

Plato Income Maximiser Limited
Level 35, 60 Margaret Street
Sydney NSW 2000

T: 1300 010 311
E: invest@plato.com.au
ABN 63 616 746 215

7 September 2020

By Electronic Lodgement

Market Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Shareholder webinar reminder and presentation

The Board invites you to the upcoming Shareholder webinar on 8th September 2020 at 10:30am (Sydney time AEDT). The webinar will provide an update on the Company's financials and investments from Company Director and Plato Investment Management Managing Director, Dr Don Hamson.

Shareholders are invited to register at the following link:

https://pinnacleinvestment.zoom.us/webinar/register/WN_msv90jYRQSiqsk1Th_IYrg

The presentation slides are available below.

Authorised by:

Calvin Kwok
Company Secretary

COMPANY FY2020 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

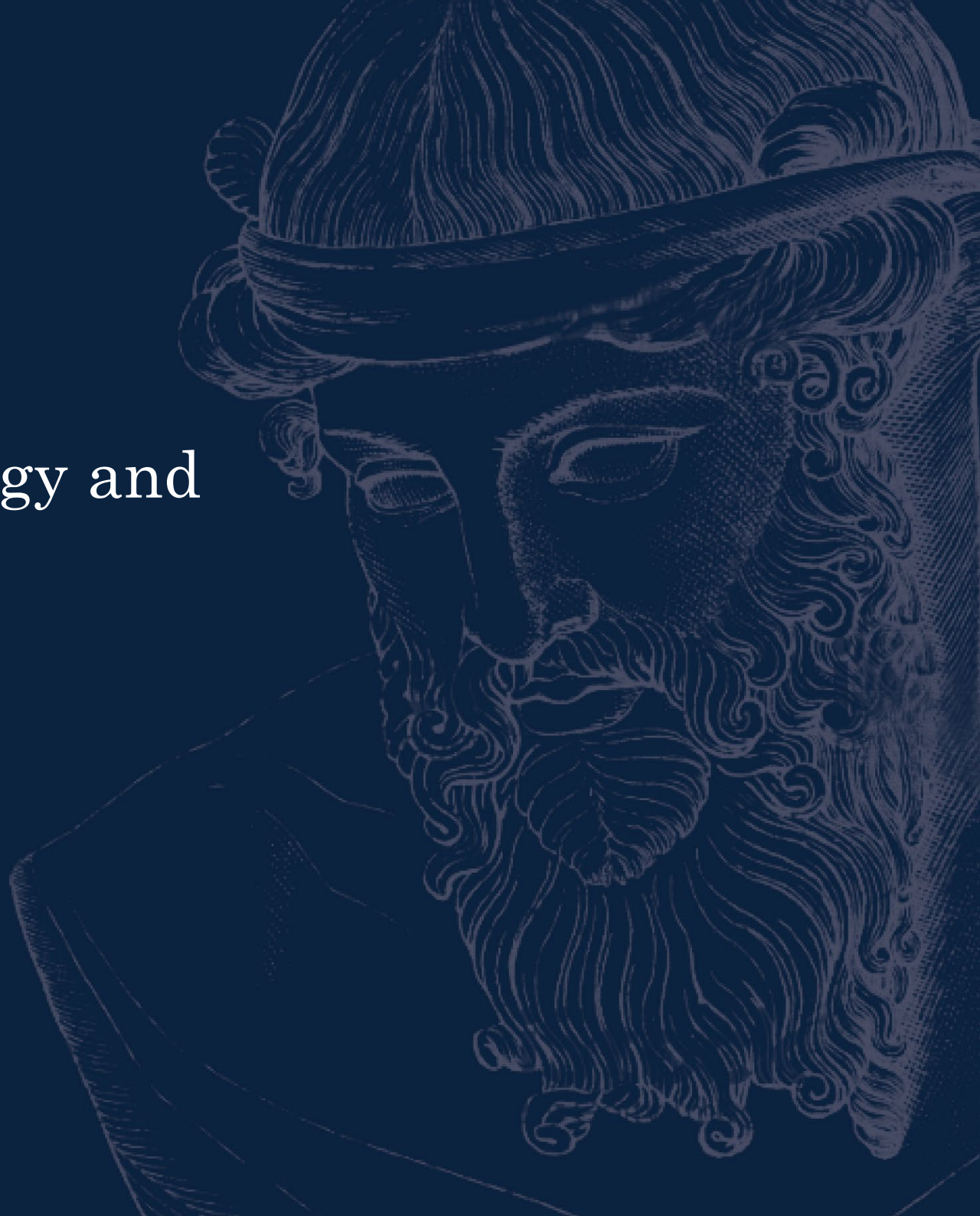
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PL8 investment strategy
and performance

02
Market update

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Questions



PL8 investment strategy and performance



FY 2020 Negatively Impacted by COVID-19

COMPARED TO FY2019'S DIVIDEND BONANZA

- Investment income fell by 33% to \$25.8m, reflecting lower market dividends
 - FY19 dividends boosted by large buy-backs (BHP, RIO, Woolworths, Caltex) and extraordinary special dividends sparked by franking credit policy fears. FY20 dividends negatively impacted by COVID-19
- Net profit fell by 38% to \$21.5m
- Earnings per share fell by 55% to 5.3c per share, given increased shares on issue following Sept Quarter capital raise
- Ordinary dividends per share fell by 5% to 5.7c, with no special dividend paid (FY19 3c)
- Monthly ordinary dividends per share reduced by 20% to 0.4c from April 2020, reflecting Directors cautious approach to the impact of COVID-19.

