

**Facts**

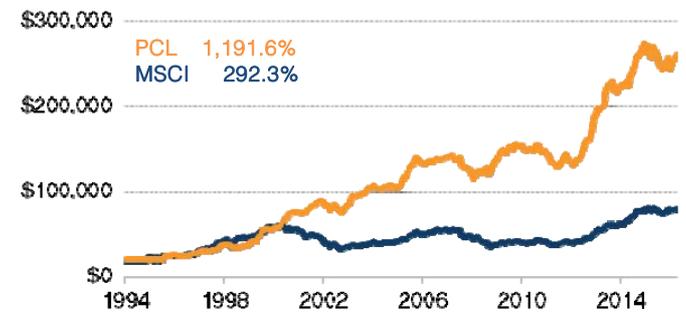
Portfolio value	\$352.56 mn		
Portfolio inception	29 June 1994		
Current share price	\$1.505		
Current dividend yield	4.65% fully franked		
<b>Pre-tax NAV</b>	<b>\$1.4864</b>	NAV retained earnings &	
Post-tax NAV	\$1.4721	dividend profit reserve	17.69 cps
NAV franking	7.69 cps	Realised franking	6.26 cps

**Performance<sup>1</sup>**

	FUND %	MSCI %
1 month	(0.61)	(1.19)
3 months	5.89	2.46
6 months	5.11	6.90
Calendar year to date	(0.35)	1.34
1 year	0.45	2.74
2 years (compound pa)	5.92	9.32
3 years (compound pa)	8.92	12.44
5 years (compound pa)	13.79	16.05
7 years (compound pa)	8.05	9.99
Since inception (compound pa)	12.18	6.33

**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 graph<sup>2</sup>**


Source: FactSet and Platinum

**Invested positions<sup>3</sup>**

	LONG %	NET %	CURRENCY %
Australia	0.9	0.9	17.7
Canada	0.1	0.1	0.9
China	3.2	3.2	(2.9)
China Ex PRC	16.8	16.8	
Hong Kong	1.1	1.1	12.9
France	5.6	5.6	
Germany	3.2	3.2	
India	5.4	5.4	5.6
Italy	5.3	5.3	
Japan	12.7	12.7	1.1
Korea	6.1	6.1	6.1
Malaysia	0.9	0.9	0.9
Nigeria	0.1	0.1	0.1
Norway	1.1	1.1	10.1
Russia	0.7	0.7	
Sweden	1.8	1.8	1.8
Switzerland	0.6	0.6	0.6
Thailand	0.5	0.5	0.5
United Kingdom	4.1	4.1	4.1
United States	21.3	2.5	27.1
Vietnam	2.8	2.8	2.8
Zimbabwe	0.5	0.5	
	94.8	76.0	
China Renminbi Off Shore			(7.7)
Euro Currency			18.2
Cash & Accruals	5.2	24.0	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 101 stocks, 3 swaps, 1 other      Short - 4 stocks, 3 options, 1 index

**Top ten positions<sup>4</sup>**

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.4
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.9
Alphabet Inc	USA	Info Technology	2.8
AstraZeneca PLC	UK	Health Care	2.3
Sanofi SA	France	Health Care	2.3
Inpex Corporation Ltd	Japan	Energy	2.3
Eni SpA	Italy	Energy	2.2
Rakuten Inc	Japan	Cons Discretionary	2.2
Intesa Sanpaolo SpA	Italy	Financials	2.1
Paypal Holdings Inc	USA	Info Technology	2.1

**Industry breakdown<sup>3</sup>**

SECTOR	LONG %	NET %
Info Technology	25.1	25.1
Cons Discretionary	16.0	15.3
Financials	13.1	13.1
Health Care	9.8	9.8
Industrials	6.8	6.8
Consumer Staples	6.4	4.2
Energy	6.1	6.1
Materials	6.0	6.0
Utilities	3.0	3.0
Telecom Services	1.7	1.7
Other*	0.0	(15.8)

\* Includes index short position

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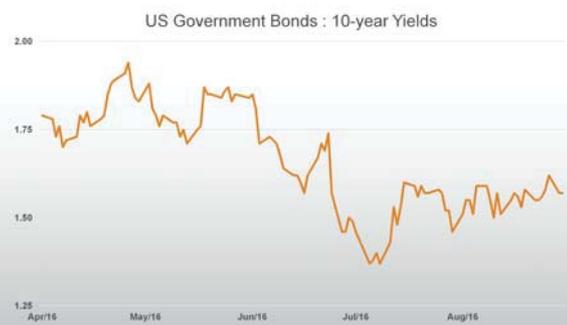
1. Performance results have been calculated using the pre-tax net asset value price (as released to the ASX) and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PMC. You should also be aware that performance results are calculated using historic points of reference. PMC and its directors cannot guarantee that such results will be replicated in the future; therefore, this information should not be used to make future investment decisions.

