

**Facts**

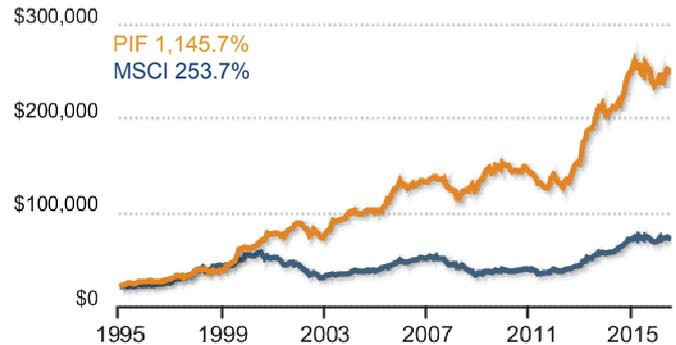
Portfolio value	\$10.09 bn
Fund commenced	30 April 1995
Minimum investment	A\$20,000 or NZ\$20,000
Regular Investment Plan (min.)	A\$200 or NZ\$200 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 1.9409    Red - 1.9312

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

	FUND %	MSCI %
1 month	(0.05)	(1.14)
3 months	2.63	(0.88)
6 months	4.02	3.32
Calendar year to date	0.14	0.19
1 year	(3.18)	(4.32)
2 years (compound pa)	8.97	8.55
3 years (compound pa)	9.24	11.01
5 years (compound pa)	14.28	15.45
7 years (compound pa)	8.45	10.42
10 years (compound pa)	6.90	3.95
Since inception (compound pa)	12.44	6.05

**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	0.25%/0.25%

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


Source: Factset and Platinum

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

	LONG %	NET %	CURRENCY %
Australia	1.3	1.3	16.8
Austria	0.8	0.8	
Canada	0.6	0.6	0.5
China	5.6	5.6	(2.6)
China Ex PRC	15.1	15.1	
Hong Kong	0.6	0.6	11.1
France	4.9	4.9	
Germany	2.8	2.8	
Hungary	0.2	0.2	0.3
India	6.2	6.2	6.5
Italy	4.9	4.9	
Japan	13.0	13.0	2.9
Korea	6.4	6.4	6.4
Malaysia	0.6	0.6	0.6
Norway	0.9	0.9	8.4
Russia	0.7	0.7	
Sweden	1.2	1.2	1.2
Switzerland	0.4	0.2	0.4
Thailand	1.0	1.0	1.0
United Kingdom	3.8	3.8	5.1
United States	24.6	9.4	34.0
	95.4	80.1	
China Renminbi Off Shore			(6.0)
Euro Currency			13.5
Cash & Accruals	4.6	19.9	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 129 stocks, 4 swaps, 2 options, 1 bond    Short - 6 stocks, 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	3.0
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.6
Paypal Holdings Inc	USA	Info Technology	2.3
PICC Property & Casualty Co	China Ex PRC	Financials	2.2
Sanofi SA	France	Health Care	2.2
Intesa Sanpaolo SpA	Italy	Financials	2.1
Inpex Corporation Ltd	Japan	Energy	2.1
Lixil Group Corporation	Japan	Industrials	2.1
Level 3 Communications Inc	USA	Telecom Services	2.1

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

SECTOR	LONG %	NET %
Info Technology	25.2	25.2
Financials	18.0	18.0
Cons Discretionary	14.4	13.2
Health Care	8.2	8.2
Energy	6.6	6.6
Industrials	6.5	6.5
Consumer Staples	5.7	3.3
Materials	5.3	5.3
Utilities	3.1	3.1
Telecom Services	2.4	2.4
Other*	0.0	(11.7)

\* 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 investment manager of 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), or 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 the 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 investors' 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 professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

No company or any directors of any company in the Platinum Group® guarantees 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 in the Platinum Group or 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).

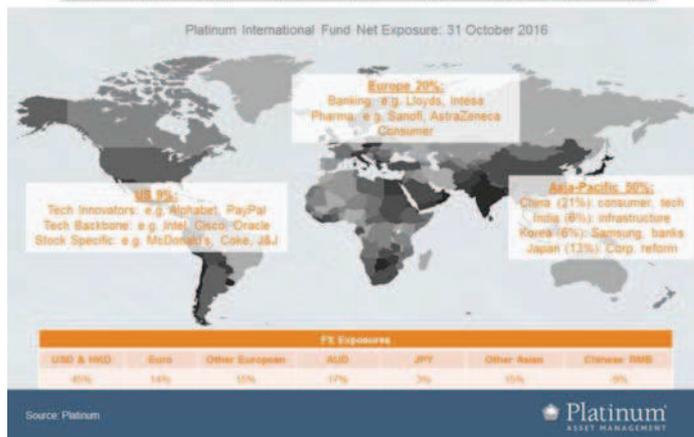
2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns 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 as a % of the Fund's net asset value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a % of the Fund's net asset value. The "Currency %" represents the currency exposure for the Fund as a % of the Fund's net asset value, taking into account currency hedging.

