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ABN 63 616 746 215

2 March 2020

By Electronic Lodgement

The Manager
Company Announcements Office
ASX Ltd
20 Bridge Street
Sydney NSW 2000

Dear Shareholder,

Shareholder webinar reminder and presentation on half-year results

Please join us this morning from 10.30am - 11.30am (Sydney time) for a shareholder webinar to hear an update on the Company's financials and investments from Company Director and Plato Investment Management Director, Dr Don Hamson.

The presentation slides are available below.

Shareholders are invited to register at the following

link: https://pinnacleinvestment.zoom.us/webinar/register/WN_GzG10qANST-I5Sxkf8Bc8g

Yours sincerely,

Calvin Kwok
Company Secretary

COMPANY HALF-YEAR RESULTS
PLATO INCOME MAXIMISER LIMITED
ASX: PL8

Plato
INCOME MAXIMISER



Disclaimer

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

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Agenda

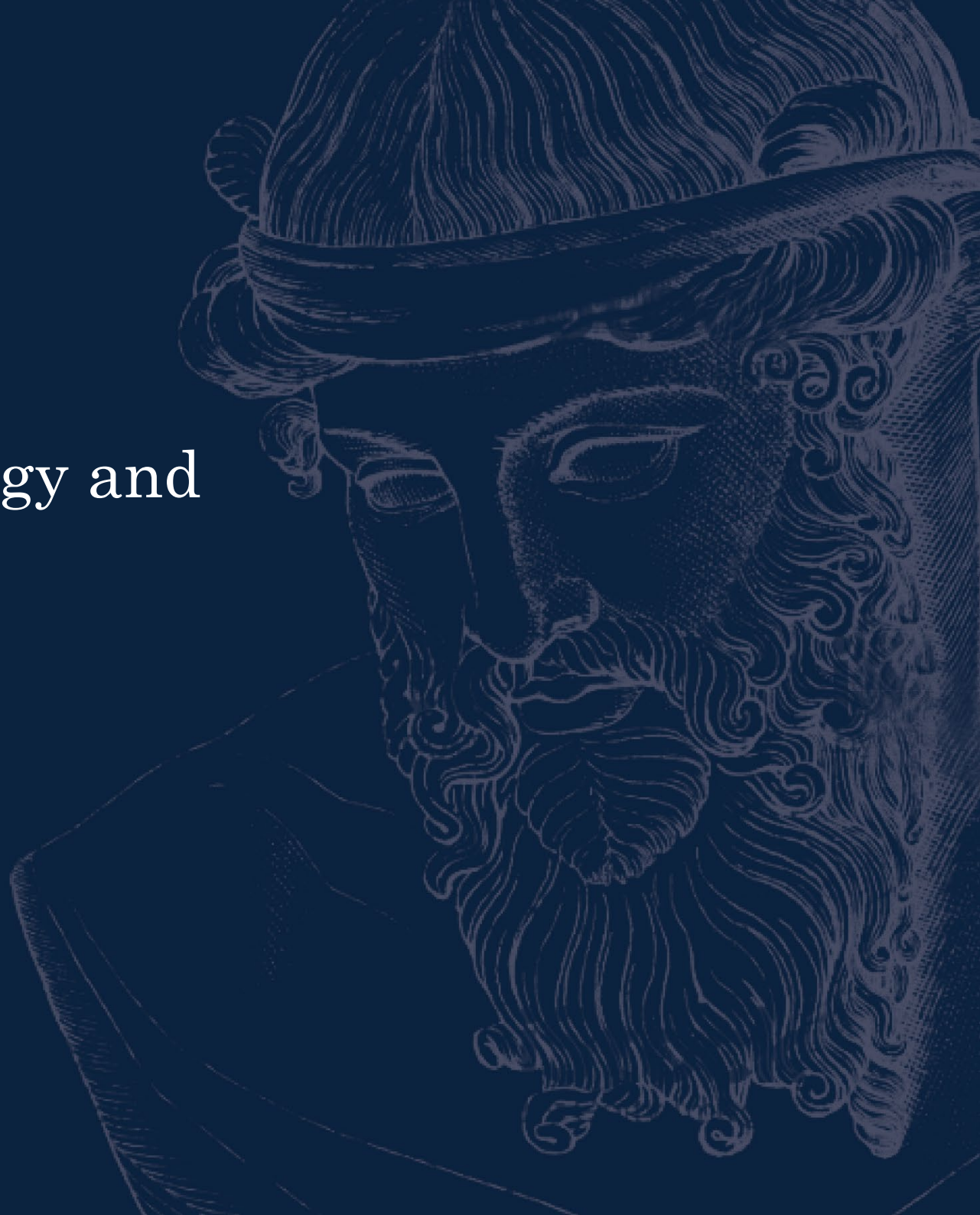
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PL8 investment strategy
and performance

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Market update

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PL8 investment strategy and performance



