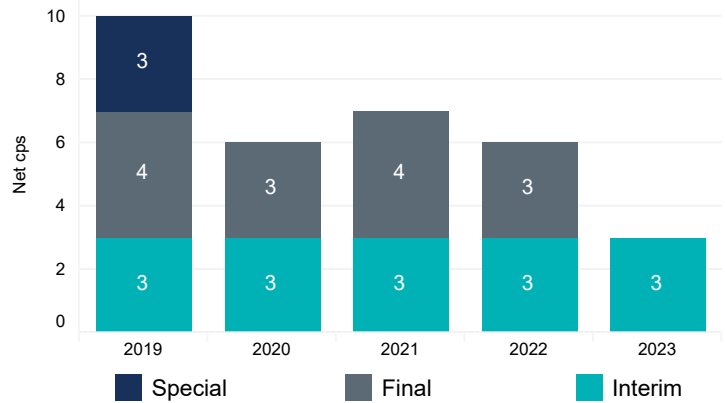


FACTS¹

Market capitalisation	\$379.72 mn
Listing date	29 June 1994
Current share price	\$1.285
Current dividend yield	4.67%
Pre-tax NTA	\$1.5564
Post-tax NTA	\$1.5306
Maximum franked dividend	9.71 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.

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



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)	0.9	6.0	5.2	8.5	2.5	9.7	4.5	7.6	8.7	11.2
MSCI %	1.0	7.8	7.0	12.8	11.8	6.0	11.0	10.2	10.7	12.1	7.5

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	39.2	(1.8)	37.4	43.6
Australia	2.6	(0.6)	2.1	2.7
China	19.2		19.2	19.2
Hong Kong				2.4
India	2.6		2.6	2.6
Japan	8.9	(1.0)	7.8	11.5
South Korea	5.0	(0.1)	4.9	4.9
Other Asia-Pacific	0.9	(0.1)	0.8	0.4
Europe	24.9	(0.6)	24.3	28.9
Austria	2.1		2.1	
Euro				18.7
Finland	2.4		2.4	
France	3.3	(0.1)	3.2	
Germany	2.9		2.9	
Italy	1.4		1.4	
Netherlands	1.9		1.9	
Switzerland	1.3	(0.1)	1.2	1.3
United Kingdom	8.0		8.0	8.8
Other Europe	1.7	(0.5)	1.2	0.2
North America	18.6	(12.9)	5.7	24.7
Canada	1.1		1.1	2.8
United States of America	17.5	(12.9)	4.7	21.9
Other	2.7		2.7	2.7
Sub-Total	85.4	(15.3)	70.1	100.0
Cash	14.6	15.3	29.9	
Total	100.0		100.0	100.0

Long - 124 stocks, 2 swaps, 1 option, 2 other Short - 37 swaps

TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.6
Minebea Co Ltd	Japan	Industrials	3.5
Samsung Electronics Co	South Korea	Info Technology	3.1
Microchip Technology Inc	United States	Info Technology	3.0
Allfunds Group Plc	UK	Financials	3.0
Ping An Insurance Group	China	Financials	2.7
InterGlobe Aviation Ltd	India	Industrials	2.6
UPM-Kymmene OYJ	Finland	Materials	2.4
Suzano SA	Brazil	Materials	2.3
Airbus SE	France	Industrials	2.1
Total			28.3

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Industrials	22.2	(5.7)	16.5
Financials	17.0	(1.4)	15.7
Information Technology	11.8	(1.8)	10.0
Materials	8.5	(0.1)	8.4
Energy	5.9		5.9
Health Care	4.7		4.7
Communication Services	4.5	(0.1)	4.4
Consumer Discretionary	8.0	(4.5)	3.4
Real Estate	2.1	(0.3)	1.8
Utilities	0.2		0.2
Consumer Staples	0.5	(0.5)	
Other		(0.9)	(0.9)
Sub-Total	85.4	(15.3)	70.1
Cash	14.6	15.3	29.9
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 paid during the calendar year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends (if any).

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 fell 1.1% for the month. This brings the one-year return to 8.5%.
- The net invested position remains near historical averages.
- Looking forward, there are exciting opportunities on the long side, but we remain wary of further market weakness.

Market Commentary

Choppy trading dominated markets again this month. Global equity markets* edged higher overall, despite mounting concerns on the economic front. The media focused largely on the US debt ceiling, which thankfully seemed to be resolved near the close of the month, but this was largely viewed as a noisy sideshow. The only clear move, as seen in the previous month, was the market continuing to favour large technology stocks on a potential AI revolution. Talk continued around this emerging theme, with the loudest argument being a “winner takes most” mentality in the form of barriers to entry being large in terms of intellectual property, capital required and established industry relationships (favouring the mega-cap names as they are the only ones that could afford such investment). We would caution that this could simply be the echoes of one of the great bubbles in market history, amid narrow market breadth and an oncoming recession. We continue to avoid trying to predict which direction the overall market is heading and instead look for attractively valued idiosyncratic business opportunities to invest capital in over the medium to long term.

The further crowding into large technology stocks signals to us a lack of conviction in the current rally and that investors are back hiding in mega-cap ‘safe’ names as the outlook remains uncertain. The S&P 500 still trades at a very high valuation multiple relative to history, and we continue to think there are much better investment opportunities to be found elsewhere.

We continue to believe that volatility will return as the decades-long easy money regime normalises. We expect much more divergent markets over the course of 2023, as a complex and uncertain environment creates mispricing in equities. We think this is a great market for active, ‘true’ investors.

Our net exposure remains at around 70% as we analyse various investing opportunities. We continue to buy stocks that we think offer good value and remain excited by opportunities across decarbonisation, semiconductors, travel, Chinese consumers, financials, and growth industrials. Our short book remains dynamic and aims to protect capital. The composition of the short portfolio continues to have less emphasis on highly valued growth names and more on COVID beneficiaries (e.g. retailers, e-commerce, logistics) that we expect will have weak earnings outcomes in the year ahead.

Performance Analysis**

For the month, our biggest contributors were InterGlobe Aviation (Indian airline), Samsung Electronics (Korean semiconductor manufacturer) and Suzano (Brazilian paper and pulp manufacturer). While providing a strong contribution to performance over the year, our Chinese positions detracted from performance over the month (Ping An Insurance, ZTO Express, China Overseas Land & Investment), as lacklustre economic numbers disappointed those playing for a short-term reopening trade. We still see China in the early stages of its recovery and continue to believe that China is a much-loved stock market. We remain confident in the Chinese businesses we hold. China remains in a different part of its economic cycle from economies in the West, and the government is taking clear steps to stimulate the economy.

For the calendar year to date (CYTD) our long positions contributed 8.1% to the portfolio’s return, while our short positions detracted 2.4%. The portfolio’s CYTD return was driven by a broad array of long positions, with our industrials and travel names being the standouts (MinebeaMitsumi, Wizz Air, Airbus). Semiconductor names have also been solid contributors (Samsung Electronics, Micron, Infineon Technologies, Microchip), benefiting from the excitement over AI.

Valuation

The portfolio’s aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 42% higher starting earnings yield and a 42% discount on an asset basis (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	9.2% (Price-to-Earnings ratio of 10.9x)	6.5% (Price-to-Earnings ratio of 15.3x)
NTM Dividend Yield	3.3%	2.8%
NTM Enterprise Value-to-Sales	1.3x	1.6x
LTM Price-to-Book Ratio	1.5x	2.6x

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. As at 31 May 2023. NTM = next twelve months. LTM = last twelve months.

* Market returns throughout this report refer to the MSCI AC World Net Index in A\$. Source: FactSet.

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.