

# Platinum Asset Management Limited

## Analyst Briefing

27 August 2020

# Andrew Clifford, Co-Founder Andrew Stannard, Finance Director

Analyst Briefing



# Financial Highlights

June 2020

- ◆ Jun-20 average FuM down 6% on Jun-19.
- ◆ Management fee revenue down 6%, in line with average FuM.
- ◆ Performance fees of \$9.1m, sourced primarily from Asia ex-Japan portfolios.
- ◆ Other income up \$9.6m, due to mark to market gains on seed investments.
- ◆ Expenses up 2%. Decreases in staff and operating costs (down  $\approx$  4%) offset by occupancy related expenses and share-based payments amortisation.
- ◆ Profit after tax attributable to owners down 1%.
- ◆ Earnings per share down 1%.
- ◆ Final dividend of 11cps, taking full year to 24cps fully franked ( $\sim$ 6.4% annualised yield\*).



# Investment Markets and Performance

- ◆ Signs of highly speculative market present:
  - Extraordinary valuations even with highly optimistic assumption (on significant market cap)
  - Highly speculative behaviour by retail investors (option activity, reddit ....)
  - Innovative financing vehicles – Special Purpose Acquisition Companies (SPACs)
  - Deep comfort in beauty of FAANG + Microsoft
  - We have been here before
- ◆ Continued widening of performance and valuation differentials between “growth” and rest of market.
- ◆ Context in which we ask clients and shareholders to assess our performance.



Source: Factset Research Systems and Platinum Investment Management Limited. The chart shows the dispersion between the highest and lowest price-to-book (PB) stocks around the world. We have sorted stocks in each industry in each country into quintiles based on their PB. To illustrate, if there are 500 US software stocks and five Australian gold mining stocks, then each quintile will contain 100 US software stocks and one Australian gold mining stock.



# Where does it end?

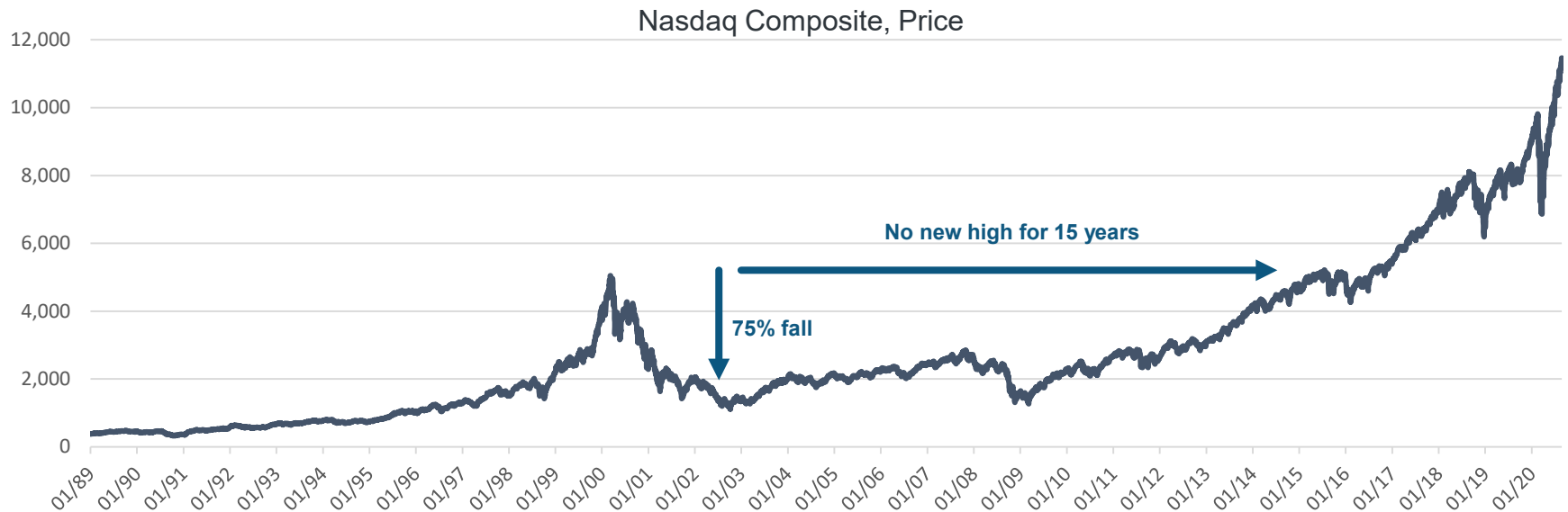
- ◆ Driver: money creation as a result of both fiscal and monetary policy in a time of collapsing output.
- ◆ Can governments keep up the pace of new money creation?
- ◆ Real activity/output continues to recover – especially with vaccine delivery.
- ◆ Possible challenge will be rising inflation (see commodity prices).
- ◆ Interest rates or US Dollar – Fed can't control both.



# Can value investing work in an environment of zero rates and rapid technological change?

Bedrocks of our approach:

- ◆ Cognitive biases lead investors to over extrapolate good news and bad news
  - Have fundamentals of human psychology changed? We think not.
- ◆ Price you pay for an asset determines its return.
  - Benjamin Graham’s “voting machine” can prevail for some time...
  - ...but ultimately his weighing machine will determine true long term returns.



# Investment Performance

to 30 June 2020

Performance of Platinum Trust Funds (30 June 2020)		1 year p.a.	5 year p.a.	10 year p.a.	Since inception p.a.	FuM (A\$b)
<b>International Fund</b> (PMs: AC, CS)	- Absolute Return	-4.1%	4.6%	7.7%	11.6%	8.4
	- Relative Return	-8.2%	-4.2%	-3.7%	+4.7%	
<b>Asia Fund</b> (PM: JL)	- Absolute Return	14.6%	7.6%	9.6%	14.2%	4.4
	- Relative Return	+11%	+0.9%	+1.5%	+4.4%	
<b>Japan Fund</b> (PM: SG)	- Absolute Return	-4.4%	5.5%	11.9%	13.3%	0.6
	- Relative Return	-9.5%	-0.3%	+3.6%	+10.4%	
<b>European Fund</b> (PM: ND)	- Absolute Return	-11.2%	4.7%	9.7%	10.5%	0.6
	- Relative Return	-5.8%	+1.0%	+2.1%	+7.7%	
<b>Brands Fund</b> (PM: JH)	- Absolute Return	1.1%	7.3%	10.0%	11.7%	0.5
	- Relative Return	-3.0%	-1.5%	-1.5%	+8.3%	
<b>Health Care Fund</b> (PM: BO)	- Absolute Return	31.0%	13.6%	17.1%	10.9%	0.3
	- Relative Return	+14.2%	+4.5%	+1.3%	+1.3%	
<b>Unhedged Fund (long only)</b> (PM: CS)	- Absolute Return	-5.9%	5.6%	9.0%	9.8%	0.2
	- Relative Return	-10.0%	-3.2%	-2.4%	2.6%	
<b>Technology Fund</b> (PMs: AB, CR)	- Absolute Return	21.7%	11.1%	11.4%	9.8%	0.1
	- Relative Return	-12.7%	-11.7%	-8.7%	+6.8%	
					<b>Subtotal (A\$b)</b>	<b>15.1</b>
					<b>% of Total FuM</b>	<b>71%</b>

