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The Manager  
ASX Market Announcements  
Australian Securities Exchange Limited  
Sydney NSW 2000

**Platinum Capital Limited (PMC) – 2022 Annual General Meeting Chairperson’s Address and Presentation Slides**

PMC will be holding its Annual General Meeting (AGM) at 10:00am (AEDT) today. Attached are copies of the Chairperson’s address and associated presentation slides to be given at the AGM.

Authorised by

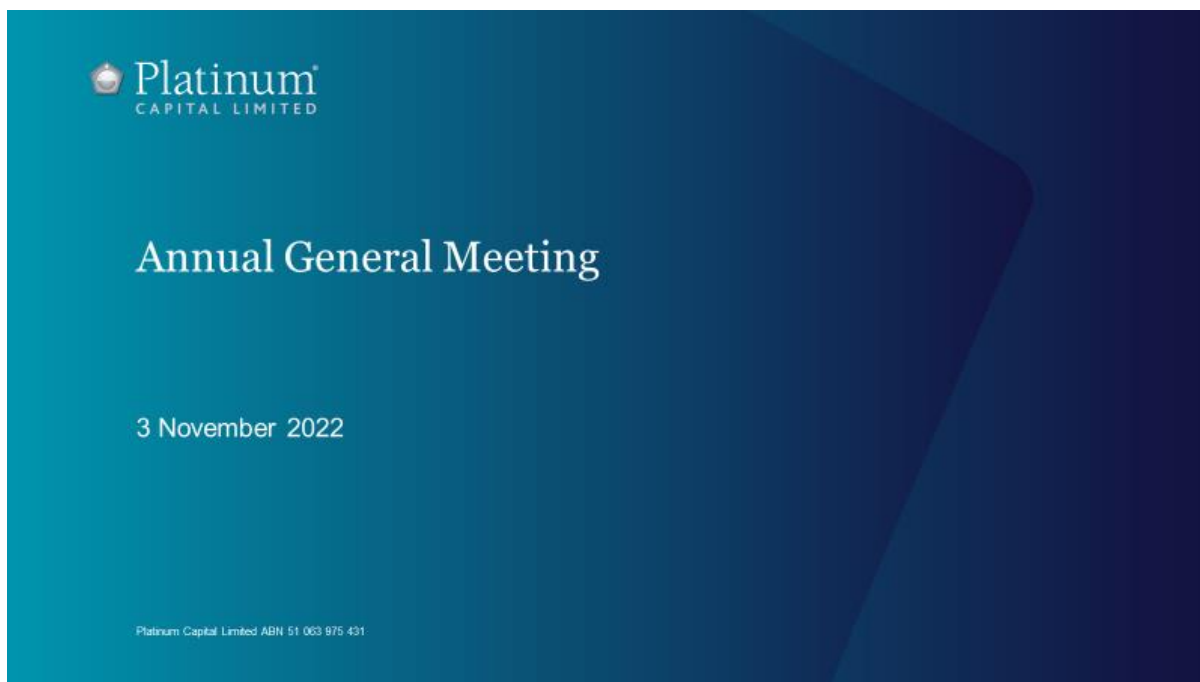
Joanne Jefferies | Company Secretary

Investor contact

Elizabeth Norman | Director of Investor Services and Communications  
Platinum Investment Management Limited  
Tel: 61 2 9255 7500  
Fax: 61 2 9254 5555

# Platinum Capital Limited, 2022 Annual General Meeting – Chairperson’s address and presentation slides

## Introduction



Good morning Ladies and Gentlemen and welcome to today’s Annual General Meeting (AGM), whether you are joining us in-person or remotely. My name is Margaret Towers and I am delighted to address you as a Director and Chairperson of Platinum Capital Limited.

I would like to begin by acknowledging that I am speaking to you today from the land of the Gadigal people of the Eora nation. I also acknowledge the traditional custodians of the various lands from which each of you are joining the meeting today. I pay my respects to their Elders past, present and emerging.

This year we are holding our first hybrid AGM, which gives you, our shareholders, the opportunity to attend the meeting in-person or virtually. We hope that in doing so, we have been able to encourage broader participation amongst our shareholders.

I will endeavour to answer all relevant questions from shareholders during today’s meeting. The order for taking questions will be as follows:

- Firstly, from any shareholder attending in-person;
- Secondly, from any shareholder who has submitted a question online; and
- Thirdly, from any shareholder using the teleconference facility.

