

Appendix 4D

Half-Year Report

Listing Rule 4.2A.3

Company	Platinum Asset Management Limited
ASX Code	PTM
Half-Year Ended	31 December 2019
Previous corresponding period Half-Year Ended	31 December 2018
ABN	13 050 064 287

Results for Announcement to the Market

Announcement to the market for the Platinum Asset Management Limited Consolidated Group should be read in conjunction with the attached 31 December 2019 Interim Financial Report.

	% Increase	\$A'000
Total revenue and other income	15.52%	153,598
Profit from ordinary activities after income tax	21.36%	79,075
Net profit attributable to members	5.64%	79,075
Basic and diluted EPS (cents per share)		13.60

The main contributor of the increase in revenue, profit and earnings per share was the mark to market gains on our seed investments, including dividends, which made an overall gain for the half-year of \$7.7 million, as compared to a loss of \$19.1 million for the half-year to 31 December 2018.

FUM at 31 December 2019 was \$25.1 billion and this represented an increase of 1.4% from the 30 June 2019 closing FUM of \$24.8 billion. The increase in FUM was driven by absolute investment performance which contributed \$1.6 billion, that more than offset the net fund outflows of \$1.3 billion.

Net fund outflows for the half-year related to the time-lag effect of the weak relative investment performance experienced in the 2019 financial year, caused by the late cycle bull market, particularly in the US. Our investment returns for all of our funds and mandates for the half-year period to 31 December 2019 were strong.

Dividends

Dividend declared	13 cents per share fully-franked
Ex-date	2 March 2020
Record date	3 March 2020
Payment date	18 March 2020

The interim dividend paid for the half-year ended 31 December 2018 was 13 cents per share fully-franked.

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Refer to the attached Auditor-reviewed financial statements for financial data on the Consolidated Group.

Dividend Reinvestment Plan

Whilst the Company has a Dividend Reinvestment Plan in place, it has not been activated.

Other Information

Net tangible assets per share was \$0.55 at 31 December 2019, which was similar to the 30 June 2019 amount of \$0.55 per share.

Joanne Jefferies
Company Secretary
21 February 2020

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Platinum Asset Management Limited

ABN 13 050 064 287

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

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Platinum Asset Management Limited
Corporate directory
31 December 2019

Directors	Michael Cole Stephen Menzies Anne Loveridge Brigitte Smith Tim Trumper Kerr Neilson Andrew Clifford Elizabeth Norman Andrew Stannard
Shareholder liaison	Elizabeth Norman
Company secretary	Joanne Jefferies
Registered office	Level 8, 7 Macquarie Place Sydney NSW 2000 Phone 1300 726 700 (Australia only) Phone 0800 700 726 (New Zealand only) Phone +61 2 9255 7500 Fax +61 2 9254 5555
Share register	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 2000 Phone 1300 855 080 (Australia only) Phone +61 3 9415 4000 Fax +61 3 9473 2500
Auditor	PricewaterhouseCoopers
Stock exchange listing	Platinum Asset Management Limited shares are listed on the Australian Securities Exchange (ASX code: PTM)
Website	www.platinum.com.au/Shareholder-information/

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Platinum Asset Management Limited
Directors' report
31 December 2019

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Platinum Asset Management Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were Directors of Platinum Asset Management Limited during the whole of the half-year and up to the date of this report:

Michael Cole	Chairman and Non-Executive Director
Anne Loveridge	Non-Executive Director
Stephen Menzies	Non-Executive Director
Brigitte Smith	Non-Executive Director
Tim Trumper	Non-Executive Director
Andrew Clifford	Chief Executive Officer/Managing Director
Kerr Neilson	Executive Director
Elizabeth Norman	Executive Director and Director of Investor Services and Communications
Andrew Stannard	Executive Director and Chief Financial Officer

Principal activities

The Company is the non-operating holding company of Platinum Investment Management Limited (PIML) and its controlled entities. Platinum Investment Management Limited, trading as Platinum Asset Management (Platinum), operates a funds management business.

Operating and Financial Review

The key variables that drive the profitability of the consolidated entity are average funds under management (FUM) growth, investment performance, including performance of our seed investments, performance fees earned and expense management.

Total revenue and other income increased 15.6% to \$153.6 million (31 December 2018: \$133.0 million) for the half-year. Profit after tax attributed to members increased to \$79.1 million (31 December 2018: \$74.9 million) for the half-year. This represented an increase in profit after tax of 5.6%. Earnings per share was 13.6 cents per share (31 December 2018: 12.84 cents per share).

The main contributor of this increase in revenue, profit and earnings per share was the mark to market gains on our seed investments, including dividends, which made an overall gain for the half-year of \$7.7 million, as compared to a loss of \$19.1 million for the half-year to 31 December 2018.

FUM for the half-year ending 31 December 2019 is shown in the table below.

Funds	Opening Balance (1 Jul 19) \$'M	Flows \$'M	Other \$'M	Investment Performance \$'M	Closing Balance (31 Dec 19) \$'M	% of Total
<u>Retail Funds</u>						
Platinum Trust Funds and Platinum Global Fund ("Funds") [^]	15,939	(1,070)	-	1,105	15,974	64%
Quoted Managed Funds	486	15	-	32	533	2%
Platinum Listed Investment Vehicles	848	-	(26)	64	886	3%
MLC Platinum Global Fund	835	(81)	-	62	816	3%
<u>Institutional Clients</u>						
Fee Mandates	2,466	(146)	-	168	2,488	10%
Platinum Word Portfolios – UCITS funds	421	(1)	-	29	449	2%
'Relative' Performance Fee Mandates	3,329	32	-	174	3,535	14%
'Absolute' Performance Fee Mandates	445	(41)	-	33	437	2%
Total	24,769	(1,292)	(26)	1,667	25,118	100%

[^] excludes Quoted Managed Funds FUM.

