



Facts

Portfolio value	\$454.75 mn
Portfolio inception	29 June 1994
Current share price	\$1.565
Current dividend yield	5.11% fully franked
Pre-tax NTA	\$1.5975
Post-tax NTA	\$1.5402
Max. franked dividend	6.88cps
NTA retained earnings & dividend profit	21.28 cps

Performance¹

	FUND %	MSCI %
1 month	3.32	3.60
3 months	7.57	7.28
6 months	10.53	13.72
Calendar year to date	6.34	5.13
1 year	14.67	17.49
2 years (compound pa)	4.00	7.03
3 years (compound pa)	9.89	13.08
5 years (compound pa)	15.33	16.41
7 years (compound pa)	9.06	11.45
10 years (compound pa)	7.52	4.83
Since inception (compound pa)	12.35	6.71

Invested positions³

	LONG %	NET %	CURRENCY %
Australia	0.6	0.6	25.7
Canada	0.2	0.2	0.2
China	3.0	3.0	(1.7)
China Ex PRC	14.5	14.5	
Hong Kong	0.3	0.3	9.8
Denmark	0.5	0.5	0.5
France	5.5	5.5	
Germany	3.7	3.7	
India	4.9	4.9	5.0
Italy	4.7	4.7	
Japan	15.4	15.4	7.0
Korea	7.8	7.8	7.8
Malaysia	0.9	0.9	0.9
Nigeria	0.1	0.1	0.1
Norway	0.8	0.8	6.5
Russia	0.3	0.3	
Sweden	1.0	1.0	1.5
Switzerland	1.0	1.0	1.0
Thailand	0.9	0.9	0.9
United Kingdom	2.6	2.6	2.9
United States	15.5	10.0	24.4
Vietnam	2.3	2.3	2.3
Zimbabwe	0.5	0.5	
	86.7	81.2	
China Renminbi Off Shore			(5.9)
Euro Currency			11.2
Cash	13.3	18.8	
Total	100.0	100.0	100.0

Long - 94 stocks, 2 swaps, 1 bond

Short - 2 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 graph²Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.7
Alphabet Inc	USA	Info Technology	3.3
Lixil Group Corporation	Japan	Industrials	2.6
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.5
Kering	France	Cons Discretionary	2.2
Inpex Corporation Ltd	Japan	Energy	2.1
Sanofi SA	France	Health Care	1.9
Baidu com ADR	China Ex PRC	Info Technology	1.8
Eni SpA	Italy	Energy	1.8
Intesa Sanpaolo SpA	Italy	Financials	1.7

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	23.8	23.8
Cons Discretionary	13.7	13.6
Financials	11.8	11.8
Health Care	8.1	8.1
Energy	7.0	7.0
Industrials	6.3	6.3
Materials	6.1	6.1
Consumer Staples	5.9	5.0
Utilities	2.7	2.7
Other*	0.7	(3.8)
Real Estate	0.6	0.6
Telecom Services	0.2	0.2

* Includes index short position

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the investment manager of Platinum Capital Limited ("PMC"). Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances.

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 investors' investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. No company or any directors of any company 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 in the Platinum Group or their directors for any loss or damage as a result of any reliance on this information.

The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability.

1. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible 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. The returns are calculated relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). 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. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. 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 tangible asset value as released to the ASX 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 as a percentage of PMC's net tangible asset value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PMC's net tangible asset value. The "Currency %" represents the currency exposure for PMC's Portfolio as a percentage of PMC's net tangible asset value, taking into account currency hedging.

4. The "Top ten positions" show PMC's top long share exposure positions as a percentage of PMC's net tangible asset value. Long derivative exposures are included. However, short derivative exposures are not.

All data where MSCI is referenced is the property of MSCI. No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/our-funds/platinum-capital-limited/#CompanyPerformance>.

Market update and commentary

Headline-makers continue to promulgate stories of risk, particularly around politics – with the French elections the latest “false alarm”.

After 2016 saw Brexit and Trump signal socio-political change in the Anglo-world, from a market perception, what may have been the end of a 36-year bull market in bonds was equally, if not more, significant, and endorsed our decision to avoid the so-called safe bond-like equities.

Equally important for markets is what appears to be the beginning of a reversal in capital flows, as the booming Chinese consumer, and a broadening recovery in Europe both suggest their surplus savings may have also peaked, thus making Asia and Europe more prospective investment destinations than the US or Australia, which dominate local portfolios to an unhealthy extent.

This crowding into safety was at its most risky as markets reversed and cyclicals are around 20% ahead of defensive sectors over the last 10 months. In the portfolio, the key drivers have been Asia-Pacific, cyclicals led by technology and financials and digging deep below the mega-caps has added value. Samsung Electronics was the stand out contributor, followed by Kering (Gucci's parent), Sina and Tencent (Chinese Internet), Intesa Sanpaolo (Italian Bank) Alphabet (parent of Google) and Lixil (Japanese homewares).

At a macro level, obscuring the noise and observing accelerating global growth is critical. In our recently revamped quarterly report, CIO Andrew Clifford covers the implications of a reversal in global capital flows and a recent trip to a resurgent China, while we also share observations on an improving corporate landscape in Japan. The expensive US market, late in its economic cycle seems less interesting as wages and rates rise, though President Trump would love us to believe otherwise.

Today, the passive bandwagon is posing an increasing risk to investors. The appeal is simply that markets have delivered strong returns of themselves and hence the relative value of stock picking and risk management appear diminished. At any point in time that investors have started to believe such rhetoric, they have generally been very badly burned.

The table shows that the returns of the Company since the markets shifted in June could not be replicated passively.

Region	Company's (Net) Exposure %	Index Return %	"ETF Outcome%"	Company's Contribution %
Asia	35	19	6.8	9.2
Europe	23	16	3.7	4.4
Japan	13	14	1.8	3.0
North America	6	14	0.8	1.2
Cash/FX	21	1.5 (RBA)	0.3	0.5
Net Return			13.5	17.0

[^]"ETF Outcome%" = Net Exposure% X Index Return%/100

Net Exposure represents the Company's exposure as a % of NAV of physical holdings and both long and short derivatives as at 30.4.17

The index returns relate to MSCI AC Asia ex Japan, MSCI AC Europe, MSCI USA, MSCI Japan. Cash is RBA Cash Rate. ETF outcome is assumed to achieve index return.

The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance.

