

## Facts

Portfolio value	\$11.63 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 - 2.1931    Red - 2.1821

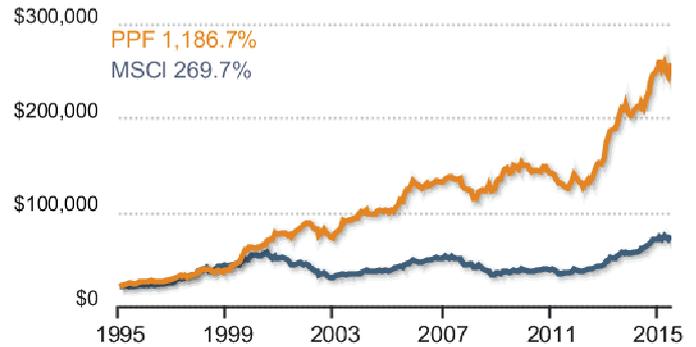
## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	5.32	6.16
3 months	0.06	(0.35)
6 months	2.25	5.28
Calendar year to date	13.32	15.00
1 year	22.66	23.17
2 years (compound pa)	16.05	19.59
3 years (compound pa)	25.09	24.53
5 years (compound pa)	12.31	14.75
7 years (compound pa)	11.13	9.39
10 years (compound pa)	8.74	6.16
Since inception (compound pa)	13.27	6.58

## 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>



## Invested positions<sup>3</sup>

	LONG %	NET %	CURRENCY %
Australia	0.5	0.5	2.0
Austria	0.5	0.5	
Brazil	0.1	0.1	0.1
Canada	1.0	1.0	1.6
China	6.7	6.7	(6.5)
China Ex PRC	12.8	12.8	
Hong Kong	0.8	0.8	7.7
France	4.1	4.1	
Germany	3.2	2.5	
Hungary	0.2	0.2	0.2
India	5.2	5.2	5.4
Italy	2.5	2.5	
Japan	9.4	9.4	3.6
Korea	6.7	6.7	2.3
Malaysia	0.6	0.6	0.6
Norway	0.7	0.7	3.5
Russia	1.3	1.3	
Singapore	0.2	0.2	0.3
Sweden	2.3	2.3	2.3
Switzerland	1.8	1.8	1.6
Thailand	0.3	0.3	0.3
United Kingdom	6.4	6.4	2.9
United States	22.7	11.2	74.2
	90.0	77.8	
China Renminbi Off Shore			(6.6)
Euro Currency			4.5
Cash	10.0	22.2	
Total	100.0	100.0	100.0

Long - 155 stocks, 4 swaps, 1 bond    Short - 2 stocks, 3 indices

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

STOCK	COUNTRY	INDUSTRY	%
Alphabet Inc	USA	Info Technology	3.6
Samsung Electronics Co Ltd	Korea	Info Technology	3.2
Carnival Corp	UK	Cons Discretionary	2.8
China Pacific A Share PN exp	China	Financials	2.4
Astra Zeneca PLC	UK	Health Care	2.3
PICC Property & Casualty Co	China Ex PRC	Financials	2.3
Ericsson LM-B	Sweden	Info Technology	2.3
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.1
Cisco Systems Inc	USA	Info Technology	2.0
Intel Corp	USA	Info Technology	1.9

## Industry breakdown<sup>3</sup>

SECTOR	LONG %	NET %
Info Technology	28.4	28.4
Financials	14.7	14.7
Cons Discretionary	12.8	12.2
Health Care	9.7	8.7
Industrials	7.7	7.7
Consumer Staples	5.6	5.6
Utilities	3.2	3.2
Materials	3.1	3.1
Energy	2.4	2.4
Telecom Services	2.4	2.4
Other*	0.0	(10.5)

\* 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.

