

**Facts**

Portfolio value	\$341.24 mn	
Portfolio inception	29 June 1994	
Current share price	\$1.62	
Current dividend yield	5.56% fully franked	
<b>Pre-tax NAV \$1.4444</b>	NAV retained earnings	
Post-tax NAV \$1.4519	& dividend profit	15.75 cps
NAV franking 6.93 cps	Realised franking	7.67 cps

**Fees**

Management fee:	1.1% p.a. of the portfolio value
Performance fee:	15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country World Net Index

**Performance<sup>1</sup>**

	FUND %	MSCI %
1 month	(4.85)	(3.30)
3 months	(0.74)	4.33
6 months	(5.90)	(1.09)
Calendar year to date	(5.90)	(1.09)
1 year	(7.28)	(0.62)
2 years (compound pa)	4.43	10.86
3 years (compound pa)	8.55	13.59
5 years (compound pa)	10.92	13.32
7 years (compound pa)	8.49	10.81
10 years (compound pa)	6.22	4.24
Since inception (compound pa)	12.04	6.29

**Performance graph<sup>2</sup>**


Source: Factset and Platinum

**Invested positions<sup>3</sup>**

	LONG %	NET %	CURRENCY %
Australia	0.8	0.8	16.6
Canada	0.8	0.8	0.8
China	3.5	3.5	(3.0)
China Ex PRC	13.4	13.4	
Hong Kong	0.9	0.9	11.9
France	5.7	5.7	
Germany	3.0	3.0	
India	5.6	5.6	5.8
Italy	5.3	5.3	
Japan	11.0	11.0	0.3
Korea	5.5	5.5	2.0
Malaysia	1.0	1.0	1.0
Nigeria	0.1	0.1	0.1
Norway	1.0	1.0	5.3
Peru	0.0	0.0	0.1
Russia	0.7	0.7	
Sweden	2.1	1.7	2.1
Switzerland	0.7	0.7	0.7
United Kingdom	5.6	5.6	3.8
United States	20.6	4.0	43.4
Vietnam	2.5	2.5	1.8
Zimbabwe	0.5	0.5	
	90.0	73.0	
China Renminbi Off Shore			(8.2)
Euro Currency			15.5
Cash & Accruals	10.0	27.0	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 95 stocks, 4 swaps, 1 bond      Short - 6 stocks, 1 index

**Top ten positions<sup>4</sup>**

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.0
Tencent Holdings Ltd	China Ex PRC	Info Technology	3.1
Sanofi SA	France	Health Care	2.7
Alphabet Inc	USA	Info Technology	2.6
Eni SpA	Italy	Energy	2.5
AstraZeneca PLC	UK	Health Care	2.3
Inpex Corporation Ltd	Japan	Energy	2.1
Cisco Systems Inc	USA	Info Technology	2.1
Ericsson LM-B	Sweden	Info Technology	2.1
Paypal Holdings Inc	USA	Info Technology	2.0

**Industry breakdown<sup>3</sup>**

SECTOR	LONG %	NET %
Info Technology	23.3	23.3
Cons Discretionary	13.3	11.5
Health Care	11.2	11.2
Financials	10.4	10.4
Consumer Staples	7.1	5.2
Energy	6.7	6.7
Materials	6.4	6.4
Industrials	5.2	4.9
Telecom Services	3.1	3.1
Utilities	2.5	2.5
Other*	0.7	(12.3)

\* Includes index short position

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**DISCLAIMERS:** Some numerical figures in this Fact Sheet have been subject to rounding adjustments. The information presented in this Fact Sheet is general information only and is not intended to be financial product advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. No company and the directors in the Platinum Group® guarantee the performance of PMC, the repayment of capital, or the payment of income. To the extent permitted by law, no liability is accepted by any company of the Platinum Group and their directors for any loss or damage as a result of any reliance on this information.

