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

**Platinum Capital Limited (ASX: PMC)
Monthly Investment Update and Net Tangible Asset (NTA) Report**

Platinum Capital Limited hereby release the Monthly Investment Update and NTA Report for the month ended 28 February 2023 (as attached).

For more information in relation to PMC, please refer to the website at:
www.platinumcapital.com.au

Authorised by
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FACTS¹

Market capitalisation	\$394.95 mn
Listing date	29 June 1994
Current share price	\$1.340
Current dividend yield	4.48%
Pre-tax NTA	\$1.5492
Post-tax NTA	\$1.5208
Maximum franked dividend	7.47 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)	1.3	5.1	13.8	4.3	4.7	3.9	7.0	4.5	8.2	10.2	11.2
MSCI %	1.5	(0.7)	5.0	4.7	(1.3)	6.6	7.2	8.9	10.7	12.5	7.3

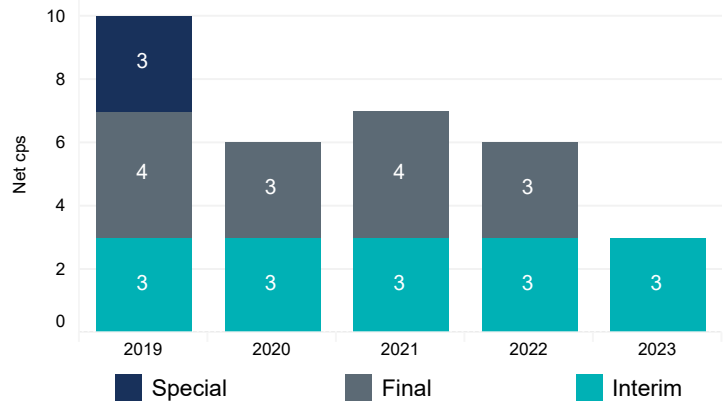
PMC's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PMC's returns have not been calculated using PMC's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	36.0	(3.7)	32.3	47.7
Australia	2.0	(1.9)	0.1	2.2
China	19.5		19.5	19.5
China Renminbi Offshore				(1.0)
Hong Kong	0.1		0.1	2.4
India	2.0		2.0	2.0
Japan	8.0	(1.7)	6.3	18.3
South Korea	4.1		4.1	4.2
Other Asia-Pacific	0.3	(0.2)	0.2	0.2
Europe	28.2	(0.1)	28.2	31.9
Austria	2.5		2.5	
Euro				20.7
Finland	2.8		2.8	
France	3.1		3.1	
Germany	3.7		3.7	
Italy	2.8		2.8	
Netherlands	2.5		2.5	
Switzerland	1.1		1.1	1.1
United Kingdom	7.5		7.5	9.5
Other Europe	2.1	(0.1)	2.0	0.5
North America	17.4	(9.8)	7.6	18.5
Canada	1.9		1.9	2.8
United States of America	15.5	(9.8)	5.7	15.8
Other	2.0		2.0	2.0
Sub-Total	83.6	(13.6)	70.0	100.0
Cash	16.4	13.6	30.0	
Total	100.0		100.0	100.0

Long - 129 stocks, 2 swaps, 1 option, 2 other Short - 31 swaps, 1 index

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.4
Microchip Technology Inc	United States	Info Technology	3.1
Minebea Co Ltd	Japan	Industrials	3.0
Ping An Insurance Group	China	Financials	2.9
UPM-Kymmene OYJ	Finland	Materials	2.8
Intesa Sanpaolo SpA	Italy	Financials	2.7
Allfunds Group Plc	UK	Financials	2.7
Shell PLC	Netherlands	Energy	2.3
Beazley PLC	UK	Financials	2.1
Samsung Electronics Co	South Korea	Info Technology	2.1
Total			26.9

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Financials	17.4	(1.1)	16.3
Industrials	18.3	(3.0)	15.3
Consumer Discretionary	11.2	(2.8)	8.4
Materials	8.4		8.4
Information Technology	11.2	(3.1)	8.1
Energy	7.3		7.3
Health Care	4.0		4.0
Communication Services	2.8	(0.5)	2.3
Real Estate	2.4	(0.1)	2.3
Consumer Staples	0.7	(0.4)	0.2
Other		(2.5)	(2.5)
Sub-Total	83.6	(13.6)	70.0
Cash	16.4	13.6	30.0
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 paid during the calendar year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends (if any).

