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thoughtful investing for private clients

CELEBRATING 21 YEARS in business platinum portfolios

Quarterly Newsletter

Second Quarter 2022

Global Market Commentary

The global markets continued their decline in the second quarter. The S&P 500 decreased by -16.1% for the quarter ending 30 June, the worst quarterly decline since Q1 2020. The year-to-date drop for the S&P 500 was -20.0% at the end of June, which is the worst start to a calendar year since 1962. The S&P also fell into the technical definition of a bear market, a decline of -20% on a closing basis, when the index fell by -23.0% from January 3rd through June 16th. Nearly every asset class finished in the red as a perfect storm of high inflation, slowing global growth, supply chain bottlenecks, sharp increases in interest rates, rising recession risks, and ongoing geopolitical unrest pressured stocks and bonds.

While some of the reasons for the declines were similar to the first quarter, the primary catalyst for the April sell-off was something new: a massive COVID-related lockdown in China. Unlike most of the world, China continues to enforce a "Zero-COVID" policy, whereby small outbreaks are met with extremely intense city and province-wide lockdowns. The result of these lockdowns was a sharp drop in economic activity which not only increased the chances of a global recession but also compounded global supply chain problems. Shanghai, the world's busiest port, operated far below capacity during the lockdowns.

The increase in inflation is driven primarily by supply chain bottlenecks, surging energy prices, and strong consumer demand. As inflation readings have continued to rise, the Fed is tightening monetary policy in response. The latest FOMC (federal open market committee) projections show inflation ending the year at +4.3% before falling to +2.7% in 2023 and +2.3% in 2024. The Fed has now firmly admitted that inflation is a problem and that they will tighten monetary policy in an attempt to bring it under control. The Fed will tighten monetary policy and overall financial conditions by continuing to raise interest rates and shrinking the size of their balance sheet. Going forward, our sense is that the Fed will try to quickly raise rates to about 3%. The open question is whether the economy is headed for a slowdown/mild recession or a more severe contraction. Right now, we see a slowdown/mild recession as the most probable outcome. However, the longer inflation stays elevated, the more likely it becomes that the Fed will have to overtighten monetary policy and potentially cause a significant recession to finally bring it down.

While the volatility and market declines of the first six months of 2022 have been unsettling and painful, the S&P 500 now sits at much more historically attractive valuation levels. And at current prices, a lot of negativities have been priced into the market, opening up opportunities for us to start investing in our quality companies at attractive valuations.

We understand the risks facing both the markets and the economy, and we are committed to helping our investors effectively navigate this challenging investment environment. Successful investing is a marathon, not a sprint. As always, we will remain patient and stick to our long-term strategy.

As Warren Buffett once famously quipped: "*You only find out who is swimming naked when the tide goes out*." What the Oracle of Omaha meant is that you don't really know or appreciate the risks that companies are taking until they are tested by adverse conditions. Everyone looks like a genius in a bull market. The post-Covid meme stocks, SPAC boom, and crypto run-up are now distant memories. As the tide goes out, we are fully clothed and positioned for a recovery.

Patience is a key element of success.

Bill Gates

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- Platinum's Insights
- Report back on our funds
- Fund in focus: Platinum BCI Worldwide Flexible fund

A table worth considering: Historically, recessions have much shorter periods that bull markets.

We can't say for sure that we have reached the market bottom for this period, however, in our opinion a decline of this magnitude creates opportunities for long-term investors. Unless your view is that this is the start of another Great Depression or Financial Crisis, a lot of the damage in the equity market may have already occurred at the recent low. While the market may have another leg lower, we suspect that over time we will look back on this period as another strong buying opportunity during a difficult economic environment.

