

# 2021 ANNUAL GENERAL MEETING

PLATO INCOME MAXIMISER LIMITED

ASX: PL8

22 November 2021



**Plato**  
INCOME MAXIMISER

# Agenda

01  
Chairman's Address

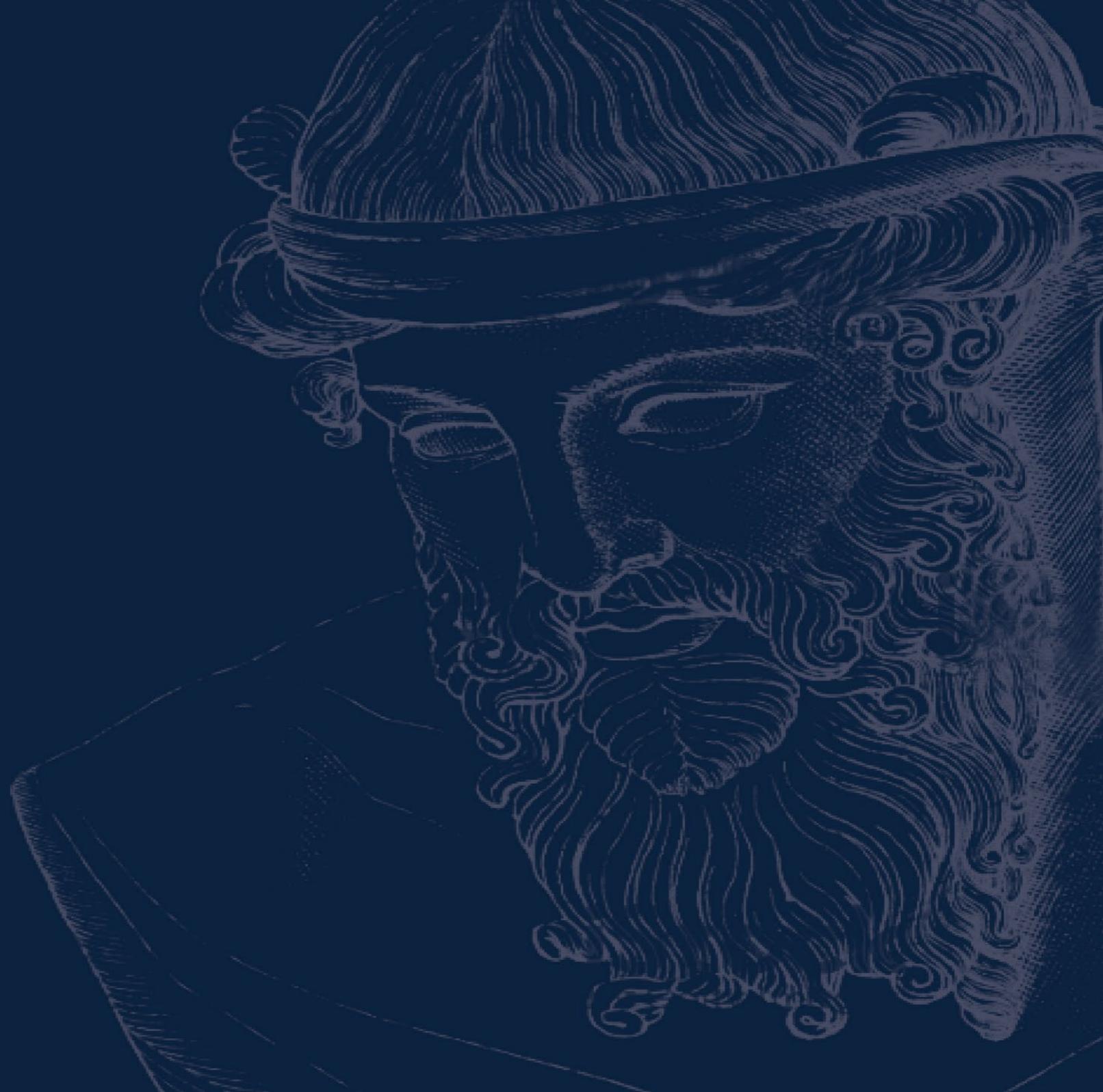
02  
Formal Business

03  
Investment Manager Update

04  
Questions

# Chairman's Address

Mr. Jonathan Trollip



# PL8 Overview

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PLATO INCOME MAXIMISER LIMITED

First and only  
Australian Listed  
Investment Company  
(LIC) paying monthly  
dividends

Based on the  
investment strategy of  
the Plato Australian  
Shares Income Fund

Designed specifically  
with retiree investors  
in mind (pension phase  
superannuation or low  
tax individual)

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**Ticker:** PL8

**Listing date:** 5 May 2017

**Net Assets\*:** \$557m

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# Company Performance

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## Portfolio Performance<sup>1</sup>

- 10.0% annualised from inception date<sup>3</sup> to 31 October 2021

## Income<sup>1</sup>

- 7.4% annualised from inception date<sup>3</sup> to 31 October 2021

## TSR Performance<sup>2</sup>

- 9.2% annualised from inception date<sup>3</sup> to 31 October 2021

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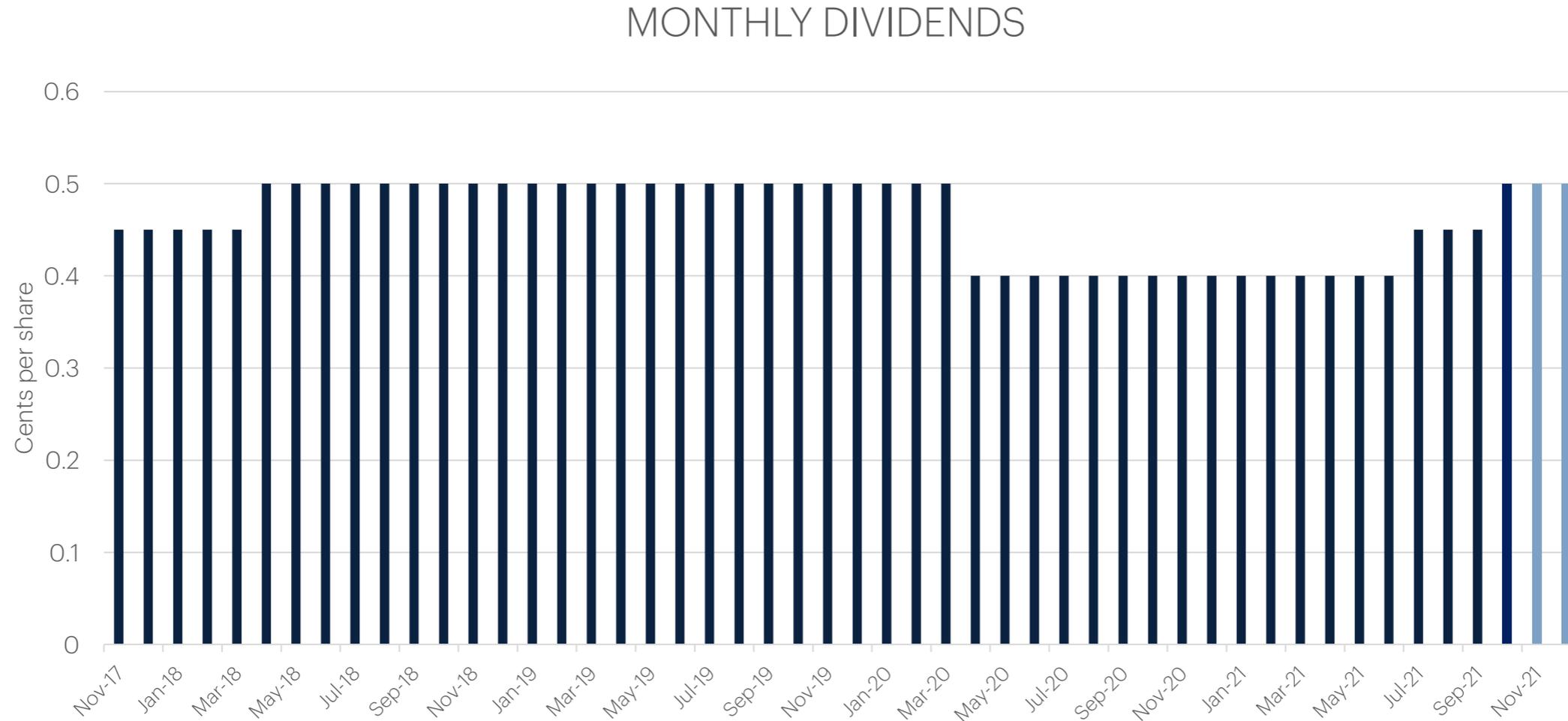
<sup>1</sup> Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes. Total return includes franking credits and special dividends. Income is distributed income including franking credits. Inception date 28th April 2017.

<sup>2</sup> Change in the share price adjusted for any dividends paid during the period. It does not include any impact shareholders received from owning options issued as part of the IPO.

