

Platinum Asset Management Limited

ABN 13 050 064 287

**Interim Financial Report
For the half-year ended 31 December 2021**

Platinum Asset Management Limited

Corporate directory

31 December 2021

Directors	Guy Strapp Stephen Menzies Anne Loveridge Brigitte Smith Kerr Neilson Philip Moffitt (appointed on 17 December 2021) Andrew Clifford Elizabeth Norman Andrew Stannard Tim Trumper (resigned on 17 November 2021)
Shareholder liaison	Elizabeth Norman
Company secretary	Joanne Jefferies
Registered office	Level 8, 7 Macquarie Place Sydney NSW 2000 Phone 1300 726 700 (Australia only) Phone 0800 700 726 (New Zealand only) Phone +61 2 9255 7500
Share register	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 2000 Phone 1300 855 080 (Australia only) Phone +61 3 9415 4000 Fax +61 3 9473 2500
Auditor	Ernst & Young
Stock exchange listing	Platinum Asset Management Limited shares are listed on the Australian Securities Exchange (ASX code: PTM)
Website	www.platinum.com.au/Shareholder-information/

Platinum Asset Management Limited

Directors' report

31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity', 'Group' or 'Platinum') consisting of Platinum Asset Management Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were Directors of Platinum Asset Management Limited during the half-year and up to the date of this report unless otherwise stated:

Guy Strapp	Chairman
Anne Loveridge	Non-Executive Director
Stephen Menzies	Non-Executive Director
Brigitte Smith	Non-Executive Director
Kerr Neilson	Non-Executive Director
Philip Moffitt	Non-Executive Director (appointed on 17 December 2021)
Andrew Clifford	Chief Executive Officer/Managing Director
Elizabeth Norman	Executive Director and Director of Investor Services and Communications
Andrew Stannard	Executive Director and Chief Financial Officer
Tim Trumper	Non-Executive Director (resigned on 17 November 2021)

Principal activities

The Company is the non-operating holding company of Platinum Investment Management Limited (PIML) and its controlled entities. Platinum Investment Management Limited, trading as Platinum Asset Management (Platinum), operates a funds management business.

Operating and Financial Review

The key variables that drive the profitability of the Group are average funds under management (FUM) growth, investment performance, including performance of our seed investments, performance fees earned and expense management. FUM for the half-year ending 31 December 2021 is shown in the table below.

Funds	Opening Balance (1 Jul 21) \$'M	Flows \$'M	Investment Performance \$'M	Distribution and Other \$'M	Closing Balance (31 Dec 21) \$'M	% of Total
Retail Offerings						
Platinum Trust Funds (excluding funds fed from PIXX and PAXX) and Platinum Global Fund (mFund)	14,548	(445)	(337)	-	13,766	63%
Quoted Managed Funds PIXX and PAXX	518	(17)	(12)	-	489	2%
Listed Investment Companies PMC and PAI	988	-	(21)	(53)	914	4%
MLC Platinum Global Fund	732	(45)	7	-	694	3%
Institutional mandates						
Management Fee Mandates	2,426	(169)	(24)	-	2,233	10%
UCITS Platinum Word Portfolios	447	(10)	(18)	-	419	2%
Cayman Funds	38	-	(2)	-	36	0%
'Absolute' Performance Fee Mandates	358	(27)	8	-	339	2%
'Relative' Performance Fee Mandates	3,467	(216)	(135)	-	3,116	14%
Total	23,522	(929)	(534)	(53)	22,006	100%

The 'Distribution and Other' figure is comprised of dividend and tax payments made by the Listed Investment Companies = Platinum Capital Limited (ASX code: PMC) and Platinum Asia Investments Limited (ASX code: PAI). Platinum Investment Bond included within Platinum Trust Funds.

FUM at 31 December 2021 was \$22 billion and this represented a decrease of 6.4% from the 30 June 2021 closing FUM of \$23.5 billion. The decrease in FUM was driven by net outflow of \$0.9 billion and negative investment returns of \$0.5 billion during the half-year. The negative investment returns were primarily from the Asia ex-Japan investment strategy (\$0.4 billion). Average FUM for the six months to 31 December 2021 was \$22.5 billion which was 1.0% higher than the average FUM of \$22.2 billion for the previous corresponding half-year.

