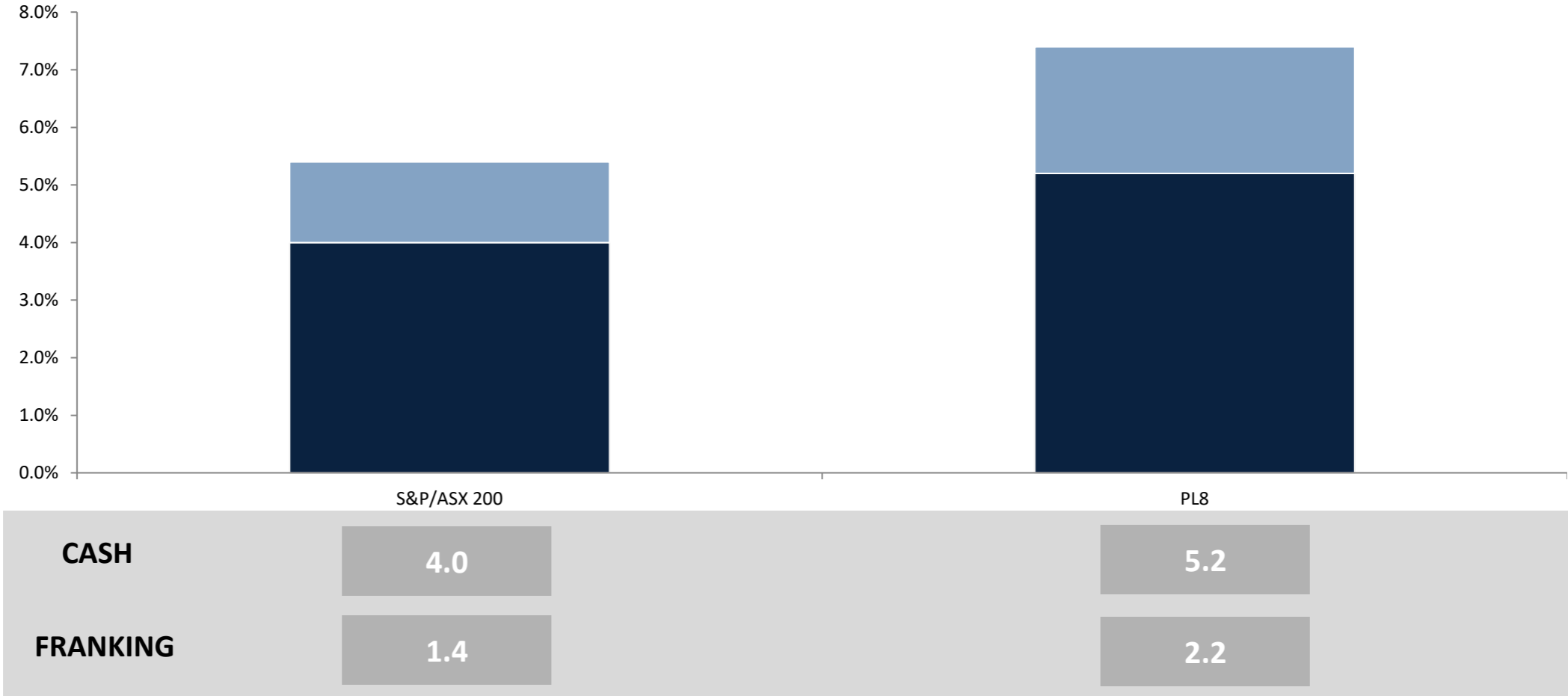
PERFORMANCE TO 30 JUNE 2022 AFTER FEES AND COSTS*

Including Franking	Half-Year	12 Months	Since Inception p.a.** (28/4/2017)
Portfolio Performance	-6.9%	-3.2%	7.7%
S&P/ASX200 Tax Exempt	-9.3%	-5.1%	7.5%
Excess Return	2.4%	1.9%	0.2%

*Inclusive of the net impact of GST and Reduced Input Tax Credits. Past performance is not a reliable indicator of future performance. **Annualised from Inception date: 28 April 2017

