

Platinum Quoted Managed Funds

Product Disclosure Statement

Issue Date: 14 September 2017

Issued by Platinum Investment Management Limited
ABN 25 063 565 006 AFSL 221935

**Platinum International Fund
(Quoted Managed Hedge Fund)**

ARSN 620 895 301 ASX code: PIXX

**Platinum Asia Fund
(Quoted Managed Hedge Fund)**

ARSN 620 895 427 ASX code: PAXX

Important Notice to Investors

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management (“**Platinum**”), is the responsible entity (“**Responsible Entity**”) and the investment manager for the Platinum International Fund (Quoted Managed Hedge Fund) and Platinum Asia Fund (Quoted Managed Hedge Fund) (each a “**Fund**” and together, the “**Funds**”) offered under this Product Disclosure Statement dated 14 September 2017 (“**PDS**”).

The Funds are registered managed investment schemes that have made an application to the Australian Securities Exchange (“**ASX**”) for the units in the Funds (“**Units**”) to be admitted to trading status on the ASX under the AQUA Rules.

The information in this PDS is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This PDS should not be construed as financial, taxation, legal or other advice. You should not invest in the Funds unless you have read this PDS in its entirety. Investing in the Funds is subject to certain risks (refer to “Significant Risks” associated with each Fund under the “Key Information Summary” section), including possible delays in withdrawal and loss of income and capital invested. You should carefully consider these risks in light of your personal circumstances. There may be additional risks that should be considered in light of your personal circumstances. Before you invest, you should also assess and consider the financial and tax implications of investing in the Funds and seek advice from a licensed financial adviser and tax adviser.

Neither we nor any of our associates guarantee or make any representations as to the performance of the Funds, the maintenance or repayment of capital, the price at which Units may trade or any particular rate of return.

All amounts in this PDS are given in, and historical returns are based upon, Australian dollars (unless otherwise specified). All figures are sourced from Platinum unless otherwise expressly stated. Capitalised terms have the meanings as set forth in the Glossary (refer to page 41). References to “we”, “us”, “our”, “Platinum” and “Platinum Asset Management” are to Platinum Investment Management Limited as the Responsible Entity of the Funds. References to “Investor”, “you” or “your” are to Investors in the Funds.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Funds in any jurisdiction outside Australia and New Zealand. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

A copy of this PDS has been lodged with ASIC, however ASIC takes no responsibility for content of this PDS.

Information in this PDS is subject to change from time to time. To the extent that a change is not materially adverse to holders, it may be updated by the Responsible Entity posting a notice of the change on its website at <http://www.platinum.com.au>. In addition, any material updates will also be notified to Investors through the ASX announcements platform. A paper copy of any updated information will be provided free of charge on request.

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0800 700 726 (New Zealand only) – phone
+ 61 2 9255 7500 – phone
+ 61 2 9254 5590 – fax
invest@platinum.com.au – email

Platinum’s website:

www.platinum.com.au

Unit Registry:

1300 554 474 – phone
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Platinum Quoted Managed Funds[™]

Supplementary Product Disclosure Statement

Issue Date: 23 February 2018

Issued by Platinum Investment Management Limited
ABN 25 063 565 006
AFSL 221935

**Platinum International Fund
(Quoted Managed Hedge Fund)[™]**

ARSN 620 895 301 ASX code: PIXX

**Platinum Asia Fund
(Quoted Managed Hedge Fund)[™]**

ARSN 620 895 427 ASX code: PAXX

This Supplementary Product Disclosure Statement ("**SPDS**") relates to the Platinum Quoted Managed Funds Product Disclosure Statement dated 14 September 2017 ("**PDS**"). This SPDS must be read together with the PDS.

The purpose of this SPDS is to update Disclosure Principle 2 on page 17 of the PDS to reflect forthcoming changes to the responsibilities of the Portfolio Managers of the Platinum International Fund, the Underlying Fund of the Platinum International Fund (Quoted Managed Hedge Fund). Accordingly, the following page replaces Disclosure Principle 2 on page 17 of the PDS in its entirety.

Disclosure Principles

Disclosure Principle 2: Investment manager

Regulatory findings There have been no significant adverse regulatory findings against Platinum.

Current Portfolio Managers

Portfolio Manager	Fund	Qualifications	Investment Management Experience	Years with Platinum
Kerr Neilson <i>(Chief Executive Officer)</i>	Platinum International Fund	BCom	48 years	23 years
Andrew Clifford <i>(Chief Investment Officer)</i>	Platinum International Fund	BCom (Hons), Dip. SIA	28 years	23 years
Clay Smolinski	Platinum International Fund	BCom	11 years	11 years
Joseph Lai	Platinum Asia Fund	MBBS, MBA, CFA	13 years	13 years

Effective 1 July 2018, the Portfolio Managers will be:

Portfolio Manager	Fund	Qualifications	Investment Management Experience	Years with Platinum
Andrew Clifford <i>(Chief Executive Officer & Chief Investment Officer)</i>	Platinum International Fund	BCom (Hons), Dip. SIA	29 years	24 years
Clay Smolinski	Platinum International Fund	BCom	12 years	12 years
Joseph Lai	Platinum Asia Fund	MBBS, MBA, CFA	14 years	14 years

Portfolio Managers are investment analysts with stock research responsibilities and retain ultimate responsibility for the Underlying Fund's portfolio construction. Investment analysts not identified above may share portfolio management responsibilities with the Portfolio Managers. The level of their portfolio management responsibilities will vary from time to time and will be determined by the Chief Investment Officer. Portfolio Managers may also manage different funds to those stated above. The Chief Investment Officer has responsibility for the implementation of the investment strategy of the Underlying Funds and the investment process across the investment team. The Underlying Funds' investment personnel spend as much time as required to accomplish the investment objectives of the Underlying Funds.

There have been no regulatory findings against any of the Portfolio Managers.

Invitation from the Chief Executive Officer of Platinum Asset Management

Dear Investor,

I am pleased to offer you the opportunity to invest in the Platinum International Fund (Quoted Managed Hedge Fund) ("**PIXX**") and/or the Platinum Asia Fund (Quoted Managed Hedge Fund) ("**PAXX**").

The PIXX is an ASX quoted feeder fund into Platinum's flagship international equity fund, the Platinum International Fund ("**PIF**"), a registered unlisted managed investment scheme, with a track record of over 22 years and AUM of \$9.9 billion as at 31 July 2017; and the PAXX is an ASX quoted feeder fund into Platinum's flagship Asian equity fund, the Platinum Asia Fund ("**PAF**"), a registered unlisted managed investment scheme, with a track record of over 14 years and AUM of \$4.1 billion as at 31 July 2017.

PIXX and PAXX trade under the ASX Codes PIXX and PAXX, respectively. The Units in PIXX and PAXX are traded on the ASX AQUA market in a similar fashion to securities traded on the ASX, providing Investors with an opportunity to indirectly access PIF and PAF through their normal share trading platform or stockbroker.

Platinum Investment Management Limited is the responsible entity and the investment manager of both the PIXX and the PAXX.

Investing in PIXX and PAXX is not without risk. Investors should read this Product Disclosure Statement thoroughly before deciding whether to invest, and should seek advice from a professional taxation, financial and/or legal adviser.

Yours faithfully,

Kerr Neilson

Chief Executive Officer
Platinum Investment Management Limited

Key Information Summary

1. About Platinum

Platinum Investment Management Limited is the Responsible Entity and investment manager for:

- Platinum International Fund (Quoted Managed Hedge Fund) (“**PIXX**”); and
- Platinum Asia Fund (Quoted Managed Hedge Fund) (“**PAXX**”)

(together, **the Funds**).

As Responsible Entity, Platinum is responsible for overseeing the operations of both the Funds. As the investment manager, Platinum is responsible for selecting and managing the assets of each Fund. Each Fund is a “feeder fund” into an existing unlisted registered managed investment scheme of which Platinum is also the responsible entity and investment manager. For more information please see pages 8 to 9.

The PIXX primarily invests into Platinum’s flagship international equity fund, the Platinum International Fund (“**PIF**”), a registered unlisted managed investment scheme, which was established on 4 April 1995. For more information on the historic performance of PIF please refer to page 8.

The PAXX primarily invests into Platinum’s flagship Asian equity fund, the Platinum Asia Fund (“**PAF**”), a registered unlisted managed investment scheme, which was established on 3 March 2003. For more information on the historic performance of PAF please refer to page 9.

In addition, Platinum, as Responsible Entity of the Funds, may provide liquidity to Investors on the ASX AQUA market by acting as a buyer and seller of Units. Platinum has appointed a market participant to act as its agent to execute its market making activities.

2. Platinum International Fund (Quoted Managed Hedge Fund)

Fund name	Platinum International Fund (Quoted Managed Hedge Fund) (“ PIXX ”)
ARSN	620 895 301
ASX Code	PIXX
Responsible Entity and Investment Manager	Platinum Investment Management Limited trading as Platinum Asset Management (Platinum) ABN 25 063 565 006, AFSL 221935 GPO Box 2724 Sydney NSW 2001 Level 8, 7 Macquarie Place Sydney NSW 2000 Australia
About the PIXX	<p>The PIXX is an Australian registered managed investment scheme.</p> <p>The PIXX will primarily invest in units of the Platinum International Fund (“PIF” or “Underlying Fund”), and some cash. The PIXX may also invest in exchange traded Derivatives and forward foreign exchange contracts for risk management purposes, albeit not to a material extent.</p> <p>The Underlying Fund or PIF primarily invests in the securities of companies listed on stock exchanges around the world.</p> <p>The Underlying Fund’s Portfolio will ideally consist of 70 to 140 securities that Platinum believes to be undervalued by the market. PIF will also, from time to time, have exposure to cash when undervalued securities cannot be found. PIF may short sell securities that Platinum considers overvalued.</p> <p>The Underlying Fund’s Portfolio will typically have 50% or more net equity exposure and is constructed in accordance with Platinum’s ‘Investment Strategy’ – refer to page 15.</p>
Investment Objective	To provide capital growth over the long-term by providing exposure to undervalued listed investments around the world.
Net Asset Value	<p>The assets of the PIXX are valued by State Street Australia Limited. In normal market conditions, the Net Asset Value (“NAV”) of the PIXX is calculated on each Business Day in accordance with PIXX’s Constitution. The NAV of the PIXX for a Business Day is usually calculated on the next Business Day and will reflect the last available NAV of the Underlying Fund, being the PIF.</p> <p>The NAV per Unit is calculated by dividing the NAV of the PIXX by the number of Units on issue in the PIXX.</p> <p>An indicative NAV per Unit (“iNAV”) will be published by the PIXX throughout the ASX Trading Day.</p>
Distributions	Distributions will generally be made annually at 30 June. Platinum also has the discretion to make interim distributions during the financial year.

Key Information Summary – continued

Entering and exiting the PIXX	<p>Investors can enter and exit the PIXX by buying and selling Units on the ASX AQUA market in the same way as ASX listed securities. The price at which Investors enter and exit the PIXX will be the price at which they buy or sell the Units on the ASX AQUA market.</p> <p>Investors may also be able to make an off-market request to withdraw their investment from the PIXX where trading in the Units on the ASX AQUA market has been suspended for five consecutive Business Days, subject to the provisions contained within the Constitution.</p>
Market liquidity	<p>Investors can buy Units from, and sell Units to, other investors in the secondary market in the same way as ASX listed securities.</p> <p>The Responsible Entity, on behalf of PIXX, may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. The Responsible Entity has appointed a market participant to act as its agent (referred to herein as a market making agent) to execute its market making activities.</p>
Fees and other costs	<p>1.10% investment management fee plus 15% relative outperformance fee. Please refer to "Fees and Other Costs" section (starting on page 26) for a detailed explanation of fees and costs.</p>
Risks	<p>All investments are subject to risk. The significant risks associated with the PIXX are described in this PDS.</p>
Cooling off and complaints	<p>Cooling off rights do not apply to Units traded on the ASX under the AQUA Rules, but a complaints handling process has been established.</p>
Transaction confirmations	<p>Investors buying or selling Units in the PIXX on the ASX will receive transaction confirmations from their stockbroker.</p>
Contact	<p>Investor Services 1300 726 700 (Australia only) – phone 0800 700 726 (NZ only) – phone + 61 2 9255 7500 – phone + 61 2 9254 5590 – fax invest@platinum.com.au – email</p>
Platinum's website	<p>www.platinum.com.au</p>
Custodian and Administrator	<p>State Street Australia Limited ("SSAL")</p>
Unit Registry	<p>Link Market Services Limited</p>
Auditor	<p>PricewaterhouseCoopers ("PwC")</p>
General information and updates	<p>Further information, including any updates issued by Platinum and other statutory reports, can be found at: www.platinum.com.au</p>
Significant Benefits	<p>Investing in the PIXX offers investors a range of benefits, including:</p> <ul style="list-style-type: none">• the ability to trade Units on the ASX during normal ASX trading hours;• the ability to track the performance of the Units on the ASX in a transparent manner;• access to Platinum's investment expertise and a professionally managed global equity portfolio;• prudent risk management; and• participation in any capital appreciation and income distributions of the PIXX.
Significant Risks	<p>The PIXX is not suited to investors who:</p> <ul style="list-style-type: none">• expect returns to mirror or better an index at all times. Platinum's investment process pays no heed to indices or recognised benchmarks;• expect to make significant short-term gains. The minimum suggested time horizon for the PIXX is five or more years; or• cannot tolerate that there may be substantial fluctuations in the value of their investment. Equity markets are volatile and fluctuations will occur in the value of your investment in the PIXX.

Key Information Summary – continued

3. Platinum Asia Fund (Quoted Managed Hedge Fund)

Fund name	Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX")
ARSN	620 895 427
ASX Code	PAXX
Responsible Entity and Investment Manager	Platinum Investment Management Limited trading as Platinum Asset Management (Platinum) ABN 25 063 565 006 AFSL 221935 GPO Box 2724 Sydney NSW 2001 Level 8, 7 Macquarie Place Sydney NSW 2000 Australia
About the PAXX	<p>The PAXX is an Australian registered managed investment scheme.</p> <p>The PAXX will primarily invest in units of the Platinum Asia Fund ("PAF" or "Underlying Fund") and some cash. The PAXX may also invest in exchange traded Derivatives and forward foreign exchange contracts for risk management purposes, albeit not to a material extent.</p> <p>The Underlying Fund or PAF primarily invests in the securities of Asian companies listed on stock exchanges around the world. Asian companies may list their securities on securities exchanges other than those in Asia, and PAF may invest in those securities also. PAF may invest in companies not listed in Asia, but where their predominant business is conducted in Asia. It may invest in companies that benefit from exposure to the Asian economic region.</p> <p>Platinum defines "Asia" as all countries that occupy the eastern part of the Eurasian landmass and its adjacent islands and is separated from Europe by the Ural Mountains, and includes the Russian Far East and companies based in China, Hong Kong, Taiwan, Korea, Malaysia, Singapore, India, Thailand, Indonesia, Philippines, Sri Lanka, Pakistan and Vietnam.</p> <p>The Underlying Fund's Portfolio will ideally consist of 50 to 100 securities that Platinum believes to be undervalued by the market. PAF will also, from time to time, have exposure to cash when undervalued securities cannot be found. PAF may short sell securities that Platinum considers overvalued.</p> <p>The Underlying Fund's Portfolio will typically have 50% or more net equity exposure and is constructed in accordance with Platinum's 'Investment Strategy' – refer to page 15.</p>
Investment Objective	To provide capital growth over the long-term by providing exposure to undervalued listed investments in the Asian region excluding Japan.
Net Asset Value	<p>The assets of the PAXX are valued by State Street Australia Limited. In normal market conditions, the Net Asset Value ("NAV") of the PAXX is calculated on each Business Day in accordance with PAXX's Constitution. The NAV of the PAXX for a Business Day is usually calculated on the next Business Day and will reflect the last available NAV of the Underlying Fund, being the PAF.</p> <p>The NAV per Unit is calculated by dividing the NAV of the PAXX by the number of Units on issue in the PAXX.</p> <p>An indicative NAV per Unit ("iNAV") will be published by the PAXX throughout the ASX Trading Day.</p>
Distributions	Distributions will generally be made annually at 30 June. Platinum also has the discretion to make interim distributions during the financial year.
Entering and exiting the PAXX	<p>Investors can enter and exit the PAXX by buying and selling Units on the ASX AQUA market in the same way as ASX listed securities. The price at which investors enter and exit the PAXX will be the price at which they buy or sell the Units on the ASX AQUA market.</p> <p>Investors may also be able to make an off-market request to withdraw their investment from the PAXX where trading in the Units on the ASX AQUA market has been suspended for five consecutive Business Days, subject to the provisions contained within the Constitution.</p>

