Platinum Global Fund

ARSN 600 630 537

Interim Financial Report - 31 December 2015

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The interim financial report was authorised for issue on 25 February 2016 by the Directors, who have the power to amend and re-issue the interim financial report.

This interim 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 2015. In addition, reference should be made to any public pronouncements made in respect of the registered scheme during the interim reporting period.

Platinum Global Fund
Responsible Entity Report
31 December 2015

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"*), present their report on the registered scheme for the half-year ended 31 December 2015.

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 comparative period presented in these accounts is for the period 22 July 2014 to 31 December 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 during the half-year and up to the date of this report were:

Kerr Neilson
Andrew Clifford
Elizabeth Norman
Andrew Stannard (appointed 10 August 2015)

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, not otherwise disclosed in this report or the financial statements.

Operating and Financial Review (OFR)
The registered scheme has predominantly maintained its investment strategy in listed equities, equity and index derivatives and currency contracts. The last 6 months have presented a challenging investment environment characterised by tremors in the Chinese market and the collapse of many commodity prices. The registered scheme generated negative returns for the six months to 31 December 2015 of (2.3)%. The Benchmark MSCI AC World Net Index in A$ terms generated a return of 0.5% for the same period.

The performance of the registered scheme, as represented by the results of its operations for the half-year ended 31 December 2015, amounted to a net operating loss of $548,000 (31 December 2014: net operating profit of $982,000).

The registered scheme distributes annually at 30 June.

The redemption price of the registered scheme as at 31 December 2015 was 1.1385 (30 June 2015: (cum-distribution) 1.1986).

Platinum Asset Management ("*the investment manager*") reports that "the World is growing, albeit slowly, company profit prospects are not universally bleak. Valuations, too, are not universally high and we have a broad conviction to a group of strong Asian companies that are priced at absolute and relatively low valuations".

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 the Australian Securities & Investments Commission's Class Order 98/0100 (as amended), consequently, amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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 5.

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

Andrew Stannard	Sydney
Director	25 February 2016

Auditor's Independence Declaration

As lead auditor for the review of Platinum Global Fund for the half-year ended 31 December 2015, 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.

SJ Smith
Partner
PricewaterhouseCoopers

Sydney
25 February 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Platinum Global Fund
Statement of Comprehensive Income
For the half-year ended 31 December 2015

	31 Dec 2015 $'000	22 Jul 2014 to 31 Dec 2014 $'000
Investment income		
Dividends	231	38
Interest	14	2
Net gains on financial assets at fair value through profit or loss	(379)	659
Net foreign exchange gains/(losses) on forward currency contracts	(134)	289
Net foreign exchange gains/(losses) on bank accounts	(47)	81
Total net investment income	(315)	1,069
Expenses		
Management fee	160	48
Administration fee	11	3
Withholding tax on foreign dividends	8	5
Transaction costs	54	31
Total expenses	233	87
Net operating profit	(548)	982
Financing costs		
Net operating profit attributable to unitholders for the period	(548)	982
(Increase)/Decrease in net assets attributable to unitholders	548	(982)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

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 2015

	Note	**31 Dec 2015 $'000**	**30 Jun 2015 $'000**
Assets			
Cash and cash equivalents		4,533	2,401
Receivables		31	20
Financial assets at fair value through profit or loss	3	20,109	19,109
Total Assets		24,673	21,530
Liabilities			
Unitholders' distribution payable		-	602
Payables		1,082	28
Financial liabilities at fair value through profit or loss	3	30	35
Total Liabilities (excluding net assets attributable to unitholders)		1,112	665
Net Assets Attributable to Unitholders	4	23,561	20,865

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 2015

	31 Dec 2015 $'000	22 Jul 2014 to 31 Dec 2014 $'000
Total equity at the beginning of the period/half-year	-	-
Profit for the period/half year	-	-
Other comprehensive income for the period/half-year	-	-
Total comprehensive income for the period/half-year	-	-
Transactions with equity holders	-	-
Total equity at the end of the period/half-year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered scheme has no equity for financial reporting purposes.

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 2015

	31 Dec 2015 $'000	22 Jul 2014 to 31 Dec 2014 $'000
Cash flows from operating activities		
Purchase of financial assets	(11,163)	(12,449)
Proceeds from sale of financial assets	10,667	1,866
Interest received	14	2
Dividends received	241	31
Manager's fees paid	(169)	(35)
Other expenses paid	(55)	(35)
Net cash inflow/(outflow) from operating activities	(465)	(10,620)
Cash flows from financing activities		
Proceeds from units issued	4,010	11,543
Payment for units redeemed	(766)	-
Distributions paid	(602)	-
Net cash inflow/(outflow) from financing activities	2,642	11,543
Net increase/(decrease) in cash and cash equivalents	2,177	923
Cash and cash equivalents at the beginning of the half-year	2,401	-
Effects of exchange rate changes on cash and cash equivalents	(45)	81
Cash and cash equivalents at the end of the half-year	4,533	1,004

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

Note 1 General Information

This interim financial report covers the Platinum Global Fund ("the registered scheme"). The registered scheme was incorporated on 22 July 2014 and hence the comparative income period covers the period from 22 July 2014 to 31 December 2014.

