



Platinum Global Fund®

ARSN 600 630 537

Quarterly Investment  
Manager's Report

31 March 2023



Platinum®  
GLOBAL FUND



Platinum®  
ASSET MANAGEMENT

# Investment Update

Platinum Global Fund



**Clay Smolinski**  
Portfolio Manager

## Performance

(compound p.a.\* to 31 March 2023)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Global Fund*	8.8%	14.4%	13.8%	6.1%	9.0%
MSCI AC World Index^	8.7%	3.8%	11.9%	9.9%	11.0%

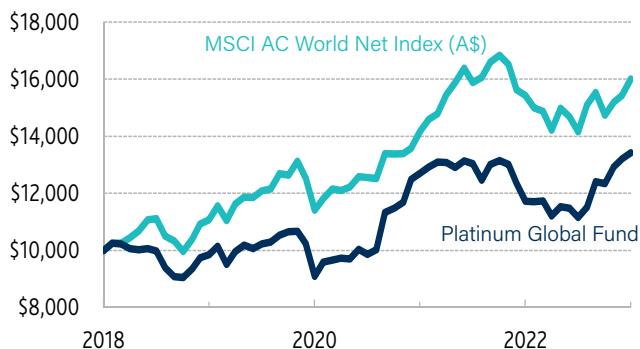
\* Excluding quarterly returns.\* Fund returns are after fees and costs, before tax, and assuming reinvestment of distributions.  
Inception date: 8 September 2014.

^ Index returns are those of the MSCI All Country World Net Index in AUD.  
Historical performance is not a reliable indicator of future performance.

Source: Platinum Investment Management Limited for Fund returns; FactSet Research Systems for Index returns. See note 1, page 11.

## Value of \$10,000 Invested Over Five Years

31 March 2018 to 31 March 2023



After fees and costs, before tax, and assuming reinvestment of distributions.  
Source: Platinum Investment Management Limited for Fund returns; FactSet Research Systems for Index returns. Historical performance is not a reliable indicator of future performance. See notes 1 & 2, page 11.

## In Brief:

- The largest pockets of performance came from our travel investments (Wizz Air, Booking Holdings, Trip.com, Airbus), semiconductors (Infineon Technologies, Micron, Microchip, NXP Semiconductors) and China (Tencent, Weichai Power).
- As fears over the gas crisis have subsided, our European positions have experienced strong gains. We used this strength to raise funds and sell out of our positions in BMW, Informa and Booking Holdings and reduce our positions in Erste and Intesa Sanpaolo. We also trimmed our positions in ZTO Express and Tencent.
- We applied the proceeds to increasing our investments in Allfunds and St. James's Place and building a new position in TransUnion.
- There are reasons for caution in the current economic environment, but we want to use this uncertainty to our advantage. This market environment is well suited to our investment style, and if we can continue to rotate the portfolio into companies where the extremes are already discounted along with building positions in companies where earnings can be higher in three to five years' time, good returns should follow.

The Fund returned 8.8% over the quarter.<sup>1</sup>

While contributors to performance were quite broad, the largest pockets came from our investments in:

- Travel** – European ultra-low-cost airline **Wizz Air** was our largest contributor, with its share price rising 56% over the quarter as air travel demand and ticket pricing continued to rise post-COVID. Gains were also seen in our positions in **Booking Holdings** (+32%), **Trip.com** (+10%) and **Airbus** (+11%).
- Semiconductors** – The main fear that investors have around the semiconductor industry is the current downturn in the cycle as demand for consumer goods (PCs, mobile phones, appliances) has fallen away post the COVID spending boom. Recent results indicate the current downturn may be coming to an end, and demand in auto and industrial semiconductors remains strong (driven by content growth from electrification and driver-assistance systems). In response, our investments in **Infineon Technologies** (+33%), **Micron Technology** (+21%), **Microchip Technology** (+19%) and **NXP Semiconductors** (+8% since our first entry point during the quarter) all rose.
- China** – As we mentioned last quarter, Chinese stocks had increasingly been seen as 'untouchable' due to geopolitical concerns; the fear of loss took over and investors fled, resulting in heavy discounting in stock prices in the process. As confidence in the economic recovery builds following the end of the zero-COVID policy and Chinese companies begin to report stronger results and outlooks, this fear is subsiding, and investors are increasingly returning to this market. This combination saw gains across a number of our Chinese holdings, in particular, **Tencent** (+22%) and **Weichai Power** (+20%).

