

**Platinum International Fund<sup>®</sup> ARSN 089 528 307**

**Platinum Unhedged Fund<sup>™</sup> ARSN 123 939 471**

**Platinum Asia Fund<sup>®</sup> ARSN 104 043 110**

**Platinum European Fund<sup>®</sup> ARSN 089 528 594**

**Platinum Japan Fund<sup>®</sup> ARSN 089 528 825**

**Platinum International Brands Fund<sup>®</sup> ARSN 092 429 813**

**Platinum International Health Care Fund<sup>®</sup> ARSN 107 023 530**

**Platinum International Technology Fund<sup>®</sup> ARSN 092 429 555**

**Annual Report - 30 June 2017**

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**30 June 2017**

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## **Responsible Entity Report 30 June 2017**

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management®) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as “*the registered schemes*” or “*Funds*”) present their report, together with the financial statements, on the registered schemes for the year ended 30 June 2017.

### **Principal Activities**

The principal activity of the registered schemes during the year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

The registered schemes did not have any employees during the year.

### **Directors of the Responsible Entity**

The Directors of Platinum Investment Management Limited during the year and up to the date of this report were:

Kerr Neilson  
Andrew Clifford  
Elizabeth Norman  
Andrew Stannard

### **Significant Changes in the State of Affairs**

There were no significant changes to the state of affairs of the registered schemes during the year.

### **Operating and Financial Review (OFR)**

The registered schemes have predominantly maintained their individual investment strategies in listed equities, equity and index derivatives and currency contracts. All Funds recorded very strong absolute returns over the 12 months to 30 June 2017. The flagship Platinum International Fund (“PIF”) returned 21.3% for the year to 30 June 2017, in comparison to the annual return of the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in \$A terms of 15.3%. Over the last 5 years, PIF has given investors 17% per annum compound growth, which is in line with the benchmark, even though PIF’s average net invested position has been 80% or less.

The portfolio of our Funds is structured quite differently to that of its benchmark index, and as a result of strong stock selection, most of our Funds have been able to outperform their nominated benchmarks for the 12 months to 30 June 2017.

In terms of outlook, we believe our Fund’s investment portfolios have the ability to continue to grow and reward investors over the medium to long-term.

**Responsible Entity Report  
30 June 2017**

**Operating and Financial Review (OFR) (continued)**

The performances of the registered schemes, as represented by the results of their operations for the year ended 30 June 2017, were as follows:

	<b>International Fund \$'000</b>	<b>Unhedged Fund \$'000</b>	<b>Asia Fund \$'000</b>	<b>European Fund \$'000</b>	<b>Japan Fund \$'000</b>	<b>International Brands Fund \$'000</b>	<b>International Health Care Fund \$'000</b>	<b>International Technology Fund \$'000</b>
Net Operating Profit/(Loss)								
2017	1,997,164	71,257	771,661	108,885	127,633	229,304	28,728	18,711
2016	(725,387)	(38,344)	(605,364)	(34,971)	(26,290)	(59,788)	(4,248)	(4,926)
The distributions of the registered schemes at 30 June were:								
Distribution Paid and Payable								
2017	892,003	24,087	460,673	26,828	39,032	104,944	26,931	5,019
2016	906,500	18,127	271,510	11,043	14,525	127,124	15,193	5,727
Distribution (cents per unit)								
2017	19.15	16.84	31.79	17.63	27.03	31.51	32.29	8.80
2016	17.15	7.28	16.55	7.12	9.30	30.15	17.71	9.85
The redemption prices of the registered schemes at 30 June were:								
Redemption Price – (cum-distribution)								
2017	2.2091	1.7206	3.0525	3.5497	4.4679	2.7618	2.2491	1.6027
2016	1.9916	1.3789	2.7154	2.8343	3.6955	2.4629	2.0794	1.3843

## **Responsible Entity Report**

### **30 June 2017**

#### **Adoption of New Fee Structure**

Following a review of its channel, distribution and pricing strategy, Platinum has added a new performance fee option to each of the Funds whilst, at the same time, reducing the total fees and expenses charged under the standard fee option for each of the Funds. 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 were implemented with effect from the issuance of the latest Product Disclosure Statement (PDS) on 3 July 2017.

Under the new fee options, investors have the choice between:

- a performance fee option, comprising a management fee of 1.10% pa plus a relative outperformance fee of 15%; and
- a standard fee option, comprising a management fee of 1.35% pa. This represents a reduction from the currently disclosed management costs rate of 1.5% pa, which will benefit new and existing investors alike.

#### **Matters subsequent to the end of the year**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future years; or
- (ii) the results of those operations in future years; or
- (iii) the states of affairs of the registered schemes in future years.

#### **Likely Developments and Expected Results of Operations**

The registered schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the PDS of the registered schemes and in accordance with the provisions of the registered schemes' Constitutions.

The results of the registered schemes' operations will be affected by a number of factors, including the performance of investment markets in which the registered schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

#### **Indemnification and insurance of officers and auditors**

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Investment Manager, Platinum Investment Management Limited, or the Auditor of the registered schemes. As long as the officers of the responsible entity act in accordance with the schemes' Constitutions and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

#### **Fees paid to and interests held in the registered scheme**

Fees paid to the responsible entity out of registered schemes' property during the year are disclosed in Note 14 to the financial statements. No fees were paid out of the registered schemes' property directly to the Directors of the responsible entity during the year.

#### **Units on issue**

The movements in units on issue in the registered schemes during the year have been disclosed in Note 6 to the financial statements.

**Responsible Entity Report**  
**30 June 2017**

**Environmental regulation**

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

**Rounding of amounts to the nearest thousand dollars**

The registered schemes are a kind referred to in ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Including different registered scheme financial reports in a single document**

The registered schemes have applied Australian Securities and Investments Commission's Corporations Instrument 2015/839, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 6.

This report is made in accordance with a resolution of the Directors.

Andrew Stannard  
Director

Sydney  
25 August 2017



## Auditor's Independence Declaration

As lead auditor for the audit of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, the only contravention of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; or
- (b) any applicable code of professional conduct in relation to the audit

are set out below.

In contravention of the APES 110 Code of Ethics for Professional Accountants, the immediate family member of a partner in the lead audit engagement office held an immaterial investment in the Platinum International Fund. The partner did not provide any services to the fund and the audit team were not aware of the circumstance. In view of this, I do not believe this matter has impacted the objectivity of PricewaterhouseCoopers in relation to the audit.

In contravention of the APES 110 Code of Ethics for Professional Accountants, a partner in the lead audit engagement office held an immaterial investment in the Platinum International Fund. The partner did not provide any services to the fund and the audit team were not aware of the circumstance. In view of this, I do not believe this matter has impacted the objectivity of PricewaterhouseCoopers in relation to the audit.

Joe Sheeran  
Partner  
PricewaterhouseCoopers

Sydney  
25 August 2017

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Liability limited by a scheme approved under Professional Standards Legislation.

**Statements of Comprehensive Income  
For the year ended 30 June 2017**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Investment income</b>									
Dividends		228,186	275,380	5,174	12,324	109,897	128,281	8,899	9,803
Interest		1,800	9,517	4	46	1,407	2,803	76	1,417
Net gains/(losses) on financial assets at fair value through profit or loss		2,001,988	(785,003)	72,645	(45,649)	784,275	(612,909)	108,635	(39,085)
Net foreign exchange gains/(losses) on forward currency contracts		11,270	(56,627)	(507)	(82)	(17,904)	(34,587)	(587)	2,402
Net foreign exchange gains/(losses) on bank accounts		(52,526)	37,743	(1,204)	1,981	(20,233)	9,402	341	(644)
<b>Total net investment income</b>		<b>2,190,718</b>	<b>(518,990)</b>	<b>76,112</b>	<b>(31,380)</b>	<b>857,442</b>	<b>(507,010)</b>	<b>117,364</b>	<b>(26,107)</b>
<b>Expenses</b>									
Management fee	14	144,414	154,372	3,497	5,147	60,706	68,928	6,210	6,576
Administration fee	14	7,611	7,857	250	368	4,336	4,923	444	470
Withholding tax on foreign dividends		19,971	21,548	411	687	6,976	6,547	874	825
Transaction costs		21,406	22,500	695	756	13,695	17,804	948	990
Other		152	120	2	6	68	152	3	3
<b>Total expenses</b>		<b>193,554</b>	<b>206,397</b>	<b>4,855</b>	<b>6,964</b>	<b>85,781</b>	<b>98,354</b>	<b>8,479</b>	<b>8,864</b>
<b>Net operating profit/(loss)</b>		<b>1,997,164</b>	<b>(725,387)</b>	<b>71,257</b>	<b>(38,344)</b>	<b>771,661</b>	<b>(605,364)</b>	<b>108,885</b>	<b>(34,971)</b>
<b>Financing Costs</b>									
<b>Net operating profit/(loss) attributable to unitholders</b>		<b>1,997,164</b>	<b>(725,387)</b>	<b>71,257</b>	<b>(38,344)</b>	<b>771,661</b>	<b>(605,364)</b>	<b>108,885</b>	<b>(34,971)</b>
(Increase)/decrease in net assets attributable to unitholders	6	(1,105,161)	1,631,887	(47,170)	56,471	(310,988)	876,874	(82,057)	46,014
Distribution paid and payable	7	(892,003)	(906,500)	(24,087)	(18,127)	(460,673)	(271,510)	(26,828)	(11,043)
Net profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Statements of Comprehensive Income  
For the year ended 30 June 2017**

		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Investment income</b>									
Dividends		11,349	11,114	27,648	23,861	1,858	1,711	1,055	1,169
Interest		325	539	291	778	43	727	25	114
Net gains/(losses) on financial assets at fair value through profit or loss		115,789	(24,869)	214,891	(72,814)	30,290	(4,657)	18,914	(4,350)
Net foreign exchange gains/(losses) on forward currency contracts		12,840	(5,898)	7,122	(3,189)	(204)	75	507	(403)
Net foreign exchange gains/(losses) on bank accounts		(1,557)	4,231	(2,746)	12,562	(208)	958	(278)	18
<b>Total net investment income</b>		<b>138,746</b>	<b>(14,883)</b>	<b>247,206</b>	<b>(38,802)</b>	<b>31,779</b>	<b>(1,186)</b>	<b>20,223</b>	<b>(3,452)</b>
<b>Expenses</b>									
Management fee	14	8,425	8,585	13,255	15,881	2,461	2,484	1,200	1,152
Administration fee	14	573	613	947	1,134	176	177	86	82
Withholding tax on foreign dividends		1,169	1,081	1,578	1,915	205	198	111	119
Transaction costs		943	1,125	2,116	2,049	207	201	115	121
Other		3	3	6	7	2	2	-	-
<b>Total expenses</b>		<b>11,113</b>	<b>11,407</b>	<b>17,902</b>	<b>20,986</b>	<b>3,051</b>	<b>3,062</b>	<b>1,512</b>	<b>1,474</b>
<b>Net operating profit/(loss)</b>		<b>127,633</b>	<b>(26,290)</b>	<b>229,304</b>	<b>(59,788)</b>	<b>28,728</b>	<b>(4,248)</b>	<b>18,711</b>	<b>(4,926)</b>
<b>Financing Costs</b>									
<b>Net operating profit/(loss) attributable to unitholders</b>		<b>127,633</b>	<b>(26,290)</b>	<b>229,304</b>	<b>(59,788)</b>	<b>28,728</b>	<b>(4,248)</b>	<b>18,711</b>	<b>(4,926)</b>
(Increase)/decrease in net assets attributable to unitholders	6	(88,601)	40,815	(124,360)	186,912	(1,797)	19,441	(13,692)	10,653
Distribution paid and payable	7	(39,032)	(14,525)	(104,944)	(127,124)	(26,931)	(15,193)	(5,019)	(5,727)
Net profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Statements of Financial Position  
As at 30 June 2017**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Assets</b>									
Cash and cash equivalents	15(a)	1,216,648	1,320,427	30,162	31,954	489,945	625,108	106,580	98,806
Receivables	8	57,685	34,061	7,050	3,653	69,745	15,227	809	685
Financial assets at fair value through profit or loss	5	9,135,428	9,310,593	216,312	310,096	3,894,389	3,851,550	438,146	343,827
<b>Total Assets</b>		<b>10,409,761</b>	<b>10,665,081</b>	<b>253,524</b>	<b>345,703</b>	<b>4,454,079</b>	<b>4,491,885</b>	<b>545,535</b>	<b>443,318</b>
<b>Liabilities</b>									
Unitholders' distribution payable	7	892,003	906,500	24,087	18,127	460,673	271,510	26,828	11,043
Payables	9	74,601	35,368	6,824	1,276	13,626	5,387	2,597	546
Financial liabilities at fair value through profit or loss	5	16,486	74,129	-	225	5,903	21,626	1,476	1,900
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b>983,090</b>	<b>1,015,997</b>	<b>30,911</b>	<b>19,628</b>	<b>480,202</b>	<b>298,523</b>	<b>30,901</b>	<b>13,489</b>
<b>Net Assets Attributable to Unitholders</b>	6	<b>9,426,671</b>	<b>9,649,084</b>	<b>222,613</b>	<b>326,075</b>	<b>3,973,877</b>	<b>4,193,362</b>	<b>514,634</b>	<b>429,829</b>