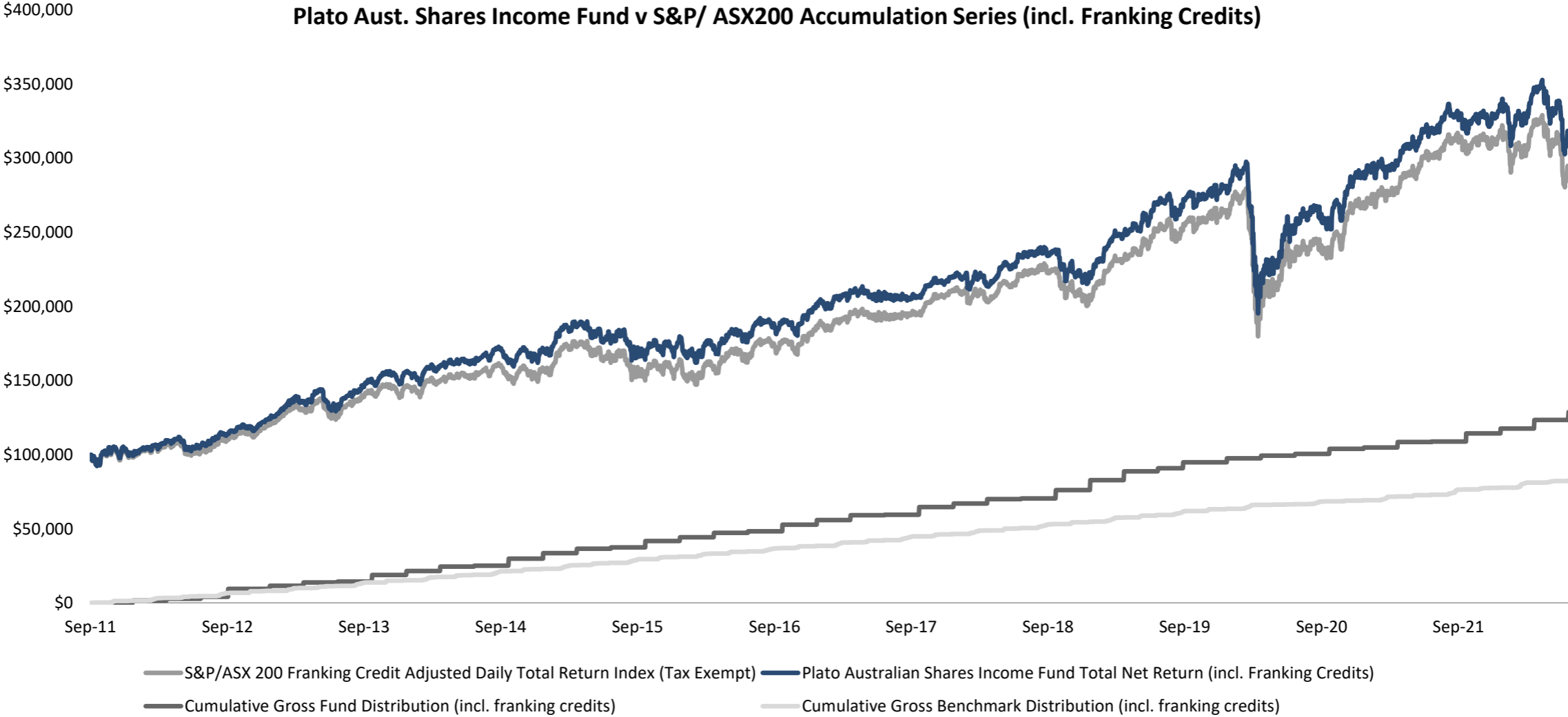
PL8 delivering high income

12 month realised yield*



*to 30 June 2022, Plato, Bloomberg

PL8 - underlying fund performance history

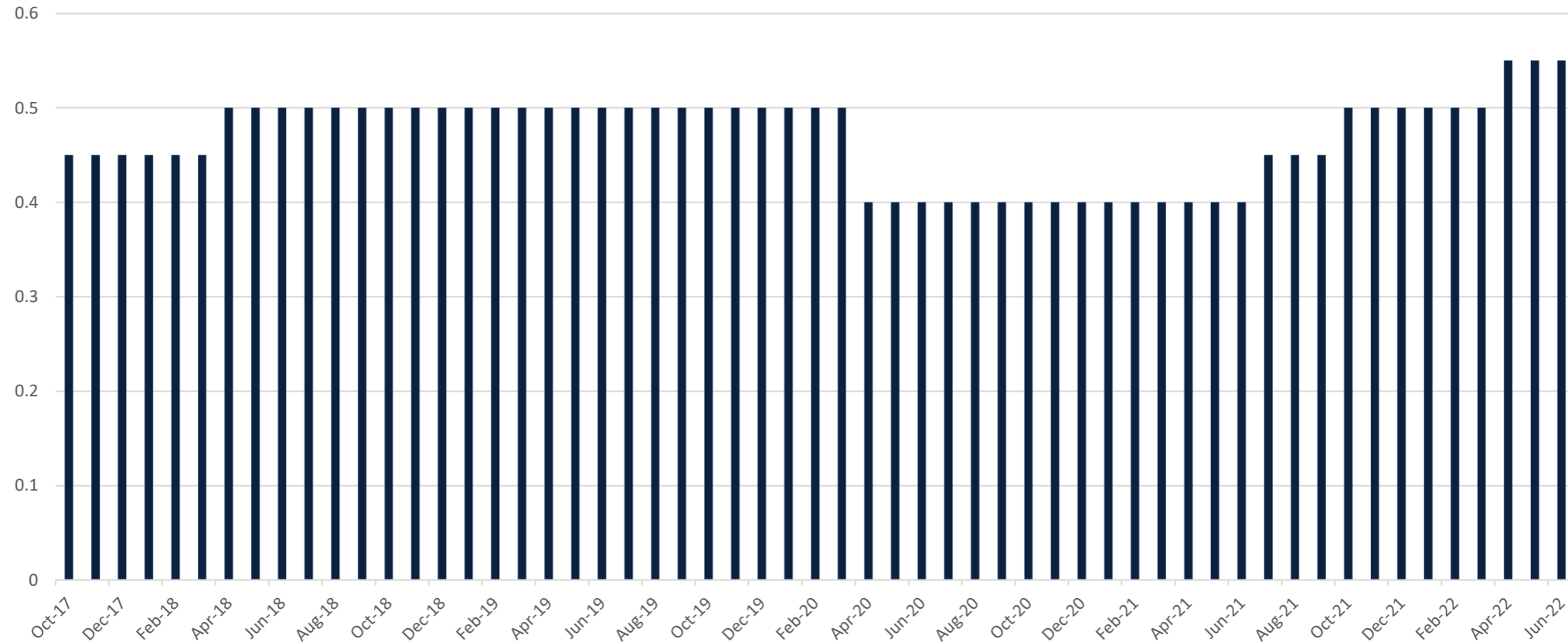


Source: Plato, Bloomberg. Past performance is not a reliable indicator of future performance.

Delivering consistent monthly income

INCREASED MONTHLY DIVIDENDS TO \$0.0055 PER SHARE

MONTHLY DIVIDENDS PAID



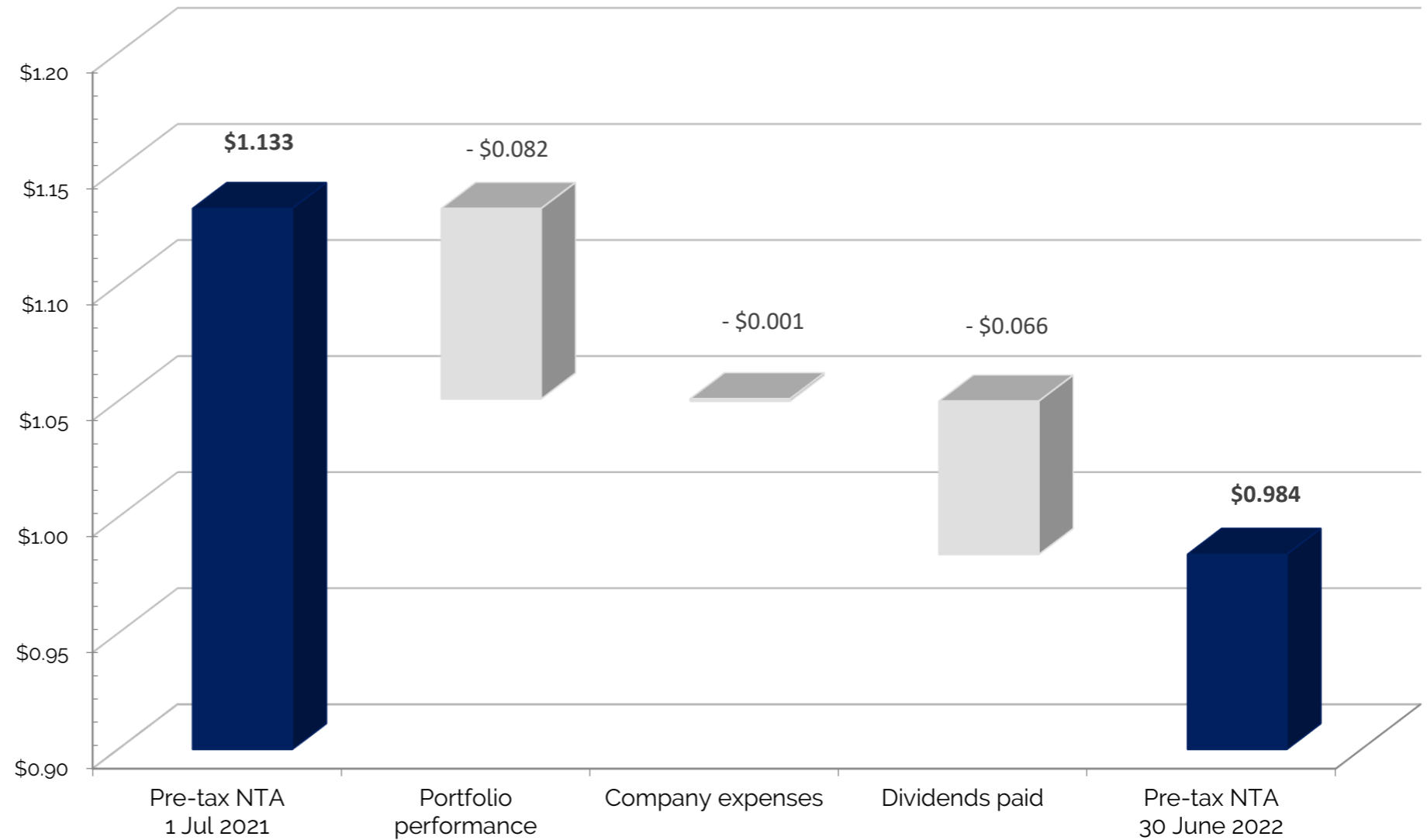
Only Australian LIC paying monthly fully franked dividends

