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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 release the Monthly Investment Update and NTA Report for the month ended 31 October 2023 (as attached).

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

Authorised by
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FACTS¹

Market capitalisation	\$377.16 mn
Listing date	29 June 1994
Current share price	\$1.275
Current dividend yield	4.71%
Pre-tax NTA	\$1.4812
Post-tax NTA	\$1.4755
Maximum franked dividend	7.74 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)	(1.8)	(5.2)	(3.6)	2.6	10.6	4.4	7.9	5.7	7.1	7.5	10.9
MSCI %	(1.1)	(3.8)	2.4	14.3	11.6	2.4	10.4	9.9	11.3	11.2	7.4

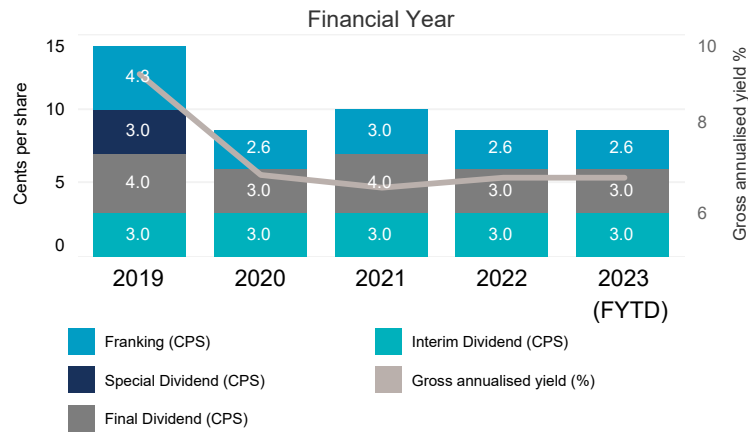
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	40.7	(0.6)	40.1	43.6
Australia	2.9		2.9	3.0
China	20.6		20.6	20.6
Hong Kong				1.1
India	2.0		2.0	2.1
Japan	8.6	(0.3)	8.4	10.7
South Korea	3.7	(0.1)	3.5	3.6
Taiwan	1.7	(0.2)	1.5	1.5
Other Asia-Pacific	1.3		1.3	1.3
Europe	20.0	(3.2)	16.9	24.3
Austria	1.0		1.0	
Euro				12.7
Finland	3.0		3.0	
France	3.0		3.0	
Germany	2.1	(2.2)	(0.2)	
Switzerland	3.6	(0.1)	3.5	3.6
United Kingdom	6.4		6.4	7.6
Other Europe	1.0	(0.9)	0.1	0.3
North America	16.5	(18.7)	(2.1)	29.0
Canada	2.0		2.0	2.2
United States of America	14.6	(18.7)	(4.1)	26.9
Other	3.1		3.1	3.1
Sub-Total	80.4	(22.5)	57.9	100.0
Cash	19.6	22.5	42.1	
Total	100.0		100.0	100.0

Long - 116 stocks, 1 swap, 1 option, 2 other Short - 44 swaps, 5 indices

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.6
UPM-Kymmene OYJ	Finland	Materials	3.0
Samsung Electronics Co	South Korea	Info Technology	2.8
Ping An Insurance Group	China	Financials	2.7
Microchip Technology Inc	United States	Info Technology	2.6
UBS Group AG	Switzerland	Financials	2.6
Allfunds Group Plc	UK	Financials	2.6
Suzano SA	Brazil	Materials	2.4
Minebea Co Ltd	Japan	Industrials	2.4
Airbus SE	France	Industrials	2.1
Total			26.7

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Financials	15.5	(1.0)	14.5
Industrials	17.5	(3.5)	14.0
Materials	9.9	(0.1)	9.7
Information Technology	11.2	(3.6)	7.5
Consumer Discretionary	9.5	(2.6)	6.8
Energy	6.6		6.6
Real Estate	3.3		3.3
Communication Services	3.5	(0.7)	2.8
Health Care	2.9	(0.4)	2.6
Consumer Staples	0.4		0.4
Utilities	0.2		0.2
Other		(10.5)	(10.5)
Sub-Total	80.4	(22.5)	57.9
Cash	19.6	22.5	42.1
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 -1.8% for the month. Over the year to end October, the return was 10.6%.
- As at the end of October, the Portfolio is 80.4% long and the short book at 22.5%. This more cautious positioning reflects our concern around the US economy and high starting valuations.

