

Facts

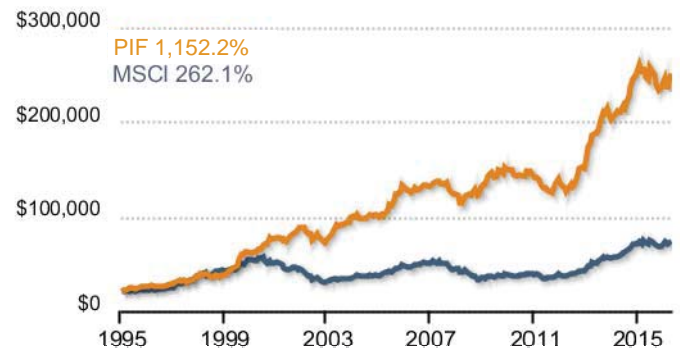
Portfolio value	\$10.51 bn
Fund commenced	30 April 1995
Minimum investment	A\$20,000 or NZ\$20,000
Regular Investment Plan (min.)	A\$200 or NZ\$200 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 1.9510 Red - 1.9412

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

Performance¹

	FUND %	MSCI %
1 month	3.16	1.47
3 months	1.61	0.28
6 months	7.11	7.90
Calendar year to date	0.66	2.57
1 year	1.56	1.16
2 years (compound pa)	9.27	11.83
3 years (compound pa)	10.31	12.95
5 years (compound pa)	14.10	16.27
7 years (compound pa)	8.13	10.16
10 years (compound pa)	6.96	4.56
Since inception (compound pa)	12.57	6.22

Performance graph²

Invested positions³

	LONG %	NET %	CURRENCY %
Australia	1.2	1.2	16.0
Austria	0.6	0.6	
Canada	1.0	1.0	1.3
China	5.2	5.2	(2.8)
China Ex PRC	15.5	15.5	
Hong Kong	0.8	0.8	11.9
France	4.7	4.7	
Germany	2.8	2.8	
Hungary	0.2	0.2	0.2
India	5.9	5.9	6.1
Italy	4.9	4.9	
Japan	12.1	12.1	4.0
Korea	6.2	6.2	6.0
Malaysia	0.6	0.6	0.6
Norway	1.0	1.0	3.8
Russia	0.9	0.9	
Sweden	1.7	1.7	1.7
Switzerland	0.4	0.4	0.4
Thailand	0.7	0.7	0.6
United Kingdom	4.2	4.2	4.3
United States	23.1	9.8	37.8
	93.9	80.6	
China Renminbi Off Shore			(5.9)
Euro Currency			13.9
Cash & Accruals	6.1	19.4	
Total	100.0	100.0	100.0

Long - 131 stocks, 4 swaps, 1 bond Short - 5 stocks, 2 options, 2 indices

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.1
Alphabet Inc	USA	Info Technology	2.9
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.7
AstraZeneca PLC	UK	Health Care	2.4
PICC Property & Casualty Co	China Ex PRC	Financials	2.3
Cisco Systems Inc	USA	Info Technology	2.2
Intesa Sanpaolo SpA	Italy	Financials	2.1
Sanofi SA	France	Health Care	2.1
Impex Corporation Ltd	Japan	Energy	2.0
Paypal Holdings Inc	USA	Info Technology	2.0

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	25.6	25.6
Financials	17.2	17.2
Cons Discretionary	14.1	13.3
Health Care	9.2	9.2
Industrials	6.0	6.0
Energy	5.8	5.8
Consumer Staples	5.2	3.3
Materials	5.1	5.1
Telecom Services	3.0	3.0
Utilities	2.7	2.3
Other*	0.0	(10.2)

* Includes index short positions

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. 10 ("PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website 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.

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No company and the directors in the Platinum Group® guarantee the performance of the Fund, the repayment of capital, or the payment of income. To the extent permitted by law, no liability is accepted by any company of the Platinum Group and their directors for any loss or damage as a result of any reliance on this information.

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).

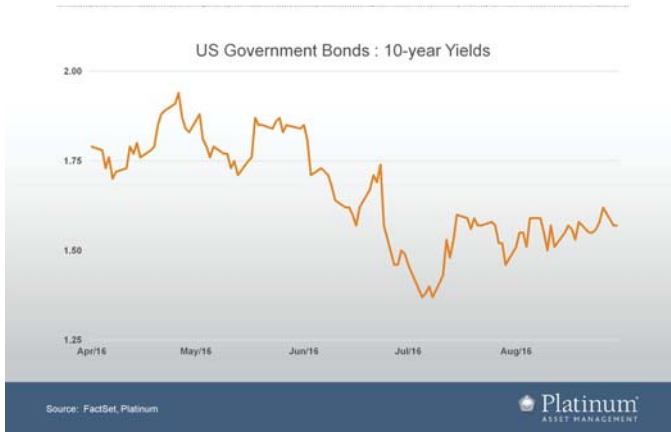
2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns 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 to physical holdings, corporate fixed income securities 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.

