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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 30 September 2024 (as attached).

For more information in relation to PMC, please refer to the website at:  
[www.platinumcapital.com.au](http://www.platinumcapital.com.au)

Authorised by  
Joanne Jefferies | Company Secretary

Investor contact  
Elizabeth Norman | Director of Investor Services and Communications  
Platinum Investment Management Limited  
Tel: 61 2 9255 7500  
Fax: 61 2 9254 5555

## FACTS<sup>1</sup>

Market capitalisation	\$421.88 mn
Listing date	29 June 1994
Current share price	\$1.425
Current dividend yield	4.21%
Pre-tax NTA	\$1.5229
Post-tax NTA	\$1.4969
Maximum franked dividend	4.66 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.

## PERFORMANCE<sup>2</sup>

	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.
<b>Company % (Pre-tax NTA)</b>	3.0	1.6	(0.3)	5.2	5.7	9.7	3.8	5.2	5.3	6.9	10.8
<b>MSCI %</b>	0.1	2.6	3.1	16.7	22.6	21.5	9.6	11.6	12.2	12.0	8.0

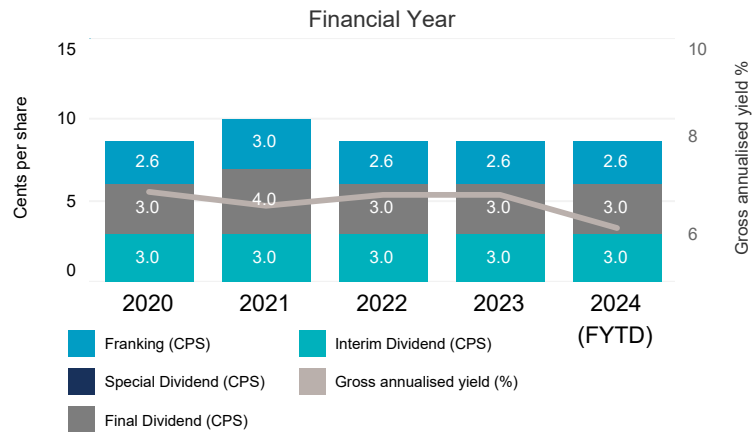
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

## INVESTED POSITIONS<sup>4</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	40.6		40.6	52.1
China	22.7		22.7	22.7
Hong Kong				1.2
Japan	5.7		5.7	15.3
Macao	2.3		2.3	2.3
South Korea	6.1		6.1	6.1
Taiwan	3.0		3.0	3.0
Other Asia-Pacific	0.8		0.8	1.4
<b>Europe</b>	26.1	(0.5)	25.6	28.7
Austria	1.5		1.5	
Denmark	2.6		2.6	2.6
Euro				11.8
Finland	2.4		2.4	
France	1.9		1.9	
Italy	1.1		1.1	
Netherlands	1.4		1.4	
Switzerland	3.5	(0.5)	3.0	3.5
United Kingdom	10.7		10.7	10.8
Other Europe	0.9		0.9	
<b>North America</b>	20.6	(5.9)	14.7	18.6
Canada	3.5		3.5	3.5
United States of America	17.1	(5.9)	11.2	15.2
<b>Other</b>	0.6		0.6	0.6
<b>Sub-Total</b>	87.9	(6.4)	81.5	100.0
<b>Cash</b>	12.1	6.4	18.5	
<b>Total</b>	100.0		100.0	100.0

Long - 54 stocks, 2 other Short - 14 swaps

## HISTORY OF FULLY FRANKED DIVIDENDS (CPS)<sup>3</sup>



## TOP TEN POSITIONS<sup>5</sup>

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	5.1
Tencent Holdings Ltd	China	Comm Services	3.8
Samsung Electronics Co	South Korea	Info Technology	3.7
UBS Group AG	Switzerland	Financials	3.5
TransUnion	United States	Industrials	3.4
Allfunds Group Plc	UK	Financials	3.3
Taiwan Semiconductor	Taiwan	Info Technology	3.0
JD.com Inc	China	Cons Discretionary	2.9
Intercontinental Exchange	United States	Financials	2.8
Minebea Co Ltd	Japan	Industrials	2.7
<b>Total</b>			34.3

