

**Facts**

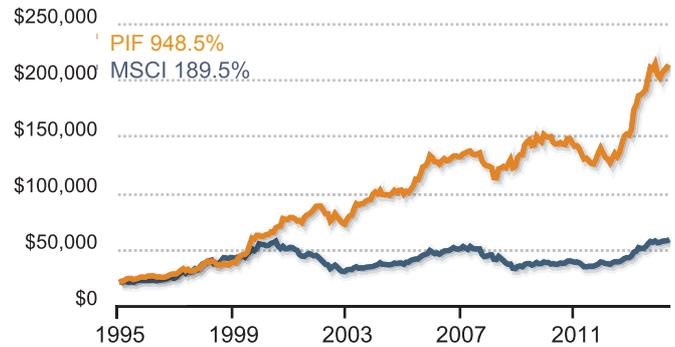
|                                |                               |
|--------------------------------|-------------------------------|
| Portfolio value                | \$9.8 bn                      |
| Fund commenced                 | 30 April 1995                 |
| Minimum investment             | A\$20,000 or NZ\$25,000       |
| Regular Investment Plan (min.) | A\$200 or NZ\$250 per mth/qtr |
| Income distribution date       | Annual, 30 June               |
| Unit valuation                 | Sydney Business Day           |
| Unit prices                    | App - 1.9567    Red - 1.9469  |

**Performance<sup>1</sup>**

|                               | FUND % | MSCI % |
|-------------------------------|--------|--------|
| 1 month                       | (0.68) | 1.60   |
| 3 months                      | 1.83   | 2.36   |
| 6 months                      | (1.83) | 1.92   |
| Calendar year to date         | (0.48) | 2.55   |
| 1 year                        | 12.40  | 15.21  |
| 2 years (compound pa)         | 26.82  | 24.25  |
| 3 years (compound pa)         | 17.44  | 19.33  |
| 5 years (compound pa)         | 7.68   | 9.50   |
| 7 years (compound pa)         | 6.32   | 1.61   |
| 10 years (compound pa)        | 7.92   | 4.86   |
| Since inception (compound pa) | 12.92  | 5.65   |

**Fees**

|                                                            |                                                                        |
|------------------------------------------------------------|------------------------------------------------------------------------|
| Entry fee                                                  | Nil                                                                    |
| Exit fee                                                   | Nil                                                                    |
| Management Expense Ratio/<br>Indirect Cost Ratio (MER/ICR) | 1.54% per annum<br>(inclusive of investment<br>& administration costs) |
| Brokerage paid                                             | Nil                                                                    |
| Buy/sell spread                                            | 0.5% total                                                             |

**Performance graph<sup>2</sup>**


Source: Factset and Platinum

**Invested positions<sup>3</sup>**

|                          | LONG %       | NET %        | CURRENCY %   |
|--------------------------|--------------|--------------|--------------|
| Australia                | 1.3          | 1.3          | 3.2          |
| Austria                  | 0.1          | 0.1          |              |
| Brazil                   | 0.6          | 0.6          | 0.6          |
| Canada                   | 2.5          | 2.5          | 2.7          |
| China                    | 2.5          | 2.5          | 1.7          |
| China Ex PRC             | 10.8         | 10.8         |              |
| Hong Kong                | 0.4          | 0.3          | 6.5          |
| Denmark                  | 0.2          | 0.2          | 0.2          |
| Finland                  | 0.6          | 0.6          |              |
| France                   | 5.2          | 5.2          |              |
| Germany                  | 3.3          | 3.3          |              |
| India                    | 3.9          | 3.9          | 4.1          |
| Indonesia                | 0.1          | 0.1          | 0.1          |
| Italy                    | 2.6          | 2.6          |              |
| Japan                    | 13.4         | 13.2         | 1.7          |
| Korea                    | 7.0          | 7.0          | 7.1          |
| Malaysia                 | 1.0          | 1.0          | 2.3          |
| Netherlands              | 0.2          | 0.2          |              |
| Norway                   | 0.6          | 0.6          | 1.1          |
| Russia                   | 2.4          | 2.4          |              |
| Singapore                | 0.3          | 0.3          | 0.6          |
| South Africa             | 0.1          | 0.1          |              |
| Sweden                   | 2.4          | 2.1          | 2.5          |
| Switzerland              | 2.1          | 2.1          | 1.9          |
| Thailand                 | 0.6          | 0.6          | 0.7          |
| United Kingdom           | 4.6          | 4.2          | 3.0          |
| United States            | 23.6         | 12.5         | 45.8         |
|                          | 92.2         | 80.1         |              |
| China Renminbi Off Shore |              |              | (3.5)        |
| Euro Currency            |              |              | 17.7         |
| Cash & Accruals          | 7.8          | 19.9         |              |
| <b>Total</b>             | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Long - 193 stocks, 7 swaps, 1 option    Short - 7 stocks, 5 indices

