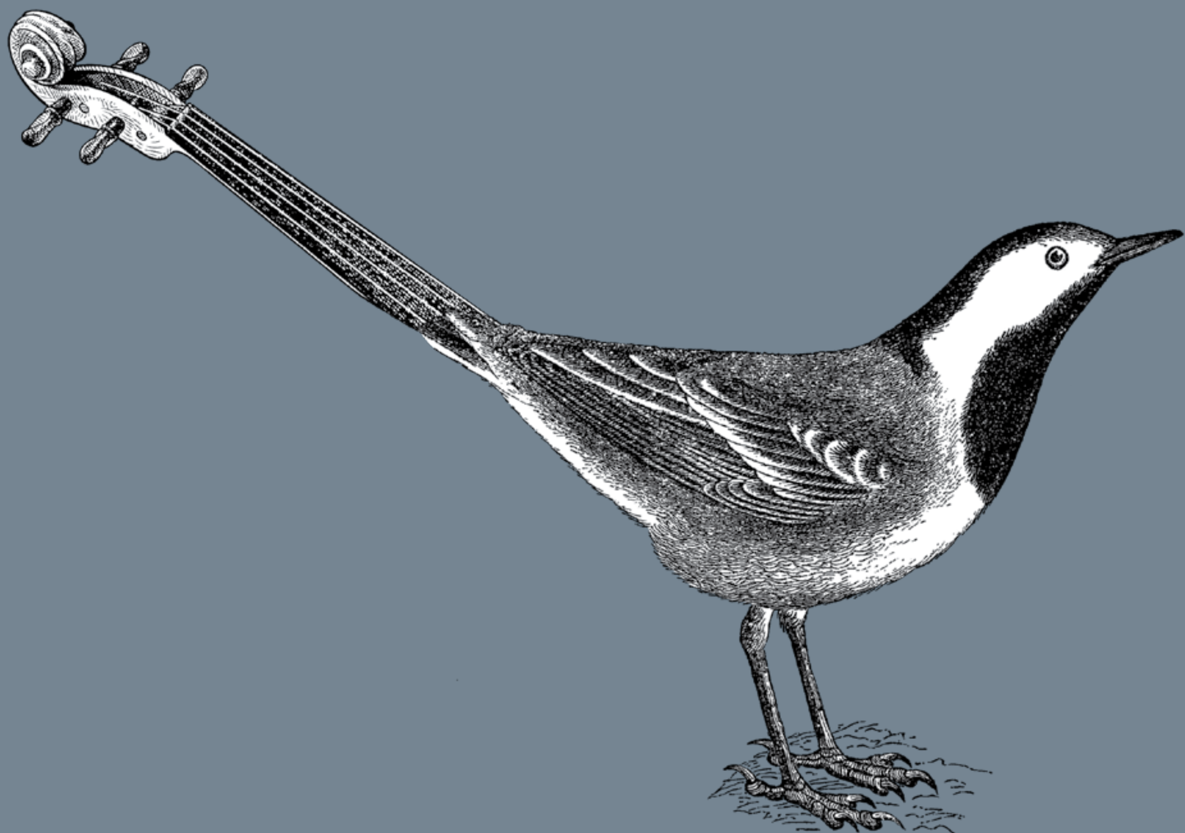
Platinum International Fund
Platinum Global Fund (Long Only)
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

Platinum ASSET MANAGEMENT

Quarterly Report

30 SEPTEMBER 2022



Contents

The Platinum Trust quarterly report is available on our website from approximately the 15th of the month following quarter end.
Visit www.platinum.com.au/Investing-with-Us/Investment-Updates

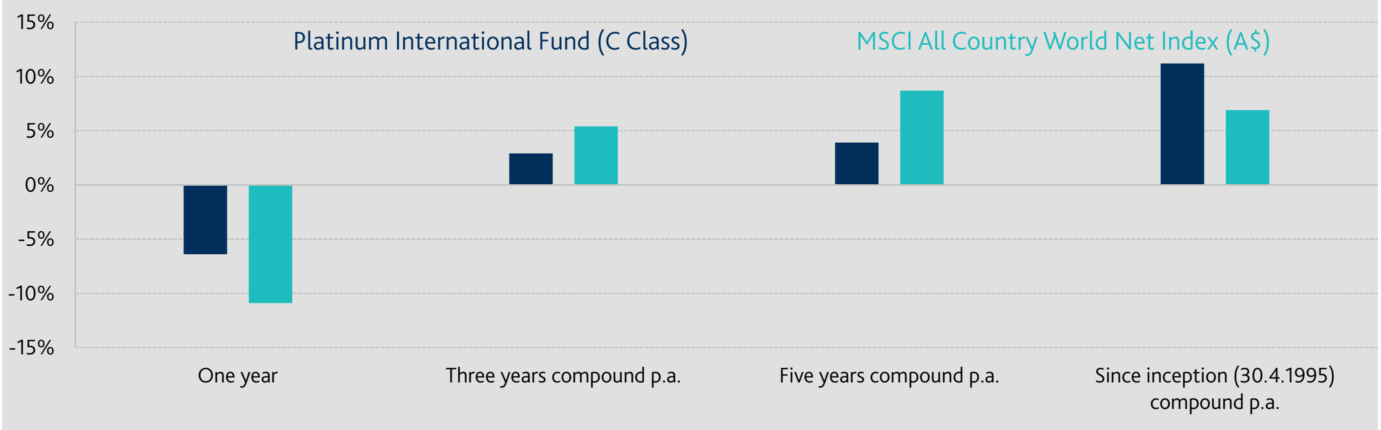
Performance Returns to 30 September 2022

FUND (C CLASS – STANDARD FEE OPTION) (P CLASS – PERFORMANCE FEE OPTION)	PORTFOLIO VALUE A$ MIL	QUARTER	1 YEAR	2 YEARS COMPOUND P.A.	3 YEARS COMPOUND P.A.	5 YEARS COMPOUND P.A.	SINCE INCEPTION COMPOUND P.A.	INCEPTION DATE
Platinum International Fund (C Class)	**6,355.2**	**-1.3%**	**-6.4%**	**7.9%**	**2.9%**	**3.9%**	**11.2%**	**30 Apr 1995**
Platinum International Fund (P Class)	22.0	-1.2%	-6.2%	8.2%	3.1%	4.1%	4.9%	3 Jul 2017
MSCI All Country World Net Index (A$)		-0.3%	-10.9%	6.2%	5.4%	8.7%	6.9%	30 Apr 1995
Platinum Global Fund (Long Only) (C Class)	**151.7**	**-1.0%**	**-17.1%**	**5.0%**	**0.4%**	**2.7%**	**9.1%**	**28 Jan 2005**
Platinum Global Fund (Long Only) (P Class)	5.5	-1.0%	-16.9%	5.2%	0.7%	2.8%	3.7%	3 Jul 2017
MSCI All Country World Net Index (A$)		-0.3%	-10.9%	6.2%	5.4%	8.7%	7.2%	28 Jan 2005
Platinum Asia Fund (C Class)	**2,902.5**	**-8.8%**	**-17.9%**	**-5.3%**	**3.9%**	**4.1%**	**12.4%**	**4 Mar 2003**
Platinum Asia Fund (P Class)	9.8	-8.8%	-17.7%	-5.1%	3.8%	4.1%	5.1%	3 Jul 2017
MSCI All Country Asia ex Japan Net Index (A$)		-7.8%	-20.0%	-4.7%	0.3%	2.8%	8.5%	4 Mar 2003
Platinum European Fund (C Class)	**330.7**	**-3.9%**	**-18.9%**	**4.5%**	**-2.5%**	**1.2%**	**9.8%**	**30 Jun 1998**
Platinum European Fund (P Class)	3.4	-3.8%	-18.7%	4.7%	-2.3%	1.3%	2.1%	3 Jul 2017
MSCI All Country Europe Net Index (A$)		-3.9%	-18.0%	2.1%	-1.2%	2.2%	2.7%	30 Jun 1998
Platinum Japan Fund (C Class)	**457.6**	**3.1%**	**-10.7%**	**4.8%**	**0.7%**	**3.0%**	**12.5%**	**30 Jun 1998**
Platinum Japan Fund (P Class)	2.4	3.2%	-10.5%	5.0%	0.9%	3.2%	4.2%	3 Jul 2017
MSCI Japan Net Index (A$)		-1.3%	-20.6%	-1.9%	-1.1%	3.4%	2.6%	30 Jun 1998
Platinum International Brands Fund (C Class)	**438.6**	**-1.5%**	**-23.3%**	**3.3%**	**4.5%**	**4.7%**	**11.2%**	**18 May 2000**
Platinum International Brands Fund (P Class)	2.0	-1.4%	-23.1%	3.5%	4.7%	4.9%	5.8%	3 Jul 2017
MSCI All Country World Net Index (A$)		-0.3%	-10.9%	6.2%	5.4%	8.7%	3.8%	18 May 2000
Platinum International Health Care Fund (C Class)	**442.8**	**5.5%**	**-30.0%**	**-3.1%**	**6.5%**	**7.8%**	**9.1%**	**10 Nov 2003**
Platinum International Health Care Fund (P Class)	10.7	5.5%	-29.8%	-3.9%	5.7%	7.2%	7.3%	3 Jul 2017
MSCI All Country World Health Care Net Index (A$)		-0.6%	-0.5%	8.0%	10.1%	11.5%	9.4%	10 Nov 2003
Platinum International Technology Fund (C Class)	**118.3**	**-5.9%**	**-21.8%**	**-2.8%**	**4.3%**	**6.6%**	**8.8%**	**18 May 2000**
Platinum International Technology Fund (P Class)	2.9	-5.9%	-21.6%	-2.5%	4.5%	6.8%	7.2%	3 Jul 2017
MSCI All Country World IT Net Index (A$)		-0.8%	-17.6%	3.2%	13.2%	17.1%	3.4%	18 May 2000

Fund returns are net of accrued fees and costs, are pre-tax, and assume the reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited for Fund returns and FactSet Research Systems for MSCI index returns. See note 1, page 40.

Platinum International Fund vs. MSCI All Country World Net Index (A$)

To 30 September 2022



Fund returns are net of fees and costs, are pre-tax, and assume the reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited for fund returns and FactSet Research Systems for MSCI index returns. See note 1, page 40.

In Brief

Platinum International Fund

- The largest positive contributors to performance over the quarter were an eclectic mix of stocks, including InterGlobe Aviation, UPM-Kymmene, Microchip, and European financials (Raiffeisen Bank, Beazley, Allfunds). Shorts contributed 1.3%. Our Chinese holdings were key detractors, with major holdings Weichai Power, Alibaba, and Tencent falling sharply.
- Over the past 12 months, the Fund returned -6.4% compared with the market's return of -10.9%. In the first nine months of 2022, a period that coincides with the beginning of the current bear market in global equities, the Fund returned -6.6%, well ahead of the market's decline of -15.9%.
- The Fund's net invested position remains essentially unchanged from last quarter at 55%. This does not fully reflect the underlying changes in the portfolio. Shorts were increased from 20% to 24%, with many positions closed and new ones reopened, while cash was reduced from 24% to 21%. The emphasis of the short positions remains on the highly valued growth stocks that experienced a strong rally in the first half of the quarter. This cautious positioning continues to reflect our concerns regarding the impact of rising interest rates on corporate earnings and the still elevated valuations in some sectors.
- We remain in a complex investment environment, and our cautious approach should continue to pay dividends. With global stock markets down 25% from their highs, a significant adjustment has already taken place. However, in the context of the extraordinary speculation that occurred and the environment that investors are facing, this simply may not be enough. Many companies continue to trade at high valuations, while others are trading at levels consistent with the bottom of prior bear markets. The opportunity now is to buy the latter while avoiding or shorting the former.

Platinum Global Fund (Long Only)

- Major global equity markets continued their downward trend during the quarter, with the Chinese market the hardest hit. Consistent with this outcome, our major detractors tended to be our Chinese holdings (Weichai Power, Tencent). Positive contributors included AK Medical, Raiffeisen Bank, Sprott Physical Uranium, and InterGlobe Aviation.
- We added oil and gas equipment/service providers Schlumberger and Vallourec to the portfolio. These are examples of companies not yet at peak earnings which are benefiting from a large pick-up in demand for oil and gas capital expenditure.
- While inflation is the current market obsession, the likely next phase is a focus on earnings. Sudden drops in share prices of companies warning of lower profits ahead suggest that earnings pressure is not yet fully priced in. With this backdrop, we are emphasising patience when deploying cash, favouring ideas like Infineon Technologies, Airbus, and AK Medical, where valuations have already adjusted downwards and we believe they have clear growth opportunities over the next 3-5 years.

Platinum Asia Fund

- The Asia region was generally weak, although India and Indonesia stood out as notable exceptions. Companies exposed to China generally declined, as economic challenges remained unresolved. Alibaba, JD.com, and AIA all saw their shares marked down. Concerns about weak demand and inventory destocking weighed on semiconductor holdings such as SK Hynix and Taiwan Semiconductor Manufacturing. Despite the overall declines, there were a handful of bright spots in the portfolio during the quarter, including InterGlobe Aviation, Jardine Cycle & Carriage, ICICI Bank, and AK Medical.
- As markets sold off, we modestly increased our exposure to take advantage of the improving value on offer. In China, we added to China Merchants Bank, grocery delivery company Dingdong, and financial services company Noah Holdings. We added to our positions in home appliances company Coway in Korea and property developer Ayala Land in the Philippines.
- Inflation remains an issue globally, but there are signs that rising rates may be having their desired effect. If central banks around the world wish to continue shrinking their balance sheets, this could present headwinds to asset prices for a while yet. However, as we have noted in the past, many markets across Asia appear relatively better placed in this regard. We are finding promising businesses to invest in at valuations that appear attractive. Short of extreme scenarios, we would expect the portfolio to deliver healthy returns over the medium-to-longer-term horizon.

Platinum European Fund

- Increasing concerns that central banks will overreact to inflation and trigger a deeper-than-necessary recession, ignited further appreciation in the US dollar and a sell-off in bonds and equities during the quarter.
- In the European markets, Energy, Utilities, and Financials were the best-performing sectors, while Healthcare and Technology fared the worst. Our best-performing stocks were Financials (Beazley, Bank of Ireland, Raiffeisen Bank). Our worst-performing stocks were German fintech Hypoport and Italian oil refiner Saras.
- We are mindful that it is in bear markets that an investor lays the foundation of their future performance. We are managing the Fund accordingly. We are moving slowly in anticipation of even better opportunities as the recession hits, but we are increasingly optimistic that we will soon be in a target-rich environment.

Platinum Japan Fund

- Currency fluctuations were again a major influence on markets, with the yen briefly crossing 145 to the US dollar. We had hedged out part of the Fund's yen exposure, so did not experience the full extent of the decline in the yen's value in the quarter. The yen weakness assisted a number of our holdings with sizeable offshore revenue bases, including Suncorporation (security firm), Pigeon (baby products), and Kaneka (chemicals).
- Our recent visit to Japan reinforced the extent of the change in mindset underway within many organisations. Compared to pre-COVID, a much larger percentage of companies have adopted meaningful targets for return on equity or capital, driving a restructuring in go-to-market approaches and disposals of non-core assets, complemented by meaningful cash returns to shareholders. These factors, and low valuations in comparison with global peers, make Japan an interesting investment prospect even before considering its growing cost competitiveness as a result of the cheapness of the currency.

Platinum International Brands Fund

- Fund performance was boosted by our position in social media platform Twitter. Bucking the trend of discretionary retail pain, Canadian womenswear player Aritzia also contributed to performance, rallying on strong sales and earnings, while rising interest rates benefited our holding in Raiffeisen Bank. Detractors included our Chinese stocks across the board, as fears remain around the impact of economic issues stemming from the property market and ongoing zero-COVID policies. Digital platforms Meta Platforms and Alphabet fell on concerns around falling advertising budgets.
- The outlook for consumer stocks generally is rather bleak. However, we are seeing great value emerge in many areas, particularly in the major digital platforms (Meta, Alphabet, Netflix), and many Chinese stocks. While cognisant of the ongoing risks to market performance, our long positions are now more attractively valued than they have been in the last 18 months, a dynamic from which we would expect the Fund to benefit from going forward.

