

Platinum International Fund[®] ARSN 089 528 307

Platinum Unhedged Fund[™] ARSN 123 939 471

Platinum Asia Fund[®] ARSN 104 043 110

Platinum European Fund[®] ARSN 089 528 594

Platinum Japan Fund[®] ARSN 089 528 825

Platinum International Brands Fund[®] ARSN 092 429 813

Platinum International Health Care Fund[®] ARSN 107 023 530

Platinum International Technology Fund[®] ARSN 092 429 555

Annual Report - 30 June 2019

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30 June 2019

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Responsible Entity Report 30 June 2019

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management®) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as “*the registered schemes*” or “*Funds*”) present their report, together with the financial statements, on the registered schemes for the year ended 30 June 2019.

Principal Activities

The principal activity of the registered schemes during the year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

The registered schemes did not have any employees during the year.

Directors of the Responsible Entity

The Directors of Platinum Investment Management Limited (‘PIML’) during the year and up to the date of this report, unless otherwise stated were:

Andrew Clifford
Kerr Neilson (until 23 July 2018)
Elizabeth Norman
Andrew Stannard

As part of Platinum’s long-term succession planning, Kerr Neilson resigned as Managing Director of PIML effective 1 July 2018, and resigned as a Director of PIML on 23 July 2018. Andrew Clifford was appointed as the new Managing Director of PIML effective 1 July 2018.

Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the registered schemes during the year.

Operating and Financial Review (OFR)

The registered schemes have predominantly maintained their individual investment strategies in listed equities, equity and index derivatives and currency contracts.

The year ended 30 June 2019 has been challenging for the registered schemes. The view of management is that given the ongoing uncertainty in relation to the trade war, global markets remain extremely risk averse, thus favouring high growth companies, which are perceived to be immune from external events, such as the US/China trade war. In contrast, value stocks and any company with a degree of cyclicity are being avoided by investors, yet Platinum has always believed that an attractive valuation should be the starting point for any investment. It is this growing valuation divergence between growth and perceived safety on one hand and attractive valuations on the other hand, which is the hallmark of global markets today. We simply cannot ignore these attractive valuations, notwithstanding the possibility that many of these companies are proving to be sensitive in the short-term to recent economic events.

In terms of outlook for our global flagship fund, Platinum International Fund, the Investment Manager has recently noted that:

“We believe that our portfolio is both more profitable and faster growing than our global universe of stocks. Further, our qualitative assessment is that the valuations of our individual holdings are not just attractive relative to the averages, but attractive on an absolute basis. It is these factors, which we judge our assessment of likely future returns, and result in us being optimistic about the Fund’s returns over the medium to long term. However, significant risks remain in the macroeconomic and market environment in the short-term. In particular, US trade policy and the impact on global growth. Valuations in the crowded sectors of equity markets, the safe havens and the high growth stocks are also cause for caution on broader markets.”

**Responsible Entity Report
30 June 2019**

Operating and Financial Review (OFR) (continued)

The performances of the registered schemes, as represented by the results of their operations for the year ended 30 June 2019, were as follows:

	International Fund \$'000	Unhedged Fund \$'000	Asia Fund \$'000	European Fund \$'000	Japan Fund \$'000	International Brands Fund \$'000	International Health Care Fund \$'000	International Technology Fund \$'000
Net operating (loss)/profit 2019	74,281	(4,767)	24,056	10,976	21,671	(19,442)	9,918	4,909
2018	1,400,008	46,421	686,784	109,167	71,946	144,666	33,063	11,634

The distributions of the registered schemes at 30 June were:

Distribution Paid and Payable									
2019	C Class	782,729	15,278	226,740	57,914	78,364	65,341	26,321	4,150
2019	P Class	29,533	125	10,038	321	603	237	441	68
		<u>812,262</u>	<u>15,403</u>	<u>236,778</u>	<u>58,235</u>	<u>78,967</u>	<u>65,578</u>	<u>26,762</u>	<u>4,218</u>
2018	C Class	1,196,744	27,078	900,311	71,892	42,147	189,207	15,110	2,256
2018	P Class	29,057	139	22,437	424	216	154	127	36
		<u>1,225,801</u>	<u>27,217</u>	<u>922,748</u>	<u>72,316</u>	<u>42,363</u>	<u>189,361</u>	<u>15,237</u>	<u>2,292</u>
Distribution (cents per unit)									
2019	C Class	15.73	8.46	13.14	23.20	45.88	20.62	22.16	6.59
2019	P Class	8.14	5.97	5.37	6.99	11.52	9.47	12.18	4.94
2018	C Class	24.40	14.83	60.06	27.49	23.93	60.00	16.17	3.37
2018	P Class	13.17	9.62	22.47	8.37	6.40	25.46	7.92	3.20

The redemption prices of the registered schemes at 30 June were:

Redemption Price – (cum-distribution)									
2019 (\$)	C Class	2.0784	1.6759	2.5997	3.7028	4.5754	2.2419	2.2181	1.7508
2019 (\$)	P Class	0.9989	1.0641	0.9292	1.0715	1.0762	0.9002	1.1375	1.1493
2018 (\$)	C Class	2.3054	1.8420	3.1881	3.9205	4.6768	2.8888	2.2803	1.7058
2018 (\$)	P Class	1.1199	1.1689	1.1472	1.1360	1.1071	1.1714	1.1631	1.1269

**Responsible Entity Report
30 June 2019**

Change in portfolio management responsibilities from 1 July 2018

From 1 July 2018, as part of Platinum's long-term succession planning, the portfolio management responsibilities for Platinum International Fund changed. Prior to 1 July 2018, Platinum International Fund was co-managed with the following allocations: Kerr Neilson 50%; Andrew Clifford 40% and Clay Smolinski 10%. From 1 July 2018, these allocations changed to Andrew Clifford 70% and Clay Smolinski 30%. Kerr Neilson continues as a full-time executive director of the Platinum Group and member of the Platinum investment team.

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future years; or
- (ii) the results of those operations in future years; or
- (iii) the states of affairs of the registered schemes in future years.

Likely Developments and Expected Results of Operations

The registered schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the PDS of the registered schemes and in accordance with the provisions of the registered schemes' Constitutions.

The results of the registered schemes' operations will be affected by a number of factors, including the performance of investment markets in which the registered schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Investment Manager, Platinum Investment Management Limited, or the Auditor of the registered schemes. As long as the officers of the responsible entity act in accordance with the schemes' Constitutions and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

Fees paid to and interests held in the registered scheme

Fees paid to the responsible entity out of registered schemes' property during the year are disclosed in Note 12 to the financial statements. No fees were paid out of the registered schemes' property directly to the Directors of the responsible entity during the year.

Responsible Entity Report
30 June 2019

Units on issue

The movements in units on issue in the registered schemes during the year have been disclosed in Note 5 to the financial statements.

Environmental regulation

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The registered schemes are a kind referred to in *ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Including different registered schemes financial reports in a single document

The registered schemes have applied *Australian Securities and Investments Commission's Corporations Instrument 2015/839*, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 7.

This report is made in accordance with a resolution of the Directors.



Andrew Stannard
Director

Sydney
12 September 2019



Auditor's Independence Declaration

As lead auditor for the audit of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Simon Cuthbert', is written over a faint horizontal line.

Simon Cuthbert
Partner
PricewaterhouseCoopers

Sydney
12 September 2019

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Liability limited by a scheme approved under Professional Standards Legislation.

**Statements of Comprehensive Income
For the year ended 30 June 2019**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		Year ended		Year ended		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Investment income									
Dividends		208,286	211,177	6,242	4,974	64,351	77,254	20,348	16,835
Interest		15,884	4,448	116	146	8,977	1,814	981	1,642
Net (losses)/gains on financial assets at fair value through profit or loss		(28,974)	1,325,515	(8,026)	44,878	75,695	681,419	3,412	100,672
Net foreign exchange gains/(losses) on forward currency contracts		(14,554)	4,891	(44)	14	(45,106)	(12,619)	(2,122)	5,042
Net foreign exchange gains on bank accounts		77,787	43,716	2,229	1,267	3,590	25,480	5,449	53
Total net investment income		258,429	1,589,747	517	51,279	107,507	773,348	28,068	124,244
Expenses									
Management fee	12	143,130	150,564	4,123	3,988	60,158	64,857	12,893	11,252
Performance fee	12	-	370	-	7	-	246	2	19
Withholding tax on foreign dividends		23,853	19,854	690	369	5,700	6,734	1,881	1,761
Transaction costs		16,792	18,827	471	494	16,996	14,645	2,304	2,044
Other		373	124	-	-	597	82	12	1
Total expenses		184,148	189,739	5,284	4,858	83,451	86,564	17,092	15,077
Net operating profit		74,281	1,400,008	(4,767)	46,421	24,056	686,784	10,976	109,167
Financing Costs									
Net operating profit attributable to unitholders		74,281	1,400,008	(4,767)	46,421	24,056	686,784	10,976	109,167
Decrease/(increase) in net assets attributable to unitholders	5	737,981	(174,207)	20,170	(19,204)	212,722	235,964	47,259	(36,851)
Distribution paid and payable	6	(812,262)	(1,225,801)	(15,403)	(27,217)	(236,778)	(922,748)	(58,235)	(72,316)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statements of Comprehensive Income
For the year ended 30 June 2019**

	Note	Japan Fund Year ended		International Brands Fund Year ended		International Health Care Fund Year ended		International Technology Fund Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Investment income									
Dividends		16,771	15,341	12,169	18,128	1,675	1,698	1,593	1,286
Interest		302	213	1,266	576	267	7	286	136
Other income		-	-	4	-	-	-	-	-
Net (losses)/gains on financial assets at fair value through profit or loss		9,250	72,427	(20,206)	139,124	8,842	33,333	3,645	11,638
Net foreign exchange gains/(losses) on forward currency contracts		3,799	(5,538)	(5,370)	(2,151)	1,537	160	(26)	(29)
Net foreign exchange gains on bank accounts		5,061	2,576	4,904	4,238	1,397	856	1,205	235
Total net investment income		35,183	85,019	(7,233)	159,915	13,718	36,054	6,703	13,266
Expenses									
Management fee	12	10,448	10,476	9,977	12,037	3,293	2,576	1,523	1,384
Performance fee	12	-	9	-	-	-	15	-	-
Withholding tax on foreign dividends		1,715	1,528	996	1,603	214	197	174	143
Transaction costs		1,338	1,059	1,236	1,604	286	202	97	105
Other		11	1	-	5	7	1	-	-
Total expenses		13,512	13,073	12,209	15,249	3,800	2,991	1,794	1,632
Net operating profit		21,671	71,946	(19,442)	144,666	9,918	33,063	4,909	11,634
Financing Costs									
Net operating profit attributable to unitholders		21,671	71,946	(19,442)	144,666	9,918	33,063	4,909	11,634
Decrease/(increase) in net assets attributable to unitholders	5	57,296	(29,583)	85,020	44,695	16,844	(17,826)	(691)	(9,342)
Distribution paid and payable	6	(78,967)	(42,363)	(65,578)	(189,361)	(26,762)	(15,237)	(4,218)	(2,292)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statements of Financial Position
As at 30 June 2019**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Assets									
Cash and cash equivalents	13(a)	1,885,214	1,496,833	50,001	52,200	927,538	777,344	102,637	137,636
Receivables	7	54,974	79,836	1,363	4,103	27,790	24,342	12,807	36,783
Financial assets at fair value through profit or loss	4	8,933,516	10,052,076	255,546	284,360	3,784,987	4,109,589	837,334	870,098
Total Assets		10,873,704	11,628,745	306,910	340,663	4,740,315	4,911,275	952,778	1,044,517
Liabilities									
Unitholders' distribution payable	6	812,262	1,225,801	15,403	27,217	236,778	922,748	58,235	72,316
Payables	8	78,237	20,895	860	1,397	44,367	5,675	17,280	4,163
Financial liabilities at fair value through profit or loss	4	66,356	23,006	-	463	23,782	-	4,011	6,858
Total Liabilities (excluding net assets attributable to unitholders)		956,855	1,269,702	16,263	29,077	304,927	928,423	79,526	83,337
Net Assets Attributable to Unitholders - Liability	5	9,916,849	10,359,043	290,647	311,586	4,435,388	3,982,852	873,252	961,180

