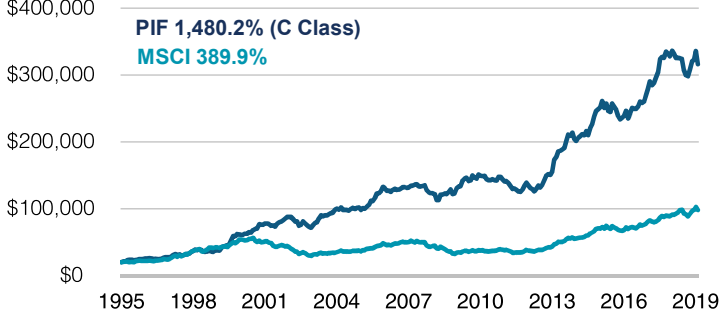


Facts				
Portfolio value	\$10.42 bn			
Fund commenced	30 April 1995			
Minimum investment	A\$10,000 or NZ\$10,000			
Regular Investment Plan (min.)	A/NZ\$5000 plus A/NZ\$200 mth/qtr			
Income distribution date	Annual, 30 June			
Unit valuation	Sydney Business Day			
Unit prices C Class	App - 2.0107   Red - 2.0026			
Unit prices P Class	App - 0.9662   Red - 0.9623			
Performance <sup>1</sup>				
	C Class %	P Class %	MSCI %	
1 month	(5.89)	(5.88)	(4.44)	
3 months	(1.35)	(1.29)	1.11	
6 months	5.59	5.72	6.87	
Calendar year to date	6.00	6.11	10.84	
1 year	(4.72)	(4.48)	7.80	
2 years (compound pa)	4.31		8.91	
3 years (compound pa)	8.64		10.70	
5 years (compound pa)	8.94		11.61	
7 years (compound pa)	13.41		15.03	
10 years (compound pa)	9.02		10.98	
Since inception (compound pa)*	12.14	4.74	6.82	
Invested positions <sup>3</sup>				
	Long %	Short %	Net %	Currency %
Asia-Pacific	42.3	(7.6)	34.7	34.4
Australia	0.2	(0.3)	(0.1)	0.2
China	7.9	(3.0)	4.9	5.3
China Ex PRC	13.3	(0.3)	13.0	
Hong Kong	0.8		0.8	16.5
India	5.9		5.9	6.1
Japan	7.9	(3.2)	4.7	16.1
Korea	5.9	(0.9)	5.0	5.0
Thailand	0.6		0.6	0.6
China Renminbi Off Shore				(15.4)
Europe	15.6	(3.6)	12.0	19.8
Austria	1.2		1.2	
Denmark	0.5		0.5	0.5
France	2.6		2.6	
Germany	2.1	(3.0)	(1.0)	
Ireland	0.6		0.6	
Italy	1.0		1.0	
Norway	1.7		1.7	2.2
Switzerland	3.7		3.7	1.6
United Kingdom	2.2	(0.6)	1.6	4.0
Euro				11.6
North America	22.2	(13.7)	8.6	45.4
Canada	2.2		2.2	2.2
United States	20.0	(13.7)	6.4	43.2
Other	0.4	(0.1)	0.3	0.3
Brazil	0.4	(0.1)	0.3	0.3
Sub-Total	80.6	(25.0)	55.6	100.0
Cash	19.4		44.4	
Total	100.0		100.0	100.0
Long - 98 stocks, 4 swaps   Short - 21 swaps, 4 indices				

Fees		
Entry fee	Nil	
Buy/sell spread	0.20%/0.20%	
Fee:	C Class	Investment Management 1.35% p.a.
		Investment Performance N/A
	P Class	Investment Management 1.10% p.a.
		Investment Performance 15.00% p.a.*
*of the amount by which the Fund's return exceeds its index return		
Performance graph <sup>2</sup>		
\$400,000	<div>PIF 1,480.2% (C Class)</div> <div>MSCI 389.9%</div> 	
\$300,000		
\$200,000		
\$100,000		
\$0		
1995		
1998		
2001		
2004		
2007		
2010		
2013		
2016		
2019		