Portfolio Managers:

AC = Andrew Clifford, CS=Clay Smolinski, JL= Joe Lai, JH=Jamie Halse, SG=Scott Gilchrist, ND= Nik Dvornak, BO = Bianca Ogden, AB = Alessandro Barbi, CR = Cameron Robertson

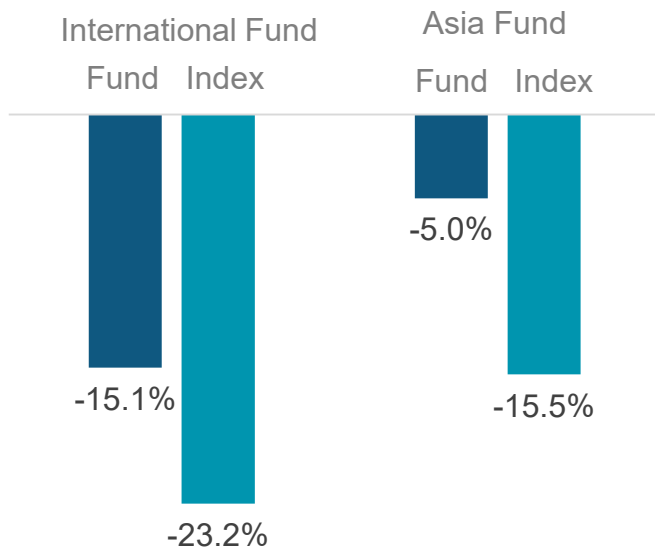
Source: Platinum Investment Management Limited. Fund returns are annualised, calculated using the relevant fund's NAV unit price for C Class and represent the combined income and capital returns over the specified period. Fund returns are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance. Relative returns represent the returns of the relevant fund relative to the fund's nominated index as stated in the Platinum Trust Product Disclosure Statement No. 12 dated 15 November 2019.



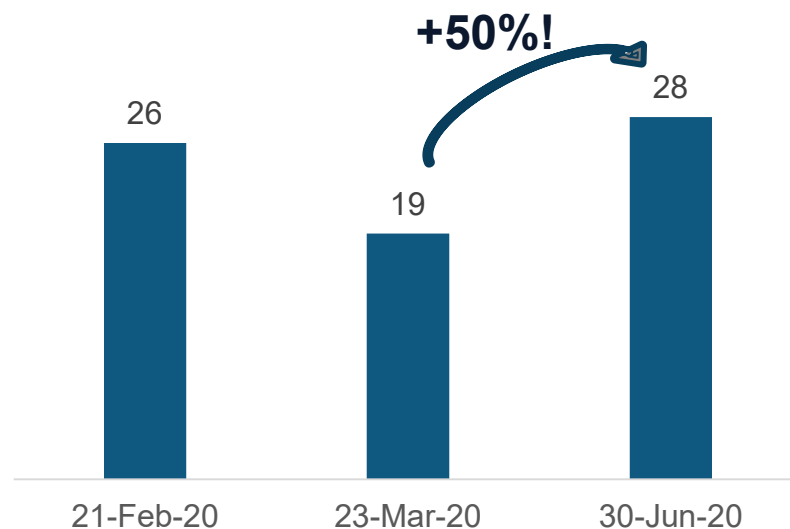
# Investment Performance during the half year to 30 Jun-20

- ◆ Our clients downside exposure was protected during the March sell-off.
- ◆ Broad market indices rallied hard in last quarter, led by big tech and healthcare.