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

**Statements of Financial Position
As at 30 June 2019**

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		As at		As at		As at		As at	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	13(a)	86,986	77,279	129,793	206,371	49,797	23,567	24,164	22,909
Receivables	7	1,435	1,085	13,426	3,947	574	1,389	153	207
Financial assets at fair value through profit or loss	4	708,481	751,641	576,517	712,946	225,429	191,061	87,952	92,767
Total Assets		796,902	830,005	719,736	923,264	275,800	216,017	112,269	115,883
Liabilities									
Unitholders' distribution payable	6	78,967	42,363	65,578	189,361	26,762	15,237	4,218	2,292
Payables	8	3,312	876	903	1,125	7,033	704	131	142
Financial liabilities at fair value through profit or loss	4	5,280	-	3,893	8,269	738	-	10	-
Total Liabilities (excluding net assets attributable to unitholders)		87,559	43,239	70,374	198,755	34,533	15,941	4,359	2,434
Net Assets Attributable to Unitholders - Liability	5	709,343	786,766	649,362	724,509	241,267	200,076	107,910	113,449

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

**Statements of Changes in Equity
For the year ended 30 June 2019**

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	Year ended		Year ended		Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

**Statements of Changes in Equity
For the year ended 30 June 2019**

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	Year ended		Year ended		Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows
For the year ended 30 June 2019

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		Year ended		Year ended		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities									
Purchase of financial assets		(4,226,498)	(5,339,621)	(66,702)	(114,628)	(7,365,295)	(3,914,486)	(339,365)	(529,148)
Proceeds from sale of financial assets		5,443,251	5,674,986	89,438	89,716	7,774,851	4,397,325	409,124	176,220
Interest received		16,081	4,190	120	134	8,452	1,758	1,084	1,532
Dividends received		188,867	199,953	5,926	4,743	65,756	72,406	17,359	12,650
Management fees paid		(144,910)	(150,565)	(4,174)	(3,930)	(60,824)	(65,048)	(13,048)	(10,815)
Performance fees paid		-	(370)	-	(7)	(1)	(245)	(4)	(17)
Other expenses paid		(20,353)	(19,087)	(779)	(969)	(17,670)	(14,697)	(2,281)	(2,104)
Net cash inflow/(outflow) from operating activities	13(c)	1,256,438	369,486	23,829	(24,941)	405,269	477,013	72,869	(351,682)
Cash flows from financing activities									
Proceeds from units issued	5	1,879,223	2,149,683	59,033	88,931	1,077,789	840,530	181,124	472,471
Payment for units redeemed	5	(1,583,436)	(1,391,518)	(59,802)	(19,162)	(412,531)	(595,591)	(221,793)	(62,776)
Distributions paid	6	(1,225,801)	(892,003)	(27,217)	(24,087)	(922,748)	(460,673)	(72,316)	(26,828)
Net cash inflow/(outflow) from financing activities		(930,014)	(133,838)	(27,986)	45,682	(257,490)	(215,734)	(112,985)	382,867
Net increase/(decrease) in cash and cash equivalents		326,424	235,648	(4,157)	20,741	147,779	261,279	(40,116)	31,185
Cash and cash equivalents at beginning of the year		1,496,833	1,216,648	52,200	30,162	777,344	489,945	137,636	106,580
Effects of exchange rate changes on cash and cash equivalents		61,957	44,537	1,958	1,297	2,415	26,120	5,117	(129)
Cash and cash equivalents at the end of the year	13(a)	1,885,214	1,496,833	50,001	52,200	927,538	777,344	102,637	137,636

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows
For the year ended 30 June 2019

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		Year ended		Year ended		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Purchase of financial assets		(533,896)	(291,118)	(477,606)	(527,731)	(112,571)	(56,694)	(14,349)	(28,944)
Proceeds from sale of financial assets		599,321	228,553	578,475	708,485	96,570	47,389	22,819	20,433
Interest received		302	188	1,261	550	261	3	293	124
Dividends received		14,696	13,055	11,258	17,919	1,404	1,468	1,472	1,137
Management fees paid		(10,534)	(10,378)	(10,245)	(12,192)	(3,247)	(2,585)	(1,533)	(1,376)
Performance fees paid		-	(9)	-	-	(15)	-	-	-
Other expenses paid		(1,333)	(1,070)	(2,608)	(1,717)	(313)	(206)	(104)	(105)
Net cash inflow/(outflow) from operating activities	13(c)	68,556	(60,779)	100,535	185,314	(17,911)	(10,625)	8,598	(8,731)
Cash flows from financing activities									
Proceeds from units issued	5	74,594	205,361	141,666	133,843	79,264	49,176	11,565	28,673
Payment for units redeemed	5	(94,721)	(55,914)	(131,793)	(181,915)	(21,229)	(28,042)	(17,795)	(11,235)
Distributions paid	6	(42,363)	(39,032)	(189,361)	(104,944)	(15,237)	(26,931)	(2,292)	(5,019)
Net cash inflow/(outflow) from financing activities		(62,490)	110,415	(179,488)	(153,016)	42,798	(5,797)	(8,522)	12,419
Net increase/(decrease) in cash and cash equivalents		6,066	49,636	(78,953)	32,298	24,887	(16,422)	76	3,688
Cash and cash equivalents at beginning of the year		77,279	25,401	206,371	169,826	23,567	39,100	22,909	18,990
Effects of exchange rate changes on cash and cash equivalents		3,641	2,242	2,375	4,247	1,343	889	1,179	231
Cash and cash equivalents at the end of the year	13(a)	86,986	77,279	129,793	206,371	49,797	23,567	24,164	22,909

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

**Notes to the Financial Statements
For the year ended 30 June 2019**

Note 1 General Information

This financial report covers the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (collectively referred to as “the registered schemes” or “Funds”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

Registered Schemes	Date of Commencement	Registered Schemes	Date of Commencement
Platinum International Fund	4 April 1995	Platinum Japan Fund	12 June 1998
Platinum Unhedged Fund	19 January 2005	Platinum International Brands Fund	11 April 2000
Platinum Asia Fund	3 March 2003	Platinum International Health Care Fund	5 November 2003
Platinum European Fund	12 June 1998	Platinum International Technology Fund	11 April 2000

Each registered schemes may be wound up on the day immediately preceding the 80th anniversary of the date of commencement, unless terminated earlier in accordance with the provisions of the Constitution.

The financial report was authorised for issue by the Directors of the responsible entity on 12 September 2019. The Directors have the power to amend the financial report after issue.

Note 2 Summary of Significant Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the requirements of the registered schemes’ Constitutions, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Each registered scheme is a for-profit entity for the purpose of preparing the financial report. These policies have been consistently applied unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value.

The Statements of Financial Position are presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The registered schemes manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, a precise estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder’s discretion. However, it is recommended that holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

Note 2 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation of the financial statements (continued)

Compliance with International Financial Reporting Standards

The financial statements of the registered schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements, which are included in the accounting policies below.

Reclassification of prior year amounts

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results or operations and relate to increasing or decreasing the “proceeds from sale of financial assets” and amending the “purchase of financial assets” in the statement of cash flows on page 15, by the same amount. The “Net cash inflow/(outflow) from operating activities” and the “Cash and cash equivalents at the end of the year” did not change. See note 13(d) for further information.

(b) Financial Assets and Liabilities at Fair Value through Profit or Loss

Under AASB 9: *Financial Instruments*, financial instruments may be classified as:

- amortised cost if the objective of the business model is to hold the financial instruments to collect contractual cash flows and those cash flows represent solely payments of principal and interest (SPPI);
- fair value through other comprehensive income if the objective of the business model is to hold the financial instruments to collect contractual cash flows from SPPI and to sell; or all other financial instruments must be recognised at fair value through profit or loss. An entity can, at initial recognition, also irrevocably designate a financial instrument as measured at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income

For equity securities, derivatives and foreign currency forward contracts, the contractual cash flows held by the registered schemes are not comprised of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

The registered schemes have applied AASB 13: Fair Value Measurement. AASB 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. AASB 13 increases transparency about fair value measurements, including the valuations techniques and inputs used to measure fair value.

The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the registered schemes, the last-sale or “last” price is the most representative price within the bid-ask spread, because it represents the price that the security last changed hands from seller to buyer.

The registered schemes have applied last-sale pricing as the fair value measurement basis for equities and derivatives it holds.

Note 2 Summary of Significant Accounting Policies (continued)

(b) Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Generally, derivatives take the form of long or short equity swap contracts. Equity swaps are valued based on the price of the underlying investment, which may be a specific share or a share market index. Daily fluctuations in the value of derivatives were recognised as part of “net gains/(losses) on financial assets at fair value through profit and loss” in the statement of profit or loss and other comprehensive income.

Long equity swap contracts allow the registered schemes to gain exposure to price movements of underlying investments without buying the underlying investment. Under the term of each long equity swap contract, the registered schemes make a profit if the underlying share price was higher on the date that the contract was closed relative to the price when the contract commenced.

With respect to short equity swap contracts, the registered schemes make a profit if the underlying share price was lower on the date that the contract was closed relative to the price when the contract commenced.

Participatory Notes are sometimes used as a convenient means of investing in local securities by a foreign investor. Participatory Notes are generally traded over-the-counter, as they are issued by a counterparty to provide the investor with exposure to an individual equity or a basket or index of equities, in markets where liquidity, custody or other issues make ownership of the local shares sub-optimal. The valuation of Participatory Notes depends on the level of trading. If the Participatory Notes are actively traded, then the market price is used. If the Participatory Notes are not actively traded, counterparties provide a daily valuation that is based on the intrinsic value of the individual security.

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs. This is described below.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs. Financial assets are valued using “last-sale” pricing. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the statement of profit or loss and other comprehensive income in the year or period they arise.

(c) Transaction costs

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on financial assets at fair value through profit or loss are expensed immediately.

(d) Net assets attributable to unitholders

Units are redeemable at the unitholder's option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of unitholders. The units are classified as financial liabilities as the registered schemes have more than one class of units. A unitholder can redeem units at any time for cash based on the redemption price, which is equal to a proportionate share of the registered schemes' net asset value. The units are carried at the redemption amount that is payable at the end of the reporting period if the unitholders were to exercise their right to redeem the units in the registered schemes.

Note 2 Summary of Significant Accounting Policies (continued)

(e) Foreign currency translation

Items included in the registered schemes' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the country that the registered schemes are regulated, funds are raised and distributions are paid. The Australian dollar is also the registered schemes' presentation currency.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities for each Statement of Financial Position presented are translated at exchange rates at the closing rate at the date of that Statements of Financial Position. Resulting exchange differences are brought to account in determining profit and loss for the year.

(f) Investment income

Interest Income

Interest income is recognised in the Statements of Comprehensive Income, using the active interest rate available on the bank accounts held at various locations throughout the world.

Dividend Income

Dividend income is brought to account on the applicable ex-dividend date for equities and the payment date for Participatory Notes.

(g) Distributions

Unitholders will be taxed on the income of the Attribution Managed Investment Trusts ('AMIT') 'attributed' to them by the responsible entity.

In accordance with each registered schemes' Constitution, each registered scheme fully distributes any attributable income to unitholders by cash or reinvestment. Attributable income is determined by reference to the taxable income of the registered schemes.

(h) Goods and Services Tax (GST)

The GST paid on the costs of various services provided to the registered schemes, such as Investment Management fees, has been passed onto the registered schemes. Investment Management fees have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). GST recoverable from the ATO at reporting date is included in receivables in the Statements of Financial Position. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

(i) Receivables

Receivables include proceeds from the sale of financial assets, dividends, GST, Indian Capital Gains Tax and interest receivable. All receivables are recognised when a right to receive payment is established. Receivables are generally received within 30 days of being recognised as a receivable.

(j) Payables

All payables are recognised as and when the registered schemes become liable.

Amounts due to brokers represent payables for securities purchased that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Payables on purchase of investments are usually paid between 2 and 5 days after trade date. Information relating to the registered schemes' exposures of payables to liquidity risk is provided in Note 8.

Note 2 Summary of Significant Accounting Policies (continued)

(k) Applications and redemptions

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered schemes divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

(l) Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in *ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in these financial statements have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(m) Including different registered schemes' financial reports in a single document

The registered schemes have applied *Australian Securities and Investments Commission's Corporations Instrument 2015/839*, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

(n) Operating segments

The registered schemes are outside the scope of AASB 8: *Operating Segments* as they do not satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market, or file their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

(o) Cash and cash equivalents

For the purposes of the Statements of Cash Flows, cash includes deposits held at call with financial institutions, cash held in margin accounts and other short term, highly liquid investments with original maturities of 3 months or less that is readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of financial assets are classified as "cash flows from operating activities" as realised and unrealised gains (and losses) on financial assets represent the registered schemes' main operating activity.

