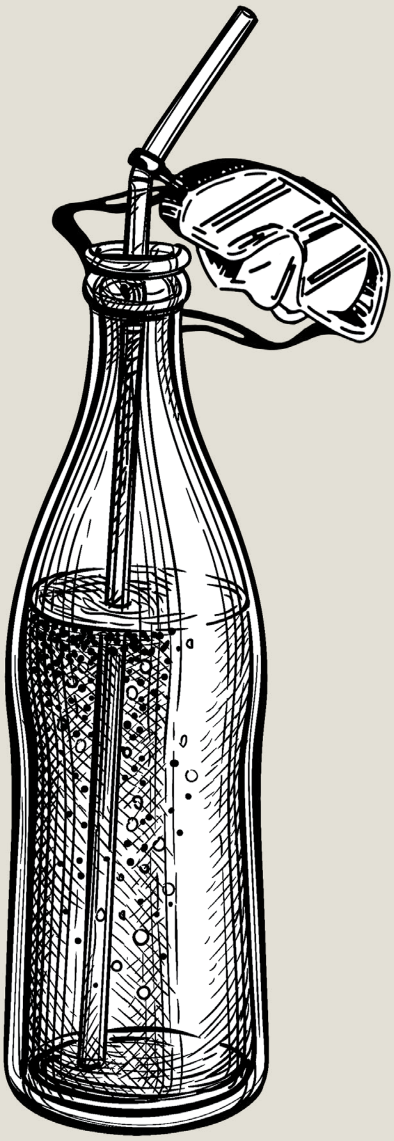
Platinum International Fund
Platinum Global Fund (Long Only)
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Sciences Fund
Platinum International Technology Fund

Quarterly Report

31 DECEMBER
2023



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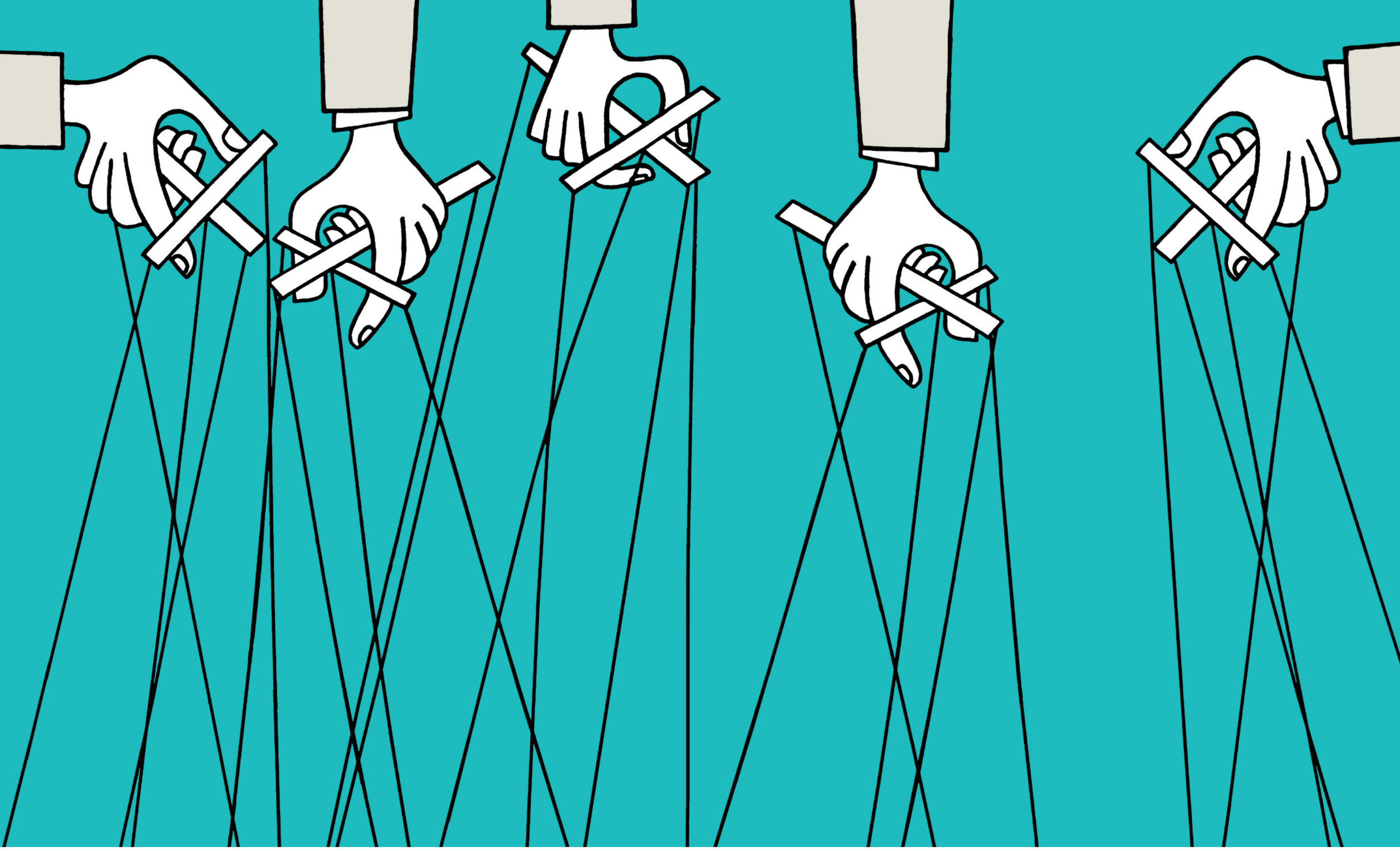
- You can find a PDF version of this Quarterly on our website – usually around the 15th of the month following quarter end. Go to www.platinum.com.au/investing-with-us/investment-updates.
- Our analysts and Portfolio Managers regularly share their insights and report on their research and on company meetings via our social media channels – **LinkedIn** (/platinum-asset-management) and **X** (@platassetmgmt).
- The Journal page of our website features articles and videos on different investment themes - www.platinum.com.au/insights-tools/the-journal.

