

Platinum Asset Management[®]

Brochure

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Platinum Asset Management. If you have any questions about the contents of this brochure, please contact us at +612 9255 7500 or invest@platinum.com.au. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Platinum Asset Management is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Brochure dated 26 September 2020 serves as an update to the Brochure dated 27 September 2019.

Since the last annual update to our Brochure dated 27 September 2019, only minor changes of a non-substantive nature were made throughout this Brochure.

Platinum does not consider the changes to be material.

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Advisory Business

Platinum Investment Management Limited, trading as Platinum Asset Management (“Platinum”) is one of Australia’s leading investment managers specialising in international equities.

Our central endeavour is to achieve absolute returns over the long term for our investors by investing in undervalued listed (and unlisted) investments around the world. This is complemented by quarterly communication, which attempts to keep investors abreast of our perspective and portfolio positioning.

Platinum is ultimately owned by Platinum Asset Management Limited (ABN 13 050 064 287), a company listed on the Australian Securities Exchange. Approximately half of issued shares are held by staff (and related parties). Platinum is wholly owned by Platinum Asset Pty Ltd, an Australian private holding company and a dormant company with no operating activity.

Platinum provides investment advisory services to U.S. and non-U.S. clients (collectively “clients”) and investors within the pooled investments vehicles (“Funds”). In providing services to non-U.S. clients and investors, Platinum holds an Australian Financial Services Licence pursuant to section 913B of the Corporations Act 2001 and is subject to other non-U.S. regulation.

Platinum’s wholly owned subsidiary Platinum GP Pty Limited is the general partner of a number of Delaware limited partnerships. Platinum provides investment advisory services to these investment vehicles.

As of 31 August 2020, Platinum managed approximately USD 16 billion of client money. All assets are managed on a discretionary basis. Our investment management services can be tailored to meet the needs of our clients or prospective clients.

Platinum exercises investment discretion over individually managed accounts (“Client Portfolios”) subject to the specific restrictions in the investment management agreements (e.g. restrictions around the type of securities that can be held in a portfolio or counterparties that can be used for security transactions) so long as they are clear and not overly burdensome or restrictive.

Platinum also offers investment advisory services in the form of Funds. Each Fund has an investment objective and a set of investment policies and/or guidelines that Platinum must follow. For this reason, Platinum does not tailor the investment advisory services provided to the Funds to meet individual investor needs. In addition, Platinum cannot impose individual investment restrictions on the investment strategies for underlying investors in the Funds.

Fees and Compensation

Compensation for Advisory Services

Platinum is compensated for the advisory services provided to clients from two different types of fees:

- Management Fee – calculated based upon the current market value of a Client Portfolio at the time of calculation (which may be daily, monthly or quarterly).
- Performance Fee – a fee that is calculated at the end of each financial year (30 June) or other date (as agreed) and is based upon a Client Portfolio's investment return over and above a specified benchmark. Should the actual performance be lower than the applicable benchmark, then no performance fee would be payable from the Client Portfolio for the relevant period.

Each Client Portfolio has differing fees and terms as determined by the investment management agreement. These fees are negotiated at the time the investment management agreement is established.

Payment of Fees

Management fees are generally invoiced and payable either monthly or quarterly in arrears. Most Client Portfolios prescribe the calculation methodology of the fee payable to Platinum and this is checked for reasonableness to Platinum's own records. Client Portfolios are invoiced for fees incurred and Platinum does not deduct fees directly from client assets.

Other Types of Fees and Expenses

All Client Portfolio accounts incur brokerage and other transaction costs which are charged directly against client assets, where applicable. Brokerage costs are discussed further on page 15 of this Brochure.

Clients may incur audit expenses, taxes, bank charges, expenses related to the research, due diligence and monitoring of actual and prospective investments, including legal and tax advice, operational expenses, organisational and reorganizational expenses, and, with respect to new funds, formation expenses.