Platinum Asset Management Limited
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Profit after tax was \$60.0 million (31 December 2020: \$90.4 million) for the half-year. Earnings per share was 10.4 cents per share (31 December 2020: 15.6 cents per share). The main contributor to the decrease in profit and earnings per share was unrealised losses on seed investments, including share of associates losses, which contributed losses before tax for the half-year of \$7.4 million, as compared to income before tax of \$35 million for the half-year to 31 December 2020. Underlying profit after tax, which excludes gains and losses on seed investments (net of tax), was \$65.1m (31 December 2020: \$65.9m).

Total revenue was \$133.6 million for the period ended 31 December 2021, an increase of 2.0% from \$130.9 million in the previous corresponding period. Management fee revenues increased 3% compared to the 31 December 2020 period due the increase in average FUM and changes in product mix. Performance fee revenues of \$2.5 million (December 2020: \$3.7 million) were attributable to absolute performance fee mandates.

Other income decreased from a \$35.7 million gain in the period ended 31 December 2020 to a \$4.9 million loss in the current half-year due primarily to unrealised losses on seed investments.

Total costs were \$43.2 million for the period ended 31 December 2021, an increase of \$5.9 million from the previous corresponding period. The increase in total costs is mainly due to a \$4.6 million increase in share-based payments expense. Share-based payments expenses normalised in the period ended 31 December 2021 after being relatively low in the previous corresponding period due to rights forfeited during that period. Business developments costs increased by \$1.1 million due mainly to advertising. An increase was anticipated and factored in given largely to the launch of the Platinum Investment Bond (and its direct to market proposition) and associated new campaigns, and also the growth in social media advertising and third party distribution costs.

COVID-19 has not had a direct impact on the Group's ability to perform its core business activities or on the Group's revenues. Accordingly, the Group has not received any COVID-19 related financial assistance or support.

Platinum believes it is well positioned for growth because:

- It maintains a highly differentiated product and maintains a strong position in the Australian retail market;
- Our offshore initiatives provide a platform for growth over the medium-term; and
- Our investment team continues to deliver high research quality and a large idea base.

The Group is in a strong financial position, with a strong balance sheet. However, the most significant driver of sustainable future growth is, and will always be, the delivery of superior, long-term, investment returns for our clients.

Dividends

The Company has limited capital requirements and generally expects that most, if not all, future profits will continue to be distributed by way of dividends, subject to ongoing capital requirements. Given that the earnings per share for the 2021 interim period was 10.4 cents per share, post 31 December 2021, the Directors declared a 2022 interim fully-franked dividend of 10 cents per share with a record date of 3 March 2022 and payable to shareholders on 18 March 2022.

The 2021 interim fully-franked dividend for the previous corresponding period was 12 cents per share.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Guy Strapp
Chairman



Andrew Clifford
Director

23 February 2022
Sydney



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Platinum Asset Management Limited

As lead auditor for the review of the half-year financial report of Platinum Asset Management Limited for the half-year ended 31 December 2021, I declare 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Platinum Asset Management Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva' in a cursive script.

Rita Da Silva
Partner
Sydney
23 February 2022

Platinum Asset Management Limited

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General information

The financial statements cover Platinum Asset Management Limited (the "Company") as a consolidated entity (the "Group") consisting of Platinum Asset Management Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2021. The financial statements are presented in Australian dollars, which is Platinum Asset Management Limited's functional and presentation currency.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 February 2022.

The Directors have the power to amend and re-issue the interim financial report.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Platinum Asset Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Platinum Asset Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
		Half-year ended	
	Note	31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Revenue			
Management fees		131,091	127,271
Performance fees		2,516	3,666
Total revenue		<u>133,607</u>	<u>130,937</u>
Other income			
Interest		168	334
Distribution and dividend		2,253	1,151
Share of profit/(loss) of associates	4	(5,584)	25,798
Gain/(loss) on financial assets at fair value through profit or loss		(1,785)	9,235
Foreign exchange gain/(loss) on overseas bank accounts		37	(848)
Total revenue and other income		<u>128,696</u>	<u>166,607</u>
Expenses			
Employee expenses			
Salaries and employee related expenses		20,136	20,428
Share-based payments		6,383	1,810
Custody and unit registry		5,014	5,058
Business development		3,706	2,602
Technology, research and data		2,527	2,611
Legal, compliance and other professional		2,200	1,631
Depreciation of right-of-use assets		967	963
Depreciation of fixed assets		483	634
Mail house, periodic reporting and share registry		539	609
Insurance		957	531
Rent and other occupancy		219	252
Finance costs on lease liabilities		83	105
Other		22	104
Total expenses		<u>43,236</u>	<u>37,338</u>
Profit before income tax expense		85,460	129,269
Income tax expense		25,492	38,849
Profit after income tax expense		<u>59,968</u>	<u>90,420</u>
Other comprehensive income			
Exchange rate translation impact of foreign subsidiaries and associates		2,484	(7,914)
Other comprehensive income for the half-year, net of tax		<u>2,484</u>	<u>(7,914)</u>
Total comprehensive income for the half-year		<u>62,452</u>	<u>82,506</u>
		Cents	Cents
Basic earnings per share	3	10.36	15.60
Diluted earnings per share	3	10.26	15.50