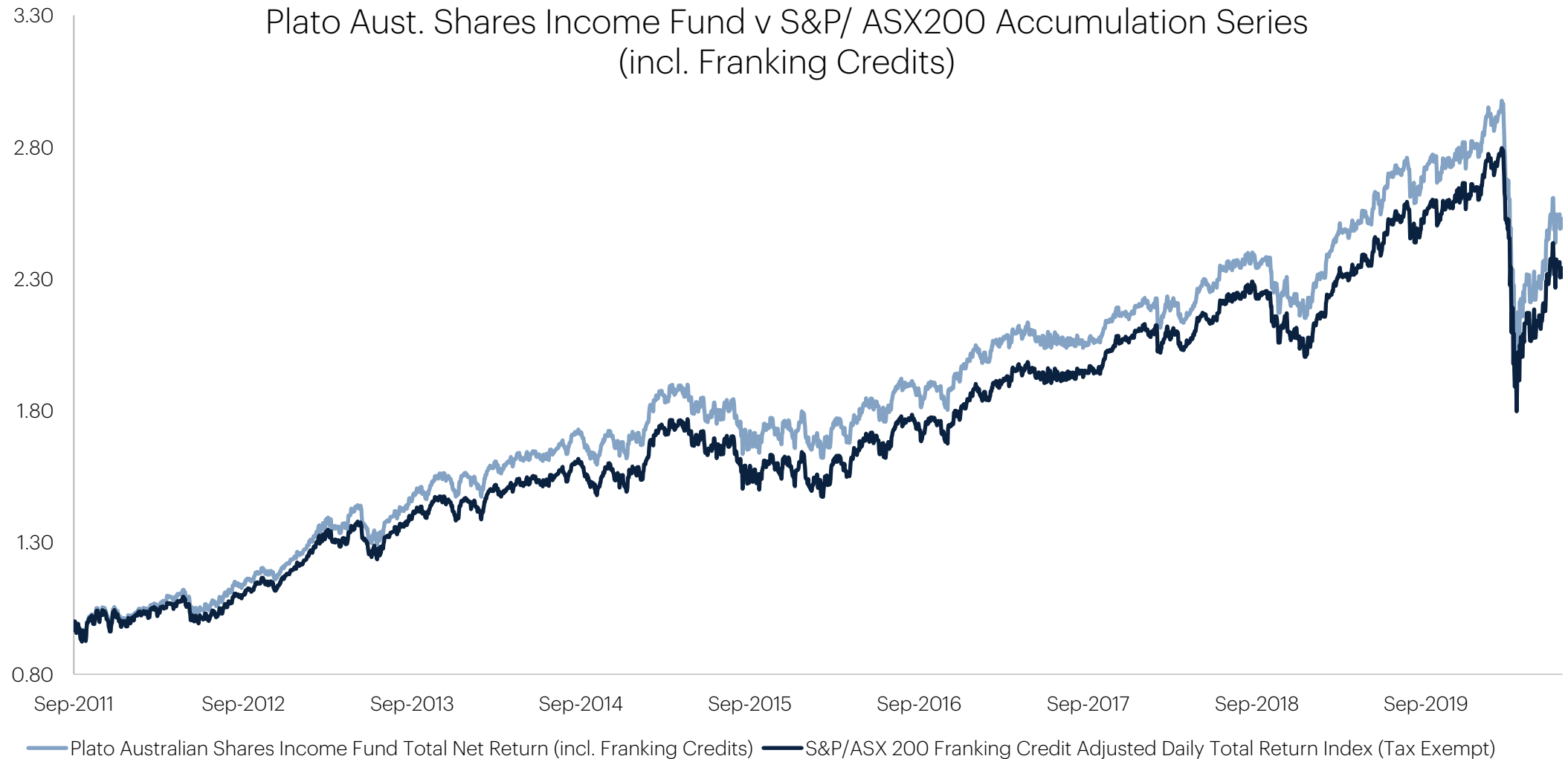
PL8 investment portfolio performance

PERFORMANCE TO 30 JUNE 2020 AFTER FEES AND COSTS*

Including Franking	Half-Year	12 Months	Since Inception p.a. ^{**} (28/4/2017)
Portfolio	8.5%	-5.8%	5.8%
S&P/ASX200 Tax Exempt	-10.0%	-6.6%	5.5%
Active	+1.5%	+0.8%	+0.3%

