

Facts

Portfolio value	\$515.93 mn		
Portfolio inception	29 June 1994		
Current share price	\$1.965		
Current dividend yield	5.09% fully franked		
Pre-tax NTA	\$1.8034	NTA retained earnings &	
Post-tax NTA	\$1.6722	dividend profit	34.25 cps
Max. franked dividend	2.77 cps		

Performance¹

	FUND % (Pre-tax NTA)	MSCI %
1 month	0.92	2.96
3 months	10.44	10.81
6 months	12.99	7.81
Calendar year to date	24.90	16.37
1 year	28.02	21.31
2 years (compound pa)	12.85	11.06
3 years (compound pa)	12.51	12.31
5 years (compound pa)	18.75	18.23
7 years (compound pa)	12.25	13.31
10 years (compound pa)	9.22	5.97
Since inception (compound pa)	12.79	7.00

The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Invested positions³

	LONG %	NET %	CURRENCY %
Australia	1.7	1.7	2.7
Canada	0.2	0.2	0.2
China	4.0	4.0	4.0
China Ex PRC	19.2	19.2	
Hong Kong	0.4	0.4	16.2
Denmark	0.8	0.8	0.8
France	3.1	3.1	
Germany	4.6	4.6	
India	4.4	4.4	4.5
Italy	1.3	1.3	
Japan	17.5	17.5	10.9
Korea	8.6	8.6	8.7
Malaysia	1.1	1.1	1.1
Norway	1.3	1.3	7.0
Russia	0.7	0.7	
South Africa	0.2	0.2	0.2
Switzerland	2.9	2.9	1.0
United Kingdom	6.2	6.2	4.5
United States	14.2	(0.8)	21.3
Vietnam	0.8	0.8	0.8
Zimbabwe	0.9	0.9	
	94.1	79.1	
Euro Currency			15.9
Swedish Krona			0.2
Cash	5.9	20.9	
Total	100.0	100.0	100.0

Long - 92 stocks, 2 swaps Short - 8 stocks, 1 option, 1 index

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1. Source: Platinum for PMC returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible asset value as released to the ASX and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PMC. The returns are calculated relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). Past performance is not a reliable indicator of future returns.

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

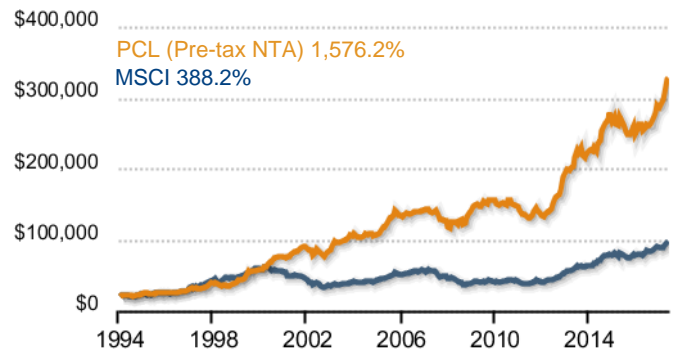
3. The "Long %" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives as a percentage of PMC's portfolio value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PMC's portfolio value. The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

4. The "Top ten positions" show PMC's top long share exposure positions as a percentage of PMC's portfolio value. Long derivative exposures are included. However, short derivative exposures are not.

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Fees

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

Performance graph²


The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.3
Alphabet Inc	USA	Info Technology	3.1
Inpex Corporation Ltd	Japan	Energy	2.7
Royal Dutch Shell PLC	UK	Energy	2.6
Sina Corp	China Ex PRC	Info Technology	2.5
Lixil Group Corporation	Japan	Industrials	2.4
Ping An Insurance Grp	China	Financials	2.3
Nexon Co Ltd	Japan	Info Technology	2.2
Tencent Holdings Ltd	China Ex PRC	Info Technology	1.9
Technip FMC	UK	Energy	1.9

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	22.4	22.4
Cons Discretionary	13.4	12.6
Financials	12.4	12.4
Industrials	10.0	10.0
Energy	9.6	9.6
Materials	9.5	9.5
Health Care	7.5	7.5
Consumer Staples	3.8	(0.3)
Telecom Services	1.7	1.7
Real Estate	1.6	1.6
Utilities	1.4	1.4
Other*	0.8	(9.3)

* Includes index short position

Market update and commentary

2017 has been a great year for markets, and for the portfolio. Indeed, in USD terms this is the first year we are aware of in which the MSCI AC World Index has risen in each month, with one month left to come.

