

26 October 2023

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

**Platinum Capital Limited (PMC) - 2023 Annual General Meeting Chair's Address and Presentation Slides**

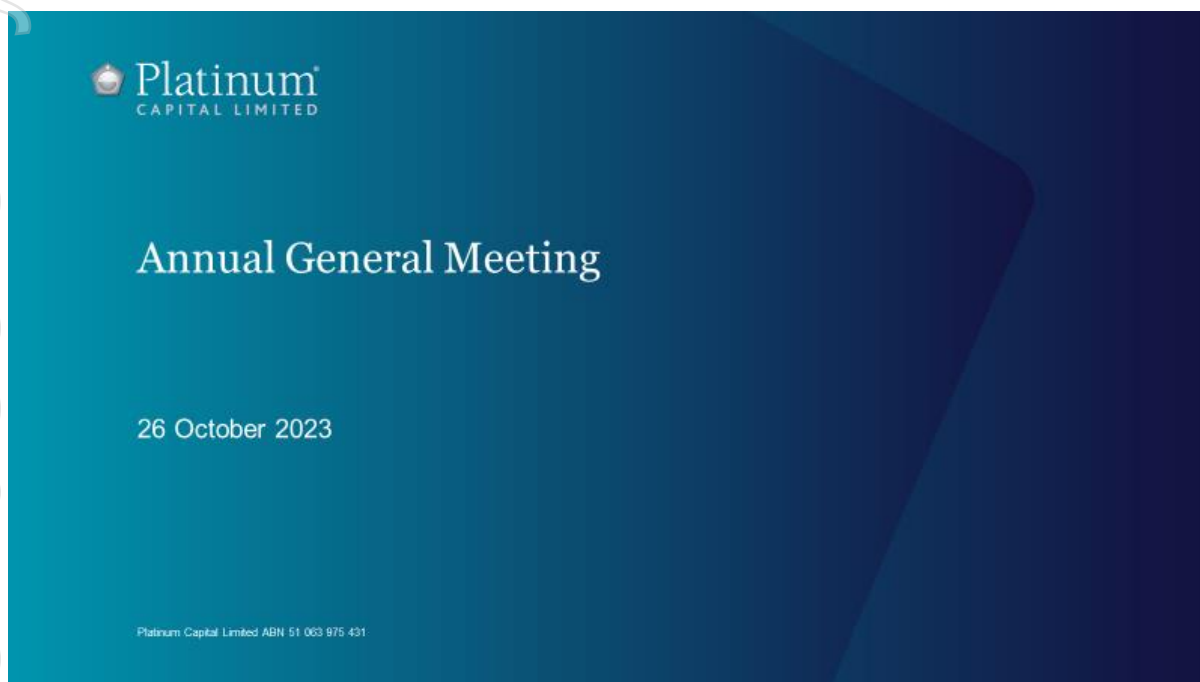
PMC will be holding its Annual General Meeting (AGM) at 10.00am (AEDT) today. Attached are copies of the Chair's address and associated presentation slides to be given at the AGM.

*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, 2023 Annual General Meeting – Chair’s address

### Introduction



Good morning Ladies and Gentlemen and welcome to today’s Annual General Meeting, whether you are joining us in-person or remotely. My name is Margaret Towers and I am pleased to address you as a Director and Chair 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.

It is now 10:00am (AEDT), the appointed time for holding the meeting and I am advised that the necessary quorum is present. I therefore declare the meeting open.

This year we are again holding our AGM as a hybrid meeting, 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.

Before we proceed, I have a couple of house-keeping items to address.

- Firstly, I would appreciate that those attending in-person ensure their mobile phones are turned to silent;
- For those joining us virtually, through the online platform, you will be able to see the live stream on the left side of your screen and the slides being presented will appear on the right. At the bottom of the screen you have buttons for ‘Get a Voting Card’ and ‘Ask a Question’ along with the Notice of Meeting and Online Meeting Guide. Please submit your votes online at any time during the meeting.
- I encourage Shareholders who would like to ask a question and are joining us virtually, to enter your questions now so that we are able to address these under the relevant items of business later in the meeting.