Custodians (generally banks and broker-dealers) will be used to provide custodial and/or administrative services in connection with the management of client assets. The cost of these services is not included in the management fees discussed above.

Payment of Fees in Advance

Platinum does not invoice clients in advance for management fees.

Compensation for the Sale of Securities or Other Investment Products

Neither Platinum nor its employees receive commissions or service fees for the sale of securities or other investment products that may be recommended or chosen for a Client Portfolio.

Performance-Based Fees and Side-By-Side Management

Performance-based compensation is defined as compensation based on a share of capital gains upon, or the capital appreciation of, the assets or any portion of a client's assets under management. Platinum and its investment personnel manage both Client Portfolios and Funds that are charged performance-based fees and Funds that are charged an asset-based fee (which is a non-performance based fee).

Under Section 205(a)(1) of the Investment Advisers Act, an investment adviser generally may not enter into an advisory contract if the contract provides for the adviser to be compensated based on capital gains or capital appreciation in the Client's Portfolio (i.e. a performance fee). Rule 205-3 of the Advisers Act provides a conditional exemption from the general prohibition on performance fees for certain clients who are financially sophisticated, or who have the resources to obtain sophisticated financial advice (e.g. institutional clients). Platinum complies with the exemptions under Rule 205-3 and clients entering into an investment mandate meet the definition of a "qualified client".

Accordingly, performance fees are received from Client Portfolios. In addition, Platinum may receive a performance fee based upon the amount by which a Fund's return exceeds its hurdle return. For clients, the terms of performance-based fees are negotiated with each client and such terms may vary. They are assessed in arrears on an annual basis (calendar year, financial year or on anniversary of the investment management agreement). For more information on how performance fees are calculated, clients should refer to their investment advisory agreement.

Side-by-Side Management

"Side-by-side management" refers to Platinum's simultaneous management of multiple types of clients and Funds. Our clients have different investment objectives, policies, strategies, limitations and restrictions. Side-by-side management may give rise to a variety of potential and actual conflicts of interest for Platinum, Platinum's employees and its supervised persons. As a general matter, Platinum may have conflicts in allocating our time and services amongst clients.

Conflicts of Interest

The risk of a conflict of interest could potentially increase if Platinum has a financial incentive to favour one client or Fund over another. For example, Platinum's portfolio managers, traders or analysts who are paid in respect of the performance of their portfolios, may have incentives to take higher investment risks than the Client Portfolio desires.

Platinum could be subject to a conflict of interest because varying compensation arrangements among the Client Portfolios and Funds could incentivize Platinum to manage one or more differently to other accounts. In fact, some of Platinum's accounts differ in certain ways with respect to compensation arrangements, including with regard to fees and performance fee hurdle requirements. These and other differences could make an account less profitable to Platinum compared to other accounts.

This risk is mitigated by:

- Platinum's Investment Methodology as applied to derive prospects for investment. This includes peer review of investment choices by the investment professionals (who are compensated on a performance-basis) to investigate the merits of the case and the achievements that are expected from the investment being proposed.
- Portfolio managers and associated investment staff are required to comply with company policies and compliance frameworks. This includes mandate monitoring (ensuring that trades and a Client Portfolio's invested position are consistent with the individual mandate).

Types of Clients

Platinum provides investment management services to the following types of clients:

- Corporations/business entities
- High net-worth individuals
- Pooled investment vehicles
- Other investment advisers

Investors into the Funds include individuals, corporations, partnerships, superannuation funds, trusts and estates. The minimum investment size are set out in the fund's respective offer document

Generally, Client Portfolios must initially have AUD400 million in assets.

Platinum may depart from these general requirements depending on the location of the client, prospective additions to assets or because of a desire to have an association with a specific client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Platinum seeks a broad range of investments whose businesses and growth prospects are being inappropriately valued by the market. To do this, Platinum employs a team of specialist investment analysts who take a global perspective and apply screening and intensive research to identify investment opportunities.