Key Information Summary – continued

Market liquidity	<p>Investors can buy Units from, and sell Units to, other investors in the secondary market in the same way as ASX listed securities.</p> <p>The Responsible Entity, on behalf of PAXX, may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. The Responsible Entity has appointed a market participant to act as its agent (referred to herein as a market making agent) to execute its market making activities.</p>
Fees and other costs	<p>Please refer to “Fees and Other Costs” section (starting on page 26) for a detailed explanation of fees and costs.</p>
Risks	<p>All investments are subject to risk. The significant risks associated with the PAXX are described in this PDS.</p>
Cooling off and complaints	<p>Cooling off rights do not apply to Units traded on the ASX under the AQUA Rules, but a complaints handling process has been established.</p>
Transaction confirmations	<p>Investors buying or selling Units in the PAXX on the ASX will receive transaction confirmations from their stockbroker.</p>
Contact	<p>Investor Services 1300 726 700 (Australia only) – phone 0800 700 726 (NZ only) – phone + 61 2 9255 7500 – phone + 61 2 9254 5590 – fax invest@platinum.com.au – email</p>
Platinum’s website	<p>www.platinum.com.au</p>
Custodian and Administrator	<p>State Street Australia Limited (“SSAL”)</p>
Unit Registry	<p>Link Market Services Limited</p>
Auditor	<p>PricewaterhouseCoopers (“PwC”)</p>
General information and updates	<p>Further information, including any updates issued by Platinum and other statutory reports, can be found at: www.platinum.com.au</p>
Significant Benefits	<p>Investing in the PAXX offers investors a range of benefits, including:</p> <ul style="list-style-type: none">• the ability to trade Units on the ASX during normal ASX trading hours;• the ability to track the performance of the Units on the ASX in a transparent manner;• access to the Platinum’s investment expertise and a professionally managed Asia ex Japan equity portfolio;• prudent risk management; and• participation in any capital appreciation and income distributions of the PAXX.
Significant Risks	<p>The PAXX is not suited to investors who:</p> <ul style="list-style-type: none">• expect returns to mirror or better an index at all times. Platinum’s investment process pays no heed to indices or recognised benchmarks;• expect to make significant short-term gains. The minimum suggested time horizon for the PAXX is five or more years; or• cannot tolerate that there may be substantial fluctuations in the value of their investment. Equity markets are volatile and fluctuations will occur in the value of your investment in the PAXX.

About AQUA Rules and CHES

An application has been made to the ASX for the Units in each Fund to be admitted to trading status under the AQUA Rules framework. As at the date of this PDS, the Units are not yet quoted on the ASX. Once quoted, the Units will be quoted under the AQUA Rules, not the ASX Listing Rules. The AQUA Rules are accessible at www.asx.com.au.

The following table sets out the key differences between the ASX Listing Rules and the AQUA Rules.

Requirement	ASX Listing Rules	AQUA Rules
Continuous disclosure	Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the <i>Corporations Act 2001</i> (Cth) (" Corporations Act ").	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>The Responsible Entity will comply with the disclosure requirements in section 675 of the Corporations Act. This means that Platinum will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended). Platinum will publish such information on the ASX market announcements platform and its website at www.platinum.com.au at the same time as it is disclosed to ASIC.</p> <p>Under AQUA Rule 10A.4, the Responsible Entity must also disclose:</p> <ul style="list-style-type: none"> • information about the NAV of each Fund daily; • information about redemptions from the Funds; • information about distributions paid in relation to the Funds; • any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and • any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules. <p>In addition, under the AQUA Rules the Responsible Entity must immediately notify the ASX of any information the non-disclosure of which may lead to the establishment of a false market in the Units or which would be likely to materially affect the price of the Units.</p>
Periodic disclosure	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX market announcements platform.	<p>Issuers of products quoted under the AQUA Rules are not required to disclose half-yearly or annual financial information or reports to the ASX market announcements platform.</p> <p>The Responsible Entity is required to lodge financial information and reports in respect of each Fund with ASIC under Chapter 2M of the Corporations Act.</p>
Corporate governance	Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	<p>Although the Units are intended to be quoted under the AQUA Rules, neither the Funds nor the Responsible Entity itself are listed on the ASX and therefore they are not subject to certain corporate governance requirements.</p> <p>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act, and with section 601FM of the Corporations Act including that the Responsible Entity may be removed by an extraordinary resolution of members on which the Responsible Entity would not be entitled to vote.</p>

About AQUA Rules and CHESS – continued

Requirement	ASX Listing Rules	AQUA Rules
Related party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA Rules quoted products. The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the AQUA Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. An auditor will be appointed by the Responsible Entity to audit the financial statements and compliance plan of the Funds.

About CHESS

The Responsible Entity through its outsourced Unit Registry services provider participates in the Clearing House Electronic Sub-register System ("**CHESS**"). CHESS is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHESS on behalf of the Responsible Entity.

The Responsible Entity will not issue Investors with certificates in respect of their Units. Instead, when Investors purchase Units on the ASX they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the "Holder Identification Number" or "Shareholder Reference Number" allocated by CHESS.

Subject to ASX Operating Rules and the ASX Listing Rules, Platinum as the Responsible Entity may decline to register a purchaser of a Unit or Units.

Platinum International Fund (Quoted Managed Hedge Fund) (PIXX)

The PIXX's investment objective

To provide capital growth over the long-term by providing exposure to undervalued listed investments around the world.

The PIXX's investments

The Platinum International Fund (Quoted Managed Hedge Fund) ("PIXX") is a "feeder fund" which primarily invests into the Platinum International Fund (ARSN 089 528 307), a registered unlisted managed investment scheme ("PIF" or "Underlying Fund"), and some cash. The PIXX may also invest in exchange traded Derivatives and forward foreign exchange contracts for risk management purposes, albeit not to a material extent.

The PIXX minimum suggested time horizon

Five or more years.

The PIXX income distribution

Annually as at 30 June. Platinum also has a discretion to make interim distributions during the financial year.

Date the PIXX was established

PIXX was established on 17 August 2017.

About the Underlying Fund (PIF)

PIF was established on 4 April 1995.

PIF's investment objective

To provide capital growth over the long-term by investing in undervalued companies from around the world.

PIF's investments

PIF primarily invests in listed securities. PIF's Portfolio will ideally consist of 70 to 140 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. Refer further to 'Disclosure Principle 8: Short selling' on page 21.

PIF's Portfolio will typically have 50% or more net equity exposure and is constructed in accordance with Platinum's 'Investment Strategy' – refer to page 15.

PIF's portfolio value as at 31 July 2017

\$9,930 million

PIF's performance to 31 July 2017¹

	PIF %	MSCI %*
1 year	18.74	11.40
3 years (compound pa)	10.93	11.79
5 years (compound pa)	17.96	17.15
10 years (compound pa)	7.80	4.90
Since inception (compound pa)	12.74	6.40

* MSCI All Country World Net Index \$A

PIF's top ten holdings as at 31 July 2017

Stock	Country	Industry	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.2
Alphabet Inc	USA	Info Technology	2.9
Ping An A Share Note Exp	China	Financials	2.6
Lixil Group Corporation	Japan	Industrials	2.4
PICC Property & Casualty Co	China Ex PRC	Financials	2.4
Baidu.com ADR	China Ex PRC	Info Technology	2.3
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.2
Sanofi SA	France	Health Care	2.1
KB Financial Group	Korea	Financials	2.0
Oracle Corp	USA	Info Technology	2.0
Total			24.1

PIF's invested position as at 31 July 2017

	Long % ²	Net % ³	Currency % ⁴
Australia	0.2	0.2	0.9
Austria	1.0	1.0	
Brazil	0.5	0.5	0.5
Canada	0.6	0.6	0.6
China	4.6	4.6	6.4
China Ex PRC	18.2	18.2	
Hong Kong	0.0	0.0	12.0
Taiwan	0.4	0.4	0.4
Denmark	1.0	1.0	1.0
France	4.0	4.0	
Germany	3.9	3.9	
Hungary	0.2	0.2	0.2
India	6.7	6.7	7.0
Italy	3.0	3.0	
Japan	12.8	12.8	8.6
Korea	8.2	8.2	8.2
Malaysia	0.7	0.7	0.7
Norway	1.0	1.0	6.8
Russia	0.7	0.7	
Sweden	0.2	0.2	0.2
Switzerland	2.6	2.6	1.0
Thailand	0.3	0.3	0.4
United Kingdom	6.2	6.2	4.7
United States	15.9	6.1	26.4
	92.7	82.9	
Euro Currency			14.3
Cash	7.3	17.1	
Total	100.0	100.0	100.0

Long - 131 stocks, 2 swaps, 1 bond.

Short - 7 stocks, 2 indices.

Refer to PIF's **monthly update** and **quarterly investment report** for the latest information on investments held, and the Portfolio Manager's comments on PIF's performance and outlook. Both are available from Platinum's website or Investor Services.

1. Investment returns are calculated using PIF's daily unit price (C Class Units) and represent the combined income and capital returns in the specified period. They are net of fees and costs (excluding the buy-sell spread), are pre-tax and assume the reinvestment of distributions. PIF's C Class Units do not have an investment performance fee. The returns of PIXX may vary from the returns of PIF due to different cash positions and gains and losses arising as result of PIXX's market making activities. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of PIF and other risk factors associated with investing, investment returns can be negative (particularly in the short-term). Source: Platinum and RIMES Technologies. 2. PIF's exposure of physical holdings and long stock Derivatives. 3. PIF's exposure of physical holdings and both long and short Derivatives. 4. PIF's currency exposure position taking into account currency hedging. All figures in the Invested Position table are expressed as a percentage of PIF's NAV.

Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)

The PAXX's investment objective

To provide capital growth over the long-term by providing exposure to undervalued listed investments in the Asian region excluding Japan.

The PAXX's investments

The Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") is a "feeder fund" which primarily invests into the Platinum Asia Fund (ARSN 104 043 110), a registered unlisted managed investment scheme ("PAF" or "Underlying Fund"), and some cash. The PAXX may also invest in exchange traded Derivatives and forward foreign exchange contracts for risk management purposes, albeit not to a material extent.

The PAXX's minimum suggested time horizon

Five or more years.

The PAXX's income distribution

Annually as at 30 June. Platinum also has a discretion to make interim distributions during the financial year.

Date the PAXX was established

PAXX was established on 17 August 2017.

About the Underlying Fund (PAF)

PAF was established on 3 March 2003.

PAF's investment objective

To provide capital growth over the long-term by investing in undervalued companies in the Asian region excluding Japan.

PAF's investments

PAF primarily invests in listed securities of Asian companies. Asian companies may list their securities on securities exchanges other than those in Asia and PAF may invest in those securities. PAF may invest in companies not listed in Asia but where their predominant business is conducted in Asia. It may invest in companies that benefit from exposure to the Asian economic region.

Platinum defines "Asia" as all countries that occupy the eastern part of the Eurasian landmass and its adjacent islands and is separated from Europe by the Ural Mountains, and includes the Russian Far East and companies based in China, Hong Kong, Taiwan, Korea, Malaysia, Singapore, India, Thailand, Indonesia, Philippines, Sri Lanka, Pakistan and Vietnam.

PAF's Portfolio will ideally consist of 50 to 100 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. Refer further to 'Disclosure Principle 8: Short selling' on page 21.

PAF's Portfolio will typically have 50% or more net equity exposure and is constructed in accordance with Platinum's Investment Strategy' – refer to page 15.

1. Investment returns are calculated using PAF's daily unit price (C Class Units) and represent the combined income and capital returns in the specified period. They are net of fees and costs (excluding the buy-sell spread), are pre-tax and assume the reinvestment of distributions. PAF's C Class Units do not have an investment performance fee. The returns of PAXX may vary from the returns of PAF due to different cash positions and gains and losses arising as result of PAXX's market making activities. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of PAF and other risk factors associated with investing, investment returns can be negative (particularly in the short-term). Source: Platinum and RIMES Technologies. 2. PAF's exposure of physical holdings and long stock Derivatives. 3. PAF's exposure of physical holdings and both long and short Derivatives. 4. PAF's currency exposure position taking into account currency hedging.

All figures in the Invested Position table are expressed as a percentage of PAF's NAV.

PAF's portfolio value as at 31 July 2017

\$4,160 million

PAF's performance to 31 July 2017¹

	PAF %	MSCI %*
1 year	17.01	21.20
3 years (compound pa)	10.26	11.04
5 years (compound pa)	16.55	14.70
10 years (compound pa)	7.07	4.74
Since inception (compound pa)	15.00	10.37

* MSCI All Country Asia ex Japan Net Index \$A

PAF's top ten holdings as at 31 July 2017

Stock	Country	Industry	%
Alibaba Group ADR	China Ex PRC	Info Technology	4.3
Ayala Corp	Philippines	Financials	3.4
Axis Bank Ltd	India	Financials	3.1
Jiangsu Yanghe Brewery - A	China	Consumer Staples	3.1
Kasikornbank PCL Foreign	Thailand	Financials	3.0
Samsung Electronics Co Ltd	Korea	Info Technology	2.9
Sina Corp	China Ex PRC	Info Technology	2.9
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.8
Midea Group Co Ltd - A share	China	Cons Discretionary	2.7
Ping An Insurance Grp Co - A	China	Financials	2.5
Total			30.7

PAF's invested position as at 31 July 2017

	Long % ²	Net % ³	Currency % ⁴
China	9.2	9.2	8.3
China Ex PRC	40.2	40.2	
Hong Kong	0.7	0.7	27.4
Taiwan	2.9	2.9	2.8
India	14.2	14.2	15.0
Indonesia	0.2	0.2	0.2
Korea	9.7	9.7	9.7
Malaysia	1.0	1.0	1.0
Philippines	4.3	4.3	4.3
Singapore	1.2	1.2	
Thailand	5.3	5.3	5.3
Vietnam	2.9	2.9	2.9
	91.8	91.8	
Australian Dollar			0.8
China Renminbi Off Shore			(3.1)
UK Pound Sterling			0.1
United States Dollar			25.2
Cash	8.2	8.2	
Total	100.0	100.0	100.0

Long - 77 stocks, 4 swaps.

Refer to PAF's **monthly update** and **quarterly investment report** for the latest information on investments held, and the Portfolio Manager's comments on PAF's performance and outlook. Both are available from Platinum's website or Investor Services.

How Platinum Invests

This section describes Platinum's investment strategy with respect to the Underlying Funds that the PIXX and the PAXX will invest into being PIF and PAF, respectively.

Platinum is an active manager, and each of PIF and PAF are unlisted managed investment schemes which invest in global and Asian ex Japan equities, respectively, using the Platinum investment strategy.

Introduction

Platinum is an Australian-based investment manager specialising in international equities.

Platinum is the Responsible Entity and investment manager of the Funds.

Platinum manages approximately A\$23 billion, with around 8% of funds from investors in New Zealand, Europe, America, Asia and the rest from Australian investors*.

Platinum is owned by Platinum Asset Management Limited ABN 13 050 064 287, a company listed on the ASX. Platinum staff has relevant interests in the majority of Platinum Asset Management Limited's issued shares.

* Figures are as at 31 July 2017. Funds under management will change from time to time. The latest figure can be obtained from our website or Investor Services.

Why invest with Platinum?

Platinum is one of Australia's leading investment managers in international equities.

Platinum has an independent style of investment management driven by a thematic stock picking approach. The composition of each Underlying Fund is determined largely by the availability of companies regarded as undervalued by Platinum rather than by macro-economic modelling (referred to as top down asset allocation) or by reference to global share index weightings (referred to as benchmarking).

Platinum's investment strategy is applied with the aim of achieving absolute returns for Investors. This is our central endeavour. It is complemented by monthly and quarterly communications to keep Investors abreast of our perspective and portfolio positioning.