<sup>3</sup> 28 April 2017 for portfolio inception; 5 May 2017 for listing date

# Dividend Update

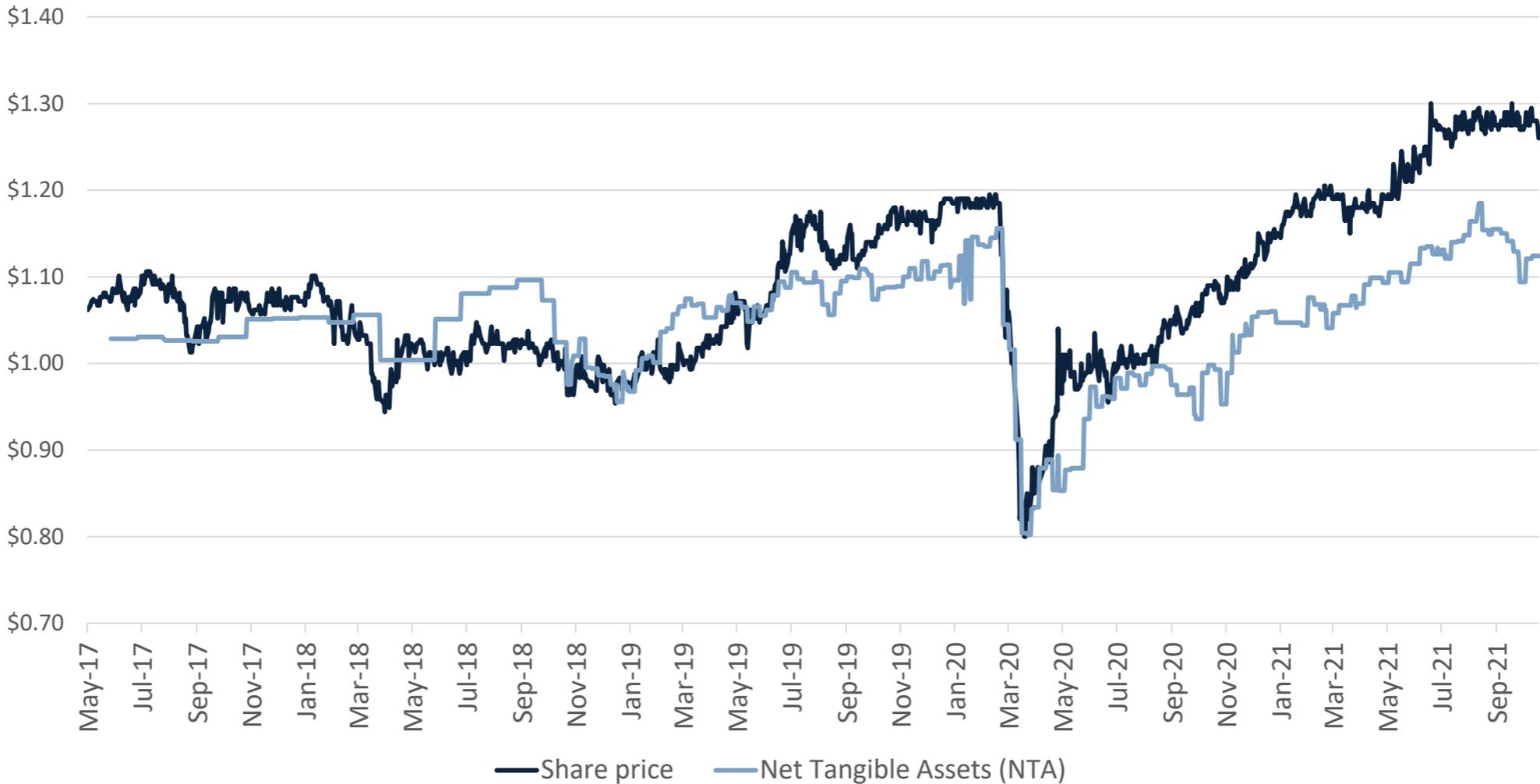
INCREASED MONTHLY DIVIDENDS TO \$0.005 PER SHARE



Monthly Dividends back to pre-COVID levels

# Price has closely tracked NTA

PL8 PRICE VERSUS PRE-TAX NTA SINCE LISTING



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

# PL8 Share Purchase Plan

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## Share Purchase Plan (SPP)

- Follows the successful completion of a Wholesale Placement (Placement) on 3 November 2021, raising \$71.3 million
- The SPP is an opportunity for Eligible Shareholders (PL8 shareholders on the record date of 2 November 2021) to purchase up to \$30,000 worth of new fully paid ordinary shares (New Shares) without incurring brokerage or transaction costs (minimum purchase of \$2,500)
- New Shares issued under the SPP will rank equally with existing shares and are entitled to the PL8 monthly dividend with record date 17 December 2021

## Issue Price

The issue price to acquire New Shares under the SPP (Issue Price) will be the lower of:

- \$1.11, the pre-tax net tangible asset (NTA) per fully paid ordinary share in PL8 (Share) on 2 November 2021, being the day before the SPP was announced; and
- the pre-tax NTA per Share on the day the SPP closes, being Friday, 26 November 2021.

The price of \$1.11 per New Share represents 13.6% discount to the closing Share price on 2 November 2021 and a 14.2% discount to the volume weighted average price for the five trading days up until 2 November 2021.

## Target Size

The SPP is targeting to raise approximately \$50 million, while maintaining the flexibility to accept applications in excess of this amount.

- Applications may be scaled back (on a pro rata basis at the discretion of PL8), including if applications for New Shares exceed the target offer size of \$50 million

# PL8 Share Purchase Plan

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## How to apply

- If you wish to participate in the SPP, please read the [Share Purchase Plan Booklet](#) (Booklet) and follow the instructions contained within your personalised Application Form.
- The Booklet and your personalised Application Form was sent to you on 5 November either by email or post (depending on your shareholder communication preference set up with the PL8 share registry Automic)
- You can also access your personalised Application Form to apply for New Shares online via our Share Registry (Automic) [Automic investor portal](#)
- Application payments can be made via BPAY (using the BPAY reference number on your personalised Application Form) or EFT (using the unique reference number on your personalised Application Form)
- If you require further information about the SPP, or request a hard copy of the Booklet and Application Form, please contact Automic on 1300 902 587 (within Australia), +61 2 7208 4521 (outside Australia) or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au) between 9:00am and 5:00pm (Sydney time).

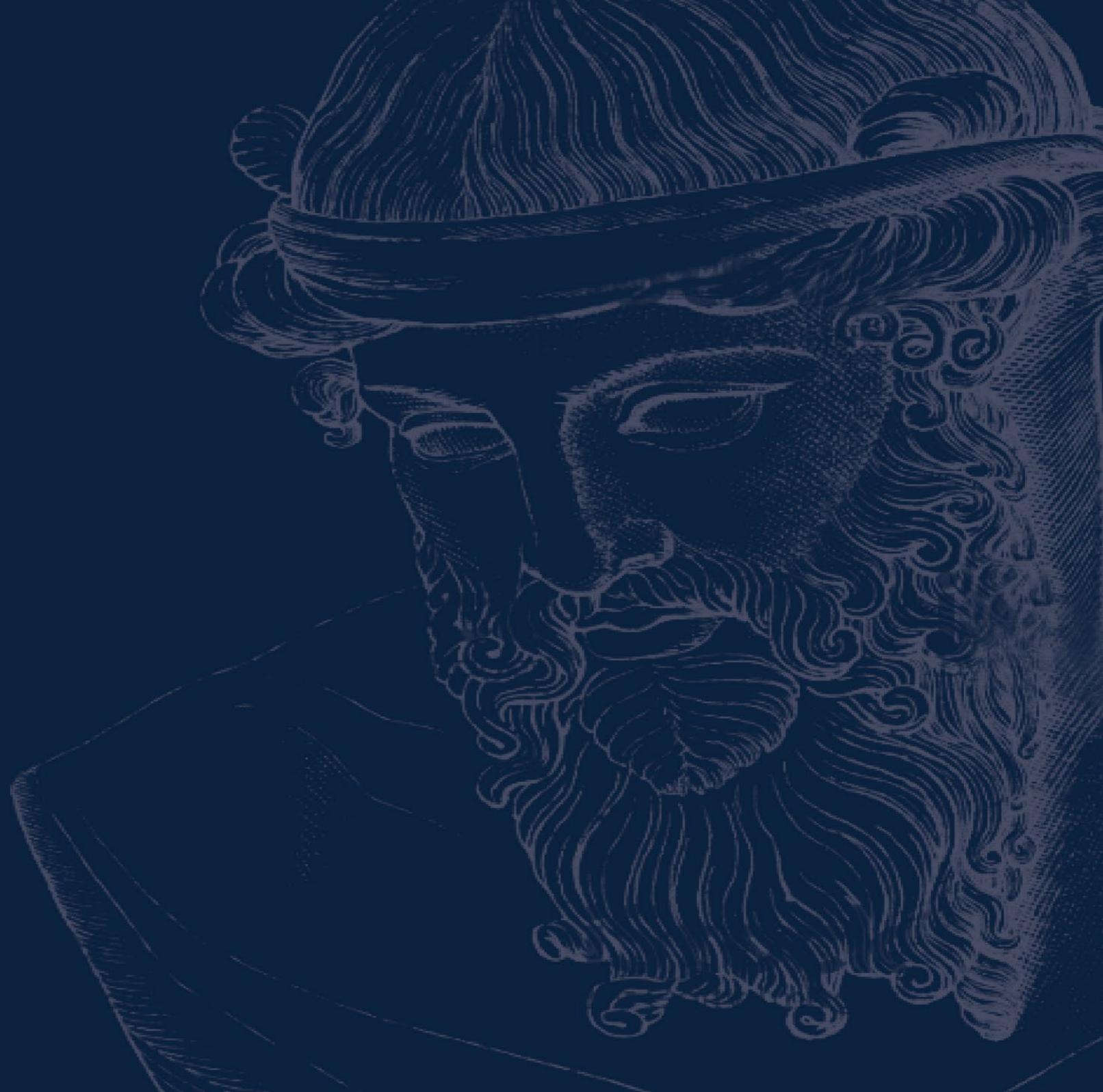
## SPP Offer timeline\*



\*Timetable subject to change

# Formal Business

Mr. Jonathan Trollip



# Formal Business

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Financial statements and reports