- For Shareholders who wish to utilise the teleconference facility, you must use your unique phone PIN provided by Link Market Services. If you don't have a phone PIN and would like to ask a question via the phone, please contact Link on +61 1800 990 363. When you dial in via the phone line, you will be asked to mute your online sound and listen to the meeting by phone. If you wish to ask a question, you will need to dial 'STAR 1' on your keypad - that will indicate to the moderator you wish to ask a question. The moderator will require your name and will introduce you, prompting you to ask your question by unmuting your line at the relevant time.
- 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 formal business of the Meeting. I will give you a warning when voting is about to close.
- Andrew Clifford, 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.
- Lastly, a recording of my address and the market update by Andrew will be made available on Platinum's website in the next few days.

Now to the formal business of the meeting.

Please allow me to introduce my fellow Board members:

- Dick Morath – independent non-executive director and Chair of the Audit, Risk and Compliance Committee; and
- Ian Hunter – independent non-executive director and member of the Audit, Risk and Compliance Committee.

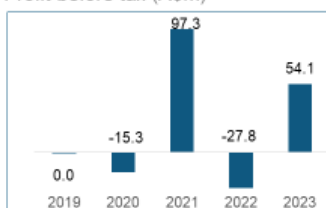
Joining us today from the Company's investment manager, Platinum Asset Management, is Andrew Clifford – the co-portfolio manager of the Company's investment portfolio.

We also have present, the PricewaterhouseCoopers' partner in charge of the audit of our 2023 financial statements and statutory reports, 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.

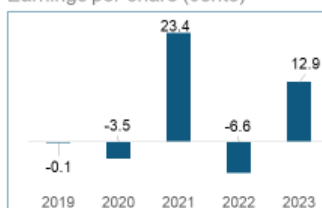
## Financial summary and investment performance

### Financial summary

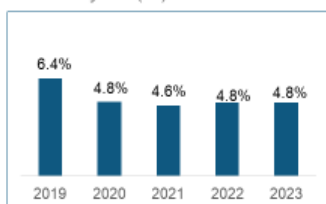
Profit before tax (A\$m)



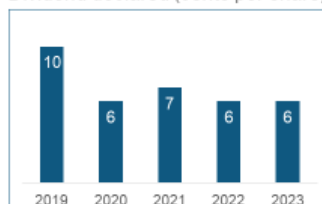
Earnings per share (cents)



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 2023.

The Company made a statutory pre-tax operating profit of \$54.1 million and a post-tax operating profit of \$37.9 million for the financial year ended 30 June 2023 – a much improved financial performance compared with the 2022 financial year when a pre-tax loss of \$27.8 million was posted. This solid result was achieved through a period of difficult market conditions, including rapid inflation and rising interest rates.

As you can see from the charts on the slide, our earnings per share over the past five years have ranged from 23.4 cps to -6.6 cps. The benefit of the listed investment company structure allows us to smooth your dividends despite this volatility.

### Investment performance

as at 30 June 2023

Period	Pre-Tax NTA Return*	MSCI All Country World Net Index (\$A) Return**
6 months	4.9%	16.1%
1 year	12.7%	20.4%
3 years (compound pa)	9.4%	12.2%
5 years (compound pa)	4.8%	10.4%
10 years (compound pa)	8.4%	12.3%
Since inception (compound pa)	11.1%	7.6%

\*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.

3 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.

