

# Platinum Asset Management Limited

---

Kerr Neilson, Managing Director  
30 June 2015, Yearly Analyst Briefing  
21 August 2015

# PTM yearly results

|   | JUN 2015 (\$MN) | JUN 2014 (\$MN) | \$ CHANGE   | % CHANGE    |
|---|-----------------|-----------------|-------------|-------------|
| Management and admin fees                     | 338.6           | 285.1           | 53.5        |             |
| Performance fees                              | 2.3             | 27.4            | (25.1)      |             |
| Interest income                               | 7.1             | 9.5             | (2.4)       |             |
| Net gains / (losses) on FX, FA & other income | 12.4            | (2.2)           | 14.6        |             |
| <b>Total revenue</b>                          | <b>360.4</b>    | <b>319.8</b>    | <b>40.6</b> | <b>12.7</b> |
| Staff costs                                   | 27.9            | 31.1            | (3.2)       | (10.3)      |
| Custody and unit registry costs               | 16.3            | 13.8            | 2.5         | 18.1        |
| Business development costs                    | 4.8             | 4.0             | 0.8         | 20.0        |
| Research                                      | 1.9             | 1.9             | -           | 0.0         |
| Other costs                                   | 7.9             | 8.0             | (0.1)       | (1.2)       |
| <b>Total costs</b>                            | <b>58.8</b>     | <b>58.8</b>     | <b>-</b>    | <b>0.2</b>  |
| <b>Pre-tax profit</b>                         | <b>301.6</b>    | <b>261.0</b>    | <b>40.6</b> | <b>15.5</b> |
| <b>Income tax expense</b>                     | <b>88.1</b>     | <b>71.1</b>     | <b>17.0</b> | <b>23.9</b> |
| <b>Net profit after tax</b>                   | <b>213.5</b>    | <b>189.9</b>    | <b>23.6</b> | <b>12.4</b> |
| <b>Diluted EPS</b>                            | <b>36.66</b>    | <b>32.44</b>    |             | <b>13.0</b> |
| <b>Average FUM</b>                            | <b>26.1</b>     | <b>22.3</b>     |             | <b>17.3</b> |
| Total no. of shares – issued (mn)             | 586.7           | 580.3           |             |             |
| Total no. of shares – options (mn)            | -               | 6.4             |             |             |

# PTM yearly results

(as at 30 Jun 2015)

---

|                         |        |         |
|-------------------------|--------|---------|
| Management fee revenue  | up 19% | +\$54mn |
| Performance fee revenue |        | -\$25mn |
| Costs                   |        | flat    |
| Pre-tax profit          | up 16% | +\$41mn |
| Income tax              | up 24% | +\$17mn |
| Net profit after tax    | up 12% | +\$24mn |