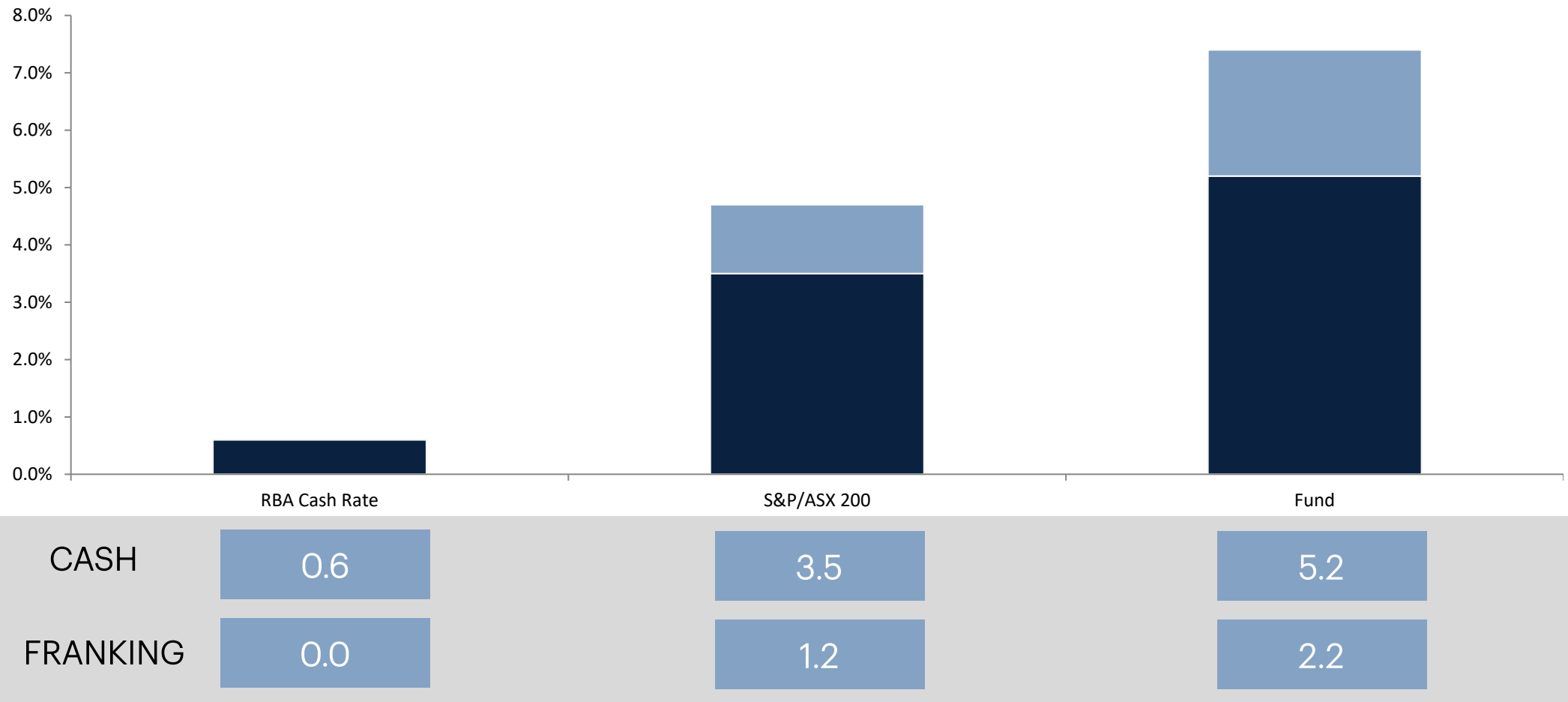
Longer term performance

PLATO AUSTRALIAN SHARES INCOME FUND PERFORMANCE TO 30 JUNE 2020 AFTER FEES



PL8 delivering high income

12 month realised yield*

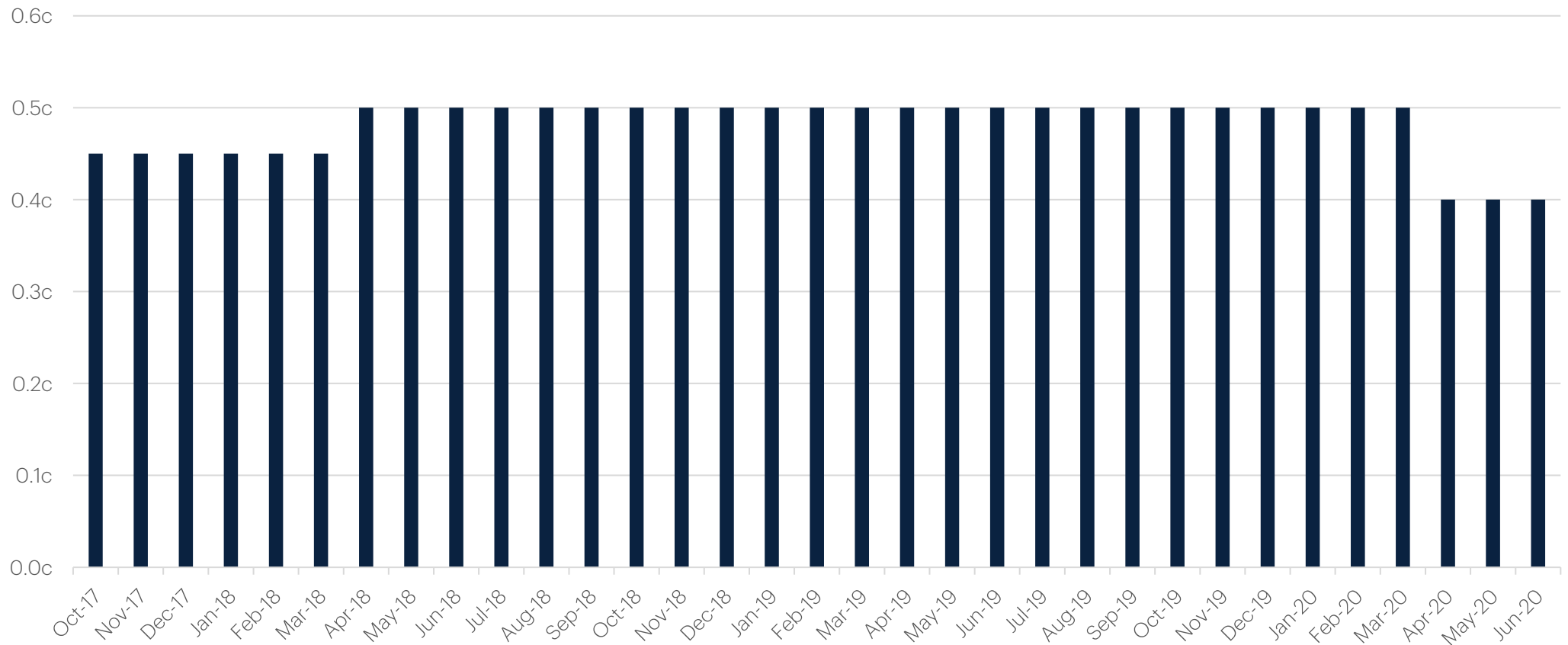


Past performance is not a reliable indicator of future performance.

