

Facts

Portfolio value	\$10.29 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 - 2.0280 Red - 2.0178

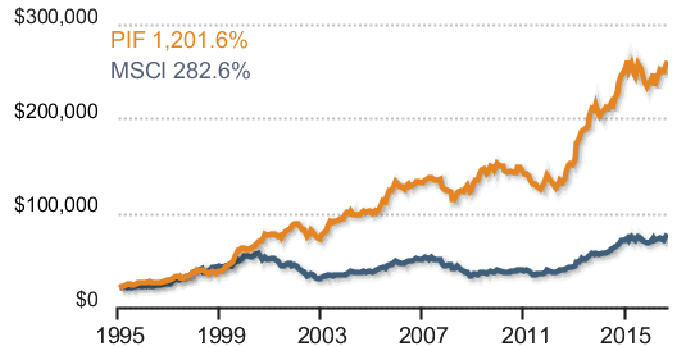
Performance¹

	FUND %	MSCI %
1 month	2.91	4.24
3 months	4.43	6.94
6 months	10.84	9.58
Calendar year to date	4.63	8.39
1 year	4.63	8.39
2 years (compound pa)	7.06	9.09
3 years (compound pa)	7.30	10.66
5 years (compound pa)	15.78	17.23
7 years (compound pa)	8.24	10.63
10 years (compound pa)	7.15	4.44
Since inception (compound pa)	12.57	6.39

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 graph²



Invested positions³

	LONG %	NET %	CURRENCY %
Australia	1.1	1.1	18.7
Austria	0.8	0.8	
Canada	0.5	0.5	0.5
China	4.5	4.5	(2.7)
China Ex PRC	14.3	14.3	
Hong Kong	0.3	0.3	10.6
France	5.2	5.2	
Germany	4.4	4.4	
Hungary	0.2	0.2	0.3
India	5.8	5.8	6.2
Italy	5.0	5.0	
Japan	12.5	12.5	3.8
Korea	5.6	5.6	5.6
Malaysia	0.6	0.6	0.6
Norway	0.9	0.9	8.6
Russia	0.7	0.7	
Singapore	0.2	0.2	
Sweden	1.5	1.5	1.5
Switzerland	0.5	0.5	0.5
Thailand	1.0	1.0	1.0
United Kingdom	4.0	4.0	4.7
United States	20.8	4.7	33.5
	90.5	74.4	
China Renminbi Off Shore			(6.0)
Euro Currency			12.6
Cash	9.5	25.6	
Total	100.0	100.0	100.0

Long - 126 stocks, 4 swaps, 2 options, 1 bond Short - 5 stocks, 3 indices

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.5
Alphabet Inc	USA	Info Technology	3.2
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.4
Sanofi SA	France	Health Care	2.4
PICC Property & Casualty Co	China Ex PRC	Financials	2.2
AstraZeneca PLC	UK	Health Care	2.1
Lixil Group Corporation	Japan	Industrials	2.0
Intesa Sanpaolo SpA	Italy	Financials	2.0
KB Financial Grp	Korea	Financials	1.9
Baidu com ADR	China Ex PRC	Info Technology	1.9

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	23.3	23.3
Financials	17.3	17.3
Cons Discretionary	13.7	12.7
Health Care	8.8	8.8
Energy	6.8	6.8
Industrials	6.3	6.3
Consumer Staples	4.6	2.3
Materials	4.6	4.6
Utilities	3.0	3.0
Telecom Services	2.0	2.0
Other*	0.0	(12.7)

* 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 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), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via invest@platinum.com.au.

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No company or 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 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. Investment returns are calculated 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 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). Source: Platinum.

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. Source: Platinum.

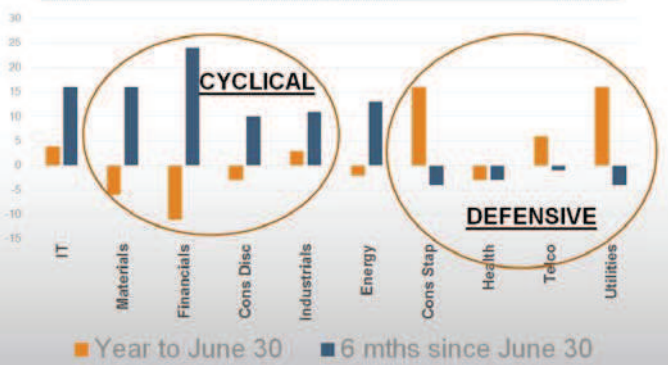
3. The Long% represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives as a % of NAV. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for the Fund as a % of NAV, taking into account currency hedging.

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

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Sector Rotation since June 2016



Source: MSCI



Indices Don't Reflect the World, or even Markets



Source: *MSCI (weight at 30.11.16), #Bloomberg (6.1.17), ##IMF, 2016 estimates. **Platinum Investment Management Limited (weight at 31.12.16). Net weight represents the exposure of physical holdings and both long and short derivatives. ^ Includes Hong Kong.



US : Valuations : Not a Good Entry Point!



Source : Yale University, St Louis Federal Reserve



Platinum's current portfolio: key themes



Source : Platinum Investment Management Limited. Net exposure represents the exposure of physical holdings and both long and short derivatives.



Market Update and Commentary

The last six months have seen the Fund deliver almost 11%, ahead of the global benchmark running at around 9.6% over the same period,* but this does not in itself tell the whole story.

Trump's election win, lauded in advance as a catastrophe, gave the already-expensive US market – the perceived major beneficiary of Trump's campaign promises – yet another adrenaline rush. Kerr Neilson will go into more detail on this in the soon-to-be published Quarterly Report.

Ahead of the election the Fund's positioning had started to deliver encouraging outcomes, with a rotation from Defensives to Cyclical coinciding with perhaps the end of a 36 year bond bull-market and a recovery in the Fund's Asia-Pacific and small-cap exposures. Post the November 8th US election, returns were adequate, but became overshadowed by the one-sided local enthusiasm for the President-elect.

There are clear signs that an economic recovery is taking broader hold in the world and the Fund is well positioned for it with a P/E of about 16X on its long holdings, comparing favourably with both Australian and US markets. However, we have more recently increased protection for the portfolio given the strong run in the US market which now exceeds its pre-GFC valuation and is behind only the eve of the Tech Bubble burst in 2000 and that of the crash of 1929 as the most expensive moments in the last 140 years. The rest of the world continues to present us with enough reasonably priced investments to be optimistic.

To look at where the returns have come from in the last six months, following the tough opening to 2016 with a China sell-off and the woes around Brexit, we can consider three dimensions – geographic, sector and risk management.

- The Fund made money in the three major regions, adding over 6% from holdings in Asia Pacific and more than 2% in each of Europe and the US which, given the low net exposure to the latter, was impressive. For context, the US and Japan (returning 10% and 11% respectively in AUD terms in the past six months) bested Europe (8%) and Asia ex Japan (6%) in terms of the total opportunity sets.
- The Fund made money across the major sector categories, with 7% coming from Cyclical (as defined in the first chart above), 3% from IT and around 1% each from Energy and Defensives. To compare with the opportunity set, Cyclical, Energy and IT were all up 10-24% while Defensives fell 1-4%.
- Currency moves and shorting broadly cancelled each other out in terms of risk management with small gains on currency and small losses on the down-side hedge in a rising market.

The Platinum Trust Quarterly Report will be available on our website, www.platinum.com.au from 13 January and mailed out by month end.

* Please refer to disclaimer note 1 on page 1 for information regarding performance calculations.