FUM at 31 December 2019 was \$25.1 billion and this represented an increase of 1.4% from the 30 June 2019 closing FUM of \$24.8 billion. The increase in FUM was driven by absolute investment performance which contributed \$1.6 billion, that more than offset the net fund outflows of \$1.3 billion.

Net fund outflows for the half-year related to the time-lag effect of the weak relative investment performance experienced in the 2019 financial year, caused by the late cycle bull market, particularly in the US. Our investment returns for all of our funds and mandates for the half-year to 31 December 2019 were strong.

Our two ASX quoted managed funds, Platinum International Fund (Quoted Managed Hedge Fund) (ASX code: PIX) and Platinum Asia Fund (Quoted Managed Hedge Fund) (ASX code: PAX) continued to do well with total FUM increasing to \$533 million at 31 December 2019 (30 June 2019: \$486 million).

Despite the point-to-point increase in FUM, average FUM for the six months to 31 December 2019 was \$24.8 billion which was 1.8% lower than the average FUM of \$25.2 billion for the previous half-year. This contributed to the 2.7% decline in management fees for the period, with the remainder caused by a change in product mix.

Staff costs (including share-based payments and related on-costs) were relatively flat compared to the prior period, with higher salary costs and share based award expenses largely offset by a lower variable incentive accrual.

Non-staff expenses increased by 13.5% or \$2.1 million, reflecting one off occupancy and professional services fees of \$1.2 million and additional spending of \$0.9 million that mostly reflected an increase in rent and depreciation run-rates (related to both the London and Sydney offices) as well as an uptick in research & technology costs (primarily software and cyber security related).

Platinum UK is progressing well with numerous investor leads and client meetings. During the half-year to 31 December 2019, Platinum incorporated Platinum Management Malta Limited, in order to allow Platinum to market its funds to European Union (EU) professional clients post Brexit.

Platinum continues to be well positioned for future growth because:

- It maintains a highly differentiated product and maintains a strong position in the Australian retail market;
- Our new offshore initiatives provide a platform for growth over the medium-term; and
- Our investment team continues to deliver high research quality and a large idea base.

The consolidated entity is in a strong financial position, with a strong balance sheet. However, the most significant driver of our sustainable future growth is, and will always be, the delivery of superior, long-term, investment returns for our clients.

Dividends

The Company has limited capital requirements and generally expects that most, if not all, future profits will continue to be distributed by way of dividends, subject to ongoing capital requirements. Given that the earnings per share for the 2020 interim period was 13.6 cents per share, post 31 December 2019, the Directors declared a 2020 interim fully-franked dividend of 13 cents per share with a record date of 3 March 2020 and payable to shareholders on 18 March 2020.

A 2019 interim fully-franked dividend for the previous corresponding period was 13 cents per share.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Michael Cole
Chairman



Andrew Clifford
Director

21 February 2020
Sydney



Auditor's Independence Declaration

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

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

This declaration is in respect of Platinum Asset Management Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R Balding', with a long horizontal flourish extending to the right.

R Balding
Partner
PricewaterhouseCoopers

Sydney
21 February 2020

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Platinum Asset Management Limited

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31 December 2019

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General information

The financial statements cover Platinum Asset Management Limited as a consolidated entity consisting of Platinum Asset Management Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2019. The financial statements are presented in Australian dollars, which is Platinum Asset Management Limited's functional and presentation currency.

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 February 2020.

The Directors have the power to amend and re-issue the interim financial report.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Platinum Asset Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Platinum Asset Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

		Consolidated	
		Half-year ended	
	Note	31 Dec 2019	31 Dec 2018
		\$'000	\$'000
Revenue			
Management fees		144,879	148,843
Performance fees		34	22
Total revenue		<u>144,913</u>	<u>148,865</u>
Other income			
Interest		1,061	1,747
Dividends		600	1,800
Share of profit/(loss) on investments in associates	6(d)	7,064	(9,302)
Gains/(losses) on financial assets at fair value through profit or loss		16	(11,565)
Net foreign exchange gains/(losses) on overseas bank accounts		(56)	1,423
Total of other income		<u>8,685</u>	<u>(15,897)</u>
Total revenue and other income		<u>153,598</u>	<u>132,968</u>
Expenses			
Staff		(20,129)	(20,288)
Custody and unit registry		(6,209)	(6,356)
Business development		(3,295)	(3,457)
Research and technology		(2,722)	(2,258)
Rent, other occupancy and depreciation		(2,473)	(1,210)
Share-based payments		(2,452)	(1,794)
Legal, compliance and other professional		(2,050)	(1,362)
Mail house, periodic reporting and share registry		(628)	(589)
Insurance		(317)	(304)
Audit fee		(222)	(289)
Other		(116)	(62)
Total expenses		<u>(40,613)</u>	<u>(37,969)</u>
Profit before income tax expense		112,985	94,999
Income tax expense		(33,910)	(29,840)
Profit after income tax expense		79,075	65,159
Other comprehensive income			
Exchange rate translation impact of foreign subsidiaries		47	11
Other comprehensive income for the half-year, net of tax		47	11
Total comprehensive income for the half-year		<u><u>79,122</u></u>	<u><u>65,170</u></u>
Profit after income tax expense for the half-year is attributable to:			
Owners of Platinum Asset Management Limited		79,075	74,855
Non-controlling interests		-	(9,696)
		<u>79,075</u>	<u>65,159</u>
		Cents	Cents
Basic earnings per share	3	13.60	12.84
Diluted earnings per share	3	13.60	12.84