Performance Returns

to 31 December 2023

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)	**5,927.0**	**0.0%**	**4.2%**	**3.6%**	**5.8%**	**7.3%**	**11.2%**	**30 Apr 1995**
Platinum International Fund (P Class)	27.2	0.0%	4.5%	3.9%	6.0%	7.6%	6.3%	3 Jul 2017
MSCI All Country World Net Index (A$)		5.0%	21.4%	3.1%	10.2%	12.4%	7.5%	30 Apr 1995
Platinum Global Fund (Long Only) (C Class)	**163.3**	**3.2%**	**14.3%**	**2.5%**	**6.4%**	**7.8%**	**9.8%**	**28 Jan 2005**
Platinum Global Fund (Long Only) (P Class)	3.0	3.3%	14.6%	2.7%	6.7%	8.1%	6.9%	3 Jul 2017
MSCI All Country World Net Index (A$)		5.0%	21.4%	3.1%	10.2%	12.4%	8.1%	28 Jan 2005
Platinum Asia Fund (C Class)	**2,240.9**	**-2.3%**	**-1.1%**	**-5.2%**	**-4.3%**	**5.9%**	**12.0%**	**4 Mar 2003**
Platinum Asia Fund (P Class)	9.0	-2.3%	-0.8%	-5.0%	-4.1%	5.9%	5.3%	3 Jul 2017
MSCI All Country Asia ex Japan Net Index (A$)		0.7%	5.3%	-4.8%	-2.8%	4.3%	8.5%	4 Mar 2003
Platinum European Fund (C Class)	**337.6**	**3.2%**	**14.1%**	**2.8%**	**5.7%**	**6.0%**	**10.3%**	**30 Jun 1998**
Platinum European Fund (P Class)	3.8	3.3%	14.4%	3.1%	6.0%	6.2%	5.5%	3 Jul 2017
MSCI All Country Europe Net Index (A$)		5.1%	19.3%	3.0%	9.4%	9.2%	3.8%	30 Jun 1998
Platinum Japan Fund (C Class)	**422.6**	**4.0%**	**14.2%**	**3.4%**	**6.6%**	**6.9%**	**12.6%**	**30 Jun 1998**
Platinum Japan Fund (P Class)	10.8	4.1%	14.4%	3.7%	6.9%	7.1%	6.0%	3 Jul 2017
MSCI Japan Net Index (A$)		2.3%	19.6%	3.4%	4.9%	7.6%	3.5%	30 Jun 1998
Platinum International Brands Fund (C Class)	**357.2**	**-4.1%**	**-5.9%**	**-7.2%**	**-1.9%**	**6.3%**	**10.7%**	**18 May 2000**
Platinum International Brands Fund (P Class)	1.8	-4.0%	-5.6%	-6.9%	-1.7%	6.5%	5.4%	3 Jul 2017
MSCI All Country World Net Index (A$)		5.0%	21.4%	3.1%	10.2%	12.4%	4.6%	18 May 2000
Platinum International Health Sciences Fund (C Class)	**408.1**	**7.2%**	**10.5%**	**-5.5%**	**-1.9%**	**8.8%**	**9.2%**	**10 Nov 2003**
Platinum International Health Sciences Fund (P Class)	10.3	7.3%	10.7%	-5.2%	-1.8%	8.4%	8.1%	3 Jul 2017
MSCI All Country World Health Care Net Index (A$)		0.2%	2.9%	1.8%	8.9%	10.7%	9.3%	10 Nov 2003
Platinum International Technology Fund (C Class)	**133.5**	**6.8%**	**24.9%**	**-1.0%**	**4.2%**	**12.0%**	**9.5%**	**18 May 2000**
Platinum International Technology Fund (P Class)	4.0	6.9%	25.3%	-0.7%	4.5%	12.3%	10.3%	3 Jul 2017
MSCI All Country World IT Net Index (A$)		11.2%	50.1%	5.3%	14.5%	23.9%	5.0%	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.



Not macro, but still big

Investors spend lots of energy worrying about macroeconomic issues like interest rates, growth and inflation. Yet investment performance is just as likely to be driven by thematic forces – sector dynamics, technology, competition, regulation and more.

We asked our Portfolio Managers for their take on the themes that could shape returns in 2024.

What to watch if *The Magnificent Seven* is over

ANDREW CLIFFORD CO-CIO AND CO-PORTFOLIO MANAGER, PLATINUM INTERNATIONAL FUND

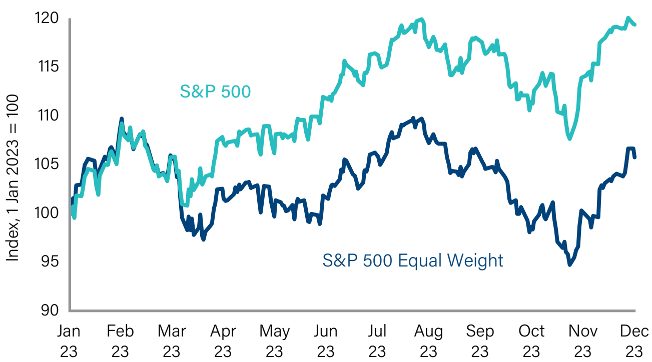
Any predictions about 2024 need to start with an understanding of 2023 and the dominance of mega-cap stocks. Last year there was an unusually high 10% difference in returns between the S&P 500's equal-weight and capitalisation-weight indices[1] (see the chart below). The performance of the 'Magnificent Seven' tech companies (Apple, Amazon, Google, Facebook, Nvidia, Microsoft, Tesla) was the most talked about element of this theme.

In 2024, the great opportunity may lie in the stocks that struggled in 2023. Many of those companies are in China. The property crisis has sapped consumer and business confidence and so some top quality companies are now very cheap – and that's very interesting territory for us.

We hold a Chinese company called CATL that is the global leader in batteries and renewable energy storage. EV demand is slowing in markets like the US and Europe, but in China it's booming and you can buy CATL at just 15x earnings. In 2024 we'll be happy to own stocks on numbers like that.

Mega Caps have dominated US equity market performance

S&P 500 Equal Weighted returns, versus S&P 500 returns



1 As the name suggests, equal weight-indices assign an equal weight to each company in an index. A comparison to a cap-weight index can highlight the outsize effect the performance of a few large companies can have on indices like the S&P 500.

Of smartphones and smarter chips

CLAY SMOLINSKI CO-CIO, PORTFOLIO MANAGER, PLATINUM GLOBAL (LONG ONLY) FUND

When assessing prospective investments we are looking for companies that:

- Are likely to be earning significantly larger profits in 2026
- Can deliver those higher profits almost regardless of prevailing economic conditions
- And where we can identify a reason why that company is mispriced by the market and why investor perception can improve in the future.

One of those companies is the Taiwanese chip-maker TSMC. It's the leading manufacturer of the chips we all rely on in our smartphones and PCs. Demand for smartphone chips has been weak for the past two years and that's reflected in the current TSMC share price – the company is priced on just 14x earnings. Looking forward, TSMC's earnings recession is ending and a big rebound possible.

The new growth accelerator for TSMC is the global capex spend on leading edge AI-chips, where TSMC is the key manufacturing partner for companies like NVIDIA. When we look for companies to pass our three-year test, TSMC is a standout.

The land of the overdue realignment

JAMES HALSE/LEON RAPP CO-PORTFOLIO MANAGERS, PLATINUM JAPAN FUND

A prediction for 2024? By the end of the year many Japanese companies will be *different* companies.

The Tokyo Stock Exchange (TSE) is pushing corporates to be more focused, to use their capital more wisely and to focus on higher returns to shareholders. That's driving a series of changes:

- There's going to be more management buyouts (MBOs). In late 2023 we saw the largest MBO in Japanese history, a US $4.75 billion deal involving Taisho Pharmaceutical Holdings.
- Listed companies – including titans like Toyota - are refocusing their businesses, selling non-core assets and unknotting the tangle of cross-shareholdings that's typified Japanese business for many years. Last year Toyota sold US$1.8bn of shares in KDDI, a telecoms company. Now it's selling US$4.7bn worth of its parts supplier, Denso.

- For too long, Japanese industrial businesses tied up shareholders' capital in real estate. That too is starting to change. Meanwhile more companies are bringing their supply chains back out of China and management teams are focused on productivity. A rising yen – which makes Japanese exports less competitive in global markets - will push companies to seek even more efficiencies.

As these forces coalesce to create leaner, fitter companies we expect Japan's economy and its people to benefit. Investors in Japan could do the same.[2]

How should investors think about macroeconomics when it comes to investment decisions?

According to Clay Smolinski, Platinum's Co-Chief Investment Officer, "Both the economy and the stock market are 'large complex non-linear systems.' That means forecasting error is high and you can only really deal in probabilities."

Platinum's investment approach *leverages* the uncertainties inherent in macroeconomic forecasting. Uncertainty creates mispricing and mispricings are what allows Platinum to buy into valuable companies cheaply.

Never mind the ballots

KIRIT HIRA CO-PORTFOLIO MANAGER, PLATINUM ASIA FUND

Asian scrutineers will be busy this year with Taiwan, Indonesia, India and Korea all going to the polls. As I write, all these elections look tight but opinion polls in Asia often have limited predictive value.

