Plato
INCOME MAXIMISER

PL8 Results FY2021

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

Highlights

FY21 profit	FY21 Portfolio performance (incl. franking)	Total dividends paid in FY20
$73.0m	26.9%[1] (-2.2% to benchmark[2] with +2.1% higher income generated)	4.8c[3]

- FY21 operating profit after tax of $73.0 million
- Total dividends of $0.048 per share, equivalent to distributed yield of 6.2%[1,4]. Monthly full franked dividends increased 12.5% to $0.0045 per share from July 2021.
- Total portfolio return of 26.9%[1], -2.2% compared to benchmark of 29.1% (only -0.2% behind benchmark since inception)
- Distributed income of 6.2%, +2.1% compared to benchmark of 4.1% (2.4% ahead of benchmark since inception).
- Shareholder webinar on the Company's results and investment portfolio

We are pleased to announce Plato Income Maximiser's (ASX:PL8) results for the year ended 30 June 2021 (**FY21**). The profit for the year was $73.0 million, significantly higher than in the previous financial year (loss of $21.1 million) as the market rallied strongly from the disruption and falls in March 2020 associated with the COVID-19 crisis. The Board is monitoring the continuing evolution of the situation closely and will continue to manage the Company's capital appropriately to the prevailing economic conditions.

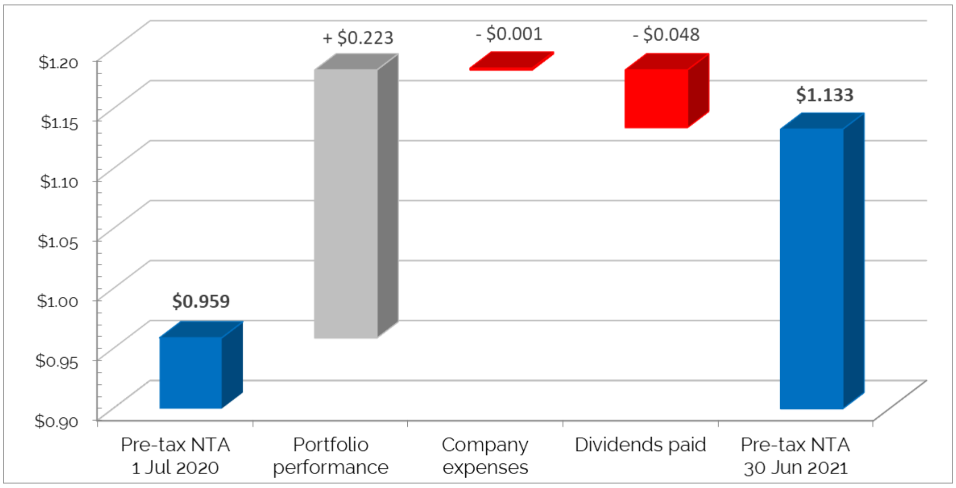
During the year ended 30 June 2021, the Company exceeded its income objective whilst trailing its performance objective in a strong market environment. The Company continued to achieve its stated aim to declare and pay monthly dividends throughout the 2021 financial year, with monthly dividends of $0.004 per share paid for the months of July 2020 through June 2021.

Pleasingly, the improved outlook for dividend income and rebound in financial markets has allowed the Company to increase its monthly dividend to $0.0045 per share for the months of July to September 2021.

In FY21, the NTA increased from $0.959 on 30 June 2020 to $1.133 on 30 June 2021[5]. The $0.174 increase in NTA per share is after the $0.048 of fully franked dividends paid during the year[3].

[1] Including franking credits
[2] S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax Exempt)
[3] Paid via 12 consecutive $0.004 monthly dividends

NTA performance breakdown for FY21[5]



Dividends

During the year, twelve monthly dividends of $0.004 were paid for the months of July 2020 to June 2021. The total dividends of $0.048 for the year translates to an annualised yield of PL8 including franking of 6.2%[1].

Pleasingly, the improved outlook for dividend income and rebound in financial markets has allowed the Company to increase its monthly dividend to $0.0045 per share for the months of July to September 2021. The Company intends to continue with the payment of monthly dividends, provided it has sufficient profit reserves, it is permitted by law and within prudent business practices to do so.

Shareholder webinar on results and portfolio

The Board invites you to the upcoming shareholder webinar on 7th September 2021 at 10.30am (Sydney time AEST). The webinar will provide an update on the Company's full year financials and investments from the Company's Director and Plato Investment Management's Managing Director, Dr. Don Hamson and Senior Portfolio Manager, Dr. Peter Gardner.

