

28 October 2021

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

**Platinum Capital Limited – 2021 AGM Chairperson’s script
and slides**

Attached are copies of the address to be given by Platinum Capital Limited’s Chairperson at the Annual General Meeting today, together with the accompanying slides.

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, 2021 Annual General Meeting - Chairperson's address

Introduction

Good morning Ladies and Gentleman and welcome to today's Annual General Meeting. My name is Margaret Towers and I am delighted to address you as a Director and the Chairperson of Platinum Capital Limited.

Due to COVID-19 and the guidance from the NSW Government, we thought it prudent to refrain from hosting a physical public gathering and instead to hold a virtual meeting. We hope that in doing so, we are able to encourage broader participation amongst our shareholders. By accessing the weblink provided in the Notice of Meeting, shareholders are able to listen to the meeting, view the meeting slides and actively participate in the meeting by asking questions.

Before I begin, I would like to acknowledge that I am speaking to you today from the lands of the Gadigal people. I also acknowledge the traditional custodians of the various lands on which each of you join the meeting from today. I hereby pay my respects to their Elders past and present.

I note that my formal address and the update from the investment manager to follow afterwards, are being recorded and a play-back will be available in a few days' time on Platinum's website.

Please allow me to introduce your Board of Directors:

Richard Morath Independent, Non-Executive Director and Chairman of the Audit, Risk and Compliance Committee; and

Jim Clegg Independent, Non-Executive Director and Member of the Audit, Risk and Compliance Committee.

Ian Hunter Independent, Non-Executive Director and Member of the Audit, Risk and Compliance Committee.

Also present is:

Andrew Clifford Chief Executive Officer and Co-Chief Investment Officer of Platinum, the Company's investment manager and co-portfolio manager of the Company

We also have present, the PricewaterhouseCoopers' partner in charge of auditing the Company's financial statements, Mr Craig Cummins. Craig will be available to answer any questions you may have in relation to the conduct of the audit, later in the meeting.

Firstly, I table the Notice of Meeting dated 24 September 2021. This notice was sent to all shareholders, so unless there are any objections, I will take the Notice of Meeting as read.

Financial summary and investment performance

Firstly, turning to investment performance and the financial results for the 30 June 2021 financial year. The Company made a statutory pre-tax operating profit of \$97.3

million and a post-tax operating profit of \$68.3 million for the financial year ended 30 June 2021.

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 this measure, the Company achieved an investment return of 23.9% for the 12 months to 30 June 2021. This return is one of the strongest results delivered by the Company for any financial year in its 27 year history. It is after fees and expenses, adjusted for corporate taxes paid and any capital flows and assumes the reinvestment of dividends. The return was achieved during an unpredictable year as the markets reacted to the global pandemic, despite the portfolio's average net equity exposure of just below 80% due to the portfolio's short positions and cash holdings, which sought to provide protection on the downside. The MSCI AC World Index \$A (Index) returned 27.7% over the same period.

In terms of share price, the Company's shares continued to trade at a discount to pre-tax NTA, although the discount narrowed during the financial year, resulting in a total shareholder return of 26.9% for the year ended 30 June 2021. In order to draw a fairer comparison with the Index and pre-tax NTA performance, the dividends paid of 6 cents during the year should be grossed up for franking credits at the Company's tax rate of 30% resulting in a pre-tax total shareholder return of 29.2%.

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 from around the world. The investment manager is also acutely focused on avoiding permanent impairment of capital and manages this downside risk by adjusting cash levels and taking short positions, where appropriate. Platinum also actively manages currency exposure. The portfolio's net equity exposure at 30 June 2021 was around 81% and the highest currency exposure was across USA, China and Euro. As a result, Platinum is well-known for having a differentiated approach, with the Company's portfolio being constructed very differently to the Index to which it is often compared.

Platinum's style provides investors with a true active offering compared to the Index. However, during long bull markets, particularly during uncertain times as these and combined with the high valuations we are currently experiencing, attempts to manage risk can act as a drag on returns versus the broader market. It is therefore unsurprising that long short equity managers with a long bias like Platinum are currently lagging the market given that this has been one of the longest bull markets in history.

