

Facts

Portfolio value	\$472.73 mn
Portfolio inception	29 June 1994
Current share price	\$1.605
Current dividend yield	4.98% fully franked
Pre-tax NTA	\$1.6605
Post-tax NTA	\$1.5849
Max. franked dividend	7.44 cps
	NTA retained earnings & dividend profit
	25.77 cps

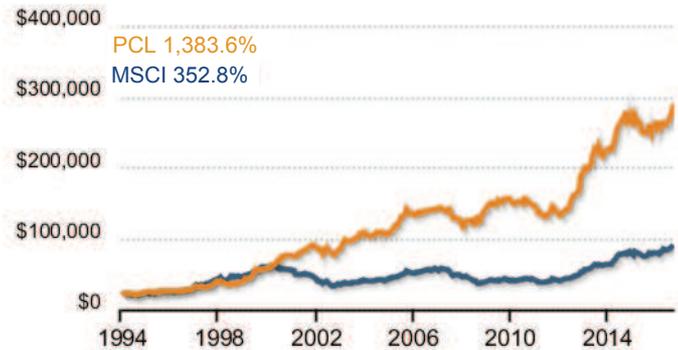
Performance¹

	FUND %	MSCI %
1 month	3.95	2.68
3 months	10.93	8.51
6 months	13.31	12.52
Calendar year to date	10.55	7.94
1 year	15.73	14.37
2 years (compound pa)	4.01	6.91
3 years (compound pa)	10.46	13.45
5 years (compound pa)	16.87	17.57
7 years (compound pa)	9.80	11.80
10 years (compound pa)	7.76	4.74
Since inception (compound pa)	12.49	6.81

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



Invested positions³

	LONG %	NET %	CURRENCY %
Brazil	0.2	0.2	0.2
Canada	0.2	0.2	0.2
China	2.8	2.8	(0.6)
China Ex PRC	15.6	15.6	
Hong Kong	0.3	0.3	10.4
Taiwan	0.5	0.5	0.5
Denmark	0.5	0.5	0.5
France	5.5	5.5	
Germany	4.0	4.0	
India	4.8	4.8	5.0
Italy	4.4	4.4	
Japan	15.4	15.4	3.1
Korea	8.1	8.1	8.1
Malaysia	1.1	1.1	1.1
Nigeria	0.1	0.1	0.1
Norway	1.1	1.1	6.8
Russia	0.5	0.5	
Sweden	1.1	1.1	1.1
Switzerland	1.0	1.0	1.0
Thailand	0.8	0.8	0.8
United Kingdom	2.3	2.3	2.5
United States	14.5	7.7	37.9
Vietnam	2.3	2.3	2.3
Zimbabwe	0.7	0.7	
	87.7	80.9	
Australian Dollar			12.0
China Renminbi Off Shore			(5.8)
Euro Currency			13.0
Cash	12.3	19.1	
Total	100.0	100.0	100.0

Long - 92 stocks, 2 swaps, 1 bond Short - 3 stocks, 2 indices

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.7
Alphabet Inc	USA	Info Technology	3.4
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.7
Lixil Group Corporation	Japan	Industrials	2.5
Kering	France	Cons Discretionary	2.3
Oracle Corp	USA	Info Technology	2.1
Inpex Corporation Ltd	Japan	Energy	2.0
Sanofi SA	France	Health Care	1.9
Sina Corp	China Ex PRC	Info Technology	1.9
AstraZeneca PLC	UK	Health Care	1.9

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	24.9	24.9
Cons Discretionary	13.9	13.8
Financials	11.9	11.9
Health Care	8.4	7.9
Energy	6.6	6.6
Industrials	6.1	6.1
Consumer Staples	6.0	5.1
Materials	5.7	5.7
Utilities	2.5	2.5
Real Estate	0.7	0.7
Other*	0.7	(4.6)
Telecom Services	0.3	0.3

* Includes index short positions

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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 portfolio 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 portfolio value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PMC's portfolio value. The "Currency %" represents the currency exposure for PMC's Portfolio as a percentage of PMC's portfolio 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 portfolio 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>.

In general, markets continue to look healthy, with the French election the latest 'non-event' to grab all the headlines. Over 11 months, world markets are up 18%*, with the Company's NAV up 22%* over the same period. Over five years, the portfolio returned (pre-tax NAV) 17% per annum, or 118%* in total and well above long-term averages.