United States Recessions			S&P 500 Performance						
Economic Growth Peak	Economic Growth Trough	Peak to Trough (Months)	S&P 500 Peak	S&P 500 Tough	Peak to Trough (Months)	Peak to Tough Decline	1-Year Post Trough	3-Year Post Trough	5-Year Post Trough
August 1929	March 1933	44	September 1929	June 1932	33	-86.2%	121.4%	117.7%	287.9%
May 1937	June 1938	13	March 1937	March 1938	13	-51.3%	34.8%	36.3%	82.8%
February 1945	October 1945	8	January 1945	January 1945	0	-3.5%	42.7%	24.9%	74.6%
November 1948	October 1949	11	June 1948	June 1949	12	-15.5%	59.9%	132.8%	206.8%
July 1953	May 1954	10	January 1953	September 1953	8	-12.4%	45.6%	137.3%	165.0%
August 1957	April 1958	8	July 1957	October 1957	3	-19.8%	36.2%	52.0%	68.9%
April 1960	February 1961	10	January 1960	October 1960	10	-11.1%	34.8%	55.9%	106.0%
December 1969	November 1970	11	May 1969	May 1970	13	-32.2%	48.9%	71.3%	56.1%
November 1973	March 1975	16	January 1973	October 1974	21	-44.8%	44.4%	76.4%	122.9%
January 1980	July 1980	6	February 1980	March 1980	1	-16.7%	44.4%	82.5%	133.5%
July 1981	November 1982	16	January 1981	August 1982	19	-19.1%	66.1%	111.0%	300.3%
July 1990	March 1991	8	July 1990	October 1990	3	-19.2%	33.5%	70.8%	126.4%
March 2001	November 2001	8	January 2001	September 2001	8	-29.1%	-11.1%	22.2%	49.7%
December 2007	June 2009	18	October 2007	March 2009	17	-55.2%	72.3%	115.0%	208.8%
February 2020	April 2020	2	February 2020	March 2020	1	-33.8%	77.8%		
Average (15)		13			11	-30.0%	50.1%	79.0%	142.1%
Median (15)		10			10	-19.8%	44.4%	73.8%	124.7%
Average (14. Ex. Great Depression)		11			9	-26.0%	45.0%	76.0%	130.9%
Median (14. Ex Great Depression)		10			9	-19.5%	44.4%	71.3%	122.9%

Source: National Bureau of Economic Research and Bloomberg.

Local Market Commentary

We're halfway through the year, but markets are beginning to fear we're not even halfway through the bad news 2022 has in store. The first six months were full of surprises: Inflation, the biggest selloff in bonds in four decades, a plunge in tech stocks rarely matched in history, and the implosion of crypto. The looming risk that investors ignored for months is a recession. In South Africa, commodity stocks sold off and growth prospects suffered a huge blow by blackouts during the second quarter.

The South African economy did manage to expand 1.9% (quarter-on-quarter) in the first quarter of 2022 due to the removal of lockdown restrictions. However, South Africans are now dealing with rolling blackouts as Eskom struggles to maintain generation capacity. Small business owners have openly expressed fear that they may have to close shop as they continue to lose revenue. This, coupled with severe flooding in parts of the country, caused manufacturing production to fall by 7.8% y/y in April.

Local inflation data showed a jump to 6.5% y/y in May, up from 5.9% the month before and marking the highest reading in over five years. The jump is due to rising prices for transport and food and non-alcoholic beverages. With CPI officially breaking through the upper limit of the South African Reserve Bank's 3%-6% target range, the Reserve Bank will likely need to hike rates more aggressively going forward.

The 75-basis-point hike by the US Federal Reserve and the safe-haven status of the US dollar has lifted demand for the greenback. This, coupled with the ongoing load shedding, caused the rand to lose 11.4% against the dollar in the quarter.

South African equities followed global peers lower with the JSE All Share Index, losing 12.3% in the quarter. There were no sectors to end in the green; Industrials were the "best" performer down 3.4%, whereas the resource and financial sectors both lost 17.1% and 20.9% respectively. South African listed property fell for the third month after losing 13.9%.

We remain hopeful that the recession will be mild, but the economic data is going the wrong way, and higher interest rates and petrol price increases haven't even begun to bite ordinary households yet. It's our view that the dangers are big, and the markets are still not fully prepared.

We have been indicating our caution on market valuations over the last two years in our commentaries. As investment managers, we must be extremely patient and very decisive when companies we want to buy are cheap. We have been patient for years now, it's our view that opportunities are coming, and we will start buying. The most money has been made for us, and for our clients, in the winter months.

Behavior and introspection

At Platinum Portfolios we like to analyse our stock selection carefully, as we have been doing for 22 years. But we go beyond simply analysing stock – we also like to analyse ourselves, taking into account our own behavioural biases, as we see a clear link between psychology and investment decisions. Our goal with this is to improve our decision-making and our processes, thus ultimately improving our investment performance.