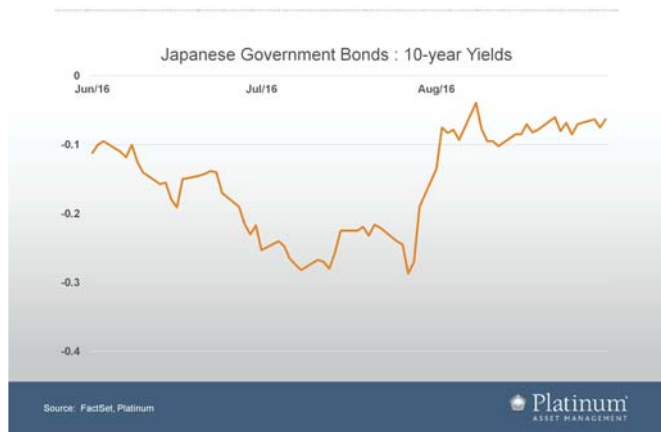
4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

Platinum International Fund

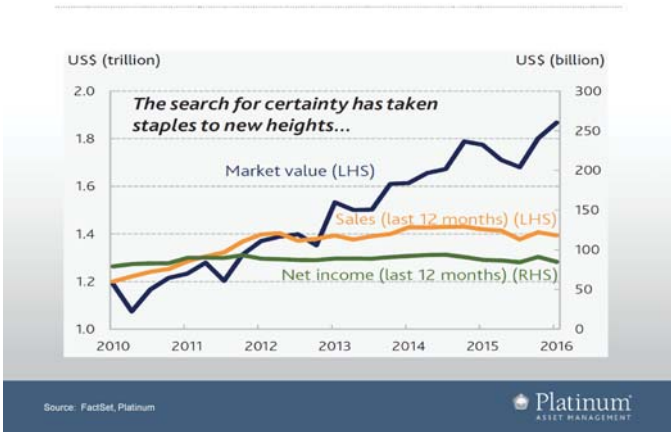
“Lower for Much Longer” Gained Support from Market



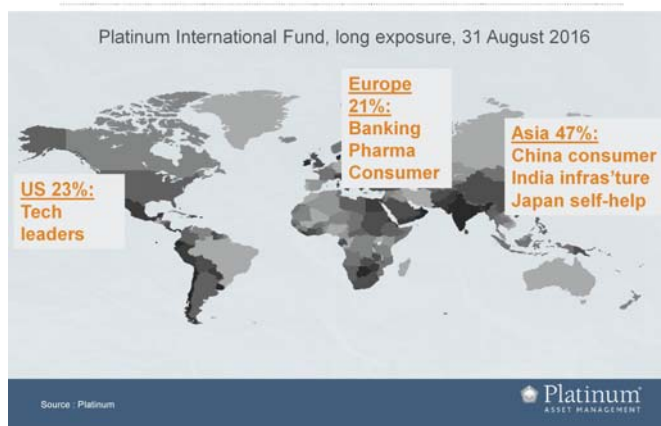
Japan led the “backing away” from negative yields



S&P500 consumer staples : Zero growth “hiding place”



Platinum’s current portfolio: key themes



Market update and Commentary

We are not short-term investors and tend not to pay much attention to short-term or relative performance, focusing instead on through cycle returns. Many expect us to keep up with strong US-led bull markets, though this is a challenge with around 75% market exposure mostly in the “Rest of the World”. Since the start of the current cycle in mid-2007, the Fund has delivered more than twice market returns. Both Andrew Clifford in his global market update of 11 August (see The Journal section of our website) and Kerr Neilson (in the CEO report of PTM) go into this in more detail.

Though here we will focus on the near term for two reasons:

- Those who were alarmed by returns as at 30 June, in the immediate aftermath of Brexit, the Fund is up 6.6% since 30 June, against a market up 3.7%.
- We detect in the last two months, post Brexit, a change that may be significant in terms of a new phase in markets.

Firstly, the performance highlights. Over the last two months, the portfolio has been driven by its Asian investments, with Technology, Financials and Consumer Discretionary the strongest sectors. Over the last year, it has been China that has been the biggest contributor, with the technology sector, along with Samsung and Alphabet to the fore. Europe was disappointing.

Secondly, the shift. When we spoke in April/ May about rates being lower for much longer than the market expected, US 10-year bonds were 1.8-1.9%; by the end of June this view was becoming more common and rates had come in further getting as low as 1.3% (see chart above). In recent weeks they have backed up, notably in Japan, where ten years have gone from an improbable -0.3% closer to zero, with fiscal impetus and creeping on to the political agenda (see chart above).

Our overall hypothesis that rates are unlikely to go much higher is unchanged, but one of the pegs of this argument and its most vulnerable, was fiscal discipline. If it is determined by politicians and/or central bankers that the monetary experiment is not working we expect the market to back away from “bond-like equities” and move to “equity-like equities” embracing both low rates and fiscal spending. The days of hiding in Consumer Staples and the like (see chart above) may be over as their lack of growth and high prices is unappealing. Likewise the broader crowding in the expensive US market, the avoiding of Asia’s growth and Europe’s recovery, seems well over-played to us; the portfolio is positioned accordingly (see chart above).

We own a portfolio that has good growth prospects, higher quality businesses and cheaper valuations than the market (15.5X weighted median forward PE) with less leverage.