

## Facts

Portfolio value	\$10.32 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 - 1.9418    Red - 1.9321

## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	(0.47)	(1.19)
3 months	6.13	2.46
6 months	5.70	6.90
Calendar year to date	0.19	1.34
1 year	2.02	2.74
2 years (compound pa)	7.43	9.32
3 years (compound pa)	9.79	12.44
5 years (compound pa)	13.88	16.05
7 years (compound pa)	7.90	9.99
10 years (compound pa)	6.74	4.08
Since inception (compound pa)	12.50	6.13

## 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	1.2	1.2	16.4
Austria	0.7	0.7	
Canada	0.5	0.5	1.2
China	5.2	5.2	(2.9)
China Ex PRC	15.1	15.1	
Hong Kong	0.5	0.5	11.9
France	4.5	4.5	
Germany	2.9	2.9	
Hungary	0.2	0.2	0.2
India	5.9	5.9	6.2
Italy	4.5	4.5	
Japan	12.4	12.4	3.0
Korea	6.2	6.2	6.2
Malaysia	0.6	0.6	0.6
Norway	1.0	1.0	8.6
Russia	0.7	0.7	
Sweden	1.8	1.8	1.8
Switzerland	0.4	0.3	0.4
Thailand	0.8	0.8	0.8
United Kingdom	4.1	4.1	4.2
United States	23.8	9.1	31.8
	93.0	78.2	
China Renminbi Off Shore			(5.9)
Euro Currency			15.4
Cash & Accruals	7.0	21.8	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 132 stocks, 4 swaps, 1bond    Short - 6 stocks, 3 options, 2 indices

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

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	2.6
AstraZeneca PLC	UK	Health Care	2.4
PICC Property & Casualty Co	China Ex PRC	Financials	2.2
Paypal Holdings Inc	USA	Info Technology	2.2
Inpex Corporation Ltd	Japan	Energy	2.1
Cisco Systems Inc	USA	Info Technology	2.1
Sanofi SA	France	Health Care	2.0
Intesa Sanpaolo SpA	Italy	Financials	2.0

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

SECTOR	LONG %	NET %
Info Technology	26.0	26.0
Financials	17.0	17.0
Cons Discretionary	14.7	13.5
Health Care	8.8	8.8
Industrials	6.3	6.3
Energy	5.6	5.6
Materials	5.1	5.1
Consumer Staples	4.9	3.1
Utilities	2.8	2.8
Telecom Services	2.0	2.0
Other*	0.0	(11.8)

\* 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](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).

**DISCLAIMERS:** The information presented in this Fact Sheet is general information only and not intended to be financial product 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. You should read the entire PDS and consider your particular investment objectives, financial situation and needs prior to making any investment decision to invest (or divest) in the Fund. You should also obtain a professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

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).

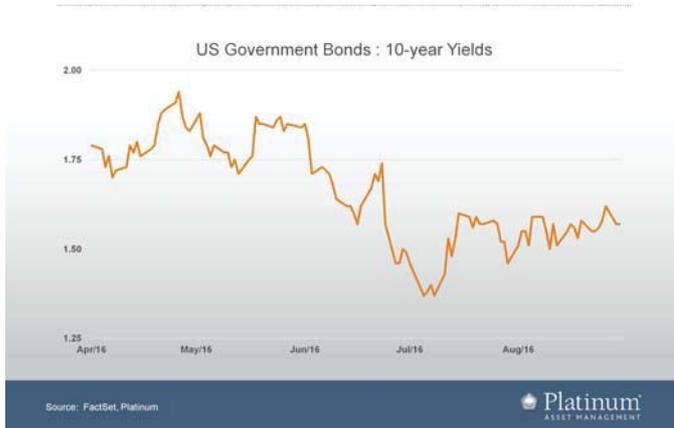
2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns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