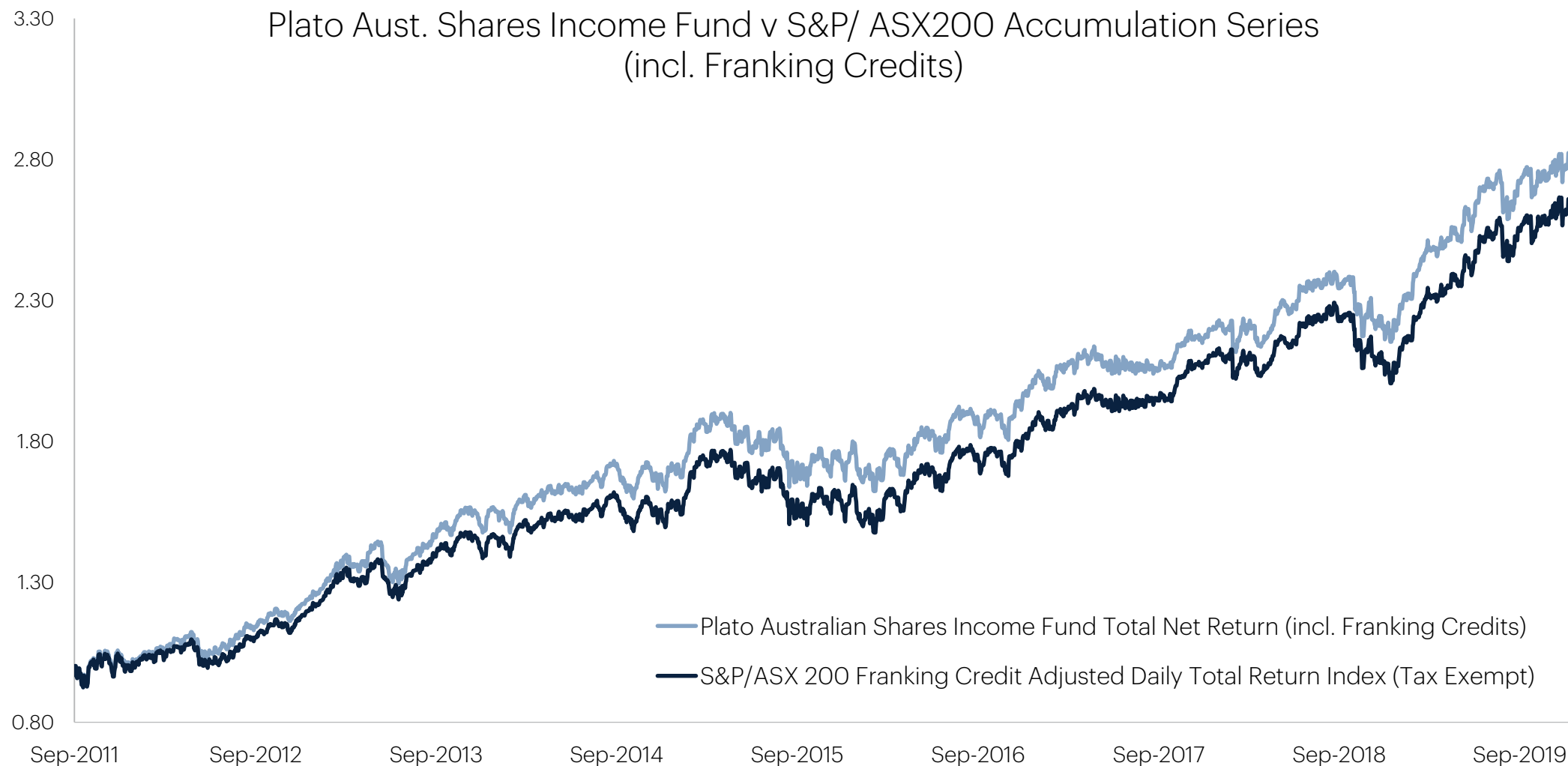
PL8 investment portfolio performance

PERFORMANCE TO 31 DECEMBER 2019 AFTER FEES AND COSTS*

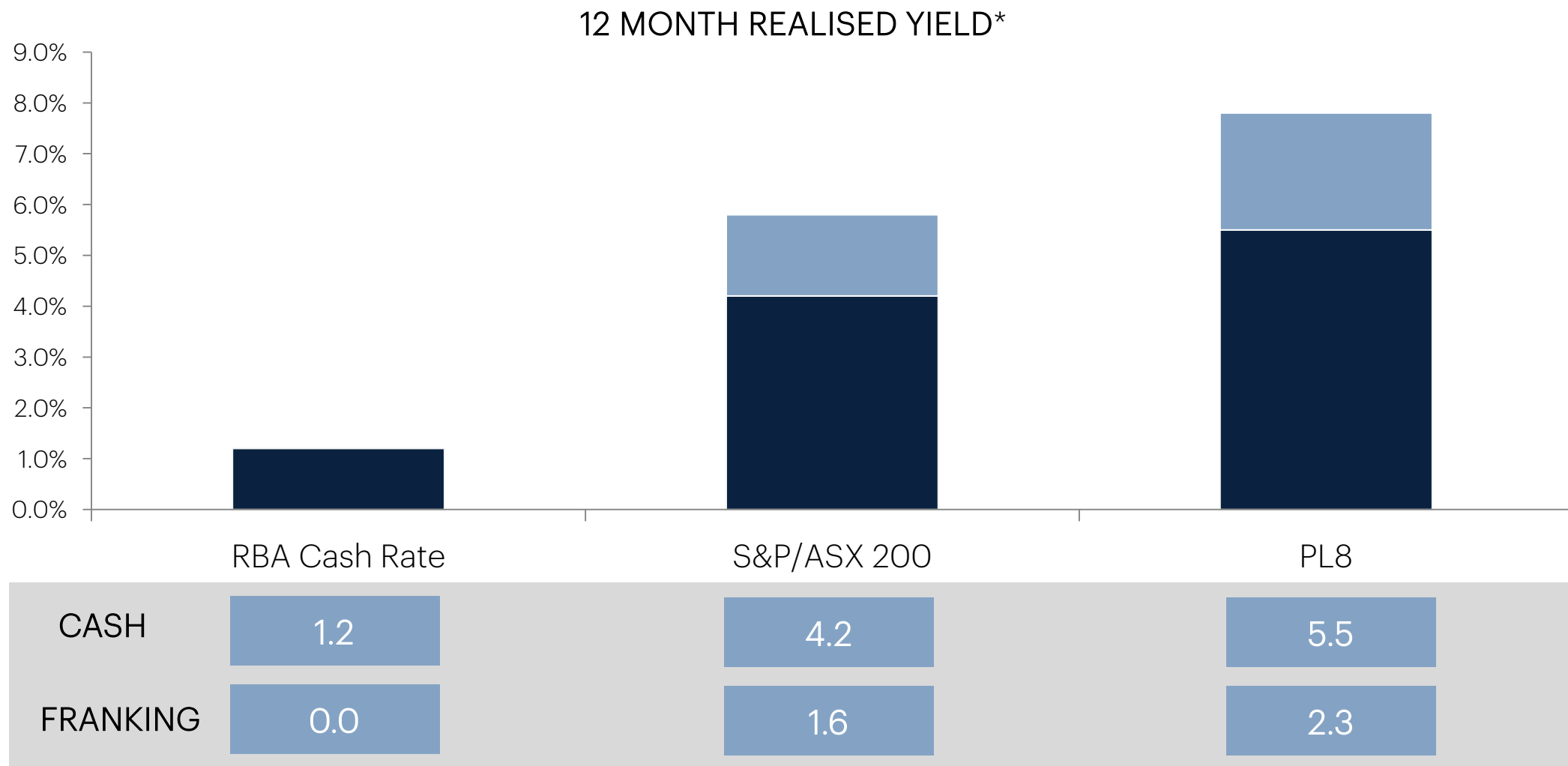
Including Franking	Half-Year	12 Months	Since Inception p.a. ^{**} (28/4/2017)
Portfolio	2.9%	24.2%	10.5%
S&P/ASX200 Tax Exempt	3.8%	25.4%	10.8%
Active	-0.9%	-1.2%	-0.3%