We're not the only fund managers following this approach. Stamford Associates, the investment consultancy used by many wealth managers, hired Adrian Furnham, former professor of psychology at University College London, to apply his knowledge when choosing and monitoring asset managers. He attends meetings with fund managers, watching how they react and how they answer questions. He also speaks to people who know the managers, such as their analysts, to try to understand their make-up. "*There are several personal characteristics that seem to predict behaviour and performance over time,*" he says. These include a fund manager's focus on detail, intellectual curiosity, ability to carry out granular analysis and relationships with peers and subordinates.

Others too are examining the links between investors' performance and their background and behaviour. Oleg Chuprinin, a lecturer at the School of Banking and Finance at the University of New South Wales, says: "*The best fund manager is someone who chooses investments well and picks the right stocks at the right time. How do you become a good manager and what other factors make you a good manager? Psychology is one of those factors*."

Greg Davies, head of behavioural finance at investor risk-profiling company Oxford Risk, also looks at how fund managers deal with emotions. "*You don't want to eliminate emotions. If people have to make decisions, they need some emotional attachment to the future. But you want people making decisions that are not driven by knee-jerk emotional reactions*," he says. Colin McLean, founder and CEO of the Edinburgh-based independent fund management group SVM Asset Management concurs: "*There is a tendency in even professional managers to sell the winning stocks very quickly and hold on to the losing stocks. The logic being maybe something will change*."

He cautions that fund managers must be careful not to be swayed by the compelling stories told by company executives. "*There is a tendency to believe that shorter-term fixes really are going to fix everything. We tend to clutch at straws when we see companies faced with major strategy challenges*," he says. McLean believes that resilience is one of the most important traits for a fund manager.

Stephen Peters, a fund analyst at Barclays Wealth and Investment Management, says his team considers behavioural and psychological issues such as pay – "*which definitely drives motivation, both good and bad*" – when analysing fund managers. They also consider biases, mistakes and how fund managers learn from them, as well as how decisions are made and tested within the team.

We at Platinum Portfolios understand all too well that our emotions affect our decision-making. We are also aware of the behavioural triggers and biases that can affect our decision-making. It is our view that admitting this will improve the outcomes for our investors.

We are very critical of ourselves and freely admit that we make mistakes. But apologising for a mistake is only really effective if it is done timeously and sincerely. We don't want to be like the 16th century Italian artist Caravaggio, who never lived to reap the benefits of his papal pardon. This is his story:

Caravaggio was known for his intensely realistic large-scale religious works and his extreme use of contrasts between light and dark, known as chiaroscuro. Although he was a hugely prolific and talented artist, he was also a troubled soul. His personal life was characterised by violence, drastic mood swings and a love for drinking and gambling. In 1606 he killed a man and was forced to flee Rome with a price on his head. He sought refuge in a host of other locations: Naples, Malta and Sicily, where he received high acclaim for his work.

But in order to avoid punishment for murder, Caravaggio's only salvation could come from the Pope, who had the power to pardon him. *David with the Head of Goliath* was most likely a gift from the painter sent in hope of a papal pardon. The painting showed the artist's own head on Salome's platter as St John the Baptist. After learning that one of his prominent patrons had secured a papal pardon for him, Caravaggio tried to return to Rome, but died on route. So much for his attempted apology.

We at Platinum Portfolios also make mistakes and yes, it's frustrating. But investing is difficult and we can't guarantee perfect results. However, hopefully we learn from our mistakes and survive to trade the next day – unlike the unfortunate Caravaggio!

The Platinum BCI Worldwide Flexible Fund

The Fund's equity allocation remained underweight during the second quarter of the year. During the quarter, we added to Williams Sonoma and started buying Texas Instruments. We are starting to find the valuations of some of the great companies we have been watching for some time move into more attractive territory.