Platinum International Health Care Fund

- It was an eventful quarter for the biotech sector. Early on, we saw a gradual recovery in biotech stocks, but sentiment then changed as inflation and rising interest rates once again became the dominant market narrative. Positive data for an antibody for Alzheimer's disease injected some spark back into the biotech sector late in the quarter, benefiting our holdings in BioArctic (the company that discovered the antibody), Prothena, AC Immune, and Quanterix.
- Quarterly results for medical device companies are eagerly awaited by investors to assess the impact of the economic downturn on elective surgery procedure development. Similarly, many are watching closely at how the clinical research organisations are faring, given the less-than-stellar financing environment for biotechs. Undoubtedly, this is a challenging market, but we have also seen a lot of positive progress being rewarded.

Platinum International Technology Fund

- Technology stocks were not exempt from market gyrations as investors reassessed valuations and prospects in light of the more aggressive monetary policies on the horizon. The sell-down in the Fund's holdings was broad-based with the exception of our Japanese stocks, which all ended in positive territory, and pockets of resilience in some of our European names.
- Consensus estimates for profits across many technology stocks are being revised down. The good news is that the stock market tends to anticipate the bottom by a few months or quarters, which seems already evident in some of our holdings in the semiconductor space. In China, the possible loosening of tight COVID restrictions in the next few months should help the economy to recover and positively impact our holdings operating in the e-commerce, advertising, and travel industries.

Macro Overview: Forget Picking the Bottom, Focus on Value

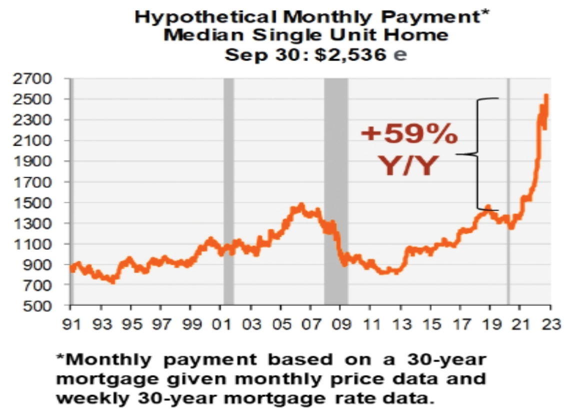
by Andrew Clifford, Co-Chief Investment Officer

In late September, CEO and Co-CIO Andrew Clifford sat down with Investment Specialist Julian McCormack to share his thoughts on interest rates, inflation, China, and Europe - and what they all mean for markets and Platinum's portfolios. An edited transcript of the conversation is below.*

JM: Andrew, there is a lot going on in the markets. Let's start with interest rates, how far will they go?

AC: This is everyone's question at the moment, and understandably so. The typical approach to answering this is to examine the underlying components of inflation and where they're heading. There is a lot of evidence indicating that inflation is starting to peak, although the one thing that is holding up is the employment market, which is still surprisingly robust. But at some point, inflation will roll over. I think the bigger issue here is how much interest rates have moved already. We've just been through one of the most extraordinary increases in interest rates. Coming off near-zero rates, yields on two-year US Treasuries are now around 4% and 10-year yields aren't far behind.[1] These are levels we haven't seen since 2008. When that degree of change in funding costs occurs in the economy, you have to expect some fall-out from that. One really interesting number is the cost of a mortgage in the US. Average monthly payments on a new mortgage for a median-priced house at current prices are up around 60% from a year ago, they have almost doubled from the pre-COVID period, and are up threefold from the lows of 2013/2014 (see Fig. 1). US households predominantly have fixed-rate 30-year mortgages, so they obviously aren't actually paying the higher payments, but it provides a real sense of just how much funding costs have changed in that economy, and it's not surprising to see activity in the US housing market in free fall. We need to turn our minds to the damage in the economy. I think what we have ahead of us is a very difficult period for company earnings across the board.

Fig. 1:US Monthly Mortgage Payments



Source: Piper Sandler.

JM: That comment about fixed mortgages is interesting. It's not costless. So, how do you move house when you can't take on a new mortgage?

AC: It's one of the interesting side effects of the US fixed mortgage market. For many people, they just simply can't afford to move. They have a good mortgage deal where they're living, and that is impacting labour flexibility at a time when the economy needs it the most. It works against one of the US' otherwise key strengths, in terms of the way people move around for jobs.

1 All market data in this Macro Overview are sourced from FactSet Research Systems, unless otherwise stated.

*The full interview is available in audio format on The Journal page of our website https://www.platinum.com.au/Insights-Tools/The-Journal

JM: If you're the US Federal Reserve, do you pause, keep raising, or cut?

AC: Well, I'm glad I'm not the Fed. It's not really a question for us as investors of what they *should do,* it's simply just a question of what they *will do*. Two or three years ago, when central banks were saying rates would be zero until 2024, I said, "Well, you shouldn't believe that". They tell us that because they need to build expectations in. They want you to believe it, so whether you're a consumer or a business, you will act as if rates are going to stay very low. Similarly, today they have to say rates are going up and build that same expectation. While they might slow the frequency and size of the rate increases, which will, of course, come to an end at some point, I think we're a long way away from seeing dramatic cuts in rates. There is a very real risk that if the Fed cuts rates too quickly, with those strong employment numbers and inflation still well ahead of interest rates, that they will reignite those inflationary forces.

JM: What could come out of left field in terms of monetary policy or its reformulation that could really change things?

AC: What I'd say, which is not answering your question directly, is that we've acted for a long time as if there are no limitations on the actions of governments. But the real economy, which is labour, people going to work, and the capital they use, is the real limitation on the economy. All governments are doing is redistributing funds and resources around the economy, and there are limitations on what they can do. We had a great example recently in the UK with the new Prime Minister, Liz Truss, and the new Chancellor of the Exchequer, Kwasi Kwarteng, thinking that they just needed to spend money to get things back up and running in what has been a very weak environment. The market didn't respond well to their proposed £45 billion mini-budget, comprising unfunded tax cuts and temporary measures to help with energy bills.[2] The market said there is no way they are doing that, because simply, it requires the rest of the economy and the globe to fund that decision. The UK government subsequently backtracked on cuts to the top tax rate. Inflation is telling us that we've come up against the limitations of how governments can spend.

JM: Let's go to the opposite extreme. How would you characterise China's situation and outlook given its last 40 years of economic history?

AC: There are a few questions we need to address around China, but I'll start with the simple economic one; the country is in, let's call it, a recession. Whatever the numbers say, this is the most serious downturn in growth since the economy opened up. At the centre of that downturn is a collapse in sales of new properties that is flowing through to construction and activity. This is a very important part of the Chinese economy and the collapse in volumes has come about as a result of policies designed to cap property prices. It's been a severe policy error that has destroyed households' confidence in the property market and property developers. The idea, though, that some great property bubble has popped is not really on the mark. They have not delivered nearly the amount of modern housing stock that the Chinese population needs. They have a problem. It's like a liquidity trap. Nobody wants to buy a property because they don't know if the developer is going to honour their commitment to develop the property. Confidence needs to be restored. There are announcements all the time of rescue funds being provided to the developers, not to get those developers back on their feet, but to ensure that these half-finished developments go ahead and are completed. I believe they're heading in the right direction on this front, and if they fix that problem, I think that will solve the economic slowdown there. Property sales may not get back to the huge, very high levels they were at, but they will most likely recover.

Of course, China has also had a resurgence in COVID, but we know that countries exposed to COVID get through it, one way or another. I'd be surprised if we weren't moving on shortly from that in China. We are also seeing lots of stimulatory actions. Monetary growth in China, for instance, is now accelerating and at the highest levels for quite a few years. In sum, we are very optimistic that China will come out of this recession, just as we would be for any normal functioning economy coming back from a downturn.

The other, obviously bigger issue with China that people are talking about is the political tensions with the West. Clearly, this concern will be with us for some time. My first response to this issue is always the same: our systems are so intertwined that for either side to ignore that in their interactions would have very significant implications economically, not just for China, but for the world. We can't predict the outcome; however, we would hope that good judgement prevails on both sides. When it comes to questions like an invasion of Taiwan, I think there is a lot of focus on the very unlikely possibility of that occurring rather than the things that might really happen, which could be quite damaging. I would add that the US security agencies that said Russia would invade Ukraine are saying right now that an invasion of Taiwan is highly unlikely and that there are no such preparations. It's more the middle ground where things can really hurt individual companies and portfolios; the very simple thing of sanctions, for example. Recently, the US imposed sanctions preventing NVIDIA from selling some

2 https://www.economist.com/leaders/2022/09/28/how-not-to-run-a-country

of its high-end graphic processing units (GPUs) to Chinese customers, which is very damaging to its business. Clearly, you don't want to invest in companies that are close to the Chinese government. You also need to be aware that when investing in high-tech areas, if China is a big part of their sales base, that's a risk. So, as investors, we need to be aware of these risks and ensure that we're not overly exposed.

JM: Moving onto Europe, the outlook there is clearly somewhat gloomy. How are you framing the extremely weak consumer confidence, the industrial slowdown, and the vulnerability around energy, versus what is generally a pretty good jurisdiction?

AC: Obviously, the war has had huge humanitarian costs not just in Ukraine but across Africa in terms of food supplies. However, if we just focus on the economic and investment implications, one of the biggest impacts is on the cost of energy. Companies across the board have seen a substantial loss in their competitive positions due to the higher energy prices, and we've certainly seen closures in capacity of fertiliser and chemical plants and the like. On the other hand, this has also been reflected in a weaker euro. We've obviously seen very dramatic strength in the US dollar versus all currencies, not just the euro, including the Australian dollar and the yen. There's a slightly different story for each, but it's mainly a US dollar story, which benefits the rest of the world in terms of their competitive positions. For Europe, the fall in the euro, which has been quite substantial by historic standards, has helped to level out the impact of the higher energy costs on industrial companies and restore profitability. The unknown question is how long energy prices will stay at this level. I would expect that over a two-to-three-year period, the intense pain Europe is feeling now will ultimately dissipate as new sources of energy are secured. We have already seen Europe manage to secure a significant increase in LNG imports and the like.

JM: American corporations, which have enjoyed some measure of global dominance, have the reverse problem with respect to the currency impact on revenues. How are you thinking about these and the headwinds they face?

AC: It's interesting because there has been a very different market response in places like Europe and Japan to the weakening of their currencies. Normally, you would expect, particularly for Japanese companies, such as the classic exporters like Toyota, to perform relatively well in yen terms, maybe even maintain their US dollar price, given the huge benefit they get from that. You would expect similar outcomes in Europe too. But that actually hasn't happened this time. On the other hand, you would have expected quite a lot of concern about earnings for US companies, based just on the strength of the US dollar. There's some talk about that, but not a lot. So, the market reaction has been very different to what we would have seen in earlier times.

I think this reaction partly reflects an aversion to business and geopolitical risk, but there's also recency bias at play here, where we remember what worked well before, so we go back to it. It's also worth noting that the US market was the most pumped up by monetary expansion, and while that's certainly faded, it's still benefiting from the tail-end of that, which is holding up US asset prices. It's been a really interesting market this year. In one way, there has been a stealth bear market for a number of years now for anything that's not in the 'growth' or 'defensive' camp. Their valuations have been continually marked down. When we entered this year, the world was looking like a pretty good place, so you would have expected economically exposed/cyclical companies to do well. However, we then had the extension of the recession in China due to a resurgence in COVID and Russia's invasion of Ukraine. As a result, companies that didn't meet those pure safety criteria have taken big hits, falling to crisis-level valuations - to levels that we saw at the bottom of 2009. Whereas the fade in glory of the great tech stocks is slow. We also saw this happen in 2001. It took a very long time for the likes of Oracle, Cisco, Dell, EMC, and Microsoft to reach their lows in both share prices and valuations, but they all ultimately fell to price-to-earnings multiples of 10, having been at 50, 60, or 70.

It will all depend on the earnings that companies deliver, because expectations are very high. The stock that has most severely disappointed investors to date is Meta Platforms (formerly Facebook), followed by Netflix in that group. Meanwhile, Google is an advertising business, and interest rates are rising a lot. I would be thinking very seriously about how earnings are going to unfold for that business in the next couple of years.

JM: People are quite obsessed with picking the bottom of markets. Going back to your initial point on interest rates, how much lower can US markets go? Or where are we in the market cycle?

AC: I think the best we can do is to look to history for a guide. We had an extraordinarily speculative bull market, particularly for companies with questionable business models with no earnings, or at the extreme, meme stocks like GameStop and so forth. This was driven by a huge torrent of money thrown at it by various policies that were put in place. Your natural inclination, given that the 'liquidity tap' has now been effectively turned off, is that this is going to be a pretty bad bear market. In the bear markets of 2000-2003 and 2007-2009, indices fell around 50%, and in some cases more in particular parts of the market. On that basis, I'm not sure why people are thinking it's going to be a lot different this time. Having said that, though, there are opportunities out there now as many stocks are already down 50-60% or more. Some of those are stable businesses sitting on nice earnings multiples. We've highlighted many of these types of companies in the past, such as semiconductors and auto companies. There are some pretty interesting assets out there, but growth and tech stocks have yet to adjust. People have also been hiding in a whole range of other more boring things lately, such as consumer staples (food, household products), utilities, and the like, where their businesses actually aren't performing particularly well, but have managed to hold onto valuations that are well ahead of where they were two or three years ago. You need to keep an open mind. People ask us how we are going to try and pick the bottom. In a sense, our response is that we don't try to pick the bottom but just respond to the value in stocks, both in terms of what we want to buy and what we want to sell. We are buying stocks that we think have extraordinary valuations, and we'll wait for the recovery of their businesses to come. On the other side of that, where we see companies that we think are in problematic environments and have high valuations, we're shorting them.

JM: Am I right in asserting that, say three years out, it looks like a somewhat higher nominal growth world than the last cycle that allowed this amazing ebullience for things that could either grow or behave like a bond?

AC: I think we will most likely return to an environment which looks more like what it did a couple of decades ago, where we had reasonable valuations and you could make money if you owned companies that delivered on earnings against that. I think, as we've already spoken about, China has an opportunity to recover, and Europe, under a different set of circumstances of dealing with their energy crisis, will also recover. The US economy will need to experience a slowdown first. Economic systems are incredibly robust and it will come back down to the real assets in the economy and what drives growth. Too often, people just focus on the financial side, but in three-to-five years' time, we will come out of these downturns, and companies that are trading on single-digit PEs with earnings in line with expectations or better, should perform well and reward investors.

MSCI Regional Index Net Returns to 30.9.2022 (USD)

REGION	QUARTER	1 YEAR
All Country World	**-6.8%**	**-20.7%**
Developed Markets	**-6.2%**	**-19.6%**
Emerging Markets	**-11.6%**	**-28.1%**
United States	**-4.8%**	**-17.6%**
Europe	**-10.2%**	**-27.0%**
Germany	-12.6%	-37.1%
France	-8.9%	-24.0%
United Kingdom	-10.8%	-14.1%
Italy	-8.5%	-28.5%
Spain	-14.1%	-25.6%
Japan	**-7.7%**	**-29.3%**
Asia ex-Japan	**-13.8%**	**-28.7%**
China	-22.5%	-35.4%
Hong Kong	-17.0%	-22.3%
Korea	-16.4%	-40.7%
India	6.5%	-9.9%
Australia	-6.7%	-16.4%
Brazil	8.5%	4.3%

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 30.9.2022 (USD)

SECTOR	QUARTER	1 YEAR
Energy	-1.6%	16.2%
Consumer Discretionary	-2.8%	-27.1%
Financials	-5.9%	-18.7%
Industrials	-6.1%	-22.0%
Consumer Staples	-6.6%	-9.0%
Health Care	-7.0%	-11.5%
Information Technology	-7.3%	-26.6%
Materials	-7.6%	-18.5%
Utilities	-8.0%	-4.8%
Real Estate	-12.4%	-22.5%
Communication Services	-14.0%	-38.0%

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.

