

Facts

Portfolio value	\$351.23 mn	
Portfolio inception	29 June 1994	
Current share price	\$1.61	
Pre-tax NAV \$1.4864	NAV retained earnings & dividend profit	18.52 cps
Post-tax NAV \$1.4822	Realised franking	7.67 cps
NAV franking 8.09 cps		

Performance¹

	FUND %	MSCI %
1 month	2.91	2.19
3 months	0.86	4.23
6 months	0.79	4.58
Calendar year to date	(3.16)	1.08
1 year	(7.14)	(3.81)
2 years (compound pa)	5.37	11.91
3 years (compound pa)	8.16	11.90
5 years (compound pa)	12.19	14.77
7 years (compound pa)	8.05	10.27
10 years (compound pa)	6.67	4.72
Since inception (compound pa)	12.14	6.37

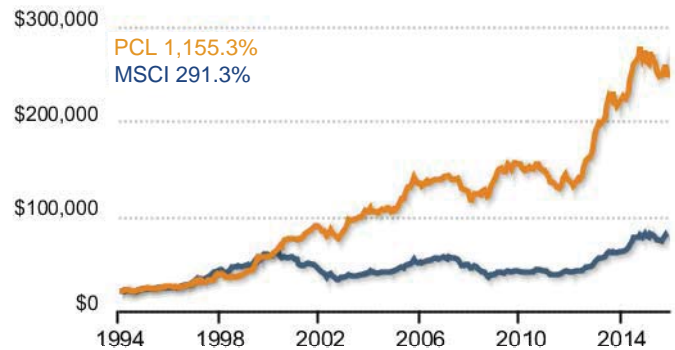
Invested positions³

	LONG %	NET %	CURRENCY %
Australia	1.3	1.3	16.2
Canada	0.7	0.7	0.7
China	3.6	3.6	(2.6)
China Ex PRC	14.3	14.3	
Hong Kong	0.8	0.8	11.7
France	5.9	5.9	
Germany	3.2	3.2	
India	5.7	5.7	5.9
Italy	5.8	5.8	
Japan	11.6	11.6	1.2
Korea	5.8	5.8	2.4
Malaysia	0.9	0.9	0.9
Nigeria	0.1	0.1	0.1
Norway	1.2	1.2	5.2
Russia	1.2	1.2	
Sweden	1.9	1.6	1.9
Switzerland	0.6	0.6	0.6
United Kingdom	4.1	4.1	4.1
United States	21.4	7.4	40.7
Vietnam	2.6	2.6	2.6
Zimbabwe	0.4	0.4	
	93.3	79.0	
China Renminbi Off Shore			(7.8)
Euro Currency			16.3
Cash & Accruals	6.7	21.0	
Total	100.0	100.0	100.0

Long - 97 stocks, 3 swaps, 1 bond Short - 5 stocks, 1 index

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 graph²


Source: Factset and Platinum

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.3
Tencent Holdings Ltd	China Ex PRC	Info Technology	3.1
Alphabet Inc	USA	Info Technology	2.8
Eni SpA	Italy	Energy	2.6
Sanofi SA	France	Health Care	2.6
AstraZeneca PLC	UK	Health Care	2.5
Intesa Sanpaolo SpA	Italy	Financials	2.1
Cisco Systems Inc	USA	Info Technology	2.1
Inpex Corporation Ltd	Japan	Energy	2.1
Rakuten Inc	Japan	Cons Discretionary	2.0

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	23.3	23.3
Cons Discretionary	14.5	14.1
Financials	11.9	11.9
Health Care	10.9	10.9
Materials	7.2	7.2
Consumer Staples	7.0	5.2
Energy	6.7	6.7
Industrials	5.5	5.2
Telecom Services	3.0	3.0
Utilities	2.5	2.5
Other*	0.7	(11.2)

* Includes index short position

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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.