The Funds can be used as stand-alone investment options for international exposure or may be used to complement the investment styles of other managers.

How Platinum invests

Investment philosophy

Platinum is an active manager focused on delivering long-term absolute returns (i.e. returns in absolute terms, rather than relative to any benchmark).

Platinum's investment philosophy is centred on the belief that there are times when events of a transitory nature may have a disproportionate effect on a company's share price, be they positive or negative, causing it to deviate from its inherent trend line. Such events, in Platinum's view, present potential investment opportunities, if one is able to differentiate between the companies that have a sound business case but are facing temporary set-backs, from those which have lesser potential or face fundamental problems.

Platinum's style of investment management is focused on seeking out-of-favour and overlooked parts of the market. Its core expertise is in identifying companies that have sound businesses and promising growth prospects but are temporarily out-of-favour with the market.

Investment approach and process

To identify companies whose businesses and growth prospects are temporarily inappropriately valued by the market, Platinum builds each Underlying Fund's Portfolio through a process of individual stock selection (the "bottom-up approach") rather than from any pre-determined asset allocation by macro-economic modelling (the so-called "top-down" model) or by reference to any index weightings (the so-called "benchmarking" model).

Platinum applies both qualitative and quantitative analyses when selecting stocks. Considerations in connection with each company typically include, but are not limited to:

- whether the company's business is competitive and sustainable;
- the quality of the company's management;
- the company's ownership structure;
- whether the company is financially sound;
- the company's price to earnings ratio, price to book ratio, and free cash flow; and
- whether the company is likely to generate free cash flow that will grow.

Such analyses are underpinned by observations and studies of broader socio-political and macroeconomic themes and trends.

Furthermore, companies need to behave in such a way so as to be able to sustain their future operations. This rationale is often referred to as Environmental, Social and Governance considerations. In reality these elements are a component, amongst others, that affords a company's 'social license' to continue to operate. Not acting within the expectations of the broader community will hurt the ongoing viability of a company and its prospects, thereby diminishing our expectations of a company's future return to shareholders.

Platinum's investment process generally involves the following key elements:

Idea generation

Generation of themes and ideas in Platinum's investment process is eclectic in nature. Input from observations of the changing social and political landscape and the application of numeric skills are both regarded as an important part of the investment process.

Platinum places great store on the cross-pollination of ideas and the view that increasingly more weight should be applied to the global context of a company's operations than purely regional considerations.

Platinum's investment team is structured into sectoral/regional teams each with a team leader who is also a Portfolio Manager for the Underlying Funds, which are further supported by a team of quantitative analysts and dealers. The location, organisation structure, range of team meetings and internal infrastructure is all designed to foster a collaborative open approach and to facilitate the free flow of information between analysts with different geographic and industry responsibilities.

Screens

Platinum uses screening which allows for the selection of companies based on specific criteria (or "screens") across a databank of companies. This process allows Platinum to undertake cross-comparative studies of companies in its investable universe, thereby drawing up short-lists for more intense study. In setting these screens, Platinum may build on a hypothesis regarding social, political, or economic change. For example, a screen may seek to identify industry groups that are currently out-of-favour with investors.

Intensive research

Once a company has been identified as a potential investment opportunity, it is then investigated by investment analysts in greater detail and depth, utilising a variety of resources, including material from the company itself and its competitors, consultation with experts, reports from stockbroking analysts and industry material. Analysts are also often required to visit the companies being studied as well as their competitors and suppliers.

The analyst primarily responsible for the research and investigation of a company prepares a detailed report which is then subjected to the scrutiny of team members who meet to vigorously discuss and debate the merits of the case. The purpose of these meetings is to expose areas of concern and potential flaws in each investment proposal rather than to achieve a consensus. The final decision lies not with a committee, but solely between the analyst who is the promoter of the idea and the relevant Portfolio Manager.

The research report and/or investment review will include such matters as, for example, certain achievements expected from the company being proposed. These may vary considerably depending on the nature of the company involved, but, amongst other things, tend to include sales and earnings targets. Failure by the company to meet these targets would raise concern and, notwithstanding any price action, could result in the shares being sold. It is Platinum's experience that when targets are met or exceeded, the share price tends to overshoot expectations. Flexibility in selling may allow for the market's tendency to overreact.

Portfolio construction

As a consequence of the investment strategy, each of PIF and PAF's Portfolios will be built-up from a series of individual stock selections rather than from a pre-determined asset allocation. Investment weightings will vary considerably from benchmarks such as indices issued by Morgan Stanley Capital International Inc. ("MSCI").

In a way, Portfolio building can be seen as a layering process. At any time, there will be newly introduced ideas, others that have made an initial contribution, and others that are starting to tire. Care is taken to understand the inter-relationship of stocks within the Portfolio.

The Funds, the PIXX and the PAXX, will hold units in PIF and PAF, respectively. The PIF PDS and the PAF PDS are both available at www.platinum.com.au.

When undervalued securities cannot be found, Platinum will leave funds in cash. Therefore, after periods when the markets have performed strongly the Underlying Funds may hold significant cash positions.

Likewise, when Platinum's research reveals companies whose prospects are seen as overvalued, Platinum may take short positions in securities as a way of managing Portfolio risk – refer to 'Derivatives' and 'Short selling' on pages 20 to 22.

Currency

International equity investments create an exposure to foreign currency fluctuations, which can change the value of the equity investments measured in an Underlying Fund's reporting currency (the Australian dollar). Assessment of potential returns and risks created by currency exposure, and appropriate positioning of each Underlying Fund's Portfolio to attempt to capture those returns, and minimise those risks, are a component of Platinum's investment process.

Platinum may seek to hedge the Underlying Funds' foreign currency exposures using foreign exchange forwards, swaps, non-deliverable forwards, currency options, and spot foreign exchange trades.

More generally, Platinum will take account of currency exposures in an attempt to maximise returns and minimise risks in an Underlying Fund's Portfolio. This includes assessing the indirect impact of currency on a business (e.g. the impact of currency fluctuations on a manufacturing company with significant export sales), and the potential for exchange rate movements to amplify or diminish reporting currency returns for a holding. The investment of cash holdings is also undertaken with consideration of the potential currency impact on the cash (as well as interest rate and credit risk considerations).

The aim is for each Underlying Fund's Portfolio to be exposed to the greatest extent possible to appreciating currencies and to a minimum to depreciating currencies.

Currency rates are set by supply and demand for the currency. For freely floating currencies, supply and demand is a function of trade flows (import/export flows), and other cross border payments (e.g. foreign direct investment, borrowings, interest and dividends payments, and capital market flows, including speculative currency flows). For currencies which are fixed, pegged, or intervened in by governments (to a greater or lesser extent), government policy towards the currency will also affect the exchange rate either exclusively or to some extent.

Platinum assesses the prospects for foreign currencies by analysing these factors and their likely future evolution. The research process is informed by drawing upon a range of sources, including research from analysts at investment banks and stockbrokers, government papers and statistics, and findings and insights derived from our stock research. Over any period, movement of currencies can be driven by a number of these factors, and indeed the importance of speculative/capital markets driven flows can be a significant driver in the short to medium term. Key factors driving these flows include interest rate differentials, economic performance and prospects for a country's stock market and key industries. Over the long-term, trade flows, relative inflation rates, purchasing power parity measures, and government policy will be drivers.

Securities lending

Each Underlying Fund's Constitution permits Platinum to enter into securities lending arrangements. Accordingly, Platinum may participate in securities lending for PIF and PAF.

Environmental, social and governance (“ESG”) considerations in investing

Platinum is a fundamental equity investor and believes that private enterprise plays a central role in wealth creation and social advancement. It is also our belief that value creation for shareholders ought to be aligned with value creation for society at large. Platinum invests with a long-term outlook (typically five years or more) and, as part-owners of the enterprises in which we invest, it is paramount to us that they maintain their social licence to operate. As such, Platinum views social and environmental sustainability as well as sound corporate governance as being vital to a company’s long-term viability, growth and profitability.

Platinum’s approach is focused on identifying companies whose intrinsic value is under-appreciated by the market due to temporary drawbacks or irrational market sentiments. Material ESG trends and factors can directly and indirectly impact on a company’s financial performance and prospects.

To assess a company’s true worth – the core of Platinum’s mission, a nuanced consideration of the company’s operations and operating environment is essential, and the evaluation of material ESG issues and risks, like traditional financial and operational factors, is an integral part of this exercise. Incorporating ESG considerations into the investment process by employing a robust framework can lead to more informed and holistic investment decision-making and, ultimately, better investment outcomes for our investors.

Platinum has adopted a Responsible Investment Policy, which outlines our approach to integrating ESG considerations into our investment process, engagement with our portfolio companies as well as to proxy voting. The following is a summary of our Responsible Investment Policy.

A. ESG integration in Platinum’s investment process

In incorporating ESG analysis into its investment process, Platinum employs three main integration techniques: exclusionary screening, thematic analysis and, most importantly, integrated analysis.

- 1. Exclusionary screening:** Platinum applies exclusionary screens to avoid investing in certain industry sectors. These currently include companies that are engaged predominantly in the manufacture and sale of tobacco products or military weapons as well as companies that are subject to restrictive measures under relevant sanctions programs. However, as ethical values and norms can be subjective and controversial, Platinum exercises a high degree of caution when setting exclusionary screens.
- 2. Thematic analysis and idea generation:** Many of the themes underlying Platinum’s investment ideas may pertain to ESG issues, such as the transnational efforts to boost renewable energy generation and consumption, the growing demand for aged care, and regulatory reforms to curtail corruption. Platinum conducts positive and negative thematic analyses of ESG trends and drivers to generate investment ideas. We study trends that are driving positive environmental or social change to identify the sectors and companies that are best positioned to take

advantage of the opportunities by being a contributor to or a beneficiary of the change. Conversely, when a negative ESG trend such as regressive corporate behaviour is observed, not only do we assess the ensuing financial, regulatory and other risks for the companies concerned, but we may also derive new investment ideas by considering whether competitor companies and neighbouring industry sectors might have, or gain, a competitive advantage by employing more socially or environmentally responsible strategies to achieve more sustainable outcomes.

- 3. Integrated ESG analysis in stock research:** The consideration of material ESG issues and factors is ingrained in the ways in which we seek to understand how businesses work and forms part of the fundamental research on each investment case along with traditional financial and operational factors. ESG factors are integrated into both the qualitative and quantitative analyses that ultimately lead to an assessment of the company’s fair value.

The ESG factors that Platinum may examine are wide-ranging and would depend on the industry concerned as well as the geographic location of the business. Environmental considerations include, for example, carbon footprint, resource depletion, and waste management. Social factors include, but are not limited to, working conditions and industrial relations, community resettlement (e.g. by mining companies or real estate developers), product safety, and cybersecurity. Governance extends to, for example, executive compensation, board independence and diversity, as well as having processes in place to prevent bribery, corruption and other malpractice. These issues can have an impact on the environment and/or communities (including employees and consumers), but they also present regulatory, operational and economic risks to the company which may potentially have a material impact on its financial performance and hence investor returns.

B. Platinum’s approach to engagement

Platinum seeks to actively engage with our portfolio companies to deepen our understanding of management’s views and strategies on ESG-related issues and to voice any concerns we may have about them. Our analysts will typically meet or speak with members of the management team both before we initiate a long position in a company and periodically after we invest in the company. The questions Platinum puts to management may encompass targeted questions relating to ESG factors, such as supply chain management, employee relations, environmental risk and mitigation as well as corporate governance.

Platinum will raise its concerns with management if it believes that the company is pursuing a course of action that risks jeopardising the sustainability of the business and is thus detrimental to shareholder value. However, given the diversified nature of our portfolios, we are realistic about the extent to which we can effect change through active ownership, and we may choose to exit a position in cases of material ESG risks rather than persisting with attempts to engage with an unresponsive management team.

C. Platinum's approach to proxy voting

Voting decisions are made on a case by case basis. Given that taking long positions in a company generally reflects our alignment with and confidence in its management, Platinum will generally appoint management as its voting proxies unless it holds a contrary view on a particular motion.

Platinum does not participate in protest voting, and will only vote with the intention of having the motion carried. As such, unless we intend for a particular motion to be defeated, we will generally vote in favour of the motion, but may also abstain from voting on company formalities.

We will vote on significant matters, such as proposed share buy-backs, mergers and acquisitions, significant asset divestments and business reorganisations, and will exercise our voting rights in the best interests of our Investors after careful consideration of all available information. Where deemed appropriate, Platinum may, on occasion, consult with external proxy advisors on significant resolutions. However, the ultimate decision lies with Platinum's investment team.

It is important to bear in mind that Platinum's central endeavour is to deliver positive absolute returns for Investors over the long-term and the integration of ESG considerations into Platinum's investment process is aimed at furthering this objective. Platinum invests with an in-built sensibility to ESG issues in ways that are outlined above, but the Funds are not intended to be characterised under conforming labels such as "ethical investment" or "green fund".

Risk of Investing in the Funds

This section provides investors with disclosure that is relevant to the Funds.

Risks of investing in the Funds

ASX liquidity risk: The liquidity of trading in the Units on the ASX may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the ASX during any period that ASX suspends trading of Units in a Fund. Further, where trading in the Units on the ASX has been suspended for five consecutive Business Days, the availability of a Fund's off-market redemption facility will be subject to the provisions of its Constitution.

Concentration risk: As the Funds are anticipated to hold mainly units in the relevant Underlying Funds, returns of the Funds will be dependent upon the performance of the relevant Underlying Funds.

Conflicts of interest risk: The Responsible Entity and its various service providers may from time to time act as issuer, investment manager, market maker, custodian, unit registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Funds. It is, therefore, possible that any of them may have potential conflicts of interest with the Funds.

The Responsible Entity may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Funds. Neither the Responsible Entity nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the Funds.

The Responsible Entity acts as market maker to the Funds. A conflict might arise between a Fund and investors buying or selling Units from the Fund on the ASX due to the Fund's desire to benefit from its market making activities. A conflict might also arise due to the fact that the Responsible Entity is the investment manager of the Funds and the Responsible Entity could use its market making activities to influence the perception of the performance of the Responsible Entity as the investment manager.

The Responsible Entity maintains a conflicts of interest policy to ensure that it manages its obligations to the Funds such that all conflicts (if any) are resolved fairly.

iNAV risk: The iNAV published by each Fund is indicative only and might not be up to date or might not accurately reflect the underlying value of the relevant Fund.

Market making agent risk: The Responsible Entity has appointed a market making agent to execute each Fund's market making activities and provide settlement services. There is a risk that the market making agent could make an error in executing a Fund's market making activities. Additionally, a Fund may enter into transactions to acquire or to liquidate assets in anticipation of the market making agent fulfilling its settlement processing obligations in a correct and timely manner. If the market making agent does not fulfil its settlement processing obligations in a correct and timely manner, the Fund could suffer a loss.

Market making risk: The Responsible Entity acts as market maker in the Units on behalf of the Funds. Each Fund will bear the risk of the market making activities undertaken by the Responsible Entity on its behalf. There is a risk that a Fund could suffer a material cost

as a result of these market making activities which may adversely affect the NAV of the Fund. Such a cost could be caused by either an error in the execution of market making activities or in the price at which Units are transacted on the ASX. In order to mitigate this risk, the Responsible Entity has the discretion to increase the spread at which it makes a market and also has the right to cease making a market subject to its obligations under the AQUA Rules and ASX Operating Rules. If the market becomes unstable, Platinum reserves the right to cease market making activities.

Market risk: There is a risk that the NAV of the Underlying Funds will fluctuate which will in turn impact the Funds. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues.

Funds' operational risks: The following risks may adversely affect the Funds and their performance: the Funds could terminate, their features could change, Platinum may not be able to continue to act as Responsible Entity; third party service providers engaged by Platinum for the Funds may not properly perform their obligations and duties to the Responsible Entity; or circumstances beyond the reasonable control of Platinum may occur, such as failure of technology or infrastructure, or natural disasters.

The Funds are also governed by the rules of the ASX, and are exposed to risks of quotation on that platform, including such things as the platform or settlements process being delayed or failing. ASX may suspend, or remove the Units from quotation on the ASX as described below.

Price of Units on the ASX: The price at which the Units may trade on the ASX may differ materially from the NAV per Unit and the iNAV.

