

Facts

Portfolio value	\$364.28 mn
Portfolio Inception	29 June 1994
Current share price	\$1.600
Current dividend yield	4.38% fully franked
Pre-tax NTA	\$1.5357 NTA retained earnings &
Post-tax NTA	\$1.5009 dividend profit reserve
Max. franked dividend	12.51cps
	20.57 cps

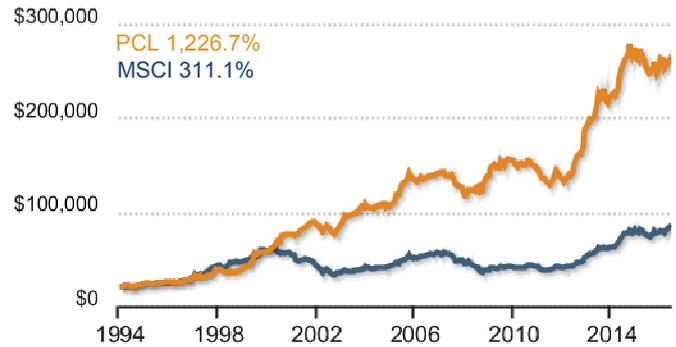
Performance¹

	FUND %	MSCI %
1 month	(1.14)	(2.01)
3 months	2.76	6.00
6 months	5.69	5.07
Calendar year to date	(1.14)	(2.01)
1 year	6.52	9.88
2 years (compound pa)	2.93	6.18
3 years (compound pa)	6.06	10.50
5 years (compound pa)	14.85	16.28
7 years (compound pa)	8.34	10.82
10 years (compound pa)	6.71	3.95
Since inception (compound pa)	12.12	6.46

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



Invested positions³

	LONG %	NET %	CURRENCY %
Australia	0.7	0.7	19.7
Canada	0.1	0.1	0.1
China	2.7	2.7	(3.1)
China Ex PRC	15.6	15.6	
Hong Kong	0.8	0.8	12.3
France	6.0	6.0	
Germany	4.1	4.1	
India	5.1	5.1	5.3
Italy	5.4	5.4	
Japan	14.1	14.1	3.7
Korea	6.6	6.6	6.6
Malaysia	0.9	0.9	0.9
Nigeria	0.1	0.1	0.1
Norway	1.0	1.0	9.7
Russia	0.9	0.9	
Singapore	0.3	0.3	
Sweden	1.6	1.6	1.6
Switzerland	0.8	0.8	0.8
Thailand	0.7	0.7	0.7
United Kingdom	3.7	3.7	4.7
United States	19.4	4.2	29.6
Vietnam	2.5	2.5	2.5
Zimbabwe	0.6	0.6	
	93.7	78.4	
China Renminbi Off Shore			(7.3)
Euro Currency			12.3
Cash	6.3	21.6	
Total	100.0	100.0	100.0

Long - 94 stocks, 3 swaps, 1 bond Short - 3 stocks, 2 options, 2 indices

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The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability.

1. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible 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. 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). 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. Source: Platinum for fund 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 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 as a percentage of PMC's net tangible asset value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PMC's net tangible asset value. The "Currency %" represents the currency exposure for PMC's Portfolio as a percentage of PMC's net tangible asset 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 net tangible asset value. Long derivative exposures are included. However, short derivative exposures are not.

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Top ten positions⁴

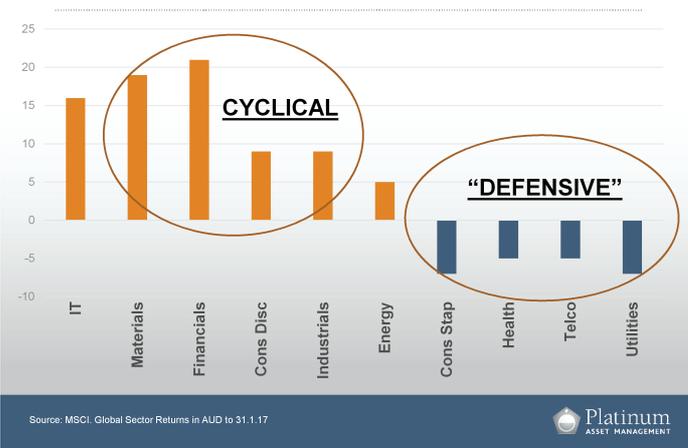
STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.0
Alphabet Inc	USA	Info Technology	3.0
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.6
Sanofi SA	France	Health Care	2.4
Kering	France	Cons Discretionary	2.2
Eni SpA	Italy	Energy	2.2
Inpex Corporation Ltd	Japan	Energy	2.1
Intesa Sanpaolo SpA	Italy	Financials	1.9
KB Financial Grp	Korea	Financials	1.9
Level 3 Communications Inc	USA	Telecom Services	1.8