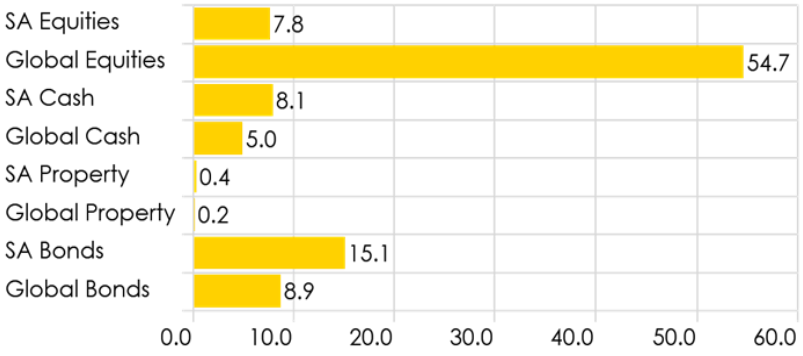
The fund had a very good quarter and was down just -0.21% compared to the JSE All Share index which was down -12.28% for the quarter. This strong relative outperformance puts the fund in the top quartile of its sector for all periods including over ten years. The fund's protection of the downside in difficult markets has proven that "winning by not losing" enhances relative performance and gives our private clients comfort. We have been bearish on the Rand for a while now, and the weak commodity prices and strong greenback provided stability to the fund's performance during the quarter as the Rand weakened.

Most of the companies in the fund were negative during the quarter. However, Amgen, Unilever, BAT and PepsiCo ended in positive territory for the quarter. We continue to hold South African enhanced income funds, and to take advantage of South Africa's real yields we bought the Stanlib Bond Fund within the Fund. This has increased the duration of the overall fixed income exposure. We feel that the increase in yield will add to the fund's performance over the next eighteen months.

It's our view that the earnings season during the next quarter will give us answers to questions regarding Inflation and margin pressure due to the current economic environment. We believe that the market will continue to be volatile, and this should provide us with buying opportunities.

The current equity exposure in the fund is 63% and we aim to increase this exposure when the market gives us a chance. Our view is that the fund's performance for the next few years will be determined by the decisions we make during the next 3-6 months.

Platinum BCI Worldwide Flexible Asset allocation



Top Holdings

Dodge & Cox Worldwide Global Stk Usd Acc	7.25
Coronation Global Strategic Usd Inc P	7.04
SIM Active Income B5	6.96
Prescient Income Provider B6	6.93
Coronation Strategic Income P	6.48
Microsoft Corp	4.81
Apple Inc	3.08
AmerisourceBergen Corp	3.06
Yum China Holdings Inc Ordinary Shares	2.92
Cisco Systems Inc	2.85

Trailing Returns

As of Date: 2022/06/30

	Last Q	1 Yr	3 Yrs	5 Yrs	10 Yrs
Platinum BCI Worldwide Flexible A	-0.21	6.64	9.07	9.69	13.45
SA CPI +5%	3.53	11.83	9.79	9.73	10.34
(ASISA) Wwide MA Flexible	-4.77	-3.40	6.26	6.18	9.92

Source: Morningstar Direct

Note: Quarterly performance since inception: Highest 13.07% Lowest –6.68%. Annualised return is weighted average compound growth rate over the period measured. Actual annual figures are available to the investor on request. Source Morningstar as at 30 June 2022.

The Platinum BCI Balanced Fund of Funds and Platinum BCI Income Provider Fund of Funds

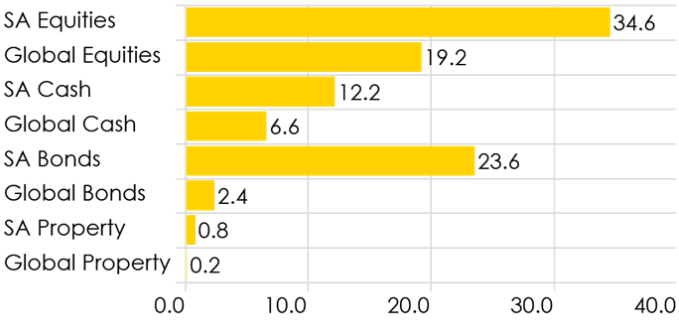
The regulator announced that regulation 28 compliant portfolios are now permitted an aggregate exposure to foreign assets up to a maximum of 45%. Therefore, the previous prudential limits of 30% offshore ex-Africa and 40% in total, including the African allowance of 10%, have now been combined into a single limit of 45%. We will look at maximising our portfolios' offshore exposure over time, by buying assets at the right prices. Our decisions will be determined by looking at the basics, such as the performance of the South African economy, the lack of growth, increasing unemployment and high inflation. This change will give us opportunities to diversify the portfolios further.