## Peak to Trough investment performance (21-Feb-20 to 23-Mar-20)



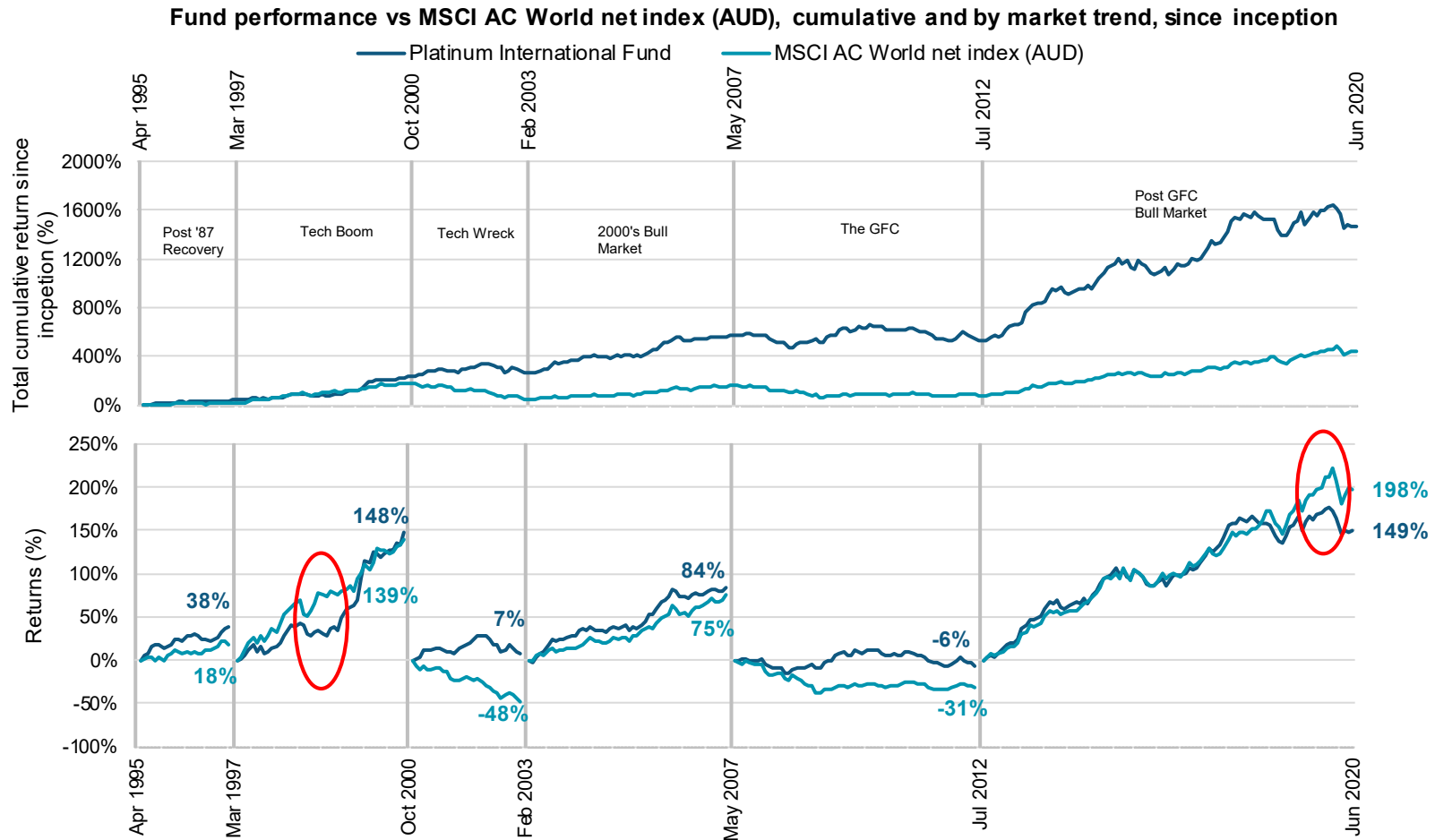
## NASDAQ p/e multiple





# Platinum International Fund...we've been here before

Investment performance: bull & bear market view since inception to 30 June 2020



Source: Platinum Investment Management Limited and FactSet Research Systems. Since inception is 30/04/95. Fund returns are calculated using the fund's NAV unit price for C Class and represent the combined income and capital returns over the specified period. Fund returns are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. Index returns are the returns of the MSCI AC World Net Index \$A, except the gross index was used prior to 21/12/1998. **Historical performance is not a reliable indicator of future performance.**

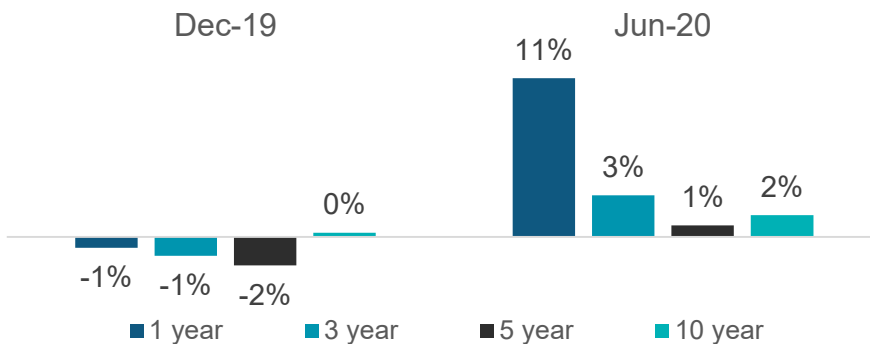


# Recent Asia and Health Care fund performance offers strong encouragement

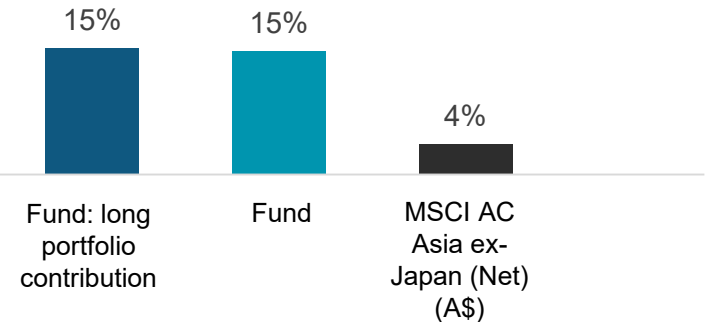
- ◆ Performance turn-arounds can be swift and significant.
- ◆ We do not hesitate to buy fast growing companies, when the price is right.

## Platinum Asia Fund

Performance p.a. relative to index as at 31/12/19 and 30/06/20

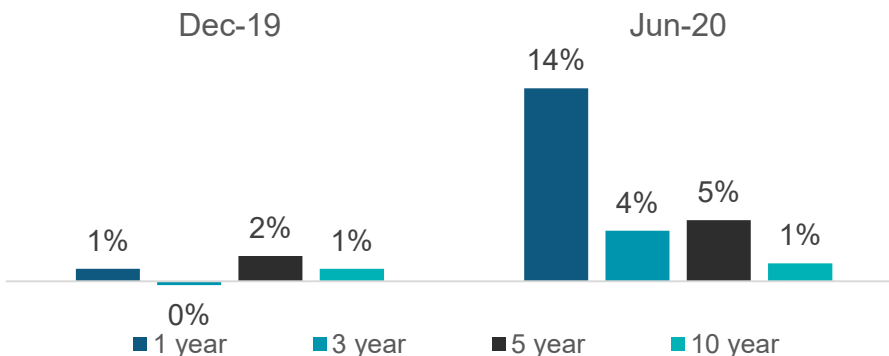


1 year performance as at 30 Jun-20

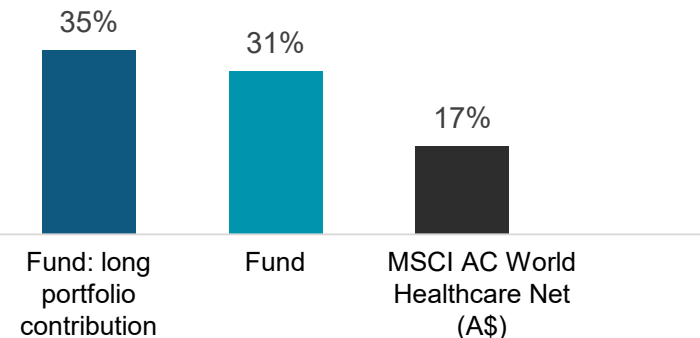


## Platinum International Health Care Fund

Performance p.a. relative to index as at 31/12/19 and 30/06/20



1 year performance as at 30 Jun-20



Source: Platinum Investment Management Limited and FactSet Research Systems. Returns are annualised. Fund returns (excluding the long portfolio returns) are calculated using the fund's NAV unit price for C Class, represent the combined income and capital returns over the specified period, and are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. Each Fund's long portfolio returns have been calculated based on the market value of the Fund's long portfolio over the specified period. Index returns are the returns of the MSCI AC World Net Index \$A, except the gross index was used prior to 21/12/1998. **Historical performance is not a reliable indicator of future performance.**



# Platinum's investment approach: Seeking out the unfashionable

Caution is required

We are balancing two risks: a late-90's style "blow off top" and a bear market

Market leadership is narrow – there are lots of attractive assets "left behind"

There is a significant probability of inflation and/or weaker USD



# There are still many opportunities to be found

Booming Chinese consumption

Resurgent semiconductor sector

Biotechnology winners

Strong travel related companies



A commitment to sustainable business practices and responsible investment management

# Sustainability at Platinum

**Being environmentally responsible**

**Being a responsible money manager**

**Contributing to the community**

**Building ESG considerations into investing**

**Engaging with employees**

**Putting clients' interests first**



**Advocating for change and engaging with policymakers**



# Sustainability in practice

## Being a responsible money manager and taking ESG into account

- ◆ Staying true to our central endeavour – to preserve and grow our clients' capital over the long term.
- ◆ ESG incorporated into our investment process. Applying exclusionary screens (eg: tobacco and weapons).
- ◆ Actively engaging with portfolio companies on ESG matters and active use of proxy voting (eg: Lixil).