Shareholder questions received prior to the meeting which are relevant to the business of the meeting, will also be addressed.

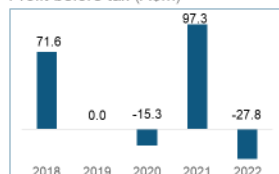
Voting will remain open during the meeting. I will give you a warning when voting is about to close.

Clay Smolinski, the Company's co-portfolio manager, will deliver an informal address and discuss his market outlook after the conclusion of the formal business of the meeting. He will also take any investment-related questions that you may have.

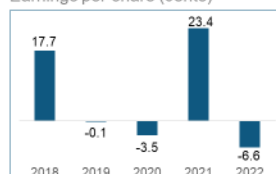
## Financial summary

### Financial summary

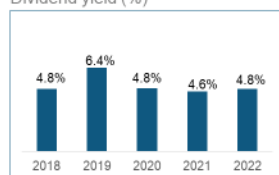
Profit before tax (A\$m)



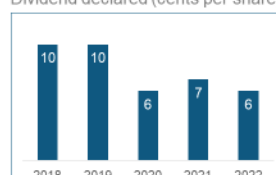
Earnings per share (cents)



Dividend yield (%)



Dividend declared (cents per share)



2 Results for the financial years ended 30 June. Dividend yields based on the closing price on the ASX at 30 June of each year. Source: Platinum Investment Management Limited ("Platinum").



Firstly, turning to the financial results and investment performance for the financial year ended 30 June 2022.

The Company made a statutory pre-tax operating loss of \$27.8 million and a post-tax operating loss of \$19.4 million for the financial year ended 30 June 2022.

During the past 5 years, despite significant market volatility, the dividend yield has ranged between 4.6% and 6.4%.

## Investment performance<sup>1</sup>

### Investment performance

as at 30 June 2022

- The Company's overall pre-tax NTA return for the 2022 FY was negative 6.3%.
- The MSCI AC WorldNet index (\$A) returned negative 8.0% over the same period.
- The investment objective of the Company is to provide capital growth over the long-term by investing in undervalued companies worldwide.
- Platinum is also acutely focused on avoiding permanent impairment of capital, and manages downside risk by adjusting cash levels and taking short positions.

3 Source: Platinum Investment Management Limited ("Platinum") for Company returns and Factset/Research Systems for index returns. The pre-tax NTA returns are calculated using the Company's pre-tax net tangible asset backing per share for the specified period (as released to the ASX) and represent the combined capital and income return of the Company's investments after the deduction of fees and expenses, adjusted for corporate taxes paid, and any capital losses, and assumes the reinvestment of all dividends. Returns are not calculated using the Company's share price. Past performance is not a reliable indicator of future performance.



As previously stated, the Board maintains that the most appropriate measure of the Company's investment performance is the percentage change in its pre-tax net tangible assets or "NTA". On

<sup>1</sup> Past performance is not a reliable indicator of future returns.

this measure and against the backdrop of falling global equity markets this year, the Company achieved an investment return of negative 6.3% for the year ended 30 June 2022, with the MSCI AC World Net index (in \$A) returning negative 8.0% over the same period. The Company's investment return is after fees and expenses, adjusted for corporate taxes paid, capital flows and assumes the reinvestment of dividends.

I would like to take this opportunity to re-emphasise the investment objective of the Company which is to provide capital growth over the long-term by investing in undervalued companies worldwide. The investment manager is also acutely focused on avoiding permanent impairment of capital and seeks to manage downside risk by adjusting cash levels and taking short positions.

## Investment performance

as at 30 June 2022

Period	Pre-Tax NTA Return*	MSCI All Country World Net Index (\$A) Return**
6 months	(7.5)%	(15.6)%
1 year	(6.3)%	(8.0)%
3 years (compound pa)	3.9%	6.9%
5 years (compound pa)	5.3%	9.4%
10 years (compound pa)	10.9%	13.2%
Since inception (compound pa)	11.1%	7.1%

\*The pre-tax NTA returns are calculated using the Company's ("PMC's") pre-tax net tangible asset backing per share for the specified period (as released to the ASX) and represent the combined capital and income return of the Company's investments after the deduction of fees and expenses, adjusted for corporate taxes paid (ie, corporate taxes paid are added back to the portfolio value) and any capital flows, and assumes the reinvestment of all dividends. Returns are not calculated using the Company's share price.