Bearing this in mind, looking at the Company's investment returns over longer time horizons, the Company has achieved an annualised investment return of 10.6% p.a. for the 5 years to 30 June 2021 compared with the Index return of 14.4% p.a. During this period the average net equity exposure of the portfolio was around 80%. Since inception to 30 June 2021, the Company has delivered an annualised return of 11.8% p.a. against the Index return of 7.8% p.a., despite an average net equity exposure of around 70%, demonstrating that Platinum's investment style has delivered strong results over the long-term.

Platinum's performance and particularly its strength in managing downside risk is evident if we look at the number of monthly rolling 5 year periods since inception that the portfolio provided a positive return, namely 97% of the time, versus 67% of the time for the Index. The portfolio's largest loss for any such rolling 5 year period was 2% compared to negative 8% for the Index.

To keep shareholders fully informed, Platinum releases weekly and monthly calculations of the Company's NTA backing per share to the ASX. Platinum also publishes monthly investment performance updates and sends out quarterly investment reports to all shareholders.

Dividends

The Company declared a fully-franked 2021 final dividend of 4 cents per share, bringing the total dividends declared for the 2021 financial year to 7 cents per share. The dividend yield for the year was 4.6% based on the 30 June 2021 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.

Our investors have benefitted from the Company's ability to manage the level of fully-franked dividend payments over time, even when performance has not been optimal, with the Company delivering an average dividend yield over the past 5 years of 5.3%. This is a key strength of the listed investment company structure.

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

Capital management

Like other listed investment companies, at any time 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 Board has been actively monitoring the discount, which has been a more recent theme in the broader listed investment company market.

On 8 April 2021, the Company extended its on-market share buy-back for a further 12 month period, although no shares have been bought-back to date. With respect to on-market buy-backs conducted by other companies more recently, the Board has observed that they have not been successful in narrowing share price discounts. As a result, the Board would only consider implementing the buy-back if the discount was extreme and the Board was of the view that such action would be in the best interests of shareholders.

Market experience has indicated that buy backs are not effective in reducing discounts rather, investment performance, shareholder engagement and FUM scale and liquidity are the key drivers to reducing the discount. Improved investment performance relative to the broader market, should see this discount narrow. With these things in mind, the Board will continue to actively monitor the discount having regard to prevailing market conditions.

Director appointment

I will now outline some important changes to the composition of the Board that were announced on 6 September 2021.

As Chairperson of both this Company and Platinum Asia Investments Limited (PAI), Platinum's other listed investment company, it became clear that both companies face many common issues, not least in relation to legal, risk and compliance matters. As such, it was felt that there are many benefits to having a common board of directors across both companies.

In recognition of this, the Board appointed Ian Hunter, who is a non-executive director of PAI, to the Company's Board as an independent non-executive director, effective 9 September 2021. Mr Hunter joins myself, Richard Morath and Jim Clegg as the non-executive directors of the Company.

Mr Hunter brings deep knowledge and experience to the Board, having worked in the finance and investment industry since 1975 at several banks. Mr Hunter also formerly held a number of directorships of listed companies and is currently a director of Ironbark Capital Limited.

In recognition of the benefits and efficiencies of a common board of directors across both companies, our incumbent directors' fees were reduced, such that following Mr Hunter's appointment to the Board, the aggregate directors' fees paid by the shareholders have remained unchanged. As such, we are confident that Mr Hunter's appointment is in the best interests of shareholders.

Corporate governance

This is the first financial year that the Company has been required to disclose against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition. As a result, during the financial year the Board reviewed and uplifted its corporate governance policies and procedures to address any gaps.

The Company also lodged its first modern slavery statement as a voluntary reporting entity under the broader Platinum Group Modern Slavery Statement, and introduced a new Modern Slavery Policy and Anti-Bribery and Corruption Policy, all of which are available on the Company's and Platinum's websites.

