

28 April 2017

The Manager Announcements
Companies Office
Australian Securities Exchange Limited
Sydney NSW 2000

By e-Lodgement

Platinum Asset Management Limited (“PTM”) announces new Exchange Traded Managed Funds (“ETMFs”) and changes to product fees

Platinum is announcing some important initiatives: they relate to broadening the channel choices for clients; and introducing a new performance fee option that will bring consistency to our pricing across channels. In addition, we are also lowering the standard management costs on the Platinum Trust Funds and Platinum Global Fund from 1.5% to 1.35% pa.

CEO, Kerr Neilson, suggests “that these changes will benefit clients in terms of both channel choice and price options”. However, he also observed “that while to the benefit of clients, the use of the performance option is likely to reward shareholders in the long-term”.

1. Launch of two new ETMF products via the ASX channel

We are pleased to announce that Platinum Investment Management Limited (“Platinum”) expects to launch (subject to regulatory approval) two Exchange Traded Managed Funds (ETMFs) in August 2017. The two new products will allow investors to access Platinum’s International and Asian equity strategies via the ASX. In other words, they are exchange traded versions of our existing actively managed funds.

These new International and Asian ETMF products will be structured as feeder funds into the existing unlisted Platinum International Fund (22+ year track record) and Platinum Asia Fund (14+ year track record), respectively. The two new ETMF products will therefore have the same portfolio composition, portfolio managers and investment strategy as the underlying funds that they feed into.

The fee structure will consist of a management fee of 1.10% pa plus a relative outperformance fee of 15%¹. This fee is in line with the fee structure for Platinum’s two listed investment companies (LICs), Platinum Capital Limited (ASX: PMC) and Platinum Asia Investment Limited (ASX: PAI).

Backed by their strong long-term absolute returns, Platinum’s International and Asian equity strategies have been popular with retail and institutional investors alike. The launch of the new ETMF products will add to the range of channels available for domestic investors to access Platinum’s investment capabilities, whether via traditional managed funds, the LICs, an mFund² (Platinum Global Fund) or the ETMFs, with certain overseas investors able to access these strategies through the Platinum Irish domiciled UCITS sub-funds, which were launched in 2015.

As we approach the launch date for the ETMFs, further information will be made available.

2. Change in fee options for the Platinum Trust Funds (“PT Funds”) and Platinum Global Fund (“PGF”)

As part of a review of its channel, distribution and pricing strategy, Platinum has decided to add a new performance fee option to each of the eight PT Funds³ whilst, at the same time, also reducing the total fees and expenses charged under the standard fee option for each of the PT Funds and PGF. Since Platinum commenced business in 1994, the costs associated with accessing international markets have come down as a result of investment efficiencies and these new fee options give investors the benefit of such changes.

These changes will be implemented with effect from the issuance of the next Product Disclosure Statement (PDS) for the PT Funds and PGF, expected on or about 3 July 2017.

Under the new fee options for the PT Funds, investors will have the choice between:

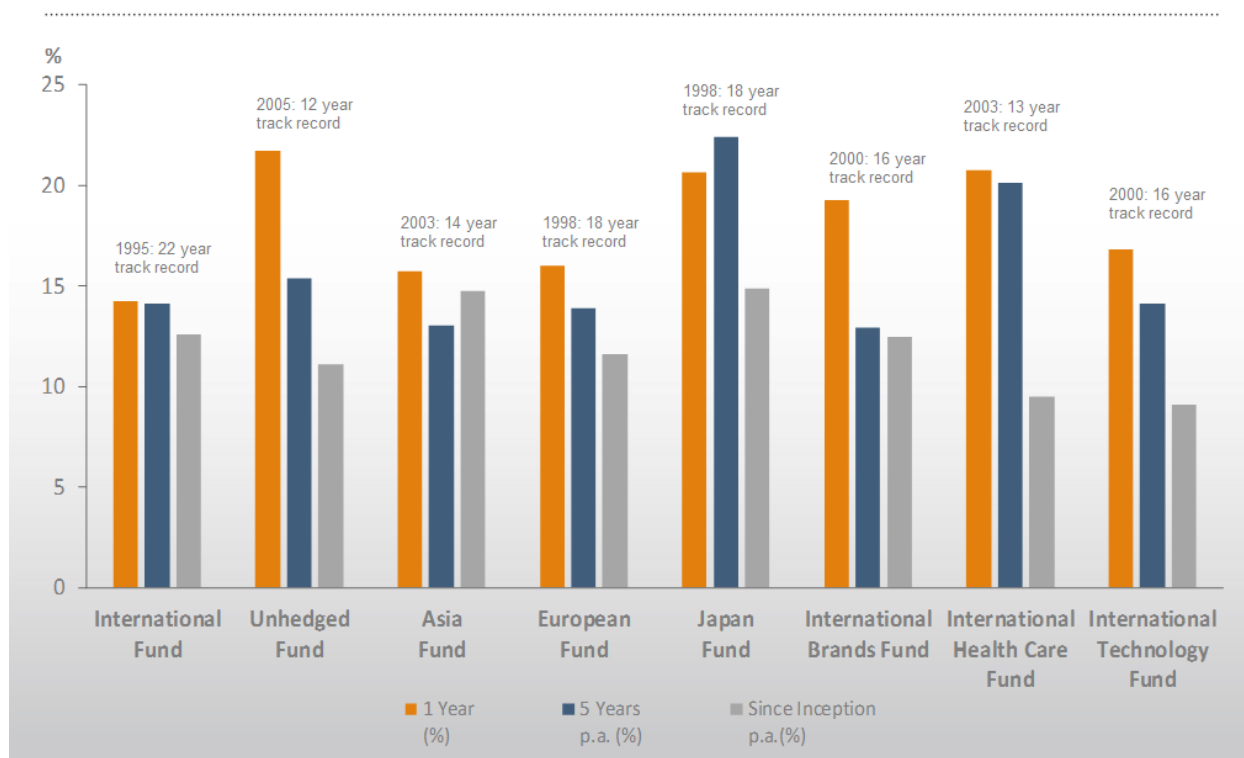
- **a performance fee option, comprising a management fee of 1.10% pa plus a relative outperformance fee of 15%¹.** This new performance fee option is initially available to direct investors⁴ and is in line with the fee structure for Platinum’s two listed investment companies (LICs), Platinum Capital Limited (ASX: PMC) and Platinum Asia Investments Limited (ASX: PAI). The performance fee option provides an alignment of interests for those investors who seek this type of variable fee structure; and
- **a standard fee option, comprising a management fee of 1.35% pa⁵.** This represents a reduction from the currently disclosed management costs rate of 1.5% pa⁶, which will benefit new and existing investors alike.

