

Platinum Global Fund

ARSN 600 630 537

**Interim Financial Report
For the half-year ended 31 December 2019**

Platinum Global Fund
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31 December 2019

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The interim financial report was authorised for issue on 28 February 2020 by the Directors, who have the power to amend and re-issue the interim financial report.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial report for the year ended 30 June 2019. In addition, reference should be made to any public pronouncements made in respect of the registered scheme during the interim reporting period.

The interim financial report covers Platinum Global Fund as an individual entity.

The responsible entity of Platinum Global Fund is Platinum Investment Management Limited (ABN 25 063 565 006). The responsible entity's registered office is: Level 8, 7 Macquarie Place, Sydney, NSW 2000.

**Platinum Global Fund
Responsible Entity Report
31 December 2019**

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 Global Fund (*"the registered scheme" or "Fund"*), present their report on the registered scheme for the half-year ended 31 December 2019.

Principal Activities

Platinum Global Fund is part of the mFund Settlement Service (mFund) offered by the Australian Securities Exchange (ASX). mFunds are unlisted managed funds that investors can access through a broker or directly with Platinum.

The principal activity of the registered scheme during the half-year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and the Constitution.

The registered scheme was registered on 22 July 2014 and commenced trading on 5 September 2014.

The registered scheme did not have any employees during the half-year.

Directors of the Responsible Entity

The Directors of Platinum Investment Management Limited ("PIML") during the half-year and up to the date of this report were:

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 scheme during the half-year.

Operating and Financial Review (OFR)

The registered scheme has maintained its investment strategy in listed equities and currency contracts.

The registered scheme produced returns of 7.07%¹ for the 6 months to December 2019. The benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in A\$ terms generated a return of 8.74%² for the same period.

The performance of the registered scheme, as represented by the results of its operations for the period ended 31 December 2019, were as follows:

	Half-year ended	
	31 December 2019	31 December 2018
Net operating profit/(loss) (\$'000)	3,195	(4,921)
Redemption price (dollar per unit)	1.3580	1.2229

The method of operating the registered scheme is not expected to change in the foreseeable future.

Rounding of amounts to the nearest thousand dollars

The registered scheme is 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 this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, unless otherwise indicated.

¹ Investment returns are calculated using PGF's net asset value per unit (which does not include the buy/sell spread) and represent PGF's combined income and capital returns over the specified period. Returns are net of accrued fees and costs, are pre-tax, and assume the reinvestment of distributions.

Index returns assume the reinvestment of dividends from constituent companies, but do not reflect fees and expenses. Platinum does not invest by reference to the weightings of any index or benchmark, and index returns are provided as a reference only. PGF's underlying assets are chosen through Platinum's bottom-up investment process and, as a result, PGF's holdings may vary considerably to the make-up of the index.

The investment returns shown are historical and no warranty can be given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility of the underlying assets of PGF and other risk factors associated with investing, investment returns can be negative, particularly in the short-term

² Source: All data where MSCI is referenced is the property of MSCI. No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data.

**Platinum Global Fund
Responsible Entity Report
31 December 2019**

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 4.

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

A handwritten signature in black ink, appearing to be 'AS' followed by a large, stylized loop.

Andrew Stannard
Director

Sydney
28 February 2020



Auditor's Independence Declaration

As lead auditor for the review of Platinum Global Fund for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "CJ Cummins", with a long horizontal flourish extending to the right.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
28 February 2020

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Platinum Global Fund
Statement of Comprehensive Income
For the half-year ended 31 December 2019

	Half-year ended	
	31 December	31 December
	2019	2018
	\$'000	\$'000
Investment income		
Dividends	246	234
Interest	7	14
Net gains/(losses) on financial assets at fair value through profit or loss	3,262	(5,152)
Net foreign exchange gains on forward currency contracts	34	17
Net foreign exchange gains on bank accounts	50	374
Total investment income	3,599	(4,513)
Expenses		
Management fee	325	319
Withholding tax on foreign dividends	17	19
Transaction costs	62	70
Total expenses	404	408
Net operating profit/(loss)	3,195	(4,921)
Profit/(loss) for the half-year*	3,195	(4,921)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the half-year	3,195	(4,921)

*Profit for the half-year reflects the unrealised income for the period ended 31 December 2019 and is not required to be distributed to unit holders.