COVID-19

Following Sydney's lockdown in June earlier this year, the Board continued to receive regular updates from Platinum to understand how the Company's investment and operational risks were being managed by Platinum during this period. Pleasingly, COVID-19 has not had an impact on the ability of the Company or Platinum to perform business activities. Platinum's employees have been working from home since the start of the lockdown. However, with restrictions loosening from 11 October 2021, Platinum has started to allow employees back into the office, subject to compliance with the requirements of NSW public health orders.

Performance for the 2022 financial year and market outlook

For the first three months of this financial year, the Company's pre-tax NTA has decreased by 0.4%. In comparison, the index has increased by 2.8%. The Company's portfolio continues to be cautiously positioned, with a net invested position of 71% with Platinum recently noting that:

"...the extraordinary performance of stock markets and asset prices more generally, fuelled by excessive money printing by central banks, has led us to maintain a relatively cautious position. While this positioning has dented returns, we are of the view that such an approach has been (and continues to be) appropriate, given the risk that rising inflation represents to equity valuations"

Further stating that:

"The case for being short the expensive growth stocks is compelling at this point."

At 28 October 2021, the most recent monthly pre-tax NTA released to the market was \$1.58.

On behalf of the Board, I wish to express our appreciation of the work done by the portfolio managers Andrew Clifford, Clay Smolinski and Nikola Dvornak, as well as the broader team at Platinum, during what have been challenging times. I would also like to thank shareholders for their ongoing support.

I now invite Andrew Clifford, the Company's co-portfolio manager to provide an informal update on his investment outlook for the Company and the future challenges and opportunities.

END

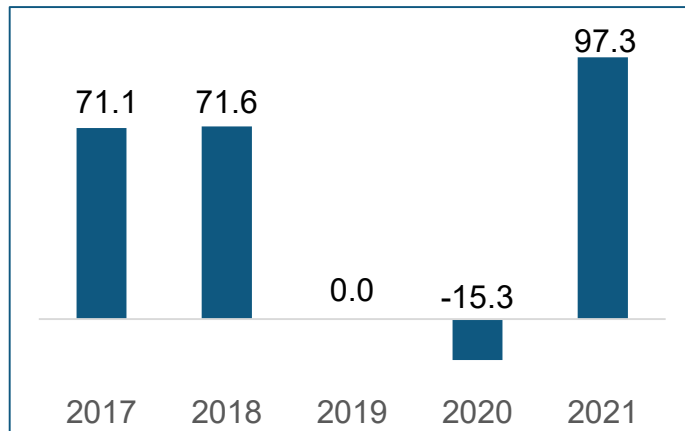


Annual General Meeting

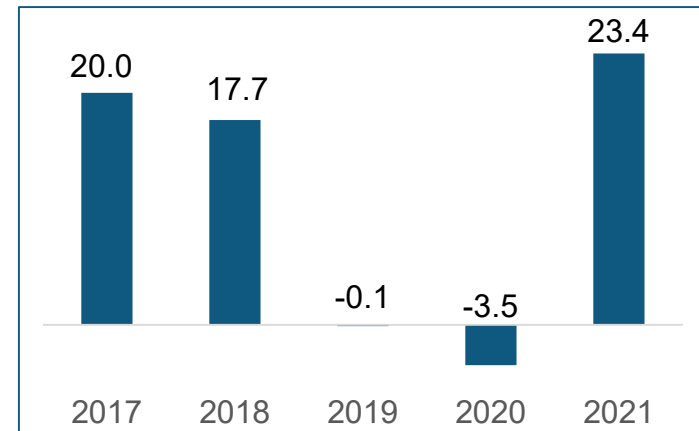
28 October 2021

Financial summary

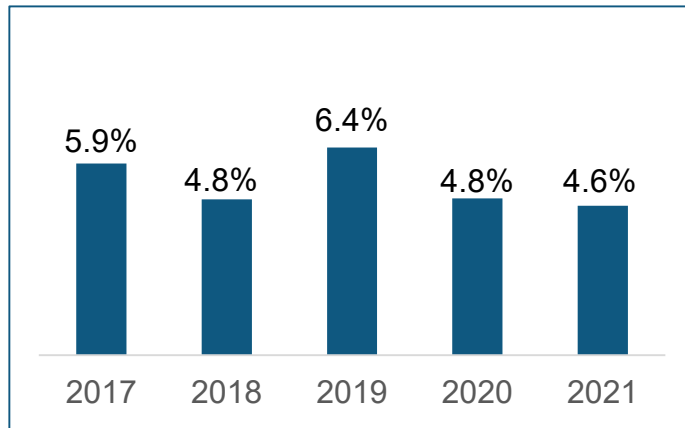
Profit before tax (A\$m)



