

FACTS¹

Market capitalisation	\$415.99 mn
Listing date	29 June 1994
Current share price	\$1.405
Current dividend yield	4.27%
Pre-tax NTA	\$1.5363
Post-tax NTA	\$1.5080
Maximum franked dividend	3.70 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)	3.3	1.0	2.6	6.2	6.2	5.6	3.5	4.6	4.5	6.6	10.8
MSCI %	2.7	10.9	13.9	29.5	29.5	25.4	11.2	12.9	12.9	12.3	8.3

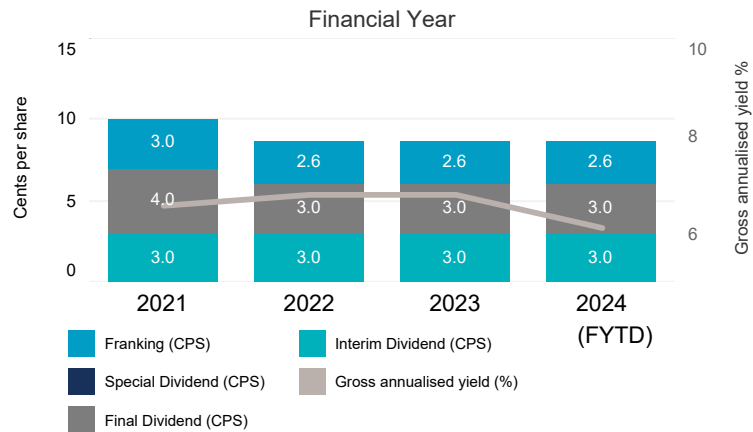
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	38.7	(0.5)	38.2	48.5
China	20.1		20.1	20.1
Israel	1.5		1.5	1.5
Japan	4.4		4.4	13.3
Macao	3.0		3.0	3.0
South Korea	5.9		5.9	5.9
Taiwan	3.8		3.8	3.8
Other Asia-Pacific		(0.5)	(0.5)	0.9
Europe	28.7	(0.6)	28.2	29.1
Austria	1.9		1.9	
Denmark	3.1		3.1	3.2
Euro				9.5
Finland	3.3		3.3	
Italy	1.2		1.2	
Netherlands	1.4		1.4	
Switzerland	4.2	(0.5)	3.8	4.3
United Kingdom	12.1		12.1	12.2
Other Europe	1.5	(0.1)	1.4	
North America	23.0	(6.7)	16.3	21.7
Canada	2.4		2.4	3.6
United States of America	20.6	(6.7)	13.9	18.1
Other	0.6		0.6	0.6
Sub-Total	91.0	(7.7)	83.3	100.0
Cash	9.0	7.7	16.7	
Total	100.0		100.0	100.0

Long - 49 stocks, 2 other Short - 19 swaps

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Alphabet Inc	United States	Comm Services	4.7
Tencent Holdings Ltd	China	Comm Services	4.4
ZTO Express Cayman Inc	China	Industrials	3.9
Taiwan Semiconductor	Taiwan	Info Technology	3.8
TransUnion	United States	Industrials	3.6
Samsung Electronics Co	South Korea	Info Technology	3.5
Allfunds Group Plc	UK	Financials	3.4
UPM-Kymmene OYJ	Finland	Materials	3.3
Beazley PLC	UK	Financials	3.2
UBS Group AG	Switzerland	Financials	3.1
Total			37.0

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Financials	25.6	(0.7)	24.9
Industrials	15.2	(3.1)	12.2
Information Technology	12.9	(1.6)	11.4
Consumer Discretionary	10.3	(1.1)	9.2
Communication Services	9.1		9.1
Energy	5.6		5.6
Materials	4.4		4.4
Real Estate	3.6		3.6
Consumer Staples	2.8		2.8
Health Care	1.4	(0.2)	1.2
Other		(1.0)	(1.0)
Sub-Total	91.0	(7.7)	83.3
Cash	9.0	7.7	16.7
Total	100.0		100.0

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the investment manager of Platinum Capital Limited ("PMC"). This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Neither PMC nor Platinum, guarantee the performance of PMC, the repayment of capital or the payment of income. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by PMC or Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by PMC or Platinum for any loss or damage as a result of any reliance on this information.

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).

All data where MSCI is referenced is the property of MSCI Limited ("MSCI"). No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI.

MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>

MARKET UPDATE AND COMMENTARY

- The portfolio returned 3.3% for December 2024.
- The US S&P 500 lost some lustre - falling 2.5% - but is still on lofty valuations. For US stocks, any significant miss against expectations is likely to be taken poorly by the market.
- Taiwan and Hong Kong fared well during the month but other Asian countries were weak.
- The portfolio lowered its net exposure during the month by adding to the Short book.

Performance Analysis*

Both the Long and Short books contributed positively to December's performance. Whilst the overall US market was weak, our US stocks contributed positively to portfolio returns.

After the election excitement of November, the US market took a bit of a step back. At the end of the month some dominant large cap stocks and some highly speculative stocks were weaker and this boosted our short positions.

We have in the past discussed how the US market feels priced for perfection, resulting in an asymmetric risk/reward outlook. Interest rates may not fall as quickly or as far as many expect as inflation continues to be stickier than anticipated. Any resulting disappointment in corporate earnings may see a sharp negative response from the market. Indeed US investor confidence already looks to be weakening. Some 52.9% now expect rises compared to November's record level of 57.2% (Source: The Conference Board release, 23rd December 2024).

It is interesting that while the S&P500 hit very high aggregate valuations – and 52 highs during year - **private** markets seemed unwilling to sell portfolio holdings through IPO deals. This suggests a lack of confidence in their ability to offload companies at the prices they want and highlights yet again the way outsize returns from big tech masked different conditions in the wider US market.

Alphabet, which was added to the portfolio at the end of November, bucked the broader US trend, delivering 12% for the month and making it the portfolio's biggest contributor to returns. Broadcom, another position we have been adding to, also had an exceptional month, up around 40%.

Chinese holdings produced good returns with delivery business ZTO recovering some of last month's losses. Tencent, China Merchants Bank and Ping An Insurance all contributed strongly to returns.

TSMC, the world's most important semiconductor foundry, was up over 8% in December, making it one of the portfolio's top contributors. The stock was up over 80% for the year, reflecting its crucial role within the AI revolution.

Energy stocks Schlumberger and Cameco were detractors (both down around 12%) with Cameco giving up some of its strong returns from earlier in the quarter.

Toyota Motors - which has benefited from a hybrid-focused product strategy - announced plans to build a new battery facility in North Carolina. The company's shares were up over 20% in the final quarter of 2024.

The portfolio ended the month with a net position of 83.3%. We had shorts of 7.7%. We maintained 9% in cash and our long book was at 91%.

An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 68% higher earnings yield and a ~50% discount on the price-to-book ratio (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	9.4% (Price-to-Earnings ratio of 10.7x)	5.6% (Price-to-Earnings ratio of 17.9x)
NTM Dividend Yield	2.6%	1.9%
NTM Enterprise Value-to-Sales	1.7x	2.8x
LTM Price-to-Book Ratio	1.6x	3.2x

The valuations in the table have been calculated by Platinum and 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 December 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 fees and costs (other than brokerage). **Past performance is not a reliable indicator of future returns.**