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of financial position
As at 31 December 2021

		Consolidated	
		As at	
	Note	31 Dec 2021	30 Jun 2021
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		142,374	143,277
Term deposits		49,876	49,876
Trade and other receivables		32,506	27,612
Total current assets		<u>224,756</u>	<u>220,765</u>
Non-current assets			
Equity investments in associates	4	101,804	107,622
Financial assets at fair value through profit or loss	8	45,053	44,340
Fixed assets		2,422	2,777
Right-of-use assets		5,801	6,767
Total non-current assets		<u>155,080</u>	<u>161,506</u>
Total assets		<u>379,836</u>	<u>382,271</u>
Liabilities			
Current liabilities			
Trade and other payables		5,969	6,178
Employee benefits		10,496	3,920
Lease liabilities		1,934	1,871
Income tax payable		5,911	9,804
Total current liabilities		<u>24,310</u>	<u>21,773</u>
Non-current liabilities			
Provisions		1,540	1,311
Employee benefits		661	718
Lease liabilities		4,273	5,239
Net deferred tax liabilities		7,648	11,206
Total non-current liabilities		<u>14,122</u>	<u>18,474</u>
Total liabilities		<u>38,432</u>	<u>40,247</u>
Net assets		<u>341,404</u>	<u>342,024</u>
Equity			
Issued capital	6	717,444	714,893
Reserves		(569,518)	(575,834)
Retained profits	7	193,478	202,965
Total equity		<u>341,404</u>	<u>342,024</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued Capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	714,893	(575,834)	202,965	342,024
Profit after income tax expense for the half-year	-	-	59,968	59,968
<i>Other comprehensive income</i>				
Exchange rate translation impact of foreign subsidiaries and associates	-	2,484	-	2,484
Total comprehensive income for the half-year	-	2,484	59,968	62,452
<i>Transactions with owners in their capacity as owners:</i>				
Net treasury shares (acquired)/transferred	2,551	-	-	2,551
Share-based payments reserve	-	3,832	-	3,832
Dividends paid	-	-	(69,455)	(69,455)
Balance at 31 December 2021	<u>717,444</u>	<u>(569,518)</u>	<u>193,478</u>	<u>341,404</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2020	717,998	(572,082)	173,045	318,961
Profit after income tax expense for the half-year	-	-	90,420	90,420
<i>Other comprehensive income</i>				
Exchange rate translation impact of foreign subsidiaries and associates	-	(7,914)	-	(7,914)
Total comprehensive income for the half-year	-	(7,914)	90,420	82,506
<i>Transactions with owners in their capacity as owners:</i>				
Net treasury shares (acquired)/transferred	806	-	-	806
Share-based payments reserve	-	(2,692)	-	(2,692)
Dividends paid	-	-	(63,799)	(63,799)
Balance at 31 December 2020	<u>718,804</u>	<u>(582,688)</u>	<u>199,666</u>	<u>335,782</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2021

	Consolidated	
	Half-year ended	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Cash flows from operating activities		
Receipts from operating activities	128,609	135,005
Payments for operating activities	(29,395)	(26,730)
Finance costs paid	(83)	(105)
Income taxes paid	(32,944)	(33,254)
Net cash from operating activities	<u>66,187</u>	<u>74,916</u>
Cash flows from investing activities		
Interest received	174	295
Proceeds on maturity of term deposits	49,876	67,876
Purchase of term deposits	(49,876)	(67,876)
Payments for purchases of fixed assets	(129)	(11)
Receipts from sale of financial assets	8,898	20,039
Payments for purchases of financial assets	(10,311)	(28,920)
Proceeds from sale of equity investments in associates	2,498	2,568
Dividends and distribution received	2,253	1,708
Net cash provided by (used in) investing activities	<u>3,383</u>	<u>(4,321)</u>
Cash flows from financing activities		
Dividends paid	(69,455)	(63,799)
Payments for purchase of treasury shares	-	(2,681)
Payment of lease liability principal	(1,057)	(963)
Net cash (used in) financing activities	<u>(70,512)</u>	<u>(67,443)</u>
Net increase/(decrease) in cash and cash equivalents	(942)	3,152
Cash and cash equivalents at the beginning of the half-year	143,277	105,333
Effects of exchange rate changes on cash and cash equivalents	39	(943)
Cash and cash equivalents at the end of the half-year	<u>142,374</u>	<u>107,542</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Notes to the financial statements
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Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Accounting Standards and Interpretations not yet mandatory or early adopted during the half-year