4. Top Ten positions shows the Fund's top long share exposure positions as a % of the Fund's net asset value. Long derivative exposures are included, however, short derivative exposures are not.

# Platinum International Fund

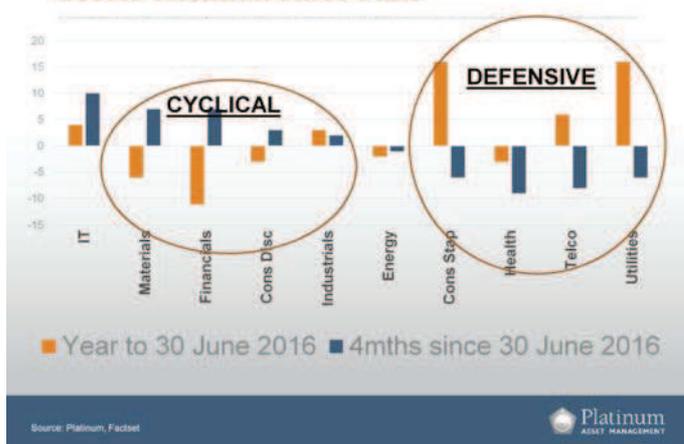
## Platinum International Fund: key themes & exposures



## Global Indices Don't Reflect Modern World



## Sector Rotation since June



## US : Valuations : Not a Good Entry Point!



## Market update and Commentary

The more things change, the more they stay the same. Yet, human beings have an intrinsic fear of change. Financial theory teaches us to seek higher returns (by paying lower prices) where there is uncertainty. However, in recent years the crowd has gorged on predictability, epitomised by the negative-yielding bonds and the bond-like equities (REITS, Utilities, Consumer Staples). We have often highlighted the risks in so-called “safe assets”; we may now have reached the turning point (see bottom left chart above). The hunt for safety to the exclusion of all else has been reminiscent of the tech-sector driven bifurcation in 2000.

Since 30 June, the Fund has delivered 6.1% while the Index is up only 1.3%.\*

The two key changes have been the re-acceleration of China and an inkling that fiscal spending may be the next tool as monetary policy reaches its limits, having favoured the wealthy over the populace. Our positioning is very deliberate, so the recent outperformance is encouraging, given these dynamics.

October was dominated by news revolving around the two least popular candidates in US political history slugging it out for the right to lead the world's second largest physical economy, which has revealed many cracks in ideology in the world's second largest democracy. We prefer to focus more attention on the largest economy, China, whose recovery is happening by stealth, but which is being felt across the region where half our portfolio sits. Recovery coupled with reform is a powerful cocktail, which is also transforming the world's largest democracy, India, with their introduction of a GST.

Today, the US holds 36% of the market value of listed companies. That market (see bottom right chart above) has rarely been more expensive, and yet we do not know of an established manager offering global products to Australians that is not overweight the US relative to the opportunity set as we calculate it. As Keynes said, it is better to fail conventionally than to succeed unconventionally. For your comfort, we only have a 9% net exposure in the US market today.

One can expect to hear the explanations down the track as to why almost all fund managers missed the opportunities in Asia, that because they weren't “in the benchmark”. We have 50% of our portfolio in Asia-Pacific today – it is full of well-priced, growing companies.

Since 30 June, which is starting to look like a significant turning point in markets (though it is still early to make a definitive call), our Asia-Pacific stocks have contributed almost all of the Fund's returns. When we look sector-wise, the Cyclical (as defined in bottom left chart above) and Technology have done all the work. Size-wise, half the returns are from companies with less than \$10 billion in market capitalisation.

On currency, while we now have 17% in Australian dollars, we added to Norwegian krone, which acts as a hedge to our own currency going higher as commodities recover with economic activity picking up in China. Our nation's leadership vacuum and the inevitable bust in Sydney, Melbourne and Brisbane's apartment markets make us cautious to add the local unit.

A US-driven bull-market can be hard in a relative sense for us, as our net invested position has been around 80% and the index over-emphasises US stocks. It is pleasing, therefore, to have not only delivered a very healthy 17.3% p.a., net of fees, for the last 4 years, but to also have beaten the world Index's return of 16.6% p.a. by 0.7% p.a.!\* With the changes described above, we look forward with a positive outlook.

\* See note 1 on page 1. Source: Platinum and MSCI Inc.