Top ten positions <sup>4</sup>			
Stock	Country*	Industry	%
Ping An Insurance	China	Financials	4.0
Samsung Electronics Co Ltd	Korea	Info Technology	3.2
Facebook Inc	United States	Comm Services	3.2
Alphabet Inc	United States	Comm Services	2.8
China Overseas Land & Investment	China	Real Estate	2.4
Glencore plc	Switzerland	Materials	2.2
Intel Corp	United States	Info Technology	2.1
Bharti Airtel Ltd	India	Comm Services	2.1
TechnipFMC Ltd	UK	Energy	2.1
Jiangsu YangheBrew	China	Consumer Staples	1.9
		<b>Total</b>	<b>25.9</b>
*China includes exposure to Chinese A shares, H shares and ADRs.			
Industry breakdown <sup>3</sup>			
Sector	Long %	Short %	Net %
Financials	16.5		16.5
Communication Services	12.8		12.8
Industrials	10.4	(0.3)	10.1
Materials	8.9		8.9
Info Technology	10.0	(4.0)	6.1
Consumer Discretionary	7.4	(2.7)	4.7
Energy	4.7		4.7
Health Care	4.5	(2.0)	2.5
Real Estate	2.4		2.4
Consumer Staples	3.0	(1.7)	1.3
Other*		(14.4)	(14.4)
*Includes index 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. 11 dated 3 July 2017, the Supplementary Product Disclosure Statement dated 23 February 2018 and the Second Supplementary Product Disclosure Statement dated 16 October 2018 (together the "PDS") provide 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). The information presented in this Fact Sheet is general information only and is not intended to be financial product advice. It has not been prepared taking into account your investment objectives, financial situation or needs, and should not be used as the basis for making an investment decision. Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. Some numerical figures in this Fact Sheet have been subject to rounding adjustments. Neither Platinum nor any company in the Platinum Group®, including any of their directors, officers or employees (collectively "Platinum Persons"), 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 Platinum Person for any loss or damage as a result of any reliance on this information. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by any Platinum Person as to their accuracy or reliability.

1. & 2. Source: Platinum for Fund returns and RIMES Technologies for MSCI returns. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class, and represent the combined income and capital returns for each of these unit classes in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. Returns for P Class are net of any accrued investment performance fee. The 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 depicted in the graph are cumulative on A\$20,000 invested in the Fund since inception. Past performance is not a reliable indicator of future returns. It should be noted that Platinum does not invest by reference to the weightings of the index. Underlying assets are chosen through Platinum's bottom up stock selection process and as a result holdings will vary considerably from the make-up of the index. The index is provided as a reference only.

3. China refers to securities or derivatives over securities, which securities are listed on the Shanghai or Shenzhen stock exchange. China Ex PRC refers to securities or derivatives over securities, which securities are listed outside of the PRC but provide exposure to PRC companies. The "Long %" represents the exposure to direct securities holdings and long stock/index derivatives as a percentage of the Fund's net asset value. The "Net %" represents the exposure to direct securities holdings and both long and short stock/index derivatives as a percentage of the Fund's net asset value. The "Currency %" represents the effective currency exposure of the Fund's portfolio as a percentage of the Fund's net asset value, taking into account currency exposures through securities holdings, cash, forwards and long and short stock/index derivatives.

4. The "Top ten positions" show the Fund's top ten long positions as a percentage of the Fund's net asset value. Direct securities holdings and long stock derivatives are included. However, short stock derivatives are not included.

All data where MSCI is referenced is the property of MSCI. No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>.

- Trade tensions re-emerged in May, presenting a setback after strong start to 2019. YTD returns remain solid at 6%.
- Market divergence between cheap and expensive stocks is extreme and getting wider; this feels like a coiled spring.
- Resultant Fund positioning most cautious since 2008 with net exposure at 56%; trade related risks are asymmetric.

Trump reignited his trade war with China via Twitter early in May. In our view, downside risk from its escalation overwhelms short-term upside from its resolution. We acted swiftly, adding market shorts in export heavy Japan, Hong Kong and Germany, then the technology-heavy Nasdaq. This reduced net exposure during the month by approximately 22% in aggregate. While there is increased focus on trade tensions, it is worth being aware that China's loosening measures are starting to have an impact on its broad, consumer economy, and their property market is stronger.

