

# **Platinum Global Fund**

**ARSN 600 630 537**

**Interim Financial Report  
For the half-year ended 31 December 2020**

**Platinum Global Fund**  
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**31 December 2020**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial report for the year ended 30 June 2020. In addition, reference should be made to any public pronouncements made in respect of the registered scheme during the interim reporting period.

The interim financial report covers Platinum Global Fund as an individual entity.

The responsible entity of Platinum Global Fund is Platinum Investment Management Limited (ABN 25 063 565 006). The responsible entity's registered office is: Level 8, 7 Macquarie Place, Sydney, NSW 2000.

The interim financial report was authorised for issue on 25 February 2021 by the Directors of Platinum Investment Management Limited, who have the power to amend and re-issue the interim financial report.

**Platinum Global Fund  
Responsible Entity Report  
31 December 2020**

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management®) ABN 25 063 565 006 AFSL 221935, the Responsible Entity of the Platinum Global Fund (“the registered scheme” or “Fund”), present their report on the registered scheme for the half-year ended 31 December 2020.

**Principal Activities**

Platinum Global Fund is part of the mFund Settlement Service (mFund) offered by the Australian Securities Exchange (ASX). mFunds are unlisted managed funds that investors can access through a broker or directly with Platinum.

The principal activity of the registered scheme during the half-year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and the Constitution.

The registered scheme was registered on 22 July 2014 and commenced trading on 5 September 2014.

**Directors of the Responsible Entity**

The Directors of Platinum Investment Management Limited (“PIML”) during the half-year and up to the date of this report were:

Andrew Clifford  
Elizabeth Norman  
Andrew Stannard

**Significant Changes in the State of Affairs**

There were no significant changes to the state of affairs of the registered scheme during the half-year.

**Operating and Financial Review (OFR)**

The registered scheme has maintained its investment strategy in listed equities and currency contracts.

The registered scheme produced returns of 18.1%<sup>1</sup> for the 6 months to 31 December 2020. The benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in A\$ terms generated a return of 10.6%<sup>2</sup> for the same period.

The performance of the registered scheme, as represented by the results of its operations for the period ended 31 December 2020, were as follows:

|                                    | Half-year ended     |                     |
|------------------------------------|---------------------|---------------------|
|                                    | 31 December<br>2020 | 31 December<br>2019 |
| Net operating profit (\$'000)      | 6,776               | 3,195               |
| Redemption price (dollar per unit) | 1.3951              | 1.3612              |

The method of operating the registered scheme is not expected to change in the foreseeable future.

**Rounding of amounts to the nearest thousand dollars**

The registered scheme is of a kind referred to in ASIC Corporations “Rounding in Financial/Directors’ Reports Instrument 2016/191”, issued by the Australian Securities and Investments Commission, relating to ‘rounding-off’. Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, unless otherwise indicated.

<sup>1</sup> Investment returns are calculated using PGF’s net asset value per unit (which does not include the buy/sell spread) and represent PGF’s combined income and capital returns over the specified period. Returns are net of accrued fees and costs, are pre-tax, and assume the reinvestment of distributions.

Index returns assume the reinvestment of dividends from constituent companies, but do not reflect fees and expenses. Platinum does not invest by reference to the weightings of any index or benchmark, and index returns are provided as a reference only. PGF’s underlying assets are chosen through Platinum’s bottom-up investment process and, as a result, PGF’s holdings may vary considerably to the make-up of the index.

The investment returns shown are historical and no warranty can be given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility of the underlying assets of PGF and other risk factors associated with investing, investment returns can be negative, particularly in the short-term

<sup>2</sup> Source: 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.

**Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached on page 4.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

Andrew Stannard  
Director

Sydney  
25 February 2021



## *Auditor's Independence Declaration*

As lead auditor for the review of Platinum Global Fund for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'CJ Cummins', is written over a thin horizontal line.

