

FACTS¹

Market capitalisation	\$386.96 mn
Listing date	29 June 1994
Current share price	\$1.310
Current dividend yield	4.58%
Pre-tax NTA	\$1.5642
Post-tax NTA	\$1.5305
Maximum franked dividend	4.27 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.

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	5.5	6.1	5.5	5.0	9.2	4.3	6.3	7.3	7.5	11.0
MSCI %	2.9	13.2	18.8	13.2	26.5	14.6	12.6	12.8	12.7	12.5	8.0

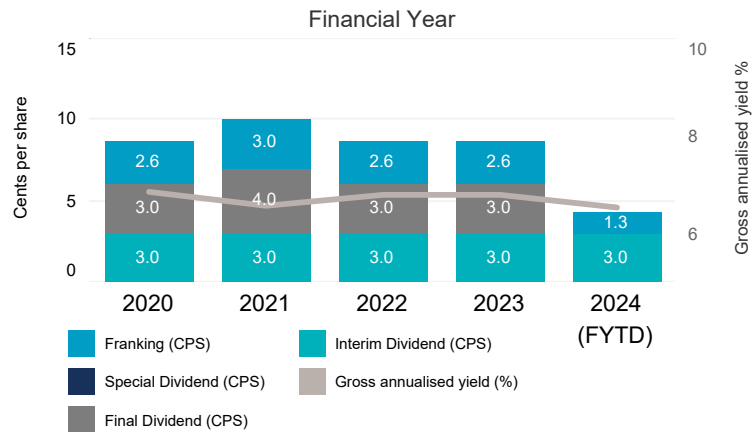
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	36.1	(0.3)	35.7	55.4
Australia	0.7	(0.2)	0.6	2.0
China	18.3		18.3	18.3
Japan	8.2		8.2	25.7
South Korea	3.8	(0.1)	3.6	3.7
Taiwan	3.1		3.1	3.1
Other Asia-Pacific	1.9		1.9	2.7
Europe	24.1		24.1	27.5
Austria	1.3		1.3	
Euro				14.5
Finland	2.7		2.7	
France	5.3		5.3	
Italy	1.3		1.3	
Netherlands	1.0		1.0	
Switzerland	3.2		3.2	3.2
United Kingdom	8.1		8.1	9.6
Other Europe	1.2		1.2	0.3
North America	19.7	(3.0)	16.7	14.9
Canada	2.3		2.3	2.3
United States of America	17.4	(3.0)	14.4	12.5
Other	2.2		2.2	2.2
Sub-Total	82.1	(3.3)	78.8	100.0
Cash	17.9	3.3	21.2	
Total	100.0		100.0	100.0

Long - 75 stocks, 1 swap, 1 other Short - 11 swaps

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.8
Allfunds Group Plc	UK	Financials	3.4
UBS Group AG	Switzerland	Financials	3.2
Taiwan Semiconductor	Taiwan	Info Technology	3.1
Samsung Electronics Co	South Korea	Info Technology	3.1
UPM-Kymmene OYJ	Finland	Materials	2.7
Airbus SE	France	Industrials	2.6
Micron Technology Inc	United States	Info Technology	2.4
TransUnion	United States	Industrials	2.3
Minebea Co Ltd	Japan	Industrials	2.3
Total			28.9

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Industrials	17.7	(0.4)	17.3
Financials	16.4	(0.3)	16.1
Information Technology	13.9	(1.7)	12.2
Consumer Discretionary	10.4	(0.6)	9.8
Materials	7.0	(0.1)	6.9
Energy	6.5		6.5
Communication Services	4.2	(0.2)	4.0
Real Estate	3.0		3.0
Health Care	1.9		1.9
Consumer Staples	1.0		1.0
Utilities	0.2		0.2
Sub-Total	82.1	(3.3)	78.8
Cash	17.9	3.3	21.2
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 March 2024 and +5.0% for the rolling 12 months.
- The MSCI All Country World Index (AUD) returned 2.9% for March 2024.
- Platinum's investment philosophy has always been to find mispriced stocks in areas that are out of favour and away from the crowd. We avoid trying to predict which direction the overall market is heading and instead look for attractively valued idiosyncratic business opportunities to invest in over the medium to long term.

Performance Analysis*

The portfolio's US and Chinese holdings were the standouts for the month, contributing 1.2% and 0.5% (respectively) to monthly performance. The top contributor to portfolio performance was US memory chip manufacturer, Micron Technologies. When a multipurpose technology such as AI comes along, it is important to pay attention because it will most likely have widespread applications (as was the case with the introduction of the internet and data on mobiles). However, it is very difficult to determine who will profit from the technology in the early stages of adoption. Platinum's preferred approach to investing in this space is via the "picks and shovels" – companies who will do very well as AI spending continues to grow, are trading at reasonable valuations vs. their history and who all have strong non-AI related businesses that supports the current valuations if the AI hype doesn't play out. This is the case with Micron Technologies. The huge data sets that come with AI training require the more powerful memory chips which Micron Technologies is producing and this is happening at the same time as demand for its legacy businesses (chips required for PCs, smartphones etc) are bouncing back.

The next largest contributor to monthly performance was Chinese parcel delivery business ZTO Express. The company is the largest and lowest cost parcel business in China, delivering approximately 30 billion parcels last year - more than the entire US industry. We were able to buy ZTO Express at attractive valuations given the prevailing fear over China's economy and a price war with its competitors. However, ZTO Express is ~20-30% bigger than its rivals, many of whom are loss making and are unlikely to survive in the medium to long term. Its scale gives it cost advantages in a market growing at approximately 30% p.a. and its domestic focus largely shelters it from geopolitical risk.

Platinum is positioned differently

The portfolio is positioned very differently to the MSCI All Country World Index and most other international growth managers and thus provides differentiation in your portfolio. While the portfolio has underperformed the benchmark as US large cap technology stocks dominated returns, we believe our attractively priced collection of stocks is poised for future growth.

An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~46% higher earnings yield and a ~45% discount on the price to book ratio (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.2% (Price-to-Earnings ratio of 12.2x)	5.6% (Price-to-Earnings ratio of 17.8x)
NTM Dividend Yield	2.7%	2.4%
NTM Enterprise Value-to-Sales	1.6x	2.4x
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 31 March 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.**