Source: Plato. While monthly income has been consistent since April 2018, this may change in the future. The declaration of dividends by the company is at the full discretion of the board (unlike trusts where income must be fully distributed each financial year).

PL8 NTA performance breakdown for FY22

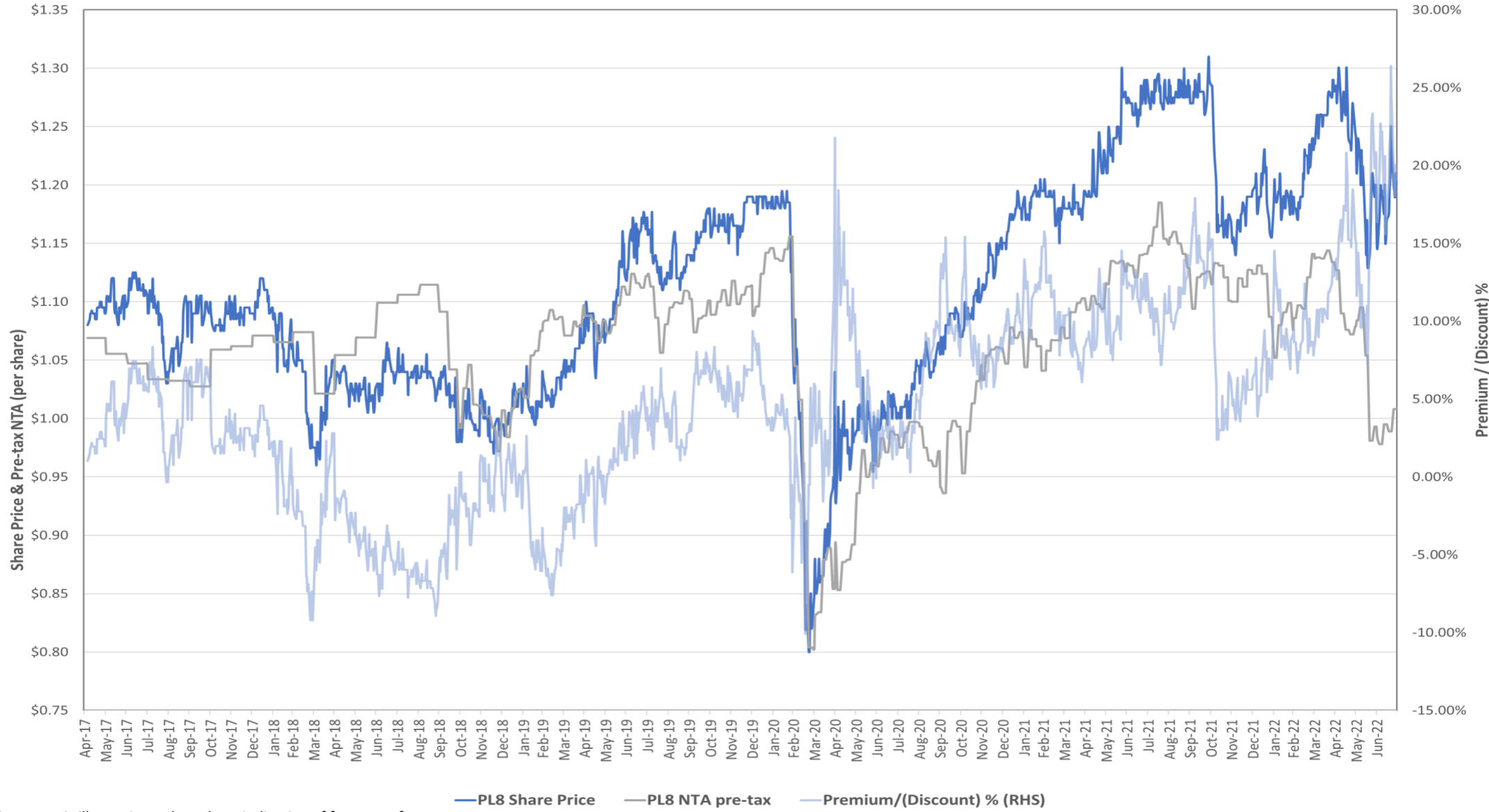
PRE-TAX NTA PER PL8 SHARE*

- Negative performance due to decline in markets coupled with dividends paid resulted in a decline in NTA for the year.
- Pre-tax NTA back at \$1.04 on 12 August 2022



Source: Plato. *Excludes franking credits.

Share price has traded at a premium to NTA



Source: Plato, IRESS. Past performance is illustrative only and not indicative of future performance.

