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The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

**Platinum Capital Limited (ASX: PMC)
Monthly Investment Update and Net Tangible Asset (NTA) Report**

Platinum Capital Limited hereby releases the Monthly Investment Update and NTA Report for the month ended 31 January 2024 (as attached).

For more information in relation to PMC, please refer to the website at:
www.platinumcapital.com.au

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FACTS¹

Market capitalisation	\$381.79 mn
Listing date	29 June 1994
Current share price	\$1.295
Current dividend yield	4.63%
Pre-tax NTA	\$1.4976
Post-tax NTA	\$1.4910
Maximum franked dividend	7.99 cps
Management fee:	1.10% p.a. (excl. GST) of portfolio value plus
Performance fee:	15.00% p.a. (excl. GST) of outperformance over benchmark (MSCI All Country World Net Index (A\$)). Performance fees are calculated after recovery of any underperformance carried forward from prior periods.

PERFORMANCE²

	1 month	3 months	6 months	CYTD	1 year	2 years p.a.	3 years p.a.	5 years p.a.	7 years p.a.	10 years p.a.	Since inception p.a.
Company % (Pre-tax NTA)	(1.1)	1.3	(4.0)	(1.1)	0.9	0.2	4.7	5.8	6.9	6.6	10.9
MSCI %	3.8	10.3	6.1	3.8	22.3	6.1	11.5	12.3	11.9	11.5	7.7

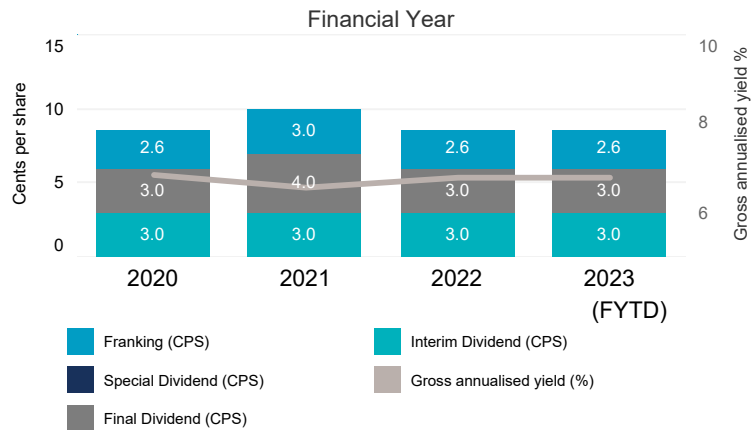
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	37.7	(0.5)	37.2	57.1
Australia	2.9	(0.2)	2.7	3.9
China	17.8		17.8	17.8
Japan	9.5	(0.2)	9.3	28.2
South Korea	3.6	(0.1)	3.5	3.5
Taiwan	2.3		2.3	2.3
Other Asia-Pacific	1.6		1.6	1.4
Europe	26.2		26.2	26.7
Austria	1.4		1.4	
Euro				14.4
Finland	2.9		2.9	
France	5.0		5.0	
Germany	1.2		1.2	
Italy	1.3		1.3	
Netherlands	1.7		1.7	
Switzerland	3.3		3.3	3.3
United Kingdom	8.7		8.7	8.8
Other Europe	0.8		0.8	0.2
North America	19.5	(6.1)	13.5	13.5
Canada	2.7		2.7	2.7
United States of America	16.8	(6.1)	10.8	10.8
Other	2.7		2.7	2.7
Sub-Total	86.2	(6.6)	79.6	100.0
Cash	13.8	6.6	20.4	
Total	100.0		100.0	100.0

Long - 120 stocks, 1 swap, 1 other Short - 20 swaps

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Allfunds Group Plc	UK	Financials	3.6
UBS Group AG	Switzerland	Financials	3.2
ZTO Express Cayman Inc	China	Industrials	3.1
UPM-Kymmene OYJ	Finland	Materials	2.9
Samsung Electronics Co	South Korea	Info Technology	2.9
Minebea Co Ltd	Japan	Industrials	2.7
Itochu Corp	Japan	Industrials	2.4
Airbus SE	France	Industrials	2.3
Taiwan Semiconductor	Taiwan	Info Technology	2.3
Cameco Corp	Canada	Energy	2.2
Total			27.6

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Financials	16.8	(0.2)	16.6
Industrials	16.9	(2.3)	14.6
Information Technology	12.6	(1.8)	10.9
Materials	10.0	(0.1)	9.9
Consumer Discretionary	10.7	(1.7)	9.0
Energy	6.6		6.6
Communication Services	4.1	(0.5)	3.5
Health Care	2.9		2.9
Real Estate	2.8		2.8
Consumer Staples	2.7		2.7
Utilities	0.2		0.2
Sub-Total	86.2	(6.6)	79.6
Cash	13.8	6.6	20.4
Total	100.0		100.0

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1. Source: Platinum. The pre-tax NTA was calculated in accordance with Australian Accounting Standards, based on the fair value of all investments. The post-tax NTA is the pre-tax NTA after provision for tax on both realised and unrealised income and gains. The NTA is unaudited.

