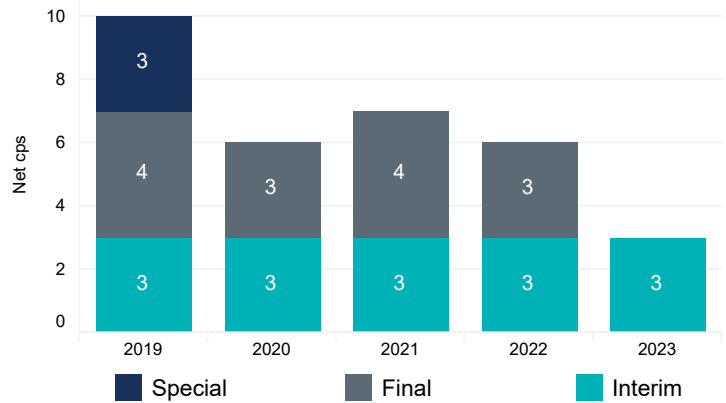


FACTS¹

Market capitalisation	\$372.36 mn
Listing date	29 June 1994
Current share price	\$1.260
Current dividend yield	4.76%
Pre-tax NTA	\$1.5503
Post-tax NTA	\$1.5271
Maximum franked dividend	8.37 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)	(0.3)	(0.7)	4.9	4.9	12.7	2.8	9.4	4.8	8.3	8.4	11.1
MSCI %	2.9	6.8	16.1	16.1	20.4	5.2	12.2	10.4	11.7	12.3	7.6

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	42.1	(1.6)	40.5	46.7
Australia	3.2	(0.5)	2.7	3.2
China	20.3		20.3	20.3
Hong Kong				2.5
India	2.8		2.8	2.8
Japan	9.0	(0.8)	8.2	11.4
South Korea	4.9	(0.1)	4.7	4.7
Taiwan	1.6		1.6	1.6
Other Asia-Pacific	0.4	(0.1)	0.2	0.2
Europe	25.0	(0.8)	24.2	26.6
Austria	2.1		2.1	
Euro				16.9
Finland	2.4		2.4	
France	3.7	(0.1)	3.6	
Germany	3.0		3.0	
Italy	1.6		1.6	
Netherlands	2.0		2.0	
Switzerland	1.3	(0.1)	1.2	1.3
United Kingdom	7.2		7.2	8.2
Other Europe	1.7	(0.6)	1.1	0.2
North America	19.5	(14.0)	5.6	24.0
Canada	1.1		1.1	2.8
United States of America	18.4	(14.0)	4.5	21.2
Other	2.8	(0.1)	2.6	2.6
Sub-Total	89.4	(16.4)	72.9	100.0
Cash	10.6	16.4	27.1	
Total	100.0		100.0	100.0

Long - 122 stocks, 2 swaps, 1 option, 2 other Short - 41 swaps

TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Microchip Technology Inc	United States	Info Technology	3.7
ZTO Express Cayman Inc	China	Industrials	3.7
Minebea Co Ltd	Japan	Industrials	3.5
Samsung Electronics Co	South Korea	Info Technology	3.1
InterGlobe Aviation Ltd	India	Industrials	2.8
Ping An Insurance Group	China	Financials	2.6
Allfunds Group Plc	UK	Financials	2.6
Airbus SE	France	Industrials	2.4
UPM-Kymmene OYJ	Finland	Materials	2.4
Suzano SA	Brazil	Materials	2.3
Total			29.1

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Industrials	23.3	(6.4)	16.9
Financials	16.6	(1.4)	15.2
Information Technology	13.8	(2.2)	11.6
Materials	8.5	(0.3)	8.2
Energy	6.3		6.3
Consumer Discretionary	9.0	(4.5)	4.6
Health Care	4.3		4.3
Communication Services	4.3	(0.4)	3.9
Real Estate	2.3	(0.3)	2.0
Utilities	0.2		0.2
Consumer Staples	0.4	(0.5)	(0.1)
Other	0.2	(0.5)	(0.2)
Sub-Total	89.4	(16.4)	72.9
Cash	10.6	16.4	27.1
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 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 0.3% for the month. This brings the financial year return to 13%.
- The net invested position is slightly above historical averages.
- Looking forward, there are exciting opportunities on the long side away from the crowd.

Market Commentary

A small number of stocks have continued to propel the US markets higher, despite deteriorating economic indicators, tightening in the money supply and expectations for interest rate cuts being pushed out as core inflation remains stubbornly higher than central banks would like. However, as we know and have been starkly reminded of this year, the market is not the economy in the short term, and dislocations can occur, like the one we are currently witnessing. We continue to believe that earnings growth will broadly adjust lower from here, particularly in the US. This is in contrast with consensus estimates that are currently expecting an 11% increase in earnings for the S&P 500 in 2024 (source: Goldman Sachs).

Platinum's investment philosophy has always been to find mispriced stocks and opportunities in areas that are out of favour and away from the crowd. As we have mentioned a number of times this year, there is currently huge crowding in US stocks, particularly in mega-cap technology stocks. We would again caution that this could simply be the echoes of one of the great bubbles in market history, amid narrow market breadth and the likelihood of 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.

China continues to recover post the COVID lockdowns. The initial excitement has faded, but we continue to see this dynamic country as a rich hunting ground for investing. China leads the world in EV sales and is now the second-largest exporter of cars, surpassing Germany (source: Statista and Market Research Future). It dominates battery material refining and battery technology while also producing a significant share of the world's solar panels and wind turbines (source: Bloomberg and the International Energy Agency). The country is a clear leader in areas that are key to decarbonising the world. It is interesting to compare the Chinese and Japanese stock markets. Japan has spent many years out of favour with global investors, but over the last 12 months, the Nikkei 225 has outperformed the Nasdaq Composite Index (source: FactSet). We see the potential same change in investor mindset as a real opportunity for the value in our China positions to be recognised.

Our net exposure is around 73% 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 Microchip Technology (US semiconductor manufacturer), Itochu (Japanese conglomerate) and InterGlobe Aviation (Indian airline). Our US and Chinese long positions in aggregate added 1% to performance but were offset by weakness in our UK financial positions. The short book detracted over the month due to our US short positions. We continue to believe that many US stocks are overvalued given deteriorating conditions.

For the financial year ended 30 June 2023, our long positions contributed 16% to the portfolio's return, while our short positions detracted 2%. The portfolio's return was driven by a broad array of long positions, with our semiconductor and European financial names being the standouts (Microchip, Intesa Sanpaolo, Infineon, Samsung Electronics, Beazley, Erste) as AI excitement spread to the semiconductor space and European interest rates lifted. Travel names have also been solid contributors (InterGlobe Aviation, Airbus) as demand for travel remains strong post-COVID. Our European and US long positions have been the standout performers for us over the year, contributing a combined 13% to performance.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 40% higher starting earnings yield and a 38% discount on an asset basis (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.7% (Price-to-Earnings ratio of 11.5x)	6.2% (Price-to-Earnings ratio of 16.1x)
NTM Dividend Yield	3.1%	2.6%
NTM Enterprise Value-to-Sales	1.3x	1.7x
LTM Price-to-Book Ratio	1.6x	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 30 June 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.**