Platinum uses various methods to make sense of the universe of stocks available around the world. These include screening which allows for the selection of companies based on very specific criteria (“screens”) across a databank of companies. Platinum is able to delve deeply into cross-comparative studies of companies around the world, 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, the screen may seek to identify industry groups that are currently out of favour with investors.

Great store is placed 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.

Generation of themes and ideas is eclectic in nature. Apart from applying numeric skills, there is a constant input from observations of the changing social and political landscape. By locating substantially all research efforts in one place and yet operating under global mandates, Platinum is able to facilitate the free-flow of information between investment analysts with different geographic and industry responsibilities. While physical distance from principal markets may be seen as an impediment, Platinum believes that distance has the great advantage of acting as a filter and has a calming influence in making objective assessments. Even so, investment analysts are required to travel extensively to visit companies, their competitors and suppliers.

Once a company has been identified as a potential investment opportunity, it is investigated by the investment analyst who will call on the resources available to Platinum. These may include material from the company itself and its competitors, reports from stockbroking analysts and industry material. In reality, this information is available to all serious participants but it is the interpretative methodology and skill that really counts. The investment idea is then subjected to the scrutiny of team members who meet to vigorously investigate the merits of the case. The purpose of these meetings is to expose areas of concern and potential flaws rather than to achieve a consensus. The final decision lies not with a committee but solely between the investment analyst and the relevant portfolio manager.

The investment review will highlight very specifically the achievements that are expected from the company being proposed. These vary considerably depending on the style of company involved, but, amongst other things, would include sales and earnings targets. Failure to meet these targets would raise concern, and notwithstanding the price action, could result in the shares being sold. It is Platinum’s view 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.

The process of assembling a Portfolio from individual companies, that have above average qualities but which are expected to have temporary setbacks, is designed with the goal of producing as a by-product a Portfolio with below-average risk characteristics.

As a consequence of Platinum’s investment methodology, each Client Portfolio 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 the Morgan Stanley Capital International All Country World Net Index (“MSCI”).

Platinum may utilise a multi manager approach in the investment decision making process for providing investment advisory services to funds and Client Portfolios (collectively, the “Multi-Manager accounts” and individually, each a “Multi-Manager account”). These Multi-Manager accounts are divided into sub portfolios managed by individual managers who make investment decisions on their respective segments. Investment analysts are also given sub portfolios and are authorised to make investment decisions with respect to their portion of the respective fund. The primary portfolio manager for each fund maintains ultimate oversight and responsibility for managing each fund. This strategy has been implemented with the goal of contributing to consistency of results and continuity of management. The multi manager approach may expose the Multi-Manager accounts to the risk of the sub portfolios trading ahead of the portion of the fund managed by the primary portfolio manager. Platinum’s Compliance & Risk Department (“CRD”) review sub portfolio trades within each Multi-Manager account on a monthly basis to provide reasonable assurance that trades are placed in accordance with policies and procedures.

Investing in securities involves a risk of loss that clients should be prepared to bear. These risks are described in more detail below.

Investment Strategy

Platinum’s investment strategy is to:

- adopt a bottom-up stock selection methodology, through which long term capital growth is sought by investing in undervalued securities around the world;
- seek absolute returns and not returns relative to any index;
- invest excess funds in cash when undervalued stocks cannot be found; and
- actively manage currency.

Derivatives (including short equity swaps and futures) are utilised for risk management purposes and to take opportunities to increase returns.