Regulatory risk: There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on a Fund or on the relevant Underlying Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

The Funds may be removed from quotation by the ASX or terminated: ASX imposes certain requirements for the continued quotation of securities, such as the Units, on the ASX under the AQUA Rules. Investors cannot be assured that the Funds will continue to meet the requirements necessary to maintain quotation on the ASX. In addition, ASX may change the quotation requirements.

The Responsible Entity may elect, in accordance with the relevant Constitution and Corporations Act, to terminate a Fund for any reason including if Units cease to be quoted on the ASX. Information about the AQUA Rules applicable to quotation of Units in the Funds on the ASX is set out in the "About AQUA Rules and CHESS" section of this PDS.

Underlying Funds

In addition to the risks listed above, each Fund bears the risks inherent in its relevant Underlying Fund. These risks are set out below in the section titled "Disclosure Principles of the Underlying Funds".

Disclosure Principles of the Underlying Funds

The Funds will invest in units in Underlying Funds.

- The Underlying Fund for the PIXX is PIF. PIF will, in turn, primarily invest in listed international equities; and
- The Underlying Fund for PAXX is PAF. PAF will, in turn, primarily invest in listed Asian (ex Japan) equities.

This section provides investors with disclosure that is relevant to the Underlying Funds, being PIF and PAF. This section provides investors with the following information about each of PIF and PAF:

- Investment strategy
- Risk profile
- Investment manager
- Structure of the Underlying Funds
- Valuation, location and custody of assets in the Underlying Funds
- Liquidity
- Use of leverage, Derivatives and short-selling
- Ability to withdraw from the Underlying Funds, and how this may impact the NAV and the liquidity on the ASX AQUA market for the Funds
- Valuation of the assets held by the Underlying Funds
- Periodic reporting for the Underlying Funds

Disclosure Principle 1: Investment strategy

Investment strategy and typical assets	<p>Platinum seeks investments in companies whose businesses and growth prospects are being inappropriately valued by the market.</p> <p>Each Underlying Fund's Constitution permits a wide range of investments. However, Platinum typically invests in listed equity securities of companies, cash and cash equivalents, Derivatives (including OTC Derivatives) and foreign exchange transactions.</p> <p>An Underlying Fund will not invest in unlisted equity securities, except in the case of initial public offers of securities, or where an unlisted securities holding arises inadvertently, for example due to a corporate event. Any investments in such unlisted securities will be kept to a <i>de minimis</i> amount at all times.</p> <p>The use of leverage, Derivatives and short selling by each Underlying Fund is outlined in more detail on pages 19 to 22.</p>
Investment returns	<p>In Platinum's opinion, investing in a broad range of companies whose businesses and growth prospects are being inappropriately valued by the market provides a foundation for long-term investment returns.</p>
Investment return assumptions	<p>Investing in the shares of a company is a claim on the underlying profits of a company's business. In simple terms, investment returns are determined by amongst other things: initial valuation, subsequent performance of the business, and valuation of the company at the end of the period. The assessment of a company's future prospects is a very significant and challenging part of the day-to-day process of investing. Not only do general economic conditions play a part, but issues such as the behaviour of competitors, technological change, government regulation and management decisions all have a bearing on the future outcomes for a company. Also understanding the future valuation that a company will attract is no simple task as often this can change quite dramatically with changes in growth rates of earnings.</p>
Diversification guidelines and limits	<p>An Underlying Fund will typically have a net equity exposure of between 50 – 100%.</p> <p>In general, an Underlying Fund will seldom invest more than 5% of the Underlying Fund's NAV in the securities of a single issuer.</p>
Risks of strategy	<p>You could lose money by investing in the Funds as the Underlying Funds could underperform other investments. Performance of the Underlying Funds may differ significantly from industry benchmarks. You should expect each Underlying Fund's unit price and total return to fluctuate within a wide range. Each Underlying Fund's performance could be affected by:</p> <p>Manager risk: Each Underlying Fund's performance depends on the expertise and investment decisions of Platinum. Platinum's opinion about the intrinsic worth of a company or security may be incorrect, each Underlying Fund's investment objective may not be achieved and the market may continue to undervalue the securities held by an Underlying Fund.</p>

Disclosure Principles of the Underlying Funds – continued

Risks of strategy – continued

Market risk: Security prices may decline over short or extended periods due to general market conditions, including but not limited to, inflation, foreign currency fluctuations and interest rates.

Portfolio asset risk: Investments in equity and equity related securities generally have greater price volatility risk than debt securities. The value of securities held in an Underlying Fund may decline because of the quality of a company's management, financial condition, operations and the general health of the sector in which the company operates. Share markets can experience exceptionally high levels of volatility affecting the value of the securities traded in those markets.

Derivative risk: Investments in Derivatives may cause losses associated with changes in market conditions, such as fluctuations in interest rates, equity prices or exchange rates and, changes in the value of a Derivative may not correlate perfectly with the underlying asset. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Underlying Fund to lose more than the amount of assets initially contributed to the transaction. As Over-the-Counter ("OTC") Derivatives are customised instruments, the Underlying Funds may be unable to liquidate the Derivative contract at a fair market price within a reasonable timeframe. The OTC counterparty may be unable or unwilling to make the required delivery of the security or make the required payments.

Short selling risk: Short selling can be seen as a form of leverage and may magnify the gains and losses achieved in an Underlying Fund's Portfolio. While short selling may be used to manage certain risk exposure in an Underlying Fund's Portfolio, it may also have a significantly increased adverse impact on its return. Losses resulting from a short position may exceed the amount initially invested.

Currency risk: Investing in assets denominated in a currency other than the Underlying Funds' base or reporting currency may cause losses resulting from exchange rate fluctuations. Platinum may not hedge or any hedging strategies employed may not be successful.

Foreign issuer risk: Investments in foreign companies may decline in value because of sovereign, political, economic or market instability; the absence of accurate information about the companies; risks of unfavourable government actions such as expropriation and nationalisation. Such securities may be less liquid, more volatile, and harder to value. In times of market disruptions (including but not limited to market closures), security prices may be delayed or unavailable. Some countries may have different legal systems, taxation regimes, auditing and accounting standards with less governmental regulation and transparency. These risks may be higher when investing in emerging markets.

Liquidity risk: Each Underlying Fund may not be able to purchase or sell a security in a timely manner or at a desired price or achieve its desired weighting in a security.

Counterparty risk: This is the risk of loss resulting from a counterparty not meeting its obligations due to a dispute over terms, or the insolvency, financial distress or bankruptcy of a counterparty used by Platinum.

Operational risks: The following risks may adversely affect the Underlying Funds and their performance: the Underlying Funds could terminate, their features could change, Platinum may not be able to continue to act as Responsible Entity; third party service providers engaged by Platinum for the Underlying Funds may not properly perform their obligations and duties to Platinum; or circumstances beyond the reasonable control of Platinum may occur, such as failure of technology or infrastructure, or natural disasters.

General regulatory and tax risk: This is the risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Underlying Funds' assets or the tax treatment of the Underlying Funds and their investors. These changes are monitored by Platinum and action is taken, where appropriate, to facilitate the achievement of the investment objectives of each Underlying Fund. However, Platinum may not always be in a position to take such action.

Platinum has a duty to act in the best interests of the investors in the Underlying Funds. Platinum's investment strategy is applied to derive prospects for investment – this includes peer review of investment choices to investigate the merits of the case and the achievements that are expected from a company. Portfolio Managers and associated investment staff are required to comply with conflict management policies and compliance and risk management frameworks.

Performance fee risk: Where performance fees are charged, Platinum may have an incentive to take higher investment risks in an Underlying Fund's Portfolio.

Disclosure Principles of the Underlying Funds – continued

Risk management strategy

Risk management is an integral part of good management and corporate governance practice and in relation to any investment strategy, an element of risk is inevitable.

Platinum views risk primarily as being about the prospect of losing investors' capital. The greatest risk factor is an Underlying Fund's Portfolio security exposure and we monitor and control risk through the following channels:

- Risk management is core to our stock selection process. As a result of our investment approach, the key risks in an Underlying Fund's Portfolio are the specific risks associated with each individual stock position. We view specific stock risk as a function of our knowledge base on the company and seek to manage and reduce risk via a process of thorough and in-depth research, detailed scrutiny by the relevant analysts and their peer group as well as ongoing monitoring. Within an Underlying Fund's Portfolio, care will be taken to avoid excessive exposure to areas that have a high co-variance.
- Our investment approach is focused on overlooked areas and out-of-favour stocks. As a consequence, stocks are purchased when we believe they offer good value and the price is already depressed, which may create an element of protection and an Underlying Fund's Portfolio with below-average risk characteristics.
- Our index-agnostic approach also contributes to the control of the absolute risk of an Underlying Fund's Portfolio.
- From time to time, we may utilise Derivatives to manage risk, such as:
 - selling index futures or buying index put options to reduce market risk in an Underlying Fund's Portfolio; and
 - where we have identified stocks that we believe to be overvalued, buying put options over that stock or taking short positions in the stock (see 'Disclosure Principle 7: Derivatives' on pages 20-21 for more details).

We manage risk associated with currency exposure through the use of hedging devices (e.g. foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades. We also have a documented Risk Management Policy based on the relevant Australian Risk Management Standards, ASIC and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, incorporating a structured approach to managing and reviewing risk.

Investment strategy changes

The investment strategies of the Underlying Funds and therefore the Funds are unlikely to change. Investors will be notified of any such changes in accordance with our obligations under the Corporations Act.

Disclosure Principle 2: Investment manager

Regulatory findings

There have been no significant adverse findings against Platinum.

Portfolio managers

Portfolio Manager	Fund	Qualification	Investment Management Experience	Years with Platinum
Kerr Neilson (Chief Executive Officer)	Platinum International Fund	BCom	48 years	23 years
Andrew Clifford (Chief Investment Officer)	Platinum International Fund	BCom (Hons), Dip. SIA	28 years	23 years
Clay Smolinski	Platinum International Fund	BCom	11 years	11 years
Joseph Lai	Platinum Asia Fund	MBBS, MBA, CFA	13 years	13 years

Portfolio Managers are investment analysts with stock research responsibilities and retain ultimate responsibility for the Underlying Funds' Portfolio construction. Investment analysts not identified above may share portfolio management responsibilities with the Portfolio Managers. The level of their portfolio management responsibilities will vary from time to time and will be determined by the Chief Investment Officer. The Chief Investment Officer has responsibility for the implementation of the investment strategies of the Underlying Funds and the investment process across the investment team. The Underlying Funds' personnel spend as much time as required to accomplish the investment objectives of the Underlying Funds.

There have been no regulatory findings against any of the Portfolio Managers.

Disclosure Principles of the Underlying Funds – continued

Disclosure Principle 3: Underlying Funds' structure

Investment structure	Each Underlying Fund is an unlisted managed investment scheme registered with the ASIC. Platinum is ultimately owned by Platinum Asset Management Limited (ABN 13 050 064 287), a company listed on the ASX (ASX ticker PTM). Platinum staff have relevant interests in the majority of Platinum Asset Management Limited's issued shares.
Key service providers	Custodian – Platinum has appointed State Street Australia Limited ("SSAL") to act as global custodian for each Underlying Fund. Auditor – PricewaterhouseCoopers ("PwC") is the appointed external auditor for each Underlying Fund. The auditor's role is to audit each Underlying Fund's annual financial statements, perform half-yearly reviews (if required), and to provide an opinion on the financial statements. Valuation of Underlying Funds' assets – Platinum has appointed SSAL to value the assets of the Underlying Funds and calculate the daily unit price.
Monitoring service providers	Platinum has in place procedures to periodically monitor key service providers to provide reasonable assurance that: <ol style="list-style-type: none">1. services rendered are in accordance with written agreements and service level standards; and2. there is integrity in the data and information provided by service providers to Platinum.
Related party	With the exception of the Funds' investments in the Underlying Funds, there are no related party relationships. However, Platinum may, in its personal capacity, invest in one or more of the Underlying Funds it manages.
Material arrangement	There are no material arrangements in connection with the Underlying Funds that are not on arm's length terms.
Jurisdictions of entities in structure	All entities involved in the Underlying Funds' structures are based in Australia and are subject to the jurisdiction of ASIC and the Australian Transaction Reports and Analysis Centre ("AUSTRAC").
Risks of holding assets overseas	The majority of the Underlying Funds' assets are held in custody by SSAL and third party sub-custodians engaged by SSAL and located globally. Certain securities are held in omnibus accounts consistent with local market practice and in accordance with ASIC Regulatory Guide 133. In respect of these omnibus accounts, the investments of the Underlying Funds are always separately identified in the books and records of SSAL.

Disclosure Principle 4: Valuation, location and custody of assets

Valuation policy	<p>The assets of the Underlying Funds are valued by SSAL and the NAV is calculated in accordance with the Constitution of each Underlying Fund. The assets of each Underlying Fund are normally valued on each Business Day. The NAV of an Underlying Fund for a Business Day is usually calculated on the next Business Day.</p> <p>Each Underlying Fund's Constitution provides that the value of the Underlying Fund will be increased by items such as the amount of money owing to the Underlying Fund, prepaid expenses and accrued or payable income. The value of each Underlying Fund will be decreased by the amount of any liability owing by the Underlying Fund, such as distributions to investors, the management costs paid to Platinum (including amounts accrued but not yet paid), provisions and contingent liabilities. SSAL values Underlying Funds' assets in accordance with standard market practice and market prices are electronically sourced from third party vendors such as ThomsonReuters, Markit Partners, WM Company, Bloomberg and from brokers.</p> <p>If, in Platinum's opinion, the initial value of an asset as provided by SSAL is not a true reflection of the value that would reasonably be obtained if the security were to be sold in the market, Platinum has procedures and controls for reviewing, approving and documenting any changes to the initial valuation.</p> <p>Underlying Funds' assets that are not exchange traded are valued using a price provided by SSAL or another independent third party, or otherwise determined in accordance with a valuation methodology that has been verified by an independent third party.</p> <p>Platinum's Unit Pricing Discretions Policy provides further information about how the NAV of each Underlying Fund is calculated.</p>
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Disclosure Principles of the Underlying Funds – continued

Asset types and allocation ranges	<p>The principal investments in an Underlying Fund are international equities.</p> <table border="1"> <thead> <tr> <th>Types of Asset</th> <th>Allocation Range (%)</th> </tr> </thead> <tbody> <tr> <td>International equities</td> <td>0 - 100</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>0 – 100</td> </tr> </tbody> </table> <p>Cash and cash equivalents typically represents less than 40% of an Underlying Fund's NAV. An Underlying Fund may invest in bullion and other physical commodities, but the total value of such investments at the time of acquisition will not exceed 20% of the NAV of the Underlying Fund.</p>	Types of Asset	Allocation Range (%)	International equities	0 - 100	Cash and cash equivalents	0 – 100
Types of Asset	Allocation Range (%)						
International equities	0 - 100						
Cash and cash equivalents	0 – 100						
Geographic location of assets	<p>The Underlying Funds primarily invest in equity and equity related securities of international companies (for PIF) and Asian (ex Japan) companies (for PAF), including those in emerging or frontier markets. For the geographic location of invested positions in the Underlying Funds, please refer to the 'Invested position' information for the Underlying Funds on pages 8 and 9.</p>						
Geographic location of any material asset	<p>A material asset is a significant holding or exposure relative to an Underlying Fund's total assets. For the geographic location of invested positions in the Underlying Funds, please refer to the 'Invested position' information for the Underlying Funds on pages 8 and 9.</p>						
Custodial arrangements	<p>Platinum has appointed SSAL to act as global custodian for the Underlying Funds. The Underlying Funds' assets are generally held by SSAL and third party sub-custodians engaged by SSAL. The securities of each Underlying Fund are clearly identified from the assets of Platinum, SSAL, third party sub-custodians and SSAL's clients. SSAL custody staff are independent to Platinum, and SSAL plays no investment management role. Cash is typically held by SSAL as custodian and is deposited with State Street Bank and Trust Corporation.</p> <p>The custody agreement between Platinum and SSAL sets out the required standards of care and conduct to be performed by SSAL and its sub-custodians in accordance with ASIC Regulatory Guide 133 and complies with the content requirements for custody agreements under ASIC Class Order [CO 13/1409]. SSAL monitors its sub-custodians and requires them to exercise reasonable care in carrying out the terms specified in their sub-custodial agreements with SSAL. For assets custodied at SSAL, Platinum performs a daily reconciliation of SSAL records.</p>						

Disclosure Principle 5: Liquidity

Liquidity	<p>The Underlying Funds primarily invest in listed international equities (PIF) and listed Asian ex Japan equities (PAF) traded on regulated exchanges.</p> <p>Platinum generally maintains adequate cash levels in the Underlying Funds for the settlement of trades and to meet withdrawals made during the normal course of business. A key principle of Platinum's liquidity management policy is the fair and equitable treatment of all investors.</p>
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Disclosure Principle 6: Leverage

Use of leverage and restrictions on the use of leverage	<p>Leverage can be defined as the use of financial products (such as Derivatives) or borrowing (such as a margin facility) to amplify the exposure of capital to an investment.</p> <p>The Underlying Funds may gain leveraged market exposure through the use of Derivatives. Investment restrictions in relation to the use of Derivatives are detailed below under 'Disclosure Principle 7: Derivatives' on pages 20 to 21.</p> <p>Whilst there is no restriction on borrowing in the Underlying Funds' Constitutions, it is Platinum's policy not to borrow on behalf of the Underlying Funds except to the extent short-term overdrafts arise from trade settlement delays. If we amend this policy, we will notify Investors by placing a notice on our website.</p>
Source of leverage including type	<p>The Underlying Funds may use Derivatives including futures, options, swaps (currency and equity), credit default swaps and related instruments, to leverage the Underlying Funds.</p>
Collateral usage	<p>Derivative positions are collateralised with cash. No security holding of an Underlying Fund is used as collateral, encumbered or otherwise exposed to claims by third parties. The Underlying Funds are exposed to counterparty risk as described in 'Disclosure Principle 1: Investment strategy' on page 16.</p>

Disclosure Principles of the Underlying Funds – continued

Maximum anticipated and allowed level of leverage

The maximum allowable leverage in each Underlying Fund is 150% of the NAV of the Underlying Fund, that is, for every \$1 invested, the gross invested position of each Underlying Fund taking into account all securities and Derivatives held, is limited to \$1.50. For the purposes of this calculation, the underlying effective face value of the Derivatives is used. Further, this limitation includes all positions and does not allow for netting of any offsetting positions.

