

FACTS¹

Market capitalisation	\$419.51 mn
Listing date	29 June 1994
Current share price	\$1.420
Current dividend yield	4.23%
Pre-tax NTA	\$1.5662
Post-tax NTA	\$1.5330
Maximum franked dividend	5.34 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)	0.8	3.0	7.1	5.7	5.5	7.0	3.5	6.8	6.2	7.5	11.0
MSCI %	1.6	1.6	13.8	11.7	20.2	15.9	10.6	12.6	11.5	12.1	7.9

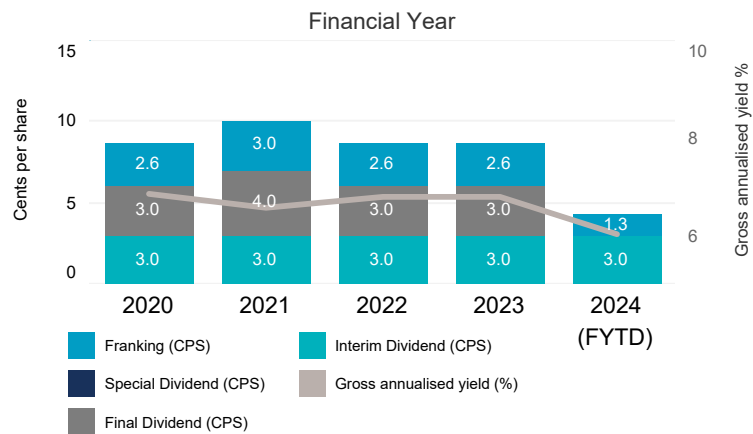
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	35.1	(5.1)	30.0	54.2
Australia	0.2	(0.2)		1.6
China	19.5	(4.9)	14.6	14.6
Hong Kong				6.0
Japan	8.1		8.1	24.6
South Korea	2.7		2.7	2.7
Taiwan	3.2		3.2	3.2
Other Asia-Pacific	1.4		1.4	1.4
Europe	23.7		23.7	26.5
Austria	1.2		1.2	
Euro				14.4
Finland	3.0		3.0	
France	4.8		4.8	
Italy	1.4		1.4	
Netherlands	1.2		1.2	
Switzerland	3.2		3.2	3.2
United Kingdom	8.5		8.5	8.8
Other Europe	0.5		0.5	
North America	22.7	(1.0)	21.7	18.5
Canada	2.8		2.8	2.8
United States of America	19.9	(1.0)	18.9	15.6
Other	0.9		0.9	0.9
Sub-Total	82.5	(6.1)	76.4	100.0
Cash	17.5	6.1	23.6	
Total	100.0		100.0	100.0

Long - 58 stocks, 1 swap, 2 other Short - 8 swaps, 1 index

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	4.1
Alphabet Inc	United States	Comm Services	3.4
Taiwan Semiconductor	Taiwan	Info Technology	3.2
UBS Group AG	Switzerland	Financials	3.2
UPM-Kymmene OYJ	Finland	Materials	3.0
Tencent Holdings Ltd	China	Comm Services	2.8
Allfunds Group Plc	UK	Financials	2.8
Samsung Electronics Co	South Korea	Info Technology	2.7
Micron Technology Inc	United States	Info Technology	2.5
Cameco Corp	Canada	Energy	2.4
Total			30.0

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Financials	16.6	(0.3)	16.3
Industrials	16.3		16.2
Information Technology	12.5	(0.5)	12.1
Consumer Discretionary	11.3	(0.3)	11.1
Communication Services	7.3	(0.2)	7.1
Energy	6.7		6.7
Materials	5.0		5.0
Real Estate	3.2		3.2
Consumer Staples	2.2		2.2
Health Care	1.3		1.3
Utilities	0.2		0.2
Other		(4.9)	(4.9)
Sub-Total	82.5	(6.1)	76.4
Cash	17.5	6.1	23.6
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 0.8% for May 2024, taking the rolling one-year number to +5.5%.
- Platinum's investment philosophy has always been to find mispriced stocks in areas 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 capital in over the medium to long term.

Performance Analysis*

The portfolio returned 0.8% for the month of May 2024 with returns coming from our long book. The MSCI All Country World Index rose +1.6% during the month, driven by US IT and Communication stocks including the "Magnificent Seven" stocks, a group which has generated outsize returns in recent years. Meme stocks (e.g. GameStop) had a mid-month resurgence after prominent commentator, Keith Gill, returned to social media.

Top contributors to performance were Swiss investment bank, UBS and Canadian uranium play, Cameco. UBS was up 17% after reporting a return to net profit for 1Q24 and said its integration of Credit Suisse was on track. Post integration, the company will be the largest wealth management firm outside the US. Cameco was up nearly 20% during May. It is interesting to see the change in sentiment around nuclear energy. We think Cameco is best positioned to benefit from continued tightness in uranium markets and growing nuclear energy needs, especially as demand from power hungry AI datacentres continues to grow. On the other hand, detractors to performance were Brazilian pulp and paper producer Suzano and South Korean semiconductor company, Samsung.

On China

Sentiment towards China has been extremely negative following many years of weakness and valuations are near GFC levels. We think lack of confidence in the residential property sector has been a barrier to local investment in the stock market. With property accounting for ~20% of GDP and ~70% of household assets, it has a tremendous wealth effect. Over the past year, a series of government interventions and regulations have all been aimed at restoring confidence in this very important sector.

On a more positive note, the Chinese stock market (measured by the Hang Seng Composite Index) is up over 20% since the lows of January and the Chinese stocks we own have performed well, enjoying share price gains ranging from 10 - 55%.

We think this market shift is in large part due to the latest iteration of the government's housing policy. However, at this stage the policy is light on detail and the financing package may be smaller than what is ultimately needed to fix the sector.

What we have learnt in our 30 years of investing in China is that a run up in the share market can follow new policy initiatives but the market may pull back if the policy move is not followed by evidence of impact. As a result we have reduced our net exposure to China via a temporary short position in the Hang Seng Composite Index. We remain confident about a medium-term recovery in the high-quality stocks we own. Near term, we are diligently evaluating house price stabilisation in tier 1 and tier 2 cities. Once stabilised we will have more confidence the government's measures were sufficient.

An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive both in an absolute sense and relative to the market, with a ~44% higher earnings yield and a ~36% 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)	5.7% (Price-to-Earnings ratio of 17.4x)
NTM Dividend Yield	2.5%	2.3%
NTM Enterprise Value-to-Sales	1.9x	2.4x
LTM Price-to-Book Ratio	1.8x	2.8x

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 May 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.**