

## Facts

Portfolio value	\$10.16 bn
Fund commenced	30 April 1995
Minimum investment	A\$20,000 or NZ\$20,000
Regular Investment Plan (min.)	A\$200 or NZ\$200 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 1.9706    Red - 1.9607

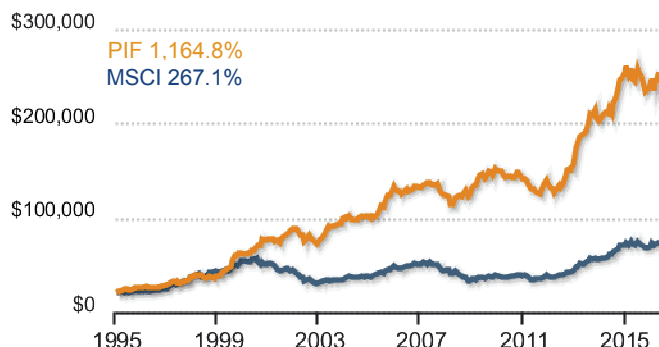
## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	1.53	3.77
3 months	1.01	1.37
6 months	2.63	1.65
Calendar year to date	1.67	3.97
1 year	(0.11)	1.68
2 years (compound pa)	7.03	8.07
3 years (compound pa)	7.88	10.55
5 years (compound pa)	14.99	16.27
7 years (compound pa)	8.59	10.58
10 years (compound pa)	7.01	4.26
Since inception (compound pa)	12.47	6.21

## Fees

Entry fee	Nil
Exit fee	Nil
Management Expense Ratio/ Indirect Cost Ratio (MER/ICR)	1.54% per annum (inclusive of investment & administration costs)
Brokerage paid	Nil
Buy/sell spread	0.25%/0.25%

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



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

	LONG %	NET %	CURRENCY %
Australia	1.1	1.1	20.1
Austria	0.8	0.8	
Canada	0.5	0.5	0.5
China	5.7	5.7	(2.5)
China Ex PRC	15.1	15.1	
Hong Kong	0.5	0.5	11.3
France	5.0	5.0	
Germany	3.2	3.2	
Hungary	0.2	0.2	0.3
India	5.7	5.7	6.0
Italy	4.7	4.7	
Japan	12.7	12.7	3.4
Korea	5.9	5.9	5.9
Malaysia	0.6	0.6	0.6
Norway	0.8	0.8	8.3
Russia	0.8	0.8	
Sweden	1.3	1.3	1.3
Switzerland	0.4	0.4	0.4
Thailand	1.0	1.0	1.0
United Kingdom	3.7	3.7	5.2
United States	24.2	11.3	33.4
	94.0	81.1	
China Renminbi Off Shore			(6.0)
Euro Currency			10.9
Cash	6.0	18.9	
Total	100.0	100.0	100.0

Long - 126 stocks, 4 swaps, 1 bond    Short - 5 stocks, 2 indices

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

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.7
Alphabet Inc	USA	Info Technology	3.1
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.4
PICC Property & Casualty Co	China Ex PRC	Financials	2.4
Sanofi SA	France	Health Care	2.3
Level 3 Communications Inc	USA	Telecom Services	2.1
Lixil Group Corporation	Japan	Industrials	2.1
KB Financial Grp	Korea	Financials	2.0
Inpex Corporation Ltd	Japan	Energy	2.0
Carnival Corp	USA	Cons Discretionary	2.0

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

SECTOR	LONG %	NET %
Info Technology	23.9	23.9
Financials	18.1	18.1
Cons Discretionary	13.9	12.8
Health Care	8.4	8.4
Energy	6.6	6.6
Industrials	6.5	6.5
Materials	5.6	5.6
Consumer Staples	5.4	3.1
Utilities	3.1	3.1
Telecom Services	2.4	2.4
Other*	0.0	(9.4)

\* Includes index short positions

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity and issuer of units in the Platinum International Fund (the "Fund"). The Platinum Trust Product Disclosure Statement No. 10 ("PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au).