Detractors over the quarter were fairly modest and were concentrated in our commodity holdings namely **UPM-Kymmene** (-11%), **Equinor** (-9% since our first entry point during the quarter) and **Schlumberger** (-8%). The weakness reflected a rapid repricing in response to the US bank crisis, led by the collapse of Silicon Valley Bank in mid-March, with the expectation that this would reduce banks' willingness to lend and increase the chance of a broad economic contraction.

<sup>1</sup> References to returns and performance contributions (excluding individual stock returns) in this Platinum Global Fund report are in AUD terms. Individual stock returns are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified.

## Disposition of Assets

REGION	31 MAR 2023	31 DEC 2022
Asia	33%	32%
Europe	28%	30%
North America	21%	19%
Japan	8%	8%
Other	1%	1%
Australia	2%	0%
Cash	7%	10%

See note 3, page 11. Numerical figures have been subject to rounding.  
Source: Platinum Investment Management Limited.

## Net Sector Exposures

SECTOR	31 MAR 2023	31 DEC 2022
Industrials	25%	22%
Financials	16%	16%
Information Technology	13%	13%
Energy	12%	10%
Materials	8%	9%
Consumer Discretionary	6%	7%
Health Care	5%	6%
Communication Services	5%	6%
Real Estate	2%	2%
Utilities	1%	0%
TOTAL NET EXPOSURE	93%	90%

See note 4, page 11. Numerical figures have been subject to rounding.  
Source: Platinum Investment Management Limited.

## Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Microchip Technology Inc	US	Info Technology	4.2%
AK Medical Holdings Ltd	China	Health Care	4.1%
ZTO Express Cayman Inc	China	Industrials	3.9%
Tencent Holdings Ltd	China	Comm Services	3.8%
MinebeaMitsumi Co Ltd	Japan	Industrials	3.7%
UPM-Kymmene OYJ	Finland	Materials	3.5%
Trip.com Group Ltd	China	Con Discretionary	3.1%
Wizz Air Holdings Plc	Switzerland	Industrials	3.0%
Samsung Electronics Co Ltd	South Korea	Info Technology	3.0%
Intesa Sanpaolo SpA	Italy	Financials	2.8%

As at 31 March 2023. See note 5, page 11.  
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposure, updated monthly, please visit [www.platinum.com.au/our-products/pgf](http://www.platinum.com.au/our-products/pgf).

## Commentary and Changes to the Portfolio

A key pillar of our investment approach is the importance of using investor sentiment as a guide to the level of mispricing in stocks. Often, the best opportunities to buy are when investors are intensely focused on the prospect of a problem rather than when the problem has actually occurred, as markets are adept at fully pricing in negative events well ahead of their happening.

A recent example of this forward discounting dynamic is the US homebuilding stocks. The US homebuilding industry is currently in recession with the highest mortgage rates since 2007, but the stock prices of the homebuilders are generally 30-50% higher than where they bottomed in June 2022.<sup>2</sup> The initial panic about the prospect of higher rates and a housing recession created the opportunity to buy, but by the time the housing recession that everyone was so worried about had begun, emotions had calmed and investors were already looking forward to mortgage rates being cut and a recovery!

In this regard, we continue to rotate the portfolio as we look to take advantage of these new areas of intense feelings and sell down where the investment case has played out.

Last year, Europe was a region surrounded by intense concern as investors worried about the prospects of Russia cutting off access to gas and what that would mean for corporates and the economy alike. Much like the US homebuilding example, many European stocks bottomed before the gas was cut off, and we used this fear to build positions across a number of European stocks, including the **European banks, Wizz Air, Infineon Technologies** and **Airbus**.

As the fears over the gas crisis have subsided, our European positions have experienced strong gains, and we used this strength to raise funds, selling out of our positions in **BMW, Informa** and **Booking Holdings** and reducing our positions in European banks **Erste** and **Intesa Sanpaolo**. We also trimmed our positions in **ZTO Express** and **Tencent**, effectively selling the additional shares we acquired during the lows back in October.

We have applied the proceeds to investments in a selection of financial services businesses. These included increasing our positions in **Allfunds** and **St. James's Place** and building a new position in **TransUnion**.