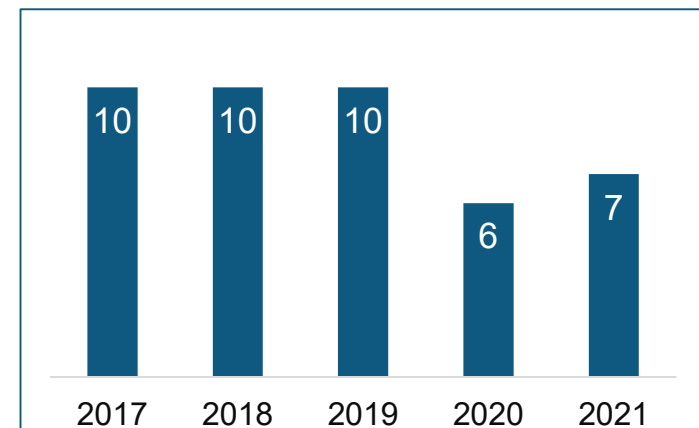
Earnings per share (cents)



Dividend yield (%)



Dividend declared (cents per share)



Total shareholder return of 26.9% in FY21



Investment performance

as at 30 June 2021

- ◆ The Company's overall pre-tax NTA investment return for the 2021 FY was 23.9%, one of the strongest financial year results in the Company's twenty seven year history, achieved with an average net equity exposure of just under 80%.
- ◆ The investment objective of the Company is to provide capital growth over the long-term by investing in undervalued companies from around the world.
- ◆ Platinum is also acutely focused on avoiding permanent impairment of capital, and is well-known for having a differentiated approach.
- ◆ The Company's portfolio is constructed very differently to the MSCI AC World Index \$A.
- ◆ This requires an absolute return mindset, particularly during long bull markets when attempts to manage risk can act as a drag on returns versus the broader market.



Investment performance

as at 30 June 2021

Period	Pre-Tax NTA Return *	MSCI All Country World Net Index (\$A) Return
1 year (compound pa)	23.9%	27.7%
3 years (compound pa)	6.1%	14.0%
5 years (compound pa)	10.6%	14.4%
10 years (compound pa)	10.8%	13.9%
Since inception (compound pa)	11.8%	7.8%

*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.



Investment performance

as at 30 June 2021

- ◆ The Company's investment objective and focus on capital preservation can be summarised by the investment performance over the monthly rolling 5 year periods since inception to 30 June 2021

Monthly rolling 5 year compound per annum pre-tax NTA returns since inception to 30 June 2021ⁱ

	PMC	MSCI
Total number of monthly rolling 5 year periods	265	265
Periods where return was positive (% of total)	97%	67%
Periods where return was negative (% of total)	3%	33%
Largest 5 year gain (% compound per annum)	27%	23%
Largest 5 year loss (% compound per annum)	-2%	-8%
Periods > +8% compound per annum (% of total)	72%	48%
Periods where PMC return was > MSCI (% of total)	64%	N/A

ⁱ The pre-tax NTA return is calculated after the deduction of fees and expenses, adjusted for corporate taxes paid, and any capital flows and assumes the reinvestment of dividends.

Source: Platinum Investment Management Limited ("Platinum"). Past performance is not a reliable indicator of future performance.



