

Platinum International Fund[®] ARSN 089 528 307

Platinum Unhedged Fund[™] ARSN 123 939 471

Platinum Asia Fund[®] ARSN 104 043 110

Platinum European Fund[®] ARSN 089 528 594

Platinum Japan Fund[®] ARSN 089 528 825

Platinum International Brands Fund[®] ARSN 092 429 813

Platinum International Health Care Fund[®] ARSN 107 023 530

Platinum International Technology Fund[®] ARSN 092 429 555

Financial Report - 30 June 2016

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30 June 2016

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Responsible Entity Report 30 June 2016

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management[®]) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as “*the registered schemes*”) present their report, together with the financial statements, on the registered schemes for the year ended 30 June 2016.

Principal Activities

The principal activity of the registered schemes during the year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

The registered schemes did not have any employees during the year.

Directors of the Responsible Entity

The Directors of Platinum Investment Management Limited during the year and up to the date of this report were:

Kerr Neilson
Andrew Clifford
Elizabeth Norman
Andrew Stannard (appointed on 10 August 2015)

Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the registered schemes during the year.

Operating and Financial Review (OFR)

The registered schemes have predominantly maintained their individual investment strategies in listed equities, equity and index derivatives and currency contracts. Market volatility and market uncertainty impacted the performance of all of our registered schemes/Funds, with all Funds recording negative absolute returns over the 12 months to 30 June 2016. The flagship Platinum International Fund returned negative 6.3 % for the year to 30 June 2016, in comparison to the annual return of the benchmark Morgan Stanley Capital International All Country World Net Index (MSCI) in \$A terms of negative 0.62%.

The portfolio of our Funds is structured quite differently to that of its benchmark index. This is not unusual and is an outcome of the proven investment philosophy and process of our Investment Manager that has delivered well above average long-term results for investors. The price to be paid in following this investment philosophy is that there will be shorter-term periods when returns are below the Benchmark. This was one of those years.

Currently, our global portfolios are overweight Asia and underweight America (relative to the MSCI index). Whilst this has cost us in the last 12 months, we note that the average return of markets that we were heavily invested in (Japan, EU, China and the Emerging Markets) fell by 11%, in comparison to the “safe” market of North America returning 5%. We are confident that, whilst the US market might presently feel “safe”, the prospects for future price growth and future earnings are not especially compelling, and hence investing in the US carries significant downside risk.

In summary, we believe that large portions of our Fund’s investment portfolios have the ability to grow and reward investors over the medium to long-term.

**Responsible Entity Report
30 June 2016**

Operating and Financial Review (OFR) (continued)

The performances of the registered schemes, as represented by the results of their operations for the year ended 30 June 2016, were as follows:

	International Fund \$'000	Unhedged Fund \$'000	Asia Fund \$'000	European Fund \$'000	Japan Fund \$'000	International Brands Fund \$'000	International Health Care Fund \$'000	International Technology Fund \$'000
Net Operating Profit/(Loss)								
2016	(725,387)	(38,344)	(605,364)	(34,971)	(26,290)	(59,788)	(4,248)	(4,926)
2015	1,983,470	61,354	1,350,688	44,835	171,334	203,468	35,294	12,884
The distributions of the registered schemes at 30 June were:								
Distribution Paid and Payable								
2016	906,500	18,127	271,510	11,043	14,525	127,124	15,193	5,727
2015	1,009,120	30,894	914,305	3,087	50,931	157,212	11,455	9,507
Distribution (cents per unit)								
2016	17.15	7.28	16.55	7.12	9.30	30.15	17.71	9.85
2015	20.21	12.92	53.16	2.28	34.67	34.81	16.20	19.58
The redemption prices of the registered schemes at 30 June were:								
Redemption Price – (cum-distribution)								
2016	1.9916	1.3789	2.7154	2.8343	3.6955	2.4629	2.0794	1.3843
2015	2.3269	1.6587	3.5589	3.0548	4.1935	2.9359	2.2722	1.6599

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future years; or
- (ii) the results of those operations in future years; or
- (iii) the states of affairs of the registered schemes in future years.

**Responsible Entity Report
30 June 2016**

Likely Developments and Expected Results of Operations

The registered schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the PDS of the registered schemes and in accordance with the provisions of the registered schemes' Constitutions.

The results of the registered schemes' operations will be affected by a number of factors, including the performance of investment markets in which the registered schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Investment Manager, Platinum Investment Management Limited, or the Auditor of the registered schemes. As long as the officers of the responsible entity act in accordance with the schemes' Constitutions and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

Fees paid to and interests held in the registered scheme

Fees paid to the responsible entity out of registered schemes' property during the year are disclosed in Note 14 to the financial statements. No fees were paid out of the registered schemes' property directly to the Directors of the responsible entity during the year.

Units on issue

The movements in units on issue in the registered schemes during the year have been disclosed in Note 6 to the financial statements.

Environmental regulation

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The registered schemes are a kind referred to in ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Including different registered scheme financial reports in a single document

The registered schemes have applied Australian Securities and Investments Commission's Corporations Instrument 2015/839, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 5.

This report is made in accordance with a resolution of the Directors.

Andrew Stannard
Director

Sydney
26 August 2016



Auditor's Independence Declaration

As lead auditor for the audit of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
26 August 2016

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Liability limited by a scheme approved under Professional Standards Legislation.

**Statements of Comprehensive Income
For the year ended 30 June 2016**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Investment income									
Dividends		275,380	217,596	12,324	5,832	128,281	117,308	9,803	5,456
Interest		9,517	1,464	46	116	2,803	4,164	1,417	857
Net gains/(losses) on financial assets at fair value through profit or loss		(785,003)	1,575,947	(45,649)	60,006	(612,909)	1,283,621	(39,085)	36,855
Net foreign exchange gains/(losses) on forward currency contracts		(56,627)	274,636	(82)	(272)	(34,587)	220	2,402	5,819
Net foreign exchange gains/(losses) on bank accounts		37,743	112,041	1,981	2,099	9,402	49,804	(644)	1,803
Total net investment income		(518,990)	2,181,684	(31,380)	67,781	(507,010)	1,455,117	(26,107)	50,790
Expenses									
Management fee	14	154,372	150,838	5,147	4,817	68,928	76,399	6,576	4,456
Administration fee	14	7,857	8,347	368	344	4,923	5,457	470	318
Withholding tax on foreign dividends		21,548	17,353	687	508	6,547	7,460	825	538
Transaction costs		22,500	21,583	756	752	17,804	15,050	990	641
Other		120	93	6	6	152	63	3	2
Total expenses		206,397	198,214	6,964	6,427	98,354	104,429	8,864	5,955
Net operating profit/(loss)		(725,387)	1,983,470	(38,344)	61,354	(605,364)	1,350,688	(34,971)	44,835
Financing Costs									
Net operating profit/(loss) attributable to unitholders		(725,387)	1,983,470	(38,344)	61,354	(605,364)	1,350,688	(34,971)	44,835
(Increase)/decrease in net assets attributable to unitholders	6	1,631,887	(974,350)	56,471	(30,460)	876,874	(436,383)	46,014	(41,748)
Distribution paid and payable	7	(906,500)	(1,009,120)	(18,127)	(30,894)	(271,510)	(914,305)	(11,043)	(3,087)
Net profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statements of Comprehensive Income
For the year ended 30 June 2016**

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Investment income									
Dividends		11,114	9,290	23,861	22,028	1,711	1,227	1,169	1,261
Interest		539	118	778	1,170	727	315	114	81
Net gains/(losses) on financial assets at fair value through profit or loss		(24,869)	121,783	(72,814)	179,632	(4,657)	33,148	(4,350)	10,365
Net foreign exchange gains/(losses) on forward currency contracts		(5,898)	43,958	(3,189)	1,330	75	1,900	(403)	1,604
Net foreign exchange gains/(losses) on bank accounts		4,231	5,479	12,562	22,879	958	826	18	841
Total net investment income		(14,883)	180,628	(38,802)	227,039	(1,186)	37,416	(3,452)	14,152
Expenses									
Management fee	14	8,585	6,993	15,881	17,747	2,484	1,746	1,152	985
Administration fee	14	613	499	1,134	1,268	177	125	82	70
Withholding tax on foreign dividends		1,081	973	1,915	2,341	198	143	119	99
Transaction costs		1,125	826	2,049	2,207	201	107	121	114
Other		3	3	7	8	2	1	-	-
Total expenses		11,407	9,294	20,986	23,571	3,062	2,122	1,474	1,268
Net operating profit/(loss)		(26,290)	171,334	(59,788)	203,468	(4,248)	35,294	(4,926)	12,884
Financing Costs									
Net operating profit/(loss) attributable to unitholders		(26,290)	171,334	(59,788)	203,468	(4,248)	35,294	(4,926)	12,884
(Increase)/decrease in net assets attributable to unitholders	6	40,815	(120,403)	186,912	(46,256)	19,441	(23,839)	10,653	(3,377)
Distribution paid and payable	7	(14,525)	(50,931)	(127,124)	(157,212)	(15,193)	(11,455)	(5,727)	(9,507)
Net profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statements of Financial Position
As at 30 June 2016**

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets									
Cash and cash equivalents	15(a)	1,320,427	1,250,095	31,954	32,011	625,108	1,174,938	98,806	94,032
Receivables	8	34,061	15,361	3,653	319	15,227	33,307	685	423
Financial assets at fair value through profit or loss	5	9,310,593	10,442,318	310,096	370,370	3,851,550	4,944,383	343,827	321,040
Total Assets		10,665,081	11,707,774	345,703	402,700	4,491,885	6,152,628	443,318	415,495
Liabilities									
Unitholders' distribution payable	7	906,500	1,009,120	18,127	30,894	271,510	914,305	11,043	3,087
Payables	9	35,368	17,076	1,276	4,759	5,387	10,734	546	523
Financial liabilities at fair value through profit or loss	5	74,129	42,063	225	378	21,626	5,686	1,900	422
Total Liabilities (excluding net assets attributable to unitholders)		1,015,997	1,068,259	19,628	36,031	298,523	930,725	13,489	4,032
Net Assets Attributable to Unitholders	6	9,649,084	10,639,515	326,075	366,669	4,193,362	5,221,903	429,829	411,463

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

**Statements of Financial Position
As at 30 June 2016**

		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets									
Cash and cash equivalents	15(a)	43,247	61,348	183,049	338,212	38,871	51,739	14,110	14,584
Receivables	8	28,345	741	25,921	3,135	1,867	169	149	372
Financial assets at fair value through profit or loss	5	510,527	559,678	836,103	994,735	138,889	109,593	66,748	66,321
Total Assets		582,119	621,767	1,045,073	1,336,082	179,627	161,501	81,007	81,277
Liabilities									
Unitholders' distribution payable	7	14,525	50,931	127,124	157,212	15,193	11,455	5,727	9,507
Payables	9	651	735	1,438	2,939	690	313	120	356
Financial liabilities at fair value through profit or loss	5	3,086	3,394	2,029	3,788	96	111	194	128
Total Liabilities (excluding net assets attributable to unitholders)		18,262	55,060	130,591	163,939	15,979	11,879	6,041	9,991
Net Assets Attributable to Unitholders	6	563,857	566,707	914,482	1,172,143	163,648	149,622	74,966	71,286