DISCLAIMERS: The information presented in the Fact Sheet is general information only and not intended to be financial product advice. It has not been prepared taking into account any particular investor's or class of investors' investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. You should read the entire PDS and consider your particular investment objectives, financial situation and needs prior to making any investment decision to invest (or divest) in the Fund. You should also obtain professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

No company or the directors in the Platinum Group® guarantee the performance of the Fund, the repayment of capital, or the payment of income. To the extent permitted by law, no liability is accepted by any company of the Platinum Group or their directors for any loss or damage as a result of any reliance on this information.

1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. Investment returns are calculated relative to the MSCI All Country World Net Index in A\$ (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Fund and other risk factors associated with investing, investment returns can be negative (particularly in the short-term). Source: Platinum.

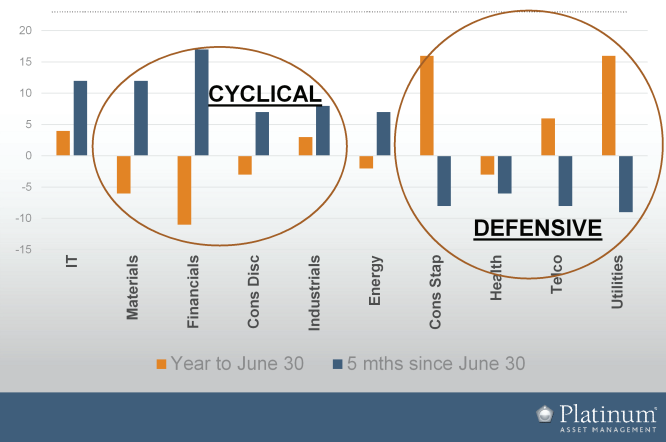
2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A\$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns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

3. The Long% represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives as a % of NAV. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for the Fund as a % of NAV, taking into account currency hedging.

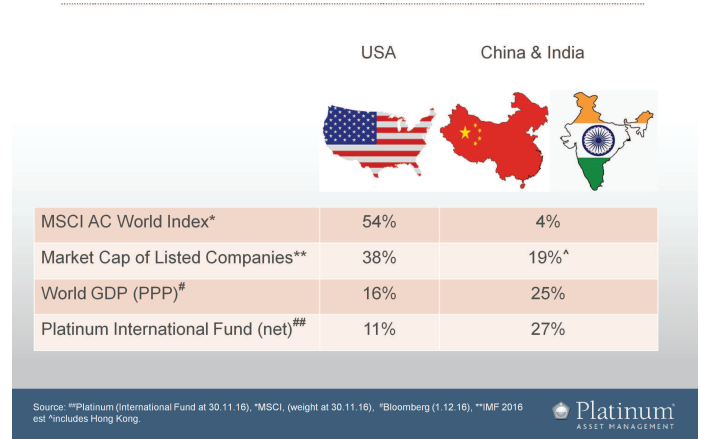
4. Top Ten positions shows the Fund's top long share exposure positions as a % of NAV. Long derivative exposures are included, however, short derivative exposures are not.