There are no standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting Standards adopted during the half-year

There are no standards that are effective for the first time in the current period that have a material impact on the Group.

Note 2. Segment information

The Group is organised into two main operating segments being:

- funds management: through the generation of management and performance fees from Australian investment vehicles, its US-based investment mandates and Platinum World Portfolios Plc (“PWP”) and associated costs; and
- investments and other: through the Group’s investment in the (a) ASX listed, Platinum Asia Investments Limited (PAI) (b) PWP (c) unlisted Platinum Trust Funds and (d) other seed funds. Also included in this category are Australian dollar term deposits as well as associated interest derived from these.

The segment financial results, segment assets and liabilities are disclosed below:

	31 December 2021			31 December 2020		
	Funds Management \$'000	Investments and Other \$'000	Total \$'000	Funds Management \$'000	Investments and Other \$'000	Total \$'000
Revenue and other income						
Management and performance fees	133,607	-	133,607	130,937	-	130,937
Interest	30	138	168	150	184	334
Net gain/(loss) on financial assets and equity in associates	-	(7,369)	(7,369)	-	35,033	35,033
Distributions and dividends	-	2,253	2,253	-	1,151	1,151
Net foreign exchange gain/(loss) on overseas bank accounts	-	37	37	-	(848)	(848)
Total revenue and other income/(loss)	133,637	(4,941)	128,696	131,087	35,520	166,607
Expenses	42,998	238	43,236	37,168	170	37,338
Profit/(loss) before income tax expense/(benefit)	90,639	(5,179)	85,460	93,919	35,350	129,269
Income tax expense/(benefit)	27,046	(1,554)	25,492	27,456	11,393	38,849
Profit/(loss) after income tax expense/(benefit)	63,593	(3,625)	59,968	66,463	23,957	90,420
Other comprehensive income/(loss)	4	2,480	2,484	(13)	(7,901)	(7,914)
Total comprehensive income/(loss)	63,597	(1,145)	62,452	66,450	16,056	82,506

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Note 2. Segment information (continued)

	31 December 2021			31 December 2020		
	Funds Management	Investments and Other	Total	Funds Management	Investments and Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	132,969	246,867	379,836	86,779	294,632	381,411
Total liabilities	31,689	6,743	38,432	34,795	10,834	45,629
Net assets	101,280	240,124	341,404	51,984	283,798	335,782

Note 3. Earnings per share

	Consolidated Half-year ended	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Profit after income tax attributable to the owners of Platinum Asset Management Limited	59,968	90,420
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	578,872,023	579,660,816
Adjustment for deferred rights	5,532,277	3,592,263
Weighted average number of ordinary shares used in calculating diluted earnings per share	584,404,300	583,253,079
	Cents	Cents
Basic earnings per share	10.36	15.60
Diluted earnings per share	10.26	15.50

Platinum Asset Management Limited
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Note 4. Equity investments in associates

The Group's investments in PAI, PWP, and Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX) represent interests in associates which are accounted for using the equity method of accounting. PAXX ceased to be an associate during the current period due to the sale of all units held. Information relating to this is shown in the table below:

a. Interests in associates

Entity	Country of incorporation	Equity interest %		Fair Value \$'000		Carrying amount \$'000		Reason for assessment of significant influence
		31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021	
PAI	Australia	8.2	8.2	32,850	36,900	34,968	38,694	Ownership interest was 8.2% at 31 December 2021; PIML acts as Investment Manager (IM) in accordance with the Investment Management Agreement; PIML provides performance and exposure reports to the PAI Board.
PWP	Ireland	16.4	16.3	66,836	66,324	66,836	66,324	Ownership interest was 16.4% at 31 December 2021; PIML acts as IM in accordance with the Investment Management Agreement; the Company provides performance and exposure reports to the PWP Board and Stephen Menzies is a Director of PWP and a Director of Platinum Asset Management Limited.
PAXX	Australia	-	1.7	-	2,604	-	2,604	The Group ceased to have significant influence due to sale of its equity interest in PAXX during the period.
				99,686	105,828	101,804	107,622	

The fair value of PAI reflects the 30 million shares held multiplied by the PAI closing share price at 31 December 2021 of \$1.095 (30 June 2021: \$1.23).