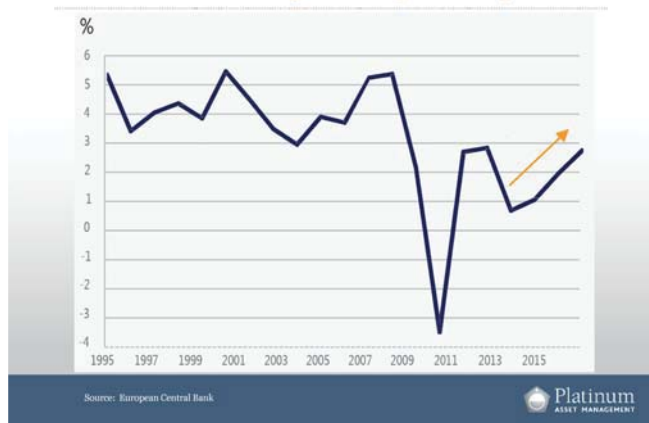
3. The "Long%" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for PMC's Portfolio, taking into account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

Price to Book, US vs RoW



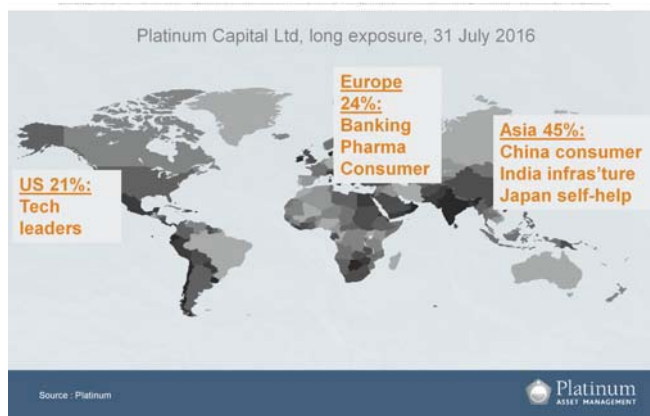
EU nominal GDP growth (year on year)



Index Weightings versus GDP and PMC



Platinum's current portfolio: key themes



Market update and Commentary

While media, both social and traditional, start to fixate on which of the potential Presidents is less worse for the US stock market, investors moved forward from Brexit. This meant that the last week of June became the most recent low in markets. That markets are 2% higher at the end of July, and indeed the Company delivered close to 3% this month, with volatility near record lows may be a surprise to many. The Japanese, who entered the low rate environment over 20 years ago, made the first step towards fiscal stimulus, which ultimately we think will become the way others follow, but that could be a long way off given current Western political dogma.

It remains disappointing to report a negative return over the last 12 months, but in context, this came after 3 years of 20%+ annualised returns, and the performance dynamics in this latest correction, which was driven by a combination of Oil, China, and fear of rising rates in the US.

When returns are negative it is important to explain why and while China was the initial catalyst, if we look at the last twelve months, Asia-Pacific cost the Company 1% (half of that from China), as the region led the rebound from February lows. We made money in the US (despite our low exposure there), Australia (via one stock) and Canada, but it was Europe which cost us the most, with a negative impact on the portfolio of almost 5%. Aside from the direct impact of Brexit on the banks, quality businesses like Sanofi, Casino, Novartis, Ericsson and Hornbach all had a challenging year.

At the portfolio level, when we look from a sector perspective Materials and Technology have been positive, adding 2% to returns, with Samsung, Tencent, Google parent Alphabet and our Precious Metals exposure leading the way. The pain was felt in our investments in Consumer Discretionary, Financials and Industrials, which collectively accounted for the losses.

Since the market's steep decline almost a year ago, the focus has generally been on increasing the diversity of the portfolio with the new purchases. Oil and Gas, via ENI and Inpex, Gold Miners, and Overlooked Quality Companies like Coke, McDonald's and most recently, Johnson and Johnson, have been introduced. In the immediate aftermath of Brexit we topped up UK and Italian bank holdings that we felt had suffered from an over-reaction and whose sustainable dividend yields are impossible to pass up. The current geographical disposition of the portfolio reflects the fact that the US market has only been this expensive immediately prior to the three biggest sell-offs of the last 100 years, though the low rate environment offers some relative support, while the rest of the world has barely moved since the GFC and contains bountiful value.

Looking forward, the weighted median P/E is 15X, which is less than the opportunity set, and particularly the Australian and US markets, 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.