\*\*The gross index was used prior to 31/12/96.

Source: Platinum Investment Management Limited ("Platinum") for Company returns and Factset Research Systems for index returns. Past performance is not a reliable indicator of future performance.



The portfolio had a net invested position at 30 June 2022 of around 57.6%, with around 42.4% of the portfolio being defensively positioned in cash and shorts. This is one of the Company's most conservative net invested positions in its 28-year history, reflecting Platinum's concerns around the need to protect capital during these volatile market conditions.

The last decade undoubtedly saw one of the longest bull markets in history fuelled by, amongst other things, speculative market conditions which did not favour Platinum's style of investing. This has translated into disappointing investment returns for the Company relative to the broader market over the medium to longer terms. However, with the end of this unprecedented bull market cycle, the Company's more recent relative outperformance against the index is starting to reflect the downside protection provided by the Company's investment strategy, as we enter what looks to be a protracted and volatile bear market.

## Dividends

### Dividends

- The Company determined to pay a fully-franked 2022 final dividend of 3 cents per share, bringing the total dividends declared for the 2022 financial year to 6 cents per share.
- The dividend yield for the year was 4.8% based on the 30 June 2022 closing share price.
- The Board aims to deliver a consistent stream of fully franked dividends to shareholders over time through its policy of dividend smoothing, subject to future earnings, cash flows, franking credits and accounting profits. The ability to pay future fully franked dividends will continue to depend on the Company's ability to generate realised profits and pay tax.

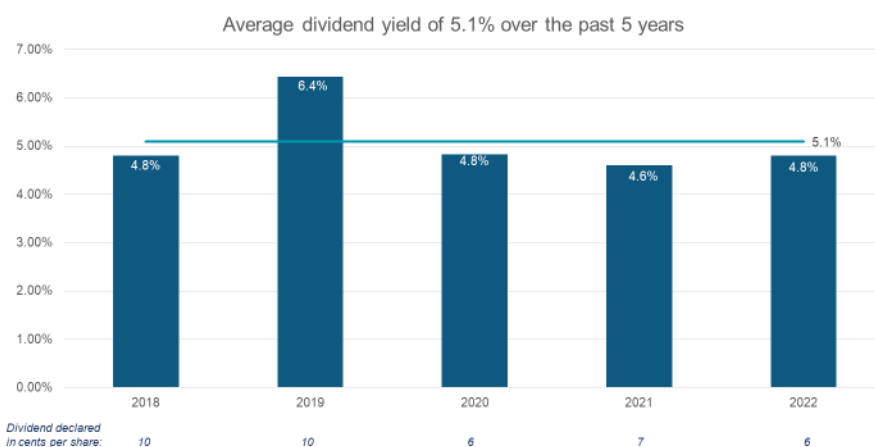
<sup>5</sup> Source: Platinum Investment Management Limited ("Platinum"). The ability to pay future fully-franked dividends will continue to depend on the Company paying tax on realised profits.



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The Board aims to deliver a consistent stream of fully-franked dividends to shareholders over time through its policy of dividend smoothing, subject to future earnings, cash flows, franking credits and accounting profits.

### Dividend yield



<sup>6</sup> Source: Platinum Investment Management Limited ("Platinum"). The ability to pay future fully-franked dividends will continue to depend on the Company paying tax on realised profits. The 2019 figure includes a special dividend of 3cps.



Our shareholders have continued to benefit from the Company's ability to manage the level of fully-franked dividend payments over time. This is a key strength of its listed investment company structure. In this regard, the Company has delivered an average dividend yield of 5.1% over the 5 years to 30 June 2022.

The ability to pay future fully-franked dividends will continue to depend on the Company paying tax on realised profits.

## Capital management and shareholder engagement

### Capital management and shareholder engagement

- The Company's shares continued to trade at a discount during FY 2022, consistent with the broader LIC market.
- The discount has widened since 30 June 2022 from 14.91% to 18.98% as at 30 September 2022\*.
- The Board is of the view that the key drivers to reducing the discount are:
  - investment performance;
  - reliable dividends;
  - funds under management (providing scale and liquidity); and
  - shareholder engagement.
- On 25 October 2022 the Board announced two capital management initiatives which it believes should add value for shareholders over time and increase liquidity in the stock.
- The Board has also worked with Platinum to enhance engagement with shareholders.