Growing asset and shareholder base

PL8 ASSET AND SHAREHOLDER BASE UP ~100% SINCE IPO



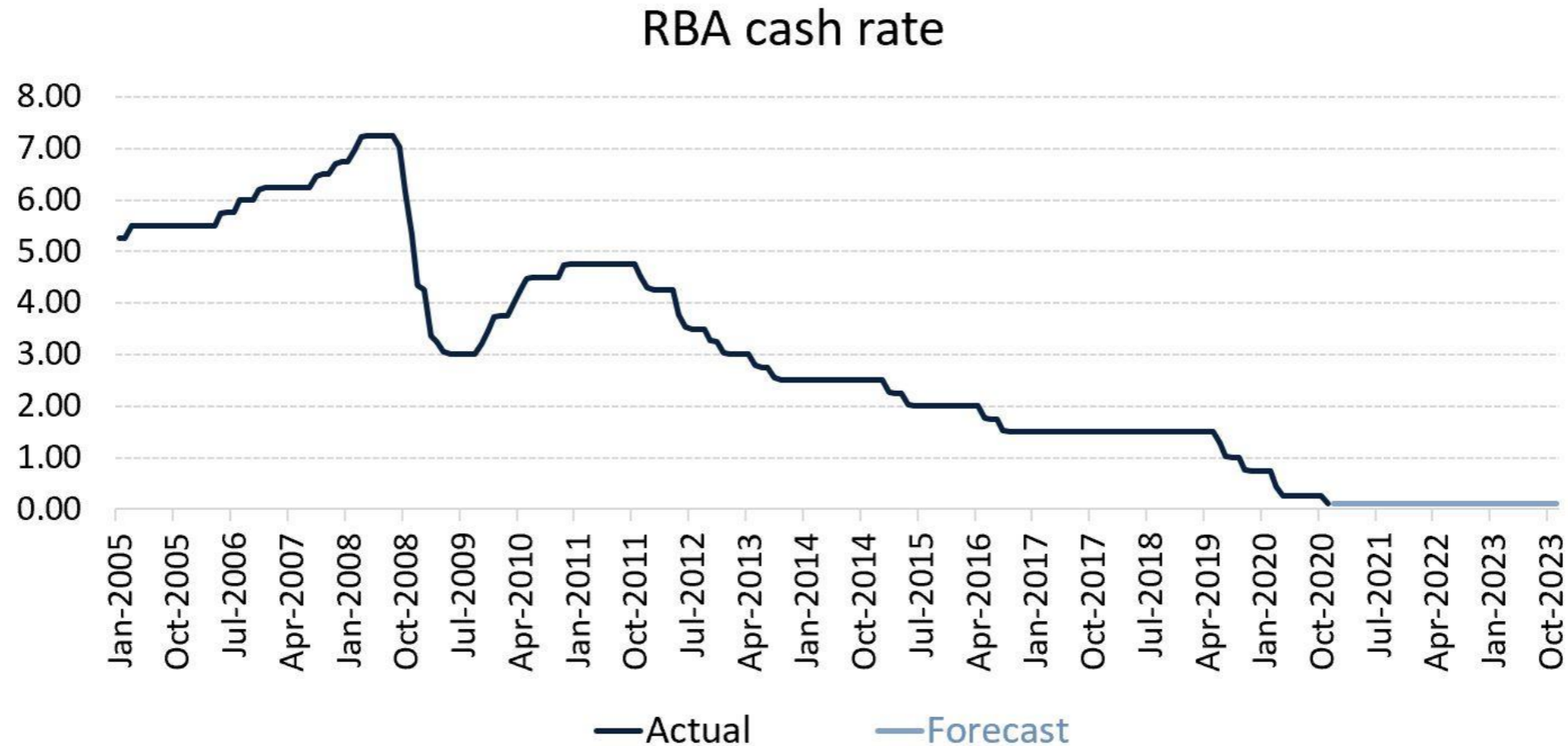
Source: Plato, Automic, ASX
Company net assets at IPO is net of IPO costs.

Market Update



RBA forecasts three years of record low 0.1% cash rate

OFFICIAL RBA CASH RATE EXPECTATIONS – EVEN LOWER FOR LONGER



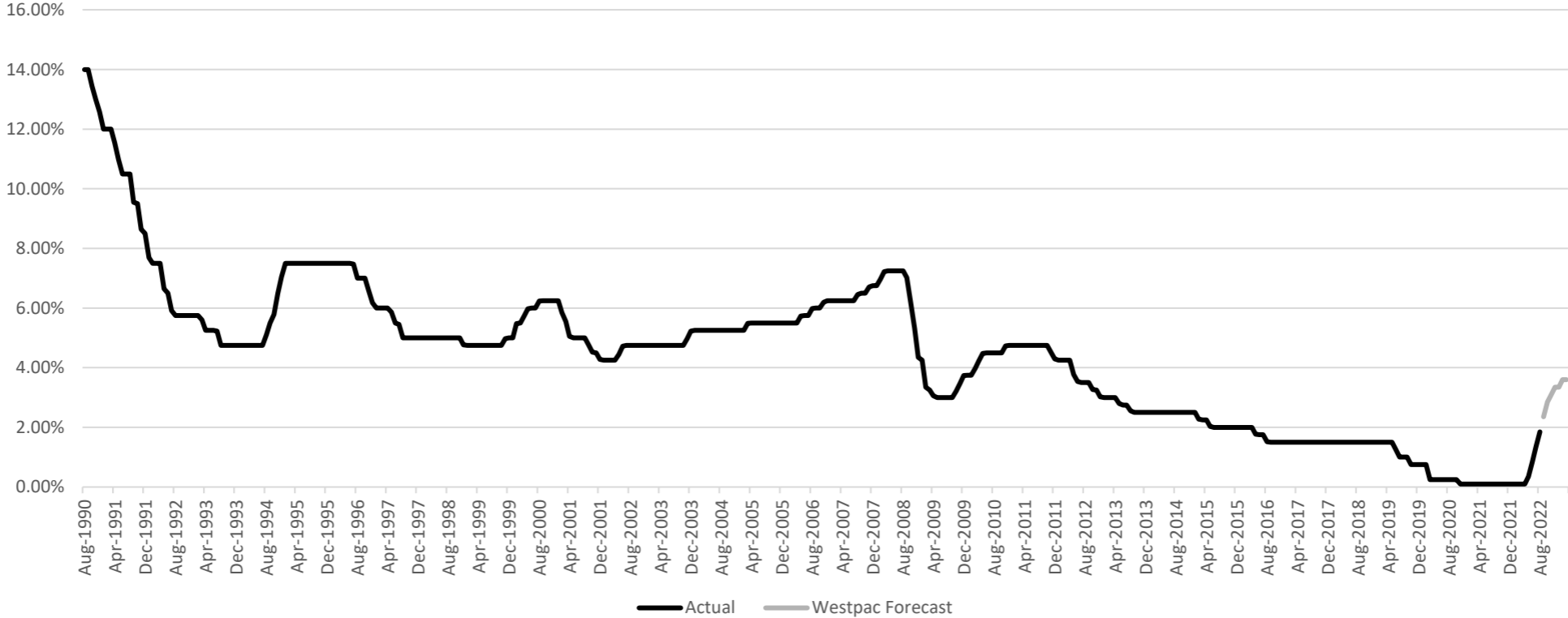
“Given the outlook, the Board is not expecting to increase the cash rate for at least three years.”

