

## PL8 Results FY22

FY22 loss	FY22 Portfolio performance (incl. franking)	Total dividends paid in FY22
- \$12.9m	- 3.2 % <sup>1</sup> (+ 1.9% to benchmark <sup>2</sup> )	6.55c <sup>3</sup>

- FY22 operating loss after tax of \$12.9 million, impacted by market falls in June 2022 quarter
- Total dividends of \$0.0655 per share, equivalent to annualised distributed yield of 7.5%<sup>1,4</sup>
- Monthly fully franked dividends increased from \$0.0045 per share in September 2021 quarter to \$0.0055 by June 2022 quarter (representing largest monthly dividend since ASX listing in May 2017)
- Special 5<sup>th</sup> birthday dividend of \$0.0055 per share paid in May 2022
- Total portfolio return of -3.2%<sup>1</sup>, +1.9% compared to benchmark of -5.1% (+0.2% p.a. to benchmark since inception)
- Distributed income of +7.5%<sup>4</sup> for the year, +2.1% compared to benchmark of 5.4% (+2.3% p.a. to benchmark since inception)
- \$139.4 million raised via wholesale placement and Share Purchase Plan (SPP) during 1HFY22
- Shareholder webinar on the Company's results and investment portfolio

### Company Performance

Plato Income Maximiser Limited (ASX:PL8 or the Company) recorded an operating loss for the year of \$12.9 million, largely explained by falls in the ASX in the June 2022 quarter that resulted in unrealised losses in the value of the Company's investments, as global inflationary pressures and rising interest rates weighed on markets. While these losses have impacted the current year result it is important to note that they do not represent realised losses, and can be reversed should investment values rise in future.

During the year, the total return of the Company's investment portfolio was -3.2%<sup>1</sup> which exceeded its performance objective (+1.9% to benchmark). Although the return was negative for the year, the portfolio has produced a positive total return of +7.7% p.a. since inception, and has also exceeded its performance objective over this time, outperforming its benchmark by +0.2% p.a.

The Company distributed income of +7.5%<sup>4</sup> for the year which exceeded its income objective (+2.1% to benchmark), and has also exceeded this performance objective since inception, outperforming the benchmark by 2.3% p.a.

### Dividends

The Company increased its monthly fully franked dividends during the year, from \$0.0045 in the September 2021 quarter, to \$0.005 for the December 2021 and March 2022 quarters, and then to \$0.0055 for the June 2022 quarter. This represents the highest level of monthly dividend that the Company has paid, reflecting the strong level of dividends generated by the Company's investment portfolio during the year.

The Company was also pleased to mark the occasion of the 5<sup>th</sup> anniversary of its ASX listing with the payment of a special fully franked dividend of \$0.0055 per share in May 2022.

Since 30 June 2022, the Company has announced a further three fully franked monthly dividends of \$0.0055 per share for the September 2022 quarter, the first of which was paid on 29 July 2022.

Notwithstanding the losses in the June 2022 quarter, the Company maintains its healthy franking credit balance and the Board continues to monitor economic conditions so as to appropriately manage its profit reserves to enable the continued payment of fully-franked monthly dividends.

<sup>1</sup> Including franking credits, net of portfolio related fees, costs and taxes