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

Platinum Global Fund
Statement of Financial Position
As at 31 December 2019

		As at	
	Note	31 December 2019 \$'000	30 June 2019 \$'000
Assets			
Cash and cash equivalents		8,582	12,616
Receivables		34	112
Financial assets at fair value through profit or loss	3	39,956	36,196
Total Assets		48,572	48,924
Liabilities			
Unitholders' distribution payable	6	-	2,803
Payables		57	133
Financial liabilities at fair value through profit or loss	3	237	137
Total Liabilities		294	3,073
Net Assets Attributable to Unitholders – Equity	4	48,278	45,851

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

Platinum Global Fund
Statement of Changes in Equity
For the half-year ended 31 December 2019

	Note	Half-year ended	
		31 December 2019 \$'000	31 December 2018 \$'000
Total equity at the beginning of the half-year		45,851	47,816
Profit/(loss) for the half-year		3,195	(4,921)
Other comprehensive income for the half-year			-
Total comprehensive income for the half-year		3,195	(4,921)
Transactions with unitholders			
Applications	4	1,911	4,123
Redemptions	4	(3,631)	(2,949)
Units issued upon reinvestment of distribution	4	952	644
		(768)	1,818
Total equity at the end of the half-year		48,278	44,713

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

Platinum Global Fund
Statement of Cash Flows
For the half-year ended 31 December 2019

		Half-year ended	
		31 December	31 December
	Note	2019	2018
		\$'000	\$'000
Cash flows from operating activities			
Purchase of financial assets		(6,516)	(7,495)
Proceeds from sale of financial assets		6,271	12,029
Interest received		10	17
Dividends received		268	293
Management fees paid		(317)	(324)
Other expenses paid		(28)	(69)
Net cash outflow from operating activities		(312)	4,451
Cash flows from financing activities			
Proceeds from units issued (applications)	4	2,863	4,767
Payment for units redeemed (redemptions)	4	(3,631)	(2,949)
Distribution paid	6	(2,803)	(3,174)
Net cash inflow from financing activities		(3,571)	(1,356)
Net (decrease)/ increase in cash and cash equivalents		(3,883)	3,095
Cash and cash equivalents at the beginning of the half-year		12,616	6,928
Effects of exchange rate changes on cash and cash equivalents		(151)	252
Cash and cash equivalents at the end of the half-year		8,582	10,275

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

Note 1 General Information

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

Note 2 Basis of Preparation of the Interim Financial Report

This financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2019 and any public pronouncements made in respect of the registered scheme during the interim reporting period.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Comparative information has been reclassified, where appropriate, to enhance comparability.

New Accounting Standards and Interpretations adopted for the 31 December 2019 reporting period

The following accounting standards, interpretations or amendments to existing standards are effective for the first time for the half-year ended 31 December 2019:

AASB 16: Leases (effective from 1 January 2019)

AASB 16 affects primarily the accounting by lessees and the results in the recognition of almost all leases on balance sheet. Management has assessed that adoption of this standard has not had any impact on the accounting policies or amounts recognised in the financial statements, as the registered scheme does not hold any leases.

New Accounting Standards and Interpretations not yet mandatory for the 31 December 2019 reporting period.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the registered scheme.

Note 3 Financial Assets and Liabilities at Fair Value through Profit or Loss

	31 December 2019 \$'000	30 June 2019 \$'000
Financial assets		
<i>Forward currency contracts at fair value through profit or loss</i>		
Forward currency contracts	159	75
Total forward currency contracts	<u>159</u>	<u>75</u>
<i>Equity securities at fair value through profit or loss</i>		
Equity securities	39,797	36,121
Total equity securities at fair value through profit or loss	<u>39,797</u>	<u>36,121</u>
Total financial assets held at fair value through profit or loss	<u>39,956</u>	<u>36,196</u>
Financial liabilities		
<i>Forward currency contracts at fair value through profit or loss</i>		
Forward currency contracts	237	137
Total forward currency contracts	<u>237</u>	<u>137</u>
Total financial liabilities held at fair value through profit or loss	<u>237</u>	<u>137</u>
Total of financial assets less financial liabilities	<u>39,719</u>	<u>36,059</u>

Note 4 Net Assets Attributable to Unitholders

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

	31 December 2019 Number	31 December 2018 Number	31 December 2019 \$'000	31 December 2018 \$'000
Opening balance	36,050	35,079	45,851	47,816
Applications during the period	1,459	3,187	1,911	4,123
Redemptions during the period	(2,781)	(2,266)	(3,631)	(2,949)
Units issued upon reinvestment of distribution	749	472	952	644
Profit/(loss) for the half-year		-	3,195	(4,921)
Closing balance	<u>35,477</u>	<u>36,472</u>	<u>48,278</u>	<u>44,713</u>

Note 5 Fair Value Measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the registered scheme to disclose its assets and liabilities held at fair value through profit or loss based on the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2019):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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
- inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The registered scheme measures and recognises the following assets and liabilities at fair value on a recurring basis:

- equity securities; and
- forward currency contracts.