Platinum International Fund

Andrew Clifford
Portfolio Manager

Clay Smolinski
Portfolio Manager

Nik Dvornak
Portfolio Manager

Performance

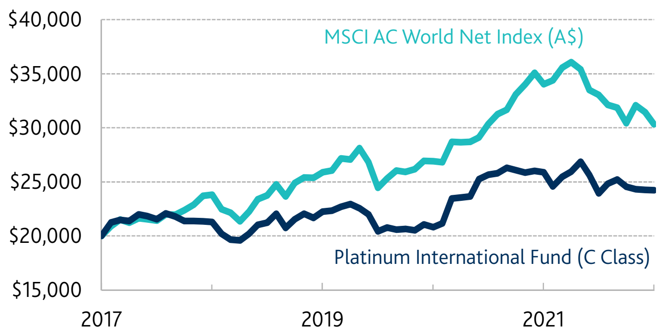
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Fund*	-1%	-6%	3%	4%	11%
MSCI AC World Index^	0%	-11%	5%	9%	7%

+ Excluding quarterly returns.
* C Class – standard fee option. Inception date: 30 April 1995.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Net Index in AUD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance. See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned -1.3% over the quarter.[1]

The largest contributors to performance were an eclectic mix, including **InterGlobe Aviation** (+16%), **UPM-Kymmene** (+12%), and **Microchip** (+5%). European financials (**Raiffeisen Bank** +18%, **Beazley** +13%, **Allfunds** +3%) also contributed to performance. Shorts contributed 1.3%. Our Chinese holdings were key detractors from performance over the quarter, with major holdings **Weichai Power** (-40%), **Alibaba** (-30%), and **Tencent** (-25%) falling sharply.

Over the year, the Fund returned -6.4% compared with the market's return of -10.9%. In the first nine months of 2022, a period that coincides with the beginning of the current bear market in global equities, the Fund returned -6.6%, well ahead of the market's decline of -15.9%.

When examining the performance of global stock markets over the last 12 months, there have been some drivers of market performance that we have clearly anticipated and for which the portfolio has been well positioned, and others for which the portfolio holdings were not ideal. Having said that, as long-term investors, we are making decisions based on views of the long-term earnings power of businesses, knowing full well that short-term economic trends may not be in our favour. Indeed, it is often the fear of short-term trends that provides the greatest opportunities. Still, given the extraordinary macroeconomic environment that has been

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

the backdrop for investing over the last 12 months, it is worth examining how these variables have contributed to or detracted from the Fund's returns.

1. **Rising interest rates.** Over the last two years, we have continuously outlined the risk that the pandemic-inspired money printing by governments would ultimately result in inflation and rising interest rates, and that this would end the speculative bull market in growth assets. Within the portfolio, we have largely avoided exposure to these overvalued growth companies, many of which have experienced significant share price falls in the current bear market, and indeed, the portfolio has benefited from holding significant short positions in these stocks. Over the last 12 months, our short positions added 9% to the Fund's performance.
2. **Rising commodity prices.** In recent years, the Fund has had exposure to a broad range of commodities, including copper, energy, pulp, and fertilisers. While the rally in commodities faded in the last quarter, we had substantially reduced our position during the course of the year. Companies such as Glencore, which has exposure to a broad range of commodities and commodity trading, UPM-Kymmene (pulp), and Mosaic (fertilisers), added around 1.9% to performance over the last 12 months.
3. **Exchange rate fluctuations.** The depreciation of the euro and the Japanese yen significantly impacted the returns of our European and Japanese investments in Australian dollar terms. In aggregate, the depreciation of these currencies reduced the Fund's performance over the year by 2.8%. The weakness in both currencies was driven by widening interest rate differentials with the US, and in the case of the euro, the rapid escalation in energy costs in Europe post Russia's invasion of Ukraine. While one may have expected that we would anticipate such moves and hedge our exposures, exchange rate movements are not so easily predicted. Indeed, the size of the money printing exercise in the US relative to Europe and Japan would lead one to avoid the US dollar. As higher interest rates start to impact the US economy, we would expect a reversal of the US dollar's strength.
4. **China's economic slowdown and the rising political risk premium on Chinese assets.** The slowdown in the Chinese economy in response to a collapse in apartment sales was well anticipated by markets in mid-2021. Our view was, and remains, that the economy would readily recover from the property downturn in time, and the setback for China represented an opportunity for investors. What was not anticipated was the additional risk premium that would be priced into Chinese assets after Russia's invasion of Ukraine. The Fund's Chinese holdings

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
Asia	25%	24%	29%
Europe	25%	23%	21%
North America	18%	16%	19%
Japan	8%	8%	13%
Other	2%	2%	1%
Australia	2%	3%	3%
Cash	21%	24%	13%
Shorts	-24%	-20%	-18%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Industrials	16%	15%	19%
Financials	13%	12%	15%
Materials	11%	11%	14%
Consumer Discretionary	7%	8%	11%
Energy	6%	4%	1%
Health Care	4%	3%	6%
Information Technology	3%	5%	9%
Real Estate	3%	3%	3%
Communication Services	2%	2%	4%
Consumer Staples	0%	0%	1%
Other	-9%	-8%	-14%
TOTAL NET EXPOSURE	55%	56%	68%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
ZTO Express Cayman Inc	China	Industrials	3.6%
Microchip Technology Inc	US	Info Technology	3.2%
UPM-Kymmene OYJ	Finland	Materials	2.9%
Ping An Insurance Group	China	Financials	2.8%
MinebeaMitsumi Co Ltd	Japan	Industrials	2.5%
InterGlobe Aviation Ltd	India	Industrials	2.3%
Shell PLC	Netherlands	Energy	2.3%
Trip.com Group Ltd	China	Cons Discretionary	2.3%
Beazley PLC	UK	Financials	2.1%
Intesa Sanpaolo SpA	Italy	Financials	2.0%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pif.

reduced returns over the last 12 months by 3.3%. Please see the Platinum Asia Fund report for a more in-depth discussion on China.

While the Fund's return since the peak in markets has been pleasing, the longer-term numbers continue to trail the market. It is our view that to produce good absolute returns from investing in equities, it is critical to minimise the impact of large bear markets that occur periodically. Not only can long-term compound returns be improved by avoiding a good portion of the downside from these periods, it can also minimise the pressure on investors during these difficult times, when many fall for the temptation to sell and lock in losses just as markets are finding their lows. This is why, when we cannot identify suitable opportunities, we hold cash and increase our shorts in individual companies or market indices to reduce exposure to downside in markets. As such, we expect to lag market returns during the latter stages of a bull market.

The bull market in global equities that started in the ashes of the 2007-2009 global financial crisis (GFC) and most likely finished at the end of 2021, is the longest in stock market history. The popular growth stocks that led this bull market traded at elevated valuations for a number of years. Thus, we progressively reduced our investments in these growth names, moved into less-favoured areas, and increased our cash holdings and short positions. Our risk-averse approach resulted in a relatively low net exposure to markets and returns that lagged in the final stages of the bull market. The first nine months of 2022 demonstrate the benefit of this risk-averse approach. As we outline in this quarter's commentary below, our view is that we remain in a complex investment environment and that maintaining a cautious approach should continue to pay dividends. Finally, I would note that over the last 10 years, the Fund returned 11% p.a., a good absolute result for investors, and a result achieved while maintaining a cautious approach.

Changes to the Portfolio

The net invested position remained essentially unchanged from the end of the prior quarter at 55%. This cautious positioning continues to reflect our concerns over the impact of rising interest rates on corporate profits and the still elevated valuations in some sectors within the market. The unchanged net exposure does not fully reflect the underlying changes in the portfolio over the course of the quarter. Short positions were increased from 20% to 24%, again a net result with many short positions having been closed and others reopened. The emphasis of the short positions remains on the highly valued growth stocks that experienced a strong rally in the first half of the quarter.

The cash position fell from 24% to 21%. We added to existing positions in **Airbus** and **Infineon Technologies** (German semiconductor manufacturer), both of which had sold off with the broader market. We also added to our positions in European banks **Intesa Sanpaolo**, **Erste**, and **Raiffeisen Bank**, which are poised to benefit from higher interest rates. **Schlumberger**, the US oilfield services provider, was a new addition to the portfolio. The company stands to benefit from an increase in capital spending by oil producers in response to projected supply shortages in the years ahead.

We trimmed a number of our strong performers, including **Glencore** (mining, commodities trading), **Beazley** (insurance), and **China Overseas Land & Investment** (Chinese residential property developer). We also sold out of **MTU Aero Engines** (German aerospace), preferring to add to our position in **Airbus**.

Commentary

The backdrop for investors remains extraordinarily complex. This year, we have witnessed rapid increases in interest rates across large parts of the global economy. In the US and Europe, both short- and long-term interest rates are at levels not seen in over a decade. Energy prices have moved sharply higher, particularly in Europe, as a result of Russia's invasion of Ukraine. A stronger US dollar has resulted in the Japanese yen and the euro falling to levels not seen in 20 years or more. The Chinese economy is in a deep slump as a result of weak construction activity due to falling residential property sales and ongoing COVID lockdowns. Political dynamics, whether they be governments struggling with the impact of inflation on households and businesses, tensions between China and the West, or Russia's abhorrent behaviour, add further uncertainty to the situation. Any of these factors alone can dramatically impact earnings at the individual company level and in aggregate for the market.

On the question of interest rates, there is considerable focus on the possibility of inflation receding and the interest rate cycle turning back down. It is curious that last year, commentators, who were so willing to believe central bank guidance that rates wouldn't rise until 2024, are now keen to fight the US Federal Reserve's determination to reduce inflation. Nevertheless, as we discussed last quarter, it is likely that inflation is near its high and will recede from here, given the collapse we have seen in money growth, particularly in the US. Many economic indicators point to a rapidly slowing economic environment, with the main exception being employment, which remains resilient for the moment.

The more important issue now is likely to be the damage that the increase in rates has done across the economy and to corporate earnings. To give one example, to provide some context to this concern, in the US, the combination of higher mortgage rates and higher residential property prices has resulted in a home buyer today facing a monthly mortgage payment almost 60% higher than a year ago, 95% higher than at the onset of COVID, and three times the lows post the GFC.[2] The predominance of fixed-rate mortgages in the US means that only new buyers are facing these increases. It is hardly surprising then that new and existing home sales are in free fall. This is just the impact on one sector of the economy, though one generally accepted to have a significant impact across the broader economy.

China continues to be a concern for investors on two fronts. The collapse in residential apartment sales and the related construction slowdown have seen the country enter its most challenging economic period since the early 1990s. Our view is that the fall in apartment sales is the result of government reforms seeking to cap property prices, harming buyers' confidence in the market. With the fall in sales, highly leveraged property developers have run into cash flow problems, preventing completion of projects. This, not surprisingly, has further harmed buyers' confidence. This is quite a different scenario to the property bubble story that is often outlined in the financial press. Under our scenario, the current impasse can be potentially solved through rescue funds that allow for the completion of current projects, which, along with various other measures, is the approach being taken by authorities. Even if the worst-case scenario plays out in the property market, along the lines of Ireland or Spain in the GFC, it should be noted that both these economies ultimately recovered from these downturns. Further, in the case of China, the deeply discounted valuations on the listed banks and financial entities already suggest a very difficult environment is well and truly anticipated by investors.

The second concern regarding China is the deteriorating relationship with the West, and often at the forefront of this concern is the potential for a Chinese invasion of Taiwan. The high degree of economic interdependence between China and the developed world and Taiwan's central role as the global economy's main supplier of leading-edge semiconductors would suggest such extreme scenarios are unlikely. The problem with concentrating on these extreme outcomes is not focusing on the narrower actions that can impact investors directly. Examples that have already occurred include sanctions by Western governments on dealing with China, such as the recently announced restrictions on Nvidia from selling their high-end graphic processing units (GPUs) to Chinese customers, or restrictions on investors holding shares in specified Chinese companies. Both Western governments and China have applied punitive tariffs on traded goods. Simple avoidance of Chinese companies by investors will not remove these risks. Consideration needs to be given to a range of issues, from supply chains, end-market exposures, key technologies, to controlling shareholders, in order to fully address the China political risk in any investment.

Finally, it is worth noting the dramatic sell-off in the UK bond market and the British pound in response to the government's proposal to make significant tax cuts in order to revitalise the economy. In the daily commentary about governments the world over, there is an underlying assumption that governments can create economic activity from the stroke of a pen. In reality, economic output is a function of the economy's capital base, pool of labour, and natural resources, and at any point in time, these are fixed.[3] Governments can only redistribute the resources of the economy through their ability to tax, borrow, and print money. As such, there is a limit on a government's ability to redistribute as it competes with businesses and households for those resources. This limitation has often been experienced in the developing world by countries facing current account crises. The reason it is worth noting the run on the pound and the UK bond market is that many other governments are under pressure to respond to households' loss of purchasing power, a situation that will be exacerbated if employment markets weaken significantly.

Outlook

With global stock markets down 25% (in USD terms) from the highs set at the start of 2022, a significant adjustment has already taken place. However, in the context of the extraordinary speculation that occurred and the complex environment that investors are facing, this simply may not be enough. It should be remembered that during the last two global bear markets in 2000-2003 and 2007-2009, markets fell over 50%.

Having said that, it should also be remembered that those bear markets provided investors with opportunities to buy stocks at extraordinary valuations. As we have noted in past reports, there has been a significant divergence in stock price performance and valuations across different sectors and countries. This has resulted in many companies continuing to trade at high valuations while others are trading at levels consistent with the bottom of prior bear markets. The opportunity now is to buy the latter while avoiding or shorting the former.

2 Source: Piper Sandler.

3 Of course, the capital base will be expanded by ongoing investment, including that funded by offshore sources, and the labour pool through immigration.

Platinum Global Fund (Long Only)

Clay Smolinski
Portfolio Manager

Performance

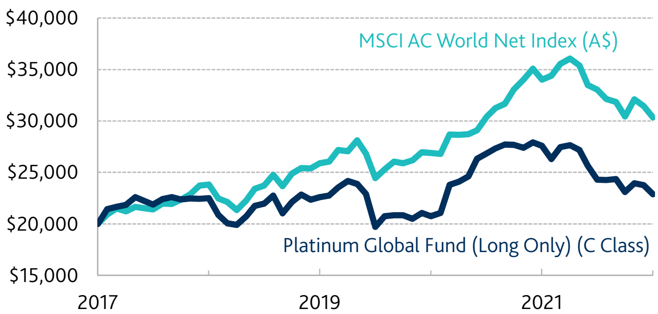
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Global Fund (Long Only)*	-1%	-17%	0%	3%	9%
MSCI AC World Index^	0%	-11%	5%	9%	7%

+ Excludes quarterly returns
* C Class – standard fee option. Inception date: 28 January 2005.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Net Index in AUD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance. See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned -1.0% over the quarter.[1]

The major global equity markets continued their downward trend, with the US (-5%), European (-4%), and Korean (-8%) markets all reaching new 52-week lows.[2] China was the hardest hit, with the Hang Seng China Enterprises Index (HSCEI) and A-Share indices falling 22% and 15%, respectively. Chinese stocks are in a deep bear market, with the HSCEI now 50% below its high in February 2021.