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of financial position
As at 31 December 2019

Note	Consolidated	
	31 Dec 2019	As at 30 June 2019
	\$'000	\$'000
Assets		
Current assets		
	78,138	112,947
	116,877	81,877
7	31,446	27,922
	<u>226,461</u>	<u>222,746</u>
Non-current assets		
6	124,657	117,593
4	199	183
	4,536	3,616
16	9,222	-
	<u>138,614</u>	<u>121,392</u>
	<u>365,075</u>	<u>344,138</u>
Liabilities		
Current liabilities		
8	8,083	8,108
9	10,571	3,809
16	1,704	-
	10,123	5,082
	<u>30,481</u>	<u>16,999</u>
Non-current liabilities		
9	1,359	1,560
16	7,766	-
	4,241	4,491
	<u>13,366</u>	<u>6,051</u>
	<u>43,847</u>	<u>23,050</u>
	<u>321,228</u>	<u>321,088</u>
Equity		
11	723,490	723,490
12	(574,217)	(576,863)
13	171,955	174,461
	<u>321,228</u>	<u>321,088</u>
	<u>321,228</u>	<u>321,088</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued Capital \$'000	Reserves \$'000	Retained profits \$'000	Non- controlling Interests \$'000	Total equity \$'000
Balance at 1 July 2019	723,490	(576,863)	174,461	-	321,088
Impact of adoption of new leasing standard (Note 16)	-	-	(159)	-	(159)
Profit after income tax expense for the half-year	-	-	79,075	-	79,075
<i>Other comprehensive income</i>					
Exchange rate translation impact of foreign subsidiaries (Note 12)	-	47	-	-	47
Total comprehensive income for the half-year	-	47	79,075	-	79,122
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments reserve (Note 12)	-	2,599	-	-	2,599
Dividends paid (Note 10)	-	-	(81,422)	-	(81,422)
Balance at 31 December 2019	723,490	(574,217)	171,955	-	321,228
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non- controlling Interests \$'000	Total equity \$'000
Balance at 1 July 2018	731,245	(582,006)	185,940	75,936	411,115
Profit after income tax expense for the half-year	-	-	74,855	(9,696)	65,159
<i>Other comprehensive income</i>					
Exchange rate translation impact of foreign subsidiaries	-	11	-	-	11
Total comprehensive income for the half-year	-	11	74,855	(9,696)	65,170
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments reserve	-	1,905	-	-	1,905
Dividends paid (Note 10)	-	-	(93,313)	-	(93,313)
Transactions with non-controlling interests	-	-	-	47,784	47,784
Balance at 31 December 2018	731,245	(580,090)	167,482	114,024	432,661

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Platinum Asset Management Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2019

	Consolidated	
	Half-year ended	
	31 Dec 2019	31 Dec
	\$'000	2018⁽¹⁾
	\$'000	\$'000
Cash flows from operating activities		
Receipts from operating activities	140,171	152,987
Payments for operating activities	(30,405)	(28,170)
Income taxes paid	(28,973)	(28,190)
	<u>80,793</u>	<u>96,627</u>
Net cash from operating activities		
Cash flows from investing activities		
Interest received	1,084	1,637
Proceeds on maturity of term deposits	206,877	103,876
Purchase of term deposits	(241,877)	(191,876)
Payments for purchases of fixed assets	(2,146)	(1,094)
Dividends and distribution received from seed investments	1,914	1,821
Payments for purchases of financial assets (held directly by entity consolidated in the prior period) (PAXX)	-	(62,497)
Distribution received by entity consolidated in the prior period (PAXX)	-	21,551
	<u>(34,148)</u>	<u>(126,582)</u>
Net cash (used in) investing activities		
Cash flows from financing activities		
Dividends paid	(81,422)	(93,222)
Distribution paid by entity consolidated in the prior period (PAXX)	-	(13,683)
Proceeds from units issued (net applications into prior period non-controlling interest(PAXX))	-	54,629
	<u>(81,422)</u>	<u>(52,276)</u>
Net cash (used in) financing activities		
Net decrease in cash and cash equivalents	(34,777)	(82,231)
Cash and cash equivalents at the beginning of the half-year	112,947	164,337
Effects of exchange rate changes on cash and cash equivalents	(32)	1,439
Cash and cash equivalents at the end of the half-year	<u>78,138</u>	<u>83,545</u>

(1) The 31 December 2018 consolidated statement of cash flows includes transactions related to PAXX which was consolidated into the Platinum group in the prior period.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

PART A – Notes 2 to 13: Operations – Notes that explain the operations and financial results of the consolidated entity

PART B – Notes 14 to 20: Operations – Miscellaneous Notes that are required by the accounting standards

PART A – Notes 2 to 13

Operations – Notes that explain the operations and financial results of the consolidated entity

Note 2. Segment information

The consolidated entity is organised into two main operating segments being:

- funds management: through the generation of management and performance fees from Australian investment vehicles, its US-based investment mandates and Platinum World Portfolios Plc. (“PWP”) and associated costs including those of the London office; and
- investments and other: through the consolidated entity’s investment in the (a) ASX quoted, Platinum Asia Investments Limited (b) PWP (c) unlisted Platinum Trust Funds and (d) the quoted managed fund, PAXX. Also included in this category are Australian dollar term deposits as well as associated interest derived from these.