Delivering consistent monthly income

PLUS 3 CENT SPECIAL DIVIDEND PAID MAY 2019

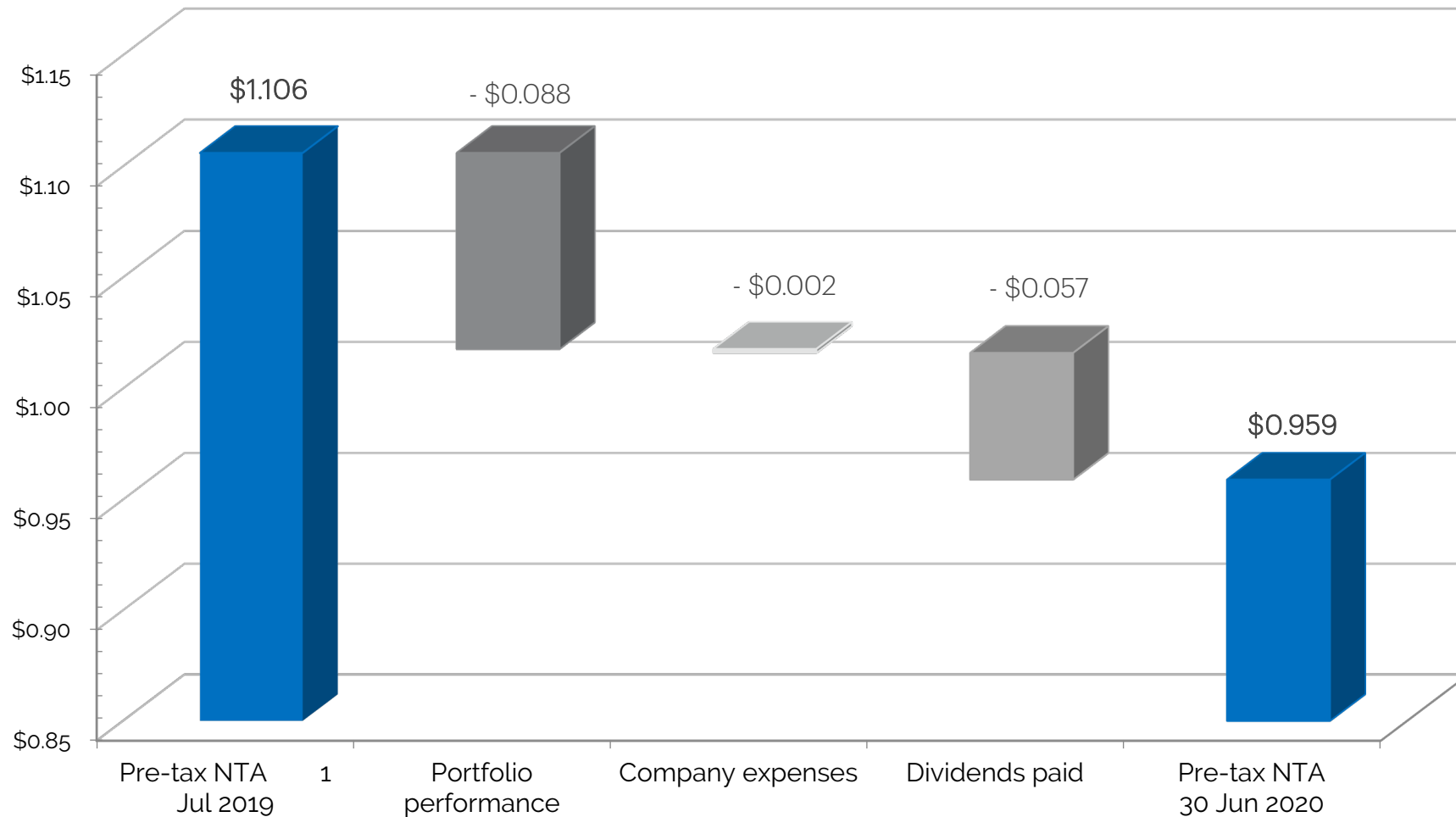
MONTHLY DIVIDENDS PAID



Only Australian LIC paying monthly fully franked dividends

PL8 NTA performance breakdown for FY2020

PRE-TAX NTA PER PL8 SHARE*



Price has closely tracked NTA

PL8 PRICE VERSUS NTA SINCE LISTING

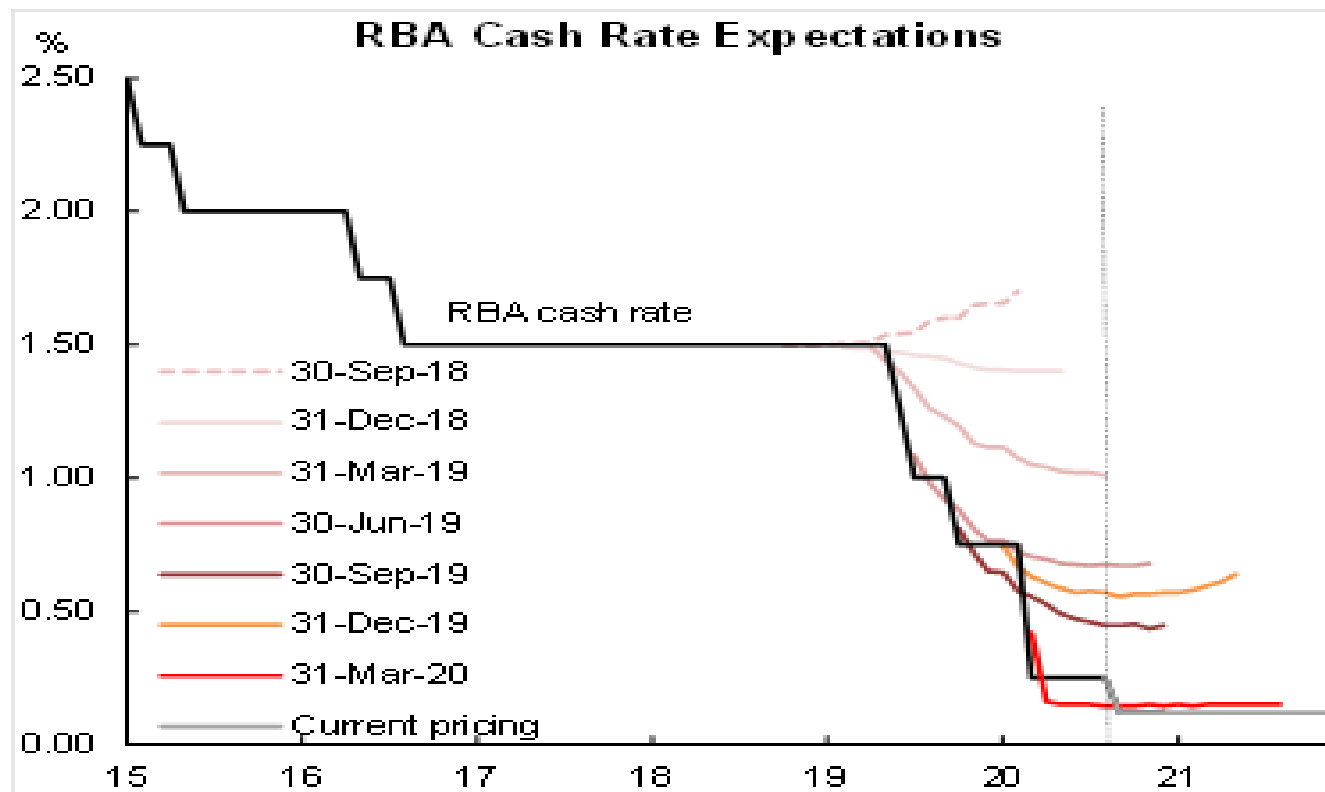


Market Update



RBA cut rates by 25bp on 19 March

OFFICIAL RBA CASH RATE EXPECTATIONS – EVEN LOWER FOR LONGER



“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.

