

## FACTS

Portfolio value	\$489.95 mn
Portfolio commenced	29 June 1994
Current share price	\$1.520
Current dividend yield	3.95%
Pre-tax NTA	\$1.6773
Post-tax NTA	\$1.5962
Maximum franked dividend	7.28 cps
NTA retained earnings & div profit resv.	25.23 cps

## PERFORMANCE<sup>1</sup>

	Company % (Pre-tax NTA)	MSCI %
1 month	(0.9)	4.5
3 months	1.7	9.0
6 months	9.8	15.4
Calendar year to date	9.8	15.4
1 year	23.9	27.7
2 years (compound pa)	9.3	15.3
3 years (compound pa)	6.1	14.0
5 years (compound pa)	10.6	14.4
7 years (compound pa)	8.8	13.4
10 years (compound pa)	10.8	13.9
Since inception (compound pa)	11.8	7.8

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.

## INVESTED POSITIONS<sup>3</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	40.2	(0.7)	39.4	42.3
Australia	3.3		3.3	3.4
China	14.7		14.7	14.7
Hong Kong	2.5		2.5	3.2
India	2.3		2.3	2.3
Japan	12.3	(0.7)	11.6	13.6
South Korea	5.1		5.1	5.1
<b>Europe</b>	20.4	(0.4)	20.0	21.2
Austria	1.4		1.4	
Belgium	0.1		0.1	
Denmark	0.5		0.5	0.5
Finland	2.3		2.3	
France	3.5		3.5	
Germany	4.6		4.6	
Hungary	0.1		0.1	0.1
Ireland	1.4		1.4	
Italy	1.7		1.7	
Netherlands		(0.4)	(0.4)	
Norway	0.4		0.4	0.4
Spain	1.2		1.2	
United Kingdom	3.1		3.1	3.5
Euro				16.7
<b>North America</b>	24.1	(4.1)	19.9	34.8
Canada	3.4		3.4	6.4
United States of America	20.6	(4.1)	16.5	28.4
<b>Other</b>	1.8		1.8	1.8
<b>Sub-Total</b>	86.3	(5.2)	81.1	100.0
<b>Cash</b>	13.7	5.2	18.9	
<b>Total</b>	100.0		100.0	100.0

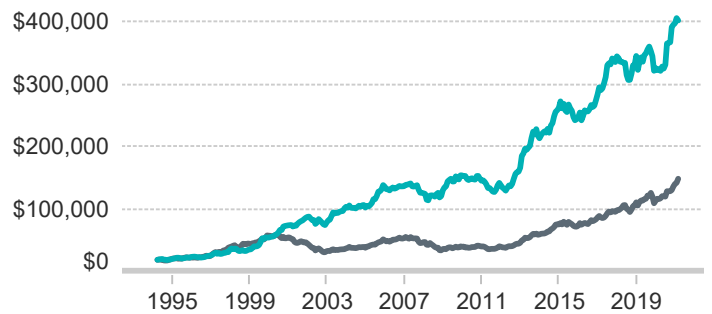
Long - 110 stocks, 2 swaps Short - 15 swaps, 1 index

## FEES

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\$))

\*The portfolio value is the market value of the investments in the portfolio after the deduction of fees and expenses, adjusted for taxes, corporate actions and dividends.

## PERFORMANCE GRAPH<sup>2</sup>



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## TOP TEN POSITIONS<sup>4</sup>

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co	South Korea	Info Technology	3.2
ZTO Express Cayman Inc	China	Industrials	3.2
Glencore PLC	Australia	Materials	2.8
Minebea Co Ltd	Japan	Industrials	2.7
Micron Technology Inc	United States	Info Technology	2.6
Weichai Power Co Ltd	China	Industrials	2.5
AIA Group Ltd	Hong Kong	Financials	2.4
Microchip Technology Inc	United States	Info Technology	2.4
UPM-Kymmene OYJ	Finland	Materials	2.3
Ping An Insurance Group	China	Financials	2.2
<b>Total</b>			26.3

## INDUSTRY BREAKDOWN<sup>3</sup>

SECTOR	LONG %	SHORT %	NET %
Industrials	19.8		19.8
Materials	15.9	(0.3)	15.6
Financials	15.6		15.6
Information Technology	13.5	(1.5)	12.0
Consumer Discretionary	10.1	(1.9)	8.2
Health Care	5.9		5.9
Real Estate	3.1		3.1
Communication Services	1.6		1.6
Energy	0.4		0.4
Consumer Staples	0.4	(1.0)	(0.6)
Other		(0.5)	(0.5)

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1. & 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 31/12/98). The investment returns in the line graph are cumulative on A\$20,000 invested in PMC since inception. 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. The geographic "Long %" is the exposure to long securities and long securities/index derivative positions, the geographic "Short %" is the exposure to short securities and short securities/index derivative positions and the geographic "Net %" is the difference between the geographic "Long %" and the geographic "Short %", each as a percentage of the market value of the Fund's portfolio. The "Currency %" is the effective currency exposure as a percentage of the market value of the Fund's portfolio taking into account long and short securities, cash, forwards and long and short securities/index derivative positions. The cash "Long %" includes cash at bank, cashflows expected from forwards and effective cash exposures resulting from long securities/index derivative positions, the cash "Short %" includes effective cash exposures resulting from short securities/index derivative positions and the cash "Net %" is the difference between the cash "Long %" and the cash "Short %", each as a percentage of the market value of the Fund's portfolio. 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. 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