Platinum Asset Management Limited
Notes to the financial statements
31 December 2019

Note 2. Segment information (continued)

The segment financial results, segment assets and liabilities are disclosed below and on the following page(s):

Current period - 31 December 2019	Funds Management \$'000	Investments and Other \$'000	Total \$'000
Revenue			
Management and performance fees	144,913	-	144,913
Interest	296	765	1,061
Net gains on financial assets and equity in associates	-	7,080	7,080
Net foreign exchange gains on overseas bank accounts and dividends	-	544	544
Total revenue and other income	145,209	8,389	153,598
Expenses			
	40,493	120	40,613
Profit before income tax expense	104,716	8,269	112,985
Income tax expense	(31,609)	(2,301)	(33,910)
Profit after income tax expense	73,107	5,968	79,075
Other comprehensive income	47	-	47
Total comprehensive income	73,154	5,968	79,122
Assets			
Cash and cash equivalents	2,833	75,305	78,138
Financial assets and equity in associates	-	124,856	124,856
Term deposits	-	116,877	116,877
Receivables and other assets	44,981	223	45,204
Total assets	47,814	317,261	365,075
Liabilities			
Payables and provisions	29,483	-	29,483
Tax liabilities	9,325	5,039	14,364
Total liabilities	38,808	5,039	43,847
Net assets	9,006	312,222	321,228

Platinum Asset Management Limited
Notes to the financial statements
31 December 2019

Note 2. Segment information (continued)

Comparative period - 31 December 2018

	Funds Management \$'000	Investments and Other \$'000	Total \$'000
Revenue			
Management and performance fees	148,865	-	148,865
Interest	148	1,599	1,747
Net losses on financial assets and equity in associates	-	(20,867)	(20,867)
Net foreign exchange gains on overseas bank accounts and dividends	-	3,223	3,223
Total revenue and other income	149,013	(16,045)	132,968
Expenses	37,879	90	37,969
Profit before income tax	111,134	(16,135)	94,999
Income tax (expense)/benefit	(35,221)	5,381	(29,840)
Profit after income tax	75,913	(10,754)	65,159
Other comprehensive income	-	11	11
Total comprehensive income	75,913	(10,743)	65,170

Comparative period – 30 June 2019

Assets			
Cash and cash equivalents	8,294	104,653	112,947
Financial assets and equity in associates	-	117,776	117,776
Term deposits	-	81,877	81,877
Receivables and other assets	29,978	1,560	31,538
Total assets	38,272	305,866	344,138
Liabilities			
Payables and provisions	13,477	-	13,477
Tax liabilities	6,848	2,725	9,573
Total liabilities	20,325	2,725	23,050
Net assets	17,947	303,141	321,088

Note 3. Earnings per share

	Consolidated Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Profit after income tax attributable to the owners of Platinum Asset Management Limited	79,075	74,855
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	581,583,682	583,207,034
	Cents	Cents
Basic earnings per share	13.60	12.84
Diluted earnings per share	13.60	12.84

Note 4. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	As at	
	31 Dec 2019 \$'000	30 June 2019 \$'000
Platinum Trust Fund investments	199	183
	199	183

Note 5. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following entities:

Name	Principal place of business / Country of incorporation	Ownership interest	
		As at	
		31 Dec 2019 %	30 June 2019 %
McRae Pty Limited	Australia	100.0	100.0
Platinum Asset Pty Limited	Australia	100.0	100.0
Platinum Investment Management Limited	Australia	100.0	100.0
Platinum Employee Share Trust	Australia	100.0	100.0
Platinum Investment Management Australia Corp.	United States	100.0	100.0
Platinum GP Pty Limited	Australia	100.0	100.0
Platinum UK Asset Management Limited (Platinum UK)^	United Kingdom	100.0	100.0
Platinum Management Malta Limited (Platinum Malta)^	Malta	100.0	-

^Platinum UK Asset Management Limited and Platinum Management Malta Limited both act as sales and servicing centres for the consolidated entity, predominantly with the objective of generating additional fund inflows into the UCITS funds. Platinum UK services UK professional clients and Platinum Malta will service EU professional clients.

Platinum Investment Management Limited (PIML) seeded or invested in many of the products it offers to investors and this impacted on the accounting treatment adopted in the consolidated financial statements. The accounting treatment adopted in these consolidated financial statements with respect to the seed investments was similar to the accounting treatment adopted in the 30 June 2019 financial statements. Nonetheless, we have taken the opportunity to outline the applicable accounting treatment and the reason(s) for the adoption.

Entity	PIML ownership interest at 31 December 2019	Accounting treatment adopted in these accounts
Platinum Trust Fund investments	Interest is less than 1% in each Fund.	Fair value accounting applied (see Note 4).
Platinum Asia Investments Limited (PAI)	8.3%	Investment in associate. Equity accounting applied (see Note 6).
Platinum World Portfolios (PWP)	14.7%	Investment in associate. Equity accounting applied (see Note 6).
Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)	16.3%	Investment in associate. Equity accounting applied (see Note 6).

