

Platinum Asset Management Limited

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31 December 2014, Half-Yearly Analyst Briefing
20 February 2015



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PTM half-yearly results

	DEC 2014 (\$MN)	DEC 2013 (\$MN)	\$ CHANGE	% CHANGE
Management and admin fees	157.0	136.9	20.1	
Performance fees	0.4	24.0	(23.6)	
Interest income	4.0	5.4	(1.4)	
Net gains / (losses) on FX, FA & other income	5.1	(3.8)	8.9	
Total revenue	166.5	162.5	4.0	2.5
Staff costs	8.8	7.8	1.0	12.8
Custody and unit registry costs	8.5	6.3	2.2	34.9
Business development costs	2.6	2.4	0.2	8.3
Share-based payments	-	0.4	(0.4)	(100.0)
Other costs	5.1	4.6	0.5	10.9
Total costs	25.0	21.5	3.5	16.3
Pre-tax profit	141.5	141.0	0.5	0.4
Income tax expense	40.6	35.9	4.7	12.9
Net profit after tax	100.9	105.1	(4.2)	(4.0)
Diluted EPS	17.24	17.92		(3.8)
Average FUM	24.3	21.4		13.6
Total no. of shares – issued (mn)	581.9	578.7		
Total no. of shares – options (mn)	4.8	8.0		



Source: Platinum



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PTM half-yearly results

(as at 31 Dec 2014)

Management fee revenue	up 14%	+\$20mn
Performance fee revenue		-\$24mn

Costs	up 16%	+\$4mn
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Costs increase attributed to custody, registry, other admin costs – this is related to FUM growth, UCITS establishment, continuous disclosure reporting to unit holders; also staff costs – related to growth in the investment team and compliance – see Consolidated Accounts.

Pre-tax profit	up <1%	+\$0.5mn
Income tax	up 13%	+\$5mn
Net profit after tax	down 4%	-\$4mn

Tax increase due to Overseas Business Unit (OBU) 10% tax rate on offshore earnings – little performance fee on offshore earnings so 30% tax rate applied.

UCITS and US bank account gain	+\$9.4mn
JGB loss	-\$4.7mn



Source: Platinum

Funds Under Management (\$mn, half-yearly to 31 Dec 2014)

FUNDS	OPENING BALANCE (1 JULY 2014)	FLOWS	INVESTMENT PERFORMANCE	CLOSING BALANCE (31 DECEMBER 2014)
Platinum Trust Funds and Platinum Global Fund	15,861	502	1,844	18,207
MLC Platinum Global Fund	1,079	(84)	94	1,089
Management Fee Mandates	2,119	*(149)	208	2,178
'Relative' Performance Mandates ¹	3,190	20	305	3,515
'Absolute' Performance Mandates ²	693	(21)	63	735
TOTAL	22,942	268	2,514	25,724

The funds under management as at 18 February 2015: \$27,711.8 million. This is subsequent to a \$150 million withdrawal by an institutional client in the PT Funds due to reweighting out of equities.

* Includes outflow of \$84mn in UCITS seeding repaid to Platinum.

¹ Performance fee calculated to 30 June – all global mandates. The FUM consists of PT Funds performance fee clients - \$574K and super mandates \$3bn. Currently small performance fee accrual.

² Performance fee calculated to 31 December - \$398k due.



Source: Platinum



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Global market returns – huge deviations

YEAR END	NORTH AMERICA (%)	EUROPE (%)	JAPAN (%)	ASIA EX JAPAN (%)	EMERGING MARKETS (%)
2000	-12	-9	-28	-35	-31
2001	-13	-20	-29	-4	-3
2002	-23	-18	-10	-9	-6
2003	29	39	36	47	56
2004	11	21	16	17	26
2005	6	10	26	23	34
2006	15	34	6	33	32
2007	7	15	-4	40	39
2008	-38	-48	-29	-52	-53
2009	28	38	6	72	79
2010	15	5	15	19	19
2011	0	-12	-14	-17	-18
2012	15	19	8	22	18
2013	30	24	27	3	-3
2014	12	-7	-4	5	-2

