

# PTM 30 June 2011 Yearly Results Analyst Briefing

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## PTM yearly results

Total revenue	up 7% to \$265mn
Net profit after tax	up 10% to \$150mn
Diluted EPS	26.32 cps
Full year dividend: 10 cps + 15 cps	25 cps
Leaves cash on deposit at	\$149mn

Source: Platinum



## PTM yearly results

	Jun 2011	Jun 2010	\$ chg	% chg
	\$mn			
Management and admin fees	247.9	228.6	19.3	8.5
Performance fees	5.6	10.7	(5.1)	(47.3)
Interest income	11.9	8.0	3.9	48.8
Net gains/(losses) on FX, FA & other income	(0.8)	1.1	(1.9)	(178.6)
<b>Total revenue</b>	<b>264.6</b>	<b>248.4</b>	<b>16.2</b>	<b>6.5</b>
Staff costs	20.0	18.8	1.2	6.5
Custody and unit registry costs	12.2	11.3	0.9	7.3
Share-based payments	6.0	6.6	(0.6)	(9.6)
Business development costs	4.5	5.6	(1.1)	(19.7)
Other costs	8.2	7.7	0.5	7.7
<b>Total costs</b>	<b>50.9</b>	<b>50.0</b>	<b>0.9</b>	<b>1.8</b>
<b>Pre tax profit</b>	<b>213.7</b>	<b>198.4</b>	<b>15.3</b>	<b>7.7</b>
<b>Net profit after tax</b>	<b>150.1</b>	<b>136.9</b>	<b>13.2</b>	<b>9.7</b>
Diluted EPS	26.32 cps	23.33 cps		12.8
Average FUM	18.3bn	16.7bn		9.3
Total no. of shares - issued	561.3mn	561.3mn		
- options (8.8mn unvested)	25.3mn	25.3mn		

Source: Platinum



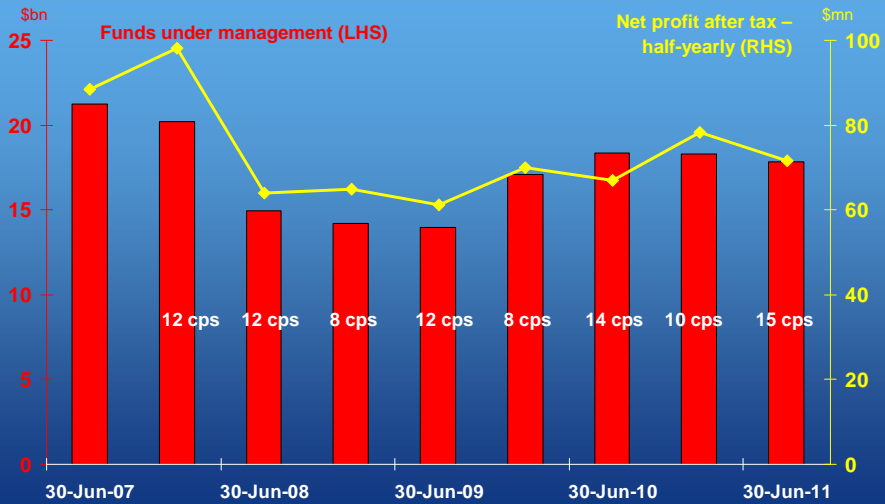
## Funds under management (\$mn) yearly to 30 June 2011

Funds	Opening Balance (30 June 2010)	Flows	Distributions	Investment Performance	Closing Balance (30 June 2011)
Platinum Trust Funds	13,816	289	(195)	(868)	13,042
MLC Platinum Global Fund	1,511	(259)	-	(13)	1,239
Management Fee Mandates	1,518	292	-	(84)	1,726
"Relative" Performance Mandates	908	431	-	(62)	1,277
"Absolute" Performance Mandates	610	(36)	-	(43)	531
<b>TOTAL</b>	<b>18,363</b>	<b>717</b>	<b>(195)</b>	<b>(1,070)</b>	<b>17,815</b>

