



Platinum Asset Management

March 2024

Adviser Webinar

Today's webinar presented by



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We are here to support you



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Agenda

- ◆ **Business Update**
- ◆ **Discussion with Andrew Clifford on:**
 - **Performance**
 - **Evidence of stock picking**
 - **Our role in client portfolios**
 - **Our belief that the market is ripe for change**
- ◆ **Q&A**



Platinum Asset Management Ltd – Business Update

Reset Phase (Underway, next 1-4 months)

- ◆ **Align expense base to current revenue conditions** – reduce costs across the business
- ◆ **Review existing product offerings and distribution channels** – both onshore and offshore
- ◆ **Renewed client communication** – to explain investment positioning and ability to meet clients' needs
- ◆ **Deep examination of our investment platform** – review and re-organise investment research function, review portfolio construction and risk management processes as well as existing product design

Our investment philosophy will not change

- ◆ **Review of remuneration framework** – improved alignment with clients and shareholders

Grow (implemented over the next 6+ months)

- ◆ **Act on recommendations** – to further enhance the investment platform
- ◆ **Build improved product and distribution capability through new channels** – we will look at all possibilities
- ◆ **Explore growth and diversification opportunities** – both organic and inorganic
- ◆ **Completion of back-office outsourcing projects** – already underway



Our main message

We want to thank you for your investment in the Platinum strategies and acknowledge that our returns have not met with your and your clients' expectations.

We want to reassure you with three key points:

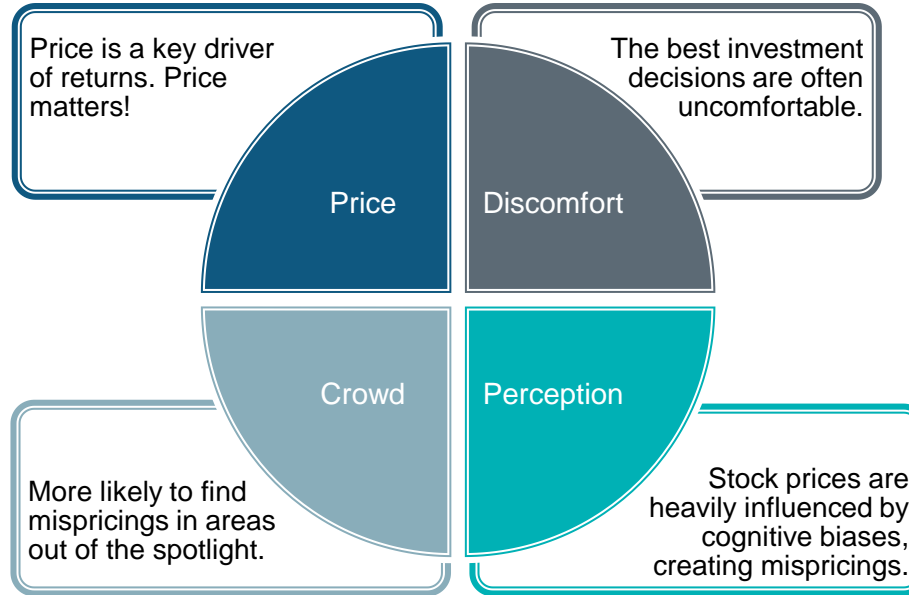
1. The market backdrop has been extreme and challenges our style. While the odds favour change, we don't need a catalyst as our portfolio is very attractive.
2. We can demonstrate evidence of skill in picking stocks and managing risk.
3. We believe our different approach, and hence portfolio, has an important role to play in client solutions.



Contrarian investment approach

Seeking best risk/reward across regions, sectors & themes

Investment philosophy – four key tenets



We pursue opportunities in areas of temporary uncertainty and/or long-term change

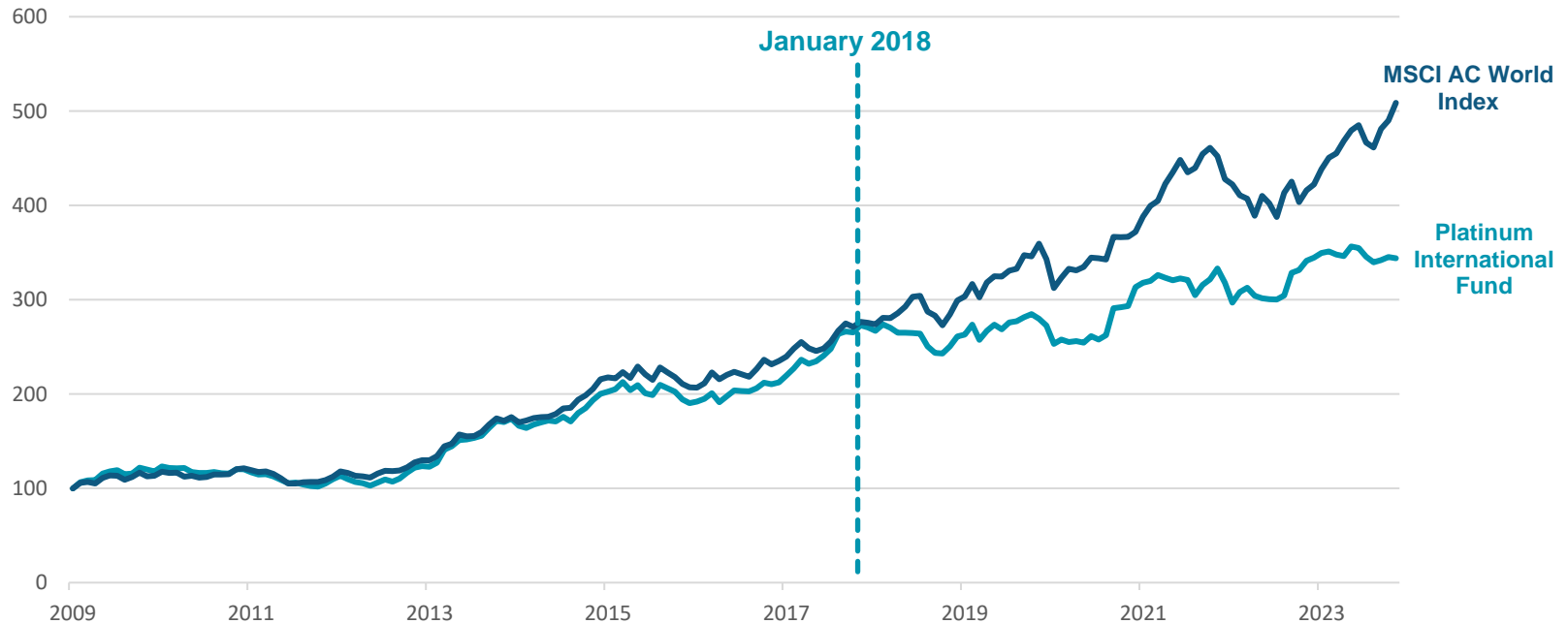




Performance Analysis

A tale of two halves since GFC lows

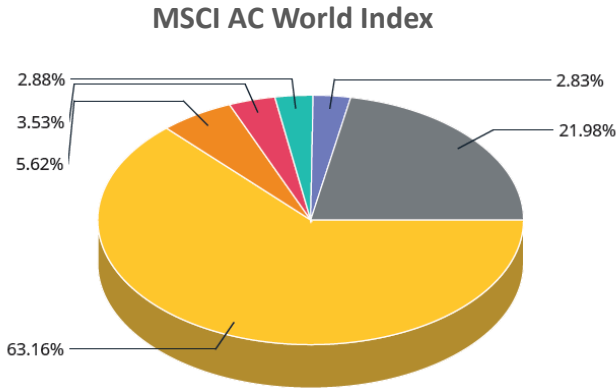
Platinum International Fund vs MSCI ACWI performance