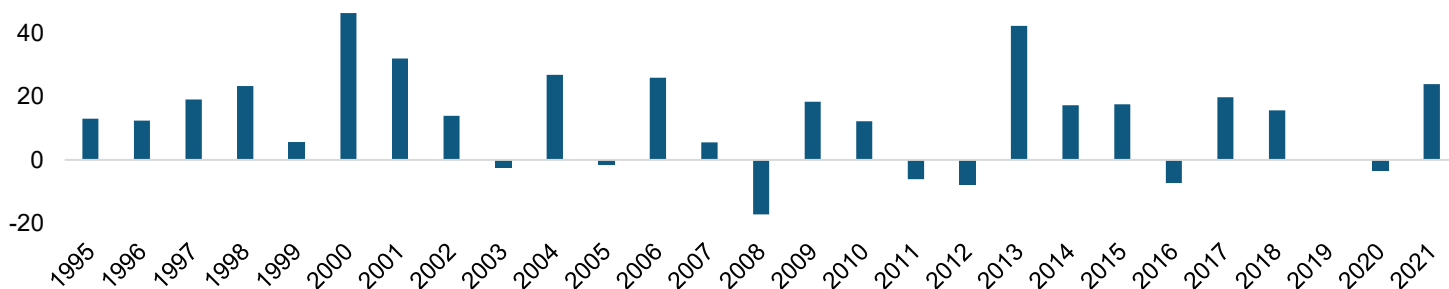
- Strong year of performance, ranking 6th in the Company's long history, driven by good stock selection on the long side.
- Recent months have seen market drivers reward cyclicals after a prolonged fallow period, though June saw a reversal in this.
- We believe adopting the consensus view of transitory inflation could prove risky and it is helpful to be open to the alternative.

### Market Commentary

The Quarterly Report with more insights around performance, portfolio positioning, commentary and outlook will be available on our website on 20 July (<https://www.platinum.com.au/Investing-with-Us/Investment-Updates>).

### Performance Analysis\*

The financial year to 30 June 2021 has been one of the strongest in the portfolio's history, and one of only seven times returns have exceeded 20%. This chart shows the return history of the portfolio year by year.



For the financial year, the long part of the portfolio contributed an impressive +32% to returns. Shorts cost -6% over this period, almost all from the Nasdaq Index during the initial rebound from the COVID-19 sell-off, while there was a small positive payoff from actively managing currency.

Over this period, the top 10 long contributors added +15%, led by resources (Glencore, First Quantum Minerals, Freeport McMoRan,) and semiconductors (Samsung Electronics, Micron) plus Ally Financial, BMW, FedEx, General Electric, and LG Chem. A number of travel stocks and businesses exposed to the electric vehicles thematic were all meaningful. On the negative side, five companies cost in aggregate 3% to returns being ZTO Express, China Overseas Land & Investment, Barrick Gold, Intel and Bayer.

Return contributions over this period, are shown by sector and geography on the long side of the portfolio, to provide more detailed insight. The contribution is shown for industry groups and regions, along with the average exposure to these.

Sector**	Contribution %	Avg.W %	Sector Breakdown Contribution %	Region**	Contribution %	Avg.W %	Region Breakdown Contribution %
Cyclicals**	26	65	Materials 9 Industrials 7 Consumer Disc 6 Financials 3	Asia Pacific	13	43	Korea 4 Japan 4 Australia 2 China 2
Technology	7	18		Nth. America	12	25	
Defensives	-1	7		Europe	5	19	
Total	32	90		Total	32	90	Rest of World 2

### Valuation

Aggregate valuation data is a useful gauge for the portfolio's attractiveness. There appears to be value in an absolute and relative sense, with the portfolio offering a starting earnings yield 42% higher than the market and appearing 39% cheaper relative to the assets backing it.

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.1% (Price-to-Earnings ratio of 12x)	5.5% (Price-to-Earnings ratio of 18x)
NTM Dividend Yield	2.6%	2.5%
Price-to-Book Ratio	1.7x	2.8x
Enterprise Value-to-Sales	1.3x	2.1x

The valuations in the table have been calculated by Platinum and refer to the long portion of the portfolio, exclude negative net earnings, and use FactSet consensus earnings.

Source\*: Platinum for PMC returns and FactSet Research Systems Inc for MSCI returns. Numbers for long and short positions are based on the total return of individual positions (in AUD) and are gross as they do not take into account fees and costs (other than brokerage). Contribution numbers may not add up due to rounding and the effect of fees. Past performance is not a reliable indicator of future returns.

Source\*\*: Cyclicals include: Industrials, materials, energy, real estate, financials and consumer discretionary; Technology includes: IT and communication services; and Defensives include: Healthcare, utilities and consumer staples.