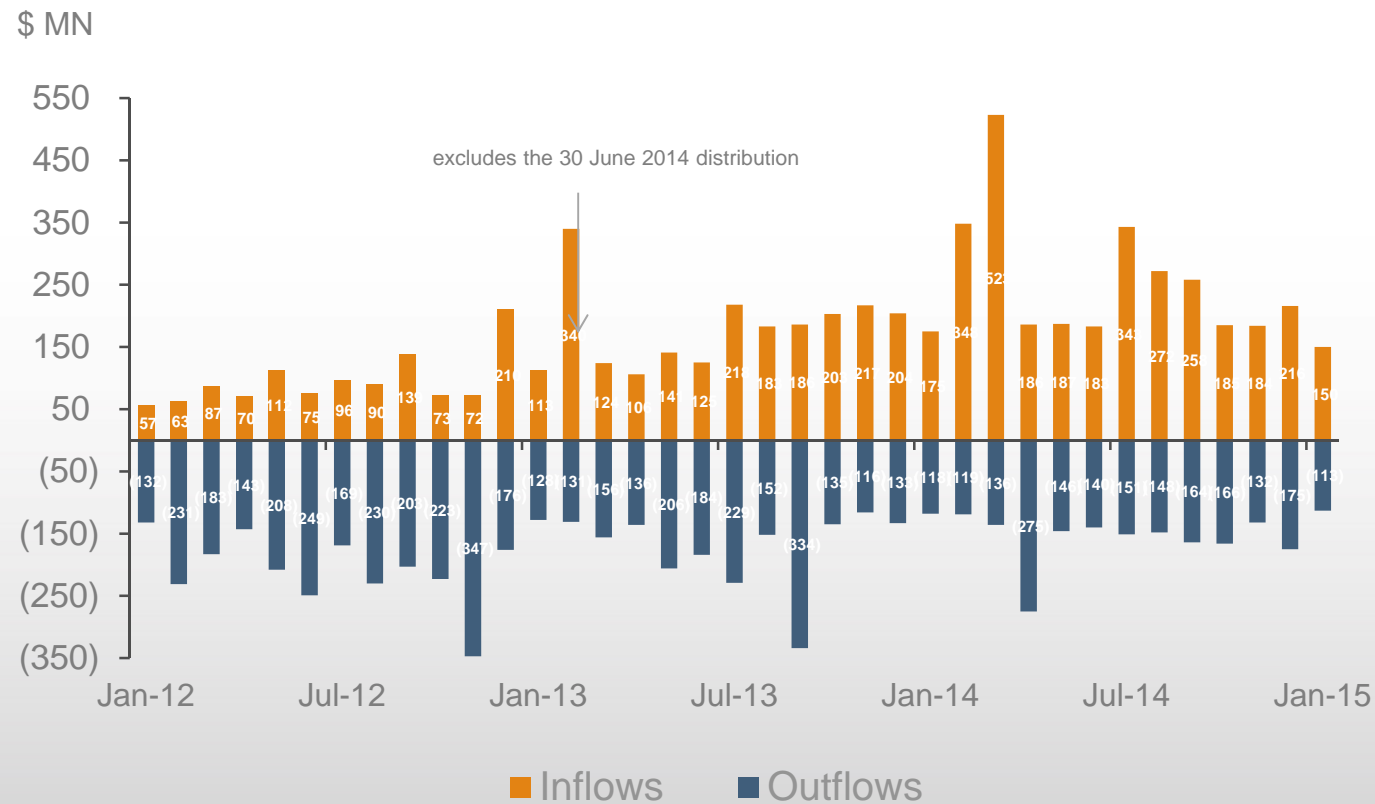


Source: MSCI

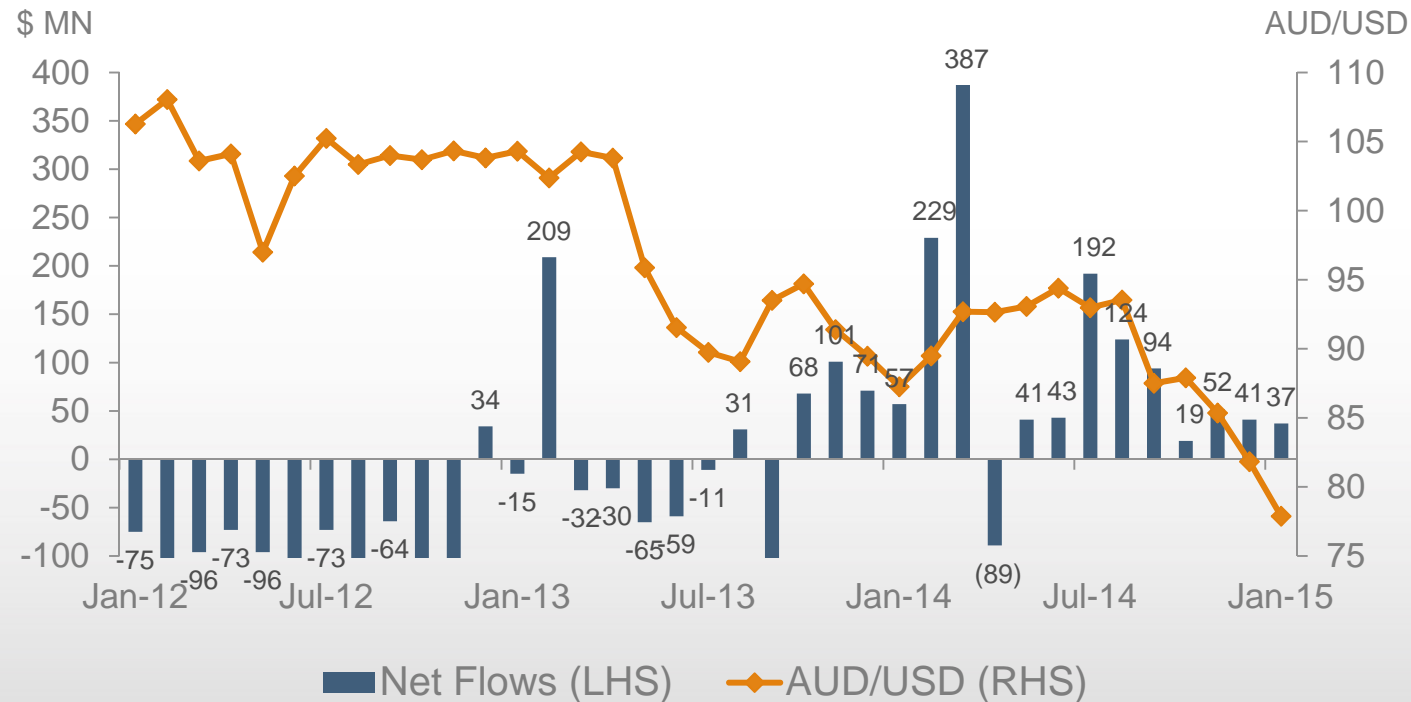


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PT Funds – monthly inflows and outflows