As the elections loom, we're likely to see more crowd-pleasing policies laid out. Happily the impact of these short-term manoeuvres should be limited and the market-friendly reform that's marked these economies over the past few years is likely to continue. To take just some examples: India is investing the equivalent of two trillion US Dollars in infrastructure – across 9000 projects. They've also reformed labour markets, with employers now dealing with just four employment codes – IR, OH&S, Wages and Social Security – rather than the 28 different laws they used to navigate.

In Vietnam they're setting up new industrial zones with preferential tax rates to help the country capture more of the world's high-technology supply chains. And spending USD 16 billion on a new Ho Chi Minh City airport.

Indonesia is the world's biggest nickel producer and they're moving from pushing out the raw material to producing battery grade nickel and partnering with companies like Hyundai to build EV plants.

The Koreans are following Japan's lead in corporate governance, improving disclosure, the protection of minority shareholders and dividend policy. That's good news for the 15 million Koreans who trade the market – and for foreign investors too.

So 2024 might see short-term volatility – and surprise election results. But these could be less important than the evolution of more dynamic economies, more efficient markets and more competitive companies.

Profits based on data

ADRIAN COTIGA CO-PORTFOLIO MANAGER, PLATINUM EUROPEAN FUND

As we start 2024 there's an intriguing interplay between demographics, interest rates and technology playing out in the European Fund and more broadly in the Financials sector.

Across the UK and Europe (and in the US) there's a big demographic tower forming around the 25-34 year-old cohort. This cohort is in the prime age of household formation and accordingly they're driving underlying new home demand, even in the face of punishing interest rate rises. We believe our holding in UK residential developer, Barratt Developments, will benefit from this trend.

If rates ease in 2024, home builders will benefit but so too will companies like Intercontinental Exchange (ICE) and TransUnion, two data-focused business that will profit from increased activity in the mortgage market. TransUnion provides data to banks to help them assess loans and manage their lending. ICE sells mortgage technology and made around 27% of revenue from this segment in 2022. During the rate-rise cycle in 2022-23, there were major job cuts in the mortgage sector and that means technology solutions are even more valuable.

The growth in data businesses is playing out in a similar way in the financial sector where a company like the London Stock Exchange, which traditionally relied on listing fees, now earns around 40% of group revenue from data services.

2 For more on Japanese reform and what it means for investors, see: www.platinum.com.au/insights-tools/the-journal/japans-reform-new-dawn-or-same-old-story

What to do when the trend unfriends you?

JAMES HALSE PORTFOLIO MANAGER, PLATINUM INTERNATIONAL BRANDS FUND

During Covid, one segment of retailers did well from consumers stuck at home with little to do but redecorate, refurbish and refresh those homes. Hardware, homeware and furniture retailers watched sales and margins swell. Their share prices reacted accordingly.

With low rates and loads of stimulus cash sloshing through markets, meme stocks – those whose price was driven up by a small segment of buyers and pundits – had their own short heyday. Stocks in electric vehicle makers also profited from easy money, the sustainability angle and the appeal of new models.

The market trends are now turning against these stocks. Economies are weakening, money is more expensive and EV demand is slowing in Europe and the US as early adopter demand is satisfied and costs and charging issues offset some of the attractions of greener motoring.

Over the next year one likely source of outsize returns lies in some quality consumer staple brands – such as the Dutch beer business Heineken – who are now cheaper than they have been for a very long time. Similarly, companies that service the under-pressure Chinese consumer could rebound as that economy slowly recovers. Some of the companies we rate most highly include infant formula leader China Feihe, online travel agent Trip.com and the dominant food delivery and local services platform Meituan.

Buying the research

DR BIANCA OGDEN PORTFOLIO MANAGER, PLATINUM INTERNATIONAL HEALTH SCIENCES FUND

The drug discovery/development ecosystem is made up of a limited number of large pharma companies and many smaller biotechs. While the big pharma companies spend a lot on R&D, the breakthrough innovation often happens outside their walls.

That means the big companies need to be skilled not just at R&D but at building partnerships and licensing deals with these smaller and sometimes smarter players whose research is solidified into assets – prototypes, patents, molecule and drugs. Often the big companies need to buy these biotechs to access those assets.

It's not cheap. Competition is fierce and negotiations require stamina, patience, a feel for the competitive landscape and an understanding of valuations. There were 16 companies vying to buy Prometheus Biosciences and its TL1A asset.[3] Merck eventually paid US $11b. By comparison, Roche bought a TL1A asset from Roivant for just over $7b.

We'll see whose investment decision pays off in years to come. The ability to acquire – by whatever means – access to great science and promising drug assets may now be the most important skillset a pharma company can have. And that's what we look for when assessing those companies.

Streaming at scale

JIMMY SU PORTFOLIO MANAGER, PLATINUM INTERNATIONAL TECHNOLOGY FUND

We've always believed the media distribution business – what consumers call streaming - is about scale. Being the biggest means you can pay up for new content and it's new content that both reduces churn and drives engagement which can be monetised e.g. through ads. In short, the biggest streaming businesses should be the most profitable.

In 2023 our thesis was reaffirmed. Legacy competitors Disney, Warner Discovery and Paramount all gave up on their targets for streaming and started to license content to other services.

We believe the return on capital for Netflix and Amazon's streaming services will continue to improve:

- Rising ARPU (average revenue per user) across the industry gives the two big streamers room to lift prices. Reduced competition for viewers' attention – and subscription dollars – should also cut customer acquisition costs.
- The big two will be able to license content from Disney, Warner and Paramount instead of making originals – that will reduce the amount of capital they need.
- Advertising video on demand should drive a new leg of revenue growth at incrementally high margins for both. Amazon should benefit most as they have high household penetration in the US (~150 million Prime subscribers). Their ad targeting should be superior given their access to user data and purchase history.
- Live sports should also drive a new leg of revenue growth at decent margins. The NBA is up for renewal next year and Amazon is in the mix to acquire the licenses.

3 TL1A is a type 2 transmembrane protein. An anti-TL1A antibody may be a promising part of treatments for inflammatory disorders like rheumatoid arthritis, inflammatory bowel disease, psoriasis and lupus.

Platinum International Fund

Andrew Clifford
Portfolio Manager

Clay Smolinski
Portfolio Manager

Nik Dvornak
Portfolio Manager

Overview

- The Fund underperformed significantly over the quarter and year, largely as a result of our cautious approach to markets. Against our expectations, in 2023 the US economy in particular shrugged off a historic rate tightening with technology and communications stocks doing exceptionally well.
- We continue to find attractive investment opportunities in companies that have already been marked down on rate rise fears. **TransUnion** – a US data bureau – is one such company, falling on the basis that rate rises will trim its mortgage-data revenue. However the company is finding new and rewarding uses for its data sets – in insurance and e-commerce for example. It has a strong market position and is now playing in growth markets like India.
- Japanese motor giant, **Toyota**, has done well for the Fund's investors over the medium term. Its focus on hybrids – rather than pure EVs – was rewarded by consumers keen on cost savings in a tough economic environment. Toyota is also benefiting from a strong balance sheet, is investing in new technologies and should also reap rewards from ongoing corporate governance reform in the Japanese stockmarket.

Performance

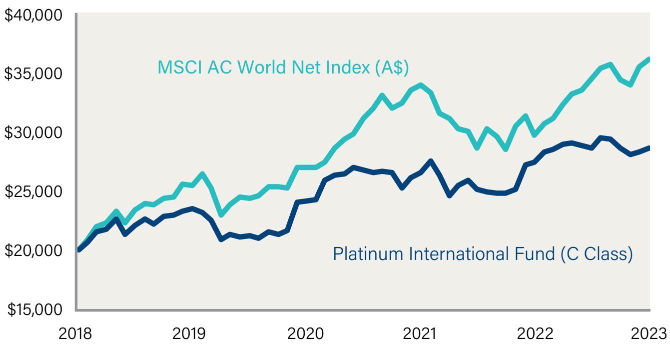
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Fund*	0%	4%	6%	7%	11%
MSCI AC World Index^	5%	21%	10%	12%	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

31 December 2018 to 31 December 2023



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.

