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

## **Platinum Capital Limited (PMC or Company) - Capital Management Initiatives**

As noted in the 2022 Annual Report, the PMC Board has been actively monitoring manager performance, investment markets and the share price discount.

As also discussed in several quarterly reports, the record run for growth equities since the GFC has not suited Platinum's value-oriented style. Recently, however, there have been indications that a change in value versus growth leadership may be underway and, over the course of this year, the Company's portfolio has helped protect shareholders from the current market sell off:

Investment performance <sup>1</sup> (YTD to 30/09/2022)	9 months
PMC	-8.7%
MSCI AC World (Net) Index (\$A)	-15.9%

Past performance is not a reliable indicator of future performance.

Nevertheless, the Company's recent negative absolute returns appear to have exacerbated the share price discount to its pre-tax net tangible asset (NTA) backing. Accordingly, today the Board announces two capital management initiatives which it believes should add value for shareholders over time and increase liquidity in the stock.

### **1. Amendment to buy-back policy**

The Board's current buy-back policy, as announced on 8 April 2022 and reported in the 2022 Annual Report, is to implement the on market 10/12 limit buy-back already in place, should the Company's share price trade at a significant discount to its underlying value, with no target price set.

Whether the Company steps into the market to buy-back shares will depend on a range of factors, including market volatility, balance sheet resources and liquidity of the shares. In relation to whether the price is within the Board's estimation of what is significant undervalue, the policy view of the

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<sup>1</sup> Source: Platinum Investment Management Limited for PMC's returns; FactSet Research Systems for Index returns. PMC's returns are calculated using PMC's pre-tax net tangible asset (NTA) backing per share as released to the ASX monthly. PMC's returns are calculated after the deduction of fees and expenses, have been adjusted for taxes paid and any capital flows, and assume the reinvestment of dividends – they are not calculated using PMC's share price. Portfolio inception date: 29 June 1994.

Board is that a share price discount to its pre-tax NTA<sup>2</sup> of more than 20% represents a level where it may be in shareholders' interests for the Company to buy-back shares.

## **2. Proposal to issue options**

Subject to necessary regulatory approvals and finalisation of a prospectus, the Company intends 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 equity markets. It is the Board's objective that shareholders will potentially have an additional opportunity to benefit from any subsequent recovery in global equity markets during the option period<sup>3</sup>.

The Board will update shareholders on the details of this offer over the coming months.

In summary, the Board believes that the combined effect of these two capital management initiatives should act to provide shareholders with a value creation opportunity over time and increase liquidity in the stock.

### Authorised by

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## **Disclaimer**

The information set out in this announcement is not intended to constitute financial product advice, and does not take into account the particular objectives, financial situation or needs of any investor. Before participating in the buy-back, you should consider obtaining independent financial, tax or accounting advice. In relation to the proposed option issue, you are encouraged to read the prospectus in full once available and consult your independent advisor as required.

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

<sup>3</sup> A prospectus setting out full details of the offer will be lodged with ASIC and made available when the bonus options are offered.