Risk of Loss

A client can lose money on the investments held in its portfolio or the Client Portfolio can underperform the market for many reasons including:

- *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, which may impact adversely on the value of the Client Portfolios.
- *Liquidity risk:* Platinum may not be able to purchase or sell a security in a timely manner or at desired prices or achieve its desired weighting in a security.
- *Operations risk:* Deficiencies in the effectiveness and accuracy of information systems or internal controls may result in material losses. This risk is associated with human error, system failures, inadequate procedures and internal management controls.
- *Management risk:* The performance of Client Portfolios depends on the expertise and investment decisions of Platinum. Platinum’s opinion about the intrinsic worth of a company or security may be incorrect, the investment objectives of the Client Portfolios may not be achieved and the market may continue to undervalue the securities held in the Client Portfolios.
- *Economic risk:* There are many economic factors that can affect the value of an investment, including, but not limited to, inflation, interest rates, employment and consumer demand internationally and in Australia. Any protracted slowdown in economic conditions or adverse changes

in factors such as unemployment rates, GDP and government policy, outside of the control of Platinum, may materially impact the Client Portfolio's performance.

- *Issuer risk:* Investments in a company may decline in value because of changes in, amongst other things, the financial condition of the company and the quality of company management.
- *Foreign issuer risk:* Investments in companies domiciled outside of Australia 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. Some countries may have different legal systems, taxation regimes, auditing and accounting standards with less governmental regulation and transparency.
- *Counterparty risk:* The risk of loss resulting from the insolvency or bankruptcy of a counterparty used by Platinum to effect trades. In the case of counterparty default, Client Portfolios may also be exposed to adverse market movements while Platinum sources replacement counterparties.
- *Currency risk:* Investing in assets denominated in a currency other than the base or reporting currency of the Client Portfolio may cause losses resulting from exchange rate fluctuations.
- *Emerging markets risk:* Securities of issuers in emerging markets, be they listed or unlisted, have their own special risk profiles including sovereign, market, currency, custody, regulatory, legal, liquidity, solvency and credit risks.
- *Derivative risk:* Investments in derivatives may cause losses associated with changes in market conditions, such as fluctuation 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 a Client Portfolio to lose more than the amount of assets initially contributed to the transaction. Over-the-Counter derivatives are customised instruments and Platinum may be unable to liquidate the derivative contract at a fair market price within a reasonable timeframe.
- *Performance fee risk:* It could be argued that a performance fee structure may encourage behaviour at Platinum which adds to the risks i.e. portfolio managers who are paid in respect of the performance of their portfolios, may have incentives to take higher investment risks than the Client Portfolio desires.
- *Cybersecurity Risk* - The risk that Platinum and its service providers, may be prone to operational and information security risks resulting from cyber-attacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyberattacks affecting Platinum or its service providers may adversely impact client portfolios. For instance, cyber-attacks may interfere with the processing of investor transactions, impact the ability to calculate NAV, cause the release of private shareholder information or confidential business information, impede trading, and/or cause reputational damage. Similar types of cyber security risks are also present for issuers of securities in which a client portfolio may invest, which could result in material adverse consequences for such issuers and may cause an account's investment in such companies to lose value

Given Platinum's investment methodology, a Client Portfolio's return may differ significantly from investment industry benchmarks, such as indices issued by MSCI Inc.

Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Platinum or the integrity of our management. We have not been subject to any legal or disciplinary event that would require disclosure under applicable SEC rules.

Other Financial Industry Activities and Affiliations

Material Relationships with Related Financial Industry Firms

Platinum is Trustee/Responsible Entity and issuer of units in The Platinum Trust Funds, the Platinum Global Fund and the Platinum Quoted Managed Funds (“Funds”). The Funds are registered with the Australian Securities and Investments Commission as managed investment schemes and are available for investment to Australian and New Zealand Investors. Registration with the Australian Securities and Investments Commission does not imply a certain level of skill or training of the Responsible Entity.

Investors in the Funds pay an investment cost of 1.35% per annum of the Fund’s net asset value, payable monthly.

A limited number of investors in the Funds pay lower investment costs of between 0.64% - 1.10% per annum with an investment performance fee calculated at up to 16.50% per annum of the amount by which the Fund’s return (after all costs and GST) exceeds its hurdle return. The Platinum Global Fund does not offer an investment performance fee option.

All such costs/fees are disclosed in the relevant Fund’s Product Disclosure Statement.