Source: Platinum



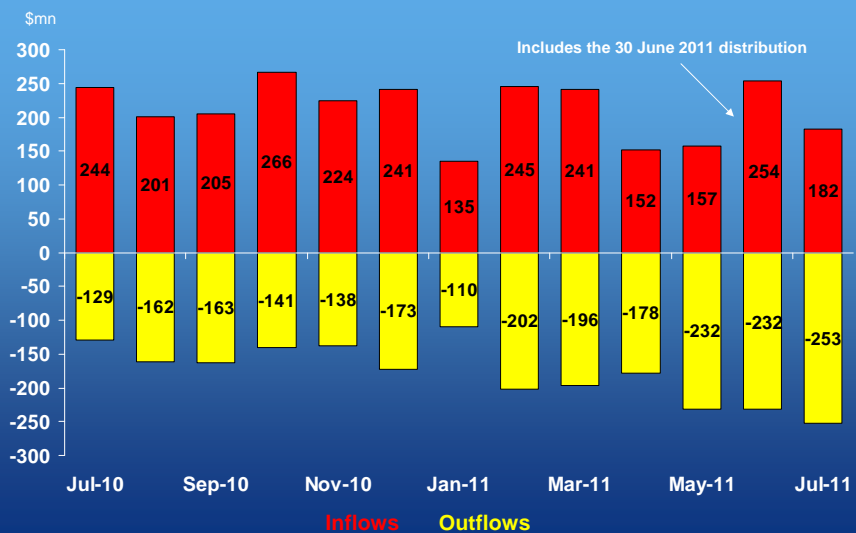
## Funds under management and Net profit after tax



Source: Platinum



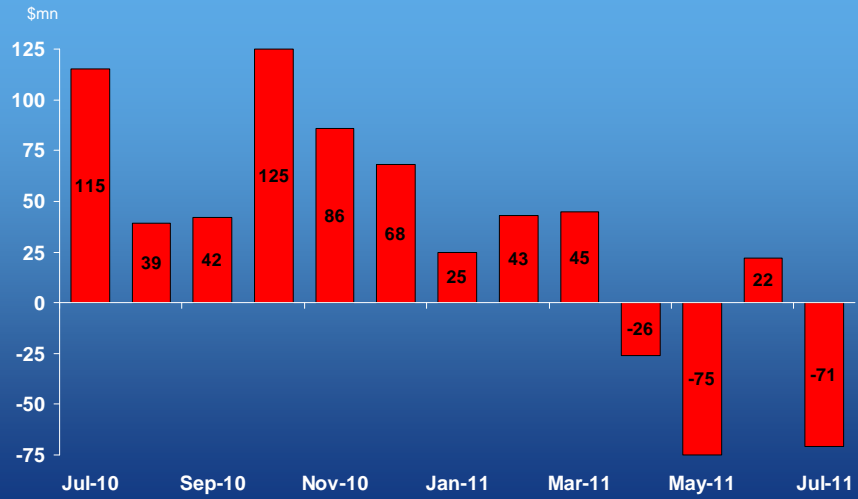
## Platinum Trust Funds – monthly inflows and outflows



Source: Platinum



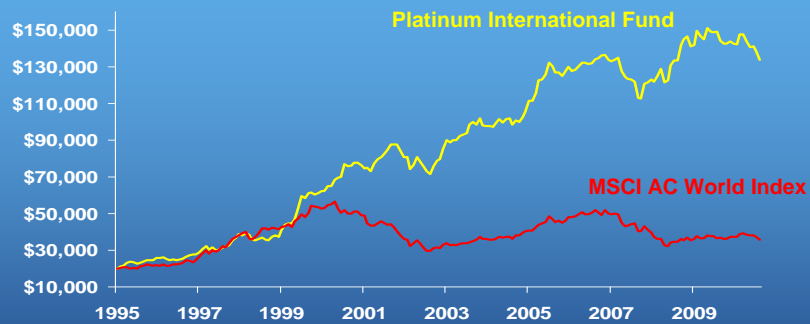
## Platinum Trust Funds – monthly net flows



Source: Platinum



## PIF performance (value of \$20,000 invested since inception to 31 July 2011)



(% compound pa, to 31.7.11)	3 mths	1 yr	3 yrs	5 yrs	Since Inception
International Fund	-5.0	-7.2	5.9	1.4	12.4
MSCI All Country World Net Index	-5.6	-2.4	-3.8	-4.5	3.7