(p) Offsetting a financial asset and a financial liability

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Note 2 Summary of Significant Accounting Policies (continued)

(q) New accounting standards and interpretations

The following Australian Accounting Standards have been adopted by the registered schemes for the year beginning 1 January 2018 for the first time.

(a) New accounting standards and interpretations adopted for the first time

AASB 9: Financial Instruments ("AASB 9")

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It also introduced revised rules around hedge accounting and impairment. The standard was applied for the year beginning 1 January 2018.

AASB 9 replaced the classification and measurement model in AASB 139: *Financial Instruments: Recognition and Measurement* with a new model that classifies financial instruments based on the business model within which the financial instruments are managed, and whether the contractual cash flows under the instrument solely represent the payment of principal and interest.

AASB 9 did not result in a change to the classification or measurement of financial instruments, given no debt instruments are held by the registered schemes, which could result in a reclassification of the financial instruments to amortised cost or fair value through other comprehensive income ("FVOCI"). The derecognition rules have not been changed from previous requirements and the registered schemes do not apply hedge accounting.

For further details on how the fair values of financial instruments are determined, please refer to the accounting policy in relation to "Financial assets and liabilities at fair value through profit or loss".

AASB 15: Revenue from contracts with customers and associated amendments

The main objective of this standard is to provide a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. The Standard was effective for the annual periods beginning on or after 1 January 2018.

The registered schemes' main source of income is investment income, in the form of gains on equities and derivatives, foreign currency forward contracts and overseas bank accounts, as well as interest and dividend income. All of these income types are outside the scope of the standard. The standard was assessed as not having a material impact on the registered schemes' results in the current or future reporting periods.

AASB 15 did not result in a material change in revenue recognition for the registered schemes.

New Standards, amendments and interpretations effective for the year after 1 January 2019 and have not been early adopted

AASB 16: Leases (effective from 1 January 2019)

AASB 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. Management does not expect the adoption of this standard to have any impact on the accounting policies or amounts recognised in the financial statements, as the registered schemes do not hold any leases.

A number of new standards, amendments to standards and interpretations are effective for the year beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the registered schemes.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 3 Auditor's Remuneration

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	26,271	25,505	26,271	25,505	26,271	25,505	26,271	25,505
Auditing the Compliance Plan	4,774	4,635	4,774	4,635	4,774	4,635	4,774	4,635
Other audit and assurance services	27,662	25,000	-	-	27,662	25,000	-	-
Taxation and regulatory services – Compliance	76,737	48,801	51,458	48,801	56,458	48,801	43,958	48,801
Other advisory services – Foreign tax agent	12,531	4,981	6,788	679	10,257	7,472	-	-
	147,975	108,922	89,291	79,620	125,422	111,413	75,003	78,941

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	26,271	25,505	26,271	25,505	26,271	25,505	26,271	25,505
Auditing the Compliance Plan	4,774	4,635	4,774	4,635	4,774	4,635	4,774	4,635
Taxation and regulatory services – Compliance	43,958	48,801	47,738	48,801	43,958	48,801	47,737	48,801
Other advisory services – Foreign tax agent	-	-	932	679	-	-	5,301	2,943
	75,003	78,941	79,715	79,620	75,003	78,941	84,083	81,884

Notes to the Financial Statements
For the year ended 30 June 2019

Note 4 Financial Assets and Liabilities at Fair Value through Profit or Loss

	International Fund As at		Unhedged Fund As at		Asia Fund As at		European Fund As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Financial assets								
Derivatives	34,502	49,945	156	-	706	257	383	-
Forward currency contracts	16,764	12,122	-	-	4,914	-	2,600	4,769
Total	51,266	62,067	156	-	5,620	257	2,983	4,769
<i>Equity securities at fair value through profit or loss</i>								
Equity securities	8,882,250	9,990,009	255,390	284,360	3,779,367	4,109,332	834,351	865,329
Total equity securities at fair value through profit or loss	8,882,250	9,990,009	255,390	284,360	3,779,367	4,109,332	834,351	865,329
Total financial assets at fair value through profit or loss	8,933,516	10,052,076	255,546	284,360	3,784,987	4,109,589	837,334	870,098
Financial liabilities								
Derivatives	35,282	8,124	-	463	2,494	-	4,011	23
Forward currency contracts	31,074	14,882	-	-	21,288	-	-	6,835
Total	66,356	23,006	-	463	23,782	-	4,011	6,858
Total financial liabilities at fair value through profit or loss	66,356	23,006	-	463	-	-	4,011	6,858
Total of financial assets less liabilities	8,867,160	10,029,070	255,546	283,897	3,761,205	4,109,589	833,323	863,240

Notes to the Financial Statements
For the year ended 30 June 2019

Note 4 Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	As at		As at		As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Financial assets								
Derivatives	3,000	711	2,160	1,508	147	22	96	56
Forward currency contracts	795	-	1,133	4,552	142	-	-	-
Total	3,795	711	3,293	6,060	289	22	96	56
<i>Equity securities at fair value through profit or loss</i>								
Equity securities	704,686	750,930	573,224	706,886	225,140	191,039	87,856	92,711
Total equity securities at fair value through profit or loss	704,686	750,930	573,224	706,886	225,140	191,039	87,856	92,711
Total financial assets at fair value through profit or loss	708,481	751,641	576,517	712,946	225,429	191,061	87,952	92,767
Financial liabilities								
Derivatives	2,243	-	2,821	4,284	277	-	10	-
Forward currency contracts	3,037	-	1,072	3,985	461	-	-	-
Total	5,280	-	3,893	8,269	738	-	10	-
Total financial liabilities at fair value through profit or loss	5,280	-	3,893	8,269	738	-	10	-
Total of financial assets less liabilities	703,201	751,641	572,624	704,677	224,691	191,061	87,942	92,767

Notes to the Financial Statements
For the year ended 30 June 2019

Note 5 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

		International Fund		Unhedged Fund		Asia Fund		European Fund	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	C Class	10,140,422	9,426,671	310,034	222,613	3,890,430	3,973,877	955,833	514,634
Applications during the year	C Class	1,344,270	1,610,034	45,816	76,459	529,919	599,019	161,236	458,365
Redemptions during the year	C Class	(1,570,909)	(1,389,773)	(59,577)	(19,162)	(406,738)	(594,326)	(219,381)	(62,741)
Units issued upon reinvestment of distribution	C Class	384,603	292,457	12,312	10,880	464,052	126,910	17,845	8,516
Increase/(decrease) in net assets attributable to unitholders	C Class	(715,160)	201,033	(20,038)	19,244	(206,526)	(215,050)	(46,902)	37,059
Closing balance	C Class	9,583,226	10,140,422	288,547	310,034	4,271,137	3,890,430	868,631	955,833
		Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Opening balance	C Class	4,905,169	4,659,026	182,589	143,020	1,498,956	1,449,089	261,481	152,155
Number of units issued during the year	C Class	665,195	716,255	27,749	43,547	210,876	189,486	44,462	123,266
Number of units redeemed during the year	C Class	(780,930)	(614,664)	(36,900)	(10,968)	(162,881)	(185,898)	(61,223)	(16,458)
Units issued upon reinvestment of distribution	C Class	186,050	144,552	7,254	6,990	178,798	46,279	4,882	2,518
Closing balance	C Class	4,975,484	4,905,169	180,692	182,589	1,725,749	1,498,956	249,602	261,481

Notes to the Financial Statements
For the year ended 30 June 2019

Note 5 Net Assets Attributable to Unitholders (continued)

Movements in number of units and net assets attributable to unitholders during the year were as follows:

		International Fund		Unhedged Fund		Asia Fund		European Fund	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	P Class	218,621	-	1,552	-	92,422	-	5,347	-
Applications during the year	P Class	146,290	247,192	842	1,592	75,063	114,601	1,825	5,590
Redemptions during the year	P Class	(12,527)	(1,745)	(225)	-	(5,793)	(1,265)	(2,412)	(35)
Units issued upon reinvestment of distribution	P Class	4,060	-	63	-	8,755	-	218	-
Increase/(decrease) in net assets attributable to unitholders	P Class	(22,821)	(26,826)	(132)	(40)	(6,196)	(20,914)	(357)	(208)
Closing balance	P Class	333,623	218,621	2,100	1,552	164,251	92,422	4,621	5,347
		Units	Units	Units	Units	Units	Units	Units	Units
		'000	'000	'000	'000	'000	'000	'000	'000
Opening balance	P Class	220,576	-	1,443	-	99,871	-	5,067	-
Number of units issued during the year	P Class	151,180	222,111	813	1,443	84,219	100,942	1,705	5,098
Number of units redeemed during the year	P Class	(13,194)	(1,535)	(229)	-	(6,473)	(1,071)	(2,378)	(31)
Units issued upon reinvestment of distribution	P Class	4,096	-	59	-	9,461	-	206	-
Closing balance	P Class	362,658	220,576	2,086	1,443	187,078	99,871	4,600	5,067

C Class and P Class total of net assets attributable to unitholders during the year were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
C Class and P Class (total)								
Opening balance	10,359,043	9,426,671	311,586	222,613	3,982,852	3,973,877	961,180	514,634
Applications during the year	1,490,560	1,857,226	46,658	78,051	604,982	713,620	163,061	463,955
Redemptions during the year	(1,583,436)	(1,391,518)	(59,802)	(19,162)	(412,531)	(595,591)	(221,793)	(62,776)
Reinvestment of distribution	388,663	292,457	12,375	10,880	472,807	126,910	18,063	8,516
Increase/(decrease) in net assets attributable to unitholders	(737,981)	174,207	(20,170)	19,204	(212,722)	(235,964)	(47,259)	36,851
Closing balance	9,916,849	10,359,043	290,647	311,586	4,435,388	3,982,852	873,252	961,180

Notes to the Financial Statements
For the year ended 30 June 2019

Note 5 Net Assets Attributable to Unitholders (continued)

		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	C Class	783,232	607,736	723,953	817,276	198,332	161,116	112,231	86,669
Applications during the year	C Class	48,874	178,079	81,064	105,704	68,460	32,037	9,993	24,902
Redemptions during the year	C Class	(93,889)	(55,615)	(131,519)	(181,863)	(21,201)	(28,042)	(17,717)	(11,235)
Units issued upon reinvestment of distribution	C Class	22,882	23,213	58,609	27,447	8,501	15,468	1,198	2,619
Increase /(decrease) in net assets attributable to unitholders	C Class	(56,807)	29,819	(84,769)	(44,611)	(16,511)	17,753	689	9,276
Closing balance	C Class	704,292	783,232	647,338	723,953	237,581	198,332	106,394	112,231
		Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Opening balance	C Class	176,137	144,405	315,349	332,996	93,461	83,398	66,947	57,062
Number of units issued during the year	C Class	11,110	38,146	36,357	39,287	31,084	15,878	5,907	15,055
Number of units redeemed during the year	C Class	(21,575)	(11,929)	(60,385)	(68,121)	(9,763)	(13,821)	(10,561)	(6,894)
Units issued upon reinvestment of distribution	C Class	5,145	5,515	25,542	11,187	4,006	8,006	714	1,724
Closing balance	C Class	170,817	176,137	316,863	315,349	118,788	93,461	63,007	66,947

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Note 5 Net Assets Attributable to Unitholders (continued)

		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	P Class	3,534	-	556	-	1,744	-	1,218	-
Applications during the year	P Class	2,706	4,069	1,880	692	2,261	1,671	345	1,152
Redemptions during the year	P Class	(832)	(299)	(274)	(52)	(28)	-	(78)	-
Units issued upon reinvestment of distribution	P Class	132	-	113	-	42	-	29	-
Increase/(decrease) in net assets attributable to unitholders	P Class	(489)	(236)	(251)	(84)	(333)	73	2	66
Closing balance	P Class	5,051	3,534	2,024	556	3,686	1,744	1,516	1,218
		Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Opening balance	P Class	3,380	-	604	-	1,606	-	1,110	-
Number of units issued during the year	P Class	2,538	3,640	2,105	640	2,003	1,606	311	1,110
Number of units redeemed during the year	P Class	(809)	(260)	(329)	(36)	(24)	-	(72)	-
Units issued upon reinvestment of distribution	P Class	127	-	122	-	39	-	26	-
Closing balance	P Class	5,236	3,380	2,502	604	3,624	1,606	1,375	1,110