**Consideration of financial statements and reports**

# Formal Business

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## Resolution 1

### **Adoption of the Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“That the Remuneration Report of the Company for the financial year ended 30 June 2021 be adopted”**

# Formal Business

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## Resolution 1 - proxies

Shares Voted		
For	82.43%	12,206,019
Open	7.29%	1,079,768
Against	10.28%	1,521,779
Abstain	103,428	

# Formal Business

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## Resolution 2

### **Re-election of Lorraine Berends as a director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“That Ms Lorraine Berends, who retires by rotation in accordance with rule 6.7 of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a director of the Company”**

# Formal Business

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## Resolution 2 - proxies

Shares Voted		
For	88.71%	14,491,993
Open	6.38%	1,042,703
Against	4.91%	801,298
Abstain	101,250	

# Formal Business

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## Resolution 3

### **Re-election of Alex Ihlenfeldt as a director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“That Mr Alex Ihlenfeldt, who retires by rotation in accordance with rule 6.7 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company”**

# Formal Business

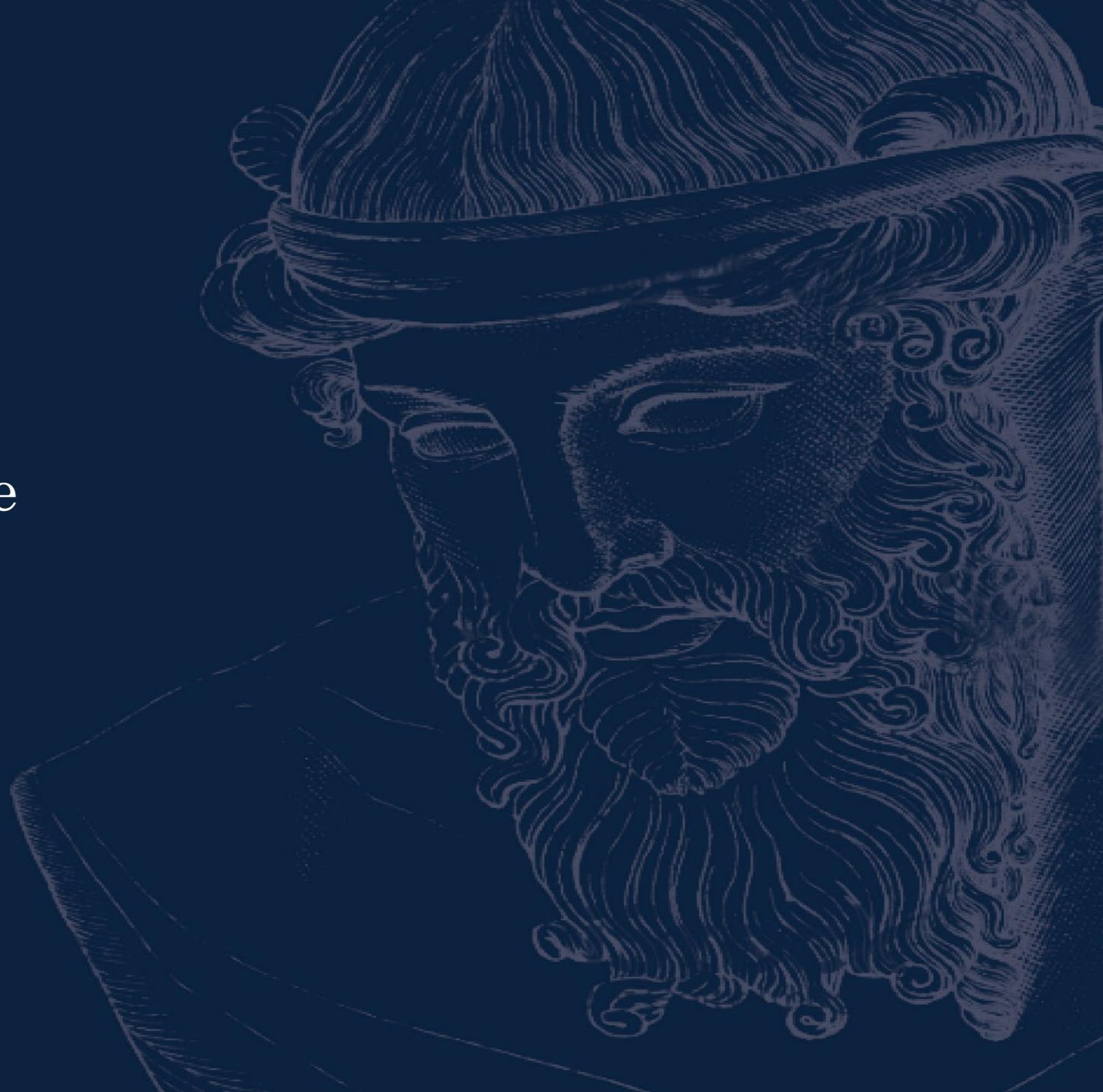
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## Resolution 3 - proxies

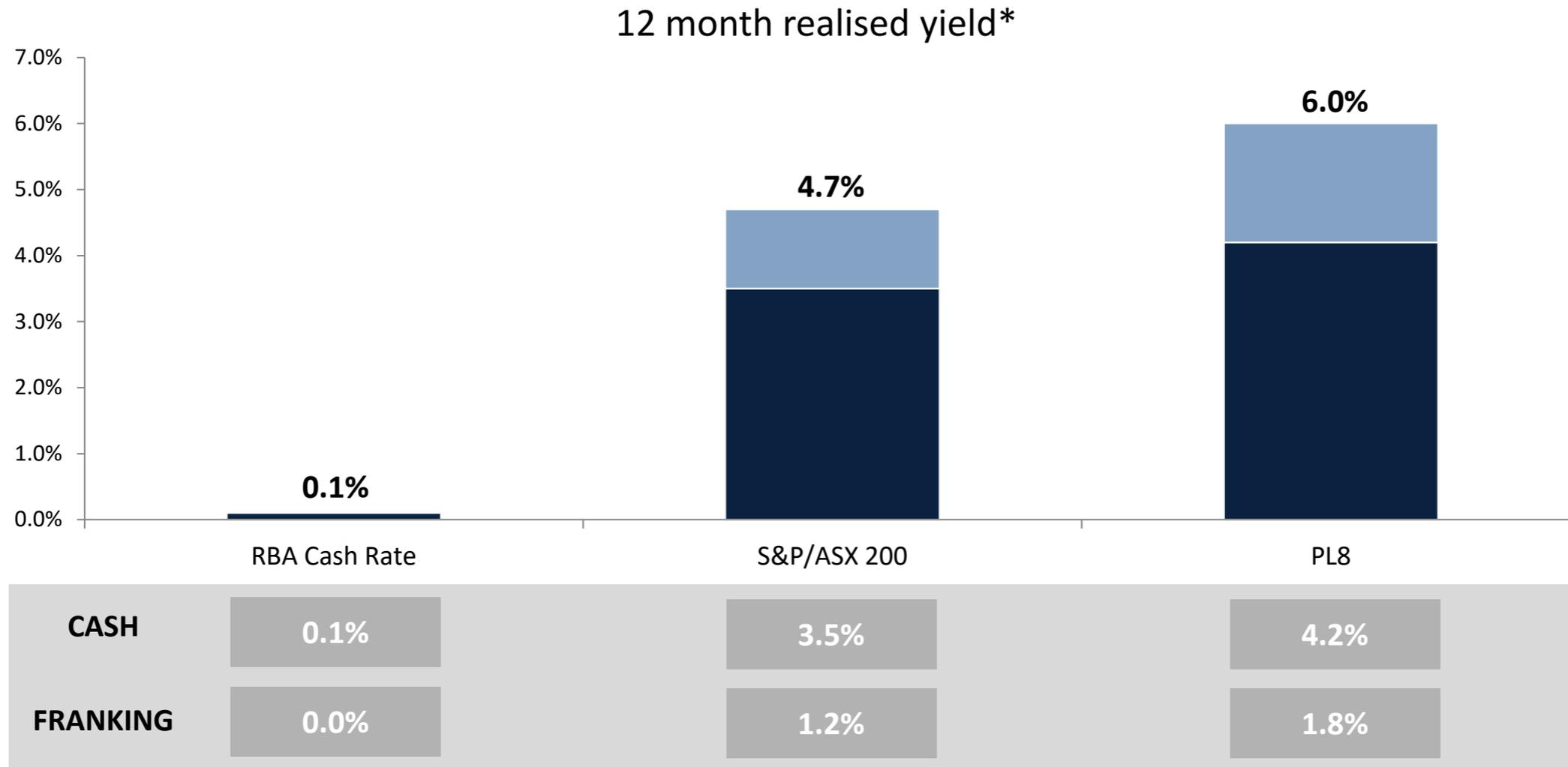
Shares Voted		
For	88.68%	14,558,900
Open	6.44%	1,057,046
Against	4.88%	801,298
Abstain	20,000	