*The above Statements of Financial Position should be read in conjunction with the accompanying notes.*

**Statements of Financial Position  
As at 30 June 2017**

		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Assets</b>									
Cash and cash equivalents	15(a)	25,401	43,247	169,826	183,049	39,100	38,871	18,990	14,110
Receivables	8	317	28,345	5,397	25,921	258	1,867	189	149
Financial assets at fair value through profit or loss	5	625,271	510,527	751,877	836,103	148,927	138,889	72,677	66,748
<b>Total Assets</b>		<b>650,989</b>	<b>582,119</b>	<b>927,100</b>	<b>1,045,073</b>	<b>188,285</b>	<b>179,627</b>	<b>91,856</b>	<b>81,007</b>
<b>Liabilities</b>									
Unitholders' distribution payable	7	39,032	14,525	104,944	127,124	26,931	15,193	5,019	5,727
Payables	9	2,053	651	3,169	1,438	235	690	134	120
Financial liabilities at fair value through profit or loss	5	2,168	3,086	1,711	2,029	3	96	34	194
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b>43,253</b>	<b>18,262</b>	<b>109,824</b>	<b>130,591</b>	<b>27,169</b>	<b>15,979</b>	<b>5,187</b>	<b>6,041</b>
<b>Net Assets Attributable to Unitholders</b>	6	<b>607,736</b>	<b>563,857</b>	<b>817,276</b>	<b>914,482</b>	<b>161,116</b>	<b>163,648</b>	<b>86,669</b>	<b>74,966</b>

*The above Statements of Financial Position should be read in conjunction with the accompanying notes.*

**Statements of Changes in Equity**  
**For the year ended 30 June 2017**

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Total equity at the beginning of the year</b>	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
<b>Total equity at the end of the year</b>	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

*The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.*

**Statements of Changes in Equity**  
**For the year ended 30 June 2017**

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year</b>	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
<b>Total equity at the end of the year</b>	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

*The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.*

**Statements of Cash Flows**  
**For the year ended 30 June 2017**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>									
Purchase of financial assets		(4,695,996)	(5,545,234)	(78,446)	(141,637)	(3,917,078)	(5,602,558)	(178,588)	(227,925)
Proceeds from sale of financial assets		6,833,656	5,869,705	246,170	149,783	4,580,689	6,082,110	192,833	169,266
Interest received		1,800	9,584	7	61	1,559	2,814	95	1,441
Dividends received		211,761	269,428	4,838	11,857	98,283	125,654	8,763	9,533
Manager's fees paid		(152,284)	(164,775)	(3,798)	(5,602)	(64,932)	(76,584)	(6,550)	(7,022)
Other expenses paid		(21,748)	(22,705)	(679)	(762)	(13,790)	(17,798)	(946)	(1,010)
<b>Net cash inflow/(outflow) from operating activities</b>	15(c)	<b>2,177,189</b>	<b>416,003</b>	<b>168,092</b>	<b>13,700</b>	<b>684,731</b>	<b>513,638</b>	<b>15,607</b>	<b>(55,717)</b>
<b>Cash flows from financing activities</b>									
Proceeds from units issued		1,410,545	1,772,120	35,721	53,647	295,014	764,108	118,856	129,667
Payment for units redeemed		(2,738,119)	(1,130,664)	(186,353)	(37,770)	(825,487)	(915,775)	(116,108)	(65,287)
Distributions paid		(906,500)	(1,009,120)	(18,127)	(30,894)	(271,510)	(914,305)	(11,043)	(3,087)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(2,234,074)</b>	<b>(367,664)</b>	<b>(168,759)</b>	<b>(15,017)</b>	<b>(801,983)</b>	<b>(1,065,972)</b>	<b>(8,295)</b>	<b>61,293</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>									
		(56,885)	48,339	(667)	(1,317)	(117,252)	(552,334)	7,312	5,576
Cash and cash equivalents at beginning of the year		1,320,427	1,250,095	31,954	32,011	625,108	1,174,938	98,806	94,032
Effects of exchange rate changes on cash and cash equivalents		(46,894)	21,993	(1,125)	1,260	(17,911)	2,504	462	(802)
<b>Cash and cash equivalents at the end of the year</b>	15(a)	<b>1,216,648</b>	<b>1,320,427</b>	<b>30,162</b>	<b>31,954</b>	<b>489,945</b>	<b>625,108</b>	<b>106,580</b>	<b>98,806</b>

*The above Statements of Cash Flows should be read in conjunction with the accompanying notes.*

**Statements of Cash Flows**  
**For the year ended 30 June 2017**

Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>								
Purchase of financial assets	(277,195)	(440,831)	(481,388)	(484,217)	(72,326)	(91,085)	(35,620)	(53,121)
Proceeds from sale of financial assets	317,738	430,804	809,976	539,938	93,228	55,668	48,830	47,682
Interest received	366	534	291	781	43	730	31	118
Dividends received	11,888	11,006	26,030	23,736	1,824	1,670	1,011	1,390
Manager's fees paid	(8,906)	(9,282)	(14,349)	(17,470)	(2,617)	(2,652)	(1,271)	(1,241)
Other expenses paid	(953)	(1,135)	(2,326)	(2,053)	(201)	(208)	(116)	(123)
<b>Net cash inflow/(outflow) from operating activities</b>	15(c) 42,938	(8,904)	338,234	60,715	19,951	(35,877)	12,865	(5,295)
<b>Cash flows from financing activities</b>								
Proceeds from units issued	82,856	116,534	101,859	164,998	33,674	52,494	14,368	22,611
Payment for units redeemed	(127,578)	(78,569)	(323,425)	(235,747)	(38,003)	(19,027)	(16,357)	(8,278)
Distributions paid	(14,525)	(50,931)	(127,124)	(157,212)	(15,193)	(11,455)	(5,727)	(9,507)
<b>Net cash inflow/(outflow) from financing activities</b>	(59,247)	(12,966)	(348,690)	(227,961)	(19,522)	22,012	(7,716)	4,826
<b>Net increase/(decrease) in cash and cash equivalents</b>								
	(16,309)	(21,870)	(10,456)	(167,246)	429	(13,865)	5,149	(469)
Cash and cash equivalents at beginning of the year	43,247	61,348	183,049	338,212	38,871	51,739	14,110	14,584
Effects of exchange rate changes on cash and cash equivalents	(1,537)	3,769	(2,767)	12,083	(200)	997	(269)	(5)
<b>Cash and cash equivalents at the end of the year</b>	15(a) 25,401	43,247	169,826	183,049	39,100	38,871	18,990	14,110

*The above Statements of Cash Flows should be read in conjunction with the accompanying notes.*

## Note 1 General Information

This financial report covers 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 (collectively referred to as “the registered schemes” or “Funds”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

Registered Scheme	Date of Commencement	Registered Scheme	Date of Commencement
Platinum International Fund	4 April 1995	Platinum Japan Fund	12 June 1998
Platinum Unhedged Fund	19 January 2005	Platinum International Brands Fund	11 April 2000
Platinum Asia Fund	3 March 2003	Platinum International Health Care Fund	5 November 2003
Platinum European Fund	12 June 1998	Platinum International Technology Fund	11 April 2000

Each registered scheme may be wound up on the day immediately preceding the 80<sup>th</sup> anniversary of the date of commencement, unless terminated earlier in accordance with the provisions of the Constitution.

The financial report was authorised for issue by the Directors of the responsible entity on 25 August 2017. The Directors have the power to amend the financial report after issue.

## Note 2 Summary of Significant Accounting Policies

### (a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the requirements of the registered schemes’ Constitutions, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Each registered scheme is a for-profit entity for the purpose of preparing the financial report.

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The Statements of Financial Position are presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The registered schemes manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, a precise estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder’s discretion. However, it is recommended that holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

**Note 2 Summary of Significant Accounting Policies (continued)**

**(a) Basis of preparation of the financial statements (continued)**

*Compliance with International Financial Reporting Standards*

The financial statements of the registered schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

*Critical Accounting Estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements, which are included in the accounting policies below.

**(b) Income Tax**

Under current tax legislation, the registered schemes are not subject to income tax as unitholders are presently entitled to the income of the Fund.

The benefits of any offsets for foreign tax paid are passed on to unitholders.

**(c) Financial Assets and Liabilities at Fair Value through Profit or Loss**

Under AASB 139: *Financial Instruments: Recognition and Measurement*, investments are classified in the registered schemes' Statement of Financial Position as "financial assets/liabilities at fair value through profit or loss". Derivatives and foreign currency contracts are classified as financial instruments "held for trading" and equity securities are designated at fair value through profit or loss upon initial recognition. The registered schemes have applied AASB 13: *Fair Value Measurement*. AASB 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". AASB 13 increases transparency about fair value measurements, including the valuation techniques and inputs used to measure fair value.

The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the registered schemes, the last-sale or "last" price is the most representative price within the bid-ask spread, because it represents the price that the security last changed hands from seller to buyer.

The registered schemes have applied last-sale pricing as the fair value measurement basis for equities and derivatives they hold.

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs. This is described below.

*Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs. Financial assets are valued using "last-sale" pricing. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statement of Comprehensive Income in the period they arise.

Forward currency contracts are initially recognised at fair value on the date contracts are entered into and are subsequently remeasured at each reporting date. The fair value is the unrealised profit or loss on the foreign currency position (in Australian dollars).

**Note 2 Summary of Significant Accounting Policies (continued)**

**(c) Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)**

*Fair value in an inactive market or unquoted market*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques or any other valuation techniques that provides a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, the options are valued based on the option prices provided by an arm's length broker. These valuations are based on option pricing models.

*Recognition/derecognition*

The registered schemes recognise financial assets on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets from this date.

The registered schemes no longer recognise financial assets on the date they become party to the sale contractual agreement (trade date).

**(d) Transaction costs**

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on financial assets at fair value through profit or loss are expensed immediately.

**(e) Net assets attributable to unitholders**

Units on issue give the unitholder a right to redeem units at the redemption price. Therefore, net assets attributable to unitholders are considered a liability rather than equity. The liability represents the balance of the net assets of the registered schemes at reporting date. As unitholders' funds are classed as a liability under Australian Accounting Standards, it will be necessary to recognise "(increase)/decrease in net assets attributable to unitholders" in the Statements of Comprehensive Income as a financing cost.

**(f) Foreign currency translation**

Items included in the registered schemes' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the country that the registered schemes are regulated, funds are raised and distributions are paid. The Australian dollar is also the registered schemes' presentation currency.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities for each Statement of Financial Position presented are translated at exchange rates at the closing rate at the date of that Statements of Financial Position. Resulting exchange differences are brought to account in determining profit and loss for the year.

**(g) Investment income**

*Interest Income*

Interest income is recognised in the Statements of Comprehensive Income, using the nominated interest rate available on the bank accounts held at various locations throughout the world.

*Dividend Income*

Dividend income is brought to account on the applicable ex-dividend date.

**Note 2 Summary of Significant Accounting Policies (continued)**

**(h) Distributions**

In accordance with each registered schemes' Constitution, each registered scheme fully distributes any distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme.

**(i) Receivables**

All receivables are recognised when a right to receive payment is established. Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised where there is evidence the amount will not be collected.

Amounts due from brokers represent receivables for securities sold that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Proceeds on sale of investments are usually received between 2 and 5 days after trade date.

**(j) Payables**

All payables are recognised as and when the registered schemes become liable.

