

Facts

Portfolio value	\$468.9 mn
Portfolio inception	29 June 1994
Current share price	\$1.625
Current dividend yield	5.54%
Pre-tax NTA	\$1.6194
Post-tax NTA	\$1.5560
Maximum franked dividend	7.48 cps
NTA retained earnings & div profit reserve	22.01 cps

Performance¹

	Company % (Pre-tax NTA)	MSCI %
1 month	4.21	4.33
3 months	8.84	11.34
6 months	9.64	10.14
Calendar year to date	12.44	15.98
1 year	0.17	12.69
2 years (compound pa)	10.27	12.91
3 years (compound pa)	11.72	14.42
5 years (compound pa)	10.04	13.01
7 years (compound pa)	13.86	15.40
10 years (compound pa)	10.19	11.59
Since inception (compound pa)	12.18	7.20

The Company's return is calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows, and assumes the reinvestment of dividends. Returns are not calculated using the Company's share price.

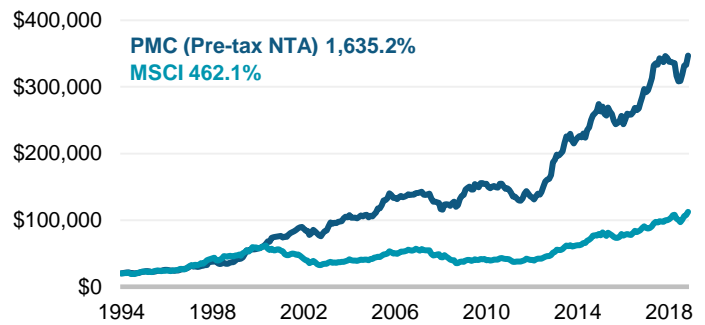
Invested positions³

	LONG %	NET %	CURRENCY %
Australia	0.7	0.7	0.8
Austria	1.1	1.1	
Brazil	0.6	0.4	0.4
Canada	2.5	2.5	2.5
China	9.9	9.9	9.9
China Ex PRC	14.1	14.1	
Hong Kong	1.1	1.1	13.8
Denmark	0.4	0.4	0.4
France	2.8	2.8	
Germany	4.7	4.7	
India	5.4	5.4	5.6
Ireland	0.8	0.8	
Italy	1.2	1.2	
Japan	9.9	9.9	15.2
Korea	6.1	5.2	5.2
Norway	1.7	1.7	2.4
Switzerland	4.4	4.4	1.5
Thailand	0.5	0.5	0.5
United Kingdom	2.3	1.6	4.7
United States	20.0	12.0	38.1
Zimbabwe	0.5	0.5	0.5
	90.5	80.6	
China Renminbi Off Shore			(14.8)
Euro Currency			13.3
Cash	9.5	19.4	
Total	100.0	100.0	100.0

Long - 84 stocks, 2 swaps Short - 13 stocks

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 Company's return is calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows, and assumes the reinvestment of dividends. Returns are not calculated using the Company's share price.

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Ping An Insurance Grp	China	Financials	4.4
Samsung Electronics Co Ltd	Korea	Info Technology	3.3
Facebook Inc	USA	Communication Serv.	3.1
Alphabet Inc	USA	Communication Serv.	2.9
Glencore PLC	Switzerland	Materials	2.9
China Overseas land & Invest.	China	Real Estate	2.5
Technip FMC	UK	Energy	2.3
Tencent Holdings Ltd	China	Communication Serv.	2.1
PICC Property & Casualty Co	China	Financials	2.1
Weibo Corp	China	Communication Serv.	2.1

Industry breakdown³

SECTOR	LONG %	NET %
Financials	16.6	16.6
Industrials	13.0	13.0
Communication Services	12.6	12.6
Materials	12.4	12.4
Info Technology	10.3	6.3
Cons Discretionary	9.5	7.3
Energy	5.9	5.9
Health Care	4.3	2.3
Consumer Staples	3.6	1.8
Real Estate	2.5	2.5