CJ Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
25 February 2021

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**Platinum Global Fund**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2020**

|  | Half year ended               |                               |
|--|-------------------------------|-------------------------------|
|  | 31 December<br>2020<br>\$'000 | 31 December<br>2019<br>\$'000 |
| <b>Investment income</b>   |                               |                               |
| Dividends  | 192                           | 246                           |
| Interest   | -                             | 7                             |
| Net gains on financial assets at fair value through profit or loss | 6,818                         | 3,262                         |
| Net foreign exchange gains on forward currency contracts           | 287                           | 34                            |
| Net foreign exchange (losses)/gains on bank accounts               | (166)                         | 50                            |
| <b>Total investment income</b>                                     | 7,131                         | 3,599                         |
| <b>Expenses</b>  |                               |                               |
| Management fee   | 274                           | 325                           |
| Withholding tax on foreign dividends                               | 21                            | 17                            |
| Transaction costs  | 60                            | 62                            |
| <b>Total expenses</b>  | 355                           | 404                           |
| <b>Net operating profit</b>  | 6,776                         | 3,195                         |
| <br>   |                               |                               |
| <b>Profit for the half-year</b>                                    | 6,776                         | 3,195                         |
| <br>   |                               |                               |
| Other comprehensive income   | -                             | -                             |
| <b>Total comprehensive income for the half-year</b>                | 6,776                         | 3,195                         |

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Platinum Global Fund**  
**Statement of Financial Position**  
**As at 31 December 2020**

|  |             | <b>As at</b>                           |                                    |
|--|-------------|--|------------------------------------|
|  | <b>Note</b> | <b>31 December<br/>2020<br/>\$'000</b> | <b>30 June<br/>2020<br/>\$'000</b> |
| <b>Assets</b>  |             |  |                                    |
| Cash and cash equivalents                                  |             | 1,801                                  | 2,857                              |
| Receivables  |             | 45                                     | 205                                |
| Financial assets at fair value through profit or loss      | 3           | 41,408                                 | 37,095                             |
| <b>Total Assets</b>  |             | 43,254                                 | 40,157                             |
| <b>Liabilities</b>   |             |  |                                    |
| Unitholders' distribution payable                          | 6           | -                                      | 1,873                              |
| Payables   |             | 51                                     | 48                                 |
| Financial liabilities at fair value through profit or loss | 3           | 182                                    | 77                                 |
| <b>Total Liabilities</b>                                   |             | 233                                    | 1,998                              |
| <b>Net Assets Attributable to Unitholders – Equity</b>     | 4           | 43,021                                 | 38,159                             |

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**Platinum Global Fund**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2020**

|   |      | Half year ended               |                               |
|---|------|-------------------------------|-------------------------------|
|   | Note | 31 December<br>2020<br>\$'000 | 31 December<br>2019<br>\$'000 |
| <b>Total equity at the beginning of the half-year</b> |      | 38,159                        | 45,851                        |
| Profit for the half-year                              |      | 6,776                         | 3,195                         |
| Other comprehensive income for the half-year          |      | -                             |                               |
| <b>Total comprehensive income for the half-year</b>   |      | 6,776                         | 3,195                         |
| <b>Transactions with unitholders</b>                  |      |                               |                               |
| Applications  | 4    | 445                           | 1,911                         |
| Redemptions   | 4    | (3,003)                       | (3,631)                       |
| Units issued upon reinvestment of distribution        | 4    | 644                           | 952                           |
|   |      | (1,914)                       | (768)                         |
| <b>Total equity at the end of the half-year</b>       |      | 43,021                        | 48,278                        |