Platinum is the investment manager for Platinum Capital Limited (“PMC”) and Platinum Asia Investments Limited (“PAI”). PMC and PAI are closed-end investment companies listed on the Australian Securities Exchange (ASX) and open to investors who wish to purchase shares in the same way as one might buy shares in any listed company.

Platinum is also the Investment Manager for the Irish-domiciled UCITS (Undertaking for Collective Investment in Transferable Securities) under the umbrella of Platinum World Portfolios (PWP).

Management fees

For both PMC and PAI, Platinum, as investment manager, receives a monthly management fee for investment services provided in accordance with the investment management agreements (“IMAs”). The respective IMAs provide for a management fee payable monthly and calculated at 1.1% per annum of the Portfolio Value adjusted for tax, dividends and changes in capital structure.

For PWP, Platinum receives a monthly base management fee at 0.75% per annum for investors that have selected a performance fee class and 1.4% per annum for investors that have selected a non-performance fee class. However, Platinum has voluntarily undertaken to reduce or waive all or a portion of the management fee to ensure that total fees and expenses (excluding performance fees) do not exceed the voluntary expense cap of 1% per annum for performance fee classes or 1.65% per annum for non-performance fee classes.

Performance fees

For PMC, PAI and PWP, a performance fee is payable at 15% of the amount by which the portfolio’s annual performance exceeds the return achieved by the respective MSCI benchmark.

For PMC, PAI and PWP, if the Portfolio’s annual performance is less than the respective MSCI benchmark, the amount of the underperformance is aggregated, carried forward and deducted from the annual performance in the subsequent year before calculating any performance fee for that year. The aggregate of the underperformance is carried forward until a performance fee becomes payable.

For PWP, with respect to shares redeemed during the financial year, the accrued performance fee in respect of those shares will be payable as though the date of redemption was the end of the financial

year.

Termination fees

Whilst the management and performance fee structures are similar to PMC and PAI, the termination fee structure is different.

For PMC, Platinum is eligible to receive a lump sum termination fee of 1.1% calculated on the value of the Portfolio on the first business day of the month in which termination is effective to the date which is the first anniversary of that date.

For PAI, if the IMA is terminated after the initial 10 years, Platinum is eligible to receive a termination fee of 1.1% of the Adjusted Portfolio Value as at the date on which termination becomes effective. As the termination fee is calculated on a different date for PAI when compared to PMC, a final management fee is payable by PAI at a rate of 1.1% per annum, calculated pro-rata in respect of periods of less than one month.

For both PAI and PMC, in addition to any termination fee, performance fees are payable for the period from the last calculation of the performance fee to the date of termination.

There are no termination fee payable by PWP in the event of termination of the IMA.

Platinum does not believe that these arrangements would create any material conflict of interest with clients.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Platinum has in place a Code of Ethics Policy applicable to Platinum staff: Platinum's Business Rules of Conduct ("BROC"). The BROC communicates the appropriate standards of behaviour, provides a framework for the workplace, and informs staff of their responsibilities with respect to legal compliance, confidentiality and privacy, conflicts of interest, personal trading, insider trading and operational processes.

A copy of the BROC is available on Platinum's website.

Interest in Client Transactions

Under Platinum's BROC, Platinum staff may personally invest in the same securities as are bought and sold for clients. Platinum staff are required to pre-clear personal securities trades in these securities to provide reasonable assurance that the interest of our clients are placed ahead of the interests of staff.

Platinum's Chief Compliance Officer regularly reviews reports of personal securities transactions to determine compliance with the BROC.

Personal/Other Trading

Personal trading by applicable Platinum staff is subject to the restrictions and procedures described in the BROC. In summary, the BROC requires applicable Platinum staff to pre-clear all personal trades, unless specifically exempted. Platinum staff may invest in securities held in Client Portfolios managed by Platinum so long as they comply with the BROC. Subject to certain exemptions, Platinum prohibits short term trading i.e. buying and selling the same security within a 30 day period. Shares of Platinum Asset Management Limited (ticker PTM), Platinum Capital Limited (ticker PMC) and Platinum Asia Investments Limited (ticker PAI) are subject to a minimum 6 month holding period with limited exceptions. In addition, Platinum staff are required to ensure broker trade confirmations are delivered independently to CRD.

