

PL8 Results 1HFY22

1HFY22 profit	1HFY22 Portfolio performance (incl. franking)	Total dividends paid in 1HFY22
\$15.4m	4.0% ¹	2.85c ²

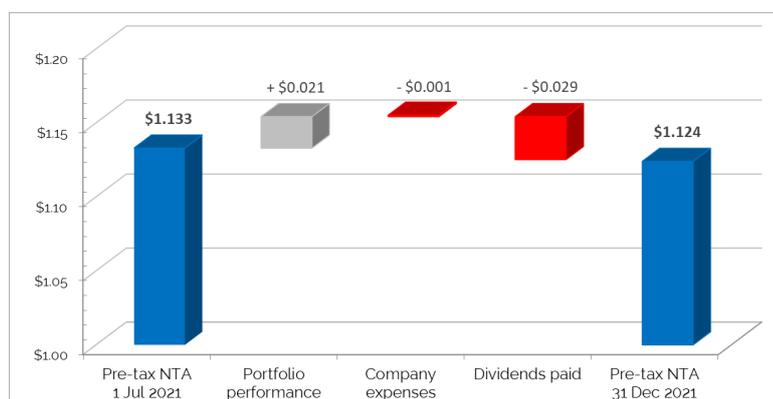
- 1HFY22 operating profit after tax of \$15.4 million
- Total dividends of \$0.0285 per share, equivalent to annualised distributed yield of 6.4%^{1,3}
- Monthly fully franked dividends increased from \$0.0045 per share to \$0.005 per share from October 2021 (restored to the pre-COVID level of monthly dividend)
- Total portfolio return of 4.0%¹, -0.6% compared to benchmark of 4.6% (-0.4% to benchmark since inception)
- Distributed income of 3.2% for the 6 months, +0.5% compared to benchmark of 2.7% (+2.2% to benchmark since inception)
- \$139.4 million raised via wholesale placement and Share Purchase Plan (SPP) takes total company assets to \$626.4 million and the total number of shareholders above 10,000, indicating strong market support
- Shareholder webinar on the Company's results and investment portfolio

We are pleased to announce Plato Income Maximiser's (ASX:PL8) results for the half-year ended 31 December 2021 (1HFY22). The profit for the half-year was \$15.4 million, supported by stronger distribution revenues as dividend income continued to recover from the lows experienced during the COVID-19 pandemic.

During 1HFY22, 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 half-year, with monthly dividends of \$0.0045 per share paid for the months of July 2021 through September 2021, increasing to \$0.005 per share from October 2021 onwards.

In 1HFY22, the NTA decreased from \$1.133 on 30 June 2021 to \$1.124 on 31 December 2021⁴. The \$0.009 decrease in NTA per share is after the payment of \$0.0285 of fully franked dividends during the half-year².

NTA performance breakdown for 1HFY22⁴



¹ Including franking credits

² Paid via 3 consecutive \$0.0045 monthly dividends, followed by 3 consecutive \$0.005 monthly dividends

³ Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the period, annualised

⁴ NTA per share performance excludes value of franking credits. Portfolio performance is net of management fees

Growing the Company's assets and shareholder base

During the half-year on 3 November 2021, the Company announced a placement to wholesale investors and Share Purchase Plan (SPP) to existing shareholders comprising:

- a placement to wholesale investors of up to 15% of issued shares at an issue price of \$1.11 per share (based on the value of the Company's pre-tax NTA per share on 2 November 2021); and
- a SPP, following close of the placement, where existing eligible shareholders could purchase up to \$30,000 worth of shares at a price being the lower of:
 - \$1.11 per share (being the same price as the placement); and
 - the pre-tax NTA per share on the day the SPP closes.

The Company was very pleased to raise \$71.33m under the placement at \$1.11 per share and \$68.03m under the SPP at \$1.10 per share, for total proceeds of \$139.36m, demonstrating continued shareholder support for the Company from existing shareholders and the attractiveness of regular income via the payment of monthly fully-franked dividends to new shareholders.

The total net assets of the Company after this additional new capital, as at 31 December 2021, was \$626.4 million, making PL8 one of the largest listed investment companies (LICs) on the ASX and the only one paying monthly fully franked dividends. PL8, as at 31 December 2021, has in excess of 10,000 shareholders, nearly double the 5,500 shareholders on the IPO of the Company in May 2017. This additional scale should provide shareholders with additional benefits through greater on-market liquidity and reduced per share Company costs.

At the time of completion of the wholesale placement and SPP, Dr Don Hamson, Director of PL8 and Managing Director of Plato stated that:

"We are very pleased with the shareholder support for PL8's SPP and the interest from new and existing shareholders in the wholesale placement. Dividends have rebounded strongly in 2021, as we predicted, reflecting a strong bounce back in the Australian economy. In the current environment, liquidity and diversification still remain important. By design, PL8's underlying portfolio is well diversified and very liquid. One of the benefits of a closed-end listed investment company focused on income is the ability to manage capital amidst uncertainty so as to provide regular dividend distributions over time.

We continue to see attractive opportunities to deploy the Company's capital and we look forward to deploying the additional capital raised via the SPP and placement. We thank shareholders for their continued support and welcome new shareholders to PL8."