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*



**Platinum Global Fund**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2020**

|   | Half-year ended               |                               |
|---|-------------------------------|-------------------------------|
| Note  | 31 December<br>2020<br>\$'000 | 31 December<br>2019<br>\$'000 |
| <b>Cash flows from operating activities</b>                   |                               |                               |
| Purchase of financial assets                                  | (9,455)                       | (6,516)                       |
| Proceeds from sale of financial assets                        | 12,489                        | 6,271                         |
| Interest received   | -                             | 10                            |
| Dividends received  | 222                           | 268                           |
| Management fees paid  | (272)                         | (317)                         |
| Other expenses paid   | (61)                          | (28)                          |
| <b>Net cash inflow/(outflow) from operating activities</b>    | <b>2,923</b>                  | <b>(312)</b>                  |
| <b>Cash flows from financing activities</b>                   |                               |                               |
| Proceeds from units issued (applications)                     | 4 1,089                       | 2,863                         |
| Payment for units redeemed (redemptions)                      | 4 (3,003)                     | (3,631)                       |
| Distribution paid   | 6 (1,873)                     | (2,803)                       |
| <b>Net cash outflow from financing activities</b>             | <b>(3,787)</b>                | <b>(3,571)</b>                |
| <b>Net (decrease) in cash and cash equivalents</b>            | (864)                         | (3,883)                       |
| Cash and cash equivalents at the beginning of the half-year   | 2,857                         | 12,616                        |
| Effects of exchange rate changes on cash and cash equivalents | (192)                         | (151)                         |
| <b>Cash and cash equivalents at the end of the half-year</b>  | <b>1,801</b>                  | <b>8,582</b>                  |

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

**Platinum Global Fund**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 1 General Information**

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the Responsible Entity of the registered scheme. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

**Note 2 Basis of Preparation of the Interim Financial Report**

This financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2020 and any public pronouncements made in respect of the registered scheme during the interim reporting period.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Comparative information has been reclassified, where appropriate, to enhance comparability.

*New Accounting Standards and Interpretations adopted for the 31 December 2020 reporting period*

There are no standards that are not yet effective that are expected to have a material impact on the registered scheme in the current or future reporting periods.

**Note 3 Financial Assets and Liabilities at Fair Value through Profit or Loss**

|   | <b>31 December<br/>2020<br/>\$'000</b> | <b>30 June<br/>2020<br/>\$'000</b> |
|---|--|------------------------------------|
| <b>Financial assets</b>   |  |                                    |
| Forward currency contracts  | 201                                    | 21                                 |
| Equity securities   | 41,207                                 | 37,074                             |
| Total financial assets held at fair value through profit or loss      | <u>41,408</u>                          | <u>37,095</u>                      |
| <b>Financial liabilities</b>  |  |                                    |
| Forward currency contracts  | 182                                    | 77                                 |
| Total financial liabilities held at fair value through profit or loss | <u>182</u>                             | <u>77</u>                          |
| <b>Total of financial assets less financial liabilities</b>           | <u><u>41,226</u></u>                   | <u><u>37,018</u></u>               |

**Platinum Global Fund**  
**Notes to the Financial Statements**  
**31 December 2020**

**Note 4 Net Assets Attributable to Unitholders**

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

|  | <b>31 December<br/>2020<br/>Number</b> | <b>31 December<br/>2019<br/>Number</b> | <b>31 December<br/>2020<br/>\$'000</b> | <b>31 December<br/>2019<br/>\$'000</b> |
|--|--|--|--|--|
| Opening balance                                | 32,262                                 | 36,050                                 | 38,159                                 | 45,851                                 |
| Applications during the period                 | 353                                    | 1,459                                  | 445                                    | 1,911                                  |
| Redemptions during the period                  | (2,372)                                | (2,781)                                | (3,003)                                | (3,631)                                |
| Units issued upon reinvestment of distribution | 548                                    | 749                                    | 644                                    | 952                                    |
| Fair value movement                            | -                                      | -                                      | 6,776                                  | 3,195                                  |
| Closing balance                                | <u>30,791</u>                          | <u>35,477</u>                          | <u>43,021</u>                          | <u>48,278</u>                          |

**Note 5 Fair Value Measurement**

*Fair value hierarchy*

AASB 13: *Fair Value Measurement* requires the registered scheme to disclose its assets and liabilities held at fair value through profit or loss based on the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2020):

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- c) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The registered scheme measures and recognises the following assets and liabilities at fair value on a recurring basis:

- equity securities; and
- forward currency contracts.

The following table analyses within the fair value hierarchy model, the registered scheme's assets and liabilities measured at fair value through profit or loss at 31 December 2020 and 30 June 2020. The registered scheme has no assets or liabilities that are classified as level 3.