Source: Platinum, MSCI



## Peer comparison (% compound pa, to 30 June 2011)

	1 yr	3 yrs	5 yrs
<b>Platinum International Fund</b>	<b>-7.3</b>	<b>7.0</b>	<b>1.8</b>
Composite Average Returns	3.0	-3.0	-4.3
MSCI All Country World Net Index	2.7	-2.7	-4.1
Advance Wholesale International Multi Blend	2.0	-5.8	-3.2
AMP International Share Fund	2.8	-5.5	-6.5
AXA Wholesale Global Equity Growth	-0.1	-11.0	-10.3
AXA Wholesale Global Equity Value	0.2	-11.2	-10.4
Aberdeen Actively Hedged Int'l Share	3.0	-2.0	-4.3
BT International Fund	2.5	-2.1	-6.7
DWS Global Equity Thematic	1.3	-3.3	-4.8
GMO Global Equity	3.3	-3.4	-5.6
GSJBW International Fund	4.3	-2.0	-3.7
Hunter Hall Value Growth	7.6	-0.8	2.1
MFS Global Equity	5.5	1.2	-1.9
MLC Global Share Fund	0.5	-4.8	-5.5
Perpetual Wholesale International	-2.1	-3.2	-5.7
PM Capital Absolute Performance	-1.9	0.0	-7.6
Schroder Global Active Value	3.3	2.0	-1.9
Suncorp Metway World Equities	2.7	-2.2	-3.9
Vanguard International (Unhedged)	27.1	1.2	2.1
Walter Scott Global Equity	-1.1	0.4	-2.3
Zurich Global Thematic Share	-2.4	-3.4	-3.1

Source: Platinum, Fund Managers and Morningstar



## Attribution (12 months to 30 June 2011)

### Top Contributors

- Emerging market consumption e.g. Bangkok Bank, BMW
- Pulp and paper cycle e.g. International Paper
- Web 2.0 e.g. Sina, CyberAgent

### Top Detractors

- US large cap technology and health care stocks e.g. Cisco, Microsoft, Johnson and Johnson
- Shorts cost roughly 5%
- Too little hedging into AUD

### Major Errors

- Scepticism regarding the sustainability of China's infrastructure construction boom
- Asian-led currency realignment – too early



## To summarise on global backdrop

- Huge government debt and fiscal austerity
- Growing imbalances in world's second largest economy – China
- Without currency adjustment, emerging markets may be forced to slow growth to moderate inflation
- Due to high debt levels, Western economies and asset prices are highly dependent on emerging markets remaining robust
- Potential profit squeeze from abnormally high levels



## Platinum International Fund portfolio

(%, as at 31 July 2011)

<u>Region</u>	<u>Long</u>	<u>Net</u>	<u>Currency</u>
Africa	0.7	0.7	
Asia	15.5	13.4	40.2
Australia	1.3	0.9	11.4
Europe	25.2	23.6	19.5
Japan	17.4	17.4	(0.2)
North America	27.9	11.3	29.1
	88.0	67.3	
<b>Cash and Accruals</b>	<b>12.0</b>	<b>32.7</b>	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long – 143 stocks, 2 options, 2 swaps      Short – 16 stocks, 11 indices

Source: Platinum



## Platinum International Fund industry breakdown

(%, as at 31 July 2011)

<u>Sector</u>	<u>Long</u>	<u>Net</u>
Information Technology	15.6	13.7
Financials	14.1	10.9
Consumer Discretionary	13.8	9.5
Materials	12.1	11.5
Industrials	8.8	7.4
Health Care	7.9	7.8
Consumer Staples	7.4	7.4
Energy	5.3	4.8
Telecom Services	1.7	1.7
Diversified	1.2	1.2
Other (includes index short positions)	0.1	-7.0
Funds		-1.6

Source: Platinum



## Developments

- Introduction of new sub-managers for the Platinum International Fund and Platinum Asia Fund in April 2011
- Building the investment team – 30 portfolio managers / analysts / quant analysts / dealers
- Addressing the institutional market in Australia and abroad



## Disclaimer

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

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

MSCI data has been sourced through MSCI Inc.