Dividends

During the half-year, three fully franked monthly dividends of \$0.0045 were paid for the months of July 2021 to September 2021, followed by three fully franked monthly dividends of \$0.005 for the months of October 2021 to December 2021. Pleasingly, \$0.005 per share represents the level of dividend paid by the Company prior to the commencement of the COVID-19 pandemic, reflecting the improved outlook for dividend income and rebound in financial markets. 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 1st March 2022 at 2.00pm (AEDT). The webinar will provide an update on the Company's half year financials and investments from the Company's Director and Plato Investment Management's Managing Director, Dr. Don Hamson.

Shareholders are invited to register at the following link: [PL8 1HFY22 Shareholder Webinar](#)

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

Additional shareholder information

Portfolio performance as at 31 December 2021¹

The Company's investment portfolio performance shows how the Manager has performed after deducting management fees and costs¹, as compared to the Company's investment objectives.

Performance as at 31 December 2021 ¹	Return	Benchmark	Excess
Total return²			
- Half-year	+4.0%	+4.6%	-0.6%
- Since Inception ³	+10.2%	+10.6%	-0.4%
Income⁴			
- Half-year	+3.2%	+2.7%	+0.5%
- Since Inception ³	+7.4%	+5.2%	+2.2%

During the half-year ended 31 December 2021, the Company continued to exceed its income objective, distributing 0.5%⁴ excess income over the benchmark after including franking credits. Since inception, the Company has distributed 7.4% p.a.³ gross income, 2.2% p.a.³ more than the benchmark.

Manager's commentary

The underlying investment portfolio's five best contributions to active performance over 1HFY22 were overweights in Macquarie (up 33%), Commonwealth Bank (up 3%), South32 (up 40%) and Charter Hall Group (up 34%) as well as an underweight position in Afterpay (down 30%). The largest detractors to active performance were overweights in Fortescue (down 8%), Westpac (down 15%) and Ansell (down 26%) as well as underweight positions in Sydney Airport (up 50%) and BHP (down 9%). We outperformed in the Consumer Staples and Financial sectors but underperformed in the Energy and Materials sectors. The Company's investments added 1.28% more franking credits than the S&P/ASX 200 Index over 1HFY22.

The S&P/ASX 200 gross dividend yield² was 2.70% in 1HFY22 which was an increase of 50% on 1HFY21 as the majority of companies returned to their pre-pandemic payout ratios. The Company was able to distribute income of 3.2%², 0.5% above its benchmark. The Company's investments remain actively positioned to seek superior income compared to the benchmark, and given our expectation of the continued improvement in the dividend environment in FY22, the Board of Plato Income Maximiser Limited (ASX: PL8) increased dividends back to the pre-pandemic levels of \$0.005 per share for October, November and December 2021 and then maintained this level for January, February and March 2022. This is an 11.1% increase on the level of dividends paid in the September 2021 quarter.

There were three off-market buy-backs completed in 1HFY22 – Metcash, Commonwealth Bank and Woolworths. These buy-backs added 3.20% gross yield and 0.44% to the total return of the PL8 investments. These opportunities, which detract value for investors on the maximum 45% tax rate, demonstrate the benefit of investing in a strategy which is managed from the perspective of a zero-tax investor.

From an income perspective the biggest generators of excess dividend income (including franking credits) were the big three iron ore miners (Fortescue, Rio Tinto and BHP) as well as Westpac, Commonwealth Bank, Suncorp, Telstra and Harvey Norman.

¹Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes

²Inclusive of franking credits

³Annualised from Inception date: 28 April 2017

⁴Distributed income including franking

Market commentary

The Australian market was up 4.6% (including franking credits) over 1HFY22. During the half year, the best performing sectors were Utilities, Real Estate and Communication Services. The Australian economy benefitted from the vaccine rollout reaching vaccination targets in 1HFY22, and lockdowns in NSW & Victoria ending in October. One of the sectors hit hardest by lockdowns, the Real Estate sector rebounded with the increase in retail sales and return to offices, alongside ongoing demand for e-commerce and logistics. However, the emergence of the infectious yet less deadly Omicron variant in the December quarter impacted the re-opening of the economy. The RBA remain dovish in their statements and forecast that interest rates are unlikely to rise before the latter months of 2023, in contrast to market forecasts for interest rates to rise in the second half of 2022. Defensive stocks in Utilities and Communication Services outperformed. The worst performing sectors were Materials, Energy and Information Technology. After strong iron ore demand from China in FY21, iron ore prices fell over 1HFY22 after the Chinese government instructed its steel producers to reduce output. Energy stocks benefitted from a rally in the oil price until the Omicron variant emerged in the December quarter, renewing fears of travel restrictions and lockdowns derailing recovery. Information Technology stocks lagged with the largest stock in the sector, Afterpay, down 30% over 1HFY22. 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.

Find out more about the Company and Manager

To find out more information about the Company, please visit the [PL8 Website](#)

To find out more information about the Manager, please visit the [Plato website](#)

Contact Us

If you have any questions for the Company, please reach us on 1 300 010 311

If you have any questions regarding your shareholding, please call Automic, the Company's share registry on 1 300 902 587

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