Amounts due to brokers represent payables for securities purchased that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Payables on purchase of investments are usually paid between 2 and 5 days after trade date.

**(k) Applications and redemptions**

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

**(l) Rounding of amounts to the nearest thousand dollars**

The registered schemes are of a kind referred to in ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in these financial statements have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**(m) Including different registered scheme financial reports in a single document**

The registered schemes have applied Australian Securities and Investments Commission's Corporations Instrument 2015/839, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

**(n) Goods and Services Tax (GST)**

The GST paid on the costs of various services provided to the registered schemes, such as Investment Management fees, has been passed onto the registered schemes. Investment Management fees have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). GST recoverable from the ATO at reporting date is included in receivables in the Statements of Financial Position. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

**Note 2 Summary of Significant Accounting Policies (continued)**

**(o) Operating segments**

The registered schemes are outside the scope of AASB 8: *Operating Segments* as they do not satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market, or file their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

**(p) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes deposits held at call with financial institutions, cash held in margin accounts and other short term, highly liquid investments with original maturities of 3 months or less that is readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of financial assets are classified as “cash flows from operating activities” as realised and unrealised gains (and losses) on financial assets represent the registered schemes’ main operating activity.

**(q) Offsetting a financial asset and a financial liability**

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Please refer to Note 12 for further information.

**(r) New accounting standards and interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the registered schemes for the annual reporting period ended 30 June 2017. The registered schemes’ assessment of the impact of the new or amended Accounting Standards and Interpretations, most relevant to the registered schemes, are set out below.

*AASB 9: Financial Instruments (and applicable amendments)* (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It now includes revised rules around hedge accounting and impairment. The standard has been assessed as not having a significant impact on the recognition and measurement of the registered schemes’ financial instruments as the financial instruments are measured at fair value through profit or loss.

*AASB 15: Revenue from contracts with customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services (and AASB 111 which covers construction contracts). The new standard is based on the principle that revenue is recognised by an asset manager to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future periods. The registered schemes’ main source of income is interest, dividends and gains on financial assets held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of the new revenue recognition rules are not expected to have a significant impact on the registered schemes’ accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective that are expected to be relevant to the registered schemes in the current or future reporting periods and on foreseeable future transactions.

**Notes to the Financial Statements**  
**30 June 2017**

**Note 3 Auditor's Remuneration**

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	44,130	49,114	4,442	6,558	20,152	27,118	19,775	24,078
Auditing the Compliance Plan	10,453	10,149	2,432	2,361	8,629	8,378	5,472	5,313
Other audit and assurance services	25,000	25,201	-	-	25,000	25,200	-	-
Taxation and regulatory services – Compliance	110,246	55,641	50,170	49,399	56,717	59,076	36,863	46,586
Other advisory services – Foreign tax agent	3,361	16,125	775	892	11,587	24,414	-	-
	<u>193,190</u>	<u>156,230</u>	<u>57,819</u>	<u>59,210</u>	<u>122,085</u>	<u>144,186</u>	<u>62,110</u>	<u>75,977</u>

  

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	20,034	25,149	19,775	24,078	7,030	9,024	17,277	22,306
Auditing the Compliance Plan	6,337	6,152	5,472	5,313	2,432	2,361	4,256	2,361
Taxation and regulatory services – Compliance	34,234	45,606	41,295	50,826	42,970	47,326	33,999	46,926
Other advisory services – Foreign tax agent	-	-	775	1,105	-	-	3,361	4,788
	<u>60,605</u>	<u>76,907</u>	<u>67,317</u>	<u>81,322</u>	<u>52,432</u>	<u>58,711</u>	<u>58,893</u>	<u>76,381</u>

In 2017 (and 2016) Auditor's Remuneration was paid by the responsible entity and reimbursed by the registered schemes, via the administration fee.

**Note 4 Taxation**

Under current tax legislation, the individual registered schemes are not subject to income tax, as taxable income (including assessable net realised capital gains) is distributed in full to unitholders.

Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Financial assets</b>								
<i>Held for trading</i>								
Derivatives	6,900	3,009	92	148	2,109	1,959	-	10
Forward currency contracts	36,085	38,229	-	-	5,205	23,626	573	1,422
Total held for trading	42,985	41,238	92	148	7,314	25,585	573	1,432
<i>Designated at fair value through profit or loss</i>								
Equity securities	9,086,650	9,263,843	216,220	309,806	3,887,075	3,818,676	437,573	342,395
Corporate bonds	5,793	5,512	-	142	-	7,289	-	-
Total designated at fair value through profit or loss	9,092,443	9,269,355	216,220	309,948	3,887,075	3,825,965	437,573	342,395
Total financial assets held at fair value through profit or loss	9,135,428	9,310,593	216,312	310,096	3,894,389	3,851,550	438,146	343,827
<b>Financial liabilities</b>								
<i>Held for trading</i>								
Derivatives	907	18,848	-	225	-	429	200	15
Forward currency contracts	15,579	55,281	-	-	5,903	21,197	1,276	1,885
Total held for trading	16,486	74,129	-	225	5,903	21,626	1,476	1,900
Total financial liabilities held at fair value through profit or loss	16,486	74,129	-	225	5,903	21,626	1,476	1,900
Total of financial assets less liabilities	9,118,942	9,236,464	216,312	309,871	3,888,486	3,829,924	436,670	341,927

Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Financial assets</b>								
<i>Held for trading</i>								
Derivatives	300	1,054	3,435	73	5	9	30	3
Forward currency contracts	4,604	-	3,775	-	10	1	24	106
Total held for trading	4,904	1,054	7,210	73	15	10	54	109
<i>Designated at fair value through profit or loss</i>								
Equity securities	620,367	509,473	744,667	836,030	148,912	138,879	72,623	66,639
Total designated at fair value through profit or loss	620,367	509,473	744,667	836,030	148,912	138,879	72,623	66,639
Total financial assets held at fair value through profit or loss	625,271	510,527	751,877	836,103	148,927	138,889	72,677	66,748
<b>Financial liabilities</b>								
<i>Held for trading</i>								
Derivatives	-	-	1,707	1,125	-	-	-	26
Forward currency contracts	2,168	3,086	4	904	3	96	34	168
Total held for trading	2,168	3,086	1,711	2,029	3	96	34	194
Total financial liabilities held at fair value through profit or loss	2,168	3,086	1,711	2,029	3	96	34	194
Total of financial assets less liabilities	623,103	507,441	750,166	834,074	148,924	138,793	72,643	66,554

**Notes to the Financial Statements**  
**30 June 2017**

**Note 6 Net Assets Attributable to Unitholders**

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	<b>International Fund</b>		<b>Unhedged Fund</b>			<b>Asia Fund</b>		<b>European Fund</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	9,649,084	10,639,515	326,075	366,669	4,193,362	5,221,903	429,829	411,463	
Applications during the year	1,410,545	1,772,120	35,721	53,647	295,014	764,108	118,856	129,667	
Redemptions during the year	(2,738,119)	(1,130,664)	(186,353)	(37,770)	(825,487)	(915,775)	(116,108)	(65,287)	
Increase/(Decrease) in net assets attributable to unitholders	1,105,161	(1,631,887)	47,170	(56,471)	310,988	(876,874)	82,057	(46,014)	
Closing balance	9,426,671	9,649,084	222,613	326,075	3,973,877	4,193,362	514,634	429,829	
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	
Opening balance	5,286,792	4,993,395	248,980	239,075	1,640,084	1,719,843	155,153	135,364	
Number of units issued during the year	716,254	840,114	24,537	35,456	108,020	261,016	35,750	41,592	
Number of units redeemed during the year	(1,344,020)	(546,717)	(130,497)	(25,551)	(299,015)	(340,775)	(38,748)	(21,803)	
Closing balance	4,659,026	5,286,792	143,020	248,980	1,449,089	1,640,084	152,155	155,153	

Notes to the Financial Statements  
30 June 2017

Note 6 Net Assets Attributable to Unitholders (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	563,857	566,707	914,482	1,172,143	163,648	149,622	74,966	71,286
Applications during the year	82,856	116,534	101,859	164,998	33,674	52,494	14,368	22,611
Redemptions during the year	(127,578)	(78,569)	(323,425)	(235,747)	(38,003)	(19,027)	(16,357)	(8,278)
Increase/(Decrease) in net assets attributable to unitholders	88,601	(40,815)	124,360	(186,912)	1,797	(19,441)	13,692	(10,653)
Closing balance	607,736	563,857	817,276	914,482	161,116	163,648	86,669	74,966

  

	Units	Units	Units	Units	Units	Units	Units	Units
	'000	'000	'000	'000	'000	'000	'000	'000
Opening balance	156,119	146,912	421,674	451,659	85,787	70,714	58,145	48,552
Number of units issued during the year	19,984	29,839	44,112	64,155	16,485	23,981	10,050	15,388
Number of units redeemed during the year	(31,698)	(20,632)	(132,790)	(94,140)	(18,874)	(8,908)	(11,133)	(5,795)
Closing balance	144,405	156,119	332,996	421,674	83,398	85,787	57,062	58,145

Note 7 Distributions Paid and Payable

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The distributions were paid/payable as follows: 30 June final payable	892,003	906,500	24,087	18,127	460,673	271,510	26,828	11,043

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The distributions were paid/payable as follows: 30 June final payable	39,032	14,525	104,944	127,124	26,931	15,193	5,019	5,727

**Notes to the Financial Statements**  
**30 June 2017**

**Note 8 Receivables**

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	19,978	13,175	5,969	2,891	46,231	3,375	-	-
Interest receivable	120	120	1	4	1	153	2	21
Swap income receivable	299	-	-	-	-	-	-	-
GST receivable	1,442	1,400	33	47	609	582	70	63
Dividends receivable	30,277	14,770	946	587	18,953	7,422	236	303
Dividend tax refund receivable	4,632	3,714	101	124	83	-	501	298
Indian capital gains tax receivable	937	882	-	-	3,868	3,695	-	-
	<b>57,685</b>	<b>34,061</b>	<b>7,050</b>	<b>3,653</b>	<b>69,745</b>	<b>15,227</b>	<b>809</b>	<b>685</b>

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	27	27,484	372	22,735	10	1,654	-	-
Interest receivable	-	41	1	1	-	-	-	6
Swap income receivable	-	-	218	-	-	-	-	-
GST receivable	87	78	130	142	25	24	13	11
Dividends receivable	203	739	3,565	1,987	10	17	172	126
Dividend tax refund receivable	-	3	95	55	213	172	4	6
Indian capital gains tax receivable	-	-	1,016	1,001	-	-	-	-
	<b>317</b>	<b>28,345</b>	<b>5,397</b>	<b>25,921</b>	<b>258</b>	<b>1,867</b>	<b>189</b>	<b>149</b>

Proceeds on sale of investments are usually received between 2 and 5 days after trade date. Interest is usually received within 3 days of becoming receivable and dividends are usually received within 75 days of the ex-dividend date.

Information relating to the ageing of receivables for 2017 is provided in Note 10.

Notes to the Financial Statements  
30 June 2017

Note 9 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Payables on purchase of financial assets/liabilities	61,930	22,589	6,458	861	8,125	-	1,934	-
Interest payable	162	11	4	-	-	-	12	-
Swap income payable	-	-	2	-	4	-	1	-
Management and administration fees	12,509	12,768	281	332	5,497	5,387	650	546
Payable for foreign Capital Gains Tax	-	-	79	83	-	-	-	-
	<u>74,601</u>	<u>35,368</u>	<u>6,824</u>	<u>1,276</u>	<u>13,626</u>	<u>5,387</u>	<u>2,597</u>	<u>546</u>

  

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Payables on purchase of financial assets/liabilities	1,277	-	1,896	13	-	484	-	-
Interest payable	2	-	3	1	11	2	2	1
Swap income payable	31	-	-	-	-	-	-	-
Management and administration fees	743	651	1,153	1,300	224	204	109	94
Payable for foreign Capital Gains Tax	-	-	117	124	-	-	23	25
	<u>2,053</u>	<u>651</u>	<u>3,169</u>	<u>1,438</u>	<u>235</u>	<u>690</u>	<u>134</u>	<u>120</u>

Payables on purchase of investments are usually paid between 2 and 5 days after trade date. Information relating to the registered schemes' exposures of payables to liquidity risk is provided in Note 10.