# Investment Manager Update

Dr. Don Hamson



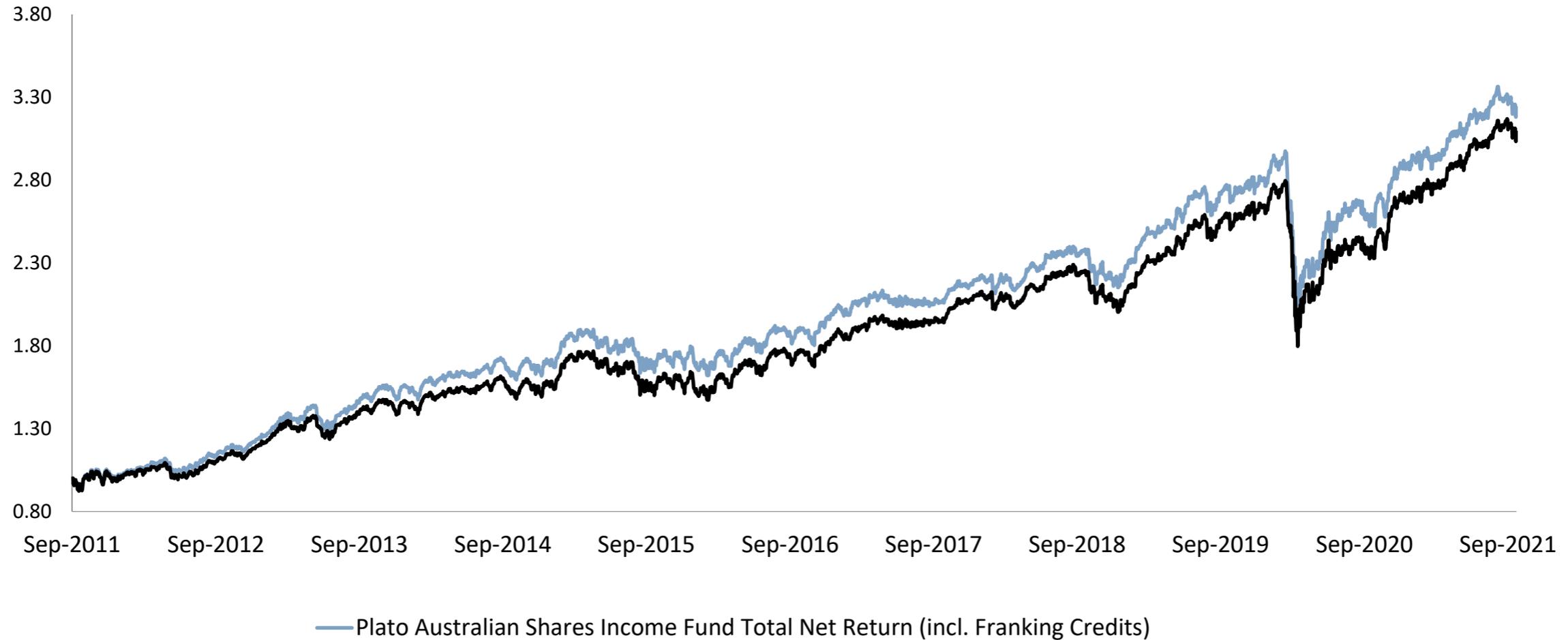
# PL8 delivering high income



\*to 30 September 2021, Plato, Bloomberg

# Chart of Plato Income Performance

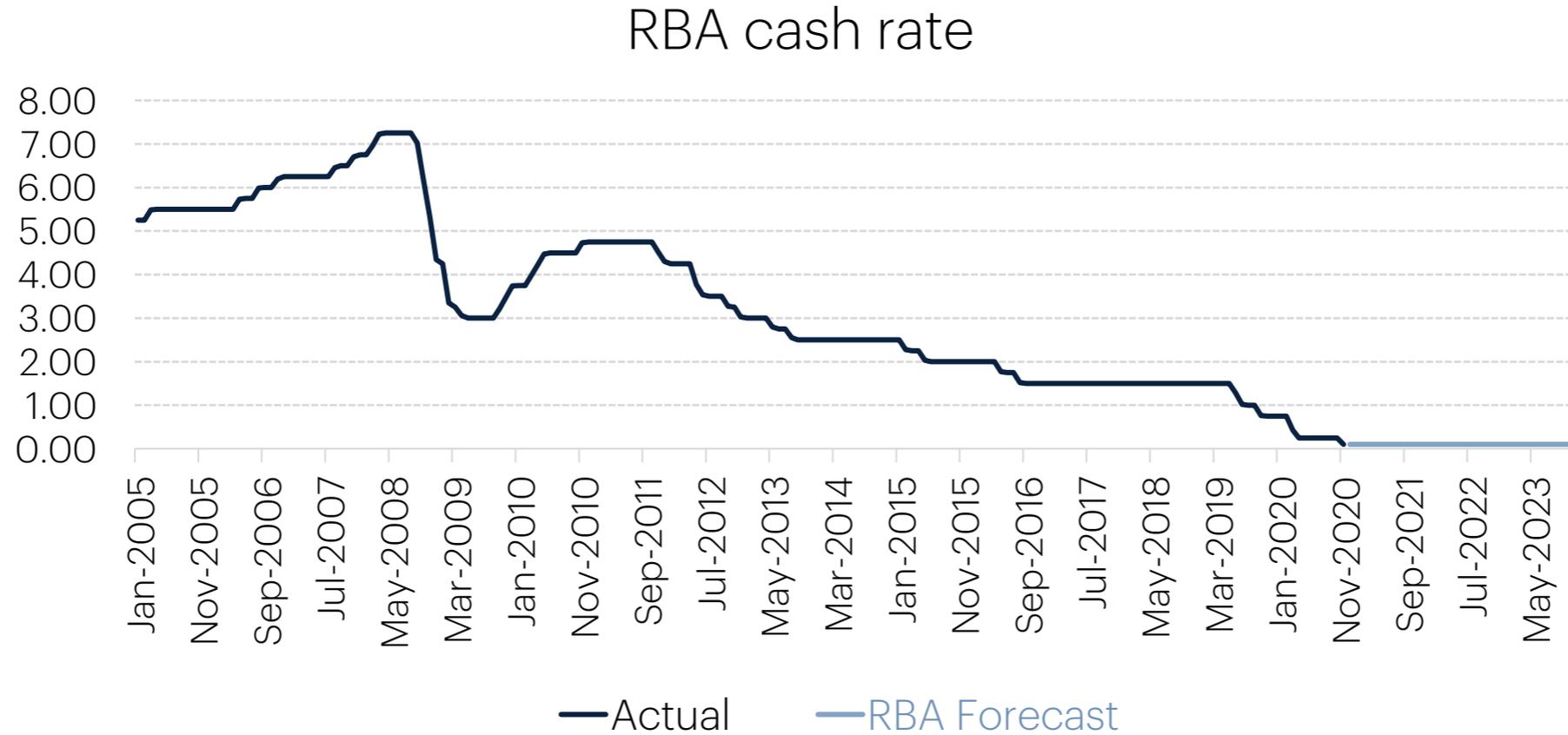
Plato Aust. Shares Income Fund v S&P/ ASX200 Accumulation Series (incl. Franking Credits) Indexed to 1 since inception



Source: Plato, Bloomberg. Franking credits have been valued from the perspective of a tax-exempt investor. Past performance is not a reliable indicator of future performance.

# RBA forecasts three years of record low 0.1% cash rate

OFFICIAL RBA CASH RATE EXPECTATIONS – EVEN LOWER FOR LONGER

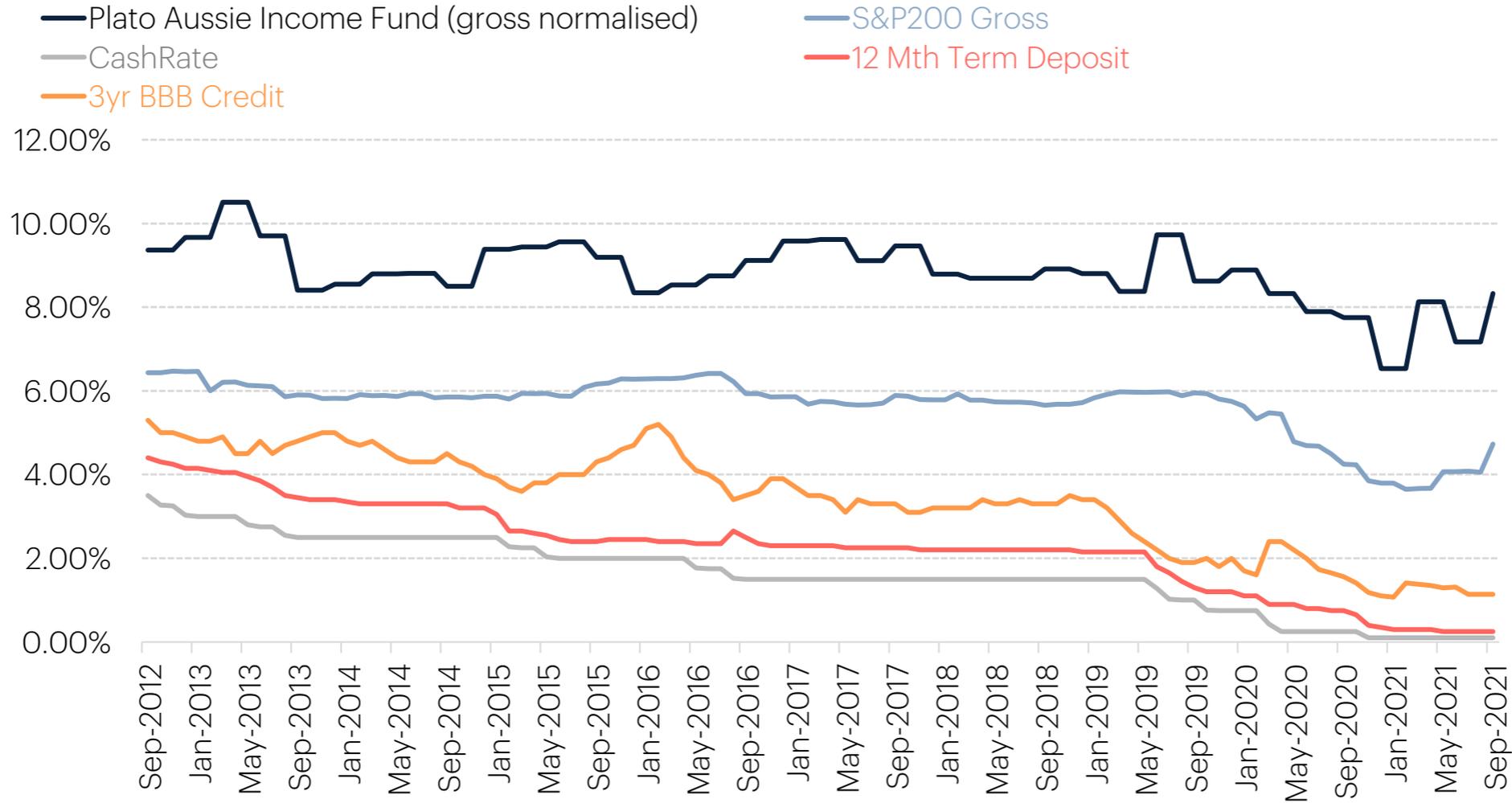


*“Given the outlook, the Board is not expecting to increase the cash rate for at least three years.”*