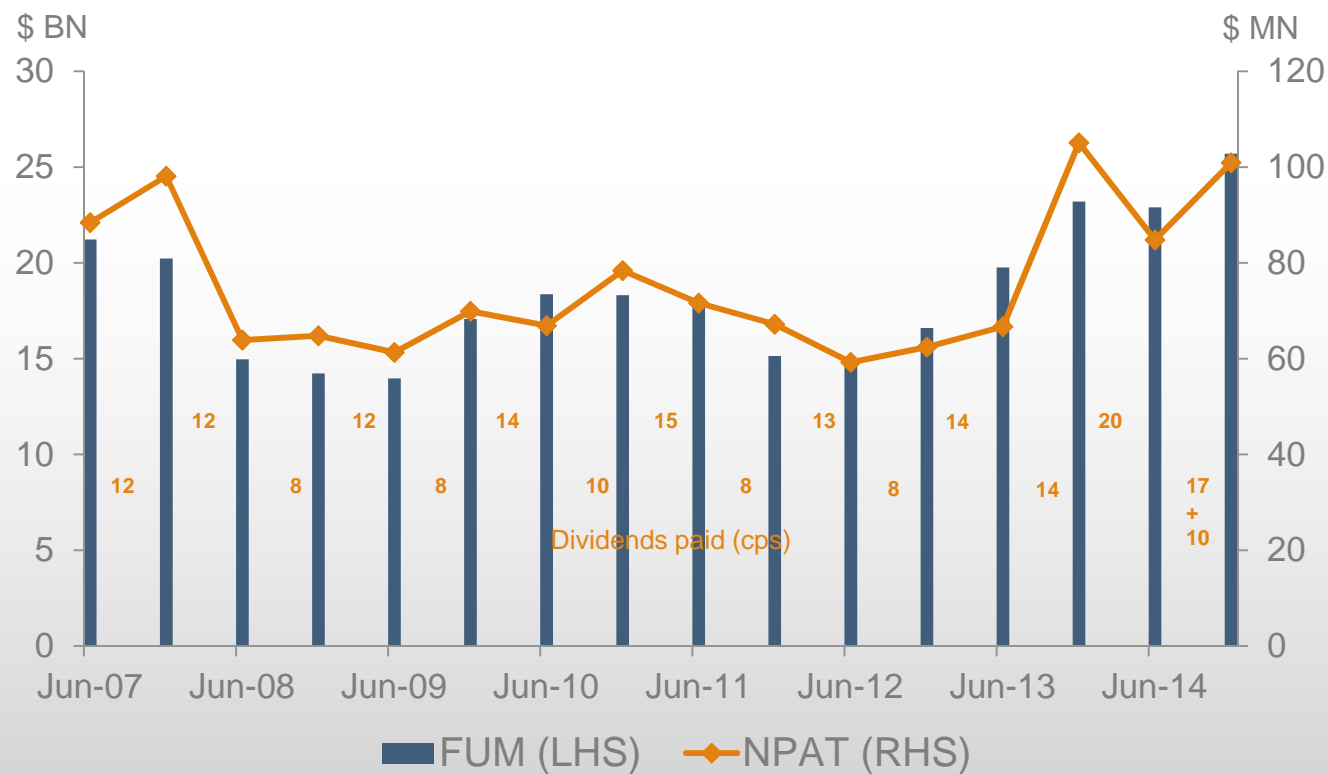


PT Funds – monthly net flows with AUD/USD overlay



- ¹ Surprisingly sluggish response by Australian retail investors to A\$ decline and movement to overseas equities.
- ² Strong Australian market has masked overseas opportunities.
- ³ The value of overseas investments will become more stark as Australian economy struggles and A\$ declines.

FUM and net profit after tax



Source: Platinum



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Initiatives

1. Distribution strategy – adviser and direct-to-consumer focus.

(35K PT funds reports mailed out to investors and advisers each quarter; expanding *The Journal* section of our website to video; national adviser and investor road shows; marketing strategies continue – recent events held with Morningstar and Eureka Report - access to direct audience/SMSF and FPA annual adviser congress.)

