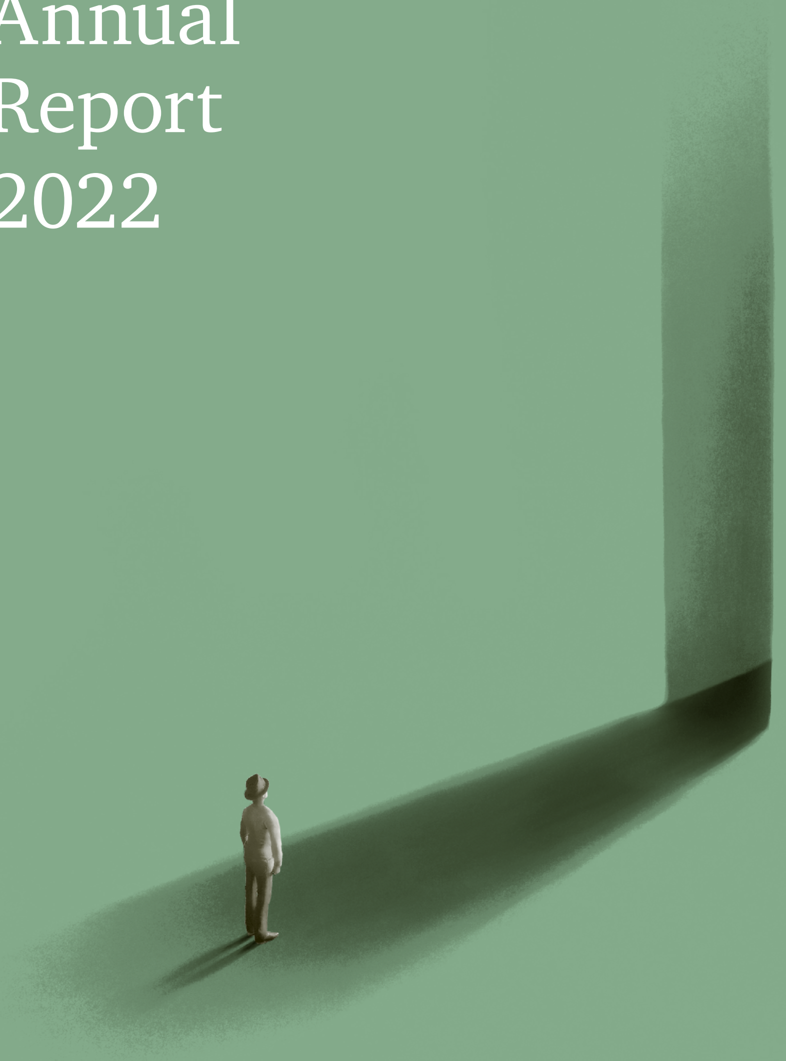
Annual Report 2022



Platinum Asset Management Limited
ABN 13 050 064 287

Directors

Guy Strapp
Stephen Menzies
Anne Loveridge
Brigitte Smith
Kerr Neilson
Philip Moffitt (appointed on 17 December 2021)
Andrew Clifford
Elizabeth Norman
Andrew Stannard
Tim Trumper (resigned on 17 November 2021)

Company Secretary

Joanne Jefferies

Shareholder Liaison

Elizabeth Norman

Registered Office

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Sydney NSW 2000

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Share Registrar

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000

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Phone +61 3 9415 4000
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Auditor and Taxation Advisor

Ernst & Young
The EY Centre
Level 34, 200 George Street
Sydney NSW 2000

Securities Exchange Listing

Platinum Asset Management Limited shares are listed on the Australian Securities Exchange (ASX code: **PTM**)

Website

www.platinum.com.au/About-Platinum/PTM-Shareholders

Corporate Governance Statement

The Corporate Governance Statement can be viewed at
www.platinum.com.au/PlatinumSite/media/About/ptm_corp_gov.pdf

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Chairperson's Report 2022

The FY22 year will be remembered as unusually volatile and dramatic. For the full financial year, global equity markets (as measured by the MSCI AC World Net Index (A$)) fell 8%, with a strong first half more than offset by a 16% fall in the six months to 30 June 2022, as the prolonged bull market came to an end. This fall reflected an unusually broad raft of public health, political and economic challenges that included the continued fight against COVID-19, the Russia-Ukraine war, climate change, rising inflation and the consequential tightening of monetary policies.

As a global equities fund manager that is heavily exposed to both rising and falling markets, Platinum's own share price decreased dramatically, closing the 2022 financial year at $1.74, down from $4.91 at the start of the financial year. The decrease reflects a range of factors, some of which were within our ability to control (most notably our investment performance for clients and resultant net outflows) and some of which were not (the impact of general market declines on our fee revenue and a broader de-rating of the whole industry sector by investors).

In this challenging environment, it is important to consider Platinum's long-term business strategy. In summary, Platinum's strategy is to maintain a strong team and culture, deliver good investment returns over the long term, grow funds under management (FUM) both domestically and by building offshore distribution capability, and ensure we have efficient and scalable infrastructure. The Platinum team made good progress on delivering many aspects of the strategic plan over the past year. However, it remains clear that consistently good investment returns are crucial to achieving growth in FUM and, thereby, growth in profits and shareholder returns.

Funds Under Management (FUM)

FUM as at 30 June 2022 was $18.2 billion, a decrease of 22.6% from the 30 June 2021 closing FUM of $23.5 billion. Average FUM for the year decreased by 8.6% to $21.4 billion from an average FUM of $23.4 billion for the previous year.

The change in FUM was driven by negative investment performance of $2.2 billion, net fund outflows of $2.2 billion and the net distribution paid to investors of $0.9 billion.

Whilst no one is content with negative investment returns, we are pleased to see the recent benefits of the downside protection provided by Platinum's strategies. For example, the Platinum International Fund was down 5.4% in the six months to 30 June 2022 but outperformed the MSCI AC World Net Index (A$) by 10.2%, which fell by 15.6%. The flagship Platinum International Fund and Platinum Asia Fund both outperformed their nominated indices[1] over six months, 1 year and 2 years. Indeed, the Platinum Asia Fund has now returned to outperformance over 3-, 5- and 10-year periods to 30 June 2022, on an annualised basis. This is a credit to the investment team.

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1 MSCI AC World Net Index (A$) and MSCI AC Asia ex Japan Net Index (A$), respectively.

Operating Performance

Profit before tax decreased by 37.4% to $146.7 million for the year ended 30 June 2022 (2021: $234.2 million). Earnings per share for the 2022 financial year were down 10.7 cents to 17.5 cents per share (2021: 28.2 cents).

The main contributor to the decrease in profit and earnings per share was the largely unrealised losses on seed investments, including the share of associates' losses, which contributed losses before tax for the year of $24.1 million (2021: gain before tax of $43.9 million). The unrealised ('mark-to-market') loss during the year ended 30 June 2022 largely represents a partial reversal of gains during the year ended 30 June 2021. Underlying profit after tax, which excludes gains and losses on seed investments (net of tax), was down 10.9% to $118.2 million (2021: $132.6 million).

Total revenue decreased by 6.2% to $252.7 million for the year ended 30 June 2022 (2021: $269.2 million). The 7.3% decrease in management fees (excluding performance fees) was a result of the 8.6% decline in average FUM. The decrease in management fees was partially offset by an increase in performance fees to $6.7 million (2021: $4.0 million).

Costs

Total employee expenses (including share-based payment expenses) increased by $2.0 million on the prior financial year. This primarily reflects a $5.5 million increase in share-based payment expenses due to additional deferred equity granted to employees with short-term cash variable compensation being cut during the year.

Other (non-employee) costs increased $1.9 million on the prior year due primarily to increased business development costs, which were anticipated and included the launch of the Platinum Investment Bond product (and its direct-to-market proposition) and associated new campaigns, the growth in social media advertising, and third-party distribution costs. There was also an increase in operational project-related costs and higher insurance charges. Total expenses for the financial year increased by $3.9 million to $86.1 million.

Dividends

The Directors have declared a 2022 final fully franked ordinary dividend of 7 cents per share. This will be paid on 15 September 2022.

A 2022 interim fully franked ordinary dividend of 10 cents per share was paid during the year.

Whilst the Company has a dividend reinvestment plan in place, it has not been activated.

Chairperson's Report 2022
CONTINUED

Business Development

Platinum continued to provide a comprehensive range of business development activities to our clients, both investors and advisers, through roadshows and webinars, participation in industry events, and the generation and distribution of high-quality content. It was particularly valuable to recommence overseas travel and be able to meet again with existing and potential clients.

Throughout the year, we worked towards delivering an exciting new strategy. Platinum expects to launch its new dual access carbon transition product imminently (subject to regulatory approval). This product will invest in companies that are enabling or contributing to the transition away from fossil fuel-derived energy, and goods production and consumption i.e. the carbon transition. We view the energy transition as a structural area of change that will span many decades and will provide very attractive investment opportunities across a variety of industries. In addition, the structure will provide two concurrent ways of transacting for investors: the ease of an exchange-traded format via the ASX or an unlisted format via the unit registry.

Environmental, Social and Governance (ESG)

ESG matters continue to be a focus area both for the community and Platinum. Significant developments during 2022 included incorporating the disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) into Platinum's annual sustainability report and launching a new section on our website to better articulate Platinum's approach to ESG investing (www.platinum.com.au/ESG).

For further information on Platinum's approach to ESG, please read Platinum's Corporate Responsibility and Sustainability Report available on our website www.platinum.com.au/About-Platinum/PTM-Shareholders.

Annual General Meeting (AGM)

Subject to public health orders, the Company's AGM will be held as a hybrid event, whereby shareholders can either attend in person or join online. The AGM notice will include details of how to attend the meeting and will be dispatched to shareholders in the coming weeks.

The Board and its Associated Committees

At our 2021 AGM, we incurred a disappointing 'first strike', with more than 25% of votes cast against the adoption of the 2021 remuneration report. We have listened closely to shareholder feedback and made a number of changes that the Board feels deal with the concerns that were raised. The changes include reviewing the executive reward framework to ensure it remains 'fit for purpose' in the current environment and ensuring FY2022 reward decisions appropriately reflect individual and Company performance and are disclosed clearly. Included in the remuneration report on page 33 of the Company's 2022 annual report is a letter from the Chair of the Nomination and Remuneration Committee (NRC).

I encourage all shareholders to read the letter, which outlines the significant actions that the Board has taken to adopt a revised remuneration framework for the Company's executive key management personnel and improve the Company's disclosure of the link between performance and variable remuneration outcomes.

The NRC also continued its work in relation to Board succession, with Mr Phillip Moffitt joining the Board on 17 December 2021 as a replacement for Mr Trumper, bringing strong investment management experience to the Board.

Lastly, Platinum's Audit, Risk and Compliance Committee (ARCC) had a busy year overseeing new product development initiatives and working closely with management towards the creation of a new risk appetite statement and risk dashboard for the Company. The ARCC has also overseen the implementation of the Company's climate-related financial disclosures in accordance with the TCFD's recommendations.

Finally

Given the negative investment returns experienced during 2022, I expect that the outlook for equity markets will be on the minds of many investors. I encourage you to read the Managing Director's letter to shareholders by Andrew Clifford, which explains the basis of our investment philosophy and discusses Platinum's investment outlook.

Guy Strapp
Chairman
24 August 2022

Year in Review

FOR YEAR ENDED JUNE 2022

Management fee revenue down

-7%

Net profit after tax (down 38%)

$101m

Final dividend of (~9.8% annualised yield*)

7cps

fully franked

Net profit after tax excluding largely unrealised losses on seed investments down

-11%

Total expenses up 5%
Expenses excluding share-based payment expense down

-2%

Largely unrealised mark-to-market losses on seed investments

-$24.1m

Average FUM down 8.6% on June 2021

$21.4b

* Using 30 June 2022 closing share price of $1.74 and including 2022 interim dividend of 10 cps.

Investment performance of the Platinum Trust Funds to 30 June 2022

	1 year p.a.	5 year compound p.a.	10 year compound p.a.
International Fund	-6%	6%	11%
Global Fund (Long Only)	-16%	4%	11%
Asia Fund	-15%	8%	12%
European Fund	-11%	3%	10%
Japan Fund	-8%	4%	14%
International Brands Fund	-23%	6%	11%
International Health Care Fund	-34%	7%	14%
International Technology Fund	-19%	9%	13%

Source: Platinum Investment Management Limited.

Fund returns are annualised, calculated using the relevant fund's NAV unit price for C Class and represent the combined income and capital returns over the specified period. Fund returns are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. **Past performance is not a reliable indicator of future performance.**

Managing Director's Letter 2022

In the first half of our financial year, global equity markets continued the recent bull run led by popular growth stocks. However, the market turned sharply in January as central banks indicated their intention to rein in inflation through higher interest rates. These extreme moves in markets tend to play to the strengths of our investment approach, which seeks out-of-favour and undervalued companies and avoids the popular and overvalued. We think our approach is one that investors can expect to produce its best results over the course of a full stock market cycle.

In the first six months of calendar 2022, our Platinum International Fund returned -5.4% compared with global equity markets, which returned -15.6%.[1] We protected our clients from the worst of the downturn during these early months of what we expect to be a significant bear market in global equities. This result more than caught up the Fund's underperformance of the prior 18 months. Over this same period, our Platinum Asia Fund returned -8.0% compared with Asian regional markets, which returned -11.5%.[2] This performance has returned the Fund's track record to being ahead of the market on an annualised basis for 1 year, 3 years, 5 years, 10 years and since inception time periods as of 30 June 2022. Our longer-term performance remains solid across all our strategies, each of which has produced double-digit compound returns for investors over the last decade.

Our expectations for a deep bear market are premised on recent changes in global financial conditions. The extravagant monetary and fiscal policies of the last three years created not only a rapid escalation in inflation but also a wild bull market in speculative growth stocks. This period followed an already extended period of quantitative easing policies and an associated low interest rate environment. With central banks now being forced to increase interest rates and, at least in the US, start winding back quantitative easing, financial conditions have changed dramatically, even as government spending has been cut. Today's financial conditions represent a significant headwind for global stock markets (as well as other asset prices), in contrast to the tailwinds that have been present for much of the last decade, and especially since the arrival of COVID-19. There are many other signs that this most recent bull market has been one of history's most impressive, from extreme valuations to substantial retail investor participation. Ultimately, the depth of bear markets tends to be a function of the strength of the bull market that preceded it. As such, we would not be surprised to see a fall in the order of 50% from the top of the market, similar to that experienced by global equity markets during the Tech Wreck of 2000-2002 and the Global Financial Crisis in 2008-2009.

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1 Fund returns are calculated using the relevant fund's NAV unit price for C Class and represent the combined income and capital returns over the specified period. Fund returns are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. The Index reference is the MSCI All Country World Net Return Index (A$). **Past performance is not a reliable indicator of future performance.**

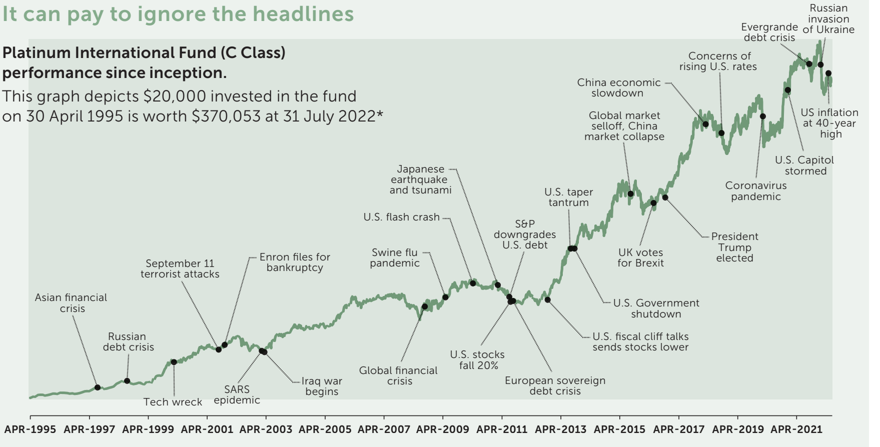
2 Fund returns are calculated using the relevant fund's NAV unit price for C Class and represent the combined income and capital returns over the specified period. Fund returns are net of accrued fees and costs, pre-tax, and assume the reinvestment of distributions. The Index reference is the MSCI All Country Asia ex Japan Net Return Index (A$). **Past performance is not a reliable indicator of future performance.**

In contrast to this dire overall outlook, there remain, as is often the case, significant pockets of opportunity within markets. This could not be better demonstrated than in the following chart. Based on the 27-year history of our Platinum International Fund, it depicts that even with substantial global market events, it is possible to find investment opportunities over time. However, to achieve this requires a long-term and consistent approach to investing through various market cycles.

It can pay to ignore the headlines

Platinum International Fund (C Class) performance since inception.

This graph depicts $20,000 invested in the fund on 30 April 1995 is worth $370,053 at 31 July 2022*



* Investment returns are cumulative over the specified period and have been calculated using the fund's C Class NAV unit price. They are pre-tax, net of fees and costs and assume the reinvestment of distributions.

Past performance is not a reliable indicator of future returns.

Source: Platinum Investment Management Limited • Wikipedia • Investopedia • Google

With regard to the current opportunities we are seeing:

China's economy is showing its weakest performance since opening up four decades ago. This is due to falling residential property sales and related construction activity, a situation that has been exacerbated by recent COVID-19 lockdowns. Geopolitical tensions have further suppressed Chinese stock prices. While such tensions seem likely to remain with us for some time, it is likely that the economy will stage a strong recovery over the next 12 months as it responds to government stimulus and receding COVID-19 infections.

Europe is also facing difficulties, as energy prices soar and business and consumer confidence collapse following Russia's invasion of Ukraine. The US market appears to remain generally less appealing due to the tightening of monetary conditions, however, huge divergences in stock price performance and valuations have resulted in attractive opportunities at the individual stock level.

The already weak performance of these major economies has created attractive opportunities in large subsets of stocks that are sensitive to economic outcomes in these regions, with many trading at valuations approaching those reached in previous crisis periods.

We expect significant differences in stock market performance by sector and geography in the years ahead, which should favour our investment approach.

Managing Director's Letter 2022
CONTINUED

Funds Under Management – Retention and Growth

Funds Under Management ($ million, to 30 June 2022)

FUNDS	OPENING BALANCE (1 JULY 2021)	FLOWS	INVESTMENT PERFORMANCE	DISTRIBUTION AND OTHER	CLOSING BALANCE (30 JUNE 2022)	% OF TOTAL
Retail offerings						
Platinum Trust Funds (excluding funds fed from PIXX and PAXX) and Platinum Global Fund (mFund)	14,548	(1,390)	(1,497)	(803)	10,858	60%
Quoted Managed Hedge Funds PIXX and PAXX	518	(23)	(45)	(36)	414	2%
Listed Investment Companies PMC and PAI	988	–	(92)	(75)	821	5%
MLC Platinum Global Fund	732	(75)	(84)	–	573	3%
Institutional mandates						
Management Fee Mandates	2,426	(391)	(141)	–	1,894	10%
UCITS Platinum World Portfolios	447	17	(54)	–	376	2%
Cayman Funds	38	–	(4)	–	34	0%
"Absolute" Performance Fee Mandates	358	(55)	(16)	–	287	2%
"Relative" Performance Fee Mandates	3,467	(217)	(244)	(49)	2,957	16%
TOTAL	**23,522**	**(2,168)**	**(2,177)**	**(963)**	**18,214**	**100%**

Source: Platinum Investment Management Limited.

The 'Distribution and Other' figure is comprised of the distribution from the Platinum Trust Funds/PGF/PIXX/PAXX (as applicable). The balance also includes dividend and tax payments made by the Listed Investment Companies = Platinum Capital Limited (ASX code: PMC) and Platinum Asia Investments Limited (ASX code: PAI). **Past performance is not a reliable indicator of future returns.**

While the second half of the financial year saw an improvement in investment returns relative to markets for our two largest funds, the Platinum International Fund and Platinum Asia Fund (and related strategies), their overall absolute returns were still negative for the year to 30 June 2022. The weaker absolute investment returns resulted in a $2.2 billion reduction in funds under management and net outflows of funds of $2.2 billion (largely reflecting historical trailing relative underperformance). Approximately $0.9 billion of gains were also distributed to clients, an amount similar to the prior year. Overall, funds under management fell 22.6% over the course of the year.

While this is a disappointing outcome, it should be seen in the context of industry trends. Firstly, the decade-long bull market has generated strong client interest for passive investment products over actively managed investments, generating aggregate net outflows across active managers. In addition, to the extent that funds have flowed to active managers, they have, until recently, favoured 'growth-style' funds, which tend to generate strong relative performance in bull markets. It is quite possible that both these trends could be challenged in the near term as the bear market unfolds. Certainly, many of the favoured 'growth-style' managers have delivered weaker results during the recent market correction, which suggests to us that they will likely see outflows unless market conditions change. Similarly, any prolonged and deep bear market will challenge those investors who have preferred investments that passively track falling indices.

Another strong trend has been a rising client preference for unlisted investments, including private equity, venture capital, private debt, and unlisted infrastructure and property funds. Vast sums have been raised in recent years, and the managers of these assets appear to have consequently experienced significant competition in acquiring underlying investments. This strongly suggests to us that prospective returns from such assets are likely to be poor. Although the long-term nature of these funds means that it will take some time for the ultimate investment returns to be known, it would not surprise us to see the enthusiasm for such assets to ultimately diminish with investors refocusing on more transparent listed asset classes.

Irrespective of how markets unfold from here, the future of our business will continue to ultimately depend on our investment approach delivering strong investment outcomes for our clients over the course of the current stock market cycle, which we remain confident we can achieve.

Managing Director's Letter 2022
CONTINUED

In the meantime, we will continue to work on extending and broadening our client base. As mentioned in last year's letter, the rise of the do-it-yourself (DIY) investor in recent years represents an expansion of our direct client base.

We will shortly launch our first new investment strategy in 19 years, a new carbon transition strategy, which will focus on the impending transition away from a currently carbon-intensive world economy.

It is intended that this strategy will initially be made available to Australian investors via a dual access managed fund structure (subject to regulatory approval) which will allow investors to acquire units either through a traditional managed fund application process or via units quoted on the ASX. The strategy will aim to take advantage of the wide variety of investment opportunities that are arising from the world's move to decarbonise in the decades ahead, and will be managed using Platinum's well-established and consistent investment approach. The strategy will access a much wider range of opportunities than the standard packaging of solar panels, wind farms, and electric vehicles and is expected to be delivered as an ASX-quoted managed fund offering, alongside our existing quoted managed fund (QMF) versions of the Platinum International Fund and Platinum Asia Fund. We expect that the combination of the investment thematic and the ASX-quoted units should appeal to many DIY investors.

Another issue of increasing importance for many of our clients is their fund manager's focus on the sustainability of their investee companies with respect to environmental, social, and governance (ESG) issues. Our approach has long been that material ESG issues are integral to any long-term assessment of a potential investment, though today, the market requires that we demonstrate an explicit consideration of ESG. We have in place our initial ESG framework, which we will continue to develop with the long-term goal of setting a high standard for ESG integration in equity market investing.

