

MANAGER PROFILE

PLATINUM

Background

- > Platinum Asset Management (Platinum) is an Australian-based fund manager which specialises in investing in international equities.
- > Platinum Investment Management Limited was established in 1994 by Kerr Neilson, who was previously an equity manager at BT Funds Management. Mr Neilson became a household name in 1987 when he used put options in his equity fund to protect the downside. Kerr was subsequently offered a job by George Soros but he decided to establish his own asset management firm and Soros became an initial shareholder in Platinum Asset Management, the non-operating holding company of Platinum Investment Management. Several key BT share analysts including Andrew Clifford, Jim Simpson and Toby Harrop joined Platinum at inception.
- > Today Platinum manages a range of regional and industry specific funds as well as its flagship fund, The Platinum International Fund.
- > Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. This is its central endeavour. Platinum will hedge shares, indices and currencies to protect against losses. It focuses on managing money rather than on gathering funds under management.
- > Platinum has around A\$18 billion¹ in funds under management; approximately 12% of these funds come from investors outside Australia.

Investment process

- > Kerr Neilson develops a number of investment themes or opportunities from extensive overseas trips and research.
- > Specific share research candidates are selected via a software screening process which enables the selection of companies based on very specific criteria from a databank of several thousand companies. In setting these screens, Platinum usually focuses on EV/EBITDA multiples, but may also screen according to a hypothesis of social, political, or economic change. Platinum can also delve deeply into cross-comparative valuation studies of other companies
- > Following this, candidates are researched with analysts being required to travel extensively to visit prospective investments, their competitors and suppliers, and if they meet the criteria of the portfolio manager they are added to the portfolio.

International Fund

- > The Platinum International Fund (the Fund) is the flagship fund managed by Kerr Neilson. It aims to provide capital growth over the long term by investing in undervalued and out-of-favour companies around the world. The Fund is not managed relative to an index and may also short sell securities and indices that Platinum considers to be overvalued. The Fund's value is A\$8.6 billion¹.

¹ As at 30 June 2011 (this information is updated quarterly whenever information is available, otherwise the most recent information is used).