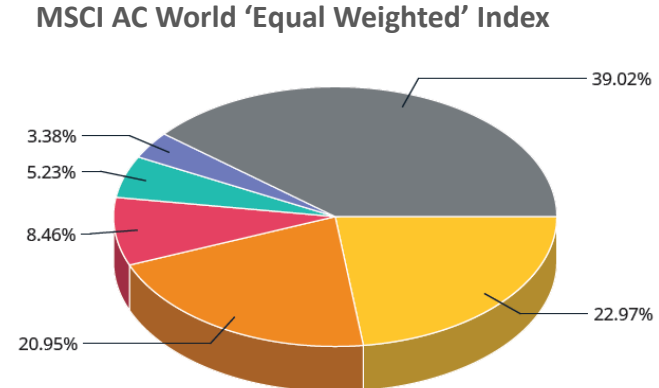
Equal weighted index – a better gauge for stock picking

Look at the difference:

MSCI AC World Index vs the MSCI AC World 'Equal Weighted' Index*



United States 63.16% Japan 5.62% United Kingdom 3.53% France 2.88%
Canada 2.83% Other 21.98%



United States 22.97% China 20.95% Japan 8.46% India 5.23%
South Korea 3.38% Other 39.02%

Platinum's exposure is more aligned to the equal weighted index

Source: MSCI AC World Index Fact Sheet – January 2024, <https://www.msci.com/www/index-factsheets/msci-acwi/05737588>

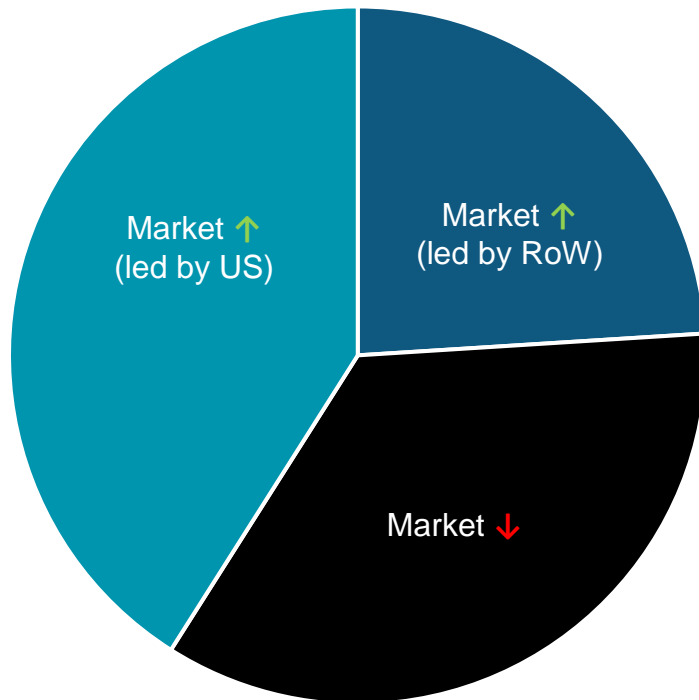
* The MSCI equal weighted index offer an alternative to market capitalisation weighted indexes. Equal weighting holds the same dollar value in each stock, representing an equal part of the value of the portfolio. Thus, the performance of each company's stock carries equal importance in determining the total value of the index. It therefore avoids concentrating too much of the portfolio into a few large stocks.



Market conditions

Global equity markets fall into three phases* (returns and upside/downside capture measured from 1999 to 2023)

- ✓ Fund Average:
+1.9% per month
- ✗ Relative Average:
-1.1% per month
- Upside capture: 63%**
(33% of monthly observations)



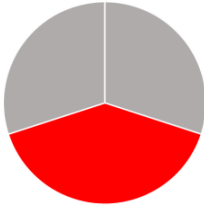
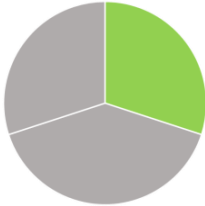

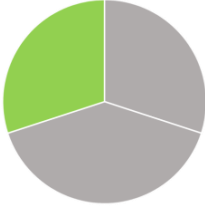
- ✓ Fund Average:
+3.0% per month
- ✓ Relative Average:
+0.7% per month
- Upside capture: 131%**
(25% of monthly observations)
- ✗ Fund Average:
-1.2% per month
- ✓ Relative Average:
+1.4% per month
- Downside capture: 48%**
(42% of monthly observations)

Source: Platinum for "Fund Average" and upside/dpwnside capture data and FactSet Research Systems for "Relative Average" data. Figures have been calculated for the period 1 January 1999 to 31 December 2023, using 300 months*. The "Fund Average" represents the average returns of the Platinum International Fund over the period. The "Relative Average" represents the difference between the average returns of the Platinum International Fund and the average returns of the MSCI AC World Net Index (\$A) over the period. The "Fund Average" returns have been calculated using the NAV per unit of C Class units, are after fees and costs and assume the reinvestment of distributions. **Past performance is not a reliable indicator of future returns.**



Major 21st century market trends

These outcomes have been consistent over time

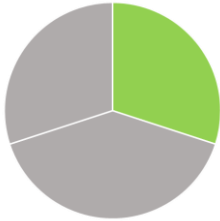
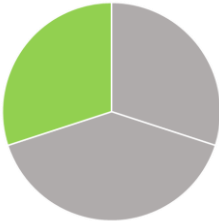
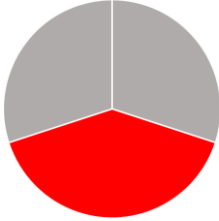
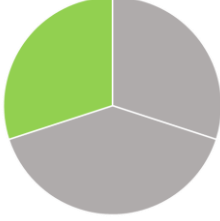
	Tech Wreck	2000's Bull Mkt	GFC	Post GFC Bull Mkt
Period	Nov 00 - Mar 03	Apr 03 - May 07	Jun 07 - Mar 09	Apr 09 – Dec 21
State of Market	Market ↓	Market ↑ (RoW)	Market ↓	Market ↑ (US)
				
Platinum International Fund	+5% pa	+16% pa	-9% pa	+10% pa
MSCI ACWI	-47% pa	+14% pa	-38% pa	+13% pa
Relative to MSCI ACWI	+52% pa	+2% pa	+29% pa	-3% pa

Source: Platinum and FactSet Research Systems for index returns. November 2000 – December 2021 (full market events). The Fund's returns have been calculated using the NAV per unit of C Class units, are after fees and costs and assume the reinvestment of distributions. The index referenced is the MSCI AC World Net Index (\$A). Years are calendar years i.e. 1 January of the relevant year to 31 December of the relevant year. **Past performance is not a reliable indicator of future returns.**