Both funds asset allocation remained conservative during the 2nd quarter. We reduced our exposure to the Investec Opportunity Fund and bought the Stanlib Bond Fund to enhance the funds' yields. We maintained our overweight exposure to S.A. enhanced yield and dollar assets during the quarter. The three flexible equity managers delivered a combined positive return during the quarter. Our strategy was to choose these managers for volatile markets. Their flexible mandates and skill enabled the managers to reduce downside risk and as a combination came off substantially less than the overall market.

The local enhanced income managers all performed well. The Dodge and Cox Global Bond fund stabilised during the quarter. We continue to monitor the duration and the yield of these funds. Looking forward, financial markets remain nervous given the inflation and economic risks combined with the ongoing geopolitical tensions. Despite this, South African bonds continue to offer some of the highest real yields in the world and are providing investors with very attractive returns.

Both funds produced top quartile performances for the quarter. The Balanced fund was down -2.59% and the Income fund -0.94%. The overall allocation to equities in both funds is still underweight. We are delighted with both funds' performance, both year to date and over the last ten years. We believe that both funds are well-positioned to navigate the current volatile investment environment whilst providing real returns over time to our clients.

Platinum BCI Balanced FoF -Asset Allocation



Balanced FoF -Top Holdings	
Platinum Global Managed USD Acc	20.26
Fairtree Equity Prescient A2	9.67
Centaur BCI Flexible C	8.95
36ONE BCI Equity D	7.65
Truffle SCI General Equity C	7.31
Prescient Income Provider B6	7.02
SIM SA Active Income B5	7.00
STANLIB Bond B3	6.87
Coronation Strategic Income P	6.70
Bateleur Flexible Prescient B1	5.95
Ninety One Value E	4.75
Ninety One Opportunity E	3.14

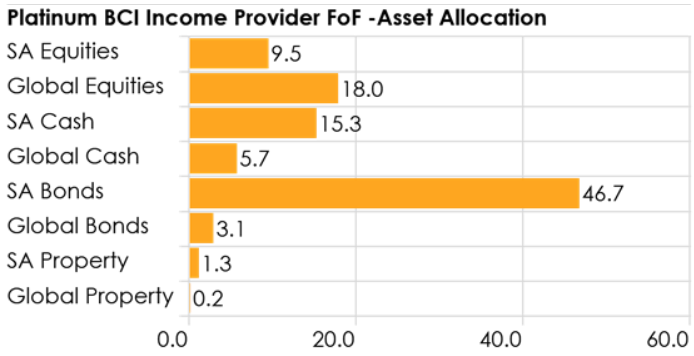
Trailing Returns

As of Date: 2022/06/30

	Last Q	1 Yr	3 Yrs	5 Yrs	10 Yrs
Platinum BCI Balanced FoF A	-2.59	3.85	7.49	7.01	9.09
SA CPI +4%	3.29	10.77	8.74	8.69	9.29
(ASISA) South African MA Medium Equity	-4.32	3.03	6.22	5.98	7.62

Source: Morningstar Direct

Platinum BCI Income Provider FoF -Asset Allocation



Income Provider Fof -Top Holdings	
Platinum Global Managed USD Acc	17.85
Prescient Income Provider B6	14.78
SIM SA Active Income B5	14.75
Coronation Strategic Income P	14.71
STANLIB Bond B3	13.91
Platinum BCI Worldwide Flexible B	6.24
Centaur BCI Flexible C	4.84
Bateleur Flexible Prescient B1	4.35
36ONE BCI Equity D	4.02
Ninety One Opportunity G	2.05

Trailing Returns

As of Date: 2022/06/30

	Last Q	1 Yrs	3 Yrs	5 Yrs	10 YrS
Platinum BCI Income Provider FoF A	-0.94	3.55	5.68	6.14	7.54
SA CPI +2%	2.79	8.64	6.65	6.60	7.18
(ASISA) South African MA Low Equity	-2.75	3.20	5.70	5.90	7.19

Note: Quarterly performance since inception: Platinum BCI Balanced fund: Highest 8.62% Lowest –3.90%. Platinum BCI Income Provider fund: Highest 5.28% Lowest –1.84%. Annualised return is weighted average compound growth rate over the period measured. Actual annual figures are available to the investor on request. Source Morningstar as at 30 June 2022.