Longer term performance

PLATO AUSTRALIAN SHARES INCOME FUND PERFORMANCE TO 31 DECEMBER 2019 AFTER FEES



PL8 delivering strong comparable returns

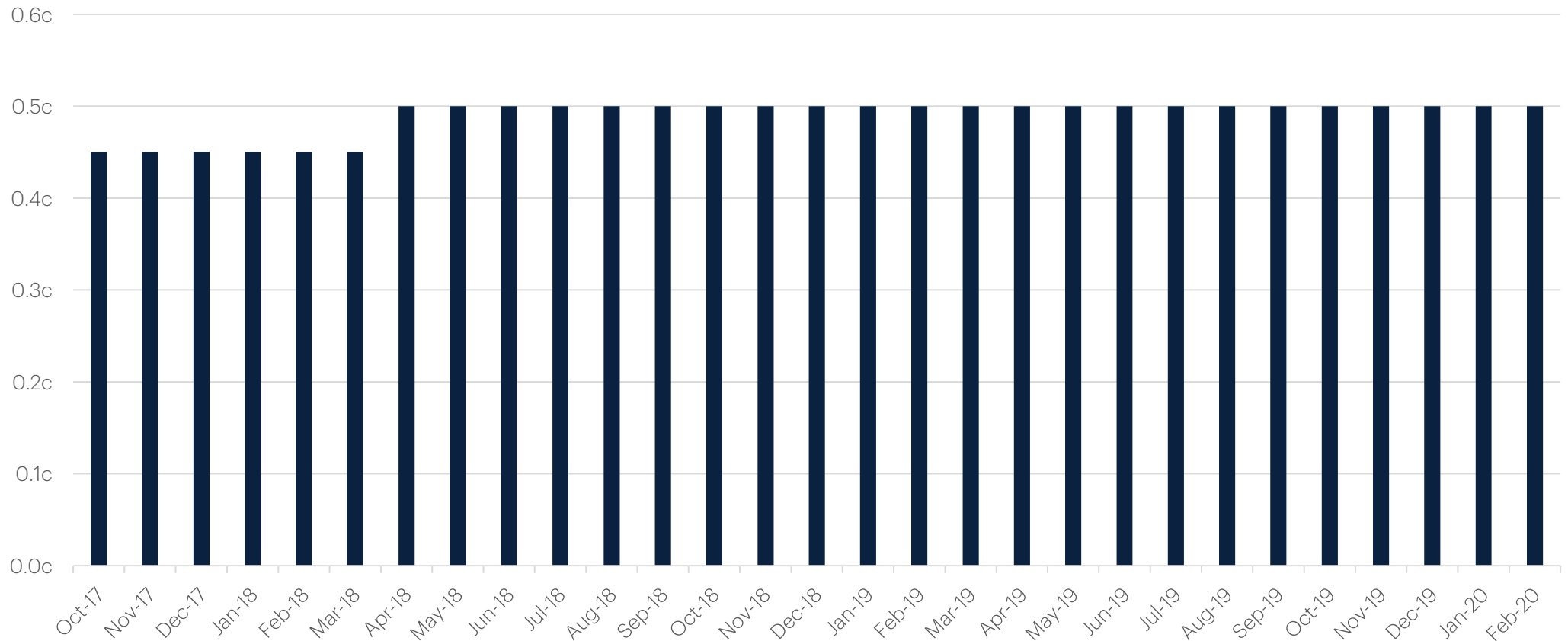


Past performance is not a reliable indicator of future performance.