**As at 31 December 2020**

|   | <b>Level 1<br/>\$'000</b> | <b>Level 2<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|---------------------------|---------------------------|-------------------------|
| <b>Financial assets</b>                           |                           |                           |                         |
| Equity securities                                 | 40,055                    | 1,152                     | 41,207                  |
| Forward currency contracts                        | -                         | 201                       | 201                     |
|   | <u>40,055</u>             | <u>1,353</u>              | <u>41,408</u>           |
| <b>Financial liabilities</b>                      |                           |                           |                         |
| Forward currency contracts                        | -                         | 182                       | 182                     |
|   | <u>-</u>                  | <u>182</u>                | <u>182</u>              |
| <b>Total of financial assets less liabilities</b> | <u>40,055</u>             | <u>1,171</u>              | <u>41,226</u>           |

**Note 5 Fair Value Measurement (continued)**

| <b>As at 30 June 2020</b>                         | <b>Level 1<br/>\$'000</b> | <b>Level 2<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|---------------------------|---------------------------|-------------------------|
| <b>Financial assets</b>                           |                           |                           |                         |
| Equity securities                                 | 36,097                    | 977                       | 37,074                  |
| Forward currency contracts                        | -                         | 21                        | 21                      |
|   | <u>36,097</u>             | <u>998</u>                | <u>37,095</u>           |
| <b>Financial liabilities</b>                      |                           |                           |                         |
| Forward currency contracts                        | -                         | 77                        | 77                      |
|   | <u>-</u>                  | <u>77</u>                 | <u>77</u>               |
| <b>Total of financial assets less liabilities</b> | <u>36,097</u>             | <u>921</u>                | <u>37,018</u>           |

The registered scheme's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets or liabilities measured at fair value through profit or loss during the half-year.

**Valuation techniques used to classify assets and liabilities as level 1**

The majority of the equity securities held by the registered scheme are valued using quoted prices in active markets, and these are classified as Level 1 in the fair-value hierarchy model.

**Valuation techniques used to classify assets and liabilities as level 2**

There are some financial instruments that have been classified as level 2, because there is a degree of adjustment made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted on an active market, there is a degree of estimation or adjustment involved in deriving the fair value. Examples include:

- Foreign exchange contracts are classified as level 2, even though forward points are quoted in an active and liquid market. The forward points themselves are based on interest rate differentials; and
- Certain P-Notes/warrants are classified as level 2, because they are traded over-the counter and are often priced in a different currency to the underlying security.

**Note 6 Distribution to unitholders**

The distribution paid during the half-year in cents per unit (CPU) was as follows:

|  | <b>2020<br/>\$'000</b> | <b>2020<br/>CPU</b> | <b>2019<br/>\$'000</b> | <b>2019<br/>CPU</b> |
|--|------------------------|---------------------|------------------------|---------------------|
| 30 June distribution paid during the half-year | 1,873                  | 5.20                | 2,803                  | 7.78                |
|  | <u>1,873</u>           | <u>5.20</u>         | <u>2,803</u>           | <u>7.78</u>         |

**Note 7 Events Occurring after Balance Date**

There are no other matters or circumstances that have arisen since 31 December 2020 that have significantly affected, or may significantly affect the registered scheme's operations, the results of those operations, or the registered scheme's state of affairs in future financial years.

**Note 8 Contingent Assets, Liabilities and Commitments**

The registered scheme has no contingent assets, liabilities or commitments as at 31 December 2020.

**Platinum Global Fund  
Directors' Declaration  
31 December 2020**

In the opinion of the Directors' of the responsible entity, the financial statements and notes of the Platinum Global Fund (*'the registered scheme'*) as set out on pages 5 to 11:

- (a) are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the registered scheme as at 31 December 2020 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the registered scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Andrew Stannard  
Director

Sydney  
25 February 2021



## **Independent auditor's review report to the unitholders of Platinum Global Fund**

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of Platinum Global Fund (the Registered Scheme) which comprises the statement of financial position as at 31 December 2020, the statement of changes in equity, statement of cash flows and statement of comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Platinum Global Fund does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibility of the directors of Platinum Investment Management Limited (the Responsible Entity) for the half-year financial report***

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### ***Auditor's responsibility for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true

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and fair view of the Registered Scheme's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins  
Partner

Sydney  
25 February 2021