The following table analyses within the fair value hierarchy model, the registered scheme's assets and liabilities measured at fair value through profit or loss at 31 December 2019 and 30 June 2019. The registered scheme has no assets or liabilities that are classified as level 3.

As at 31 December 2019

	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets			
Equity securities	37,830	1,967	39,797
Forward currency contracts	-	159	159
	<u>37,830</u>	<u>2,126</u>	<u>39,956</u>
Financial liabilities			
Forward currency contracts	-	237	237
	<u>-</u>	<u>237</u>	<u>237</u>
Total of financial assets less liabilities	<u>37,830</u>	<u>1,889</u>	<u>39,719</u>

Note 5 Fair Value Measurement (continued)

As at 30 June 2019

	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets			
Equity securities	34,002	2,119	36,121
Forward currency contracts	-	75	75
	<u>34,002</u>	<u>2,194</u>	<u>36,196</u>
Financial liabilities			
Forward currency contracts	-	137	137
	<u>-</u>	<u>137</u>	<u>137</u>
Total of financial assets less liabilities	<u>34,002</u>	<u>2,057</u>	<u>36,059</u>

The registered scheme's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets or liabilities measured at fair value through profit or loss during the half-year.

Valuation techniques used to classify assets and liabilities as level 1

The majority of the equity securities held by the registered scheme are valued using quoted prices in active markets, and these 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; and
- Certain P-Notes/warrants are classified as level 2, because they are traded over-the counter and are often priced in a different currency to the underlying security.

Note 6 Distribution to unitholders

The distribution paid during the half-year in cents per unit (CPU) was as follows:

	2019 \$'000	2019 CPU	2018 \$'000	2018 CPU
30 June distribution paid during the half-year	2,803	7.78	3,174	9.05
	<u>2,803</u>	<u>7.78</u>	<u>3,174</u>	<u>9.05</u>

Note 7 Notes relating to the statement of cash flows

Reclassification of prior period amounts relating to the statement of cash flows

Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results or operations and relate to increasing or decreasing the "purchases of financial assets" and the "Effects of exchange rate changes on cash" in the statement of cash flows on pages 8, by the same amount. The "Cash and cash equivalents at the end of the half-year" did not change.

	31 Dec 2018 \$'000
Purchase of financial assets	2,448
Proceeds from the sale of financial assets	(2,527)
Effects of exchange rate changes on cash	79
Net impact	-

Note 8 Events Occurring after Balance Date

Since 31 December 2019, the Investment Manager has commented with respect to the coronavirus that *“Currently, it is hard to estimate the likely duration, scale and impact of the coronavirus and we continue to monitor this issue.”*

Apart from this, there are no other matters or circumstances that have arisen since 31 December 2019 that have significantly affected, or may significantly affect the registered scheme’s operations, the results of those operations, or the registered scheme’s state of affairs in future financial years.

Note 9 Contingent Assets, Liabilities and Commitments

The registered scheme has no contingent assets, liabilities or commitments as at 31 December 2019.

**Platinum Global Fund
Directors' Declaration
31 December 2019**

In the opinion of the Directors' of the responsible entity, the financial statements and notes of the Platinum Global Fund (*'the registered scheme'*) as set out on pages 5 to 12:

- (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; and
 - (ii) giving a true and fair view of the financial position of the registered scheme as at 31 December 2019 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the registered scheme will be able to pay its debts as and when they become due and payable.

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



Andrew Stannard
Director

Sydney
28 February 2020



Independent auditor's review report to the unitholders of Platinum Global Fund

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Platinum Global Fund (the Registered Scheme) which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors of the Responsible Entity's declaration.

Directors of the Responsible Entity's responsibility for the half-year financial report

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Platinum Global Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Platinum Global Fund is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the Registered Scheme for the half-year ended 31 December 2019 included on Platinum Global Fund's web site. The Registered Scheme's directors are responsible for the integrity of the Platinum Global Fund web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over the printed name.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written over the printed name.

CJ Cummins
Partner

Sydney
28 February 2020