The fair value of PWP is approximated by multiplying the number of shares held in the sub-funds by their respective closing prices at 31 December 2021.

The carrying value reflects the Group's share of each associate's net assets, including assessment of any impairment.

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Note 4. Equity investments in associates (continued)

b. Share of associates' statement of financial position

31 December 2021	Total assets[^] \$'000	Total liabilities* \$'000	Net assets \$'000
Associates financial position			
PAI	434,550	6,556	427,994
PWP	440,323	20,552	419,771
Total associates' statement of financial position			<u>847,765</u>
Group's share of associate			
PAI	35,409	441	34,968
PWP	77,391	10,555	66,836
Total Group's share of associate			<u>101,804</u>
30 June 2021	Total assets[^] \$'000	Total liabilities* \$'000	Net assets \$'000
Associates financial position			
PAI	498,661	27,270	471,391
PWP	447,174	610	446,564
PAXX**	180,624	26,522	154,102
Total associates' statement of financial position			<u>1,072,057</u>
Group's share of associate			
PAI	40,838	2,144	38,694
PWP	66,461	137	66,324
PAXX**	3,052	448	2,604
Total Group's share of associate			<u>107,622</u>

[^] All assets held by associates are current assets.

* Associates total liabilities include non-current liabilities of \$2,747,000 (30 June 2021: \$17,698,000).

** PAXX's financial position disclosed only for 30 June 2021 when PAXX was an associate.

c. Carrying amount of investment using the equity method

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Opening balance	107,622	125,019
Sale of PAXX units	(2,498)	(29,869)
Redemption of PWP units	-	(12,935)
Share of associates' profit/(loss) (see Note 4d below)	(3,774)	33,517
Exchange rate translation impact	2,264	(5,567)
Dividends paid and dilution of unitholding (see Note 4d below)	(1,810)	(2,543)
Closing balance (see Note 4a)	<u>101,804</u>	<u>107,622</u>

Platinum Asset Management Limited
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Note 4. Equity investments in associates (continued)

d. Associate's net income

31 December 2021	PAI \$'000	PWP \$'000	PAXX \$'000	Total \$'000
Associates' net income				
Total investment income	(30,132)	(228,007)	(17,241)	(275,380)
Total expenses	(3,289)	(2,523)	-	(5,812)
Profit/(loss) before tax	(33,421)	(230,530)	(17,241)	(281,192)
Income tax expense	10,026	-	-	10,026
Total profit/(loss) after tax	(23,395)	(230,530)	(17,241)	(271,166)
Group's share of associate				
Total investment income	(2,462)	(1,338)	(107)	(3,907)
Total expenses	(269)	(413)	-	(682)
Profit/(loss) before tax	(2,731)	(1,751)	(107)	(4,589)
Income tax expense	815	-	-	815
Total profit/(loss) after tax	(1,916)	(1,751)	(107)	(3,774)
Dividend paid and dilution of unitholding	(1,811)	-	1	(1,810)
Undistributed profit/(loss) for the period	(3,727)	(1,751)	(106)	(5,584)
31 December 2020				
	PAI \$'000	PWP \$'000	PAXX \$'000	Total \$'000
Associates' net income				
Total investment income	88,071	132,199	28,684	248,954
Total expenses	5,053	3,336	-	8,389
Profit/(loss) before tax	83,018	128,863	28,684	240,565
Income tax expense	24,819	-	-	24,819
Total profit/(loss) after tax	58,199	128,863	28,684	215,746
Group's share of associate				
Total investment income	7,248	17,208	5,235	29,691
Total expenses	416	534	-	950
Profit/(loss) before tax	6,832	16,674	5,235	28,741
Income tax expense	2,046	-	-	2,046
Total profit/(loss) after tax	4,786	16,674	5,235	26,695
Dividend paid and dilution of unitholding	(906)	-	9	(897)
Undistributed profit for the period	3,880	16,674	5,244	25,798

Platinum Asset Management Limited
Notes to the financial statements
31 December 2021

Note 5. Equity - dividends

Dividends paid during the half-year were as follows:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Dividend paid on 16 September 2021 of 12 cents per ordinary shares	69,455	-
Dividend paid on 22 September 2020 of 11 cents per ordinary shares	-	63,799
	<u>69,455</u>	<u>63,799</u>

The Directors have determined to pay an ordinary fully-franked dividend of 10 cents per share on 18 March 2022 (31 December 2020: ordinary dividend of 12 cents per share) payable out of profits for the 6 months ended 31 December 2021. This dividend has not been provided for at 31 December 2021, as it was declared after period-end.