Delivering consistent monthly income

PLUS 3 CENT SPECIAL DIVIDEND PAID MAY 2019

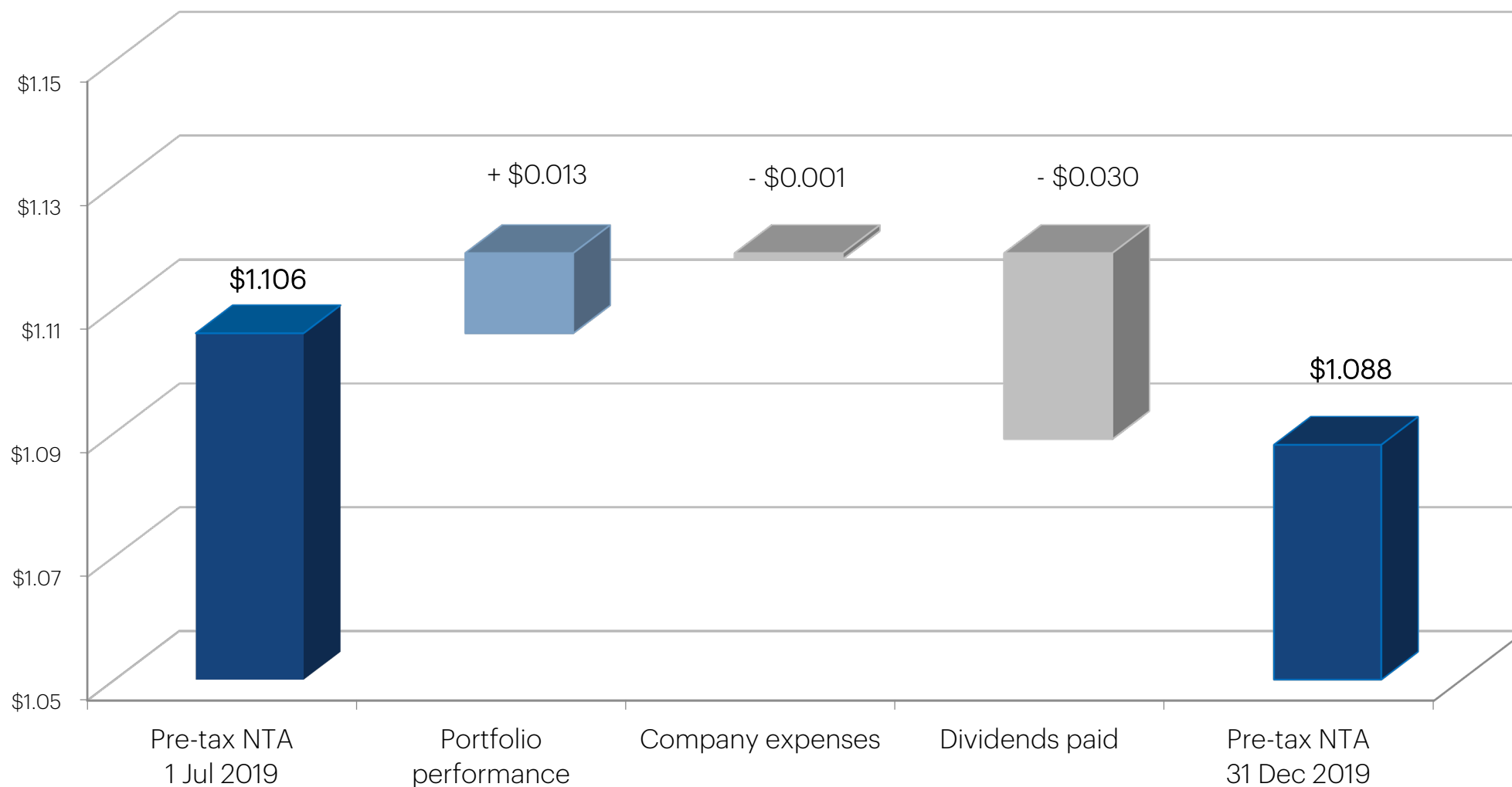
MONTHLY DIVIDENDS PAID



Only Australian LIC paying monthly fully franked dividends

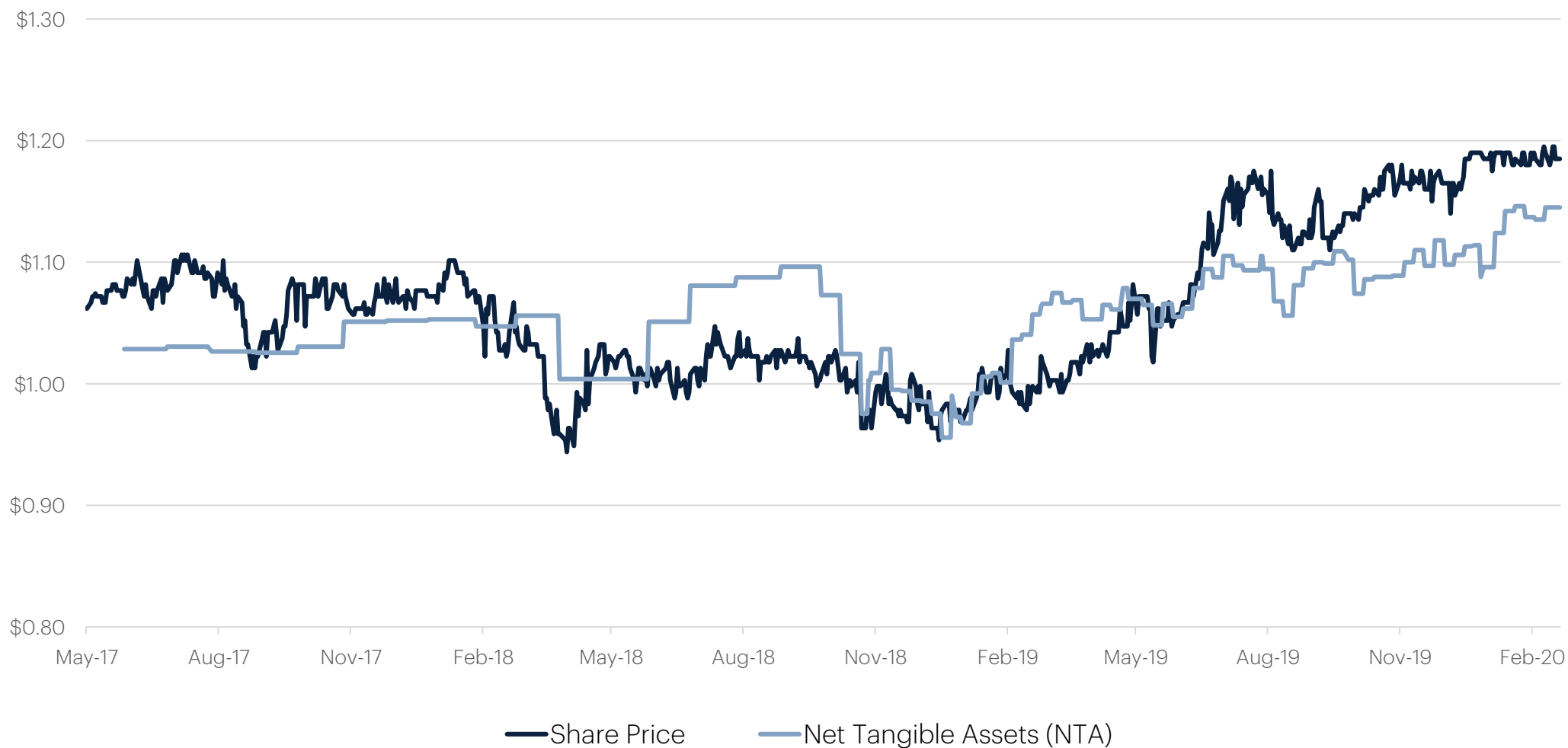
PL8 NTA performance breakdown for 1HFY20