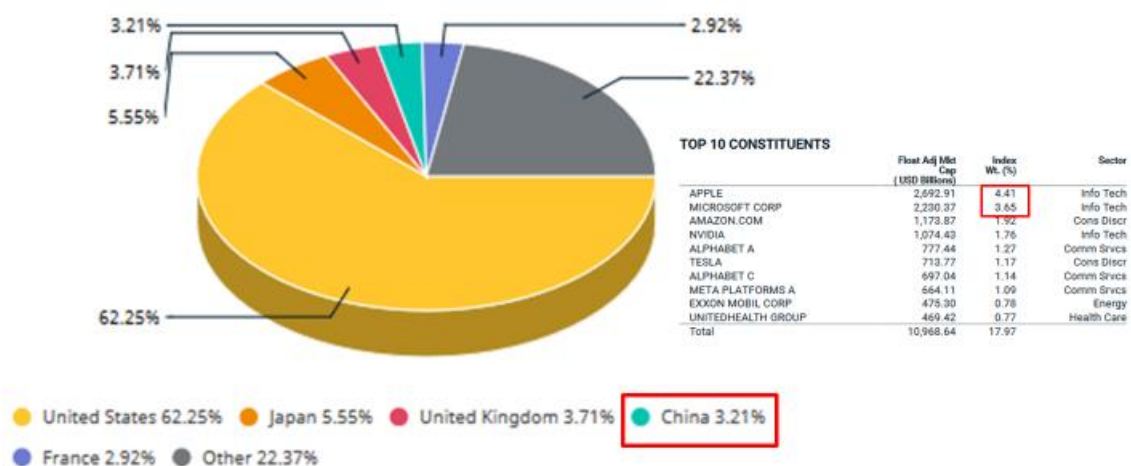


As previously stated, the Board maintains that the most appropriate measure of the Company’s investment performance is the percentage change in its pre-tax net tangible assets or “NTA”. On this measure, the Company delivered an investment return of 12.7% for the year ended 30 June 2023, after fees and expenses, adjusted for corporate taxes paid, capital flows and assuming the reinvestment of dividends. This return was achieved with an average net invested position of only 70%. The MSCI AC World Net index (in \$A) returned 20.4% over the same timeframe.

The performance differential arose mainly during the last quarter of the financial year, driven by an extraordinary bounce in the technology sector, up 40% in the first six months of the calendar year and 13% for the last quarter of the financial year, whilst China’s stock markets performed poorly over the quarter due to concerns about the subdued nature of the country’s economic rebound and ongoing political tensions with the US.

The Company’s shares continued to trade at a discount to pre-tax NTA in line with the broader global equities closed-end listed investment market. The discount increased during the financial year, resulting in a total shareholder return, including franking credits, of 7.1% for the year ended 30 June 2023. Since 30 June 2023 the discount has narrowed.

## MSCI AC World Index weights



4 Source: MSCI AC World Index Fact Sheet – September 2023, <https://www.msci.com/documents/10199/9d97d244-4685-4200-a24c-3e2f42e3adeb>



At this point it is probably worth making some observations regarding the differences between the Company’s investment portfolio and the constituents of the MSCI index.

As mentioned in my Chair’s report in the 2023 Annual Report, Platinum’s investment style provides shareholders with a portfolio of investments quite differentiated from the constituents of the MSCI. For example, at 30 September 2023 the index was around 62% weighted to US market. The largest single stock constituent was Apple at 4.4% with China comprising only 3.2% of the index. Put differently, a single US stock had a larger weighting in the MSCI index than the world’s second largest economy by GDP!

The MSCI index, being market cap weighted, is generally an expression of what has worked recently rather than what will work in the future and Platinum, being index agnostic and contrarian, has a very different investment approach.

As a reminder, the core tenets of Platinum’s investment philosophy are:

- Price matters and is a key driver of returns;
- Mispricing is more likely to be found away from the spotlight;
- Prices are influenced by emotion in short and medium term which can lead to decision errors; and
- Once lost, capital is hard to earn back so one should protect against the impact of large market falls.

## Platinum thinks differently about the world

Geographic positioning as at 30 September 2023



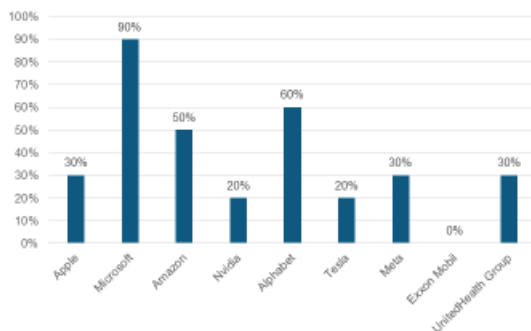
5 Source: MSCI website (<https://www.msci.com/documents/10199/6697/d2-44-4685-4209-a24c-3e2942a3adeb>) and Platinum Investment Management Limited



This philosophy means that Platinum’s portfolio positioning is very different to that of the MSCI index. This is evident when you look at the Company’s geographic positioning vis a vis the MSCI index as at 30 September 2023 as shown on the slide behind me and on the screen. The first coloured bar shows the geographic positioning of the index with the second and third coloured bars showing the geographic positionings of the Company’s long and short portfolios, respectively – clearly showing a very different picture.