One of the biggest negative impacts of COVID-19 on our business was our restricted ability to expand our offshore business, with our London office and the AccessAlpha team in the US unable to travel to physically meet with prospective clients. Furthermore, our investment specialists and portfolio managers were unable to lend their usual in-person support to these efforts. Since the reopening of our borders, we have recommenced our on-the-ground visits with existing and potential clients. While during the pandemic period, clients appeared unwilling to consider changes to existing manager line-ups, that sentiment appears to have changed, with many clients having been disappointed by the results of some of their managers during the first half of 2022.

Our engagement with financial advisers and our direct client base also continues to evolve. We have stepped up our production and distribution of engaging and timely investment content via webinars, videos, podcasts, and articles, distributed not only through our website but a range of mediums including social media, advertising, and external content distributors. We continue to attend key industry events, many of which have now switched to hybrid models of delivering live and online options. Our annual client roadshow, held in March this year, remained a virtual event but allowed us to invite a wider range of clients, including our direct investors in our listed investment companies, alongside our managed fund, quoted managed fund, and European-based clients. Next year, we expect to return to physical events with an online stream to allow us to continue to connect with a broader range of advisers and investors who may prefer such a format.

Foundations for the Future

At the core of Platinum's offering is our investment approach, which is implemented by a highly experienced investment team. The ongoing growth and development of our investment team is therefore important to securing the long-term future of the business. Recently, we appointed Douglas Isles to the role of Head of Investment (HOI). Douglas has previously worked at Platinum as an investment analyst and subsequently established our investment specialist team. In his new role, Douglas will take on responsibility for managing the investment team and the investment process, allowing myself and my Co-Chief Investment Officer (CIO) Clay Smolinski to place greater focus on the day-to-day debate around investment ideas. Clearly, the roles of CIO and HOI will require a close working relationship in order to ensure a co-ordinated approach to managing the team. We have also recently promoted four of our analysts to the role of portfolio manager, bringing the total number of portfolio managers to 12. These promotions continue to build the decision-making capability of the team and allow for natural succession planning within the team. As we have said previously, we recognise that not all our people will spend their entire career at Platinum, and ensuring there is a smooth succession when individuals depart is critical for maintaining performance and the confidence of clients and shareholders.

Managing Director's Letter 2022
CONTINUED

Outlook
Investors are faced with an extraordinarily complex environment. Inflation is running at levels not seen in decades, and interest rates are rising sharply. This is occurring just as the consumer boom in manufactured goods is coming to an end and spending is being switched back to services, creating issues for those trying to estimate company earnings. Russia's invasion of Ukraine, among many of its outcomes, has created havoc in commodity markets, resulting in soaring energy costs, particularly for Europe. China is in its first serious recession since its move to a market economy, at a time when its relationships with the West are deteriorating. It is an environment where there will be continual surprises for investors and having regard to past experience, one where we believe our investment approach will be rewarded.

Concluding Remarks
I would like to thank all of my colleagues for their contributions to keeping a fund management business running, including the daily processing of fund applications and redemptions, providing client service and communications, settling our purchases and sales of shares for our products, navigating the complex regulatory environment, maintaining and developing our IT systems, and managing our finances. Our team of dedicated professionals has done a great job of keeping the business operating efficiently in what have been challenging times.

Andrew Clifford
Managing Director

Our Journal

You can find a range of thought-provoking articles and videos on our website, www.platinum.com.au. For ad hoc commentary on the latest market trends and investment themes, look up *The Journal* under Insights & Tools.

If you find yourself short on time to read our in-depth reports and articles, have a listen to our audio podcasts or watch brief market updates in video format.

Market Update: Inflation Takes its Toll on Markets

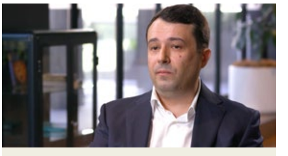
CEO and co-CIO Andrew Clifford talks with Investment Specialist Julian McCormack on the impact of inflation, rising interest rates, the Russia-Ukraine conflict and the re-emergence of Covid in China on global equity markets. Against this market backdrop, Andrew discusses Platinum's investment approach, drivers of recent returns and where the team is investing....

By Andrew Clifford
13 April 2022

The Beautiful Game

There is an apparent paradox of investing in shares; price is everything yet it is also nothing. There is no contradiction in this paradox because the reality lies in the very essence of what share selection is really about. If one starts from the naive stance of saying you want to own really fine companies that will be bigger and hopefully better in the coming few years...

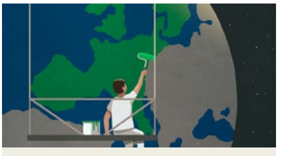
By Kerr Neilson
04 February 2022



Turmoil Provides Catalyst for Significant Investment in Europe

It is no surprise that investor sentiment has turned negative on Europe. In the short term, there are good reasons to be cautious. However, recent events are providing catalysts for significant change...

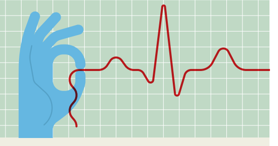
By Adrian Cotiga
23 June 2022



Investing for a Better Tomorrow

The world economy emits around 50 billion tonnes of CO_2-equivalent greenhouse gases (GHGs) every year, of which 36 billion tonnes is derived from the burning of fossil fuels. It is now widely accepted the increasing amount of GHGs in the atmosphere is warming our planet and the current level of emissions needs to reduce...

By Liam Farlow & Jodie Bannan
05 May 2022



Biotech, Down but Absolutely Not Out

It has been a difficult 12 months or so for biotech, but portfolio manager Dr Bianca Ogden believes the sector is "absolutely not broken" – far from it. Innovation continues and balance sheets are stronger than ever with a lot of cash sitting on the sidelines, paving the way for industry consolidation and ongoing investment in next-generation technologies and drug discovery...

By Dr Bianca Ogden
22 June 2022

Defensive Stocks Not So Defensive After All?

US consumer stocks have taken a hit this year. Rate rises, geopolitical issues, withdrawal of fiscal stimulus and excess inventory are all taking their toll on company sales and profit margins. Portfolio manager Jamie Halse sat down with investment specialist Julian McCormack in early June to discuss his thoughts...

By James Halse
28 June 2022

Financial Statements 2022

Platinum Asset Management Limited

General Information

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 August 2022. The Directors have the power to amend and reissue the financial statements.

Shareholder Information

The shareholder information set out below was applicable as at 19 August 2022.

Distribution of Ordinary Shares

Analysis of number of ordinary shareholders by size of holding:

	NUMBER OF HOLDERS OF ORDINARY SHARES
1 to 1,000	5,113
1,001 to 5,000	10,821
5,001 to 10,000	3,930
10,001 to 100,000	3,894
100,001 and over	172
Total	23,930
Holding less than a marketable parcel (less than $500)	1,166

Ordinary shareholders

Twenty largest ordinary shareholders

The names of the twenty largest shareholders of the Company are listed below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
K Neilson	126,037,420	21.48
HSBC Custody Nominees (Australia) Limited	62,245,722	10.61
J P Morgan Nominees Australia Pty Limited	60,637,826	10.34
Citicorp Nominees Pty Limited	53,143,210	9.06
Platinum Investment Management Limited (nominee)	29,364,201	5.01
Pacific Custodians Pty Limited	13,267,445	2.26
BNP Paribas Nominees Pty Limited	8,527,991	1.45
National Nominees Limited	6,542,956	1.12
Jilliby Pty Limited	6,500,000	1.11
J Clifford	5,000,000	0.85
BNP Paribas Nominees Pty Limited (IB AU NOMS Retail Client DRP)	3,231,654	0.55
Starbrook Enterprises Pty Limited	2,700,000	0.46
UBS Nominees Pty Limited	2,515,859	0.43
Garrett Smythe Limited	1,963,500	0.33
First Samuel Limited	1,958,188	0.33
BNP Paribas Nominees Pty Limited HUB24 Custodial Serv Limited	1,629,068	0.28
JAMPLAT Pty Limited	1,502,500	0.26
Xetrov Pty Limited	1,500,000	0.26
G Hancock and J Hancock	1,128,084	0.19
Southern Steel Investments Pty Limited	1,122,012	0.19
	390,517,636	66.57

Unquoted ordinary shares

There are no unquoted ordinary shares, however, the Company has share-based payment arrangements through which a total of 29,249,834 deferred rights have been allocated to eligible employees of Platinum Investment Management Limited, and on vesting and exercise of these rights, an equivalent number of PTM shares (that will have already been acquired on-market) will be allocated to these employees (please refer to the Remuneration Report and Note 17 for further details).

Shareholder Information
CONTINUED

Substantial Shareholders

The following parties have notified the Company that they have a substantial relevant interest in the ordinary shares of Platinum Asset Management Limited in accordance with section 671B of the *Corporations Act 2001:*

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
K Neilson	126,037,421^	21.48
J Clifford, Moya Pty Limited, A Clifford	32,831,449^	5.60

^ Based on the last substantial shareholder notice lodged.

Distribution of Annual Report to Shareholders

The law allows for an "opt in" regime through which shareholders will receive a printed "hard copy" version of the Annual Report only if they request one. The Directors have decided to only mail out an Annual Report to those shareholders who have "opted in".

Financial Calendar

Ordinary shares trade ex-dividend	1 September 2022
Record date (books close) for dividend	2 September 2022
Dividend payment date	15 September 2022

These dates are indicative and may be changed.

Notice of Annual General Meeting

The Annual General Meeting (AGM) of Platinum Asset Management Limited will be held on Wednesday 16 November 2022. Details of how to attend the meeting will be included in the AGM Notice.

Questions for the AGM

If you would like to submit a question prior to the AGM to be addressed at the AGM, you may email your question to invest@platinum.com.au.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity', 'group' or 'Platinum') 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 year ended 30 June 2022.

Directors

The following persons were Directors of Platinum Asset Management Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Guy Strapp	Chairman and Non-Executive Director
Stephen Menzies	Non-Executive Director
Anne Loveridge	Non-Executive Director
Brigitte Smith	Non-Executive Director
Kerr Neilson	Non-Executive Director
Philip Moffitt	Non-Executive Director (appointed on 17 December 2021)
Andrew Clifford	Chief Executive Officer/Managing Director
Elizabeth Norman	Executive Director and Director of Investor Services & Communications
Andrew Stannard	Executive Director and Chief Financial Officer
Tim Trumper	Non-Executive Director (resigned on 17 November 2021)

Principal Activities

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

Operating and Financial Review

Fund Under Management ("FUM") at 30 June 2022 was $18.2 billion and this represented a decrease of 23% from the 30 June 2021 closing FUM of $23.5 billion. The closing FUM figure at 30 June 2022 was reduced by the annual net distribution outflow of $888 million. Average FUM for the year of $21.4 billion was lower than the average FUM of $23.4 billion for the previous year. The change in closing FUM was driven by negative investment returns of $2.2 billion and net fund outflows of $2.2 billion and the 30 June 2022 net distribution.

The Group's profit before tax was $146.7 million for the year ended 30 June 2022, which is a 37.4% decrease from the previous year. The main contributor to the decrease in profit and earnings per share was the largely unrealised losses on seed investments, including share of associates losses, which contributed losses before tax for the year of $24.1 million, as compared to a gain before tax of $43.9 million for the year to 30 June 2021. Underlying profit after tax, which excludes gains and losses on seed investments (net of tax), was down 10.9% to $118.2 million (30 June 2021: $132.6 million).

Whilst the negative investment returns experienced during the 2022 financial year are unwelcome, it is important to note the downside protection provided by Platinum's strategies during this time. For instance, the Platinum International Fund ("PIF") and Platinum Asia Fund ("PAF") both outperformed their nominated indices for the year ended 30 June 2022.

Directors' report
CONTINUED

Operating and Financial Review – continued

The Group earned performance fee revenue of $6.7 million (2021: $4.0 million). Staff costs were $3.5 million lower compared to the prior period, primarily due to lower variable compensation expenses. Share-based payment expense increased by $5.5 million due to an additional grant of Partners Plan rights in June 2022. These awards will only vest in the event that total shareholder return hurdles are met (refer Remuneration Report for detail). One quarter of the June 2021 Partner Plan grant was tested against total shareholder return hurdles for the year ended 30 June 2022 and did not vest. However, accounting rules require a share-based payments expense of $0.7 million to be recorded in the current financial year for those rights. Non-staff expenses were $1.9 million higher compared with the prior year primarily due to an increase in business development activity and insurance charges.

The Chairperson's report and Managing Director's Letter to shareholders provide further discussion and analysis of the Group's financial results and investment performance.

On the product development front, Platinum expects to launch its new dual access carbon transition product imminently (subject to regulatory approval). This product will invest in companies that are enabling or contributing to (whether directly or indirectly i.e. are part of the value chain) the transition away from fossil fuel-derived energy and goods production and consumption.

Platinum continues to implement measures to maintain the ongoing safety and well-being of employees. Employees are working in a hybrid fashion; they are able to work from home and are encouraged to spend significant time in the office to maximise effectiveness of collaboration, mentoring and relationship building. COVID-19 has not had a direct impact on Platinum's ability to perform core business activities or on Platinum's revenues. Accordingly, Platinum has not received any COVID-19-related financial assistance or support.

Platinum believes it is well positioned to play an important role in the funds management sector because:

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

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

Likely Developments

Information about the business strategies and prospects for future financial years of the consolidated entity are included in the Operating and Financial Review. Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the consolidated entity because the information is commercially sensitive.

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.

Since the end of the financial year, the Directors have declared a 2022 final fully-franked dividend of 7 cents per share ($41,067,523 including dividend paid on treasury shares), with a record date of 2 September 2022 and payable to shareholders on 15 September 2022.

A 2022 interim fully-franked dividend of 10 cents per share ($58,667,890 including dividend paid on treasury shares) was paid on 18 March 2022. A 2021 final fully-franked dividend of 12 cents per share ($70,401,468 including dividend paid on treasury shares) was paid on 16 September 2021.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year and up to the date of this report.

Environmental, Social & Governance ("ESG") Reporting

Shareholders are encouraged to read Platinum's Corporate Responsibility and Sustainability Report which is available at www.platinum.com.au/About-Platinum/ptm-shareholders.

It is noted that the consolidated entity is not subject to any significant environmental regulation under Commonwealth, State or Territory laws.

Information on Directors

Guy Strapp BCOM, DIP AF&I, CFA
Mr Guy Strapp was appointed as an Independent Non-Executive Director on 27 August 2020. He was elected Board Chairman on 21 November 2020. Mr Strapp serves as a member of the Audit, Risk & Compliance Committee and Nomination & Remuneration Committee.

Mr Strapp has over 35 years' experience in the investment and financial services sectors, having worked in a variety of roles in Australia and abroad at Bank of America, JP Morgan Investment Management, Citigroup Asset Management and BT Financial Group. Mr Strapp's most recent executive role was as CIO and CEO of Eastspring Investments (formerly Prudential Asset Management) in Hong Kong.

Mr Strapp brings to the Board extensive local and international experience in asset management, gained on both the investment and distribution side of the business.

Directors' report
CONTINUED

Information on Directors – continued

Stephen Menzies BECON, LLB, LLM
Mr Stephen Menzies was appointed as an Independent Non-Executive Director on 11 March 2015. He serves as a member of Audit, Risk & Compliance Committee and Nomination and Remuneration Committee (Chair until 26 October 2021).

Mr Menzies has over 30 years' experience as a corporate lawyer specialising in capital markets and mergers and acquisitions. Mr Menzies is a retired partner of Ashurst law firm and prior to his retirement in 2015 was consistently ranked as one of Australia's leading corporate lawyers. During his time at Ashurst he was the Head of China Practice and oversaw the Shanghai and Beijing offices of that firm.

Mr Menzies is a Non-Executive director of Platinum World Portfolios Plc, a director of SAIC Motor Australia Pty Ltd and is Chairman of Silicon Quantum Computing Pty Limited. He was previously the Chairman of the Centre for Quantum Computation & Communication Technology.

Anne Loveridge BA (HONS), FCA (AUSTRALIA), GAICD
Ms Anne Loveridge was appointed as an Independent Non-Executive Director on 22 September 2016. She was elected Chair of the Audit, Risk & Compliance Committee and serves as a member of the Nomination & Remuneration Committee.

Ms Loveridge has over 30 years' experience in business. She is formally trained as a Chartered Accountant and has a breadth of experience in people leadership and remuneration as we as audit, risk, regulatory compliance and finance skills. Ms Loveridge had a 30-year career at PwC Australia, where she retired as Senior Partner and Deputy Chair in 2015.

Ms Loveridge brings to the Board extensive financial service and company director experience gained through her numerous senior leadership and director roles in highly regulated ASX listed organisations in financial services, health sectors as well as arts related not-for-profit entities.

Ms Loveridge is a Non-Executive Director of ASX Listed companies National Australia Bank Limited and NIB Holdings Limited and government agency, Destination NSW. She was previously the Chair of Bell Shakespeare.

Brigitte Smith B.CHEM ENG (HONS), MBA, MALD, FAICD
Ms Brigitte Smith was appointed as an Independent Non-Executive Director on 31 March 2018. She serves as a member of the Audit, Risk & Compliance Committee and became Chair of the Nomination & Remuneration Committee on 26 October 2021.

Ms Smith has over 20 years' experience in the investment and financial services sector.

Ms Smith brings to the Board extensive financial service experience within Australia and the US with a focus on supporting business strategy, human resources and operations.

Ms Smith is the co-founder and Managing Director of GBS Venture Partners. Prior to GBS Ms Smith worked in the US and Australia in operating roles with fast growth technology-based businesses, and at Bain & Company as a strategic management consultant.

Ms Smith is a Non-Executive Director of Amber Electric and AllVascular and also serves as an Investment Committee member for Diversified Impact Fund at Social Ventures Australia.

Philip Moffitt BECON (HONS), BLAS PSYCH (HONS), GRADDIPPSYCH, ASSOCIATE FINSIA
Mr Philip Moffitt was appointed as an Independent Non-Executive Director on 17 December 2021. He serves as a member of the Audit, Risk & Compliance Committee and Nomination & Remuneration Committee.

Mr Moffitt has over 35 years' experience in investment management.

Mr Moffitt was previously a partner at Goldman Sachs (London and Sydney) and also Chairman of Goldman Sachs Australia Managed Fund Board. Prior to this he held a number of senior roles within Tokai Asia in Hong Kong and Bankers Trust in Australia.

Mr Moffitt is a Non-Executive Director of Aware Super and serves as Chair of its Investment Committee and Direct Assets Committee, is a Director of Green Road Consulting, is Chair of Newington College Foundation.

Andrew Clifford BCOM (HONS)
Mr Andrew Clifford was appointed as an Executive Director on 8 May 2013. Mr Clifford is a co-founder of Platinum and was appointed Platinum's Managing Director on 1 July 2018, he continues to serve as the Co-Chief Investment Officer since 8 May 2013.

Mr Clifford has over 30 years' experience in investment and funds management with a focus on global equity markets.

Prior to co-founding Platinum, Mr Clifford was a Vice President at Bankers Trust Australia covering Asian equities and managing the BT Select Market Trust – Pacific Basin Fund, where he worked alongside Platinum's other co-founder, Kerr Neilson.

Mr Clifford is a Non-Executive Director of the JAAM Foundation and Australian Wildlife Conservancy.

Kerr Neilson BCOM, ASIP
Mr Kerr Neilson was appointed as a Non-Executive Director on 1 September 2020. He serves as a member of the Audit, Risk & Compliance Committee and Nomination & Remuneration Committee. Prior to his appointment as a Non-Executive Director in September 2022, Mr Neilson was an Executive Director from 12 July 1993 to 31 August 2020.

Mr Neilson founded Platinum in 1994 and was the Managing Director from incorporation to 30 June 2018.

Mr Neilson has over 40 years' experience in investment markets and funds management within Australia, Asia, UK and South Africa.

Prior to Platinum, Mr Neilson was an Executive Vice President at Bankers Trust Australia. Previously he worked in both the UK and South Africa in stockbroking.

Directors' report
CONTINUED

Information on Directors – continued

Elizabeth Norman BA, GRADUATE DIPLOMA IN FINANCIAL PLANNING
Ms Elizabeth Norman was appointed as an Executive Director on 8 May 2013. She is also Platinum's Director of Investor Services and Communications.

Ms Norman joined Platinum in February 1994 in a role of Investor Services and Communications Manager.

Ms Norman has over 30 years' experience in investor services and communications.

Prior to joining Platinum, Ms Norman worked at Bankers Trust Australia in product development and within the retail funds management team.

Andrew Stannard BMS (HONS), GRADUATE DIPLOMA IN APPLIED FINANCE AND INVESTMENT, CA
Mr Andrew Stannard was appointed as an Executive Director on 10 August 2015. He is also Platinum's Finance Director.

Mr Stannard has over 30 years' experience in finance with expertise in audit, financial control, operations, funds management, financial services regulation and corporate governance.

Prior to joining Platinum, Mr Stannard was Chief Financial Officer of Alliance Bernstein for its Asia-Pacific region.

Information on Former Directors

Tim Trumper MBA, UNE
Independent Non-Executive Director from 1 August 2018 to 17 November 2021. Member of the Audit, Risk & Compliance and Nomination & Remuneration Committees.

Mr Trumper is Chair of the NRMA, was advisor and shareholder in Quantium, Australia's leading data and analytics company and invests in private high growth innovative companies. He is an authority on the utilisation of data to drive innovation, and corporate strategy. Mr Trumper is an experienced non-executive director, former CEO, and advisor for high-performance global and Australian companies. His career has spanned diverse categories including artificial intelligence and machine learning, big data, digital transformation, mobility and transport, financial services and media.

Information on Company Secretary

Joanne Jefferies BCOM, LLB
Ms Joanne Jefferies was appointed Platinum's General Counsel and Group Company Secretary on 17 October 2016. Ms Jefferies serves as the Company Secretary for Platinum, a number of its subsidiary entities and ASX Listed investment companies, Platinum Asia Investments Limited and Platinum Capital Limited.

Ms Jefferies is an English law qualified solicitor with more than 25 years' experience in financial services law and corporate governance specialising in asset management and banking, in England and across Asia Pacific.

Ms Jefferies previously worked for BNP Paribas Securities Services, where she was Head of Legal, Asia Pacific and Company Secretary of all Australian subsidiaries. Prior to this Ms Jefferies held senior legal positions with Russell Investments, Morley Funds Management (Aviva Investors) and Lord Abbett. She also served as the General Counsel for the UK's funds management industry association, the Investment Association.

Ms Jefferies is a Non-Executive Director of Australian Pain Management Association Limited.