Although the maximum allowable leverage in each Underlying Fund is 150% of the NAV of the Underlying Fund, an Underlying Fund's positions in long securities and Derivatives would not typically be greater than 100%. Predominantly, Derivatives are used to establish short positions in securities and thus reduce the Underlying Fund's net exposure to markets. The underlying value of Derivatives may not exceed 100% of the NAV of an Underlying Fund.

The table below outlines the history of the use of leverage in PIF. This example can also be applied to PAF.

Restrictions on Leverage and Platinum International Fund's Experience Over 5 Years to 31 July 2017

	Allowable		Average	Last 5 yrs*	
	Max	Min		Highest	Lowest
Gross (long + Short)	150%	50%	103%	114%	91%
Long positions	150%	50%	91%	100%	84%
Short positions	50%	0%	12%	24%	5%
Net (Long-Short)	150%	50%	79%	89%	66%

* Based on month end positions.

Impact of leverage on investment returns and losses

The maximum allowable leverage with greatest impact on each Underlying Fund's returns would likely be where an Underlying Fund was 150% long. In such a case, if the value of the Underlying Fund's securities (or the underlying securities of Derivatives) increased in value by 10%, the increase in the Underlying Fund's value would be 15%.

Conversely, a fall of 10% in the value of an Underlying Fund's securities (or the underlying securities of Derivatives) would result in a fall of the Underlying Fund's value of 15%.

Disclosure Principle 7: Derivatives

Purpose and rationale for the use of Derivatives

Platinum may use Derivatives:

- for risk management purposes;
- to take opportunities to increase returns;
- to create a short position in a security;
- to establish positions in securities that may otherwise not be readily available (e.g. to gain access to particular stock markets where foreign investors face restrictions); and
- to aid in the management of an Underlying Fund's cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of Derivatives).

Platinum has set the following investment restrictions in respect of each Underlying Fund:

- the underlying value[#] of Derivatives may not exceed 100% of the NAV of the Underlying Fund; and
- the underlying value[#] of long stock positions and Derivatives will not exceed 150% of the NAV of the Underlying Fund.

[#] Where options are employed, the underlying value will be the Delta adjusted exposure. "Delta" is the theoretical measure of the sensitivity of the option price to a change in the price of the underlying asset (usually expressed as a percentage).

Types of Derivatives used

Platinum currently uses the following Derivatives: futures, options, swaps (currency and equity), credit default swaps and related instruments.

Disclosure Principles of the Underlying Funds – continued

Criteria for engaging Derivative counterparties	<p>Over-the-counter (“OTC”) Derivative transactions may only be entered into with counterparties that have been approved by the board of directors of Platinum.</p> <p>Consideration is given to the financial position and credit rating of the counterparty. Counterparties are engaged through standard market contracts such as the International Swaps and Derivative Association Master Agreement.</p> <p>The aggregate exposure of an Underlying Fund to all OTC Derivative counterparties will typically be no more than 5% of the NAV of the Underlying Fund (excluding collateral), and in any event will not exceed 10% of the NAV of the Underlying Fund.</p>
Key risks associated with collateral requirements	<p>Trading in OTC Derivatives generally requires the lodgement of collateral (also known as ‘credit support’, such as a margin or guarantee) with the counterparty. This gives rise to counterparty risk. Financial transactions that are conducted via the OTC market generally carry greater counterparty risk than securities traded on a recognised exchange (where the other party to the transaction is the exchange’s clearing house).</p>
Trading mechanism for derivatives utilised	<p>Platinum uses both OTC and exchange traded Derivatives (i.e. those traded on a recognised Derivatives exchange).</p>

Disclosure Principle 8: Short selling

Rationale	<p>The rationale behind short selling is to profit from a fall in the price of a particular security (e.g. share, index, exchange traded fund). From time to time, Platinum applies an active short selling strategy for each Underlying Fund and the level of short selling will differ between each Underlying Fund. Platinum may use short selling to reduce each Underlying Fund’s net invested position and thus reduce each Underlying Fund’s level of market risk, and to take opportunities to increase returns.</p> <p>Platinum generally utilises equity swaps to short sell. A swap is a Derivative contract, in which two parties (counterparties) agree to exchange payments of value (or cash flows) for another. Normally they are cash settled non-deliverable contracts (i.e. settled for profit or loss).</p> <p>Platinum may also effect a short selling strategy by borrowing the desired security. The security is repurchased in the market and repaid to the lender to close the short position.</p>																								
Risks	<p>In taking a short position, Platinum expects the asset to depreciate although there is a risk that the asset could appreciate. Unlike a long security, losses can exceed the amount initially invested.</p>																								
Risk management	<p>The risks associated with short selling are managed in the same way as the risks associated with holding a long security, that is, thorough research, daily reporting and ongoing monitoring of positions held.</p>																								
Short selling example (loss)	<p>Platinum short sells (via a swap agreement) 10,000 shares of ABC @ \$100 and closes the position when the share price rises to \$120 by entering into an equal and opposite trade.</p> <table border="1"> <thead> <tr> <th>Trade</th> <th>No. of Shares</th> <th>Share Price (\$)</th> <th>Total Income/Cost (\$)</th> </tr> </thead> <tbody> <tr> <td>Opening sell</td> <td>10,000</td> <td>100</td> <td>1,000,000</td> </tr> <tr> <td>Borrowing cost and commission</td> <td></td> <td></td> <td>(200)</td> </tr> <tr> <td>Interest receivable</td> <td></td> <td></td> <td>250</td> </tr> <tr> <td>Closing buy</td> <td></td> <td></td> <td>(1,200,000)</td> </tr> <tr> <td>Loss</td> <td>10,000</td> <td>120</td> <td>(199,950)</td> </tr> </tbody> </table> <p>There will be additional costs and revenues from borrowing costs, commissions and the return of dividends.</p>	Trade	No. of Shares	Share Price (\$)	Total Income/Cost (\$)	Opening sell	10,000	100	1,000,000	Borrowing cost and commission			(200)	Interest receivable			250	Closing buy			(1,200,000)	Loss	10,000	120	(199,950)
Trade	No. of Shares	Share Price (\$)	Total Income/Cost (\$)																						
Opening sell	10,000	100	1,000,000																						
Borrowing cost and commission			(200)																						
Interest receivable			250																						
Closing buy			(1,200,000)																						
Loss	10,000	120	(199,950)																						

Disclosure Principles of the Underlying Funds – continued

Short selling example (profit) Platinum short sells (via a swap agreement) 10,000 shares of ABC @ \$100 and closes the position when the share price falls to \$80.

Trade	No. of Shares	Share Price (\$)	Total Income/Cost (\$)
Opening sell	10,000	100	1,000,000
Borrowing cost and commission			(200)
Interest receivable			250
Closing buy	10,000	80	(800,000)
Profit			200,050

There will be additional costs and revenues from borrowing costs, commissions and the return of dividends.

Disclosure Principle 9: Withdrawals

**Significant risk factor/
limitations**

In certain situations that impact on the effective and efficient operation of a market for an asset or assets of an Underlying Fund, or in circumstances where we otherwise consider it to be in the best interest of investors of an Underlying Fund, we may choose to suspend the processing of all applications and withdrawals for the Underlying Fund. If this occurs, in determining the value of an asset, we will use the asset values determined after the suspension is lifted.

Examples of such situations include but are not limited to: global health pandemics, the threat of terrorist attacks, war or other circumstances that affect the normal operation of financial markets or the operation of custodians and Platinum's counterparties.

Platinum will generally honour all withdrawal requests from investors (including the Funds') in the Underlying Funds, subject to the Underlying Funds being liquid. If an Underlying Fund is not liquid, investors (including the Funds) may withdraw in accordance with any withdrawal offer made by Platinum.

Benchmarks of the Underlying Funds

Benchmark 1: Valuation of assets

Valuation policy for non-exchange traded assets	Platinum's policy requires that Underlying Funds' assets that are not exchange traded be valued using a price provided by SSAL or an independent third party, or otherwise determined in accordance with a valuation methodology that has been verified by an independent third party.
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Benchmark 2: Periodic reporting

Periodic reporting of key information	Platinum has policies in place to make available on our website the following information for the Underlying Funds as soon as practical after the relevant period:
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Daily unit prices

Monthly

Month-end invested positions/asset allocation

Month-end net performance after fees, costs and fund taxes

Key service providers

Material changes in risk profile (if any)

Material changes in strategy (if any)

Changes in the individuals playing a key role in investment decisions (if any)

Annually

Liquidity profile

Maturity profile of financial liabilities relative to the liquidity profile of assets

Leverage ratio

Derivative counterparties engaged

Investing in the Funds

ASX AQUA trading status - Units and NAV per Unit

Units will be able to be traded on the ASX AQUA market in a similar fashion to securities traded on the ASX, subject to liquidity.

The NAV of a Fund will normally be calculated on each Business Day and the last available NAV per Unit will be published daily on Platinum's website at www.platinum.com.au prior to the commencement of trading on the ASX AQUA market.

Platinum has engaged an agent to calculate and disseminate an indicative NAV per Unit (iNAV) which will be published by the Funds on Platinum's website at www.platinum.com.au throughout the ASX Trading Day. The iNAV for each Fund will be updated during the ASX Trading Day having regard to the relevant Underlying Fund's Portfolio holdings and for foreign exchange movements to the extent that the impact is not offset by the hedging of the Fund's foreign currency exposure. No assurance can be given that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither the Responsible Entity nor its appointed agent shall be liable to any person who relies on the iNAV.

The price at which Units trade on the ASX AQUA market may not reflect either the NAV per Unit or the iNAV. See "ASX liquidity risk" in the Risk Section on page 14.

Investing in the Funds on the ASX

Investors can invest in a Fund by purchasing Units via their share trading platform or stockbroker. Investors do not need to complete an application form and they will settle the purchase of their Units in the same way they would settle purchases of listed securities via the ASX CHESS settlement service.

There is no minimum number of Units investors can buy on the ASX. An Investor's entry price into a Fund will be the price at which they have purchased Units on the ASX.

Consistent with securities listed on the ASX, Investors do not have cooling off rights in respect of Units purchased on the ASX under the AQUA Rules.

Withdrawing your investment in the Funds on the ASX

Investors can withdraw from a Fund by selling Units on the ASX via their share trading platform or stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the ASX CHESS settlement service.

There is no minimum number of Units Investors can sell on the ASX. An Investor's exit price will be the price at which they have sold Units on the ASX.

Off-market withdrawal rights

In the event that trading in a Fund's Units on the ASX has been suspended for five consecutive Business Days, Investors may be able to apply to Platinum directly to make an off-market withdrawal of their investment from the Fund. Investors can request a withdrawal form by contacting the Unit Registry.

The off-market withdrawal process, including the calculation of the NAV per Unit, applies only when a Fund is 'liquid' (within the meaning given to that term in the Corporations Act). Where a Fund ceases to be liquid, Units may only be withdrawn pursuant to a withdrawal offer made to all Investors in the Fund in accordance with the Constitution and the Corporations Act. Platinum is not obliged to make such offers.

There may be other circumstances where off-market withdrawals from a Fund are suspended and Investors may have to wait a period of time before they can make a withdrawal.

Withdrawals from a Fund may be suspended for up to 28 days including but not limited to where:

- it is impracticable for Platinum, or Platinum is unable, to calculate the NAV of the Fund, for example, because of financial market disruptions or closures;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in Platinum's opinion, result in remaining Investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of Units held;
- Platinum reasonably considers it would be in the best interests of Investors, or it is otherwise permitted by law; or
- Platinum receives withdrawal requests of an aggregate value that in its reasonable estimate exceeds 5% of the Fund's assets.

ASX liquidity

Investors can buy Units from and sell Units to other investors in the secondary market in the same way as ASX listed securities.

The Responsible Entity, on behalf of a Fund, may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. At the end of each ASX Trading Day, Platinum will create or cancel Units of the Fund by applying for or redeeming its net position in Units bought or sold on the ASX. The Responsible Entity has appointed a market participant to act as its agent to transact and facilitate settlement on its behalf.

The price at which Platinum may buy or sell Units in a Fund will reflect Platinum's view of the NAV per Unit (as referenced by the iNAV), market conditions and supply and demand for Units during the ASX Trading Day. The Fund will bear the risk of the market making activities undertaken by Platinum on the Fund's behalf, which may result in either a cost or a benefit to the Fund. The risks of market making are explained on page 14.

Distributions

The Responsible Entity will generally make annual distributions as at each 30 June. The Funds' Constitutions provide for distributions to be paid at least annually, but the Funds may do so more frequently at the discretion of the Responsible Entity.

The distribution for a Fund will comprise income earned by the Fund (including distributions paid from the relevant Underlying Fund) less expenses incurred by the Fund (such as management costs) plus net capital gains (if any). If there is no net income or net capital gains earned in a particular distribution period, a Fund may not pay a distribution in respect of that distribution period. In some circumstances, a Fund may distribute a payment out of capital in addition to, or instead of, a distribution of net income or net capital gains.

Investing in the Funds – continued

The distribution Investors may receive will be based on the number of Units they hold in the relevant Fund at the nominated record date. It is not pro-rated according to the time that Investors have held their Units.

Distributions will be paid directly into Investors' Australian dollar or New Zealand dollar bank accounts (as applicable). Investors should contact their share trading platform or stockbroker to ask how they can provide bank account details or otherwise they can provide their bank account details online via the Unit Registry's website at www.linkmarketservices.com.au. Investors may also provide bank details by submitting a form which is available from the Unit Registry.

Alternatively, Investors can choose to have their distributions re-invested as additional Units in the relevant Fund, subject to the terms and conditions of the Fund's distribution reinvestment plan. Information about the Funds' distribution reinvestment plan will be made available at www.platinum.com.au. Elections to participate in the distribution reinvestment plan must be made by the election date announced by the Responsible Entity in respect of each relevant distribution.

Each Constitution permits us to require that your distributions be reinvested as additional Units in the relevant Fund. However, we will provide a notification on our website if, in relation to a particular distribution, we have elected to require the reinvestment of the distribution.