The leading markets have been Asia, led by China, followed by Europe and Japan, with the US and UK lagging. Australia was the weakest market of note. Information Technology has been by far the standout sector, with Energy and Telecommunications noticeably the weakest.

The Portfolio has attractive absolute returns, and has outperformed the market opportunity set over 1, 2, 3, 5 and 10 years, and since inception, with 28% in the last 12 months being driven by Asia-Pacific and IT, Financials, and Consumer Discretionary. Vietnam Dairy, Tencent and Ping An are the top three contributors. Not being fully exposed to markets, by way of cash and shorts, has tempered the outcome.

Two questions we are often asked:

Where do the revenues of the companies in the portfolio come from? *Approximately 50% of the revenue (based on net positions) comes from Asia Pacific with a further 15% each from the US and Europe.*

How can we get an income from global equities? Since inception the average dividend yield from the portfolio has been 6.5% pa[#] driven in a large part by realised capital gains.

In the first week of December, our CIO and Regional Portfolio Managers met with advisers and their key messages are summarised below.

Joseph Lai (Asia): Important changes are taking place in China, and the market is up as the narrative is *becoming less negative* but skepticism still abounds. Owning stocks like Tencent for the last several years has been great, but their success is now front page news. The other front page news tends to be discussing old problems but the unhealthy trinity of local governments, state owned banks and state owned enterprises is breaking down. This shift known as "supply-side reform", together with closures of excess capacity plus the focus on improving productivity of the dynamic private sector via investment infrastructure, technology and education, is leading to some great opportunities in China today.

Scott Gilchrist (Japan): The widespread concerns about Japan are long established and holding people back from investing in a market that remains at about half the level it was in 1989, while corporate profits are more than twice what they were then. The strong domestic economy and labour market are at odds with the general rhetoric. Japanese corporates have critical positions in almost every hot technology sector today so they are at the heart of the transformation taking place around the world, and the country is deeply tied to, and embedded, in the Asian development story.

Nik Dvornak (Europe): Europe felt horrible as an investment location only a year ago, yet growth has been strong and has accelerated to levels it was at before the GFC. Change has been apparent and France is the latest country embarking on impressive reforms. Perception is starting to catch up, but there continue to be opportunities including in areas like German car-makers; coal-miner Glencore with its "electric metal" (nickel, copper and cobalt) assets and engineers; and TechnipFMC with their expertise in offshore drilling.

Andrew Clifford (CIO): When it comes to thinking about investing it's all about weighing-up the evidence rather than relying on intuitive responses which for many are that China is risky or Japan is not very interesting. In both these countries, reality is much better than perception, as it was in Europe only a year ago. At the core, our job as investors is to find individual companies where this gap exists acknowledging that the best ideas tend to be the ones that feel the most uncomfortable at the point of investing. If something feels too comfortable, it is unlikely to be a good idea.

[#] Source: Platinum, to 30 June 2017

One of the latest hot investment concepts is that of passive investing, the appeal of which is simply that markets have been doing well and so temporarily it feels that the value add of active managers – stock selection and risk management – is diminished. At any point that investors have started to believe such rhetoric, they have generally been badly burned. This table shows that the returns we have delivered over the last year could not have been replicated passively.

Region	Company's (Net) Exposure %	Index Return %	"ETF Outcome%"	Company's Contribution %
Asia	38	32	12.2	16.3
Europe	22	26	5.7	7.1
Japan	15	21	3.2	4.9
North America	3	18	0.5	1.5
Cash/FX	22	1.5 (RBA)	0.3	0.2
Net Return (12 months)"			21.9	28.0

[^]"ETF Outcome%" = Net Exposure% X Index Return%/100

Net Exposure represents the Company's exposure as a % of NAV of physical holdings and both long and short derivatives as at 30.11.17

The index returns relate to MSCI AC Asia ex Japan, MSCI AC Europe, MSCI USA, MSCI Japan. Cash is RBA Cash Rate.

ETF outcome is assumed to achieve index return.

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

[#]To 30.11.17



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