<sup>2</sup> S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

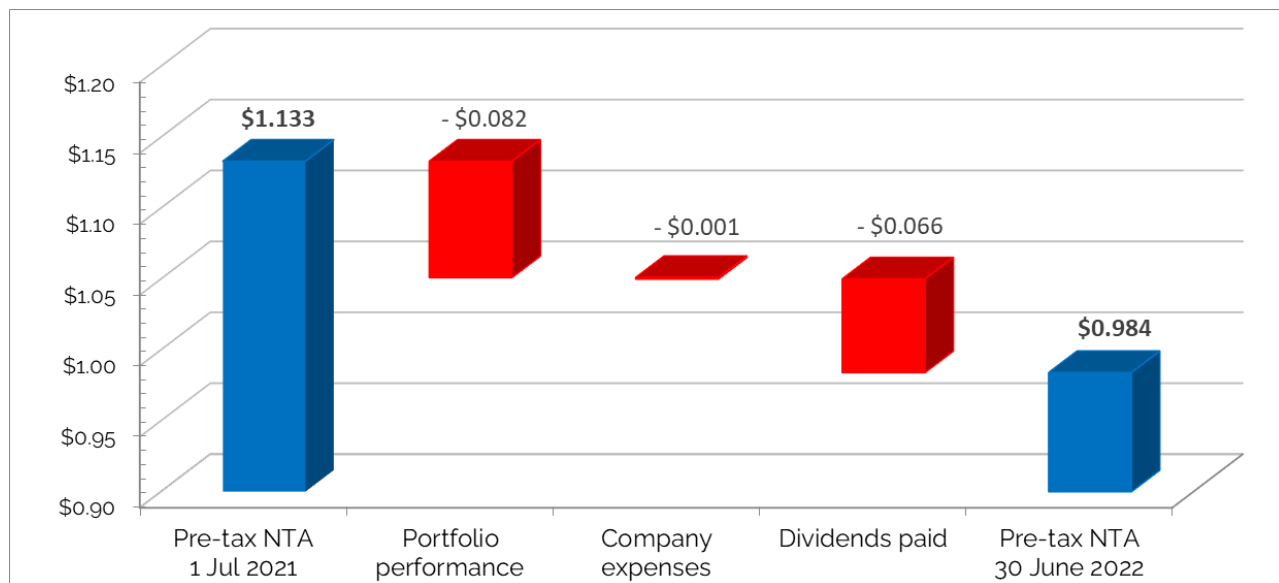
<sup>3</sup> Paid via 3 consecutive \$0.0045 monthly dividends (Sept 2021 quarter), 6 consecutive \$0.005 monthly dividends (Dec 2021 and Mar 2022 quarters), and 3 consecutive \$0.0055 monthly dividends (Jun 2022 quarter), plus 5<sup>th</sup> anniversary \$0.0055 special dividend in May 2022

<sup>4</sup> Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the period, annualised

The payment of dividends during the year is in line with the Board's stated objective to pay regular monthly dividends, provided the Company has sufficient profit reserves, it is permitted by law and within prudent business practices to do so.

## NTA performance breakdown for FY22<sup>5</sup>

In FY22, the NTA decreased from \$1.133 on 30 June 2021 to \$0.984 on 30 June 2022. The \$0.149 decrease in NTA per share includes the impact on portfolio performance of the decline in markets in the June 2022 quarter, and is after the payment of \$0.0655 of fully franked dividends during the year<sup>3</sup>.



## Growing the Company's assets and shareholder base

During the year the Company successfully raised \$139.36 million, \$71.33m under a wholesale placement in November 2021 at \$1.11 per share, and \$68.03m under a SPP in December 2021 at \$1.10 per share, 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 at 30 June 2022 was \$577.6 million, making PL8 one of the largest listed investment companies (LICs) on the ASX and the only one paying monthly fully franked dividends. As at 30 June 2022, PL8 continues to have in excess of 10,000 shareholders, nearly double the 5,500 shareholders who participated in the IPO of the Company in May 2017.

## Shareholder webinar on results and portfolio

The Board invites you to the upcoming shareholder webinar on 25<sup>th</sup> August 2022 at 11.00am (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.

Shareholders are invited to register at the following link: [PL8 FY22 results webinar](#)

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

<sup>5</sup> NTA per share performance excludes value of franking credits. Portfolio performance is net of management fees

## Additional shareholder information

### Portfolio performance as at 30 June 2022<sup>6</sup>

The Company's investment portfolio performance shows how the Manager has performed after deducting management fees and costs<sup>6</sup>, as compared to the Company's investment objectives.