7 Source: Platinum Investment Management Limited ("Platinum")  
\*As released to the ASX.



Like other listed investment companies, the Company's shares may trade on the ASX at a premium or discount to the pre-tax NTA. The share price is largely determined by the activity of buyers and sellers on the ASX.

The Company's shares continued to trade at a discount to pre-tax NTA during the financial year, consistent with the broader listed investment company (LIC) market. This resulted in a total shareholder return, including franking credits, of negative 11% for the year ended 30 June 2022.

With increased market volatility, the share price discount to NTA has widened since 30 June 2022 from -14.91% to -18.98% as at 30 September 2022<sup>2</sup>.

The Board is of the view that the key drivers to narrowing the share price discount are:

- Investment performance;
- Reliable dividends;
- FUM scale and liquidity; and
- Shareholder engagement.

On 25 October 2022 the Board announced two capital management initiatives which it believes should add value for shareholders over time and increase liquidity in the stock.

Firstly, a change to the Board's buy-back policy to reflect its view that a share price discount to pre-tax NTA<sup>3</sup> of more than 20% represents a level where it may be in shareholders' interests for the Company to buy-back shares. This is subject to a range of factors including market volatility, balance sheet resources and liquidity of the shares. The Board will continue to actively monitor the discount having regard to the prevailing market conditions.

<sup>2</sup> As released to the ASX.

<sup>3</sup> As released weekly to the ASX.

And, secondly, the Company's intention, subject to necessary regulatory approvals, to issue 1 for 4 tradeable bonus options to its shareholders between early February and late April 2023 with an exercise price that is designed to take advantage of the currently depressed level of Asian equity markets<sup>4</sup>. The Board will update shareholders on the details of this offer over the coming months.

With respect to shareholder engagement, the Board has worked actively with the investment manager this year to improve the content and the delivery of shareholder communications including through various digital channels, journal articles and investor webinars. Platinum also releases weekly and monthly calculations of the Company's NTA backing per share to the ASX, publishes monthly investment performance updates and sends quarterly investment reports to all shareholders. This year all shareholders were invited to attend Platinum's investor roadshows.

## Investment outlook

### Investment outlook

- The Company delivered a pre-tax NTA return of negative 1.3% for the calendar quarter to 30 September 2022, compared to the index, which delivered a negative return of 0.3%.
- The most recent weekly pre-tax NTA per share released on Friday, 28 October 2022 was \$1.4386.
- The portfolio manager, Clay Smolinski, will provide an update on market and his outlook for the portfolio at the conclusion of the formal business of the meeting.

Source: Platinum Investment Management Limited ("Platinum") for Company returns and Factset Research Systems for index returns. The pre-tax NTA returns are calculated using the Company's pre-tax net tangible asset backing per share for the specified period (as released to the ASX) and represent the combined capital and income return of the Company's investments after the deduction of fees and expenses, adjusted for corporate taxes paid, and any capital flows, and assumes the reinvestment of all dividends. Returns are not calculated using the Company's share price. Past performance is not a reliable indicator of future performance.



The Company delivered a pre-tax NTA return of negative 1.3% for the calendar quarter ended 30 September 2022 against the index return of negative 0.3%.

The most recent weekly pre-tax NTA per share released to the market as at Friday, 28 October 2022 was \$ 1.4386.

The portfolio manager, Clay Smolinski, will provide an update on market and his outlook for the portfolio at the conclusion of the formal business of the meeting.

On behalf of the Board I would like to thank shareholders for their continued support and would like to express our appreciation of the work done by Andrew Clifford, Clay Smolinski, Nik Dvornak and the broader Platinum team during what have been extremely challenging markets.

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<sup>4</sup> A prospectus setting out full details of the offer will be lodged with ASIC and made available when the bonus options are offered.

## Proxy results - Resolution 1: Re-election of Richard Morath as a Non-Executive Director

### Proxy results

Re-election of Richard Morath as a non-executive Director

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
39,567,166	1,157,639	955,043	909,985
92.9%	2.72%	2.24%	2.14%



## Proxy results - Resolution 2: Adoption of the Remuneration Report

### Proxy results

Adoption of the Remuneration Report

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
38,447,698	2,368,011	847,543	843,110
90.45%	5.57%	2.0%	1.98%





## Disclaimer

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