**Note 10      Financial Risk Management**

**(a) Financial Risk Management Objectives, Policies and Processes**

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The risks that the schemes are exposed to include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The responsible entity's investment style:

- adopts a bottom-up stock selection methodology such that long-term capital growth is sought through investing in undervalued securities across the world;
- seeks absolute returns and not returns relative to any index;
- invests excess funds in cash when undervalued stocks cannot be found; and
- actively manages currency.

Derivatives (which include equity swaps, futures and options) are utilised for risk management purposes and to take opportunities to increase returns. The underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the net asset value of that scheme. Each of the registered schemes complied with its investment mandate during the year and as at 30 June 2017.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure

	2017				2016			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
<b>International Fund</b>								
Japan	1,377,982	-	-	1,377,982	1,155,686	-	-	1,155,686
Other Asia	3,734,257	38,625	-	3,772,882	3,219,016	53,945	-	3,272,961
Australia	2,802	-	-	2,802	108,535	-	-	108,535
Europe – Euro	1,267,086	-	-	1,267,086	1,292,142	-	-	1,292,142
Europe – Other	779,907	-	-	779,907	1,090,822	-	(24,645)	1,066,177
North America	1,900,972	-	(936,024)	964,948	2,397,035	-	(1,333,792)	1,063,243
South America	29,437	-	-	29,437	607	-	-	607
	<b>9,092,443</b>	<b>38,625</b>	<b>(936,024)</b>	<b>8,195,044</b>	<b>9,263,843</b>	<b>53,945</b>	<b>(1,358,437)</b>	<b>7,959,351</b>
Derivative Notional Cost Amounts 30 June 2017	(919,443)							
Derivative Notional Cost Amounts 30 June 2016	(1,299,092)							
<b>Unhedged Fund</b>								
Japan	20,229	-	-	20,229	26,197	-	-	26,197
Other Asia	88,830	3,772	-	92,602	90,993	7,076	-	98,069
Europe – Euro	24,046	-	-	24,046	47,001	-	-	47,001
Europe – Other	28,714	-	-	28,714	45,779	-	-	45,779
North America	51,855	-	-	51,855	99,974	-	-	99,974
South America	2,546	-	-	2,546	4	-	-	4
	<b>216,220</b>	<b>3,772</b>	<b>-</b>	<b>219,992</b>	<b>309,948</b>	<b>7,076</b>	<b>-</b>	<b>317,024</b>
Derivative Notional Cost Amounts 30 June 2017	3,725							
Derivative Notional Cost Amounts 30 June 2016	7,214							

Refer to narrative on page 31 for explanations of the terms used in the above table.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2017				2016			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
<b>Asia Fund</b>								
Asia (excluding Japan)	3,887,075	15,998	-	3,903,073	3,723,248	20,083	-	3,743,331
North America	-	-	-	-	102,717	-	-	102,717
	<u>3,887,075</u>	<u>15,998</u>	<u>-</u>	<u>3,903,073</u>	<u>3,825,965</u>	<u>20,083</u>	<u>-</u>	<u>3,846,048</u>
Derivative Notional Cost Amounts 30 June 2017	14,105							
Derivative Notional Cost Amounts 30 June 2016	18,538							
<b>European Fund</b>								
Europe – Euro	223,362	-	-	223,362	220,009	-	-	220,009
Europe – Other	194,167	-	(4,854)	189,313	106,241	-	(3,910)	102,331
North America	20,044	-	-	20,044	16,145	-	-	16,145
	<u>437,573</u>	<u>-</u>	<u>(4,854)</u>	<u>432,719</u>	<u>342,395</u>	<u>-</u>	<u>(3,910)</u>	<u>338,485</u>
Derivative Notional Cost Amounts 30 June 2017	(4,550)							
Derivative Notional Cost Amounts 30 June 2016	(3,999)							
<b>Japan Fund</b>								
Japan	612,077	-	(14,866)	597,211	509,473	-	(6,475)	502,998
South Korea	8,290	-	-	8,290	-	-	-	-
	<u>620,367</u>	<u>-</u>	<u>(14,866)</u>	<u>605,501</u>	<u>509,473</u>	<u>-</u>	<u>(6,475)</u>	<u>502,998</u>
Derivative Notional Cost Amounts 30 June 2017	(15,510)							
Derivative Notional Cost Amounts 30 June 2016	(7,524)							

Refer to narrative on page 31 for explanations of the terms used in the above table.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2017				2016			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
<b>International Brands Fund</b>								
Japan	85,090	-	-	85,090	107,583	-	-	107,583
Other Asia	290,218	29,505	-	319,723	258,895	28,692	-	287,587
Europe – Euro	111,780	-	-	111,780	167,295	-	(26,301)	140,994
Europe – Other	64,972	-	(7,763)	57,209	92,469	-	-	92,469
North America	139,722	-	(87,466)	52,256	99,181	-	-	99,181
South America	48,202	-	-	48,202	102,378	-	-	102,378
Africa	4,683	-	-	4,683	8,229	-	-	8,229
	<b>744,667</b>	<b>29,505</b>	<b>(95,229)</b>	<b>678,943</b>	<b>836,030</b>	<b>28,692</b>	<b>(26,301)</b>	<b>838,421</b>
Derivative Notional Cost Amounts 30 June 2017	(57,550)							
Derivative Notional Cost Amounts 30 June 2016	2,925							
<b>International Health Care Fund</b>								
Japan	7,834	-	-	7,834	5,364	-	-	5,364
Australia	11,047	-	-	11,047	1,567	-	-	1,567
Europe – Euro	34,217	-	-	34,217	40,244	-	-	40,244
Europe – Other	34,370	-	-	34,370	35,225	-	-	35,225
North America	61,444	-	(1,012)	60,432	56,479	-	(799)	55,680
	<b>148,912</b>	<b>-</b>	<b>(1,012)</b>	<b>147,900</b>	<b>138,879</b>	<b>-</b>	<b>(799)</b>	<b>138,080</b>
Derivative Notional Cost Amounts 30 June 2017	(1,034)							
Derivative Notional Cost Amounts 30 June 2016	(812)							

Refer to narrative on page 31 for explanations of the terms used in the above table.

**Note 10 Financial Risk Management (continued)**

**(b) Investments at Fair Value and Derivatives Exposure (continued)**

	2017				2016			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
<b>International Technology Fund</b>								
Japan	3,870	-	-	3,870	5,780	-	-	5,780
Other Asia	24,339	-	-	24,339	22,527	-	-	22,527
Europe – Euro	3,716	-	-	3,716	2,939	-	-	2,939
Europe – Other	9,083	-	-	9,083	9,286	-	-	9,286
North America	31,615	-	(271)	31,344	26,107	-	(2,612)	23,495
	<u>72,623</u>	<u>-</u>	<u>(271)</u>	<u>72,352</u>	<u>66,639</u>	<u>-</u>	<u>(2,612)</u>	<u>64,027</u>
Derivative Notional Cost Amounts 30 June 2017	(1,190)							
Derivative Notional Cost Amounts 30 June 2016	(2,613)							

The “Physical” column above represents the location of the registered schemes’ investments. The “Long/Short Contracts” columns include the notional value of long/short equity swaps and futures.

The “Net Exposure” column above represents an approximation of each registered schemes’ exposures to movements in the markets. This is calculated by making an adjustment to the “physical” position by adding the principal notional amount of any long (bought) positions and subtracting any short (sold) derivative positions in shares and shares index futures. For example, if 5% of the Portfolio of a registered scheme was invested in Japan, but there was a 2% short exposure to Nikkei futures, the Net Exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate the Portfolio was net short the Japanese market.

**(c) Market Risk**

**(i) Foreign Exchange Risk**

Foreign exchange risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The registered schemes operate internationally and are exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currency. Currency hedging is an integral part of the management of currency risk. The Investment Manager positions a registered scheme’s portfolio in what it believes will be a stronger currency(ies). For example, at 30 June 2017, Platinum International Fund remains heavily hedged back into US Dollars with an exposure of 30.4%, 25.9% in European currencies including Norwegian Krone and Swiss Francs, 11.2% in Hong Kong Dollars, 9.6% in Japanese Yen and 18.4% in other Asian currencies.

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(i) Foreign Exchange Risk (continued)**

The Investment Manager may use forward foreign exchange contracts and futures and option contracts on foreign exchange rate contracts to position a registered scheme's portfolio in the desired currencies. A currency exposure may be weighted using a different currency from which the exposure is maintained (for example, US dollar positions may be used to weight the currency risk of holding investments in Hong Kong dollars).

Where there have been major currency movements, or where currencies are perceived to be over or undervalued, the Investment Manager may look for investments whose operating environment has been distorted by the currency as part of the search for undervalued stocks. There may even be opportunities for stocks impacted by a lower currency (for example, export-oriented stocks).

In respect of the Platinum Unhedged Fund, there is no currency management undertaken. The disposition of its investments determines its currency exposure.

The tables below summarise the registered schemes' exposures to foreign exchange risk:

	2017				2016			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
<b>International Fund</b>								
Japan	1,506,515	74,308	(602,327)	978,496	1,144,715	-	(739,844)	404,871
Hong Kong	1,146,563	-	-	1,146,563	1,137,718	-	-	1,137,718
Other Asia	2,077,798	381,399	(822,302)	1,636,895	1,656,659	195,851	(2,062,666)	(210,156)
Australia	31,563	152,356	(124)	183,795	696,885	998,621	(124)	1,695,382
Europe – Euro	1,543,819	208,963	(181,644)	1,571,138	1,248,519	405,047	(297,440)	1,356,126
Europe – Other	764,537	567,392	-	1,331,929	775,864	306,516	-	1,082,380
North America	3,235,358	1,355,871	(1,133,892)	3,457,338	3,895,924	2,729,108	(1,535,069)	5,089,963
South America	29,437	-	-	29,437	607	-	-	607
	<b>10,335,590</b>	<b>2,740,289</b>	<b>(2,740,289)</b>	<b>10,335,590</b>	<b>10,556,891</b>	<b>4,635,143</b>	<b>(4,635,143)</b>	<b>10,556,891</b>
<b>Unhedged Fund</b>								
Japan	22,421	-	-	22,421	29,991	-	-	29,991
Other Asia	62,058	-	-	62,058	59,025	-	-	59,025
Australia	5,277	-	-	5,277	4,408	-	-	4,408
Europe – Euro	45,256	-	-	45,256	47,001	-	-	47,001
Europe – Other	21,137	-	-	21,137	25,691	-	-	25,691
North America	87,780	-	-	87,780	175,705	-	-	175,705
South America	2,545	-	-	2,545	4	-	-	4
	<b>246,474</b>	<b>-</b>	<b>-</b>	<b>246,474</b>	<b>341,825</b>	<b>-</b>	<b>-</b>	<b>341,825</b>

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(i) Foreign Exchange Risk (continued)**

	2017				2016			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
<b>Asia Fund</b>								
Hong Kong	1,041,712	-	-	1,041,712	940,880	83,120	-	1,024,000
India	668,053	-	-	668,053	930,814	-	-	930,814
South Korea	442,846	-	-	442,846	433,187	220,691	(397,261)	256,617
Other Asia	1,366,671	-	(336,646)	1,030,025	1,236,389	427,647	(1,412,665)	251,371
Australia	13,925	49,110	-	63,035	46,682	534,752	(207,910)	373,524
Europe – Other	32,771	-	-	32,771	17,998	-	-	17,998
North America	812,453	336,646	(49,110)	1,099,989	849,082	1,934,716	(1,183,090)	1,600,708
	<u>4,378,431</u>	<u>385,756</u>	<u>(385,756)</u>	<u>4,378,431</u>	<u>4,455,032</u>	<u>3,200,926</u>	<u>(3,200,926)</u>	<u>4,455,032</u>
<b>European Fund</b>								
Australia	48,267	-	(8,500)	39,767	55,582	1,952	(67,429)	(9,895)
Europe – Euro	282,018	-	(123,632)	158,386	222,254	14,048	(37,144)	199,158
Europe – Other	157,409	113,421	(3,561)	267,269	100,925	35,228	(34,379)	101,774
North America	55,556	34,713	(12,441)	77,828	61,972	105,156	(17,432)	149,696
	<u>543,250</u>	<u>148,134</u>	<u>(148,134)</u>	<u>543,250</u>	<u>440,733</u>	<u>156,384</u>	<u>(156,384)</u>	<u>440,733</u>
<b>Japan Fund</b>								
Japan	631,138	-	(115,171)	515,967	511,176	-	(88,831)	422,345
Korea	8,290	-	-	8,290	-	-	-	-
Australia	1,976	775	-	2,751	31,191	29,500	-	60,691
North America	7,100	114,396	-	121,496	8,321	59,331	-	67,652
	<u>648,504</u>	<u>115,171</u>	<u>(115,171)</u>	<u>648,504</u>	<u>550,688</u>	<u>88,831</u>	<u>(88,831)</u>	<u>550,688</u>