Performance as at 30 June 2022 <sup>6</sup>	Return	Benchmark	Excess
<b>Total return<sup>7</sup></b>			
- One Year	- 3.2%	- 5.1%	+ 1.9%
- Since Inception (p.a.) <sup>8</sup>	+ 7.7%	+ 7.5 %	+ 0.2%
<b>Income<sup>9</sup></b>			
- One Year	+ 7.5%	+ 5.4%	+ 2.1%
- Since Inception (p.a.) <sup>8</sup>	+ 7.5%	+ 5.2%	+ 2.3%

During the year ended 30 June 2022 the Company continued to exceed its income objective, distributing 2.1%<sup>9</sup> excess income over the benchmark, and was also able to exceed its total return objective by 1.9%<sup>7</sup>.

Since inception<sup>8</sup> the Company has distributed 7.5%<sup>10</sup> p.a. gross income, 2.3% p.a. more than the benchmark, and generated a total return of 7.7%<sup>7</sup>, which is 0.2% p.a. more than the benchmark.

### Manager's commentary

The underlying investment portfolio's five best contributions to active performance over the last financial year were overweights in South32 (up 41%), Graincorp (up 90%) and Telstra (up 7%) as well as underweight positions in Block (formally Afterpay Touch, which was down >50%) and CSL (down 44%). The largest detractors to active performance were overweights in Ansell (down 47%), JB Hi-fi (down 20%), Charter Hall (down 28%) and Aristocrat Leisure (down 19%) as well as an underweight position in Sydney Airport (up 51%). We outperformed in the Information Technology and Financials sectors but underperformed in the Consumer Discretionary and Utilities sectors. The Company's investments added 3.2% more franking credits than the S&P/ASX 200 Index over the last financial year.

The S&P/ASX 200 gross dividend yield<sup>7</sup> continued to recover from its fall during FY21 where it paid 4.1% to a level of 5.4% in FY22. The Company was able to distribute income of 7.5%<sup>7</sup>, 2.1% above its Benchmark.

There were six off-market buy-backs completed in FY22 – Metcash, Commonwealth Bank, Woolworths, Westpac, JB Hi-fi and Qube. These buybacks enabled PL8 to generate excess income as well as excess total return (including franking credits) for PL8 shareholders.

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, Woolworths and JB Hi-fi. The Company's investments remain actively positioned to seek superior income than the Benchmark and our expectation is for a continued strong dividend environment in FY23.

### Market commentary

The Australian market was down 5.1%<sup>7</sup> over the past year as central banks around the world began the process of raising interest rates to combat high rates of inflation which reached levels not seen for 30 years. The Australian market held up better than most global markets due to its larger weight in commodities which increased as a result of the Ukraine war and its lower weight in growth sectors such as Information Technology which fell along with most longer duration assets as bond yields rose.

<sup>6</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>7</sup> Inclusive of franking credits

<sup>8</sup> Annualised from inception date: 28 April 2017

<sup>9</sup> Distributed income including franking

<sup>10</sup> Calculated as monthly dividends paid (including franking credits) divided by average month-end share price, annualised from inception date 28 April 2017

During the financial year, the best performing sectors were Utilities and Energy which rose more than 30%. These sectors have benefited from an underinvestment in capacity, particularly during COVID-19 when oil and electricity prices fell dramatically. The worst performing sectors were Information Technology which fell as bond yields rose, and Consumer Discretionary which fell due to concerns about a drop in consumer spending given a larger percentage of budgets may need to cover essentials such as food and petrol where prices are rising.

The market also became concerned, particularly in the 2<sup>nd</sup> quarter of 2022 that the chances of a recession were increasing with the yield curve becoming inverted and central banks becoming more hawkish. However, despite this hawkishness on the prospects for increased interest rates, central bankers remain optimistic that they can engineer a soft landing for the economy given consumers are in strong financial positions and unemployment is at lows not seen for 50 years.

The strong divergence in sector performance during the financial year 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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