## Putting clients' interests first – valuing independence and transparency

- ◆ Never part of any vertically integrated financial services group.
- ◆ Transparent fee disclosure. No entry or exit fees.
- ◆ Have never paid trail commissions to platforms or advisors.

## Advocating for change and engaging with policymakers

- ◆ Outspoken advocate for better ethical standards in the financial services industry.
- ◆ Submissions to government on structural separation of advice and product manufacturing, the banning of grandfathered commissions and practical steps towards better disclosure.
- ◆ Submissions on regulatory framework for active ETFs and new design and distribution obligations.

## Engaging with our employees

- ◆ Commitment to workplace diversity and inclusion.

## Contributing to the community

- ◆ Graduate/work experience programs, sponsor of industry education and prior scholarship program, fund raising.

## Being environmentally responsible

- ◆ Carbon neutral since 2007.
- ◆ Committed to running our business in an environmentally responsible and sustainable manner.



# Business Development Update

## ◆ Australia and NZ

- ◆ Modified and expanded engagement offering re COVID-19.
- ◆ Commitment to adviser events (industry events such as Portfolio Construction Forum, Financial Planning Association).
- ◆ Development and distribution of content for clients (various channels such as Livewire, Morningstar, ASA).
- ◆ Advertising campaigns across print, digital, signage and social media.
- ◆ Active product enhancement pipeline.

## ◆ Offshore

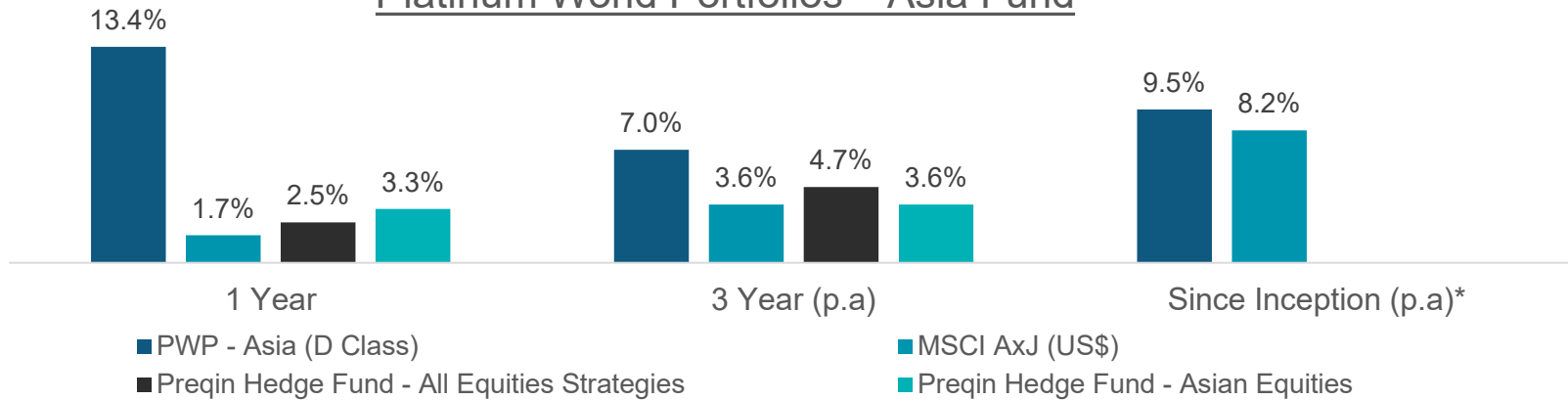
- ◆ Seeded two Cayman funds for US market.
- ◆ Continuing to add access to new offshore jurisdictions for UCITS funds.
- ◆ Continued client engagement in a virtual world.



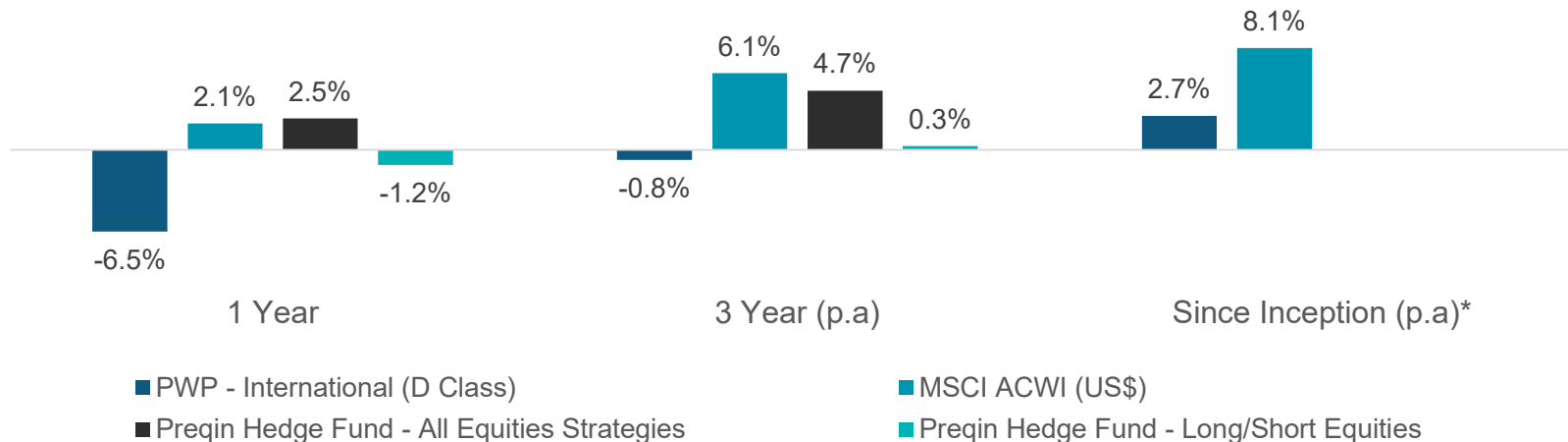
# Business Development – Offshore UCITS Funds

- ◆ Asia Fund offering attractive returns versus both long and long/short indices
- ◆ International Fund similar to long/short competitors over the last 3 years

## Platinum World Portfolios – Asia Fund



## Platinum World Portfolios – International Fund



\* Inception date Nov-15 .Source: Platinum Investment Management Limited and FactSet Research Systems. **Historical performance is not a reliable indicator of future performance.** Fund returns are in USD, annualised and are net of fees and expenses, pre-tax, and assume the accumulation of the net income and capital gains. Index returns are the returns of the applicable MSCI Net Index in \$A.