Note 6. Equity investments in associates

At 31 December 2019, the consolidated entity's investment(s) in Platinum Asia Investments Limited (PAI), Platinum World Portfolios Plc (PWP), and Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") represent interests in associates which are accounted for using the equity method of accounting. Information relating to this is shown in the table below:

a. Interests in associates

Entity	Equity interest %		Fair Value \$'000		Carrying amount \$'000		Reason for assessment of significant influence
	31 December 2019	30 June 2019	31 December 2019	30 June 2019	31 December 2019	30 June 2019	
PAI	8.3	8.3	32,550	30,900	33,532	32,567	Level of ownership interest was 8.3% at 31 December 2019; PIML acts as Investment Manager (IM) in accordance with the Investment Management Agreement; PIML provides performance and exposure reports to the PAI Board.
PWP	14.7	14.6	67,961	63,444	66,150	61,631	Level of ownership interest was 14.7% at 31 December 2019; PIML acts as Investment Manager (IM) in accordance with the Investment Management Agreement; PIML provides performance and exposure reports to the PWP Board and Stephen Menzies is a Director of PWP and a Director of Platinum Asset Management Limited.
PAXX	16.3	14.7	24,975	23,395	24,975	23,395	Level of ownership interest was 16.3% at 31 December 2019; PIML acts as Investment Manager (IM) for PAXX and its underlying fund, Platinum Asia Fund.
			125,486	117,739	124,657	117,593	

Platinum Asset Management Limited
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Note 6. Equity investments in associates (continued)

The fair value of Platinum Asia Investments Limited reflects the 30 million shares held multiplied by the closing price at 31 December 2019 of \$1.085 (30 June 2019: \$1.03).

The fair value of PWP reflects the shares held in the sub-funds multiplied by their respective closing prices at 31 December 2019.

The fair value of PAXX reflects units held multiplied by the PAXX's 31 December 2019 redemption price of \$4.49 (30 June 2019: \$4.20).

The carrying value reflects the consolidated entity's share of each associate's net assets, including assessment of any impairment (see Note 6c for further details).

We have conducted an impairment assessment of the carrying amount of the investment in associates, including a look-through of each of the underlying assets and liabilities. Our assessment is that at 31 December 2019, no impairment write-down was required for PAI because the underlying value of each asset and liability has been measured. The carrying value of the PWP investment is less than its fair value and the carrying value of the investment in PAXX is equal to its fair value.

b. Carrying amount of investment using the equity method

	As at	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Opening balance	117,593	95,920
Initial recognition of PAXX as an equity investment on deconsolidation	-	24,272
Share of associates' profit (see Note 6.d)	7,692	1,100
Dividends paid (PAI) (see Note 6.d)	(628)	(3,699)
Closing balance (see Note 6.c)	124,657	117,593

c. Share of associates' statement of financial position

	Platinum Asia Investments Limited \$'000	Group's share of associate \$'000	Platinum World Portfolios \$'000	Group's share of associate \$'000
31 December 2019				
Total assets	417,810	34,511	452,981	66,452
Total liabilities	11,848	979	2,059	302
Net assets	405,962	33,532	450,922	66,150
	Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") \$'000	Group's share of associate \$'000		
Total assets	153,255	24,975		
Total liabilities	-	-		
Net assets	153,255	24,975		

Total group's share of associates' statement of financial position (share of PAI's net assets of \$33,532,000, PWP's net assets of \$66,150,000 and PAXX's net assets of \$24,975,000) = \$124,657,000.

Note 6. Equity investments in associates (continued)

c. Share of associates' statement of financial position (continued)

	Platinum Asia Investments Limited \$'000	Group's share of associate \$'000	Platinum World Portfolios \$'000	Group's share of associate \$'000
30 June 2019				
Total assets	401,222	33,221	426,498	62,311
Total liabilities	7,900	654	4,653	680
Net assets	<u>393,222</u>	<u>32,567</u>	<u>421,845</u>	<u>61,631</u>
	Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") \$'000	Group's share of associate \$'000		
Total assets	168,320	24,810		
Total liabilities	9,602	1,415		
Net assets	<u>158,718</u>	<u>23,395</u>		

Total group's share of associates' statement of financial position (share of PAI's net assets of \$32,567,000, PWP's net assets of \$61,631,000 and PAXX's net assets of \$23,395,000) = \$117,593,000.

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Note 6. Equity investments in associates (continued)

d. Associate's net income

31 December 2019

	Platinum Asia Investments Limited \$'000	Group's share of associate \$'000	Platinum World Portfolios \$'000	Group's share of associate \$'000
Total investment income	30,730	2,538	33,456	4,908
Total expenses	(3,234)	(267)	(2,743)	(402)
Profit before tax	27,496	2,271	30,713	4,506
Income tax expense	(8,272)	(683)	-	-
Profit after tax	19,224	1,588	30,713	4,506
Dividend received, dilution of unitholding throughout the period and/or foreign currency translation impact		(623)		13
Realised and unrealised gain on investment in associate		965		4,519

	Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") \$'000	Group's share of associate \$'000	Group's share of all associates (total) \$'000
Total investment income	9,805	1,598	9,044
Total expenses	-	-	(669)
Profit before tax	9,805	1,598	8,375
Income tax expense	-	-	(683)
Profit after tax	9,805	1,598	7,692
Dividend received, dilution of unitholding throughout the period and/or foreign currency translation impact		(18)	(628)
Realised and unrealised gain/(loss) on investment in associate		1,580	7,064

The other comprehensive income was \$nil.