The Platinum Global Managed Fund USD

The global economy's uncertainties continued during the second quarter, and stocks were under downward pressure, pushing them into recession territory. The MSCI World Index USD was down -16.6% for the quarter and against this backdrop, our fund held up surprisingly well and was down -6.30% for the quarter. So far this year our companies' earnings results and expectations have remained surprisingly good. It is during this type of market volatility and uncertainty that our investors benefit from investing in a portfolio of quality companies.

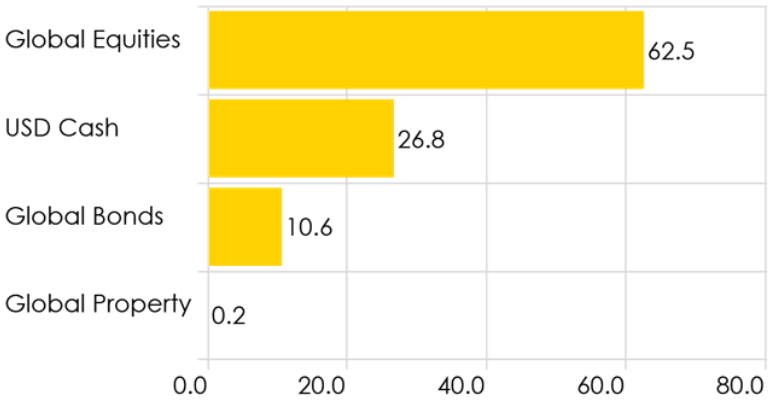
The decline in the market has resulted in the valuations of some of our companies becoming attractive, and we have taken the opportunity to add two new investments to the fund during the quarter. We invested in Texas Instruments and towards the end of June we invested in Qualcomm.

Texas Instruments and Qualcomm are companies that broaden our exposure to the world's unstoppable shift to EV, AI, IoT and automation technologies. Texas instruments focus on the analogue segment of the chip market. These devices are used in technologies such as our existing cars, and especially in future technologies such as EVs and industrial robots. Qualcomm generates over 60% of their earnings from the smartphone market and focuses heavily on the premium chips sold in Apple, Samsung and other smartphones.

Looking forward, we are focusing on analysing the Q2 company results during July and August as we feel that this is the best way to understand how inflation, supply chain issues and rising interest rates are affecting our companies. For those that have been following our commentary, you will know that we entered this period of market volatility with a conservative allocation to equities. This was mainly because valuations had become too expensive for us to invest for some time.

As valuations fall and become attractive, we will continue to be ready to invest in great companies when their valuations give us a margin of safety. We will be patient and we know that the positioning of our portfolio during these winter months will determine the performance in the future.

Asset allocation



Top Holdings

Dodge & Cox Worldwide Global Bd Usd Acc	8.38
Coronation Global Strategic USD Inc P	6.66
Microsoft Corp	5.24
Williams-Sonoma Inc	3.32
Cisco Systems Inc	3.18
Apple Inc	3.07
AbbVie Inc	3.05
Comcast Corp Class A	3.01
Medtronic PLC	2.90
Yum China Holdings Inc Ordinary Shares	2.77

Trailing Returns

As of Date: 2022/06/30

	Last Q	1 Yr	3 Yrs	5 Yrs	7 Yrs
Platinum Global Managed USD Acc	-6.30	-4.10	5.25	6.37	6.25
EAA Fund USD Aggressive Allocation	-11.40	-13.48	3.04	3.53	3.39

Source: Morningstar Direct

Note: Quarterly performance since inception: Highest: 16.11% Lowest: -8.98%. Annualised return is weighted average compound growth rate over the period measured. All performance figures quoted are sourced from Morningstar. Period ending 30 June 2022. Actual annual figures are available to the investor on request.

Where to invest during a volatile stock market

- A look at the Platinum BCI Worldwide flexible Fund

In this extremely volatile market, many investors are questioning whether they still want to remain invested in equities.

As is common in equity selection, investing mistakes are often made in the good times when the market is running up. We've seen euphoric investors get caught by paying prices for assets that result in poor returns. In our experience, even overpaying for great businesses will result in poor future returns.

Falling prices

When stock prices fall, as they are doing now, as fund managers we find ourselves in a position where there are more opportunities to acquire great businesses at realistic prices. We have waited patiently for these opportunities, that do not come along often. Our immediate course of action is to buckle down and do the research which will allow us to participate in the opportunities that the market is giving us.