# Response to COVID-19

- ◆ Business as usual:
  - ◆ Majority of team continue to work from home. No significant outages or incidents.
  - ◆ No inter-state or international travel from March-20. Significant step-up in virtual meetings.
- ◆ Primary focus on health and wellbeing of staff:
  - ◆ Fully committed to a “COVID-safe” work environment. Free face masks/sanitiser, regular office cleaning, reimbursement of taxi/parking to avoid public transport.
  - ◆ Regular team and firm wide virtual meetings / “town halls”.
- ◆ Substantial and sustained client interactions via virtual events, and increased content and distribution.
- ◆ Close attention being paid to controllable costs:
  - ◆ No COVID-19 related job losses.
  - ◆ Government benefit schemes (eg: Job-Keeper) not required or utilised.

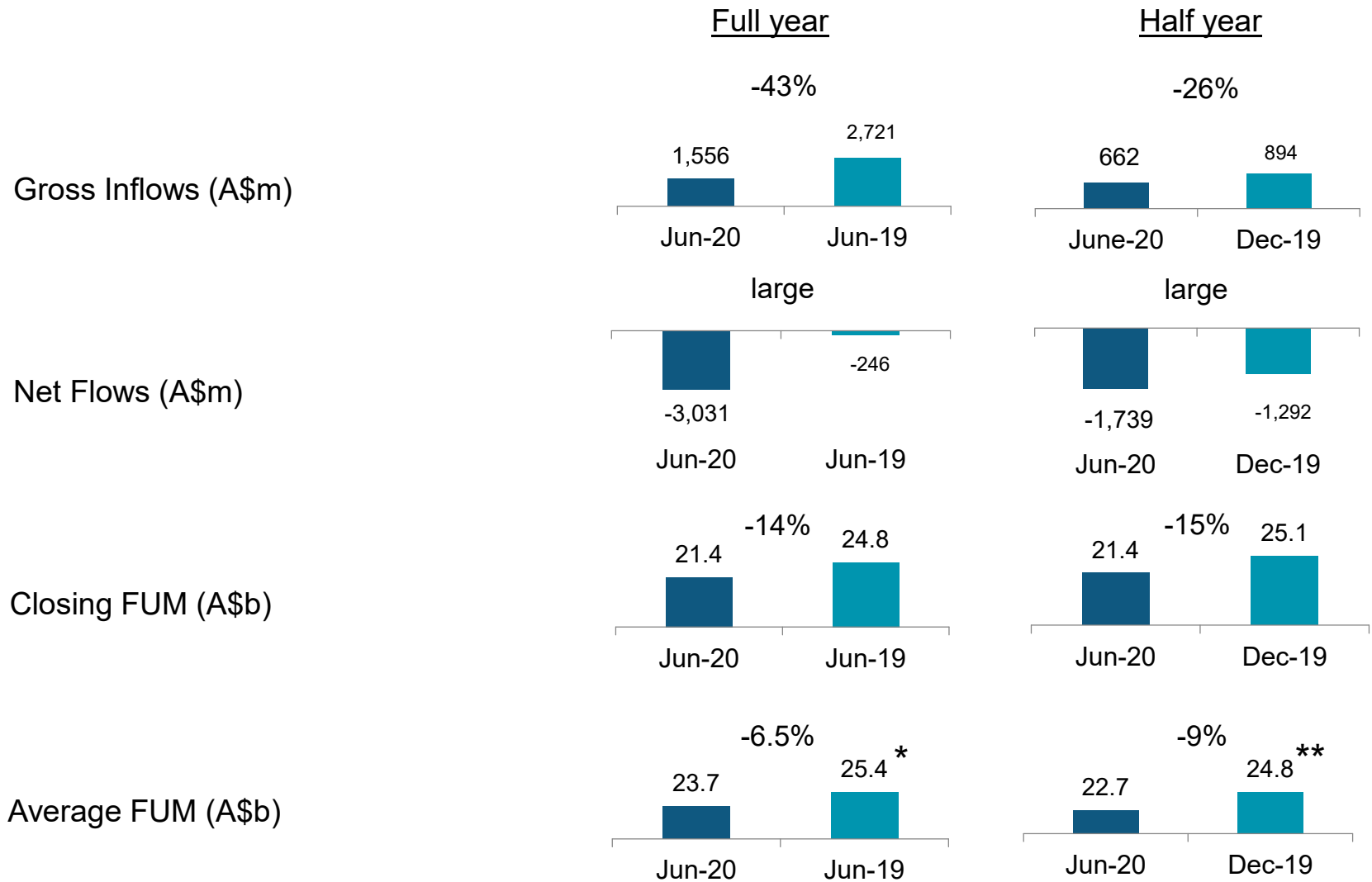


# Looking ahead

- ◆ **Recent investment underperformance of Platinum International Fund largely reflects the cost of downside protection.**
- ◆ **Strong relative and absolute performance of Asia ex-Japan and Health Care portfolios is encouraging.**
- ◆ **The business remains resilient and well placed for future growth...**
  - Strong position in Australian retail market. Highly differentiated products.
  - Desire for higher international equity exposure continues to increase in Australia.
  - Offshore initiatives provide a platform for growth over the medium term.
  - Profitable and scalable business with strong dividend capacity and an unlevered balance sheet.
  - Continuing to seek opportunities to expand client access via product innovation and new markets.
- ◆ **...underpinned by a clear client proposition.**
  - Consistent, benchmark agnostic, investment process and high research quality continues to generate a large idea base.
  - An unwavering focus on delivering strong, long term, client outcomes.



# Flows & Funds Under Management



Source: Platinum.

\* Monthly average for the 12 month period. FUM excludes impact of annual distributions.

\*\* Monthly average for the 6 month period.

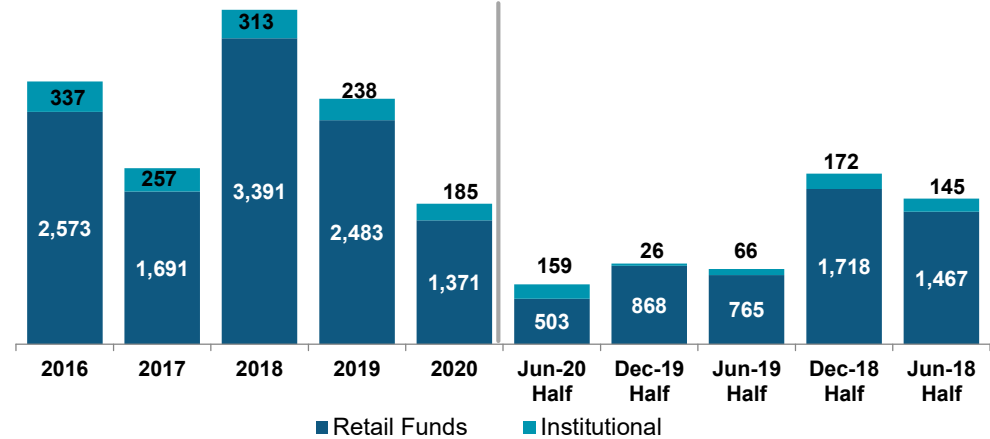


# Flows

## Gross InFlows

- ◆ Inflows for the 12 months to 30 Jun-20 were \$1.6b, well down on the prior comparative period.
- ◆ Inflows slowed in the second half as advisors reacted to the market sell off.

