

Facts

Portfolio value	\$501.9 mn
Portfolio inception	29 June 1994
Current share price	\$2.09
Current dividend yield	4.78%
Pre-tax NTA	\$1.7495
Post-tax NTA	\$1.6457
Max. franked dividend	10.46 cps
	NTA retained earnings & dividend profit reserve 31.43 cps

Performance¹

	FUND % (Pre-tax NTA)	MSCI %
1 month	(1.68)	1.85
3 months	0.15	4.37
6 months	1.30	5.40
Calendar year to date	1.30	5.40
1 year	15.60	14.95
2 years (compound pa)	17.68	15.13
3 years (compound pa)	8.69	9.62
5 years (compound pa)	12.11	14.20
7 years (compound pa)	12.81	13.83
10 years (compound pa)	11.23	8.60
Since inception (compound pa)	12.50	7.00

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

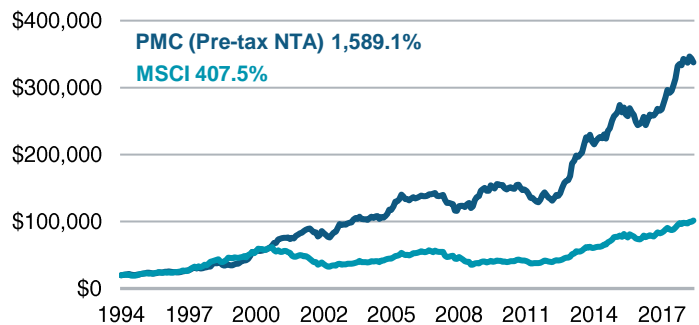
	LONG %	NET %	CURRENCY %
Australia	0.9	0.9	1.0
Canada	1.7	1.7	1.7
China	4.0	4.0	4.0
China Ex PRC	17.8	17.8	
Hong Kong	0.1	0.1	13.0
Denmark	0.6	0.6	0.6
France	1.7	1.7	
Germany	5.3	5.3	
India	3.9	3.9	4.0
Japan	15.3	15.3	12.1
Korea	6.0	6.0	6.0
Malaysia	1.1	1.1	1.1
Norway	2.3	2.3	2.5
South Africa	0.2	0.2	0.2
Switzerland	3.6	3.6	1.2
Thailand	1.0	1.0	3.2
United Kingdom	6.6	6.6	7.0
United States	16.1	(1.5)	30.4
Zimbabwe	0.8	0.8	
	89.1	71.5	
Euro Currency			12.1
Cash	10.9	28.5	
Total	100.0	100.0	100.0

Long - 83 stocks, 2 swaps Short - 6 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	%
Alphabet Inc	USA	Info Technology	3.1
Siemens AG	Germany	Industrials	3.0
Samsung Electronics Co Ltd	Korea	Info Technology	3.0
Intel Corp	USA	Info Technology	2.7
Royal Dutch Shell PLC	UK	Energy	2.5
Glencore PLC	Switzerland	Materials	2.4
Technip FMC	UK	Energy	2.3
Facebook Inc	USA	Info Technology	2.2
Jiangsu Yanghe Brewery	China	Consumer Staples	2.2
Murata Manufacturing Co Ltd	Japan	Info Technology	2.2

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

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	24.7	23.9
Industrials	12.4	12.4
Financials	10.7	10.7
Materials	9.4	9.4
Energy	8.2	8.2
Cons Discretionary	7.6	6.9
Health Care	7.4	6.1
Consumer Staples	3.5	2.1
Telecom Services	2.0	2.0
Real Estate	1.7	1.7
Utilities	1.3	1.3
Other*	0.0	(13.2)

* 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 50%; entirely out of the US (minus 2%).
- We have been recycling technology profits into Resources and Industrials over last two years

May and June have seen markets digest the actions of President Trump around so-called Trade Wars. At this stage, our best assessment is that this will prove to be a transient diversion, but in the meantime, cyclicals and Asia have been punished, and taken somewhat of a pause after a strong 18 months. This loss of interest in these areas reminds us once again of early 2016.

As we look at the portfolio, we feel too much of a US-centric view is distorting many investors' perspectives: the portfolio has been moving East for five years (Asia-Pacific is now 50%) and China looks to be the investment opportunity of a generation with Japan, Korea and India also full of promising ideas. Outside of the late-cycle US, (minus 2% position) the world is not in love with equities. Despite the current hiatus, global economic growth should outweigh rising rates in the US, but we are watching closely.