Under the new fee option for PGF, the currently disclosed management costs (1.5%⁶ pa) will also be reduced to 1.35% pa⁵ for both existing and new investors.

A minimum initial investment of A\$10,000 per fund (or A\$5,000 under the Regular Investment Plan with ongoing contributions of A\$200 per month or quarter) will apply under all fee options for direct investors⁴.

Platinum continues to provide investors with a differentiated offering in a world where many managers adhere to a passive or index driven style of management. Platinum strongly believes in the ‘true to label’, active management of our clients’ wealth, including active currency management and we aim to provide a level of risk protection alongside our stock picking strategies. This has led to strong long-term performance across each and every Platinum Trust Fund.

Strength and breadth across the Platinum Trust Funds⁷



Estimated impact of fee and cost reductions on PTM 2018 revenue

As these fee and cost reductions will not come into effect until on or about 3 July 2017, there will be no direct impact on either 2017 revenues or profits.

However, there may be a reduction in PTM's 2018 revenue as a result of the lower fees for PT Funds and PGF, if these are not offset by new fees on the new products to be launched or other net inflows. We estimate that 2018 pro-forma, annualised, revenues for PTM could decline by up to \$24 million (9%) as a result of these changes (excluding any revenue impacts caused by flows into the ETMFs or into or out of the PT Funds and PGF).

J Jefferies
Company Secretary

¹ The management fee is stated net of the effect of GST. Platinum will absorb the administrative costs. The performance fee is a percentage of the amount by which a Fund's return outperforms its nominated benchmark for the relevant period. There is no change to each Fund's current performance benchmark. While fees are paid for relative outperformance, the underlying benchmark does not in any way influence the manager's investment process. The manager focuses on delivering absolute returns, but believes the index is a fair opportunity cost for the investor, and hence a fair measurement of the appropriate fee. The performance fee is stated exclusive of GST.

² The ASX mFund Settlement Service enables you to buy and sell units in a managed fund via a licensed stockbroker or advisor.

³ The PT Funds include the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund.

⁴ Direct investors do not include investors who access the PT Funds via a platform or wrap product (including an IDPS or IDPS like scheme).

⁵ The management fee is stated net of the effect of GST. Platinum will absorb the administrative costs.

⁶ The current management costs of 1.5% is made up of 1.40% manager's fee plus 0.04% GST and 0.10% administrative costs (except for the Platinum International Fund for which the administrative costs are 0.07%), less GST recoveries of 0.04%.

⁷ Source: Platinum Investment Management Limited. The investment returns shown are calculated using the relevant Fund's unit price and represent the combined income and capital return for the specified period to 31 March 2017. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. The investment returns are historical and no warranty can be given for future performance. Past performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Funds and other risk factors associated with investing, returns can be negative, particularly in the short-term. The inception dates for each Fund are as follows: International Fund 30 April 1995; Unhedged Fund 31 January 2005; Asia Fund 4 March 2003; European Fund 30 June 1998; Japan Fund 30 June 1998; International Brands Fund 18 May 2000; International Health Care Fund 10 November 2003 and International Technology Fund 18 May 2000.