## Top 10 holdings of PMC vs MSCI AC World index

Active funds with highest inflows since 2019



Platinum Capital Limited's top 10 holdings as at 30 September 2023

Stock	Portfolio weight
ZTO Express	3.5%
Microchip	3.2%
UPM-Kymmene	3.0%
Minebea	2.9%
Ping An Insurance	2.8%
Samsung Electronics	2.7%
UBS Group	2.7%
Allfunds Group	2.7%
Suzano	2.5%
InterGlobe Aviation	2.4%

6 Source: Morningstar, latest fund manager reports and Platinum as at 30 September 2023



Platinum's top 10 holdings are also highly differentiated from the top 10 constituents of the MSCI index, unlike other global equity managers. The slide behind me and on the screen shows that there is a very large overlap between what the most popular active Australian based global equity managers (by inflows over the last 4 years) are holding in their portfolios as at 30 September 2023 and the MSCI index. For example, from the universe of managers selected, 30% of those managers held Apple and 90% held Microsoft, within their top 10 holdings. Conversely, the Company's top 10 holdings as at 30 September 2023 are completely different.

## Investment performance

as at 30 September 2023

Period	Pre-Tax NTA Return*	MSCI All Country World Net Index (\$A) Return**
6 months	-1%	6.4%
1 year	13.8%	20.3%
3 years (compound pa)	9.2%	10.7%
5 years (compound pa)	4.8%	8.9%
10 years (compound pa)	7.8%	11.6%
Since inception (compound pa)	11%	7.5%

\*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.

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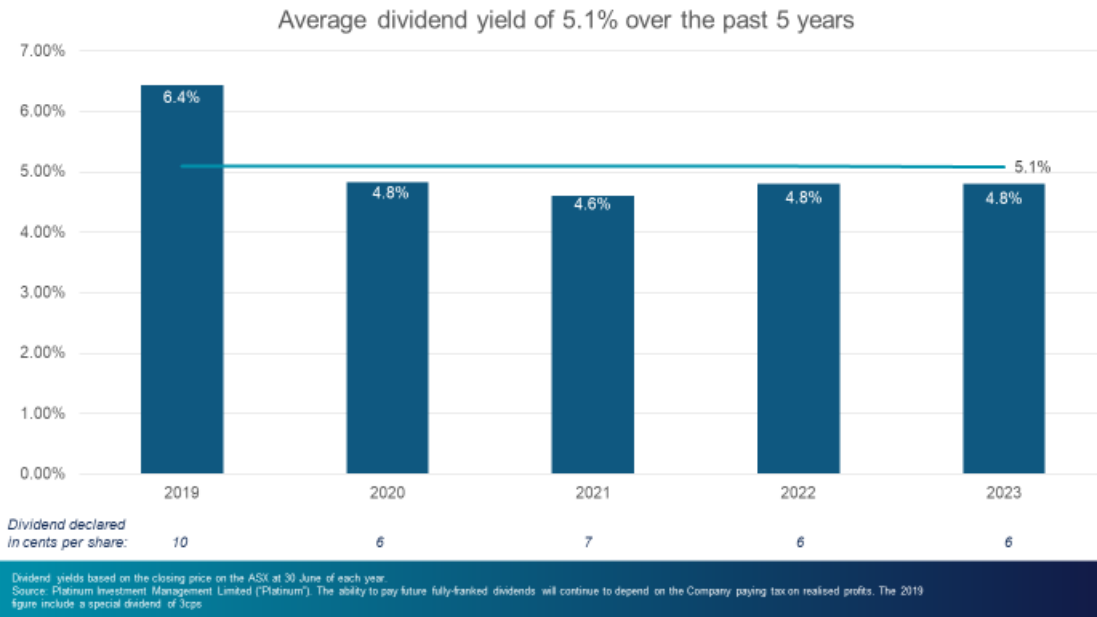
Lastly, an important part of Platinum's investment approach is to seek to provide protection against large market downturns through the use of shorting and the management of its cash positions. This is reflected by the Company's net invested position.

So, in summary, what this all means is that Platinum's investment philosophy and approach delivers a highly differentiated investment portfolio vis a vis the index and Platinum's peers, providing a source of return which is much less correlated to other managers and investments which you may already hold in your investment portfolios.

This is evident in the slide behind me and on the screen which shows the Company's returns to 30 September 2023. The Company's annualised return (measured by its pre-tax NTA) since inception to 30 September 2023 was 11% per annum, compared with 7.5% per annum for the MSCI index over the same period. This is an outstanding long-term track record.

