

**Facts**

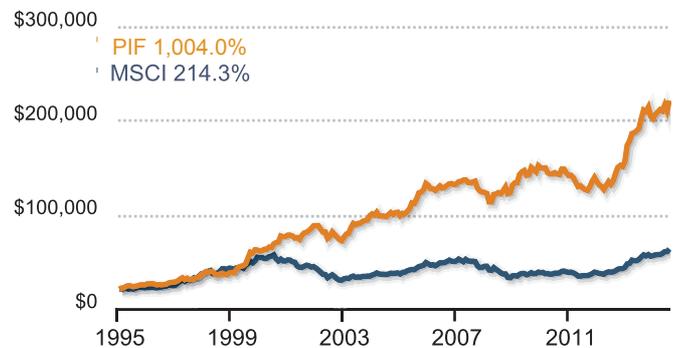
Portfolio value	\$10.45 bn
Fund commenced	30 April 1995
Minimum investment	A\$20,000 or NZ\$25,000
Regular Investment Plan (min.)	A\$200 or NZ\$250 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 2.0602    Red - 2.0499

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

	FUND %	MSCI %
1 month	5.24	4.71
3 months	5.29	8.56
6 months	7.22	11.13
Calendar year to date	4.80	11.33
1 year	9.59	15.68
2 years (compound pa)	27.76	27.70
3 years (compound pa)	20.62	22.07
5 years (compound pa)	9.23	11.60
7 years (compound pa)	7.39	3.37
10 years (compound pa)	8.32	5.69
Since inception (compound pa)	13.04	6.02

**Fees**

Entry fee	Nil
Exit fee	Nil
Management Expense Ratio/ Indirect Cost Ratio (MER/ICR)	1.54% per annum (inclusive of investment & 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	1.2	1.2	1.7
Austria	0.2	0.2	
Brazil	0.4	0.4	0.4
Canada	2.2	2.1	2.2
China	4.0	4.0	1.8
China Ex PRC	11.2	11.2	
Hong Kong	0.3	0.3	7.4
Denmark	0.2	0.2	0.2
Finland	0.4	0.4	
France	4.9	4.9	
Germany	3.5	3.5	
India	5.2	5.2	5.4
Indonesia	0.1	0.1	0.1
Italy	3.1	3.1	
Japan	11.4	11.4	1.0
Korea	6.3	6.3	2.7
Malaysia	0.8	0.8	1.0
Netherlands	0.2	0.2	
Norway	0.8	0.8	1.1
Russia	1.8	1.8	
Singapore	0.3	0.3	0.6
Sweden	2.3	2.1	2.6
Switzerland	2.1	2.1	1.9
Thailand	0.4	0.4	0.4
United Kingdom	5.9	5.7	2.2
United States	22.4	11.3	56.3
	92.0	80.3	
China Renminbi Off Shore			(3.6)
Euro Currency			14.6
Cash	8.0	19.7	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 191 stocks, 7 swaps    Short - 5 stocks, 3 indices

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

STOCK	COUNTRY	INDUSTRY	%
Intel Corp	USA	Info Technology	3.0
Carnival Corp	UK	Cons Discretionary	2.8
Samsung Electronics Co Ltd	Korea	Info Technology	2.7
AstraZeneca PLC	UK	Health Care	2.6
Google Inc	USA	Info Technology	2.5
Ericsson LM-B	Sweden	Info Technology	2.3
China Pacific Insurance Grp	China	Financials	2.2
Intesa Sanpaolo SpA	Italy	Financials	2.2
Sanofi SA	France	Health Care	2.1
Toyota Industries Corp	Japan	Cons Discretionary	2.1

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

SECTOR	LONG %	NET %
Info Technology	24.6	23.8
Financials	14.7	14.7
Cons Discretionary	12.4	10.7
Health Care	10.1	10.1
Materials	9.0	9.0
Industrials	8.5	8.0
Energy	3.9	3.9
Consumer Staples	3.9	3.9
Telecom Services	2.7	2.7
Utilities	2.2	2.2
Other*	0.0	(8.7)

\* 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.