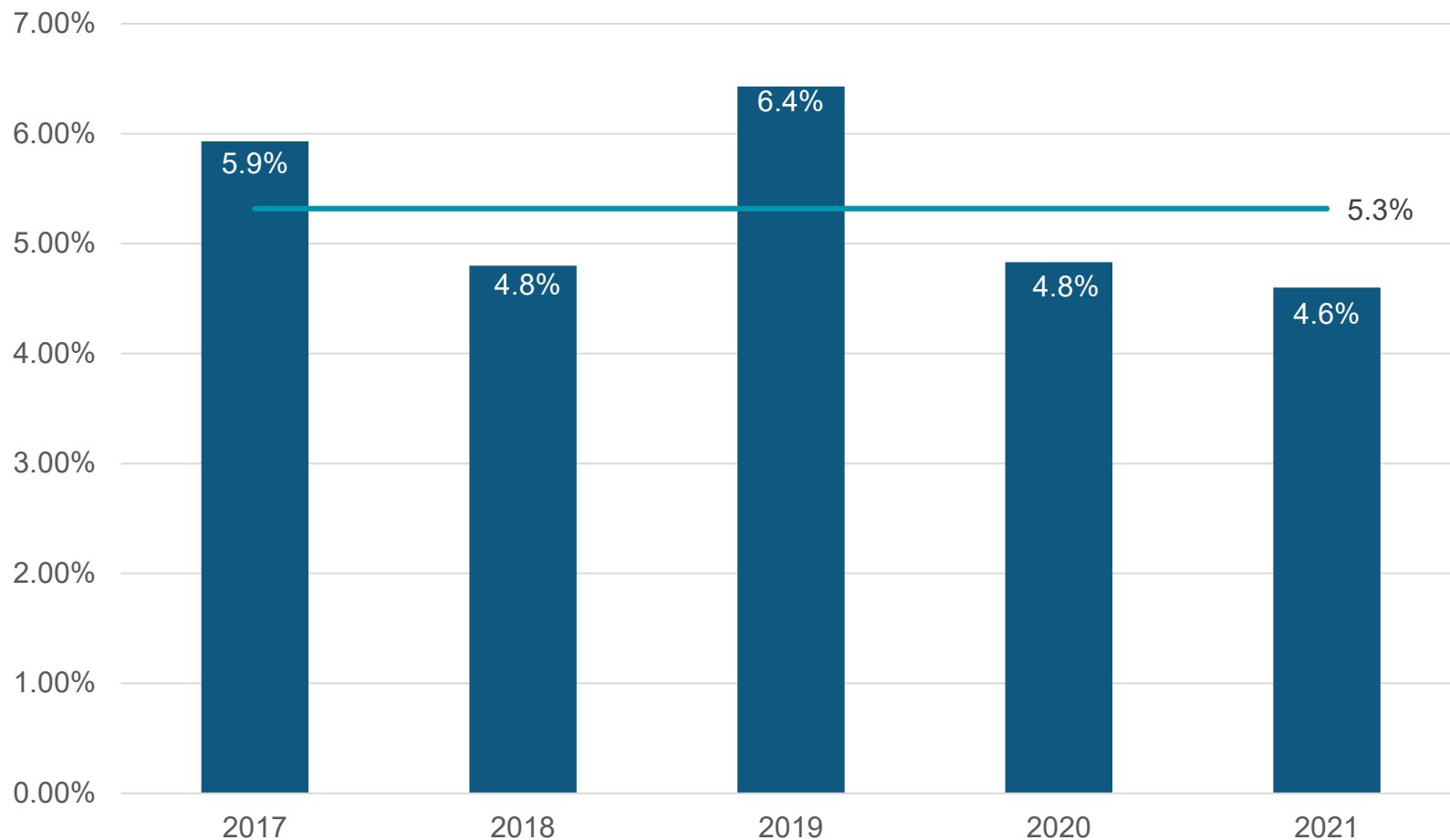
Dividends

- ◆ The Company declared a fully-franked 2021 final dividend of 4 cents per share, bringing the total dividends declared for the 2021 financial year to 7 cents per share.
- ◆ The dividend yield for the year was 4.6% based on the 30 June 2021 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.