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 general purpose financial report for the interim half-year reporting period ended 31 December 2015 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 2015 and any public pronouncements made in respect of the registered schemes 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 not mandatory for the 31 December 2015 reporting period

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting period. The accounting standard of relevance to the registered scheme is discussed below as is the assessment of its impact.

AASB 9 Financial Instruments (and applicable amendments)
AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It now includes revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018. The standard has been assessed as not having a significant impact on the recognition and measurement of the registered scheme's financial instruments as the financial instruments are carried at fair value through profit or loss.

Amendment to AASB 15 Revenue from contracts with customers
On 11 September 2015, the International Accounting Standards Board (IASB) issued an amendment to *IFRS 15 Revenue from contracts with customers* to defer the effective date by one year to 2018. The standard was assessed as not having a material impact on the registered scheme in the current or future reporting period.

There are no other standards that are not yet effective that are expected to have a material impact on the registered scheme in the current or future reporting periods and on foreseeable future transactions.

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

	31 Dec 2015 $'000	30 Jun 2015 $'000
Financial assets		
Equity securities	20,071	19,090
Forward currency contracts	38	19
	20,109	19,109
Financial liabilities		
Forward currency contracts	30	35
	30	35
Total of financial assets less liabilities	20,079	19,074

Note 4 Net Assets Attributable to Unitholders

Movements in units and net assets attributable to unitholders during the half-year ended 31 December 2014 were as follows:

	31 Dec 2015 $'000	22 Jul 2014 to 30 Jun 2015 $'000
Opening balance	20,865	-
Applications during the period	4,010	19,158
Redemptions during the period	(766)	(21)
Increase in net assets attributable to unitholders	(548)	1,728
Closing balance	23,561	20,865

	Units '000	Units '000
Opening balance	17,864	-
Number of units issued during the period	3,447	17,881
Number of units redeemed during the period	(669)	(17)
Closing balance	20,642	17,864

Note 5 Fair Value Measurement

AASB 13 *Fair Value Measurement* requires the registered scheme to classify its assets and liabilities held at fair value based on the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2015):

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
b) 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
c) 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, pursuant to AASB 13, on a recurring basis:

- equity securities, long equity swaps and long futures;
- short equity swaps and short futures; and
- forward currency contracts.

Note 5 Fair Value Measurement (continued)

The following table analyses within the fair value hierarchy model, the registered scheme's assets and liabilities measured at fair value at 31 December 2015 and 30 June 2015. The registered scheme has no assets or liabilities that are classified as level 3.

31 December 2015	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**
Financial assets			
Equity securities	17,263	2,808	20,071
Forward currency contracts	-	38	38
	17,263	2,846	20,109
Financial liabilities			
Forward currency contracts	-	30	30
	-	30	30
Total of financial assets less liabilities	17,263	2,816	20,079

30 June 2015	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**
Financial assets			
Equity securities	15,388	3,702	19,090
Forward currency contracts	-	19	19
	15,388	3,721	19,109
Financial liabilities			
Forward currency contracts	-	35	35
	-	35	35
Total of financial assets less liabilities	15,388	3,686	19,074

The registered schemes' 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 during the half-year.

Valuation techniques used to classify assets and liabilities as level 1
Nearly all of the equity securities held by the registered schemes are valued based on quoted prices in active markets, with the exception of P-Notes as listed below. Accordingly, nearly all equity securities 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
- P-Notes 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 Events Occurring after Balance Date

No significant events have occurred since balance date that would impact the financial position of the registered scheme as at 31 December 2015 and the results for the half-year ended on that date.

Note 7 Contingent Assets, Liabilities and Commitments

The registered scheme has no contingent assets, liabilities or commitments as at 31 December 2015 and 30 June 2015.

Platinum Global Fund
Statement of Net Asset Value
As at 31 December 2015

Reconciliation of Net Asset Value before Unitholders' Liability in accordance with Australian Accounting Standards to the Redemption Value

	31 Dec 2015 $'000	30 Jun 2015 $'000
Net assets attributable to unitholders per Statement of Financial Position	23,561	20,865
Distributions paid and payable to unitholders	-	602
Redemption cost of financial assets	(59)	(54)
Net Asset Value for redemption purposes	23,502	21,413
Redemption price	1.1385	1.1986

Platinum Global Fund
Directors' Declaration
31 December 2015

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 11:

(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 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial 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	Sydney
Director	25 February 2016

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 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Platinum Investment Management Limited (the responsible entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 entity's financial position as at 31 December 2015 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*.

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:

a) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

SJ Smith
Partner

Sydney
25 February 2016