# Funds Under Management (\$mn, yearly to 30 Jun 2015)

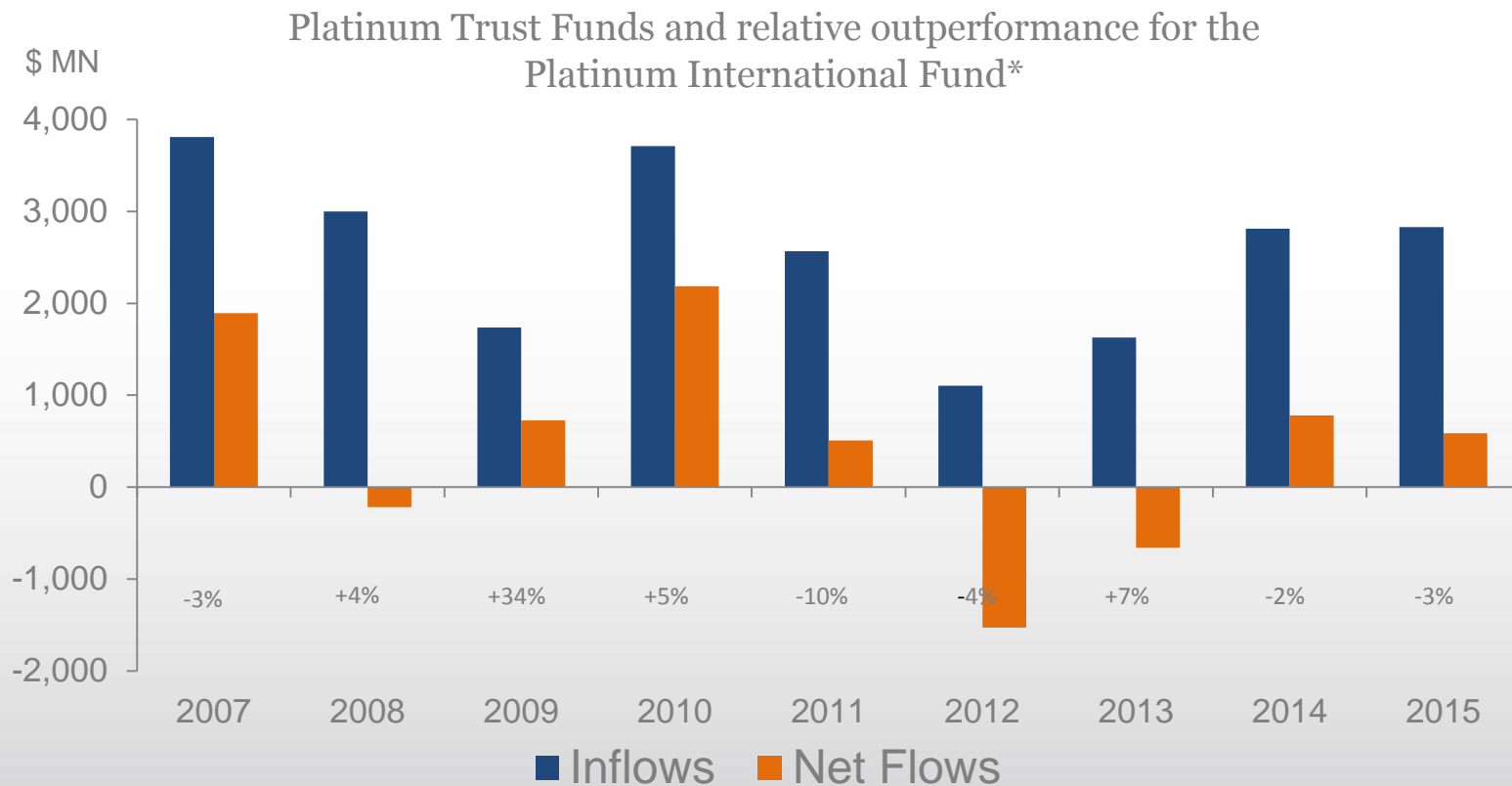
| FUNDS   | OPENING BALANCE<br>(1 JULY 2014) | FLOWS     | DISTRIBUTIONS  | INVESTMENT PERFORMANCE | CLOSING BALANCE<br>(30 JUNE 2015) |
|---|----------------------------------|-----------|----------------|------------------------|-----------------------------------|
| Platinum Trust Funds and Platinum Global Fund | 15,861                           | 911       | (1,425)        | 3,770                  | 19,117                            |
| MLC Platinum Global Fund                      | 1,079                            | (187)     | -              | 221                    | 1,113                             |
| Management Fee Mandates                       | 2,119                            | (189)     | -              | 445                    | 2,375                             |
| 'Relative' Performance Mandates <sup>1</sup>  | 3,190                            | (316)     | -              | 671                    | 3,545                             |
| 'Absolute' Performance Mandates               | 693                              | (139)     | -              | 155                    | 709                               |
| <b>TOTAL</b>                                  | <b>22,942</b>                    | <b>80</b> | <b>(1,425)</b> | <b>5,262</b>           | <b>26,859</b>                     |

The funds under management as at 31 July 2015: \$27,904 million\*.