PRE-TAX NTA PER PL8 SHARE*



Price has closely tracked NTA

PL8 PRICE VERSUS NTA SINCE LISTING

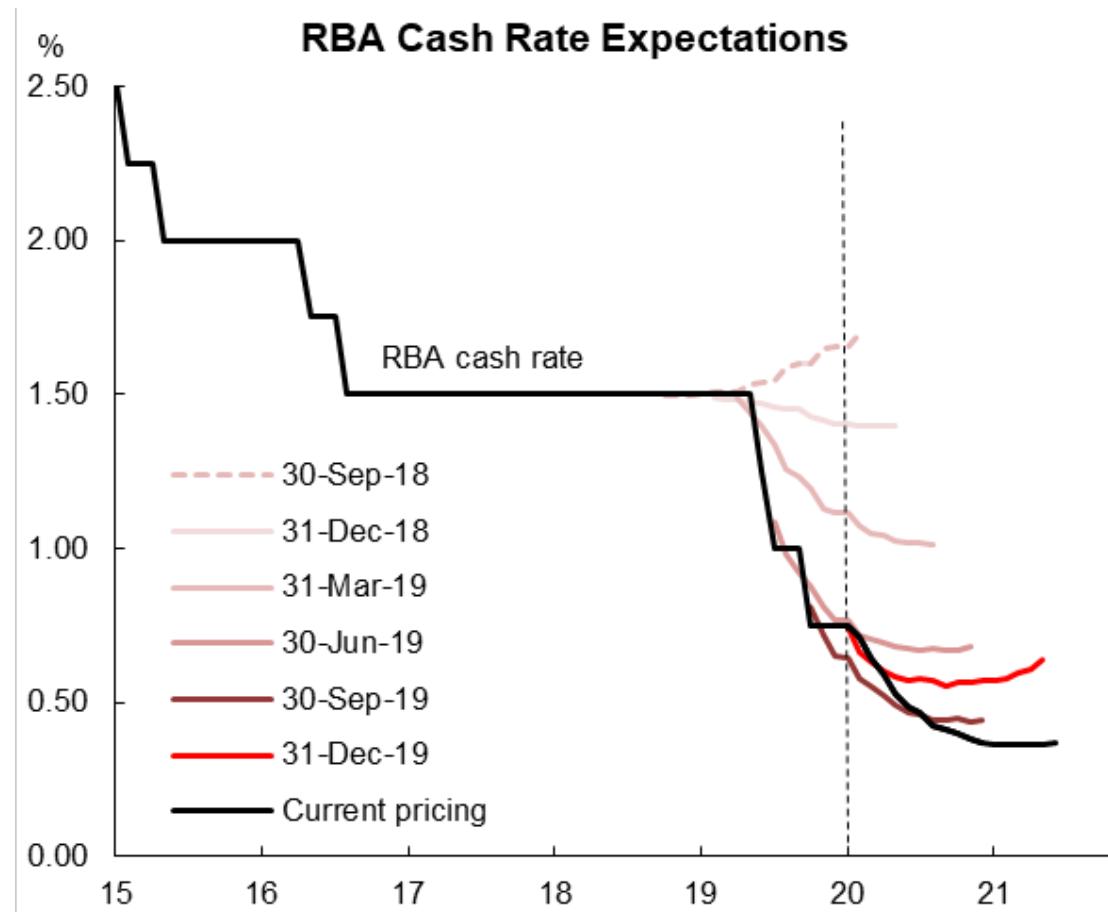


Market Update



Cash rates are very low for “an extended period”

OFFICIAL RBA CASH RATE EXPECTATIONS



“It is reasonable to expect that an extended period of low interest rates will be required in Australia ...”
Philip Lowe, RBA Governor: Monetary Policy Decision 3 September 2019.