**Monetary Policy Decision 3 November 2020.**

# Yields on all asset classes have fallen

BUT NOTE THE RECENT INCREASE



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

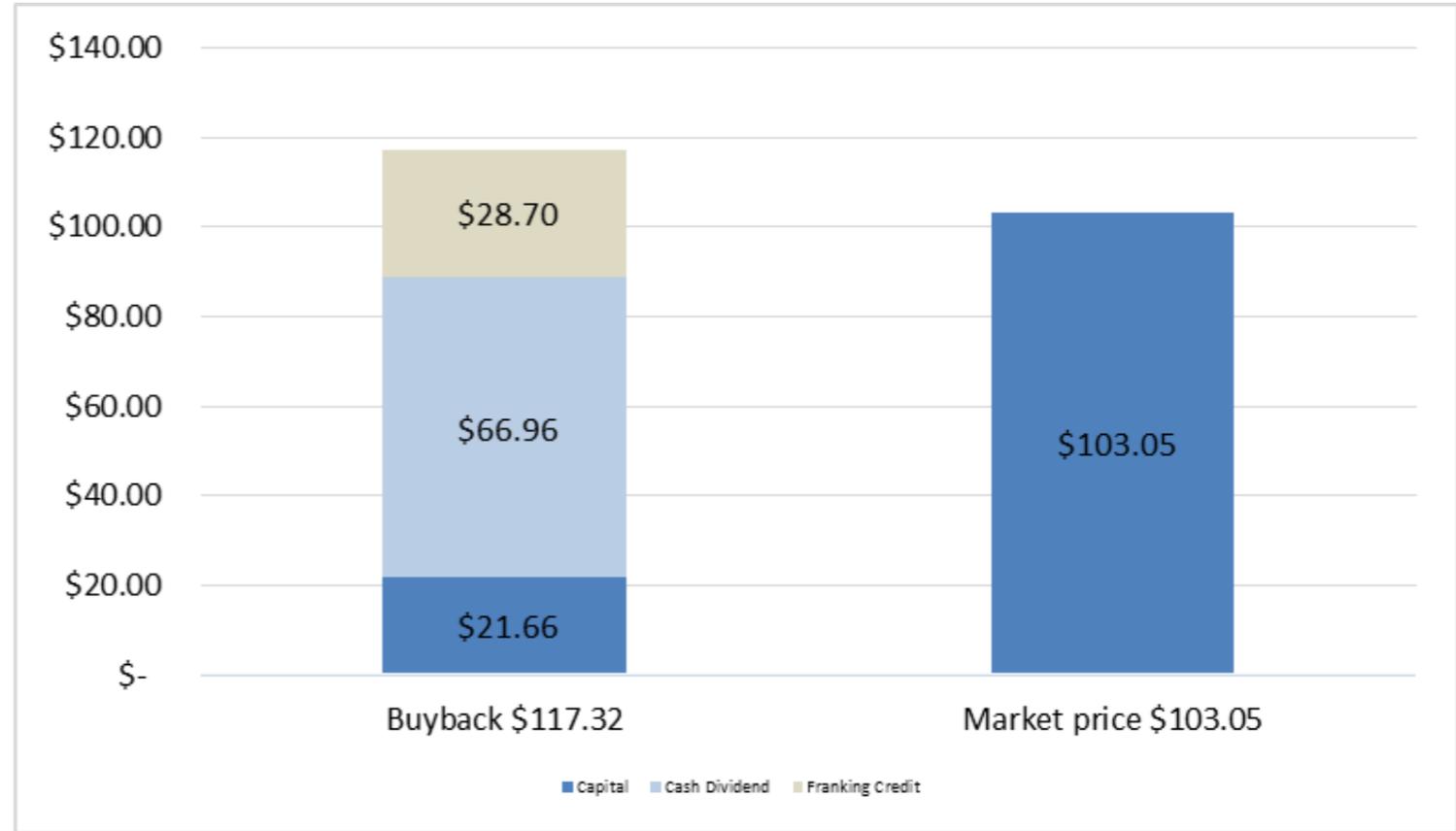
Past performance is illustrative only and not indicative of future performance.

The above chart is intended to compare the income generated by each of the identified products. This is not intended to compare the capital returns (or any other risk) as the risk profiles of each product can and will vary. As an example, equities (including via a managed investment scheme) have a significantly greater risk of loss of capital than a term deposit.

# Tax effective buy-backs can be very advantageous

CBA BUYBACK – WORTH 14% AFTER TAX FOR ZERO TAX INVESTORS

- A\$6bn off market buyback - >3.5% of shares on issue
- Worth 14% for zero tax-paying investors (e.g. many pensioners) for every share successfully tendered
- 79.4% scale-back



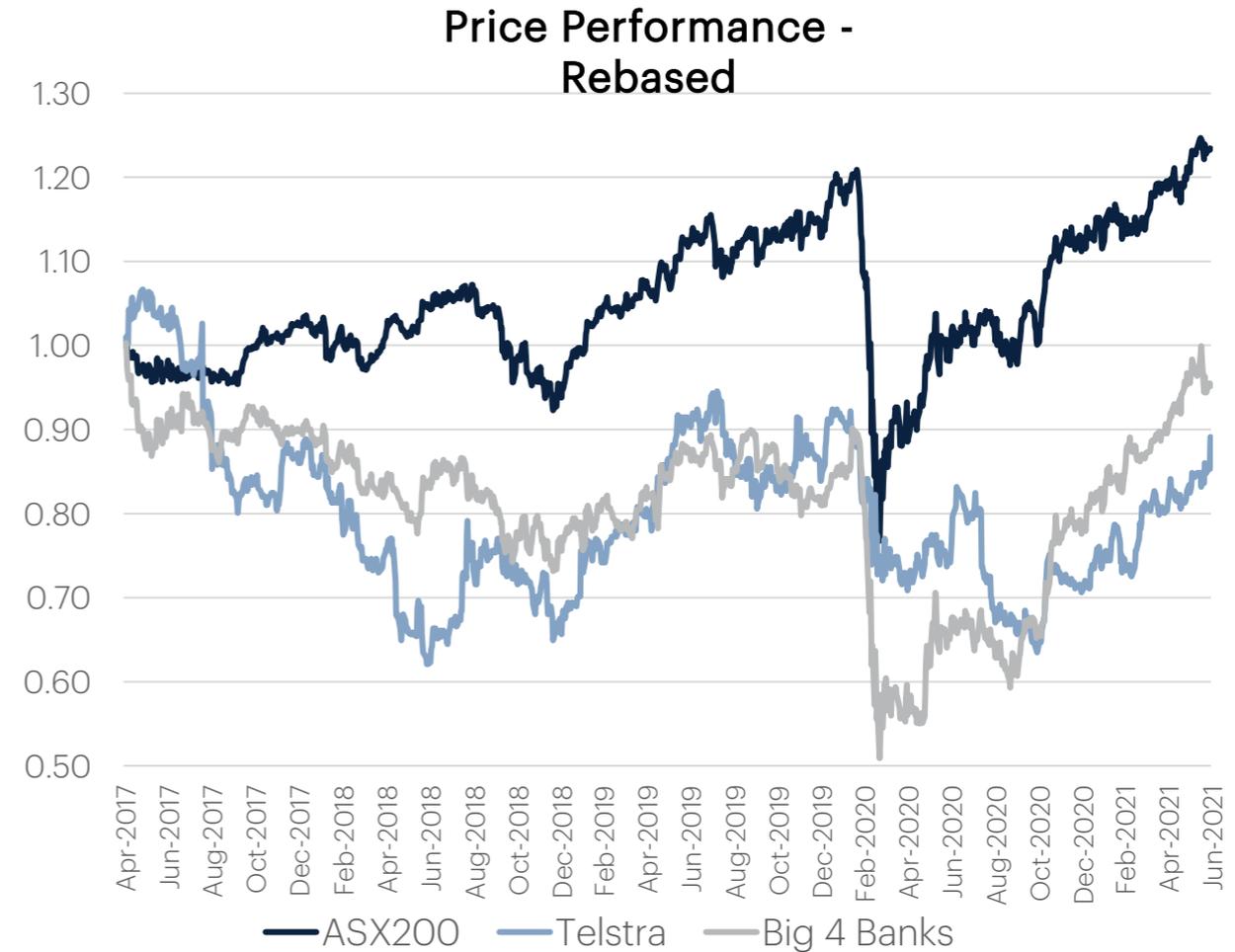
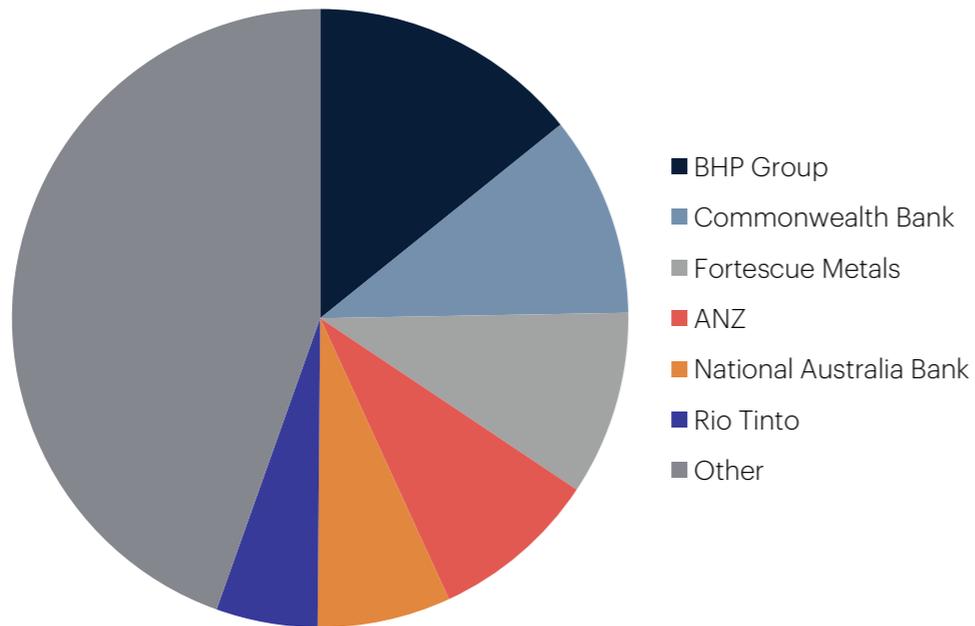
Source: Plato, CBA announcement 4/10/2021.  
\*based on average price in buyback pricing period.

