

## Facts

Portfolio value	\$10.60 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 - 2.2625    Red - 2.2512

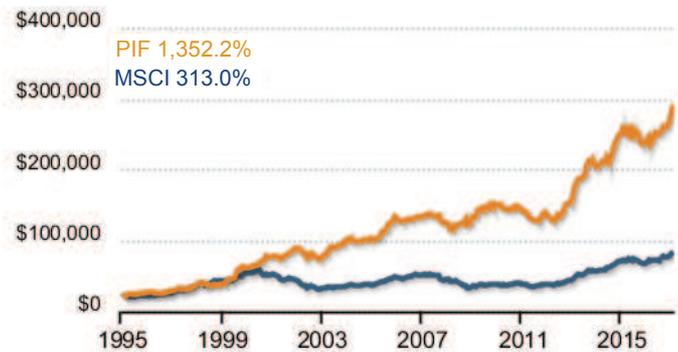
## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	4.14	2.67
3 months	11.39	8.51
6 months	14.81	12.51
Calendar year to date	11.57	7.93
1 year	17.84	14.37
2 years (compound pa)	5.49	6.90
3 years (compound pa)	12.14	13.45
5 years (compound pa)	17.27	17.57
7 years (compound pa)	10.03	11.80
10 years (compound pa)	8.02	4.74
Since inception (compound pa)	12.88	6.63

## 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	0.0	0.0	7.7
Austria	1.0	1.0	
Brazil	0.2	0.2	0.2
Canada	0.6	0.6	0.6
China	4.6	4.6	
China Ex PRC	15.9	15.9	
Hong Kong	0.0	0.0	10.7
Taiwan	0.5	0.5	0.5
Denmark	0.5	0.5	0.5
France	4.8	4.8	
Germany	4.0	4.0	
Hungary	0.2	0.2	0.2
India	6.5	6.5	6.7
Italy	3.8	3.8	
Japan	13.7	13.7	4.0
Korea	8.4	8.4	8.4
Malaysia	0.7	0.7	0.7
Norway	0.9	0.9	6.3
Russia	0.6	0.6	
Sweden	1.1	1.1	1.6
Switzerland	1.0	1.0	1.1
Thailand	0.6	0.6	0.6
United Kingdom	3.2	3.2	3.9
United States	17.8	9.9	37.4
	90.7	82.8	
China Renminbi Off Shore			(4.1)
Euro Currency			13.0
Cash	9.3	17.2	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 127 stocks, 3 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	3.4
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.8
Lixil Group Corporation	Japan	Industrials	2.4
Ping An A Share Note Exp	China	Financials	2.3
Sanofi SA	France	Health Care	2.3
PICC Property & Casualty Co	China Ex PRC	Financials	2.3
AstraZeneca PLC	UK	Health Care	2.2
Oracle Corp	USA	Info Technology	2.1
Baidu com ADR	China Ex PRC	Info Technology	2.1

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

SECTOR	LONG %	NET %
Info Technology	26.6	26.6
Financials	16.8	16.8
Cons Discretionary	13.3	12.9
Health Care	9.2	8.7
Energy	6.3	6.3
Industrials	5.9	5.9
Consumer Staples	4.7	3.2
Materials	4.3	4.3
Utilities	2.9	2.9
Real Estate	0.6	0.6
Telecom Services	0.2	0.2
Other*	0.0	(5.6)

\* 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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The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability.

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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In general, markets continue to look healthy, with the French election the latest 'non-event' to grab all the headlines. Over 11 months, world markets are up 18%\*, with the Fund up 24%\* over the same period. Over five years, investors have earned 17% per annum, or 122%\* in total and well above long-term averages.

After 2016 saw Brexit and Trump signal socio-political change in the Anglo-world, what may have been the end of a 36-year bull market in bonds was equally, if not more significant, and endorsed our decision to avoid the so-called safe bond-like equities.