Meetings of Directors

The number of meetings of the Company's Board of Directors ("the Board") and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	BOARD ATTENDED/ HELD	NOMINATION & REMUNERATION COMMITTEE ATTENDED*/HELD	AUDIT, RISK & COMPLIANCE COMMITTEE ATTENDED*/HELD	DUE DILIGENCE COMMITTEE ATTENDED*/HELD
Guy Strapp	9/9	8/8	4/4	2/3
Stephen Menzies[1]	7/9	6/8	3/4	–
Anne Loveridge	9/9	7/8	4/4	1/1
Brigitte Smith	9/9	8/8	4/4	–
Philip Moffitt[2]	2/3	3/5	1/2	–
Kerr Neilson	9/9	7/8	4/4	–
Andrew Clifford	9/9	–	–	2/3
Elizabeth Norman	9/9	–	–	3/3
Andrew Stannard	9/9	–	–	3/3
Joanne Jefferies[3]	–	–	–	2/3
Tim Trumper[4]	5/5	2/2	2/2	–

* Executive Directors may be invited to attend committee meetings as guests.

1 Stephen Menzies had a formal leave of absence approved by the Chairman due to health reasons.

2 Philip Moffitt was appointed as a non-executive director on 17 December 2021 and was only eligible to attend meetings since his appointment date. Philip Moffitt had pre-existing commitments at the time of his appointment that were known to make him unable to attend one Board meeting, one Nomination and Remuneration Committee meeting and one Audit, Risk and Compliance Committee meeting. In addition, an unscheduled out of cycle Nomination and Remuneration Committee meeting was held which he was unable to attend. He anticipates being able to attend all scheduled meetings for the year ahead.

3 Joanne Jefferies is not a director of the Company, however, is the Group Company Secretary and also a member of Due Diligence Committee.

4 Tim Trumper retired as a non-executive director at the conclusion of the Annual General Meeting on 17 November 2021 and was only eligible to attend meetings prior to his resignation date.

Directors' report
CONTINUED

Interests in Registered Schemes

The relevant interest in units of registered schemes managed by PIML for each Director is set out below.

REGISTERED SCHEME	DIRECTOR	30 JUNE 2022	30 JUNE 2021
Platinum Asia Fund	Andrew Clifford	5,815,931	5,504,435
	Kerr Neilson	34,257,123	47,323,794
	Elizabeth Norman	1,344,078	1,271,902
	Philip Moffitt	87,160	–
	Tim Trumper*	–	27,268
Platinum International Fund	Andrew Clifford	34,350,010	30,502,697
	Kerr Neilson	14,895,881	14,817,222
	Elizabeth Norman	577,119	512,480
	Stephen Menzies	62,530	62,530
Platinum Global Fund	Andrew Clifford	6,366,104	6,017,357
	Kerr Neilson	5,000,000	5,000,000
	Elizabeth Norman	737,039	696,663
Platinum European Fund	Kerr Neilson	9,001,064	15,399,420
	Elizabeth Norman	324,327	283,112
Platinum Japan Fund	Kerr Neilson	29,742,298	34,029,763
	Elizabeth Norman	267,109	239,591
Platinum Global Fund (Long Only)	Kerr Neilson	25,013,152	27,691,013
	Elizabeth Norman	186,478	171,193
Platinum International Brands Fund	Kerr Neilson	2,549,266	2,533,841
Platinum International Healthcare Fund	Kerr Neilson	12,798,071	12,723,287
	Elizabeth Norman	187,350	182,975
Platinum International Technology Fund	Kerr Neilson	9,284,213	14,504,419
Platinum International Fund (Quoted Managed Hedge Fund)	Anne Loveridge	15,972	15,721
Platinum Asia Fund (Quoted Managed Hedge Fund)	Anne Loveridge	17,927	15,252
	Brigitte Smith	60,358	60,358
	Stephen Menzies	29,674	24,398

* Resigned during the year.

Indemnity and Insurance of Directors and Officers

During the year, the Group incurred a premium in respect of a contract for indemnity insurance for the Directors and Officers of the Company named in this report.

The Group insures the Directors and Officers of the Group in office to the extent permitted by law for losses, liabilities, costs and charges in defending any legal proceedings arising out of their conduct while acting in the capacity of Directors and Officers of the Group, other than conduct involving a wilful breach of duty in relation to the Group. During the year, the Group paid insurance premiums to insure the Directors and Officers of the Company and its subsidiaries as permitted by the *Corporations Act 2001*. The terms of the contract prohibit the disclosure of the premiums paid.

Indemnity of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 24 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 24 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed and approved by the PTM Audit, Risk and Compliance Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

Rounding of Amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191,* issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Managing Tax Risk

The Board is committed to acting with integrity and transparency in all tax matters. The Company aims to meet all of its obligations under the law and pay the appropriate amount of tax to the relevant authorities.

Directors' report
CONTINUED

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 71.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Guy Strapp
Chairperson

Andrew Clifford
Director

24 August 2022
Sydney

Remuneration Report

A Message from the Chair of the Nomination and Remuneration Committee

Dear Shareholders

Despite a difficult year, Platinum has retained a measure of its resilience, through improved relative investment performance during the second half of the financial year, strong progress in business development and operational goals, and a strong balance sheet.

In response to feedback last year, we have taken significant steps to respond to shareholder concerns about remuneration, with changes to our framework and disclosures, and differentiated outcomes for executives that reflect performance across all aspects of our business.

Our Response to Shareholder Concerns in Relation to the 2021 Remuneration Report

At our 2021 Annual General Meeting (AGM), we incurred a 'first strike' with more than 25% of votes cast against the adoption of the FY2021 remuneration report. The Board takes this outcome very seriously and recognises that the decisions we made last year about how we reward our executives were not in line with the expectations of a number of shareholders.

The action undertaken during FY2022 focused on three key aspects:

- Working closely with shareholders and proxy advisers to ensure that their concerns are well understood;
- Reviewing the executive reward framework to ensure it remains 'fit for purpose' in the current environment; and
- Ensuring FY2022 reward decisions appropriately reflect individual and Company performance and are disclosed clearly.

Primarily, the feedback received from shareholders related to:

- Did not prescribe caps for our executive Key Management Personnel (KMP) short term incentive (STI) awards;
- Used a process to determine executive KMP STI awards that relied heavily on Board discretion and was not sufficiently transparent to shareholders; and
- Considered making an inaugural Chief Executive Officer (CEO) long term incentive (LTI) award under the newly introduced Platinum Partners Long Term Incentive Plan (Platinum Partners LTIP) that some shareholders considered to be too uncertain and/or potentially too large.

We also received some feedback around the Platinum Partners LTIP structure that focused on our use of an absolute total shareholder return (TSR) measure and multiple testing gates but have balanced that feedback against not disenfranchising the overall strong positive vote for the plan by our shareholders (approximately 88% voted in favour of the resolution to adopt the plan). We also note that the initial tranche of 2021 LTI awards made to non-KMP staff failed their 2021 TSR hurdle and therefore did not vest, thus reflecting the strong alignment of realised rewards with shareholder outcomes. That said, the Board will continue to review the potential to introduce any additional performance measure(s) in the future.

We have sought to address shareholder concerns in a range of ways that have been set out in this report.

Remuneration Report
CONTINUED

Reward Outcomes

Platinum's performance in FY2022 is reflected in the variable remuneration outcome for the CEO and executive KMP. The Board's decision not to make any STI award to the CEO and a downward adjustment to the other executive KMPs' STI awards reflects the Board's commitment to align remuneration with shareholder outcomes. Shareholder concerns have been front of mind in making reward decisions for FY2022. Supported by the framework changes outlined below, key reward decisions for FY2022 were as follows:

- The CEO did not receive any STI award;
- Other executive KMP received STI awards equivalent to 55% of their maximum potential STI awards and down, in aggregate, by 44% on the prior year's STI awards. Strong individual and team performance were partially offset by the Board's decision to apply a downwards modifier to reflect 2022 share price and profitability outcomes;
- For those executive KMP that did receive STI awards, reducing the proportion of those awards which were paid in cash – in aggregate, cash STI awards for executive KMP were cut by 44% on the prior year, with a larger proportion of the STI awards being awarded as deferred equity under the Deferred Remuneration Plan when compared to the prior year;
- The Board recognised that Platinum has not, for many years, included a long term incentive component for executive KMP or other senior managers – the result being that the proportion of share ownership by a number of key staff is now unacceptably low, whether measured by industry standards or, more importantly, by the increased retention risk currently run by the Company. Given that Platinum's future profitability will be entirely determined by the performance of its key people, this is an important issue for the Board to address. This year's proposed LTI awards for the executive KMP mark an important first step in reducing this risk and thereby helping ensure Platinum's future success.
- Proposed new allocations of LTI awards under the Platinum Partners LTIP to the CEO and other executive KMP (subject to maximum caps for CEO) thereby increasing the "at risk" component of executive pay. Even though not strictly required, for transparency in the current year, these awards will be taken to the forthcoming AGM for shareholder approval.

In reaching these decisions the Board remained cognisant of the strong demand for financial services executives across the industry and the importance of ensuring that Platinum's framework continues to support the attraction and retention of top talent. In particular, the Board recognised that Platinum's executive KMP each perform unconventional and expanded roles that do not fit neatly with other comparable companies and that their total remuneration should reflect this.

A More Transparent Reward Framework

We have reflected on concerns raised by shareholders last year. Although the Board did exercise reasonable downward discretion in both FY2020 and FY2021 to reduce recommended STI awards, it has acknowledged that articulation of the link between performance and reward could be improved. As a result, during FY2022 we conducted an extensive review of our executive KMP reward framework to seek to address shareholder and proxy adviser concerns, making the following key changes:

- Firstly, we introduced maximum STI award caps which are linked to more explicit key performance indicators (KPIs) for executive KMP, thus providing greater clarity on what the Board considers to be appropriate STI award outcomes having regard to performance. This supports a clearer link between performance and pay; and
- Secondly, we applied an STI modifier which makes explicit the rationale for, and magnitude of, discretionary adjustments made by the Board to KPI based remuneration outcomes, having regard to the overall performance of the Company.

Importantly, we have included additional disclosures in our remuneration report to provide greater transparency on performance outcomes and to clearly communicate the Board's decision-making processes and its use of discretion in determining reward outcomes.

Other FY2022 Activity

Platinum's Nomination and Remuneration Committee has been active in the 2022 financial year and up to the date of this report. In particular, we:

- Reviewed and updated the CEO's and other executive KMPs' remuneration arrangements and KPIs;
- Reviewed and recommended to the Board the aggregate variable remuneration pool as well as the individual awards for the CEO, other executive KMP and senior managers;
- Introduced the Platinum Partners LTIP and granted awards to key members of staff beyond investment team members as part of our broader succession and retention policy;
- Continued to push forward with our program of Board renewal, appointing a new Nomination and Remuneration Committee Chair and Mr Phillip Moffitt to the Board; and
- Approved Platinum's revised diversity and inclusion policy and objectives.

Remuneration Report
CONTINUED

Looking Forward

Platinum's core purpose remains to deliver good investment returns to clients over the medium to long-term, consistent with a risk profile that seeks to preserve clients' capital during market downturns. Platinum believes that good medium to long-term investment performance is the primary driver of fund inflows, profit growth and ultimately long-term value creation for shareholders. Platinum's remuneration policy continues to be shaped around this core purpose as it aims to balance this with the need to reward strong individual performance and retain talent. Ultimately, Platinum's purpose can only be fulfilled if it is able to continue to attract and retain strong investment talent, supported by a team of similarly talented client service, business development and operational staff, since the key to the success of any asset management company lies in the skill and tenure of its team.

We will continue to refine and review our remuneration arrangements to ensure that they align with Platinum's core purpose and business strategy, and we welcome your feedback.

Brigitte Smith
Chair of Nomination & Remuneration Committee

Introduction

The Company's directors present the remuneration report prepared in accordance with section 300A of the *Corporations Act 2001* for the Company and consolidated entity for the year ended 30 June 2022. The remuneration report forms part of the directors' report.

The information provided in this remuneration report has been audited by the Company's auditor, Ernst & Young, as required by section 308(3C) of the *Corporations Act 2001*.

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4. Key management personnel (KMP)
5. Remuneration of executive KMP
6. Remuneration of non-executive directors
7. Link between Company performance and KMP remuneration paid by the Consolidated Entity
8. Oversight and governance
9. Remuneration services provided to the Nomination and Remuneration Committee
10. Key terms of KMP employment/service contracts
11. Interests of KMP in PTM shares
12. Directors' interests in contracts
13. Loans to KMP and their related parties
14. Other related-party payments involving KMP
15. Shareholders' approval of the FY2021 (prior year) remuneration report

Remuneration Report

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1. Our Response to Shareholders' Concerns in Relation to FY2021 Remuneration Report

The Board takes shareholder concerns very seriously. Thus, following the 'first strike' received against the adoption of the FY2021 remuneration report at last year's annual general meeting, we engaged an independent external remuneration consultant to assist us in conducting a full review of our executive remuneration framework to better align it with the expectations of our shareholders and the proxy advisors and to improve our disclosure around our FY2022 reward decisions.

The significant action that has been taken by the Board during FY2022 in response to these concerns has been focussed on:

Improving shareholder engagement
- Engagement increased
- Concerns well understood
- Consultation on proposed changes

Enhancing the executive KMP reward framework
- Introduction of STI caps and CEO LTI caps
- Introduction of a Board STI modifier
- Enhanced governance and disclosures

Enhancing disclosure of FY2022 variable reward decisions
- Explicitly linked to KPIs
- Appropriately differentiated
- Clearly articulated

Our understanding of shareholders' concerns and how we have sought to address these concerns is summarised below.

WHAT WE HEARD	WHAT WE CHANGED AND WHY
Executive KMP variable awards were too discretionary in nature and did not prescribe caps	• Introduced detailed KPIs for executive KMPs that are linked more explicitly to reward outcomes. • Introduced caps on maximum STI and CEO LTI awards. • Introduced a Board modifier to KPI based remuneration outcomes having regard to overall Company performance.
The proposed FY2021 CEO LTI award was considered too high and/or uncertain	• In response to proxy adviser feedback, the proposed LTI award for the CEO for 2021 was withdrawn. • The proposed 2022 CEO LTI award is significantly less than the 2021 proposed potential maximum LTI award. • The proposed LTI awards for the CEO and other executive KMP will be taken to the 2022 AGM for shareholder approval.

In response to the feedback we received, we have significantly enhanced the disclosure of each executive KMP's individual KPI weightings and their collective achievement against those KPIs in order to present a clearer link between performance and pay. We have introduced caps on maximum STI and LTI awards having regard to external benchmarking data and the roles performed by our executive KMP.

The Board recognises that a balanced scorecard outcome does not always capture the full range of factors that are relevant to making reward decisions and that the ability to make discretionary adjustments is an important governance mechanism. The newly introduced STI modifier enables the Board to clearly communicate the magnitude of, and the rationale for, adjustments to KPI-based STI outcomes.

A summary of FY2022 reward outcomes and further detail on the executive KMP reward framework changes are provided on the following pages.

2. Summary of Remuneration Outcomes for FY2022

The Board remains focused on ensuring there is a robust and rigorous process in place to determine remuneration outcomes. The Board applied significant oversight and judgement to ensure remuneration outcomes were fair, appropriate and competitive having regard to both individual and Company performance.

In determining remuneration outcomes this year, the Board specifically:

- Sought to ensure executive KMP remuneration outcomes reflected the disappointing profit and share price performance experienced by shareholders.
  - Total annual remuneration received by executive KMPs fell by 24% year on year, driven primarily by cash STI awards being cut by 44% in aggregate on the prior year.
  - As was the case for FY2021, the Chief Executive Officer/co-Chief Investment Officer, Mr Andrew Clifford, did not receive any variable STI award for FY2022.
  - Despite the other executive KMPs meeting a number of their individual KPIs for the year, their actual STI awards reflected only 55% of the maximum opportunity after the Board applied significant downward adjustments to their KPI-derived remuneration, with at least 33% of those STI awards being satisfied via deferred equity pursuant to Platinum's Deferred Remuneration Plan.
  - Whilst Platinum's executive KMP remuneration has been historically weighted towards variable remuneration, this year, the deferred element of the variable awards was significantly increased, including by the proposed grant of "at risk" performance rights under the Platinum Partners LTIP to better align remuneration with the shareholder return experience. Awards under the Platinum Partners LTIP to the executive KMP aim to ensure that a significant proportion of variable awards are "at risk" and directly linked to shareholder outcomes. These awards will be taken to the 2022 AGM for shareholder approval.

Remuneration Report

CONTINUED

  - Taking into account the proposed LTI award for the CEO, 76% of the CEO's remuneration for 2022 was delivered by "at risk" variable remuneration (inclusive of the proposed LTI award). For other executive KMP, in aggregate 71% of their total remuneration for 2022 was delivered via variable awards (inclusive of the proposed LTI awards).
  - Platinum's STI and LTI awards have long deferral periods relative to Platinum's peers. Following support from shareholders and proxy advisors, Platinum has retained these longer deferral periods for both the STI awards (4 years) and LTI awards (8 years) in order to promote key staff retention and increase alignment with shareholders.
- Sought to reward selected individuals within our client service, business development and operational teams who made outstanding contributions during the year. The Board recognises that it is critical that the Company retain talented non-investment staff to incentivise future innovation and business growth.
- Considered the current level of staff ownership in the Company and the alignment of remuneration with the shareholder return experience.

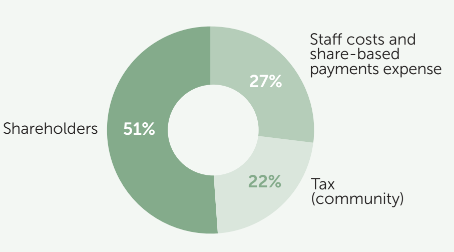
The overall FY2022 award outcomes were as follows:

- Staff expenses decreased by $3.1 million on the prior year. Reduced short term incentive cash payments accounted for $3.6 million of this decrease, partly offset by salary increases approved from the prior year.
- There were no awards made under the Profit Share Plan (PSP), largely due to the relative underperformance of our funds. The Investment Team Plan and General Employee Plan cash pools were decreased. With the exception of a very small group of employees who each made outstanding contributions to the business, there were no increases in cash variable awards for non-investment staff members.
- A total of $8.5 million (2021: $8.9 million) of short term variable remuneration was deferred for four years via the issuance of deferred rights under the existing Deferred Remuneration Plan. These rights will vest in June 2026 subject to continued service conditions (unless "good leaver" provisions apply) and non-forfeiture and malus provisions. The accounting impact of the awards will be expensed through the profit and loss statement over the five-year service period of the awards, so the expense impact will be apportioned over time.
- A total of $20.2 million (2021: $35.9 million), was awarded to employees (excluding executive KMP) under the Platinum Partners LTIP, down 44% on the prior year. Vesting of the rights is subject to total shareholder return (TSR) conditions being met and other non-forfeiture, malus and clawback provisions. The rights have a June 2030 exercise date. The awards will be expensed through the profit and loss statement over their nine-year accounting service period, so the expense impact will be apportioned over time.

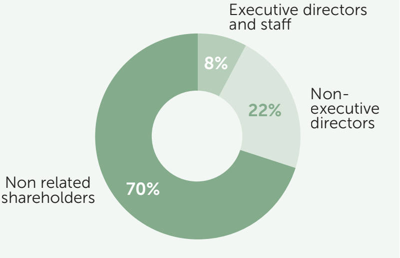
The allocation of the FY2022 profits attributed to both shareholders and staff (in the form of remuneration) is outlined in the first graph below. It shows that the remuneration awarded to staff was modest, relative to the returns to shareholders, with shareholders receiving a share of profits more than two times greater than staff.

The second graph shows that alignment between director/staff shareholders and non-related shareholders remains strong. That said, with the transition of Mr Kerr Neilson into a non-executive directorship in September 2020, the Board is cognisant of the need to increase the equity ownership of key personnel over time, subject to the creation of shareholder value. In particular, the Board recognises that Platinum has not, for many years, included a long term incentive component to either KMP or other senior management remuneration. As a result, the proportion of share ownership by key staff is unacceptably low, whether measured by industry standards and, more importantly, by the increased retention risk currently run by the Company. This year's executive KMP LTI awards, which are subject to shareholder approval at the upcoming AGM, mark an important first step in reducing this risk and thereby helping to ensure Platinum's future success.

Graph 1: Share of FY2022 Profit (pre-tax and pre-staff costs)



Graph 2: Composition of PTM share ownership



3. Overview of Remuneration Framework

The core purpose of the Company is to deliver good investment returns to clients over the medium to long-term, consistent with a risk profile that seeks to protect clients' capital against downside market risk. The Company can only achieve this by attracting and retaining superior investment talent, supported by a team of similarly talented client service, business development and operational staff.

The efficacy of our remuneration program is best measured by our long-term investment performance outcomes and the retention rate of key staff members.

Remuneration Report
CONTINUED

Platinum's remuneration program has three key elements:

i. Fixed Remuneration: This is set at a level sufficient to attract exceptional talent. It includes salary, benefits and superannuation. Fixed remuneration is benchmarked to external market data at least annually and reflects the nature of the role and the required levels of skills and experience.

ii. Short Term Variable Remuneration (cash and deferred equity): Each employee is assessed annually across a range of quantitative and qualitative factors, as well as appropriate risk management and behavioural criteria. Variable award recommendations are generally made annually based on meeting performance objectives following rigorous review by senior management and the Nomination and Remuneration Committee (comprised entirely of non-executive directors), before ultimately being approved by the Board. Variable awards can be made in the form of cash or by an award of deferred rights. Deferred rights are subject to a four-year continuous service vesting condition[1].

iii. Long Term Variable Remuneration (deferred equity):[2] Key members of staff will be periodically invited by the Board (upon the recommendation of the Nomination and Remuneration Committee), to participate in the Platinum Partners LTIP in order to directly align their remuneration with shareholder value creation. These awards take the form of performance rights and are subject to an eight-year continuous service exercise condition.[1] Vesting of the performance rights is dependent on specified total shareholder return (TSR) hurdles being achieved.

1 Subject to "good leaver" provisions and other non-forfeiture and malus provisions.

2 Platinum also has two inactive long term variable remuneration plans, being an "Options and Performance Rights Plan" (OPRP) and a "Fund Appreciation Rights Plan" (FARP). There were no allocations under either plan in the current or prior year.

This deferral elements of the short term and long term variable remuneration plans are designed to align employees' interests with shareholders', retain talent and foster sound financial, operational and risk management practices.

Reward Framework

1 FIXED REMUNERATION

Fixed Remuneration

Set to attract exceptional talent

Benchmarked to market

Rewards each employee for their skills, attributes and role accountabilities

2 SHORT TERM VARIABLE REMUNERATION (Cash & Deferred Equity)

Short Term Variable Remuneration (Cash)

Performance goals set annually at the beginning of each performance period

Awards made annually with reference to individual performance

Other performance considerations include:

- Company performance
- Risk management factors
- Leadership and behavioural factors
- Competition for key staff

Short Term Variable Remuneration (Deferred equity)

Improves alignment of employees and shareholders

Four-year deferral element to foster sustainable growth and sound financial, operational and risk management practices

3 LONG TERM VARIABLE REMUNERATION (Deferred Equity)

Long Term Variable Remuneration (Deferred equity)

On an invitation only basis

Improves alignment of employees and shareholders to future value creation

Vesting subject to achieving performance hurdles

Eight-year deferral period to encourage a long term commitment to the firm

Remuneration Report
CONTINUED

4. Key Management Personnel (KMP)

For the purposes of this report, KMP of the consolidated entity in office at any time during the financial year were:

NAME	POSITION
Guy Strapp	Chairman and Non-Executive Director
Stephen Menzies	Non-Executive Director
Anne Loveridge	Non-Executive Director
Brigitte Smith	Non-Executive Director
Kerr Neilson	Non-Executive Director
Philip Moffitt	Non-Executive Director (appointed on 17 December 2021)
Andrew Clifford	Managing Director, Chief Executive Officer (CEO) and co-Chief Investment Officer
Elizabeth Norman	Executive Director and Director of Investor Services and Communications
Andrew Stannard	Executive Director, Finance Director
Tim Trumper	Non-Executive Director (resigned on 17 November 2021)

There were no other employees that held a KMP position within the Company or consolidated entity.