Source: Macquarie Macro Strategy August 2020

Safe assets lose you money

NEGATIVE REAL RATES OF RETURN

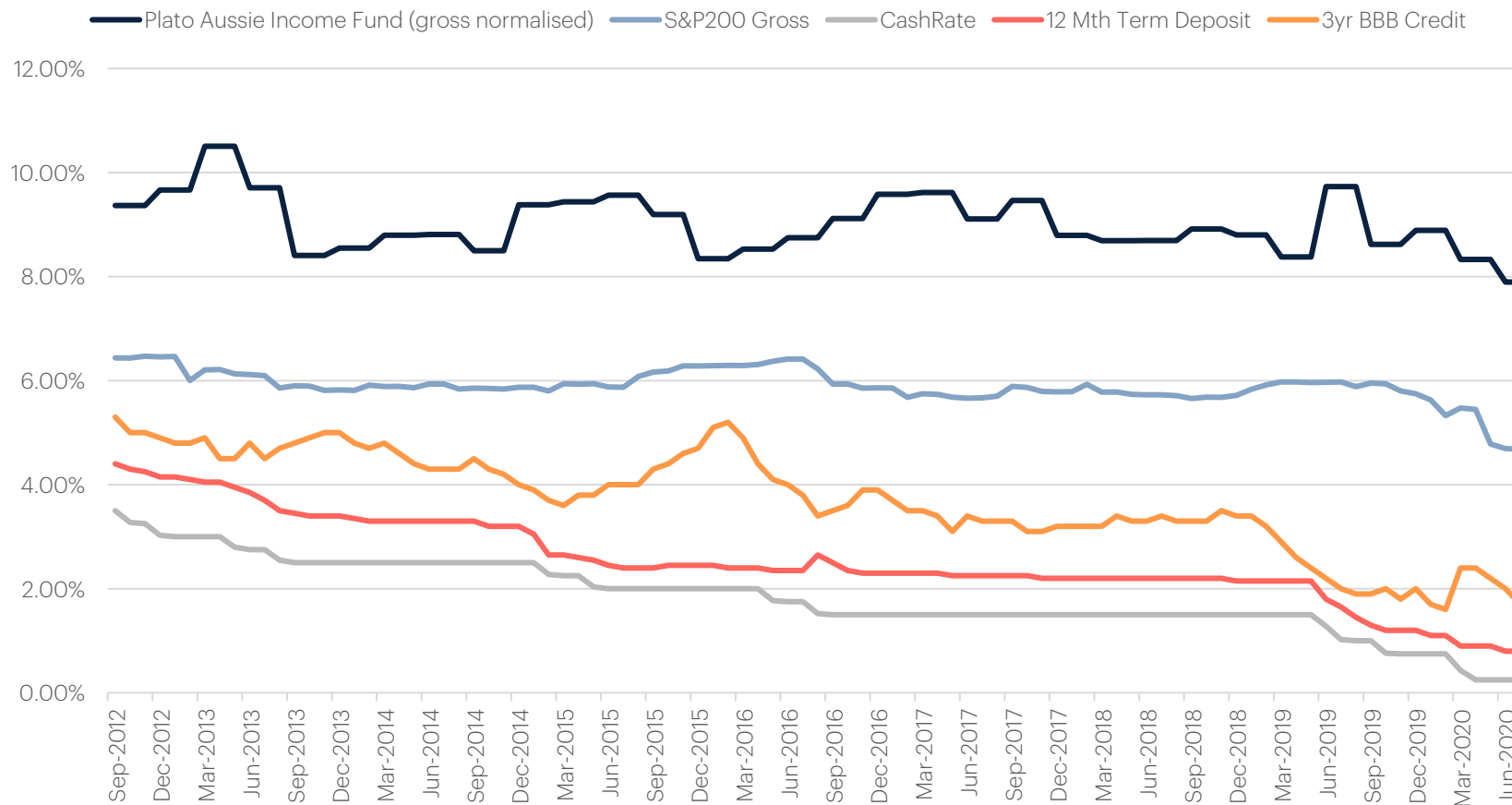


Safe options = going backwards! *

Source : Plato, RBA updated to 30/4/2020

*depending on your risk profile

Yields on all asset classes are falling

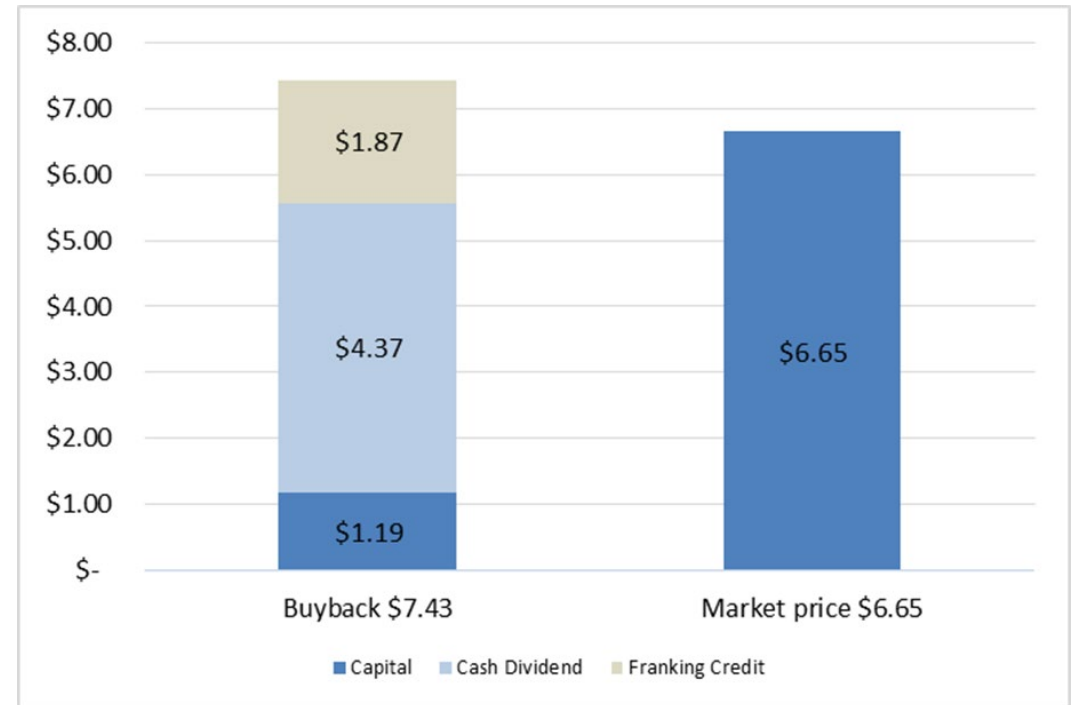


Source: Plato, RBA, Bloomberg Plato income normalized to exclude impact of large buybacks in 2018/19

