

Facts

Portfolio value	\$11.4 bn
Fund commenced	30 April 1995
Minimum investment	A\$10,000 or NZ\$10,000
Regular Investment Plan	A/NZ\$5000 plus A/NZ\$200 mth/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App – 2.3183 Red – 2.3067
Unit prices P Class	App – 1.1248 Red – 1.1191

Performance¹

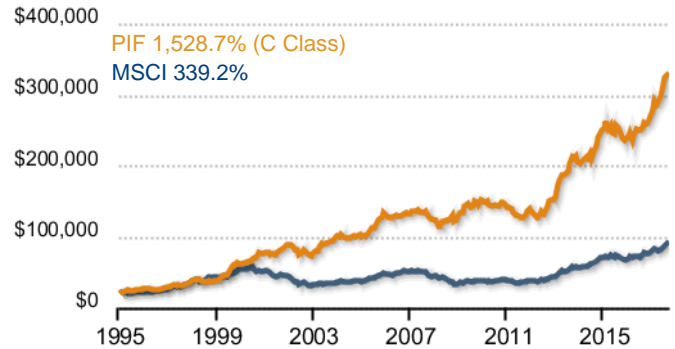
	P Class %	C Class %	MSCI %
1 month	(0.51)	(0.32)	(1.38)
3 months	6.64	7.00	6.07
6 months		14.30	9.07
Calendar year to date		25.13	14.77
1 year		25.13	14.77
2 years (compound pa)		14.41	11.52
3 years (compound pa)		12.78	10.96
5 years (compound pa)		17.88	17.26
7 years (compound pa)		12.58	13.01
10 years (compound pa)		9.21	5.87
Since inception (compound pa)*	12.20	13.10	6.74

Fees

Entry fee	Nil	
Buy/sell spread	0.25%/0.25%	
Fee:	C Class	Investment Management 1.35% p.a.
		Investment Performance N/A
	P Class	Investment Management 1.10% p.a.
		Investment Performance 15.00% p.a.*

*of the amount by which the Fund's return exceeds its index return

Performance graph²



Invested positions³

	LONG %	NET %	CURRENCY %
Australia	0.5	0.5	2.6
Austria	0.8	0.8	
Brazil	0.5	0.5	0.5
Canada	0.5	0.5	0.5
China	23.6*	23.6*	7.3
Hong Kong	0.2	0.2	13.9
Taiwan	0.4	0.4	0.4
Denmark	1.2	1.2	1.2
France	2.5	2.5	
Germany	5.3	5.3	
Hungary	0.2	0.2	0.2
India	6.1	6.1	6.4
Italy	1.2	1.2	
Japan	14.2	14.2	10.1
Korea	8.1	8.1	8.1
Malaysia	0.6	0.6	0.6
Norway	1.1	1.1	5.1
Russia	1.1	1.1	
Switzerland	3.3	3.3	0.9
Thailand	0.3	0.3	0.3
United Kingdom	6.5	6.5	5.5
United States	15.1	3.5	22.4
	93.3	81.6	
Euro Currency			14.0
Cash	6.7	18.4	
Total	100.0	100.0	100.0

Long - 138 stocks, 2 swaps Short - 9 stocks, 1 option, 2 indices

*China includes exposure to Chinese A shares, H shares and ADRs.

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. 11 dated 3 July 2017 ("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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1. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class, and represent the combined income and capital returns for each of these unit classes in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. Returns for P Class are net of any accrued investment performance fee. 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. *The since inception figure for P Class is from 3 July 2017.