5. Remuneration of Executive KMP

a) Executive KMP Remuneration Framework

Our executive KMP remuneration framework is designed to support Platinum's strategic priorities. We have a clear set of principles which guide our remuneration decisions and design. As we operate in a dynamic and rapidly evolving market, we review our approach to remuneration at least annually so that we are aligned to market expectations and business objectives.

Platinum's three core values underpin its purpose and business strategy, which are set forth below.

PLATINUM'S PURPOSE

"to deliver good investment returns over the medium to long-term that help clients secure their financial futures"

PLATINUM'S BUSINESS STRATEGY

1. Deliver good investment returns for our clients
2. Maintain a strong team and distinctive culture
3. Maintain and grow our Australian retail business
4. Capitalise on the attractive and deep offshore institutional opportunity
5. Ensure an efficient and scalable infrastructure that prioritises client service

UNDERPINNED BY PLATINUM'S VALUES

EXCELLENCE	INTEGRITY	TEAM MINDSET
We set high standards	We always act in the interests of our clients	We align team, organisation and personal goals
We invest in our people to excel	We take responsibility for our actions	We contribute to teams beyond our own
We do what we say we will do	We do what is right rather than what is easy	We work in an inclusive and collaborative manner
We look for ways to continuously improve	We communicate transparently	We seek to understand and consider others
We embrace diverse thinking	We don't hold back, we contribute fully	We build cohesion and respect differences

As a "pure play" investment manager, the value of Platinum is entirely linked to the skills and expertise of its people and as a heavily regulated fiduciary business, we believe that ensuring our staff consistently live the Company's values is an important driver of long term shareholder returns. It is therefore appropriate that the executive KMP remuneration framework focuses on a well-balanced mix of financial and non-financial KPIs.

Remuneration Report
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The table below summarises Platinum's remuneration framework for its executive KMP:

	FIXED REMUNERATION	VARIABLE REMUNERATION	
		SHORT TERM VARIABLE REMUNERATION (STI)	LONG TERM VARIABLE REMUNERATION (LTI)
PURPOSE	Attract and retain executives.	Rewards for performance during current year.	Rewards the creation of long term shareholder value.
DELIVERY	Base salary (including salary sacrifice) and superannuation.	**CEO:** Mr Andrew Clifford is eligible for STI awards under the CEO Plan (capped at A$1 million), subject to meeting the annual KPIs as set by the Board. Any award under the CEO Plan must be delivered via deferred equity rights pursuant to Deferred Remuneration Plan. As the co-CIO, Mr Clifford is also eligible to receive awards via the Investment Team Plan (ITP) and the Profit Share Plan (PSP). **Other Executive KMP** – Under our current practice, at least 33% of the STI awards are delivered via the grant of deferred equity rights pursuant to Deferred Remuneration Plan, with the remainder delivered in the form of cash.	All executive KMP are eligible to participate in the Platinum Partners LTIP. Awards are delivered via the grant of performance rights.
APPROACH	Reviewed annually by checking relativities against a peer group of financial services and other ASX 200 companies.	Annual performance is measured using a mix of financial and non-financial KPIs including: • Investment performance; • Revenue and profit growth; • Diversification of client base; • People and culture leadership; and • Risk management and operational effectiveness. Board has discretion to apply a modifier to KPI-derived remuneration having regard to Company performance. Vesting of deferred rights is subject to continued service of 4 years. No exercise conditions.	Performance rights awarded to a participant will be divided into four equal tranches and tested against TSR performance hurdles over four consecutive years. Vesting of each tranche of performance rights is subject to achieving the minimum TSR performance hurdles. Exercise of performance rights is subject to continued service of 8 years.

Details of Executive KMP Remuneration Framework

When assessing the market positioning of our KMPs' remuneration against other peers (both listed and unlisted), it is important to consider Platinum's organisational structure and the broader scope of our KMPs' accountabilities. Both the CEO and the Finance Director perform dual roles: the CEO is also Platinum's co-CIO; the Finance Director also acts as Platinum's Chief Financial Officer (CFO) and Chief Operating Officer (COO). Similarly, the Director of Investor Services and Communications' primary business development accountabilities are more closely aligned to those of a divisional CEO, in addition to being responsible for managing investor relations and external communications.

Fixed Remuneration

The fixed remuneration (base salary plus superannuation) of our executive KMPs and of the CEO in particular, is currently conservatively positioned against both sector peers and comparable roles within other ASX200 companies, having regard to the broader scope of their accountabilities. As a result, the ratio of variable remuneration to fixed remuneration may appear higher when compared to peers and the broader market. In order to address this, the Board may increase fixed pay over the next few years to levels more comparable to industry peers whilst still benchmarking total remuneration (including variable) to be consistent with peers.

Remuneration Report
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Variable Remuneration – STI and LTI

The current remuneration mix for executive KMP remains weighted towards variable remuneration, albeit with longer vesting periods for the deferred equity components (i.e. deferred rights and performance rights) than industry norms. Recipients of deferred equity are not permitted to hedge their economic interests.

Subject to the achievement of financial and non-financial KPIs, variable STI awards can be made to executive KMP in the form of deferred rights granted pursuant to the Deferred Remuneration Plan or as cash. Deferred rights under the Deferred Remuneration Plan will vest after a four-year period subject to continuous service during that period. Generally, employees who leave before the relevant vesting date will forfeit their unvested deferred rights.

Platinum proposes to grant LTI awards to the executive KMP this year to strengthen the alignment between long term interests of shareholders and executives. Platinum will present these awards for the approval of shareholders at Platinum's 2022 AGM. If approved by shareholders, these LTI awards will be delivered via the grant of performance rights pursuant to the Platinum Partners LTIP. The terms of the Platinum Partners LTIP are set out later in this report. In summary, under the terms of the plan, each award will be split into four equal tranches with each tranche tested annually against absolute TSR compound annual growth rate (CAGR) performance conditions. This is to ensure that "windfall" gains do not accrue to the executives and to better align the award with the actual shareholder experience for each year of the applicable four-year award testing period. A tranche of performance rights will lapse if they fail the TSR CAGR test for the relevant testing year. The exercise of these performance rights is also subject to an eight-year continuous service condition, to encourage a long term commitment to the firm.

The Board considers that an absolute TSR is an appropriate performance hurdle for the following reasons:

- There are very few listed companies in the Australian market with a business that is directly comparable to Platinum's; and
- A broader market index is not considered an appropriate peer group as there is risk of misalignment between remuneration and shareholder value creation. For example, using a broad market index may mean that remuneration outcomes are impacted by broad market movements of other companies (e.g. mining companies) that don't correspond to long-term value creation for Platinum shareholders.

As part of its annual review, the Board determined to retain the TSR CAGR thresholds of between 7.5% and 15% (compounded annually) for these 2022 awards as, in the Board's view, they continue to be appropriate having regard to the current economic environment and represent a relatively strong return for shareholders. By way of example, over four years, a TSR CAGR of 7.5% represents a total shareholder return of 33%, and 15% represents a total shareholder return of 75%. The Board will continue to consider the appropriateness of introducing a second performance condition for the Platinum Partners LTIP.

KMP Maximum Variable Remuneration Opportunity

This year, we introduced explicit maximum variable remuneration caps for the executive KMP, which have been set with close regard to appropriate external benchmarking data, including data supplied by an independent remuneration consultant.

EXECUTIVE KMP REMUNERATION $'000	FIXED[1]	MAX STI (DEFERRED EQUITY)	MAX LTIP (FACE VALUE)
CEO	498,568	1,000,000	1,500,000
% OF TOTAL (INCL. SUPER)	17%	33%	50%
CO-CIO	–	3,000,000	–
% OF TOTAL (INCL. SUPER)	–	100%	–
	FIXED[1]	MAX STI (CASH & DEFERRED EQUITY)	MAX LTIP (FACE VALUE)
DIRECTOR OF INVESTOR SERVICES AND COMMUNICATIONS	473,568	1,350,000	450,000
% OF TOTAL (INCL. SUPER)	21%	59%	20%
	FIXED[1]	MAX STI (CASH & DEFERRED EQUITY)	MAX LTIP (FACE VALUE)
FINANCE DIRECTOR	473,568	1,000,000	450,000
% OF TOTAL (INCL. SUPER)	25%	52%	23%

1 Fixed Compensation includes both salary and superannuation for FY2022.

b) Executive KMP Performance Against FY2022 KPIs

When determining the STI allocations for the executive KMP for the 2022 financial year, the Nomination and Remuneration Committee considered a number of factors including each KMP's individual contributions against the KPIs, their respective individual priorities and their level of demonstrated alignment to Platinum's purpose, business strategy and values.

Under Platinum's balanced scorecard approach, all executive KMP were assessed against the same KPIs. However, the CEO/co-CIO's performance was assessed against additional performance metrics relating to the investment performance of the portfolios for the relevant period.

Remuneration Report

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The table below summarises the executive KMPs' KPIs and performance outcomes for the 2022 financial year.

KEY PERFORMANCE INDICATORS – 2022 FINANCIAL YEAR				
PERFORMANCE MEASURES	FY2022 KEY PERFORMANCE INDICATORS AND ASSESSED OUTCOMES	CEO/ CO-CIO WEIGHTING	DIRECTOR OF INVESTOR SERVICES & COMM'NS WEIGHTING	FINANCE DIRECTOR WEIGHTING
INVESTMENT PERFORMANCE	Weighted average 1- and 3-year investment performance was below expectations on both an absolute and relative basis. Returns of flagship funds versus peers were also below expectations. The downside capture for flagship funds over 3 years was met. **Assessment:** The target was largely not met.	20%	–	–
REVENUE AND PROFIT GROWTH	Average base fee revenue fell by 7% and adjusted profit (ex-investment income and performance fees) fell by 13%. Average base fee margins were maintained. Run-rate fund flows were negative but better than investment performance adjusted expectations. International Brands and International Healthcare Funds partially met their flow targets. **Assessment:** The target was largely not met.	20%	20%	20%

KEY PERFORMANCE INDICATORS – 2022 FINANCIAL YEAR				
PERFORMANCE MEASURES	FY2022 KEY PERFORMANCE INDICATORS AND ASSESSED OUTCOMES	CEO/ CO-CIO WEIGHTING	DIRECTOR OF INVESTOR SERVICES & COMM'NS WEIGHTING	FINANCE DIRECTOR WEIGHTING
DIVERSIFICATION OF CLIENT BASE	Overall growth in client assets was disappointing, largely reflecting current investment performance. However, the business: • Achieved targeted client retention statistics and loss/ churn rates; • Increased retail target audience and the variety of events; • Increased engagement levels across a number of mediums including content, distribution and social media; and • Delivered new ESG integration project including the development of a new fund focused on carbon transition. Progress made in opening new funds offshore and increasing prospect engagement. **Assessment:** Client service-related objectives were largely met.	20%	40%	20%
PEOPLE AND CULTURE LEADERSHIP	Ensured strong cohesion and stability within the investment team by attracting, retaining and developing key staff. Achieved low senior staff turnover across the broader team and delivered programs that aim to improve culture. Delivered succession planning, new remuneration arrangements and increased staff ownership as well as creating new roles to further optimise the organisation. **Assessment:** Objectives were fully met.	20%	20%	20%

Remuneration Report
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KEY PERFORMANCE INDICATORS – 2022 FINANCIAL YEAR				
PERFORMANCE MEASURES	FY2022 KEY PERFORMANCE INDICATORS AND ASSESSED OUTCOMES	CEO/ CO-CIO WEIGHTING	DIRECTOR OF INVESTOR SERVICES & COMM'NS WEIGHTING	FINANCE DIRECTOR WEIGHTING
RISK MANAGEMENT AND OPERATIONAL EFFECTIVENESS	No significant regulatory issues identified in FY2022. No significant errors or breaches of investment guidelines. Continued enhancement of risk management and corporate governance. Operational and IT systems and processes maintained and enhanced with a particular focus on cyber security and improving operational effectiveness. **Assessment:** Objectives were fully met.	20%	20%	40%

The FY2022 performance measures will apply for the FY2023 scorecard.

c) Executive KMP Remuneration Outcomes for FY2022

Awarded remuneration represents the value of remuneration that has been awarded in the 2022 financial year, as determined by the Board, and includes fixed remuneration, STI awards (cash and deferred equity) and LTI awards (deferred equity). The actual value of the deferred equity awards realised will depend on future performance outcomes and LTI awards will only deliver value to the executives if shareholder TSR hurdles are achieved. This ensures strong alignment with shareholder interests.

Fixed Remuneration

Platinum KMP had not received any fixed remuneration increases since 2018. During FY2022, each executive KMP received an increase of $25,000 to their base salary. The increase reflects the Board's intent to increase fixed remuneration over time to levels more comparable to industry peers.

Short Term Variable Remuneration and Board Modifier

When assessing the 2022 financial year performance outcomes against Platinum's balanced scorecard, the Board considered it appropriate to adjust those KPI remuneration outcomes to recognise the Company's share price performance and the effect of Platinum's investment performance on the FY2022 flows and profits. As a result, the Board applied a modifier to the KPI STI remuneration outcomes resulting in a downwards adjustment to those outcomes.

The 2022 financial year executive KMP STI outcomes after the application of the modifier were as follows:

EXECUTIVE KMP	UNADJUSTED KPI STI OUTCOME (% OF MAX STI)	BOARD MODIFIER	FINAL STI OUTCOME (% OF MAX STI)
A Clifford	62%	0%	0%
E Norman	71%	77%	55%
A Stannard	76%	72%	55%

Long Term Variable Remuneration

Subject to approval of shareholders at Platinum's forthcoming AGM, Platinum proposes to grant LTI awards to the CEO, Director of Investor Services and Communications and the Finance Director to strengthen the alignment between long term interests of shareholders and executives.

A Clifford – Managing Director, CEO and co-CIO

Mr Andrew Clifford is the Managing Director, CEO and co-Chief Investment Officer (CIO) of the Company. Mr Clifford is eligible for awards under the CEO Plan (capped at A$1 million), subject to meeting his KPIs. Any amounts awarded to Mr Clifford under the CEO Plan, must be provided to Mr Clifford as an equivalent award of deferred equity rights issued pursuant to the Deferred Remuneration Plan.

Upon meeting the predetermined targets for investment performance, Mr Clifford is entitled to receive awards in relation to his role as the co-CIO under the Investment Team Plan (ITP) and the Profit Share Plan (PSP) subject to caps on both plans and Board discretion. As a portfolio manager, Mr Clifford was directly responsible for generating approximately $253 million in annualised fee revenue and his potential upside remuneration reflects this. His maximum award, which only becomes payable in the event of strong 1- and 3-year investment performance as per the ITP and PSP, is capped at less than 3% of the revenue generated on behalf of shareholders (based on FY2022 fee revenues).

Despite the achievement of a number of his CEO KPIs (Mr Clifford's STI outcome based on the balanced scorecard was 62% of his maximum award) having regard to the performance of the Platinum International Fund relative to the nominated index, Mr Clifford did not wish to receive any variable remuneration either in his role as CEO or co-CIO. Accordingly, although the Nomination and Remuneration Committee had initially intended for Mr Clifford to receive a partial award under the CEO Plan, the Nomination and Remuneration Committee ultimately recommended that Mr Clifford should not receive any variable remuneration awards under the CEO Plan or under any of the other variable remuneration plans (ITP and PSP).

Remuneration Report

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A Clifford – Managing Director, CEO and co-CIO – continued

In recognition of the current lower fixed compensation in comparison to industry peers, the Board set the CEO LTIP award cap at 2 x peers' median salary for FY2022 (based on industry benchmarking data for the financial services sector). As a matter of good corporate governance, this award will be presented to shareholders for approval at the forthcoming AGM.

EXECUTIVE KMP	YEAR	SALARY $'000	SUPER $'000	STI – CASH	STI – DEFERRED	TOTAL STI	% OF MAX STI	LTIP (FACE VALUE)	LTIP (FAIR VALUE)[1]
A CLIFFORD	2022	475,000	23,568	–	–	–	0%	1,500,000	1,185,000

E Norman – Executive Director, Director of Investor Services and Communications

Due to the dual CEO/co-CIO role performed by Mr Andrew Clifford, Ms Elizabeth Norman's role is more extensive in scope than is typical for the industry and her remuneration reflects this. Ms Norman has responsibility for product maintenance and development, Australian, US and European distribution, retail marketing, brand and advertising, investment consultant relations, and investor and shareholder relations. Ms Norman is responsible for over 50,000 direct retail and adviser relationships in Australia and for the development of the business offshore. Ms Norman is also an Executive Director of the Company.

Ms Norman is eligible for STI awards under the General Employee Plan, subject to meeting her KPIs. These awards may be issued as cash or as deferred equity under the Deferred Equity Plan. The short term variable remuneration paid to Elizabeth Norman this year reflects her leadership and involvement in the development of several important business initiatives during the year including a new fund focused on the carbon transition. Ms Norman was also responsible for the extensive development of the content and delivery of our communications with both investors and advisers, expansion of client relationships, as well as ongoing work associated with our European and US business development operations.

The Board determined a pre-adjustment STI outcome, based the balanced scorecard, of 71% of her maximum award. However, in light of overall disappointing FY2022 client and shareholder outcomes, the Board applied an STI modifier to adjust the final STI downwards to approximately 55% of her maximum STI award.

Ms Norman was awarded an LTI of 1 x base salary for 2022. As a matter of good corporate governance, this award will be presented to shareholders for approval at the forthcoming AGM.

EXECUTIVE KMP	YEAR	SALARY $'000	SUPER $'000	STI – CASH (67%)	STI – DEFERRED (33%)	TOTAL STI	% OF MAX STI	LTIP (FACE VALUE)	LTIP (FAIR VALUE)[1]
E NORMAN	2022	450,000	23,568	500,000	250,000	750,000	55%	450,000	355,000

1 The LTI awards are subject to shareholder approval, which will be sought at Platinum's 2022 Annual General Meeting. The number of rights allocated will be based on the five-day VWAP in September 2022. The fair value estimate is independently calculated and is also used to determine the accounting value which is amortised over future vesting periods. The fair value of the FY2022 award disclosed above has been estimated at 79% of the face value, based on an independent valuation as at 20 June 2022.

A Stannard – Executive Director, Finance Director

Similar to Ms Norman, Mr Andrew Stannard also performs a broader role, as both Chief Financial Officer (CFO) and Chief Operating Officer (COO). This role is more extensive in scope than is typical for the industry and includes responsibility for nine operational teams being Investment Operations, Finance, Human Resources, Legal, Risk and Compliance, Information Technology, Projects, Data, and Unit Registry. Andrew is also an Executive Director of the Company.

Mr Stannard is eligible for STI awards under the General Employee Plan, subject to meeting his KPIs. These awards may be issued as cash or as deferred equity under the Deferred Equity Plan. The short term variable remuneration paid to Mr Stannard this year reflects his input into various strategic business initiatives and the provision of technical support for a number of new business development opportunities. Highlights include the delivery of the first phase of a multi-year project to upgrade Platinum's operational effectiveness, the provision of operational support for new onshore and offshore business development, strong cost control, and working with the Board to design and implement the Platinum Partners LTIP.

The Board determined a pre-adjustment STI outcome, based on the balanced scorecard, of 76% of Mr Stannard's maximum award. However, in light of overall poor FY2022 client and shareholder outcomes, the Board applied an STI modifier that reduced the final STI to approximately 55% of his maximum STI award.

Mr Stannard was awarded an LTI of 1 x base salary for 2022. As a matter of good corporate governance, this award will be presented to shareholders for approval at the forthcoming AGM.

EXECUTIVE KMP	YEAR	SALARY $'000	SUPER $'000	STI - CASH (55%)	STI - DEFERRED (45%)	TOTAL STI	% OF MAX STI	LTIP (FACE VALUE)	LTIP (FAIR VALUE)[1]
A STANNARD	2022	450,000	23,568	300,000	250,000	550,000	55%	450,000	355,000

1 The LTI awards are subject to shareholder approval, which will be sought at Platinum's 2022 Annual General Meeting. The number of rights allocated will be based on the five-day VWAP in September 2022. The fair value estimate is independently calculated and is also used to determine the accounting value which is amortised over future vesting periods. The fair value of the FY2022 award disclosed above has been estimated at 79% of the face value, based on an independent valuation as at 20 June 2022.

Remuneration Report
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d) Executive KMP Remuneration Received for FY2022

The table below presents disclosure of the remuneration provided by the consolidated entity to executive KMPs of the consolidated entity, based on the amounts received by the individuals during the financial year.

	CASH SALARY $	OTHER[1] $	SUPER-ANNU-ATION $	SHORT TERM VARIABLE REMUNER-ATION (CASH)[2] $	SHORT TERM VARIABLE REMUNER-ATION (DEFERRED)[3] $	VESTED LONG TERM AWARDS $	TOTAL $	VARIABLE REMUNER-ATION AS A % OF TOTAL REMUNER-ATION[4]
2022								
Andrew Clifford	**475,000**	**–**	**23,568**	**–**	**283,113**	**–**	**781,681**	**36%**
Elizabeth Norman	**450,000**	**–**	**23,568**	**500,000**	**99,091**	**–**	**1,072,659**	**56%**
Andrew Stannard	**450,000**	**–**	**23,568**	**300,000**	**42,468**	**–**	**816,036**	**42%**
	1,375,000	**–**	**70,704**	**800,000**	**424,672**	**–**	**2,670,376**	**46%**
2021								
Andrew Clifford	450,000	–	21,694	–	–	–	471,694	0%
Elizabeth Norman	425,000	–	21,694	1,000,000	319,400	–	1,766,094	75%
Andrew Stannard	425,000	–	21,694	425,000	106,466	–	978,160	54%
Same Incumbent	1,300,000	–	65,082	1,425,000	425,866	–	3,215,948	58%
Kerr Neilson (until 31/8/20)	75,000	219,178	3,616	–	–	–	297,794	0%
	1,375,000	219,178	68,698	1,425,000	425,866	–	3,513,742	53%

1 "Other" represents a payment for accumulated annual and long service leave entitlements on retirement as an Executive Director in 2021. During previous years, an estimate of the amount was provided for in the consolidated entity's statement of financial position and the annual increase in the provision was included in the table below.