The other major factor in markets was the strength of the US dollar (USD). The continued interest rate hikes in the US (widening the positive interest rate differential between the USD and major foreign exchange pairs) and the fact that the US is now an energy-independent/exporting nation in a high-energy price environment are driving continued USD strength. Over the quarter, the USD appreciated another 6-10% vs. the major pairs, and for the year to date, it has appreciated 12% vs. the Chinese yuan, 13% vs. the Australian dollar, 16% vs. the euro, 21% vs. the British pound, and 26% vs. the Japanese yen.[3]

Consistent with the large fall in the Chinese market, our major detractors over the quarter tended to be our Chinese stocks, with major holdings **Weichai Power** and **Tencent** falling 40% and 25% over the quarter, respectively. Outside of this, we saw low/mid teen-style declines in tapware and bathroom fixture manufacturer **Lixil** (-17%), 5G network equipment player **Ciena** (-12%), and testing and inspection provider **Applus Services** (-13%).

The fall in Weichai's share price was linked to its 45% ownership of Kion, a leading German manufacturer of warehouse automation solutions and forklifts, which issued a profit warning on its automation division. Despite strong demand for the product (increasing labour costs plus improvements in automation capabilities are driving a wave of warehouse automation demand), profits in this division have been crunched due to component shortages, cost

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

2 MSCI USA, MSCI Europe, MSCI Korea, respectively, in local currency. Source: MSCI.

3 Source: FactSet Research Systems.

inflation and insufficient pass-through mechanisms written into legacy contracts. While this is disappointing, the structural demand for automation equipment is real, and Kion should be able to restore profitability as it works through the problem contracts over time. After the price fall, Weichai is trading on roughly 6x normalised earnings, with US$1.8 billion of net cash on the balance sheet.

Given that there was little incremental news about Tencent's business, its price move is linked more to the overall weakness of the Hong Kong market. Tencent's revenues are driven by online advertising and gaming, both of which have been under pressure in 2022, given the recession and regulatory pressure on play time for users aged under 18, as well as new game approvals. With efforts to boost the economy building and new game approvals starting again, we would expect the performance of both divisions to improve in 2023.

In terms of positive contributors, we saw gains in Chinese orthopaedic implant manufacturer **AK Medical** (+31%), **Raiffeisen Bank** (+18%), **Sprott Physical Uranium** (+14%), Indian low-cost airline **InterGlobe Aviation** (+16%), specialty insurer **Beazley** (+13%), and pulp and biochemicals player **UPM-Kymmene** (+12%).

AK Medical is the largest domestic manufacturer of orthopaedic products (mainly hip and knee) in China. AK has been the most R&D focused of the domestic players, building a 20% market share and being the first to get approvals for a number of its 3D printed/more-innovative implants.[4]

The stock was heavily sold down due to the short-term impact on profits from the new volume-based procurement (VBP) system. The VBP was essentially a form of centralised buying/bidding for a limited selection of standardised hip/knee implants, aimed at providing affordable options for patients and reducing costs for the health system.

AK's strategy was to win the largest share of the VBP volume bid, and pair that with heavy R&D into new speciality implant products (that carry higher prices) for more complex procedures that would fall outside the VBP. While the VBP product carries low profit margins, by winning the largest volume share, AK has been able to build relationships with thousands of new surgeons across China, who need to complete procedures with both VBP and higher-end implants. These new sales relationships have led to greater market acceptance of AK's higher-end products, resulting in better-than-expected sales and profits announced in their recent half-yearly results, which triggered the 31% rise in the stock price.

4 Source: Company reports.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
Europe	28%	23%	24%
Asia	27%	25%	31%
North America	22%	19%	21%
Japan	6%	6%	12%
Other	1%	1%	1%
Australia	0%	3%	3%
Cash	16%	22%	7%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Industrials	21%	21%	22%
Information Technology	14%	12%	14%
Financials	13%	11%	16%
Materials	11%	13%	16%
Energy	7%	5%	1%
Consumer Discretionary	6%	5%	7%
Health Care	5%	3%	7%
Communication Services	5%	5%	6%
Real Estate	2%	2%	4%
Consumer Staples	0%	1%	1%
TOTAL NET EXPOSURE	84%	78%	93%

See note 4, page 40. 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	5.3%
ZTO Express Cayman Inc	China	Industrials	4.3%
UPM-Kymmene OYJ	Finland	Materials	4.1%
AK Medical Holdings Ltd	China	Health Care	4.0%
Intesa Sanpaolo SpA	Italy	Financials	3.3%
Tencent Holdings Ltd	China	Comm Services	3.1%
Mosaic Co	US	Materials	3.1%
MinebeaMitsumi Co Ltd	Japan	Industrials	3.0%
Applus Services SA	Spain	Industrials	2.7%
InterGlobe Aviation Ltd	India	Industrials	2.7%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

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

The long-term prospects are very encouraging for AK Medical in our view. We have increased our holding and it is now a top-5 position in the Fund. To date, the Chinese orthopaedic market has been dominated by foreign companies, and the government wants to promote domestic capability in this field. In addition, procedure rates in China are still small compared to Japan (5x higher) and Europe (10x higher), and they can grow as the standard of living improves. AK Medical has the opportunity to be a much larger company in the future as it can benefit both from growth in the market size and by taking share from competitors.

Changes to the Portfolio

Over the quarter, we added oil and gas equipment/service providers **Schlumberger** and **Vallourec** to the portfolio, along with building a position in **Airbus**. These are examples of companies not yet at peak earnings, having been deeply impacted by COVID, and now experiencing a recovery.

Schlumberger and Vallourec are benefiting from a large pick-up in demand for oil and gas capital expenditure, but to give context to that change, we need to understand what the industry has gone through.

Oil and gas capital expenditure peaked in 2014 at roughly US$600 billion per annum, then fell to just under US$400 billion per annum in 2015, a level it tracked at until late 2019. The industry was then hit by COVID, with capital expenditure collapsing to US$250-300 billion over 2020 and 2021.[5] In this regard, the oil and gas capex industry went through a recession, followed by a depression. Over this eight-year period, the oil and gas equipment service companies have needed to cut staff, equipment, and offices to survive, with the industry becoming lean out of necessity.

From that low base, the picture has changed on two fronts. The first is that the reduction in spending has started to reduce supply; with oil and gas markets now tight and prices high, companies are incentivised to spend more, and indeed, are being encouraged by governments to do so. The other change is that Europe wants to find non-Russian sources for 50% of its natural gas consumption, which requires spending to boost production in other countries. The result has been a pick-up in spending in almost every region across the globe.

When you combine a step change in spending with a very lean oil and gas services industry, you tend to get excellent profit outcomes, as the companies can name their price. Indeed, Schlumberger has communicated that they are already sold-out for 2023, and will need to be well remunerated to expand their own capacity.

5 Source: Bernstein, BMO Capital Markets, and Rystad.

Looking forward, Airbus is set to benefit from the recovery in air travel, the fact that their new A321neo is economically superior to the 737 Max, and their sales mix is expected to improve over the next three years as losses from the A350 widebody program are reduced, and the share of the more-profitable A321 sales increases. Airbus is currently trading on 9x our forward earnings estimate, an attractive price for a global duopoly.

Outside of these new additions, we added to our holdings in **Micron Technology**, **Infineon Technologies**, **Intesa Sanpaolo**, and **Tencent**. These positions were funded by completely selling out of our holdings in **Glencore**, **MTU Aero Engines**, and **Lamb Weston**, all of which have been successful investments for the Fund.

Outlook

As we wrote last quarter, stock markets are currently dominated by macro events. There is an almost singular focus on inflation and interest rates, with the market swinging wildly on the interpretation of whether each new data point will lead to higher or lower interest rates.

While inflation is the current market obsession, the likely next phase is simply a focus on earnings. With COVID spending patterns normalising and interest rates being set at levels to reduce demand for goods and labour (i.e. higher unemployment), corporate profits are coming under pressure and earnings are beginning to disappoint. With global stock markets down 25% from their highs at the start of this year, there has been some adjustment to this new reality, but we are still seeing sudden drops in share prices of companies warning of lower profits ahead (e.g. FedEx and Nike), which suggests that this earnings pressure is not yet fully priced in.

Another marker is what happened in past recessions. In the past six recessions/bear markets, market valuations contracted on average to 15x earnings (usually troughing at 13x), while earnings typically fell by 15%.[6] Assuming a very mild 10% fall in earnings and a 15x multiple, that would place fair value of the S&P 500 index at 3000-3100, roughly 20% lower than current levels. The fact that the mild scenario in this exercise still points to considerable downside is a testament to how expensive the market was in 2021.

With this backdrop, we are emphasising patience when deploying cash, favouring ideas like Infineon, Airbus, and AK Medical, where valuations have already adjusted downwards and, in our view, the companies have clear growth opportunities over the next 3-5 years.

6 Source: Evercore ISI.

Platinum Asia Fund

Andrew Clifford
Portfolio Manager

Cameron Robertson
Portfolio Manager

Performance

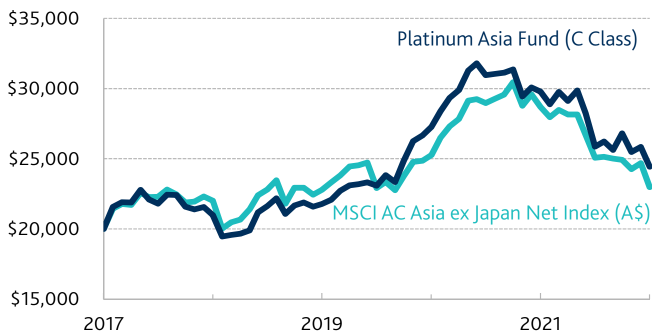
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia Fund*	-9%	-18%	4%	4%	12%
MSCI AC Asia ex Jp Index^	-8%	-20%	0%	3%	8%

+ Excludes quarterly returns
* C Class – standard fee option. Inception date: 4 March 2003.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country Asia ex Japan Net Index in AUD. Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned -8.8% for the quarter.[1]

As the world grapples with inflation and rising interest rates, questions have started to arise about the sustainability of the global economic expansion. Meanwhile, we have seen a withdrawal of liquidity from major global markets, and many stock markets have been falling. The Asia region was generally weak, although India and Indonesia stood out as notable exceptions.

Despite the overall declines, there were a handful of bright spots in the portfolio during the quarter. Indian low-cost airline **InterGlobe Aviation** was the biggest contributor to performance (+16%), gaining on the back of good passenger volumes coming into the seasonally weak third quarter. **Jardine Cycle & Carriage** (+19%) was embraced by investors due to improving prospects for their commodity and automotive operations in Indonesia and Vietnam. Our holding in Indian bank **ICICI** (+22%) also performed well, driven by foreigners scrambling to deploy money into the Indian market. **AK Medical** (+31%), a Chinese manufacturer of prosthetic joints, picked up market share in the domestic industry, and its profit results came in ahead of investors' expectations, driving the share price higher.[2]

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

2 For more details on AK Medical refer to the Platinum Global Fund (Long Only) report.

On the negative side of the ledger, the sell-off was fairly broad-based. Concerns about weak demand and inventory destocking weighed on semiconductor holdings such as **SK Hynix** (-9%) and **Taiwan Semiconductor Manufacturing** (-11%).

Companies exposed to China generally declined, as economic challenges remained unresolved. **Alibaba** (-30%), **JD.com** (-21%), and **AIA** (-23%) all saw their shares marked down.

Foreign sentiment towards China seemingly continues to fall, with the Hong Kong-listed shares (H-shares) falling more than their mainland China-listed counterparts (A-shares) and are now trading at substantial discounts. For example, **Weichai Power's** H-shares declined 40% during the quarter, while the A-shares fell 23%, leaving the Hong Kong listing trading close to a 30% discount. **Ping An Insurance** experienced a similar divergence between H-shares (-27%) and A-shares (-11%).

We remained essentially unhedged on the currency, which helped reported Australian dollar performance.

Changes to the Portfolio

As markets sold off, we modestly increased our exposure to take advantage of the improving value on offer. In China, we added to **China Merchants Bank**, grocery delivery company **Dingdong**, and financial services company **Noah Holdings**. In Korea, we added to our small position in home appliances company **Coway**, a company that was introduced to the portfolio last quarter. In the Philippines, we also added to our holding in property developer **Ayala Land**.

We reduced our holdings in Hong Kong-listed life insurance company **AIA**, Chinese property developer **China Vanke**, and Chinese hotel operator **H World Group**, as market moves made them relatively less interesting propositions than other options available to us. We also continued to reduce positions in Indian bank **ICICI** and car manufacturer **Maruti Suzuki**, as valuations have been elevated.

Commentary

The recent poor performance in Asia has coincided with a relentless stream of negative headlines about China.

China has seen its economy face significant headwinds, stemming most notably from the property sector and the periodic and disruptive COVID lockdowns across the country. Debt levels have risen over the past decade or so. Meanwhile, a slew of regulatory changes led to an oft-voiced fear that the private sector could be in structural retreat. Add to this, the geopolitical backdrop of tensions on multiple fronts.

We would prefer it if many aspects of the current setup were different. Nevertheless, for the moment, we maintain a meaningful investment in the country. These topics are complex and varied. Our discussion here will necessarily be simplified, but hopefully it will provide a sense of our thinking.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
China	49%	48%	48%
India	10%	9%	10%
South Korea	10%	8%	9%
Vietnam	6%	6%	5%
Taiwan	5%	5%	6%
Hong Kong	4%	4%	7%
Philippines	2%	2%	2%
Macao	2%	2%	1%
Singapore	2%	1%	1%
Indonesia	1%	1%	0%
Cash	8%	14%	11%
Shorts	-1%	-1%	0%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Consumer Discretionary	22%	20%	20%
Industrials	14%	12%	14%
Information Technology	14%	14%	14%
Real Estate	13%	13%	12%
Financials	12%	10%	13%
Consumer Staples	4%	4%	2%
Communication Services	4%	4%	4%
Materials	4%	3%	4%
Health Care	1%	1%	2%
Energy	0%	0%	0%
Other	4%	4%	4%
TOTAL NET EXPOSURE	91%	85%	89%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

As a starting point, it's important to acknowledge that it's easy to bring a perspective to this topic shaped by Australia's changing relationship with China. To see this in action, a recent survey run by the Australia Institute showed nearly one in four Australians think China will attack Taiwan soon, compared to only 5% of Taiwanese.[3]

While on the topic, a war over Taiwan is clearly one of the most concerning scenarios to contemplate for any investment in the region. After Russia's invasion of Ukraine, territorial battles have once again entered the collective consciousness. Nancy Pelosi's visit to Taiwan led to increased tensions and military demonstrations. The consequences for the world of such a conflict are almost too horrific to contemplate. The media gravitates towards amplifying sensationalist opinions, but the more prosaic and sanguine views expressed by the active intelligence community barely get a mention.

No one has a crystal ball, and there is no way to categorically rule out worst-case scenarios. However, our base case is that a war over Taiwan in the near term is unlikely. The economic ramifications of a war for China and the world would be enormous. China's economy remains tightly integrated into global supply chains. Despite efforts to reduce interdependence, the scale of the task is such that it is impossible to achieve within any reasonable period of time without drastic reductions in the quality of life for populations on both sides. After decades of trade surpluses, China holds trillions of dollars of international assets. If they took actions that resulted in widespread sanctioning, it could effectively mean that they would never be repaid for much of those net exports of the past two decades.

Our sense is that recent economic challenges in China may have actually provided a check to hardliners and a timely reminder that in the modern world, prosperity relies on relatively peaceful coexistence and cooperation.

Turning to the economic issues, from a short-term perspective, there are two primary culprits for the weak conditions in China: regulations around the property sector and its zero-COVID policy.

Property regulations were put in place to constrain surging house prices. Property in China was viewed by many as a one-way bet, which led to bad behaviour. Certain developers, like Evergrande, adopted ponzi-like business models built on leverage rather than focusing on construction. Consumers were engaging in creative practices to increase their own exposure to this "sure path to riches". The government saw issues accumulating and decided to crack down on it. They limited the leverage available to developers to stop land-banking, thus forcing developers to construct the projects they took on. There were also tweaks to the land auction system and a range of other measures. Developers who had decided it was easier to bet on land price appreciation rather than the hassle of construction now find themselves in trouble.