A review of the year

The Fund (C Class) was flat over the quarter and up 4.2% for the calendar year 2023. This significantly trailed the global equity market which rose on the back of exceptional performances from the technology and communications components of the index.

At moments like these it is therefore sensible to assess your investment approach. This time last year, the Platinum International Fund had **outperformed** the world market by 15% for 2022. Our investment philosophy and process are consistent, the divergence in relative performance over the past two years reflects changed market conditions – and our view of those conditions.

The 2023 backdrop

At the outset of 2023 markets faced tight financial conditions as Central Banks sought to dampen the pandemic-stimulus inflation outbreak. The US Federal Reserve enacted one of the most aggressive tightening cycles in history and US money supply was shrinking for the first time since the 1930s.

At this point the historical relationships between interest rates, earnings and stock prices advised a cautious approach. Meanwhile, China, which had suffered a severe bear market, was exiting its extreme COVID-19 lockdowns. It looked to many like it would enjoy the economic rebound experienced in other markets.

The reality of 2023 has been very different to the one many expected and our cautious approach has not been rewarded by the market. The US economy remained robust in spite of tight financial conditions. While corporate earnings declined marginally, the US equity market rallied. Meanwhile, China's recovery was tepid as residential property issues weighed on consumer and business confidence. Chinese stocks (SSE Composite) fell 16%.

The Fund's performance reflects a number of factors.

- A cautious net invested position averaging 72% over the course of the year.
- Poor performance in our short positions which were tilted toward highly valued growth stocks.
- Our 21% average weighting in Chinese stocks.

While our portfolio is still positioned relatively defensively we believe the stocks in the portfolio have the ability to outperform over the medium term.

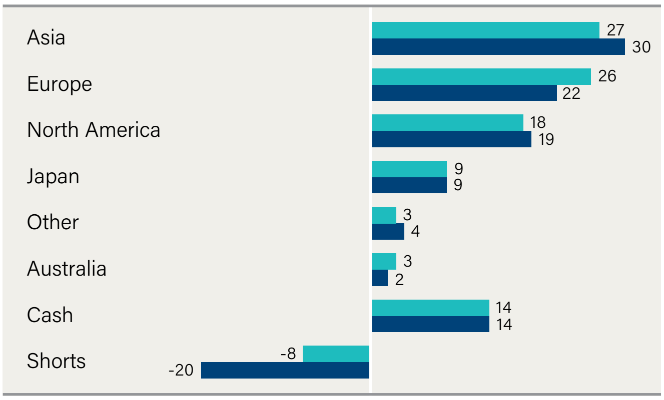
Quarterly performers

Over the quarter, Chinese e-commerce firm, **PDD Holdings** did well (up over 45%). Revenues were up 94% in the 3rd quarter of 2023 and the company continued to capture market share.

Infineon (semiconductors) and **Minebea** (industrial components) were both up around 20% as the prospect of lower interest rates increased the likelihood of better earnings ahead. **Allfunds**, a European investment fund platform, was up 22% as the market assessed that the firm's assets under management would benefit from lower interest rates.

The biggest detractors from performance were Chinese companies. **ZTO Express** (down around 12%) suffered due to revived price competition in its industry, slowing what had been rapid earnings growth. **China Overseas Land** (down around 15%) and **Ping An Insurance** (down around 20%) fell as a result of continuing weakness in residential property.

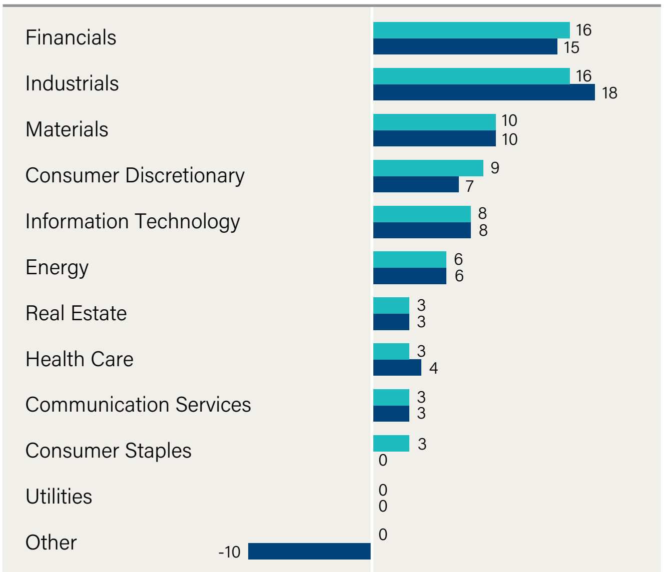
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Allfunds Group Plc	UK	Financials	3.4%
UBS Group AG	Switzerland	Financials	3.2%
Samsung Electronics Co Ltd	South Korea	Info Technology	3.2%
ZTO Express Cayman Inc	China	Industrials	3.0%
UPM-Kymmene OYJ	Finland	Materials	2.9%
Minebea Co Ltd	Japan	Industrials	2.5%
Airbus SE	France	Industrials	2.2%
Suzano SA	Brazil	Materials	2.1%
Intercontinental Exchange Inc	US	Financials	2.1%
InterGlobe Aviation Ltd	India	Industrials	2.1%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

Commentary

As inflation continues to recede, investors have grown confident that interest rate cuts are on the way and as a result global stock markets have rallied. In the US, this has given rise to the view that a serious downturn – and significant earnings downgrades – are unlikely in the year ahead.

Much has been made of the contribution of artificial intelligence and the Magnificent Seven (Apple, Microsoft, Amazon, Google, Nvidia, Tesla, and Facebook) to the markets' performance this year. Yet in the final weeks of the year investors were drawn into buying the more speculative end of the market. Against the odds, unprofitable growth stocks and companies with dubious business models were back in vogue.

Where the opportunities really lie

It is always easy to be drawn into big debates around interest rates, market levels and popular themes like the revolutionary impact of AI. However this can distract from a clear-eyed view of the real opportunities.

There are many companies currently running under the radar because they have already faced setbacks from policy and economic tightening and suffered their own bear markets.

TransUnion is a US consumer credit bureau, providing data to help lenders assess mortgages, auto loans and credit cards. TransUnion has now expanded the data sets it offers, moving beyond lending to areas such as insurance, fraud detection and e-commerce. The company also has good positions in fast growing markets like India. It is a high-quality business with limited competition.

Today US mortgage applications have collapsed 90% from the highs of 2020, reducing demand for TransUnion's services. Our view is that the company's long-term prospects remain sound and the headwinds of higher rates will recede. We were able to acquire a stake in TransUnion at an attractive valuation.

EVs for the people

The Chinese economy remains sluggish and political concerns, both domestic and global, are front of mind for investors. In our view the focus should be not on the Chinese economy or Chinese market, but on individual Chinese businesses.

During the quarter, members of our investment team spent five days in Guangdong province visiting companies, with a particular focus on the electric vehicle (EV) supply chain. This included companies making capital equipment for battery manufacturing, producers of electrolytes and cathode materials and **BYD**, the new global leader in EVs.

We believe Chinese producers stole a march on global competitors by focussing on lower cost EVs. In our discussions with Chinese EV players, BYD – who manufacture their batteries inhouse – and China's leading battery maker, **Contemporary Amperex Technology Co Limited** (CATL), were seen as drivers of continuous improvement across the supply chain.