After 2016 saw Brexit and Trump signal socio-political change in the Anglo-world, 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.

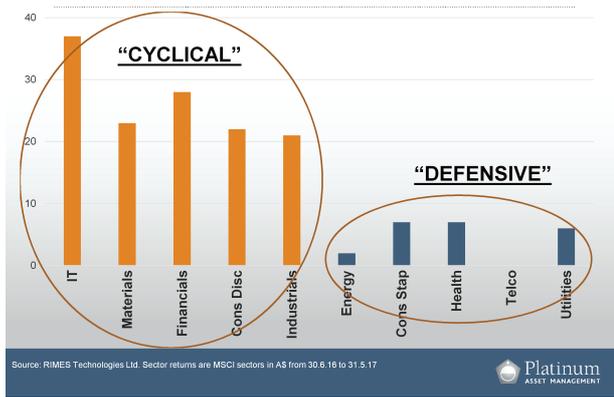
This crowding into safety was at its most risky at the inflexion point last June, and cyclicals are around 20% ahead of defensive sectors over the last 11 months. We have a large skew towards cyclicals given valuations and co-ordinated global growth for the first time in a decade.

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, with a contribution of at least 1% from each of Kering (Gucci's parent), KB Financial (Korean bank), Sina and Tencent (Chinese Internet), Alphabet (Google's parent) and Intesa Sanpaolo (Italian Bank). The decision to take short positions cost the portfolio in strong markets.

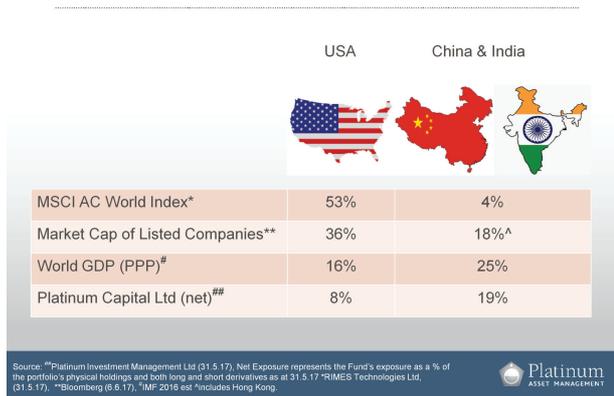
Longer term for markets, there appears to be the beginning of a reversal in capital flows, as the booming Chinese consumer and a broadening recovery in Europe make Asia and Europe increasingly prospective investment destinations. **Over 70% of our portfolio is in these regions.** As Platinum's CIO Andrew Clifford highlighted in the quarterly report, if these surplus nations shift from an external to internal focus it will make it harder for deficit nations such as the US, Australia and the UK. This could have big impacts on asset prices in these countries, which absolutely dominate most Australian savers' portfolios.

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

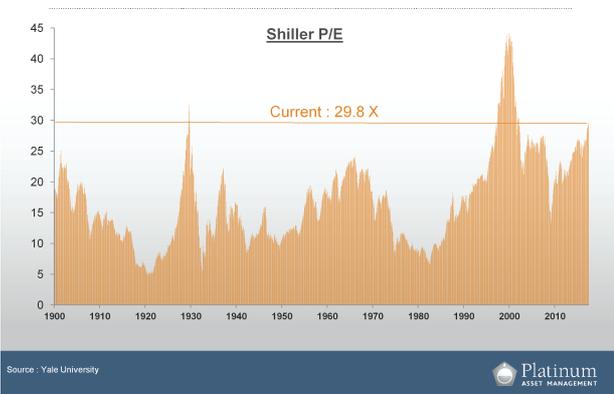
Sector Rotation since June 2016



Indices Don't Reflect World, or Markets



US : Valuations : Not a Good Entry Point!



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	36	25	9.0	12.0
Europe	23	22	5.1	6.8
Japan	14	18	2.5	3.6
North America	7	17	1.2	1.6
Cash/FX	20	1.5 (RBA)	0.4	0.4
Net Return (11 months)			18.1	23.7

[^]"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 31.5.17

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.

*Please see footnote 1 on the front page for our performance disclaimer. Past performance is not a reliable indicator of future performance.