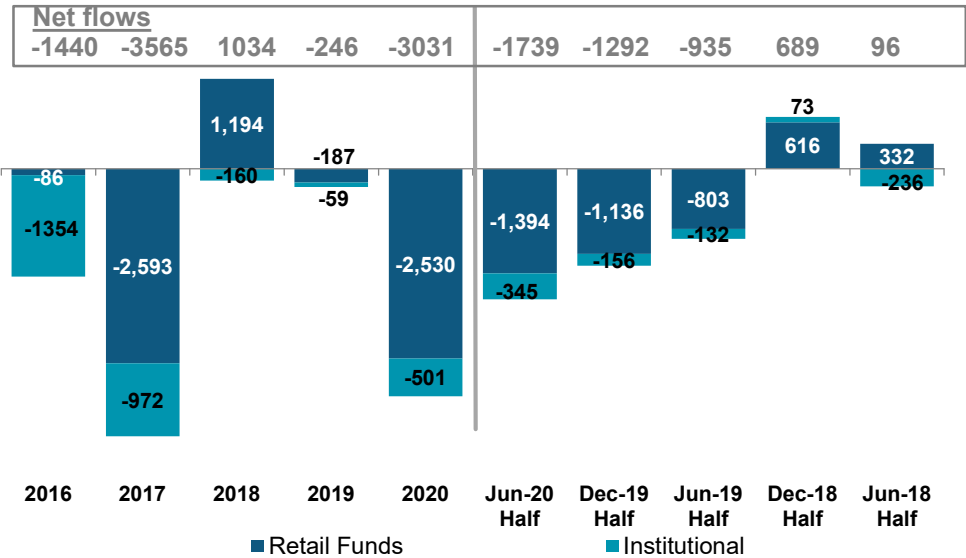
Annual gross flows (A\$m)



Semi-annual gross flows (A\$m)

## Net Flows

- ◆ 44% of net outflows of \$1.7b in the second half occurred during the Feb-Mar sell-off. Average run-rate Apr-Jun reverted to ≈\$200m per month.
- ◆ Full year fund net outflows were concentrated in the flagship products with PIF & PAF combined -\$1.8b.
- ◆ Institutional fund outflows of -\$345m in the second half was spread across accounts, no mandates were lost in the period.

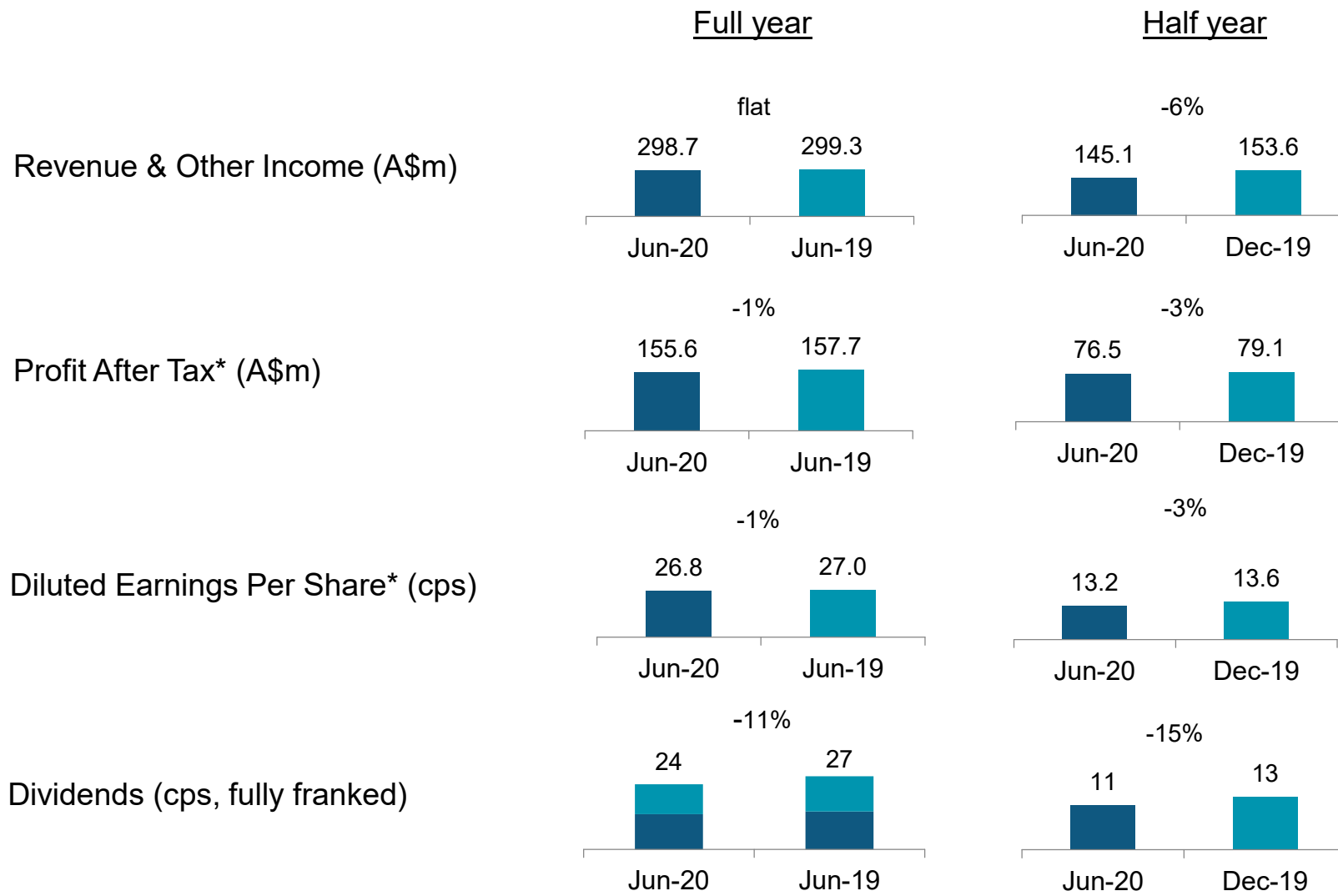


Annual net flows (A\$m)

Semi-annual net flows (A\$m)



# Operating Results



Source: Platinum.