While they are all different businesses, the commonality between Allfunds and St. James's Place is their revenue is determined by the value of their assets under management (AUM). With the value of equity markets having fallen, combined with one of the largest falls in the value of fixed income securities in history, both firms' AUM, earnings and investor sentiment have been suppressed.

TransUnion is one of the big three global credit bureaus (alongside Equifax and Experian) that collects credit payment data (e.g. whether a borrower repaid their car loan or defaulted) and packages it into software that helps banks and other lenders make decisions on who they will lend to and at what price. From the initial base of credit data, each company has moved into new areas where data can assist with high-value decisions, namely income verification (Equifax), user ID and fraud (TransUnion), and targeted marketing (Experian).

TransUnion's stock price has halved on fears about a fall in the issuance of new credit and uncertainty around its deal to buy fellow data firm Neustar. As rates have risen, mortgage applications have collapsed, and while this dampens revenue growth in the short term, the impact is ultimately transitory. The market's scepticism around Neustar is due to its exposure to targeted marketing, which is an area that Experian has consistently struggled with. We have a more optimistic view. Neustar's expertise is in user identification, and our background work indicates this data can be more valuable in a post-Apple IDFA (identifier for advertisers) world and has a complementary fit with TransUnion's existing ID and fraud products.

Stepping back, the core competency of these firms is the collection, cataloguing, analysis and ultimately, the building of useful decision tools on large data sets. As the world moves online and increasingly important transactions are done remotely rather than face-to-face (e.g. getting a loan, qualifying for social security payments), we have seen the user cases for TransUnion and its data vendor peers consistently expand. We expect this trend to continue and see the price we paid as a good entry point.

<sup>2</sup> Source: Federal Reserve Bank of St. Louis, FactSet Research Systems, respectively.

## Outlook

There is a persistent contradiction in the role that macroeconomics should have in decision making. That contradiction is the fact that, the majority of the time, macroeconomics is of minor importance and shouldn't feature heavily in your decision making, BUT there are certain times when macroeconomics matters a great deal and completely dictates stock prices in the short/medium term.

The question is, then, when do we pay attention? History shows the times when macroeconomics 'matters' are when there is a significant change in the cost and availability of credit, with the global financial crisis, the European sovereign crisis and the Chinese shadow banking reform in 2018 following this pattern. The situation today fits the bill, as we have seen a repricing of interest rates globally, and the recent problems in the US banking system should produce a period of much tighter lending standards. Our initial reaction to these developing events is one of caution.

That said, the theme of this quarterly report has been the market's ability to forward discount events, and when it comes to the role of macroeconomics, we also need to remain open to the possibility that the market may have already priced in a recession and the prospect of lower corporate earnings. The recent lows in October saw both the US and European markets fall 24% from their peaks, and after adjusting for inflation, this represents a fall in the real value of closer to 35%, which is fairly substantial in a historical context.

Overall, on the macro front, in principle, there are reasons for caution, but we want to use this uncertainty to our advantage. This market environment is well suited to our investment style, and if we can continue to maintain a mix of rotating the portfolio into companies where the extremes are already discounted along with building positions in companies where earnings can be higher in three to five years' time, good returns should follow.

# Macro Overview: The 'Out of Favour' and Areas of Significant Change Offer Opportunity

by Andrew Clifford, Co-Chief Investment Officer

CEO and Co-CIO Andrew Clifford sat down with Head of Investment Specialists (Retail) Dean McLelland in late March to share his thoughts on the stability of the global banking system, interest rates, the state of play in Europe and China's reopening - and what they all mean for the markets in 2023 and Platinum's portfolios. An edited transcript of the conversation is below.\*

**DM: Banks were the biggest news during the quarter and while many people have heard of Credit Suisse, Silicon Valley Bank in the US was probably not a household name until quite recently. How are you thinking about the stability of the financial system and the likely economic impacts?**

**AC:** I'd like to start by revisiting what we've been saying about the investment environment that we're in. Interest rates have been going up for a year now, and the US Federal Reserve (Fed) has been unwinding its quantitative easing, so this is a completely different investment environment from the one that we've been in for the last decade.

When you have tight monetary policy, this is when financial accidents occur, and Silicon Valley Bank (SVB) and Credit Suisse are not the first of those. We have to remember that last year there was a big scare around UK pension funds, which was thankfully averted, and there was also the collapse of the crypto exchanges. Ultimately, when money is tight, whether that's through higher interest rates or less availability of credit, that's when things become exposed. That's what occurred with SVB, and it reflects the way the US banking system operates.