## 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 - FY21

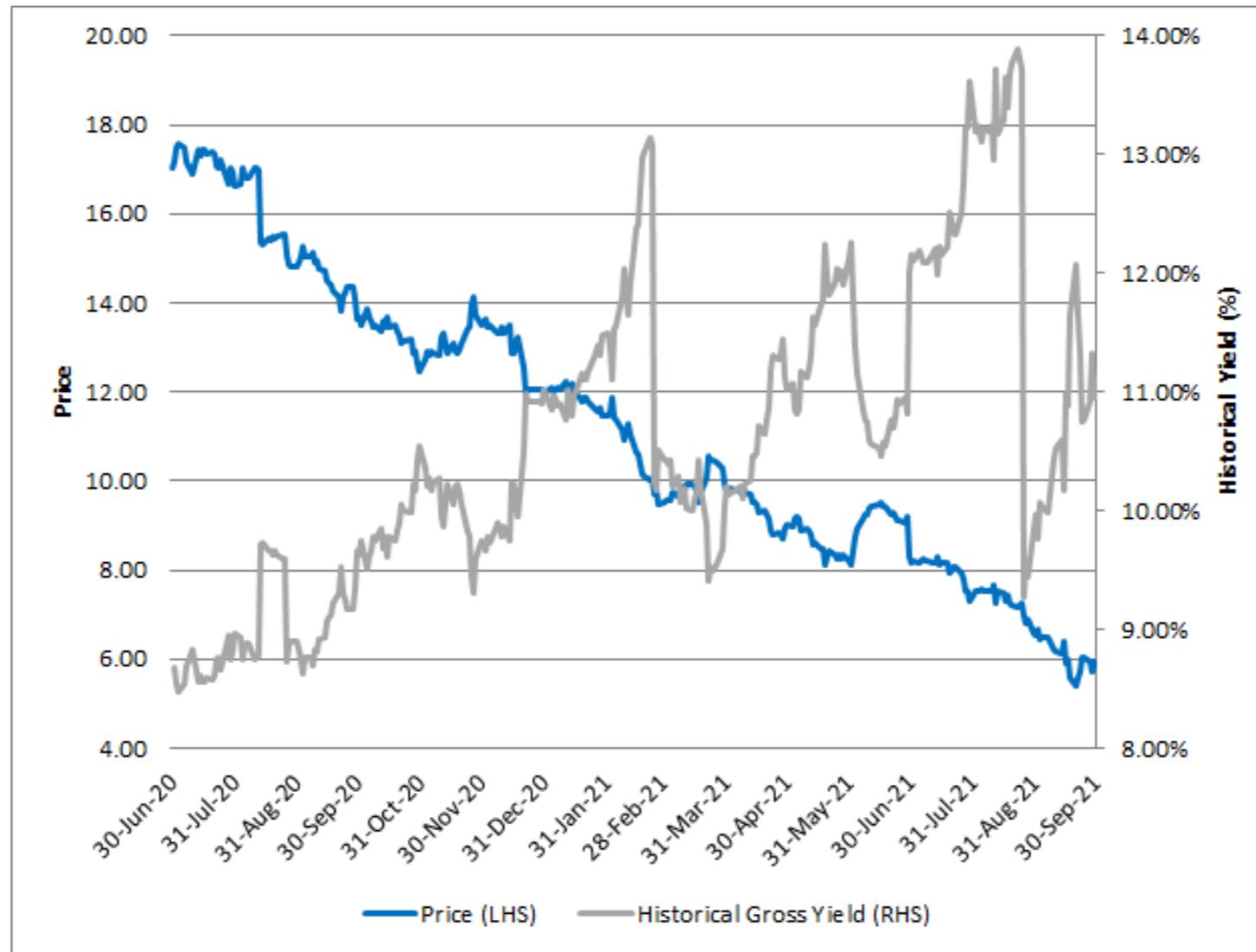


Source: Plato, Bloomberg S&P200

**“..Australia is poorly diversified”**

# Winning by not losing - avoiding dividend traps

AGL ENERGY UP TO 14% GROSS DIVIDEND YIELD



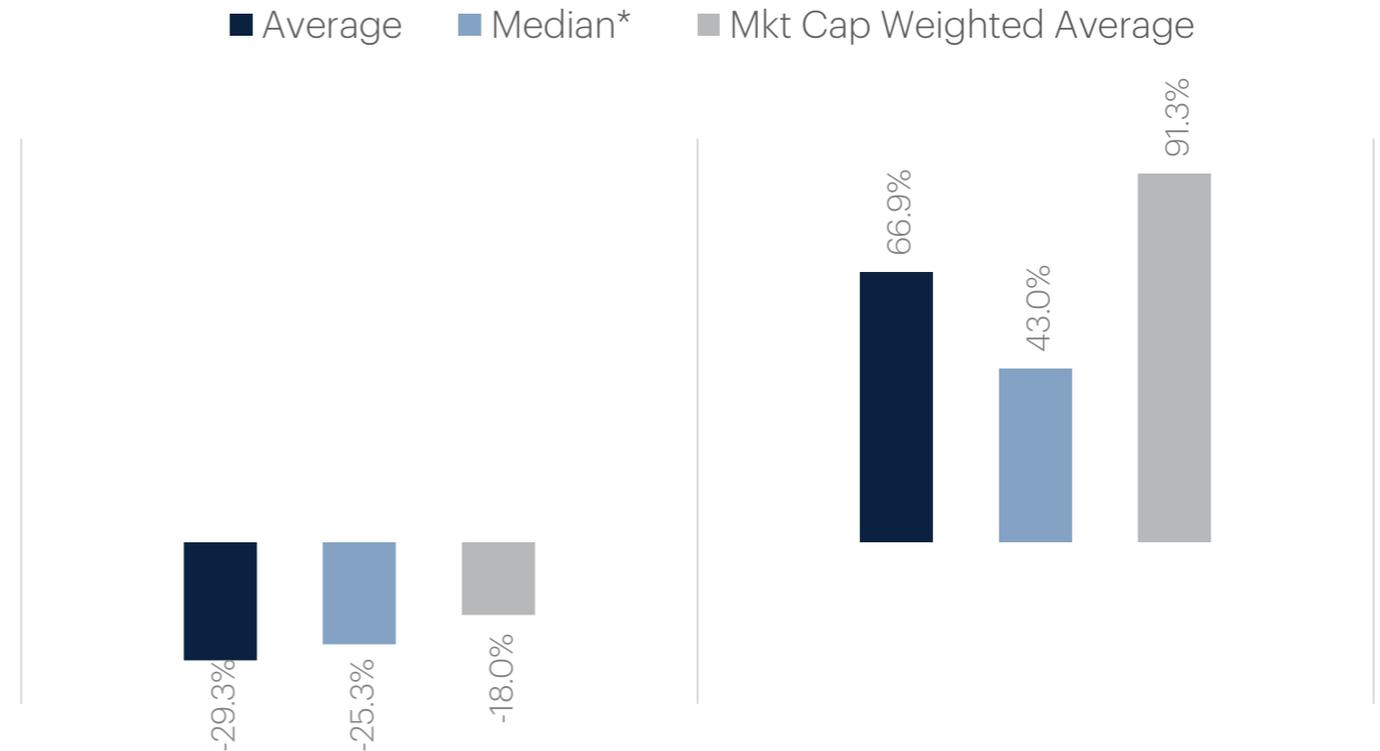
Source: Plato, Bloomberg

# Results season August 2021 - Dividends

## EARNINGS UP AND DIVIDENDS EVEN MORE

- Over \$38bn in dividends have been declared, \$17bn more than last year and \$10bn more than in 2019.
- Strong dividend increases:
  - BHP (263%), Rio Tinto (251%), Fortescue (111%) and Mineral Resources (127%) in iron ore
  - BlueScope Steel (450%) and South32 (448%) in resources.
  - Commonwealth Bank (104%) and Suncorp (380%) in financials
  - Super Retail (182%) and AP Eagers (100%) in Consumer Discretionary
- Just 1 company in ASX200 (Kogan) omitted its dividend.
- Dividend Cuts from AGL (33%) and Origin Energy (25%).
- 79% of companies increased dividends, 9% had flat dividend and 12% reduced dividends. Last year 67% of stock cut dividends.

