

## Facts

Portfolio value	\$424.20 mn
Portfolio Inception	29 June 1994
Current share price	\$1.495
Current dividend yield	5.35% fully franked
<b>Pre-tax NTA</b>	<b>\$1.5499</b>
Post-tax NTA	\$1.5054
Max. franked dividend	7.70cps
	NTA retained earnings & dividend profit reserve 18.48 cps

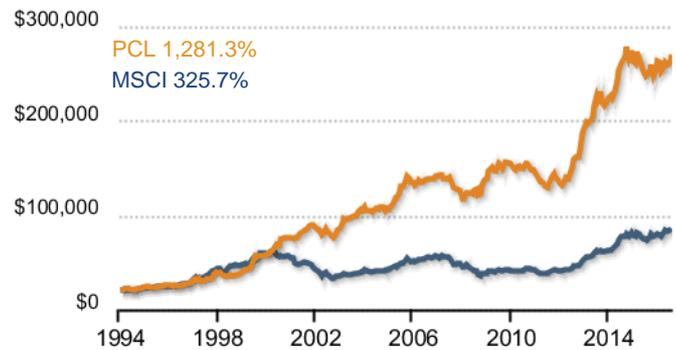
## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	3.29	2.02
3 months	2.93	1.48
6 months	6.94	8.52
Calendar year to date	2.93	1.48
1 year	12.40	16.01
2 years (compound pa)	3.04	4.98
3 years (compound pa)	8.05	12.12
5 years (compound pa)	13.98	15.21
7 years (compound pa)	8.53	10.70
10 years (compound pa)	7.18	4.60
Since inception (compound pa)	12.23	6.57

## 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>



## Invested positions<sup>3</sup>

	LONG %	NET %	CURRENCY %
Australia	0.7	0.7	25.3
Canada	0.2	0.2	0.2
China	3.2	3.2	(1.8)
China Ex PRC	14.2	14.2	
Hong Kong	0.4	0.4	10.7
Denmark	0.5	0.5	0.5
France	5.3	5.3	
Germany	3.8	3.8	
India	5.3	5.3	5.5
Italy	5.2	5.2	
Japan	15.6	15.6	6.2
Korea	8.1	8.1	8.2
Malaysia	0.9	0.9	0.9
Nigeria	0.1	0.1	0.1
Norway	0.8	0.8	6.9
Russia	0.5	0.5	
Singapore	0.2	0.2	
Sweden	1.7	1.7	1.7
Switzerland	0.7	0.7	0.7
Thailand	1.1	1.1	1.1
United Kingdom	2.7	2.7	3.0
United States	15.9	7.3	23.7
Vietnam	2.4	2.4	2.4
Zimbabwe	0.5	0.5	
	89.8	81.2	
China Renminbi Off Shore			(6.2)
Euro Currency			11.0
Cash	10.2	18.8	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 98 stocks, 3 swaps, 1 bond      Short - 2 stocks, 2 indices

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

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.5
Alphabet Inc	USA	Info Technology	2.6
Lixil Group Corporation	Japan	Industrials	2.6
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.5
Eni SpA	Italy	Energy	2.3
Inpex Corporation Ltd	Japan	Energy	2.1
Kering	France	Cons Discretionary	2.1
Sanofi SA	France	Health Care	1.9
AstraZeneca PLC	UK	Health Care	1.8
Intesa Sanpaolo SpA	Italy	Financials	1.8

## Industry breakdown<sup>3</sup>

SECTOR	LONG %	NET %
Info Technology	22.1	22.1
Cons Discretionary	14.1	14.0
Financials	12.7	12.7
Health Care	8.4	8.4
Industrials	7.8	7.8
Materials	7.4	7.4
Energy	7.3	7.3
Consumer Staples	5.9	5.0
Utilities	3.0	3.0
Other*	0.7	(6.8)
Real Estate	0.2	0.2
Telecom Services	0.2	0.2

\* Includes index short positions

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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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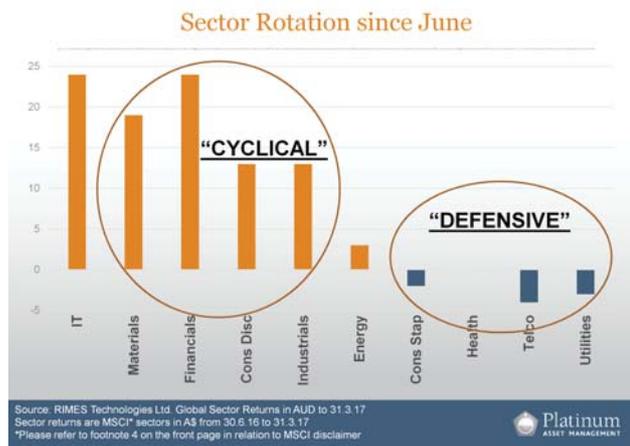
Investors may not have felt like they received a **double-digit return over the last 12 months**. Indeed since 30 June, the Company has returned 13% with approximately 80% exposure to a world market that is up by 11%.\*

2016 had been a year of dramatic change encapsulated by Brexit and Trump, but in markets, the significant change was what increasingly looks like the end of the 36-year bull market in bonds and the concurrent peak in the hunt for bond-like equities which we had chosen to avoid.

**Equity market drivers have changed**; geography has not had much impact over recent months, rather it has been the type of companies one has owned. The chart above defines four cyclical sectors, with a simple average return of 17% since 30 June, and four safe havens which have lost 2% each on average. **The crowding into safety was most intense exactly as safe became risky**. Along with technology, it has been cyclical stocks that have driven the portfolio's returns. Asia-Pacific based stocks have been powerful and digging below the mega-caps has also been fruitful.

Among all the noise about US policy and European elections, the simple fact is that **global growth is accelerating**. Europe especially is seeing a traditional recovery cycle and is growing well, re-balanced from pre-crisis and creating jobs; China is a year into its upswing and building momentum in its economy. Platinum's CIO Andrew Clifford focuses on this in his upcoming quarterly report, while an analyst visit to a resurgent Japan is also covered. The US is latest in its cycle with wage growth and tightening monetary policies, which are more ominous given valuations.

Today, the passive bandwagon is a major risk for investors after one of the longest US bull markets in history. This school of thought effectively argues that there is no value in stock-picking. **We dispute this assertion** while accepting that for a time it can be a self-reinforcing trend as it allocates more money to stocks that have already gone up. But we know for sure that **crowded momentum strategies never end well**.



The table shows that the returns of the Company since the markets shifted in June could not be replicated passively.

Region	Company's (Net) Exposure %	Index Return %	"ETF Outcome%"	Company's Contribution %
Asia	36	14	5	8
Europe	23	10	2	3
Japan	13	11	1	3
North America	6	11	1	1
Cash/FX	21	1.5 (RBA)	0	1
<b>Net Return</b>			<b>10</b>	<b>13</b>

^"ETF Outcome%" = Net Exposure% X Index Return%

Net Exposure represents the Company's exposure as a % of NAV of physical holdings and both long and short derivatives as at 31.3.17

The index returns relate to MSCI AC Asia ex Japan, MSCI AC Europe, MSCI USA, MSCI Japan. Cash is RBA Cash Rate. ETF outcome is assumed to achieve index return.

The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance.

\*Please see footnote 1 on the front page for our performance disclaimer.

The Platinum Trust Quarterly Report will be available on our website, [www.platinum.com.au](http://www.platinum.com.au) from 18 April and mailed out by the end of the month.