

21 December 2020

*By Electronic Lodgement*

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

## Plato Income Maximiser Limited (ASX: PL8) – Monthly Investment Update

Please find attached a copy of the investment update the month ending 30 November 2020.

For further information, please contact 1300 010 311.

Authorised by:

**Calvin Kwok**  
**Company Secretary**

## PERFORMANCE AND COMPANY UPDATE

As at 30 November 2020, the Company's investments delivered a total return of 8.2%<sup>2</sup> and distributed a yield of 7.8% (incl. franking) since inception<sup>3</sup> compared to the S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) ('Benchmark') return of 8.3%<sup>2</sup> and a yield of 5.3%<sup>2</sup>. During the last 12mths, in a period when many high yield stocks have underperformed, it is pleasing that the company's investments have outperformed its benchmark by 1.1%.

## MONTHLY DIVIDENDS

The Company aims to pay regular monthly dividends. The PL8 Board has resolved to pay three fully franked dividends of \$0.004 per share for October, November and December 2020. This is a continuation of the previous recent monthly dividends of \$0.004 per share, and is a level the Board feels is prudent given current economic conditions.

### PORTFOLIO PERFORMANCE<sup>1</sup>

Total return <sup>2</sup> since inception <sup>3</sup> :	8.2%
1 Month - November 2020:	8.9%
Income <sup>2</sup> since inception <sup>3</sup> :	7.8%
1 Month - November 2020:	0.5%

<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>Total return includes franking credits and special dividends. Income is distributed income including franking credits.

<sup>3</sup>Inception date 28th April 2017.

### COMPANY SNAPSHOT

Share Price (PL8):	\$1.105
Market Capitalisation:	\$473m
Inception date:	28-Apr-17
Listing date:	5-May-17
Management fee:	0.80% p.a. <sup>1</sup>
Pre-tax NTA <sup>2</sup> :	\$1.033

<sup>1</sup>0.82% p.a. inclusive of the net impact of GST and RITC.

<sup>2</sup>Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.

## MARKET OVERVIEW

November was a record month for Australian equities, rising over 10% as first Pfizer/BioNTech and then Moderna announced Phase 3 vaccine results that suggested their vaccines were over 90% effective, sharply reversing the returns of those companies most affected by Covid related lockdowns. In addition, the RBA lowered its cash rate, yield-curve target and bank lending facility rate to a new record low of 0.1%, putting further pressure on the returns from term deposits and other investments linked to the cash rate. Despite a Covid outbreak in South Australia originating from hotel quarantine, Australia appears to have suppressed the virus successfully in both Victoria and NSW with restrictions eased, aiding consumer sentiment. Finally, rising trade tensions between Australia and China culminating in a tariff greater than 100% being applied to Australian wine sold in China, put pressure on companies that could be hit by Chinese tariffs or import restrictions. The top performing sectors were Energy, Financials and Telcos in contrast to the defensive sectors of Consumer Staples, Utilities and Healthcare which significantly lagged the market rally.

Performance was quite extreme in November, with vaccine enthusiasm sparking a large recovery in many Covid-19 impacted stocks, whilst stocks who had benefited from Covid lagged. The largest positive contributors to the Company's investments during the month were an overweight position in Beach Petroleum as well as underweight positions in Newcrest, Afterpay Touch and ASX. However, overweight positions in Woolworths, Regis Resources and St Barbara underperformed and an underweight position in Scentre detracted from relative performance

TOP 10 HOLDINGS	TOP 10 YIELDING	YIELD% P.A. <sup>1</sup>
BHP Group	Fortescue Metals	13.8
Commonwealth Bank	Aurizon Holdings	8.4
CSL	Woodside Petroleum	7.6
Fortescue Metals	BHP Group	6.5
Macquarie Group	Regis Resources	6.2
NAB	Metcash	6.1
Telstra Corporation	Medibank Private	6.0
Transurban Group	JB Hi-Fi	5.9
Westpac	Harvey Norman	5.6
Woolworths	APA Group	5.5

<sup>1</sup>Including franking credits

The Company remains actively positioned to seek superior income than the benchmark. Our proprietary dividend cut model indicates that the proportion of ASX300 stocks forecast to cut dividends has returned to a normal level after being elevated from March-October this year. Hence, we forecast that ASX300 dividends are likely to increase in 2021 from their level in the 2nd half of 2020.