2 See the "Variable Remuneration Plans" section for further details. Andrew Clifford received no cash variable awards from either the Investment Team Plan or the Profit Share Plan. The cash awards made to Elizabeth Norman and Andrew Stannard were made under the General Employee Plan.

3 The "short term variable remuneration (deferred)" amount noted above reflects the number of shares that vested in the period multiplied by the closing Platinum share price on the date of vesting. Andrew Clifford received vested awards of 165,563 shares at $1.71, Elizabeth Norman received vested awards of 57,948 shares at $1.71 (2021: 64,656 at $4.94 shares) and Andrew Stannard received 24,835 vested shares at $1.71 per share (2021: 21,552 shares at $4.94).

4 Fixed remuneration refers to salary and superannuation. Variable remuneration refers to both cash and deferred components.

The table below presents the remuneration provided by the consolidated entity to executive KMP of the consolidated entity, in accordance with accounting standards. No awards were made to executive KMP under the Platinum Partners LTIP for the financial year to 30 June 2021. The proposed Platinum Partners LTIP awards for executive KMP in 2022 are subject to shareholder approval at the upcoming AGM.

	CASH SALARY $	OTHER[1] $	SUPER-ANNUATION $	VARIABLE REMUNERATION (CASH)[2] $	VARIABLE REMUNERATION (DEFERRED)[3] $	TOTAL $	VARIABLE REMUNERATION AS A % OF TOTAL REMUNERATION[4]
2022							
Andrew Clifford	**475,000**	**39,805**	**23,568**	**–**	**239,997**	**778,370**	**31%**
Elizabeth Norman	**450,000**	**10,990**	**23,568**	**500,000**	**377,899**	**1,362,457**	**64%**
Andrew Stannard	**450,000**	**23,959**	**23,568**	**300,000**	**184,800**	**982,327**	**49%**
	1,375,000	**74,754**	**70,704**	**800,000**	**802,696**	**3,123,154**	**51%**
2021							
Andrew Clifford	450,000	24,091	21,694	–	237,997	733,782	32%
Kerr Neilson (until 31/8/20)	75,000	6,285	3,616	–	–	84,901	0%
Elizabeth Norman	425,000	8,758	21,694	1,000,000	409,100	1,864,552	76%
Andrew Stannard	425,000	9,594	21,694	425,000	165,401	1,046,689	56%
	1,375,000	48,728	68,698	1,425,000	812,498	3,729,924	60%

1 "Other" represents the increase/(decrease) in the accounting provision for annual and long service leave. These amounts were not received by the Executive Directors and represent provisions made in the consolidated entity's statement of financial position.

2 See the "Variable Remuneration Plans" section for further details. Andrew Clifford received no cash variable awards from either the Investment Team Plan or the Profit Share Plan. The cash awards made to Elizabeth Norman and Andrew Stannard were made under the General Employee Plan.

3 The accounting fair value attributed to each deferred award is spread over the five-year service period. The accounting valuation attributable to Andrew Clifford represents the current year portion of the 2018 deferred award of $1,000,000. The accounting valuation attributable to Elizabeth Norman represents the current year portion of the 2022 deferred award of $250,000, the 2021 deferred award of $500,000, the 2020 award of $450,000, the 2019 award of $350,000 and the 2018 award of $350,000. The accounting valuation attributable to Andrew Stannard represents the current year portion of the 2022 deferred award of $250,000, the 2021 deferred award of $250,000, the 2020 award of $150,000, the 2019 award of $150,000 and the 2018 award of $150,000.

4 Fixed remuneration refers to salary, superannuation and provisions or payments made for annual and long service leave. Variable remuneration refers to both cash and deferred components.

Remuneration Report

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e) Variable Remuneration Plans

There were three cash short term variable remuneration plans in operation during the 2022 financial year, each of which operated in conjunction with the Deferred Remuneration Plan. Each plan is overseen by the Nomination and Remuneration Committee. The investment team is eligible to participate in the Investment Team Plan (ITP) and the Profit Share Plan (PSP). All other staff are covered by the General Employee Plan. Each short term variable remuneration award is apportioned between a cash amount, which is generally paid in June and an award of deferred rights under the Deferred Remuneration Plan, the value of which is linked to the PTM share price. Deferred rights are subject to a four-year continuous service vesting condition.

The table below summarises the main characteristics of the Investment Team Plan and the Profit Share Plan, each of which are then discussed in more detail in the following section.

PLAN SUMMARY	PARTICIPANTS	POOL FORMULA	CAP	HURDLE	AWARD TYPE
Investment Team Plan	Investment team	Weighted average 1- and 3-year performance[1]	2 x salary of investment team (caps out at 5% outperformance)	MSCI[2]	Cash and/or deferred equity award
Profit Share Plan	Investment team	Weighted average 1- and 3-year performance	5% of adjusted net profit (caps out at 6% outperformance)	MSCI +1%	

Investment Team Plan (only members of the investment team are eligible)

Under this plan, in a period where there is aggregate weighted average outperformance (relative to a weighted benchmark comprised of nominated market indices) the annual investment team award pool is calculated as a percentage of the aggregate base salary of the investment team. The percentage level relates to the weighted average of 1- year and 3-year rolling outperformance of all funds and mandates under management (relative to a weighted benchmark comprised of nominated market indices). The pool starts at 100% of the aggregate of the base salaries of the investment team. For each 1% increase in this average outperformance, the pool is increased by 20% and is then capped at 2 times aggregate base salaries when average outperformance is 5% or more.

The pool is allocated across the investment team having regard to performance assessments that are based on both quantitative and qualitative measures. Quantitative measures used to assess individual performance include the performance of any portfolios under the management of an individual and the performance of the individual investment ideas that the person has proposed. Individual investment performance is usually assessed over a rolling 1- year and 3-year timeframe and is relative to a nominated market index.

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1 The Board can elect to make discretionary awards in excess of the pool amount should it be warranted. In this case, annual awards for investment team members may then be determined by an individual assessment of each employee's contribution.

2 MSCI refers to the relevant MSCI index applicable to each strategy.

The total remuneration outcome (comprising both fixed and variable components) for each investment professional is also benchmarked to appropriate external market data.

In a period where there is aggregate weighted average underperformance or where performance is uneven across different funds or fund managers, annual awards for investment team members will then be determined by an individual assessment of each employee's contribution to the investment team during the period. Individual awards will generally range from 0% to 120% of base salary and reflect the business necessity of retaining high-performing talent during the inevitable short term dips in weighted 1- and 3-year investment performance.

Profit Share Plan ("PSP") (only selected members of the investment team are eligible)

The PSP is designed to reward key members of the investment team for their contribution to the development of Platinum's business through the generation of strong investment performance (relative to a weighted benchmark comprised of nominated market indices). Eligible members of the investment team are issued notional units in the PSP. The notional units have no capital value and cannot be sold or transferred to a third party. Notional units of an eligible member of the PSP are adjusted each year based upon a prospective assessment of each such member's long-term contribution potential to the future development of Platinum. Each year the profit share percentage pool is determined based upon the weighted average 1-year and 3-year rolling outperformance of all funds and mandates under management (relative to a weighted benchmark comprised of nominated market indices).

There is no profit share until weighted average 1-year and 3-year rolling outperformance is greater than 1%. So, for example, if the average of the 1- and 3-year rolling performance of our funds and mandates exceeded the weighted benchmark by 2.5%, then 1.5% of the Company's management fee-based net profit before tax would be made available to the PSP pool. The profit share figure is limited each year to 5% of profit before tax, though the Nomination and Remuneration Committee may elect to carry over investment outperformance to future periods if investment returns indicate a profit share in excess of the 5% level.

General Employee Plan (all non-investment team members are eligible)

Performance is assessed against pre-determined operational performance indicators relevant to each employee, which flow down from the executive KMP's KPIs. These performance indicators take into account the responsibilities, skills and experience of each employee and their contribution during the year. Total remuneration outcomes (comprising both fixed and variable components) are also benchmarked to relevant external market data.

Equity Incentive Plan

In June 2016, the Board approved the implementation of the Equity Incentive Plan (then known as the Deferred Remuneration Plan). This financial year, with the introduction of the Platinum Partners' LTIP in July 2021 under the umbrella of the existing Equity Incentive Plan, the Equity Incentive Plan was approved by shareholders at the November 2021 AGM.
As a result, there are now two sub-plans operating under the Company's Equity Incentive Plan, the Deferred Remuneration Plan and the Platinum Partners Long Term Incentive Plan.

Remuneration Report
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The main objectives of the Equity Incentive Plan are to directly align employees' remuneration with shareholder value creation, foster sustainable growth, as well as sound financial, operational and risk management practices, and to retain talent.

Details of each sub-plan are set forth below:

Deferred Remuneration Plan (all staff are eligible)
Eligible employees are selected by the Nomination and Remuneration Committee (upon the recommendation of the CEO), generally during the annual award cycle. The proportion of each short term variable award that is allocated as deferred rights under the plan will vary by employee. The number of deferred rights awarded is determined by dividing the dollar value of the deferred award amount by the PTM share price, using a volume-weighted average price (VWAP) at which PTM shares were traded on the ASX over the seven trading days prior to the award date. Deferred rights are subject to a four-year continuous service vesting condition. The employee then has a further five years to exercise their deferred rights. If an employee resigns from Platinum before the four-year vesting period, in most circumstances, the deferred rights will be forfeited. Awards of deferred rights may also be forfeited in accordance with other forfeiture and malus provisions under the plan rules.

In order to satisfy the obligations of the Company that arise from the granting of deferred rights to eligible employees, the Company currently intends to purchase PTM shares on-market and hold these shares within an employee share trust. Upon the exercise of a deferred right, an eligible employee will receive one PTM ordinary share in satisfaction of the right. No amount is payable by any eligible employee on either grant or exercise of the right. There is flexibility within the plan for the Board to award cash or some other instrument rather than deferred rights, but the Board currently envisages awarding rights over shares only.

Eligible employees will have no voting or dividend rights until their deferred rights have been exercised and their shares have been allocated. However, the deferred rights also carry an entitlement to a dividend equivalent payment. Upon the valid exercise of a deferred right (or deemed exercise), an eligible employee will be entitled to receive an amount approximately equal to the amount of dividends that would have been paid to the eligible employee had they held the share from the grant date to the date that the deferred rights are exercised.

Platinum Partners Long Term Incentive Plan (by invitation of the Board only)
Eligible employees are invited to participate in the Platinum Partners LTIP by the Board (upon the recommendation of the Nomination and Remuneration Committee), generally as part of the annual award cycle following a robust selection process that takes into account the performance of the individual, their contribution to the broader business and their likely contribution to future shareholder value creation. The number of performance rights awarded is determined by dividing the dollar amount of the award amount by the PTM share price, using a volume-weighted average price (VWAP) at which PTM shares were traded on the ASX over the seven trading days prior to the grant date.

The vesting of the performance rights is conditional upon the Company meeting minimum Total Shareholder Return (TSR) compound annual growth rate performance hurdles as set forth in the table below (TSR Hurdle). Alternative criteria to TSR (for example investment performance or financial growth measures) were considered by the Board but ultimately rejected on the basis that they were not considered to be fully aligned to shareholder outcomes and thus could result in perverse award outcomes (potentially applicable if individual investment performance was used as a criteria), were already employed as a criteria for short term variable awards (in the case of aggregate investment performance), or were otherwise substantially correlated to TSR (in the case of EPS or revenue growth).

Each award that is granted, is divided into four equal tranches, with one quarter of the award being tested annually against the TSR Hurdle measured from the beginning of the relevant performance period to the end of the relevant performance period, for up to four years (each a Performance Period). The start price for the TSR Hurdle calculation will be the VWAP at which PTM shares were traded on the ASX over the seven trading days prior to the first ASX trading day of the relevant Performance Period, and the end price will be the VWAP at which PTM shares were traded on the ASX over the seven trading days up to and including the ASX last trading day of the relevant Performance Period. The number of PTM shares that an employee will be entitled to receive upon exercise of a performance right within a tranche, will depend on the annualised TSR achieved by the Company during the relevant Performance Period (see table below). If the minimum TSR Hurdle (i.e. 7.5%) for a Performance Period is not met, then that tranche of performance rights being tested will not meet the vesting condition and will lapse.

AWARD PERFORMANCE PERIOD	PROPORTION OF AWARD THAT IS TESTED AGAINST THE TSR HURDLE	TSR
Year 1	25%	1 year TSR
Year 2	25%	2 year annualised TSR
Year 3	25%	3 year annualised TSR
Year 4	25%	4 year annualised TSR

TSR HURDLE (VESTING CONDITION)	ENTITLEMENT TO RESULTING PTM SHARES PER DEFERRED RIGHT
TSR < 7.5%	Nil
TSR between 7.5% and 10% (target)	Between 0.75 and 1 (on a pro-rata straight line basis)
TSR between 10% and 15%	Between 1 and 2 (on a pro-rata straight line basis)
TSR at or above 15%	2

Remuneration Report
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The exercise of performance rights that have vested i.e. those performance rights that have met or exceeded the TSR Hurdle for a Performance Period, is also subject to an eight-year continuous service condition. In order to protect shareholders from the dual risks of loss of revenue and the loss of other key staff, Platinum has introduced certain “bad leaver” provisions under the Platinum Partners LTIP rules. Under these rules, if an eligible employee leaves Platinum prior to the expiry of the eight-year service condition, the employee will forfeit all deferred rights awarded (both vested and unvested) if the Board determines, acting reasonably, that the employee is a “bad leaver”. A bad leaver is defined under the plan rules, and includes a failure to comply with Platinum’s non-compete / non-solicit / non-poaching conditions. Furthermore, awards of performance rights may also be forfeited in accordance with the malus and clawback provisions of the plan rules.

Following the expiry of the eight-year service condition, an eligible employee has a further five years to exercise any vested performance rights. In certain limited situations, as set forth in the plan rules, the right to exercise performance rights (both vested and those that subsequently vest after the relevant leaving date) may be accelerated if an eligible employee leaves Platinum prior to the expiry of the eight-year service condition, provided that the Board has not determined that the employee is a “bad leaver”.

In order to satisfy the obligations of the Company that may arise from the granting of performance rights, the Company intends to either purchase PTM shares on-market and hold these shares within an employee share trust or issue shares to satisfy performance rights that are exercised. No amount is payable in cash by any eligible employee on either grant or exercise of a performance right.

Eligible employees will have no voting or dividend rights until their performance rights have been exercised and their shares have been allocated. However, the performance rights carry an entitlement to an alternative dividend equivalent payment. This entitlement arises once a tranche of an award meets its TSR Hurdle for a Performance Period and continues until the corresponding performance rights are exercised (Holding Period). During the Holding Period, an eligible employee will receive an amount approximately equal to the amount of dividends that would have been paid to the employee had they held the relevant resultant number of shares from the date the TSR Hurdle was met.

Other Variable Remuneration Plans

Platinum has two inactive long-term remuneration plans, being an “Options and Performance Rights Plan” (OPRP) and a “Fund Appreciation Rights Plan” (FARP). There were no allocations under either plan in the current or prior year.

6. Remuneration of Non-Executive Directors

Remuneration Policy

The Company's remuneration policy for non-executive directors is designed to ensure that the Company can attract and retain suitably qualified and experienced directors.

It is the policy of the Board to remunerate at market rates. Non-executive directors receive a fixed fee and mandatory superannuation payments. Non-executive directors do not receive variable remuneration and are not eligible to participate in any variable remuneration plans. The executive directors examine the base pay of the non-executive directors annually and recommend the remuneration of the non-executive directors to the Nomination and Remuneration Committee within the maximum approved shareholder limit. The aggregate amount of remuneration that can be paid to the non-executive directors, which was approved by shareholders at a general meeting in April 2007, is $2 million per annum (including superannuation). The Constitution of the Company specifies that any change to the maximum amount of remuneration that can be paid to the non-executive directors requires the approval of shareholders.

No other retirement benefits (other than mandatory superannuation) are provided to the non-executive directors. There are no termination payments payable on the cessation of office and any non-executive director may retire or resign from the Board, or be removed by a resolution of shareholders.

Remuneration Report
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Remuneration Structure

The following table displays the non-executive directors in office during the financial year and the relevant Board and Committee Chairs at 30 June 2022.

NON-EXECUTIVE DIRECTOR	GUY STRAPP	STEPHEN MENZIES*	ANNE LOVERIDGE	BRIGITTE SMITH*	KERR NEILSON	PHILIP MOFFITT**	TIM TRUMPER***
Board	Chair	Chair	Director	Director	Director	Director	Director
Audit, Risk & Compliance Committee	Member	Member	Chair	Member	Member	Member	Member
Nomination & Remuneration Committee	Member	Member	Member	Chair	Member	Member	Member

The table below shows the annualised fixed remuneration (excluding superannuation) amounts for the non-executive directors during the financial year based on the Board and Committee Chair positions held at 30 June 2022.

NON-EXECUTIVE DIRECTOR	GUY STRAPP	STEPHEN MENZIES*	ANNE LOVERIDGE	BRIGITTE SMITH*	KERR NEILSON	PHILIP MOFFITT**	TIM TRUMPER***
Board	$230,000	$130,000	$130,000	$130,000	$130,000	$130,000	$130,000
Audit, Risk & Compliance Committee	$15,000	$15,000	$30,000	$15,000	$15,000	$15,000	$15,000
Nomination & Remuneration Committee	$15,000	$15,000	$15,000	$30,000	$15,000	$15,000	$15,000
Total	**$260,000**	**$160,000**	**$175,000**	**$175,000**	**$160,000**	**$160,000**	**$160,000**

* Ms Smith replaced Mr Menzies as Chair of the Nomination and Remuneration Committee on 26 October 2021.

** Mr Moffitt became a Non-Executive Director on 17 December 2021.

*** Mr Trumper resigned as Non-Executive Director on 17 November 2021.

The table below presents actual amounts received by the non-executive directors. The decrease in total remuneration is primarily due to non-executive director changes.

	CASH SALARY $	SUPER-ANNUATION $	VARIABLE REMUNERATION (CASH) $	VARIABLE REMUNERATION (DEFERRED) $	TOTAL $
2022					
Guy Strapp	**260,000**	**24,176**	**–**	**–**	**284,176**
Stephen Menzies	**164,769**	**16,500**	**–**	**–**	**181,269**
Anne Loveridge	**175,000**	**17,500**	**–**	**–**	**192,500**
Brigitte Smith	**166,631**	**17,000**	**–**	**–**	**183,631**
Kerr Neilson	**160,000**	**16,000**	**–**	**–**	**176,000**
Philip Moffitt (from 17/12/21)	**86,761**	**8,676**	**–**	**–**	**95,437**
Tim Trumper (until 17/11/21)	**61,333**	**6,133**	**–**	**–**	**67,466**
	1,074,494	**105,985**	**–**	**–**	**1,180,479**
2021					
Guy Strapp (from 27/8/20)	205,590	16,271	–	–	221,861
Michael Cole (until 20/11/20)	78,204	7,429	–	–	85,633
Stephen Menzies	175,000	16,625	–	–	191,625
Anne Loveridge	175,000	16,625	–	–	191,625
Brigitte Smith	160,000	15,200	–	–	175,200
Tim Trumper	160,000	15,200	–	–	175,200
Kerr Neilson (from 1/9/20)	133,333	12,667	–	–	146,000
	1,087,127	100,017	–	–	1,187,144

Stephen Menzies is Platinum Investment Management Limited's (PIML's) representative on the Board of the Dublin domiciled Platinum World Portfolios Plc (PWP) and his director's fees are paid by PWP. Amounts paid in the current year were €24,000 (equivalent to A$36,204) (2021: €24,000 (equivalent to A$37,920)).

Remuneration Report

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7. Link Between Company Performance and KMP Remuneration Paid by the Consolidated Entity

The table below shows Platinum's five-year performance across a range of metrics and corresponding KMP remuneration outcomes.

	2022	2021	2020	2019	2018
Closing funds under management ($m)	**18,214**	23,522	21,385	24,769	25,699
Average funds under management ($m)	**21,350**	23,363	23,749	25,394	26,528
Net flows ($m)	**(2,169)**	(2,255)	(3,031)	(246)	1,034
Average base management fee (bps p.a.)	**115**	114	116	116	116
Base fee revenue ($m)	**246**	265	276	295	307
Total revenue and other income ($'000)	**232,847**	316,419	298,666	299,320	353,290
Total expenses ($'000)	**86,129**	82,207	77,897	76,421	84,966
Profit after income tax expense ($'000)	**101,493**	163,258	155,611	158,336	191,594
Basic earnings per share (cents per share)	**17.54**	28.17	26.76	27.03	32.36
Total dividends (cents per share)	**17**	24	24	27	32
Share price at end of year	**1.74**	4.91	3.73	4.85	5.76
Total aggregate KMP fixed remuneration ($)[1]	**2,737,141**	2,717,490	2,854,551	2,808,483	2,510,503
Total aggregate KMP variable remuneration ($)[2,3]	**1,602,696**	2,237,498	1,738,200	1,792,575	4,762,595

1 Total aggregate fixed remuneration paid represents salaries and superannuation (and includes the director's fees disclosed and paid to Stephen Menzies for his directorship of the Dublin domiciled Platinum World Portfolios PLC).

2 The decrease in 2022 KMP variable remuneration reflected a decrease in General Employee Plan awards made to Elizabeth Norman and Andrew Stannard in that year.

3 The increase in 2018 KMP variable remuneration reflected Investment Team and Profit Share Plan awards made to the co-CIO related to the significant investment outperformance generated for clients in that year.

The level of aggregate KMP remuneration paid each year reflects a combination of factors, including investment performance for clients, the operating performance of the Company, individual and team performance, and the degree of competition for executive talent.

8. Oversight and Governance

The Nomination and Remuneration Committee ensures that appropriate remuneration policies and practices are in place which align with the Company's purpose, strategic objectives and values. It makes recommendations to the Board on the development of the Company's remuneration policies and practices which are designed to recognise strong individual and Company performance as well as to promote effective management of financial and non-financial risks in alignment with the Company's risk appetite.

The Nomination and Remuneration Committee is also responsible for making recommendations to the Board regarding variable remuneration outcomes. When considering the variable remuneration outcomes, the Nomination and Remuneration Committee will consider the extent to which remuneration is aligned with outcomes for shareholders and clients. In making its recommendations to the Board, it will incorporate feedback from the Chief Executive Officer, Head of People and Culture, and Chief Compliance Officer (regarding risk and compliance behaviours), external benchmarking data and may also consult with independent remuneration consultants.

The role of the Nomination and Remuneration Committee is set out in its Charter. Its responsibilities include the following:

- To review and make recommendations to the Board in respect of the CEO, executive KMP and non-executive director appointments;
- To review and make recommendations to the Board in respect of the variable remuneration awards in respect of the CEO/co-CIO, executive KMP, senior managers and portfolio managers;
- To provide oversight on the overall aggregate variable remuneration outcome for Platinum, ensuring appropriate alignment with all stakeholders;
- To review significant changes in remuneration policies and the framework, including deferred remuneration plans and benefits;
- To oversee the Company's strategic human resources initiatives, including diversity and inclusion;
- To make ongoing assessments of the collective skills required to effectively discharge the Board's duties;
- To review the composition, functions, responsibilities and size of the Board as well as director independence and tenure; and
- To ensure appropriate Board succession planning.