\* Includes outflow of \$85mn in UCITS seeding repaid to Platinum.

<sup>1</sup> Performance fee calculated to 30 June – all global mandates. The FUM consists of PT Funds performance fee clients - \$267mn and super mandates \$3.28bn.

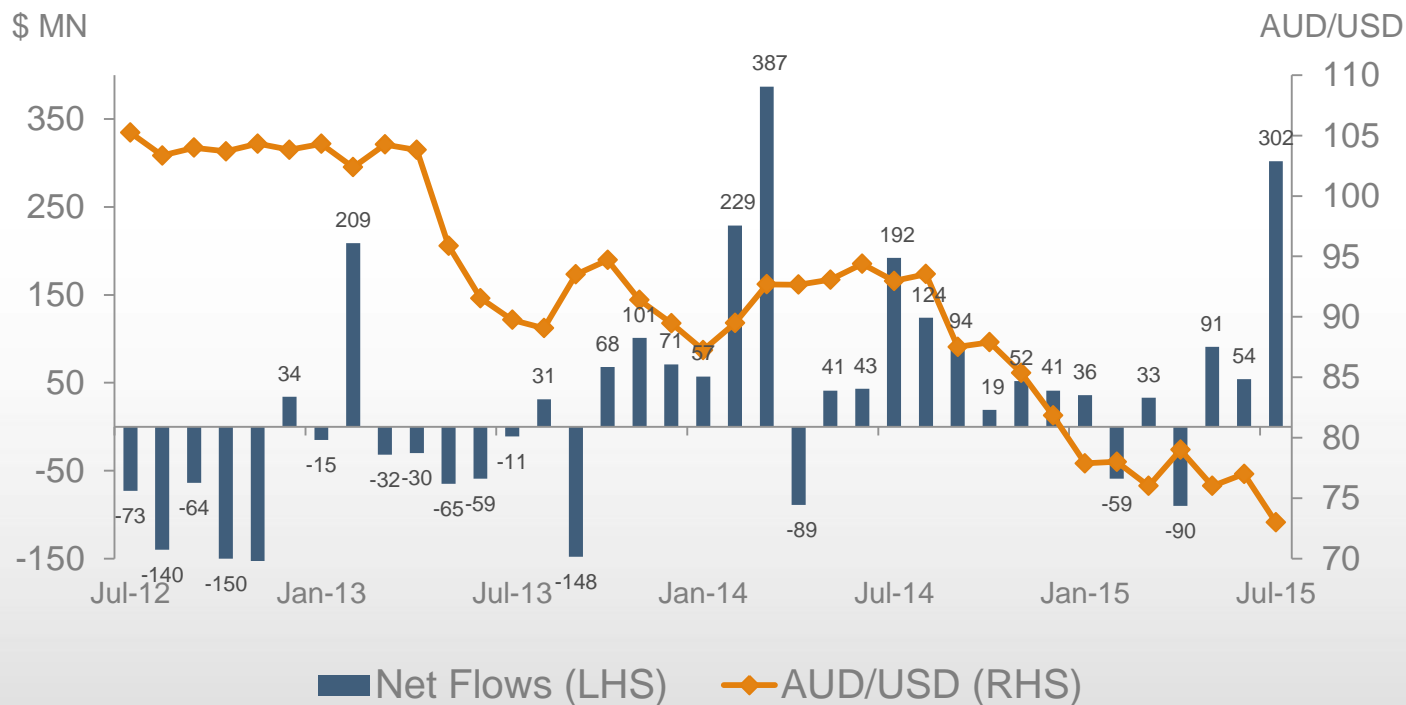
# Inflows and net flows



Figures exclude the 30 June annual distribution

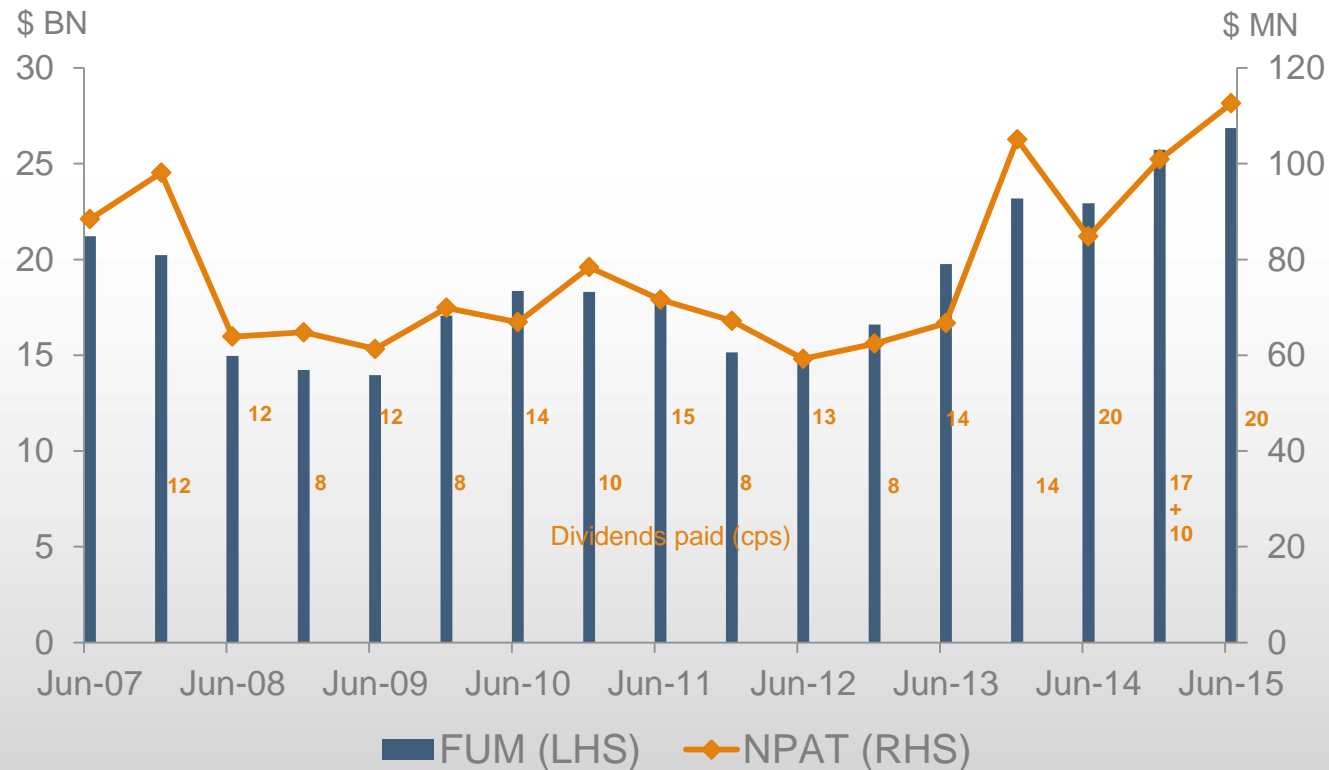
\*Relative outperformance from the flagship Platinum International Fund to the MSCI AC World Net Index

# PT Funds – monthly net flows with AUD/USD overlay



- <sup>1</sup> Surprisingly sluggish response by Australian retail investors to A\$ decline and movement to overseas equities.
- <sup>2</sup> Strong Australian market has masked overseas opportunities.
- <sup>3</sup> The value of overseas investments will become more stark as Australian economy struggles and A\$ declines.

# FUM and net profit after tax (half-yearly)



# Initiatives

---

1. Distribution strategy – adviser and direct-to-consumer focus.

(35K PT funds reports mailed out to investors and advisers each quarter; expanding *The Journal* section of our website to video; national adviser and investor road shows; marketing strategies continue – recent events held with Morningstar - access to direct audience/SMSF and FPA annual adviser congress.)