Safe assets lose you money

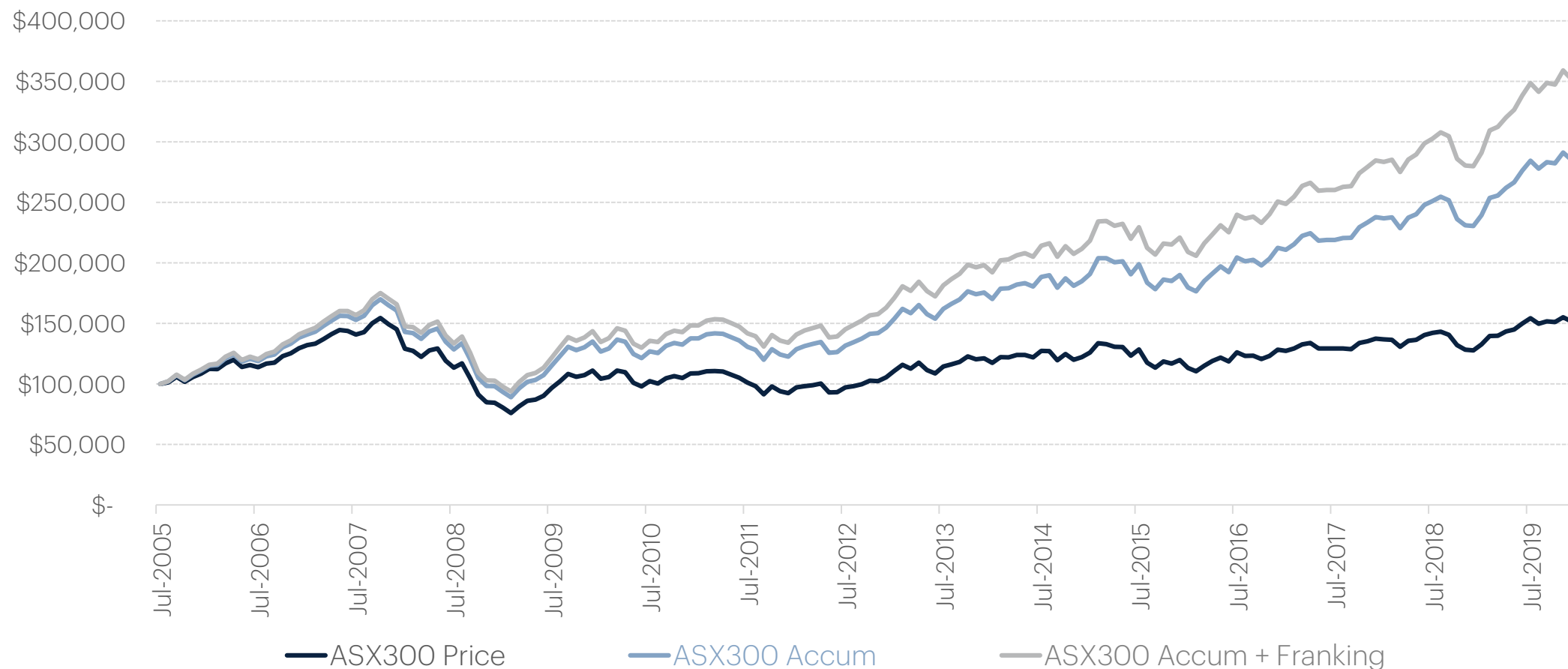
NEGATIVE REAL RATES OF RETURN



Safe options = going backwards!*

Don't forget the franking!

S&P/ASX 300 1 JULY 2005 TO 31 DECEMBER 2019

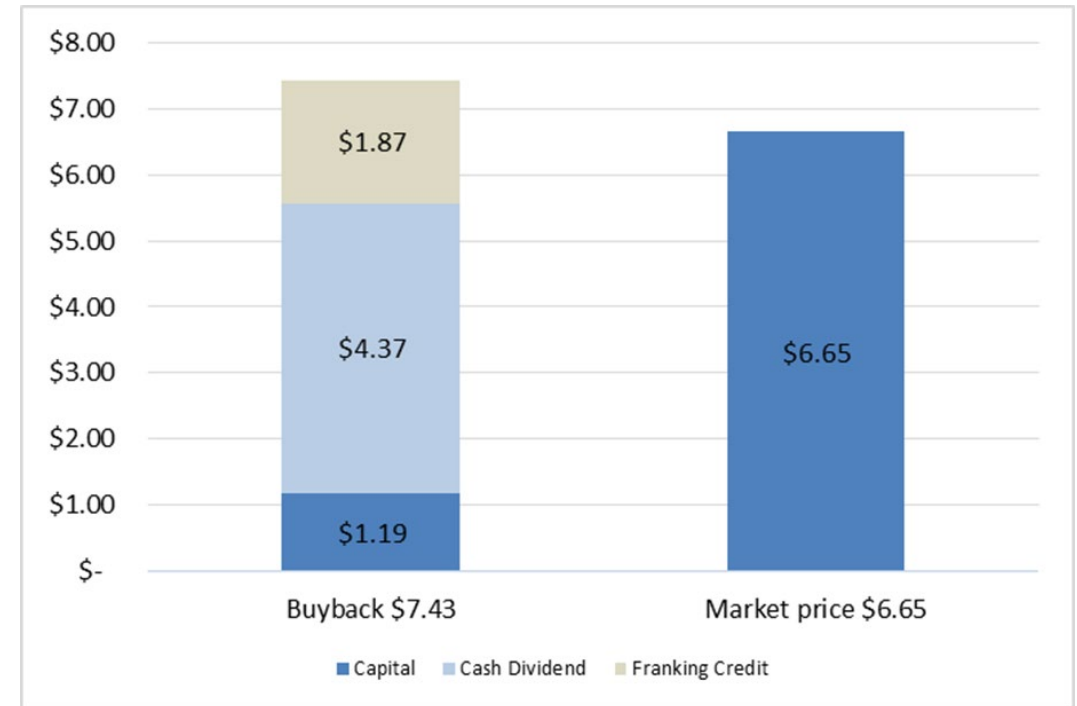


2.9% p.a. price, 7.5% accumulation, 9.1% p.a. including franking
Total returns 52%, 185% and 251% respectively

Tax effective buy-backs are very advantageous

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

- A\$443M OFF MARKET BUYBACK – 5.1% OF SHARES ON ISSUE
- WORTH 12% FOR PENSIONERS, 85% SCALE BACK, 5.2BPS AFTER TAX AT PORTFOLIO LEVEL

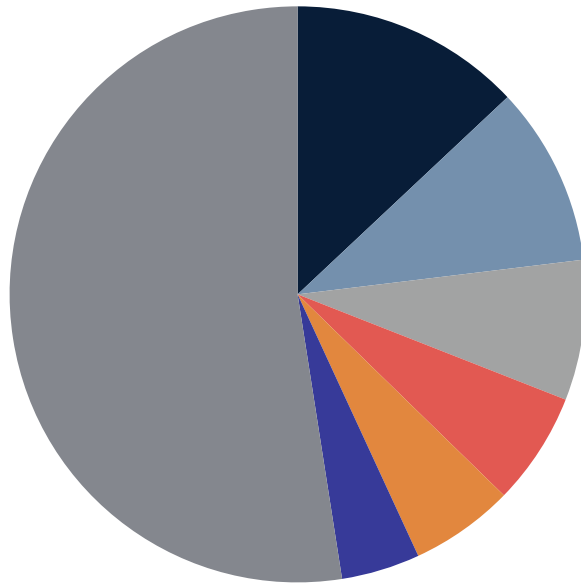


Highlights value of franking credits

Big Aussie income stocks doing it tough!