## INDUSTRY BREAKDOWN<sup>4</sup>

SECTOR	LONG %	SHORT %	NET %
Financials	23.2	(0.2)	22.9
Industrials	18.2	(3.1)	15.1
Information Technology	11.4	(1.8)	9.6
Consumer Discretionary	10.4	(0.9)	9.5
Communication Services	6.5		6.5
Energy	6.1		6.1
Materials	4.3		4.3
Real Estate	3.7		3.7
Consumer Staples	2.6	(0.3)	2.2
Health Care	1.5		1.5
<b>Sub-Total</b>	87.9	(6.4)	81.5
<b>Cash</b>	12.1	6.4	18.5
<b>Total</b>	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 3% for September 2024.
- For much of the month, investors' focus centred on the Fed Funds rate cut, until the last week of the month when a range of Chinese stimulus initiatives were announced. This boosted our Chinese holdings. Chinese stocks were the largest country contributor to performance for the month at 4.8%.

### Performance Analysis\*

The portfolio returned 3% for the month of September 2024. Performance for the month was driven by the long book, contributing 4.6%. China was the standout contributor to these returns, contributing nearly 5%, with Chinese consumer discretionary names and industrials significant contributors. The short book detracted 1%.

Investors were focused on the Fed and anticipated rate cuts given the prior weak print and non-farm payrolls discussed last month. In the end the Fed cut rates 50 basis points. This is significant as cuts of this magnitude are normally reserved for periods of crisis. The cuts were well received by the market with many believing the Fed can orchestrate a soft landing and avoid a recession. This is also supportive for rate-sensitive holdings like TransUnion, who should benefit from lower rates encouraging property transaction activity.

### China commits

During the week starting 23<sup>rd</sup> September a series of Chinese stimulatory reforms (the biggest since the pandemic) were set in place. These include but are not limited to:

- 24<sup>th</sup> September: Peoples Bank of China (PBOC) sought to boost liquidity in the banking system and support loan activity through: a cut to its 7 day repo policy rate by 0.2% to 1.5%, lowered banks' reserve requirements, reduced mortgage rates by 0.5% and reduced minimum down payments to 15% (from 25%).
- 25<sup>th</sup> September: PBOC cut rates on medium term lending facility loans to financial institutions.
- 26<sup>th</sup> September: Ministry of Finance and Ministry of Civil Affairs announced cash handouts to disadvantaged groups and fiscal measures injecting 1 trillion CNY of capital into state banks (the first capital injection since 2008) to reduce debt and 1 trillion CNY for equipment trade-ins.

These stimulus efforts were broader than anticipated and while maybe not enough to act as a complete economic panacea they were very well received by the Chinese equity market. The CSI 300 Index was up 20% in a single week. Not surprisingly Chinese consumer discretionary names were among the best performers, including JD.com (+50%) and PDD Holdings and Sands China (both up over 35%). Chinese real estate names were also strong, with China Resources Land and China Overseas Land & Investment both up 30%. The major detractor from returns was South Korea's Samsung (along with other semi-conductor names Skyworks and Micron). Samsung fell around 17% on concerns about weakening demand for conventional memory and lower high-bandwidth memory revenues.

The portfolio ended the month with a net position of 81.5%, Shorts were 6.4%. The portfolio held cash of 12.1% and a long book of 87.9%.

### An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~59% higher earnings yield and a ~45% discount on price-to-book ratios (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.9% (Price-to-Earnings ratio of 11.2x)	5.6% (Price-to-Earnings ratio of 18x)
NTM Dividend Yield	2.5%	2.2%
NTM Enterprise Value-to-Sales	1.8x	2.5x
LTM Price-to-Book Ratio	1.6x	2.9x

The valuations in the table have been calculated by Platinum and for the portfolio 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 September 2024. 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.**