I think the important thing to take away from this is that people are worried about whether there are going to be further bank collapses and how this will flow through to the economy. While SVB's depositors have been rescued, we can't confidently say that the problems in the US banking sector have been resolved. However, the US is experienced in handling bank failures, they have lots of small bank collapses all the time, and the formula they've rolled out for SVB is a standard approach.

However, even if we do move beyond this, it has made the tight money situation even worse. Regional banks in the US have made lots of investments in 30-year fixed interest securities at 1.5% or 2%, and now their cost of money, which they pay on much shorter time frames, has risen substantially and is much higher than that, so they're losing money on an ongoing basis. When banks are in this situation, whether they survive it or not, and I think they will largely survive it, they will be even more restrictive in their lending. We're already seeing that in the loan surveys from the regional banks in the US. Regional banks are a really important part of business lending; they represent more than half of commercial real estate loans, and they play a large part in small business lending. The outcome of the collapse of SVB reinforces the very difficult environment the economy and markets are in.

\* The full interview is available in audio format on The Journal page of our website <https://www.platinum.com.au/Insights-Tools/The-Journal>. Interview was recorded on 29 March 2023.

**DM: Do you think central banks will reverse course and start cutting rates from here?**

**AC:** This current banking crisis is predominantly a US phenomenon, and the Fed is in a really difficult position. While there are plenty of signs that inflation is peaking and that the economy is on the cusp of slowing down, it hasn't actually happened yet. The labour market is still strong, wages continue to grow quickly and used car prices, which was a crazy market through COVID where used cars became incredibly expensive, then the prices rolled over, are now rising again. I think that the difficulty here is if the Fed cuts rates in response to the banking crisis but inflation doesn't settle down, all sorts of unexpected consequences can play out, like yields on 30-year or 10-year bonds rising rather than falling. Ultimately, when we are thinking about the investment environment, even if rates do peak at current levels and central banks start to cut, that difficulty in obtaining credit is going to be with us for some time. It takes 12-18 months for rate increases to flow through to the economy, and it's only been a year since the first interest rate increase. We still have all the rate increases over the course of 2022 and the first quarter of this year to really take effect. Yes, central banks may reverse course but I'm not sure that will bring the economy or investors any immediate joy.

**DM: Moving to Europe, Credit Suisse aside, perhaps the financial system appears more resilient than what we see in the US and perhaps here in Australia as well, but there is still a war going on, and the energy crisis, while it wasn't as bad as many feared, certainly hasn't been resolved. How are you thinking about Europe?**

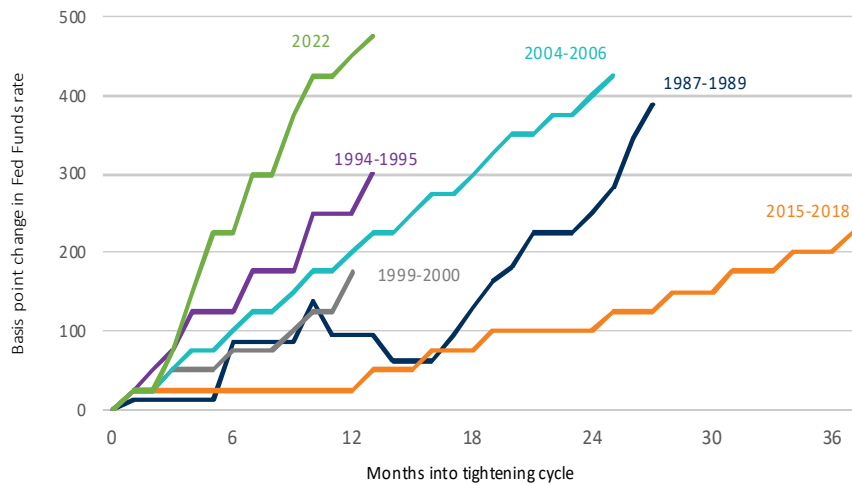
**AC:** The banking systems in Europe and elsewhere are different to the US, with the latter dominated by fixed 30-year mortgages. By and large, most other countries are dominated by variable-rate mortgages, even if they're fixed for two or three years. This means the banking systems elsewhere, and certainly in Europe, don't take on that interest rate risk. The transmission mechanism will therefore be different because it will be the homeowners with a mortgage and businesses that have borrowed money who will be hurt rather than in the US, where it's the banks that will pay the price for taking that risk. The potentially worrying thing is if there is a significant downturn, where the banks will be hurt elsewhere in the world as borrowers start to struggle to pay off their loans. I think the remarkable thing about Europe is that we've had a war there for over a year now and a huge increase in energy prices at the start of 2022, but yet that economy has remained incredibly robust. There has been no major pickup in unemployment, and economic growth is still positive, even though some industries that rely on gas have had to close down. There was a bit of luck involved, with large parts of the northern