Comparisons with the US housing crisis ring a little hollow for us. In the US, demand was not real, as buyers couldn't afford the houses (remember the "NINJA" loans = No Income, No Job, and No Assets). Secondly, derivatives were the "weapons of mass destruction", resulting in people taking on credit risk without appreciating the risks they were assuming, instead relying on the imprimatur of ratings agencies (e.g. the AAA-rated "CDO-squared" securities of the mid-2000s). In China, the end consumer has been in better financial health, and the bulk of loans sit with large financial institutions who are conservatively capitalised, taking and provisioning for risks under the watchful eye of regulators.

Of course, as the saying goes, when the economic tide goes out, some will be caught swimming naked. We have seen small financial institutions exposed for engaging in fraud. There have also been some developers defaulting, but the scale of losses – while not small – is not yet unmanageable.

Finally, you may have heard of consumers refusing to pay their mortgages. In China, when a property is purchased off the plan, the consumer takes out a loan for the full amount early in the construction process. These funds are supposed to be used for the construction of that project. In some cases, however, developers used those funds to purchase other land or engage in other projects, meaning consumers are left paying a mortgage on a property they do not yet own and are now uncertain when (or if) they will get the property. The developers who engaged in these practices are now facing solvency issues. This last aspect is an issue, which still needs a proper resolution.

On top of the challenges from the property sector, China's zero-COVID policy has also impacted economic activity. This shows up periodically in supply chain disruptions as well as consumer demand for things like local services and travel. It's surprising they have continued holding on to this policy, and our base case remains that at some point they will move on. The timing is uncertain, but as of today, most restrictions remain in place.

3 https://australiainstitute.org.au/post/research-shows-impact-of-fearmongering-australians-more-frightened-of-china-than-taiwanese/

Clearly, there are aspects of all this that are uncomfortable. It is a situation we monitor closely and debate regularly. In the past three or four decades, the Chinese government has drawn credibility from the fact that it did improve living standards for the populace. With a weak economy and rising unemployment, our expectation is that this will sharpen its focus back on the basics of lifting living standards for the hundreds of millions of people still waiting to enter the middle class. If the government fails to respond to the economic challenges in the not-too-distant future, we would be concerned, but our expectation is that the current situation will serve as a reminder that the people of the country still want a better life. Where many observers see worrying trends of encroachment on the private sector, we largely see a government trying to work out how to achieve its social goals of securing and spreading wealth. These efforts are not always successful or effective, but the intent and direction still seem clear. Having had such a long period of unfettered growth, it took its eye off the ball, but we expect economic development will once again be re-prioritised.

All that said, we would highlight that despite the sharp sell-off in Chinese assets over the past year, we have not materially added to our position. While we remain optimistic that our investments in China should yield attractive returns, there are other attractive markets and assets across the region, and we continue to search broadly for opportunities.

During the quarter, members of our team visited Vietnam and Korea. Vietnam is a great economic story, still early in its development. Korea, meanwhile, is a technologically advanced country with a vibrant domestic economy. Historically, one challenge of investing in Korea has been poor corporate governance. However, legal and regulatory changes have been slowly improving these issues. New holdings were added to the portfolio as a result of this recent research trip, and we hope to tell you more about these opportunities in the near future.

Outlook

Looking at the broader macroeconomic environment, inflation remains an issue globally, but there are signs that rising rates may be starting to have their desired effect. If central banks around the world wish to continue shrinking their balance sheets, this could present headwinds to asset prices for a while yet. However, as we've noted in the past, many markets across Asia appear relatively better placed in this regard. We are finding promising businesses to invest in at valuations that appear attractive. Short of extreme scenarios, we would expect the portfolio to deliver healthy returns over the medium-to-longer-term horizon.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
InterGlobe Aviation Ltd	India	Industrials	4.8%
Taiwan Semiconductor	Taiwan	Info Technology	4.8%
ZTO Express Cayman Inc	China	Industrials	4.8%
Vietnam Ent Investments	Vietnam	Other	4.3%
Samsung Electronics Co	South Korea	Info Technology	4.0%
Ping An Insurance Group	China	Financials	4.0%
Tencent Holdings Ltd	China	Comm Services	3.8%
China Resources Land Ltd	China	Real Estate	3.5%
Trip.com Group Ltd	China	Cons Discretionary	3.4%
Alibaba Group Holding	China	Cons Discretionary	3.0%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/paf.

Platinum European Fund

Adrian Cotiga
Portfolio Manager

Nik Dvornak
Portfolio Manager

Performance

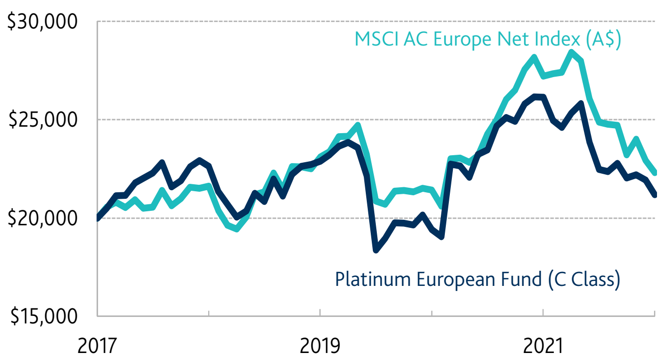
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum European Fund*	-4%	-19%	-3%	1%	10%
MSCI AC Europe Index^	-4%	-18%	-1%	2%	3%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 30 September 1998.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country Europe Net Index in AUD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned -3.9% for the quarter.[1]

European equity markets ended the quarter moderately lower. Higher-than-anticipated US inflation data was released in September. In response, the US Federal Reserve (Fed) raised its expected path for interest rates to 4.5-5.0% by the end of 2023 and many other central banks echoed this anti-inflation rhetoric. Investors are increasingly concerned that central banks will overreact, triggering a deeper-than-necessary recession. This ignited further appreciation in the US dollar and a sell-off in bonds and equities.

In late September, the Truss government delivered a mini-budget which featured significant tax cuts targeted at high-income earners in the UK. Wanton fiscal stimulus risks undermining efforts to control inflation leading to even higher inflation and interest rates. In this case, it may simply pile economic pain on average households while boosting discretionary income for the wealthy. The currency and bond markets were not amused, with longer-term interest rates spiking and the British pound collapsing to its lowest level against the US dollar since the Revolutionary War.[2]

For Europe, inflation remains a key challenge. While inflation rates are similar to those in the US, core inflation is lower in Europe. Europe avoided the frenzied US fiscal spending that followed the COVID outbreak. European inflation is driven more by the depreciating euro and the decision to end reliance on Russian energy fuels. Thus, the outlook for inflation and interest rates is more benign in Europe, although the disruption to energy supplies renders it more economically vulnerable in the near term.

Unemployment remains very low in the euro area, with even youth unemployment at record lows. However, concerns around energy availability have devastated consumer confidence, which is now well below its 2009 and 2020 lows. Consumers are battening down the hatches and holding back on spending. This is now being noted in companies' earnings guidance.

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

2 https://www.exchangerates.org.uk/articles/1325/the-200-year-pound-to-dollar-exchange-rate-history-from-5-in-1800s-to-todays.html

Energy, Utilities, and Financials were the best-performing sectors over the quarter, while Healthcare and Technology fared the worst.

Our best-performing stocks were Financials: **Beazley** (+13%), **Bank of Ireland** (+9%), and **Raiffeisen Bank International** (+18%). Financials benefit initially from higher interest rates, although there are diminishing returns at play and the threat of windfall taxes looms large.

Our worst-performing stocks were German fintech **Hypoport** (-52%) and Italian oil refiner **Saras** (-29%).

Hypoport owns the largest independent mortgage broker network in Germany. They noted that profits will fall short of expectations because consumers are delaying buying property. Fortunately, the company will continue to harvest trailing income from its interbank mortgage network, which will see them through this lean period. This company has been a very successful investment for us over many years. While we had sold much of our holdings in recent years, it looks to be an interesting proposition once more at current prices.

Saras is an oil refiner that is dependent on domestic refining margins. Having risen to unprecedented levels, these margins contracted somewhat this quarter, although they remain incredibly high. Concerns over windfall taxes and additional diesel exports from China also weighed on the stock.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
United Kingdom	23%	22%	18%
France	8%	7%	9%
Romania	8%	8%	6%
Switzerland	7%	8%	7%
Germany	7%	7%	10%
Ireland	6%	6%	5%
Austria	5%	4%	4%
Netherlands	4%	4%	2%
United States	4%	3%	3%
Spain	3%	3%	8%
Italy	2%	4%	3%
China	2%	2%	3%
Finland	2%	2%	3%
Czech Republic	2%	2%	1%
Sweden	1%	1%	0%
Norway	1%	1%	2%
Belgium	1%	1%	0%
Cash	13%	16%	13%
Shorts	-25%	-26%	-3%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Changes to the Portfolio

Major European equity indices have fallen roughly 20% over the last year. The euro has also depreciated around 18% against the US dollar over this period. One should be mindful that large multinationals, which earn a significant portion of their income in US dollars, feature heavily among European-listed companies. Thus, the de-rating of European stocks has actually been much more significant than it appears at face value.

During the quarter, we closed the remainder of our 'valuation' shorts. These were mostly high-quality businesses that traded on very high valuations. We have just three individual stock shorts, all targeting businesses that benefited temporarily from COVID-related disruptions and now face an increasingly challenging environment.

We also trimmed some of our better-performing holdings like **Saras** and **Beazley**. Note that Saras has performed extremely well this year (+78%), the recent pullback notwithstanding.

In recent reports, we highlighted how difficult it was to find attractive investment ideas that were sufficiently different from those we already owned. The September sell-off has induced us to dip our toes in the water and initiate positions in two global-branded goods companies. We have tracked both companies for many years, observing how their strategies and market positions were evolving and assessing management's operational capability and capital discipline. Our initial positions are small, but we hope to add to them if valuations fall further. Once the positions are established, we look forward to describing them in more detail.

Following these changes, the portfolio is 62% net invested with shorts and cash amounting to 25% and 13% of our capital, respectively.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Financials	30%	29%	30%
Industrials	13%	15%	17%
Consumer Discretionary	13%	10%	12%
Health Care	8%	7%	5%
Communication Services	6%	6%	5%
Information Technology	5%	1%	4%
Materials	4%	3%	5%
Real Estate	2%	2%	2%
Energy	2%	4%	3%
Consumer Staples	2%	2%	0%
Other	-22%	-22%	0%
TOTAL NET EXPOSURE	62%	58%	83%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Outlook

European investors have plenty to fret over. On the eastern frontier, fierce Ukrainian resistance has ground Russia's invasion to a halt. Russia's military capability is almost irreparably eroded, while successful counter-offensives have liberated territory and left Russia's army precariously exposed. Not only has this laid bare the fallacy that Russian victory is inevitable, it has also raised the possibility, however slight, of regime change in Russia.

Ukrainian grit and strength of character have greatly improved the base case outcome for the region. Europe feared having a powerful, aggressive Russia sniping at its eastern flank. Now it is more likely to face a defanged Russia and incorporate a strong, free, and potentially prosperous Ukraine into its community of nations. However, if the base case has improved, the tail risks have dangerously deteriorated. Russia is escalating. Gas supply to Europe has largely ceased. Up to 1.2 million men are being mobilised to fight the war. Threats of nuclear war are being brandished about. Investors are unlikely to sleep easily for some time yet.

With winter approaching, the sufficiency of energy supplies is another huge concern. This problem has many moving parts. How cold will the winter be? How much gas can be stored? To what extent can households be induced to reduce indoor temperatures? To what extent can industrial users switch from gas to oil?

Energy rationing may be likely, but it is also likely to be manageable. Governments are already announcing plans to shield households and small enterprises from the effects of higher energy prices. Thanks to COVID, bureaucrats now have experience in implementing furlough schemes to manage temporary shocks to the factors of production.

However, government support entails additional spending and borrowing, fuelling concerns of another sovereign debt crisis. We do not think this is likely when real interest rates are deeply negative; government debt is being inflated away, not spiralling out of control. However, if recession and disinflation take hold, this will be a serious concern.

What appeals to us about environments of elevated uncertainty is that they compress time frames. Investors tend to obsess over the here and now, working to decipher the minutiae of current issues. This can lead to tunnel vision, where the more they focus on understanding a particular outcome, the more they believe it will happen and extrapolate things, losing sight of other possible outcomes.

Our approach to investing requires us not to pontificate on ***what is***, but rather to think broadly and independently about what ***may be***. In doing this, we are not necessarily seeking to identify the outcomes that are most likely, but rather those that are most mispriced.

Almost invariably, what agitates investors the most today will be a distant memory a few years hence. Think back two and a half years ago to the early days of the COVID pandemic. People were ordered to stay home. Labour was removed from the economy. Would we catch the virus? Would we lose our livelihoods? Would we be able to source food and essentials? Would we be able to pay the mortgage? Would there ever be toilet paper in supermarkets again?! Two years on, and most people no longer harbour these anxieties. New ones have taken their place: Russia, gas, sovereign debt, recession.

We are mindful that it is in **bear markets** that an investor lays the foundation of their future performance. We are managing the Fund accordingly. We are moving slowly in anticipation of even better opportunities as the recession hits, but we are increasingly optimistic that we will soon be in a target-rich environment.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Beazley PLC	UK	Financials	4.1%
Fondul Proprietatea SA	Romania	Financials	4.1%
Booking Holdings Inc	US	Cons Discretionary	3.9%
Airbus SE	France	Industrials	3.6%
Banca Transilvania SA	Romania	Financials	3.6%
Bayer AG	Germany	Health Care	3.5%
Informa PLC	UK	Comm Services	3.4%
Raiffeisen Bank Intl	Austria	Financials	3.1%
Barclays PLC	UK	Financials	2.8%
ASML Holding NV	Netherlands	Info Technology	2.8%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pef.

Platinum Japan Fund

James Halse
Portfolio Manager

Performance

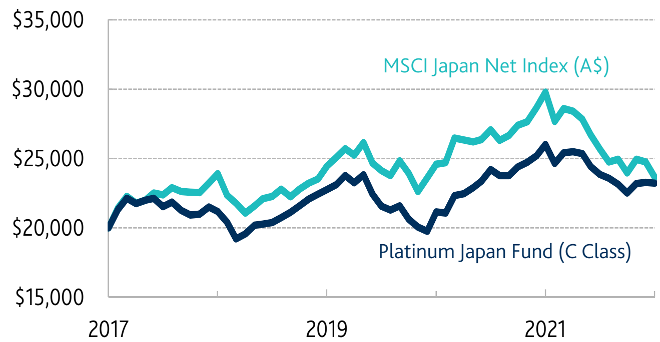
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Japan Fund*	3%	-11%	1%	3%	13%
MSCI Japan Index^	-1%	-21%	-1%	3%	3%

+ Excludes quarterly performance.
* C Class – standard fee option. Inception date: 30 September 1998.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI Japan Net Index in AUD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

Japanese stocks fell slightly in the quarter, having initially followed global markets higher before declining in the second half of the quarter. The Fund (C Class) returned 3.1%, driven by the performance of several core holdings.[1]

The market shook off the shocking event of the assassination of former Prime Minister Abe, despite the potential longer-term implications of his absence possibly opening the door for a reversal of corporate governance reforms. Several members of our Japan team were in Tokyo on the day of his controversial state funeral, and were awed by the crowds that turned out to mourn his passing. Near term, at least, his legacy seems likely to be respected, while it appears that Prime Minister Kishida is a politician who tries to sail with the winds rather than set a clear new course. This may make the current path the one of least resistance.