Market Commentary

US equities were down in October and both the S&P500 (-2.2%) and Nasdaq (-2.8%) have now fallen more than 10% from their peaks in July. We believe this weakness means the market is coming to terms with the Fed's "higher-for-longer" stance and certainly the strong retail sales report and Q3 GDP beat add weight to this stance. Mirroring the current state of the economy, the Q3 earnings season showed a blended earnings growth rate of ~2.8%, outstripping pre-season expectations for a decline of 0.3% (Factset). However, outlook commentaries were cautious, particularly from the likes of Tesla (-19.7% for Oct) and Caterpillar (-17.2% for Oct).

European markets ended lower for the third month in a row, with the STOXX 600 (-3.7%) trading at its weakest levels since March 2023. In addition to the surge in bond yields, there was a lot of focus on geopolitical risks following Hamas' assault on Israel on 7 October and these issues, along with underwhelming Q3 earnings, weighed on equity investors. Following the Hamas' attack there were broad expectations for an Israeli ground invasion of the Gaza strip. Now the focus is on whether this could spill over into a broader regional conflict and what effect that would have on markets. However, over the past few decades, markets have a history of looking past geopolitical events (Factset and Platinum).

Companies' outlook statements noted slowing business activity in the Eurozone and this combined with a spike in energy prices due to tensions in the Middle East led to analysts downgrading earnings expectations for the rest of 2023 and the first half of 2024 (Factset). The economic and political backdrop in Europe has been concerning for some time. Our preferred exposure are those stocks and sectors that have experienced 'their' recession - such as the asset gatherers that took a hit when bonds and equities both fell last year.

Asian equity markets continued the weak trend, falling for the third month in a row. China's economic data was mixed with activity in September reporting an uptick but the October PMI (Purchasing Managers Index) indicating a slowdown. While a stronger economic backdrop is helpful for equity returns, given our concentrated, high conviction portfolio, we only hold stocks we think offer strong returns over the medium term at reasonable prices. We're hopeful that we're seeing the first signs of China's property stimulus taking effect. The pace of the decline in new home sales slowed in October and the China Index Academy showed average new home prices in 100 cities rose 0.07% month on month.

In an interesting development, the in-favour Indian market experienced a surge in outflows in October driven by weaker than expected IT company earnings, downbeat commentary from some Indian banks and rising oil prices (FT article, 31 October 2023). India imports more than 80% of its oil, making it vulnerable to crude prices which have climbed ~5% since Hamas' attack on Israel. Given their high starting valuations, the Portfolio has had limited exposure to Indian equities.

Performance Analysis*

For the month, two of our biggest contributors were short positions in a US quantum computing stock and a US car manufacturer. A long position in Weichai Power, a manufacturer of diesel engines, made a significant contribution to performance in October. Detractors included global credit bureau TransUnion, British investment management company St James' Place and US company Microchip Technology.

For the calendar year-to-date our long positions contributed 6.0% to the Portfolio's return, while our short positions detracted 2.4%. Over this period, our North American long positions have been the standout performers, adding 2.9% to the Portfolio's performance, with a 1% contribution from Japan, 0.6% from Asia and 0.7% from South America.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~46% higher starting earnings yield and a ~42% discount on Price to Book ratio (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	9.8% (Price-to-Earnings ratio of 10.2x)	6.7% (Price-to-Earnings ratio of 14.9x)
NTM Dividend Yield	3.2%	2.9%
NTM Enterprise Value-to-Sales	1.4x	2x
LTM Price-to-Book Ratio	1.4x	2.4x

The valuations in the table have been calculated by Platinum refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. MSCI data is sourced from Rimes, FactSet and Platinum. As at 30 October 2023. NTM = next twelve months.

LTM = last twelve months.

*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.**