Remuneration Report
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During the 2022 financial year, the Nomination and Remuneration Committee dealt with the following significant items that relate to remuneration arrangements:

- Introduced the Platinum Partners Long Term Incentive Plan with awards being made under the plan to key team members as part of Platinum's broader succession and retention policy;
- Continued to push forward our program of Board renewal with the appointment of a new Nomination and Remuneration Committee Chair and the appointment of Phillip Moffitt to the Board;
- Reviewed and updated the CEO and other executive KMP remuneration arrangements linking outcomes to explicit KPIs;
- Reviewed and recommended to the Board the aggregate 2021/2022 variable remuneration pool as well as the individual awards for the CEO, other executive directors, senior managers and portfolio managers; and
- Approved Platinum's revised diversity and inclusion policy and objectives.

9. Remuneration Services Provided to the Nomination and Remuneration Committee

The Company utilised Financial Institutions Remuneration Group and PartnersInRem as the primary sources of remuneration benchmarking data. PricewaterhouseCoopers (PwC) was used as a consultant to the remuneration and benefit plans both in Australia and also in the UK. In addition, executive KMP roles were benchmarked to publicly available information of comparable ASX200 companies.

10. Key Terms of KMP Employment/Service Contracts

The key aspects of the KMP service contracts are outlined below:

- Remuneration and other terms of service for non-executive directors are formalised in letters of appointment. Remuneration and other terms of service for the executive KMP are set forth in employment agreements.
- All contracts (for both executive KMP and non-executive directors) include the components of remuneration that are to be paid and provide for periodic review of remuneration, but do not prescribe how remuneration levels are to be modified from year to year.
- Executive KMP do not have a contractual right to receive variable remuneration, any allocations are at the Board's discretion. Non-executive directors are not entitled to receive any variable remuneration.
- In the event of termination, all KMP are entitled to receive their statutory leave entitlements and superannuation benefits.
- In relation to variable remuneration for executive KMP, upon resignation, variable remuneration is generally only paid if the KMP is employed by Platinum at the date of payment. However, the Board retains discretion to make variable remuneration payments (both cash and deferred equity) in certain exceptional circumstances, such as bona-fide retirement.

- All directors, except for the Managing Director, Mr Andrew Clifford, must stand for re-election by shareholders at the third AGM after their initial election or otherwise their last re-election.
- Mr Andrew Clifford can terminate his employment by providing at least twelve months' notice. All other executive KMP can terminate their appointment by providing at least six months' notice.
- All executive KMP have entered into post-employment restraints whereby they may not solicit either employees or clients of Platinum for a period of twelve months.
- Non-executive directors may resign by written notice to the Chairman. Where circumstances permit, it is desirable that reasonable notice of an intention to resign is given to assist the Board in succession planning.

11. Interests of KMP in PTM Shares

The relevant interest in ordinary shares of the Company that each director held at balance date was:

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
Guy Strapp	22,000	50,000	–	72,000
Stephen Menzies	40,000	–	–	40,000
Anne Loveridge	22,000	28,000	–	50,000
Brigitte Smith	41,666	84,000	(41,666)	84,000
Kerr Neilson[1]	252,074,841	–	(126,037,421)	126,037,420
Philip Moffitt (from 17/12/21)[2]	–	50,000	–	50,000
Andrew Clifford[3]	32,831,449	–	–	32,831,449
Elizabeth Norman[4]	766,748	–	–	766,748
Andrew Stannard[5]	–	–	–	–
Tim Trumper (until 17/11/21)[6]	18,900	–	(18,900)	–

1 Decrease due to termination of stability deed between Judith Neilson and Kerr Neilson dated 31 March 2016. Termination of deed occurred on 30 September 2021.

2 Appointed during the year.

3 Andrew Clifford also has vested, but unexercised, rights to receive up to 165,563 shares pursuant to awards made under the Company's deferred remuneration plan.

4 Elizabeth Norman also has contingent rights to receive up to 446,540 shares and vested, but unexercised, rights equivalent to 171,227 shares, both pursuant to awards made under the Company's Deferred Remuneration Plan.

5 Andrew Stannard has contingent rights to receive up to 271,479 shares and vested, but unexercised, rights equivalent to 46,387 shares, both pursuant to awards made under the Company's Deferred Remuneration Plan.

6 Resigned during the year.

Remuneration Report
CONTINUED

12. Directors' Interests in Contracts

The directors received remuneration that is ultimately derived from net income arising from Platinum Investment Management Limited's investment management contracts and its role as responsible entity of its registered managed investment schemes.

13. Loans to KMP and their Related Parties

No loans were provided to KMP or their related parties during the year or at the date of this report.

14. Other Related-Party Payments Involving KMP

No other related-party payments were made to KMP during the year or as at the date of this report.

15. Shareholders' Approval of the FY2021 (Prior Year) Remuneration Report

A 25% or higher "no" vote on the Remuneration Report at an AGM triggers a reporting obligation on a listed company to explain in its next annual report how concerns are being addressed. At the last AGM (held 17 November 2021), the Company’s remuneration report was not carried on a poll and received a vote against of 50.04%. Platinum’s response to shareholder concerns in relation to the 2021 remuneration report is set out on the first page of this report.

Auditor's Independence Declaration

TO THE DIRECTORS OF PLATINUM ASSET MANAGEMENT LIMITED

EY
Building a better working world

Ernst & Young
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As lead auditor for the audit of the financial report of Platinum Asset Management Limited for the financial year ended 30 June 2022, I declare 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 audit;

(b) No contraventions of any applicable code of professional conduct in relation to the audit; and

(c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

R Da Silva

Rita Da Silva
Partner

24 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	CONSOLIDATED **2022** **$'000**	 2021 $'000
Revenue			
Management fees		**246,004**	265,290
Performance fees		**6,665**	3,950
Total revenue	3	**252,669**	269,240
Other income			
Interest		**498**	541
Distributions and dividends	3	**3,695**	3,437
Share of profit/(loss) of associates	6	**(17,998)**	30,974
Gains/(losses) on financial asset at fair value through profit or loss		**(6,096)**	12,955
Foreign exchange gains/(losses) on overseas bank accounts		**79**	(728)
Total revenue and other income		**232,847**	316,419
Expenses			
Employee expenses			
Salaries and employee-related expenses		**40,926**	44,395
Share-based payments	17	**11,908**	6,413
Custody and unit registry		**9,147**	9,569
Business development		**7,020**	6,025
Technology, research and data		**5,551**	5,247
Legal, compliance and other professional		**4,695**	3,768
Depreciation of right-of-use assets	9	**1,934**	1,926
Depreciation of fixed assets	9	**882**	1,272
Mail house, periodic reporting and share registry		**1,222**	1,166
Insurance		**2,168**	1,482
Rent and other occupancy	15	**305**	392
Finance costs on lease liabilities		**152**	197
Other		**219**	355
Total expenses		**86,129**	82,207
Profit before income tax expense		**146,718**	234,212
Income tax expense	7	**45,225**	70,954
Profit after income tax expense		**101,493**	163,258

	NOTE	CONSOLIDATED **2022** **$'000**	2021 $'000
Other comprehensive income			
Exchange rate translation impact of foreign subsidiaries and associates		**5,733**	(5,399)
Other comprehensive income for the year, net of tax		**5,733**	(5,399)
Total comprehensive income for the year		**107,226**	157,859
		CENTS	CENTS
Basic earnings per share	8	**17.54**	28.17
Diluted earnings per share	8	**17.43**	28.00

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	NOTE	CONSOLIDATED 2022 $'000	CONSOLIDATED 2021 $'000
Assets			
Current assets			
Cash and cash equivalents		**87,449**	143,277
Term deposits		**89,876**	49,876
Trade and other receivables	12	**29,771**	27,612
Total current assets		**207,096**	220,765
Non-current assets			
Equity investments in associates	6	**92,394**	107,622
Financial assets at fair value through profit or loss	10	**43,315**	44,340
Fixed assets	9	**2,103**	2,777
Right-of-use assets	9	**4,851**	6,767
Total non-current assets		**142,663**	161,506
Total assets		**349,759**	382,271
Liabilities			
Current liabilities			
Trade and other payables	14	**6,090**	6,178
Employee benefits	13	**4,160**	3,920
Lease liabilities	15	**2,005**	1,871
Income tax payable		**3,901**	9,804
Total current liabilities		**16,156**	21,773
Non-current liabilities			
Provisions	13	**1,481**	1,311
Employee benefits	13	**846**	718
Lease liabilities	15	**3,249**	5,239
Net deferred tax liabilities	7	**4,473**	11,206
Total non-current liabilities		**10,049**	18,474
Total liabilities		**26,205**	40,247
Net assets		**323,554**	342,024

	NOTE	CONSOLIDATED **2022 $'000**	 2021 $'000
Equity			
Issued capital	18	**706,595**	714,893
Reserves	19	**(560,123)**	(575,834)
Retained profits		**177,082**	202,965
Total equity		**323,554**	342,024

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED PROFITS $'000	TOTAL EQUITY $'000
Balance at 1 July 2021	**714,893**	**(575,834)**	**202,965**	**342,024**
Profit after income tax expense for the year	–	–	101,493	101,493
Other comprehensive income				
Exchange rate translation impact of foreign subsidiaries and associates	–	5,733	–	5,733
Total comprehensive income for the year	–	5,733	101,493	107,226
Transactions with owners in their capacity as owners:				
Treasury shares acquired (net) (Note 18)	(8,298)	–	–	(8,298)
Share-based payments reserve	–	9,978	–	9,978
Dividends paid	–	–	(127,376)	(127,376)
Balance at 30 June 2022	**706,595**	**(560,123)**	**177,082**	**323,554**

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED PROFITS $'000	TOTAL EQUITY $'000
Balance at 1 July 2020	**717,998**	**(572,082)**	**173,045**	**318,961**
Profit after income tax expense for the year	–	–	163,258	163,258
Other comprehensive income				
Exchange rate translation impact of foreign subsidiaries and associates	–	(5,399)	–	(5,399)
Total comprehensive income for the year	–	(5,399)	163,258	157,859
Transactions with owners in their capacity as owners:				
Treasury shares acquired (net) (Note 18)	(3,105)	–	–	(3,105)
Share-based payments reserve	–	1,647	–	1,647
Dividends paid	–	–	(133,338)	(133,338)
Balance at 30 June 2021	**714,893**	**(575,834)**	**202,965**	**342,024**

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	CONSOLIDATED **2022** **$'000**	 2021 $'000
Cash flows from operating activities			
Receipts from operating activities		**251,194**	276,507
Payments for operating activities		**(69,380)**	(71,661)
Finance costs paid		**(152)**	(197)
Income taxes paid		**(59,002)**	(64,139)
Net cash from operating activities	16	**122,660**	140,510
Cash flows from investing activities			
Interest received		**395**	519
Proceeds on maturity of term deposits		**98,644**	117,753
Purchase of term deposits		**(138,644)**	(117,753)
Payments for purchases of fixed assets		**(219)**	(41)
Receipts from sale of financial assets		**22,488**	69,532
Payments of purchases of financial assets		**(27,205)**	(75,514)
Proceeds from sale of investments in associates		**2,498**	42,804
Dividends and distribution received		**3,677**	3,478
Net cash provided by investing activities		**(38,366)**	40,778
Cash flows from financing activities			
Dividends paid		**(127,376)**	(133,337)
Payments for purchase of treasury shares		**(10,952)**	(7,326)
Payment of lease liability principal		**(1,873)**	(1,744)
Net cash used in financing activities		**(140,201)**	(142,407)
Net movement in cash and cash equivalents		**(55,907)**	38,881
Cash and cash equivalents at the beginning of the year		**143,277**	105,333
Effects of exchange rate changes on cash and cash equivalents		**79**	(937)
Cash and cash equivalents at the end of the year		**87,449**	143,277

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

Notes to the Financial Statements
30 JUNE 2022

Note 1. Corporate information
Platinum Asset Management Limited (the "Company") is a for-profit entity that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange (ASX code: PTM). The principal activities of the Company and its subsidiaries (the "Group") are described in Note 4 segment information. This financial report was authorised for issue in accordance with a resolution of the Directors on 24 August 2022 and Directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies
Basis of preparation
The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ("IFRSs") adopted by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in Australian Dollars, which is also the Company's functional currency. With all values rounded to the nearest thousand dollars ('$000), in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated. The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of financial assets at fair value through profit or loss.

The principal accounting policies have been included in the relevant notes to which the policy relates and have been consistently applied to all financial years presented in these consolidated financial statements.

Critical accounting judgements, estimates and assumptions
The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions. The areas where assumptions and estimates are significant to the consolidated financial statements are outlined after the relevant accounting policy in the relevant notes. The accounting impact of the treatment of the products that PIML has seeded or invested in, is the most critical accounting judgement, estimate or assumption within these consolidated financial statements. In particular, the assessment of whether the Group has significant influence or control of those entities impacts on how their financial results are presented within these financial statements.

Accounting standards and interpretations not yet mandatory or early adopted during the year
There are no standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Notes to the Financial Statements

30 JUNE 2022

Note 2. Significant accounting policies – continued

Accounting Standards adopted during the year

There are no standards that are effective for the first time in the current period that have a material impact on the Group.

Note 3. Revenue & other income

The Group derived revenue (management and performance fees) from Australian and offshore investment vehicles and mandates as follows:

	2022 $'000	2021 $'000
Revenue breakdown by geographic region		
Australia	**244,951**	261,323
Offshore: United States, Ireland and Cayman Islands	**7,718**	7,917
	252,669	269,240

	2022 $'000	2021 $'000
Distributions and dividends is comprised of:		
Distribution received from Platinum Asia Fund (Quoted Managed Hedge Fund) ("PAXX")	**–**	458
Dividend received from Platinum Asia Investments Limited ("PAI")	**2,550**	2,100
Dividend received from equity securities held by the Cayman and other seed funds	**1,127**	861
Distribution received from investment in the Platinum Trust Funds	**18**	18
Total distributions and dividends	**3,695**	3,437

Note 3. Revenue & other income – continued

ACCOUNTING POLICY

Revenue is measured at an amount the Group expect to be entitled to receive in exchange for services provided to clients and recognised as performance obligations to the client are satisfied.

Management fees are recognised over the period the service is provided. Management fees are based on a percentage of portfolio value of the fund or mandate and calculated in accordance with the Investment Management Agreement or Constitution. The majority of management fees were derived from the Platinum Trust Funds C Class. The management fee for this Class was calculated at 1.35% per annum of each Fund's daily Net Asset Value.

Performance fees are a form of variable consideration. Performance fees are recognised as revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Other income is measured at the fair value of the consideration received or receivable and is recognised if it meets the criteria below:

- *Interest income:* recognised in the consolidated statement of profit or loss and other comprehensive income and is based on the effective interest method.
- *Distributions:* recognised when the Group becomes entitled to the income.
- *Dividends:* brought to account on the applicable ex-dividend date.
- *Net gains/(losses) on financial assets at fair value through profit and loss:* relates to net gains/(losses) on financial assets held directly by the consolidated investments, and recognised as and when the fair value of these investments changes and if disposed, the proceeds less carrying amount of financial assets disposed.

Note 4. Segment information

The Group 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; and
- Investments and other: through the Group's investment in the (a) ASX listed, PAI (b) PWP (c) unlisted Platinum Trust Funds and (d) other investments and seed funds. Also included in this category are Australian dollar term deposits as well as associated interest derived from these.

Notes to the Financial Statements

30 JUNE 2022

Note 4. Segment information – continued

The segment financial results, segment assets and liabilities are disclosed below:

	30 JUNE 2022			30 JUNE 2021		
	FUNDS MANAGEMENT $'000	INVESTMENTS AND OTHER $'000	TOTAL $'000	FUNDS MANAGEMENT $'000	INVESTMENTS AND OTHER $'000	TOTAL $'000
Revenue and other income						
Management and performance fees	252,669	–	252,669	269,240	–	269,240
Interest	189	309	498	288	253	541
Net gains/(losses) on financial assets and equity in associates	–	(24,094)	(24,094)	–	43,929	43,929
Distributions and dividends	–	3,695	3,695	–	3,437	3,437
Net foreign exchange (losses)/gains on overseas bank accounts	–	79	79	–	(728)	(728)
Total revenue and other income/(loss)	**252,858**	**(20,011)**	**232,847**	**269,528**	**46,891**	**316,419**
Expenses	85,472	657	86,129	81,583	624	82,207
Profit/(loss) before income tax expense/(benefit)	**167,386**	**(20,668)**	**146,718**	**187,945**	**46,267**	**234,212**
Income tax expense /(benefit)	51,425	(6,200)	45,225	57,738	13,216	70,954
Profit/(loss) after income tax expense/(benefit)	**115,961**	**(14,468)**	**101,493**	**130,207**	**33,051**	**163,258**
Other comprehensive income/(loss)	(32)	5,765	5,733	34	(5,433)	(5,399)
Total comprehensive income/(loss)	**115,929**	**(8,703)**	**107,226**	**130,241**	**27,618**	**157,859**
Total assets	**74,301**	**275,458**	**349,759**	**131,590**	**250,681**	**382,271**
Total liabilities	**23,569**	**2,636**	**26,205**	**31,764**	**8,483**	**40,247**
Net assets	**50,732**	**272,822**	**323,554**	**99,826**	**242,198**	**342,024**

Note 4. Segment information – continued

ACCOUNTING POLICY

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM refers to the Executive Directors of the Company, who are responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Group information

The consolidated financial statements of the Group include:

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2022 %	OWNERSHIP INTEREST 2021 %
McRae Pty Limited	Australia	**100**	100
Platinum Asset Pty Limited	Australia	**100**	100
Platinum Investment Management Limited ("PIML")	Australia	**100**	100
Platinum Employee Share Trust^	Australia	**100**	100
Platinum GP Pty Limited	Australia	**100**	100
Platinum Arrow Trust	Australia	**100**	100
Platinum UK Asset Management Limited*	United Kingdom	**100**	100
Platinum Management Malta Limited*	Malta	**100**	100
Platinum Asia Ex-Japan Opportunities Master Fund Limited	Cayman Islands	**100**	100
Platinum Asia Ex-Japan Opportunities Fund Limited	Cayman Islands	**100**	100
Platinum Global Opportunities Master Fund Limited	Cayman Islands	**100**	100
Platinum Global Opportunities Fund Limited	Cayman Islands	**100**	100
Platinum Europe Opportunities Master Fund Limited**	Cayman Islands	**100**	100
Platinum Europe Opportunities Fund Limited**	Cayman Islands	**100**	100
Platinum Japan Opportunities Master Fund Limited**	Cayman Islands	**100**	100
Platinum Japan Opportunities Fund Limited**	Cayman Islands	**100**	100

^ Platinum Employee Share Trust holds PTM shares on behalf of employees selected to participate in the Deferred Remuneration Plan and Partners Plan (see Note 17 for further details).

* Platinum UK Asset Management Limited and Platinum Management Malta Limited both act as sales and servicing centres for the Group, predominantly with the objective of generating additional fund inflows into PWP.

** Dormant entities.

Notes to the Financial Statements

30 JUNE 2022

Note 5. Group information – continued

ACCOUNTING POLICY

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each financial position presented are translated at closing rate at the balance date;
- income and expenses included in the consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income in the foreign currency translation reserve.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Platinum Asset Management Limited as at 30 June 2022 and the results of all subsidiaries for the financial year. Platinum Asset Management Limited and its subsidiaries together are referred to in these consolidated financial statements as the 'consolidated entity' or 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns, through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, all intercompany transactions, balances and unrealised gains arising within the consolidated entity are eliminated in full.

Note 6. Equity investments in associates

The Group's investments in PAI, PWP and PAXX represent interests in associates which are accounted for using the equity method of accounting. PAXX ceased to be an associate during the year due to the sale of all units held. Information relating to this is shown below:

a. Interests in associates

ENTITY	COUNTRY OF INCORPORATION	EQUITY INTEREST %		FAIR VALUE $'000		CARRYING AMOUNT $'000		REASON FOR ASSESSMENT OF SIGNIFICANT INFLUENCE
		2022	2021	**2022**	2021	**2022**	2021	
PAI	Australia	**8.2**	8.2	**25,800**	36,900	**32,246**	38,694	Ownership interest was 8.2% at 30 June 2022; PIML acts as Investment Manager (IM) in accordance with the Investment Management Agreement; PIML provides performance and exposure reports to the PAI Board.
PWP	Ireland	**16.8**	16.3	**60,148**	66,324	**60,148**	66,324	Ownership interest was 16.8% at 30 June 2022; PIML acts as IM in accordance with the Investment Management Agreement; the Group provides performance and exposure reports to the PWP Board and Stephen Menzies is a Director of PWP and a Director of the Company.
PAXX	Australia	**–**	1.7	**–**	2,604	**–**	2,604	The Group ceased to have significant influence due to sale of its equity interest in PAXX during the year.
				85,948	105,828	**92,394**	107,622	

Notes to the Financial Statements

30 JUNE 2022

Note 6. Equity investments in associates – continued

a. Interests in associates – continued

The fair value of PAI reflects the 30 million shares held multiplied by the PAI closing share price at 30 June 2022 of $0.86 (2021: $1.23).

The fair value of PWP is approximated by the shares held in the sub-funds multiplied by their respective closing share prices at 30 June 2022.

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

b. Associates' statement of financial position

	TOTAL ASSETS^ $'000	TOTAL LIABILITIES* $'000	NET ASSETS $'000
30 June 2022			
Associates financial position			
PAI	**397,163**	**1,522**	**395,641**
PWP	**377,439**	**2,162**	**375,277**
Total associates' statement of financial position			**770,918**
Group's share of associate			
PAI	**32,369**	**124**	**32,245**
PWP	**60,644**	**495**	**60,149**
Total Group's share of associate			**92,394**
30 June 2021			
Associates financial position			
PAI	498,661	27,270	471,391
PWP	447,174	610	446,564
PAXX**	180,624	26,522	154,102
Total associates' statement of financial position			1,072,057
Group's share of associate			
PAI	40,838	2,144	38,694
PWP	66,461	137	66,324
PAXX**	3,052	448	2,604
Total Group's share of associate			107,622

^ All assets held by associates are current assets.

* Associates total liabilities include non-current liabilities of $0 (2021: $17,698,000).