Staff are required to pre-clear all personal trades electronically within an in-house system. The system records all trading information to form the basis of transaction (and holdings) registers that are certified as accurate and complete by staff on a quarterly/annual basis.

Staff personal trading is monitored by CRD.

Platinum may, from time to time, trade for its own account in the same securities traded on behalf of Client Portfolios. Such activity poses the *potential* for Platinum to:

- trade ahead of a client trade thereby obtaining a better price;
- direct client trades in securities in which Platinum or staff have an undisclosed interest, thereby benefiting from the increase in the value of those securities;
- cross trade securities held in Platinum's proprietary account with a Client Portfolio;
- give undue preference to its own account over the Client Portfolio or "cherry pick" when allocating a trade.

In order to comply with its fiduciary duty to act in the best interests of its clients, Platinum has established the following controls and procedures designed to mitigate the potential risks listed above. Specifically, the following controls provide reasonable assurance that Client Portfolios are not disadvantaged by Platinum's trading for its own account:

- all proprietary trades are pre-cleared by senior management including the Chief Compliance Officer (or designee);
- Platinum does not engage in any cross trades (i.e. Platinum does not trade securities between its proprietary account and Client Portfolios, or between two Client Portfolios);
- all proprietary trades are to be allocated in accordance with Platinum's Trade Allocation Policy;
- compliance with the Proprietary Trading Policy is monitored by CRD to, amongst other things, verify that pre-clearance is obtained and that other aspects of the policy were followed; and
- all proprietary trades are reported to the PTM Audit, Risk & Compliance Committee and the PTM Board charged with the responsibility for oversight of Platinum's compliance with its Proprietary Trading Policy.

Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions and Determining the Reasonableness of their Compensation

Platinum considers the appropriate selection of broker-dealers/counterparties (“brokers”) in effecting portfolio transactions as pivotal to achieving best execution for its clients. Platinum, in considering its best execution obligations to clients, considers many qualitative factors and takes all reasonable steps to obtain results for our clients consistent with our obligations.

In addition to placing and executing orders through traditional brokers, Platinum utilises electronic trading platforms, i.e. electronic communications networks (ECNs), to seek best execution. ECNs and passive liquidity seeking tools (crossing networks) may be used to (i) anonymously execute large block orders without impacting the public quote of a security (preserving anonymity) (ii) minimise both implicit and explicit execution costs and (iii) obtain liquidity at current market price.

Factors used to select a broker (including electronic trading platforms) to execute transactions include, but are not limited to: Platinum’s knowledge of the negotiated commission rates, the nature of the security being traded, the size and type of the transaction, the broker’s speed and access to the relevant markets, investment research provided by the broker, the nature and character of the markets for the security to be purchased or sold, the desired timing of the trade, the activity existing and expected in the market for the particular security, ability to maintain confidentiality of the client’s trading program, the execution, clearance, and settlement capabilities as well as the reputation and perceived operational/financial soundness of the broker, our knowledge of actual or apparent operational problems of any brokers, the broker’s historical transaction and execution service, and the reasonableness of spreads or commissions.

Commission rates charged by the brokers are generally standard based on security and country. From time to time, depending on the nature and size of the transaction, Platinum may negotiate lower commissions on a case-by-case basis.

“Soft Dollar”/Brokerage Commissions Practices

Platinum receives proprietary research services from brokers in connection with brokerage relationships, but does not have any written or unwritten commitments with brokers to allocate brokerage in return for such research services. Platinum also receives research from third party providers and has in place Commission Sharing Arrangements with a few brokers whereby we direct client brokerage commissions to the third party research providers through the executing brokers.

