

16 November 2020

By Electronic Lodgement

Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## **2020 Plato Income Maximiser Limited (ASX: PL8) Annual General Meeting – Chairman’s Address**

Please find attached a copy of the Chairman’s address which will be delivered at the PL8 Annual General Meeting today.

Authorised by:

**Calvin Kwok**  
Company Secretary

## 2020 Annual General Meeting – Chairman’s Address

### [Slide 4 – Chairman’s Address Overview]

Firstly, I will provide a brief overview of the Company, as a quick reminder to our longstanding shareholders and importantly to welcome our new shareholders.

- Plato Income Maximiser Limited, PL8, was established to provide shareholders the opportunity to benefit from an actively managed, well-diversified portfolio of Australian equities and a monthly dividend payment provided it has sufficient profit reserves. It is the first and only LIC in the Australian market that aims pays monthly franked dividends to shareholders.
- First listed in May 2017, the Company now has approximately \$431 million of assets, up from \$326 million at IPO after a capital raising via an entitlement offer in September 2019, making it one of the larger LICs on the ASX.

The Company’s investment portfolio is managed by Plato Investment Management Limited and invests via the Plato Australian Shares Income Fund.

### [Slide 5 – Investment Objectives]

PL8 has twin investment objectives:

1. to generate annual income including franking credits in excess of its benchmark, being the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt), and
2. to outperform, after fees, the benchmark in total return terms including the franking credits.

### [Slide 6 – Company Details]

As I introduced earlier, our Board of Directors comprises the members who are seated next to me and joining me by videoconference. The table highlights the shares on issue and the NTA as at 31 October 2020. Two things are important to note in relation to the Company’s NTA:

1. The post-tax NTA as at 31 October 2020, being \$1.001 was higher than the pre-tax NTA, being \$0.953, due to the estimated deferred tax assets resulting from unrealised investment losses following the decline in the portfolio’s value earlier in the year. As the market rises, the unrealised investment losses should reduce and consequently the gap between pre and post- tax NTA should close.
2. The balance of franking credits available to the Company for payment of dividends is not reflected in its NTA value. As at 31 October 2020 that figure was 1.2c per share.

### [Slide 7 – Monthly Dividends]

The Directors are pleased that the Company has been able to achieve its stated aim to pay monthly dividends. The chart at slide 7 shows the dividend history of the Company. A few points to note:

- In May 2019 shareholders were also paid a special dividend of 3 cents per share – this is not shown of the slide 7 chart.
- In April 2020, as a result of the generally lower level of income from the portfolio due to the COVID induced cuts to ASX company dividends, the Company reduced its monthly dividends from 0.5c a month to 0.4c a month.
  - This 20% reduction in monthly dividends is better than the overall approximate 30% fall in the level of dividends of the ASX200. We will hear more from Don on this later.

We are also pleased to confirm that, provided the Company has sufficient profit reserves, it is permitted by law and within prudent business practices to do so, it intends to continue with the payment of monthly dividends.

### [Slide 8 – Company Performance]

- The annualised portfolio performance for the period from inception in May 2017 to 31 October 2020 was 5.8% including franking credits.
- The annualised distributed income including franking credits for the period from inception in May 2017 to 31 October 2020 was 7.9%.
- The Company’s annualised total shareholder return, or TSR Performance, which measures the change in share price adjusted for any dividends paid, from inception to 31 October 2020 was 4.9%.

The Company's share price was \$1.07 on 31 October 2020 compared to an issue price of \$1.10, with dividends of 20.5 cents paid during the period. This excludes any benefit from franking or from the options issued at IPO.

- Pleasingly, since inception, the Manager has achieved its twin investment objectives which I mentioned earlier, outperforming its ASX200 Benchmark in both income and total return terms.

**[Slide 9 – Shareholder Engagement]**

In line with our ongoing commitment to shareholders, the Company continues to increase its communication and transparency with shareholders and the broader market.

- We send out regular emails with investment videos and insights, dividend updates, weekly NTA announcements, half and full year financial results, media articles and Don regularly presents at industry investor conferences.
- In particular, we would like to point out the new Company website that can be found at [plato.com.au](http://plato.com.au).
- Additionally, in January 2020 we changed the share registry from Boardroom to Automic. Hopefully shareholders had a good experience of them thus far in terms of their shareholder portal.
- We encourage shareholders to provide their email address via Automic to ensure they are receiving our latest updates and invitations as the vast majority of our communications are electronic.