C Class and P Class total of net assets attributable to unitholders during the year were as follows:

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
C Class and P Class (total)								
Opening balance	786,766	607,736	724,509	817,276	200,076	161,116	113,449	86,669
Applications during the year	51,580	182,148	82,944	106,396	70,721	33,708	10,338	26,054
Redemptions during the year	(94,721)	(55,914)	(131,793)	(181,915)	(21,229)	(28,042)	(17,795)	(11,235)
Reinvestment of distribution	23,014	23,213	58,722	27,447	8,543	15,468	1,227	2,619
Increase/(decrease) in net assets attributable to unitholders	(57,296)	29,583	(85,020)	(44,695)	(16,844)	17,826	691	9,342
Closing balance	709,343	786,766	649,362	724,509	241,267	200,076	107,910	113,449

Note 6 Distributions Paid and Payable

		International Fund		Unhedged Fund		Asia Fund		European Fund	
		2019	2018	2019	2018	2019	2018	2019	2018
The distributions were paid/payable (\$'000) as follows:									
30 June payable	C Class	782,729	1,196,744	15,278	27,078	226,740	900,311	57,914	71,892
30 June payable	P Class	29,533	29,057	125	139	10,038	22,437	321	424
		812,262	1,225,801	15,403	27,217	236,778	922,748	58,235	72,316
The distributions were paid/payable (cents per unit) as follows:									
30 June payable	C Class	15.73	24.40	8.46	14.83	13.14	60.06	23.20	27.49
30 June payable	P Class	8.14	13.17	5.97	9.62	5.37	22.47	6.99	8.37
		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2019	2018	2019	2018	2019	2018	2019	2018
The distributions were paid/payable (\$'000) as follows:									
30 June payable	C Class	78,364	42,147	65,341	189,207	26,321	15,110	4,150	2,256
30 June payable	P Class	603	216	237	154	441	127	68	36
		78,967	42,363	65,578	189,361	26,762	15,237	4,218	2,292
The distributions were paid/payable (cents per unit) as follows:									
30 June payable	C Class	45.88	23.93	20.62	60.00	22.16	16.17	6.59	3.37
30 June payable	P Class	11.52	6.40	9.47	25.46	12.18	7.92	4.94	3.20

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Note 7 Receivables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	26,814	50,441	-	2,677	11,959	2,192	8,415	33,392
Interest receivable	181	378	9	13	582	57	9	112
Swap/Pnotes income receivable	3,946	439	784	466	121	-	8	-
GST receivable	1,229	1,362	35	38	535	579	106	118
Dividends receivable	13,047	22,321	414	790	10,045	17,150	2,156	2,083
Dividend tax refund receivable	8,798	3,958	121	119	-	-	2,113	1,078
Indian capital gains tax receivable	959	937	-	-	4,548	4,364	-	-
	54,974	79,836	1,363	4,103	27,790	24,342	12,807	36,783

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	-	-	8,340	174	211	1,106	-	-
Interest receivable	25	25	32	27	10	4	5	12
Swap/Pnotes income receivable	-	-	1,746	356	10	-	6	-
GST receivable	89	99	87	107	30	23	13	13
Dividends receivable	1,321	961	1,956	2,117	13	10	126	180
Dividend tax refund receivable	-	-	225	149	300	246	3	2
Indian capital gains tax receivable	-	-	1,040	1,017	-	-	-	-
	1,435	1,085	13,426	3,947	574	1,389	153	207

Notes to the Financial Statements
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Note 8 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables for purchase of financial assets/liabilities	67,237	8,301	486	979	39,727	365	16,316	3,068
Interest payable	272	86	7	-	-	-	32	1
Swap income payable	-	-	-	-	-	3	-	5
Management fees payable	10,728	12,508	288	339	4,640	5,306	932	1,087
Performance fees payable	-	-	-	-	-	1	-	2
Payable for foreign Capital Gains Tax	-	-	79	79	-	-	-	-
	78,237	20,895	860	1,397	44,367	5,675	17,280	4,163

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables for purchase of financial assets/liabilities	2,056	1	52	-	6,769	468	-	-
Interest payable	10	4	4	10	3	6	1	2
Swap income payable	491	30	-	-	-	-	-	-
Management fees payable	755	841	730	998	261	215	107	117
Performance fees payable	-	-	-	-	-	15	-	-
Payable for foreign Capital Gains Tax	-	-	117	117	-	-	23	23
	3,312	876	903	1,125	7,033	704	131	142

Note 9 Financial Risk Management

(a) Financial Risk Management Objectives, Policies and Processes

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The risks that the schemes are exposed to include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The responsible entity's investment style:

- adopts a bottom-up stock selection methodology such that long-term capital growth is sought through investing in undervalued securities across the world;
- seeks absolute returns and not returns relative to any index;
- invests excess funds in cash when undervalued stocks cannot be found; and
- actively manages currency.

Derivatives (which include equity swaps, futures and options) are utilised for risk management purposes and to take opportunities to increase returns. The underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the net asset value of that scheme. Each of the registered schemes complied with its product disclosure statement during the year and as at 30 June 2019.

Note 9 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure

	2019				2018			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Fund								
Japan	923,153	-	(350,576)	572,577	1,401,653	-	-	1,401,653
Other Asia	3,709,164	71,363	(98,927)	3,681,600	3,981,488	57,362	-	4,038,850
Australia	8,712	-	(27,232)	(18,520)	46,268	-	-	46,268
Europe – Euro	752,570	70,062	(334,578)	488,054	941,075	-	-	941,075
Europe – Other	890,485	-	(61,210)	829,275	1,467,632	-	-	1,467,632
North America	2,553,060	-	(1,432,975)	1,120,085	2,112,775	-	(1,676,128)	436,647
South America	45,106	-	(15,695)	29,411	39,118	-	-	39,118
	8,882,250	141,425	(2,321,193)	6,702,482	9,990,009	57,362	(1,676,128)	8,371,243
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(2,212,412)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(1,651,170)							
Unhedged Fund								
Japan	10,758	-	-	10,758	19,657	-	-	19,657
Other Asia	100,848	2,212	-	103,060	118,082	6,080	-	124,162
Europe – Euro	35,751	-	-	35,751	33,997	-	-	33,997
Europe – Other	17,183	-	-	17,183	25,938	-	-	25,938
North America	90,850	-	-	90,850	85,171	-	-	85,171
South America	-	-	-	-	1,515	-	-	1,515
	255,390	2,212	-	257,602	284,360	6,080	-	290,440
Derivative Notional Cost Amounts (\$'000) 30 June 2019	2,108							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	6,564							

Refer to narrative on page 36 for explanations of the terms used in the above table.

Notes to the Financial Statements
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Note 9 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2019				2018			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Asia Fund								
Asia (excluding Japan)	3,779,367	1,600	(257,342)	3,523,625	4,109,332	2,680	(155,077)	3,956,935
	<u>3,779,367</u>	<u>1,600</u>	<u>(257,342)</u>	<u>3,523,625</u>	<u>4,109,332</u>	<u>2,680</u>	<u>(155,077)</u>	<u>3,956,935</u>
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(254,351)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(153,766)							
European Fund								
Europe – Euro	366,012	11,394	(142,635)	234,771	437,432	-	-	437,432
Europe – Other	403,193	-	(39,267)	363,926	403,498	-	(6,216)	397,282
North America	65,146	-	-	65,146	24,399	-	-	24,399
	<u>834,351</u>	<u>11,394</u>	<u>(181,902)</u>	<u>663,843</u>	<u>865,329</u>	<u>-</u>	<u>(6,216)</u>	<u>859,113</u>
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(167,949)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(6,276)							
Japan Fund								
Japan	664,102	-	(192,760)	471,342	750,930	-	(16,472)	734,458
South Korea	40,584	-	(13,931)	26,653	-	-	-	-
	<u>704,686</u>	<u>-</u>	<u>(206,691)</u>	<u>497,995</u>	<u>750,930</u>	<u>-</u>	<u>(16,472)</u>	<u>734,458</u>
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(210,709)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(17,161)							

Refer to narrative on page 36 for explanations of the terms used in the above table.

Note 9 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2019				2018			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Brands Fund								
Japan	57,682	-	-	57,682	92,071	-	-	92,071
Other Asia	237,540	4,165	(25,978)	215,727	279,887	20,113	-	300,000
Europe – Euro	30,389	-	-	30,389	56,765	-	-	56,765
Europe – Other	83,224	10,469	(20,522)	73,171	95,250	-	(13,321)	81,929
North America	163,392	-	(100,554)	62,838	160,980	-	(118,982)	41,998
South America	-	-	(10,681)	(10,681)	16,310	-	-	16,310
Africa	997	-	-	997	5,623	-	-	5,623
	<u>573,224</u>	<u>14,634</u>	<u>(157,735)</u>	<u>430,123</u>	<u>706,886</u>	<u>20,113</u>	<u>(132,303)</u>	<u>594,696</u>
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(140,397)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(109,653)							
International Health Care Fund								
Japan	12,275	-	-	12,275	8,672	-	-	8,672
Other Asia	12,471	-	(2,260)	10,211	4,011	-	-	4,011
Australia	29,645	-	(728)	28,917	21,516	-	-	21,516
Europe – Euro	41,463	-	-	41,463	35,459	-	-	35,459
Europe – Other	29,816	-	-	29,816	37,995	-	-	37,995
North America	99,470	-	(12,058)	87,412	83,386	-	(1,042)	82,344
	<u>225,140</u>	<u>-</u>	<u>(15,046)</u>	<u>210,094</u>	<u>191,039</u>	<u>-</u>	<u>(1,042)</u>	<u>189,997</u>
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(21,239)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(1,057)							

Refer to narrative on page 36 for explanations of the terms used in the above table.

Note 9 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2019				2018			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Technology Fund								
Japan	1,671	-	-	1,671	6,047	-	-	6,047
Other Asia	20,614	659	-	21,273	26,196	-	-	26,196
Europe – Euro	4,163	-	-	4,163	3,814	-	-	3,814
Europe – Other	7,399	-	(561)	6,838	7,635	-	-	7,635
North America	54,009	-	(2,095)	51,914	49,019	-	(1,066)	47,953
	87,856	659	(2,656)	85,859	92,711	-	(1,066)	91,645
Derivative Notional Cost Amounts (\$'000) 30 June 2019	(1,929)							
Derivative Notional Cost Amounts (\$'000) 30 June 2018	(1,122)							

The “Physical” column above represents the location of the registered schemes’ investments. The “Long/Short Contracts” columns include the notional value of long/short equity swaps and futures.

The “Net Exposure” column above represents an approximation of each registered schemes’ exposures to movements in the markets. This is calculated by making an adjustment to the “physical” position by adding the principal notional amount of any long (bought) positions and subtracting any short (sold) derivative positions in shares and share index future. For example, if 5% of the Portfolio of a registered scheme was invested in Japan, but there was a 2% short exposure to Nikkei futures, the Net Exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate the Portfolio was net short the Japanese market.

Note 9 Financial Risk Management (continued)

(c) Market Risk

(i) Foreign Exchange Risk

Foreign exchange risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The registered schemes operate internationally and are exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currency. Currency hedging is an integral part of the management of currency risk. The Investment Manager positions a registered scheme's portfolio in what it believes will be a stronger currency(ies). For example, at 30 June 2019, Platinum International Fund has a US Dollar exposure of 42% (2018:26%), 18% (2018: 22%) in European currencies including Norwegian Krone and Swiss Francs, 12% (2018: 13%) in Hong Kong Dollars, 15% (2018:11%) in Japanese Yen and 5% (2018:20%) in other Asian currencies.

The Investment Manager may use forward foreign exchange contracts and futures and option contracts on foreign exchange rate contracts to position a registered scheme's portfolio in the desired currencies. A currency exposure may be weighted using a different currency from which the exposure is maintained (for example, US dollar positions may be used to weight the currency risk of holding investments in Hong Kong dollars).

Where there have been major currency movements, or where currencies are perceived to be over or undervalued, the Investment Manager may look for investments whose operating environment has been distorted by the currency as part of the search for undervalued stocks. There may even be opportunities for stocks impacted by a lower currency (for example, export-oriented stocks).