Platinum believes that research and brokerage services provided by brokers and their ability to achieve quality execution are important to our clients. Therefore, brokers selected by Platinum may be paid commissions for effecting transactions for our clients in excess of the amounts other brokers would have charged if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those brokers. All brokerage and/or research services knowingly acquired in connection with a broker relationship are required to constitute eligible brokerage or research, as applicable, for purposes of Section 28(e) of the Securities Exchange Act of 1934.

The use of client brokerage commission payments to obtain brokerage or research services gives Platinum a benefit because Platinum does not have to produce or pay for that service. Therefore, Platinum may have an incentive to select a broker based on Platinum’s interest in receiving the brokerage or research services. Research received from third parties supplements our own research and forms an integral part of the investment decision making process. Platinum believes that research and brokerage services provided by brokers and their ability to achieve quality execution assist Platinum in meeting its responsibilities to all clients.

Platinum's traders, investment analysts and portfolio managers are periodically required to assess the quality of the research and trading support provided by brokers in order to provide reasonable assurance that the quality of research and support received meets our requirements and provides value for our clients.

Research services received by Platinum from brokers includes but is not limited to: company research reports and analysis, reports regarding the economy and economic conditions within which companies operate, industry specific information, statistical information and databases, legal, compliance, tax and accounting interpretations; credit and risk measurements and analysis, and the facilitation of opportunities to meet with company executives.

Platinum does not assign a specific dollar value to the research services received or brokerage services rendered or allocate the relative costs or benefits of those services amongst its clients.

Platinum's "Soft Dollar/Brokerage Commission Policies" are subject to periodic internal audits and the results are reported to senior management, including the Chief Investment Officer and the PTM Audit, Risk & Compliance Committee.

Brokerage for Client Referrals

Platinum does not direct securities transactions to any broker in exchange for referral of investment management clients.

Directed Brokerage Transactions

Clients may limit Platinum's discretionary authority by requiring Platinum to utilise specified brokers for the execution of some or all of the transactions within the client's portfolio. In executing such transactions, Platinum may be unable to achieve the most favourable execution of the client's transactions. Directed brokerage may cost the client more money, for example, the client may pay higher brokerage commissions, higher spreads or receive less favourable net prices than might be the case if Platinum were able to freely select brokers based on best execution. Directed transactions may not be aggregated for execution purposes with orders for the same securities for other accounts over which Platinum has full investment discretion, and may be placed at the end of aggregated trading activity for a particular security. Directed transactions may also be subject to price movements particularly in volatile markets, that may result in the client receiving a price that is less favourable than the price obtained for the aggregated order.

Aggregation of Orders and Security Allocation for Client Portfolios

Trade Allocation Policy

The portfolio manager determines the buy/sell needs of the Client and provides instructions to the Trader. The Trader is responsible for executing the trade in accordance with the portfolio manager's instructions and for ensuring the trades are executed in accordance with Platinum's Best Execution Policy.

Generally, available orders for the same security are aggregated or blocked and executed in the market place as a single transaction or series of transactions. Platinum's Trade Allocation Policy has been designed with the goal of providing reasonable assurance that allocation decisions are made on a fair and equitable basis.

The allocation of the order volume across participating Client Portfolios is based on the proportional ratio of the outstanding amounts of the participating initial orders. Aggregated transactions across participating Client Portfolios, including partially filled orders, are generally allocated on a pro-rata basis against the original order volume. Only brokers on Platinum's Approved List may be utilised by the trader.

Generally, all clients receive shares at the average execution price and pay a pro rata portion of transaction costs for all securities transacted.

Depending on circumstances, trades for equity securities may be placed with a single broker or divided amongst more than one broker-dealer. Where more than one broker is utilised, each participating client will receive shares at the average execution price per broker.

In the case where multiple orders for the same security are entered by different portfolio managers, orders with a price limit will not be aggregated with 'at market price' orders unless, during the course of filling the orders, the prices of such orders converge. In the case of such convergence, all orders will be aggregated and pro-rated.

