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ASX Limited
ASX Market Announcements Office
Exchange Centre
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SYDNEY NSW 2000

By e-Lodgement

Platinum Asset Management Limited – Launch of Quoted Managed Funds

Platinum is pleased to announce that its two new managed funds will shortly be quoted on the Australian Securities Exchange (ASX).

The two new funds are called the Platinum International Fund (Quoted Managed Fund) (ASX code: PIXX) and the Platinum Asia Fund (Quoted Managed Fund) (ASX code: PAXX). They are expected to commence trading on the ASX on or around 14 September 2017. Platinum Investment Management Limited is the responsible entity of both PIXX and PAXX.

In an exciting new industry innovation for the ASX AQUA market, these two funds have been structured as feeder funds into Platinum's two flagship unlisted funds, the \$10 billion Platinum International Fund (PIF) and \$4 billion Platinum Asia Fund (PAF). In this way, Platinum will be able to offer advisers, self-managed super funds and other investors access to an actively managed portfolio of global companies with one trade.

Platinum would like to acknowledge the significant work put in by the team at the ASX over many months to help Platinum develop this new industry innovation.

To ensure that PIXX and PAXX investors receive a similar experience to their fellow PIF and PAF unlisted fund investors going forward, Platinum will cover the establishment costs for these new feeder funds and also their ongoing operating costs¹. In this way, PIXX and PAXX investors will pay overall costs and charges similar to the PIF and PAF performance fee (P Class) investors.

CEO, Kerr Neilson noted that *"These funds represent a significant improvement in the way in which actively managed funds are acquired by investors. Rather than proliferating additional products, these funds enable investors to gain ready access to the existing underlying funds' larger pools of capital that have excellent long-term performance records. In addition, investors will know at the time of making the investment, the indicative price they will pay through intra-day live pricing."*

The underlying funds into which PIXX and PAXX will invest have enjoyed substantial long-term investment returns. The PIF has returned 12.7% per annum since inception (over 22 years ago), and the PAF has returned 15.0% per annum since inception (over 14 years ago)². The underlying funds have also provided

¹ With the exception of the agency market making fee, although Platinum will cover the fixed component of the agency market making fee for the first 12 months. Losses and gains from the market making activities will be borne by PIXX and PAXX.

² Investment returns are annualised to 31 July 2017 and have been calculated using PIF and PAF's daily unit prices (C Class Units) since inception (30 April 1995 for PIF, and 4 March 2003 for PAF). Returns represent the combined income and capital returns, are net of fees and costs (excluding the buy-sell spread), pre-tax and assume the reinvestment of distributions. PIF and PAF C Class Units do not have a performance fee component. The returns of PIXX and PAXX will vary from the returns of PIF and PAF C Class Units due to different fees, cash holdings and gains and losses on PIXX and PAXX's market making activities. Investors should be aware that historical performance is not a reliable indicator of future performance.

high cash distributions over time; the PIF delivering 9.5% per annum since inception, and the PAF delivering 7.7% per annum since inception³. This is well in excess of distributions provided by many competing global equity products.”

About the Platinum Quoted Managed Funds

The Platinum quoted managed funds are registered managed investment schemes which will be quoted on the ASX.

PIXX will invest in units in an underlying performance fee class of the \$10 billion Platinum International Fund. PAXX will invest in units in an underlying performance fee class of the \$4 billion Platinum Asia Fund. These performance fee classes each charge a management fee of 1.1% p.a. plus a performance fee of 15% of any outperformance relative to the relevant underlying fund's nominated index⁴.

Investors in the quoted managed funds will therefore generally receive investment returns and distributions from the quoted managed funds in much the same way as for performance fee (P Class) investors in the corresponding underlying funds.

In addition, Platinum has appointed an agent to act as a market maker for the new quoted managed funds. The market maker's role is to add liquidity during the ASX trading day to help ensure that the quoted managed funds do not trade at a significant discount to their respective net asset values, a problem that plagues closed end listed investment companies and trusts (LICs and LITs).

Broker Firm Offer and Initial Seed Funding

Platinum will conduct a limited Broker Firm Offer in conjunction with several leading brokers. All costs of this offer will be borne by Platinum directly.

The purpose of the Broker Firm Offer is to seed PIXX and PAXX. Platinum is offering units in order to raise a minimum of \$25 million per quoted managed fund. In the event that the minimum subscription for a fund is not obtained, Platinum is committed to seeding the fund with the difference to ensure that it is seeded with the minimum subscription.

Company Secretary
Joanne Jefferies

³ Annualised and calculated as at 30 June 2017 since inception.

⁴ The management fee and performance fee are both stated inclusive of Australian GST less any expected reduced input tax credits.