Note 6. Equity - issued capital

	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	586,678,900	586,678,900	751,355	751,355
Treasury shares	<u>(7,457,127)</u>	<u>(8,018,094)</u>	<u>(33,911)</u>	<u>(36,462)</u>
Total issued capital	<u>579,221,773</u>	<u>578,660,806</u>	<u>717,444</u>	<u>714,893</u>

Ordinary shares

Ordinary shares: entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle the shareholders to one vote per ordinary share, entitled in person or by proxy, at the meeting of the company's shareholders.

On 17 September 2021, the Company announced the extension of the on-market share buy-back program, to enable the Company to buy-back PTM shares should they trade at a significant discount to their underlying value. No target price was set and no shares have been bought-back to date.

Treasury shares: are shares that have been purchased on market for the Employee Share Trust, pursuant to share-based payment arrangements with employees. Treasury shares are held by the Employee Share Trust for future allocation to employees. Treasury shares decrease when employees receive shares after exercising vested share-based payment arrangements.

Note 7. Equity – retained profits

	Half-year ended	Year ended
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Retained profits at the beginning of the period	202,965	173,045
Profit after income tax expense attributable to owners of the Company	59,968	163,258
Dividends paid	<u>(69,455)</u>	<u>(133,338)</u>
Retained profits at the end of the period	<u>193,478</u>	<u>202,965</u>

Platinum Asset Management Limited
Notes to the financial statements
31 December 2021

Note 8. Fair value measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the Group to classify those assets and liabilities measured at fair value using the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2021).

- I. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- II. 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
- III. inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2021, the investments in PAI and PWP have not been measured at fair value because they have been classified as equity investments in associates. If these were to be measured at fair value, PWP would be classified as level 2 whilst PAI would be classified as level 1.

The tables below analyse within the fair value hierarchy model the Group's assets and liabilities, measured or disclosed at fair value, using the three level hierarchy model at 31 December 2021 and 30 June 2021.

31 December 2021	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Assets				
Equity securities held by wholly owned seed funds	44,573	264	-	44,837
Platinum Trust Fund investments	-	216	-	216
	<u>44,573</u>	<u>480</u>	<u>-</u>	<u>45,053</u>

30 June 2021	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Assets				
Equity securities held by wholly owned seed funds	43,649	211	260	44,120
Platinum Trust Fund investments	-	220	-	220
	<u>43,649</u>	<u>431</u>	<u>260</u>	<u>44,340</u>

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

Valuation techniques used to classify assets and liabilities as level 2

The direct investments in the Platinum Trust Funds are valued using their respective Net Asset Values (adjusted for the buy-sell spread) of the underlying assets and liabilities and includes the impact of the 30 June distribution. Accordingly, management has assessed the fair value investments as being Level 2 investments.

Valuation techniques used to classify assets as level 3

Unlisted investments held by wholly owned seed funds are classified as level 3. These assets are valued in accordance with a valuation policy established by PIML as the investment manager. Level 3 assets were 0% of net assets at 31 December 2021 (30 June 2021: 0.1%). The Group held an interest in a level 3 asset at 30 June 2021 that was transferred to level 1 at 31 December 2021 following conversion of the instrument into a listed equity instrument during the period.

Note 9. Contingent Assets, Liabilities and Commitments

The Group has no commitments for significant capital expenditure. No contingent assets or liabilities exist at 31 December 2021 and 30 June 2021.

Note 10. Events after the reporting period

Apart from the dividend declared on 23 February 2022, as disclosed in Note 5, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Platinum Asset Management Limited
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Guy Strapp
Chairman

23 February 2022
Sydney



Andrew Clifford
Director

Independent Auditor's Review Report to the Members of Platinum Asset Management Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Platinum Asset Management Limited ("the Company") and its controlled entities (collectively "the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibilities for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's consolidated financial position as at 31 December 2021 and its consolidated performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva' in a cursive script.

Rita Da Silva
Partner
Sydney
23 February 2022