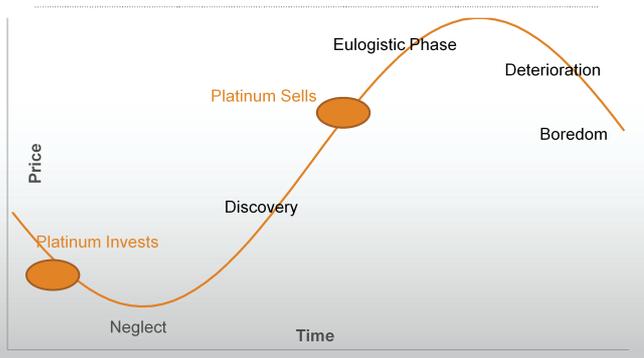
4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity and issuer of units in the Platinum International Fund (the "Fund"). The Platinum Trust Product Disclosure Statement No. 9 and Supplementary PDS ("together PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au). 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

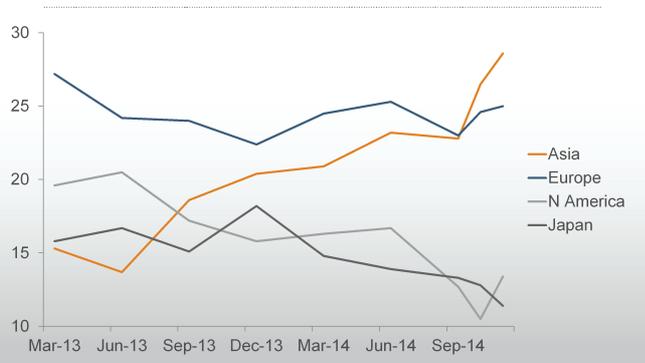
## Platinum International Fund in a nutshell, 30.11.14

Key sector exposures and FX positions by geography

N.America	Europe	Asia-Pac	Japan
Technology	Consumer	Financials	Auto
Capex/ Materials	Pharma	Technology	Electronics
(Shorts)	Banks	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

A real problem for an index-agnostic manager like Platinum is, that by providing for an index that we can compare performance, we are exposed to analysis of relative performance. In reality, we manage the portfolio to the twin goals of creating wealth and protecting capital.

The last three months has seen the US market return 13%, while the Rest of the World return has been 4%. Our portfolio is dominated by non-US equities. Indeed our biggest concern for Australian investors today is that a combination of home bias and an index mentality leads to under-exposure to the opportunities in European, Japanese and Asian markets.

Within the US, we own stocks exposed to three areas – technology (global leaders such as Intel, eBay, Cisco and Google), engineers (exposed to oil & gas capex) and metals (platinum, aluminium and gold). We also have short positions among expensive small caps and retail. The net effect is to be around 11% exposed to this market (which is a staggering 56% of the MSCI AC World) albeit with a much larger exposure to the currency (about 60%). We would note that the strength of the US dollar started to concern us in September and we reduced market exposure in case of any related setbacks. We have since had the opportunity to make purchases at lower prices, and restore our net exposure.

The stronger US dollar poses a headwind for US multinationals whose valuations require sales and earnings growth, and acts as a tightening for that economy, though falling oil prices can help domestic demand in the near term. Much of the debate around Quantitative Easing (QE) removal has been very US-centric; the responses of others are also significant in this regard and the recent Japanese move adds more liquidity but also gives further impetus to the US dollar.

When markets diverge as they have in the last few months, the outcomes for index-agnostic investors will also inevitably vary widely from the benchmark. We believe at the core of our approach is a consistent ability to identify cheap assets to buy and more expensive assets to sell. This is why we like the big shift we have been making in the portfolio from the West (predominantly selling long-term winners in the US) to the East, where we are buying companies benefiting from the reforms taking place across Asia, whether in Japan, China, India or Korea. Importantly, the price of the opportunities are compelling and we believe that this shift will be rewarded in time.

Kerr Neilson runs 70% and Andrew Clifford 30% of the International Fund.