In respect of the Platinum Unhedged Fund, there is no currency management undertaken. The disposition of its investments determines its currency exposure.

Note 9 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

Forward foreign currency contracts and options on forward currency contracts are adjusted against the “Physical” column to arrive at a “Net Exposure” for each currency grouping. The registered schemes generally utilise short dated (90 day maturity) currency agreements with high credit rating counterparties. Generally, the existing forward currency maturity dates range from 0 to 79 days. The tables below summarise the registered schemes’ exposures to foreign exchange risk:

	2019				2018			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Fund								
Japan	1,229,495	532,939	-	1,762,434	1,559,194	-	(286,060)	1,273,134
Hong Kong	1,452,636	-	-	1,452,636	1,544,710	-	-	1,544,710
Other Asia	2,020,173	-	(1,614,912)	405,261	1,909,791	121,602	-	2,031,393
Australia	182,034	-	-	182,034	592,730	-	(57,254)	535,476
Europe – Euro	1,142,929	-	-	1,142,929	1,252,635	156,521	-	1,409,156
Europe – Other	702,132	91,308	-	793,440	1,053,514	147,833	(60,131)	1,141,216
North America	3,987,390	1,614,912	(624,247)	4,978,055	3,574,211	403,320	(425,831)	3,551,700
South America	35,585	-	-	35,585	39,118	-	-	39,118
	10,752,374	2,239,159	(2,239,159)	10,752,374	11,525,903	829,276	(829,276)	11,525,903
Unhedged Fund								
Japan	36,769	-	-	36,769	23,926	-	-	23,926
Other Asia	72,018	-	-	72,018	79,298	-	-	79,298
Australia	777	-	-	777	16,366	-	-	16,366
Europe – Euro	43,008	-	-	43,008	42,120	-	-	42,120
Europe – Other	10,595	-	-	10,595	28,055	-	-	28,055
North America	142,379	-	-	142,379	144,817	-	-	144,817
South America	-	-	-	-	1,515	-	-	1,515
	305,546	-	-	305,546	336,097	-	-	336,097

Notes to the Financial Statements
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Note 9 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

	2019				2018			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Asia Fund								
Hong Kong	1,489,527	-	-	1,489,527	1,714,395	-	-	1,714,395
India	593,479	-	-	593,479	619,919	-	-	619,919
South Korea	412,389	-	-	412,389	523,274	-	-	523,274
Other Asia	1,337,807	-	(1,288,624)	49,183	1,101,173	-	-	1,101,173
Australia	634	-	-	634	133,129	-	-	133,129
Europe – Other	121,085	-	-	121,085	35,469	-	-	35,469
North America	733,822	1,288,624	-	2,022,446	759,574	-	-	759,574
	<u>4,688,743</u>	<u>1,288,624</u>	<u>(1,288,624)</u>	<u>4,688,743</u>	<u>4,886,933</u>	<u>-</u>	<u>-</u>	<u>4,886,933</u>
European Fund								
Australia	919	-	-	919	15,166	-	-	15,166
Europe – Euro	457,309	-	(92,877)	364,432	477,821	13,747	(128,307)	363,261
Europe – Other	339,661	181,096	-	520,757	341,348	213,101	(3,687)	550,762
North America	138,071	-	(88,219)	49,852	166,541	27,148	(122,002)	71,687
	<u>935,960</u>	<u>181,096</u>	<u>(181,096)</u>	<u>935,960</u>	<u>1,000,876</u>	<u>253,996</u>	<u>(253,996)</u>	<u>1,000,876</u>
Japan Fund								
Japan	709,654	76,894	-	786,548	777,523	-	-	777,523
Korea	40,584	-	-	40,584	-	-	-	-
Australia	2,842	-	(158,768)	(155,926)	14,361	-	-	14,361
North America	37,107	158,768	(76,894)	118,981	37,036	-	-	37,036
	<u>790,187</u>	<u>235,662</u>	<u>(235,662)</u>	<u>790,187</u>	<u>828,920</u>	<u>-</u>	<u>-</u>	<u>828,920</u>

Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

	2019				2018			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Brands Fund								
Japan	55,875	43,479	(68,256)	31,098	100,441	-	(96,884)	3,557
Hong Kong	139,907	-	(53,918)	85,989	140,931	-	(49,121)	91,810
Other Asia	26,885	-	(41,925)	15,040	35,575	-	-	35,575
Australia	(452)	-	-	(452)	28,105	-	-	28,105
Europe – Euro	43,524	122,173	-	165,697	82,126	146,005	-	228,131
Europe – Other	44,583	-	-	44,583	31,976	-	-	31,976
North America	391,036	41,926	(43,479)	389,483	470,531	-	-	470,531
South America	-	-	-	-	16,310	-	-	16,310
Africa	1,059	-	-	1,059	5,053	-	-	5,053
	<u>702,417</u>	<u>207,578</u>	<u>(207,578)</u>	<u>702,417</u>	<u>911,048</u>	<u>146,005</u>	<u>(146,005)</u>	<u>911,048</u>
International Health Care Fund								
Japan	18,287	27,248	-	45,535	8,770	-	-	8,770
Other Asia	4,893	-	-	4,893	-	-	-	-
Australia	40,298	-	(34,888)	5,410	25,787	-	-	25,787
Europe – Euro	45,686	-	(12,659)	33,027	44,645	-	-	44,645
Europe – Other	41,872	12,659	-	54,531	39,268	-	-	39,268
North America	123,452	7,640	-	131,092	96,157	-	-	96,157
South America	-	-	-	-	1	-	-	1
	<u>274,488</u>	<u>47,547</u>	<u>(47,547)</u>	<u>274,488</u>	<u>214,628</u>	<u>-</u>	<u>-</u>	<u>214,628</u>
International Technology Fund								
Japan	6,691	-	-	6,691	6,866	-	-	6,866
Other Asia	21,203	-	-	21,203	21,719	-	-	21,719
Australia	565	-	-	565	9,403	-	-	9,403
Europe – Euro	2,829	-	-	2,829	3,494	-	-	3,494
Europe – Other	8,031	-	-	8,031	10,315	-	-	10,315
North America	72,787	-	-	72,787	63,879	-	-	63,879
	<u>112,106</u>	<u>-</u>	<u>-</u>	<u>112,106</u>	<u>115,676</u>	<u>-</u>	<u>-</u>	<u>115,676</u>

Note 9 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

Foreign exchange risk sensitivity analysis

The sensitivity analysis below shows the impact a 10% movement in foreign currency at reporting date would have on the registered schemes' profit on monetary and non-monetary assets and liabilities such as cash, forward contracts and equities.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and possible future movements. The table presents the foreign currency or currencies with the largest impact on profit for each registered scheme.

	2019	2019	2018	2018		2019	2019	2018	2018
	+10%	-10%	+10%	-10%		+10%	-10%	+10%	-10%
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
International Fund					Unhedged Fund				
United States Dollar	(264,598)	391,318	(304,314)	359,436	United States Dollar	(12,688)	15,394	(12,433)	15,044
Hong Kong Dollar	(121,419)	148,400	(141,946)	173,490	Euro	(3,916)	4,786	(3,630)	4,436
Other	(315,472)	391,934	(560,438)	684,976	Other	(10,422)	12,736	(12,719)	15,544
Asia Fund					European Fund				
United States Dollar	(176,297)	215,388	(69,059)	84,424	Euro	(16,581)	21,841	(32,415)	39,615
Hong Kong Dollar	(112,445)	138,085	(148,595)	181,616	Great Britain Pound	(7,331)	9,656	(13,463)	16,455
Other	(102,150)	125,178	(209,267)	251,566	Other	(40,835)	50,014	(45,919)	55,656
Japan Fund					International Brands Fund				
Japanese Yen	(49,010)	66,732	(70,700)	87,281	United States Dollar	(20,088)	29,669	(39,777)	47,692
United States Dollar	(8,329)	10,596	(3,367)	4,115	Euro	(14,873)	18,179	(20,297)	24,807
Other	(3,689)	4,509	-	-	Other	(10,662)	13,759	(16,941)	20,238
International Health Care Fund					International Technology Fund				
United States Dollar	(10,326)	13,275	(8,617)	10,539	United States Dollar	(6,031)	7,424	(5,518)	6,762
Euro	(2,557)	3,126	(4,019)	4,912	Korean Won	(808)	988	(683)	834
Other	(9,071)	11,088	(4,616)	5,642	Other	(2,951)	3,624	(3,488)	4,262

Note 9 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

The sensitivity analysis shows that the registered schemes are all materially affected by exchange rate movements (other things being equal), given the global nature of the investments held.

(ii) Interest Rate Risk

Interest rate risk is the possibility the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The overwhelming majority of the registered schemes' financial assets and liabilities are non-interest bearing. The registered schemes have a policy of not borrowing money, other than for settlement of trades. Therefore, there is no liability exposure to interest rate risk.

Interest rate risk indirectly affects the registered schemes because interest rate movements will affect forward points used in determining gains or losses on forward contracts.

At 30 June 2019 and 2018, if interest rates had changed by ± 100 basis points with all other variables held constant, the direct impact on interest income would not be significant for any of the registered schemes.

(iii) Price Risk

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general.

Platinum Asset Management's stock selection process is core to the management of price risk. Moreover, whilst we use the MSCI to measure relative performance, risk in our view is not solely relative performance versus a benchmark - but also the prospect of losing money (i.e. absolute returns). Platinum adopts a thematic stock selection approach and is referred to as an "active manager". Platinum seeks a broad range of investments whose business and growth prospects are being undervalued by the market. Accordingly, holdings in each of the registered schemes vary considerably from the make-up of the index. Active fund managers such as Platinum seek to outperform the market as represented by an appropriate index.

In addition, the registered schemes (other than Platinum Unhedged Fund) may enter into short equity swaps and futures to protect against market movements. At 30 June 2019, some of the registered schemes maintained short positions against various company specific stocks and market indices. The use of index derivatives allows a Fund to invest in particular companies, whilst providing some degree of protection against more general adverse market price movements.

Price risk sensitivity analysis

Price risk exposure arises from the registered schemes' investment portfolios that comprise investments in securities. The effect on net assets attributable to unitholders due to a reasonably possible change in market factors, as represented by a $\pm 10\%$ movement in the key markets affecting the markets or regions that each registered scheme invests in, with all other variables held constant is indicated on the following page:

Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Financial Risk Management (continued)

(c) Market Risk (continued)

(iii) Price Risk (continued)

Price risk sensitivity analysis (continued)

	2019 +10% \$'000	2019 -10% \$'000	2018 +10% \$'000	2018 -10% \$'000		2019 +10% \$'000	2019 -10% \$'000	2018 +10% \$'000	2018 -10% \$'000
International Fund					Unhedged Fund				
United States	312,272	(312,272)	245,034	(245,034)	United States	8,578	(8,578)	7,806	(7,806)
China	233,850	(233,850)	257,460	(257,460)	China	7,086	(7,086)	9,629	(9,629)
Japan	92,245	(92,245)	140,165	(140,165)	India	1,935	(1,935)	1,451	(1,451)
Other	276,804	(276,804)	325,909	(325,909)	Other	4,785	(4,785)	5,854	(5,854)
Asia Fund					European Fund				
China	156,475	(156,475)	237,641	(237,641)	German	13,089	(13,089)	22,205	(22,205)
Hong Kong	60,471	(60,471)	28,453	(28,453)	United Kingdom	10,658	(10,658)	14,185	(14,185)
India	56,185	(56,185)	57,778	(57,778)	Swaziland	10,084	(10,084)	10,502	(10,502)
Other	60,428	(60,428)	59,205	(59,205)	Other	11,122	(11,122)	3,957	(3,957)
Japan Fund					International Brands Fund				
Japan	77,849	(77,849)	76,740	(76,740)	United States	23,933	(23,933)	27,445	(27,445)
Korea	5,452	(5,452)	-	-	China	20,922	(20,922)	22,576	(22,576)
					Japan	5,768	(5,768)	9,207	(9,207)
					Hong Kong	3,069	(3,069)	1,719	(1,719)
					Other	7,415	(7,415)	11,637	(11,637)
International Health Care Fund					International Technology Fund				
United States	11,153	(11,153)	8,300	(8,300)	United States	5,188	(5,188)	4,679	(4,679)
Germany	1,546	(1,546)	1,171	(1,171)	China	950	(950)	1,587	(1,587)
Swaziland	1,345	(1,345)	200	(200)	Korea	889	(889)	751	(751)
Japan	1,227	(1,227)	867	(867)	United Kingdom	331	(331)	410	(410)
Other	3,371	(3,371)	5,141	(5,141)	Other	348	(348)	689	(689)

A sensitivity of 10% has been selected as this is considered reasonably possible. However, given the volatility of the markets, increases or decreases greater than this are possible.