Currency fluctuations were again a major influence on markets, with the yen briefly crossing 145 to the US dollar (USD). The rapid pace of depreciation forced a reaction from the Ministry of Finance (MoF) and Bank of Japan (BoJ), with the latter intervening in the currency market, selling almost US$20 billion.[2] Japan has huge USD reserves, amounting to almost US$1.3 trillion, so retains significant scope to intervene further. That said, if it is required to significantly reduce its USD bond holdings, this could put further upward pressure on US interest rates, with potentially sizeable implications for global liquidity. It is not that the authorities believe a weak yen is bad per se, but more that the rapid pace of depreciation creates instability. In the words of the BoJ Governor Kuroda, it…

"… heighten[s] uncertainty by making it difficult for companies to set business plans. It's therefore undesirable and bad for the economy."[3]

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

2 https://www.ft.com/content/43bc3b84-14fe-406f-9b4f-ec73e995f382

3 Source: Reuters, 1/10/2022.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
Japan	80%	77%	80%
South Korea	8%	8%	6%
Cash	12%	14%	13%
Shorts	-6%	-2%	-5%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Industrials	21%	20%	19%
Information Technology	20%	21%	20%
Materials	19%	16%	13%
Consumer Staples	8%	9%	6%
Communication Services	6%	6%	9%
Consumer Discretionary	5%	8%	8%
Health Care	3%	2%	5%
Financials	0%	0%	2%
Real Estate	0%	0%	1%
TOTAL NET EXPOSURE	82%	83%	82%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Toyo Seikan Group	Japan	Materials	7.8%
Fujitec Co Ltd	Japan	Industrials	5.4%
Fuji Soft Inc	Japan	Info Technology	4.2%
MinebeaMitsumi Co Ltd	Japan	Industrials	4.1%
Hokuetsu Corp	Japan	Materials	3.7%
Pigeon Corp	Japan	Consumer Staples	3.4%
DeNA Co Ltd	Japan	Comm Services	3.2%
Toyota Motor Corp	Japan	Cons Discretionary	3.1%
Lixil Group Corp	Japan	Industrials	2.9%
SK Hynix Inc	South Korea	Info Technology	2.8%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pjf.

For the moment, the powers that be, seem intent on holding the yen at the sub-145 level. We had hedged out part of the Fund's yen exposure, so did not experience the full extent of the decline in the yen's value in the quarter. On learning of media reports of a meeting of key officials to discuss the yen, we returned our currency positioning to a more neutral level, ahead of the intervention announcement. For the moment, the intervention seems to have paused the descent but has not driven a sustained appreciation. It remains to be seen whether the new intervention policy has a temporary or more lasting effect.

From a fundamental perspective, Japan is now significantly more globally competitive from a labour cost standpoint. A company we met with on our recent research trip highlighted to us that the cost of a Japanese software engineer is similar to that of an engineer in Thailand. Anecdotally, from our own experience, even with a weak Australian dollar, the value on offer in shops and restaurants was obvious. For example, a delicious large bowl of pork-bone broth ramen with extra roast pork from a little place in Ebisu, central Tokyo, cost only A$13.60. A similar dish (with the extra pork) from a comparable establishment in central Sydney costs around A$26.

While the Platinum Japan research team likes Ramen, others may prefer using *The Economist's* Big Mac index to compare the cost of living across currencies. On that scale, Japan's currency is extremely undervalued for a developed market, with a Big Mac costing less there than it does in Vietnam, Thailand, Mexico, and Colombia.[4]

The currency is obviously cheap, however, it could still fall further if interest rate differentials with the US continue to widen. While the headline inflation number in Japan reached 3% year-on-year in August, core inflation and wage growth remain anaemic, and thus monetary policy is firmly anchored around the promise of maintaining the 10-year bond yield below 0.25%. This could change, should core inflation and wage growth accelerate, or if Governor Kuroda's replacement (his term expires next year) takes a more hawkish stance, in which case, we could see rapid yen appreciation.

The currency should also be supported in our view, by the return of tourism, and the recent decline in commodity prices, which impacts the trade balance as Japan is a resource-poor nation. The value on offer in Japan is unlikely to escape the notice of those planning overseas trips, with visitation poised to rebound dramatically as Japan reopens its borders from 11 October. When, as we expect, China eventually exits its zero-COVID policy, arrivals will likely far surpass previous records.

4 https://www.economist.com/big-mac-index, as of 21/07/22.

The yen weakness assisted a number of our holdings with sizeable offshore revenue bases. These included security firm **Suncorporation** (+22%), baby products maker **Pigeon** (+14%), and chemicals company **Kaneka** (+8%).

A better-than-expected result and positive movements in end-product pricing and input costs boosted packaging maker **Toyo Seikan** (+23%), while high-purity titanium metal producer **Toho Titanium** (+7%) continued to benefit from tightness in the aerospace market, leading to higher pricing as buyers seek to replace Russian-sourced product in their supply chains. Geophysical & geotechnical consultant **OYO Corp** (+13%) appreciated after beginning the latest in a series of meaningful share buybacks.

Major detractors from performance included housing products manufacturer **Lixil** (-17%), which declined on fears around the impact on its overseas businesses of the European energy crisis and US housing market weakness. Semiconductor production equipment manufacturer **Tokyo Electron** fell 19% as concerns grew around the semiconductor cycle and semiconductor producers announced cuts to orders of production equipment.

Changes to the Portfolio

During the quarter, we acquired a new position in a railway operator that has several interesting opportunities for earnings expansion, as well as non-core assets held on its balance sheet with a market value significantly larger than its current market capitalisation. We also added to our position in elevator maker **Fujitec**, as it has become more likely that the business will see corporate governance reforms as a result of pressure from activist shareholders. We increased our holding in system integrator **DTS Corp**, a participant in a growth industry with a reformed capital policy for the usage of cash on its balance sheet that comprises roughly one-third of its market capitalisation.

We reduced our position in brewer **Asahi Group**. A disappointing conversation with the Chief Financial Officer of the company made it clear that Asahi is unlikely to significantly reform its Japanese business or incorporate learnings from its overseas operations. We had hoped that a recent innovative product launch could begin the premiumisation of its beer portfolio in Japan, but instead, the company launched it at the same price as the existing offering. The concentration of the business in Central and Western Europe was also a concern in the current environment, and it is often the case that changes in the economic situation in foreign markets that impact Japanese businesses can take some time to filter through to stock prices in the Japanese market. We decided to try and get ahead of this dynamic. We have retained a smaller position as the stock remains reasonably attractively valued, and very attractive should the European energy situation be resolved.

Outlook

Our recent visit to Japan helped bring home the extent of the change in mindset underway within many organisations, which only served to heighten the contrast with those yet to evolve. Compared with previous visits in the years pre-COVID, a much larger percentage of companies have adopted meaningful targets for return on equity or capital, driving a restructuring in go-to-market approaches and disposals of non-core assets, complemented by meaningful cash returns to shareholders.

These factors, and low valuations in comparison with global peers, make Japan an interesting investment prospect even before we consider its growing cost competitiveness as a result of the cheapness of the currency. With this in mind, we will continue to seek out interesting opportunities while undertaking ongoing engagement with our investee companies around their governance, business strategy, balance sheet efficiency, and shareholder return policies. Indeed, many of the management teams we spoke with on our recent trip were open-eared to our message, and welcomed our positive feedback where initial reforms had been pursued. We anticipate further progress over the medium term that should unlock significant value for shareholders.

Platinum International Brands Fund

James Halse
Portfolio Manager

Performance

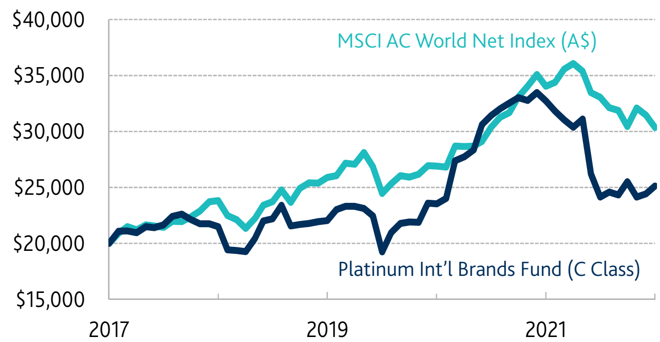
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Brands Fund*	-2%	-23%	4%	5%	11%
MSCI AC World Index^	0%	-11%	5%	9%	4%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 18 May 2000.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Net Index in AUD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

It was a quarter of two halves for global equity markets, with a wild intra-quarter ride that resulted in a round-trip roughly back to where we started. The Fund (C Class) returned -1.5%.[1]

Stocks rallied strongly through to mid-August, led by many of the weakest performers from the June quarter. Through this period, the Fund gave up all of the positive relative performance it had enjoyed in the three months to June, largely due to losses in our Chinese stock holdings and our short positions in strongly rebounding US consumer discretionary stocks. In the second half of the quarter, our view of the rally being a brief positioning-driven event proved correct, as the market sold off through to the end of the quarter on further strong US inflation prints and another hawkish rate increase by the US Federal Reserve (Fed).

The rapid increase in interest rates has caused market turmoil, leading central banks, such as the Bank of Japan and the Bank of England, to intervene in the currency and government bond markets, respectively, to ensure orderly pricing. Rising interest rates in the second half of the quarter benefited our short positions, both in relation to "bond-proxy" consumer staples and economically sensitive consumer discretionary stocks. Soaring European energy prices compounded this effect, leaving consumers in that region with less in their pockets to spend on daily needs, let alone splurge on occasional wants. Indeed, investment bank Jefferies estimates income available for discretionary expenditure in the UK could fall 6%, even with increased government subsidies for household energy bills.[2]

It is little wonder then, that UK consumer confidence reached all-time lows in September.[3] Other major European economies are faring little better, with German consumer confidence also plumbing new depths, and French consumer sentiment near its worst levels.[4] France should be somewhat better off than neighbouring countries due to the large weight of nuclear generation in its energy mix. However, barring reforms to the European Union (EU) electricity market, the price to consumers is set by the cost of the

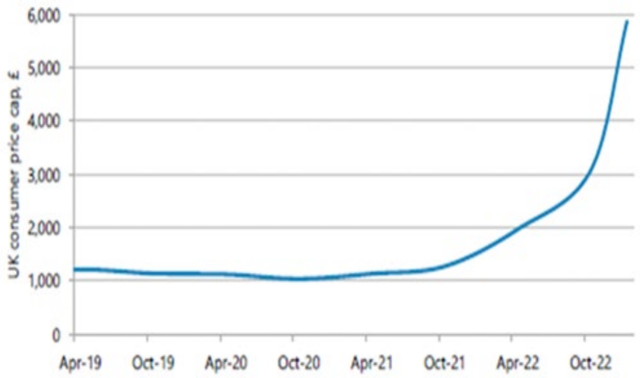
1 References to returns and performance contributions (excluding individual stock returns) in this Platinum International Brands Fund report are in AUD terms. Individual stock returns are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified.

2 Source Jefferies, 6 September 2022.

3 Source: GfK UK Consumer Confidence Indicator.

4 Source: GfK Consumer Confidence surveys for Germany and France.

Fig. 1: Average UK Household Energy Bill:
Forecast to jump to c. £6000 from early 2023



Source: OFGEM, Jefferies.

marginal unit of generation, which is (Russian) gas-fired. Falling consumer confidence is reflected in changing spending patterns, with consumers downtrading to private label brands in grocery stores, shopping more at discount supermarkets, and pulling back on "delayable" spending.[5]

While US consumer confidence has recovered somewhat from the record lows reached in June following declining gasoline prices, the situation is similar to that in Europe, if less severe. Lower-income consumers are especially impacted by the rise in the cost of necessities, resulting in delayed or foregone discretionary spending. Compounding this is the withdrawal of stimulus spending and an inventory glut occasioned by retailers extrapolating pandemic and stimulus-affected demand trends, as well as early/over-ordering in response to supply chain disruptions. We saw further weak results and downgrades to profit expectations from industry stalwarts Walmart (-7% from announcing its earnings to quarter end) and Target (-14% from results to quarter end), but even long-time growth favourites such as Nike have taken a hit from the necessity of discounting to clear overstocked apparel. The used car market, which had experienced dramatic price inflation, is now in a deep recession as rising interest rates and high prices have caused an affordability crisis. This has negatively impacted leading dealers such as Carvana (-10% in the quarter) and Carmax (-27% in the quarter).

5 Source: Jefferies, September 6 2022.

Fund performance was boosted by our position in social media platform **Twitter** (+22% from acquisition to quarter end). We acquired a 3.2% position in July, at an average of US$36.08 per share, after the stock sold off heavily following Elon Musk's announcement that he was terminating the agreed acquisition at US$54.20 per share. Our reasoning was that the agreement was about as favourable to Twitter as it could be, with Musk having waived due diligence. Also, Delaware courts have historically looked very unfavourably on buyers wishing to find loopholes in order to terminate for convenience. The stock appreciated with the progressive release of court rulings on preliminary issues that heavily favoured Twitter's view of matters, and has since spiked further (to US$52 at the time of writing) post quarter end, as Musk announced his intention to complete the transaction as agreed – perhaps in order to avoid the pecuniary cost and reputational fallout of an all-but-inevitable court defeat.

While merger arbitrage is not our usual investment strategy, where there is an agreed transaction in a stock within our Fund's mandate and there is a wide spread to the deal price, the risk/reward trade-off can be very enticing. Regular readers may remember that we successfully followed a similar strategy with regard to the dislocation during the height of the pandemic in the stock price of Tiffany in the context of LVMH's agreed bid for the company. However, we are very selective, for example, we have not taken a position regarding the current Activision-Blizzard/Microsoft transaction due to the uncertainty around obtaining competition authority approvals - particularly in the UK and Europe.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
Asia	37%	50%	42%
North America	19%	16%	12%
Japan	16%	17%	13%
Europe	10%	10%	25%
Cash	18%	6%	7%
Shorts	-29%	-43%	-14%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Consumer Discretionary	30%	56%	41%
Communication Services	13%	10%	12%
Consumer Staples	7%	14%	15%
Financials	3%	2%	7%
Industrials	2%	4%	3%
Real Estate	0%	0%	1%
Information Technology	-2%	0%	0%
Other	0%	-35%	0%
TOTAL NET EXPOSURE	53%	52%	78%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Bucking the trend of discretionary retail pain, Canadian womenswear player **Aritzia** rose 30% in the quarter, recovering from a dramatic sell-off in the first six months of the year. The company delivered strong sales and earnings, boosted by an ongoing revival in office wear and going-out occasion wear. Rising interest rates benefited **Raiffeisen Bank's** lending margins at the same time as the likelihood of finding a buyer for its Russian business appeared to increase. This combination, along with solid credit growth in core markets, sent the stock up 18% in the quarter.

Detractors from performance included our Chinese stocks across the board, as fears remain around the impact of economic issues stemming from the property market and ongoing zero-COVID policies. Digital platforms **Meta Platforms** and **Alphabet** fell -16% and -12%, respectively, on concerns around falling advertising budgets. Jeweller **Pandora** (-20%) declined on weaker discretionary spending. Our short positions detracted 0.6% from performance.

Changes to the Portfolio

We took the opportunity of the brief market rally to exit our remaining position in **Carvana** in July, realising significantly better pricing than what prevailed at the start and end of the quarter. While Carvana has generated significant contributions to the Fund's performance over time, the recent experience has been very poor, as the macro issues for the used car market were compounded by missteps in internal systems and logistics planning, exacerbated by a high degree of operating leverage in the model.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Prosus NV	China	Cons Discretionary	4.4%
Twitter Inc	US	Comm Services	4.1%
Meta Platforms Inc	US	Comm Services	3.8%
Pigeon Corp	Japan	Consumer Staples	3.2%
Yum China Holdings Inc	China	Cons Discretionary	3.2%
Nien Made Enterprise Co	Taiwan	Cons Discretionary	3.1%
Lixil Group Corp	Japan	Industrials	2.9%
Bayerische Motoren Werke	Germany	Cons Discretionary	2.8%
Trip.com Group Ltd	China	Cons Discretionary	2.7%
Melco Intl Development	Hong Kong	Cons Discretionary	2.6%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pibf.