** PAXX's financial position disclosed only for 30 June 2021 when PAXX was an associate.

Note 6. Equity investments in associates – continued

c. Carrying amount of investment using the equity method

	2022 $'000	2021 $'000
Opening balance	**107,622**	125,019
Sale of PAXX units	**(2,498)**	(29,869)
Redemption of PWP units	**–**	(12,935)
Share of associates' profit/(loss) (see Note 6d)	**(15,417)**	33,517
Exchange rate translation impact	**5,268**	(5,567)
Dividends paid and dilution of unitholding (see Note 6d)	**(2,581)**	(2,543)
Closing balance (see Note 6a)	**92,394**	107,622

d. Associate's net income

	PAI $'000	PWP $'000	PAXX $'000	TOTAL $'000
30 June 2022				
Associates' net income				
Total investment income/(loss)	(60,053)	(81,014)	(17,241)	(158,308)
Total expenses	(7,151)	(5,492)	–	(12,643)
Profit/(loss) before tax	(67,204)	(86,506)	(17,241)	(170,951)
Income tax benefit	19,750	–	–	19,750
Total profit/(loss) after tax	**(47,454)**	**(86,506)**	**(17,241)**	**(151,201)**
Group's share of associate				
Total investment income/(loss)	(4,892)	(10,523)	(107)	(15,522)
Total expenses	(583)	(921)	–	(1,504)
Profit/(loss) before tax	(5,475)	(11,444)	(107)	(17,026)
Income tax benefit	1,609	–	–	1,609
Total profit/(loss) after tax	**(3,866)**	**(11,444)**	**(107)**	**(15,417)**
Dividend received and dilution of unitholding	(2,582)	–	1	(2,581)
Undistributed profit/(loss) in the period	**(6,448)**	**(11,444)**	**(106)**	**(17,998)**

Notes to the Financial Statements

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Note 6. Equity investments in associates – continued

d. Associates' net income – continued

	PAI $'000	PWP $'000	PAXX $'000	TOTAL $'000
30 June 2021				
Associates' net income				
Total investment income	115,040	152,174	37,577	304,791
Total expenses	7,313	5,508	–	12,821
Profit/(loss) before tax	107,727	146,666	37,577	291,970
Income tax expense	(31,801)	–	–	(31,801)
Total profit/(loss) after tax	75,926	146,666	37,577	260,169
Group's share of associate				
Total investment income	9,445	21,460	6,727	37,632
Total expenses	600	900	–	1,500
Profit/(loss) before tax	8,845	20,560	6,727	36,132
Income tax expense	(2,615)	–	–	(2,615)
Total profit/(loss) after tax	6,230	20,560	6,727	33,517
Dividend received and dilution of unitholding	(2,085)	–	(458)	(2,543)
Undistributed profit in the period	4,145	20,560	6,269	30,974

Note 6. Equity investments in associates – continued

ACCOUNTING POLICY	
	Investments in associates are accounted for using the equity method. The share of profit recognised under the equity method is the consolidated entity's share of the investment in associate's profit or loss based on the ownership interest held. Associates are entities in which the consolidated entity, as a result of its voting rights and other factors, has significant influence, but not control or joint control, over its financial and operating policies. Investments in associates are carried at the lower of the equity accounted carrying amount and the recoverable amount. When the consolidated entity's share of losses exceeds the carrying amount of the equity accounted investment (including assets that form part of the net investment in the associate), the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the consolidated entity has obligations in respect of the associate. Dividends from associates represent a return on the consolidated entity's investment and, as such, are applied as a reduction to the carrying value of the investment. Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment in the associate to the extent of the consolidated entity's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Other movements in associates' reserves are recognised directly in the consolidated entity's consolidated reserves. **Critical accounting judgements, estimates and assumptions** *Assessment of significant influence:* At 30 June 2022, the consolidated entity was assessed as having significant influence over PAI and PWP, as a result of its direct investment and investment management activities and other factors outlined in Note 6a. 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 30 June 2022, no impairment was identified for PAI or PWP. The carrying amount for PAI is equal to the fair value of PAI's underlying net assets.

Notes to the Financial Statements

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Note 7. Income tax

(a) Income tax expense

The income tax expense attributable to profit comprises:

	2022 $'000	2021 $'000
Current tax	**53,218**	63,151
Deferred tax	**(7,993)**	7,803
Income tax expense	**45,225**	70,954

	2022 $'000	2021 $'000
Numerical reconciliation of income tax expense:		
Profit before income tax expense	**146,718**	234,212
Tax at the statutory tax rate of 30%	**44,015**	70,264
Tax effect amounts which are not deductible/ (taxable) in calculating taxable income:		
Tax rate differential on offshore business income	**(740)**	(855)
Non-taxable losses/(gains) on investments	**615**	1,076
Share-based payments	**2,536**	389
Other non-deductible expenses	**58**	744
Prior year and other adjustments	**(71)**	–
Franking credits and foreign tax credit received	**(1,188)**	(664)
Income tax expense	**45,225**	70,954

(b) Non-current liabilities – net deferred tax liabilities

	2022 $'000	2021 $'000
Deferred tax liabilities comprise temporary differences attributable to:		
Unrealised foreign exchange gains on cash	**27**	6
Share-based payments	**4,657**	4,747
Employee provisions	**(1,946)**	(1,274)
Unrealised gains on investments	**2,636**	8,477
Capital expenditure on fixed assets not immediately deductible	**(584)**	(359)
Expense accruals	**(317)**	(391)
Net deferred tax liabilities	**4,473**	11,206

Note 7. Income tax – continued

(b) Non-current liabilities - net deferred tax liabilities – continued

The net deferred tax liability figure is comprised of $2,847,000 (2021: $2,024,000) of deferred tax assets and $7,320,000 (2021: $13,230,000) of deferred tax liabilities.

The deferred tax assets that will be recovered or settled within 12 months are estimated to be $2,642,000 at 30 June 2022 (2021: $2,003,000).

Deferred tax includes $1,260,000 (2021: $2,225,000) recorded in the share-based payments reserve and foreign currency translation reserve within equity.

ACCOUNTING POLICY

Current tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax
Deferred tax is accounted for in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the asset can be utilised.

Tax consolidation
The Company and its wholly-owned Australian controlled entities are part of a tax consolidated group under Australian tax legislation. The Company is the head entity of the tax-consolidated group.

Offshore Banking Unit ("OBU") Legislation
In June 2010, the Australian Taxation Office declared that the consolidated group is an Offshore Banking Unit (OBU) under Australian Taxation Law. This allows the consolidated group to apply a concessional tax rate of 10% to net income it derives from its offshore mandates. The concession was applied from 1 July 2010 and is expected to cease after 30 June 2023.

Critical accounting judgements, estimates and assumptions
Recovery of deferred tax assets: Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Financial Statements

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Note 8. Earnings per share

	2022 $'000	2021 $'000
Profit after income tax attributable to the owners of Platinum Asset Management Limited	**101,493**	163,258

	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	**578,659,423**	579,542,631
Adjustment for deferred rights	**3,626,061**	3,587,674
Weighted average number of ordinary shares used in calculating diluted earnings per share	**582,285,484**	583,130,305

	CENTS	CENTS
Basic earnings per share	**17.54**	28.17
Diluted earnings per share	**17.43**	28.00

ACCOUNTING POLICY

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Platinum Asset Management Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares used to calculate basic (and diluted) earnings per share does not include treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the weighted average number of shares used to determine basic earnings per share to take into account any potential ordinary shares that have a dilutive impact.

Note 9. Depreciable assets

	2022 $'000	2021 $'000
Fixed assets – at cost	**6,109**	6,018
Less: Accumulated depreciation	**(4,006)**	(3,241)
	2,103	2,777
Right-of-use asset – at cost	**10,638**	10,620
Less: Accumulated depreciation	**(5,787)**	(3,853)
	4,851	6,767

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	FIXED ASSETS $'000	RIGHT-OF-USE ASSET $'000
Balance at 1 July 2020	4,007	8,669
Additions	42	24
Depreciation expense	(1,272)	(1,926)
Balance at 30 June 2021	2,777	6,767
Additions	219	18
Disposal	(11)	–
Depreciation expense	(882)	(1,934)
Balance at 30 June 2022	**2,103**	**4,851**

ACCOUNTING POLICY

Fixed assets are stated at historical cost less depreciation. Fixed assets (other than in-house software and applications in the course of construction and development) are depreciated over their estimated useful lives of 2.5 to 8 years using the diminishing balance method.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. A fixed asset is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets are measured at cost comprising the amount of the measurement of the lease liability adjusted for any lease payments made before commencement date. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Notes to the Financial Statements

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Note 10. Financial assets at fair value through profit or loss

	2022 $'000	2021 $'000
Platinum Trust Fund investments	**164**	220
Equity securities held by the seeded investments	**38,151**	44,120
Unlisted shares*	**1,000**	–
Convertible note*	**4,000**	–
	43,315	44,340

* In March 2022, the Group invested $1 million to acquire a 0.25% shareholding in an unlisted entity and also acquired $4 million of convertible notes issued by the same unlisted entity.

ACCOUNTING POLICY

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's process for managing them. The consolidated entity's investments are measured at fair value through profit or loss.

The consolidated entity has applied AASB 13: *Fair Value Measurement* as the basis to value its financial assets at fair value through profit or loss. AASB 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the consolidated entity, the last-sale or "last" price is the most representative price within the bid-ask spread, because it represents the price that the unit last changed hands from seller to buyer.

The fair value includes the impact of the 30 June distribution for the Platinum Trust Funds.

Note 11. Fair value measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the consolidated entity to classify those assets measured at fair value using the following fair value hierarchy model:

(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 liabilities that are not based on observable market data (unobservable inputs) (level 3).

The investments in PAXX, PAI and PWP 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, PWP would be classified as level 2 whilst PAI and PAXX would be classified as level 1. Further details of the fair value of investments in associates is provided in Note 6.

Note 11. Fair value measurement – continued

The following table analyses 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 30 June 2022 and 30 June 2021.

2022	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financial assets				
Equity securities held by wholly owned seed funds	**38,034**	**117**	**–**	**38,151**
Unlisted shares & convertible note	**–**	**–**	**5,000**	**5,000**
Platinum Trust Fund investments	**–**	**164**	**–**	**164**
	38,034	**281**	**5,000**	**43,315**

2021	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financial assets				
Equity securities held by wholly owned seed funds	43,649	211	260	44,120
Platinum Trust Fund investments	–	220	–	220
	43,649	431	260	44,340

Valuation techniques used to classify assets as level 2

The direct investments in the Platinum Trust Funds are valued using their respective Net Asset Values (adjusted for the buy-sell spread) and include the impact of the 30 June distribution. Accordingly, management has assessed the fair value investments as being level 2 investments.

Valuation techniques used to classify assets as level 3

Level 3 financial assets consist of:

- Investment in unlisted equity investment. The investment is initially recognised at fair value, being the consideration given. After initial recognition, the shareholding continues to be measured at fair value based on the recent transaction price between independent parties.
- A convertible note carried at fair value. The best estimate of fair value at 30 June 2022 was determined to be $4,000,000 using the market approach and approximated by the recent transaction price.

Notes to the Financial Statements

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Note 11. Fair value measurement – continued

These assets are valued in accordance with a valuation policy established by PIML. Level 3 assets were 1.5% of net assets at 30 June 2022 (2021: 0.1%). Further details related to the level 3 securities are not disclosed, as the amounts are not material to the Group.

	2022 $'000	2021 $'000
Opening balance	**260**	–
Purchases during the year	**5,000**	260
Transfers to Level 1	**(80)**	–
Gains/(losses) during the year	**(180)**	–
Closing balance	**5,000**	260

Note 12. Trade and other receivables

	2022 $'000	2021 $'000
Management fees receivable	**22,231**	24,892
Performance fees receivable	**4,510**	128
Prepayments	**2,637**	1,902
Distribution receivable	**18**	476
Sundry debtors	**375**	214
	29,771	27,612

Management and performance fees receivable(s) are received between three to 30 days after balance date.

ACCOUNTING POLICY

Trade receivables represent amounts receivable for services that have been delivered. These amounts are initially recognised at fair value. An analysis is performed at each balance date to measure any expected credit loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. No adjustment was required for expected credit losses during the year or prior period.

Distributions are recognised when the consolidated entity becomes entitled to the income.

Note 13. Provisions & employee benefits

	2022 $'000	2021 $'000
Current liabilities		
Annual leave	**2,495**	2,220
Long service leave	**1,665**	1,700
	4,160	3,920
Non-current liabilities		
Long service leave	**846**	718
Provision for payroll tax on Deferred Remuneration Plan	**1,481**	1,311
	2,327	2,029

ACCOUNTING POLICY

Employee benefit liabilities represents accrued annual and long-service leave entitlements and other incentives (including any provision for estimated staff incentive payments and related on-costs), that are recognised in respect of employee services up to balance date and are measured at the amounts expected to be paid when the liabilities are settled and include related on-costs, such as payroll tax.

Note 14. Trade and other payables

	2022 $'000	2021 $'000
Trade payables	**4,254**	3,934
GST payable	**1,836**	2,244
	6,090	6,178

ACCOUNTING POLICY

Payables represent amounts owing at balance date. Trade payables relate to services provided to the consolidated entity at balance date, which are unpaid. Due to their general short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 14 to 30 days of being invoiced.

Notes to the Financial Statements

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Note 15. Leases

PIML has entered into lease agreements for the Sydney and London premises it occupies and pays rent on a monthly basis.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022 $'000	2021 $'000
Balance at 1 July	**7,110**	8,829
Payments	**(2,008)**	(1,916)
Accretion of interest	**152**	197
Balance at 30 June	**5,254**	7,110
Current	**2,005**	1,871
Non-current	**3,249**	5,239

The following amounts are recognised in the statement of profit or loss in respect of leases:

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Rent and other occupancy	**305**	392
Depreciation of right of use asset	**1,934**	1,926
Finance costs on lease liabilities	**152**	197
	2,391	2,515

Future minimum rentals payable under short-term leases are as follows:

	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Within one year	**74**	96

Note 15. Leases – continued

ACCOUNTING POLICY

Assets and liabilities arising from the premises lease are initially measured on a present value basis. Lease liabilities include the net present value of the future lease payments, less any lease incentives receivable. The lease payments used to determine the lease liability were discounted using an estimated incremental borrowing rate of 2.5% at the date of initial application.

The consolidated entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take 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.

The lease payments for short-term leases are be charged to the consolidated statement of profit or loss and other comprehensive income.

Note 16. Reconciliation of profit after income tax to net cash from operating activities

	2022 $'000	2021 $'000
Profit after income tax expense for the year	**101,493**	163,258
Adjustments for:		
Share-based payments expense	**11,908**	6,413
Foreign exchange differences on foreign bank account	**(79)**	728
Distributions and dividends	**(3,695)**	(3,437)
Depreciation of fixed assets	**882**	1,272
Depreciation of right-of-use asset	**1,934**	1,926
Interest income	**(498)**	(541)
(Gain)/loss on investments	**24,094**	(43,929)
Movement in operating assets and liabilities:		
Movement in trade and other receivables	**(2,159)**	6,873
Movement in income tax payable	**(5,903)**	(1,021)
Movement in trade and other payables	**878**	610
Movement in deferred tax assets	**(823)**	215
Movement in deferred tax liabilities	**(5,910)**	7,588
Movement in provisions	**538**	555
Net cash from operating activities	**122,660**	140,510

Notes to the Financial Statements

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Note 17. Share based payments

Deferred Remuneration Plan

In June 2016, a "Deferred Bonus Plan" (now known as a "Deferred Remuneration Plan" or "DRP") was approved by the Nomination & Remuneration Committee of the Company. The main objective of the Deferred Remuneration Plan is to recognise the contributions made by key employees and to retain their skills within the firm.

Vesting is conditional on continuous employment for a period of four years from the date of grant. Upon vesting and exercise of the deferred rights, employees will receive ordinary shares in the Company.

The deferred rights also carry an entitlement to a dividend equivalent payment. Upon the valid exercise of a deferred right, or deemed exercise, of a deferred right, an eligible employee will be entitled to receive an amount approximately equal to the amount of dividends that would have been paid to the eligible employee had they held the share from the grant date to the date that the deferred rights are exercised.

The number of rights granted and the accounting expense for the current and comparative year is shown below. The trust will generally purchase an equivalent number of the Company's shares on market and will hold these shares until the vesting date (four years from each grant) and subsequent exercise.

	NUMBER OF DEFERRED RIGHTS	
	2022	2021
Opening balance	**6,973,139**	7,115,680
Granted during the year	**5,003,258**	1,810,880
Forfeited during the year	**(31,218)**	(1,682,250)
Vested and exercised	**(788,375)**	(271,171)
Closing balance	**11,156,804**	6,973,139
Exercisable at the end of the period	**1,344,191**	734,408

Note 17. Share based payments – continued

Long-Term Remuneration Plan

The Nomination & Remuneration Committee approved the Platinum Partners Long Term Incentive Plan ("Partners Plan") in July 2021. The objective of the Partners Plan is to directly align employees' compensation with shareholder value creation, foster sustainable growth, sound financial, operational and risk management practices, and to retain key talent.

The vesting of the deferred rights is conditional upon the Company meeting minimum Total Shareholder Return ("TSR") performance hurdles as set forth in the table below ("TSR Hurdle"). Each award that is granted, is divided into four tranches, with one quarter of the award being tested against the TSR Hurdle at the end of each year following the award grant date ("Performance Period"), for four years. The start price for the TSR Hurdle calculation will be the VWAP at which PTM shares were traded on the ASX over the seven trading days prior to the first trading day of the relevant Performance Period, and the end price will be the VWAP at which PTM shares were traded on the ASX over the seven trading days up to and including the last trading day of the relevant Performance Period. The number of PTM shares that an employee will be entitled to receive upon exercise of a deferred right within a tranche, will depend on the annualised TSR achieved by the Company during the relevant Performance Period (see table below). If the minimum TSR Hurdle (i.e. 7.5%) for a Performance Period is not met, then that tranche of deferred rights will not meet the vesting condition and will lapse.

AWARD PERFORMANCE PERIOD	PROPORTION OF AWARD THAT IS TESTED AGAINST THE HURDLE	HURDLE
Year 1	25%	1 year TSR
Year 2	25%	2 year annualised TSR
Year 3	25%	3 year annualised TSR
Year 4	25%	4 year annualised TSR

TSR HURDLE (VESTING CONDITION)	ENTITLEMENT TO RESULTING PTM SHARES PER DEFERRED RIGHT
TSR < 7.5%	Nil
TSR between 7.5% and 10% (target)	Between 0.75 and 1 (on a pro-rata straight line basis)
TSR between 10% and 15%	Between 1 and 2 (on a pro-rata straight line basis)
TSR at or above 15%	2

The exercise of deferred rights that have vested (i.e. those deferred rights that have met or exceeded the TSR Hurdle for a Performance Period) is also subject to an eight-year continuous service condition.

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Note 17. Share based payments – continued

Long-Term Remuneration Plan – continued

Eligible employees will have no voting or dividend rights until their deferred rights have been exercised and their shares have been allocated. However, the deferred rights carry an entitlement to an alternative dividend equivalent payment. This entitlement arises once a tranche of an award meets its TSR Hurdle for a Performance Period and continues until the corresponding deferred rights are exercised ("Holding Period"). During the Holding Period, an eligible employee will receive an amount approximately equal to the amount of dividends that would have been paid to the employee had they held the relevant resultant number of shares from the date the TSR Hurdle was met.

One quarter of the June 2021 Partner Plan grant was tested against TSR hurdles for the year ended 30 June 2022 and did not vest.

In the current year, the total fair value of rights arising from the June 2022 allocation awards was $16,093,342 (June 2021 allocation: $27,568,379), which was based on the 11,920,994 rights (2021: 8,229,367) granted. The fair value of rights was estimated at $1.35 (2021: $3.35) based on the share price at grant date of $1.71 (2021:$4.36) adjusted for the fair value of dividends forfeited and graded vesting based on the TSR Hurdle. The fair value was estimated using a Monte Carlo model with expected volatility of 35% (2021: 35%), expected dividend yield of 9.2% (2021: 5.2%) and risk-free rate of 3.4% (2021: 0.01%).

Expenses Arising from Share-Based Payment Transactions (DRP & Partner Plan)

ACCOUNTING EXPENSE	**2022 $'000**	2021 $'000
Deferred rights granted in 2022: Partners Plan	**1,554**	–
Deferred rights granted in 2021: Partners Plan	**2,665**	2,665
Deferred rights granted in 2022: DRP	**1,476**	–
Deferred rights granted in 2021: DRP	**1,408**	1,442
Deferred rights granted in 2020: DRP	**1,343**	925
Deferred rights granted in 2019: DRP	**1,268**	566
Deferred rights granted in 2018: DRP	**2,194**	736
Deferred rights granted in 2017: DRP	**–**	79
Total share-based payments expense	**11,908**	6,413
Associated payroll tax expense	**170**	366
Total	**12,078**	6,779

Note 17. Share based payments – continued

ACCOUNTING POLICY	
	AASB 2: Share-based Payments requires an organisation to recognise an expense for equity provided for services rendered by employees. The amount that is recognised as an expense for share-based payments is derived from the fair value of the equity instruments granted. Deferred incentives to be settled in the Company's shares are considered to be a share-based payments award. The fair value of the equity instruments granted and measured at grant date is recognised over the term of the service period. The accounting expense will commence when there is a "shared understanding" of the terms and conditions of the offer. The service period may commence prior to grant date. In this case, the expense is estimated and trued-up at grant date. The fair value of the rights granted is recognised in the consolidated financial statements as an expense with a corresponding entry to reserves. The fair value is measured at grant date and amortised on a straight-line basis over the vesting period that an employee becomes unconditionally entitled to the share. In measuring the share-based payment expense, an allowance has been made for the risk or probability of forfeiture, which measures the risk of selected eligible employees leaving Platinum and forfeiting their rights. At each balance date, the Company reviews the number of deferred rights granted. Adjustments are made to the share-based payments expense, if the number of deferred rights has changed (e.g. through forfeitures). The impact of any revision to the original estimate will be recognised in the consolidated statement of profit or loss and other comprehensive income with the corresponding entry to reserves. The purchase of shares on-market by the Company through an Employee Share Trust for future allocation to key employees is shown in the consolidated statement of financial position as a debit entry to the "treasury shares" account with the corresponding credit entry to "cash".

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Note 18. Issued capital

	2022 SHARES	2021 SHARES	2022 $'000	2021 $'000
Ordinary shares – fully paid (a)	**586,678,900**	586,678,900	**751,355**	751,355
Treasury shares (b)	**(13,858,865)**	(8,018,094)	**(44,760)**	(36,462)
Total issued capital	**572,820,035**	578,660,806	**706,595**	714,893

(a) *Ordinary shares*: entitles shareholders to participate in dividends as declared and in the event of winding up of the Company, to participate in the proceeds in proportion to the number of and amounts paid on the ordinary shares held. Ordinary shares entitle the shareholder to one vote per share, either in person or by proxy, at a meeting of the Company's shareholders. All ordinary shares issued have no par value. On 13 September 2016, the Company announced an on-market share buy-back program, in which shares will be bought-back if the Company's shares trade at a significant discount to its underlying value. No shares have been bought-back.