2. 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 asset value as released to the ASX (monthly 'Net Asset Values') 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 individual 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.

3. The "Long%" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for PMC's Portfolio, taking into account currency hedging.

4. Top Ten positions shows PMC's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

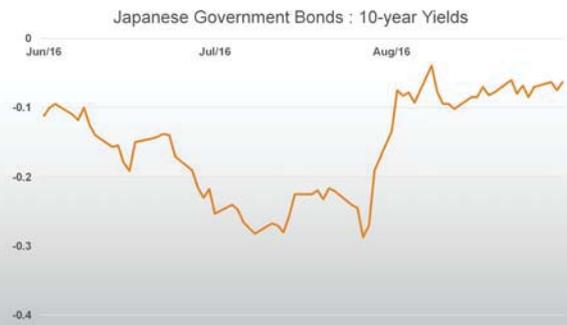
“Lower for Much Longer” Gained Support from Market



Source: FactSet, Platinum



Japan led the “backing away” from negative yields



Source: FactSet, Platinum



S&P500 consumer staples : Zero growth “hiding place”



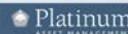
Source: FactSet, Platinum



Platinum’s current portfolio: key themes



Source: Platinum



Market update and Commentary

Since June the outcome for the Company, +6%, has been encouraging, particularly when not simply due to markets lurching higher. We do not focus on the short-term but it feels that markets are at a significant inflexion. The crowd has all been pointing one way. Our portfolio expresses very high conviction in where the best opportunities currently lie.

As we may be at the start of a major shift from entrenched trends, we detail how the quarter’s returns were achieved. The key drivers were non-consensus: Cyclical, Technology, Asia and small/mid-caps.

Region (net): The 47% exposure to Asia-Pacific contributed 5.6% suggesting an average stock return of 12% while the 29% in US & Europe added 0.6% at an average around 2%. Global markets offered 2%.

Sectors (long only): Our substantial 63% invested in Cyclical and Technology made 6% impact on returns, averaging around 10% while our 27% in Defensives and Energy did nothing either way.

Size: 67% of the portfolio is in large companies (\$10bn+) averaging around 5% each but the 23% in small and mid-cap companies made a similar aggregate impact, adding 15% on average over the quarter.

We have talked at length about the key risks in markets. A 36-year bull market in bonds is now constrained by the futility of negative rates and US equities have never offered adequate returns from similar valuations. Platinum’s CIO, Andrew Clifford, likened this recently to a ‘coiled spring’. Perhaps the divergence between ‘Perceived (not Actual) Safety’ and ‘Uncertainty’ is similar to the way the technology bubble divided old and new economy stocks and led to the most fertile of hunting grounds in living memory.

Brexit may have been the defining political-economic moment of the decade and may in time be seen as when it all changed. Dis-satisfaction with policies that only benefit the wealthy is leading to a ‘backing away’ from negative rates in favour of fiscal impulse. Since 2011 it has been crisis, bear markets and political change that led to us building major positions in Europe, China, Japan and India.

Humans are easily dissatisfied if they feel others are doing better than they. For the portfolio there is a conundrum. Some medium-term periods we show overleaf give that sense – the absolute is adequate but it grates that the market did slightly better. However, US-led bull markets are our Achilles Heel!

In fact, over the unshown 4 years, our credible 16.6% net of fees trails the US-led bull market by less than 0.2%pa! We are optimistic about the future given the portfolio offers faster growth, higher quality, less debt and better valuation than the market (at around 16x forward PE).

And what about the coiled spring? As Andrew said, “With the combination of better global growth and slightly higher rates, we think this will be the trigger for releasing the coiled spring in valuation differentials between perceived low risk assets and the rest of the market.”