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

**Statements of Changes in Equity
For the year ended 30 June 2016**

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity
For the year ended 30 June 2016

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows
For the year ended 30 June 2016

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities									
Purchase of financial assets		(5,545,234)	(4,950,827)	(141,637)	(196,691)	(5,602,558)	(3,097,501)	(227,925)	(124,813)
Proceeds from sale of financial assets		5,869,705	5,423,448	149,783	176,473	6,082,110	3,577,838	169,266	72,339
Interest received		9,584	1,298	61	111	2,814	4,030	1,441	863
Dividends received		269,428	216,165	11,857	5,787	125,654	116,795	9,533	5,568
Manager's fees paid		(164,775)	(155,942)	(5,602)	(5,034)	(76,584)	(79,442)	(7,022)	(4,601)
Other expenses paid		(22,705)	(21,808)	(762)	(769)	(17,798)	(15,309)	(1,010)	(654)
Net cash inflow/(outflow) from operating activities	15(c)	416,003	512,334	13,700	(20,123)	513,638	506,411	(55,717)	(51,298)
Cash flows from financing activities									
Proceeds from units issued		1,772,120	1,802,220	53,647	91,654	764,108	849,402	129,667	137,192
Payment for units redeemed		(1,130,664)	(1,464,737)	(37,770)	(25,442)	(915,775)	(325,916)	(65,287)	(55,513)
Distributions paid		(1,009,120)	(534,324)	(30,894)	(33,186)	(914,305)	(276,756)	(3,087)	-
Net cash inflow/(outflow) from financing activities		(367,664)	(196,841)	(15,017)	33,026	(1,065,972)	246,730	61,293	81,679
Net increase/(decrease) in cash and cash equivalents									
		48,339	315,493	(1,317)	12,903	(552,334)	753,141	5,576	30,381
Cash and cash equivalents at beginning of the year		1,250,095	846,264	32,011	17,331	1,174,938	380,996	94,032	61,828
Effects of exchange rate changes on cash and cash equivalents		21,993	88,338	1,260	1,777	2,504	40,801	(802)	1,823
Cash and cash equivalents at the end of the year	15(a)	1,320,427	1,250,095	31,954	32,011	625,108	1,174,938	98,806	94,032

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows
For the year ended 30 June 2016

Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund		
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	
Cash flows from operating activities									
Purchase of financial assets	(440,831)	(265,966)	(484,217)	(371,136)	(91,085)	(25,335)	(53,121)	(44,352)	
Proceeds from sale of financial assets	430,804	266,365	539,938	536,486	55,668	32,477	47,682	45,162	
Interest received	534	83	781	1,306	730	313	118	79	
Dividends received	11,006	9,122	23,736	22,602	1,670	1,198	1,390	936	
Manager's fees paid	(9,282)	(7,243)	(17,470)	(18,886)	(2,652)	(1,793)	(1,241)	(1,026)	
Other expenses paid	(1,135)	(849)	(2,053)	(2,203)	(208)	(113)	(123)	(115)	
Net cash inflow/(outflow) from operating activities	15(c)	(8,904)	1,512	60,715	168,169	(35,877)	6,747	(5,295)	684
Cash flows from financing activities									
Proceeds from units issued	116,534	92,707	164,998	198,361	52,494	38,874	22,611	19,300	
Payment for units redeemed	(78,569)	(59,707)	(235,747)	(285,306)	(19,027)	(15,776)	(8,278)	(9,490)	
Distributions paid	(50,931)	(18,453)	(157,212)	(67,116)	(11,455)	-	(9,507)	(3,386)	
Net cash inflow/(outflow) from financing activities		(12,966)	14,547	(227,961)	(154,061)	22,012	23,098	4,826	6,424
Net increase/(decrease) in cash and cash equivalents									
		(21,870)	16,059	(167,246)	14,108	(13,865)	29,845	(469)	7,108
Cash and cash equivalents at beginning of the year		61,348	39,863	338,212	304,492	51,739	21,152	14,584	6,615
Effects of exchange rate changes on cash and cash equivalents		3,769	5,426	12,083	19,612	997	742	(5)	861
Cash and cash equivalents at the end of the year	15(a)	43,247	61,348	183,049	338,212	38,871	51,739	14,110	14,584

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
30 June 2016

Note 1 General Information

This financial report covers the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (collectively referred to as “the registered schemes”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

Registered Scheme	Date of Commencement	Registered Scheme	Date of Commencement
Platinum International Fund	4 April 1995	Platinum Japan Fund	12 June 1998
Platinum Unhedged Fund	19 January 2005	Platinum International Brands Fund	11 April 2000
Platinum Asia Fund	3 March 2003	Platinum International Health Care Fund	5 November 2003
Platinum European Fund	12 June 1998	Platinum International Technology Fund	11 April 2000

Each registered scheme may be wound up on the day immediately preceding the 80th anniversary of the date of commencement, unless terminated earlier in accordance with the provisions of the Constitution.

The financial report was authorised for issue by the Directors of the responsible entity on 26 August 2016. The Directors have the power to amend the financial report after issue.

Note 2 Summary of Significant Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the requirements of the registered schemes’ Constitutions, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Each registered scheme is a for-profit entity for the purpose of preparing the financial report.

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The Statements of Financial Position are presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The registered schemes manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, a precise estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder’s discretion. However, it is recommended that holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

Note 2 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation of the financial statements (continued)

Compliance with International Financial Reporting Standards

The financial statements of the registered schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements, which are included in the accounting policies below.

(b) Income Tax

Under current tax legislation, the registered schemes are not subject to income tax as unitholders are presently entitled to the income of the Fund.

The benefits of any offsets for foreign tax paid are passed on to unitholders.

(c) Financial Assets and Liabilities at Fair Value through Profit or Loss

Under AASB 139: *Financial Instruments: Recognition and Measurement*, investments are classified in the registered schemes' Statement of Financial Position as "financial assets at fair value through profit or loss". Derivatives and foreign currency contracts are classified as financial instruments "held for trading" and equity securities are designated at fair value through profit or loss upon initial recognition. The registered schemes have applied AASB 13: *Fair Value Measurement*. AASB 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". AASB 13 increases transparency about fair value measurements, including the valuations techniques and inputs used to measure fair value.

The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the registered schemes, the last-sale or "last" price is the most representative price within the bid-ask spread, because it represents the price that the security last changed hands from seller to buyer.

The registered schemes have applied last-sale pricing as the fair value measurement basis for equities and derivatives they hold.

AASB 13 also requires reporting entities to disclose its valuation techniques and inputs. This is described below.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs. Financial assets are valued using "last-sale" pricing. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statement of Comprehensive Income in the period they arise.

Forward currency contracts are initially recognised at fair value on the date contracts are entered into and are subsequently remeasured at each reporting date. The fair value is the unrealised profit or loss on the foreign currency position (in Australian dollars).

Note 2 Summary of Significant Accounting Policies (continued)

(c) Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Fair value in an inactive market or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques or any other valuation techniques that provides a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, the options are valued based on the option prices provided by an arm's length broker. These valuations are based on option pricing models.

Recognition/derecognition

The registered schemes recognise financial assets on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets from this date.

The registered schemes no longer recognise financial assets on the date they become party to the sale contractual agreement (trade date).

(d) Transaction costs

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on financial assets at fair value through profit or loss are expensed immediately.

(e) Net assets attributable to unitholders

Units on issue give the unitholder a right to redeem units at the redemption price. Therefore, net assets attributable to unitholders are considered a liability rather than equity. The liability represents the balance of the net assets of the registered schemes at reporting date. As unitholders' funds are classed as a liability under Australian Accounting Standards, it will be necessary to recognise "(increase)/decrease in net assets attributable to unitholders" in the Statements of Comprehensive Income as a financing cost.

(f) Foreign currency translation

Items included in the registered schemes' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the country that the registered schemes are regulated, funds are raised and distributions are paid. The Australian dollar is also the registered schemes' presentation currency.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities for each Statement of Financial Position presented are translated at exchange rates at the closing rate at the date of that Statements of Financial Position. Resulting exchange differences are brought to account in determining profit and loss for the year.

(g) Investment income

Interest Income

Interest income is recognised in the Statements of Comprehensive Income, using the nominated interest rate available on the bank accounts held at various locations throughout the world.

Dividend Income

Dividend income is brought to account on the applicable ex-dividend date.

Note 2 Summary of Significant Accounting Policies (continued)

(h) Distributions

In accordance with each registered schemes' Constitution, each registered scheme fully distributes any distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme.

(i) Receivables

All receivables are recognised when a right to receive payment is established. Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised where there is evidence the amount will not be collected.

Amounts due from brokers represent receivables for securities sold that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Proceeds on sale of investments are usually received between 2 and 5 days after trade date.

(j) Payables

All payables are recognised as and when the registered schemes become liable.

Amounts due to brokers represent payables for securities purchased that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Payables on purchase of investments are usually paid between 2 and 5 days after trade date.

(k) Applications and redemptions

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

(l) Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in ASIC Corporations "Rounding in Financial/Directors' Reports" Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in these financial statements have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(m) Including different registered scheme financial reports in a single document

The registered schemes have applied Australian Securities and Investments Commission's Corporations Instrument 2015/839, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

(n) Goods and Services Tax (GST)

The GST paid on the costs of various services provided to the registered schemes, such as Investment Management fees, has been passed onto the registered schemes. Investment Management fees have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). GST recoverable from the ATO at reporting date is included in receivables in the Statements of Financial Position. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

Note 2 Summary of Significant Accounting Policies (continued)

(o) Operating segments

The registered schemes are outside the scope of AASB 8: *Operating Segments* as they do not satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market, or file their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

(p) Cash and cash equivalents

For the purposes of the Statements of Cash Flows, cash includes deposits held at call with financial institutions, cash held in margin accounts and other short term, highly liquid investments with original maturities of 3 months or less that is readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of financial assets are classified as “cash flows from operating activities” as realised and unrealised gains (and losses) on financial assets represent the registered schemes’ main operating activity.

(q) Due from/due to brokers for unsettled trades

Amounts due from/due to brokers represent receivables for proceeds on sale of financial assets (as disclosed in Note 8) and payables on purchase of financial assets/liabilities (as disclosed in Note 9) that have been traded, but not yet settled at reporting date. Proceeds on sale of financial assets are usually received between two and five days after trade date. Payables on purchase of financial assets/liabilities are usually paid between two and five days after trade date.

(r) Offsetting a financial asset and a financial liability

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Please refer to Note 12 for further information.

(s) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the registered schemes for the annual reporting period ended 30 June 2016. The registered schemes’ assessment of the impact of the new or amended Accounting Standards and Interpretations, most relevant to the registered schemes, are set out below.

AASB 9: *Financial Instruments (and applicable amendments)* (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It now includes revised rules around hedge accounting and impairment. The standard has been assessed as not having a significant impact on the recognition and measurement of the registered schemes’ financial instruments as the financial instruments are measured at fair value through profit or loss.