Source: RBA, Plato

Monetary Policy Decision 3 November 2020.

So much for 0.10% until 2023 – the cycle is back!

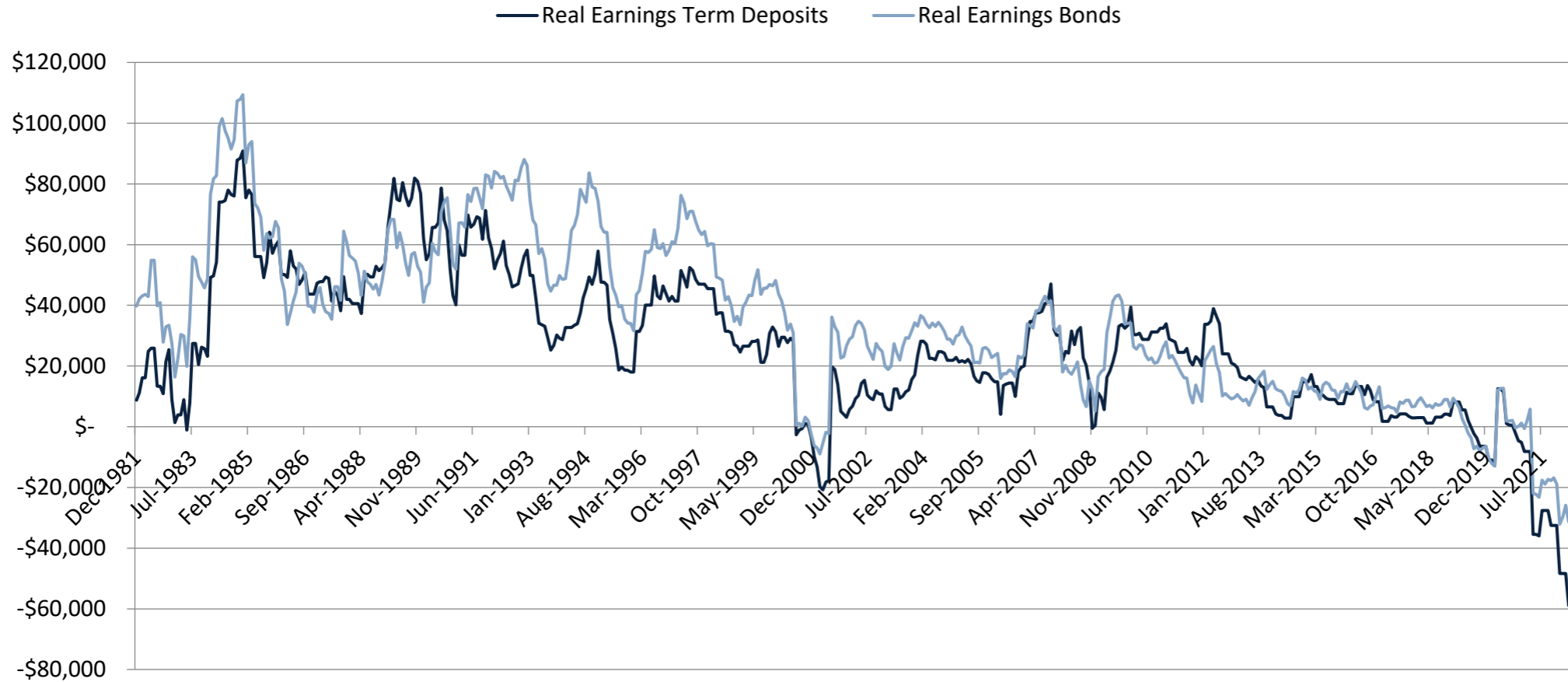
OFFICIAL RBA CASH RATE + WESTPAC FORECAST



• Source: RBA, Plato, Westpac

Safe assets now losing you money

REAL AFTER INFLATION EARNINGS ON \$1M



Inflation hit 6.1% in June 2022

Source : Plato, RBA updated to 30/6/2021

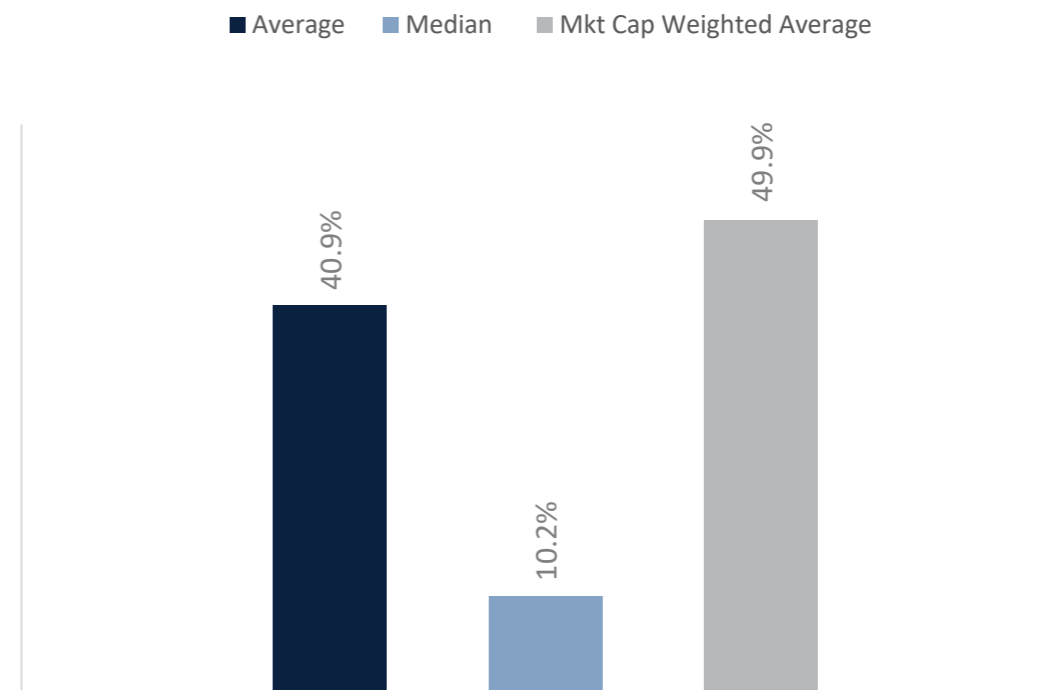
Results season February 2022 - Dividends