Recent history

Platinum's outcomes have been consistent across market phases

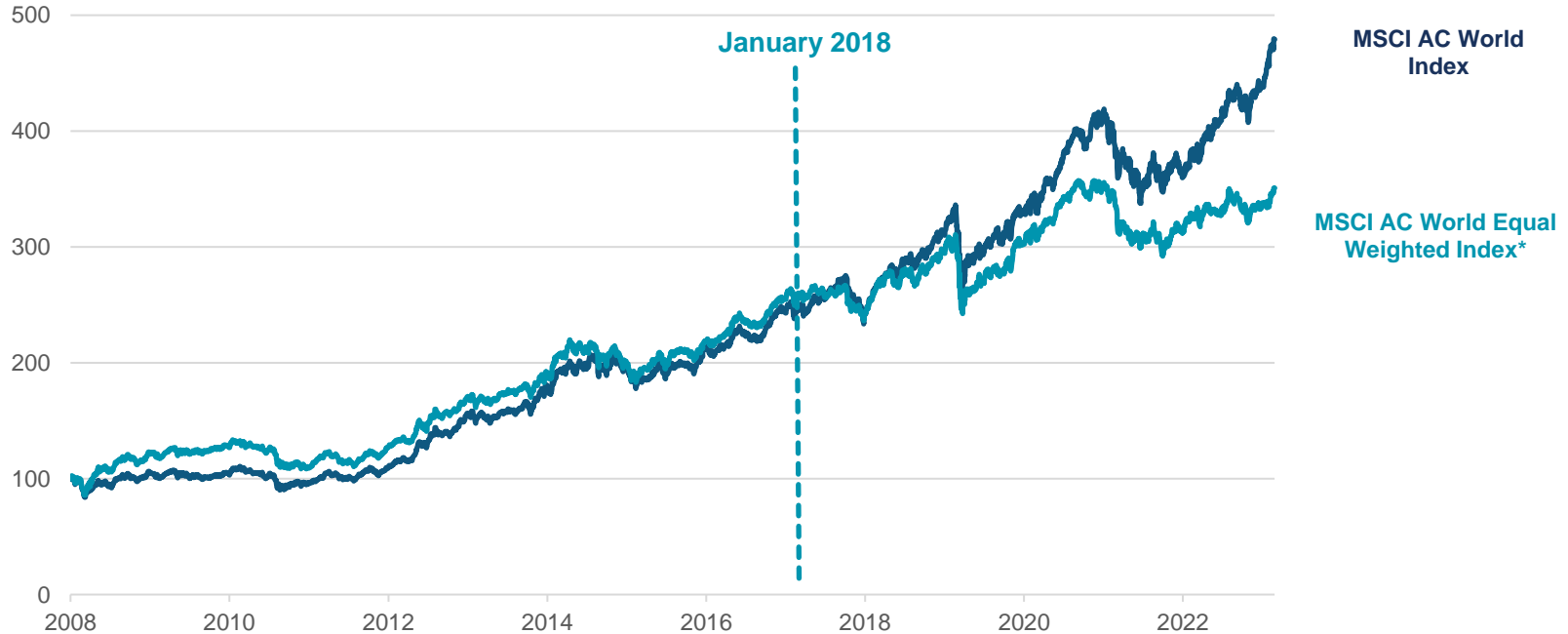
	2017	2018 - 2021	2022	2023
State of Market	Market ↑ (RoW)	Market ↑ (US) each year	Market ↓	Market ↑ (US)
				
Platinum International Fund	+25%	+5% pa	+3%	+4%
MSCI ACWI	+15%	+15% pa	-13%	+21%
Relative to MSCI ACWI	+10%	-9% pa	+16%	-17%

Source: Platinum and FactSet Research Systems for index returns. The Fund's returns have been calculated using the NAV per unit of C Class units, are after fees and costs and assume the reinvestment of distributions. The index referenced is the MSCI AC World Net Index (\$A). Years are calendar years i.e. 1 January of the relevant year to 31 December of the relevant year. **Past performance is not a reliable indicator of future returns.**



A tale of two halves since GFC lows

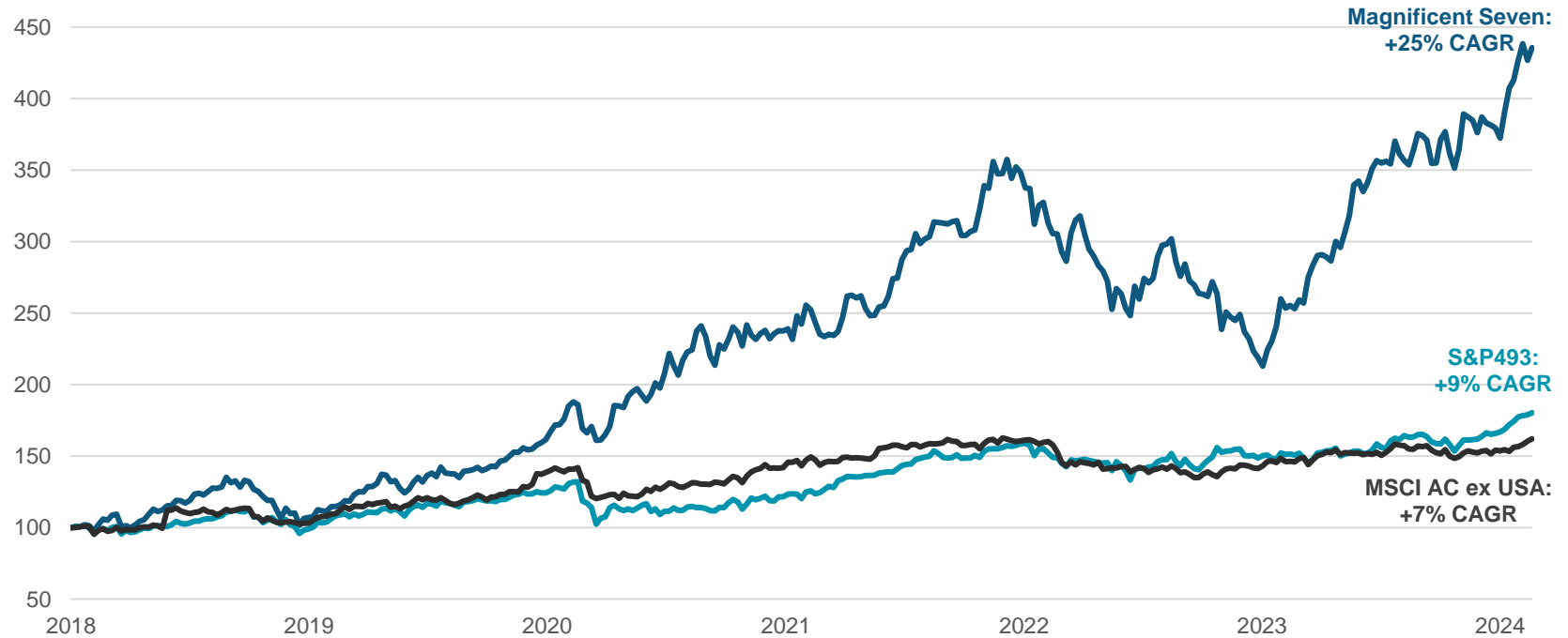
MSCI AC World Index vs the MSCI AC World 'Equal Weighted' Index*



Source: FactSet Research Systems. The index returns are in AUD, are inclusive of net official dividends. * The MSCI equal weighted index offer an alternative to market capitalisation weighted indexes. Equal weighting holds the same dollar value in each stock, representing an equal part of the value of the portfolio. Thus, the performance of each company's stock carries equal importance in determining the total value of the index. It therefore avoids concentrating too much of the portfolio into a few large stocks.