## Platinum International Fund

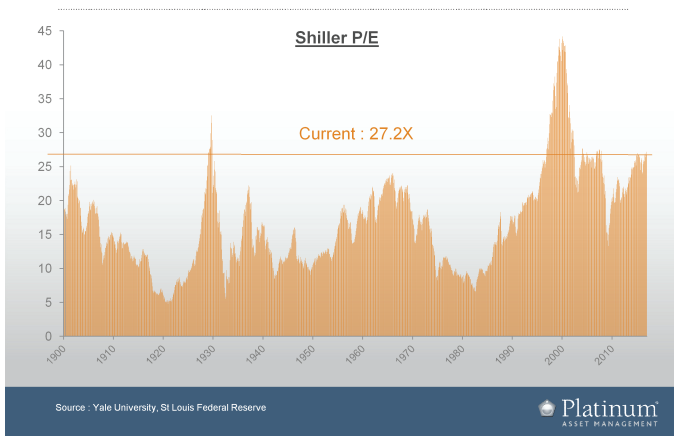
### Sector Rotation since June



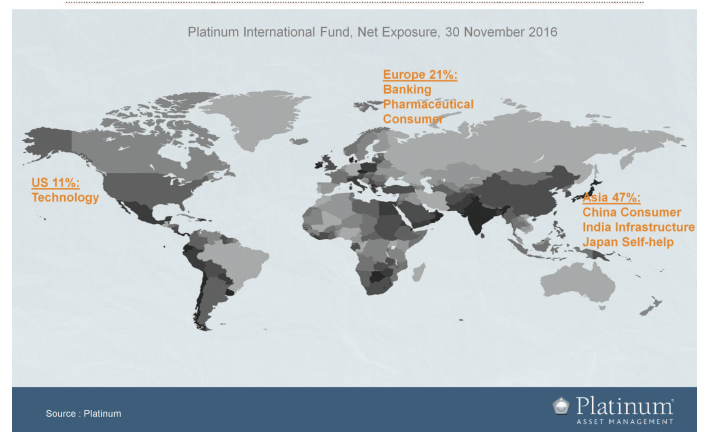
### Indices Don't Reflect World, or even Markets



### US : Valuations : Not a Good Entry Point!



### Platinum's current portfolio: key themes



## Market update and Commentary

When we look back, the critical turning point for markets may have been defined in the immediate aftermath of Brexit, when US Treasury notes briefly yielded below 1.4%. A slow but steady move higher unfolded in the ensuing four months, as it became increasingly apparent that monetary policy may have reached its limits around the world and that specifically, China's economic recovery was underway driven in part by increased fiscal spending. Brexit and the rise of Trump were symptoms of this; the US election result, however, led to a broader sense that the bond bull market of the last 36 or so years, may indeed be over, and with it the ramifications are broad.

We do not yet know what Trump will do. His chameleonic acceptance speech soothed markets that were threatening to dive as Asian and European observers first tried to come to terms with what almost all so-called experts had forewarned as disastrous. Within hours, the market embraced a view that Trump would be cutting taxes, spending money, imposing tariffs and making America great again (though as we had pointed out in October in our Journal section of our website, it was already doing fine and indeed may be late rather than early in its economic cycle).

However, tax cuts will not flow to those who pay none, nor do the wealthy consume every marginal dollar of benefit. As the US market adjusted sharply (rotating towards financials and other cyclicals, and rising) and the US dollar became more popular than ever, his lack of experience, awareness of protocol, and the nature of his appointments were not yet under proper scrutiny. We cannot know what will unfold, but expect a looser fiscal policy and watch trade closely. Game theorists will delight in the next moves.

When looking at the portfolio, November was a tough month to keep pace with the US driven index. But in the short-term, the market's response to the possible ending of the bond bull market, and with it, the bull market in certainty / bond proxies (see top left chart), has started to help the Fund.

- Over the five months since 30 June, the Fund has delivered a solid 7.7%\* with the index rising 5.1%\*. The Fund has benefited from its investments in Asia-Pacific, led by China and Japan. Cyclical stocks, and technology have been the sector drivers, with the Fund also making small gains in its defensive positions which were generally victims of rotation. Smaller companies also made an impact. Gains on currency were offset by the cost of shorting for a neutral combined outcome.
- Over the last year, slight losses can be attributed primarily to softness in several large holdings in Europe, particularly around the Brexit reaction. The Fund's investments in Asia Pacific and North America performed better than their underlying opportunity sets.
- Over four years, the Fund has returned an above-average 17%\* per annum (world index: 17%\* pa) with only 80% exposure and with the strong (and now expensive) US market over-represented in the index (see top right chart).
- Since the last market peak in May 2007, the Fund has delivered more than double the market returns, which is in line with longer term outcomes.

Looking forward, with US markets priced at levels that have never offered good medium-term forward returns (see bottom left chart), we prefer to focus on the broadening of China's recovery (which may spill into private sector investment); the resilience of much-maligned Europe which is increasingly seeing a disconnect between perception and a solid reality; the cleaning up of India; and corporate improvements in the Japanese and Korean stocks we own (see bottom right chart). The long portion of the portfolio is on around 16x forward earnings, comparing favourably against both the US (19x) and growth-challenged Australian (16x) markets, that dominate most of our clients' broader asset mix. We have increased our exposure to the Australian dollar and recent improvements in Terms of Trade are not flowing through to the currency unit. We believe the Fund's holdings in aggregate have better quality, growth and value characteristics, with lower use of leverage than companies from the broader market.

\* Please refer to disclaimer note 1 on page 1 for information regarding performance calculations.