Investors can elect to participate in the distribution reinvestment plan online via the Unit Registry's website at www.linkmarketservices.com.au or by submitting a form available from the Unit Registry.

Fees and Other Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from A\$100,000 to A\$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission** (ASIC) website (www.moneySMART.gov.au) has a managed funds fee calculator to help you check out the different fee options.

This document shows fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Funds as a whole.

Taxes are set out on page 34-36 of this PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when an Investor moves their money in or out of a Fund		
Establishment fee The fee to open an investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to an investment	Nil	Not applicable.
Withdrawal fee The fee on each amount an Investor takes out of their investment	Nil	Not applicable.
Termination fee The fee to close an investment	Nil	Not applicable.

Fees and Other Costs – continued

Type of fee or cost	Amount	How and when paid
Management costs¹ The fees and costs of managing your investments		
Platinum International Fund (Quoted Managed Hedge Fund) (PIXX)		
Investment management fee ²	1.10%	The Management Costs of each Fund consist of the following components: Investment management fee²: The fee for managing your investment. No investment management fees are charged directly to PIXX or PAXX. However, investment management fees are charged indirectly to PIXX and PAXX through their respective investments in the Underlying Funds, and therefore reflected in the respective NAV per Unit of each of PIXX and PAXX. Investment performance fee³: No investment performance fees are charged directly to PIXX or PAXX. However, any investment performance fee that is charged to the Underlying Funds will be indirectly charged to PIXX and PAXX through their respective investments in the Underlying Funds, and therefore reflected in the respective NAV per Unit of each of PIXX and PAXX. An investment performance fee is payable by an Underlying Fund where an Underlying Fund's return exceeds its hurdle return ⁴ . This fee is calculated as 15% of the amount by which the Underlying Fund's return (after investment management fees) exceeds its hurdle return. The fee is accrued daily and reflected in the Underlying Fund's daily unit price. If payable this will be paid to Platinum from the assets of the Underlying Fund semi-annually. Each stated investment performance fee has been calculated based on the average of actual investment performance of the relevant Underlying Fund for the last 10 years up to and including 30 June 2017. It is an estimate only. The actual investment performance fee may change considerably from the estimate provided.
Estimated investment performance fee ³	<u>0.66%</u> <u>1.76%</u>	
Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)		
Investment management fee ²	1.10%	The investment management fees for the Underlying Funds are calculated as a percentage of each respective Underlying Fund's NAV and reflected in the respective daily unit price of each Underlying Fund. It is paid monthly to Platinum from the assets of the Underlying Funds.
Estimated investment performance fee ³	<u>0.48%</u> <u>1.58%</u>	

- As the Underlying Funds invest predominantly in international securities, the impact of GST on the management costs for each Fund is currently negligible. To the extent that the GST impact on a Fund changes, for example exposure to Australian securities in the respective Underlying Funds increases, the actual management costs for a Fund may differ
- The investment management fee is inclusive of Australian GST less any expected reduced input tax credits. See "Investment management fee" in the "Additional Explanation of Fees and Costs" section on page 28.
- Each stated investment performance fee represents Platinum's reasonable estimate of the prospective investment performance fee, and has been calculated based on the average of actual investment performance of the relevant Underlying Fund for the last 10 years up to and including 30 June 2017. This estimate is inclusive of GST less any applicable input tax credits. Past performance is not a reliable indicator of future performance. The actual investment performance fee may change considerably from the estimate provided. See "Investment performance fee" in the "Additional Explanation of Fees and Costs" section on page 28.
- The hurdle return for an Underlying Fund is the return of its nominated benchmark as set forth on page 29.

Fees and Other Costs – continued

Examples of annual fees and costs

This table gives an example of how the fees and costs for the Funds can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

Platinum International Fund (Quoted Managed Hedge Fund) (PIXX)¹		
Balance of \$50,000 with a contribution of \$5,000 during the year²		
Contribution fees	Nil	Nil
PLUS Management costs	1.76% pa ³	For every \$50,000 you have in PIXX you will be charged \$880 each year.
EQUALS Cost of PIXX		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$880*.
Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)¹		
Balance of \$50,000 with a contribution of \$5,000 during the year²		
Contribution fees	Nil	Nil
PLUS Management costs	1.58% pa ³	For every \$50,000 you have in PAXX you will be charged \$790 each year.
EQUALS Cost of PAXX		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$790.

1. This is an example only and does not take into account any movements in the value of an Investor's Units that may occur over the course of the year.
2. This example assumes the \$5,000 contribution occurs on the last day of the year so that management costs are calculated using the \$50,000 balance only.
3. The figure used for the management costs (consisting of the investment management fee and investment performance fee) in the example above reflects Platinum's reasonable estimates of the typical ongoing amounts. The reasonable estimate of the investment performance fee is based on the average of actual investment performance of the relevant Underlying Fund for the last 10 years up to and including 30 June 2017. This estimate is inclusive of GST less any applicable input tax credits. Past performance is not a reliable indicator of future performance. The actual investment performance fee may change considerably from the estimate provided. See "Investment performance fee" in the "Additional Explanation of Fees and Costs" section on page 28.

Additional Explanation of Fees and Costs

The fees and costs section of this PDS has been prepared in accordance with ASIC Class Order [CO 14/1252].

Management costs

The management costs of each Fund include an investment management fee and an investment performance fee.

Currently, Platinum does not separately recover expenses from the Funds or the Underlying Funds. Expenses and outgoings which are incurred in connection with the operation of a Fund or an Underlying Fund e.g. audits costs, the costs of legal and taxation advice, costs of annual financial statements, Investor reporting and distribution, marketing and other allowable expenses, are currently paid by Platinum.

As the Funds invest predominantly in international securities, the impact of GST on the management costs is currently negligible. To the extent that the GST impact on a Fund changes, for example exposure to Australian securities increases, the actual management costs may differ from those stated.

Investment management fee

No investment management fees are charged directly to the Funds. However, investment management fees are charged indirectly to the Funds through their respective investments in the Underlying Funds, and therefore reflected in the respective NAV per Unit of each of the Funds.

The investment management fees for the Underlying Funds are calculated as a percentage of each respective Underlying Fund's NAV and reflected in the respective daily unit price of each Underlying Fund. It is paid monthly to Platinum from the assets of the Underlying Fund.

The investment management fees are inclusive of Australian GST less any expected reduced input tax credits.

Investment performance fee

No investment performance fees are charged directly to the Funds. However, any investment performance fee that is charged to the Underlying Funds will be indirectly charged to the Funds through their respective investments in the Underlying Funds, and therefore reflected in the respective NAV per Unit of each of the Funds.

In addition to the investment management fee, the Constitution of each Underlying Fund allows Platinum to receive an investment performance fee out of the assets of the relevant Underlying Fund.

Fees and Other Costs – continued

How is the investment performance fee for an Underlying Fund calculated?

The investment performance fee for an Underlying Fund is 15% (inclusive of GST less any expected reduced input tax credits) of the amount by which the Underlying Fund's return per unit (after the deduction of investment management fees and excluding any accrued investment performance fees) exceeds the unitised return of the Underlying Fund's nominated benchmark (as set forth below) ("**Excess Return**"), for the relevant period. The investment performance fee for the relevant period is calculated daily and reflected in the Underlying Fund's daily unit price. However, any underperformance of the Underlying Fund's return per unit relative to its nominated benchmark (including underperformance from any prior Calculation Period) must be recovered before an investment performance fee can be recognised in the Underlying Fund's unit price*. The investment performance fee (if any) is payable to Platinum semi-annually as at 30 June and 31 December ("**Calculation Period**"). At the end of a Calculation Period, the Underlying Fund's return per unit and the unitised return of the Underlying Fund's nominated benchmark are reset to zero for the start of the next Calculation Period.

* The exception being any Crystallised Performance Fee that has already been accrued as a result of any withdrawals during a Calculation Period

What happens when units in an Underlying Fund are issued to a Fund during a Calculation Period?

If units in an Underlying Fund are issued to the Fund using an entry price applicable to a Business Day, this entry price will include any investment performance fee that has already been accrued during that Calculation Period but prior to the issue of those units. In order to neutralise the effect of the accrued investment performance fee on those units, Platinum will adjust the value of the Underlying Fund upwards on the next Business Day by the amount of such accrued investment performance ("Applications True-up"). This means that that Fund will effectively pay an investment performance fee only in respect of those units for any outperformance that is generated after those units have been issued.

What happens when units in an Underlying Fund are redeemed by a Fund during a Calculation Period?

If a Fund redeems units from an Underlying Fund using an exit price applicable to a Business Day and there is an investment performance fee accrual reflected in the exit price for those units, that investment performance fee will crystallise and will become payable to Platinum at the end of the Calculation Period ("**Crystallised Performance Fee**").

Nominated benchmarks

The nominated benchmarks for the Underlying Funds are set forth below:

Fund	Nominated benchmark
Platinum International Fund	MSCI All Country World Net Index in \$A
Platinum Asia Fund	MSCI All Country Asia ex Japan Net Index in \$A

Worked example

The following table provides a simplified worked example of the investment performance fee calculation for an Underlying Fund for two consecutive Business Days during a Calculation Period. It assumes hypothetical values; the Calculation Period starts from 1 January 2018; the Underlying Fund's unit price and the nominated benchmark unit price are reset to \$1.00 at the start of the Calculation Period; no underperformance is carried forward from prior Calculation Periods; and there are no applications, withdrawals or distributions on either of these Business Days.

Calculation	1st and 2nd January 2018
1st January 2018	
Underlying Fund unit price at 1 January 2018	\$1.08
Nominated benchmark unit price at 1 January 2018	\$1.02
Excess Return	\$0.06
Underlying Fund Units on issue at 1 January 2018	10,000
Investment performance fee accrual reflected in Underlying Fund's unit price on 1 January 2018 (\$0.06 Excess Return x 15% investment performance fee x 10,000 units on issue)	\$90.00
Previous investment performance fee accrual as at 1 January 2018	\$0.00
Adjustment	\$90.00

Fees and Other Costs – continued

Calculation	1st and 2nd January 2018
2nd January 2018	
Underlying Fund unit price at 2 January 2018	\$1.05
Nominated benchmark unit price at 2 January 2018	\$1.01
Excess Return	\$0.04
Underlying Fund Units on issue at 2 January 2018	10,000
Investment performance fee accrual reflected in Underlying Fund's unit price on 2 January 2018 (\$0.04 Excess Return x 15% investment performance fee x 10,000 units on issue)	\$60.00
Previous investment performance fee accrual from 1 January 2018	\$90.00
Adjustment	-\$30.00

Total transactional and operational costs*

Platinum's estimates of the transactional and operational costs for the Funds are:

Fund	Total transactional and operational costs (% pa of NAV)	Recovery through buy-sell spread (% of NAV)	Net transactional and operational costs (% of NAV)	For every \$50,000 you have in a Fund you will likely incur approximately:
Platinum International Fund (Quoted Managed Hedge Fund) (PIXX)				
Direct	0.25%	(0.25%)	Nil	
Underlying Fund (PIF)	0.21%	(0.09%)	0.12%	
Total	0.46%	(0.34%)	0.12%	\$60
Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)				
Direct	0.25%	(0.25%)	Nil	
Underlying Fund (PAF)	0.38%	(0.06%)	0.32%	
Total	0.63%	(0.31%)	0.32%	\$160

* Excludes investment management fees and investment performance fees.

This above information reflects Platinum's reasonable estimate of the transaction and operational costs for the Funds. The estimate of the direct costs for the Funds has been based on the current buy-sell spread charged by the Underlying Funds and assumes that for the first twelve months from each Fund's inception, the fixed component of the market making fee for each Fund will be paid to the market participant by Platinum and will not be recovered from either Fund. We have also assumed that application monies received in respect of PIXX and PAXX are fully invested in PIF and PAF, respectively. For the Underlying Funds, this estimate is based on the transactional and operational costs for the each Underlying Fund for the previous financial year ending 30 June 2017. In practice, your investment balance, the relevant Fund's and/or Underlying Fund's volume of trading and the number and value of applications and withdrawals processed will vary from year to year.

Transactional and operational costs such as brokerage (including research), transactional taxes, settlement costs and transactional and operational costs associated with the use of Derivatives are incurred when a Fund acquires or disposes of assets. The amount of these costs for a Fund will vary from year to year depending of the volume and value of trades undertaken for the Fund and the relevant Underlying Fund.

Transactional and operational costs for a Fund are paid out of the assets of the Fund and relevant Underlying Fund, as applicable, and are not fees paid to Platinum.

Underlying Funds' Buy sell spread

A portion of the total transactional and operational costs of the Underlying Funds are recovered from investors entering or exiting an Underlying Fund. Buy costs are charged to enter an Underlying Fund and sell costs are charged to exit an Underlying Fund. They are charged because entering or exiting an Underlying Fund necessitates the buying or selling of an Underlying Fund's investments, which means an Underlying Fund will incur transactional and operational costs. The buy and sell costs are based on our estimate of the transactional and operational costs incurred by an Underlying Fund to invest application money received or sell assets to fund withdrawal payments.*

The current buy costs of each Underlying Fund are 0.25%. The current sell costs of each Underlying Fund are 0.25%. From time to time, we may vary the buy-sell spread of an Underlying Fund and we will not ordinarily provide prior notice.

The buy-sell spread aims to ensure that non-transacting investors do not pay the transactional and operational costs associated with an investor entering or exiting an Underlying Fund. The buy and sell costs are not fees paid to Platinum – they are retained in an Underlying Fund to cover transactional and operational costs as they are incurred. The buy costs are built into an Underlying Fund's entry unit price and the sell costs are built into the exit unit price. The buy-sell spread will impact the return on your investment and is an additional cost to transacting investors.

* Our discretion in determining the buy/sell spread is carried out in accordance with documented policies – copies of which are available from us at no charge.

Sell costs for off-market withdrawals for PIXX and PAXX

In the limited circumstances in which off-market withdrawals are available to Investors, the Unit price at which an Investor can withdraw their investment will include sell costs of 0.25%. From time to time, we may vary the sell costs of PIXX and/or PAXX and we will not ordinarily provide prior notice.

Market making agent cost

Platinum has appointed a market participant as its agent to execute its market making activities in order to provide liquidity in the Units on the ASX AQUA market and also to facilitate settlement. The agent will earn a fee as a result of these activities. This fee is applicable to the value of the net Units purchased and sold by the agent on behalf of the Fund and has a fixed and variable component. For the first twelve months from each Fund's inception, the fixed market making fee for each Fund will be paid to the market participant by Platinum and will not be recovered from either Fund. Platinum cannot (at the date of this PDS) estimate the market making agent fee that may be payable from each Fund in the future.

Government charges

Government taxes such as stamp duty will be applied to your account or proceeds as appropriate.

Stockbroker fees for Investors

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the ASX. Investors should consult their share trading platform or stockbroker for more information in relation to their fees and charges.

Financial adviser fees

We do not pay service fees or commissions to financial advisers. You may agree to pay your financial adviser a fee for any financial advice that they provide to you.

Additional payments made by Platinum

We may make product access payments (flat dollar amounts) to the operators of master trusts and wrap accounts who distribute our Funds or Underlying Funds on their investment menu. We may also provide certain payments or other non-monetary benefits to dealer groups and other financial services licensees to the extent it is permitted under law. All payments and non-monetary benefits referred to herein are funded by Platinum out of our own resources, and are not an additional cost to you.

Soft dollar arrangements

We may, in accordance with applicable laws, receive goods and services (such as third party research) paid for by brokers where such goods and services assist us in managing the Funds and the Underlying Funds. These payments and benefits are not an additional cost to you.

Fees permitted under the Constitutions

The Constitutions of each Fund and of each Underlying Fund allow for higher fees to be charged than those detailed on pages 26 to 32, and specify the circumstances in which additional fees may be charged, such as:

- a maximum contribution fee of 10% of an investor's application amount. Currently, we do not charge a contribution fee;
- an application facility fee to be deducted from an investor's application money. Currently, we do not charge an application facility fee;
- a withdrawal facility fee to be charged to investors who use a withdrawal facility. Currently, we do not charge a withdrawal facility fee;
- a maximum trustee fee of 0.10% per annum of a Fund's / Underlying Fund's NAV. Currently, we do not charge a trustee fee;
- a maximum trustee termination fee of 2.00% of a Fund's / Underlying Fund's NAV on the termination of a Fund / Underlying Fund or the removal of Platinum as Responsible Entity of a Fund / Underlying Fund;
- a maximum investment management fee (excluding ongoing recoverable operating expenses) of up to 2.00% per annum of a Fund's / Underlying Fund's NAV.