hemisphere experiencing a warmer-than-normal winter and China's economy being very slow, which allowed Europe to source alternative gas much more easily than expected. Europeans have responded to the higher energy prices by cutting consumption. At the moment, gas storage is filling up very quickly, so we're partway through resolving that, but we are also in the hands of the weather. In summary, despite what they experienced with soaring energy prices early in 2022, the economy still managed to perform remarkably well.

**DM: With the Chinese economy reopening and the market recovering remarkably at the end of last year, China has been largely out of the spotlight in the first quarter of this year. How are you seeing the Chinese economy and market at the moment?**

**AC:** There were a lot of negatives that lined up against China in recent years. First of all, there were a number of economic reforms that caused significant uncertainty in the business community. Some people will talk about the crackdown on the technology sector, but it was really a regulatory reform of that sector. We also saw policy mistakes in trying to control property prices that led to the property market crashing. There were the COVID lockdowns, and of course, the US was also imposing sanctions and tariffs on the country. So, it's been a very difficult environment, and from there, we only have one way to go. The easiest one to tackle was the end of the lockdowns, and data on people's mobility shows a return to normal levels. Overseas travel hasn't returned to pre-COVID levels, as there are apparently shortages in approving visas, but all of the reopening activities that we've seen elsewhere are starting to happen in China.

Financing has been provided to the property sector to ensure developments get completed, and we have seen a strong rebound in property sales in the larger cities - not back to the levels they were, but a very substantial bounce from the bottom, and there has even been a slight uptick in property prices. That all bodes well for the economy. Some shorter-term observations are that consumer spending is not yet experiencing the same bounce back in ferocity that we saw in other places after they reopened from COVID lockdowns, so it would seem there's still some degree of caution amongst consumers at the moment, but I think that is simply a question of time. Lastly, the government has signalled very clearly that their work on regulatory reform around e-commerce is now complete, so we expect confidence to start to build. After a period of absence, Jack Ma recently returned to China, and symbolically, I think that's a very positive development for the business community. There was also the announcement about Alibaba splitting up its business into six different units.

**Fig. 1: US Interest Rate Tightening Cycles**

Source: Evercore ISI Research.

**DM: So, there has been a lot of improvement in economic fundamentals, but it still feels like the sentiment towards investing in China has not rebounded in the same way, would that be fair?**

**AC:** I think that's right. It's very clear that people are still cautious about China. You can't go from many commentators calling this market uninvestable to a bull market, so undoubtedly, there's a lot of caution, and I think the pattern of coming out of any bear market is that it takes time before the concerns that drove share prices lower are peeled away. I would expect that as we go through the year and we see companies reporting better sales and profits, people will gradually come back to the market, and ultimately, what will bring people back is if China has a good year this year. I have no doubt that those who were calling it uninvestable will, by and large, return and invest in that market.

**DM: There are a lot of different economic and geopolitical concerns still at play, can you bring them together in terms of your outlook for major markets?**

**AC:** What's been interesting in the last couple of quarters is the relatively poor performance of the US market; meanwhile, many European markets are not far from their all-time highs, and China has had a very good bounce off the bottom. The question that is debated on the front pages in the US is whether the bear market has finished. While we've had a good bounce from the lows of 2022, I believe it's likely there is more downside to come. This has been the biggest increase in interest rates we have experienced in the last 40-odd years, and it's the fastest increase in interest rates we've seen by a very long way (see Fig. 1). The reason I would be worried about the general level of the US market is that interest rates have a very clear relationship with

corporate earnings, and when we have rate increases like these, corporate earnings will be very weak, and invariably, that leads to a weak US stock market. Whereas I think China is in a completely different cycle, and Europe, again, is in its own cycle. Having said that, I think that for investors to overly focus on the headline levels of markets really misses the point. There are huge divergences within countries and sectors, and there are companies or industries that have already been sold down heavily, and that's where opportunities lie. While I do think there's more to go in this bear market, I continue to see 2023 as a year of opportunity for investors.

