

Facts

Portfolio value	\$343.82 mn
Portfolio inception	29 June 1994
Current share price	\$1.685
Current dividend yield	5.34% fully franked
Pre-tax NAV \$1.4556	NAV retained earnings &
Post-tax NAV \$1.4580	dividend profit reserve 16.37 cps
NAV franking 7.38 cps	Realised franking 7.63 cps

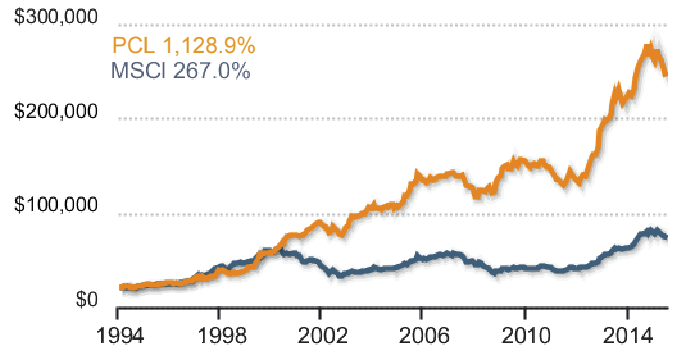
Performance¹ (Pre Tax, after base fees)

	FUND %	MSCI %
1 month	0.72	(0.27)
3 months	(5.20)	(5.20)
6 months	(4.43)	(3.89)
Calendar year to date	(5.20)	(5.20)
1 year	(5.54)	(5.00)
2 years (compound pa)	5.93	10.23
3 years (compound pa)	15.00	16.79
5 years (compound pa)	10.33	11.64
7 years (compound pa)	10.47	10.93
10 years (compound pa)	5.78	3.29
Since inception (compound pa)	12.22	6.16

Fees

Management fee:	1.1% p.a. of the portfolio value
Performance fee:	Payable at 15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country World Net Index

Performance graph²



Source: Factset and Platinum

Invested positions³

	LONG %	NET %	CURRENCY %
Australia	0.6	0.6	14.0
Brazil	0.0	0.0	0.1
Canada	0.8	0.8	0.8
China	4.4	4.4	(0.2)
China Ex PRC	14.7	14.7	
Hong Kong	1.4	1.4	12.1
France	5.1	5.1	
Germany	3.0	3.0	
India	5.4	5.4	5.5
Italy	5.0	5.0	
Japan	10.5	10.5	9.6
Korea	4.9	4.9	1.7
Malaysia	1.1	1.1	1.1
Nigeria	0.2	0.2	0.2
Norway	0.5	0.5	4.8
Russia	0.8	0.8	
Sweden	2.8	2.5	2.8
Switzerland	0.5	0.5	0.5
United Kingdom	6.2	6.2	4.1
United States	21.4	8.2	31.2
Vietnam	2.2	2.2	1.7
Zimbabwe	0.5	0.5	
	91.8	78.3	
China Renminbi Off Shore			(6.7)
Euro Currency			16.7
Cash & Accruals	8.2	21.7	
Total	100.0	100.0	100.0

Long - 98 stocks, 4 swaps, 1 bond Short - 3 stocks, 2 indices

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.5
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.9
Ericsson LM-B	Sweden	Info Technology	2.8
Alphabet Inc	USA	Info Technology	2.8
China Pacific A share P-Note	China	Financials	2.7
Eni SpA	Italy	Energy	2.3
Intesa Sanpaolo SpA	Italy	Financials	2.2
Carnival Corp	UK	Cons Discretionary	2.1
AstraZeneca PLC	UK	Health Care	2.1
Cisco Systems Inc	USA	Info Technology	2.0

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	24.3	24.3
Cons Discretionary	13.5	12.2
Financials	12.2	12.2
Health Care	9.6	9.6
Consumer Staples	7.4	7.4
Industrials	6.9	6.7
Energy	6.2	6.2
Materials	5.5	5.5
Telecom Services	3.4	3.4
Utilities	2.3	2.3
Other*	0.6	(11.3)

* Includes index short positions

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

2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in PMC since inception relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). Performance results have been calculated using the pre-tax net asset value (NAV) as released to the ASX (monthly 'Net Asset Values') and represent the combined income and capital return of PMC's investments for the specified period. Please note that the results are not calculated from the share price of PMC. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably from the make-up of the Index. The Index is provided as a reference only.

3. The "Long%" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives.

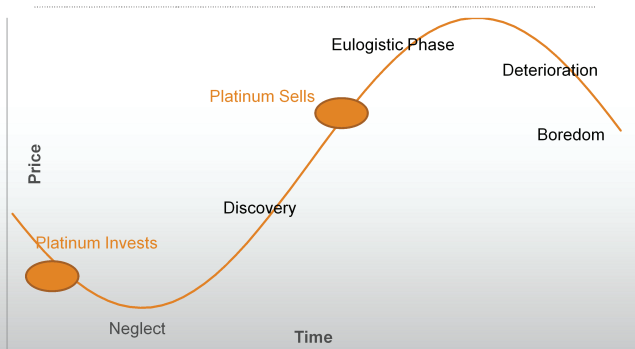
The "Currency %" represents the currency exposure for the Company's Portfolio, taking into account currency hedging.