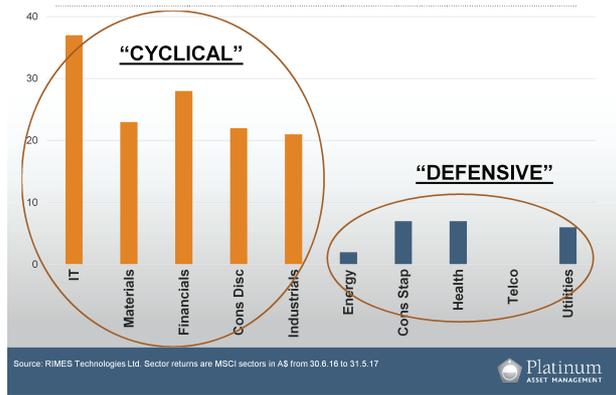
This crowding into safety was at its most risky at the inflexion point last June, and cyclicals are around 20% ahead of defensive sectors over the last 11 months. We have a large skew towards cyclicals given valuations and co-ordinated global growth for the first time in a decade.

In the Fund, the key drivers have been Asia-Pacific; cyclicals led by technology and financials; and digging deep below the mega-caps has added value. Samsung Electronics was the stand out contributor, with a contribution of at least 1% from each of Kering (Gucci's parent), KB Financial (Korean bank), Sina and Tencent (Chinese Internet), Alphabet (Google's parent) and Intesa Sanpaolo (Italian Bank). The decision to take short positions cost the Fund in strong markets.

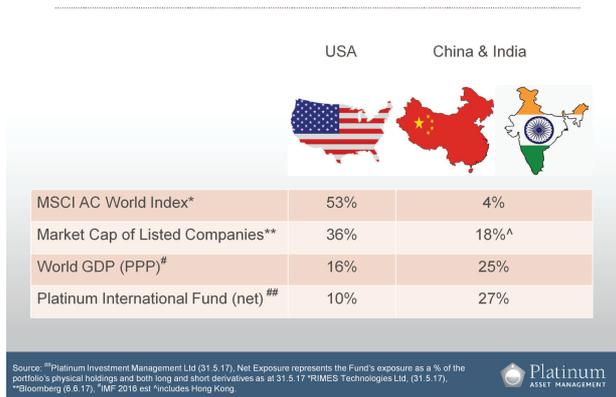
Longer term for markets, there appears to be the beginning of a reversal in capital flows, as the booming Chinese consumer and a broadening recovery in Europe make Asia and Europe increasingly prospective investment destinations. **Over 70% of our portfolio is in these regions.** As Platinum's CIO Andrew Clifford highlighted in the quarterly report, if these surplus nations shift from an external to internal focus it will make it harder for deficit nations such as the US, Australia and the UK. This could have big impacts on asset prices in these countries, which absolutely dominate most Australian savers' portfolios.

Today, the passive bandwagon is posing an increasing risk to investors. The appeal is simply that markets have delivered strong returns and hence the relative value of stock picking and risk management appear diminished. At any point in time investors have started to believe such rhetoric, they have generally been burned.

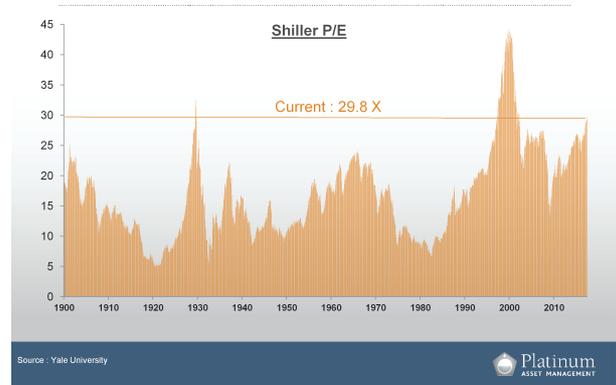
Sector Rotation since June 2016



Indices Don't Reflect World, or Markets



US : Valuations : Not a Good Entry Point!



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	35	25	8.8	12.1
Europe	22	22	4.8	6.3
Japan	13	18	2.3	3.8
North America	11	17	1.9	3.4
Cash/FX	19	1.5 (RBA)	0.3	(0.1)
<b>Net Return (11 months)</b>			<b>18.1</b>	<b>23.7</b>

^"ETF Outcome%" = Net Exposure% X Index Return%/100  
 Net Exposure represents the Fund's exposure as a % of NAV of physical holdings and both long and short derivatives as at 31.5.17

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. Past performance is not a reliable indicator of future performance.