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 NAV unit price (C Class). They are net of fees and costs, 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 bottom-up 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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Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.1
Ping An	China	Financials	3.1
Inpex Corporation Ltd	Japan	Energy	2.8
Alphabet Inc	USA	Info Technology	2.7
Glencore plc	Switzerland	Materials	2.4
Technip FMC	UK	Energy	2.2
Lixil Group Corporation	Japan	Industrials	2.2
Royal Dutch Shell PLC	UK	Energy	2.1
PICC Property & Casualty Co	China	Financials	1.9
Tencent Holdings Ltd	China	Info Technology	1.9

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	19.8	19.8
Financials	16.3	16.3
Cons Discretionary	12.4	11.2
Energy	10.5	10.5
Industrials	9.8	9.8
Materials	8.9	8.9
Health Care	7.0	7.0
Consumer Staples	4.0	0.4
Utilities	2.1	2.1
Real Estate	1.7	1.7
Telecom Services	0.9	0.9
Other*	0.0	(6.9)

* Includes index short positions

CIO Andrew Clifford revitalised the investment team structure during the 2011 and 2012 period, hence it is very pleasing to note that the Fund has completed its best 5 years (2013-2017) since 2000, with compound returns of 18% per annum.

Indeed, 2017 was the third strongest year since the Fund's inception in 1995, with strength across the board – including an outstanding contribution from North Asian stocks, and Technology and Financials to the fore sector-wise.

As the year progressed, the Fund continued to reduce exposure to the expensive US market (where exposure is lowest now since the GFC) and to migrate away from the Technology sector towards the unloved Energy and Materials sectors, which have started to pull their weight.

After a very strong 18 months for the Fund since Brexit (+39%), rather than simply claiming things played out as expected, it is useful to go back and look at what we were writing at the last trough, to note that the portfolio outcomes were not a surprise, but rather the outcome of a time-tested and methodical approach to building portfolios.

The team continuously holds an engaged debate on business, looking for companies that are out of favour, and tries to assess if this is temporary. Due to macro-economic factors, this often leads to clustering of ideas in particular sectors, or countries.

These quotes illustrate what we were saying ahead about the portfolio in mid-2016, when we were facing short-term performance challenges.

March 2016 Quarterly : "If one can assemble a portfolio comprising superior companies that are not priced to perfection, one should be able to outperform over time. We favour superior growth, superior profitability and below average use of financial leverage. Our portfolio is a lot more attractive than the average and represents the best value over the last 17 years. [There is the] possibility that our stock specific research is completely off-track...[but] we can find no basis to believe [this] is the case."

June 2016 Quarterly : "The odds do not favour renewing bets on the same colour when there has been a significant de-rating of all markets vis-à-vis Wall Street. The gap in valuation is...intriguing given around half of S&P500 companies' earnings come from international markets. The portfolio is predominantly composed of growing companies and those that are paying back decent amounts of incomes and by our calculations are likely to also grow, though in the main, slowly. We strongly favour this portfolio over the alternatives of long-dated negative-yielding bonds or very highly prized consumer staples."

Market Update, 11 August 2016 : "The differences in valuation between safe haven assets and all others are at an extreme, we liken this to a coiled spring, waiting to be released. Earnings yields [for many companies] are of the order of 7% to 12%, and in most cases we expect these earnings to grow. If one builds a portfolio from companies valued at these levels, and the underlying businesses perform through time as expected, then one will make money in the long term. We are far more focussed on whether our companies are performing as expected at the sales and profit level than the share price. And, by and large our companies are performing in line with the expectations we had for them. The reason we are able to operate at this level of conviction is the quality and depth of experience in the team. The opportunity here is to be in those areas that are out-of-favour and we have rarely seen the value that we have in the long side of the portfolio today."

Today, with this in mind, and after a strong period, one's natural instinct is to become increasing cautious, however, the flow of ideas from the team remains strong, and the latest thoughts are worthy of reading, in the Quarterly Report, which will be online from 12 January.

One of the latest hot investment concepts is that of passive investing, the appeal of which is simply that markets have been doing well and so temporarily it feels that the value add of active managers – stock selection and risk management – is diminished. At any point that investors have started to believe such rhetoric, they have generally been badly burned. This table shows that the returns we have delivered over the last year could not have been replicated passively.

Region	Fund's (Net) Exposure %	Index Return %	"ETF Outcome%"	Fund's Contribution %
Asia	37	31	11.6	17.2
Europe	23	16	3.7	5.1
Japan	13	15	2.0	3.8
North America	8	12	0.9	1.4
Cash/FX	19	1.5 (RBA)	0.3	(0.4)
Net Return (12 months)*			18.4	25.1

^"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 31.12.17

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.

to 31.12.17



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