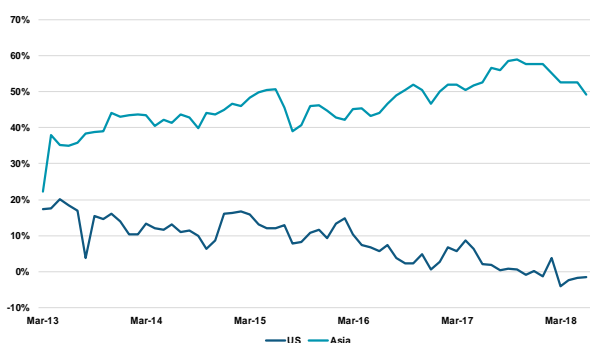
Sector-wise, for two years most opportunities have been found in Energy, Materials, and Industrials (these now total 30% of portfolio). We believe supply (reduced by China's actions) and demand (driven by take-off in India and SE Asia) point to a renewed enthusiasm for resources. Electric vehicles and changes in manufacturing should also drive this. As investors start waking up to China, we have been rotating within that market reallocating huge profits from Technology/Consumer towards capturing the government's environmental goals. Western perception lags reality, in our view.

More information on the big themes within the portfolio were presented at the March Investor and Adviser Roadshow: <https://www.platinum.com.au/Insights-Tools/The-Journal/2018-Roadshow-Presentation>. The latest Quarterly Report will be available from 12 July 2018.

Since the coincident nomination of Trump, Brexit vote, and Chinese supply side-reform in 2016, performance over this period has been outstanding in both absolute and relative terms. Under the charts below, which show the recent portfolio transitions, we provide a breakdown of where returns have come from since 30 June 2016.

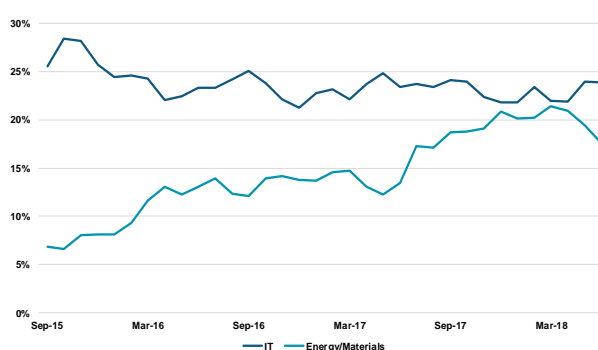
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Net Region Exposure – US vs. Asia Pacific



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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.

It is timely to look at where performance has come from over the last two years. If we go back two years, we were highlighting a “coiled spring” in markets with defensive stocks bid ever higher at the expense of cyclicals. Since 30 June 2016, the MSCI Cyclicals have returned 45% while MSCI Defensives have offered only 11%. This has been a huge divergence. We also highlighted that the long portion of our portfolio in mid-2016 was the most attractive it had been in 17 years. Since then the weighted average return on our long positions was more than 50%. For comparison the opportunity set, MSCI AC WorldNet Index (\$A), delivered 38%#.

Over the period, active currency management added around 0.4% to returns, while short selling, primarily in an attempt to manage market risk, acted as a drag of around 4%. However this has been marginally positive in 2018.*

Below we look at the portfolio geographically, sectorially and by looking at the Top 10 performers to give a better sense of where returns have come from. Source: #MSCI

Key Region	Avg Weight (Net) %^	Contribution %**
Asia	37	22
Europe	23	9
Japan	16	7
North America	3	4

Key Sector	Avg Weight (Net) %^	Contribution %**
Info Technology	23	16
Financials	12	6
Consumer	15	9
Energy and Materials	17	7
Industrials	9	3

These Top 10 individual stock contributors added 18% to returns and were dominated by China and Technology. They were Tencent, Ping An, Sina, Anta Sports (all from China), Samsung Electronics and KB Financial (Korea), Kering and Intesa Sanpaolo (Europe) and from the US, Google's parent, Alphabet and Nexon from Japan.

From 1 July 2018, Andrew Clifford will be the portfolio manager of PMC. Kerr Neilson will remain an investment analyst within the investment team.

*For 6month period to 30 June 2018.

**The investment returns shown are historical from 30.06.16 to 30.06.18 are gross and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance.

^Avg weight is the avg daily market value divided by the average daily portfolio value.