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(i) Foreign Exchange Risk (continued)**

	2017				2016			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
<b>International Brands Fund</b>								
Japan	88,577	-	(97,398)	(8,821)	106,773	-	(44,815)	61,958
Hong Kong	105,429	-	-	105,429	107,118	-	-	107,118
Other Asia	76,660	-	(240)	76,420	122,117	-	-	122,117
Australia	36,122	-	-	36,122	101,254	44,815	-	146,069
Europe – Euro	112,579	97,398	-	209,977	172,239	-	-	172,239
Europe – Other	47,099	-	-	47,099	70,568	-	-	70,568
North America	424,072	240	-	424,312	255,116	-	-	255,116
South America	25,798	-	-	25,798	77,552	-	-	77,552
Africa	3,656	-	-	3,656	4,386	-	-	4,386
	<b>919,992</b>	<b>97,638</b>	<b>(97,638)</b>	<b>919,992</b>	<b>1,017,123</b>	<b>44,815</b>	<b>(44,815)</b>	<b>1,017,123</b>
<b>International Health Care Fund</b>								
Japan	9,246	-	-	9,246	8,384	-	(612)	7,772
Other Asia	-	-	-	-	1,182	-	-	1,182
Australia	16,062	518	(1,700)	14,880	32,464	-	(10,505)	21,959
Europe – Euro	51,543	1,700	-	53,243	40,274	-	-	40,274
Europe – Other	39,054	-	-	39,054	35,241	785	-	36,026
North America	72,119	-	(518)	71,601	59,161	10,332	-	69,493
South America	-	-	-	-	958	-	-	958
	<b>188,024</b>	<b>2,218</b>	<b>(2,218)</b>	<b>188,024</b>	<b>177,664</b>	<b>11,117</b>	<b>(11,117)</b>	<b>177,664</b>
<b>International Technology Fund</b>								
Japan	5,728	-	-	5,728	6,152	-	(2,875)	3,277
Other Asia	22,305	1,852	(3,624)	20,533	17,837	-	(10,882)	6,955
Australia	2,585	-	-	2,585	3,297	-	-	3,297
Europe – Euro	3,346	-	-	3,346	3,210	1	-	3,211
Europe – Other	9,083	-	-	9,083	8,108	-	-	8,108
North America	48,586	3,624	(1,852)	50,358	42,060	13,757	(1)	55,816
	<b>91,633</b>	<b>5,476</b>	<b>(5,476)</b>	<b>91,633</b>	<b>80,664</b>	<b>13,758</b>	<b>(13,758)</b>	<b>80,664</b>

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(i) Foreign Exchange Risk (continued)**

Forward foreign currency contracts and options on forward currency contracts are adjusted against the “Physical” column to arrive at a “Net Exposure” for each currency grouping. The registered schemes generally utilise short dated (90 day maturity) currency agreements with high credit rating counterparties. Generally, the existing forward currency maturity dates range from 0 to 82 days.

*Foreign exchange risk sensitivity analysis*

The sensitivity analysis below shows the impact a 10% movement in foreign currency at reporting date would have on the registered schemes’ profit on monetary and non-monetary assets and liabilities such as cash, forward contracts and equities.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and possible future movements. The table presents the foreign currency or currencies with the largest impact on profit for each registered scheme.

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>		<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>International Fund</b>					<b>Unhedged Fund</b>				
United States Dollar	(312,202)	379,857	(428,462)	528,249	United States Dollar	(8,063)	9,855	(14,173)	17,323
Euro	(133,151)	162,741	(122,241)	149,408	Euro	(4,114)	5,028	(4,273)	5,222
Other	(462,221)	570,501	(255,951)	318,396	Other	(9,883)	12,080	(12,470)	15,384
<b>Asia Fund</b>					<b>European Fund</b>				
United States Dollar	(99,667)	121,815	(133,864)	163,611	Euro	(14,243)	17,407	(17,122)	20,927
Hong Kong Dollar	(95,457)	116,669	(85,989)	105,097	Great British Pound	(8,016)	9,797	(4,796)	5,862
Other	(198,511)	242,624	(136,990)	174,791	Other	(23,221)	28,382	(19,091)	23,334
<b>Japan Fund</b>					<b>International Brands Fund</b>				
Japanese Yen	(47,084)	57,547	(41,057)	50,181	United States Dollar	(39,379)	48,130	(23,770)	29,052
United States Dollar	(11,076)	13,537	(6,150)	7,517	Euro	(19,094)	23,337	(15,666)	19,069
Other	(754)	921	-	-	Other	(22,484)	27,480	(41,914)	51,228
<b>International Health Care Fund</b>					<b>International Technology Fund</b>				
United States Dollar	(6,406)	7,830	(6,118)	7,477	United States Dollar	(4,451)	5,602	(5,030)	6,144
Euro	(4,355)	5,323	(3,663)	4,477	Hong Kong Dollar	(1,097)	1,341	(820)	1,002
Other	(4,394)	5,369	(4,498)	5,497	Other	(2,591)	3,166	(1,193)	1,458

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(i) Foreign Exchange Risk (continued)**

The sensitivity analysis shows that the registered schemes are all materially affected by exchange rate movements (other things being equal), given the global nature of the investments held. Throughout 2016/2017, most of the registered schemes have had minimal exposure to the Australian Dollar.

**(ii) Interest Rate Risk**

Interest rate risk is the possibility the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The overwhelming majority of the registered schemes' financial assets and liabilities are non-interest bearing. The registered schemes have a policy of not borrowing money, other than for settlement of trades. Therefore, there is no liability exposure to interest rate risk.

Interest rate risk indirectly affects the registered schemes because interest rate movements will affect forward points used in determining gains or losses on forward contracts. This is not capable of precise estimation. The impact of interest rate movements on our investments is also not capable of precise estimation.

At 30 June 2017 and 2016, if interest rates had changed by +/- 100 basis points with all other variables held constant, the direct impact on interest income would not be significant for any of the registered schemes.

**(iii) Price Risk**

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general.

Platinum Asset Management's stock selection process is core to the management of price risk. Moreover, whilst we use the MSCI to measure relative performance, risk in our view is not solely relative performance versus a benchmark - but also the prospect of losing money (i.e. absolute returns). Platinum adopts a thematic stock selection approach and is referred to as an "active manager". Platinum seeks a broad range of investments whose business and growth prospects are being undervalued by the market. Accordingly, holdings in each of the registered schemes vary considerably from the make-up of the index. Active fund managers such as Platinum seek to outperform the market as represented by an appropriate index.

In addition, the registered schemes (other than Platinum Unhedged Fund) may enter into short equity swaps and futures to protect against market movements. At 30 June 2017, some of the registered schemes maintained short positions against various company specific stocks and market indices. The use of index derivatives allows a Fund to invest in particular companies, whilst providing some degree of protection against more general adverse market price movements.

*Price risk sensitivity analysis*

Price risk exposure arises from the registered schemes' investment portfolios that comprise investments in securities. The effect on net assets attributable to unitholders due to a reasonably possible change in market factors, as represented by a +/- 10% movement in the key markets affecting the markets or regions that each registered scheme invests in, with all other variables held constant is indicated on the following page:

**Note 10 Financial Risk Management (continued)**

**(c) Market Risk (continued)**

**(iii) Price Risk (continued)**

*Price risk sensitivity analysis (continued)*

	<b>2017 +10% \$'000</b>	<b>2017 -10% \$'000</b>	<b>2016 +10% \$'000</b>	<b>2016 -10% \$'000</b>		<b>2017 +10% \$'000</b>	<b>2017 -10% \$'000</b>	<b>2016 +10% \$'000</b>	<b>2016 -10% \$'000</b>
<b>International Fund</b>					<b>Unhedged Fund</b>				
United States	204,421	(204,421)	215,413	(215,413)	United States	5,186	(5,186)	10,609	(10,609)
China	199,573	(199,573)	188,305	(188,305)	China	5,513	(5,513)	6,536	(6,536)
Japan	137,798	(137,798)	115,569	(115,569)	Japan	2,023	(2,023)	2,620	(2,620)
Other	297,350	(297,350)	258,240	(258,240)	Other	5,142	(5,142)	5,958	(5,958)
<b>Asia Fund</b>					<b>European Fund</b>				
China	179,604	(179,604)	140,875	(140,875)	German	12,231	(12,231)	9,408	(9,408)
India	63,747	(63,747)	90,225	(90,225)	United Kingdom	7,404	(7,404)	6,888	(6,888)
Korea	44,285	(44,285)	43,122	(43,122)	France	3,408	(3,408)	2,457	(2,457)
Other	38,731	(38,731)	44,497	(44,497)	Other	4,691	(4,691)	2,474	(2,474)
<b>Japan Fund</b>					<b>International Brands Fund</b>				
Japan	60,662	(60,662)	50,300	(50,300)	Japan	8,509	(8,509)	10,758	(10,758)
Other	2,861	(2,861)	-	-	France	8,313	(8,313)	10,753	(10,753)
					United States	20,829	(20,829)	9,918	(9,918)
					China	17,743	(17,743)	9,813	(9,813)
					Other	9,426	(9,426)	17,364	(17,364)
<b>International Health Care Fund</b>					<b>International Technology Fund</b>				
United States	6,126	(6,126)	5,394	(5,394)	United States	2,991	(2,991)	2,426	(2,426)
Germany	1,531	(1,531)	1,833	(1,833)	China	1,413	(1,413)	1,380	(1,380)
United Kingdom	1,753	(1,753)	1,589	(1,589)	Korea	767	(767)	711	(711)
France	1,039	(1,039)	1,305	(1,305)	Japan	387	(387)	578	(578)
Other	1,716	(1,716)	1,649	(1,649)	Other	502	(502)	521	(521)

A sensitivity of 10% has been selected as this is considered reasonably possible. However, given the volatility of the markets, increases or decreases greater than this are possible.

Note that the above analysis is based on the assumption that the registered schemes' stocks moved in correlation with the respective market. The markets or regions provided above are a reference point only. Actual movements in stock prices may vary significantly to movements in the above markets.

**Note 10 Financial Risk Management (continued)**

**(d) Credit Risk**

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to a registered scheme (typically "non-equity" financial instruments or cash/deposit holdings).

The exposure to credit risk for futures, equity swaps, and forward currency contracts is any unrealised profit, margins and collateral paid on the positions (the money a registered scheme would lose if the counterparty defaulted) at reporting date.

The table below shows the registered schemes counterparty credit risk exposure by credit rating.

Rating	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
AA-	-	597,110	-	3	-	-	27,542	39,739
A	988,651	528,735	28,209	27,591	415,951	567,872	74,487	52,815
A-	212,447	222,605	10,995	13,933	22,342	52,495	3,615	1,958
BBB+	265,706	220,151	8,866	11,420	25,303	38,358	1,143	4,314
BBB	20,867	20,595	-	-	29,288	16,537	-	-
	1,487,671	1,589,196	48,070	52,947	492,884	675,262	106,787	98,826

  

Rating	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
AA-	502	-	-	57,843	604	27,654	-	6,576
A	22,505	37,151	116,199	88,930	37,715	10,952	18,807	6,977
A-	2,136	4,845	35,245	9,532	346	273	39	280
BBB+	3,979	2,305	71,852	43,101	485	-	178	281
BBB	-	-	8,011	7,907	-	-	-	-
	29,122	44,301	231,307	207,313	39,150	38,879	19,024	14,114

(Source: Platinum and Bloomberg)

The Investment Manager regularly monitors the registered schemes' credit risk exposures to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties, by signing standard International Swaps and Derivatives Association (ISDA) master agreements and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term.