DIVIDENDS UP BUT SOME RETRACEMENT FROM COVID-WINNERS

- Over \$40bn in dividends have been declared, \$7bn more than last year*.
- Strong dividend increases:
 - South32 (566%), Iluka (500%), BlueScope Steel (317%), BHP (60%) and Rio Tinto (28%) in resources.
 - Woodside (862%), Santos (87%) and Ampol (78%) in energy
 - Re-instatement of divs from 8 stocks incl. Domain, QBE Insurance, Seek, Vicinity and Whitehaven Coal
- 3 companies in ASX200 (Mineral Resources, Regis and St Barbara) omitted their dividends.
- Dividend Cuts from Lend Lease (67%), AGL Energy (61%), Fortescue (41%), Woolworths (26%) and Wesfarmers (9%)
- 66% of companies increased dividends, 13% had flat dividend and 21% reduced dividends.

* Plato estimates, making an adjustment to last year's numbers for BHP's re-unification

FEB 2022 CHANGE IN DIVIDENDS PCP



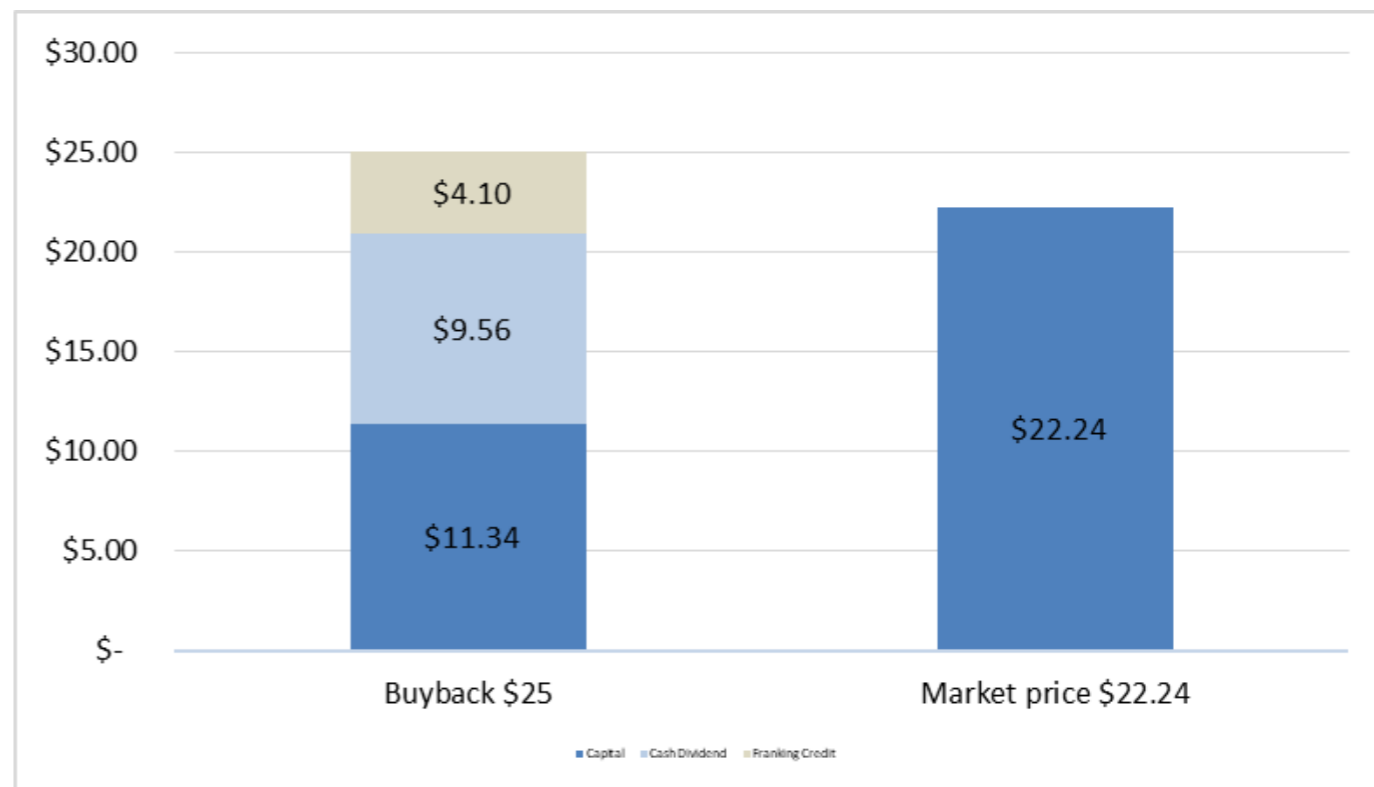
Source: Plato, Bloomberg, S&P200

Tax effective buy-backs are very advantageous

WESTPAC BUYBACK – WORTH 12% AFTER TAX FOR ZERO TAX INVESTORS



- A\$3.5bn off market buyback - 4.6% of shares on issue
- Worth 12.4% for pensioners for every share successfully tendered
- Zero scale back for those investors tendering at >6% discounts