6 STOCKS ACCOUNT FOR NEARLY HALF OF ALL DIVIDENDS

% of Gross Dividend
Income 2019



■ BHP ■ CBA ■ Westpac ■ NAB ■ ANZ ■ Rio Tinto ■ Other

Price Performance



“...Australia is poorly diversified”

Largest Contributors to Income

YEAR TO 31 DECEMBER 2019

Top 10 Contributors to Excess Income (Last 12mths)					Investment Reasoning				
Stock	Excess Income (%)	Return (%)	Capital (%)	Income (%)	Yield	Run up	Value	Momentum	Reasoning
Commonwealth	0.40	18.9	10.4	8.5	✓	✓	✓		Bank Rotation
Westpac	0.32	6.7	-3.2	9.9	✓	✓	✓		Bank Rotation
BHP	0.31	27.6	13.7	13.9	✓	✓	✓	✓	Increased yield, good total return, benefiting from high iron ore prices
NAB	0.30	12.2	2.3	9.9	✓	✓	✓		Bank Rotation
Rio Tinto	0.28	44.3	28.0	16.3	✓	✓	✓	✓	Increased yield, good total return, benefiting from high iron ore prices
ANZ	0.28	9.6	0.7	8.9	✓	✓	✓		Bank Rotation
Wesfarmers	0.24	40.8	28.5	12.3	✓	✓		✓	Pay good stable yield, paid special dividend in February 2019
Macquarie	0.13	33.5	26.9	6.6	✓	✓	✓	✓	Paid good stable yield
Alumina	0.09	16.2	0.0	16.2	✓	✓	✓		Paid high yield, particularly in Feb-19
Woolworths	0.08	27.9	22.9	5.0	✓	✓		✓	Paid good stable yield
Off-mkt Buybacks (Caltex/Woolworths/ McMillan Shakespeare/Qantas)	1.44				✓				Extra Income and Total Return

Largest Contributors to Active Performance

YEAR TO 31 DECEMBER 2019

Top 10 Contributors To Active Performance (Last 12mths)					Investment Reasoning				
Stock	Active Performance (%)	Return (%)	Capital (%)	Income (%)	Yield	Run up	Value	Momentum	Reasoning
Magellan Financial	0.50	152.3	141.9	10.4	✓	✓		✓	Good business momentum and price sentiment, benefiting from good investment performance and fund inflows.
BHP Billiton	0.36	27.6	13.7	13.9	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from increase in iron ore prices.
Fortescue Metals	0.28	194.0	155.1	38.9	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from increase in iron ore prices.
Aristocrat Leisure	0.23	57.8	54.1	3.7		✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from good performance of its land-based and digital gaming platforms.
CSR	0.22	73.6	61.9	11.7	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from rebound in Australian housing.
Wesfarmers	0.22	40.8	28.5	12.3	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from rebound in Australian housing. Paid special dividend in Feb-19 after spinning out Coles.
Macquarie	0.19	33.5	26.9	6.6	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from strong global markets.
Scentre	0.18	4.3	-1.8	6.1				✗	Underweight , suffering from a challenging retail environment affecting rents.
Beach Petroleum	0.17	88.7	86.6	2.1		✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from increase in oil price.
AMP	0.16	-19.6	-21.9	2.3		✗		✗	Underweight , suffering after royal commission troubles.