Note that the above analysis is based on the assumption that the registered schemes' stocks moved in correlation with the respective market. The markets or regions provided above are a reference point only. Actual movements in stock prices may vary significantly to movements in the above markets.

Note 9 Financial Risk Management (continued)

(d) Credit Risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to a registered scheme (typically "non-equity" financial instruments or cash/deposit holdings).

The exposure to credit risk for futures, equity swaps, and forward currency contracts is any unrealised profit, margins and collateral paid on the positions (the money a registered scheme would lose if the counterparty defaulted) at reporting date.

The table below shows the registered schemes counterparty credit risk exposure by credit rating.

Rating	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
AA-	1,461,448	425,462	48,867	10,016	822,441	-	80,040	-
A	-	791,299	-	38,393	-	735,239	-	125,262
A-	158,837	225,161	17,255	17,969	29,351	2,219	5,926	7,329
BBB+	505,171	339,132	1,297	4,906	74,711	41,385	13,058	5,268
BBB	-	21,360	-	-	-	-	-	-
	<u>2,125,456</u>	<u>1,802,414</u>	<u>67,419</u>	<u>71,284</u>	<u>926,503</u>	<u>778,843</u>	<u>99,024</u>	<u>137,859</u>

Rating	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
AA-	66,178	12,019	88,740	27,025	45,250	4,097	23,257	12,501
A	-	60,401	-	116,516	-	19,320	-	10,084
A-	2,679	-	36,695	17,625	1,199	170	231	214
BBB+	18,900	5,566	25,419	47,971	3,369	12	-	165
BBB	-	-	17,100	35,408	-	-	766	-
	<u>87,757</u>	<u>77,986</u>	<u>167,954</u>	<u>244,545</u>	<u>49,818</u>	<u>23,599</u>	<u>24,254</u>	<u>22,964</u>

(Source: Platinum and Bloomberg)

The Investment Manager regularly monitors the registered schemes' credit risk exposures to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties, by signing standard International Swaps and Derivatives Association (ISDA) master agreements and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term.

Transactions in listed securities and investments are only entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

Note 9 Financial Risk Management (continued)

(e) Liquidity Risk

The registered schemes are exposed to cash redemptions of redeemable units. They hold equities that are traded on active markets and, if necessary, these can be readily disposed.

Contractual maturity analysis

Except for short equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

The registered schemes are exposed to daily cash redemptions. If necessary, investments may be realised to cover these redemptions as they are generally readily convertible to cash. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The registered schemes prepare daily cash forecasts and maintain sufficient cash to meet normal operating requirements. The registered schemes have a policy of not borrowing money, other than on a short-term basis for settlement, trading and like purposes.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

(i) Non-financial liabilities

The amounts below represent the contractual maturity of non-financial liabilities. Note that net assets attributable to unitholders are only included in the maturity analysis below because, under Australian Accounting Standards, unitholders' equity is classified as a liability. For management purposes, net assets attributable to unitholders are not an operating liability.

	International Fund		Unhedged Fund		2019 \$'000	Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000		2018 \$'000	2019 \$'000	2018 \$'000	
Payable within 3 months									
Payables on purchase of financial assets/liabilities	67,237	8,301	486	979	39,727	365	16,316	3,068	
Management (and administration fees) payable	10,728	12,508	288	339	4,640	5,306	932	1,087	
Swap income payable	-	-	-	-	-	3	-	5	
Performance fees payable	-	-	-	-	-	1	-	2	
Payable for Capital Gains Tax	-	-	79	79	-	-	-	-	
Interest payable	272	86	7	-	-	-	32	1	
Unitholders' distribution payable	812,262	1,225,801	15,403	27,217	236,778	922,748	58,235	72,316	
Operating liabilities	890,499	1,246,696	16,263	28,614	281,145	928,423	75,515	76,479	
Net assets realisable in 1 year or less to meet operating liabilities	10,802,379	11,603,760	306,864	340,124	4,711,985	4,906,911	947,767	1,037,470	
Net assets attributable to unitholders	9,916,849	10,359,043	290,647	311,586	4,435,388	3,982,852	873,252	961,180	

Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Payable within 3 months								
Payables on purchase of financial assets/liabilities	2,056	1	52	-	6,769	468	-	-
Management (and administration fees) payable	755	841	730	998	261	215	107	117
Swap income payable	491	30	-	-	-	-	-	-
Performance fees payable	-	-	-	-	-	15	-	-
Payable for Capital Gains Tax	-	-	117	117	-	-	23	23
Interest payable	10	4	4	10	3	6	1	2
Unitholders' distribution payable	78,967	42,363	65,578	189,361	26,762	15,234	4,218	2,292
Operating liabilities	82,279	43,239	66,481	190,486	33,795	15,938	4,349	2,434
Net assets realisable in 1 year or less to meet operating liabilities	791,622	830,005	714,657	913,972	274,849	215,846	112,257	115,883
Net assets attributable to unitholders	709,343	786,766	649,362	724,509	241,267	200,076	107,910	113,449

Assets realisable in 1 year or less include equities, foreign currency contracts, derivatives and cash and cash equivalents.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

(ii) Financial liabilities

The amounts below represent the maturity of derivative and foreign exchange outflows based on the position at 30 June.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Payable within 3 months								
Derivative contractual outflows	35,282	8,124	-	463	2,494	-	4,011	23
Forward currency contracts	31,074	14,882	-	-	21,288	-	-	6,835
	<u>66,356</u>	<u>23,006</u>	<u>-</u>	<u>463</u>	<u>23,782</u>	<u>-</u>	<u>4,011</u>	<u>6,858</u>

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Payable within 3 months								
Derivative contractual outflows	2,243	-	2,821	4,284	277	-	10	-
Forward currency contracts	3,037	-	1,072	3,985	461	-	-	-
	<u>5,280</u>	<u>-</u>	<u>3,893</u>	<u>8,269</u>	<u>738</u>	<u>-</u>	<u>10</u>	<u>-</u>

At 30 June 2019, there are no other contractual amounts due or payable after 3 months.

Note 9 Financial Risk Management (continued)

(f) Capital Risk Management

The responsible entity manages the registered schemes' net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the registered schemes are subject to daily applications and redemptions at the discretion of unitholders.

Note 10 Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the registered schemes to classify their assets and liabilities held at fair value based on the following fair value hierarchy model:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- c) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The registered schemes measure and recognise the following assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:

- equity securities, long equity swaps and long futures;
- corporate bonds;
- short equity swaps and short futures; and
- forward currency contracts.

The tables on the following 3 pages analyse within the fair value hierarchy model, the registered schemes' assets and liabilities measured at fair value at 30 June 2019 and 30 June 2018. None of the registered schemes, other than Platinum International Health Care Fund, Platinum European Fund and Platinum International Brands Fund, has any assets or liabilities that are classified as level 3.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 10 Fair Value Hierarchy (continued)

30 June 2019	International Fund			Unhedged Fund			Asia Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	8,641,180	241,070	8,882,250	238,104	17,286	255,390	3,779,367	-	3,779,367
Derivatives	-	34,502	34,502	-	156	156	-	706	706
Forward currency contracts	-	16,764	16,764	-	-	-	687	4,227	4,914
	8,641,180	292,336	8,933,516	238,104	17,442	255,546	3,780,054	4,933	3,784,987
Financial liabilities									
Derivatives	29,317	5,965	35,282	-	-	-	2,494	-	2,494
Forward currency contracts	-	31,074	31,074	-	-	-	-	21,288	21,288
	29,317	37,039	66,356	-	-	-	2,494	21,288	23,782
Total of financial assets less liabilities	8,611,863	255,297	8,867,160	238,104	17,442	255,546	3,777,560	(16,355)	3,761,205
30 June 2018	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	9,739,176	250,833	9,990,009	266,348	18,012	284,360	4,109,332	-	4,109,332
Derivatives	20,520	29,425	49,945	-	-	-	202	55	257
Forward currency contracts	-	12,122	12,122	-	-	-	-	-	-
	9,759,696	292,380	10,052,076	266,348	18,012	284,360	4,109,534	55	4,109,589
Financial liabilities									
Derivatives	-	8,124	8,124	-	463	463	-	-	-
Forward currency contracts	-	14,882	14,882	-	-	-	-	-	-
	-	23,006	23,006	-	463	463	-	-	-
Total of financial assets less liabilities	9,759,696	269,374	10,029,070	266,348	17,549	283,897	4,109,534	55	4,109,589

Notes to the Financial Statements
For the year ended 30 June 2019

Note 10 Fair Value Hierarchy (continued)

30 June 2019	European Fund				Japan Fund			International Brands Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets											
Equity securities	827,228	-	7,123	834,351	704,686	-	704,686	533,336	38,891	997	573,224
Derivatives	-	383	-	383	-	3,000	3,000	-	2,160	-	2,160
Forward currency contracts	-	2,600	-	2,600	-	795	795	-	1,133	-	1,133
	827,228	2,983	7,123	837,334	704,686	3,795	708,481	533,336	42,184	997	576,517
Financial liabilities											
Derivatives	3,791	220	-	4,011	1,171	1,072	2,243	-	2,821	-	2,821
Forward currency contracts	-	-	-	-	-	3,037	3,037	-	1,072	-	1,072
	3,791	220	-	4,011	1,171	4,109	5,280	-	3,893	-	3,893
Total of financial assets less liabilities	823,437	2,763	7,123	833,323	703,515	(314)	703,201	533,336	38,291	997	572,624
30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets											
Equity securities	865,329	-	-	865,329	750,930	-	750,930	704,718	-	2,168	706,886
Derivatives	-	-	-	-	-	711	711	-	1,508	-	1,508
Forward currency contracts	-	4,769	-	4,769	-	-	-	-	4,552	-	4,552
	865,329	4,769	-	870,098	750,930	711	751,641	704,718	6,060	2,168	712,946
Financial liabilities											
Derivatives	-	23	-	23	-	-	-	-	4,284	-	4,284
Forward currency contracts	-	6,835	-	6,835	-	-	-	-	3,985	-	3,985
	-	6,858	-	6,858	-	-	-	-	8,269	-	8,269
Total of financial assets less liabilities	865,329	(2,089)	-	863,240	750,930	711	751,641	704,718	(2,209)	2,168	704,677

Notes to the Financial Statements
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Note 10 Fair Value Hierarchy (continued)

30 June 2019	International Health Care Fund				International Technology Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets							
Equity securities	63,668	146,106	15,366	225,140	87,856	-	87,856
Derivatives	-	147	-	147	-	96	96
Forward currency contracts	-	142	-	142	-	-	-
	63,668	146,395	15,366	225,429	87,856	96	87,952
Financial liabilities							
Derivatives	105	172	-	277	-	10	10
Forward currency contracts	-	461	-	461	-	-	-
	105	633	-	738	-	10	10
Total of financial assets less liabilities	63,563	145,762	15,366	224,691	87,856	86	87,942
30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets							
Equity securities	187,039	-	4,000	191,039	92,711	-	92,711
Derivatives	22	-	-	22	-	56	56
Forward currency contracts	-	-	-	-	-	-	-
	187,061	-	4,000	191,061	92,711	56	92,767
Financial liabilities							
Derivatives	-	-	-	-	-	-	-
Forward currency contracts	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total of financial assets less liabilities	187,061	-	4,000	191,061	92,711	56	92,767

The registered schemes' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Note 10 Fair Value Hierarchy (continued)

Fair value measurement of assets that are not based on observable market data (level 3)

(i) PIHF's unlisted securities

At 30 June 2019, Platinum International Health Care Fund ('PIHF') had three unlisted securities that have been classified as level 3. All three of these securities are private companies and the capital that PIHF invested contributed to research and development.