Swap and Indian futures transactions are not aggregated or blocked when executed in the market place to accurately reflect the profit and loss on such transactions within the sub portfolios. In executing trades for clients, Platinum will at all times seek to obtain the most favourable terms for each transaction reasonably available under the circumstances and over time, the intention is that no one Client Portfolio will be systematically disadvantaged or favoured over another.

Whilst investment decisions for like-mandates will be undertaken with similar investment objectives in mind, Platinum does not employ automated allocation or re-weighting processes to "equalise" positions across like Client Portfolios.

Platinum will also not execute a small allocation to a Client Portfolio just to bring its portfolio up to some preferred level.

It is Platinum's view that like Client Portfolios (with like investment objectives, requirements and restrictions) will achieve a similar investment position over the long term.

Review of Accounts

On a daily basis, the responsible portfolio manager reviews a Client Portfolio's invested position (including securities held, currency exposure, regional exposure, long/short position) together with trades placed for the Client Portfolio on the previous day.

Pre and post trade compliance monitoring ensures that a Client Portfolio's invested position remains consistent with the terms of its investment mandate.

Clients may be provided with monthly or quarterly written reports detailing the exposure and performance information within their portfolios.

Client Referrals and Other Compensation

Platinum does not accept economic benefits from any non-clients for providing advisory services to our clients.

Platinum may utilise non-affiliated third party placement agents. Payment of a referral fee does not result in additional cost to the client. In the event Platinum does enter into such arrangements it intends to comply with disclosure and other requirements applicable to such relationships under applicable laws and regulations.

Custody

Platinum's clients select their own custodians to hold the cash and securities in their client portfolios. Platinum does not provide custody services but is deemed to have custody of client funds because it has the authority to deduct advisory fees from some Funds it provides investment advisory services to.

Platinum is not subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule") for a number of Funds, because Platinum is an offshore adviser and the Funds are offshore Funds.

Where Platinum is subject to the Custody Rule for a Fund, Platinum is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rules with respect to a Fund because it complies with the provides of the so-called "Pooled Vehicle Annual Audit Exception". This exception requires that the Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Fund distribute its audited financial statements to all investors within 120 days of the end of its Fiscal Year.

Investment Discretion

Platinum exercises investment discretion over its Client Portfolios subject to the specific restrictions in the investment management agreements (e.g. restrictions around the type of securities that can be held in a portfolio or counterparties that can be used for security transactions). Platinum is generally authorised to make the following decisions:

- the securities to buy and sell;
- the quantity of securities to buy and sell; and
- the broker / counterparty through which securities will be transacted.

The extent of investment discretion and any reasonable limitations are set forth in the investment management agreements and any related investment guidelines in place with the client. Platinum will consider a limitation reasonable if, in its judgment, the restriction does not impair, in any material or other significant manner, its ability to manage a client's assets in accordance with the investment strategy and guidelines for that client's account.

Voting Client Securities

Clients who delegate proxy voting authority to Platinum

Platinum accepts authority to vote client securities with respect to a limited number of clients. Platinum may be advised of proxies by the clients' custodians or by the company. For significant proxy voting matters, the relevant portfolio manager and investment analyst are responsible for ensuring that company resolutions are reviewed and an appropriate recommendation given to compliance staff. Compliance staff are then responsible for instructing the relevant custodian of the proxy voting instruction (where applicable).

Platinum votes client securities with respect to a limited number of clients and therefore the potential for conflicts of interest is minimised. However, Platinum is still sensitive to conflicts of interest that may arise in the proxy decision making process. Any conflicts would be assessed by senior management including members of the Risk Management Committee and be resolved in the best interests of the client.

Clients can obtain a copy of Platinum's proxy voting policy and information about how Platinum voted the proxies related to securities held in their portfolios on request by calling +61 2 9255 7500.

Financial information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Platinum has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.