Note 2 Summary of Significant Accounting Policies (continued)

(s) New accounting standards and interpretations (continued)

AASB 15: *Revenue from contracts with customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services (and AASB 111 which covers construction contracts). The new standard is based on the principle that revenue is recognised by an asset manager to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future periods. The registered schemes' main source of income is interest, dividends and gains on financial assets held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of the new revenue recognition rules are not expected to have a significant impact on the registered schemes' accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective that are expected to have a material impact on the registered schemes in the current or future reporting periods and on foreseeable future transactions.

Note 3 Auditor's Remuneration

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	49,114	48,652	6,558	6,367	27,118	26,649	24,078	23,378
Auditing the Compliance Plan	10,149	9,853	2,361	2,292	8,378	8,134	5,313	5,158
Other audit and assurance services	25,201	28,367	-	-	25,200	28,739	-	-
Taxation and regulatory services – Compliance	55,641	52,730	49,399	40,847	59,076	49,690	46,586	37,805
Other advisory services – Foreign tax agent	16,125	4,927	892	-	24,414	6,131	-	-
	156,230	144,529	59,210	49,506	144,186	119,343	75,977	66,341

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	25,149	24,416	24,078	23,378	9,024	8,762	22,306	19,937
Auditing the Compliance Plan	6,152	5,973	5,313	5,158	2,361	2,292	2,361	4,012
Other audit and assurance services	-	-	-	-	-	-	-	-
Taxation and regulatory services – Compliance	45,606	43,805	50,826	43,165	47,326	39,425	46,926	39,745
Other advisory services – Foreign tax agent	-	-	1,105	672	-	-	4,788	2,418
	76,907	74,194	81,322	72,373	58,711	50,479	76,381	66,112

In 2016 (and 2015) Auditor's Remuneration was paid by the responsible entity and reimbursed by the registered schemes, via the administration fee.

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Note 4 Taxation

Under current tax legislation, the individual registered schemes are not subject to income tax, as taxable income (including assessable net realised capital gains) is distributed in full to unitholders.

Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets								
<i>Held for trading</i>								
Derivatives	3,009	18,363	148	36	1,959	5,926	10	230
Forward currency contracts	38,229	18,462	-	-	23,626	744	1,422	199
Total held for trading	41,238	36,825	148	36	25,585	6,670	1,432	429
<i>Designated at fair value through profit or loss</i>								
Equity securities	9,263,843	10,397,218	309,806	370,191	3,818,676	4,930,369	342,395	320,611
Corporate bonds	5,512	8,275	142	143	7,289	7,344	-	-
Total designated at fair value through profit or loss	9,269,355	10,405,493	309,948	370,334	3,825,965	4,937,713	342,395	320,611
Total financial assets held at fair value through profit or loss	9,310,593	10,442,318	310,096	370,370	3,851,550	4,944,383	343,827	321,040
Financial liabilities								
<i>Held for trading</i>								
Derivatives	18,848	14,328	225	378	429	4,837	15	-
Forward currency contracts	55,281	27,735	-	-	21,197	849	1,885	422
Total held for trading	74,129	42,063	225	378	21,626	5,686	1,900	422
Total financial liabilities held at fair value through profit or loss	74,129	42,063	225	378	21,626	5,686	1,900	422
Total of financial assets less liabilities	9,236,464	10,400,255	309,871	369,992	3,829,924	4,938,697	341,927	320,618

Notes to the Financial Statements
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Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets								
<i>Held for trading</i>								
Derivatives	1,054	260	73	4,196	9	-	3	91
Forward currency contracts	-	1,579	-	191	1	19	106	85
Total held for trading	1,054	1,839	73	4,387	10	19	109	176
<i>Designated at fair value through profit or loss</i>								
Equity securities	509,473	557,839	836,030	990,348	138,879	109,574	66,639	66,145
Total designated at fair value through profit or loss	509,473	557,839	836,030	990,348	138,879	109,574	66,639	66,145
Total financial assets held at fair value through profit or loss	510,527	559,678	836,103	994,735	138,889	109,593	66,748	66,321
Financial liabilities								
<i>Held for trading</i>								
Derivatives	-	80	1,125	2,674	-	89	26	-
Forward currency contracts	3,086	3,314	904	1,114	96	22	168	128
Total held for trading	3,086	3,394	2,029	3,788	96	111	194	128
Total financial liabilities held at fair value through profit or loss	3,086	3,394	2,029	3,788	96	111	194	128
Total of financial assets less liabilities	507,441	556,284	834,074	990,947	138,793	109,482	66,554	66,193

Notes to the Financial Statements
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Note 6 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	10,639,515	9,327,682	366,669	269,997	5,221,903	4,262,034	411,463	288,036
Applications during the year	1,772,120	1,802,220	53,647	91,654	764,108	849,402	129,667	137,192
Redemptions during the year	(1,130,664)	(1,464,737)	(37,770)	(25,442)	(915,775)	(325,916)	(65,287)	(55,513)
Increase/(Decrease) in net assets attributable to unitholders	(1,631,887)	974,350	(56,471)	30,460	(876,874)	436,383	(46,014)	41,748
Closing balance	9,649,084	10,639,515	326,075	366,669	4,193,362	5,221,903	429,829	411,463
	Units	Units	Units	Units	Units	Units	Units	Units
	'000	'000	'000	'000	'000	'000	'000	'000
Opening balance	4,993,395	4,806,891	239,075	193,980	1,719,843	1,551,417	135,364	108,618
Number of units issued during the year	840,114	862,466	35,456	61,752	261,016	269,116	41,592	47,516
Number of units redeemed during the year	(546,717)	(675,962)	(25,551)	(16,657)	(340,775)	(100,690)	(21,803)	(20,770)
Closing balance	5,286,792	4,993,395	248,980	239,075	1,640,084	1,719,843	155,153	135,364

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Note 6 Net Assets Attributable to Unitholders (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Opening balance	566,707	413,304	1,172,143	1,212,832	149,622	102,685	71,286	58,099
Applications during the year	116,534	92,707	164,998	198,361	52,494	38,874	22,611	19,300
Redemptions during the year	(78,569)	(59,707)	(235,747)	(285,306)	(19,027)	(15,776)	(8,278)	(9,490)
Increase/(Decrease) in net assets attributable to unitholders	(40,815)	120,403	(186,912)	46,256	(19,441)	23,839	(10,653)	3,377
Closing balance	563,857	566,707	914,482	1,172,143	163,648	149,622	74,966	71,286

	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
	Opening balance	146,912	138,664	451,659	483,832	70,714	60,401	48,552
Number of units issued during the year	29,839	25,575	64,155	75,929	23,981	18,945	15,388	12,628
Number of units redeemed during the year	(20,632)	(17,327)	(94,140)	(108,102)	(8,908)	(8,632)	(5,795)	(6,104)
Closing balance	156,119	146,912	421,674	451,659	85,787	70,714	58,145	48,552

Note 7 Distributions Paid and Payable

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
The distributions were paid/payable as follows: 30 June final payable	906,500	1,009,120	18,127	30,894	271,510	914,305	11,043	3,087

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
The distributions were paid/payable as follows: 30 June final payable	14,525	50,931	127,124	157,212	15,193	11,455	5,727	9,507

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Note 8 Receivables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	13,175	1,216	2,891	9	3,375	23,860	-	-
Interest receivable	120	187	4	19	153	164	21	45
GST receivable	1,400	1,388	47	47	582	740	63	47
Dividends receivable	14,770	9,048	587	164	7,422	4,795	303	159
Dividend tax refund receivable	3,714	3,484	124	80	-	-	298	172
Indian capital gains tax receivable	882	38	-	-	3,695	3,748	-	-
	34,061	15,361	3,653	319	15,227	33,307	685	423

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of financial assets	27,484	-	22,735	479	1,654	-	-	-
Interest receivable	41	36	1	4	-	3	6	10
GST receivable	78	71	142	159	24	18	11	9
Dividends receivable	739	634	1,987	1,793	17	36	126	350
Dividend tax refund receivable	3	-	55	124	172	112	6	3
Indian capital gains tax receivable	-	-	1,001	576	-	-	-	-
	28,345	741	25,921	3,135	1,867	169	149	372

Proceeds on sale of investments are usually received between 2 and 5 days after trade date. Interest is usually received within 3 days of becoming receivable and dividends are usually received within 75 days of the ex-dividend date.

Information relating to the ageing of receivables for 2016 is provided in Note 10.

Notes to the Financial Statements
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Note 9 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables on purchase of financial assets/liabilities	22,589	372	861	4,340	-	-	-	-
Interest payable	11	84	-	-	-	-	-	1
Management and administration fees	12,768	15,314	332	419	5,387	8,120	546	522
Payable for foreign Capital Gains Tax	-	1,306	83	-	-	2,614	-	-
	<u>35,368</u>	<u>17,076</u>	<u>1,276</u>	<u>4,759</u>	<u>5,387</u>	<u>10,734</u>	<u>546</u>	<u>523</u>

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables on purchase of financial assets/liabilities	-	-	13	1,169	484	117	-	254
Interest payable	-	-	1	15	2	1	1	1
Management and administration fees	651	735	1,300	1,755	204	195	94	101
Payable for foreign Capital Gains Tax	-	-	124	-	-	-	25	-
	<u>651</u>	<u>735</u>	<u>1,438</u>	<u>2,939</u>	<u>690</u>	<u>313</u>	<u>120</u>	<u>356</u>

Payables on purchase of investments are usually paid between 2 and 5 days after trade date. Information relating to the registered schemes' exposures of payables to liquidity risk is provided in Note 10.

Note 10 Financial Risk Management

(a) Financial Risk Management Objectives, Policies and Processes

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The risks that the schemes are exposed to include market risk (including currency risk and), credit risk and liquidity risk.

The responsible entity's investment style:

- adopts a bottom-up stock selection methodology such that long-term capital growth is sought through investing in undervalued securities across the world;
- seeks absolute returns and not returns relative to any index;
- invests excess funds in cash when undervalued stocks cannot be found; and
- actively manages currency.

Derivatives (which include equity swaps, futures and options) are utilised for risk management purposes and to take opportunities to increase returns. The underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the net asset value of that scheme. Each of the registered schemes complied with its investment mandate during the year and as at 30 June 2016.