**DM: Where are you seeing these opportunities?**

**AC:** We focus our search for opportunities in two key areas. One area is in those companies, industries and countries that are out of favour, where investors' cognitive biases tend to lead them to be too focused on recent events. The other set of opportunities is where there's a lot of change going on, whether it's regulatory, technological or in the competitive environment. There are some really big changes going on in the world today, most notably that the global economy needs to undergo a massive investment cycle to decarbonise, and that is presenting a huge array of opportunities. The opportunity set here is much broader than many people think. Electric cars, wind turbines, solar panels and wind farms are often what most people think of, but really, there's a huge number of companies that will benefit, for example, companies that make semiconductors for electric vehicles or solar panels. There will be opportunities in commodities in a range of areas, and again, people think of lithium and copper, but something like pulp, traditionally just used to make paper, is going to be needed to replace plastics, and there are some really interesting



activities that come out of making pulp that present opportunities from decarbonisation.<sup>1</sup>

Since COVID, there have been concerns about the reliance on China and the desire for companies to reshore their production or diversify their production bases. That gives rise to opportunities in a lot of different ways, such as relocating those factories to developed markets, which will need high levels of automation on account of the higher labour costs, so companies that provide that sort of equipment stand to benefit. In the developing markets, countries like Thailand and Vietnam are already benefiting from the huge move of production to their shores, creating investment opportunities.

There is also China, which we've already discussed at length; it is still deeply unloved but also fits into this idea of change. China is a leader in so many areas around leading-edge technology. The whole decarbonisation effort will heavily rely on China.

<sup>1</sup> Portfolio manager Jodie Bannan discusses how wood pulp is being used to produce sustainable packaging alternatives to plastic and also lower CO2-emitting biofuels and bioplastics in this short video: <https://www.platinum.com.au/Insights-Tools/The-Journal/Video-Investing-for-Net-Zero>

Finally, the shift in interest rates will have long-term impacts on particular types of businesses or companies that go beyond just the first-order effect. Banks that have strong deposit franchises, for example, should do much better in a higher interest rate environment because previously they were gaining no benefit from their deposit franchises, while insurance companies will get better returns on the investment of their floats (the money they hold onto from the time customers pay their insurance premium until they make an insurance claim). Alternatively, in areas where there is significant competition from start-ups, a lot of venture capital money will be withdrawn, and these start-ups are going to have to become profitable. In the banking sector, lots of neobanks (online banks with no physical branch networks) are falling by the wayside, and e-commerce businesses now need to break even. They're not going to get more money for many ventures. Many will fail, and those who are left standing will potentially have won the land grab and developed very valuable businesses.

In summary, while it's easy to get caught up in the doom and gloom printed in the headlines, there are a lot of opportunities for investors in this market, and that is what we are focusing on.

### MSCI Regional Index Net Returns to 31.3.2023 (USD)

REGION	QUARTER	1 YEAR
All Country World	7.3%	-7.4%
Developed Markets	7.7%	-7.0%
Emerging Markets	4.0%	-10.7%
United States	7.6%	-8.9%
Europe	10.4%	1.4%
Germany	14.7%	2.2%
France	14.6%	8.8%
United Kingdom	6.1%	-0.8%
Italy	14.7%	9.1%
Spain	15.7%	11.9%
Japan	6.2%	-5.2%
Asia ex-Japan	4.3%	-8.9%
China	4.7%	-4.7%
Hong Kong	-2.4%	-5.3%
Korea	9.6%	-14.4%
India	-6.4%	-12.2%
Australia	2.8%	-9.2%
Brazil	-3.2%	-18.7%

Source: FactSet Research Systems.  
Total returns over time period, with net official dividends in USD.  
Historical performance is not a reliable indicator of future performance.

### MSCI All Country World Sector Index Net Returns to 31.3.2023 (USD)

SECTOR	QUARTER	1 YEAR
Information Technology	20.4%	-7.5%
Communication Services	17.2%	-15.5%
Consumer Discretionary	14.2%	-12.1%
Industrials	6.7%	-1.3%
Materials	5.3%	-9.4%
Consumer Staples	3.4%	0.6%
Real Estate	0.5%	-19.8%
Utilities	-0.7%	-6.4%
Financials	-1.5%	-10.8%
Health Care	-1.7%	-4.1%
Energy	-3.1%	6.5%

Source: FactSet Research Systems.  
Total returns over time period, with net official dividends in USD.  
Historical performance is not a reliable indicator of future performance.

# The Journal

Visit [www.platinum.com.au/our-products/PGF](https://www.platinum.com.au/our-products/PGF) to find a repository of information about Platinum Global Fund (PGF), including:

- Distribution history and statements
- ASX releases and financial statements
- Monthly updates on PGF's investment performance, portfolio positioning and top 10 holdings.

You can find a range of thought-provoking articles and videos on our website. For ad hoc commentary on the latest market trends and investment themes, look up **The Journal** under **Insights & Tools**.

If you find yourself short on time to read our in-depth reports and articles, have a listen to our **audio podcasts** or watch brief market updates in **video** format.

## Recent highlights include:

- **2023 Investor Presentation: Thinking Differently - What the Market has Overlooked and how 2023 is the Year of Opportunities.**<sup>1</sup> A video of Platinum's recent 2023 investor and adviser presentation is now available for viewing. Co-CIO Andrew Clifford provides an update on Platinum's performance and positioning, and our panel of portfolio managers Nik Dvornak, Cameron Robertson and Jodie Bannan discuss four key opportunities Platinum is investing in.
- **Article - Why Today's Headwinds Have Accelerated a Multi-Generational Shift.**<sup>2</sup> The energy transition is rapidly accelerating. Portfolio managers Jodie Bannan and Liam Farlow outline why the opportunity is too good to ignore and compelling investments they are currently seeing.
- **Video - Impressive Opportunities Abound Across Asia.**<sup>3</sup> The Chinese equity market has bounced strongly in recent months, and while we continue to find plenty of investment opportunities there, we are also discovering other exciting companies to invest in across the region. Portfolio managers Kirit Hira and Cameron Robertson discuss two such companies they visited during recent research trips to Vietnam and South Korea - Mobile World Investment and Coway.
- **Video - A Reality Check for Tech?**<sup>4</sup> After two years of excess and bubble-like valuations, the tech sector suffered a significant setback in 2022. While valuations are looking more attractive, will we finally see a return to investors valuing tech companies based on the strength of their business models and long-term potential earnings power rather than hype? Portfolio managers Alex Barbi and Jimmy Su share their insights and where Platinum is finding opportunities in tech.
- **Article - Off-Price but On-Trend: Discount Retailers Taking Market Share.**<sup>5</sup> The reversal of pandemic spending trends was a common challenge for retailers planning inventory throughout 2022. Off-Price (discount) retailers can benefit from this inventory miscalculation, and they appear to have the advantage in 2023, as investment analyst Joshua Pettman explains.



1 <https://www.platinum.com.au/Insights-Tools/The-Journal/2023-Investor-Presentation>

2 <https://www.platinum.com.au/Insights-Tools/The-Journal/Why-Today-s-Headwinds-Have-Accelerated-a-Multi-Gen>

3 <https://www.platinum.com.au/Insights-Tools/The-Journal/Impressive-Opportunities-Abound-Across-Asia>

4 <https://www.platinum.com.au/Insights-Tools/The-Journal/A-Reality-Check-for-Tech>

5 <https://www.platinum.com.au/Insights-Tools/The-Journal/Off-price-but-On-Trend-Discount-Retailers>

**Notes:** Unless otherwise specified, all references to "Platinum" in this report are references to Platinum Investment Management Limited (ABN 25 063 565 006, AFSL 221935).

Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. Fund returns are calculated by Platinum using the net asset value unit price (i.e. excluding the buy/sell spread) and represent the combined income and capital returns over the specified period. Fund returns are net of fees and costs, pre-tax, and assume the reinvestment of distributions. The MSCI index returns are in AUD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, the Fund's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Fund's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short term.
2. The investment returns depicted in the graph are cumulative on A\$10,000 invested in the Fund over the specified period relative to specified MSCI index.
3. The geographic disposition of assets (i.e. other than "cash") shows the Fund's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Country classifications for securities reflect Bloomberg's "country of risk" designations. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through derivative transactions.
4. The table shows the Fund's exposures to the relevant sectors through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".
5. The table shows the Fund's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

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