This did not stop May being challenging for the market or the Fund which returned -6%; Technology, Resources and Consumer Discretionary were hit hard. India was a bright spot. The situation, particularly the attack on Huawei, is unprecedented in recent history. It is unlikely to benefit the world economy while it remains unresolved. We challenge any assumption that this is good for the US, while agreeing it is bad for everyone else. Having put broad protection in place, we can now search at a company level for any mispriced impacts, including any beneficiaries.

### Performance:

Over the last year, the Fund has returned a disappointing -5%. For context: in one out of every six rolling 12-month periods, the Fund has returned -5% or less. During the period, our resources exposure, particularly energy related, and our Asian technology leaders were the main drivers of this. Short positions in Tesla and Nvidia, and investments in Ping An Insurance and the Indian banks were the top positive contributors. For comparison, while global markets were up 8%, both Asia and Japan had down years – as did Germany in the light of trade conflict. We remain exposed to many stocks in Asia-Pacific with good long-term prospects and attractive current valuations.

Our simple goal is to deliver capital growth over the long-term by investing in undervalued companies. We ignore the index in trying to achieve this. We assess business prospects against current market prices, to build a portfolio of companies that private owners should be happy with. This process often leads to us zigging, while the market is zagging, and vice versa.

Going against the crowd is uncomfortable, but it can pay handsome dividends, and works over the cycle. Since the market last peaked twelve years ago, in May 2007, the Fund has returned cumulative 135% (7.4% pa) net-of-fees while the market has offered cumulative 88% (5.4% pa).

Indeed, while we have just experienced our softest relative performance since 1999, we have had multiple periods of greater relative outperformance within the last 20 years. The parallel with 1999 should not be underestimated. There are strong similarities in the market environment, with technology stocks priced at nosebleed levels and the "old economy" shunned.

The impact of the last year on the all the performance numbers displayed overleaf also needs to be emphasised. They all relate to performance up to a point in time. As recently as on 30 April 2018, the Fund's 5 year return was an impressive 16.6% pa beating the market's 16.0% pa whilst using a 79% average net market exposure. Any questions about performance must focus on the weaker performance of the last 13 months; this is detailed below.

Period	Fund	Index	Comment
May – Sept 2018	-3.6%	8.3%	Asia/Europe/Japan stocks hurt the Fund as China slowed. Index driven by a narrow group of large US technology, healthcare, consumer stocks, on high starting valuations. Fund exposure was reducing as market risks were building.
Oct – Dec 2018	-8.0%	-10.3%	Outcome similar to corrections in 1998, 2011 and 2015 with the Fund outperforming the index as it sold off. We reduced the shorts and added to some beaten-down longs.
Jan – Apr 2019	12.6%	16.0%	Strong start to 2019 for the Fund and markets. Average long position returned 18%, ahead of market, but Fund held back by caution, with shorts and cash a drag.
May 2019	-5.9%	-4.4%	Trade tensions reignited. Action taken to protect the Fund from escalation, yet initial impact hit positions in technology, resources and consumer discretionary companies hard.

### Outlook:

Looking forward, and as we presented on our recent adviser and investor roadshow, the biggest challenge investors currently face is trying to deal with macro uncertainty induced by trade tensions, political populism, the rise of China, unconventional monetary policy and technology disruption.

As a result, there is intense crowding into what seems immune – perceived safe havens (e.g. Consumer Staples, REITs, Infrastructure) and secular growth stories (concentrated in Technology and Biotech). **Expensive stocks are more expensive than ever** – this does not augur well for returns from investing in popular areas of the market.

Meanwhile, companies with economic sensitivity are shunned, and as a result, we can build a portfolio of industry leaders on a starting earnings yield of 10% (a P/E of 10x) with prospects for growth. In a low interest rate world, this is exceptional value, and it feels like the best portfolio we have been able to assemble in a decade. **Cheap stocks are cheaper than ever**. These are broadly spread geographically, with long positions of similar scale in China, the rest of Asia (Japan, Korea, India), the US and Europe.

Combining these two observations, leads to what appears to be a cautiously positioned portfolio but it masks enthusiasm for the medium term prospects for what we own, and concern about both market-level risks and extreme valuations. One might say we are taking **a divergent view on a divergent market**. We have spoken before about markets feeling like a coiled spring, as they did in mid-2016 around the time of Brexit, and once again, this is a strong analogy.