Notes to the Financial Statements
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Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure

	2016				2015			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Fund								
Japan	1,155,686	-	-	1,155,686	1,290,471	-	-	1,290,471
Other Asia	3,219,016	53,945	-	3,272,961	4,151,596	125,041	-	4,276,637
Australia	108,535	-	-	108,535	63,487	-	-	63,487
Europe – Euro	1,292,142	-	-	1,292,142	1,194,286	-	-	1,194,286
Europe – Other	1,090,822	-	(24,645)	1,066,177	1,313,752	-	(10,838)	1,302,914
North America	2,397,035	-	(1,333,792)	1,063,243	2,363,938	-	(917,451)	1,446,487
South America	607	-	-	607	27,963	-	-	27,963
Africa	-	-	-	-	-	-	-	-
	9,263,843	53,945	(1,358,437)	7,959,351	10,405,493	125,041	(928,289)	9,602,245
Futures Notional Cost Amounts 30 June 2016	(1,299,092)							
Futures Notional Cost Amounts 30 June 2015	(801,853)							
Unhedged Fund								
Japan	26,197	-	-	26,197	42,105	-	-	42,105
Other Asia	90,993	7,076	-	98,069	133,521	10,656	-	144,177
Australia	-	-	-	-	4,895	-	-	4,895
Europe – Euro	47,001	-	-	47,001	46,810	-	-	46,810
Europe – Other	45,779	-	-	45,779	57,313	-	-	57,313
North America	99,974	-	-	99,974	80,538	-	-	80,538
South America	4	-	-	4	2,147	-	-	2,147
Africa	-	-	-	-	3,005	-	-	3,005
	309,948	7,076	-	317,024	370,334	10,656	-	380,990
Futures Notional Cost Amounts 30 June 2016	7,214							
Futures Notional Cost Amounts 30 June 2015	10,936							

Refer to narrative on page 29 for explanations of the terms used in the above table.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2016				2015			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Asia Fund								
Asia (excluding Japan)	3,723,248	20,083	-	3,743,331	4,928,741	165,710	-	5,094,451
North America	102,717	-	-	102,717	8,972	-	-	8,972
	3,825,965	20,083	-	3,846,048	4,937,713	165,710	-	5,103,423
Futures Notional Cost Amounts 30 June 2016	18,538							
Futures Notional Cost Amounts 30 June 2015	164,182							
European Fund								
Europe – Euro	220,009	-	-	220,009	182,135	-	-	182,135
Europe – Other	106,241	-	(3,910)	102,331	124,904	-	(2,706)	122,198
North America	16,145	-	-	16,145	13,572	-	-	13,572
	342,395	-	(3,910)	338,485	320,611	-	(2,706)	317,905
Futures Notional Cost Amounts 30 June 2016	(3,999)							
Futures Notional Cost Amounts 30 June 2015	(2,871)							
Japan Fund								
Japan	509,473	-	(6,475)	502,998	519,058	15,797	(24,911)	509,944
South Korea	-	-	-	-	38,781	-	-	38,781
	509,473	-	(6,475)	502,998	557,839	15,797	(24,911)	548,725
Futures Notional Cost Amounts 30 June 2016	(7,524)							
Futures Notional Cost Amounts 30 June 2015	(9,271)							

Refer to narrative on page 29 for explanations of the terms used in the above table.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2016				2015			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Brands Fund								
Japan	107,583	-	-	107,583	83,790	-	-	83,790
Other Asia	258,895	28,692	-	287,587	290,303	77,465	(24,637)	343,131
Europe – Euro	167,295	-	(26,301)	140,994	215,628	-	(29,026)	186,602
Europe – Other	92,469	-	-	92,469	149,717	-	-	149,717
North America	99,181	-	-	99,181	132,795	-	-	132,795
South America	102,378	-	-	102,378	99,934	-	-	99,934
Africa	8,229	-	-	8,229	18,181	-	-	18,181
	836,030	28,692	(26,301)	838,421	990,348	77,465	(53,663)	1,014,150
Futures Notional Cost Amounts 30 June 2016	2,925							
Futures Notional Cost Amounts 30 June 2015	21,851							
International Health Care Fund								
Japan	5,364	-	-	5,364	7,497	-	-	7,497
Other Asia	-	-	-	-	2,655	-	-	2,655
Australia	1,567	-	-	1,567	798	-	-	798
Europe – Euro	40,244	-	-	40,244	23,305	-	-	23,305
Europe – Other	35,225	-	-	35,225	30,809	-	-	30,809
North America	56,479	-	(799)	55,680	44,510	-	(1,964)	42,546
South America	-	-	-	-	-	-	-	-
	138,879	-	(799)	138,080	109,574	-	(1,964)	107,610
Futures Notional Cost Amounts 30 June 2016	(812)							
Futures Notional Cost Amounts 30 June 2015	(1,861)							

Refer to narrative on page 29 for explanations of the terms used in the above table.

Note 10 Financial Risk Management (continued)

(b) Investments at Fair Value and Derivatives Exposure (continued)

	2016				2015			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Technology Fund								
Japan	5,780	-	-	5,780	6,905	-	-	6,905
Other Asia	22,527	-	-	22,527	22,925	-	-	22,925
Europe – Euro	2,939	-	-	2,939	5,262	-	-	5,262
Europe – Other	9,286	-	-	9,286	8,626	-	-	8,626
North America	26,107	-	(2,612)	23,495	21,245	-	(2,266)	18,979
Africa	-	-	-	-	1,182	-	-	1,182
	66,639	-	(2,612)	64,027	66,145	-	(2,266)	63,879

Futures Notional Cost Amounts 30 June 2016 (2,613)

Futures Notional Cost Amounts 30 June 2015 (2,341)

The “Physical” column above represents the location of the registered schemes’ investments. The “Long/Short Contracts” columns include the notional value of long/short equity swaps and futures.

The “Net Exposure” column above represents an approximation of each registered schemes’ exposures to movements in the markets. This is calculated by making an adjustment to the “physical” position by adding to the physical position, the principal notional amount of any long (bought) positions and subtracting any short (sold) derivative positions in shares and shares index futures. For example, if 5% of the Portfolio of a registered scheme was invested in Japan, but there was a 2% short exposure to Nikkei futures, the Net Exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate the Portfolio was net short the Japanese market.

(c) Market Risk

(i) Foreign Exchange Risk

Foreign exchange risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The registered schemes operate internationally and are exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currency. Currency hedging is an integral part of the management of currency risk. The Investment Manager positions a registered scheme’s portfolio in what it believes will be a stronger currency(ies). For example, at 30 June 2016, Platinum International Fund remains heavily hedged back into US Dollars with an exposure of 43.6%, 23% in European currencies including Norwegian Krone and Swiss Francs and 10.8% in Hong Kong Dollars. There is little exposure to the Japanese Yen.

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

The Investment Manager may use forward foreign exchange contracts and futures and option contracts on foreign exchange rate contracts to position a registered scheme's portfolio in the desired currencies. A currency exposure may be hedged using a different currency from which the exposure is maintained (for example, US dollar hedges may be used to hedge the currency risk of holding investments in Hong Kong dollars).

Where there have been major currency movements, or where currencies are perceived to be over or undervalued, the Investment Manager may look for investments whose operating environment has been distorted by the currency as part of the search for undervalued stocks. There may even be opportunities for stocks impacted by a lower currency (for example, export-oriented stocks).

In respect of the Platinum Unhedged Fund, there is no currency management undertaken. The disposition of its investments determines its currency exposure.

The tables below summarise the registered schemes' exposures to foreign exchange risk:

	2016				2015			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Fund								
Japan	1,144,715	-	(739,844)	404,871	1,279,719	-	(1,225,899)	53,820
Hong Kong	1,137,718	-	-	1,137,718	1,190,807	-	-	1,190,807
Other Asia	1,656,659	195,851	(2,062,666)	(210,156)	1,828,378	30,000	(408,314)	1,450,064
Australia	696,885	998,621	(124)	1,695,382	122,046	124,460	(124,134)	122,372
Europe – Euro	1,248,519	405,047	(297,440)	1,356,126	1,456,468	94,381	(878,926)	671,923
Europe – Other	775,864	306,516	-	1,082,380	898,889	308,708	(280,655)	926,942
North America	3,895,924	2,729,108	(1,535,069)	5,089,963	4,846,080	2,624,089	(263,710)	7,206,459
South America	607	-	-	607	27,962	-	-	27,962
	10,556,891	4,635,143	(4,635,143)	10,556,891	11,650,349	3,181,638	(3,181,638)	11,650,349
Unhedged Fund								
Japan	29,991	-	-	29,991	42,539	-	-	42,539
Other Asia	59,025	-	-	59,025	78,289	-	-	78,289
Australia	4,408	-	-	4,408	15,807	-	-	15,807
Europe – Euro	47,001	-	-	47,001	46,817	-	-	46,817
Europe – Other	25,691	-	-	25,691	32,759	-	-	32,759
North America	175,705	-	-	175,705	180,639	-	-	180,639
South America	4	-	-	4	2,147	-	-	2,147
Africa	-	-	-	-	3,005	-	-	3,005
	341,825	-	-	341,825	402,002	-	-	402,002

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

	2016				2015			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Asia Fund								
Hong Kong	940,880	83,120	-	1,024,000	1,293,810	-	-	1,293,810
India	930,814	-	-	930,814	955,633	-	-	955,633
South Korea	433,187	220,691	(397,261)	256,617	659,313	-	(95,347)	563,966
Other Asia	1,236,389	427,647	(1,412,665)	251,371	1,310,307	-	-	1,310,307
Australia	46,682	534,752	(207,910)	373,524	249,980	-	(78,870)	171,110
Europe – Other	17,998	-	-	17,998	29,928	-	-	29,928
North America	849,082	1,934,716	(1,183,090)	1,600,708	1,614,663	174,217	-	1,788,880
	<u>4,455,032</u>	<u>3,200,926</u>	<u>(3,200,926)</u>	<u>4,455,032</u>	<u>6,113,634</u>	<u>174,217</u>	<u>(174,217)</u>	<u>6,113,634</u>
European Fund								
Australia	55,582	1,952	(67,429)	(9,895)	80,389	-	(58,830)	21,559
Europe – Euro	222,254	14,048	(37,144)	199,158	185,966	8,710	(19,397)	175,279
Europe – Other	100,925	35,228	(34,379)	101,774	104,587	31,102	(15,681)	120,008
North America	61,972	105,156	(17,432)	149,696	43,707	54,096	-	97,803
	<u>440,733</u>	<u>156,384</u>	<u>(156,384)</u>	<u>440,733</u>	<u>414,649</u>	<u>93,908</u>	<u>(93,908)</u>	<u>414,649</u>
Japan Fund								
Japan	511,176	-	(88,831)	422,345	525,946	-	(234,641)	291,305
Korea	-	-	-	-	38,781	-	-	38,781
Australia	31,191	29,500	-	60,691	33,176	-	(3,150)	30,026
North America	8,321	59,331	-	67,652	19,730	237,791	-	257,521
	<u>550,688</u>	<u>88,831</u>	<u>(88,831)</u>	<u>550,688</u>	<u>617,633</u>	<u>237,791</u>	<u>(237,791)</u>	<u>617,633</u>

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

	2016				2015			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Brands Fund								
Japan	106,773	-	(44,815)	61,958	99,714	-	(7,897)	91,817
Hong Kong	107,118	-	-	107,118	175,530	-	-	175,530
Other Asia	122,117	-	-	122,117	131,067	-	-	131,067
Australia	101,254	44,815	-	146,069	14,139	-	(16,720)	(2,581)
Europe – Euro	172,239	-	-	172,239	278,339	58,290	-	336,629
Europe – Other	70,568	-	-	70,568	174,395	21,746	(33,673)	162,468
North America	255,116	-	-	255,116	361,918	-	(21,746)	340,172
South America	77,552	-	-	77,552	82,013	-	-	82,013
Africa	4,386	-	-	4,386	12,044	-	-	12,044
	1,017,123	44,815	(44,815)	1,017,123	1,329,159	80,036	(80,036)	1,329,159
International Health Care Fund								
Japan	8,384	-	(612)	7,772	8,014	-	(509)	7,505
Other Asia	1,182	-	-	1,182	3,737	1,150	-	4,887
Australia	32,464	-	(10,505)	21,959	37,557	-	(13,385)	24,172
Europe – Euro	40,274	-	-	40,274	26,224	1,730	-	27,954
Europe – Other	35,241	785	-	36,026	34,863	785	-	35,648
North America	59,161	10,332	-	69,493	49,866	10,229	-	60,095
South America	958	-	-	958	959	-	-	959
	177,664	11,117	(11,117)	177,664	161,220	13,894	(13,894)	161,220
International Technology Fund								
Japan	6,152	-	(2,875)	3,277	7,475	-	(6,826)	649
Other Asia	17,837	-	(10,882)	6,955	15,897	-	(3,523)	12,374
Australia	3,297	-	-	3,297	8,053	-	(2,400)	5,653
Europe – Euro	3,210	1	-	3,211	7,739	-	-	7,739
Europe – Other	8,108	-	-	8,108	7,811	-	-	7,811
North America	42,060	13,757	(1)	55,816	32,578	13,686	-	46,264
Africa	-	-	-	-	1,224	-	(937)	287
	80,664	13,758	(13,758)	80,664	80,777	13,686	(13,686)	80,777

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

Forward foreign currency contracts and options on forward currency contracts are adjusted against the “Physical” column to arrive at a “Net Exposure” for each currency grouping. The registered schemes generally utilise short dated (90 day maturity) currency agreements with high credit rating counterparties. Generally, the existing forward currency maturity dates range from 55 to 174 days.

Foreign exchange risk sensitivity analysis

The sensitivity analysis below shows the impact a 10% movement in foreign currency at reporting date would have on the registered schemes’ profit on monetary and non-monetary assets and liabilities such as cash, forward contracts and equities.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and possible future movements. The table presents the foreign currency or currencies with the largest impact on profit for each registered scheme.

	2016 +10% \$'000	2016 -10% \$'000	2015 +10% \$'000	2015 -10% \$'000		2016 +10% \$'000	2016 -10% \$'000	2015 +10% \$'000	2015 -10% \$'000
International Fund					Unhedged Fund				
United States Dollar	(428,462)	528,249	(594,711)	716,207	United States Dollar	(14,173)	17,323	(12,404)	15,160
Euro	(122,241)	149,408	(61,087)	74,660	Euro	(4,273)	5,222	(4,256)	5,202
Other	(255,951)	318,396	(394,142)	481,729	Other	(12,470)	15,384	(18,038)	22,049
Asia Fund					European Fund				
United States Dollar	(133,864)	163,611	(140,202)	171,359	Euro	(18,115)	22,141	(15,945)	19,489
Hong Kong Dollar	(85,989)	105,097	(117,983)	144,201	United States Dollar	(13,621)	16,647	(8,895)	10,871
Other	(136,990)	174,791	(284,729)	348,026	Other	(9,274)	11,334	(10,947)	13,380
Japan Fund					International Brands Fund				
United States Dollar	(41,057)	50,181	(23,411)	28,614	United States Dollar	(23,770)	29,052	(31,014)	37,906
Japanese Yen	(6,150)	7,517	(26,556)	32,546	Euro	(15,666)	19,069	(30,622)	37,288
Other	-	-	(3,526)	4,309	Other	(41,914)	51,228	(59,638)	73,015
International Health Care Fund					International Technology Fund				
United States Dollar	(6,118)	7,477	(5,193)	6,347	United States Dollar	(5,030)	6,144	(4,214)	5,151
Euro	(3,663)	4,477	(2,542)	3,107	Hong Kong Dollar	(820)	1,002	(779)	952
Other	(4,498)	5,497	(4,718)	5,767	Other	(1,193)	1,458	(1,853)	2,266

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(i) Foreign Exchange Risk (continued)

The sensitivity analysis shows that the registered schemes are all materially affected by exchange rate movements (other things being equal), given the global nature of the investments held. Throughout 2015/2016, most of the registered schemes have had minimal exposure to the Australian Dollar, whilst emphasising the United States Dollar.

(ii) Interest Rate Risk

Interest rate risk is the possibility the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The overwhelming majority of the registered schemes' financial assets and liabilities are non-interest bearing. The registered schemes have a policy of not borrowing money, other than for settlement of trades. Therefore, there is no liability exposure to interest rate risk.

Interest rate risk indirectly affects the registered schemes because interest rate movements will affect forward points used in determining gains or losses on forward contracts. This is not capable of precise estimation. The impact of interest rate movements on our investments is also not capable of precise estimation.

At 30 June 2016 and 2015, if interest rates had changed by +/- 100 basis points with all other variables held constant, the direct impact on interest income would not be significant for any of the registered schemes.

(iii) Price Risk

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general.

Platinum Asset Management's stock selection process is core to the management of price risk. Moreover, whilst we use the MSCI to measure relative performance, risk in our view is not solely relative performance versus a benchmark - but also the prospect of losing money (i.e. absolute returns). Platinum adopts a thematic stock selection approach and is referred to as an "active manager". Platinum seeks a broad range of investments whose business and growth prospects are being undervalued by the market. Accordingly, holdings in each of the registered schemes vary considerably from the make-up of the index. Active fund managers such as Platinum seek to outperform the market as represented by an appropriate index.

In addition, the registered schemes (other than Platinum Unhedged Fund) may enter into short equity swaps and futures to protect against market movements. At 30 June 2016, some of the registered schemes maintained short positions against various company specific stocks and market indices. The use of index derivatives allows a Fund to invest in particular companies, whilst providing some degree of protection against more general adverse market price movements.

Price risk sensitivity analysis

Price risk exposure arises from the registered schemes' investment portfolios that comprise investments in securities. The effect on net assets attributable to unitholders due to a reasonably possible change in market factors, as represented by a +/- 10% movement in the key regional equity index or indices affecting the market that each registered scheme invests in, with all other variables held constant is indicated on the following page:

Note 10 Financial Risk Management (continued)

(c) Market Risk (continued)

(iii) Price Risk (continued)

Price risk sensitivity analysis (continued)

	2016 +10% \$'000	2016 -10% \$'000	2015 +10% \$'000	2015 -10% \$'000		2016 +10% \$'000	2016 -10% \$'000	2015 +10% \$'000	2015 -10% \$'000
International Fund					Unhedged Fund				
United States S&P	215,413	(215,413)	239,655	(239,655)	United States S&P	10,609	(10,609)	9,078	(9,078)
Chinese Shanghai	188,305	(188,305)	266,740	(266,740)	Chinese Shanghai	6,536	(6,536)	10,906	(10,906)
Japanese Topix	115,569	(115,569)	129,047	(129,047)	Japanese Topix	2,620	(2,620)	4,210	(4,210)
Asia Fund					European Fund				
Chinese Shanghai	140,875	(140,875)	230,905	(230,905)	German DAX	9,408	(9,408)	7,512	(7,512)
Indian NSE	90,225	(90,225)	93,614	(93,614)	United Kingdom FTSE	6,888	(6,888)	7,605	(7,605)
Korean Kospi	43,122	(43,122)	65,946	(65,946)	French CAC	2,457	(2,457)	2,410	(2,410)
Japan Fund					International Brands Fund				
Japanese Topix	50,300	(50,300)	53,485	(53,485)	Japanese Topix	10,758	(10,758)	8,379	(8,379)
					French CAC	10,753	(10,753)	12,862	(12,862)
					United States S&P	9,918	(9,918)	13,280	(13,280)
					Chinese Shanghai	9,813	(9,813)	12,260	(12,260)
International Health Care Fund					International Technology Fund				
United States S&P	5,394	(5,394)	3,961	(3,961)	United States S&P	2,426	(2,426)	1,898	(1,898)
German DAX	1,833	(1,833)	768	(768)	Chinese Shanghai	1,380	(1,380)	1,585	(1,585)
United Kingdom FTSE	1,589	(1,589)	1,049	(1,049)	Korean Kospi	711	(711)	529	(529)
French CAC	1,305	(1,305)	755	(755)	Japanese Topix	578	(578)	691	(691)

A sensitivity of 10% has been selected as this is considered reasonably possible. However, given the volatility of the markets, increases or decreases greater than this are possible.

Note that the above analysis is based on the assumption that the registered schemes' stocks moved in correlation with the respective index or indices. The index or indices provided above is a reference point only. Actual movements in stock prices may vary significantly to movements in the index.

An investment management style where the composition of the portfolio is by reference to global share index weightings is often referred to as an "index manager". An index manager tries to match a particular index by investing in securities that are representative of that index.

Note 10 Financial Risk Management (continued)

(d) Credit Risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to a registered scheme (typically "non-equity" financial instruments or cash/deposit holdings).

The exposure to credit risk for futures, equity swaps, and forward currency contracts is any unrealised profit, margins and collateral paid on the positions (the money a registered scheme would lose if the counterparty defaulted) at reporting date.

The table below shows the registered schemes counterparty credit risk exposure by credit rating.

Rating	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
AA-	597,110	-	3	-	-	178,466	39,739	20,105
A+	-	1,185,941	-	34,954	-	896,154	-	72,539
A	528,735	161,597	27,591	12,621	567,872	39,446	52,815	363
A-	222,605	276,895	13,933	-	52,495	180,133	1,958	682
BBB+	220,151	177,764	11,420	12,176	38,358	127,978	4,314	659
BBB	20,595	-	-	-	16,537	-	-	-
Unrated (CICC)	-	105,034	-	9,642	-	128,258	-	-
	1,589,196	1,907,231	52,947	69,393	675,262	1,550,435	98,826	94,348

Rating	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
AA-	-	-	57,843	6	27,654	16,938	6,576	-
A+	-	58,213	-	267,617	-	34,385	-	14,285
A	37,151	210	88,930	16,133	10,952	415	6,977	-
A-	4,845	1,388	9,532	7,075	273	3	280	402
BBB+	2,305	1,795	43,101	51,543	-	11	281	-
BBB	-	-	7,907	-	-	-	-	-
Unrated (CICC)	-	-	-	14,622	-	-	-	-
	44,301	61,606	207,313	356,996	38,879	51,752	14,114	14,687

(Source: Platinum and Standard & Poor's)

Note 10 Financial Risk Management (continued)

(d) Credit Risk (continued)

The Investment Manager regularly monitors the registered schemes' credit risk exposures to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties, by signing standard International Swaps and Derivatives Association (ISDA) master agreements and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term.

Transactions in listed securities and investments are only entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

Ageing analysis of receivables

The registered schemes' ageing analysis of receivables (disclosed in Note 8) at 30 June 2016 is as follows:

Ageing	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
0-30 days	19,834	2,856	3,161	74	5,202	24,999	320	124
31-60 days	9,168	5,970	368	108	3,997	4,245	142	187
61-90 days	131	2,028	-	49	-	316	48	27
90+ days	4,928	4,507	124	88	6,028	3,747	175	85
	34,061	15,361	3,653	319	15,227	33,307	685	423

Ageing	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
0-30 days	27,603	107	23,762	1,304	1,695	57	34	287
31-60 days	-	-	464	582	6	3	115	72
61-90 days	71	-	-	208	9	6	-	-
90+ days	671	634	1,695	1,041	157	103	-	13
	28,345	741	25,921	3,135	1,867	169	149	372

The amounts 90 days and over are past due, but no receivables are impaired.

(e) Liquidity Risk

The registered schemes are exposed to cash redemptions of redeemable units. They hold equities that are traded on active markets and, if necessary, these can be readily disposed.

Note 10 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

Contractual maturity analysis

(i) Non-financial liabilities

The amounts below represent the contractual maturity of non-financial liabilities. Note that net assets attributable to unitholders are only included in the maturity analysis below because, under Australian Accounting Standards, unitholders' equity is classified as a liability. For management purposes, net assets attributable to unitholders are not an operating liability.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Payable within 3 months								
Payables on purchase of financial assets/liabilities	22,589	372	861	4,340	-	-	-	-
Management and administration fees	12,768	15,314	332	419	5,387	8,120	546	522
Payable for foreign Capital Gains Tax	-	1,306	83	-	-	2,614	-	-
Interest payable	11	84	-	-	-	-	-	1
Unitholders' distribution payable	906,500	1,009,120	18,127	30,894	271,510	914,305	11,043	3,087
Operating liabilities	941,868	1,026,196	19,403	35,653	276,897	925,039	11,589	3,610
Net assets realisable in 1 year or less to meet operating liabilities	10,586,921	11,663,325	345,398	402,271	4,466,564	6,143,194	441,343	415,031
Net assets attributable to unitholders	9,649,084	10,639,515	326,075	366,669	4,193,362	5,221,903	429,829	411,463
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Payable within 3 months								
Payables on purchase of financial assets/liabilities	-	-	13	1,169	484	117	-	254
Management and administration fees	651	735	1,300	1,755	204	195	94	101
Interest payable	-	-	1	15	2	1	1	1
Unitholders' distribution payable	14,525	50,931	127,124	157,212	15,193	11,455	5,727	9,507
Operating liabilities	15,176	51,666	128,438	160,151	15,883	11,768	5,822	9,863
Net assets realisable in 1 year or less to meet operating liabilities	579,030	618,373	1,041,993	1,331,668	179,423	161,322	80,813	81,149
Net assets attributable to unitholders	563,857	566,707	914,482	1,172,143	163,648	149,622	74,966	71,286

Assets realisable in 1 year or less include equities, foreign currency contracts, derivatives and cash and cash equivalents.

Note 10 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

(ii) Financial liabilities

The amounts below represent the maturity of derivative and foreign exchange outflows based on the position at 30 June.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Payable within 3 months								
Derivative contractual outflows	18,848	14,328	225	378	429	4,837	15	-
Forward currency contracts	46,755	27,735	-	-	16,013	849	1,885	422
Payable between 3 months and 1 year								
Forward currency contracts	8,526	-	-	-	5,184	-	-	-
	<u>74,129</u>	<u>42,063</u>	<u>225</u>	<u>378</u>	<u>21,626</u>	<u>5,686</u>	<u>1,900</u>	<u>422</u>
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Payable within 3 months								
Derivative contractual outflows	-	80	1,125	2,674	-	89	26	-
Forward currency contracts	3,086	3,314	904	1,114	96	22	128	128
Payable between 3 months and 1 year								
Forward currency contracts	-	-	-	-	-	-	40	-
	<u>3,086</u>	<u>3,394</u>	<u>2,029</u>	<u>3,788</u>	<u>96</u>	<u>111</u>	<u>194</u>	<u>128</u>

At 30 June 2016, there are no other contractual amounts due or payable after 1 year.

Except for short equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

Note 10 Financial Risk Management (continued)

(e) Liquidity Risk (continued)

The registered schemes are exposed to daily cash redemptions. If necessary, investments may be realised to cover these redemptions as they are generally readily convertible to cash. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The registered schemes prepare daily cash forecasts and maintain sufficient cash to meet normal operating requirements. The registered schemes have a policy of not borrowing money, other than on a short-term basis for settlement, trading and like purposes.

(f) Capital Risk Management

The responsible entity manages the registered schemes' net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the registered schemes are subject to daily applications and redemptions at the discretion of unitholders.

Note 11 Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the registered schemes to classify their assets and liabilities held at fair value based on the following fair value hierarchy model:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2);
and
- c) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The registered schemes measure and recognise the following assets and liabilities at fair value, pursuant to AASB 13, on a recurring basis:

- equity securities, long equity swaps and long futures;
- corporate bonds;
- short equity swaps and short futures; and
- forward currency contracts.

The tables on the following 3 pages analyse within the fair value hierarchy model, the registered schemes' assets and liabilities measured at fair value at 30 June 2016 and 30 June 2015. The registered schemes have no assets or liabilities classified as level 3.

Notes to the Financial Statements
30 June 2016

Note 11 Fair Value Hierarchy (continued)

30 June 2016	International Fund			Unhedged Fund			Asia Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	9,010,811	253,032	9,263,843	288,956	20,850	309,806	3,751,834	66,842	3,818,676
Corporate bonds	-	5,512	5,512	-	142	142	-	7,289	7,289
Derivatives	1,683	1,326	3,009	-	148	148	-	1,959	1,959
Forward currency contracts	-	38,229	38,229	-	-	-	-	23,626	23,626
	9,012,494	298,099	9,310,593	288,956	21,140	310,096	3,751,834	99,716	3,851,550
Financial liabilities									
Derivatives	6,114	12,734	18,848	-	225	225	-	429	429
Forward currency contracts	-	55,281	55,281	-	-	-	-	21,197	21,197
	6,114	68,015	74,129	-	225	225	-	21,626	21,626
Total of financial assets less liabilities	9,006,380	230,084	9,236,464	288,956	20,915	309,871	3,751,834	78,090	3,829,924
30 June 2015	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	9,814,939	582,279	10,397,218	332,747	37,444	370,191	4,562,275	368,094	4,930,369
Corporate bonds	-	8,275	8,275	-	143	143	-	7,344	7,344
Derivatives	18,363	-	18,363	36	-	36	2,327	3,599	5,926
Forward currency contracts	-	18,462	18,462	-	-	-	-	744	744
	9,833,302	609,016	10,442,318	332,783	37,587	370,370	4,564,602	379,781	4,944,383
Financial liabilities									
Derivatives	7,716	6,612	14,328	378	-	378	4,812	25	4,837
Forward currency contracts	-	27,735	27,735	-	-	-	-	849	849
	7,716	34,347	42,063	378	-	378	4,812	874	5,686
Total of financial assets less liabilities	9,825,586	574,669	10,400,255	332,405	37,587	369,992	4,559,790	378,907	4,938,697

Notes to the Financial Statements
30 June 2016

Note 11 Fair Value Hierarchy (continued)

30 June 2016	European Fund			Japan Fund			International Brands Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	342,395	-	342,395	509,473	-	509,473	812,884	23,146	836,030
Derivatives	-	10	10	-	1,054	1,054	73	-	73
Forward currency contracts	-	1,422	1,422	-	-	-	-	-	-
	342,395	1,432	343,827	509,473	1,054	510,527	812,957	23,146	836,103
Financial liabilities									
Derivatives	-	15	15	-	-	-	-	1,125	1,125
Forward currency contracts	-	1,885	1,885	-	3,086	3,086	-	904	904
	-	1,900	1,900	-	3,086	3,086	-	2,029	2,029
Total of financial assets less liabilities	342,395	(468)	341,927	509,473	(2,032)	507,441	812,957	21,117	834,074
30 June 2015	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	320,611	-	320,611	557,839	-	557,839	967,676	22,672	990,348
Derivatives	230	-	230	260	-	260	2,147	2,049	4,196
Forward currency contracts	-	199	199	-	1,579	1,579	-	191	191
	320,841	199	321,040	558,099	1,579	559,678	969,823	24,912	994,735
Financial liabilities									
Derivatives	-	-	-	80	-	80	2,674	-	2,674
Forward currency contracts	-	422	422	-	3,314	3,314	-	1,114	1,114
	-	422	422	80	3,314	3,394	2,674	1,114	3,788
Total of financial assets less liabilities	320,841	(223)	320,618	558,019	(1,735)	556,284	967,149	23,798	990,947

Notes to the Financial Statements
30 June 2016

Note 11 Fair Value Hierarchy (continued)

30 June 2016	International Health Care Fund			International Technology Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets						
Equity securities	138,879	-	138,879	66,639	-	66,639
Derivatives	-	9	9	3	-	3
Forward currency contracts	-	1	1	-	106	106
	138,879	10	138,889	66,642	106	66,748
Financial liabilities						
Derivatives	-	-	-	-	26	26
Forward currency contracts	-	96	96	-	168	168
	-	96	96	-	194	194
Total of financial assets less liabilities	138,879	(86)	138,793	66,642	(88)	66,554
30 June 2015	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets						
Equity securities	109,574	-	109,574	66,145	-	66,145
Derivatives	-	-	-	-	91	91
Forward currency contracts	-	19	19	-	85	85
	109,574	19	109,593	66,145	176	66,321
Financial liabilities						
Derivatives	-	89	89	-	-	-
Forward currency contracts	-	22	22	-	128	128
	-	111	111	-	128	128
Total of financial assets less liabilities	109,574	(92)	109,482	66,145	48	66,193

Note 11 Fair Value Hierarchy (continued)

The registered schemes' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets or liabilities measured at fair value during the year.

Valuation techniques used to classify assets and liabilities as level 1

Nearly all of the equity securities held by the registered schemes are valued using quoted prices in active markets, with the exception of P-Notes as listed below. Accordingly, nearly all equity securities are classified as Level 1 in the fair-value hierarchy model.

Valuation techniques used to classify assets and liabilities as level 2

There are some financial instruments that have been classified as level 2, because there is a degree of adjustment made to the quoted price i.e., whilst all significant inputs required for fair value measurement are observable and quoted on an active market, there is a degree of estimation or adjustment involved in deriving the fair value.

Examples include:

- Foreign exchange contracts are classified as level 2, even though forward points are quoted in an active and liquid market. The forward points themselves are based on interest rate differentials;
- P-Notes are classified as level 2, because they are traded over-the counter and are often priced in a different currency to the underlying security;
- Over-The Counter (OTC) derivatives/options may be classified as level 2 because either (i) the contract itself is not listed and therefore there is no directly observable market price; or (ii) the price is sourced from the relevant counterparty, even though the price (and in the case of options, the relevant delta) can be verified from either Bloomberg or other option pricing models; and
- Certain index derivatives are classified as level 2, because the registered schemes may agree with the counterparty to include or exclude one or more securities that make up the "basket" of securities that comprise the index derivative. Hence, the quoted price of the index derivative would be very similar, but not identical, to the index derivative that the registered schemes hold.

OTC equity swap contracts are classified as level 2 because the swap contract itself is not listed and does not have an observable market price. However, the underlying security referred to in each swap contract has a directly observable quoted price in an active market.

Note 12 Offsetting Financial Assets and Financial Liabilities

The registered schemes enter into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, when a credit event occurs (e.g., default), all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The ISDA agreements do not meet the criteria for offsetting in the Statements of Financial Position, as the registered schemes do not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

Platinum International Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts set-off in the Statements of Financial Position \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	3,009	-	3,009	(3,009)	-	-
Forward currency contracts	47,105	(8,876)	38,229	(38,229)	-	-
	50,114	(8,876)	41,238	(41,238)	-	-
30 June 2015						
Derivatives	18,363	-	18,363	(14,328)	-	4,035
Forward currency contracts	18,882	(420)	18,462	(18,462)	-	-
	37,245	(420)	36,825	(32,790)	-	4,035
Financial liabilities						
30 June 2016						
Derivatives	18,848	-	18,848	(3,009)	(15,839)	-
Forward currency contracts	64,157	(8,876)	55,281	(38,229)	(17,052)	-
	83,005	(8,876)	74,129	(41,238)	(32,891)	-
30 June 2015						
Derivatives	14,328	-	14,328	(14,328)	-	-
Forward currency contracts	28,155	(420)	27,735	(18,462)	(9,273)	-
	42,483	(420)	42,063	(32,790)	(9,273)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
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Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Unhedged Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	148	-	148	(148)	-	-
Forward currency contracts	-	-	-	-	-	-
	148	-	148	(148)	-	-
30 June 2015						
Derivatives	36	-	36	(36)	-	-
Forward currency contracts	-	-	-	-	-	-
	36	-	36	(36)	-	-
Financial liabilities						
30 June 2016						
Derivatives	225	-	225	(148)	(77)	-
Forward currency contracts	-	-	-	-	-	-
	225	-	225	(148)	(77)	-
30 June 2015						
Derivatives	378	-	378	(36)	(342)	-
Forward currency contracts	-	-	-	-	-	-
	378	-	378	(36)	(342)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

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Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Asia Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	1,959	-	1,959	(429)	-	1,530
Forward currency contracts	29,325	(5,699)	23,626	(21,197)	-	2,429
	31,284	(5,699)	25,585	(21,626)	-	3,959
30 June 2015						
Derivatives	5,926	-	5,926	(4,837)	-	1,089
Forward currency contracts	744	-	744	(744)	-	-
	6,670	-	6,670	(5,581)	-	1,089
Financial liabilities						
30 June 2016						
Derivatives	429	-	429	(429)	-	-
Forward currency contracts	26,896	(5,699)	21,197	(21,197)	-	-
	27,325	(5,699)	21,626	(21,626)	-	-
30 June 2015						
Derivatives	4,837	-	4,837	(4,837)	-	-
Forward currency contracts	849	-	849	(744)	(105)	-
	5,686	-	5,686	(5,581)	(105)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

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Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum European Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	10	-	10	(10)	-	-
Forward currency contracts	1,877	(455)	1,422	(1,422)	-	-
	1,887	(455)	1,432	(1,432)	-	-
30 June 2015						
Derivatives	230	-	230	-	-	230
Forward currency contracts	277	(78)	199	(199)	-	-
	507	(78)	429	(199)	-	230
Financial liabilities						
30 June 2016						
Derivatives	15	-	15	(10)	(5)	-
Forward currency contracts	2,341	(456)	1,885	(1,422)	(463)	-
	2,356	(456)	1,900	(1,432)	(468)	-
30 June 2015						
Derivatives	-	-	-	-	-	-
Forward currency contracts	500	(78)	422	(199)	(223)	-
	500	(78)	422	(199)	(223)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
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Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum Japan Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	1,054	-	1,054	-	-	1,054
Forward currency contracts	-	-	-	-	-	-
	1,054	-	1,054	-	-	1,054
30 June 2015						
Derivatives	260	-	260	(80)	-	180
Forward currency contracts	1,579	-	1,579	(1,579)	-	-
	1,839	-	1,839	(1,659)	-	180
Financial liabilities						
30 June 2016						
Derivatives	-	-	-	-	-	-
Forward currency contracts	3,086	-	3,086	-	(3,086)	-
	3,086	-	3,086	-	(3,086)	-
30 June 2015						
Derivatives	80	-	80	(80)	-	-
Forward currency contracts	3,314	-	3,314	(1,579)	(1,735)	-
	3,394	-	3,394	(1,659)	(1,735)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
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Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Brands Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	73	-	73	(73)	-	-
Forward currency contracts	-	-	-	-	-	-
	73	-	73	(73)	-	-
30 June 2015						
Derivatives	4,196	-	4,196	(2,674)	-	1,522
Forward currency contracts	191	-	191	(191)	-	-
	4,387	-	4,387	(2,865)	-	1,522
Financial liabilities						
30 June 2016						
Derivatives	1,125	-	1,125	(73)	(1,052)	-
Forward currency contracts	904	-	904	-	(904)	-
	2,029	-	2,029	(73)	(1,956)	-
30 June 2015						
Derivatives	2,674	-	2,674	(2,674)	-	-
Forward currency contracts	1,114	-	1,114	(191)	(923)	-
	3,788	-	3,788	(2,865)	(923)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
30 June 2016

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Health
Care Fund

	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	9	-	9	-	-	9
Forward currency contracts	1	-	1	(1)	-	-
	10	-	10	(1)	-	9
30 June 2015						
Derivatives	-	-	-	-	-	-
Forward currency contracts	19	-	19	(19)	-	-
	19	-	19	(19)	-	-
Financial liabilities						
30 June 2016						
Derivatives	-	-	-	-	-	-
Forward currency contracts	96	-	96	(1)	(95)	-
	96	-	96	(1)	(95)	-
30 June 2015						
Derivatives	89	-	89	-	(89)	-
Forward currency contracts	22	-	22	(19)	(3)	-
	111	-	111	(19)	(92)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
30 June 2016

Note 12 Offsetting Financial Assets and Financial Liabilities (continued)

Platinum International Technology Fund	Amounts offset in the Statements of Financial Position			Related amounts not set-off in the Statements of Financial Position		
	Gross amounts \$'000	Gross amounts set-off in the Statements of Financial Position \$'000	Net amounts presented in the Statements of Financial Position \$'000	Financial Instruments (1) \$'000	Cash Collateral \$'000	Net Amount \$'000
Financial assets						
30 June 2016						
Derivatives	3	-	3	(3)	-	-
Forward currency contracts	106	-	106	(106)	-	-
	109	-	109	(109)	-	-
30 June 2015						
Derivatives	91	-	91	-	-	91
Forward currency contracts	85	-	85	(85)	-	-
	176	-	176	(85)	-	91
Financial liabilities						
30 June 2016						
Derivatives	26	-	26	(3)	(23)	-
Forward currency contracts	168	-	168	(106)	(62)	-
	194	-	194	(109)	(85)	-
30 June 2015						
Derivatives	-	-	-	-	-	-
Forward currency contracts	128	-	128	(85)	(43)	-
	128	-	128	(85)	(43)	-

(1) Shows the impact of arrangements between the registered schemes and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statements of Financial Position, as they are not currently enforceable.

Notes to the Financial Statements
30 June 2016

Note 13 Key Management Personnel Disclosures

AASB 124: *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

Directors

The following persons were Directors of Platinum Investment Management Limited at any time during the year up to 30 June 2016:

Kerr Neilson
Andrew Clifford
Elizabeth Norman
Andrew Stannard (appointed on 10 August 2015)

There are no other key management personnel within Platinum Investment Management Limited.

Key management personnel compensation

The Directors are all employees of Platinum Investment Management Limited and are paid remuneration in their capacity as employees of Platinum Investment Management Limited. The Directors are not compensated by the registered schemes. The total remuneration paid in aggregate terms is as follows:

	2016	2015
	\$	\$
Cash salary	1,633,976	1,275,000
Increase/(decrease) in annual and long service leave (1)	66,937	(20,843)
Short-term incentives	1,400,000	1,125,000
Attributed accounting expense relating to deferred bonus rights (2)	52,200	-
Post-employment benefits - superannuation	77,232	56,352
	<u>3,230,345</u>	<u>2,435,509</u>

(1) These amounts were not received as cash or as compensation by the Directors.

(2) Elizabeth Norman received 48,623 Deferred Rights to receive 48,623 Platinum Asset Management Limited (PTM) shares if she continues to be employed at Platinum for a further 4 years. The figure shown is the accounting expense attributable to this grant of Deferred Rights.

Service Agreements

The Directors do not have service agreements as they are employees of Platinum Investment Management Limited.

Related parties

Disclosures relating to manager’s fees payable to Platinum Investment Management Limited are set out in note 14.

Notes to the Financial Statements
30 June 2016

Note 14 Related Parties

Responsible Entity

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

Directors of the Responsible Entity

Key management personnel include persons who were Directors of Platinum Investment Management Limited at any time during the financial year as follows:

Kerr Neilson
 Andrew Clifford
 Elizabeth Norman
 Andrew Stannard (appointed on 10 August 2015)

There were no other persons with responsibility for planning, directing and controlling the activities of the responsible entity, directly or indirectly during the financial year.

Transactions with key management personnel

Key management personnel services are provided by Platinum Investment Management Limited and included in the responsible entity fees on page 58. There was no compensation paid directly by the registered schemes to any of the key management personnel.

Related party unitholdings

Units held by related parties of the registered schemes are as follows:

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
Platinum International Fund							
30 June 2016							
Key management personnel	8,567,104	9,371,969	18,665,214	0.18	804,865	-	1,468,959
Other related parties	49,623,921	62,511,614	124,498,131	1.18	12,887,693	-	9,940,369
Responsible entity	5,775	5,775	11,502	-	-	-	990
30 June 2015							
Key management personnel	7,824,931	8,567,104	19,934,795	0.17	742,173	-	1,581,348
Other related parties	75,383,577	49,623,921	115,469,902	0.99	4,603,355	(30,363,011)	9,191,296
Responsible entity	5,775	5,775	13,438	-	-	-	1,167

Notes to the Financial Statements
30 June 2016

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
Platinum Unhedged Fund							
30 June 2016							
Key management personnel	2,111,678	2,229,073	3,073,669	0.90	117,395	-	153,741
Other related parties	23,020,829	24,459,555	33,727,280	9.82	1,438,726	-	1,686,992
Responsible entity	1,824	1,824	2,515	-	-	-	133
30 June 2015							
Key management personnel	1,947,581	2,111,678	3,502,641	0.88	164,097	-	251,676
Other related parties	22,955,856	23,020,829	38,184,649	9.63	5,350,671	(5,285,698)	2,743,691
Responsible entity	1,824	1,824	3,026	-	-	-	236
Platinum Asia Fund							
30 June 2016							
Key management personnel	13,952,924	14,856,339	40,340,903	0.91	903,415	-	2,309,851
Other related parties	32,829,367	36,028,842	97,832,716	2.20	3,199,475	-	5,641,821
Responsible entity	4,269	4,269	11,592	-	-	-	707
30 June 2015							
Key management personnel	4,813,285	13,952,925	49,657,063	0.81	9,139,640	-	6,312,434
Other related parties	43,466,080	32,829,367	116,836,434	1.91	5,107,215	(15,743,928)	15,086,182
Responsible entity	4,269	4,269	15,193	-	-	-	2,270