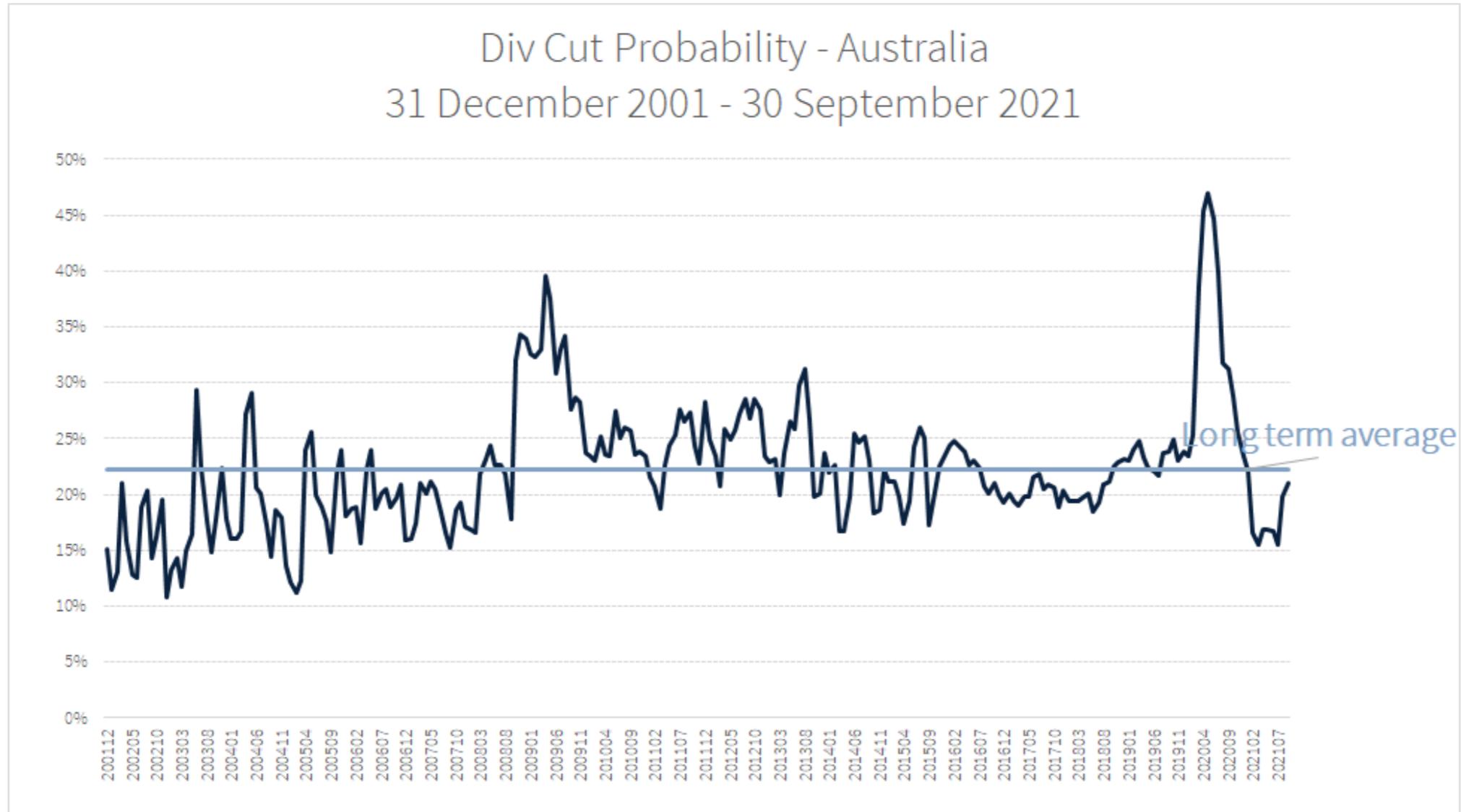
## 2020 AND 2021 CHANGE IN DIVIDENDS (VS PRIOR COMPARABLE PERIOD)



Source: Plato, Iress, S&P200

# Dividend Outlook has improved significantly over past year

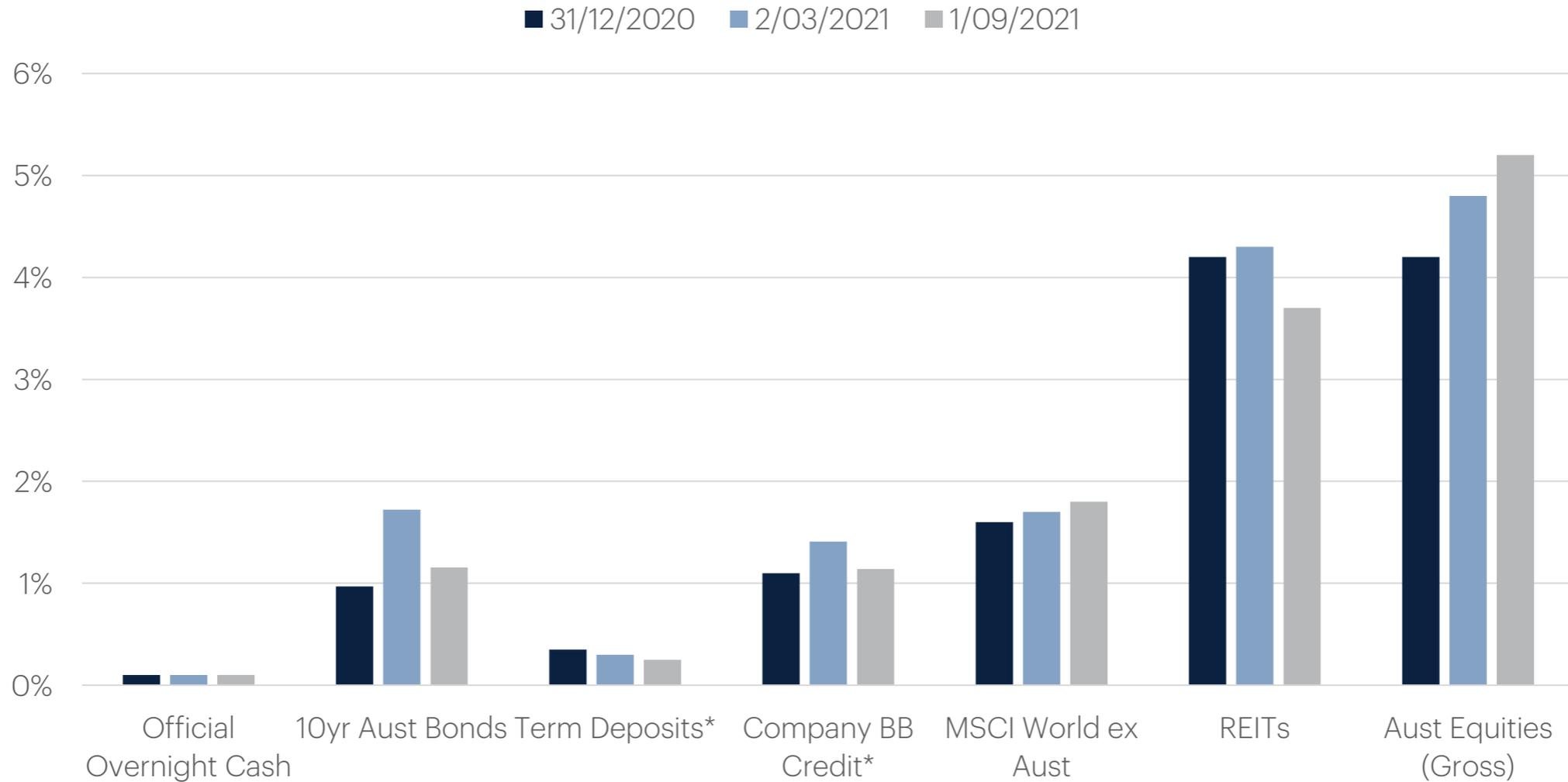
LARGE DIVIDEND AVERAGE % CHANCE OF DIVIDEND CUTS FOR AUSTRALIAN MARKET



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

# Asset Class Outlook for Income

FORECAST 12 MONTH INCOME AS AT 01/09/2021



Source: Plato, Bloomberg, \*RBA. Aust Equities (Gross) includes franking credits

The above forecast may not occur and you may not receive any income from any product including the Plato Fund.