We also exited our remaining holdings in e-commerce platform **Alibaba** as market share losses have persisted in a weak retail environment, and in fast-casual restaurant franchisor **Wingstop** as the stock appreciated beyond our target price.

We substantially trimmed our positions in Chinese online travel agent **Trip.com**, fast-food restaurant owner **Yum China**, and food delivery platform **Meituan**, following solid rallies.

New positions included **Twitter** and a small position in **Netflix**. Netflix has fallen 70% from its 2021 peak as the company disappointed on user growth and was thus unable to sustain a premium valuation. We see the business as one of the ultimate winners in a space that has seen intense competition, with prospects of competition lessening going forward, as well as an opportunity for improved monetisation from the introduction of an ad-supported pricing tier.

Outlook

The outlook for consumer stocks generally is rather bleak. Consumer staples are seeing volumes fall in response to aggressive price increases, exacerbated by consumers trading down to private-label products. Consumer discretionary earnings face a hangover from a pandemic-induced pull-forward in demand, compounded in many cases by currently elevated margins and sales that are yet to revert, or are in the process of reverting, to pre-pandemic levels. At the same time, consumer spending capacity is being crimped by the surging cost of living and interest rate increases. It is in this context that we are maintaining a relatively low net market exposure, with selected short positions based around the likely impact on stock prices of ongoing inflation, higher interest rates, falling real demand, increased competitive intensity, and margin and valuation reversion.

With that general outlook in mind, however, we are seeing great value emerge in many areas. Key examples are the major digital platforms such as Meta, Alphabet, and Netflix, and many Chinese stocks, which will likely prove to have been trading at bargain levels when the country ultimately exits from its zero-COVID policy. While cognisant of the ongoing risks to market performance, our long positions are now more attractively valued than they have been in the last 18 months, a dynamic from which we would expect the Fund to benefit from going forward.

Platinum International Health Care Fund

Dr Bianca Ogden
Portfolio Manager

Performance

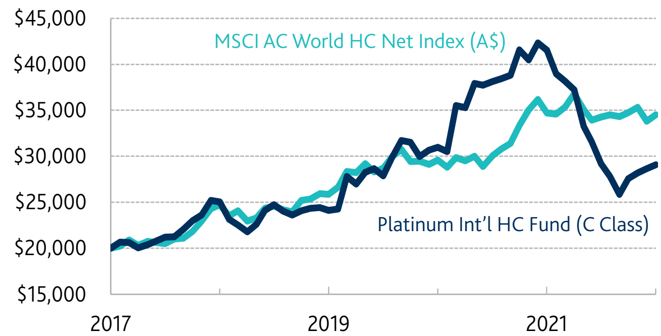
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HC Fund*	5%	-30%	6%	8%	9%
MSCI AC World HC Index^	-1%	-1%	10%	12%	9%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 10 November 2003.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Health Care Net Index in AUD. Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance. See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned 5.5% for the quarter.[1]

It was an eventful quarter, particularly for the biotech sector. Early on, we saw a gradual recovery in biotech stocks, but sentiment then changed as inflation and rising interest rates once again became the dominant market narrative. Positive data for an antibody for Alzheimer's disease (AD) shifted the focus late in the quarter, putting some spark back into the biotech sector.

The share market only tells half of the story of what transpired in the biotech sector during the quarter. It was a very busy period, with acquisitions, reverse mergers, equity raises, monetisation of research and development (R&D) or manufacturing sites, a successful biotech initial public offering (IPO), and to top it off, positive phase 3 data for the BioArctic/Eisai/Biogen's lecanemab, an anti-beta-amyloid antibody for AD (as mentioned above). Many expected the drug to fail, but as is often the case in drug development, surprises do occur, which can have wide-ranging long-term effects.

As we have highlighted previously, neurology, particularly neurodegenerative diseases, will see increased drug development activity in the coming decade. No doubt there will be challenges along the way. The lecanemab antibody is by no means a cure for AD, far from it, but it will foster future investments. It is similar to what ipilimumab and nivolumab did for immuno-oncology (IO).[2] These antibodies have put IO firmly on the map, and today, it is a major area of oncology drug discovery and development globally.

The Fund has invested in various neurology-focused biotech companies, which generally performed well over the quarter. Highlights include Swedish biopharma company **BioArctic** (+251% over the quarter), the company that discovered lecanemab, and US biotech **Prothena**, which rallied +123%.

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

2 Ipilimumab (anti-CTLA-4) and nivolumab (anti-PD-1) are both antibodies that are sold by Bristol Myers Squibb. CTLA-4 and PD-1 are immune checkpoints that play an important role in regulating the immune response towards cancers.

AC Immune (-12%), while weakening over the quarter, also benefited from the positive news re lecanemab, with its share price jumping 31% on the announcement in late September, helping it to claw back a large portion of its earlier losses during the quarter. Both Prothena and AC Immune are working on therapies for Alzheimer's disease and Parkinson's disease.

Elsewhere, **Prometheus Biosciences**' share price more than doubled during the quarter (+109%). The company held an R&D day and unveiled its next target for inflammatory bowel diseases. The company focuses on precision medicine, developing companion diagnostics alongside its therapeutics. We took the opportunity to trim our holdings on share price strength.

Myovant (+44%) was another strong contributor to performance over the quarter. The company continues to expand the label for Myfembree®, this time for the management of pain associated with endometriosis. Myovant is a commercial biotech company that has gradually expanded the use of relugolix, a gonadotropin-releasing hormone antagonist. In early October, Sumitomo Pharma, the majority shareholder of Myovant, offered to buy Myovant in full, however, Myovant rejected the offer.

US life sciences tools company **Quanterix** (-32%) had a volatile quarter. Quanterix focuses on biomarker detection in neurology. It is currently working with US pharmaceutical company Eli Lilly on Alzheimer's markers. Its chairman and CEO Kevin Hrusovsky retired, and Masoud Toloue was appointed as CEO, while Martin Madaus assumed the Chairman's role.[3] At the same time, the company reduced sales guidance and essentially cleaned house, causing a significant sell-off in the company. We saw this as a buying opportunity, as the management transition was a natural progression and the skillsets of both Toloue and Madaus will help pave the way for the next chapter in Quanterix's journey. The significant restructuring, albeit painful, is important as the company moves from research tool provider to also providing diagnostic tests. For Quanterix to trade below its cash balance was, in our opinion, unjustified. Given its focus on Alzheimer's disease, Quanterix also saw its share price rise sharply (+56%) after the positive antibody news. The stock provided a small positive contribution to the Fund's return in Australian dollar terms.

Sanofi (-19%) was a key detractor from performance. Just when Sanofi started to find its mojo, the known Zantac litigation reared its head again and investors abandoned ship. In 2019, it emerged that nitrosamine impurities were found in

3 Masoud Toloue joined Quanterix in July 2021 after having been part of PerkinElmer's diagnostic division. Martin Madaus is a life sciences veteran who was the CEO of Millipore for many years.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
North America	40%	41%	43%
Europe	25%	26%	19%
Australia	12%	13%	10%
Japan	4%	4%	4%
Asia	3%	4%	8%
Other	1%	1%	1%
Cash	15%	11%	15%
Shorts	-5%	-3%	-1%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Biotechnology	50%	54%	55%
Pharmaceuticals	24%	25%	21%
Life Sciences Tools & Services	6%	5%	6%
Other	1%	2%	2%
TOTAL NET EXPOSURE	80%	86%	84%

See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
SpeeDx Pty Ltd	Australia	Biotechnology	6.7%
Takeda Pharmaceutical	Japan	Pharmaceuticals	3.7%
Bayer AG	Germany	Pharmaceuticals	3.2%
Sanofi SA	France	Pharmaceuticals	3.0%
Exscientia Plc	UK	Biotechnology	2.7%
Ideaya Biosciences Inc	US	Biotechnology	2.7%
Quanterix Corp	US	Life Sciences Tools	2.7%
Telix Pharmaceuticals Ltd	Australia	Biotechnology	2.4%
Gilead Sciences Inc	US	Biotechnology	2.3%
UCB SA	Belgium	Pharmaceuticals	2.2%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pihcf.

Zantac products at an elevated level. NMDA can be found in many things at low levels, and the ongoing debate for many years has been about its carcinogenic potential, specifically around what levels and what length of exposure are required to cause cancer. Sanofi withdrew Zantac from the market in 2019, and since then, the lawsuits have mounted, with court cases to start next year. In drug development, these lawsuits are not uncommon, nor are settlements. While many quickly point the finger at bad pharma companies, it's important to note that science evolves over time, and with any therapeutic it is all about the benefit-risk profile. Zantac has been around for over 35 years. It has been sold by many companies, with Sanofi only selling the product since 2016. This is a complex litigation with many companies involved. Our analysis of the fundamentals of Sanofi continue to show a solid vaccine business and a pharma business that is gradually being transformed, while at the same time, it is also a consumer business that offers options. We continue to stay invested.

Commentary

The biotech industry is currently experiencing challenging times. It's not the first time, and it won't be the last. Companies with limited pipeline optionality or 'in-demand' technology will struggle to raise money or attract partnership interest. In addition, the Inflation Reduction Act of 2022[4] will most likely particularly impact small molecule drug development, given that the Act contains a provision for price negotiations to occur after nine years post approval. Companies will likely rethink their development approach to focus on their most lucrative indication first. As a consequence, some believe that we will see a further shift towards biologics (medicines that are grown and then purified from large-scale cell cultures of bacteria or yeast, or plant or animal cells).[5]

Keeping these trends in mind, **Merus** is a company that we find interesting. Merus is a Dutch biotech founded in 2003 that focuses on making antibodies that combine two or more different antigen-binding sites, so-called bi-, tri-, or multi-specific antibodies, that target cancer.

This is a growing therapeutic modality that traces its origins back to the 1960s. A lot of work has been done to convert these complex molecules into a therapeutic class. The evolution of genomic, molecular, and protein-engineering tools has played an important role in making manufacturing easier and, most importantly, cheaper. Merus is one company that has a unique and competitive 'platform' in this space, namely its MeMo® mouse (a genetically engineered mouse that makes 'single-light chain' antibodies), along with a screening process and heterodimerisation technology. Having a platform is great, but it is only as good as the clinical data that the pipeline produces. To get the best antibody for further development, a diverse set of antibodies is the best starting point to initiate screening for perfect binding to their target as well as the side-effect profile. Merus is able to quickly produce potential pipeline candidates. Over the years, Merus has developed a pipeline of bi-specific antibodies and has also entered into a number of partnerships with Incyte and Eli Lilly, both acquiring shares in Merus. Today, Merus has four molecules in clinical development with zenoctumab (Zeno), a bi-specific in the late stages of development for pancreatic cancer with Neuregulin-1 (NRG1) fusions. The plan is to get a cancer agonist approval and hence allow usage in advanced NRG1 fusion positive cancers. It is expected that this company will have an approved product within 18 months. Merus is under no illusion that it may need a partner for commercialisation. Zeno's market opportunity is limited as NRG-1 fusions are rare. However, Zeno represents proof that this platform can produce viable products, and hence the pipeline is expected to become more valuable. We have seen companies being acquired for these types of targeted oncology drugs and also for the platform once the lead drug receives approval.

4 The Inflation Reduction Act includes large investments in fighting climate change, making health care and prescription drugs more affordable, and taxing wealthy corporations. https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/15/by-the-numbers-the-inflation-reduction-act/

5 https://www.who.int/health-topics/biologicals#tab=tab_1

Outlook

We are gradually moving through a changing macroeconomic environment. During the quarter, we saw life sciences tool companies weaken as they noted longer timelines for purchase decisions. Quarterly results for medical device companies are eagerly awaited by investors to assess the impact of the economic downturn on elective surgery procedure development. Similarly, many are watching closely at how the clinical research organisations are faring, given the less-than-stellar financing environment for biotechs. Medical conferences will return in this upcoming quarter, while many companies will hold R&D days to showcase their assets and report on their progress. We are keeping a close eye on the detailed presentations of various Alzheimer's disease programs to be released in late November. Undoubtedly, this is a challenging market, but we have also seen a lot of positive progress being rewarded.

Out of misery comes innovation. As the author Max Frisch said, *"Krise ist ein productiver Zustand. Man muss nur den eschmack der Katastrophe nehmen*".[6]

6 Translated: "A crisis is a productive state. You simply have to eliminate the aura of it being a catastrophe."
Source: https://www.zitate.eu/autor/max-frisch-zitate/189201

Platinum International Technology Fund

Alex Barbi
Portfolio Manager

Performance

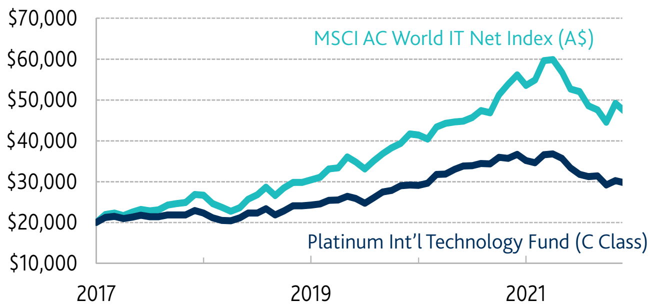
(compound p.a.+, to 30 September 2022)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Tech Fund*	-6%	-22%	4%	7%	9%
MSCI AC World IT Index^	-1%	-18%	13%	17%	3%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 18 May 2000.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World IT Net Index in AUD. Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 40. Numerical figures have been subject to rounding.

Value of $20,000 Invested Over Five Years

30 September 2017 to 30 September 2022



After fees and costs, before tax, and assuming reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited, FactSet Research Systems. See notes 1 & 2, page 40.

The Fund (C Class) returned -5.9% for the quarter.[1]

The Fund's performance was disappointing, and largely reflected negative contributions from our Asian holdings (Chinese internet names and semiconductor companies in South Korea and Taiwan). A weaker Korean won, which depreciated by 5% against the Australian dollar (AUD), also detracted from performance. Conversely, the 7% decline of the AUD against the US dollar contributed positively to performance, with the Fund holding a 42% exposure to US names.[2]

The September quarter was a tale of two stories for technology stocks. From the end of June until mid-August, investors were eagerly bidding the market higher (Nasdaq 100 Index +18%) as expectations grew that a modest economic slowdown and lower inflationary pressures in the US would convince the Federal Reserve (Fed) to moderate or even reverse its tightening monetary policy stance.

Unfortunately, investors' expectations turned out to be too optimistic as inflation remained stubbornly elevated throughout the quarter, and Fed Chairman Jerome Powell made it clear during a speech at the Jackson Hole Economic Symposium on 26 August that he was serious about his tasks.

He stated that, "While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses. These are the unfortunate costs of reducing inflation. But a failure to restore price stability would mean far greater pain." He also stressed that, "Restoring price stability will likely require maintaining a restrictive policy stance for some time. The historical record cautions strongly against prematurely loosening policy." Chairman Powell finished his speech strongly with, "We will keep at it until we are confident the job is done." Investors did not like the more hawkish tone and the Nasdaq 100 consequently reversed its earlier climb.[3]

1 References to fund returns and performance contributions (excluding individual stock returns) in this Platinum International Technology Fund report are in AUD terms. Individual stock and index returns (excluding the MSCI AC World IT Index) are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified.

2 Source: FactSet Research Systems.

3 https://www.federalreserve.gov/newsevents/speech/powell20220826a.htm

During the quarter, the Fed raised the Fed Funds rate twice for a cumulative lift of 150 basis points to 3.25%, negatively impacting asset valuations.

In this context, technology stocks were not exempt from market gyrations as investors reassessed valuations and prospects in light of the more aggressive monetary policies on the horizon.