Note 6. Equity investments in associates (continued)

d. Associate's net income (continued)

30 June 2019	Platinum Asia Investments Limited \$'000	Group's share of associate \$'000	Platinum World Portfolios \$'000	Group's share of associate \$'000
Total investment income	6,284	520	(18,038)	(2,635)
Total expenses	(6,552)	(543)	(6,791)	(992)
(Loss)/profit before tax	(268)	(23)	(24,829)	(3,627)
Income tax benefit	110	8	-	-
(Loss)/profit after tax	(158)	(15)	(24,829)	(3,627)
Dividend received and dilution of unitholding throughout the year and foreign currency translation impact		(2,390)		4,310
Realised and unrealised gain on investment in associate		(2,405)		683

	Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX") \$'000	Group's share of associate \$'000	Group's share of all associates (total) \$'000
Total investment income	2,757	406	(1,709)
Total expenses	-	-	(1,535)
Profit/(loss) before tax	2,757	406	(3,244)
Income tax benefit	-	-	8
Profit/(loss) after tax	2,757	406	(3,236)
Dividend received and dilution of unitholding throughout the year and foreign currency translation impact		(1,283)	637
Realised and unrealised gain/(loss) on investment in associate		(877)	(2,599)

The other comprehensive income was \$nil.

Note 7. Current assets – trade and other receivables

	Consolidated As at	
	31 Dec 2019 \$'000	30 June 2019 \$'000
Management fees receivable	29,180	24,467
Performance fees receivable	34	5
Interest receivable	222	246
Prepayments	2,010	1,561
Sundry debtors	-	329
Distribution receivable from PAXX and Platinum Trust Fund investments	-	1,314
	<u>31,446</u>	<u>27,922</u>

Management and performance fees receivable(s) were received between three to 30 days after balance date. Interest receivable comprised accrued interest on term deposits and cash accounts. Interest on term deposits is received on maturity. Distributions are only paid at 30 June, and this is the reason why the distribution receivable was \$nil at 31 December 2019.

Note 8. Current Liabilities – Trade and other payables

	Consolidated As at	
	31 Dec 2019 \$'000	30 June 2019 \$'000
Trade payables	6,535	5,995
GST payable	1,548	2,113
	<u>8,083</u>	<u>8,108</u>

Note 9. Current and non-current liabilities – Employee-related provisions

	Consolidated As at	
	31 Dec 2019 \$'000	30 June 2019 \$'000
Current liabilities		
Variable remuneration accrual and associated on-costs [^]	7,057	-
Annual leave	1,358	1,489
Long service leave	1,963	2,320
Payroll tax accrual for Deferred Remuneration Plan awards	193	-
	<u>10,571</u>	<u>3,809</u>
Non-current liabilities		
Payroll tax accrual for Deferred Remuneration Plan awards	1,359	1,560
	<u>1,359</u>	<u>1,560</u>

[^] Variable remuneration accruals mainly reference investment returns for the period to 31 March of each year, with payments made in June of each year.

The variable remuneration accrual is therefore an estimate, on a pro-rata basis, for the period to 31 December 2019. Actual variable remuneration awards for the year may vary substantially from the accrual reflected in these financial statements.

Further information on variable remuneration can be found in the 2019 Remuneration Report, which appears in the 2019 Annual Report.

Note 10. Equity - dividends

Dividends paid during the half-year were as follows:

	Consolidated	
	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Dividend paid on 20 September 2019 of 14 cents per ordinary shares	81,422	-
Dividend paid on 21 September 2018 of 16 cents per ordinary shares	-	93,313
	<u>81,422</u>	<u>93,313</u>

Post the period-end, the Directors have determined to pay an ordinary fully-franked dividend of 13 cents per share (31 December 2018: ordinary dividend of 13 cents per share) payable out of profits for the 6 months ended 31 December 2019.

This dividend has not been provided for at 31 December 2019, as it was declared after period-end.

Platinum Asset Management Limited
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Note 11. Equity - issued capital

	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	586,678,900	586,678,900	751,355	751,355
Treasury shares allocated to employees	(5,088,188)	(5,095,797)	(27,830)	(27,865)
Treasury shares unallocated to employees	(7,609)	-	(35)	-
Total issued capital	581,583,103	581,583,103	723,490	723,490

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On 17 September 2019, the Company announced the extension of the on-market share buy-back program, in which shares will be bought-back if the PTM shares trade at a discount to its underlying value. No shares have been bought-back.

Note 12. Equity - reserves

	Consolidated	
	As at	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Foreign currency translation reserve	152	105
Capital reserve	(588,144)	(588,144)
Share-based payments reserve	13,775	11,176
	<u>(574,217)</u>	<u>(576,863)</u>

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated as a separate reserve within equity. The balance of the foreign currency translation reserve was \$152,000 at 31 December 2019 (30 June 2019: \$105,000). The movement in the current half-year relates to translation of the Platinum UK Asset Management Limited net assets.

Capital reserve

In 2007, in preparation for listing, a restructure was undertaken in which the Company sold or transferred all of its assets, other than its beneficial interest in shares in Platinum Asset Pty Limited and sufficient cash to meet its year to date income tax liability.

The Company then split its issued share capital of 100 shares into 435,181,783 ordinary shares. It then took its beneficial interests in Platinum Investment Management Limited to 100%, through scrip for scrip offers, in consideration for the issue of 125,818,217 ordinary shares in the Company.

As a result of the share split and takeover offers, the Company had 561,000,000 ordinary shares on issue and beneficially held 100% of the issued share capital of Platinum Investment Management Limited. Subsequently, 140,250,000 shares on issue representing 25% of the issued shares of the Company were sold to the public by existing shareholders.

The amount of \$588,144,000 was established on listing as a result of the difference between the consideration paid for the purchase of non-controlling interests and the share of net assets acquired in the minority interests.

Note 12. Equity – reserves (continued)

Share-based payments reserve

In 2016, the consolidated entity established and allocated rights to eligible employees under the Deferred Incentive Plan. Additional rights were granted each year after that.

The amount in the share-based payments reserve is comprised of the amortisation of the rights granted for financial years 2016-2019 and any associated future tax deduction.

