

Facts

Portfolio value	\$511.0 mn
Portfolio inception	29 June 1994
Current share price	\$2.03
Current dividend yield	4.93%
Pre-tax NTA	\$1.7812 NTA retained earnings &
Post-tax NTA	\$1.6663 dividend profit reserve 33.49 cps
Max. franked dividend	10.45 cps

Performance¹

	FUND % (Pre-tax NTA)	MSCI %
1 month	(0.83)	(0.11)
3 months	0.83	1.87
6 months	2.49	2.06
Calendar year to date	3.02	3.48
1 year	15.80	10.03
2 years (compound pa)	15.76	12.18
3 years (compound pa)	7.80	7.94
5 years (compound pa)	12.96	14.16
7 years (compound pa)	12.82	13.20
10 years (compound pa)	10.55	7.41
Since inception (compound pa)	12.62	6.94

The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Invested positions³

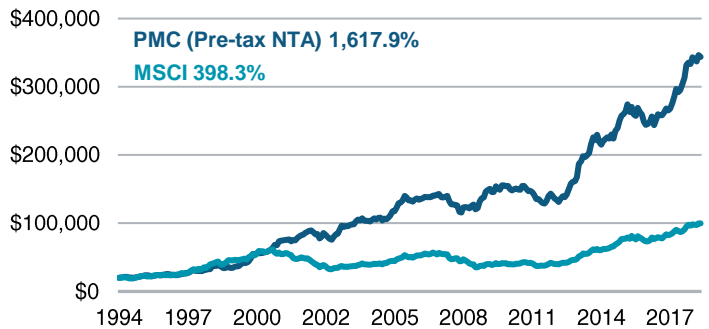
	LONG %	NET %	CURRENCY %
Australia	0.9	0.9	0.5
Canada	1.7	1.7	1.6
China	4.2	4.2	4.2
China Ex PRC	18.1	18.1	
Hong Kong	0.1	0.1	14.3
Denmark	0.8	0.8	0.8
France	1.5	1.5	
Germany	5.5	5.5	
India	3.9	3.9	3.9
Japan	17.4	17.4	13.1
Korea	7.5	7.5	7.6
Malaysia	1.1	1.1	1.1
Norway	2.2	2.2	2.3
South Africa	0.3	0.3	0.3
Switzerland	3.5	3.5	1.1
Thailand	0.4	0.4	2.2
United Kingdom	7.0	7.0	3.5
United States	15.7	(1.7)	31.8
Zimbabwe	0.8	0.8	
	92.3	74.9	
Euro Currency			11.9
Cash	7.7	25.1	
Total	100.0	100.0	100.0

Long - 86 stocks, 2 swaps Short - 8 stocks, 2 indices

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



The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Top ten positions⁴

STOCK	COUNTRY*	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.3
Alphabet Inc	USA	Info Technology	3.1
Siemens AG	Germany	Industrials	3.1
Intel Corp	USA	Info Technology	2.9
Royal Dutch Shell PLC	UK	Energy	2.8
Glencore plc	Switzerland	Materials	2.4
Jiangsu Yanghe Brewery	China	Consumer Staples	2.4
Technip FMC	UK	Energy	2.4
Nexon Co Ltd	Japan	Info Technology	2.3
Facebook Inc	USA	Info Technology	2.1

*China includes exposure to Chinese A shares, H shares and ADRs.

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	24.9	24.0
Industrials	13.0	13.0
Financials	10.4	10.4
Energy	10.2	10.2
Materials	9.2	9.2
Cons Discretionary	8.9	8.4
Health Care	7.2	5.9
Consumer Staples	3.7	0.8
Telecom Services	2.0	2.0
Real Estate	1.7	1.7
Utilities	1.3	1.3
Other*	0.0	(12.0)

* Includes index short positions

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1. Source: Platinum for PMC returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible asset value 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). Past performance is not a reliable indicator of future returns.

2. Source: Platinum for PMC 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 bottom up 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. Past performance is not a reliable indicator of future returns.

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>.

- Portfolio dominated by Asia-Pacific stocks (53%); entirely out of the US (minus 2%).
- We have been recycling technology profits into Resources and Industrials over last two years.
- Performance strong but we remain optimistic by not having a US-centric view.

The month of May felt a little choppy with Italian politics dominating headlines, and hurting the Euro, but not our European stocks in local currency (note, our exposure to Italy is small). Trade was the real driver of markets it seems when we look back. China's inclusion in the MSCI Indices will turn the focus more on professional investors to look at the world's largest physical economy as a prospective investment destination.

A US-centric view is distorting many investors' perspectives: the company has been moving East for five years with Asia Pacific now over 53% of the portfolio. China looks to be the investment opportunity of a generation while Japan, Korea and India are full of promising ideas. Ignoring the late-cycle US, which is being stimulated by a belligerent president, most of the world is not in love with equities, and we think we are early-mid economic cycle in Europe and Asia. For now, economic growth should outweigh rising rates in US, but we are watching closely. We have reduced net exposure to this market to minus 2%. It is important to remember that the US market is very domestically focused in terms of its revenues compared with all other Western markets.