Dividend yield

Average dividend yield of 5.3% over the past 5 years



Dividend declared
in cents per share:

10

10

10

6

7

Dividend yields based on the closing price on the ASX at 30 June of each year.

7 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 include a special dividend of 3cps



Capital management

- ◆ The Board has been actively monitoring the share price discount.
- ◆ On 8 April 2021 the Company announced an extension of its on-market 10/12 limit share buy-back for a further 12 month period. No shares have been bought-back to date.
- ◆ Market experience has indicated that buy backs are not effective in reducing discounts.
- ◆ Board would only consider implementing the buy-back if the discount was extreme and such action would be in the best interests of shareholders.
- ◆ The discount is largely reflective of the portfolio's investment performance relative to the broader market.
- ◆ The Directors believe that the key drivers to reducing the discount are:
 - investment performance;
 - shareholder engagement; and
 - funds under management (providing scale and liquidity).



Director changes and corporate governance

- ◆ It became clear that Platinum's listed investment companies face many common issues.
- ◆ The Board appointed Ian Hunter, who is a non-executive director of Platinum Asia Investments Limited, to the Company's Board as an independent non-executive director, effective 9 September 2021.
- ◆ Incumbent directors' fees were reduced, such that with Mr Hunter's appointment, aggregate directors' fees have remained unchanged.



Investment outlook

- ◆ For the three months to 30 September 2021, the Company's pre-tax NTA decreased by 0.4%. The index increased by 2.8%.

- ◆ The investment manager has recently noted:

"...the extraordinary performance of stock markets and asset prices more generally, fuelled by excessive money printing by central banks, has led us to maintain a relatively cautious position. While this positioning has dented returns, we are of the view that such an approach has been (and continues to be) appropriate, given the risk that rising inflation represents to equity valuations."

- ◆ At 28 October 2021, the most recent weekly pre-tax NTA released to the market was \$1.5787 as at 22 October 2021.



Business of the meeting

- ◆ Financial and Statutory Reports (not voted on)

- ◆ Resolutions:
 1. Re-election of Jim Clegg as a Director
 2. Election of Ian Hunter as a Director
 3. Adoption of the Remuneration Report



Proxy results

1. Re-election of Jim Clegg as a Director

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
38,723,646	1,166,276	1,273,877	1,146,179
91.52%	2.76%	3.01%	2.71%



Proxy results

2. Election of Ian Hunter as a Director

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
38,760,337	1,156,573	1,412,414	1,146,179
91.25%	2.72%	3.33%	2.70%



Proxy results

3. Adoption of the Remuneration Report

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
36,257,098	3,461,585	1,144,250	1,036,251
86.53%	8.26%	2.73%	2.47%



Platinum Capital Limited

- ◆ Investment manager's update
- ◆ Close of meeting



Disclaimer

The information contained herein has been prepared by Platinum Investment Management Limited ABN 25 063 565 006, AFSL 221935 ("Platinum"), on behalf of the Platinum Capital Limited (the "Company"). The information is general information only and should not be construed as a recommendation to invest in any particular financial product offered by Platinum, the Company or any of their related or affiliated entities, including any of their respective directors, officers or employees officers (collectively "Platinum Persons"). It does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. You should consult a financial adviser prior to making any investment decision.

The information is provided by Platinum in good faith and is believed to be accurate at the time of compilation. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representation or warranty as to the accuracy or completeness of the information contained herein is made any Platinum Person. To the extent permissible by law, Platinum Persons disclaim all liability (whether arising in contract, tort, negligence or otherwise) for any loss, cost, expense or damage (whether direct, indirect, consequential or otherwise) suffered by any person as a result of placing any reliance on this information.

The investment returns are historical and no warranty can be given for future performance. Past performance is not a reliable indicator of future performance. Platinum Persons do not guarantee the repayment of capital, payment of income or the performance of the Company. Some numerical figures referenced in this presentation have been subject to rounding adjustments.

All data where MSCI is referenced is the property of 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. Neither MSCI Inc nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI Inc, any of its affiliates or any third party involved in or related to compiling, computing or creating the data will have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