The Constitutions of each Fund and of each Underlying Fund also provide that the maximum aggregate of fees charged by Platinum, may not exceed 7.00% per annum, of a Fund's or Underlying Fund's NAV, respectively.

Changes to fees

We have the right to increase the fees or to charge fees not currently levied, or charge fees more regularly, up to the maximum limits set forth in a Fund's Constitution. If we choose to exercise this right, we will provide you with 30 days prior notice.

Differential Fees

In accordance with the ASIC Corporations (Registered Schemes – Differential Fees) Instrument 2017/40, Platinum may, in its discretion and in accordance with applicable law, negotiate and agree a lower investment management fee or a rebate or a waiver of part of its investment management fee for:

- a wholesale client within the meaning of section 761G of the Corporations Act; or
- an employee of Platinum or a related body corporate, provided that the number of votes that may be cast on a resolution of the relevant Fund's Investors by Investors who are employees, is not more than 5% of the total votes that may be cast by the Fund's Investors.

Information About Your Investment

CHESS Holding Statements

The Responsible Entity will not issue Investors with certificates in respect of their Units. Instead, when Investors purchase Units on the ASX they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the "Holder Identification Number" allocated by CHESS or "Security Holder Reference Number".

Platinum's website

General and updated information about the Funds is available from our website – www.platinum.com.au. This includes Fund unit prices, performance, distribution history and monthly updates (detailing Fund size, exposures and top holdings). Other information includes: key service providers; material changes in a Fund's risk profile (if any); quarterly investment reports; the current PDS (including any supplementary material) and the Funds' annual financial reports.

Platinum intends to follow ASIC's good practice guide for continuous disclosure and in so doing will post copies of continuous disclosure notices on its website. Investors are encouraged to check the website regularly for such information.

The site also has a comprehensive section relating to topical updates and interesting articles from the investment team.

Reporting

The Funds are subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. Investors can also call Investor Services to obtain copies of the following documents, free of charge:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half year financial report lodged with ASIC;
- Any continuous disclosure notices the Responsible Entity places online at www.platinum.com.au or lodged with ASX and ASIC.

Updated information

While the terms and features of the Funds relating to this PDS are current at the issue date of this PDS, they may change in the future. We reserve the right to change the terms and features of the Funds in accordance with the Constitutions of the Funds and the Corporations Act. Updated information which is not materially adverse is accessible from Platinum's website or Investor Services. A paper copy of the updated information will be available free of charge upon request. In addition, any material updates will also be notified to Investors through the ASX market announcements platform.

Taxation Information

The following information summarises some of the taxation issues you should consider before making an investment. The information is intended for use by Investors who hold Units in a Fund on capital account. It should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. The taxation of a unit trust investment such as Units in the Funds can be complex and may change over time. The comments below are current as at the date of preparation of this PDS. Please consult your tax adviser about the specific implications relevant to your situation.

Tax position of the Funds

General

The Funds are Australian resident trust estates for Australian tax purposes.

Although the Funds hold authorised investments, Platinum will only engage in 'eligible investment business' as described in section 102M of the Australian Income Tax Assessment Act 1936, as amended. On this basis, the Funds should not be 'trading trusts', and so should not be taxed as companies.

Generally, no Australian income tax will be payable by the Responsible Entity on behalf of the Funds on the basis that the Investors in a Fund are presently entitled to all of the distributable income of the Fund for each income year or where the Fund is an Attribution Managed Investment Trust ("AMIT") (refer to "AMIT Regime" on page 36), Investors are attributed with all net taxable income each year (as relevant).

In the case where a Fund makes a loss for Australian tax purposes, the Fund cannot distribute the loss to Investors in that Fund. However, subject to the Fund meeting certain conditions, the Fund may be able to recoup such losses against assessable income of the Fund in subsequent income years.

Deemed Capital Gains Tax ("CGT") election

Eligible managed investment trusts ("MITs") may make an irrevocable election to apply a deemed capital account treatment to gains and losses on the disposal of eligible investments (including equities and units in other trusts, but generally not Derivatives and foreign exchange contracts). The election must be made in respect of the first year a trust qualifies as a MIT, otherwise if a trust qualifies as a MIT and no election is made, deemed revenue account treatment applies. The Funds intend to make the election for deemed capital account treatment. On this basis, realised gains and losses of a Fund on the disposal of eligible investments should be treated as capital gains and losses. Where the eligible investments of a Fund have been held for at least 12 months, the Fund should be entitled to a 50% capital gains discount in respect of any nominal gain. Capital losses must be offset against the 'grossed up' or nominal amount of discount capital gains.

Tax reform

Reforms to the taxation of trusts are generally ongoing. The Responsible Entity will continue to monitor the progress of such developments and the impact on the Funds. However, given these developments may impact on the tax positions of the Funds and their Investors, it is strongly recommended that investors seek their own professional advice in relation to the potential impact of any reforms on their tax position.

Tax position of Australian resident Investors

General

The taxable net income earned by a Fund and distributed to you or reinvested should be included in your tax return in the year you became presently entitled to it. Alternatively, where a Fund is an AMIT you include the net taxable income attributed to you for a particular year in your tax return.

Distributions

Investors in a Fund will be provided with an annual distribution and taxation statement (generally in July each year) indicating the components of their distribution (or reinvestment), and any taxes withheld or deducted. Where a Fund is an AMIT, Investors will be provided with an AMIT Member Annual Statement ("AMMA") indicating the components attributed.

Distributions, reinvestments (or attributed amounts) from a Fund may include various components, the taxation treatment of which may differ. For example, in addition to investment income such as foreign income, distributions from a Fund may include a tax deferred component, a CGT concession component, as well as net capital gains (of which some part may be discount capital gains).

Given the respective investment objectives of the Funds, it is anticipated that the majority of the Funds' income will be foreign income. You may be entitled to a foreign income tax offset for foreign tax already paid by a Fund in respect of this income. Both the foreign income and any related foreign income tax offsets should be included in your tax return.

Any capital gains distributed (or attributed) by a Fund should be included in the calculation of your net capital gain or loss. In performing this calculation, any discounted capital gains distributed (or attributed) by a Fund should be 'grossed up' (i.e. the amount of discounted capital gains should be doubled). You should then determine whether you are eligible to apply a CGT discount in respect of the distributed gains (refer below under 'Withdrawal and disposal of units').

Tax deferred distributions are generally distributions in excess of net taxable income (other than any CGT concession component). For CGT purposes, amounts of tax deferred distributions received from a Fund reduce the cost base of your Units in that Fund and therefore increases your capital gain or reduces your capital loss on disposal of those Units. Tax deferred distributions are generally not assessable to you unless the total tax deferred amount received from the Fund exceeds the cost base of your Units, at which point the excess is treated as a capital gain.

The CGT concession component of a distribution in respect of a Fund represents the 50% CGT discount that the Fund has applied in respect of the disposal of eligible investments that it held for 12 months or more.

The CGT concession component for a Fund should not be assessable when received by individuals and trusts and does not reduce the cost base of the Units in the Fund held by such Investors (see below regarding new developments in this area). Companies and complying superannuation entities will effectively include part or all of this amount in their assessable income due to the operation of the capital gains tax discount rules (as outlined below under 'Withdrawals and disposal of units').

The Government has announced amendments to legislation to apply from the 2017 – 2018 income year providing that where discount capital gains are offset by capital losses, a distribution of CGT concession can result in a reduction in the cost base of Units held by Investors.

The distribution of tax deferred and CGT concession may be treated differently under AMIT (refer to “AMIT Regime” on page 36).

Withdrawals and disposal of units

If you withdraw or transfer Units in a Fund, this may constitute a disposal for tax purposes.

Investors should include any realised capital gain or loss on disposal of their Units in a Fund (together with any capital gains distributed or attributed by the Fund) in the calculation of their net capital gain or loss. A net capital gain will be included in assessable income. A net capital loss may only be offset against capital gains. If Investors do not have any capital gains, the capital loss may be carried forward for offset against capital gains of subsequent years, but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one half for individuals and trusts or one third for complying superannuation entities may be allowed where Units in a Fund have been held for 12 months or more.

The calculation of an Investor’s capital gain or loss may also be affected by any tax deferred distributions made by a Fund (refer above). In addition, where the Fund is an Attribution Managed Investment Trust, the Investor’s cost base of units can also be increased in certain circumstances for the purposes of calculating a capital gain or loss (refer to “AMIT Regime” on page 36).

Where Units are held as part of a business of investing or for the purpose of profit making by sale, gains realised may constitute ordinary income and losses realised may constitute allowable deductions.

Tax position of non resident Investors

Appropriate deductions of Australian withholding tax will be made from distributions (or amounts attributed) of certain Australian sourced income and gains to non resident Investors. Non resident investors may also be subject to tax on distributions in their countries of residence (for tax purposes) and may be entitled to foreign tax credits under the tax laws of the relevant country.

It is expected that non residents should generally not be subject to Australian CGT on the disposal of Units in the Funds.

Broadly, a non resident Investor in a Fund will be subject to CGT on the disposal of Units if they, together with any associates, hold or had an option or right to hold 10% or more of the Units in the Fund at the time of disposal or throughout a period of 12 months during the two years prior to disposal, and the majority of the Fund’s assets comprise taxable Australian real property.

In this regard, it is not expected that any of the Funds will hold taxable Australian real property.

A non-resident may also be subject to CGT where the Units in a Fund have been held as part of the carrying on of a business through a permanent establishment in Australia.

However, if the non-resident holds their Units as part of a business of investing or for the purpose of profit making by sale, gains may be subject to Australian tax as ordinary income, subject to any treaty relief.

We recommend that non-resident investors consult their tax adviser regarding their tax implications, including the tax implications in the country in which they are resident for tax purposes.

New Zealand Investors

New Zealand Investors, who hold units in a Fund, will generally be deemed to hold an interest in a Foreign Investment Fund (“FIF”) unless the interest falls within the very limited FIF exemption for certain Australian unit trusts. This exemption will not apply to these Funds.

New Zealand Investors will need to calculate their FIF income each year under one of five calculation methods, being: fair dividend rate method (“FDR”); comparative value method (“CV”); attributable FIF income method; deemed rate of return method; or cost method.

The default method is the FDR method. Under this method, most New Zealand Investors will be taxable each year on 5% of the opening market value of their investment in the Funds. Special calculation rules apply to unit trusts or other investors who value their units on a regular basis.

Under the FDR method, dividends or any gain on the sale or withdrawal of Units in the Funds are not separately taxed in New Zealand.

No deduction is available for any losses under the FDR method. Quick sale rules will apply to Units bought and sold during the income year which result in the Investor being taxable generally on the lesser of any gain on the quick sale and 5% of the cost of the Units (determined on an average cost basis).

Individuals and eligible family trusts have a “safety net” option, which allows these investors to calculate FIF income under the CV method based on their actual economic return where this is less than the amount calculated under FDR. Where the choice of FDR or CV methods is available, investors may choose the method that produces the lower taxable income each income year, but the method must be applied consistently to all FIF interests for that income year.

A de minimis concession from the FIF rules applies to individual investors who hold offshore shares (excluding certain Australian listed shares) with an aggregate cost of up to NZ\$50,000. Individual Investors may choose whether to apply the NZ\$50,000 de minimis threshold or apply the FIF rules. Individual Investors who apply the de minimis exemption will be taxed on distributions from the Funds. They can also be taxable on an exit from the Fund in certain circumstances.

NZ Investors are generally not entitled to claim a tax credit in NZ for overseas withholding tax deducted with respect to a Fund’s underlying investments.

Taxation Information – continued

Goods and Services Tax ("GST")

GST should not be payable on your investment(s) in any of the Funds. GST will apply to the fees and costs charged to each Fund.

However, in respect of some of these fees, the Funds will usually be entitled to reduced input tax credits. The costs and fees payable in relation to your investment(s) in any of the Funds as stated in this PDS are inclusive of GST.

GST will not be applicable to the buy sell spread payable in relation to the Funds.

AMIT Regime

A new regime for the taxation of managed investment trusts ("MITs") was enacted in May 2016. Eligible MITs can elect to become Attribution MITs ("AMITs") by irrevocable choice.

Platinum elected into the AMIT regime for the Funds with effect from 1 July 2017 because, based on the expected operation of the AMIT rules, it believes that the regime provides greater tax certainty and flexibility that is consistent with the best interests of Investors.

Under the AMIT rules:

- taxable income is allocated to Investors using the concept of "attribution" and this replaces the "present entitlement" model. For income tax purposes, the Funds will attribute assessable income, exempt income, non-assessable non-exempt income, and tax offsets to Investors on a "fair and reasonable" basis in accordance with the respective Constitutions of the Funds. The attributed taxation components will also retain their tax character in the hands of Investors;
- Platinum may allocate realised capital gains from the sale of investments in order to fund a large withdrawal to an Investor, together with a proportion of any undistributed income to the date of withdrawal, to the withdrawing Investor, in accordance with the relevant Fund's Constitution (this is instead of a pro-rata distribution of realised gains based on unitholdings);
- Platinum may be taxed on any taxable income of the Funds that Platinum fails to allocate to the Investors, and may be liable for tax in respect of any tax offsets that have been over attributed to Investors;
- upward cost base adjustments of Units are allowed for if the amount distributed by a Fund is less than the taxable income attributed plus the gross up of a discount capital gain. This mitigates double taxation which may occur under the current rules, where no cost base increase is permitted, with the result that Investors may therefore be taxed again when the cash is subsequently distributed;
- Platinum may be liable for administrative penalties, for example, penalties for any unders/overs (see below) caused by recklessness or intentional disregard of Australian tax law;

Other potential benefits are:

- the Funds will be deemed to be fixed trusts, which may be uncertain under the current rules. This status is important for tax matters such as trust loss recoupment;
- Platinum has the ability to carry forward certain understatements and overstatements of taxable income and tax offsets ("unders/overs"), and deal with these as timing adjustments in the year in which they are discovered. This mitigates the need to re-issue Investor statements for prior years; and
- a choice is available to treat individual classes of multi-class trusts as separate AMITs.

There may be other changes to the current tax treatment under the AMIT rules. For example, the treatment of some non-taxable components discussed earlier may change under AMIT.

For income years in which the Funds are AMITs, Australian resident Investors will be subject to tax on the income of the Funds which is attributed to them under the AMIT rules. The amount attributed to Investors will be advised in an AMIT Member Annual Statement ("**AMMA Statement**"). The AMMA Statement will also disclose cost base adjustments and must be provided to Investors no later than 3 months after 30 June each year, commencing with effect from 30 June 2018.

Additional Information

Retaining a copy of the PDS

You should keep a copy of the current product disclosure statement ("PDS") (including any supplementary or replacement PDS) and any other supplementary material updating the PDS for future reference.

Our role as Responsible Entity

Platinum is the Responsible Entity of the Funds and the Underlying Funds. It is also the investment manager of the Funds and Underlying Funds.

Platinum is responsible for the proper and efficient administration, management and valuation of the Funds, including all investment decisions. Platinum is required to comply with the provisions of the Funds' Constitutions, the Underlying Funds' Constitutions, the Corporations Act, and any additional obligations created by this PDS. Subject to these obligations, Platinum has an absolute discretion as to the exercise of its powers under the Constitutions.

The Funds' Constitutions

Each Fund is governed by a Constitution. The Constitutions, together with this PDS, the Corporations Act, ASIC Policy and the AQUA Rules regulate the Funds and our legal relationship with Investors.

A Constitution may be unilaterally amended by Platinum, provided the amendment is not materially adverse to the rights of Investors. Otherwise, Platinum must obtain the approval of Investors by special resolution (which requires at least 75% of the votes cast by Investors being in favour of the resolution and entitled to vote on the resolution).

You may inspect the Constitutions at our office on any Business Day, free of charge.

By investing in a Fund, you agree to be bound by the terms of this PDS and the Fund's Constitution (as amended from time to time). You should consider the terms of the relevant Constitution before investing in a Fund.