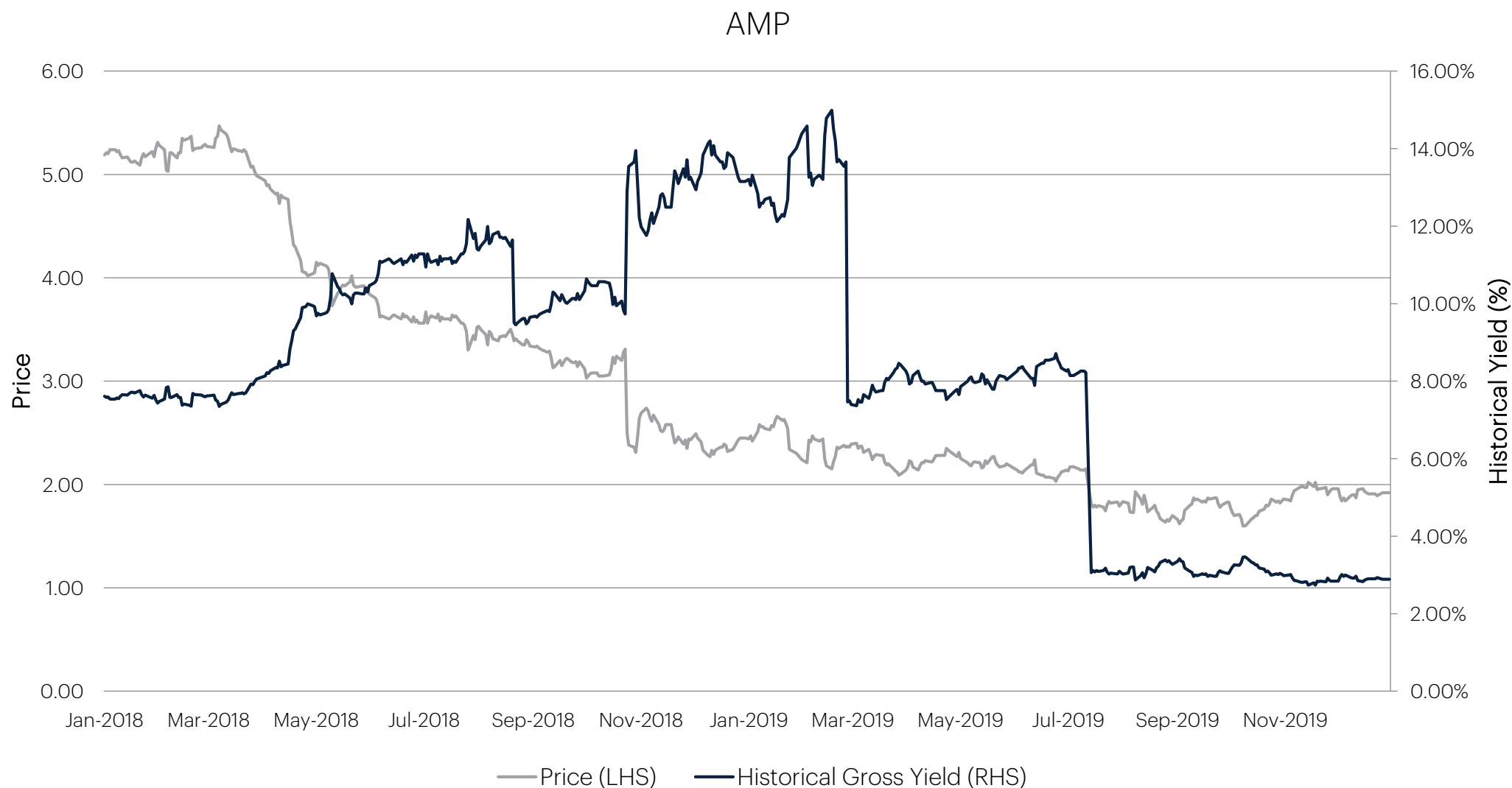
Dividend Traps

YEAR TO 31 DECEMBER 2019

Dividend Traps				Investment Reasoning				
Stock	Date of Divd	Div'd Cut (%)	Return (%)	Yield	Runup	Value	Momentum	Reasoning
AMP	27-Feb-19	-72%	-0.2	✓	✗		✗	Poor business momentum, suffering after royal commission troubles.
Lend Lease	1-Mar-19	-65%	2.6		✗		✗	Poor business momentum, suffering after reporting problems in its engineering business and weakening housing market.
Pact Group	1-Mar-19	-100%	-21.8		✗	✗	✗	Poor value and business momentum, cut its dividend to zero after its business is under sustained pressure.
Adelaide Brighton	1-Mar-19	-8%	-0.6	✓	✗	✗	✗	Poor business momentum, suffering from weakening housing market.
Nufarm	Apr-19	-100%	-41.5		✗	✗	✗	Poor value and business momentum, cut its dividend to zero after its business is under sustained pressure.
AMP	Aug-19	-100%	-20.7		✗		✗	Poor business momentum, suffering after royal commission troubles.
Blackmores	27-Aug-19	-55%	-25.4		✗	✗	✗	Poor business momentum, suffering from poor sales into Asian market.
Adelaide Brighton	Sep-19	-100%	-27.9	✓	✗	✗	✗	Poor business momentum, suffering from weakening housing market.

Winning by not losing - avoiding dividend traps

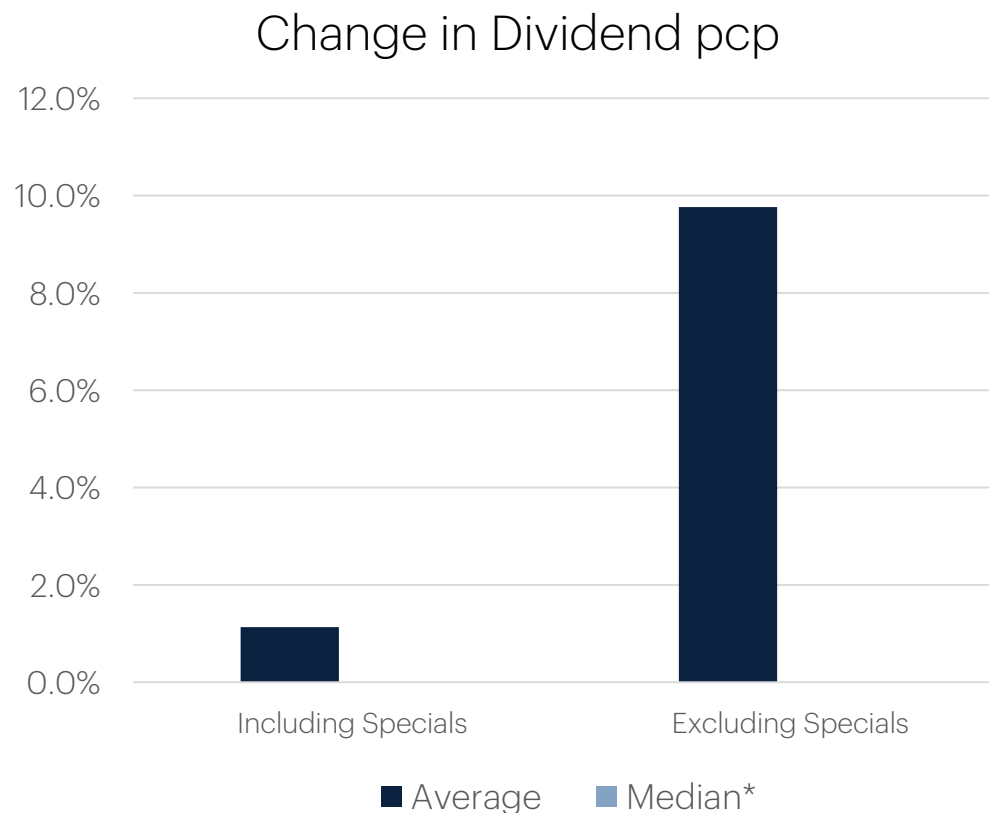
AMP UP TO 15% GROSS HISTORICAL YIELD



Update on results season February 2020

SIMILAR THEMES TO AUGUST 2019

- Strong results from JB Hi Fi in retail, Resmed and CSL, iron ore miners
- Solid CBA result, dividend maintained, only bank not to cut so far in this cycle
- Dividends were flat including specials, whilst normal dividends rose nearly 10%. Note ALP franking policy conducive to specials in 2019. Median growth 0% either way.
- Covid 19 is starting to impact future earnings
 - Blackmores, Treasury Wines, Cochlear, tourism, oil stocks



Questions

THANK YOU