2. Source: Platinum for portfolio returns and Factset Research Systems for MSCI returns. The returns are calculated relative to the MSCI All Country World Net Index in A\$ (except the gross MSCI index was used prior to 31/12/96). Past performance is not a reliable indicator of future returns. Platinum does not invest by reference to the weightings of the index. The index is provided as a reference only.

3. Shows dividends determined in respect of the relevant financial year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends.

4. The "Long %" is the exposure to long securities and long securities/index derivative positions, the "Short %" is the exposure to short securities and short securities/index derivative positions and the "Net %" is the total of the "Long %" and "Short %", each as a percentage of PMC's portfolio value. The "CCY %" is the effective currency exposure of PMC's portfolio as a percentage of its portfolio value, taking into account long and short securities, cash, forwards and long and short securities/index derivative positions. For the "Industry breakdown", index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".

4. and 5. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of the country classifications.

5. The "Top ten positions" show PMC's top ten long securities positions as a percentage of PMC's portfolio value (including long securities and long securities derivative positions).

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MARKET UPDATE AND COMMENTARY

- The portfolio returned -1.1% for January 2024 and +0.9% for the rolling 12 months.
- We're disappointed with this performance for which the main drivers were: 1) conservative positioning; 2) a large position in China; and 3) and lack of exposure to the "Magnificent Seven" US large cap tech stocks.

Performance Analysis*

The portfolio returned -1.1% for the month of January 2024, bringing the rolling 12 month return down to +0.9% net of fees. The main drivers of performance were:

1. Conservative positioning

One of the main detractors of performance is that the portfolio was positioned too cautiously in 2023. At the beginning of the year, Western markets (in particular the US and Europe) were facing a continuation of the tight financial conditions seen in 2022 as central banks enacted one of the most aggressive tightening cycles in history. On the flip side, China was emerging from COVID-19 lockdowns and looked like it would enjoy the economic rebound associated with ending lockdowns and coming out of a severe bear market.

The reality of 2023 was very different to the one we were expecting and our cautious positioning was not rewarded by the market. The US economy remained robust in spite of tight financial conditions. While corporate earnings declined marginally, the US equity market rallied. Meanwhile, China's recovery was short lived as the property sector weighed on consumer and business confidence. The table below shows the composition of the portfolio for the month of January 2024 and for the 12 months ending 31 January 2024. The net invested position is increasing, over the twelve months to 31 January 2024, the portfolio had an average net invested position of 73% and this increased to 78% in January 2024.

Figure 1: Long, short and cash contribution to the portfolio's performance for January 2024 and rolling 12 months

	For the month of January 2024		For the 12 months ended 31 January 2024	
	Average Exposure	Cumulative Contribution (gross of fees)	Average Exposure	Cumulative Contribution (gross of fees)
Long positions	85.6%	-1.1%	86.2%	6.1%
Short positions	7.3%	0.5%	13.5%	-3.6%
Cash & FX	14.4%	-0.3%	13.8%	-0.3%
Net invested position	78.3%		72.7%	

Source: Platinum Asset Management

2. Large position in China

The portfolio had, on average, a 20.4% weighting to China for the 12 months ended 31 January 2024. This was a significant overweight compared to China's <3% weighting in the MSCI AC World Index and weighed on performance, detracting 4.2% for the 12 months ended 31 January 2024 and detracting 1.4% in the month of January. Platinum's investment philosophy and process means that we believe the best long-term returns are found in those parts of the market that are overlooked and unloved. We believe this describes investors' feelings towards China and this is reflected in the very low valuations (the Hang Seng's PE ratio is below the Nasdaq's price to book ratio). Having said that, we are mindful of the risks in investing in China and are cautious of potential trade tariff implications if Trump is elected. We have reduced our China weighting to an average weight of 17.9% for the month of January. As a reminder, we are investing in individual Chinese companies, not the overall Chinese market.

3. Lack of exposure to the "Magnificent Seven" stocks

The "Magnificent Seven" US large cap tech stocks have been the main contributor to the MSCI AC World Index's performance over the last 12 months given their dominance of the index (they make up ~17% of the MSCI AC World Index). Their contribution to performance is clear when you compare the 1-year performance of the MSCI AC World Index (a market capitalisation weighted index) to the MSCI AC World Equal Weighted Index (where at each quarterly rebalance, all constituents are weighted equally). The MSCI AC World Index (AUD) returned 22.3% whereas the equal weighted index (AUD) returned ~4.0%. The portfolio was underweight these "Magnificent Seven" stocks, with a total net weighting of <1.5%.

The portfolio's performance has been disappointing but we continue to believe in our approach and our capability, which has been hidden by this crowding into the largest stocks in the market. Whilst the portfolio is still relatively defensively positioned, we believe the stocks in the portfolio have the ability to outperform over the medium term. As contrarian investors, we seek to invest in companies that are overlooked and unloved by the rest of the market and are at compelling valuations. Markets seem to be positioned for a "goldilocks" scenario in the West - that economies will cool just enough for central banks to cut rates but not enough to negatively impact company earnings and therefore valuations. At the same time, the market is pricing in no recovery in China. These extremes are giving us great stock picking opportunities.

*Source: Platinum. Contribution numbers are based on the total return of individual positions (in AUD) and are gross as they do not take into account the portfolio's fees and costs (other than brokerage). **Past performance is not a reliable indicator of future returns.**