Transactions in listed securities and investments are only entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

**Note 10 Financial Risk Management (continued)**

**(d) Credit Risk (continued)**

*Ageing analysis of receivables*

The registered schemes' ageing analysis of receivables (disclosed in Note 8) at 30 June 2017 is as follows:

Ageing	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
0-30 days	27,845	19,834	6,632	3,161	51,591	5,202	323	320
31-60 days	23,269	9,168	310	368	12,793	3,997	104	142
61-90 days	308	131	-	-	1,493	-	58	48
90+ days	6,263	4,928	108	124	3,868	6,028	324	175
	57,685	34,061	7,050	3,653	69,745	15,227	809	685

Ageing	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
0-30 days	114	27,603	1,538	23,762	46	1,695	84	34
31-60 days	-	-	2,194	464	13	6	87	115
61-90 days	82	71	224	-	11	9	16	-
90+ days	121	671	1,441	1,695	188	157	2	-
	317	28,345	5,397	25,921	258	1,867	189	149

The amounts 90 days and over are past due, but no receivables are impaired.

**(e) Liquidity Risk**

The registered schemes are exposed to cash redemptions of redeemable units. They hold equities that are traded on active markets and, if necessary, these can be readily disposed.

*Contractual maturity analysis*

(i) Non-financial liabilities

**Note 10 Financial Risk Management (continued)**

**(e) Liquidity Risk (continued)**

The amounts below represent the contractual maturity of non-financial liabilities. Note that net assets attributable to unitholders are only included in the maturity analysis below because, under Australian Accounting Standards, unitholders' equity is classified as a liability. For management purposes, net assets attributable to unitholders are not an operating liability.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Payable within 3 months</b>								
Payables on purchase of financial assets/liabilities	61,930	22,589	6,458	861	8,125	-	1,934	-
Management and administration fees	12,509	12,768	281	332	5,497	5,387	650	546
Swap income payable	-	-	2	-	4	-	1	-
Payable for Capital Gains Tax	-	-	79	83	-	-	-	-
Interest payable	162	11	4	-	-	-	12	-
Unitholders' distribution payable	892,003	906,500	24,087	18,127	460,673	271,510	26,828	11,043
Operating liabilities	966,604	941,868	30,911	19,403	474,299	276,897	29,425	11,589
<b>Net assets realisable in 1 year or less to meet operating liabilities</b>	<b>10,389,223</b>	<b>10,586,921</b>	<b>253,445</b>	<b>345,398</b>	<b>4,444,308</b>	<b>4,466,564</b>	<b>543,991</b>	<b>441,343</b>
Net assets attributable to unitholders	9,426,671	9,649,084	222,534	325,995	3,973,877	4,193,362	514,634	429,829
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Payable within 3 months</b>								
Payables on purchase of financial assets/liabilities	1,277	-	1,896	13	-	484	-	-
Management and administration fees	743	651	1,153	1,300	224	204	109	94
Swap income payable	31	-	-	-	-	-	-	-
Payable for Capital Gains Tax	-	-	117	124	-	-	23	25
Interest payable	2	-	3	1	11	2	2	1
Unitholders' distribution payable	39,032	14,525	104,944	127,124	26,931	15,193	5,019	5,727
Operating liabilities	41,085	15,176	108,113	128,562	27,166	15,883	5,153	5,847
<b>Net assets realisable in 1 year or less to meet operating liabilities</b>	<b>648,818</b>	<b>579,030</b>	<b>924,323</b>	<b>1,041,993</b>	<b>188,176</b>	<b>179,423</b>	<b>91,822</b>	<b>80,813</b>
Net assets attributable to unitholders	607,736	563,857	816,210	913,431	161,116	163,648	86,669	74,966

Assets realisable in 1 year or less include equities, foreign currency contracts, derivatives and cash and cash equivalents.

**Note 10 Financial Risk Management (continued)**

**(e) Liquidity Risk (continued)**

(ii) Financial liabilities

The amounts below represent the maturity of derivative and foreign exchange outflows based on the position at 30 June.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Payable within 3 months</b>								
Derivative contractual outflows	907	18,848	-	225	-	429	200	15
Forward currency contracts	15,579	46,755	-	-	5,903	16,013	1,276	1,885
<b>Payable between 3 months and 1 year</b>								
Forward currency contracts	-	8,526	-	-	-	5,184	-	-
	16,486	74,129	-	225	5,903	21,626	1,476	1,900
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Payable within 3 months</b>								
Derivative contractual outflows	-	-	1,707	1,125	-	-	-	26
Forward currency contracts	2,168	3,086	4	904	3	96	34	128
<b>Payable between 3 months and 1 year</b>								
Forward currency contracts	-	-	-	-	-	-	-	40
	2,168	3,086	1,711	2,029	3	96	34	194

At 30 June 2017, there are no other contractual amounts due or payable after 1 year.

Except for short equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

**Note 10 Financial Risk Management (continued)**

**(e) Liquidity Risk (continued)**

The registered schemes are exposed to daily cash redemptions. If necessary, investments may be realised to cover these redemptions as they are generally readily convertible to cash. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The registered schemes prepare daily cash forecasts and maintain sufficient cash to meet normal operating requirements. The registered schemes have a policy of not borrowing money, other than on a short-term basis for settlement, trading and like purposes.

**(f) Capital Risk Management**

The responsible entity manages the registered schemes' net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the registered schemes are subject to daily applications and redemptions at the discretion of unitholders.

**Note 11 Fair Value Hierarchy**

AASB 13 *Fair Value Measurement* requires the registered schemes to classify their assets and liabilities held at fair value based on the following fair value hierarchy model:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- c) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The registered schemes measure and recognise the following assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:

- equity securities, long equity swaps and long futures;
- corporate bonds;
- short equity swaps and short futures; and
- forward currency contracts.

The tables on the following 3 pages analyse within the fair value hierarchy model, the registered schemes' assets and liabilities measured at fair value at 30 June 2017 and 30 June 2016. None of the registered schemes, other than Platinum International Health Care Fund, have any assets or liabilities that are classified as level 3. Platinum International Health Care Fund has one unlisted security that is classified as level 3 and this is discussed on pages 46-47.

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Note 11 Fair Value Hierarchy (continued)

30 June 2017	International Fund			Unhedged Fund			Asia Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
<b>Financial assets</b>									
Equity securities	8,828,462	258,188	9,086,650	198,414	17,806	216,220	3,887,058	17	3,887,075
Corporate bonds	-	5,793	5,793	-	-	-	-	-	-
Derivatives	4,925	1,975	6,900	-	92	92	-	2,109	2,109
Forward currency contracts	-	36,085	36,085	-	-	-	-	5,205	5,205
	8,833,387	302,041	9,135,428	198,414	17,898	216,312	3,887,058	7,331	3,894,389
<b>Financial liabilities</b>									
Derivatives	-	907	907	-	-	-	-	-	-
Forward currency contracts	-	15,579	15,579	-	-	-	-	5,903	5,903
	-	16,486	16,486	-	-	-	-	5,903	5,903
<b>Total of financial assets less liabilities</b>	8,833,387	285,555	9,118,942	198,414	17,898	216,312	3,887,058	1,428	3,888,486
<b>30 June 2016</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>									
Equity securities	9,010,811	253,032	9,263,843	288,956	20,850	309,806	3,751,834	66,842	3,818,676
Corporate bonds	-	5,512	5,512	-	142	142	-	7,289	7,289
Derivatives	1,683	1,326	3,009	-	148	148	-	1,959	1,959
Forward currency contracts	-	38,229	38,229	-	-	-	-	23,626	23,626
	9,012,494	298,099	9,310,593	288,956	21,140	310,096	3,751,834	99,716	3,851,550
<b>Financial liabilities</b>									
Derivatives	6,114	12,734	18,848	-	225	225	-	429	429
Forward currency contracts	-	55,281	55,281	-	-	-	-	21,197	21,197
	6,114	68,015	74,129	-	225	225	-	21,626	21,626
<b>Total of financial assets less liabilities</b>	9,006,380	230,084	9,236,464	288,956	20,915	309,871	3,751,834	78,090	3,829,924

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Note 11 Fair Value Hierarchy (continued)

30 June 2017	European Fund			Japan Fund			International Brands Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
<b>Financial assets</b>									
Equity securities	437,573	-	437,573	620,367	-	620,367	690,758	53,909	744,667
Derivatives	-	-	-	-	300	300	-	3,435	3,435
Forward currency contracts	-	573	573	-	4,604	4,604	-	3,775	3,775
	437,573	573	438,146	620,367	4,904	625,271	690,758	61,119	751,877
<b>Financial liabilities</b>									
Derivatives	-	200	200	-	-	-	-	1,707	1,707
Forward currency contracts	-	1,276	1,276	-	2,168	2,168	-	4	4
	-	1,476	1,476	-	2,168	2,168	-	1,711	1,711
<b>Total of financial assets less liabilities</b>	437,573	(903)	436,670	620,367	2,736	623,103	690,758	59,408	750,166
<b>30 June 2016</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>									
Equity securities	342,395	-	342,395	509,473	-	509,473	812,884	23,146	836,030
Derivatives	-	10	10	-	1,054	1,054	73	-	73
Forward currency contracts	-	1,422	1,422	-	-	-	-	-	-
	342,395	1,432	343,827	509,473	1,054	510,527	812,957	23,146	836,103
<b>Financial liabilities</b>									
Derivatives	-	15	15	-	-	-	-	1,125	1,125
Forward currency contracts	-	1,885	1,885	-	3,086	3,086	-	904	904
	-	1,900	1,900	-	3,086	3,086	-	2,029	2,029
<b>Total of financial assets less liabilities</b>	342,395	(468)	341,927	509,473	(2,032)	507,441	812,957	21,117	834,074

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Note 11 Fair Value Hierarchy (continued)

30 June 2017	International Health Care Fund				International Technology Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
<b>Financial assets</b>							
Equity securities	146,912	-	2,000	148,912	72,623	-	72,623
Derivatives	-	5	-	5	30	-	30
Forward currency contracts	-	10	-	10	-	24	24
	146,912	15	2,000	148,927	72,653	24	72,677
<b>Financial liabilities</b>							
Derivatives	-	-	-	-	-	-	-
Forward currency contracts	-	3	-	3	-	34	34
	-	3	-	3	-	34	34
<b>Total of financial assets less liabilities</b>	146,912	12	2,000	148,924	72,653	(10)	72,643
<b>30 June 2016</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>							
Equity securities	138,879	-	-	138,879	66,639	-	66,639
Derivatives	-	9	-	9	3	-	3
Forward currency contracts	-	1	-	1	-	106	106
	138,879	10	-	138,889	66,642	106	66,748
<b>Financial liabilities</b>							
Derivatives	-	-	-	-	-	26	26
Forward currency contracts	-	96	-	96	-	168	168
	-	96	-	96	-	194	194
<b>Total of financial assets less liabilities</b>	138,879	(86)	-	138,793	66,642	(88)	66,554

The registered schemes' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. During the year, one Vietnamese security held by Platinum Asia Fund with a market value of \$28.2m was transferred from level 2 to level 1, as the security is now trading on an active market (London Stock Exchange).

**Note 11 Fair Value Hierarchy (continued)**

**Valuation techniques used to classify assets and liabilities as level 1**

Nearly all of the equity securities held by the registered schemes are valued using quoted prices in active markets, with the exception of P-Notes as listed below. Accordingly, nearly all equity securities are classified as Level 1 in the fair-value hierarchy model.

**Valuation techniques used to classify assets and liabilities as level 2**

There are some financial instruments that have been classified as level 2, because there is a degree of adjustment made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted on an active market, there is a degree of estimation or adjustment involved in deriving the fair value. Examples include:

- Foreign exchange contracts are classified as level 2, even though forward points are quoted in an active and liquid market. The forward points themselves are based on interest rate differentials;
- P-Notes are classified as level 2, because they are traded over-the counter and are often priced in a different currency to the underlying security;
- Over-The Counter (OTC) derivatives/options may be classified as level 2 because either (i) the contract itself is not listed and therefore there is no directly observable market price; or (ii) the price is sourced from the relevant counterparty, even though the price (and in the case of options, the relevant delta) can be verified from either Bloomberg or other option pricing models. OTC equity swap contracts are classified as level 2 because the swap contract itself is not listed and does not have an observable market price. However, the underlying security referred to in each swap contract has a directly observable quoted price in an active market.; and
- Certain index derivatives are classified as level 2, because the registered schemes may agree with the counterparty to include or exclude one or more securities that make up the “basket” of securities that comprise the index derivative. Hence, the quoted price of the index derivative would be very similar, but not identical, to the index derivative that the registered schemes hold.

