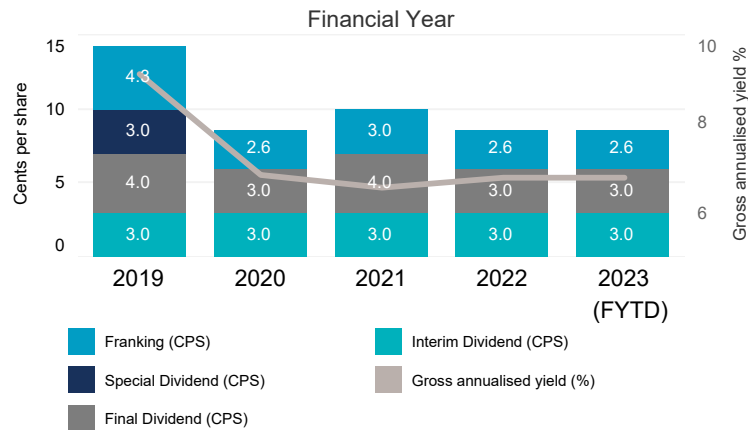


FACTS¹

Market capitalisation	\$380.71 mn
Listing date	29 June 1994
Current share price	\$1.285
Current dividend yield	4.67%
Pre-tax NTA	\$1.5142
Post-tax NTA	\$1.4936
Maximum franked dividend	6.61 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)	(2.8)	(0.4)	(1.0)	4.5	13.8	2.8	9.2	4.8	7.4	7.8	11.0
MSCI %	(3.8)	(0.4)	6.4	15.6	20.3	3.6	10.7	8.9	11.3	11.6	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	42.8	(0.6)	42.2	45.2
Australia	3.1	(0.2)	3.0	3.1
China	21.4		21.4	21.4
Hong Kong				1.0
India	2.4		2.4	2.4
Japan	8.9	(0.3)	8.6	10.5
South Korea	4.0	(0.2)	3.8	3.8
Taiwan	1.6		1.6	1.6
Other Asia-Pacific	1.3		1.3	1.3
Europe	21.5	(1.9)	19.6	25.0
Euro				12.7
Finland	3.0		3.0	
France	3.1		3.1	
Germany	2.2	(1.3)	1.0	
Switzerland	3.6		3.6	3.7
United Kingdom	6.8		6.8	8.3
Other Europe	2.8	(0.7)	2.1	0.3
North America	18.7	(17.3)	1.4	26.7
Canada	1.8		1.8	2.0
United States of America	16.9	(17.3)	(0.4)	24.7
Other	3.1		3.1	3.1
Sub-Total	86.1	(19.9)	66.2	100.0
Cash	13.9	19.9	33.8	
Total	100.0		100.0	100.0

Long - 118 stocks, 2 swaps, 1 option, 2 other Short - 37 swaps, 5 indices

TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.5
Microchip Technology Inc	United States	Info Technology	3.2
UPM-Kymmene OYJ	Finland	Materials	3.0
Minebea Co Ltd	Japan	Industrials	2.9
Ping An Insurance Group	China	Financials	2.8
Samsung Electronics Co	South Korea	Info Technology	2.7
UBS Group AG	Switzerland	Financials	2.7
Allfunds Group Plc	UK	Financials	2.7
Suzano SA	Brazil	Materials	2.5
InterGlobe Aviation Ltd	India	Industrials	2.4
Total			28.2

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Industrials	20.8	(2.4)	18.4
Financials	16.1	(1.0)	15.1
Materials	10.1	(0.3)	9.8
Information Technology	12.6	(3.3)	9.2
Consumer Discretionary	9.7	(2.4)	7.4
Energy	6.4		6.4
Real Estate	3.4		3.4
Health Care	3.0		3.0
Communication Services	3.5	(0.8)	2.7
Consumer Staples	0.3		0.3
Utilities	0.2		0.2
Other		(9.8)	(9.8)
Sub-Total	86.1	(19.9)	66.2
Cash	13.9	19.9	33.8
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 -2.8% for the month. This brings the one-year return to 13.8% and 4.5% for the year to date.
- At the end of the quarter the portfolio was 86.1% long and the short book increased to 19.9%.
- Given the risks around the US economy and high starting valuations, we have reduced our long exposure to the US.

Market Commentary

The S&P500 (down around 5% for September) suffered its biggest pullback since last December while the Nasdaq (-5.8% for September) saw its first back to back monthly decline in a year. The market's weakness reflected the hawkish takeaways from the Fed's "higher-for-longer" stance due to resilient macro data, a jump in energy prices, reduced disinflation momentum, supply pressures and deficit concerns (Factset). Platinum has been cautious on the US for some time due to high starting valuations and risks around the economy. We fail to see how the fastest rise in interest rates in recorded history could not have a negative impact on the economy and company earnings. We don't think this risk is being priced in given the S&P500 is one of the most expensive markets in the world at an ~18.7x 1 year forward PE for ~8.3% forecast EPS growth (Factset and Credit Suisse). By comparison, China's Shanghai A share index is trading on a 1 year forward PE of ~9.2x for ~22.7% forecast EPS growth (Factset and Credit Suisse). In September the portfolio averaged 17.2% of its long book in US stocks (down from 20.2% in August) and we increased US shorts from 10.3% in August to 17.5%.

European equity markets also ended lower in September, with the Stoxx 600 falling 1.7% and thus hitting its lowest level in 6 months. The negative market sentiment was driven by a series of factors. European central banks kept monetary policy in restrictive territory for an extended period. Energy price spiked after Saudi Arabia and Russia extended their production cuts. Meanwhile, the disinflation momentum slowed and concerns over a hard landing increased. Consumer discretionary stocks were the hardest hit, particularly travel and leisure. Despite high inflation and an ongoing war, the MSCI AC Europe Net Index (in \$A) has returned 28.8% for the year ending 30 September, beating the MSCI AC World Net Index (+20.3%) and MSCI Japan Net Index (+25.4%). Our European exposure tends to be focused on those stocks that have already gone through their recession e.g. asset gatherers like Allfunds Group.

The Hang Seng China Enterprises Index was down ~2.9% for September 2023 as markets adjusted to the hawkish Fed comments and continued worry about China's property sector, particularly China Evergrande. Despite government stimulus policies for the housing sector (i.e. lower minimum down payments and mortgage rates and increased ability to refinance), property sector weakness is widely cited as the key risk factor for China's economic outlook (Factset). Having said that, recent economic data releases have been mostly better than expected – including credit, exports activity and official manufacturing PMI. This is allaying some of the bearish narrative (Factset). Early October marks the Golden Week holiday in China and is an important barometer for consumer confidence and the economy. We have long held the view that the Chinese consumer is more resilient than reported with metrics such as travel spending and parcel deliveries growing strongly.

Performance Analysis*

For the month, our biggest contributors were Brazilian pulp and paper producer Suzano, Uranium producer and seller Kazatomprom and a short position in the S&P500 Index. Detractors included South Korean chemical company LG Chem, global credit bureau TransUnion and Hungarian airline Wizz Air.

For the calendar year to date our long positions contributed 9.8% to the portfolio's return, while our short positions detracted 4.1%. Over this period, our North American long positions have been the standout performers, adding 4.2% to the portfolio's performance, with a 1.8% contribution from Europe, 1.2% from Japan and 1.0% from Asia.

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. The portfolio is also 40% cheaper than the index on price to book ratio (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 15.4x)
NTM Dividend Yield	3.0%	2.8%
NTM Enterprise Value-to-Sales	1.5x	2.1x
LTM Price-to-Book Ratio	1.5x	2.5x

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 September 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.**