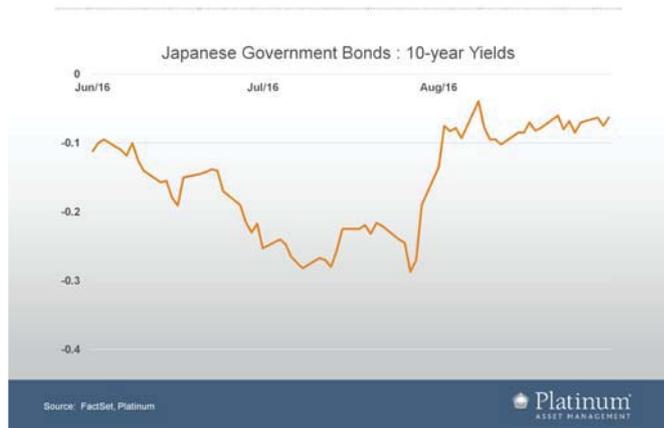
4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

# Platinum International Fund

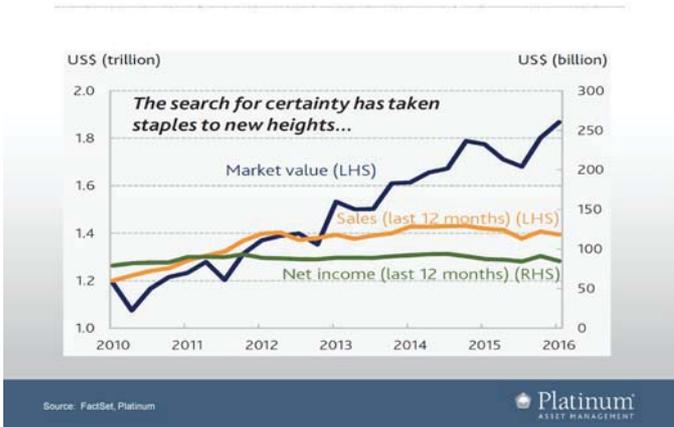
## "Lower for Much Longer" Gained Support from Market



## 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

Since June the outcome for the Fund, +6%, has been encouraging, particularly when not simply due to markets lurching higher. We do not focus on the short-term but it feels that markets are at a significant inflexion. The crowd has all been pointing one way. Our portfolio expresses very high conviction in where the best opportunities currently lie.

As we may be at the start of a major shift from entrenched trends, we detail how the quarter's returns were achieved. The key drivers were non-consensus: Cyclical, Technology, Asia and small/mid-caps.

Region (net): The 46% exposure to Asia-Pacific contributed 5.4% suggesting an average stock return of 12% while the 34% in US & Europe added 1.4% at an average around 4%. Global markets offered 2%.

Sectors (long only): Our substantial 67% invested in Cyclical and Technology made 7% impact on returns, averaging around 10% while our 25% in Defensives and Energy did nothing either way.

Size: 69% of the portfolio is in large companies (\$10bn+) averaging around 5% each but the 21% in small and mid-cap companies made a similar aggregate impact, adding 16% on average over the quarter.

We have talked at length about the key risks in markets. A 36-year bull market in bonds is now constrained by the futility of negative rates and US equities have never offered adequate returns from similar valuations. Platinum's CIO, Andrew Clifford, likened this recently to a 'coiled spring'. Perhaps the divergence between 'Perceived (not Actual) Safety' and 'Uncertainty' is similar to the way the technology bubble divided old and new economy stocks and led to the most fertile of hunting grounds in living memory.

Brexit may have been the defining political-economic moment of the decade and may in time be seen as when it all changed. Dis-satisfaction with policies that only benefit the wealthy is leading to a 'backing away' from negative rates in favour of fiscal impulse. Since 2011 it has been crisis, bear markets and political change that led to us building major positions in Europe, China, Japan and India.

Humans are easily dissatisfied if they feel others are doing better than they. For the portfolio, there is a conundrum. Some medium-term periods we show overleaf give that sense – the absolute is adequate but it grates that the market did slightly better. However, US-led bull markets are our Achilles Heel!

In fact, over the unshown 4 years, our credible 16.7% net of fees trails the US-led bull market by less than 0.1%pa! We are optimistic about the future given the portfolio offers faster growth, higher quality, less debt and better valuation than the market (at around 16x forward PE).

And what about the coiled spring? As Andrew said, "With the combination of better global growth and slightly higher rates, we think this will be the trigger for releasing the coiled spring in valuation differentials between perceived low risk assets and the rest of the market."

The Platinum Trust Quarterly Report will be available on our website, [www.platinum.com.au](http://www.platinum.com.au), from 14 October and mailed out by month end.