The importance of our investment process

At Platinum Portfolios, our investment process has been tried and tested over many market cycles in our 22 year history. Thanks to this, despite a lot of noise that some may find distracting - we do what we've always done, and that is to focus on the companies that present the most value for our investors.

Why quality is important

There are many reasons why the profit of any business is impacted, including the current geopolitical events, high interest rates, supply chain disruptions and inflation. However, we know that in the long run, prices will follow the earning power of a business. We invest in quality companies with economic moats, these companies have competitive advantages that protect them against competition and allows them the flexibility to pass on price increases to customers more easily and hence protecting their profits in an inflationary environment.

Exposure to dollar-denominated assets

One of the drivers of performance of the Platinum BCI Worldwide Flexible fund is the Rand. The fund is ZAR denominated and any Rand strength or weakness impacts returns. We have a large exposure to USD denominated assets in the fund and the reason for this is twofold. Firstly, we can find better quality companies with strong earnings streams and growth potential outside of SA, and secondly, we believe that the odds favour the ZAR depreciating over time.

Offering security and stability to investors

At a time like this, we believe that our portfolio of high-quality companies in the fund will provide security and stability to investors. By purchasing all the holdings at below our fair value price will also protect returns during volatile times.

Platinum Portfolios (Pty) Ltd is an authorised Financial Services Provider FSP 641

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DISCLAIMERS

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The Platinum Global Managed Fund (the "Fund") is a cell of The Offshore Mutual Fund PCC Limited (the "Scheme") (Registration Number 51900). The Scheme is an open-ended investment company, which was registered with limited liability in Guernsey on 20 May 2010, and is authorised by the Guernsey Financial Services Commission ("GFSC") as a Class B Collective Investment Scheme. The Scheme is an umbrella company constituted as a Protected Cell Company under the Companies Law. The provisions of the Companies Law enable a company to which it applies to create one or more cells for the purpose of segregating and protecting the assets within those cells so that, on the basis that the company complies with the conditions laid down by the Companies Law, liabilities of the company attributable to one cell can only be satisfied out of the assets of that cell and even if those assets are insufficient, recourse cannot be had to the assets of any other cell. The Fund was approved by the Financial Sector Conduct Authority in terms of Section 65 of the Collective Investment Schemes Control Act, 2002 (the "Act"), Notice 2076 of 2003 as amended by notice 1502 of 2005 ("the conditions") on 18 February 2013.

Guernsey International Management Company Limited is the registered Manager of the Scheme together with the Fund, and is approved to provide investment management services to collective investment schemes in Guernsey by the GFSC. Platinum Portfolios Global (the "Investment Advisor") (Company No: 151696 C1/GBL) a Mauritian authorised discretionary financial services provider (FSC Licence No. C117022522 Code FS-4.1) is responsible for managing the assets of the Fund. Investments into the Fund should be a medium- to long-term investment. The value of the shares may go down as well as up and past performance is not necessarily an indication of future performance. Short-term borrowing will be allowed to the amount of 10% of the value of the Fund and will only be permitted for purposes of the redemption of Participating Shares. The Fund may enter into hedging transactions where it has acquired investments not denominated in its base currency. Currency risk may be hedged, at the discretion of the Investment Advisor. The margins and premiums payable for such transactions shall not exceed the Net Asset Value of the Fund. A schedule of fees and charges and maximum commissions is available on request from the Investment Advisor. The cell is valued weekly at 23h00, on the business day preceding dealing day. The latest prices may be viewed at www.platinumportfolios.com. Instructions must reach the Manager before close of business 2 days before dealing. The Manager does not provide any guarantee, either with respect to the capital or the return of this cell. Additional information on the Fund can be obtained, free of charge from the Investment Advisor (www.platinumportfolios.com) or may be requested from the Manager. The Fund complies and is managed within the investment restrictions and guidelines for Foreign Collective Investment Schemes in terms of the Act. The Scheme and Fund are approved in terms of the Act The Scheme is an affiliate member of the Association for Savings and Investment South Africa ("ASISA"). The Total Expense Ratio (TER) is disclosed as the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER is calculated quarterly. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment or income and withholding tax. Annualised returns, also known as Compound Annualised Growth Rates, are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Investment Advisor on request. Performance figures quoted are from Morningstar, for a lump sum investment, using NAV-NAV prices with income distributions reinvested. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing in the Fund.