PORTFOLIO PERFORMANCE <sup>1</sup>	1M%	3M%	1YR% P.A.	3YRS% P.A.	INCEPTION% P.A.
Total return <sup>2</sup>	8.9	6.3	0.0	9.2	8.2
Income <sup>3</sup>	0.5	1.6	7.0	9.0	7.8
Bench. total return <sup>2</sup>	10.3	8.5	-1.1	8.4	8.3
Excess total return <sup>2</sup>	-1.4	-2.2	1.1	0.8	-0.1
Excess Income <sup>3</sup>	0.2	0.8	3.2	3.8	2.5
Excess franking <sup>3</sup>	0.1	0.3	1.2	1.4	1.0

<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 and special dividends.

<sup>3</sup>Distributed income including franking credits.

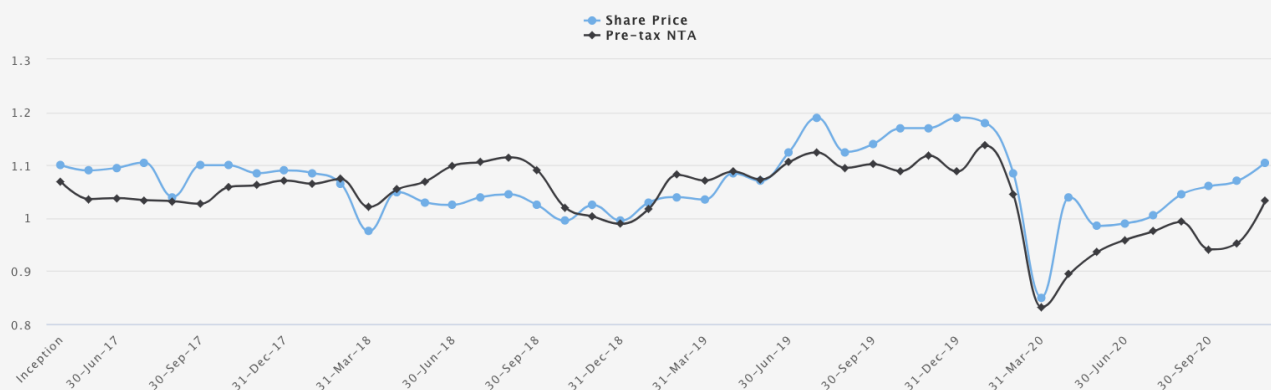
NET TANGIBLE ASSETS <sup>1</sup>	
Pre-tax NTA <sup>2</sup>	\$1.033
Post-tax NTA <sup>3</sup>	\$1.055
Distributed Dividends since inception	\$0.209
Distributed Dividends (incl. franking)	\$0.299

<sup>1</sup>NTA calculations exclude Deferred Tax Assets relating to capitalised cost deductions and carried forward tax losses of \$0.006. The Franking Account Balance (not reflected in NTA) is \$0.011 per share.

<sup>2</sup>Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.

<sup>3</sup>Post-tax NTA includes tax on realised and unrealised gains or losses and other earnings.

PL8 SHARE PRICE V NTA<sup>1,2</sup>



Source: Iress, Plato Investment Management.

<sup>1</sup>NTA calculations exclude Deferred Tax Assets relating to capitalised cost deductions and carried forward tax losses of \$0.006. The Franking Account Balance (not reflected in NTA) is \$0.011 per share.

<sup>2</sup>Pre-tax NTA includes tax on realised gains or losses and other earnings, but excludes any provision for tax on unrealised gains or losses.