2. Platinum Asia Investments Limited (PAI) LIC – launch 21 September 2015.

3. Three UCITS (Undertaking for Collective Investment in Transferable Securities) – launch September 2015.

4. Professional investor development continuing – but long lead times.

5. New appointments: CFO, Company Secretary/Legal Counsel and expansion of the compliance team to five members



# Outlook

---

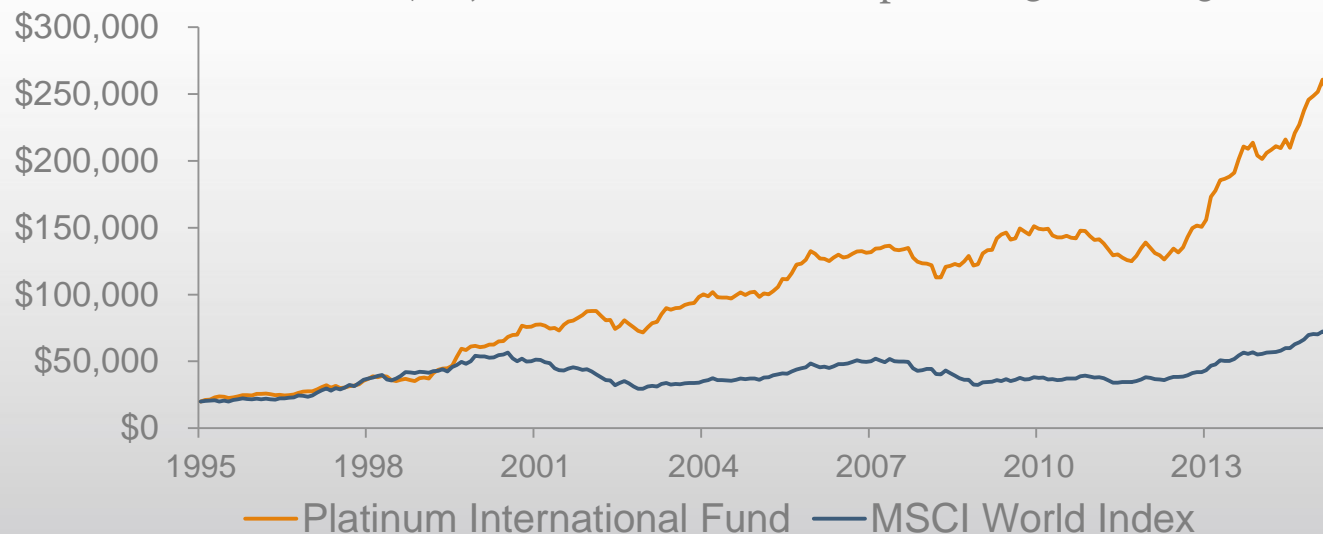
1. Small teams and specialist approach generating large idea base.
2. Competitive debasement of currencies positive for real assets - equities.
3. A\$ weakness and more foreign equity exposure probable.
4. Remain index agnostic in a world of shifting goal posts.

# PIF Performance

(% compound pa, to 31 Jul 2015)

|   | <u>3 mths</u> | <u>6 mths</u> | <u>1 yr</u> | <u>3 yrs</u> | <u>5 yrs</u> | <u>Since Inception</u> |
|---|---------------|---------------|-------------|--------------|--------------|------------------------|
| <b>International Fund</b>               | <b>2.2</b>    | <b>8.1</b>    | <b>21.8</b> | <b>26.8</b>  | <b>12.3</b>  | <b>13.4</b>            |
| <i>MSCI All Country World Net Index</i> | 5.7           | 11.6          | 30.2        | 27.2         | 15.1         | 6.7                    |

Value of \$20,000 invested since inception to 31 Jul 2015



# Disclaimer

---

**Platinum Asset Management Limited** ABN 13 050 064 287 has prepared this presentation material.

**Performance results** shown have been calculated using the Platinum International Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions.

MSCI data has been sourced through MSCI Inc.