2. mFund (via ASX) – foundation member. Launched the 'Platinum Global Fund' in September 2014.

3. UCITS (Undertaking for Collective Investment in Transferable Securities) soon to launch.

4. Professional investor development continuing – but long lead times.

Balance sheet management

- Dividend - 17 cps fully franked.
- Special dividend of surplus cash given back to shareholders - 10 cps fully franked.

This is predicated on end-of-year buffer of around \$200mn.
This will be used to seed equity mandates.
May add to volatility – mark-to-market.



Source: Platinum



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Outlook

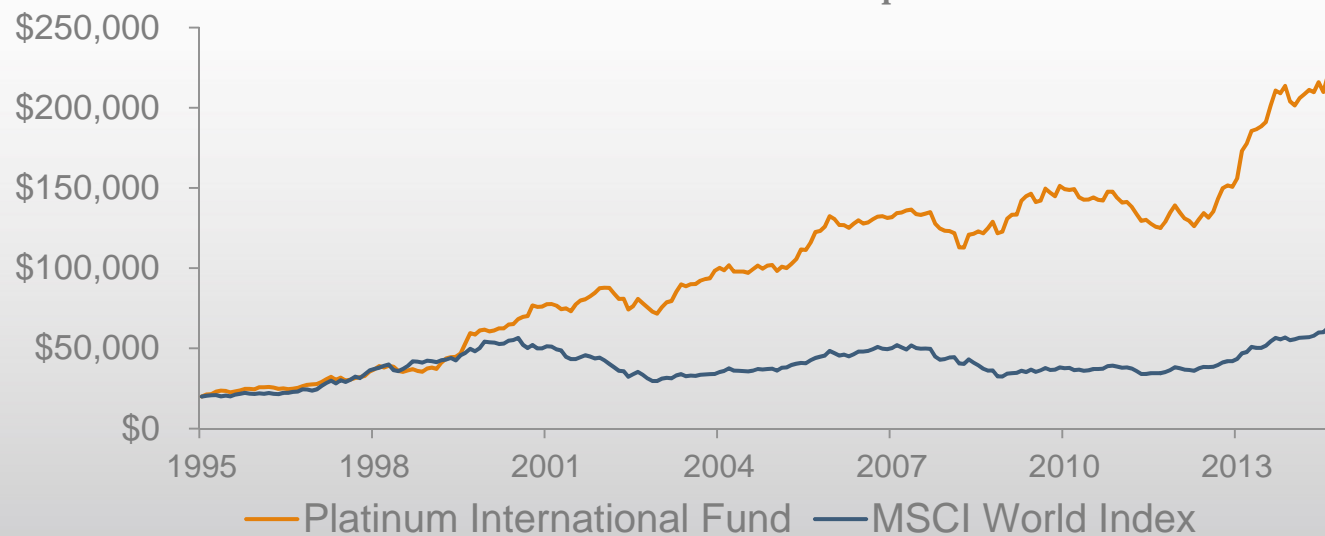
1. Big exposure to Asia – now starting to work.
2. Small teams and specialist approach generating large idea base.
3. Competitive debasement of currencies positive for real assets - equities.
4. A\$ weakness and more foreign equity exposure probable.

