Platinum Int'l Fund ARSN 089 528 307

31 July 2016

Facts

Portfolio value	$10.29 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 - 1.8911 Red - 1.8816

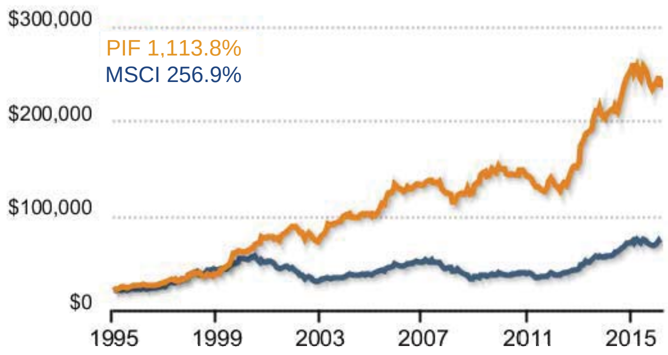
Fees

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[1]

	FUND %	MSCI %
1 month	3.36	2.19
3 months	1.35	4.23
6 months	1.77	4.58
Calendar year to date	(2.43)	1.08
1 year	(5.61)	(3.81)
2 years (compound pa)	7.23	11.91
3 years (compound pa)	9.37	11.90
5 years (compound pa)	12.65	14.77
7 years (compound pa)	7.96	10.27
10 years (compound pa)	6.85	4.72
Since inception (compound pa)	12.46	6.17

Performance graph[2]



Source: Factset and Platinum

Invested positions[3]

	LONG %	NET %	CURRENCY %
Australia	1.6	1.6	11.4
Austria	0.5	0.5	
Canada	1.0	1.0	1.4
China	5.5	5.5	(2.9)
China Ex PRC	13.6	13.6	
Hong Kong	0.8	0.8	11.3
France	5.1	5.1	
Germany	3.1	3.1	
Hungary	0.2	0.2	0.2
India	6.2	6.2	6.4
Italy	4.9	4.9	
Japan	12.1	12.1	3.4
Korea	6.0	6.0	3.4
Malaysia	0.6	0.6	0.6
Norway	1.0	1.0	3.8
Russia	0.9	0.9	
Sweden	1.8	1.6	1.8
Switzerland	0.5	0.5	0.5
Thailand	0.3	0.3	0.3
United Kingdom	4.2	4.2	4.2
United States	24.0	12.8	45.8
	94.0	82.5	
China Renminbi Off Shore			(6.0)
Euro Currency			14.1
Singapore Dollar			0.1
Cash & Accruals	6.0	17.5	
Total	100.0	100.0	100.0

Long - 132 stocks, 4 swaps, 1 bond Short - 5 stocks, 1 option, 2 indices

Top ten positions[4]

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.0
Alphabet Inc	USA	Info Technology	2.9
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.7
AstraZeneca PLC	UK	Health Care	2.5
Sanofi SA	France	Health Care	2.3
Cisco Systems Inc	USA	Info Technology	2.2
PICC Property & Casualty Co	China Ex PRC	Financials	2.2
Paypal Holdings Inc	USA	Info Technology	2.1
Intesa Sanpaolo SpA	Italy	Financials	2.0
China Pacific A share P-Note	China	Financials	2.0

Industry breakdown[3]

SECTOR	LONG %	NET %
Info Technology	24.8	24.8
Financials	15.6	15.6
Cons Discretionary	13.9	13.5
Health Care	10.0	10.0
Materials	6.3	6.3
Industrials	5.9	5.7
Energy	5.9	5.9
Consumer Staples	5.7	4.1
Telecom Services	3.1	3.1
Utilities	2.9	2.9
Other*	0.0	(9.2)

* Includes index short positions

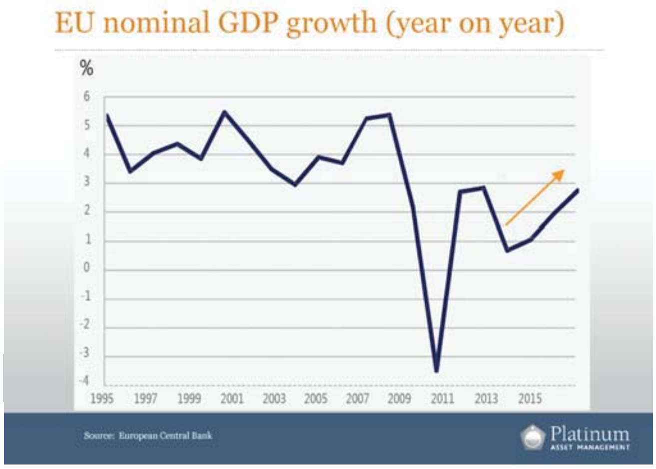
1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. 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).