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

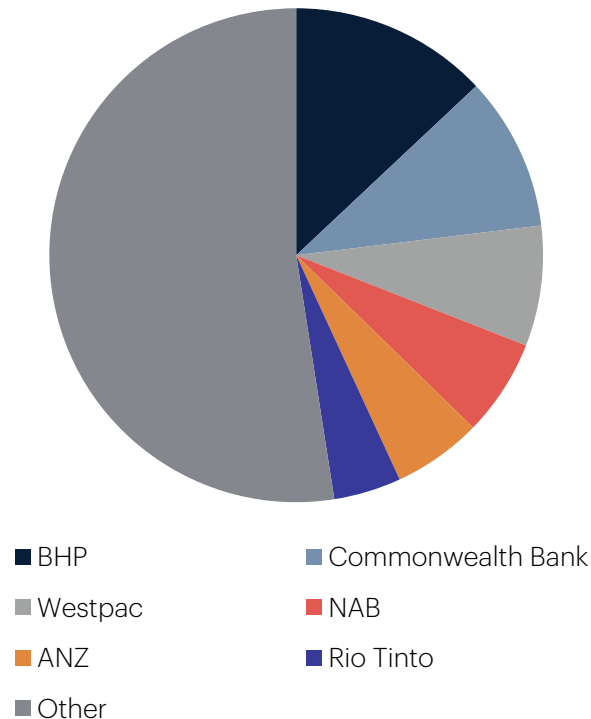


Highlights value of franking credits

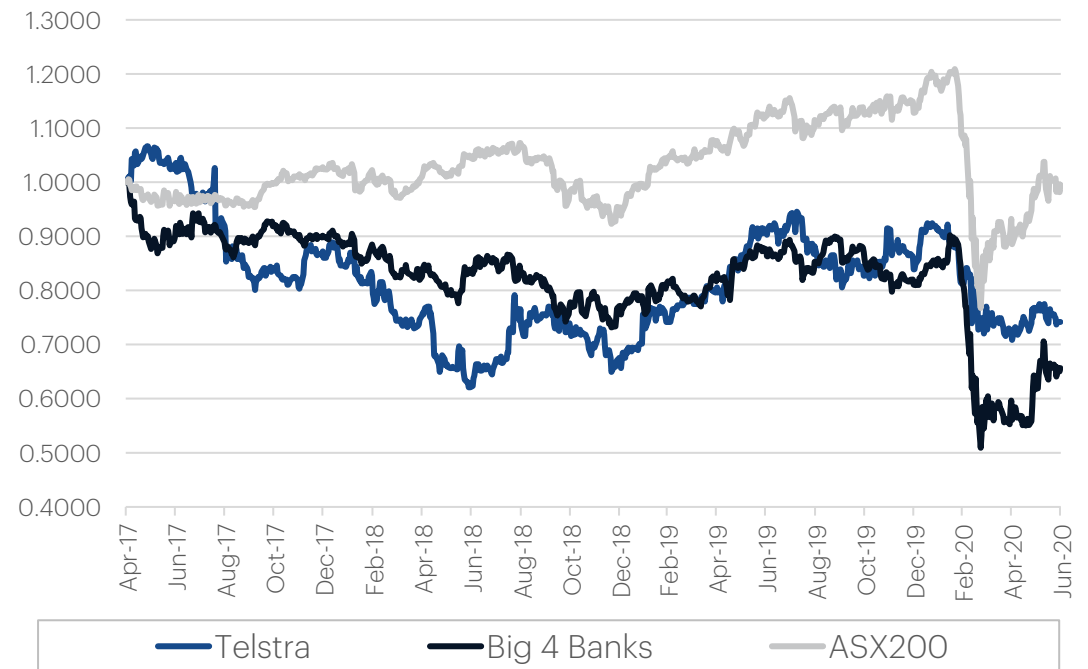
Big Aussie income stocks doing it tough!

6 STOCKS ACCOUNT FOR NEARLY HALF OF ALL DIVIDENDS

% of Gross Dividend Income 2019



Price Performance



Source: Plato, Iress S&P200

“...Australia is poorly diversified”

Largest Contributors to Income

YEAR TO 30 JUNE 2020

Top 10 Contributors to Excess Income (Last 12mths)					Investment Reasoning				
Stock	Excess Income (%)	Return (%)	Capital (%)	Income (%)	Yield	Run up	Value	Momentum	Reasoning
NAB	0.24	-25.8	-31.8	6.0	✓	✓	✓		Bank Rotation
Commonwealth	0.23	-8.7	-16.1	7.4	✓	✓	✓		Bank Rotation
Rio Tinto	0.19	3.5	-5.6	9.1	✓	✓	✓	✓	Increased yield, good total return, benefiting from high iron ore prices
BHP	0.18	-5.6	-13.0	7.4	✓	✓	✓		Increased yield, good total return, benefiting from high iron ore prices
Fortescue Metals	0.17	69.4	53.6	15.8	✓	✓	✓	✓	Increased yield, good total return, benefiting from high iron ore prices
Westpac	0.14	-32.7	-36.7	4.0	✓	✓	✓		Bank Rotation
ANZ	0.12	-30.2	-33.9	3.7	✓	✓	✓		Bank Rotation
Macquarie	0.10	-1.4	-5.4	4.0	✓	✓	✓	✓	Paid good stable yield, benefiting from diversified financial business
Woolworths	0.09	16.6	12.2	4.4	✓	✓		✓	Paid good stable yield, increased sales offset by increased costs
Wesfarmers	0.08	30.0	24.0	6.0	✓	✓		✓	Paid good stable yield, benefiting from increased sales from home improvement
Off-mkt Buybacks (McMillan Shakespeare/Qantas)	0.44				✓				Extra Income and Total Return

Largest Contributors to Active Performance

YEAR TO 30 JUNE 2020

Top 10 Contributors To Active Performance (Last 12mths)					Investment Reasoning				
Stock	Active Performance (%)	Return (%)	Capital (%)	Income (%)	Yield	Run up	Value	Momentum	Reasoning
Fortescue Metals	0.35	69.4	53.6	15.8	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from increase in iron ore prices.
Wesfarmers	0.35	30.0	24.0	6.0	✓	✓		✓	Good business momentum and price sentiment at reasonable price, benefiting from increased sales from home improvement.
Macquarie	0.34	-1.4	-5.4	4.0	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from diversified financial business.
Scentre	0.33	-37.6	-43.5	5.9	✗	✗		✗	Underweight , suffering after shopping centres were shut down.
Woolworths	0.29	16.6	12.2	4.4	✓	✓		✓	Good business momentum and price sentiment at reasonable price, benefiting from increased sales from social distancing measures.
ResMed.	0.28	61.3	60.4	0.9		✓		✓	Good business momentum and price sentiment at reasonable price, benefiting from respirator sales during COVID period.
JB Hi-Fi	0.26	74.7	66.4	8.3	✓	✓	✓	✓	Good business momentum and price sentiment at reasonable price, benefiting from strong sales in COVID period.
Magellan Financial	0.26	19.0	13.7	5.3	✓	✓		✓	Good business momentum and fund performance. Benefiting from strong inflows.
Aurizon	0.24	-2.6	-8.9	6.3	✓	✓	✓	✓	Good business momentum at reasonable price.
Oil Search	0.23	-53.2	-55.1	1.9		✗	✗	✗	Underweight , suffering after oil price drop and political pressures in Papua New Guinea.