Shareholders are invited to register at the following link:
https://event.on24.com/wcc/r/3371040/E11124D0F8A26ED3F69C3540F8669618

The Board of Plato Income Maximiser Limited has authorised this announcement to be released to the ASX.

[4] Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the financial year
[5] NTA per share performance excludes value of franking credits. Portfolio performance is net of management fees
[1] Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the financial year

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Additional shareholder information

Portfolio performance as at 30 June 2021[1]

The Company's investment portfolio performance shows how the Manager has performed after deducting management fees and costs[1], as compared to the Company's investment objectives.

Performance as at 30 June 2021[1]	Return	Benchmark	Excess
Total return[2]			
- One year	+26.9%	+29.1%	-2.2%
- Since Inception[3]	+10.5%	+10.7%	-0.2%
Income[4]			
- One year	+6.2%	+4.1%	+2.1%
- Since Inception[3]	+7.5%	+5.1%	+2.4%

During the year ended 30 June 2021 the Company continued to exceed its income objective, distributing 2.1%[4] excess income over the benchmark after including franking credits. Since inception the Company has distributed 7.5% p.a.[3] gross income, 2.4% p.a.[3] more than the benchmark.

Manager's commentary

The underlying investment portfolio's five best contributions to active performance over FY21 were overweights in Fortescue (up 94%), Mineral Resources (up 166%) and Westpac (up 44%) as well as underweight positions in A2 Milk (down 68%) and CSL (up 0.4%). The largest detractors to active performance were overweights in Regis Resources (down 53%), Aurizon (up 7%) and Woolworths (up 5%) as well as underweight positions in Commonwealth Bank (up 44%) and Afterpay Touch (up 94%). We outperformed in the Consumer Discretionary and Healthcare sectors but underperformed in the Industrials and Communication Services sectors. The Company's investments added 1.10% more franking credits than the S&P/ASX 200 Index over the financial year.

The S&P/ASX 200 gross dividend yield[2] fell to 1.81% in the first half of FY21 as many companies maintained a conservative dividend payout but then rose to 2.25% for the second half of FY21. The Company was able to distribute income of 6.2%[2], 2.1% above its benchmark. The Company's investments remain actively positioned to seek superior income compared to the benchmark and given our expectation of an improved dividend environment in FY22, in July the Board of Plato Income Maximiser Limited (ASX: PL8) increased dividends to $0.0045 per share for July, August and September 2021. This is a 12.5% increase on the level of dividends paid in the June 2021 quarter.

There were two off-market buy-backs announced in FY21 – Ampol and Metcash. These were relatively small buy-backs but in the case of Ampol, returned over 20% for zero tax investors for each share successfully tendered. The Metcash buyback was announced in June 2021 and is due to complete in August 2021 where we expect it to deliver approximately 14% for zero tax investors for each share successfully tendered.

From an income perspective, the biggest generators of excess dividend income (including franking credits) were active positions in the big three iron ore miners (Fortescue, Rio Tinto and BHP) as well as the big four banks, Telstra and Harvey Norman.

[1]Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes
[2]Inclusive of franking credits
[3]Annualised from Inception date: 28 April 2017
[4]Distributed income including franking
[5]Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the financial year

Market commentary

The Australian market was up 29.1%[1] over the past year as the Australian economy rebounded after the COVID-19 induced recession. During the financial year, the best performing sectors were Consumer Discretionary, Financials and Information Technology. Government payments supported businesses and consumers throughout lockdowns, resulting in record savings levels. As lockdowns ended, consumer spending, particularly on goods rebounded to well above 2019 levels. Banks, which had cut dividends and increased provisions for COVID-related bad debts in FY20 were able to write back much of those provisions as the economy proved stronger than they had provisioned for. Chinese spending on infrastructure was increased to support its economy which resulted in record steel production and subsequently strong iron ore demand and prices, which was beneficial for Australia's iron ore miners. The vaccine trial results, announced in November 2020 were particularly strong, sparking a further market rally, particularly in those stocks most impacted by COVID lockdowns. The worst performing sectors were Utilities, Healthcare and Consumer Staples as economies and bond yields rallied, hurting these defensive sectors that in the case of Healthcare and Consumer Staples, were beneficiaries of COVID. The strong divergence in sector performance shows the benefit of holding a diversified portfolio that is forward looking rather than investing in stocks with the highest level of historical income which may lag during particular market cycles.

[1]Inclusive of franking credits