Magnificent Seven stocks vs S&P493 vs MSCI AC ex US (in AUD)



Platinum Asia Fund's performance as at 31 Dec 2023

Net of fees

	3 months (%)	6 months (%)	1 Year (%)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Platinum Asia Fund	(2.3)	(4.4)	(1.1)	(4.4)	5.9	7.1	7.3	12.0
MSCI AC Asia ex-Japan net index (AUD)	0.7	0.4	5.3	(2.8)	4.3	6.4	6.7	8.5
Relative Return	(3.0)	(4.8)	(6.4)	(1.5)	1.5	0.7	0.6	3.5



Evidence of stock picking skill

We can demonstrate competitive stock picking skill

Five years to 31 December 2023 (extracted performance)

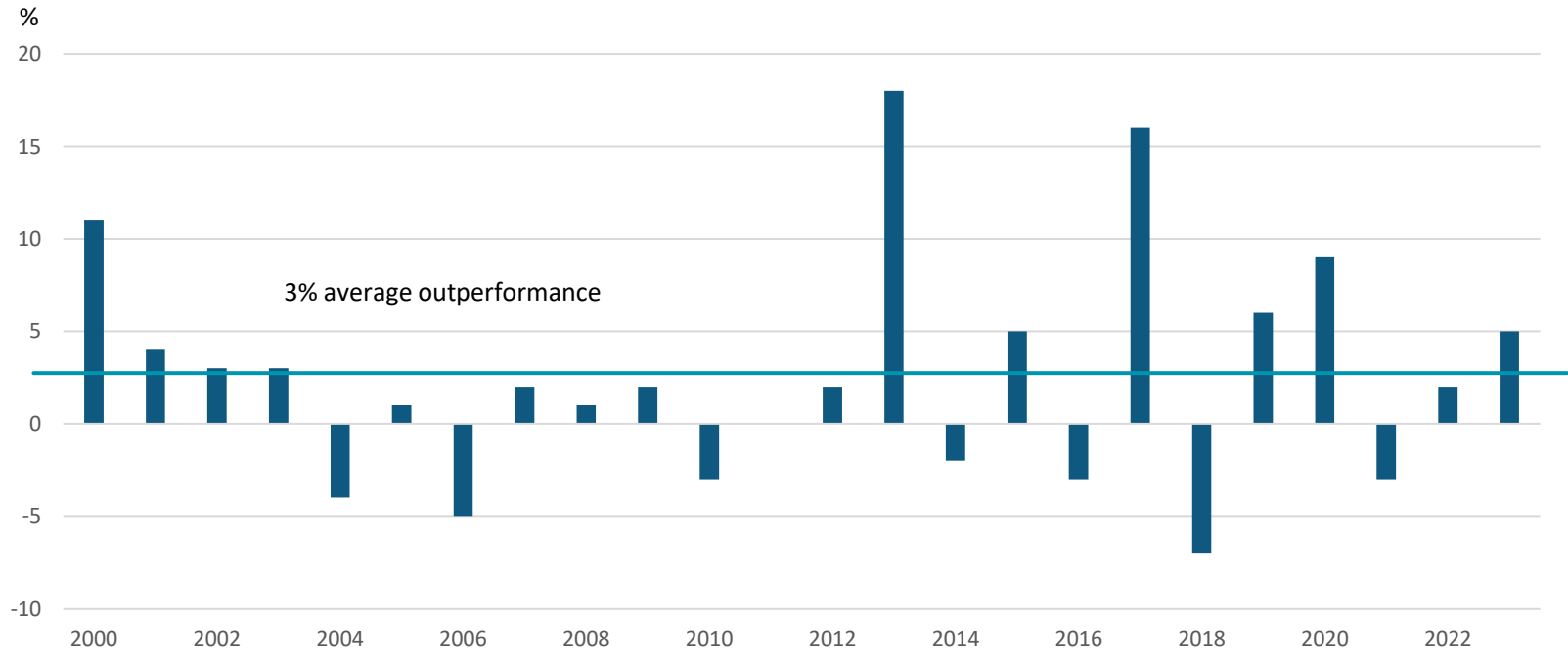
Long book Platinum International Fund	Avg Weight (%)	Contribution (%)	Gross return (%)	Index (\$A)	Return (AUD %)	Relative Performance (%)
US	22.3	27.8	124.7	MSCI US	109.0	15.7
Europe	17.6	8.7	49.4	MSCI AC Europe	55.2	(5.8)
Japan	10.9	6.1	56.0	MSCI Japan	44.1	11.9
Greater China (incl. HK & Taiwan)	20.9	5.6	26.8	MSCI China	(10.5)	37.3
South Korea	5.6	5.4	96.4	MSCI Korea	33.8	62.6
India	3.0	3.6	120.0	MSCI India	80.0	40.0

Source: Platinum for Platinum International Fund (PIF) returns and Factset Research Systems for index returns. PIF and index returns are cumulative for the period 1 January 2019 to 31 December 2023. **The PIF returns are the extracted gross long book returns in AUD i.e. they do not include the effect of fees and costs nor cash and short positions. Caution should be used when relying on these returns.** PIF returns are calculated by dividing the contribution % by the average weight %, multiplied by 100. Index returns are in AUD and represent the returns of the net indices. The relative performance is the difference between the PIF return and the index return. **Past performance is not a reliable indicator of future returns.**



We can demonstrate competitive stock picking skill

Outperformance over time comparing PIF's long book with the MSCI ACWI Equal Weighted Index



Platinum Asia Fund: stock picking ability intact

Three years to 31 December 2023

Long book Platinum Asia Fund	Avg Weight (%)	Contribution (%)	Return (%)	Index Return (AUD)	(%)	Relative Performance (%)
Greater China (incl. HK and Taiwan)	56.5	(17.3)	(30.6)	MSCI China	(47.6)	17.0
South Korea	11.1	11.4	102.7	MSCI Korea	(17.7)	120.4
India	8.4	9.3	110.7	MSCI India	70.8	39.9





Portfolio Construction

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935

Truly different: Platinum's top 10 vs the world index

At 31 December 2023

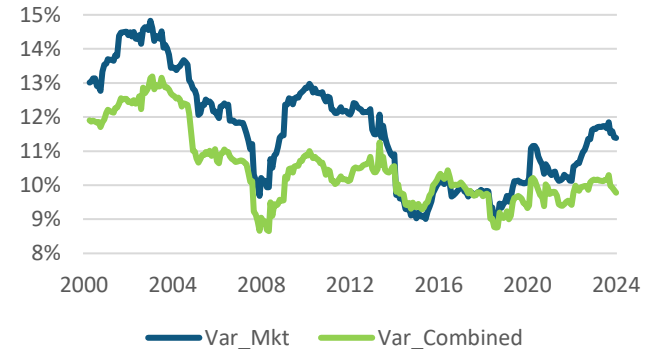
Platinum International Fund	Country	Industry	%	MSCI AC World Net Index	Country	Industry	%
Allfunds Group	UK	Financials	3.4	Apple	US	IT	4.5
UBS Group	Switzerland	Financials	3.2	Microsoft	US	IT	4.0
Samsung Electronics	South Korea	IT	3.2	Alphabet	US	Communication Services	3.3
ZTO Express	China	Industrials	3.0	Amazon	US	Consumer Discretionary	2.1
UPM-Kymmene	Finland	Materials	2.9	Nvidia	US	IT	1.8
Minebea	Japan	Industrials	2.5	Meta	US	Communication Services	1.2
Airbus	France	Industrials	2.2	Tesla	US	Consumer Discretionary	1.1
Suzano	Brazil	Materials	2.1	Broadcom	US	IT	0.7
Intercontinental Exchange	US	Financials	2.1	JP Morgan Chase & Co	US	Financials	0.7
InterGlobe Aviation	India	Industrials	2.1	UnitedHealth	US	Health Care	0.7



Platinum can help you mitigate portfolio risk

1. **Lower volatility** than the MSCI AC World Index.
2. **Low correlation** with the MSCI AC World Index.
3. Completely **different portfolio** to growth managers and the index.

