

## Facts

Portfolio value	\$10.35 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 - 2.0990    Red - 2.0885

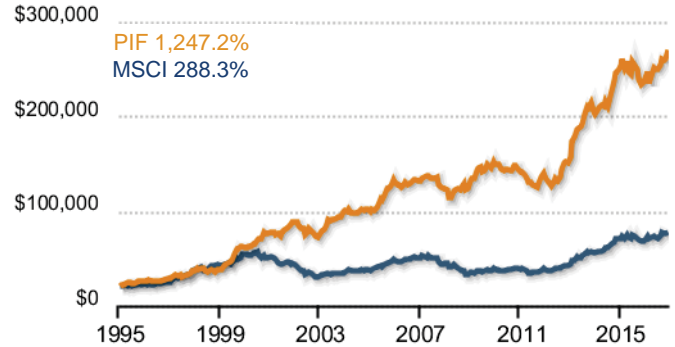
## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	3.34	2.02
3 months	3.50	1.48
6 months	8.09	8.52
Calendar year to date	3.50	1.48
1 year	14.25	16.01
2 years (compound pa)	4.12	4.98
3 years (compound pa)	9.71	12.12
5 years (compound pa)	14.15	15.21
7 years (compound pa)	8.60	10.70
10 years (compound pa)	7.45	4.60
Since inception (compound pa)	12.60	6.38

## 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>



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

	LONG %	NET %	CURRENCY %
Australia	1.2	1.2	18.4
Austria	0.9	0.9	
Canada	0.5	0.5	0.5
China	5.0	5.0	(2.2)
China Ex PRC	14.4	14.4	
Hong Kong	0.1	0.1	10.2
Denmark	0.4	0.4	0.4
France	5.0	5.0	
Germany	3.8	3.8	
Hungary	0.2	0.2	0.2
India	6.7	6.7	6.9
Italy	4.8	4.8	
Japan	13.9	13.9	4.6
Korea	8.5	8.5	8.6
Malaysia	0.7	0.7	0.7
Norway	0.9	0.9	6.2
Russia	0.6	0.6	
Singapore	0.3	0.3	
Sweden	1.6	1.6	1.7
Switzerland	0.5	0.5	0.6
Thailand	1.2	1.2	1.2
United Kingdom	3.5	3.5	3.8
United States	19.6	12.0	32.3
	94.3	86.6	
China Renminbi Off Shore			(5.7)
Euro Currency			11.7
Cash	5.7	13.4	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 128 stocks, 4 swaps, 1 bond    Short - 4 stocks, 2 indices

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

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.6
Alphabet Inc	USA	Info Technology	3.1
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.6
Lixil Group Corporation	Japan	Industrials	2.5
Sanofi SA	France	Health Care	2.2
KB Financial Grp	Korea	Financials	2.1
AstraZeneca PLC	UK	Health Care	2.1
PICC Property & Casualty Co	China Ex PRC	Financials	2.1
Ping An A Share Pnote Exp	China	Financials	2.0
Cisco Systems Inc	USA	Info Technology	1.9

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

SECTOR	LONG %	NET %
Info Technology	25.0	25.0
Financials	17.8	17.8
Cons Discretionary	13.9	13.4
Health Care	8.9	8.9
Energy	7.1	7.1
Industrials	6.9	6.9
Materials	6.1	6.1
Consumer Staples	4.9	3.5
Utilities	3.3	3.3
Real Estate	0.3	0.3
Telecom Services	0.2	0.2
Other*	0.0	(5.8)

\* 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 and Supplementary PDS dated 27 February 2017 ("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), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto: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.

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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 for fund returns and RIMES Technologies for MSCI returns.

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 for fund returns and RIMES Technologies for MSCI returns.

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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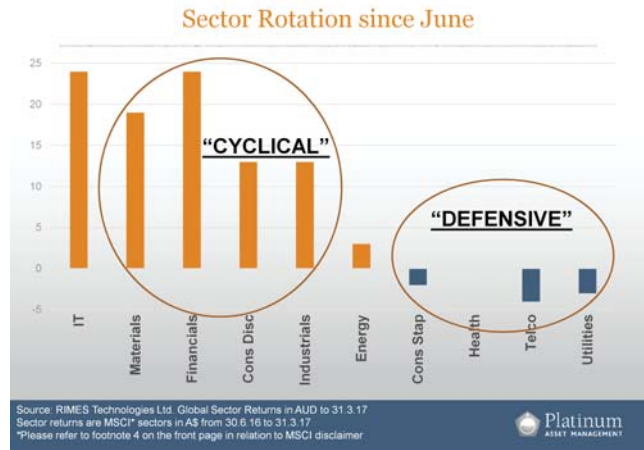
Investors may not have felt like they received a **double-digit return over the last 12 months**. Indeed since 30 June, the Fund has returned 15% with approximately 80% exposure to a world market that is up by 11%\*.

2016 had been a year of dramatic change encapsulated by Brexit and Trump, but in markets, the significant change was what increasingly looks like the end of the 36-year bull market in bonds and the concurrent peak in the hunt for bond-like equities which we had chosen to avoid.

**Equity market drivers have changed;** geography has not had much impact over recent months, rather it has been the type of companies one has owned. The chart above defines four cyclical sectors, with a simple average return of 17% since 30 June, and four safe havens which have lost 2% each on average. **The crowding into safety was most intense exactly as safe became risky.** Along with technology, it has been cyclical stocks that have driven the Fund's returns. Asia-Pacific based stocks have been powerful and digging below the mega-caps has also been fruitful.

Among all the noise about US policy and European elections, the simple fact is that **global growth is accelerating.** Europe especially is seeing a traditional recovery cycle and is growing well, re-balanced from pre-crisis and creating jobs; China is a year into its upswing and building momentum in its economy. Platinum's CIO Andrew Clifford focuses on this in his upcoming quarterly report, while an analyst visit to a resurgent Japan is also covered. The US is latest in its cycle with wage growth and tightening monetary policies, which are more ominous given valuations.

Today, the passive bandwagon is a major risk for investors after one of the longest US bull markets in history. This school of thought effectively argues that there is no value in stock-picking. **We dispute this assertion** while accepting that for a time it can be a self-reinforcing trend as it allocates more money to stocks that have already gone up. But we know for sure that **crowded momentum strategies never end well.**



The table shows that the returns of the Fund since the markets shifted in June could not be replicated passively.

Region	Fund's (Net) Exposure %	Index Return %	'ETF Outcome%'	Fund's Contribution %
Asia	34	14	4.8	7.4
Europe	22	10	2.2	3.4
Japan	13	11	1.3	2.8
North America	11	11	1.2	2.2
Cash/FX	19	1.5 (RBA)	0.3	0.6
<b>Net Return</b>			<b>9.8</b>	<b>14.7</b>

^"ETF Outcome%" = Net Exposure% X Index Return%

Net Exposure represents the Fund's exposure as a % of NAV of physical holdings and both long and short derivatives as at 31.3.17

The index returns relate to MSCI AC Asia ex Japan, MSCI AC Europe, MSCI USA, MSCI Japan. Cash is RBA Cash Rate. ETF outcome is assumed to achieve index return.

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.

\*Please see footnote 1 on the front page for our performance disclaimer.

The Platinum Trust Quarterly Report will be available on our website, [www.platinum.com.au](http://www.platinum.com.au) from 18 April and mailed out by the end of the month.