ASIC Relief

ASIC has granted relief under section 1020F of the Corporations Act from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Funds were unlisted disclosing entities and includes statements in any PDS for interests in the Funds to the effect that Platinum will comply with the continuous disclosure requirements of the Corporations Act as if the Funds were unlisted disclosing entities.

ASX conditions of admission

As part of the Funds' conditions of admission to the ASX under the AQUA Rules, Platinum has agreed to:

- a. disclose the Funds' portfolio holdings on a quarterly basis within two months of the end of each calendar quarter;
- b. provide the iNAV for each Fund as described in this PDS;
- c. ensure that whilst the Funds invest in the Underlying Funds, Platinum is both the responsible entity and the investment manager of the Funds and the Underlying Funds, and an information sharing agreement is in place between Platinum

as Responsible Entity of each Fund and Platinum as responsible entity of each Underlying Fund;

- d. ensure that the Underlying Funds' investments are linked to permissible Underlying Instruments (as defined in the AQUA Rules), subject to any waivers granted by the ASX to Platinum; and
- e. for the purposes of determining a Fund's exposure to OTC Derivatives Counterparties (as defined in the AQUA Rules), the Fund's exposure and the relevant Underlying Fund's exposure to OTC Derivatives Counterparties, shall be assessed together.

Unit Pricing Discretions Policy

Platinum's Unit Pricing Discretions Policy provides further information about how it calculates the NAV per Unit for a Fund. The policy complies with ASIC requirements. Platinum will observe this policy in relation to the calculation of the NAV per Unit for each Fund and will record any exercise of discretion outside the scope of the policy. Investors can request a copy of the policy free of charge by calling Platinum.

Cooling off period

Cooling off rights do not apply when Investors transact Units on the ASX.

Past performance

Performance history and fund size information in respect of the Underlying Funds can be obtained by visiting Platinum's website at www.platinum.com.au. You can see the Fund updates and other Fund announcements on the ASX at www.asx.com.au. Past performance is no indication of future performance. Returns are not guaranteed.

Custodian

State Street Australia Limited ("SSAL") has been appointed to hold the assets of the Funds under a Custody Agreement. As custodian, SSAL will safe-keep the assets of the Funds, collect the income of the Funds' assets and act on the Platinum's directions to settle the Funds' trades. SSAL does not make investment decisions in respect of the Funds' assets that it holds.

Valuation

State Street Australia Limited ("SSAL") has been appointed to value the assets of the Funds and to calculate the NAV per Unit for each Fund under an Administration Agreement.

Unit Registry

Link Market Services Limited has been appointed as the Unit Registry of the Funds under a Registry Services Agreement. The Registry Services Agreement sets out the services provided by the Unit Registry on an ongoing basis together with the service standards.

As for any quoted security, the role of the Unit Registry is to keep a record of Investors in the Funds. This includes information such as the quantity of Units held, TFNs (if provided), bank account details and details of distribution reinvestment plan participation.

Additional Information – continued

Auditor

PwC (PricewaterhouseCoopers) is the appointed auditor for the Funds. The auditor's role is to audit the Funds' annual financial statements, perform a half-yearly review (if required), and to provide an opinion on the financial statements.

Consents

The following parties have given written consent (which has not been withdrawn at the date of this PDS) to being named in the form and context in which they are named, in this PDS:

- Link Market Services Limited;
- State Street Australia Limited;
- PricewaterhouseCoopers; and
- MSCI Inc.

Each party named above who has consented to be named in the PDS:

- has not authorised or caused the issue of this PDS;
- does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based) other than as specified; and
- to the maximum extent permitted by law, takes no responsibility for any part of the PDS other than the reference to their name in a statement included in the PDS with their consent as specified.

MSCI Inc.

Neither MSCI Inc nor any other party involved in or related to compiling, computing or creating the index data (contained in this PDS) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI Inc, any of its affiliates or any third party involved in or related to compiling, computing or creating the data will have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the index data is permitted without the express written consent of MSCI Inc.

Investor liability

We have included provisions in each Fund's Constitution designed to protect Investors. The Constitutions of the Funds provide that Investors will not, by reason of being an Investor alone, be personally liable with respect to any obligation or liability incurred by the Responsible Entity. However an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

Limitation of liability and indemnity

Subject to the Corporations Act, each Fund's Constitution provides that Platinum is not liable for any loss or damage to any person (including an Investor) by reason of not receiving sufficient or

adequate instructions or information from an Investor or other person. Platinum will also, subject to the Corporations Act, not incur any liability, be liable to account to anyone or be liable for loss or damage in relation to the performance of its duties in relation to determinations of fact or law or decisions in respect of tax.

Platinum is entitled to be indemnified from the assets of a Fund for all expenses which it may incur or become liable for in connection with the proper performance of its duties as Responsible Entity of the Fund including, its administration or management and the maintenance or management of the authorised investments of the Fund.

Platinum has a right to be indemnified out of a Fund's assets in respect of its acts or omissions. Platinum may not rely on this indemnity to the extent it has acted fraudulently, with gross negligence, wilful misconduct or in breach of trust involving a failure to show the degree of care and diligence required of Platinum, having regard to the powers, authorities and discretions conferred on it by the Fund's Constitution.

Platinum is also entitled to be indemnified in respect of tax paid or payable on behalf of an Investor. If the amount payable to an Investor is not adequate to meet the tax liability, Platinum may withdraw Units held by the Investor.

Complaints

Platinum has standard arrangements in place for the handling of complaints. If you have a complaint about your investment in a Fund, contact Investor Services. We will acknowledge a complaint within four Business Days and will make every effort to resolve your issue within 30 days.

If your complaint remains unresolved after 45 days, you may refer it to the Financial Ombudsman Service ("FOS"). Platinum is a member of FOS, which is an independent dispute resolution service approved by ASIC.

FOS contact details:

Telephone: 1300 780 808

GPO Box 3, Melbourne, VIC 3001

www.fos.org.au

For a complaint to be considered by FOS, the claim must be for less than A\$500,000 (unless otherwise agreed in writing between you and Platinum).

Privacy law

Platinum and its related bodies corporate collect your personal information for the following purpose:

- to assess and process your application and administer your investment holdings in the Fund(s);
- to communicate with you on an ongoing basis about your investment holdings in the Fund(s) ;
- for analysis to improve our products and services;
- to advise you of new developments relevant to your investment holdings in the Fund(s);
- to send you education and marketing information about Platinum and the Funds;
- to provide or market other products and services to you;

Additional Information – continued

- improve customer service by providing your personal details to other external service providers (including companies conducting market research); and
- to comply with applicable laws and regulations, including without limitation the Corporations Act and anti money laundering laws.

If you do not provide your personal information to Platinum, we may not be able to conduct some or all of the above activities.

In most cases, we collect your personal information directly from you, including via your application for Units on the ASX AQUA trading platform or in the course of other communications with you, which may occur through our website or when you phone or contact our staff. In some cases, we may also collect personal information from a third party such as a broker.

In order to perform our role and for the purposes described above, we may disclose some or all of your personal information to our related bodies corporate and to other persons/entities outside of Platinum, including:

- to agents, contractors and external providers of outsourced services, which provide services in connection with our products and services, such as identification authority, information technology, consulting, mailing and printing service providers;
- directly or indirectly (via a third party) to your financial adviser, stockbroker, advisory firm (or dealer group) or administrative firm or other person;
- to government or regulatory agencies/bodies (such as ASIC, ATO, AUSTRAC or a law enforcement agency) in connection with their lawful information requests or to meet our legal and/or regulatory obligations in any relevant jurisdiction;
- as required or authorised by law, regulation or by a court order;
- to Platinum's service providers for the Funds, such as the Unit Registry, custodian, administrator or auditor of the Funds; or
- related bodies corporate of Platinum.

By virtue of your application for Units in a Fund, you provide your consent for your personal information to be collected by Platinum and its related bodies corporate and used and disclosed by Platinum and its related bodies corporate for the purposes described in this PDS. In order to use and disclose your personal information for the purposes stated above, we may be required to transfer of your personal information outside of Australia. By applying for Units in a Fund, you consent to such transfer and you acknowledge that your personal information may not be subject to the same level of protection afforded under Australian law.

You also consent to receiving commercial electronic messages from Platinum and its related bodies corporate regarding the Funds and other similar financial products and/or services offered by Platinum and/or its related bodies corporate.

The Corporations Act requires us to keep your name and address on a register, which may be inspected by any person on request.

Our privacy policy, which is available at www.platinum.com.au/privacy/ explains how you may access and correct personal information that we hold about you. It also sets out how you may contact us to complain about breach of the Privacy Act 1988

(Cth) and how we will deal with such a complaint. If you have any questions or concerns about privacy or if you would like further information about our privacy practices, please contact our Privacy Officer using the following details:

Platinum Asset Management
Level 8, 7 Macquarie Place
Sydney NSW 2000
Australia

Telephone: 1300 726 700 or 02 9255 7500
Facsimile: 02 9254 5590
Email: privacy@platinum.com.au

FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") is a US law enacted to reduce offshore tax evasion by US Persons.

It imposes certain due diligence and reporting obligations on foreign (non US) financial institutions. The Australian and US governments entered into a Model 1 Inter Governmental Agreement ("**Australian IGA**") on 28 April 2014 to facilitate the application of FATCA to Australian Financial Institutions ("**AFIs**"). The Australian IGA was given effect under the Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014 (Cth) (FATCA Act) and generally applied to AFIs from 1 July 2014.

AFIs are required, subject to any applicable thresholds or exemptions, under the FATCA Act to collect, identify and report to the Australian Taxation Office ("**ATO**") various account related information of certain investors identified as US tax residents or citizens.

Accordingly, in order to comply with FATCA, Platinum may request Investors to provide certain information about themselves in order to comply with Platinum's FATCA obligations.

To the extent that all FATCA information is obtained, imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities shall not apply to the Funds or the Underlying Funds. Although Platinum attempts to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of this withholding tax, this outcome is not guaranteed. Under the terms of the Australian IGA, Platinum may provide FATCA information to the Australian Taxation Office. Platinum may use your personal information in order to comply with FATCA and may contact Investors if it requires additional information to comply with its FATCA obligations.

OECD Common Reporting Standard

Australia has implemented the Organisation for Economic Co-operation and Development Common Reporting Standard (the "**CRS**") for automatic exchange of information which is a single global standard for the collection and reporting of information by Financial Institutions (as defined for CRS purposes) on non-resident account holders. The CRS applied in Australia from 1 July 2017. The Responsible Entity will be responsible for complying with the requirements of the CRS and may need to obtain further information from Investors for this purpose.

Additional Information – continued

Interests in the Underlying Investments and/or the Funds

Platinum, its employees, officers and related parties may invest in the Funds and/or the Underlying Funds.

Mortgagee interests/margin lending

Platinum will not recognise any security interest (notice of mortgage, etc) over any Units of a Fund.

If you invest in a Fund through a margin lender, you are directing the margin lender to arrange for your monies to be invested in the Fund on your behalf. Accordingly, you do not acquire the rights of an Investor in the Fund. The margin lender is the Investor and acquires these rights and can exercise, or decline to exercise them, on your behalf according to your contract with the margin lender. As an investor in a margin lending product, you must read this PDS in that context.

When you invest through a margin lender and wish to make additional investments, realise your investment, or transfer your investment to another person, you will have to direct the margin lender to do so on your behalf. All correspondence and dealings in your investment will be through your margin lender.

Platinum accepts no responsibility for any aspect of the margin lender or (without limitation) for any failure on the part of the margin lender in respect of its administration, payment of income or other distributions, payment of withdrawal proceeds, fees charged or the efficiency or viability of the margin lending product.

Indirect investors

When you access a Fund through an IDPS or IDPS-like scheme (commonly, a master trust or wrap account) you are directing the operator of the IDPS or IDPS-like scheme to arrange for your monies to be invested in the Fund on your behalf. Accordingly, you do not acquire the rights of an Investor in the Funds. The operator (or its custodian/nominee) is the Investor and acquires these rights and can exercise, or decline to exercise them, on your behalf according to the arrangements governing the IDPS or IDPS-like scheme. As an investor in the IDPS or IDPS-like scheme, you must read this PDS in that context.

When you invest through an IDPS or IDPS-like scheme and wish to make additional investments, realise your investment, or transfer your investment to another person, you will have to direct the operator of the IDPS or IDPS-like scheme to do so on your behalf. Platinum accepts no responsibility for any aspect of the IDPS or IDPS like scheme or (without limitation) for any failure on the part of the IDPS or IDPS like scheme in respect of its administration, payment of income or other distributions, payment of withdrawal proceeds, fees charged or the efficiency or viability of the IDPS or IDPS like scheme.

Specifically, Platinum's agreement to permit the naming of the Funds in a PDS issued by an IDPS operator or IDPS like scheme, or list of investments that may be accessed via the IDPS or IDPS like scheme, does not signify an endorsement by Platinum, or our support for, the IDPS or IDPS like scheme.

Authorisation of issue

This PDS has been authorised for issue by the directors of Platinum Investment Management Limited.

Additional Information – continued

Glossary	
ABN	means Australian Business Number.
AEST	means Australian Eastern Standard Time in Sydney, as adjusted for any daylight savings.
AFSL	means Australian Financial Services Licence.
AQUA Rules	means ASX Operating Rules that apply to the quotation on ASX of managed funds, exchange traded funds and other structured securities and products such as the Units.
ARSN	means Australian Registered Scheme Number.
ASIC	means Australian Securities and Investments Commission.
ASIC Relief	means any declaration made or exemption granted by ASIC that is applicable to the Funds and that is in force.
ASX Listing Rules	means the listing rules of the ASX from time to time.
ASX Operating Rules	means the operating rules of the ASX from time to time.
ASX Trading Day	means the day and time during which shares are traded on the ASX.
ATO	means Australian Taxation Office.
Business Day	means every day banks are open for business in Sydney, Australia except Saturday, Sunday or a public holiday.
CHESS	means the Clearing House Sub-register System, the Australian settlement system for equities and other issued products traded on the ASX and other exchanges. CHESS is owned by the ASX.
Constitution	means the legal document (as amended from time to time), which sets out the governing rules of either the relevant Fund or the relevant Underlying Fund (as the context requires).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) and includes the <i>Corporations Regulations 2001</i> (Cth) of Australia, as amended from time to time.
Derivative	means a financial contract whose value depends on, or is derived from assets, liabilities or indices (the underlying asset). Platinum considers Derivatives to include futures, options, swaps and related instruments, but to exclude forward foreign exchange contracts, company issued options, warrants or rights, and stock borrowing covered short equity positions.
EFT	means electronic funds transfer.
Funds	means each of the Platinum International Fund (Quoted Managed Hedge Fund) ARSN 620 895 301 and the Platinum Asia Fund (Quoted Managed Hedge Fund) ARSN 620 895 427.
iNAV	means the indicative NAV per Unit of the relevant Fund (as the context requires).
Investor or Investors	means a unit holder or unit holders of the relevant Fund as noted in the relevant unit holder register.
monthly update	means an end of month snapshot report prepared by Platinum for an Underlying Fund detailing size, exposures and top holdings. A copy is available from Platinum's website or Investor Services.
NAV	means the net asset value of the relevant Fund or Underlying Fund (as the context requires).
PAF	means the Platinum Asia Fund (ARSN 104 043 110).
PIF	means the Platinum International Fund (ARSN 089 528 307).
Portfolio	means the investment portfolio of the relevant Underlying Fund (as the context requires) together with any accretions to it which will be managed by Platinum.
Portfolio Manager	means the individual or individuals responsible for managing the assets of the relevant Underlying Fund (as the context requires).
quarterly investment report	means the quarterly report issued by Platinum for the relevant Fund or Underlying Fund (as at 31 March, 30 June, 30 September and 31 December), as the context requires, a copy of which is available from Platinum's website or Investor Services.
Underlying Funds	means each of the Platinum International Fund (ARSN 089 528 307) and the Platinum Asia Fund (ARSN 104 043 110) as applicable.
Unit	means a unit in the relevant Fund (as the context requires).
Unit Registry	means Link Market Services Limited.

Warning Statement for New Zealand Investors

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
8. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
9. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
10. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.
11. The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

You may request a copy of the Constitution(s) governing this offer from Investor Services.

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