Volatility reduced via blending the Platinum International Fund with the MSCI AC World Index



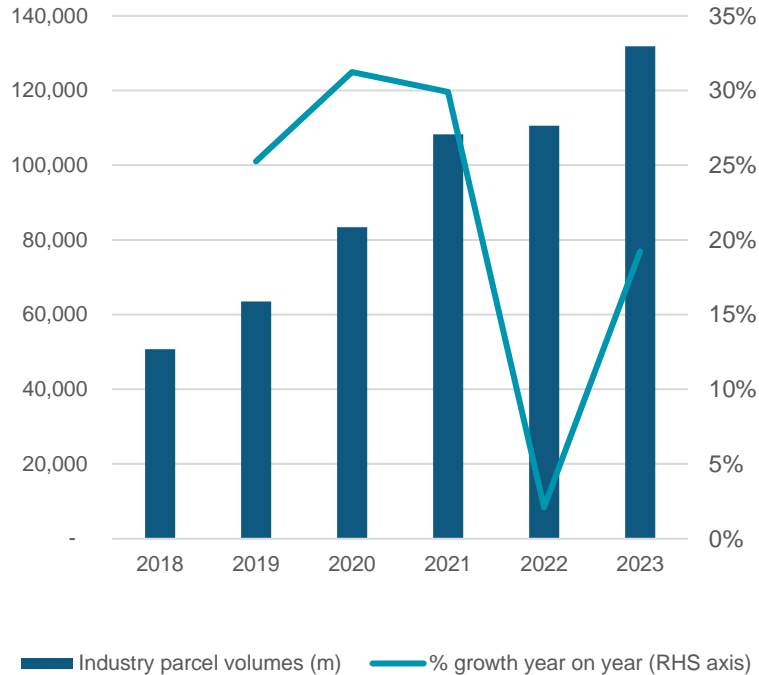


We believe the market is
ripe for change

Chinese market appears historically undervalued (Price/Earnings Ratio)



ZTO Express: Delivering growth



What does the company do?

- ◆ Largest and lowest cost parcel delivery business in China

What's the market missing?

- ◆ We were able to buy ZTO at attractive valuations given the prevailing **fear over China's economy and a price war**

Drivers of value and growth?

- ◆ The company is 20-30% bigger than its rivals
- ◆ **Its scale gives it cost advantages in a market growing at 20-30% p.a.**

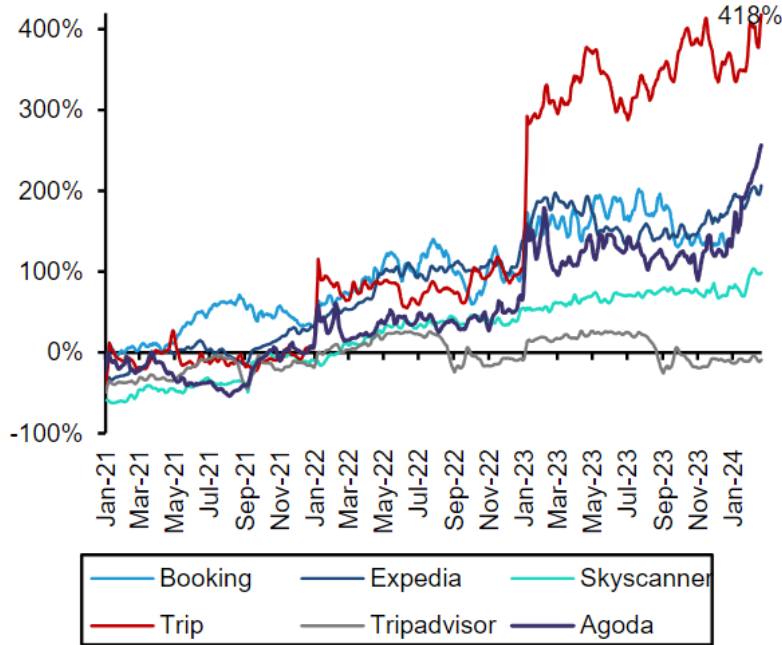
Valuation?

- ◆ Trading on 2024 PE of 12x
- ◆ Net cash



Trip.com: leveraged to international travel recovery

Global online travel agencies – daily active users (vs. 2019)



What does the company do?

- ◆ Chinese travel company

What's the market missing?

- ◆ Bought during COVID given lockdowns and borders shutting

Drivers of value and growth?

- ◆ Chinese domestic travel is now exceeding pre-COVID levels
- ◆ International travel still recovering as outbound routes open up

Valuation?

- ◆ Trading on 2024 PE of 17x, expect earnings to grow in the high teens



Good news stories in China do exist

Incredibly strong recovery in travel

- ◆ Domestic air passengers numbers have **exceeded pre-COVID levels**
- ◆ Plane tickets are 15-20% higher than pre-COVID levels
- ◆ People travelling for Chinese New Year (February 2024) was 19% higher than pre-COVID levels
- ◆ **International travel is still recovering** but this is largely due to the availability of flights (only expecting flights to hit 80% of pre-COVID levels by the end of the year)

Chinese annual parcel volumes

- ◆ In 2023, **parcel volumes were up 19.4% year on year**

China's e-commerce retail industry

- ◆ In 2023, **total retail sales rose 7.4%** year on year
- ◆ Non-auto sales rose 7.3% year on year
- ◆ **Online retail sales increased 11.0%**

China box office sales

- ◆ 2024 Chinese New Year holidays set new records, **box office takings were up 18.4%** and the number of moviegoers were up 26.4% vs. 2023 (they were out of lockdown in Feb-23).

China's car industry

- ◆ **Surpassed Japan to become the world's number one car exporter**
- ◆ In 2023, vehicle exports were up 56% year on year
- ◆ In 2023, passenger car exports were up 62% year on year
- ◆ In 2023, electric vehicles were up 70% year on year

China's world leading position in renewable energy

- ◆ World's **largest and fastest growing producer of renewable power for more than a decade**
- ◆ On course to hit wind and solar power target 5 years ahead of time (1,200 gigawatts of energy)



TransUnion: a dominate player in high growth markets



What does the company do?

- ◆ One of the big 3 **global credit bureaus** – specialising in data to make decisions around financial product sales (extending credit & insurance) & fraud.

What's the market missing?

- ◆ **Revenue model is volume based** – fear over cyclical with collapse in US mortgage approvals.
- ◆ Market is **sceptical about the recent acquisition** of Neustar.

Drivers of value and growth?

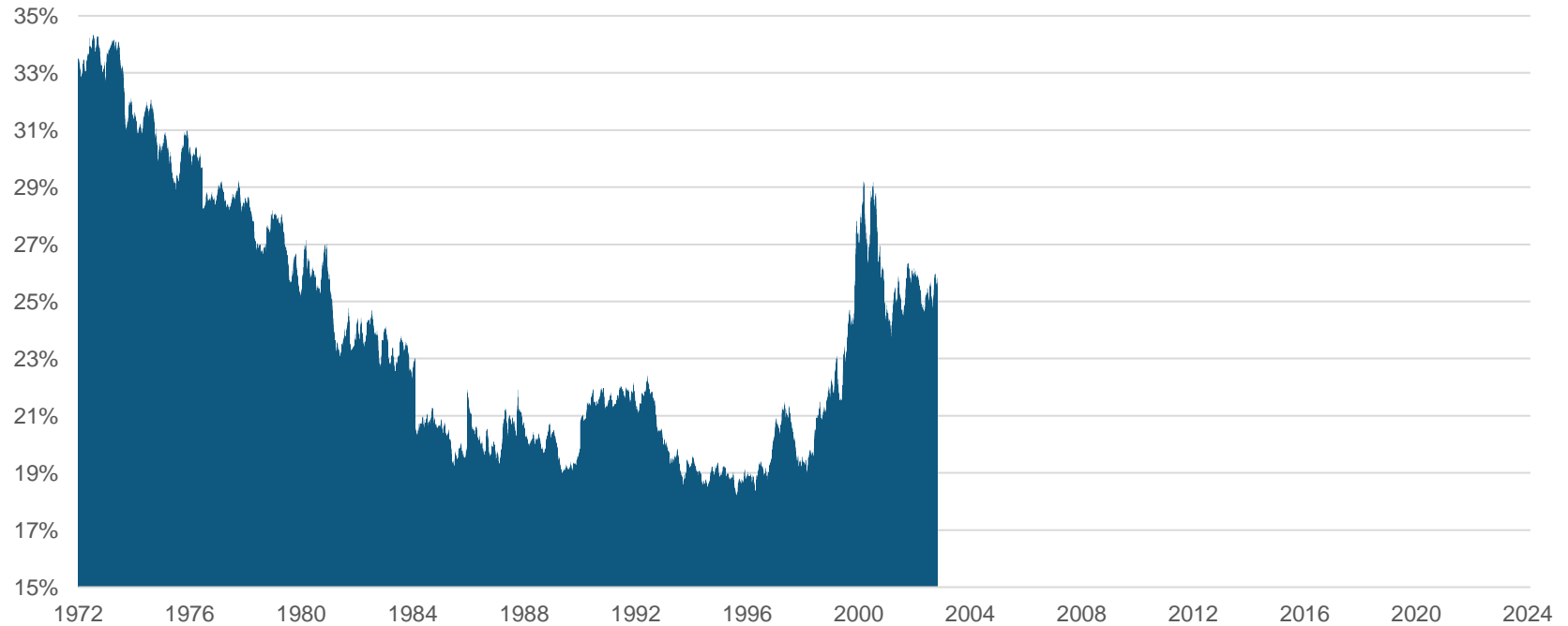
- ◆ **Proprietary/regulatory controlled data is becoming more valuable** in a world where high value transactions are increasingly being done remotely.
- ◆ Neustar brings comprehensive US mobile phone number ID data. This is valuable as mobile phone numbers are a persistent ID tool.
- ◆ It is **dominate credit bureau in high growth markets** like India.

Valuation?

- ◆ 2024 PE 20.7x for an estimated 19% EPS growth



Top 10 stocks as a % of S&P500 market cap



Our main message

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Questions & Answers

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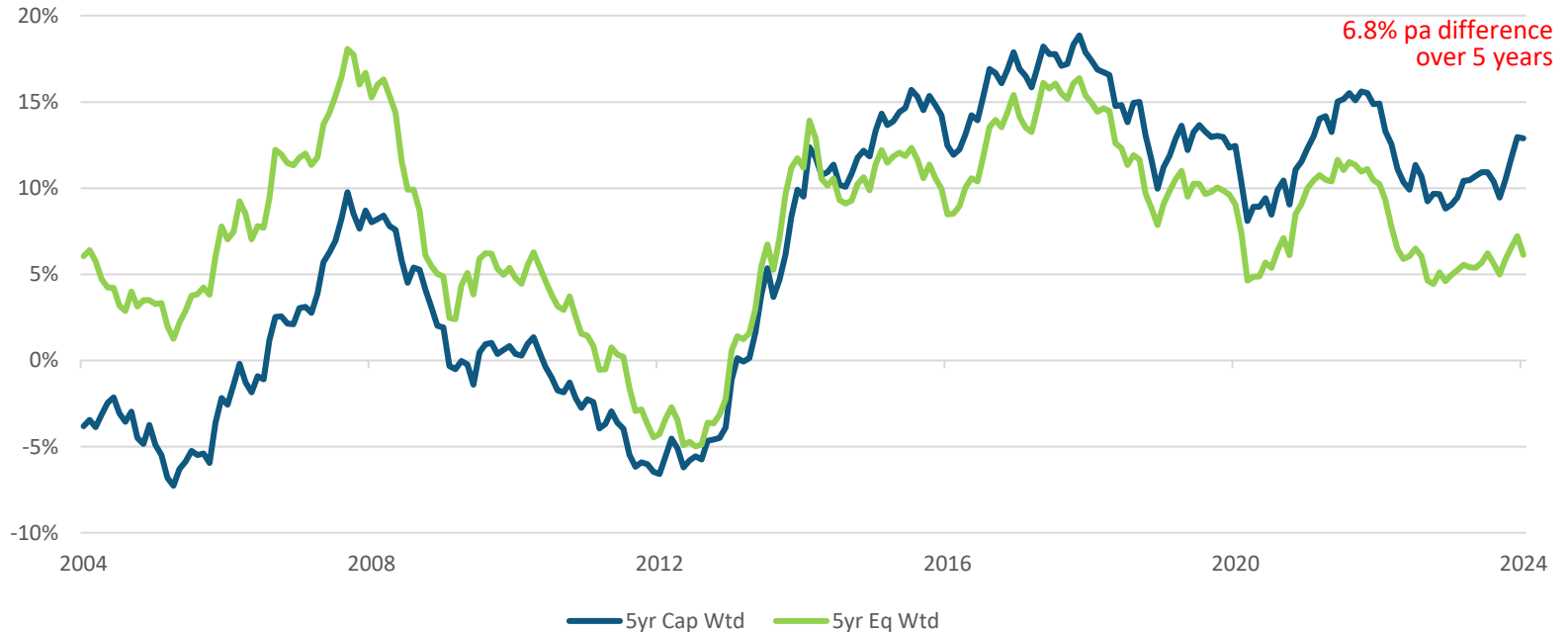


Thank you for joining
our webinar

Appendix

Market concentration at recent highs

Cap weighted vs Equal weighted index, 5 year return annual chart



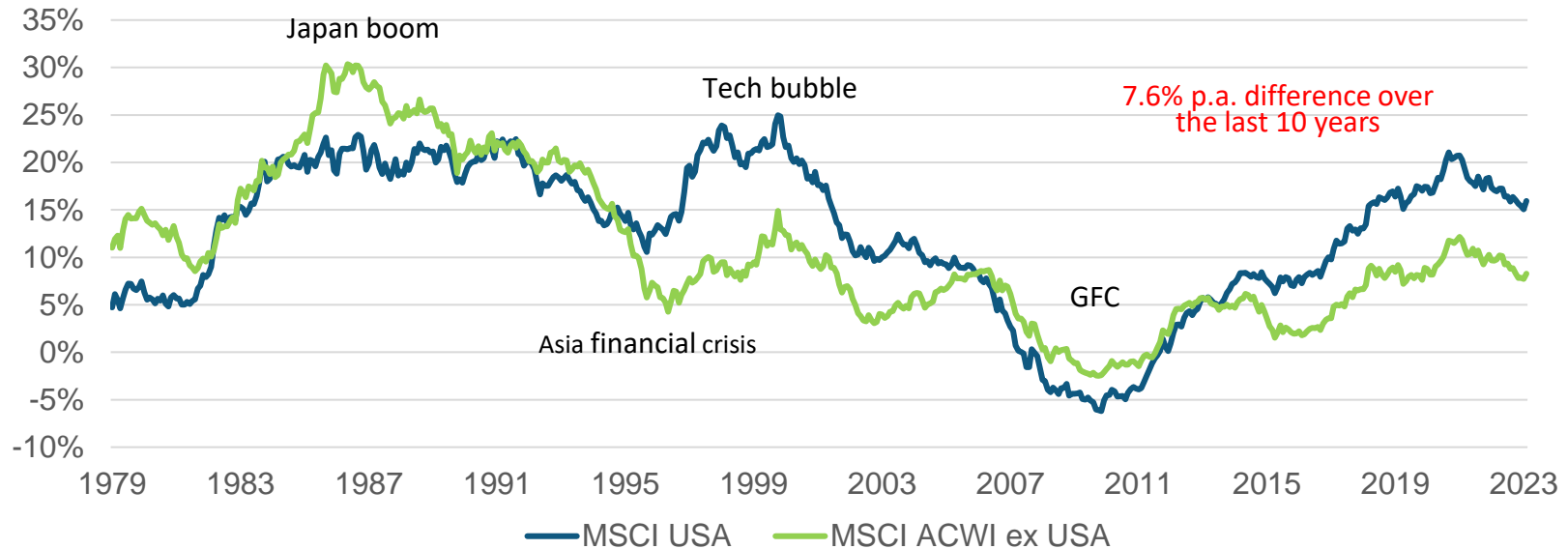
Allocating to US technology at this point is risky

Ratio of S&P500 IT sector vs S&P500 (monthly total return from 29 Sep 1989 to 26 Feb 2024)



US returns at an historical high vs Rest of World

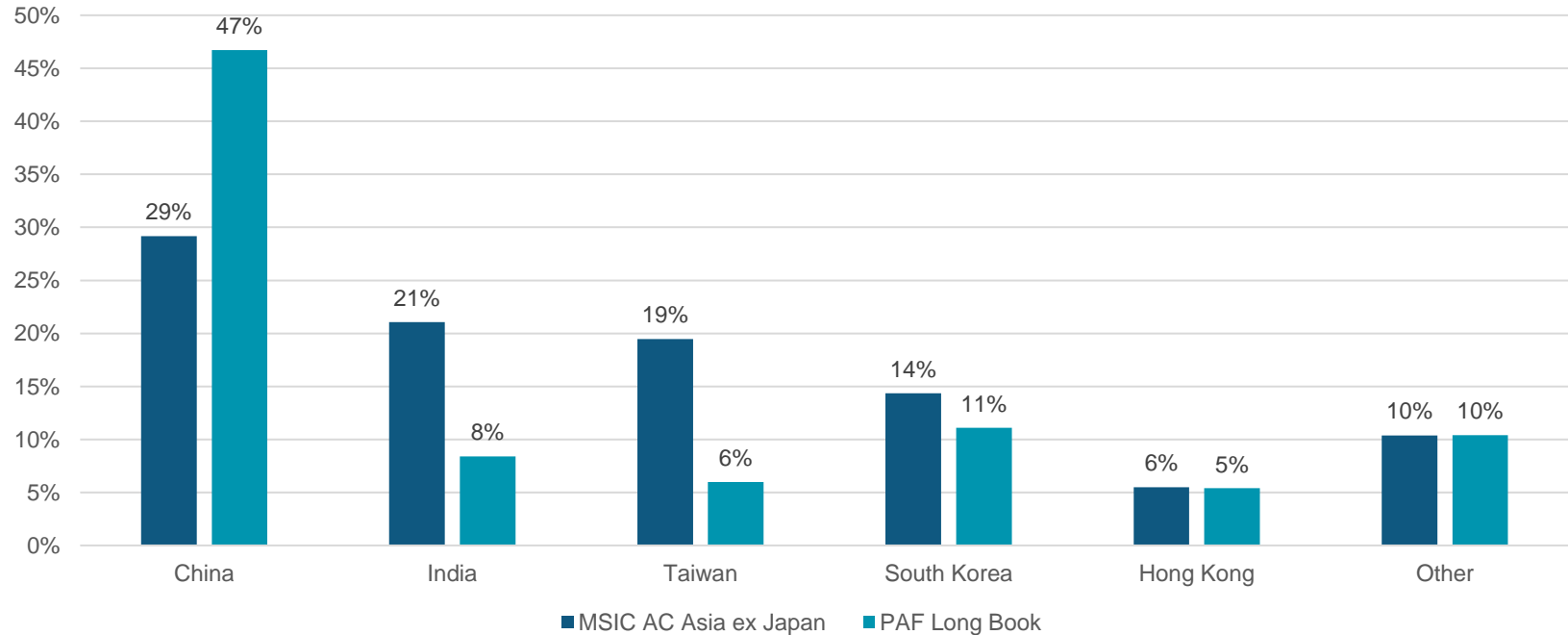
Rolling 10-year annual returns – US vs RoW



Platinum is positioned for a change in market conditions

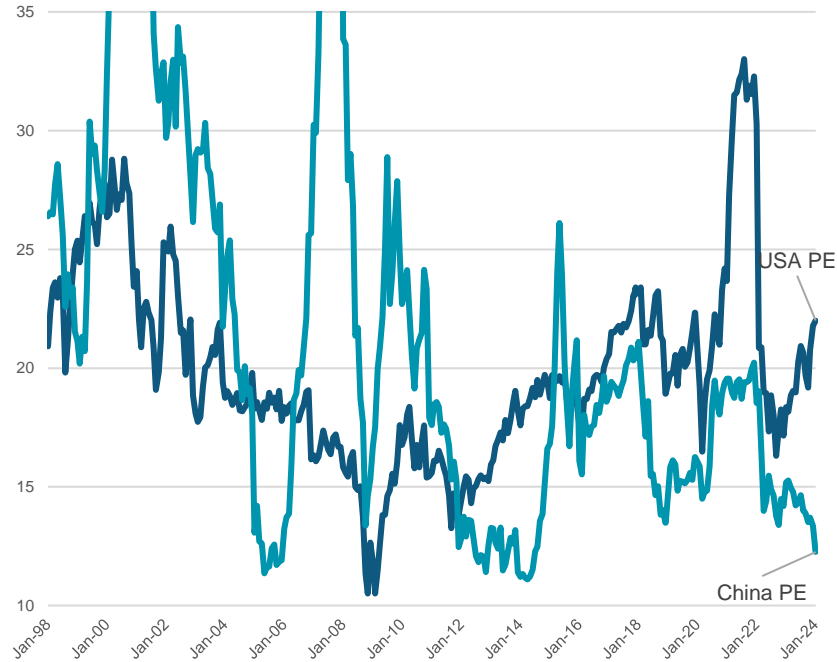


PAF's performance drag dominated by China positions



Divergence between China and USA is extreme

Option 2 – P/E and P/B on one slide together



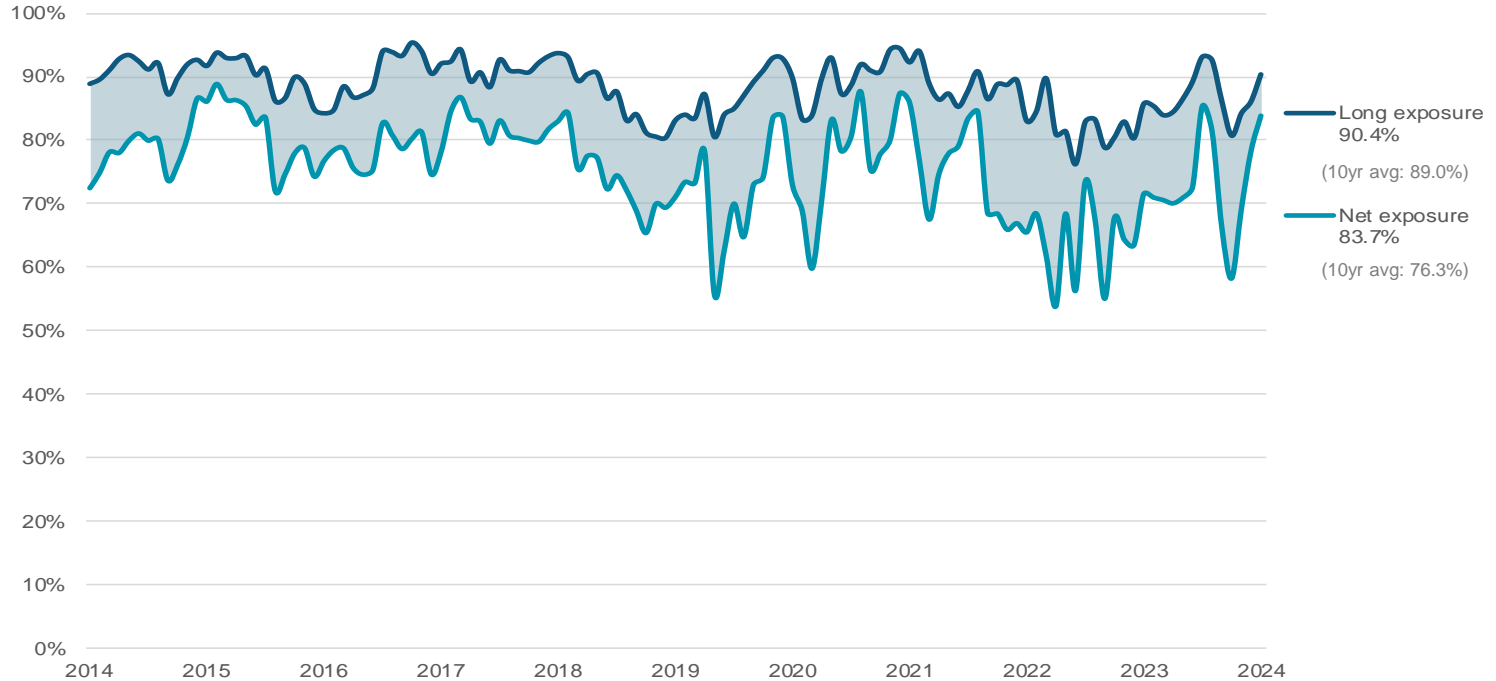
Under-appreciated growth stories at compelling valuations

	Consensus 1yr forward P/E	Platinum's P/E	What's the market missing?
ZTO Express Inc ADR	11	10	Profits can 3x over the next 5 years.
Trip.com Group Ltd	17	15	Chinese international travel is still a structural growth story and yet to fully open up.
Weichai Power	13	11	More optimistic on core diesel engine margins and consolidated KION earnings.
Tencent Holdings	16	15	Advertising revenue growing at 20% p.a.
PDD Holdings Inc	23	14	Core Chinese domestic business still growing at ~25% YoY and Temu should be ascribed a Shein-like valuation.
China Resources Land	N/A	N/A	0.6x Price/Book and 6.8% dividend yield.
Ping An Insurance	N/A	N/A	5x Price/Earnings and 8% dividend yield.
China Overseas Land & Investment	N/A	N/A	0.3x Price/Book, with the book backed by a large portfolio of grade A office buildings in tier 1 cities.
JD.com Inc	8	0.5	JD's e-commerce business is growing and made US\$3.3bn net profit last year, you can buy it for free!
CATL	16	14	Now the undisputed world leader in both EV and grid storage batteries.



Platinum International Fund

Fund exposure for the period 31 January 2014 to 31 January 2024



Platinum International Fund

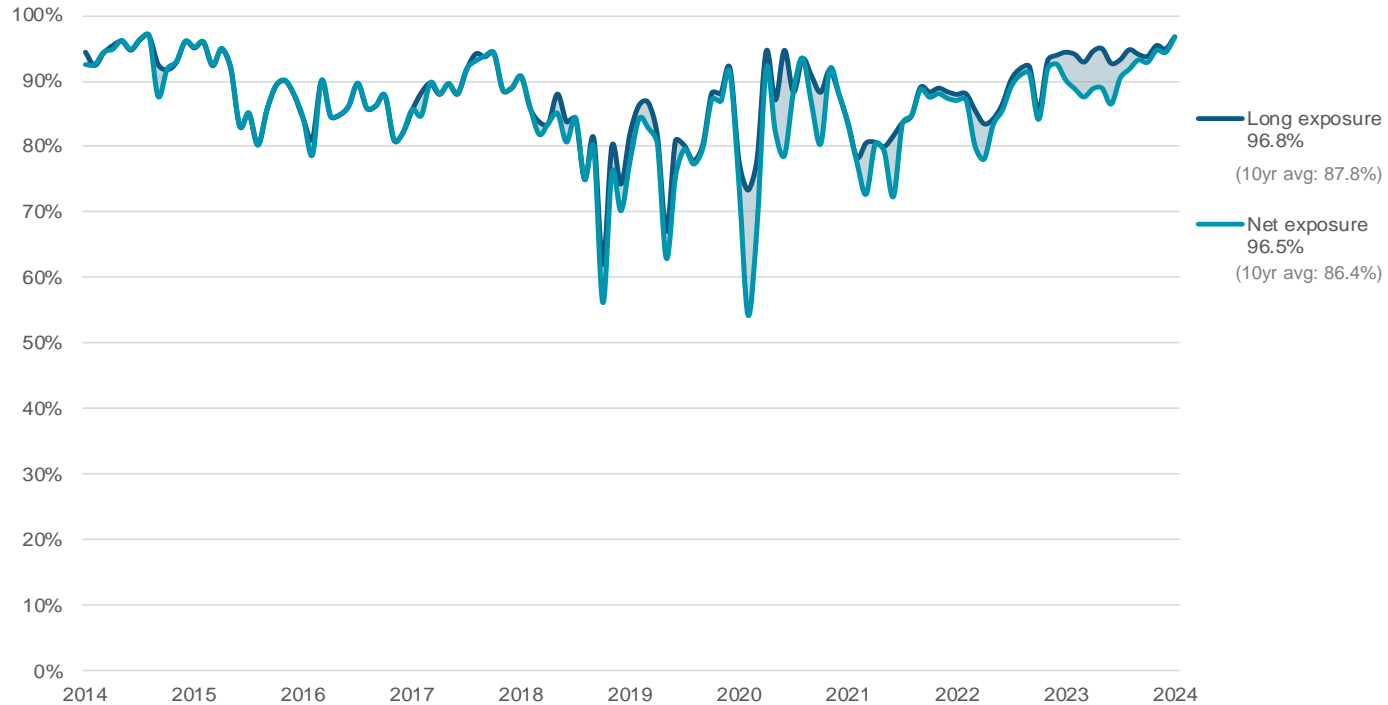
Portfolio snapshot, as at 31 January 2024

Semiconductors	Commodities	Industrials	Financial Services	Banking Insurance	China Consumption	Travel
~10%	~10%	~9%	~9%	~9%	~9%	~8%
						
						
						
						



Platinum Asia Fund

Fund exposure for the period 31 January 2014 to 31 January 2024



Platinum Asia Fund

Portfolio snapshot, as at 31 January 2024

Chinese Consumer
~18%



Chinese Financials
~9%



Semiconductors ~18%



Growth Industrials ~9%



Emerging South East
Asia ~17%



Indian Leaders
~8%



Network Champions
~10%



Chinese Real Estate
~6%



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Past performance is not a reliable indicator of future returns.

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