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1. & 2. Source: Platinum for PMC returns and RIMES Technologies for MSCI returns. 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). The investment returns depicted in the graph are cumulative on A\$20,000 invested in PMC since inception. Past performance is not a reliable indicator of future returns. It should be noted that Platinum does not invest by reference to the weightings of the index. Underlying assets are chosen through Platinum's bottom up 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. China refers to securities or derivatives over securities, which securities are listed on the Shanghai or Shenzhen stock exchange. China Ex PRC refers to securities or derivatives over securities, which securities are listed outside of the PRC but provide exposure to PRC companies. The "Long %" represents the exposure to direct securities holdings and long stock/index derivatives as a percentage of PMC's portfolio value. The "Net %" represents the exposure to direct securities holdings and both long and short stock/index derivatives as a percentage of PMC's portfolio value. The "Currency %" represents the effective currency exposure of PMC's portfolio as a percentage of PMC's portfolio value, taking into account currency exposures through securities holdings, cash, forwards and long and short stock/index derivatives.

4. The "Top ten positions" show PMC's top ten long positions as a percentage of PMC's portfolio value. Direct securities holdings and long stock derivatives are included. However, short stock derivatives are not included.

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- Strong start to 2019, headwinds from 2018 continue to recede; portfolio conservatively positioned.
- Portfolio contains great value, primarily in cyclical stocks and select large technology companies.
- Market focus on “safe havens” and “certain growth” leading to pockets of unseen risk for investors.

Current Portfolio Dynamics

Following a positive month of April, the portfolio has had its best start to the year since 1998, with a backdrop of strong markets. 2018's triple headwinds – Chinese reform, rising US rates, trade frictions – have abated, or reversed.

The market sell-off of late 2018 now seems distant, with new highs being reached; the portfolio has recovered, and is now above its April 2018 peak with one year returns of +0.2%.

Year-to-date the average portfolio stock is up 17%, with leading contributors Ping An, Facebook, Weichai Power and Anta Sports all up over 40%.

The portfolio's Chinese holdings have added 6% to 2019's returns; a further 4% came from long positions in the US.

During strong markets, our focus on not losing clients' money can dampen returns; shorts and currency management have cost 2% year-to-date, despite our Tesla short benefiting as challenges to their business became increasingly apparent.

The decision to increase exposure during the last quarter of 2018 has assisted returns, yet we remain somewhat conservatively positioned, as there is a balance between positive and negative factors.

A concern at a stock level is the price being paid for perceived “safe havens” – particularly consumer staples, utilities, REITs and infrastructure. Many such companies offer little value nor growth prospects. The other key risk is the market's extreme interest in apparently certain growth. As a result at today's prices many stocks require perfect execution simply to justify the entry price. Our short positions are in expensive technology and biotech stocks, Tesla and compromised consumer staples.

On the long side, it is exciting to find some very strong global and local champions, where any uncertainty is leading to compelling value being on offer. Areas like memory chip makers, such as Samsung Electronics along with companies like Ping An Insurance and BMW are good examples of the kind of companies being overlooked. At a portfolio level, the long portion is on a starting earnings yield of about 9% (P/E of 11x) with prospects of growth, in our view.

The portfolio has become increasingly balanced geographically, with more of our recent additions being in the US market, including Micron and General Electric. The long portfolio is effectively balanced four ways between China, the rest of Asia (predominantly Japan, Korea and India), the US and Europe. The sectoral bias is to more cyclical stocks, and reasonably priced technology giants

Historical Returns

We are now over 10 years from the GFC-bottom. Since March 2009 we have delivered a solid 11% annualised net return, while carrying 75% average net exposure to markets.

When we look at major markets of the world⁽¹⁾ over the same period, our returns compare well against Japan, Germany, France (all 8% compound p.a.), UK (9% compound p.a.), China, India and Australia (10% compound p.a.) and Korea (11% compound p.a.). Only the US at 15% p.a. has done meaningfully better.

It is worth highlighting that we believe it would be imprudent to put more than half a global portfolio in one individual market, so we are structurally underweight the US, with our maximum long exposure to North America reaching 32% in 2011-12. Risk management is paramount in our process.

It is also worthy of note, that while our approach aims to provide capital growth over the long-term by investing in undervalued companies, we believe we can do better than the market over a full cycle. As we stand today, the last peak was in May 2007, with the trough in March 2009. If we assume the cycle is not over yet, as we hit new global highs, then we have delivered 147% (7.9% compound p.a.) so far this cycle against a market return of 97% (5.9% compound p.a.), while carrying average net exposure of only 73%.

⁽¹⁾ Using the MSCI Country Indices in A\$