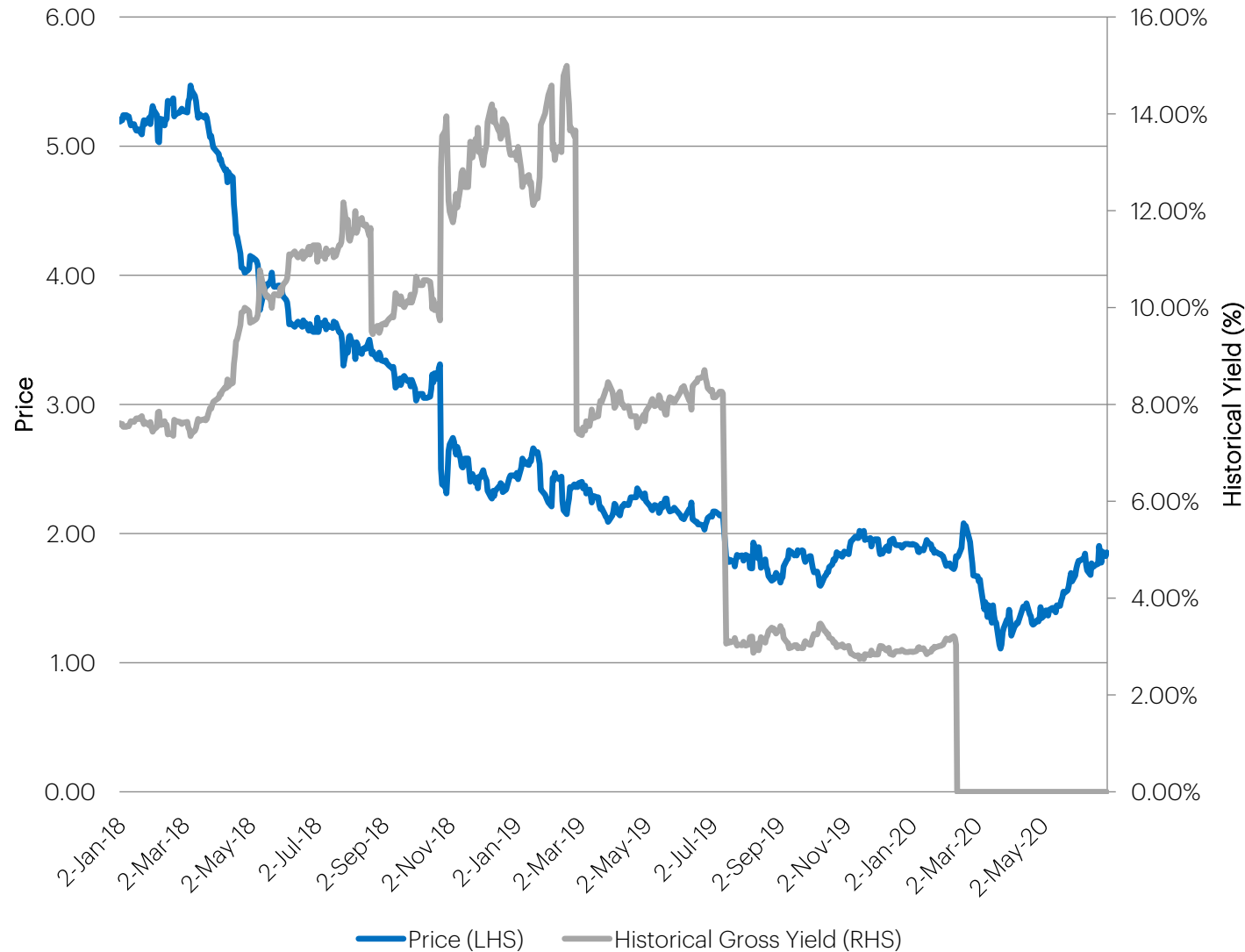
Dividend Traps

YEAR TO 30 JUNE 2020

Dividend Traps				Investment Reasoning				
Stock	Date of Divd	Div'd Cut (%)	Return (%)	Yield	Runup	Value	Momentum	Reasoning
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.
Alumina	28-Feb-20	-72%	-13.0	✓	✗		✗	Poor business momentum, suffering from reduction in Aluminium price.
Blackmores	Mar-20	-100%	-15.7		✗	✗	✗	Poor business momentum, suffering from poor sales into Asian market.
South32	5-Mar-20	-66%	-15.1		✗		✗	Poor business momentum, suffering reduction in commodity prices and shut down of South African mines.
Sims Group	9-Mar-20	-74%	-25.1		✗	✗	✗	Poor business momentum, suffering from reduction in scrap steel prices and turmoil in Turkey.
Flight Centre	Mar-20	-100%	-77.6	✓	✗		✗	Poor business momentum, suffering from COVID related travel weakness.