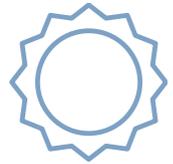
# Conclusion

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— Bad news: Interest rates to remain at historic lows

- 2-3 years of bad news for retirees in term deposits



— Good news: Dividends are rebounding strongly

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

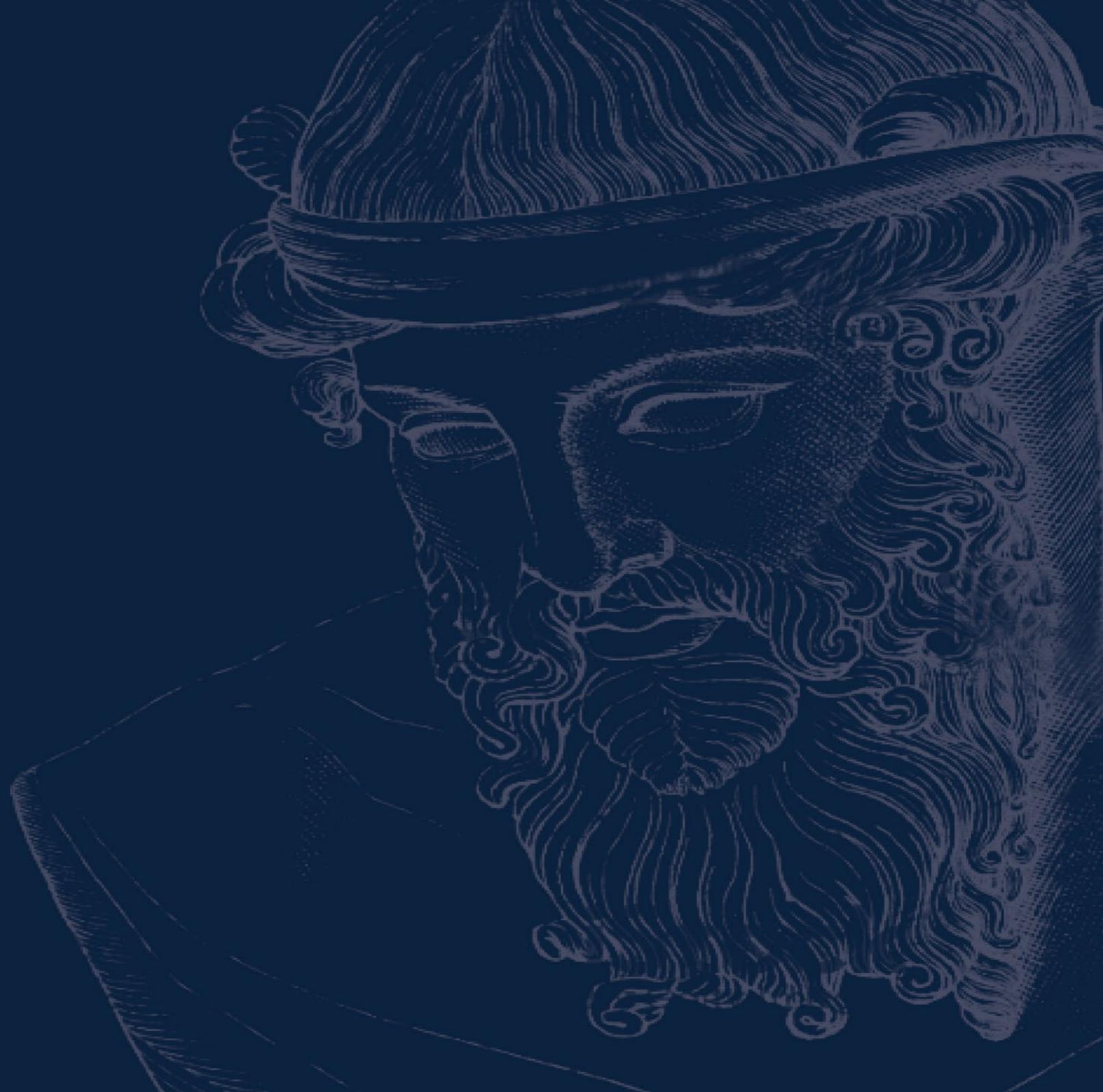


— Opportunity : PL8 Share Purchase Plan (SPP)

- PL8 remains the only LIC paying fully franked monthly dividends
- Opportunity to buy PL8 shares at NTA, a meaningful discount to recent prices

# Questions

Mr. Jonathan Trollip  
Dr. Don Hamson



# Thank you for joining us for our AGM

PL8 shareholder enquiries

For general information about your shareholding please contact the  
Share Registry Automic:

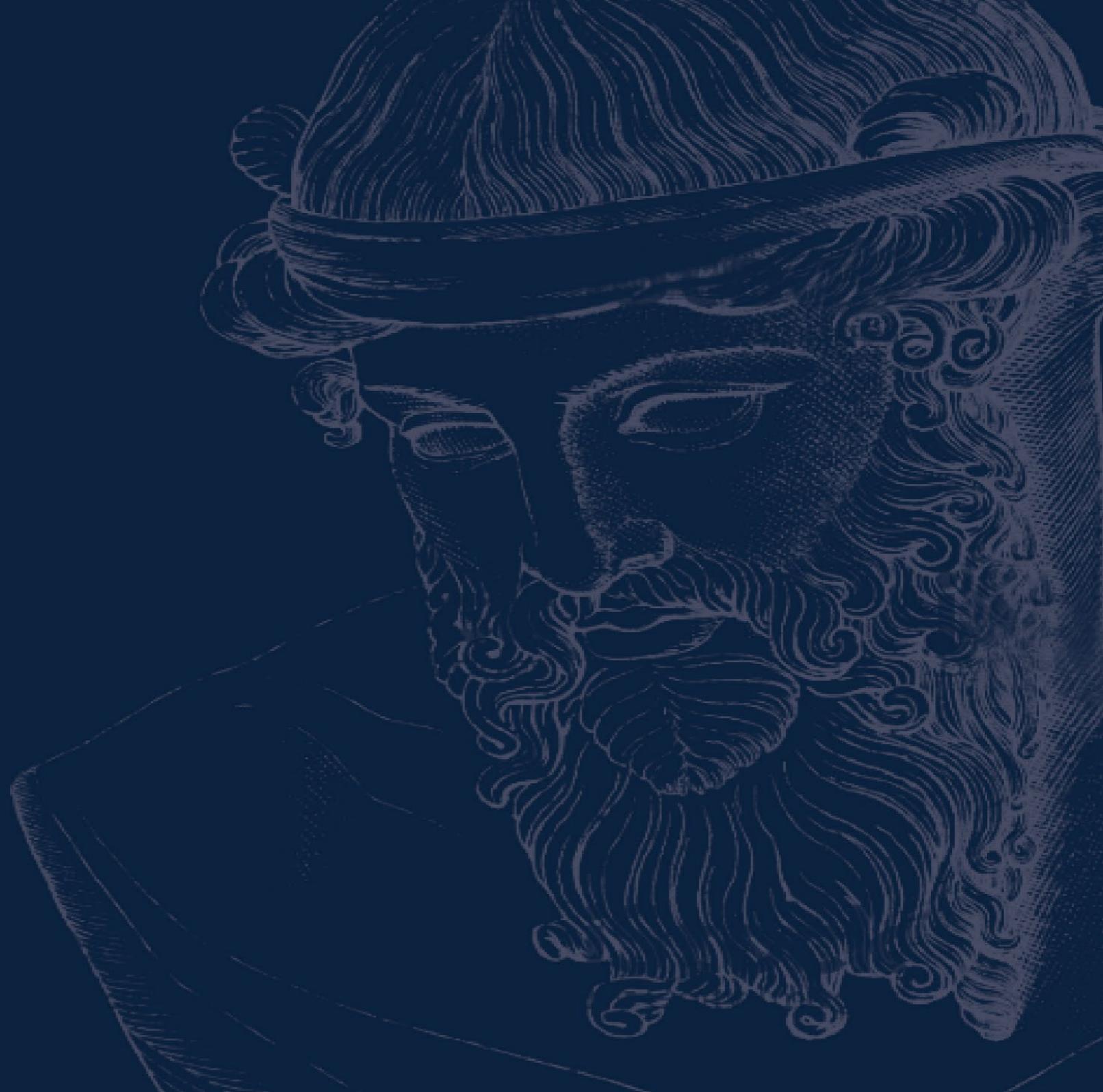
T: 1300 288 664

E: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

For investment enquiries please contact Pinnacle

T: 1300 010 311

E: [invest@plato.com.au](mailto:invest@plato.com.au)



# Disclaimer

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

## **About this presentation**

This communication has been prepared by Plato Income Maximiser Limited ABN 63 616 746 215 (PL8) and Plato Investment Management Limited AFSL 504616 ABN 77 120 730 136 ('Plato'), the investment manager of PL8. While neither PL8 nor Plato has any reason to believe the information is inaccurate, the truth or accuracy of the information cannot be warranted or guaranteed.

The offer of shares in PL8 under the share purchase plan referenced in this presentation (**SPP**) is made to PL8 shareholders who, at 7:00pm (Sydney time) on Tuesday, 2 November 2021, were registered as holders of PL8 shares and whose address on PL8's share register was in Australia or New Zealand (excluding those who are in the United States or acting for the account or benefit of a person in the United States).

This presentation is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any shares in PL8. The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, offers in respect of the SPP will be made under an arrangement with the holder of an AFSL under Section 911A(2)(b) of the Corporations Act.

## **Use of funds**

The proceeds raised from the SPP will be invested via the Plato Australian Shares Income Fund (ARSN 152 590 157) (Plato Fund) in accordance with how PL8's investments are currently structured. Once the proceeds have been invested into the Plato Fund, Plato will, in its capacity as manager of the Plato Fund, invest these funds in accordance with PL8 investment strategy in order to deliver on PL8's investment objectives.

Section 4 of the prospectus issued by PL8 dated 8 August 2019 (**Prospectus**) explains PL8's investment strategy and investment objectives as well as PL8's investment structure.

## **Disclosure material and investment risk**

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Section 6 of the Prospectus describes the key risks associated with an investment in PL8, PL8's investment strategy and other risk factors. Potential investors should refer to PL8's ASX announcements, including the Prospectus, and seek advice from a financial, investment or other adviser before deciding whether an investment in PL8 is suitable for them.

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