While politics may restrict Chinese companies' ability to export to the US (and potentially European) markets, their home market continues to grow strongly. Outside of EVs, battery technology has important end markets in energy storage and will benefit from global investment in renewable energy, an area where the politics are likely to be less fraught. This combination of factors explain why we saw CATL's recent 50% stock price fall as an opportunity. The stock fell on concerns over the sustainability of the EV boom and US/European protectionism. We believe this offered an attractive entry point.

When a car company is a banker

Toyota Motor Corp is a long-held position that has delivered solid 14% per annum returns over the past five years.

In recent years the company was criticised for not investing in pure EVs. Instead Toyota focussed on hybrid EVs and today are seen as a leader in fuel efficiency. In tough economic times that underpinned strong demand for their vehicles.

The company also focused on alternatives to current battery technology such as solid-state batteries which they expect to have in commercial production by 2028. The weakness in the Japanese Yen has recently provided a boost (albeit perhaps temporary) to the company's profitability.

For such a structurally well-positioned company, a valuation of eight times current year earnings is respectable, though certainly higher than many of its struggling global competitors. In addition, there is plenty of upside for investors in Toyota's balance sheet.

Like many Japanese companies, Toyota holds excess assets and runs a less than generous dividend payout ratio of 30%. As we noted last quarter, a significant part of the Japan story is that the corporate governance reforms of the past decade mean companies are placing greater focus on shareholder interests.

During the past year, the Toyota group started to unwind various cross shareholdings. While these changes are relatively small in nature, they add a potential source of incremental returns to a company that is already attractively priced and a leader in its core business.

Outlook

With the developed markets returned to or surpassing the highs of late 2021 and with expectations for interest rates having eased over the past quarter, many commentators believe a new equity bull market has begun.

This may be the case – but there are still reasons to be cautious. Firstly, it is worth remembering that shifts to a restrictive monetary policy historically take 18 to 24 months to hit the economy and company earnings. Why is that relevant? Because 18 months ago, the US Federal Funds target rate was just 1%. Today it's 5.5%.

So while employment and activity have certainly held up better than many expected, it may be most helpful to view the macro picture through a neutral lens.

Additionally, many of the growth stocks that powered the market this year are on full to generous valuations and so may be vulnerable to a pullback if rates don't fall as quickly as some anticipate in 2024.

By contrast there are many quality companies across many sectors and geographies that are trading at valuations that could produce good returns in the medium to long term. As always, we will focus on the latter group and avoid the former.

Platinum Global Fund (Long Only)

Clay Smolinski
Portfolio Manager

Overview

- The breadth of the portfolio was a strength this quarter with the Fund's top performers coming from a range of industries and locations. These include a Chinese e-commerce platform, an Austrian Bank and low-cost airlines from India and Hungary. Fund investors also benefited from a recovery in our semiconductor names.
- In 2023 global economies rumbled on without being unduly disconcerted by rising rates and tighter lending standards. Sharemarket returns were therefore stronger than we expected and our cautious approach cost us performance. We believe the exuberance evident at the end of December might expose the market to added risk as the new year unfolds.
- We invested more capital in European beverage giant **Heineken**. Our investment case rests on the strength of its brands, its exposure to fast-growing emerging markets and the potential for operational improvement in the business.

Performance

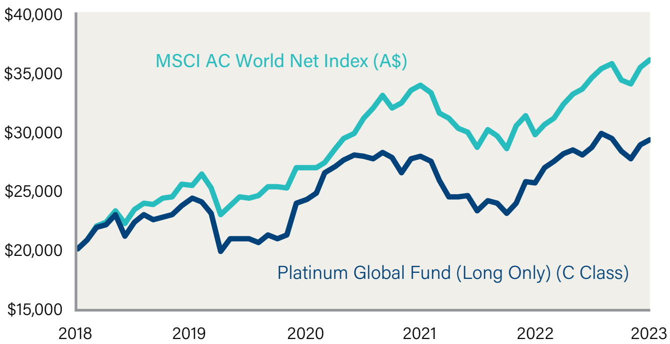
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Global Fund (Long Only)*	3%	14%	6%	8%	10%
MSCI AC World Index^	5%	21%	10%	12%	8%

+ 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

31 December 2018 to 31 December 2023



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 return of the Fund over the quarter was 3%, and over the calendar year the Fund's value rose 14%.

The strongest contributors to performance were varied in terms of industries, with the most notable contributors including Chinese ecommerce platform **PDD** (+45%), **Raiffeisen Bank** (+40%) and our emerging market low-cost airlines **Interglobe** (+24%) and **Wizz Air** (+15%).

There was also broad strength across a number of our semiconductor names: **Micron** (+25%), **Infineon** (+20%) and **Samsung Electronics** (+14%).

After a difficult couple of years, semiconductor company shares are turning up on recovering demand for core chips for PCs and mobile phones but also on the increased demand for the high-end chips required for AI-focused technologies.

A Chinese e-commerce success story

While PDD's Chinese business continues to grow strongly (revenue grew 94% in the last quarter), its strong price performance was driven by evidence its international expansion strategy (via its Temu brand) is succeeding.

From a standing start last year, Temu generated roughly 19bn RMB of revenue last quarter and is likely to do well over 130bn RMB of revenue in 2024. This is very impressive given the revenue base of PDD's entire business was 130bn RMB in 2022. Importantly PDD is achieving this growth while also growing profits, with the company posting a 60% increase in Earnings Before Interest and Tax last quarter.

In terms of detractors, the most notable holdings were financial advice firm **St James Place** (-18%) and Chinese express parcel giant **ZTO Express** (-12%). The common thread to these falls was around pricing. St James's share price fell after they lowered the pricing schedule for their advice services. Meanwhile ZTO came under pressure after comments that their weaker competitors had begun to irrationally lower parcel prices in a bid to win market share.

Commentary

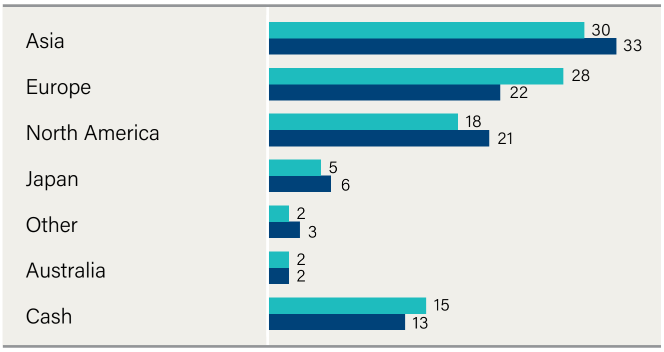
Over the quarter we increased our exposure to the global beverage sector by taking positions in the beer giant **Heineken**.

Heineken is the world's second largest brewer, with the highest share of 'premium' beer volume (at 40%) and a regional exposure of 50/50 in emerging/developed markets.

While this regional/premium exposure has allowed Heineken to grow faster than peers, the major shortcoming of Heineken is its profitability. It is considerably less profitable than the likes of AB InBev and Carlsberg.

The controlling Heineken family has charged the (relatively) new CEO Dolf van den Brink with the task of addressing this difference. Some of their strategic moves include reducing their brand count and directing more ad spend towards their true focus brands. They'll also seek to consolidate the number of breweries they operate, particularly in Europe where some sites are underutilised from a capacity standpoint.