**Top ten positions<sup>4</sup>**

| STOCK                      | COUNTRY | INDUSTRY           | %   |
|----------------------------|---------|--------------------|-----|
| Intel Corp                 | USA     | Info Technology    | 2.7 |
| Ericsson LM-B              | Sweden  | Info Technology    | 2.4 |
| Samsung Electronics Co Ltd | Korea   | Info Technology    | 2.4 |
| AstraZeneca PLC            | UK      | Health Care        | 2.3 |
| Alcoa Inc                  | USA     | Materials          | 2.2 |
| KB Financial Grp           | Korea   | Financials         | 2.1 |
| eBay Inc                   | USA     | Info Technology    | 2.0 |
| Toyota Industries Corp     | Japan   | Cons Discretionary | 2.0 |
| Intesa Sanpaolo SpA        | Italy   | Financials         | 2.0 |
| Nippon Tel and Tel CP      | Japan   | Telecom Services   | 1.9 |

**Industry breakdown<sup>3</sup>**

| SECTOR             | LONG % | NET % |
|--------------------|--------|-------|
| Info Technology    | 25.3   | 24.6  |
| Financials         | 13.9   | 13.9  |
| Cons Discretionary | 12.1   | 9.6   |
| Materials          | 11.3   | 11.3  |
| Industrials        | 8.8    | 8.0   |
| Health Care        | 8.8    | 8.8   |
| Energy             | 4.5    | 4.4   |
| Consumer Staples   | 3.9    | 3.9   |
| Telecom Services   | 2.9    | 2.9   |
| Utilities          | 0.8    | 0.8   |
| Other*             | 0.0    | (8.1) |

\* Includes index short positions

1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Fund and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives.

The "Currency %" represents the currency exposure for the Fund's Portfolio, taking into account currency hedging.

4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

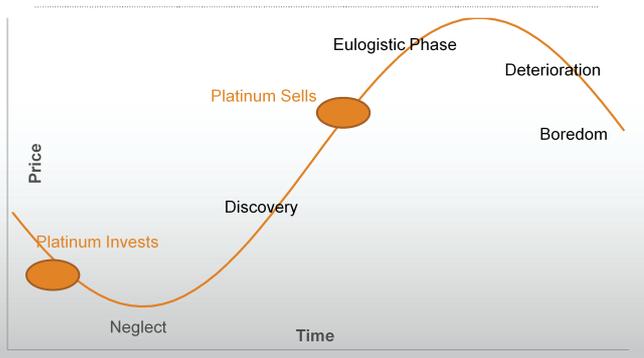
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Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. You should refer to the PDS when deciding to acquire, or continue to hold, units in the Fund.

