

# Platinum Capital Limited (PMC) Investment Strategy

Platinum Capital Limited (PMC) primarily invests in listed securities. The portfolio will ideally consist of 70 to 140 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. However, the portfolio typically has 50% or more net equity exposure. Platinum may short-sell securities and indices that it considers overvalued.

PMC's key investment guidelines are summarised below.

<b>Suggested time horizon</b>	5 or more years
<b>Geographic limits</b>	N/A
<b>Industry/sector limits</b>	N/A
<b>Number of securities in portfolio</b>	Typically 70 to 140 securities
<b>Net equity exposure</b>	Typical range: 50 – 100% of PMC's net asset value
<b>Cash holdings</b>	<ul style="list-style-type: none"> <li>○ Typical range: 0 – 40% of the PMC's net asset value</li> <li>○ Permissible range: 0 – 100% of PMC's net asset value</li> </ul>
<b>Limits on individual security holdings</b>	PMC will seldom invest more than 5% of its net asset value (at the time of investment) in the securities of a single issuer.
<b>Short-selling</b>	<p>Subject to the limits regarding leverage and the use of derivatives, PMC may short-sell securities and indices for risk management purposes or as a way to take opportunities to increase returns.</p> <p>See Platinum's <a href="#">risk management</a> strategies for further details.</p>
<b>Currency</b>	<ul style="list-style-type: none"> <li>○ PMC's currency exposures are actively managed with the aim of capturing the returns and minimising the risks arising from the portfolio's exposure to foreign currency fluctuations, which can change the value of the equity investments measures in PMC's reporting currency (AUD).</li> <li>○ Platinum may manage PMC's currency exposures using foreign exchange forwards, swaps, non-deliverable forwards, currency options and spot foreign exchange trades.</li> </ul> <p>See Platinum's <a href="#">risk management</a> strategies for further details.</p>
<b>Leverage</b>	<ul style="list-style-type: none"> <li>○ PMC does not borrow funds (except for short-term overdrafts for trade settlement).</li> <li>○ PMC may be leveraged through the use of derivatives (see below for detail).</li> </ul>
<b>Derivatives</b>	<ul style="list-style-type: none"> <li>○ PMC may use financial derivative instruments for risk management purposes and as a way to take opportunities to increase returns, such as to gain access to markets not readily available to foreign investors or to establish short positions.</li> <li>○ Both over-the-counter (OTC) derivatives and exchange-traded derivatives are permitted.</li> <li>○ PMC's effective exposure from its derivative positions<sup>1</sup> must not exceed 100% of PMC's net asset value.</li> <li>○ PMC's gross exposure, taking into account all securities and derivatives<sup>1</sup> (long and short) held, must not exceed 150% of its net asset value.</li> </ul>

	<p>See Platinum’s <a href="#">risk management</a> strategies for further details.</p> <p><sup>1</sup> Where options are employed, the underlying value will be the Delta-adjusted exposure. “Delta” is the theoretical measure of the sensitivity of the option price to a chance in the price of the underlying asset (usually expressed as a percentage).</p>
Securities lending	Not undertaken.