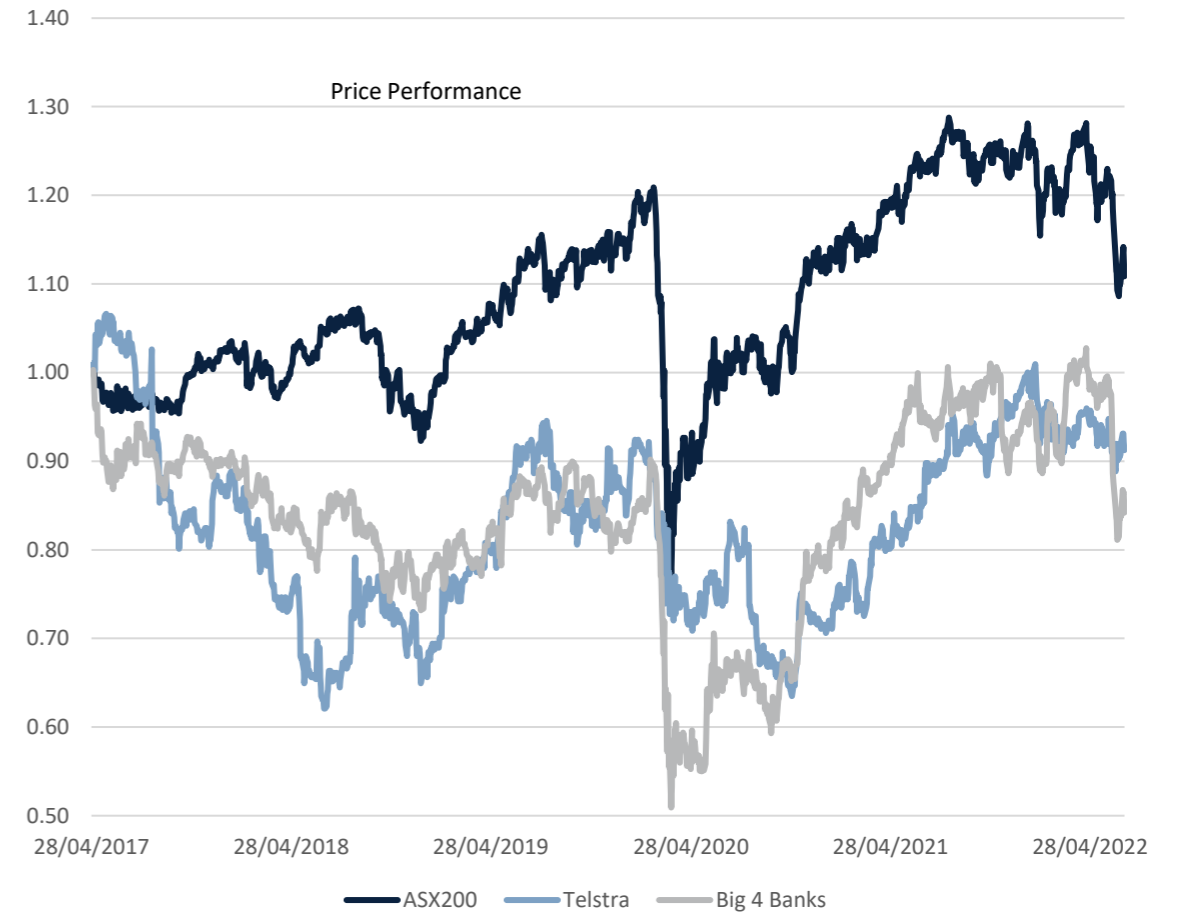
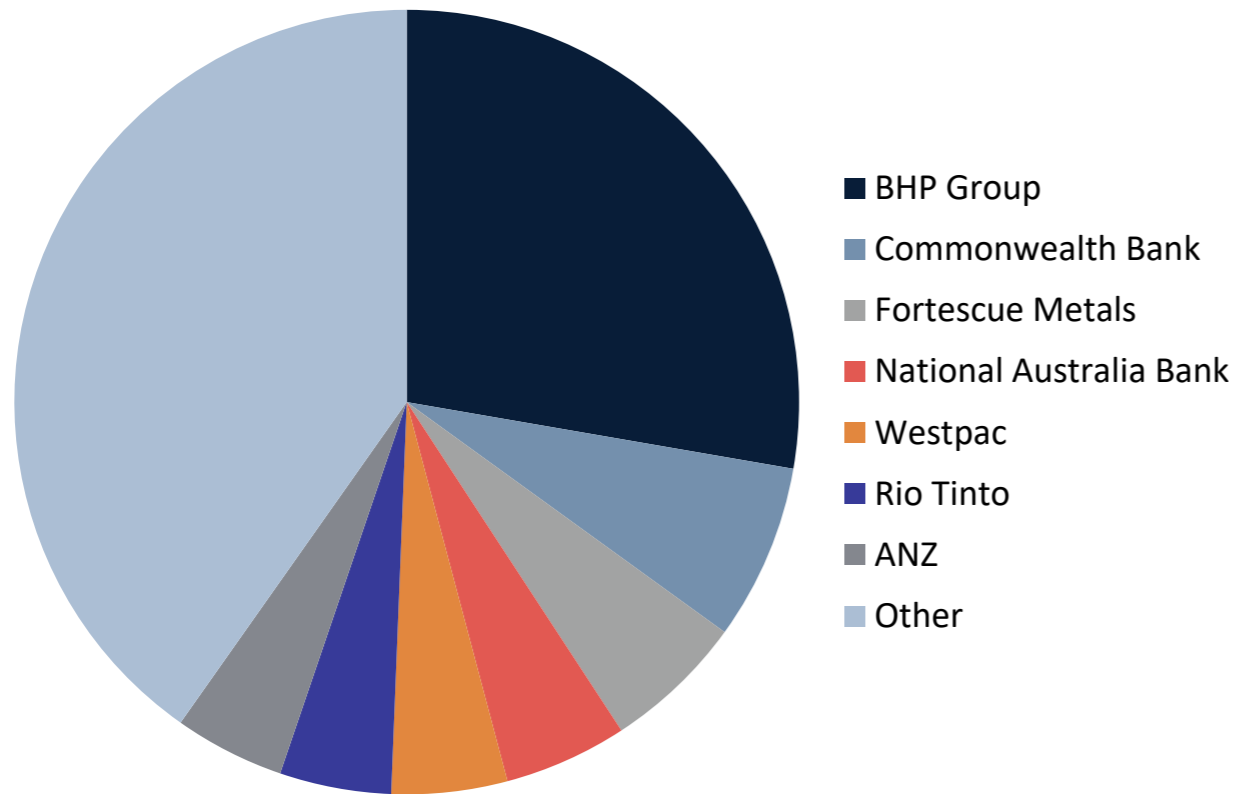
Source: Plato, WBC announcement 14/2/2022.
*based on average vwap price from 7/2/2022 - 11/2/2022.