The Nasdaq-100 Technology Sector Index returned -8% for the quarter and the more cyclical PHLX Semiconductor Sector Index fell 10%, as more evidence surfaced that a slowdown in demand for smartphones, PCs, servers, and consumer electronics is going to impact demand for electronics components.

Software and cloud stocks were not immune to the negative tone of the market as investors remained sceptical about highly valued names, with several high-profile companies signalling decelerating revenue growth. The S&P North America Technology/Software Index returned -7% for the quarter.

High-growth but unprofitable technology companies weakened again in the quarter, but the rate of decline moderated. The ARK Innovation ETF fell 5% for a cumulative -60% return for the calendar year to date.

The sell-down in the Fund's holdings was broad-based with the exception of our Japanese stocks, which all ended in positive territory, and pockets of resilience in some of our European names.

Detractors included our Chinese internet names (**Alibaba** -30%, **Tencent** -25%, **JD.com** -22%), semiconductors (**Taiwan Semiconductor Manufacturing** -11%, **Samsung Electronics** -10%, **Western Digital** -27%), and telecom equipment (**Ericsson** -22%, **Ciena** -12%).

As mentioned, our Japanese holdings all finished in positive territory. The standouts were property-tech platform **GA Technologies** (+20%) and IT integration specialist **DTS Corp** (+14%). In the US, **Microchip Technology** (+5%) and PayPal (+23%) provided a positive contribution to performance, with both reporting better-than-expected earnings and guiding for an improved outlook. In Europe, **Prysmian** (+13%) and **Allfunds** (+3%) contributed positively to performance.

At the end of the quarter, the Fund was 81% net invested, with 8% in cash and 11% in shorts.

Disposition of Assets

REGION	30 SEP 2022	30 JUN 2022	30 SEP 2021
North America	44%	38%	47%
Asia	30%	30%	24%
Europe	11%	10%	10%
Japan	7%	5%	4%
Cash	8%	17%	15%
Shorts	-11%	-5%	-3%

See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	30 SEP 2022	30 JUN 2022	30 SEP 2021
Information Technology	58%	54%	50%
Consumer Discretionary	12%	12%	9%
Communication Services	12%	11%	19%
Industrials	4%	4%	5%
Financials	2%	1%	0%
Health Care	0%	0%	0%
Other	-7%	-3%	-1%
TOTAL NET EXPOSURE	81%	78%	82%

See note 4, page 40. 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	5.7%
Ciena Corp	US	Info Technology	4.7%
SK Hynix Inc	South Korea	Info Technology	4.3%
Samsung Electronics Co	South Korea	Info Technology	4.2%
Taiwan Semiconductor	Taiwan	Info Technology	4.0%
JD.com Inc	China	Cons Discretionary	3.7%
Micron Technology Inc	US	Info Technology	3.7%
Meta Platforms Inc	US	Comm Services	3.6%
Analog Devices Inc	US	Info Technology	3.2%
Ericsson LM-B	Sweden	Info Technology	3.2%

As at 30 September 2022. See note 5, page 40.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit https://www.platinum.com.au/our-products/pitf.

Commentary

In the nine-month period to 30 September 2022, global initial public offering (IPO) volumes fell 44%, with proceeds down by 57% compared to the corresponding period in 2021,[4] and the US market is set to record its lowest calendar year proceeds since 2003. Similarly, global merger and acquisition (M&A) volume was US$642 billion between July and September, which was a 42% drop from the prior quarter and the lowest third-quarter figure in a decade, based on preliminary figures from Refinitiv.[5] It's also the slowest overall quarter since the pandemic-ravaged 2020 second quarter.

Corporate and private equity buyers have slowed the pace of their acquisitions. Even Japanese conglomerate SoftBank, one of the most aggressive investors of the last decade, has been beaten into a retreat. The Japanese company has, in fact, recorded a US$24 billion loss for the three months to June, following a US$18 billion loss in the previous quarter, largely the result of write-downs on investments acquired at much higher valuations during the last few years. SoftBank has reportedly started laying off 150 of the 500 staff at its Vision Funds to contain costs. The founder, Masayoshi Son, recently said that, "If we had been a little more selective and invested properly, it would not have hurt as much", and that he was "ashamed" of himself "for being so elated by big profits in the past".[6]

Indeed, Masayoshi Son was amongst the main backers of Adam Neumann of WeWork fame.[7] SoftBank retains a 57% majority stake in WeWork after investing at significantly inflated valuations, the most recent was in 2019 at US$47 billion. The company eventually listed on the US stock market in 2020 but it is now worth only US$1.9 billion, a 96% decline from the over-hyped levels promoted by its founders only three years ago. The WeWork debacle is illustrative of how one cannot build a business on a greater fool's theory.

Ultimately, valuations do matter, and particularly so when the cost of money is rising. Having said that, though, it seems that valuations in the so-called private markets remain elevated and they have not fully adjusted to the new reality. A case in point is software house Adobe offering US$20 billion in cash and stock to buy privately held tech company Figma, an emerging player in browser-based user interface design software. This was one of the highest prices ever offered for a private equity-owned tech company: a valuation of 50 times sales, which Adobe felt compelled to pay in order to acquire a fast-growing company, potentially disrupting the competitive landscape.

At the other end of the spectrum, it's interesting that a few private equity institutions have recently intensified their incursions in the US stock market and offered to take private some software companies that have had poor stock price performance. Vista Equity Partners, Thoma Bravo and Hellman & Friedman acquired Avalara, Ping Identity, and Zendesk, respectively, at valuations of between 4.8 and 7.9 times their 2023 expected sales, a much-reduced level compared to levels prevalent only a year ago. Perhaps this is a sign that valuations in the public markets are now more attractive than those in private ones.

Outlook

As investors continue to navigate through stormy waters, with strong headwinds coming from the tightening of monetary policies by Western central banks, we can expect similar weather for the next quarter, at least until a few signs emerge that inflation is under control. Corporate profits are inevitably going to be negatively impacted by an economic slowdown, and consensus estimates for this year and next year, across many technology stocks, are being revised down.

The good news is that the stock market works as an anticipatory mechanism, and stock prices tend to anticipate the bottom by a few months or quarters. That seems already evident in some of our holdings in the semiconductor space, where recent reports of production cuts and capex reductions have not impacted their stock prices, and investors are now attracted to the heavily marked-down valuations.

Similarly, in China, the possible loosening of tight COVID-19 restrictions in the next few months should help the economy to recover and positively impact our holdings operating in the e-commerce, advertising, and travel industries.

4 https://www.ey.com/en_gl/ipo/trends

5 https://www.axios.com/2022/09/30/global-mergers-acquisition-market-q3

6 https://on.ft.com/3SGXG09, 8 August 2022.

7 Refer to our September 2019 quarterly report for our discussion on WeWork https://www.platinum.com.au/PlatinumSite/media/Reports/pitfqtr_0919.pdf

Glossary

Dividend yield

A ratio that indicates how much a company pays out in dividends each year relative to its share price.

Earnings yield

A company's earnings per share over a 12-month period divided by its share price and expressed as a percentage, the earnings yield is the reciprocal of the price-to-earnings (P/E) ratio and is a measure of the rate of return on an equity investment.

Earnings before interest and tax (EBIT)

A measure of a company's profitability, EBIT is all profits before deducting interest payments and income tax expenses. It is calculated as revenue minus cost of goods sold and operating expenses.

Price-to-book ratio (P/B)

The ratio of a company's current share price to its book value (total assets minus intangible assets and liabilities). It is an indicator of the value of a company by comparing its share price to the amount of the company's assets that each share is entitled to.

Price-to-earnings ratio (P/E)

The ratio of a company's current share price to its per-share earnings, P/E is used as an indicator of the value of a company by comparing its share price to the amount of per-share earnings the company generates. A high P/E ratio suggests that the company's share price is expensive relative to the company's profits, which usually implies that investors are expecting the company's future profits to grow quickly.

Return on equity (RoE)

RoE is a measure of a company's profitability and the efficiency with which it generates earnings from every unit of the funds that shareholders have invested in it. It is calculated as profit (or net income after taxes) divided by shareholders' equity.

Purchasing Managers' Index (PMI)

An indicator of the economic health of the manufacturing sector. It is derived from monthly surveys of purchasing executives at private sector companies and is based on five major indicators: new orders, inventory levels, production, supplier deliveries and employment environment. A reading of greater than 50 indicates expansion of the manufacturing sector when compared to the previous month, while a reading of under 50 represents a contraction.

Quantitative easing (QE)

A monetary policy used by central banks to increase the supply of money by buying government bonds (and, to a lesser extent, other assets such as corporate bonds and shares) from the market. The intended outcome is to lower the yield on those assets, increase the total money supply in the financial system, and encourage more lending by banks and thus greater economic activity. Central banks use QE to stimulate the economy when interest rates are already at or close to zero.

Shorting

Short-selling or "shorting" is a transaction aimed at generating a profit from a fall in the price of a particular security, index, commodity or other asset. To enter into a short sale, an investor sells securities that are borrowed from another. To close the position, the investor needs to buy back the same number of the same securities and return them to the lender. If the price of the securities has fallen at the time of the repurchase, the investor has made a profit. Conversely, if the price of the securities has risen at the time of the repurchase, the investor has incurred a loss.

Yield

Yield refers to the income generated from an investment (such as interest from cash deposits, dividends from a shareholding, or rent from property), usually expressed as an annual percentage rate based on the cost of the investment (known as cost yield) or its market price (known as current yield). For bonds, the yield is the same as the coupon rate (assuming the bond is purchased at par or is trading at par). Any increase or decrease of the yield relative to the coupon rate is approximately inversely proportional to any change in the bond price (yields fall as prices rise, and vice-versa).

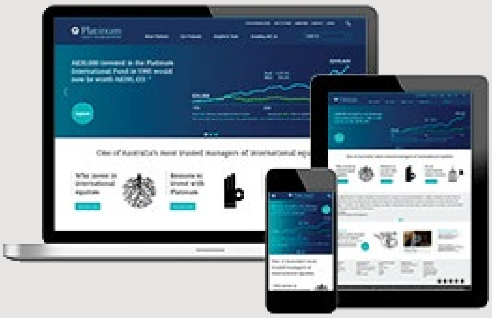
Yield curve

A yield curve plots the interest rates (or yields) of comparable debt instruments with different maturities. Starting on the left with the yields of shorter-term instruments, the curve typically slopes upwards to the right, reflecting investors' desire to be compensated for the uncertainty associated with locking their money away for longer periods of time. An inverted yield curve occurs when longer-term debt instruments have a lower yield than shorter-term debt instruments, reflecting expectations of weaker economic conditions – and hence lower interest rates – in the future.

The Journal

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 Quarterly Reports in **audio podcasts** or watch brief market updates in **video** format.



Recent highlights include:

- **Webinar - Shifting Sands: The Cycle Looks to Have Changed - Should Your Investments Change Too?**[1] Investment specialists Julian McCormack and Henry Polkinghorne provide a cautionary view of the deflating US equity bubble, the ongoing threat that abnormally high levels of inflation pose to asset prices, and a look at how the current situation is quite different for the Chinese economy.
- **Video - Riding the Energy Capex Wave.**[2] Following an eight-year recession in capital spending and extensive cost-cutting, the oil and gas industry is seeing a large step-up in activity as countries seek to invest in and develop new sources of supply. From our experience, when you combine a big increase in spending with an extremely lean industry, excellent profit outcomes can follow, as co-CIO and portfolio manager Clay Smolinski explains.
- **Video – Batteries Enabling the Energy Transition.**[3] Batteries are a key enabler of the energy transition, not just for home and grid storage but also for transport applications. Rapid growth, high barriers to entry, and massive innovation are just three reasons Liam Farlow believes batteries are an exciting area to invest in over the next 5-10 years.
- **Video - Power Semiconductors Powering Our Lives.**[4] A key part of Platinum's investment process is to look for areas of change that are underappreciated by the market. The wide adoption of EVs and the transition to green energy will have a profound effect on the power semiconductor market and our lives, with the No. 1 manufacturer, Infineon Technologies, just one of many companies that have captured our attention, as Jimmy Su explains.
- **Article - Getting Personal in Consumer Staples.**[5] Three broadly related personal categories, feminine care, adult incontinence, and pet hygiene offer some of the most attractive investment opportunities in the consumer space from a profitability and growth perspective, as Craig Pan explains.
- **Article - Fast and Not so Fast Food.**[6] US "fast-casual" restaurants Wingstop and Shake Shack have delivered very different operating results and returns on investment in their relatively short lives. The reason? Two very different approaches to selling fast food – with one proving to be a clear winner for investors. Josh Pettman shares some insights.
- **Article - A Postcard from NYC: Pets, Pools and Price Increases.**[7] The shift in work and home dynamics since the onset of the pandemic has been a boon for consumer spending on home furnishings. The pet and pool industries are experiencing a similar COVID windfall, but interestingly, their stocks have not performed as well as one would expect. James Foreman explains why that's the case and the opportunities this may present.

1 https://www.platinum.com.au/Insights-Tools/The-Journal/Shifting-Sands-The-Cycle-Looks-to-Have-Changed-Sho

2 https://www.platinum.com.au/Insights-Tools/The-Journal/Riding-the-Energy-Capex-Wave

3 https://www.platinum.com.au/Insights-Tools/The-Journal/Batteries-Enabling-the-Energy-Transition

4 https://www.platinum.com.au/Insights-Tools/The-Journal/Power-Semiconductors-Powering-Our-Lives

5 https://www.platinum.com.au/Insights-Tools/The-Journal/Getting-Personal-in-Consumer-Staples

6 https://www.platinum.com.au/Insights-Tools/The-Journal/Fast-and-Not-so-Fast-Food

7 https://www.platinum.com.au/Insights-Tools/The-Journal/A-Postcard-from-NYC-Pets-Pools-and-Price-Increases

Bobbin Head Cycle Classic 2022

After being postponed in March due to inclement weather, the Bobbin Head Cycle Classic (the "Bobbo") took place in September.

Now in its 11th year, the Bobbo is an annual fundraising event organised by the Rotary Clubs on Sydney's North Shore.

It was great to see the loyal cycling aficionados and supporters return to this year's event.

Once again, Platinum was delighted to be the official partner of such a wonderful event.

The funds raised in 2022 will be used to help Lifeline, a charitable organisation dedicated to providing crisis support and suicide prevention services.

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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) of the stated unit class of the Fund 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. Where applicable, the gross MSCI index was used prior to 31/12/98. 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$20,000 invested in C Class (standard fee option) of the Fund over the specified period relative to the specified MSCI index in AUD.
3. The geographic disposition of assets (i.e. other than "cash" and "shorts") 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. With effect from 31 May 2020, country classifications for securities were updated to reflect Bloomberg's "country of risk" designations and the changes were backdated to prior periods. "Shorts" show the Fund's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "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 net exposures to the relevant sectors through its long and short securities positions and long and short 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".

   The Platinum Global Fund (Long Only) does not undertake any short-selling of stocks or indices. As a result, its net sector exposures through its securities positions and securities/index derivatives positions are its sector exposures through its long securities and long securities/ index derivatives positions.
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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About us

Investor services numbers

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Platinum Asset Management is a Sydney-based manager specialising in international equities. The investment team uses a thematic stock-picking approach that concentrates on identifying out-of-favour stocks with the objective of achieving superior returns for our clients. We pay no heed to recognised indices. We aim to protect against loss and will hedge stocks, indices and currencies in our endeavours to do so.

The firm was founded in February 1994 by a group of professionals who had built an enviable reputation. The investment team has grown steadily and Platinum now manages around A$17 billion. Platinum's ultimate holding company, Platinum Asset Management Limited (ASX code: PTM), listed on the ASX in May 2007.

Since inception, the Platinum International Fund has achieved superior returns to those of the MSCI AC World Net Index (A$)* and considerably more than interest rates on cash.

* Please refer to page 2.

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