PIF Performance

(% compound pa, to 31 Jan 2015)

	<u>3 mths</u>	<u>6 mths</u>	<u>1 yr</u>	<u>3 yrs</u>	<u>5 yrs</u>	<u>Since Inception</u>
International Fund	13.3	12.6	13.7	22.6	10.1	13.3
<i>MSCI All Country World Net Index</i>	10.8	16.7	19.7	23.5	12.7	6.3

Value of \$20,000 invested since inception to 31 Jan 2015



Source: Platinum, MSCI



PT Funds' Performance

(% compound, pa, to 31 Jan 2015)

FUND	3 MTHS	6 MTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Platinum International Fund	13.3	12.6	13.7	22.6	10.1	13.3
<i>MSCI AC World Net Index</i>	<i>10.8</i>	<i>16.7</i>	<i>19.7</i>	<i>23.5</i>	<i>12.7</i>	<i>6.3</i>
Platinum Unhedged Fund	11.1	9.2	12.8	21.8	12.6	11.6
<i>MSCI AC World Net Index</i>	<i>10.8</i>	<i>16.7</i>	<i>19.7</i>	<i>23.5</i>	<i>12.7</i>	<i>6.2</i>
Platinum Asia Fund	17.8	22.6	35.8	24.5	12.2	17.5
<i>MSCI AC Asia ex Japan Net Index</i>	<i>13.6</i>	<i>16.1</i>	<i>26.7</i>	<i>18.6</i>	<i>10.2</i>	<i>11.1</i>
Platinum European Fund	10.8	10.8	4.2	22.9	13.4	12.1
<i>MSCI AC Europe Net Index</i>	<i>10.0</i>	<i>9.3</i>	<i>8.2</i>	<i>21.1</i>	<i>8.8</i>	<i>2.3</i>
Platinum Japan Fund	19.4	20.2	20.9	33.5	15.8	15.2
<i>MSCI Japan Net Index</i>	<i>14.2</i>	<i>15.8</i>	<i>14.5</i>	<i>20.8</i>	<i>8.4</i>	<i>1.5</i>
Platinum International Brands Fund	9.9	10.5	7.9	19.4	13.3	13.1
<i>MSCI AC World Net Index</i>	<i>10.8</i>	<i>16.7</i>	<i>19.7</i>	<i>23.5</i>	<i>12.7</i>	<i>1.4</i>
Platinum International Health Care Fund	17.5	24.8	18.8	28.6	19.3	9.3
<i>MSCI AC World Health Care Net Index</i>	<i>16.0</i>	<i>31.1</i>	<i>34.7</i>	<i>37.1</i>	<i>20.0</i>	<i>9.4</i>
Platinum International Technology Fund	10.5	13.5	12.4	21.2	10.1	9.3
<i>MSCI AC World IT Net Index</i>	<i>13.4</i>	<i>22.9</i>	<i>29.6</i>	<i>27.8</i>	<i>16.3</i>	<i>-3.2</i>



Source: Platinum, MSCI



Disclaimer

Platinum Asset Management Limited ABN 13 050 064 287 has prepared this presentation material.

Performance results shown have been calculated using the Platinum International Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions.

MSCI data has been sourced through MSCI Inc.