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

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Platinum's approach



Source: Platinum



World View

- Slow growth, (but incomes rising)
- Oversupply of Commodities (ex Oil)
- Weak "Things" v Services
- Low inflation -> cheap money to continue
- Ecommerce driven substitution
- FX moves to impact competitiveness
- FAVOUR Innovators and New Cyclicals over Capacity Threats



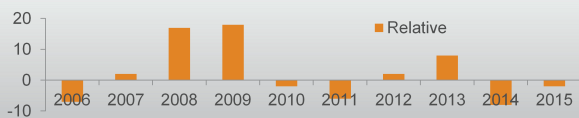
PMC : 10 years : 2006-2015

2006-2011 Average Net Exposure : 65%

	PMC	Market	Relative
2006	6	13	-7
2007	2	0	2
2008	-10	-27	17
2009	23	4	18
2010	-3	-1	-2
2011	-13	-7	-6
6yr Average	0	-4	4

2012-2015 Average Net Exposure : 78%

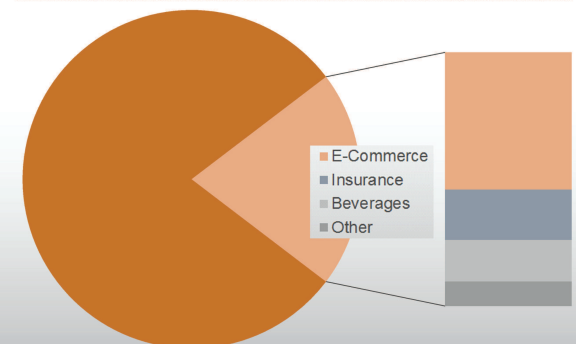
	PMC	Market	Relative
2012	17	15	2
2013	50	43	8
2014	6	14	-8
2015	8	10	-2
4yr Average	19*	20*	0
10yr Average	7.2	4.8	2.4



Source: Platinum, MSCI, *Best since 2002 *Best since 2000



PMC's Average China Exposure 2015



Source: Platinum



Market update and Commentary

There was a renewed sense of enthusiasm in March, after the sense of doom that pervaded over the first weeks of 2016. Much of this appeared to stem from a positive OPEC meeting in February and a combination of looser policy measures, specifically in Europe and China, or implied via dovish commentary from Federal Reserve Chair, Janet Yellen. Some of the areas that had been hardest hit rebounded the most strongly e.g. Brazil and Russia, and materials. China is yet to participate in the rally to a great extent – foreign scepticism remains high despite the increasing prospects of cyclical economic recovery.

While losing money is disappointing, our positioning was consistent with previous corrections, Europe-led in 2011 and Asia in 1997, rather than believing in Armageddon. Beyond risk management, shorting can be used to target excessive valuation or broken business models (as per 2000-2003 or 2007-2008), but these were not particularly evident in 2015. Reducing exposure into the downdraft of July and August would best be described as prudent, and since the August lows our general tendency has been to add exposure, generally to higher quality businesses that have been overlooked. We have nibbled at the Oil sector, which looks the most prospective commodity for now.

Kerr Neilson will examine the portfolio in greater depth in the soon to be published March quarterly report. Rather than having a US-dominated portfolio we find a good spread of companies around the world, including US technology leaders, European domestic banks and pharmaceuticals, Japanese self-improvement stories, Indian infrastructure, and a large exposure to a narrow group of high quality, consumer facing Chinese businesses. This, as we have stated before, is a very different position from our peers.

That returns, close to the World Index over 3 months, 1 year, 3 years, and 7 years does not suggest that the portfolio resembles the Index in any way. Against us has been 'under-exposure' to generally strong markets, with the US market over-represented in the World Index (at over 50%!) leading the way. Solid stock-picking has generally offset this handicap, which we believe is fading. In the most recent year, we made a 2% contribution to returns from a flat US, offsetting our large exposure to attractive investments in Asia and Europe, whose prices are becoming tantalising. Despite the ructions, China has only had a marginal negative impact on the Company while its broader market has been decimated.

Today the long stock portfolio is on a weighted median forward PE of 14X, with shorts and cash to smooth the ride. This compares favourably with the structurally challenged Australian market on 16X and the US on 17X. Our currency positioning has been more neutral since late 2015 except for hedging out our Chinese currency exposure, with a risk of devaluation worthy of avoiding. The recent strength in the Australian dollar is likely a recovery from oversold levels and we expect another chance to put our cash back overseas before it finds its cycle low.

The Platinum Capital Limited Quarterly Report will be available on our website, www.platinum.com.au, from 15 April and mailed out by month end.