(b) *Treasury shares*: are shares that have been purchased by the Employee Share Trust, pursuant to the Deferred Remuneration Plan (Refer to Note 17). Treasury shares are held by the Employee Share Trust for future allocation to employees. Details of the balance of treasury shares at the end of the financial year were given below:

	2022 SHARES	2021 SHARES	2022 $'000	2021 $'000
Opening balance	**8,018,094**	6,687,403	**36,462**	33,357
Shares acquired by the Employee Share Trust	**6,420,446**	1,779,817	**10,934**	7,326
Shares transferred to employees	**(579,675)**	(449,126)	**(2,636)**	(4,221)
Balance at the end of the financial year	**13,858,865**	8,018,094	**44,760**	36,462

ACCOUNTING POLICY

Ordinary shares
Ordinary shares are recognised as the amount paid per ordinary share, net of directly attributable issue costs.

Treasury shares
Where the consolidated entity purchases shares in the Company, the consideration paid is deducted from total shareholders' equity and the shares are treated as treasury shares. Treasury shares are recorded at cost and when restrictions on employee shares are lifted which is dependent on vesting and exercise of the rights, the cost of such shares will be adjusted to the share-based payments reserve.

Note 19. Reserves

	2022 $'000	2021 $'000
Foreign currency translation reserve	**(601)**	(6,334)
Capital reserve	**(588,144)**	(588,144)
Share-based payments reserve	**28,622**	18,644
	(560,123)	(575,834)

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities and associates are recognised in other comprehensive income and accumulated as a separate reserve within equity. The movement in the current year relates primarily to translating the net assets of PWP and the Cayman Funds.

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 PIML 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 PIML. 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.

Share-based payments reserve

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

Notes to the Financial Statements

30 JUNE 2022

Note 19. Reserves – continued

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	SHARE-BASED PAYMENTS $'000	FOREIGN CURRENCY $'000	CAPITAL $'000	TOTAL $'000
Balance at 30 June 2020	16,997	(935)	(588,144)	(572,082)
Exchange rate translation impact	–	(5,399)	–	(5,399)
Movement in share-based payments reserve	1,647	–	–	1,647
Balance at 30 June 2021	18,644	(6,334)	(588,144)	(575,834)
Exchange rate translation impact	–	5,733	–	5,733
Movement in share-based payments reserve	9,978	–	–	9,978
Balance at 30 June 2022	28,622	(601)	(588,144)	(560,123)

Note 20. Dividend made and proposed

Dividends paid

Dividends paid during the financial year were as follows:

	2022 $'000	2021 $'000
Final dividend paid for the 2021 financial year (12 cents per share)	**69,454**	–
Interim dividend paid for the 2022 financial year (10 cents per share)	**57,922**	–
Final dividend paid for the 2020 financial year (11 cents per share)	**–**	63,799
Interim dividend paid for the 2021 financial year (12 cents per share)	**–**	69,538
	127,376	133,337

Note 20. Dividend made and proposed – continued

Dividends not recognised at year-end

Since 30 June 2022, the Directors declared to pay a 2022 final fully-franked dividend of 7 cents per share, payable out of profits for the 12 months to 30 June 2022. The dividend has not been provided for at 30 June 2022, because the dividend was declared after year-end.

Franking credits

	2022 $'000	2021 $'000
Franking credits available at reporting date based on a tax rate of 30%	**66,545**	61,767
Franking credits/(debits) that will arise from the payment/(refund) of the provision for income tax at the reporting date based on a tax rate of 30%	**3,517**	9,029
Franking credits available for subsequent financial years based on a tax rate of 30%	**70,062**	70,796

ACCOUNTING POLICY A provision is made for the amount of any dividend declared by the Directors before or at the end of the financial year but not distributed at balance date.

Note 21. Financial risk management

Financial risk management objectives

The Group's activities expose it to both direct and indirect financial risk, including: market risk, credit risk and liquidity risk. Material direct exposure to financial risk occurs through the impact on profit of movements in funds under management ("FUM") and through its direct investments in:

- PAI and PWP; and
- Equity and other securities held by the seeded investments, being the offshore Cayman Island domiciled funds Platinum Global Opportunities Fund Ltd, Platinum Asia Ex-Japan Opportunities Fund Ltd (the "Cayman Funds"), other seed funds and investments.

Indirect exposure occurs because PIML is the Investment Manager for various investment vehicles, including:

- investment mandates;
- various unit trusts, namely the Platinum Trust Funds, Platinum Global Fund, Platinum International Fund (Quoted Managed Hedge Fund) ("PIXX") and PAXX;
- its ASX-listed investment companies, Platinum Capital Limited ("PMC") and PAI; and
- PWP.

The Group 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 Group.

Notes to the Financial Statements

30 JUNE 2022

Note 21. Financial risk management – continued

Financial risk management objectives – continued

This note mainly discusses the direct exposure to risk of the Group. The Group's risk management procedures focus on managing the potential adverse effects on financial performance caused by volatility of financial markets.

Market risk

The key direct risks associated with the Group are those driven by investment and market volatility and the resulting impact on FUM or a reduction in the growth of FUM. Reduced FUM will directly impact on management fee income and profit because management fee income is calculated as a percentage of FUM. FUM can be directly impacted by a range of factors including:

(i) poor investment performance: absolute negative investment performance will reduce FUM and relative under performance to appropriate market benchmarks could reduce the attractiveness of Platinum's investment products to investors, which would impact on the growth of the business. Poor investment performance could also trigger redemptions from Platinum's investment products and the termination of investment mandate arrangements;

(ii) market volatility: Platinum invests in global markets. It follows that a decline in overseas stock markets, adverse exchange rates and/or interest rate movements will all impact on FUM;

(iii) a reduction in the ability to retain and attract investors: that could be caused by a decline in investment performance, but also a range of other factors, such as the high level of competition in the funds management industry;

(iv) a loss of key personnel; and

(v) investor allocation decisions: investors constantly re-assess and re-allocate their investments on the basis of their own preferences. Investor allocation decisions could operate independently from investment performance, such that funds outflows occur despite positive investment performance.

A decline in investment performance will also directly impact on performance share fees and performance fees earned by the Group. Historically, the amount of performance fees earned by the Group has fluctuated significantly from year to year and has been a material source of fee revenue.

For those funds or investment mandates that pay a performance fee, the fee is calculated either semi-annually or annually and is based on an absolute or relative outperformance.

Performance fees may be earned by the Group, if the investment return of a Platinum Trust Fund, PMC, PAI, PWP or any other applicable investment mandate exceeds their hurdle rates. Should the actual performance of one or more of these entities be higher than the applicable hurdle rate, a performance fee would be receivable. As at 30 June 2022, performance fees of $4,510,365 (2021: $127,517) were receivable.

Note 21. Financial risk management – continued

Market risk – continued

If global equity markets fell 10% over the course of the year and consequently the Group's FUM fell in line with global equity markets, it follows that management fees would fall by 10%. If there was a 10% decrease in the performance of investment funds or mandates over the course of the year that resulted in negative absolute performance for the year, then no performance fee would be earned.

The above analysis assumes a uniform 10% fall across all global equity markets. This is extremely unlikely as there is a large degree of variation and volatility across markets. For example, it is quite feasible for the Chinese market to fall whilst other Asian markets go up.

PIML may employ strategies to manage the impact of adverse market and exchange rate movements on the funds it manages. Market risk may be managed through derivative contracts, including futures, options and swaps. Currency risk may be managed through the use of forward currency contracts.

The section below mainly discusses the direct impact of foreign currency risk, price risk and interest rate risk on the Group's financial instruments held at 30 June 2022.

Foreign currency risk

The Group is exposed to foreign currency risk, because it holds foreign currency cash, as well as securities which are denominated in foreign currencies, either directly or through its direct investments in PWP and PAI, Cayman Funds and other seed funds and receivables/payables dominated in USD.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and HKD exchange rates, with all other variables held constant. The impact on the Group’s profit before tax is due to changes in the fair value of financial assets and liabilities. The Group’s exposure to foreign currency changes for all other currencies is not material.

Notes to the Financial Statements

30 JUNE 2022

Note 21. Financial risk management – continued

Foreign currency risk – continued

FINANCIAL ASSETS AND LIABILITIES	IMPACT ON NET PROFIT BEFORE TAX OF 10% INCREASE/(DECREASE) IN AUSTRALIAN DOLLAR — USD $'000 INCREASE/(DECREASE)		HKD $'000 INCREASE/(DECREASE)	
	30 JUNE 2022	30 JUNE 2021	**30 JUNE 2022**	30 JUNE 2021
Cash and cash equivalents	**(732)/894**	(725)/886	**–**	–
Investments in:				
PAXX	**–**	(237)/289	**–**	–
PWP	**(5,468)/6,683**	(6,029)/7,369	**–**	–
PAI	**–**	–	**(2,931)/3,583**	(3,355)/4,100
Equity securities held by the seeded investments	**(4,197)/5,130**	(4,012)/4,904	**–**	–
Platinum Trust Funds	**(15)/18**	(20)/24	**–**	–
Receivables	**(80)/98**	(40)/49	**–**	–
Payables	**7/(9)**	30/(37)	**–**	–

US Dollar fees

If the Australian Dollar had been 10% higher/lower against the US Dollar than the prevailing exchange rate used to convert the US mandate and PWP fees, with all other variables held constant, then net profit before tax would have been A$721,972 lower/A$882,436 higher (2021: A$752,202 lower/A$846,683 higher).

Price risk

The Group is exposed to indirect price risk through its equity-accounted investments and investments in financial assets at fair value through profit or loss. The impact of price risk is summarised in the table below:

ENTITY	IMPACT ON NET PROFIT BEFORE TAX OF 10% INCREASE/(DECREASE) IN 30 JUNE VALUES — **2022 $'000 INCREASE/(DECREASE)**	2021 $'000 INCREASE/(DECREASE)
PAI	**3,225/(3,225)**	3,869/(3,869)
PWP	**6,015/(6,015)**	6,632/(6,632)
PAXX	**–**	260/(260)
Equity securities held by seeded investments	**4,616/(4,616)**	4,411/(4,411)
Platinum Trust Funds	**16/(16)**	2/(2)
Unlisted shares and convertible notes	**500/(500)**	–

Note 21. Financial risk management – continued

Price risk – continued

Interest rate risk

At 30 June 2022, cash and term deposits are the only significant assets with potential exposure to interest rate risk held by the Group. A movement of +/-1% in Australian interest rates occurring throughout the year ended 30 June 2022 would cause the Group's net profit before tax to be $1,773,253 higher/lower (2021: $1,432,769 higher/lower), based on the impact on its interest-bearing cash balances. An interest rate movement at 30 June 2022 will not impact the profit earned from term deposits, as term deposit interest rates are determined on execution.

Credit risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to the Group (typically "non equity" financial instruments). Credit risk arises from the financial assets of the Group that include: cash and term deposits and trade and other receivables.

The maximum exposure to direct credit risk at balance date is the carrying amount recognised in the consolidated statement of financial position. No assets are past due or impaired.

Any default in the value of a financial instrument held within any of the entities for which PIML is the investment manager, will result in reduced investment performance. There is no direct loss for the Group other than through the ensuing reduction in FUM, as noted above in the section on "market risk".

The credit quality of cash and term deposits held by each entity in the Group, by counterparty, can be assessed by reference to the counterparty's external credit ratings. All term deposits are held with Australian banks that have a credit rating of AA- (2021: AA-) or higher. At 30 June 2022 and 30 June 2021, the relevant credit ratings were as follows:

RATINGS	**2022 $'000**	2021 $'000
AA-	**168,807**	185,342
A+	**7,891**	6,955
A	**625**	856
	177,323	193,153

Notes to the Financial Statements

30 JUNE 2022

Note 21. Financial risk management – continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its liabilities. The Group manages liquidity risk by maintaining sufficient cash reserves to cover its liabilities and receiving management fees to meet operating expenses on a regular basis. Management monitors its cash position on a daily basis and prepares forecasts on a weekly basis.

Remaining contractual maturities

The following table details the Group's remaining contractual maturity for its trade and other payable and lease liabilities. The table has been drawn up based on the undiscounted cash flows of liabilities based on the earliest date on which the liabilities are required to be paid.

2022	AT CALL $'000	WITHIN 30 DAYS $'000	BETWEEN 1 AND 3 MONTHS $'000	OVER 3 MONTHS $'000	TOTAL $'000
Trade and other payables	**–**	**6,090**	**–**	**–**	**6,090**
Lease liabilities	**–**	**173**	**345**	**4,900**	**5,418**
Total	**–**	**6,263**	**345**	**4,900**	**11,508**

2021	AT CALL $'000	WITHIN 30 DAYS $'000	BETWEEN 1 AND 3 MONTHS $'000	OVER 3 MONTHS $'000	TOTAL $'000
Trade and other payables	–	6,178	–	–	6,178
Lease liabilities	–	165	331	6,929	7,425
Total	–	6,343	331	6,929	13,603

Financial liabilities at fair value through profit or loss

The Group had no financial liabilities at fair value through profit or loss at 30 June 2022 or 30 June 2021. The Group does not have a significant direct exposure to liquidity risk.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflects their fair value.

Note 21. Financial risk management – continued

Capital risk management

(i) Capital requirements

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.

(ii) External requirements

PIML is required to hold an Australian Financial Services Licence ("AFSL") issued by the Australian Securities and Investments Commission ("ASIC"). The AFSL authorises PIML to deal in certain financial products, provide general financial product advice in respect of certain financial products and to operate registered managed investment schemes. PIML has complied with all financial conditions of its AFSL during the financial year.

Note 22. Related party transactions

Subsidiaries and associates

Interests in subsidiaries and associates are set out in Note 5 and Note 6.

Key management personnel

Disclosures relating to key management personnel are set out in Note 23 and the Remuneration Report in the Directors' Report.

Tax consolidation and dividend transactions

Platinum Asset Management Limited is the head entity of the Australian consolidated tax group and is also parent entity, and consequently, is the entity that ultimately pays out dividends to shareholders. The amounts paid are disclosed in the consolidated statement of cash flows. Tax payable by the Australian consolidated group and dividends to shareholders are paid using income sourced from the main operating subsidiary, PIML.

Fees received

PIML provides investment management services to:

(i) the Platinum Trust Funds and Platinum Global Fund;

(ii) the Irish domiciled, PWP;

(iii) two ASX-listed investment companies, PMC and PAI;

(iv) two ASX quoted managed funds, PIXX and PAXX; and

(v) the Cayman Funds.

Notes to the Financial Statements

30 JUNE 2022

Note 22. Related party transactions – continued

Tax consolidation and dividend transactions – continued

Fees received – continued

PIML 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, PWP, PMC and PAI. The Group 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 Group. The total related party fees and receivables were as follows:

	2022 $	2021 $
Recognised in the statement of profit or loss and other comprehensive income	**202,632,121**	219,609,966
Receivable in the statement of financial position	**18,440,903**	19,031,105

PIML recognized management fee and performance fee of $5,623,006 (2021: $5,367,007) from PAI. PIML recognized management fee and performance fee of $ 2,844,024 (2021: $2,505,993) from PWP.

Investment transactions

During the year, the subsidiary PIML received a final 2021 fully-franked dividend of $1,800,000 (2021: $900,000) and an interim 2022 fully franked dividend of $750,000 (2021: $1,200,000) from its investment in PAI.

PIML also received the 30 June 2022 distribution of $18,296 from the Platinum Trust Funds (2021: $17,862).

Other related party transactions

Mr Stephen Menzies is PIML's nominated representative on the Board of PWP. PIML reimburses Stephen Menzies for any incidental travel and accommodation associated with attendance at PWP Board meetings in Ireland. During the year, the amount reimbursed was $7,996 (2021: Nil).

PIML incurred a fee of $2,592,825 (2021: $2,537,378) for general marketing and distribution services provided by Platinum UK Asset Management Limited. PIML incurred a fee of $132,836 (2021: $62,755) for general marketing and distribution services provided by Platinum Management Malta Limited.

In the current year, the cash amount transferred to the Platinum Employee Share Trust was $8,460,000 (2021: $4,600,000).

Loan Agreements with related parties

There were no formal loan agreements executed with related parties at the current and previous reporting date, but there are intercompany receivables and payables.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

There are no guarantees entered into by the parent entity in relation to debts of its subsidiaries, no contingent liabilities and no capital commitments.

Note 23. Key management personnel

The aggregate remuneration that the Group provided to Executive and Non-Executive Directors was as follows:

	2022 $'000	2021 $'000
Cash salary, Directors' fees and short-term incentive cash awards	**3,249**	3,887
Accounting expense related to the KMP allocation under the Deferred Remuneration Plan^	**803**	812
Superannuation	**177**	169
Increase in the Group's annual and long service leave provision	**75**	49
	4,304	4,917

^ Andrew Clifford, Elizabeth Norman and Andrew Stannard are the only members of KMP who have received an allocation of rights under the Deferred Remuneration Plan.

The expense attributable to KMP are based on the allocation of deferred rights in the current and prior years is as follows:

	2022 GRANT (UN-VESTED)	2021 GRANT (UN-VESTED)	2020 GRANT (UN-VESTED)	2019 GRANT (UN-VESTED)	2018 GRANT (VESTED)	TOTAL
Number of rights allocated to KMP during each year	295,000	153,462	160,859	108,696	248,346	966,363
Accounting expense attributed to KMP	$87,000	$130,500	$115,200	$109,999	$359,997	$802,696

Notes to the Financial Statements

30 JUNE 2022

Note 23. Key management personnel – continued

Interests of Non-Executive and Executive Directors in shares

The relevant interest in ordinary shares in the Company that each Director held at balance date was:

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
Guy Strapp	22,000	50,000	–	72,000
Stephen Menzies	40,000	–	–	40,000
Anne Loveridge	22,000	28,000	–	50,000
Brigitte Smith	41,666	84,000	(41,666)	84,000
Kerr Neilson[1]	252,074,841	–	(126,037,421)	126,037,420
Philip Moffitt (from 17/12/2021)[2]	–	50,000	–	50,000
Andrew Clifford[3]	32,831,449	–	–	32,831,449
Elizabeth Norman[4]	766,748	–	–	766,748
Andrew Stannard[5]	–	–	–	–
Tim Trumper (until 17/11/2021)[6]	18,900	–	(18,900)	–

1 Decrease due to termination of stability deed affecting shares between Judith Neilson and Kerr Neilson dated 31 March 2016. Termination occurred on 30 September 2021.

2 Appointed during the year.

3 Andrew Clifford also has vested, but unexercised, rights to receive up to 165,563 shares pursuant to awards made under the Company's deferred remuneration plan.

4 Elizabeth Norman also has contingent rights to receive up to 446,540 shares and vested, but unexercised, rights equivalent to 171,227 shares, both pursuant to awards made under the Company's deferred remuneration plan.

5 Andrew Stannard has contingent rights to receive up to 271,479 shares and vested, but unexercised, rights equivalent to 46,387 shares, both pursuant to awards made under the Company's deferred remuneration plan.

6 Resigned during the year.

Note 24. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by the auditor of the Company, Ernst & Young Australia ("EY"), and its overseas network firms as indicated below:

	FIRM	**2022 $**	2021 $
Audit services			
Audit and review of the financial statements and AFSL audit	EY	**176,962**	156,000
Audit of financial statements	Overseas EY	**10,554**	6,325
Total audit, compliance and assurance services		**187,516**	162,325
Taxation services			
Compliance services	EY	**29,500**	50,750
Compliance services	Overseas EY	**1,941**	1,227
Total taxation services		**31,441**	51,977
Other services			
Other services	EY	**–**	7,500
Total other services		**–**	7,500
Total fees paid and payable to the auditors and their related practices		**218,957**	221,802

Notes to the Financial Statements

30 JUNE 2022

Note 25. Parent entity information

Set out below is supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	PARENT	
	2022 $'000	2021 $'000
Profit after income tax	**129,069**	134,936
Total comprehensive income	**129,069**	134,936

Statement of financial position

	PARENT	
	2022 $'000	2021 $'000
Total current assets	**85,895**	126,250
Total assets	**754,524**	756,738
Total current liabilities	**3,315**	9,023
Total liabilities	**3,315**	9,023
Net assets	**751,209**	747,715
Equity		
Issued capital	**706,577**	714,893
Reserves	**43,291**	31,481
Retained profits	**1,341**	1,341
Total equity	**751,209**	747,715

ACCOUNTING POLICY

The accounting policies of the parent entity are consistent with those of the consolidated entity except for the following:

- Investments in subsidiaries are accounted for at cost in the parent entity; and
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 26. Events after the reporting period

Apart from the dividend declared on 24 August 2022, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

30 JUNE 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described under Basis of Preparation to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company and consolidated entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Guy Strapp
Chairperson

Andrew Clifford
Director

24 August 2022
Sydney

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Platinum Asset Management Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

Revenue recognition of management and performance fees

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
The Group's key revenue streams are management and performance fees earned by Platinum Investment Management Limited (PIML), a consolidated subsidiary, through the Investment Management Agreements in place with Platinum Funds and other investment vehicles. For the year ended 30 June 2022, management fees were $246,004,000 and performance fees were $6,665,000. Due to the quantum of these revenue streams and the impact that the variability of market-based returns can have on the recognition and earning of performance fees, this was considered a key audit matter. Disclosures relating to these revenue streams are included in Note 3 to the financial report.	Our procedures included: – Recalculating management fees, on a sample basis, in accordance with contractual arrangements. – Assessing the performance fees recognised for the period to 30 June 2022 from investments vehicles on a sample basis, and evaluating whether they met the relevant revenue recognition criteria. This included assessing the inputs into the calculation model, testing its mathematical accuracy and examining the methodology applied in accordance with contractual arrangements. – Assessing the adequacy of the disclosures in Note 3 to the financial report in accordance with Australian Accounting Standards.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

Accounting for investments in associates

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Investments may be accounted for by consolidation, equity accounting, joint venture or as investments at fair value. The determination of the appropriate accounting depends upon the ability of the Group to exercise control or significant influence. The Group's investments in associates where significant influence was deemed to be present as at 30 June 2022 was $92,394,000. This matter was considered a key audit matter as judgement is required in determining the appropriate accounting, particularly due to the Group's practice of seeding investment products, resulting in ownership percentages changing over time. Disclosures relating to investments in associates are included in Note 6 to the financial report.	Our procedures included: – Evaluating the Group's assessment of control or significant influence for each investment vehicle, and the accounting treatment and presentation thereon. – Performing an assessment of the Group's determination of control or significant influence over the investments with consideration to: • Equity ownership • Representation on the Board of the directors of the investee • Participation and ability for the Group to influence decision making of the investee • Material transactions between the Group and the investee – Obtaining external supporting evidence of the Group's ownership interest in the investees and recalculating the carrying amount by agreeing inputs such as net asset value and percentage of ownership.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

Accounting for investments in associates – continued

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
	– Performing an impairment assessment on the investments in associates. This included an assessment of objective evidence of impairment, in accordance with the Australian Accounting Standards, for associates where the carrying amount exceeded the fair value. – Assessing the adequacy of the disclosures in Note 6 to the financial report in accordance with Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

TO THE MEMBERS OF PLATINUM ASSET MANAGEMENT LIMITED

Building a better working world

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better working world

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 70 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Platinum Asset Management Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

RDaSilva

Rita Da Silva
Partner

24 August 2022
Sydney

Platinum®
ASSET MANAGEMENT