A summary of the level 3 securities held at balance date is as follows:

Name of security	Fair value at 30 June 2019 (\$'000)	Fair value at 30 June 2018 (\$'000)	Basis of valuation
SpeedX	9,380	4,000	This security is an Australian based private company which continues to be valued at cost. In the 2019 financial year, we are not aware of any additional third party capital raisings. The increase in value between the current and comparative period is related to the fact that during the current year, an additional 870,550 units were purchased at cost (A\$6.18/share). This cost per unit and hence the fair value per unit was the same cost and fair value per unit used to value the security in the comparative period.
FirstPharma	1,000	n/a	This security is an Australian based private company. There was one purchase of securities made by PIHF in the current financial year and this was the purchase made on 16 August 2018. We are not aware of any additional third party capital raisings in the 2019 financial year and hence this security has been valued at cost at balance date.
BioNTech	4,986	n/a	This was a new unlisted security purchased during the year. On 26 June 2019, PIHF was registered as holding title to the security, following a capital raising by the company to PIHF and other external parties. Settlement of the proceeds took place on 1 July 2019, which meant that in the accounts of PIHF, we have recognised a liability for the amounts owing at balance date (refer to note 8: the amount owing forms part of the balance for payables for purchase of financial assets). The recognition of this balance is in addition to the recognition of the amount in the first column as a financial asset at fair value through profit or loss.
Total	15,366	4,000	

Taken together, the above unlisted securities represent approximately 6.4% (2018: 2%) of PIHF's net assets at 30 June 2019.

Note 10 Fair Value Hierarchy (continued)

(i) PIHF's unlisted securities (continued)

A summary of the movement in level 3 securities, for PIHF, for the year ended 30 June 2019 is outlined below

	30 June 2019 Level 3 \$'000	30 June 2018 Level 3 \$'000
Opening balance	4,000	2,000
Purchases*	11,366	2,000
Sales	-	-
Gains and losses recognised in profit or loss	-	-
Closing balance	15,366	4,000

* the purchase (at cost) of \$11,366,355 is comprised of capital contributed of \$5,380,000 in relation to SpeedX (that was already held at 30 June 2018) and \$1,000,355 in relation to First Pharma that was acquired during the year. In addition, a new security, BioNtech was purchased during the year (fair value: \$4,986,000).

(a) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the unobservable inputs used in level 3 fair value measurements.

Description	Best estimate of fair value at 30 June 2019	Key unobservable inputs	Estimates for unobservable inputs
Unlisted securities	\$15,366,355	For First Pharma, SpeedX and BioNtech, the unlisted securities' fair value has been determined to be the same as its acquisition cost.	Downside: \$15,366,355 (loss of any capital contributed).

(b) Valuation processes

The valuation of each investment that the registered schemes hold is the primary responsibility of the Investment Manager ("PIML"). During the year, the Board of PIML set up a Securities Pricing Committee, which has authority to review and approve valuation methodologies to be applied to determine the fair values of portfolio securities and other assets held by the registered schemes for which no quoted market price is readily available.

The Committee also assesses if an adjustment is required to the quoted market price of any security, if it is considered that the quoted market price is not reasonable (for example securities with a so-called "stale" price). A register is maintained documenting the valuation used and the basis for the valuation of any security or investment that may be manually adjusted or manually priced.

The Securities Pricing Committee meets on a quarterly basis, and as required.

**Notes to the Financial Statements
For the year ended 30 June 2019**

Note 10 Fair Value Hierarchy (continued)

(ii) PEF's unlisted security

At 30 June 2019, Platinum European Fund ("PEF") also had an interest in BioNTech. PEF purchased BioNTech on the same date and with the same arrangement as PIHF.

A summary of the level 3 securities and the purchases made in the current financial year is as follows:

Name of security	Value at 30 June 2019 (\$'000)	Value at 30 June 2018 (\$'000)	Basis of valuation
BioNTech	7,123	n/a	This was a new unlisted security purchased during the year. On 26 June 2019, PEF was registered as holding title to the security, following a capital raising by the company to PIHF and other external parties. Settlement of the proceeds took place on 1 July 2019, which meant that in the accounts of PEF, we have recognised a liability for the amounts owing at balance date (refer to note 8: the amount owing forms part of the balance of payables for purchase of financial assets). The recognition of this balance is in addition to the recognition of the amount in the first column as a financial asset at fair value through profit or loss.
Total	7,123	n/a	

BioNTech contributes 0% of PEF's net assets at 30 June 2019, because the asset line is offset by the liability line in PEF's statement of financial position. If the liability has been settled on or before 30 June 2019, then the value of this security would have represented 0.82% of PEF's net assets.

A summary of the movement in level 3 security, for PEF, for the year ended 30 June 2019 is outlined below

	30 Jun 2019 Level 3 \$'000	30 Jun 2018 Level 3 \$'000
Opening balance	-	-
Purchases*	7,123	-
Sales	-	-
Gains and losses recognised in profit or loss	-	-
Closing balance	<u>7,123</u>	-

* the purchase (at cost) of \$7,123,000 represents the cost and fair value of BioNtech that was purchased during the year.

Note 10 Fair Value Hierarchy (continued)

(i) PEF's unlisted security (continued)

(a) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the unobservable inputs used in level 3 fair value measurements.

Description	Best estimate of fair value at 30 June 2019	Key unobservable inputs	Estimates for unobservable inputs
Unlisted security	\$7,123,000	The unlisted securities' fair value has been determined to be the same as its acquisition cost.	Downside: \$7,123,000 (loss of any capital contributed).

(b) Valuation processes

The valuation process used to value this security is the same as that outlined on page 54.

Note 10 Fair Value Hierarchy (continued)

(iii) PIBF's Zimbabwean security

Rationale for classification of assets and liabilities as level 3

During the year, a new Zimbabwean currency was launched (the Zimbabwe Dollar or ZWL) and Bloomberg commenced pricing all Zimbabwean securities listed on the Zimbabwe stock exchange in ZWL on a daily basis.

As a result of this change, the Investment Manager recommended that the registered schemes change its fair value measurement methodology basis for its Zimbabwean security as set forth below. Effective 26 March 2019 ("Effective Date"), the Investment Manager used the daily ZWL price quoted on the Zimbabwe stock exchange as the starting point for its daily valuation of its Zimbabwean security. This is indicative or suggestive of Level 1 pricing. However, whilst the Reserve Bank of Zimbabwe publishes an official daily ZWL to USD exchange rate, there are no external quoted exchange rates available. Hence, the Investment Manager has decided to use the Old Mutual Implied Rate (OMIR) as a proxy exchange rate which incorporates a liquidity discount arising from the restriction on repatriating funds out of Zimbabwe. The OMIR is based on a trade weighted average of the Old Mutual securities listed on both the London and South African stock exchanges.

As a result of this manual adjustment to the ZWL price quoted on the Zimbabwe stock exchange, in order to derive or translate the local currency fair value into Australian Dollars, the security has been classified as Level 3 for the purposes of applying the fair value hierarchy model.

The change in valuation methodology was implemented from the Effective Date. Prior to the Effective Date, the Investment Manager applied a 33% discount to the lowest quoted market price for the period from 12 September 2017 to 25 March 2019, to account for the lack of liquidity of the Zimbabwean security, and booked a fair value adjustment against all of the registered scheme's Zimbabwean security position, classifying it as Level 3 investment.

Hence, in the 2019 year, whilst the basis for valuation has changed, the security continues to be classified as a Level 3 investment.

Please refer to the 2018 Annual Report for a discussion on how the Zimbabwean security was valued in the comparative year.

As at 30 June 2019, the registered scheme held (approximately) A\$997,000 in Zimbabwean security (based on the adjusted value applied by the Investment Manager), which constituted approximately 0.15% (2018: 0.3%) of the registered scheme's total fair value of investments at 30 June 2019. A summary of the Level 3 fair value applied relative to the "Level 1" equivalent fair value is disclosed in the table below.

Name of Zimbabwean security	Fair value used to value the security in the accounts (A\$) (Level 3 value used)	Fair value based on the quoted closing market price at 30 June 2019 (A\$) (equivalent Level 1 value)	% discount
Delta	997,000	1,401,000	29

Notes to the Financial Statements
For the year ended 30 June 2019

Note 10 Fair Value Hierarchy (continued)

(iii) PIBF's Zimbabwean security (continued)

The total of the Level 3 values disclosed above reconcile to the "30 June 2019" Level 3 value disclosed on the previous page and shows that the value of the investment recorded in the statement of financial position was \$404,000 lower than the value that would have applied if the 30 June 2019 quoted exchange rate for this security had been used when preparing the registered scheme's statement of financial position. Below is a table showing the Level 3 fair value movement during the year.

	30 Jun 2019 Level 3 \$'000	30 Jun 2018 Level 3 \$'000
Opening balance	2,168	-
Transfers from level 1 to level 3	-	2,168
Movement during the year	(1,171)	-
Closing balance	997	2,168

Valuation processes

The valuation process used to value this security is the same as that outlined on page 54.

Note 10 Fair Value Hierarchy (continued)

Valuation techniques used to classify assets and liabilities as level 1

Nearly all of the equity securities held by the registered schemes are valued using quoted prices in active markets, with the exception of P-Notes as listed below. Accordingly, nearly all equity securities are classified as Level 1 in the fair-value hierarchy model.

Valuation techniques used to classify assets and liabilities as level 2

There are some financial instruments that have been classified as level 2, because there is a degree of adjustment made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted on an active market, there is a degree of estimation or adjustment involved in deriving the fair value. Examples include:

- Foreign exchange contracts are classified as level 2, even though forward points are quoted in an active and liquid market. The forward points themselves are based on interest rate differentials;
- P-Notes are classified as level 2, because they are traded over-the counter and are often priced in a different currency to the underlying security;
- Over-The Counter (OTC) derivatives/options may be classified as level 2 because either (i) the contract itself is not listed and therefore there is no directly observable market price; or (ii) the price is sourced from the relevant counterparty, even though the price (and in the case of options, the relevant delta) can be verified from either Bloomberg or other option pricing models. OTC equity swap contracts are classified as level 2 because the swap contract itself is not listed and does not have an observable market price. However, the underlying security referred to in each swap contract has a directly observable quoted price in an active market; and
- Certain index derivatives are classified as level 2, because the registered schemes may agree with the counterparty to include or exclude one or more securities that make up the “basket” of securities that comprise the index derivative. Hence, the quoted price of the index derivative would be very similar, but not identical, to the index derivative that the registered schemes hold.

Note 11 Key Management Personnel Disclosures

AASB 124: *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

Key management personnel (KMP)

The following persons were key management personnel of Platinum Investment Management Limited during the financial year up to 30 June 2019:

Andrew Clifford
Kerr Neilson (until 23 July 2018)
Elizabeth Norman
Andrew Stannard

There are no other key management personnel within Platinum Investment Management Limited.

There were no other persons with responsibility for planning, directing and controlling the activities of the responsible entity, directly or indirectly during the financial year.

Service Agreements

The Directors do not have service agreements as they are employees of Platinum Investment Management Limited.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 12 Related Parties

Responsible Entity

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

Directors of the Responsible Entity

The listing of KMP is shown in Note 11.

Transactions with key management personnel

Key management personnel services are provided by Platinum Investment Management Limited and included in the responsible entity fees on page 65. There was no compensation paid directly by the registered schemes to any of the key management personnel.