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 rose 1.3% for the month – in line with broader market* moves.
- The net invested position remains near historical averages.
- Looking forward, there are exciting opportunities on the long side, but we remain wary of further market weakness.

Market Commentary

After charging out of the gate in January, markets had a more subdued February. Despite resilient economic data in the US, the S&P 500 index has been driven more by company-specific factors than macroeconomic variables, creating more stock-picking opportunities. We expect much more divergent markets over the course of 2023, as a complex and uncertain environment creates mispricing in equities. We think this is a great market for active ‘true’ investors.

In the US, the Federal Reserve increased interest rates early in the month as expected, but the continued strength in the jobs market, strong retail sales and a high Personal Consumption Expenditures Price Index (PCE) number saw market participants price in a higher peak (terminal) Fed Funds rate, along with a “higher-for-longer” scenario, i.e. the potential for rate cuts has been pushed further out. With that backdrop, the US markets held up surprisingly well. Corporates reported lower but better-than-expected earnings numbers in the face of increasing interest rates. One highlight was Meta Platforms, which rose 23% on its result, its strongest day in nearly a decade (source: FactSet).

Elsewhere, US President Joe Biden and Treasury Secretary Janet Yellen both made separate surprise trips to declare their “unwavering support” for Ukraine as Russia’s invasion passed the one-year mark. Even with the tragic headlines, the broad STOXX Europe 600 index has bounced 20% from its September low and the FTSE 100 index climbed to a record all-time high during the month (source: FactSet). Similarly, to the US, investors in Europe also increased their terminal rate expectations from the European Central Bank and the Bank of England.

Our Chinese positions were a drag on performance this month, as the markets consolidated their strong calendar-year-to-date returns. We continue to believe that China is a much-unloved stock market, and we remain confident in the Chinese businesses we hold. China is in a different part of its economic cycle from economies in the West, and the government is taking clear steps to stimulate the economy, particularly the property sector.

Our net exposure remains at around 70%. We continue to buy stocks that we think offer good value and remain excited by opportunities across decarbonisation, semiconductors, travel, Chinese consumers, financials, and growth industrials. Our short book remains dynamic and aims to protect capital. The composition of the short portfolio continues to have less emphasis on highly valued growth names and more on COVID beneficiaries (e.g. retailers, e-commerce) that we expect will have weak earnings outcomes in the year ahead, as well as some of the more dubious and overvalued ‘energy transition’ related companies.

Performance Analysis**

Over the past three months, the long positions contributed 4.7% to the portfolio’s return (versus an underlying market return of -0.7%). The portfolio’s return was driven by our positions in European financials and selective US shorts. European holdings contributed 3.3% over the past three months, with Intesa Sanpaolo, Allfunds and Erste Group being the major contributors.

Valuation

The portfolio’s aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 33% higher starting earnings yield and a 40% discount on an asset basis (see table below).

Metric	Platinum Capital Limited	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.8% (Price-to-Earnings ratio of 11.3x)	6.6% (Price-to-Earnings ratio of 15.2x)
NTM Dividend Yield	3.3%	2.8%
NTM Enterprise Value-to-Sales	1.1x	1.6x
LTM Price-to-Book Ratio	1.5x	2.5x

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. As at 28 February 2023. NTM = next twelve months. LTM = last twelve months.

* Market returns throughout this report refer to the MSCI AC World Net Index in A\$. Source: FactSet.

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.