Highlights value of franking credits

Large Aussie income stocks

7 STOCKS ACCOUNT FOR 60% OF ALL DIVIDENDS

% of Gross Dividend Income - FY22



Source: Plato, Bloomberg S&P200

“...Australia is poorly diversified”

Largest Contributors to Income

YEAR TO 30 JUNE 2022

Top 10 Contributors to Excess Income (Last 12mths)					Investment Reasoning				
Stock	Excess Income (%)	Return (%)	Capital (%)	Income (%)	Yield	Run up	Value	Momentum	Reasoning
Fortescue Metals	0.39	-6.7	-24.9	18.2	✓	✓	✓		Large yield, total return took a hit during Q3, 21 as iron ore prices retreated from their highs
BHP Group	0.17	11.2	-4.6	15.8	✓	✓	✓	✓	Large yield, completed merger of oil and gas assets with Woodside resulting in large payout of franking
Telstra Corporation	0.14	2.4	-1.8	4.2	✓	✓	✓	✓	Paid good stable yield, benefiting from strong investment into 5G, more rational mobile pricing and sale of half of Towers asset
Woolworths	0.14	-6.6	-10.1	3.5	✓	✓	✓		Paid good stable yield, completed off market buyback in Q4, 21
ANZ	0.12	-14.4	-21.7	7.3	✓	✓	✓		Bank Rotation
Rio Tinto	0.12	-18.9	-31.2	12.3	✓	✓	✓		Large yield, total return took a hit during Q3, 21 as iron ore prices retreated from their highs
NAB	0.11	4.5	-3.1	7.6	✓	✓	✓	✓	Bank Rotation
Macquarie Group	0.10	5.2	0.5	4.7	✓	✓	✓	✓	Paid good stable yield, benefiting from commodity price changes
JB Hi-Fi	0.09	-16.3	-23.9	7.6	✓	✓	✓		Paid good stable yield, benefiting from continued strong sales from electronics and home improvement
South32	0.09	34.5	26.4	8.1	✓	✓	✓	✓	Good yield, benefiting from increase in base metal prices.
Off-mkt Buybacks (Metcash, CBA, Woolworths)	7.32								

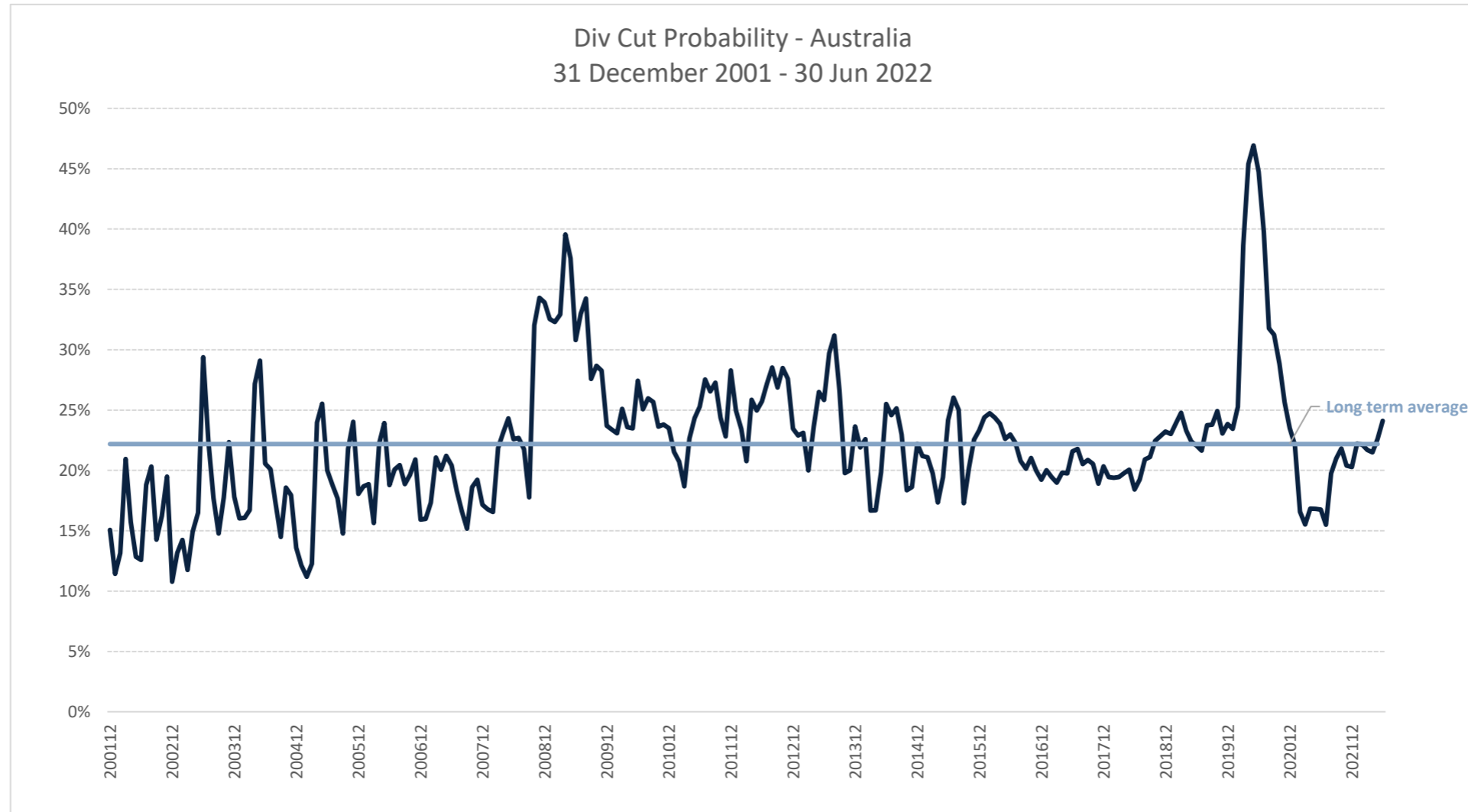
Dividend Traps

YEAR TO 30 JUNE 2022

Dividend Traps				Investment Reasoning				
Stock	Date of Divd	Div'd Cut (%)	Return (%)	Yield	Runup	Value	Momentum	Reasoning
Kogan	Aug-21	-100%	-16.6	✓	✗	✗	✗	Even though it is benefiting from strong sales in pandemic environment, Kogan mis-managed its inventory position.
Lend Lease	25-Feb-22	-71%	1.8	✓	✗	✗	✗	Poor business momentum, suffering from Covid related reductions in demand for inner-city living and write-downs in their engineering division.
GUD Holdings	18-Feb-22	-30%	1.0	✓	✗	✗	✗	Small cut in dividend, but outsized effect given perceived low risk of ASX.
Link	2-Mar-22	-33%	-6.1	✓	✗		✗	Poor business momentum, suffering from lower demand for explosives from coal mines.

Dividend cut outlook rising but still within normal range

AVERAGE % CHANCE OF DIVIDEND CUTS FOR AUSTRALIAN MARKET



Source: Plato, based on MSCI World IMI (Australian portion)

The income summary



— **Bad news: Interest rates at historic lows but expected to rise**

- term deposit rates low but rising interest rates will challenge asset prices



— **Good news: Dividends have rebounded strongly**

- Plato dividend cut model rising but within normal range
- Strong dividends from energy, iron ore miners and banks
- Take advantage of tax effective buybacks
- Active fund management critical in delivering income, total return & avoiding dividend traps

Questions

THANK YOU