Locally, in Australia, bloated oligopolies are being rightfully punished by the market, but sadly dominate most domestic investors' portfolios. Expensive property markets here also pose a risk. Australia and the US have been multi-decade beneficiaries of capital flows from Europe and Asia; the reversal of this could be dramatic for future relative return prospects and impact a hitherto prosperous superannuation system.

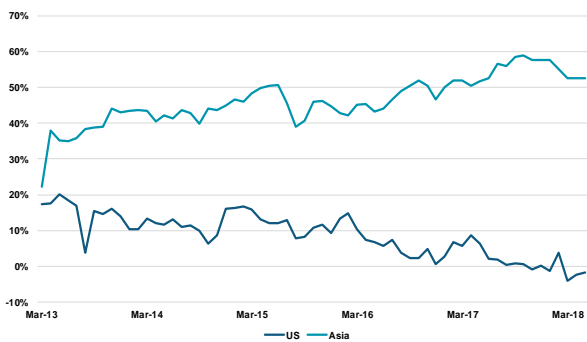
Sector-wise, for the last two years most opportunities are being found in energy, materials, and industrials – collectively these are 32% of portfolio. We believe supply (reduced by China's actions) and demand (driven by take-off in India and SE Asia) point to a renewed enthusiasm for resources. Electric vehicles and changes in manufacturing will also drive this. As investors wake up to China, which is finally being included in some indices, we have been rotating within that market reallocating huge profits from technology and consumer stocks towards capturing the government's environmental goals of 'bringing back the blue skies'. Western perception is lagging reality.

Since the coincident nomination of Trump, Brexit vote, and Chinese supply side-reform in 2016, performance has been outstanding in both absolute and relative terms. Since 30 June 2016 to 31 May 2018, the portfolio has returned 41% cumulatively. World markets (MSCI AC World Index \$A) have offered 30% and the local ASX All Ordinaries, 25% over the same period. Over the last year, Asia-Pacific has driven our returns, with big contributions from technology and energy/materials on a sector basis. Ping An Insurance, Anta Sports and Jiangsu Yanhe Breweries and Nexon have been the top contributors. Our impressive longer term annualised returns – e.g. 13% for five years 11% for 10 years and 13% since inception in 1994, reflect our consistent approach to investing.

More information on the big themes within the portfolio were presented at the recent Investor and Adviser Roadshow: <https://www.platinum.com.au/Insights-Tools/The-Journal/2018-Roadshow-Presentation>

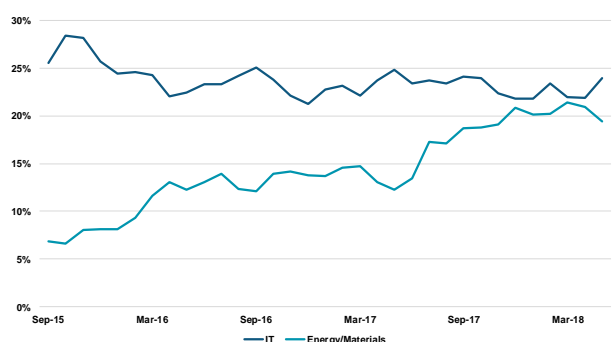
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Net Region Exposure – US vs. Asia Pacific



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Net Sector Exposure – IT vs. Energy/Materials



Source: Platinum Investment Management Ltd. Net Region Exposure represents the portfolio's exposure to these regions through securities and long and short derivatives as a % of the portfolio's NAV.

Source: Platinum Investment Management Ltd. Net Sector Exposure represents the portfolio's exposure to these sectors through securities and long and short derivative positions as a % of the portfolio's NAV.

One of the latest hot investment concepts is that of passive investing, the appeal of which is simply that markets have been doing well and so temporarily it feels that the value add of active managers – stock selection and risk management – is diminished. At any point that investors have started to believe such rhetoric, they have generally been badly burned. This table shows that the returns we have delivered over the last year could not have been replicated passively.

Region	Company's (Net) Exposure %	Index Return %	"ETF Outcome %"	Company's Contribution %
Asia	38	15	5.8	12.4
Europe	22	3	0.7	3.9
Japan	17	13	2.2	4.1
North America	1	12	0.1	2.0
Cash/FX	22	1.5 (RBA)	0.3	0.8
Net Return (12 months)*			9.2	15.8

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

Net Exposure represents the portfolio's average exposure as a % of NAV of physical holdings and both long and short derivatives as an average over the year.

The index returns relate to MSCI AC Asia ex Japan, MSCI AC Europe, MSCI North America, MSCI Japan. Cash is RBA Cash Rate.

ETF outcome is assumed to achieve index return.

The investment returns shown are historical to 31.05.18 and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance.