

### Facts

Portfolio value	\$11.67 bn
Fund commenced	30 April 1995
Minimum investment	A\$20,000 or NZ\$25,000
Regular Investment Plan (min.)	A\$200 or NZ\$250 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 2.3482    Red - 2.3364

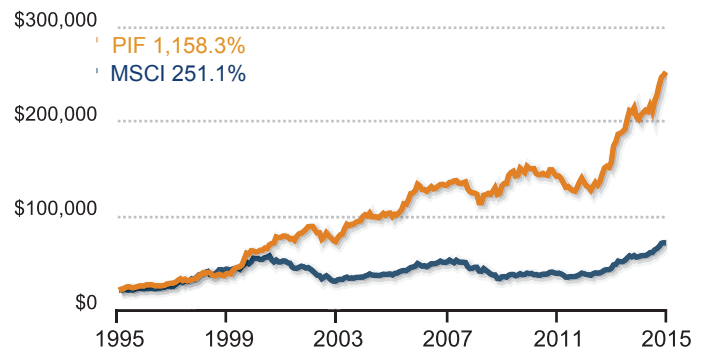
### Performance<sup>1</sup>

	FUND %	MSCI %
1 month	1.25	(0.33)
3 months	5.83	5.59
6 months	19.95	16.99
Calendar year to date	10.82	9.23
1 year	24.91	26.23
2 years (compound pa)	27.05	27.21
3 years (compound pa)	23.14	23.14
5 years (compound pa)	11.01	13.28
7 years (compound pa)	10.76	6.80
10 years (compound pa)	9.86	6.87
Since inception (compound pa)	13.50	6.48

### Fees

Entry fee	Nil
Exit fee	Nil
Management Expense Ratio/ Indirect Cost Ratio (MER/ICR)	1.54% per annum (inclusive of investment & administration costs)
Brokerage paid	Nil
Buy/sell spread	0.5% total

### Performance graph<sup>2</sup>



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

	LONG %	NET %	CURRENCY %
Australia	0.8	0.8	0.2
Austria	0.4	0.4	
Brazil	0.2	0.2	0.2
Canada	2.0	2.0	2.1
China	9.5	9.5	2.6
China Ex PRC	14.1	14.1	
Hong Kong	1.2	1.2	10.3
France	4.3	4.3	
Germany	2.6	2.6	
India	4.7	4.7	4.9
Italy	3.2	3.2	
Japan	10.2	10.2	0.1
Korea	6.8	6.8	3.1
Malaysia	0.8	0.8	0.8
Norway	0.6	0.6	3.4
Russia	1.8	1.8	
Singapore	0.2	0.2	0.4
South Africa	0.1	0.1	
Sweden	1.7	1.7	2.2
Switzerland	2.1	2.1	1.9
Thailand	0.3	0.3	0.3
United Kingdom	5.4	5.3	0.9
United States	20.1	13.5	62.2
	92.9	86.3	
China Renminbi Off Shore			(1.7)
Euro Currency			6.2
Cash	7.1	13.7	
Total	100.0	100.0	100.0

Long - 166 stocks, 6 swaps, 2 bonds    Short - 2 stocks, 2 indices

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

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.0
Carnival Corp	UK	Cons Discretionary	2.7
China Pacific A Share PN exp	China	Financials	2.7
Intel Corp	USA	Info Technology	2.5
Google Inc	USA	Info Technology	2.5
China Mobile Ltd HK	China Ex PRC	Telecom Services	2.2
PICC Property & Casualty Co	China Ex PRC	Financials	2.2
Intesa Sanpaolo SpA	Italy	Financials	2.2
AstraZeneca PLC	UK	Health Care	2.1
Toyota Industries Corp	Japan	Cons Discretionary	2.1

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

SECTOR	LONG %	NET %
Info Technology	26.0	26.0
Financials	16.9	16.9
Cons Discretionary	13.8	13.8
Industrials	8.9	8.8
Health Care	8.7	8.4
Consumer Staples	5.8	5.8
Materials	5.0	5.0
Utilities	3.1	3.1
Energy	2.4	2.4
Telecom Services	2.2	2.2
Other*	0.0	(6.2)

\* Includes index short positions

1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Fund and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives.

The "Currency %" represents the currency exposure for the Fund's Portfolio, taking into account currency hedging.

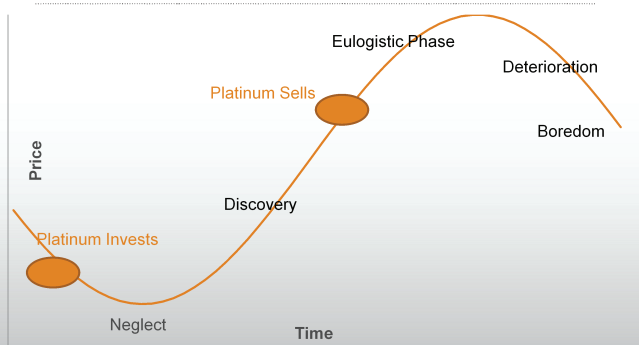
4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity and issuer of units in the Platinum International Fund (the "Fund"). The Platinum Trust Product Disclosure Statement No. 9 and Supplementary PDS ("together PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au). Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. You should refer to the PDS when deciding to acquire, or continue to hold, units in the Fund.

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## Platinum International Fund

### Platinum's approach



Source: Platinum



### Investment themes

- E-commerce, data, mobility
- Financial sector
- Emerging Consumer including Pharmaceuticals

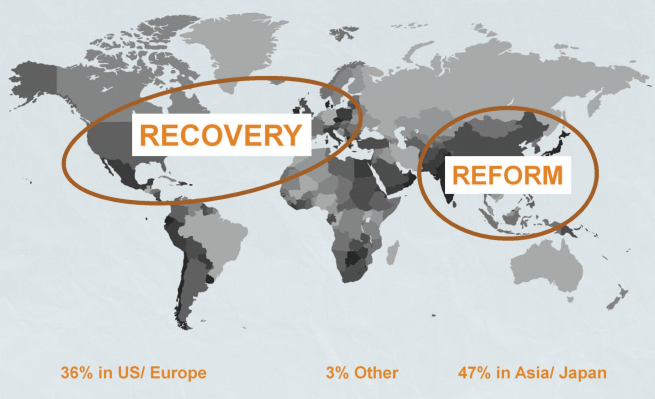
#### ASIA's REFORM

- China rebalancing
- Indian infrastructure
- Japan and Korea's corporate rejuvenation

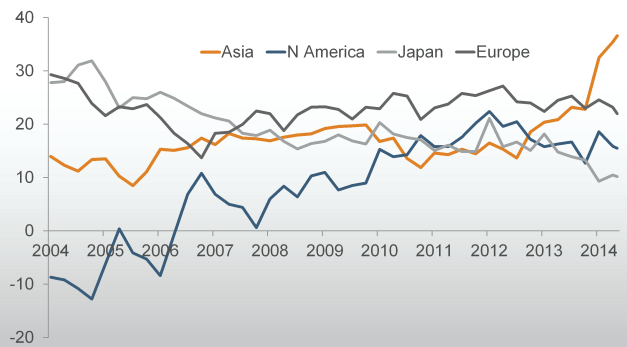
Source: Platinum



### Current Simple Framework



### Platinum International Fund: 10 years of exposure



Source: Platinum



## Market update and Commentary

The Platinum International Fund turned 20 years old on 30 April 2015. The returns validate our approach of meticulously scouring the globe for unloved opportunities. With annualised returns of more than double the market, the benefits of compounding and loyalty would have turned \$20,000 into approximately \$250,000 versus \$70,000 if managed passively via the World Index.

We remain concerned that Australians are over-exposed to a narrow equity market dominated by expensive financials (we prefer as investments the banks of Italy, Eastern Europe, Korea and India) and resources, suffering from the supply response to the biggest investment boom in history.

For now, we believe excesses reside predominantly in the bond markets. This month, emerging Mexico announced a 100-year bond issue in Euros at a yield of 4.2% (less than normal yields on US bonds of shorter duration in a currency they print at will), while negative yields abound in Europe. This is a symptom of distortions which in the long run will lead to the next problem. Lack of alternative assets is not in itself a reason to own equities, though it gives support for now while we continue to find plentiful stocks to own.

Given we ignore the Index in constructing a portfolio, it is a coincidence that our two and three year net returns are almost identical to benchmarks. Consider also, we averaged 80% exposure to a strong bull market and it is the US market which has led the charge.

When global managers espouse the virtues of the US recovery, remember they likely have 50% or more invested there. When you hear that China is slowing, they will likely have less than 5% invested here. Platinum are very different, and perhaps the only global manager with substantially more in China (25%) than the US (14%) (but note China is a larger physical economy). We agree that the US is recovering and China is slowing; but China is changing. The key is the price you pay; note the US has returned 200% since March 2009; China is still down 25% from its 2007 peak. The staged opening up of China's capital account is significant.

Our framework (see graphic above) is simple: (Cyclical) Recovery in the US (mostly captured via its currency – we hedge out of the Yen, A\$, Chinese yuan and partially out of Euros) and Europe (where we are increasingly attracted to the periphery) and (Structural) Reform in Asia (China, India, Korea and Japan). Brazil, Russia, Australia and South Africa fit into neither camp having failed to harness the benefits of China's investment binge.

The world order is changing. Asia is already driving the bulk our portfolio returns. The price paid is a key determinant of return achieved. If you believe that Asian economies will continue to grow and experience a deepening of free markets, the fact we have 37% of the Fund in Asia today, and a further 10% in Japan, should be reassuring.