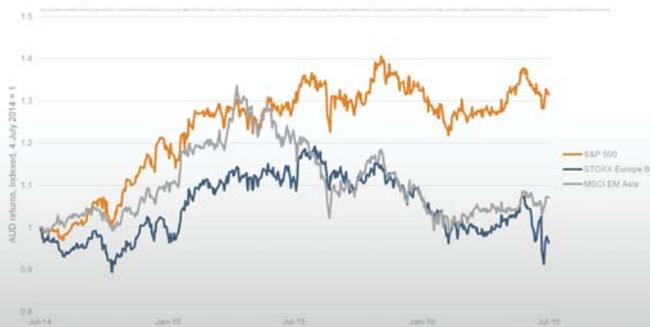
1. Performance results have been calculated using the pre-tax net asset value price (as released to the ASX) and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PMC. You should also be aware that performance results are calculated using historic points of reference. PMC and its directors cannot guarantee that such results will be replicated in the future; therefore, this information should not be used to make future investment decisions.

2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in PMC since inception relative to the MSCI All Country World Net Index in A\$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). Performance results have been calculated using the pre-tax net asset value as released to the ASX (monthly 'Net Asset Values') and represent the combined income and capital return of PMC's investments for the specified period. Please note that the results are not calculated from the share price of PMC. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably from the make-up of the Index. The Index is provided as a reference only.

3. The "Long%" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for PMC's Portfolio, taking into account currency hedging.

4. Top Ten positions shows PMC's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

### US, versus EM and Europe

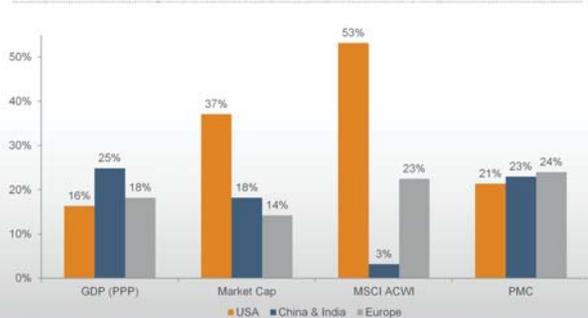


The US has solidly outperformed other markets globally over the last two years. US price performance has been driven by multiple expansion over this period.

### EU nominal GDP growth (year on year)



### Index Weightings versus GDP and PMC



China's ~2.4% weighting in global Indices, and similar under-representation of Asia generally, contributes to significant neglect of opportunities in very large markets

### Platinum's current portfolio: key themes



## Market update and Commentary

The decision of the UK electorate to vote to leave the European union shocked markets in June, creating an uncomfortable level of uncertainty around its implications, driven in large part by concerns around migration and globalisation. We go into this in more detail in our article published on our website, The Journal entry of 27 June. Most of the year's negative return can be attributed to this turbulent month of June. The impact on the portfolio was most keenly felt by our holdings of European banks, such as our long time holding in Italy's Intesa Sanpaolo (which has delivered over the longer term for us), and more recent addition, Lloyds Bank. We discussed these stocks in detail in Platinum's recent roadshow (please see our website, The Journal entry 18 May).

The other area which has held the portfolio back this year has been the Chinese insurers which have tended to trade down with that market, which has been beset by uncertainty around the economic transition. We do not believe there are professional investors unaware of the challenges faced by China and think it is this concern that has led to some good opportunities among consumer-facing companies in that market. It is worthy of mention that Tencent (China's 'Facebook') and white spirit maker, Kweichow Moutai have been among our top contributors of the last year.

Google's parent, Alphabet, was the stand-out performer over the year, and one of the companies we like in the US – a market which is increasingly standing out globally as expensive. Our net exposure to the US hovers around only 4%. Over the last year we have made positive returns in the US on both the long and short side, contributing 2% overall. The biggest challenge we have faced over the last year has been the split between US (+6% in A\$) and the Rest of the World (-7%) where we find most prospective investments at this time and therefore dominates the positioning of the portfolio. China and Europe were the areas of greatest weakness, particularly the financials as highlighted above. Outside of China and Europe the portfolio was essentially flat in aggregate.

Looking forward the weighted median P/E is 15X, which is less than the opportunity set, with considerable cash and shorts in place. In our view this is a prudent overall position with a collection of companies that should grow faster than the market, with higher quality and lower levels of debt.

The Platinum Capital Limited Quarterly Report will be available on our website, [www.platinum.com.au](http://www.platinum.com.au), from 15 July and mailed out by month end.