No new deferred rights were granted in the current half-year, so the movement in the share-based payments reserve is comprised of the pro-rata (6 month) amortisation of the rights granted for financial years 2016-2019.

Movements in reserves

Movements in each class of reserve during the current half-year (and prior year) are set out below:

	Share-based payments \$'000	Foreign Currency \$'000	Capital \$'000	Total \$'000
Consolidated - 31 December 2019				
Balance at 1 July 2019	11,176	105	(588,144)	(576,863)
Exchange rate translation impact of foreign subsidiaries	-	47	-	47
Movement in share-based payments reserve	2,599	-	-	2,599
Balance at 31 December 2019	<u>13,775</u>	<u>152</u>	<u>(588,144)</u>	<u>(574,217)</u>
Consolidated – 30 June 2019				
Balance at 1 July 2018	6,017	121	(588,144)	(582,006)
Exchange rate translation impact of foreign subsidiaries	-	(16)	-	(16)
Movement in share-based payments reserve	5,159	-	-	5,159
Balance at 30 June 2019	<u>11,176</u>	<u>105</u>	<u>(588,144)</u>	<u>(576,863)</u>

Note 13. Equity – retained profits

	31 Dec 2019 \$'000	30 June 2019 \$'000
Retained profits at the beginning of the half-year	174,461	185,940
Impact of adoption of new leasing standard *	(159)	-
Profit after income tax expense attributable to owners of the Company	79,075	157,651
Dividends paid (Note 10)	(81,422)	(169,130)
Retained profits at the end of the half-year	<u>171,955</u>	<u>174,461</u>

*The consolidated entity adopted AASB 16: *Leases* from 1 July 2019, and elected to adjust the opening retained profits balance at 1 July 2019, rather than re-state the prior year comparatives. This meant that retained profits at the beginning of the half-year reduced by \$159,000 at 1 July 2019. Please refer to Note 16 for further information.

PART B – Notes 14 to 20 – Miscellaneous Notes that are required by the accounting standards

Note 14. Fair value measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the consolidated entity to classify those assets and liabilities measured at fair value using the following fair value hierarchy model (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2019).

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- (iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2019, the investments by PIML in PAI, PWP and PAXX have not been measured at fair value because they have been classified as equity investments in associates. If these were to be measured at fair value, they would be classified as level 2.

The tables below analyse within the fair value hierarchy model the consolidated entity's assets and liabilities, measured or disclosed at fair value, using the three level hierarchy model at 31 December 2019 and 30 June 2019. The consolidated entity has no assets or liabilities that are classified as level 3.

31 December 2019	Level 1 \$'000	Level 2 \$'000	Total \$'000
<i>Assets</i>			
Platinum Trust Fund investments	-	199	199
	-	199	199

30 June 2019	Level 1 \$'000	Level 2 \$'000	Total \$'000
<i>Assets</i>			
Platinum Trust Fund investments	-	183	183
	-	183	183

The consolidated entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

Valuation techniques used to classify assets and liabilities as level 2

PIML's direct investments in the Platinum Trust Funds are valued using their respective Net Asset Values (adjusted for the buy-sell spread) of the underlying assets and liabilities and includes the impact of the 30 June distribution. Accordingly, management has assessed the fair value investments as being Level 2 investments.

Note 15. Related party transactions

Tax consolidation and dividend transactions

Any tax payable on income and gains from any entity within the tax consolidated group and dividends are sourced from the main operating subsidiary, Platinum Investment Management Limited (PIML), and paid out under the Company. Platinum Asset Management Limited is the head entity of the consolidated tax group and is the parent entity, and consequently, is the entity that ultimately pays out dividends to shareholders. The amounts paid during the half-year are disclosed in the consolidated statement of cash flows.

Platinum Asset Management Limited
Notes to the financial statements
31 December 2019

Note 15. Related party transactions (continued)

Fees received

Platinum Investment Management Limited provides investment management services to:

- (i) its related party unit trusts - the Platinum Trust Funds and Platinum Global Fund;
- (ii) its European-based offshore fund, Platinum World Portfolios Plc;
- (iii) its two ASX-listed investment companies (LICs), Platinum Capital Limited (PMC) and Platinum Asia Investments Limited (PAI); and
- (iv) its two ASX quoted managed funds, Platinum International Fund (Quoted Managed Hedge Fund) (PIXX) and Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX).

Platinum Investment Management Limited is entitled to receive a monthly management fee, either directly or indirectly, from each of these entities and a performance fee based on the relative investment performance of the Platinum Trust Funds, Platinum World Portfolios Plc, Platinum Capital Limited (PMC) and Platinum Asia Investments Limited (PAI). The consolidated entity does not derive any management fees or performance fees directly from PIXX and PAXX. Management and performance fees are borne at the Platinum International Fund/Platinum Asia Fund level and are paid directly by these funds to the consolidated entity. The total related party fees recognised in the statement of profit or loss and other comprehensive income for the period ended 31 December 2019 and 31 December 2018 were as follows:

	31 Dec 2019	31 Dec 2018
	\$	\$
Related party fees	119,472,910	124,150,091

Included in these figures, is related party fees receivable, disclosed in the statement of financial position for the period ended 31 December 2019 and 30 June 2019 as follows:

	31 Dec 2019	30 June 2019
	\$	\$
Related party fees receivable	20,838,168	19,001,623

Investment transactions

During the half-year, PIML received the final 2019 fully-franked dividend of \$600,000 (31 December 2018: fully-franked dividend: \$1,800,000) from its investment in PAI.