\* Profit after tax and EPS attributable to owners.



# Revenue Analysis

As at 30 June 2020

	JUN-20 (\$M)	JUN-19 (\$M)	VAR. (\$M)	JUN-20 H (\$M)	DEC-19 H(\$M)	VAR. (\$M)	COMMENT
Average FuM (\$B)*	23.7	25.4	-1.7	22.7	24.8	-2.1	
Average Fee**(bps)	116	116	-	116	115	1	Stable fee bps
Management fees	275.9	295.2	-19.3	131	144.9	-13.9	Reflects decrease in average FuM
Performance fees	9.1	0.0	9.1	9.1	0.0	9.1	Primarily from Asia Ex-Japan portfolios
<b>Sub-Total: Fee Revenue</b>	<b>285.0</b>	<b>295.2</b>	<b>-10.2</b>	<b>140.1</b>	<b>144.9</b>	<b>-4.8</b>	
Interest income	1.7	3.5	-1.8	0.6	1.1	-0.5	Lower interest rates
Gain on PAI holding	3.1	0.0	3.1	1.6	1.5	0.1	\$3.1m comprises \$1.9m equity accounted gain and \$1.2m dividend received.
Gain/(loss) on UCITS holding	2.6	0.7	1.9	(1.9)	4.5	6.4	Equity accounted gain
Gain/(loss) on PAXX, Cayman funds and Platinum trusts holdings	4.8	(1.6)	6.4	3.2	1.6	1.6	\$4.8 comprises \$1.4m gains from Cayman funds, equity account gains for PAXX \$2.8m, distribution income received from PAXX and PT trusts \$0.6m
FX gains	1.5	1.5	0.0	1.5	0.0	1.5	
<b>Sub-Total: Other Income</b>	<b>13.7</b>	<b>4.1</b>	<b>9.6</b>	<b>5.0</b>	<b>8.7</b>	<b>-3.7</b>	
<b>Total Revenue</b>	<b>298.7</b>	<b>299.3</b>	<b>-0.6</b>	<b>145.1</b>	<b>153.6</b>	<b>-8.5</b>	

Source: Platinum.

\* Average FUM excludes impact of annual distributions.

\*\*Annualised average management fee, excluding performance fees.



# Expense Analysis

As at 30 June 2020

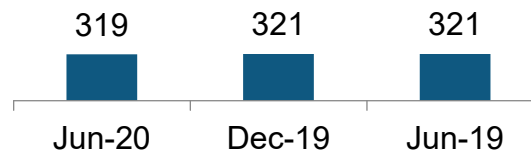
	JUN-20 (\$M)	JUN-19 (\$M)	\$ VAR. (\$M)	% VAR.	COMMENT
Staff costs	37.2	38.7	-1.5	-4%	
Other expenses	30.9	32.1	-1.2	-4%	
<b>Sub-Total</b>	<b>68.1</b>	<b>70.8</b>	<b>-2.7</b>	<b>-4%</b>	
<u>Depreciation, amortisation and non recurring item</u>					
Depreciation of fixed assets	1.9	0.7	+1.2		New fit-out plus residual fit-out write-off
Amortisation of Deferred Awards	6.8	4.9	+1.9		Final year where amortization compounds.
New Leasing Standard (AASB 16)	0.6	-	+0.6		New hypothetical finance charge plus change in depreciation methodology
Legal costs re Trademark case	0.5	-	+0.5		Trademark case was successful
<b>Total Expenses</b>	<b>77.9</b>	<b>76.4</b>	<b>1.5</b>	<b>+2%</b>	



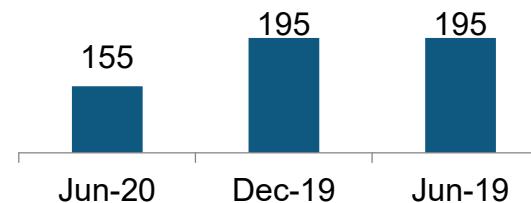
# Strong Balance Sheet

As at 30 June 2020

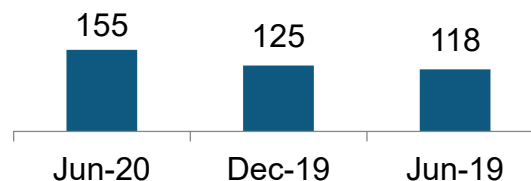
Net Assets\* (A\$m)



Cash & Term Deposits (A\$m)



Seed Investments\*\* (A\$m)



Dividends (cps)





# Questions



# Appendices



# Appendix 1:

## Detailed Operating Results

(\$M)	Jun-20	Jun-19	% CHANGE	Jun-20H	Dec-19H	% CHANGE
Management fees	275.9	295.2	-6.5%	131.0	144.9	-9.6%
Performance fees	9.1	0.0	<i>Large</i>	9.1	0.0	<i>large</i>
Interest income	1.7	3.5	-51.4%	0.6	1.1	-45.5%
Net gains/(losses) on seed investments, FX and other income	12.0	0.6	<i>Large</i>	4.4	7.6	-42.1%
<b>Total revenue</b>	<b>298.7</b>	<b>299.3</b>	<b>-0.2%</b>	<b>145.1</b>	<b>153.6</b>	<b>-5.5%</b>
Staff costs incl. share-based payments	44.0	43.6	+0.9%	21.5	22.5	-4.4%
Custody and unit registry costs	11.3	12.8	-11.7%	5.1	6.2	17.7%
Business development costs	6.6	7.1	-7.0%	3.3	3.3	0.0%
Research and technology	5.3	5.0	+6.0%	2.6	2.7	3.7%
Other costs	10.7	7.9	+35.4%	4.8	5.9	-18.6%
<b>Total costs</b>	<b>77.9</b>	<b>76.4</b>	<b>+2.0%</b>	<b>37.3</b>	<b>40.6</b>	<b>-8.1%</b>
<b>Pre-tax profit</b>	<b>220.8</b>	<b>222.9</b>	<b>-1.0%</b>	<b>107.8</b>	<b>113.0</b>	<b>-4.6%</b>
<b>Income tax expense</b>	<b>65.2</b>	<b>64.6</b>	<b>+0.9%</b>	<b>31.3</b>	<b>33.9</b>	<b>-7.7%</b>
<b>Net profit after tax</b>	<b>155.6</b>	<b>158.3</b>	<b>-1.7%</b>	<b>76.5</b>	<b>79.1</b>	<b>-3.3%</b>
<b>Net profit after tax attributable to owners</b>	<b>155.6</b>	<b>157.7</b>	<b>-1.3%</b>	<b>76.5</b>	<b>79.1</b>	<b>-4.6%</b>
<b>Diluted EPS (c)</b>	<b>26.8</b>	<b>27.0</b>	<b>-0.7%</b>	<b>13.2</b>	<b>13.6</b>	<b>-2.9%</b>
<b>Average FUM (\$b)</b>	<b>23.7</b>	<b>25.4</b>	<b>-6.7%</b>	<b>22.7</b>	<b>24.8</b>	<b>-8.5%</b>
Total no. of shares – issued (m)	586.7	586.7	-	586.7	586.7	-