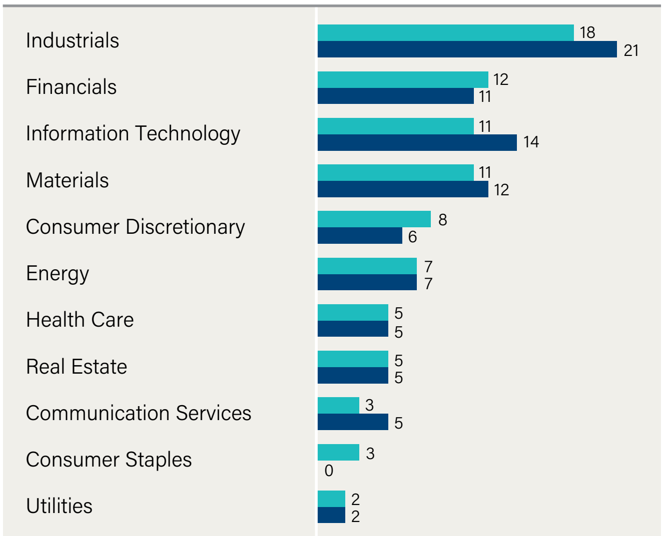
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Samsung Electronics Co Ltd	South Korea	Info Technology	5.1%
UBS Group AG	Switzerland	Financials	3.3%
Wizz Air Holdings Plc	Italy	Industrials	3.3%
UPM-Kymmene OYJ	Finland	Materials	3.1%
Allfunds Group Plc	UK	Financials	3.1%
ZTO Express Cayman Inc	China	Industrials	2.8%
Trip.com Group Ltd	China	Cons Discretionary	2.8%
AK Medical Holdings Ltd	China	Health Care	2.6%
Minebea Co Ltd	Japan	Industrials	2.4%
Sprott Physical Uranium Trust	Canada	Materials	2.3%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

From a cyclical point of view, beer-makers look interesting. Covid was a net negative for the brewers, given the closing of bars and clubs and prohibitions on outdoor events. Beer companies also suffered from a considerable rise in the prices of barley, aluminium, glass and energy. As these input costs start to fall, Heineken's profitability will be boosted.

During the quarter we also started a position in global aluminium can manufacturer **Ball Corp** and fast growing sports fashion retailer **JD sports**. We used the October sell-off to increase our positions in **TransUnion**, **Baxter**, **Wizz Air** and **Sands China**.

To partly fund these positions, we exited our holdings in US building materials player **Carlisle**, auto semiconductor manufacturer **NXP Semi** and luxury furniture retailer **RH**. We also trimmed our holdings in **Microchip**, **Interglobe** and paper/pulp producers **UPM** and **Suzano**.

Outlook

When thinking about the market's outlook we seek to understand the general macro investment environment, the state of investor sentiment and the scope of opportunities on offer.

On macro, through 2023 we were concerned about the effect tighter financial conditions (in the form of higher rates, and tighter lending standards) would have on economic activity, company earnings and stock prices.

To date this concern has not played out and our more cautious positioning has dampened returns. The Western economies – and particularly the US – have proven far more resilient to higher rates than expected (i.e. rates at current levels are less restrictive than thought). Right now, the leading indicators around employment and wages do not paint a picture of recession. Hence the best way to describe the current economic picture is neutral.

The aspect that *has* changed is market sentiment. For most of 2023 many investors shared our concerns. Today the consensus is very much moving towards the positive camp, with the view that rates will fall alongside falling inflation and that this will extend the positive economic cycle. This exuberance adds risk and any evidence that runs contra to this thesis would likely bring a fair amount of downside action in markets.

Finally, on the opportunities, many of the sectors that drove the markets' rise this year are back to full valuations, however there are also several sectors that have materially de-rated. In essence we are looking for businesses with three aspects:

- Modest starting valuation multiples that have the potential to be higher in the future.
- Specific or structural reasons why the business will have higher profits in three years.
- Evidence that the company is mispriced, and clear reasons why investor sentiment around that company can improve in the future.

On these metrics we are continuing to find opportunities. Some of the company examples we have talked about in our past few quarterlies certainly meet these criteria:

- UBS (banking and funds management)
- TransUnion (data)
- AGL (energy)
- Allfunds (funds management).

Platinum Asia Fund

Andrew Clifford
Portfolio Manager

Cameron Robertson
Portfolio Manager

Kirit Hira
Portfolio Manager

Overview

- After a tough period, prospects for the semiconductor sector appear bright as recovering demand for smartphone and PC chips coincides with soaring demand for the high-end chips needed by AI-focused technologies. Three key Fund holdings – Korea's **Samsung Electronics** and **SK Hynix** as well as **Taiwan Semiconductor** – can profit from this recovery.
- During the quarter we trimmed two Indian stocks that have done well for investors. **InterGlobe**, an airline and **Macrotech**, a property developer, are well-managed businesses with attractive positions in their sectors. However their share prices have run up with the Indian market and so we are trimming our positions.
- In 2024 there will be a series of elections in Asia's fast-growing democracies – Taiwan, Indonesia, South Korea and India. These election races – which will be tight and in many cases dominated by younger voters – may force the rollout of some election sweeteners. However, in our view, the momentum behind ongoing structural reforms is strong and this underpins the prospects of the region.

Performance

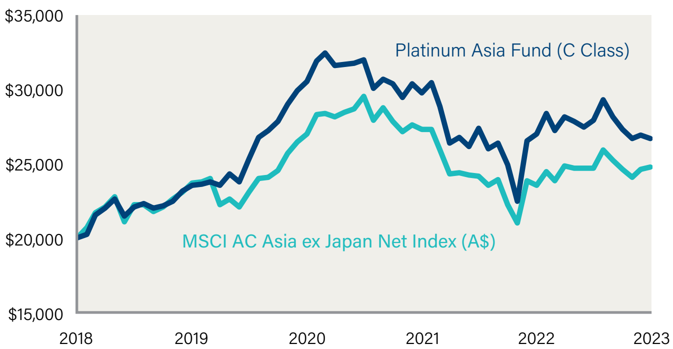
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia Fund*	-2%	-1%	-4%	6%	12%
MSCI AC Asia ex Jp Index^	1%	5%	-3%	4%	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

31 December 2018 to 31 December 2023



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.

In a vast and diverse region like Asia it's often hard to find a single over-arching theme that explains stock market performance over the quarter. For the Asia Fund a recovery in Asia's chipmaker stocks was important, we saw continued strength in India and mixed results from Chinese holdings. On a broader level, the region is benefitting from ongoing economic and market reforms (which we explore more below and in this Quarterly's feature article).

The Fund's semiconductor holdings **TSMC** (up around 12%), **SK Hynix** (up 22%) and **Samsung Electronics** (up 14%) performed well, thanks to recovering prospects for their end-markets and growing enthusiasm surrounding generative AI-related applications. Indian holdings, including airline InterGlobe (up 24%) and property developer **Macrotech** (up around 28%), were also strong contributors. Philippine property developer **Ayala Land** also did well (up 16%) after it disclosed plans for more project launches.

In China, our holding in e-commerce company **PDD** (up 45%) appreciated due to strong domestic profitability and growing enthusiasm around TEMU, its international offering.

Weakness in the property market offset some of these gains. Property developers **China Resources Land** and **China Overseas Land and Investment** both fell over 10% as property sales remained subdued. Outside of China, Vietnamese retailer **Mobile World** (down around 19%) was weak on subdued demand for consumer electronics.

Commentary

Global smartphone and PC shipments are expected to post a third year of decline in 2023 before recovering in 2024.

That's good news for our longstanding positions in South Korean memory chip makers Samsung Electronics and SK Hynix as well as leading semiconductor foundry **Taiwan Semiconductor (TSMC)**. For memory chip makers, 20-30% production cuts led by Samsung mean PC/smart-phone related inventory is now reaching normal levels. This is likely to continue well into 2024 and further drive down supplier inventory. As a result, memory pricing is now starting to stabilise and increase off a low base.