Winning by not losing - avoiding dividend traps

AMP UP TO 15% GROSS DIVIDEND YIELD



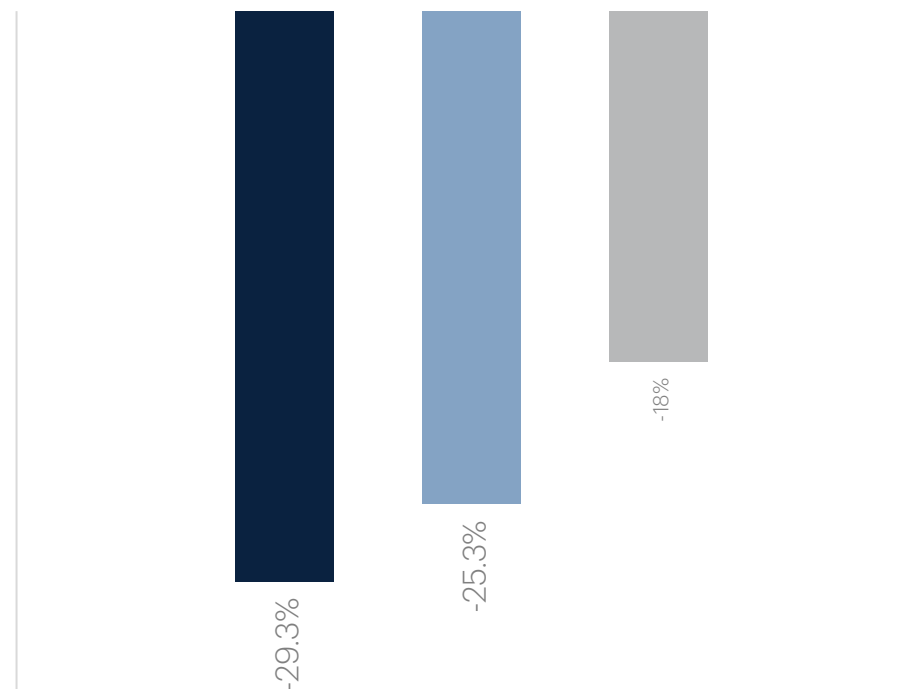
Update on results season August 2020 - Dividends

COVID = DIVIDENDS CUT
BUT... STRONG INCOME IF YOU KNOW WHERE TO LOOK

- Strong dividend increases:
 - JB Hi Fi, Wesfarmers in retail
 - Evolution and Northern Star in gold
 - Fortescue and Mineral Resources in iron ore
 - Aurizon and NRW Holdings in industrials
 - Magellan and Steadfast Group in financials
- Solid CBA result, dividend cut to maximum payout ratio allowed.
- 34 companies in ASX200 omit dividends
- 22% of companies increased dividends, 11% had flat dividend and 67% reduced dividends

CHANGE IN DIVIDENDS PCP

■ Average ■ Median* ■ Mkt Cap Weighted Average



Source: Plato, Iress, S&P200

Dividend Outcome

LARGEST 20 DIVIDEND PAYERS

GOOD

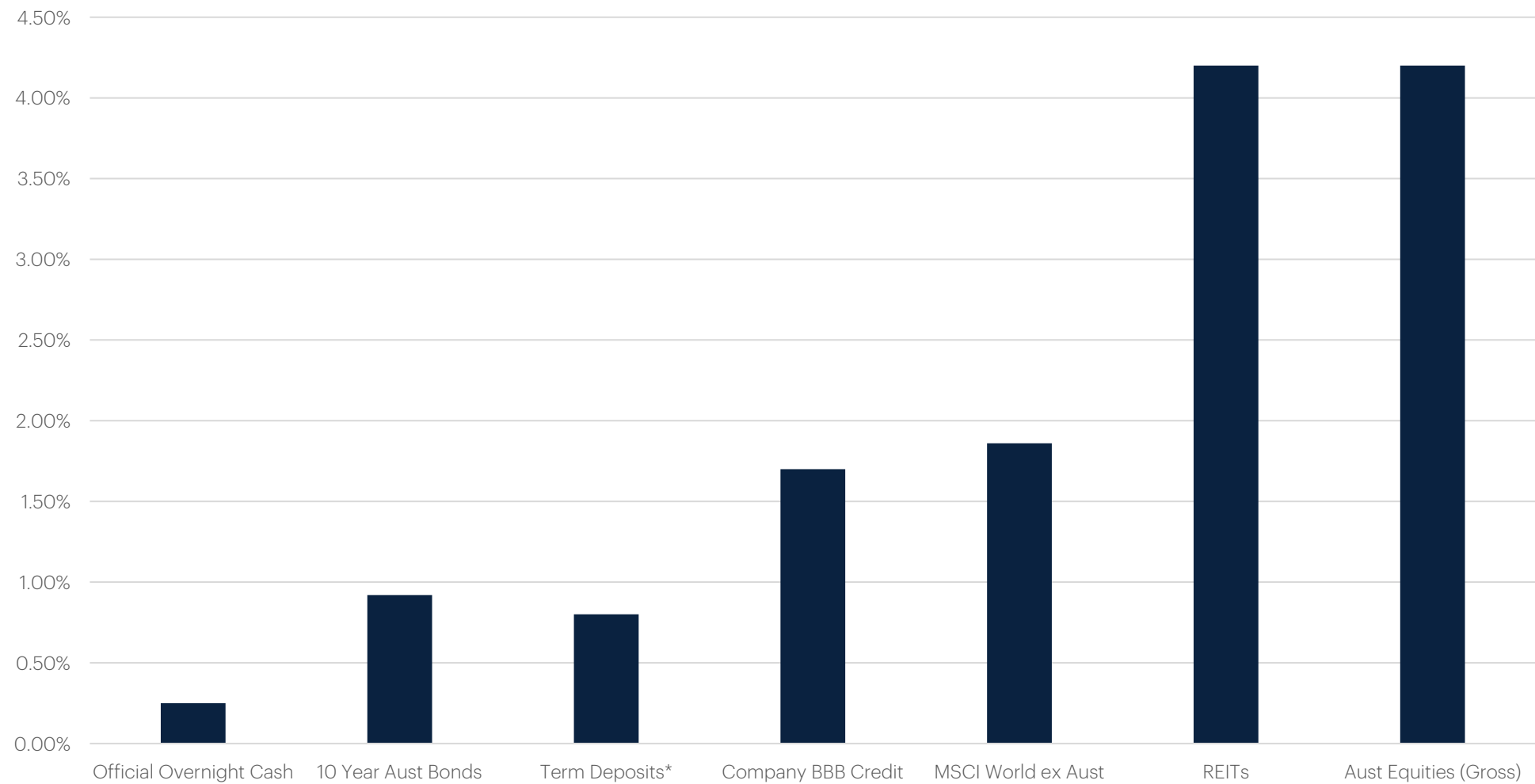
BAD

UGLY



Asset Class Outlook for Income

FORECAST 12 MONTH INCOME AS AT 28/8/2020



Source: Plato, Bloomberg, *RBA

Outlook

- Interest rates to be even lower for longer
 - All asset classes will deliver lower income
 - Equity income actually looks relatively more attractive
- Plenty of income if you know where to look:
 - Our expectation is for 30% cut in dividends on average, but some stocks unaffected
 - Recovery to be slow rather than V-shaped
- Case for active fund management never been stronger
 - Avoiding dividends traps will be more important than ever

Questions

THANK YOU