Industry breakdown³

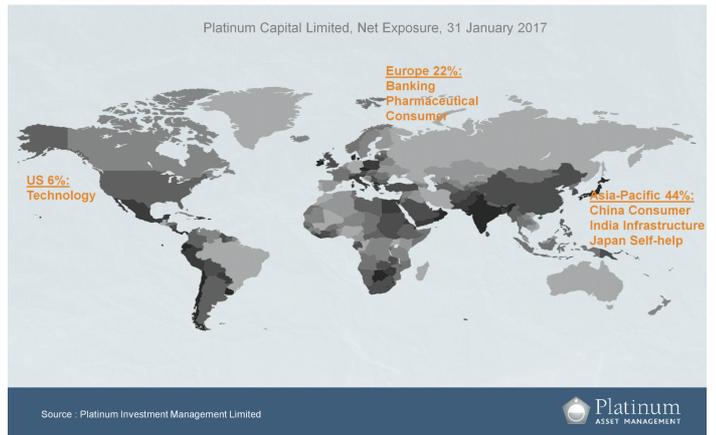
SECTOR	LONG %	NET %
Info Technology	22.8	22.8
Cons Discretionary	15.4	14.8
Financials	13.6	13.6
Health Care	9.2	9.2
Energy	7.0	7.0
Industrials	6.8	6.8
Materials	6.7	6.7
Consumer Staples	6.1	4.4
Utilities	3.4	3.4
Telecom Services	2.0	2.0
Other*	0.7	(12.2)

* Includes index short positions

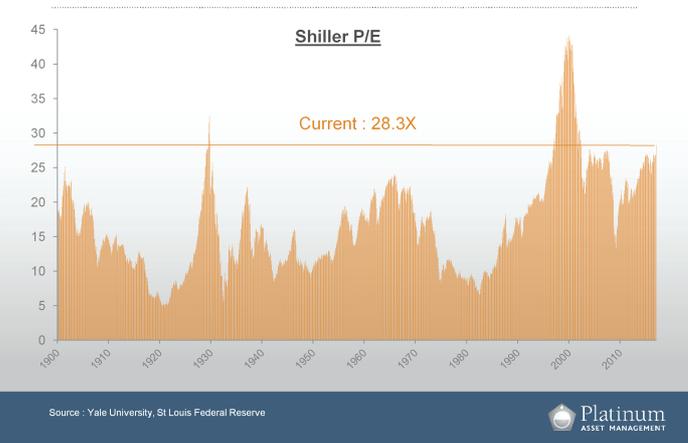
Sector Rotation since June



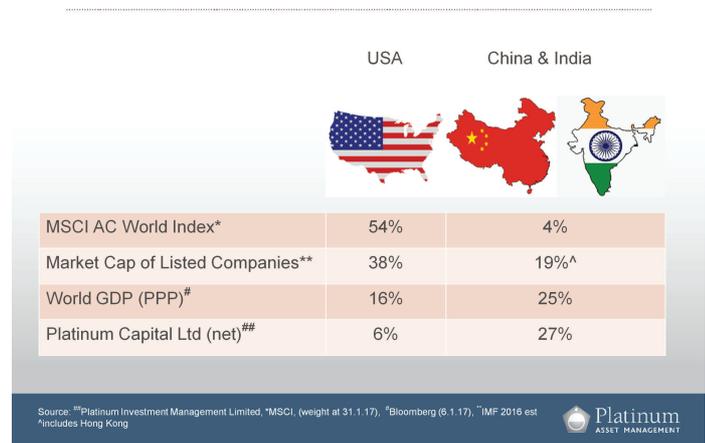
Fund's current portfolio: key themes



US : Valuations : Not a Good Entry Point!



Indices Don't Reflect World, or even Markets



Market update and Commentary

In January, the market hype around Trump subsided before the inauguration, though resources started to move, helping the Australian dollar higher (dampening returns from overseas assets). The clampdown on outflows from China is probably of greater interest to those speculating in the Australian apartment market than to equity market investors who still seem to have little desire to add to their exposure there. From a socio-political perspective, we may be alarmed by the actions of the new US President, but from a market perspective we need to look rationally at the impact of any Tweets or real policy on the corporates we invest in and on the need to offset any risks in the portfolio.

The bigger risks are the overvaluation of the US market (see bottom left chart) which traded higher only in 1929 ahead of the crash that triggered the Great Depression and near the top of the technology bubble. Neither were good times to invest! The economic cycle in the US is mature, with rates having risen (a long way if you include the removal of QE) and wages are now rising too. We also see fit to protect investors from any systemic issues in China, via short selling the Yuan, and have some hedging (around 20% exposure) to our currency as commodity strength suggests it may go higher in the near term.

From a stock picking perspective, we have a portfolio on a P/E of around 15.5 times forward earnings, which compares favourably with the local market or the US market valuation. We continue to have a bias to Asia-Pacific within the portfolio, with a consumer bias in China and an infrastructure tilt in India. Samsung Electronics is up around 30% since the battery hiccup in Korea and we have a number of individual stories in Japan. With economic growth solid around the world, Europe also contains many attractive investments, while technology champions in the US still have merit in a portfolio.

When one looks at the returns of the financial year to date (7 months), the Company has benefited from strong stock selection in each of the key regions; Asia Pacific, Europe and North America. China, Japan, Korea and the US have each contributed about 2% to returns, as has the balance of the portfolio, including a gain on currency. From a sector perspective, 7% of the return came from cyclicals as defined in the chart above; in other words, the 40% of the portfolio in cyclicals, of themselves, delivered as much as the world markets. IT also made a big contribution. Top stocks since June 30 include Lixil and Inpex from Japan; KB Financial in Korea; France's luxury goods company, Kering; and our two Italian banks, Intesa Sanpaolo and Mediobanca, which were collateral damage in the Brexit fall-out and which we added to well at that time.

In our recent quarterly report, the portfolio manager highlighted possibilities around tax reform in the US and the key issues that may dominate in the year ahead including tension between trading partners. So far, the market has given more credence to "America First" literally without considering the reactions of others.