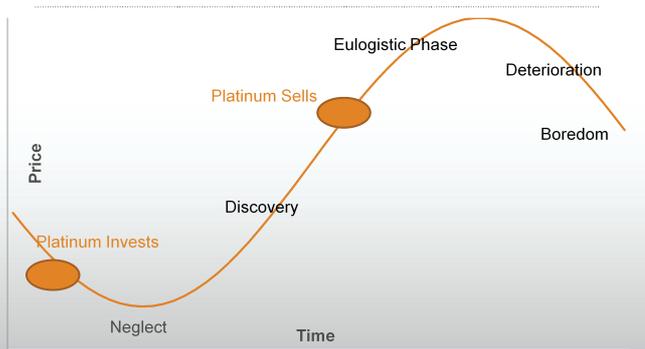
4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

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.

DISCLAIMERS: Some numerical figures in this Fact Sheet have been subject to rounding adjustments. The information presented in this Fact Sheet is not intended to be advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Platinum does not guarantee the repayment of capital, payment of income or the Fund's performance. Platinum is a member of the Platinum Group of companies.

### Platinum's approach



Source: Platinum



### Investment Backdrop and Themes

#### MACRO BACKDROP

- Low growth world; high debt levels; distortion of free money
- Rapid change/ disruption driven by technology

#### GLOBAL THEMES

- E-commerce, data, mobility
- Financial sector
- Emerging Consumer including Pharmaceuticals

#### ASIA's REFORM

- China rebalancing
- Indian infrastructure
- Japan and Korea's corporate rejuvenation

Source: Platinum



#### Current Simple Framework



34% in US/ Europe    2% Other    43% in Asia/ Japan

### The Index Anomaly

	US	China
World Population	4%	19%
World GDP (PPP)	16%	17%
World GDP	23%	13%
		
MSCI AC World Index	53%	2%
Platinum International Fund (net)	11%	20%

Source: Platinum (International Fund at 31.10.15), MSCI, (weight at 30.9.15), IMF 2014, UN 2015



### Market update and Commentary

Our recent quarterly report noted we had likely seen the capitulation of a bear trend and net buying (including a reduction of shorts) around the lows had opportunistically brought our exposure back up from around 70% to closer to 80%. We moved quickly from a terrible quarter to a strong October; stabilisation seemed the theme, with China's reform and loosening policy actions helpful. The world remains subject, however, to the consequences of the distortions of free money.

Within the portfolio, several of our major technology holdings delivered strong results with Alphabet (Google's parent), Baidu (China's Google!) and our largest holding, Samsung Electronics, pleasing the market. The last of these announced a buyback which could be the start of more shareholder friendly behaviour from one of the cheapest quality companies in the world (9x forward P/E and net cash).

We remain convinced that the Fed needs to raise rates, if only to regain control over the price of money and our large exposure to the US dollar should benefit from this. We have softened our negative stance on the Euro and Yen, but see no reason to own the Australian dollar and we protect our Chinese exposure via a short on their currency.

Our exposure to China is almost all via the consumer – insurance, e-commerce / mobile, alcohol. These stocks are on a median P/E of 14x yet offer growth profiles unavailable elsewhere. The entire market has been shunned due to challenges in transition, but the problems face the banks and heavy industry (and should not be underestimated), while incomes rise and the middle class grows. The BRATS (Brazil, Russia, Australia, Turkey and South Africa) plus materials and some industrials in the West face challenges and we still have little exposure to this group, though with prices adjusting we are more watchful around oil.

Over one year and three years, our net returns are in-line with the market despite running around only 80% exposure and the market being dominated by a very strong US market, which is much less significant in our portfolios. We think stock pickers will be increasingly rewarded; passive investing has become very fashionable and we are concerned about the functioning of ETF's in the next inevitable downturn.

Over the last year, China has made a significant contribution despite its peaking in May with almost one third of our returns coming from the region. Currency management has been beneficial and shorts have helped over the last six months. Technology stocks have dominated returns over the more recent past. With long holdings on a median P/E of below 15x, similar to cyclically-challenged Australia and lower than the earnings-challenged US, and with some protection in the Fund, we are comfortable with what we own.