Notes to the Financial Statements
30 June 2016

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
Platinum European Fund							
30 June 2016							
Key management personnel	2,284,620	2,343,315	6,641,658	1.51	58,695	-	162,603
Other related parties	7,127,964	7,355,686	20,848,220	4.74	227,722	-	510,413
Responsible entity	4,649	4,649	13,178	-	-	-	331
30 June 2015							
Key management personnel	2,267,610	2,284,620	6,979,057	1.69	17,010	-	51,706
Other related parties	13,602,503	7,127,964	21,774,505	5.27	129,073	(6,603,612)	161,322
Responsible entity	4,649	4,649	14,203	-	-	-	106
Platinum Japan Fund							
30 June 2016							
Key management personnel	5,340,457	5,478,031	20,244,065	3.51	137,574	-	496,876
Other related parties	28,085,278	26,352,345	97,385,089	16.88	867,067	(2,600,000)	2,396,557
Responsible entity	4,684	4,684	17,310	-	-	-	436
30 June 2015							
Key management personnel	4,900,073	5,340,457	22,395,208	3.64	440,384	-	1,698,738
Other related parties	39,482,315	28,085,278	117,775,612	19.12	2,318,443	(13,715,480)	9,012,885
Responsible entity	4,684	4,684	19,643	-	-	-	1,624
Platinum International Brands Fund							
30 June 2016							
Other related parties	1,367,783	1,568,204	3,862,330	0.37	200,421	-	415,046
Responsible entity	5,015	5,015	12,352	-	-	-	1,512
30 June 2015							
Other related parties	2,676,934	1,367,784	4,015,675	0.30	175,619	(1,484,769)	419,789
Responsible entity	5,015	5,015	14,725	-	-	-	1,746

Notes to the Financial Statements
30 June 2016

Note 14 Related Parties (continued)

Related party unitholdings (continued)

Unitholder	No. of units held opening	No. of units held closing	Investment (cum-distribution) (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
Platinum International Health Care Fund							
30 June 2016							
Other related parties	7,727,414	8,499,873	17,674,636	9.91	772,459	-	1,377,496
Responsible entity	10,071	10,071	20,942	0.01	-	-	1,784
30 June 2015							
Other related parties	14,260,072	7,727,414	17,558,230	10.93	631,569	(7,164,227)	1,162,712
Responsible entity	10,071	10,071	22,884	0.01	-	-	1,631
Platinum International Technology Fund							
30 June 2016							
Other related parties	7,460,178	8,074,893	11,178,074	13.89	614,715	-	739,498
Responsible entity	9,410	9,410	13,026	0.02	-	-	927
30 June 2015							
Other related parties	7,406,051	7,460,178	12,383,150	15.37	912,023	(857,896)	1,291,037
Responsible entity	9,410	9,410	15,619	0.02	-	-	1,843

Notes to the Financial Statements
30 June 2016

Note 14 Related Parties (continued)

Responsible Entity Fees

Fees paid by the registered schemes include management fees (calculated at 1.44% per annum inclusive of GST of the registered schemes' net asset value and payable monthly) and administration fees (calculated at 0.10 % per annum inclusive of GST of the registered schemes' net asset values and payable monthly). The fees, exclusive of GST, are as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	162,229,538	159,185,198	5,514,224	5,161,188	73,851,052	81,855,685	7,045,216	4,774,280
Aggregate amounts payable by the registered schemes at reporting date	12,768,377	15,314,674	331,990	418,812	5,387,194	8,119,436	545,952	522,778
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	9,198,327	7,492,204	17,015,746	19,014,628	2,660,967	1,870,428	1,234,126	1,055,127
Aggregate amounts payable by the registered schemes at reporting date	651,704	735,391	1,300,024	1,755,788	203,291	194,711	93,717	101,355

Notes to the Financial Statements
30 June 2016

Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities

(a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Statements of Financial Position as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash and cash equivalents	1,196,625	1,083,179	27,594	22,789	571,936	1,118,755	95,260	93,707
Margin accounts	123,802	166,916	4,360	9,222	53,172	56,183	3,546	325
	<u>1,320,427</u>	<u>1,250,095</u>	<u>31,954</u>	<u>32,011</u>	<u>625,108</u>	<u>1,174,938</u>	<u>98,806</u>	<u>94,032</u>

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash and cash equivalents	38,332	57,455	167,565	325,512	38,890	51,757	13,875	14,141
Margin accounts	4,915	3,893	15,484	12,700	(19)	(18)	235	443
	<u>43,247</u>	<u>61,348</u>	<u>183,049</u>	<u>338,212</u>	<u>38,871</u>	<u>51,739</u>	<u>14,110</u>	<u>14,584</u>

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bears floating interest rates in the range of -1.00% to 1.90%. Information in relation to the registered schemes' exposures to interest rate risk is provided in Note 10.

(b) Non Cash Financing Activities

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
During the year, the following distribution payments were reinvested in additional units	320,068	364,426	12,375	20,942	74,064	292,655	4,017	1,246

Notes to the Financial Statements
30 June 2016

Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)

(b) Non Cash Financing Activities (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
During the year, the following distribution payments were reinvested in additional units	9,424	33,564	30,972	36,496	9,020	7,317	2,873	5,008

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net operating profit/(loss)	(725,387)	1,983,470	(38,344)	61,354	(605,364)	1,350,688	(34,971)	44,835
(Increase)/decrease in investments	1,163,791	(1,373,887)	60,121	(84,097)	1,108,773	(775,166)	(21,309)	(94,590)
(Increase)/decrease in exchange rates	(21,993)	(88,338)	(1,260)	(1,777)	(2,504)	(40,801)	802	(1,823)
(Increase)/decrease in settlements receivable	(11,959)	(1,169)	(2,882)	(9)	20,485	(23,524)		-
(Increase)/decrease in dividends and tax refund receivable	(5,952)	(1,431)	(467)	(45)	(2,627)	(513)	(270)	112
(Increase)/decrease in interest receivable	67	(166)	15	(5)	11	(134)	24	6
(Increase)/decrease in other receivables	(856)	766	-	(11)	211	(3,944)	(16)	(12)
Increase/(decrease) in settlements payable	22,217	(11,544)	(3,479)	4,340	-	(4,964)	-	-
Increase/(decrease) in management and administration fees payable	(2,546)	3,243	(87)	127	(2,733)	2,414	24	173
Increase/(decrease) in foreign capital gains tax payable	(1,306)	1,306	83	-	(2,614)	2,355	-	-
Increase/(decrease) in other payables	(73)	84	-	-	-	-	(1)	1
Net Cash Flows from operating activities	416,003	512,334	13,700	(20,123)	513,638	506,411	(55,717)	(51,298)

Notes to the Financial Statements
30 June 2016

Note 15 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (continued)

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit (continued)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating profit/(loss)	(26,290)	171,334	(59,788)	203,468	(4,248)	35,294	(4,926)	12,884
(Increase)/decrease in investments	48,843	(163,283)	156,873	(16,652)	(29,311)	(28,711)	(361)	(11,294)
(Increase)/decrease in exchange rates	(3,769)	(5,426)	(12,083)	(19,612)	(997)	(742)	5	(861)
(Increase)/decrease in settlements receivable	(27,484)	139	(22,256)	(479)	(1,654)	747	-	-
(Increase)/decrease in dividends and tax refund receivable	(108)	(168)	(125)	574	(41)	(29)	221	(325)
(Increase)/decrease in interest receivable	(5)	(35)	3	136	3	(2)	4	(2)
(Increase)/decrease in other receivables	(7)	(20)	(408)	(579)	(6)	(6)	(2)	(2)
Increase/(decrease) in settlements payable	-	(1,278)	(1,156)	1,169	367	117	(254)	254
Increase/(decrease) in management and administration fees payable	(84)	249	(455)	129	9	78	(7)	29
Increase/(decrease) in foreign capital gains tax payable	-	-	124	-	-	-	25	-
Increase/(decrease) in other payables	-	-	(14)	15	1	1	-	1
Net Cash Flows from operating activities	(8,904)	1,512	60,715	168,169	(35,877)	6,747	(5,295)	684

Note 16 Events Occurring after the Statements of Financial Position Date

No significant events have occurred since Statements of Financial Position date that would impact the financial position of the registered schemes as at 30 June 2016 and the results of the year ended on that date.

Note 17 Contingent Assets, Liabilities and Commitments

The registered schemes have no contingent assets, liabilities or commitments as at 30 June 2016 and 30 June 2015.

**Statement of Net Asset Value
As at 30 June 2016**

Reconciliation of Net Asset Value before unitholders' liability, in accordance with Australian Accounting Standards, to the Redemption Value*

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net assets attributable to unitholders per Statements of Financial Position	9,649,084	10,639,515	326,075	366,669	4,193,362	5,221,903	429,829	411,463
Distributions paid and payable to unitholders	906,500	1,009,120	18,127	30,894	271,510	914,305	11,043	3,087
Redemption cost of financial assets	(26,389)	(29,122)	(861)	(994)	(11,162)	(15,341)	(1,102)	(1,036)
Adjustments	(52)	-	-	-	(39)	-	-	-
Net Asset Value for redemption purposes	10,529,143	11,619,513	343,341	396,569	4,453,671	6,120,867	439,770	413,514
Redemption price	1.9916	2.3269	1.3789	1.6587	2.7154	3.5589	2.8343	3.0548

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net assets attributable to unitholders per Statements of Financial Position	563,857	566,707	914,482	1,172,143	163,648	149,622	74,966	71,286
Distributions paid and payable to unitholders	14,525	50,931	127,124	157,212	15,193	11,455	5,727	9,507
Redemption cost of financial assets	(1,446)	(1,544)	(2,603)	(3,323)	(447)	(403)	(202)	(202)
Adjustments	-	-	(439)	-	-	-	-	-
Net Asset Value for redemption purposes	576,936	616,094	1,038,564	1,326,032	178,394	160,674	80,491	80,591
Redemption price	3.6955	4.1935	2.4629	2.9359	2.0794	2.2722	1.3843	1.6599

* The day of the week that the reporting period ends will determine whether the above redemption price will be available for unitholders to sell their holdings.

Directors' Declaration
30 June 2016

In the Directors' opinion, the financial statements and notes of:

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund (together the 'registered schemes') as set out on pages 6 to 61

- (a) are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the financial positions of the registered schemes as at 30 June 2016 and of their performances as represented by the results of their operations, changes in equity and their cash flows for the year ended on that date;
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay their debts as and when they become due and payable; and
- (c) Note 2 (a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Andrew Stannard
Director

Sydney
26 August 2016



Independent auditor's report to the unitholders of

**Platinum International Fund,
Platinum Unhedged Fund,
Platinum Asia Fund,
Platinum European Fund,**

**Platinum Japan Fund,
Platinum International Brands Fund,
Platinum International Health Care Fund, and
Platinum International Technology Fund**

Report on the financial report

We have audited the accompanying financial report of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund (the registered schemes), which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of Platinum Investment Management Limited (the responsible entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the registered schemes' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered schemes' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- a. the financial report of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the registered schemes' financial positions as at 30 June 2016 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



- b. the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
26 August 2016