Related party unitholdings

Units held by related parties of the registered schemes are as follows:

Unitholder	No. of units held opening	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed/ *transferred out as Kerr Neilson was no longer a related party	No. of units held closing	Distributions paid/payable by the Fund (\$)
Platinum International Fund							
30 June 2019							
Key management personnel	11,469,620	-	-	-	(11,469,620)	-	-
Other related parties	81,884,975	20,381,411	0.19	812,855	(72,078,676)	10,619,154	628,777
Responsible entity	15,750	12,003	-	-	-	15,750	1,721
30 June 2018							
Key management personnel	10,258,846	23,650,356	0.20	1,210,774	-	11,469,620	2,502,912
Other related parties	67,846,230	157,477,465	1.31	14,064,843	(26,098)	81,884,975	30,424,216
Responsible entity	5,775	24,485	-	9,975	-	15,750	2,723

* Kerr Neilson's interest has been excluded from the date of his resignation from the Platinum Investment Management Limited board on 23 July 2018.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 12 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed/ *transferred out as Kerr Neilson was no longer a related party	No. of units held closing	Distributions paid/payable by the Fund (\$)
Platinum Unhedged Fund							
30 June 2019							
Key management personnel	2,686,087	-	-	-	(2,686,087)	-	-
Other related parties	32,378,477	230,397	0.08	7,289	(32,241,000)	144,766	11,624
Responsible entity	11,799	13,671	-	-	-	11,799	750
30 June 2018							
Key management personnel	2,470,260	4,550,219	1.29	215,827	-	2,686,087	366,345
Other related parties	27,280,665	50,786,975	14.45	5,097,812	-	32,378,477	8,159,111
Responsible entity	1,824	15,020	-	9,975	-	11,799	1,229
Platinum Asia Fund							
30 June 2019							
Key management personnel	20,415,181	-	-	-	(20,415,181)	-	-
Other related parties	56,449,145	4,964,306	0.26	254,061	(51,738,900)	12,245,223	628,777
Responsible entity	14,244	14,244	-	-	-	20,367	1,096
30 June 2018							
Key management personnel	16,578,581	20,415,181	0.97	3,836,600	-	52,854,175	9,957,510
Other related parties	39,782,036	56,449,145	2.34	16,667,109	-	128,082,293	44,629,407
Responsible entity	4,269	14,244	-	9,975	-	25,053	4,805

Kerr Neilson's interest has been excluded from the date of his resignation from the Platinum Investment Management Limited board on 23 July 2018.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 12 Related Parties (continued)
Related party unitholdings (continued)

Unitholder	No. of units held opening	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed/ *transferred out as Kerr Neilson was no longer a related party	No. of units held closing	Distributions paid/payable by the Fund (\$)
Platinum European Fund							
30 June 2019							
Key management personnel	2,650,909	-	-	-	(2,650,909)	-	-
Other related parties	8,968,968	-	-	-	(8,968,968)	-	-
Responsible entity	14,624	27,904	-	-	-	14,624	1,776
30 June 2018							
Key management personnel	2,465,472	9,665,883	0.92	185,437	-	2,650,909	677,864
Other related parties	7,785,721	30,692,891	2.92	1,183,247	-	8,968,968	4,167,809
Responsible entity	4,649	29,560	-	9,975	-	14,624	2,113
Platinum Japan Fund							
30 June 2019							
Key management personnel	6,143,538	-	-	-	(6,143,538)	-	-
Other related parties	31,550,647	13,323,636	1.69	323,783	(28,638,631)	3,235,799	1,335,896
Responsible entity	14,659	32,167	-	-	-	14,659	3,298
30 June 2018							
Key management personnel	5,829,838	27,264,987	3.20	313,700	-	6,143,538	1,394,993
Other related parties	28,624,036	134,790,856	15.83	2,926,612	-	31,550,647	12,783,840
Responsible entity	4,684	32,950	-	9,975	-	14,659	1,760

*Kerr Neilson's interest has been excluded from the date of his resignation from the Platinum Investment Management Limited board on 23 July 2018.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 12 Related Parties (continued)
Related party unitholdings (continued)

Unitholder	No. of units held opening	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed /*transferred out as Kerr Neilson was no longer a related party	No. of units held closing	Distributions paid/payable by the Fund (\$)
Platinum International Brands Fund							
30 June 2019							
Other related parties	2,728,808	-	-	-	(2,728,808)	-	-
Responsible entity	14,990	20,223	-	-	-	14,990	1,979
30 June 2018							
Other related parties	1,781,034	5,176,087	0.53	947,774	-	2,728,808	2,150,111
Responsible entity	5,015	26,173	-	9,975	-	14,990	5,549
Platinum International Health Care Fund							
30 June 2019							
Other related parties	11,575,658	-	-	-	(11,575,658)	-	-
Responsible entity	20,046	33,686	0.01	-	-	20,046	3,446
30 June 2018							
Other related parties	9,984,941	22,905,836	10.22	1,590,717	-	11,575,658	3,248,002
Responsible entity	10,071	45,712	0.01	9,975	-	20,046	2,418
Platinum International Technology Fund							
30 June 2019							
Other related parties	8,987,190	159,415	0.14	3,552	(8,896,137)	94,604	5,998
Responsible entity	19,385	27,939	0.01	-	-	19,385	1,112
30 June 2018							
Other related parties	8,591,724	14,743,648	12.63	395,466	-	8,987,190	579,658
Responsible entity	9,410	33,066	0.01	9,975	-	19,385	637

* Kerr Neilson's interest has been excluded from the date of his resignation from the Platinum Investment Management Limited board on 23 July 2018.

Notes to the Financial Statements
For the year ended 30 June 2019

Note 12 Related Parties (continued)

Responsible Entity Fees

Fees paid by the registered schemes include management fees (calculated at 1.35% per annum (2018:1.35%)) exclusive of GST for C Class investors of the registered schemes' net asset value and payable monthly; 1.1% per annum (2018:1.1%) exclusive of GST for P Class investors of the registered schemes' net asset value and payable monthly) and performance fees (calculated at 15% exclusive of GST of the amount by which the registered schemes' return per unit (after the deduction of investment management fees and excluding any accrued performance fees) exceeds the unitised return of the registered schemes' nominated benchmark and is payable semi-annually). The fees, exclusive of GST, are as follows:

	International Fund		Unhedged Fund			Asia Fund		European Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	143,129,816	150,934,746	4,123,353	3,994,953	60,158,389	65,103,278	12,894,630	11,270,600	
Aggregate amounts payable by the registered schemes at reporting date	10,727,634	12,508,475	287,786	338,836	4,640,137	5,307,423	932,342	1,088,847	
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund		
	2019	2018	2019	2018	2019	2018	2019	2018	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	10,448,038	10,484,974	9,976,845	12,037,122	3,292,599	2,590,788	1,522,662	1,383,937	
Aggregate amounts payable by the registered schemes at reporting date	755,271	840,846	729,997	997,748	260,722	229,492	106,526	117,350	

Notes to the Financial Statements
For the year ended 30 June 2019

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities

(a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Statements of Financial Position as follows:

	International Fund		Unhedged Fund		2019 \$'000	Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000		2018 \$'000	2019 \$'000	2018 \$'000	
Cash and cash equivalents	1,496,176	1,270,112	48,860	48,407	854,927	737,268	80,843	132,895	
Cash on deposit held within the portfolio	389,038	226,721	1,141	3,793	72,611	40,076	21,794	4,741	
	<u>1,885,214</u>	<u>1,496,833</u>	<u>50,001</u>	<u>52,200</u>	<u>927,538</u>	<u>777,344</u>	<u>102,637</u>	<u>137,636</u>	

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and cash equivalents	68,738	72,425	94,979	165,635	45,951	23,567	23,254	22,585
Cash on deposit held within the portfolio	18,248	4,854	34,814	40,736	3,846	-	910	324
	<u>86,986</u>	<u>77,279</u>	<u>129,793</u>	<u>206,371</u>	<u>49,797</u>	<u>23,567</u>	<u>24,164</u>	<u>22,909</u>

Cash on deposit is held on deposit to 'cash cover' derivative contracts' deposits and margin calls. These amounts are held by the relevant derivative exchanges and counterparties as security. If losses are realised, the cash balances are set off against those losses. If profits are realised on the close out of derivative contracts, the money is returned to the registered schemes.

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bears floating interest rates in the range of -1.75% to 0.35%. Information in relation to the registered schemes' exposures to interest rate risk is provided in Note 9.

(b) Non Cash Financing Activities

	International Fund		Unhedged Fund		2019 \$'000	Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000		2018 \$'000	2019 \$'000	2018 \$'000	
During the year, the following distribution payments were reinvested in additional units	252,576	388,662	6,676	12,362	124,625	472,800	16,273	18,049	

Notes to the Financial Statements
For the year ended 30 June 2019

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)

(b) Non Cash Financing Activities (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
During the year, the following distribution payments were reinvested in additional units	45,610	23,015	23,645	58,716	14,193	8,543	2,266	1,225

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net operating profit	74,281	1,400,008	(4,767)	46,421	24,056	686,784	10,976	109,167
(Increase)/decrease in investments	1,161,910	(910,128)	28,351	(67,585)	348,384	(221,103)	29,917	(426,570)
(Increase)/decrease in exchange rates	(61,957)	(44,537)	(1,958)	(1,297)	(2,415)	(26,120)	(5,117)	129
(Increase)/decrease in payable for purchase of financial assets/liabilities	23,627	(30,463)	2,677	3,292	(9,767)	44,039	24,977	(33,392)
(Increase)/decrease in dividends and tax refund receivable	4,434	8,630	374	138	7,105	1,886	(1,108)	(2,424)
(Increase)/decrease in interest receivable	197	(258)	4	(12)	(525)	(56)	103	(110)
(Increase)/decrease in other receivables	(3,396)	(60)	(315)	(471)	(261)	(466)	4	(48)
Increase/(decrease) in proceeds on sale of financial assets	58,936	(53,629)	(493)	(5,479)	39,362	(7,760)	13,248	1,134
Increase/(decrease) in management, performance payable	(1,780)	(1)	(51)	58	(667)	(190)	(157)	439
Increase/(decrease) in interest and swap payables	186	(76)	7	(6)	(3)	(1)	26	(7)
Net Cash Flows from operating activities	1,256,438	369,486	23,829	(24,941)	405,269	477,013	72,869	(351,682)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating profit/(loss)	21,671	71,946	(19,442)	144,666	9,918	33,063	4,909	11,634
(Increase)/decrease in investments	48,440	(128,538)	132,053	45,489	(33,630)	(42,137)	4,825	(20,124)
(Increase)/decrease in exchange rates	(3,641)	(2,242)	(2,375)	(4,247)	(1,343)	(889)	(1,179)	(231)
(Increase)/decrease in payable for purchase of financial assets/liabilities	-	27	(8,166)	198	895	(1,096)	-	-
(Increase)/decrease in dividends and tax refund receivable	(360)	(758)	85	1,394	(57)	(33)	53	(6)
(Increase)/decrease in interest receivable	-	(25)	(5)	(26)	(6)	(4)	7	(12)
(Increase)/decrease in other receivables	10	(12)	(1,393)	(116)	(17)	2	(6)	-
Increase/(decrease) in proceeds on sale of financial assets	2,055	(1,276)	52	(1,896)	6,301	468	-	-
Increase/(decrease) in management, performance payable	(86)	98	(268)	(155)	31	6	(10)	8
Increase/(decrease) in interest and swap payables	467	1	(6)	7	(3)	(5)	(1)	-
Net Cash Flows from operating activities	68,556	(60,779)	100,535	185,314	(17,911)	(10,625)	8,598	(8,731)

Notes to the Financial Statements
For the year ended 30 June 2019

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)

(d) Adjustments made to prior year amounts relating to “purchase of financial assets” and “proceeds from the sale of financial assets”

	International Fund 2018 \$'000	Unhedged Fund 2018 \$'000	Asia Fund 2018 \$'000	European Fund 2018 \$'000	Japan Fund 2018 \$'000	International Brands Fund 2018 \$'000	International Health Fund 2018 \$'000	International Technology Fund 2018 \$'000
Purchase of financial assets	194,015	(13,988)	(165,024)	(252,363)	(41,627)	6,517	(148,892)	(146,522)
Proceeds from the sale of financial assets	(194,015)	13,988	165,024	252,363	41,627	(6,517)	148,892	146,522
Net impact	-	-	-	-	-	-	-	-

Note 14 Events Occurring after the Statements of Financial Position Date

No significant events have occurred since Statements of Financial Position date that would impact the financial position of the registered schemes as at 30 June 2019 and the results of the year ended on that date.

Note 15 Contingent Assets, Liabilities and Commitments

The registered schemes have no contingent assets, liabilities or commitments as at 30 June 2019 and 30 June 2018.

**Directors' Declaration
For the year ended 30 June 2019**

In the opinion of the directors of the responsible entity:

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund (together the 'registered schemes')

- (a) the financial statements and notes set out on pages 8 to 69 are in accordance with the *Corporations Regulations 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the registered schemes' financial position as at 30 June 2019 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay its debts as and when they become due and payable; and
- (c) Note 2 (a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Andrew Stannard
Director

Sydney
12 September 2019



Independent auditor's report

To the unitholders of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund

Our opinion

In our opinion:

The accompanying financial report of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Registered Schemes' financial positions as at 30 June 2019 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statements of financial position as at 30 June 2019
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors of the Responsible Entity's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity of the Registered Schemes are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Schemes to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Registered Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund for the year ended 30 June 2019 included on Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund's web site. The directors of the Responsible Entity of the Registered Schemes are responsible for the integrity of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Simon Cuthbert

Simon Cuthbert
Partner

Sydney
12 September 2019