**Fair value measurement of assets that are not based on observable market data (level 3)**

Platinum International Health Care Fund (PIHF) acquired one unlisted security during the period and this has been classified as level 3. The unlisted security is an Australian-based private company and the capital that PIHF contributed to the costs of clinical trials and establishing base offshore operations.

On the basis that PIHF acquired the security during the period and in the absence of further transactional or fair value information being available, the cost of acquisition has been determined as the best indicator of fair value and therefore has been used to value the investment at balance date.

As the security fair value has been determined to be the same as the cost of the investment, there has been no gain or loss recognised in the profit or loss. The security represents approximately 1.2% of PIHF’s net assets at 30 June 2017.

A summary of the movement in level 3 securities, for PIHF, for the year ended 30 June 2017 is outlined below.

	<b>Level 3 \$'000</b>
Opening balance	-
Purchases (at cost)	2,000
Sales	-
Gains and losses recognised in profit or loss	-
Closing balance	<hr/> 2,000

**Note 11 Fair Value Hierarchy (continued)**

(a) Valuation processes

The responsible entity, via its portfolio accounting team, performs daily valuations of each of its investments for the purposes of daily unit pricing. The valuation of any level 3 (and level 2) securities are assessed and reviewed for appropriateness and a discussion of the valuation processes for any securities that do not have a directly observable market price takes place before the daily unit pricing valuation is determined. This discussion occurs between the Finance Director, portfolio accounting team and the Chief Compliance Officer. A separate register is also maintained documenting the valuation used and the basis for the valuation. A re-assessment of each of these valuations re-occurs at each reporting date when the financial report is prepared.

(b) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the unobservable inputs used in level 3 fair value measurements.

Description	Best estimate of fair value at 30 June 2017 \$'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted security	2,000	While there is no observable market price, given the recent acquisition, the unlisted security's fair value has been determined to equate to its acquisition cost.	Downside: \$2m (loss of any capital contributed).	If the security gains regulatory approval and is able to generate offshore market share and profitability, real-probability modelling may be used to measure fair value in the future.

**Notes to the Financial Statements**  
**30 June 2017**

**Note 12 Offsetting Financial Assets and Financial Liabilities**

*Offsetting and master netting agreements*

The registered schemes enter into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other, if

- I. there is a legally enforceable right to set-off the financial asset and financial liability; and
- II. the registered schemes intend to settle the financial asset and financial liability on a net basis, or realise the financial asset and settle the financial liability simultaneously.

The gross and net positions of financial asset and liabilities that have been offset in the Statements of Financial Position are disclosed in the first three columns of the following tables:

Platinum International Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	6,900	-	6,900	(907)	-	5,993
Forward currency contracts	56,579	(20,494)	36,085	(15,579)	-	20,506
	63,479	(20,494)	42,985	(16,486)	-	26,499
30 June 2016						
Derivatives	3,009	-	3,009	(3,009)	-	-
Forward currency contracts	47,105	(8,876)	38,229	(38,229)	-	-
	50,114	(8,876)	41,238	(41,238)	-	-
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	907	-	907	(907)	-	-
Forward currency contracts	36,073	(20,494)	15,579	(15,579)	-	-
	36,980	(20,494)	16,486	(16,486)	-	-
30 June 2016						
Derivatives	18,848	-	18,848	(3,009)	(15,839)	-
Forward currency contracts	64,157	(8,876)	55,281	(38,229)	(17,052)	-
	83,005	(8,876)	74,129	(41,238)	(32,891)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Unhedged Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	92	-	92	-	-	92
Forward currency contracts	-	-	-	-	-	-
	92	-	92	-	-	92
30 June 2016						
Derivatives	148	-	148	(148)	-	-
Forward currency contracts	-	-	-	-	-	-
	148	-	148	(148)	-	-
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	-	-	-	-	-	-
	-	-	-	-	-	-
30 June 2016						
Derivatives	225	-	225	(148)	(77)	-
Forward currency contracts	-	-	-	-	-	-
	225	-	225	(148)	(77)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Asia Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	2,109	-	2,109	-	-	2,109
Forward currency contracts	5,589	(384)	5,205	(5,205)	-	-
	7,698	(384)	7,314	(5,205)	-	2,109
30 June 2016						
Derivatives	1,959	-	1,959	(429)	-	1,530
Forward currency contracts	29,325	(5,699)	23,626	(21,197)	-	2,429
	31,284	(5,699)	25,585	(21,626)	-	3,959
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	6,287	(384)	5,903	(5,205)	698	-
	6,287	(384)	5,903	(5,205)	698	-
30 June 2016						
Derivatives	429	-	429	(429)	-	-
Forward currency contracts	26,896	(5,699)	21,197	(21,197)	-	-
	27,325	(5,699)	21,626	(21,626)	-	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum European Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	634	(61)	573	(573)	-	-
	634	(61)	573	(573)	-	-
30 June 2016						
Derivatives	10	-	10	(10)	-	-
Forward currency contracts	1,877	(455)	1,422	(1,422)	-	-
	1,887	(455)	1,432	(1,432)	-	-
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	200	-	200	-	200	-
Forward currency contracts	1,337	(61)	1,276	(573)	703	-
	1,537	(61)	1,476	(573)	903	-
30 June 2016						
Derivatives	15	-	15	(10)	(5)	-
Forward currency contracts	2,341	(455)	1,886	(1,422)	(464)	-
	2,356	(455)	1,901	(1,432)	(469)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Japan Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	300	-	300	-	-	300
Forward currency contracts	4,604	-	4,604	(2,168)	-	2,436
	4,904	-	4,904	(2,168)	-	2,736
30 June 2016						
Derivatives	1,054	-	1,054	-	-	1,054
Forward currency contracts	-	-	-	-	-	-
	1,054	-	1,054	-	-	1,054
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	2,168	-	2,168	(2,168)	-	-
	2,168	-	2,168	(2,168)	-	-
30 June 2016						
Derivatives	-	-	-	-	-	-
Forward currency contracts	3,086	-	3,086	-	(3,086)	-
	3,086	-	3,086	-	(3,086)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Brands Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	3,435	-	3,435	(1,707)	-	1,728
Forward currency contracts	3,775	-	3,775	(4)	-	3,771
	7,210	-	7,210	(1,711)	-	5,499
30 June 2016						
Derivatives	73	-	73	(73)	-	-
Forward currency contracts	-	-	-	-	-	-
	73	-	73	(73)	-	-
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	1,707	-	1,707	(1,707)	-	-
Forward currency contracts	4	-	4	(4)	-	-
	1,711	-	1,711	(1,711)	-	-
30 June 2016						
Derivatives	1,125	-	1,125	(73)	(1,052)	-
Forward currency contracts	904	-	904	-	(904)	-
	2,029	-	2,029	(73)	(1,956)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Health Care Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	5	-	5	-	-	5
Forward currency contracts	10	-	10	(3)	-	7
	15	-	15	(3)	-	12
30 June 2016						
Derivatives	9	-	9	-	-	9
Forward currency contracts	1	-	1	(1)	-	-
	10	-	10	(1)	-	9
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	3	-	3	(3)	-	-
	3	-	3	(3)	-	-
30 June 2016						
Derivatives	-	-	-	-	-	-
Forward currency contracts	96	-	96	(1)	(95)	-
	96	-	96	(1)	(95)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Technology Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
<b>Financial assets</b>						
30 June 2017						
Derivatives	30	-	30	-	-	30
Forward currency contracts	81	(57)	24	(24)	-	-
	111	(57)	54	(24)	-	30
30 June 2016						
Derivatives	3	-	3	(3)	-	-
Forward currency contracts	106	-	106	(106)	-	-
	109	-	109	(109)	-	-
<b>Financial liabilities</b>						
30 June 2017						
Derivatives	-	-	-	-	-	-
Forward currency contracts	91	(57)	34	(24)	10	-
	91	(57)	34	(24)	10	-
30 June 2016						
Derivatives	26	-	26	(3)	(23)	-
Forward currency contracts	168	-	168	(106)	(62)	-
	194	-	194	(109)	(85)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

**Note 13      Key Management Personnel Disclosures**

AASB 124: *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

**Directors**

The following persons were Directors of Platinum Investment Management Limited at any time during the year up to 30 June 2017:

Kerr Neilson  
Andrew Clifford  
Elizabeth Norman  
Andrew Stannard

There are no other key management personnel within Platinum Investment Management Limited.

**Service Agreements**

The Directors do not have service agreements as they are employees of Platinum Investment Management Limited.

**Related parties**

Disclosures relating to manager’s fees payable to Platinum Investment Management Limited are set out in note 14.

**Notes to the Financial Statements**  
**30 June 2017**

**Note 14 Related Parties**

**Responsible Entity**

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

**Directors of the Responsible Entity**

Key management personnel include persons who were Directors of Platinum Investment Management Limited at any time during the financial year as follows:

Kerr Neilson  
 Andrew Clifford  
 Elizabeth Norman  
 Andrew Stannard

There were no other persons with responsibility for planning, directing and controlling the activities of the responsible entity, directly or indirectly during the financial year.

**Transactions with key management personnel**

Key management personnel services are provided by Platinum Investment Management Limited and included in the responsible entity fees on page 61. There was no compensation paid directly by the registered schemes to any of the key management personnel.

**Related party unitholdings**

Units held by related parties of the registered schemes are as follows:

<b>Unitholder</b>	<b>No. of units held opening</b>	<b>No. of units held closing</b>	<b>Investment (cum-distribution) (\$)</b>	<b>Interest held (%)</b>	<b>No. of units acquired</b>	<b>No. of units disposed</b>	<b>Distributions paid/payable by the Fund (\$)</b>
<b>Platinum International Fund</b>							
<b>30 June 2017</b>							
Key management personnel	9,371,969	10,258,846	22,662,816	0.22	886,877	-	1,794,329
Other related parties	62,511,614	67,846,230	149,879,106	1.46	5,334,615	-	12,031,220
Responsible entity	5,775	5,775	12,758	-	-	-	1,106
<b>30 June 2016</b>							
Key management personnel	8,567,104	9,371,969	18,665,214	0.18	804,865	-	1,468,959
Other related parties	49,623,921	62,511,614	124,498,131	1.18	12,887,693	-	9,940,369
Responsible entity	5,775	5,775	11,502	-	-	-	990

Notes to the Financial Statements  
30 June 2017

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
<b>Platinum Unhedged Fund</b>							
<b>30 June 2017</b>							
Key management personnel	2,229,073	2,470,260	4,250,330	1.73	241,187	-	375,407
Other related parties	24,459,555	27,280,665	46,939,112	19.07	2,821,110	-	4,145,862
Responsible entity	1,824	1,824	3,138	-	-	-	307
<b>30 June 2016</b>							
Key management personnel	2,111,678	2,229,073	3,073,669	0.90	117,395	-	153,741
Other related parties	23,020,829	24,459,555	33,727,280	9.82	1,438,726	-	1,686,992
Responsible entity	1,824	1,824	2,515	-	-	-	133
<b>Platinum Asia Fund</b>							
<b>30 June 2017</b>							
Key management personnel	14,856,339	16,578,581	50,606,119	1.14	1,722,242	-	4,722,905
Other related parties	36,028,842	39,782,036	121,434,665	2.75	3,903,195	(150,000)	11,468,173
Responsible entity	4,269	4,269	13,031	-	-	-	1,357
<b>30 June 2016</b>							
Key management personnel	13,952,924	14,856,339	40,340,903	0.91	903,415	-	2,309,851
Other related parties	32,829,367	36,028,842	97,832,716	2.20	3,199,475	-	5,641,821
Responsible entity	4,269	4,269	11,592	-	-	-	707