During the half-year, PIML also received the 30 June 2019 distribution of \$1,313,991 from PAXX and Platinum Trust Funds (31 December 2018: \$4,837,343).

Other related party transactions

Mr Stephen Menzies is PIML's nominee on the Board of PWP. PIML reimburses Stephen Menzies for any incidental travel and accommodation associated with attendance at Board meetings in Ireland. During the half-year, the amount reimbursed was \$11,042 (31 December 2018: \$17,523).

During the half-year, the consolidated entity paid \$35,000 (31 December 2018: \$35,000) to OneVue Services Pty Limited for the provision of services associated with the enhancement of the Platinum website. OneVue is a related party of the Chairman of Platinum Asset Management Limited, Mr Michael Cole.

During the half-year, Platinum UK continued to incur costs associated with running the European operations of the Platinum group. Associated with this, PIML incurred a service fee of \$917,337 in the reporting period (31 December 2018: \$853,789). PIML also provided further funding of 200,000 GBP (equivalent to A\$383,230) to Platinum UK.

During the half-year, Platinum Management Malta Limited was incorporated. PIML paid the \$7,243 associated with the director's fees for the Maltese resident director and paid the initial start-up capital of \$2,094.

Loan agreements with related parties

There were no formal loan agreements executed with related parties during the current and previous reporting period, but there were inter-company receivables and payables.

Platinum Asset Management Limited
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Note 16. Leases

Platinum Investment Management Limited has entered into a lease agreement for the Sydney premises it occupies and pays rent on a monthly basis. Payments made under the lease are charged to the consolidated statement of profit or loss and other comprehensive income.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	31 Dec 2019	30 June
	\$'000	2019*
		\$'000
Right-of-use assets		
Non-current	9,222	-
	<u>9,222</u>	<u>-</u>
Lease liabilities		
Current	1,704	-
Non-current	7,766	-
	<u>9,470</u>	<u>-</u>
Retained profit adjustment impact of adoption of new leasing standard [^]	(159)	-

*In the previous year, the consolidated group did not recognise lease assets and lease liabilities under *AASB 117 Leases*.

[^] The consolidated entity has adopted AASB 16 from 1 July 2019, but has not restated comparatives for the 30 June 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassification and the adjustment of \$159,000 arising from the new leasing standard are therefore recognised as an adjustment to opening retained profit on 1 July 2019.

(b) Amounts recognised in the statement of profit or loss in "rent, other occupancy and depreciation"

	31 Dec 2019	31 Dec 2018
	\$'000	\$'000*
Depreciation charge of right-of-use assets		
Office	843	-
	<u>843</u>	<u>-</u>
Interest	53	-
Other lease-related outgoings	61	-
	<u>114</u>	<u>-</u>

(c) Changes with respect to the accounting treatment for the lease of the Sydney premises

Until the adoption of AASB 16 on 1 July 2019, the lease of the Sydney premises was classified as an operating lease. From 1 July 2019, the lease over the premises is recognised as a right-of-use asset and a corresponding liability. The actual amount paid in relation to lease payments during the period was \$870,000, which appears in the consolidated statement of cash flows.

Assets and liabilities arising from the lease of the premises were initially measured on a present value basis. Lease liabilities include the net present value of the future lease payments, less any lease incentives receivable.

On adoption of AASB 16, the lease payments used to determine the lease liability were discounted using the Reserve Bank of Australia (RBA) overnight cash rate of 1.25% at the date of initial application.

Note 16. Leases (continued)

Under the terms of the lease agreement, the consolidated entity may be exposed to potential future increases in other lease-related outgoings (such as cleaning costs) based on an uplift of 3.75% per annum. These are not included in the lease liability until they take effect. When adjustments to other lease-related outgoings based on this uplift takes effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the measurement of lease liability. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Note 17. Contingent Assets, Liabilities and Commitments

The consolidated entity has no commitments for significant capital expenditure. No contingent assets or liabilities exist at 31 December 2019 and 30 June 2019.

Note 18. Events after the reporting period

Apart from the dividend declared on 21 February 2020, as disclosed in Note 10, no other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Accounting Standards and Interpretations not yet mandatory or early adopted during the half-year

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

Note 20. Accounting Standards adopted during the half-year

Australian Accounting Standards and Interpretations that are of relevance to the consolidated entity but are mandatory and have been adopted for the interim reporting period ended 31 December 2019, and the consolidated entity's assessment of the impact of these issued or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

(a) AASB 16: Leases

The consolidated group has adopted AASB 16: *Leases* from 1 July 2019, Please refer to Note 16 for a discussion of the impact of this new standard.

(b) IFRIC 23: Uncertainty over Income Tax Treatments (effective from 1 January 2019)

The IFRS Interpretations Committee (IFRS IC) issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12: *Income taxes* are applied where there is uncertainty over income tax treatments. IFRIC 23 requires the consolidated entity to calculate their deferred and current income tax liabilities in their financial statements if the tax authorities were going to perform a tax audit. The consolidated entity has applied this interpretation with respect to determining its deferred and current income tax balances. Management has assessed that the adoption of this interpretation will not materially affect the deferred and current income tax balances or any of the disclosures in the financial statements.

There are no other standards that are effective for the first time in the current period that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

Platinum Asset Management Limited
Directors' declaration
31 December 2019

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Michael Cole
Chairman

21 February 2020
Sydney



Andrew Clifford
Director



Independent auditor's review report to the members of Platinum Asset Management Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Platinum Asset Management Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Conclusion

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

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


PricewaterhouseCoopers


R Balding
Partner

Sydney
21 February 2020

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