A recovery in chip markets

In November, Korean DRAM[1] exports increased by 28% YoY, after contracting for 16 consecutive months.[2] Future capex is now being directed at leading edge nodes, such as High-Bandwidth Memory (HBM) or DDR5 modules rather than legacy capacity.

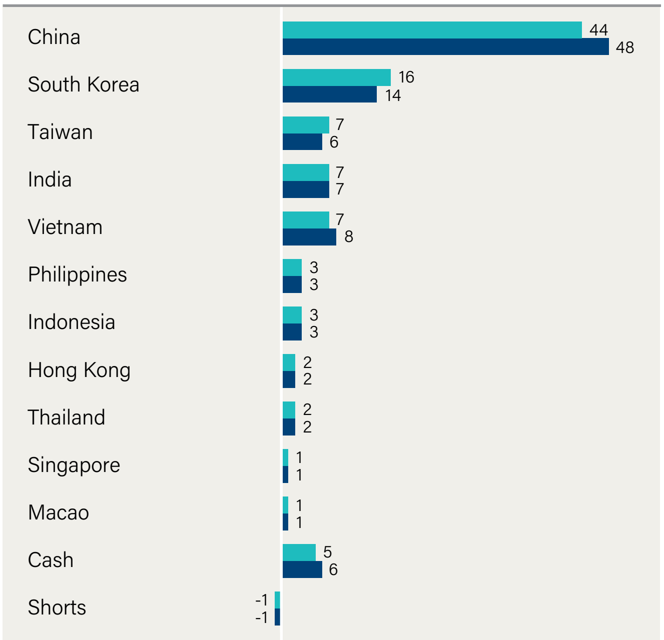
While memory demand for traditional server markets remains weak, this has been offset by strong generative AI investment by cloud service providers. The race to supply HBM to integrate with graphics processing units (GPUs) for generative AI applications is now on, with supply struggling to keep up with demand.[3]

A typical NVIDIA H100 GPU uses 80-100GBs of HBM3 memory. SK Hynix had taken the early lead supplying HBM3 to NVIDIA but Samsung has now also started supplying the US AI leader.

The opportunity in Generative AI continues to grow (see Funds in Focus: PITF).[4] Potential use cases are expanding out from data centres and cloud service providers to include areas such as AI-enabled PCs/smartphones and to embedded AI in automotive and industrial markets.[5]

1 Dynamic random-access memory (dynamic RAM or DRAM) is a type of random-access semiconductor memory
2 Source: Goldman Sachs
3 GPUs were originally focused on graphics and video rendering but are now increasingly important in AI and machine learning
4 www.platinum.com.au/insights-tools/the-journal/funds-in-focus-platinum-international-technology-fund
5 www.computerworld.com/article/3689872/generative-ai-will-change-pcs-and-smartphones-making-one-or-both-obsolete.html

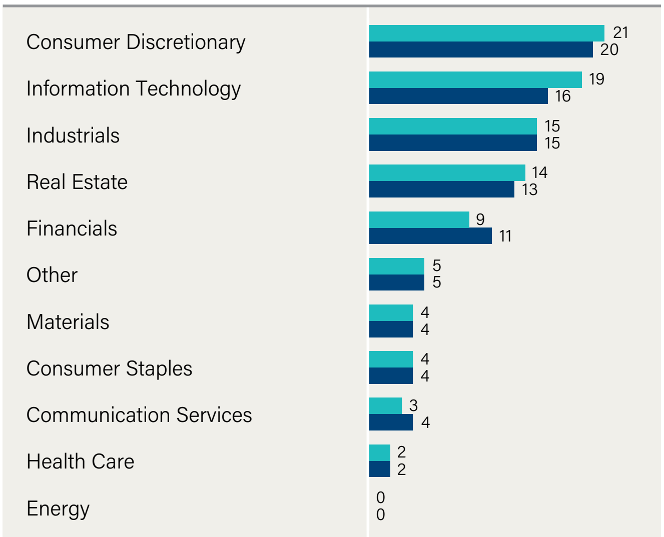
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Taiwan Semiconductor	Taiwan	Info Technology	6.2%
Samsung Electronics Co Ltd	South Korea	Info Technology	6.2%
SK Hynix Inc	South Korea	Info Technology	5.6%
Vietnam Enterprise Inv	Vietnam	Other	5.0%
InterGlobe Aviation Ltd	India	Industrials	4.5%
ZTO Express Cayman Inc	China	Industrials	4.3%
Ayala Land Inc	Philippines	Real Estate	3.2%
China Resources Land Ltd	China	Real Estate	3.2%
JD.com Inc	China	Cons Discretionary	3.1%
Tencent Holdings Ltd	China	Comm Services	2.9%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

SK Hynix expects 100-200% HBM growth in 2024 with compound annual growth of 60-80% over the next five years. Given this positive outlook, SK Hynix is doubling capacity and Samsung expects to expand supply by 2.5x times in 2024. All the major players are also developing next generation technologies with even higher peak bandwidth and improved power consumption to match NVIDIA's ambitious AI roadmap.[6] While Samsung and SK Hynix have performed well this year they are still trading at fair valuations of 1.5x and 1.7x trailing book value, respectively.[7]

TSMC is also a beneficiary from a cyclical recovery in PC/smartphone shipments given these markets represent around 50% of its revenue base. Growing replacement demand for high-end smartphones and PCs should drive strong demand for leading edge nodes. TSMC is currently ramping up capacity with a sizeable share of this capacity booked by Apple for its next generation of devices. TSMC is also the exclusive foundry for NVIDIA's high performance GPUs and is doubling its advanced packaging capacity to alleviate this critical bottleneck.[8]

Currently, high performance AI-related GPU represents 6% of TSMC revenue, however the company expects revenue in this segment to grow by an extraordinary 50% compound per annum over the next five years. TSMC is trading on just 15x 2024 earnings-per-share, which appears attractive for a business surfing both cyclical and structural tailwinds.

6 tomshardware.com/news/samsung-expects-hbm4-memory-to-arrive-by-2025#:~:text=HBM3E%20is%20good%2C%20but%20HBM4%20will%20be%20even%20better.&text=We've%20heard%20about%20HBM4,wide%20as%20HBM3's%201024%2Dbit

7 Source: Factset Research Services

8 technode.com/2023/09/25/tsmcs-advanced-packaging-capacity-under-strain-as-nvidia-amd-and-amazon-increase-orders-for-ai-chips-report/

Trimming Indian stocks

During the quarter we continued to reduce our positions in Indian stocks, namely property developer **Macrotech Developers** and low-cost airline **InterGlobe Aviation**. Both have been profitable investments for the Fund.

InterGlobe emerged from COVID with a 60% domestic market share and a growing international business. Profitability has also improved significantly as the market is now a more rational one after a decade of industry losses, numerous airline bankruptcies and COVID. While there are some operational challenges on the horizon, the company is trading on approximately 10x our assessment of normalised earnings. This is an undemanding price so we are happy to maintain a sizeable position.

The Fund invested in Macrotech as an anchor in its initial 2021 listing. At the time the company was working through modestly elevated leverage with a reasonable level of doubt about how the Mumbai property market, India's largest, would perform post-COVID and after a previous four-year downturn.

Macrotech has successfully reduced debt levels with unit pre-sales and pricing recovering to beyond our original expectations. Nonetheless, with property developers among the best performing sectors in India this year, valuations are edging higher, hence the decision to reduce the position. We are still comfortable owning the company as there is little evidence of overexuberance in the Mumbai property market – such as excessive price increases or high investor participation.

Outlook

Calendar 2024 will see elections across the region, spanning Taiwan, Indonesia, South Korea and India. The electorates in India and Indonesia, the world's #1 and #3 largest democracies, are increasingly skewed to a younger demographic, with Gen Zs and Millennials making up >90%[9] and 54%[10] of the voting base, respectively.