# Appendix 2

Funds under Management: Year to 30 June 2020, A\$m

FUNDS	OPENING BALANCE (1 JUL 2019)	NET FLOWS	DISTRIBUTIONS & OTHER <sup>3</sup>	INVESTMENT PERFORMANCE	CLOSING BALANCE (30 JUN 2020)	% OF TOTAL
<b>Retail Funds</b>						
Platinum Trust Funds and Platinum Global Fund <sup>1</sup>	15,939	(2,318)	(520)	140	13,241	62%
Platinum Quoted Managed Funds – PIXX and PAXX	486	(24)	(11)	2	453	2%
Platinum Listed Investment Company's – PMC and PAI	848	-	(62)	51	837	4%
MLC Platinum Global Fund	835	(188)	-	9	656	3%
<b>Institutional Clients</b>						
Platinum World Portfolios plc – UCITS	421	1	-	26	448	2%
Fixed Fee Mandates	2,466	(290)	-	(32)	2,144	10%
Cayman Funds	-	30	-	-	30	0%
'Relative' Performance Fee <sup>2</sup>	3,329	(157)	(1)	53	3,224	15%
'Absolute' Performance Fee	445	(85)	-	(8)	352	2%
<b>TOTAL</b>	<b>24,769</b>	<b>(3,031)</b>	<b>(594)</b>	<b>241</b>	<b>21,385</b>	<b>100%</b>

1 FuM closing balance excludes QMFs but includes retail performance fee class totalling \$43m. FuM excludes \$1.4b attributable to institutional investors in the Platinum Trust Funds that have elected a performance fee option.

2 FuM closing balance includes Platinum Trust Fund institutional performance fee clients of \$1.4b and mandates of \$1.8b attributable to institutional investors.

3 "Other" includes dividends and tax payments made by the listed investment companies.



# Appendix 3

## Segment Analysis: As at 30 June 2020

<b>FUNDS MANAGEMENT</b>	<b>JUN-20 (\$M)</b>	<b>JUN-19 (\$M)</b>	<b>% VAR</b>
Fee Revenue	285.0	295.2	(3.5%)
Other Revenue	0.5	0.3	Large
<b>Total Revenue</b>	<b>285.5</b>	<b>295.5</b>	<b>(3.4%)</b>
Expenses	(77.5)	(76.0)	2.0%
<b>Profit Before Tax</b>	<b>208.0</b>	<b>219.5</b>	<b>(5.2%)</b>
Income Tax Expense	(61.7)	(64.3)	(4.0)%
Other comprehensive income	-	-	
<b>Profit After Tax attributable to owners</b>	<b>146.3</b>	<b>155.2</b>	<b>(5.7%)</b>
<b>Average FuM</b>	<b>23,749</b>	<b>25,394</b>	<b>(6.5)%</b>

<b>INVESTMENTS AND OTHER</b>	<b>JUN-20 (\$M)</b>	<b>JUN-19 (\$M)</b>	<b>% VAR</b>
Fee Revenue	-	-	-
Other Revenue	13.2	3.8	(large)
<b>Total Revenue</b>	<b>13.2</b>	<b>3.8</b>	<b>(large)</b>
Expenses	(0.4)	(0.4)	0%
<b>Profit Before Tax</b>	<b>12.8</b>	<b>3.4</b>	<b>(large)</b>
Income Tax Expense	(3.5)	(0.3)	(large)
Other comprehensive income	(1.0)	-	(large)
<b>Profit After Tax attributable to owners</b>	<b>8.3</b>	<b>3.1</b>	<b>(large)</b>
<b>Segment Net Assets</b>	<b>304.2</b>	<b>303.1</b>	<b>(0.4%)</b>

- ◆ Funds management revenue was down 3.4% year-on-year. Expenses increased 2% due to decreases in costs such as staff and custody fees being offset by increases in areas such as occupancy related costs and share-based payments expense.
- ◆ Investments recorded a gain for the year, primarily reflecting the mark to market gains made by seed investments.



# Appendix 4

## Expense Analysis: as at 30 June 2020

	JUN-20 (\$M)	JUN-19 (\$M)	\$ VAR. (\$M)	JUN-20 H (\$M)	DEC-19 (\$M)	\$ VAR. (\$M)	COMMENT
Staff costs	24.3	25.7	-1.4	11.3	13.0	-1.7	Decrease is primarily due to lower variable compensation, salary and on-costs.
Variable remuneration <sup>(1)</sup> , incl. share-based payments expense <sup>(2)</sup>	19.7	17.9	1.8	10.2	9.5	0.7	See below.
Custody and unit registry costs	11.3	12.8	-1.5	5.1	6.2	-1.1	Decrease in custody and unit registry fees from March 2020.
Business development costs	6.6	7.1	-0.5	3.3	3.3	0.0	Activities such as travel decreased in 2020.
Research and technology	5.3	5.0	0.3	2.6	2.7	-0.1	Primarily increase in subscription costs.
Occupancy costs*	4.5	2.7	1.8	2.0	2.5	0.5	Change due to adopting AASB 16 and increased expenses due to office fit-out.
Other costs	6.2	5.2	1.0	2.8	3.4	-0.6	
<b>Total Expenses</b>	<b>77.9</b>	<b>76.4</b>	<b>1.5</b>	<b>37.3</b>	<b>40.6</b>	<b>-3.3</b>	As above.

(1) Cash Variable Remuneration	JUN-20	JUN-19	JUN-18	JUN-17
% Expense: Investment Team	56%	53%	76%	64%
% Expense: General Plan	39%	42%	19%	31%
% on-costs (payroll tax)	5%	5%	5%	5%
Weighted Average 1 and 3 year investment performance**	-3.4%	-5.9%	+3.7%	-1.4%

### (2) Accounting for the deferred bonus plan

- ◆ 4 year vesting period plus award year = 5 year amortisation period. Expense is adjusted for an estimate of likely future experience
- ◆ Award is backed by on-market share purchases held in an Employee Share Trust.

\* Includes depreciation of fixed assets, rent, depreciation of right-of-use assets and finance costs on lease liabilities. \*\* The June 20 figures represent investment performance for the 1 and 3 years ended 31 March of those years, which provided the basis for June analyst and profit share plan variable remuneration awards. The Jun-20 and Jun-19 figures represents performance for the 12 months and 36 months ended March, which formed the basis for the full year analyst and profit share plan variable remuneration. Source: Platinum.



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