Notes to the Financial Statements  
30 June 2017

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
<b>Platinum European Fund</b>							
<b>30 June 2017</b>							
Key management personnel	2,343,315	2,465,472	8,751,686	1.62	122,157	-	413,171
Other related parties	7,355,686	7,785,721	27,636,975	5.12	430,035	-	1,304,754
Responsible entity	4,649	4,649	16,504	-	-	-	820
<b>30 June 2016</b>							
Key management personnel	2,284,620	2,343,315	6,641,658	1.51	58,695	-	162,603
Other related parties	7,127,964	7,355,686	20,848,220	4.74	227,722	-	510,413
Responsible entity	4,649	4,649	13,178	-	-	-	331
<b>Platinum Japan Fund</b>							
<b>30 June 2017</b>							
Key management personnel	5,478,031	5,829,838	26,047,134	4.04	351,807	-	1,480,685
Other related parties	26,352,345	28,624,036	127,889,328	19.82	2,271,691	-	7,314,086
Responsible entity	4,684	4,684	20,928	-	-	-	1,266
<b>30 June 2016</b>							
Key management personnel	5,340,457	5,478,031	20,244,065	3.51	137,574	-	496,876
Other related parties	28,085,278	26,352,345	97,385,089	16.88	867,067	(2,600,000)	2,396,557
Responsible entity	4,684	4,684	17,310	-	-	-	436
<b>Platinum International Brands Fund</b>							
<b>30 June 2017</b>							
Other related parties	1,568,204	1,781,034	4,918,859	0.53	212,830	-	497,403
Responsible entity	5,015	5,015	13,851	-	-	-	1,581
<b>30 June 2016</b>							
Other related parties	1,367,783	1,568,204	3,862,330	0.37	200,421	-	415,046
Responsible entity	5,015	5,015	12,352	-	-	-	1,512

Notes to the Financial Statements  
30 June 2017

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
<b>Platinum International Health Care Fund</b>							
<b>30 June 2017</b>							
Other related parties	8,499,873	9,984,941	22,457,130	11.97	1,485,068	-	2,762,591
Responsible entity	10,071	10,071	22,651	0.01	-	-	3,252
<b>30 June 2016</b>							
Other related parties	7,727,414	8,499,873	17,674,636	9.91	772,459	-	1,377,496
Responsible entity	10,071	10,071	20,942	0.01	-	-	1,784
<b>Platinum International Technology Fund</b>							
<b>30 June 2017</b>							
Other related parties	8,074,893	8,591,724	13,769,956	15.06	516,831	-	714,767
Responsible entity	9,410	9,410	15,081	0.02	-	-	828
<b>30 June 2016</b>							
Other related parties	7,460,178	8,074,893	11,178,074	13.89	614,715	-	739,498
Responsible entity	9,410	9,410	13,026	0.02	-	-	927

**Notes to the Financial Statements**  
**30 June 2017**

**Note 14 Related Parties (continued)**

**Responsible Entity Fees**

Fees paid by the registered schemes include management fees (calculated at 1.44% per annum inclusive of GST of the registered schemes' net asset value and payable monthly) and administration fees (calculated at 0.10 % per annum inclusive of GST of the registered schemes' net asset values and payable monthly). The fees, exclusive of GST, are as follows:

	<b>International Fund</b>		<b>Unhedged Fund</b>		<b>Asia Fund</b>		<b>European Fund</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fees for the year expensed by the registered schemes to the responsible entity	152,024,840	162,229,538	3,746,957	5,514,224	65,041,786	73,851,052	6,653,825	7,045,216
Aggregate amounts payable by the registered schemes at reporting date	12,508,690	12,768,377	281,752	331,990	5,497,394	5,387,194	650,385	545,952
	<b>Japan Fund</b>		<b>International Brands Fund</b>		<b>International Health Care Fund</b>		<b>International Technology Fund</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fees for the year expensed by the registered schemes to the responsible entity	8,998,140	9,198,327	14,202,122	17,015,746	2,636,564	2,660,967	1,285,413	1,234,126
Aggregate amounts payable by the registered schemes at reporting date	743,288	651,704	1,153,439	1,300,024	223,418	203,291	109,045	93,717

**Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities**

**(a) Reconciliation of Cash**

For the purposes of the Statements of Cash Flows, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Statements of Financial Position as follows:

	International Fund		Unhedged Fund		2017 \$'000	Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and cash equivalents	1,092,011	1,196,625	28,201	27,594	442,943	571,936	105,278	95,260	
Cash on deposit held within the portfolio	124,637	123,802	1,961	4,360	47,002	53,172	1,302	3,546	
	<u>1,216,648</u>	<u>1,320,427</u>	<u>30,162</u>	<u>31,954</u>	<u>489,945</u>	<u>625,108</u>	<u>106,580</u>	<u>98,806</u>	

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and cash equivalents	23,526	38,332	141,734	167,565	38,631	38,890	18,990	13,875
Cash on deposit held within the portfolio	1,875	4,915	28,092	15,484	469	(19)	-	235
	<u>25,401</u>	<u>43,247</u>	<u>169,826</u>	<u>183,049</u>	<u>39,100</u>	<u>38,871</u>	<u>18,990</u>	<u>14,110</u>

Cash on deposit is held on deposit to 'cash cover' derivative contracts' deposits and margin calls. These amounts are held by the relevant derivative exchanges and counterparties as security. If losses are realised, the cash balances are set off against those losses. If profits are realised on the close out of derivative contracts, the money is returned to the registered schemes.

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bears floating interest rates in the range of -1.50% to 1.40%. Information in relation to the registered schemes' exposures to interest rate risk is provided in Note 10.

**(b) Non Cash Financing Activities**

	International Fund		Unhedged Fund		2017 \$'000	Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
During the year, the following distribution payments were reinvested in additional units	292,051	320,068	10,870	12,375	126,910	74,064	8,478	4,017	

**Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)**

**(b) Non Cash Financing Activities (continued)**

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
During the year, the following distribution payments were reinvested in additional units	23,213	9,424	27,436	30,972	15,455	9,020	2,619	2,873

**(c) Reconciliation of Net Cash from Operating Activities to Operating Profit**

	International Fund		Unhedged Fund		2017 \$'000	Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000		2016 \$'000	2017 \$'000	2016 \$'000	
<b>Net operating profit/(loss)</b>	1,997,164	(725,387)	71,257	(38,344)	771,661	(605,364)	108,885	(34,971)	
(Increase)/decrease in investments	117,522	1,163,791	93,559	60,121	(58,562)	1,108,773	(94,743)	(21,309)	
(Increase)/decrease in exchange rates	46,894	(21,993)	1,125	(1,260)	17,911	(2,504)	(462)	802	
(Increase)/decrease in settlements receivable	(6,803)	(11,959)	(3,078)	(2,882)	(42,856)	20,485	-	-	
(Increase)/decrease in dividends and tax refund receivable	(16,425)	(5,952)	(336)	(467)	(11,614)	(2,627)	(136)	(270)	
(Increase)/decrease in interest receivable	-	67	3	15	152	11	19	24	
(Increase)/decrease in other receivables	(396)	(856)	14	-	(200)	211	(7)	(16)	
Increase/(decrease) in settlements payable	39,341	22,217	5,597	(3,479)	8,125	-	1,934	-	
Increase/(decrease) in management and administration fees payable	(259)	(2,546)	(51)	(87)	110	(2,733)	104	24	
Increase/(decrease) in foreign capital gains tax payable	-	(1,306)	(4)	83	-	(2,614)	-	-	
Increase/(decrease) in interest and swap payables	151	(73)	6	-	4	-	13	(1)	
<b>Net Cash Flows from operating activities</b>	<b>2,177,189</b>	<b>416,003</b>	<b>168,092</b>	<b>13,700</b>	<b>684,731</b>	<b>513,638</b>	<b>15,607</b>	<b>(55,717)</b>	

**Notes to the Financial Statements**  
**30 June 2017**

**Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)**

**(c) Reconciliation of Net Cash from Operating Activities to Operating Profit (continued)**

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Net operating profit/(loss)</b>	127,633	(26,290)	229,304	(59,788)	28,728	(4,248)	18,711	(4,926)
(Increase)/decrease in investments	(115,662)	48,843	83,908	156,873	(10,131)	(29,311)	(6,089)	(361)
(Increase)/decrease in exchange rates	1,537	(3,769)	2,767	(12,083)	200	(997)	269	5
(Increase)/decrease in settlements receivable	27,457	(27,484)	22,363	(22,256)	1,644	(1,654)	-	-
(Increase)/decrease in dividends and tax refund receivable	539	(108)	(1,618)	(125)	(34)	(41)	(44)	221
(Increase)/decrease in interest receivable	41	(5)	-	3	-	3	6	4
(Increase)/decrease in other receivables	(9)	(7)	(221)	(408)	(1)	(6)	(2)	(2)
Increase/(decrease) in settlements payable	1,277	-	1,883	(1,156)	(484)	367	-	(254)
Increase/(decrease) in management and administration fees payable	92	(84)	(147)	(455)	20	9	15	(7)
Increase/(decrease) in foreign capital gains tax payable	-	-	(7)	124	-	-	(2)	25
Increase/(decrease) in interest and swap payables	33	-	2	(14)	9	1	1	-
<b>Net Cash Flows from operating activities</b>	<b>42,938</b>	<b>(8,904)</b>	<b>338,234</b>	<b>60,715</b>	<b>19,951</b>	<b>(35,877)</b>	<b>12,865</b>	<b>(5,295)</b>

**Note 16 Events Occurring after the Statements of Financial Position Date**

No significant events have occurred since Statements of Financial Position date that would impact the financial position of the registered schemes as at 30 June 2017 and the results of the year ended on that date.

**Note 17 Contingent Assets, Liabilities and Commitments**

The registered schemes have no contingent assets, liabilities or commitments as at 30 June 2017 and 30 June 2016.

**Statement of Net Asset Value  
As at 30 June 2017**

Reconciliation of Net Asset Value before unitholders' liability, in accordance with Australian Accounting Standards, to the Redemption Value\*

	International Fund		Unhedged Fund		2017 \$'000	Asia Fund		European Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000		2016 \$'000	2017 \$'000	2016 \$'000	
Net assets attributable to unitholders per Statements of Financial Position	9,426,671	9,649,084	222,613	326,075	3,973,877	4,193,362	514,634	429,829	
Distributions paid and payable to unitholders	892,003	906,500	24,087	18,127	460,673	271,510	26,828	11,043	
Redemption cost of financial assets	(25,796)	(26,389)	(617)	(861)	(11,086)	(11,162)	(1,354)	(1,102)	
Adjustments	(299)	(52)	2	-	4	(39)	1	-	
Net Asset Value for redemption purposes	10,292,579	10,529,143	246,085	343,341	4,423,468	4,453,671	540,109	439,770	
Redemption price	2.2091	1.9916	1.7206	1.3789	3.0525	2.7154	3.5497	2.8343	

  

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net assets attributable to unitholders per Statements of Financial Position	607,736	563,857	817,276	914,482	161,116	163,648	86,669	74,966
Distributions paid and payable to unitholders	39,032	14,525	104,944	127,124	26,931	15,193	5,019	5,727
Redemption cost of financial assets	(1,617)	(1,446)	(2,305)	(2,603)	(470)	(447)	(229)	(202)
Adjustments	31	-	(218)	(439)	-	-	-	-
Net Asset Value for redemption purposes	645,182	576,936	919,697	1,038,564	187,577	178,394	91,459	80,491
Redemption price	4.4679	3.6955	2.7618	2.4629	2.2491	2.0794	1.6027	1.3843

\* The day of the week that the reporting period ends will determine whether the above redemption price will be available for unitholders to sell their holdings.

**Directors' Declaration**  
**30 June 2017**

In the Directors' opinion, the financial statements and notes of:

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund (together the 'registered schemes') as set out on pages 6 to 64

- (a) are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - (ii) giving a true and fair view of the financial positions of the registered schemes as at 30 June 2017 and of their performances as represented by the results of their operations, changes in equity and their cash flows for the year ended on that date;
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay their debts as and when they become due and payable; and
- (c) Note 2 (a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Andrew Stannard  
Director

Sydney  
25 August 2017



## *Independent auditor's report*

To the unitholders of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund

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### *Our opinion*

In our opinion:

The accompanying financial report of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (the Registered Schemes) is in accordance with the *Corporations Act 2001*, including:

- (c) giving a true and fair view of the Registered Schemes' financial position as at 30 June 2017 and of their financial performance for the year then ended
- (d) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the statements of financial position as at 30 June 2017
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Directors' Declaration.

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### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Independence***

Other than as set out in the Auditor's Independence Declaration dated 25 August 2017, we are independent of the Registered Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Other information*

The Directors of the Responsible Entity are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Responsible Entity Report included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the directors of the Responsible Entity for the financial report*

The directors of the Responsible Entity of the Registered Schemes are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such



internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Schemes to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Registered Schemes or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

PricewaterhouseCoopers

Joe Sheeran  
Partner

Sydney  
25 August 2017

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