



Company	Platinum Asset Management Ltd
Code	PTM
Meeting	AGM
Date	17 November 2021
Venue	Online
Monitor	Ian Anderson

Number attendees at meeting	45 shareholders, 1 third party proxy and 57 guests – as provided by the company
Number of holdings represented by ASA	157
Value of proxies	\$3.24M on day of meeting
Number of shares represented by ASA	1.12M (equivalent to 15th largest holder in Top 20 list)
Market capitalisation	\$1.74Bn – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with Chair Guy Strapp, Finance Director, Andrew Stannard and Director of Investor Services and Communications, Elizabeth Norman

Platinum suffers First Strike

The meeting was held virtually using Computershare’s Lumi platform with only the directors speaking at the meeting appearing on screen. The technology worked well although was not tested with live questions from remote participants.

Following a welcome to country and instructions on how to use the online platform the chairman, Guy Strapp, launched into a relatively long address touching first on the minimal effects of Covid on operations and an explanation of Platinum’s investment strategy focussed on minimising downside risk and providing returns throughout the investment cycle. He then summarised the financial results and defended the currently relatively low share price saying it was trading at 13X consensus FY22 earnings, broadly in line with listed competitors, and did not justify a share buyback in current circumstances. Following that he referred to Platinum’s business development plans and ESG activities including the appointment of an ESG specialist to work with the investment team.

He then turned to board changes during the year and announced the retirement of Tim Trumper as a director at the end of the meeting. Brigitte Smith had also replaced Stephen Menzies as chairman of the Nomination and Remuneration Committee in October 2021. Platinum is currently seeking a new independent NED and in the meantime Mr Strapp will use his casting vote to maintain independence of the board's decision making.

Then followed a review of Platinum's remuneration strategy and the need to attract and retain the best talent, who form the primary assets of the company, by paying what the market demands. He noted that employee equity in the company, which, outside the founding directors was less than 2%, was a factor which needed to be addressed. This led to a justification for some of the resolutions before the meeting particularly regarding remuneration and the Equity Incentive Plan.

Finally he gave an update on the outlook for FY22 saying that while funds under management had further declined from year end by 9% with both investment returns (-6%) and outflows (-3%) contributing to the reduction, he believed that the equity market was in the late stages of a very long bull run and so portfolio managers had taken steps to reduce funds' net equity exposures so as to reduce the risk of permanent loss of capital by investors. Whilst he believed that Platinum's clients would be poised to benefit from a recovery in undervalued stocks or alternatively from a measure of downside protection should overheated markets ultimately correct, he declined to provide any earnings forecasts.

There followed a series of questions from several questioners many of which related to Platinum's lack of performance and suggesting alternative investment platforms. Stephen Mayne asked many questions relating to procedural issues including the prior relationship between Guy Strapp and Kerr Nielsen (little) and voting disclosure issues. In answer to a question from ASA relating to resolution 4, Mr Strapp confirmed that it was the company's intention to limit any new shares issued in satisfaction of vesting rights under the Equity Incentive plan to less than 5% of issued share capital.

Resolutions for re-election of directors passed with Andrew Stannard receiving 89.42% support and Brigitte Smith 92.74%. Approval of the Equity Incentive Plan and Potential Termination Benefits passed with 87.58% and 98.02% respectively whilst the REM report was defeated with 50.04% voting against thus causing a first strike against the company. Resolution 5 for the Grant of Equity to the managing Director, which ASA had indicated it would vote against, was withdrawn prior to the meeting and will be submitted in revised form to the FY22 AGM.

At the close of the meeting, the CEO and chief investment officer, Andrew Clifford gave an informal address on the investment outlook and future challenges to the company. He re-affirmed his belief in the overvaluation of current markets and that the era of low interest rates was in its last days as a result of rising inflation. He did not see regulatory reform in China as a threat and still saw potential there despite some pockets of instability. He recognised that some investors might feel uncomfortable with Platinum's investment position but believed the strategy would deliver returns over the long term.