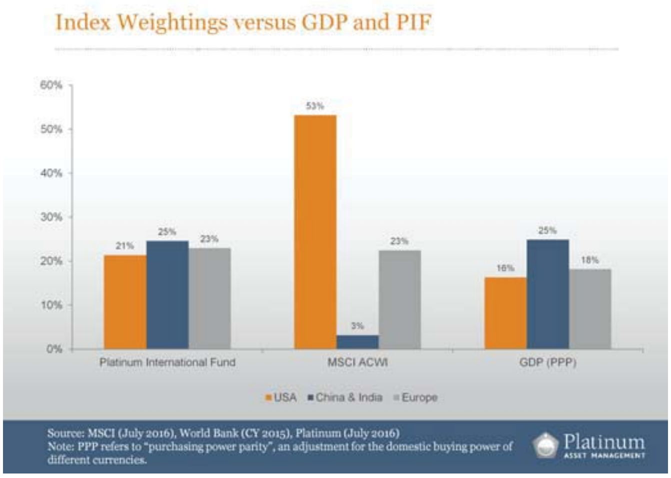
2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the Fund since inception relative to the MSCI All Country World Net Index in A$ ("Index") (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist). The investment returns are 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.

3. The Long% represents the exposure to physical holdings, corporate fixed income securities 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 International Fund





Market update and Commentary

While media, both social and traditional, start to fixate on which of the potential Presidents is less worse for the US stock market, investors moved forward from Brexit. This meant that the last week of June became the most recent low in markets. That markets are 2% higher at the end of July, and indeed the Fund delivered over 3% this month, with volatility near record lows may be a surprise to many. The Japanese, who entered the low rate environment over 20 years ago, made the first step towards fiscal stimulus, which ultimately we think will become the way others follow, but that could be a long way off given current Western political dogma.

It remains disappointing to report a negative return over the last 12 months, but in context, this came after 3 years of 25% annualised returns, and the performance dynamics in this latest correction, which was driven by a combination of Oil, China, and fear of rising rates in the US.

When returns are negative it is important to explain why and while China was the initial catalyst, if we look at the last twelve months, Asia-Pacific cost the Fund 1% (half of that from China), as the region led the rebound from February lows. We made money in the US (despite our low exposure there), Australia (via one stock) and Canada, but it was Europe which cost us the most, with a negative impact on the portfolio of almost 5%. Aside from the direct impact of Brexit on the banks, quality businesses like Sanofi, Casino, Novartis, Ericsson and Hornbach all had a challenging year.

At a Fund level, when we look from a sector perspective Materials and Technology have been positive, adding 2% to returns, with Samsung, Tencent, Google parent Alphabet and our Precious Metals exposure leading the way. The pain was felt in our investments in Consumer Discretionary, Financials and Industrials, which collectively accounted for the losses.

Since the market's steep decline almost a year ago, the focus has generally been on increasing the diversity of the portfolio with the new purchases. Oil and Gas, via ENI and Inpex, Gold Miners, and Overlooked Quality Companies like Coke, McDonald's and most recently, Johnson and Johnson, have been introduced. In the immediate aftermath of Brexit we topped up UK and Italian bank holdings that we felt had suffered from an over-reaction and whose sustainable dividend yields are impossible to pass up. The current geographical disposition of the portfolio reflects the fact that the US market has only been this expensive immediately prior to the three biggest sell-offs of the last 100 years, though the low rate environment offers some relative support, while the rest of the world has barely moved since the GFC and contains bountiful value.

Looking forward the weighted median P/E is 15X, which is less than the opportunity set, and particularly the Australian and US markets, with considerable cash and shorts in place. In our view this is a prudent overall position with a collection of companies that should grow faster than the market, with higher quality and lower levels of debt.