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# Platinum International Fund

## Platinum's approach



Source: Platinum

## Investment themes

- E-commerce, data, mobility
- Financial sector repair
- Emerging Consumer including Pharmaceuticals
- US capital spending

### ASIA's REFORM

- China rebalancing
- Indian infrastructure
- Japan and Korea's corporate rejuvenation
- Selected metals – ie Nickel, Aluminium

Source: Platinum

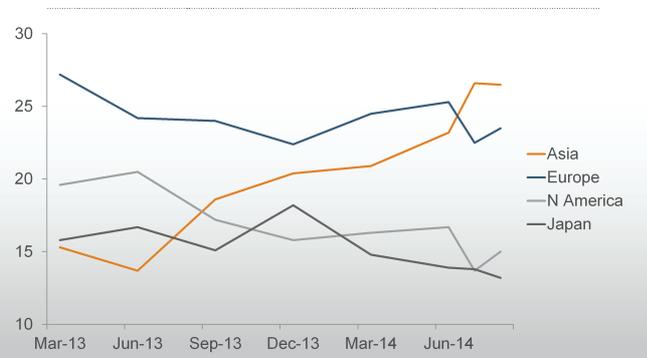
## Platinum International Fund in a nutshell, 31.8.14

Key sector exposures and FX positions by geography

| N.America        | Europe   | Asia-Pac             | Japan             |
|------------------|----------|----------------------|-------------------|
| Technology       | Consumer | Financials           | Auto              |
| Capex/ Materials | Pharma   | Technology           | Electronics       |
| (Shorts)         |          | India Infrastructure | Domestic          |
| Very Long USD    |          | Short AUD & CNY      | Hedged out of JPY |

Source: Platinum

## Platinum International Fund: evolution of exposure (%)



Source: Platinum

# Market update and Commentary

US internet companies started to come back into favour with investors after a lean few months as the market saw improving outlooks for LinkedIn and eBay. LinkedIn's revenue growth rate stabilised, with faster customer additions, and average revenue per user accelerated in its core recruitment database business calming fears that the business unit was nearing saturation. For eBay, investor enthusiasm grew around a potential spin-off of its global electronic wallet, PayPal, as a focus on unlocking shareholder value.

Recently the South Korean government relaxed mortgage related regulation. In August mortgage lending for the six largest commercial banks in Korea grew by 3.2 trillion Korean won over the month versus 2.2 trillion Korean won in July. Mortgage growth in Korea is now growing around 7.5% year-on-year with KB Financial well-positioned to benefit from this trend. Investors continued to flock towards property and Korean bank stocks which have been the most neglected area of this cheap market.

In our most recent quarterly report, Kerr highlighted we are living in a world that is healing and while many in Australia remain cautious, the need to tighten monetary policy to the extent it would choke-off the market climb, still seems some way off. Cheap funding will lead to an increase in M&A activity and buybacks before we later see the unintended consequences of such policy settings. We are excited about the reform-driven change in India and China in particular, with the former seeing an emphatic election win for Modi. The latter is addressing corruption and inefficient State-owned Enterprises with a zeal that gives us hope, and we explored this in more detail in our 26 August Market Update (available on our website).

In the face of a very weak market environment, we have taken the opportunity over the last year to dramatically increase our exposure to the Asian region, which now sits at its highest level of exposure in our 20-year history. Our investments are predominantly in China, India and Korea. The word 'reform' can broadly be applied to most countries in the region, albeit the form it is taking differs from country to country. This increase has been funded mostly by reducing exposure to North America, which is the most mature in its recovery from the last crisis. At a sector level, it has tended to be consumer stocks we have been selling, while so far in 2014, materials has seen the most new money, with aluminium and nickel stocks both having interesting dynamics at this juncture. Technology remains our largest sector exposure with a blend of new internet and older hardware companies benefiting from the proliferation of mobile. Most of our short positions are in the US market with small caps the area of greatest concern. From a currency standpoint we like the US dollar, are short the Japanese yen and Chinese yuan, and continue to see no need to hedge into the Australian dollar.

Asia has started to make a meaningful contribution to returns with strong performance and the clear benefit of being on the right side of the changes taking place in the two most populous nations on the planet. Developed market returns also beat the opportunity set, with our North American contribution noteworthy given it is only small within the portfolio. At a sector level, the large exposure to technology, unloved financials and the more recently established exposure to materials, were key to the last year's returns.