## Dividends

### Dividend yield



The Company determined to pay a 2023 fully-franked final dividend of 3 cents per share, bringing the total dividends paid for the 2023 financial year to 6 cents per share. This represents a grossed-up dividend yield of 6.8% based on the Company's 30 June 2023 closing share price.

The Company's final dividend was fully franked at a tax rate of 30%.

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. This is a key strength of its listed investment company structure.

Our Shareholders have continued to benefit from the Company's ability to manage the level of fully-franked dividend payments over time with the Company delivering an average dividend yield of 5.1% over the 5 years to 30 June 2023.

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



## Capital management

- The Company's shares continued to trade at a discount during FY 2023, consistent with the broader LIC market.
- Following the two capital management initiatives announced to the market in October 2022, the Board
  - Issued 1 for 4 bonus options on 27 April 2023; and
  - Issued an update to remove the Company's 20% threshold buy-back guide and executed the on-market share buy-back with effect from 18 October 2023.
- The Board's primary objective in effecting the buy-back is to provide liquidity to existing shareholders and accretion to continuing shareholders, rather than to narrow the discount.



On 27 April 2023, following on from the capital management initiatives announced to the market in October 2022, the Company issued eligible Shareholders with 1 bonus option for every 4 fully paid shares held as at the record date. Each bonus option has an exercise price of \$1.37 and an expiry date of 28 March 2024.

When setting the option exercise price, the Board was of the view that the market environment at the time would be highly favourable for Platinum's investment approach and that the Company's outperformance, seen during the 2022 calendar year, would continue and drive a rebound in the share price during the option exercise period. At the bonus option issue date, the bonus options were trading slightly 'out of the money' (\$1.33). However, since then the share price has moved further below the bonus option exercise price and the opportunity for Shareholders has not materialised to date.

Furthermore, like many other listed closed ended investment vehicles, the Company's shares continued to trade at a discount to pre-tax NTA during the financial year. Given the persistent share price discount, the Board revised its buy-back policy to remove the 20% share price discount guide that had been communicated to the market in October 2022 and thereafter began the execution of the Company's '10/12 limit' share buy-back program with effect from 18 October 2023. As at 25 October 2023, 319,021 shares have been bought back.

As mentioned in previous years, the Board firmly believes that buy backs do not succeed in eliminating share price discounts and the market has generally shown this to be the case. Accordingly, the Board's primary objective in effecting the buy-back is to provide liquidity to existing Shareholders and accretion to continuing Shareholders, rather than to narrow the discount. The Board remains 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.

## Performance for the 2023 financial year and market outlook

### Investment outlook

- The Company delivered a pre-tax NTA return of negative 0.4% for the calendar quarter to 30 September 2023, in line with the index.
- The most recent weekly pre-tax NTA per share released on Friday, 20 October 2023 was \$1.4922.
- The co-portfolio manager, Andrew Clifford, will provide an update on market and his outlook for the portfolio at the conclusion of the formal business of the meeting.

10 Index return is the return of the MSCI AC World Net Index. 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 negative 0.4% return for the calendar quarter ended 30 September 2023 in line with the index, and for the 12 months to 30 September 2023, delivered a return of 13.8% against the index return of 20.3%.

The most recent weekly pre-tax NTA per share released to the market as at Friday, 20 October 2023 was \$1.4922.

As mentioned earlier Andrew Clifford, the co-portfolio manager of the Company's investment portfolio will provide an update on markets and his outlook for the portfolio at the conclusion of the formal business of the Meeting. Andrew recently made the decision to step aside as Platinum Asset Management's Managing Director/Chief Executive Officer in order to fully concentrate on his role as Co-Chief Investment Officer and dedicate his time to his portfolio management duties.

On behalf of the Board I would like to thank all Shareholders for your ongoing support.

## Resolution 1 – Re-election of Margaret Towers as a Non-Executive Director

### Proxy results

Re-election of Margaret Towers as a non-executive Director

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
25,178,486	1,672,278	1,168,874	1,175,932
86.24%	5.73%	4.00%	4.03%

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## Resolution 2 – Adoption of the Remuneration Report

### Proxy results

Adoption of the Remuneration Report

FOR	AGAINST	OPEN-USABLE CHAIR	OPEN-USABLE NON-CHAIR
23,839,185	3,022,620	1,161,601	1,175,932
81.64%	10.35%	3.98%	4.03%

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