Given close polling we are likely to see some temporary tailoring of policies to gain votes. One example was the South Korean Financial Services Commission's decision to ban short-selling until June 2024. This is widely viewed as a move to appease the 14 million retail investors in the country ahead of the elections. This is a step back from the Yoon Government's market reforms designed to attract foreign investment and to see South Korea promoted to developed market status by index providers.

Nonetheless, assuming elected parties retain legislative majorities, we expect the region's focus on sensible economic and market reforms to re-emerge once elections are behind us. That could underpin stronger economic growth in the medium term.

Some optimism in China

We retain a sizeable exposure in China, a market that continues to divide opinion. Exports and industrial production remain among the bright spots, supported by autos and better US retail end-demand.

The government has rolled out a steady stream of policy adjustments designed to address the challenging property market:

- a relaxation of property down-payment minimums in Beijing and Shanghai
- RMB 1 trillion of state-directed lending to a whitelist of 50 developers
- renewed focus on affordable housing and urban village renovation projects.

At some point these policies should help distressed developers to complete projects, thus restoring consumer confidence and stabilising pricing.

While there is prolonged weakness in some pockets of the Chinese economy, the Fund is invested in companies, both in China and across the region, where the prospects for growth are attractive and valuations extremely compelling. As a result, the portfolio is relatively fully invested.

While 2023 was a challenging year, we believe the underlying dynamics of the Asian region – and the availability of high quality stocks at reasonable prices – are likely to reward investors in the medium term.

9 ecommercedb.com/insights/gen-y-and-gen-z-in-india-examining-their-online-behavior/4665

10 lowyinstitute.org/the-interpreter/how-will-voters-swing-indonesia-s-2024-general-elections

Platinum European Fund

Adrian Cotiga
Portfolio Manager

Nik Dvornak
Portfolio Manager

Overview

- European equity markets rose over the quarter thanks to a shift in monetary policy expectations – from incremental tightening to a significant easing. Both short term and long-term interest rates came down and this generated significant upward momentum for interest-rate sensitive businesses – such as property stocks and various highly leveraged businesses whose interest expense is likely to drop sharply.
- During the quarter we took a significant position in Dutch payments business **Adyen**. Whilst the company was marked down sharply earlier in the year, its business is aligned to the growth in e-commerce and especially cross-border e-commerce. It also has the leading technology platform in its space. It bounced up sharply in the 3rd Quarter.
- We view the recent shift in monetary policy as a sign that European economies are weakening and thus we have a cautious view on European markets. That said, we see significant upside in high-quality businesses like Dutch brewer **Heineken** and semiconductor lithography leader **ASML**.

Performance

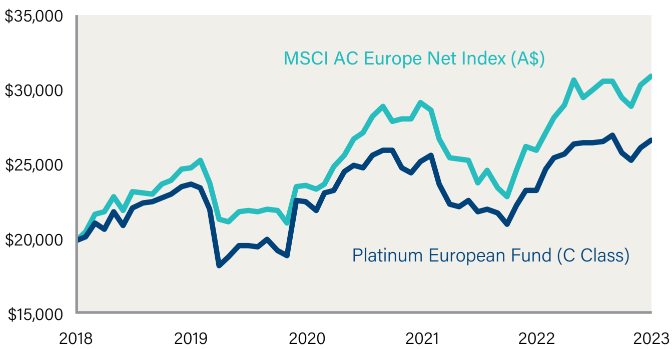
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum European Fund*	3%	14%	6%	6%	10%
MSCI AC Europe Index^	5%	19%	9%	9%	4%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 30 June 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

31 December 2018 to 31 December 2023



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 3.2% for the quarter. Stocks in the Financials, Industrials and Technology sectors were our best performing investments over this period.

The rate tide turns

Over the quarter European equity markets rose as expectations around monetary policy moved from incremental tightening to significant easing and both short term and long-term interest rates came down.

German 10-year bonds moved down from 2.88% to 2.0% and the market is now pricing in 6-7 rate cuts by December 2024. This pivot is driven by continuing disinflation in Eurozone economies, fuelled further by incrementally dovish rhetoric from the European Central Bank and US Federal Reserve. The dovish turn provided an incredible tailwind for interest-rate sensitive sectors and highly leveraged businesses such as **Real Estate Investment Trusts** which rallied 10-50%. As a result, our cash and index shorts detracted somewhat from performance.

ASML, the Dutch semiconductor lithography giant, returned 22% as excess inventories were worked through. There are now signs of a positive inflection in some key end markets such as smartphones and PCs. **Adyen**, the payments service provider, was another standout performer, up over 65% during the quarter (you can see more on this stock below).

Bayer, the German pharmaceutical and crop protection giant, was one of the biggest detractors to performance this quarter – down around 25%. One leg of our initial investment case was that Bayer would navigate their patent cliff[1] much better than the market expected. However, this did not occur and we exited our long-term holding at a loss as the company's turnaround was not progressing at the pace we expected. The recent failure of Bayer's much-anticipated blood thinner product puts the pharmaceutical business unit in a difficult position and might increase the urgency for Bayer to acquire other assets. This increases the risk that management is pressured to overpay as competition for biotech assets is fierce and other companies have deeper pockets.

Commentary

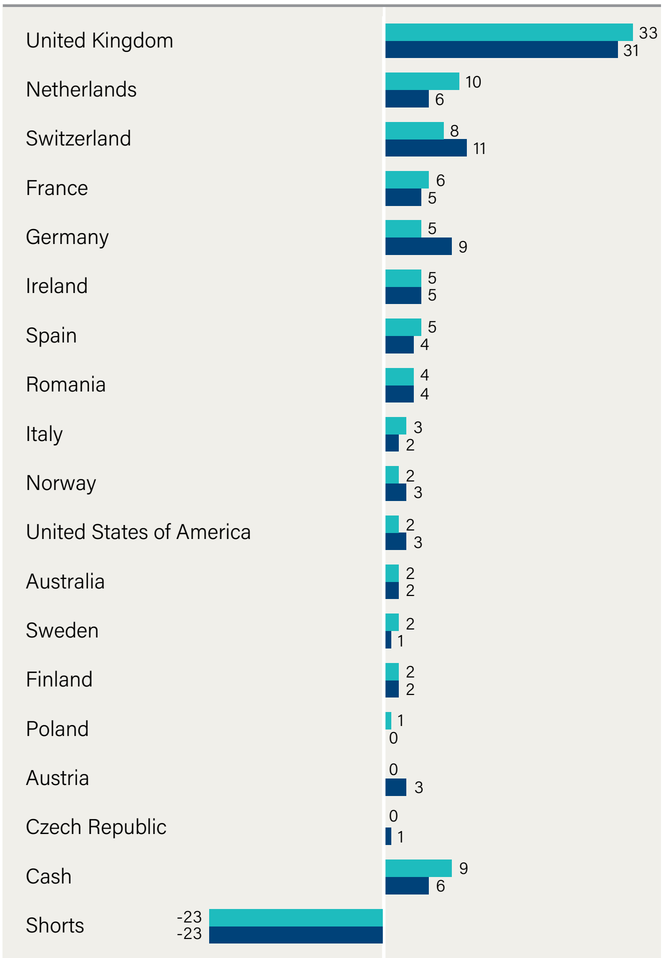
We continued to reduce our exposure to Central and Eastern European banks by completely exiting **Komercni Banca** (Czechia) and **Erste Group** (Austria). In December, the Czech Central Bank – one of the first Central Banks to raise rates during this tightening cycle – started its monetary easing cycle with a 25bps policy rate cut to 6.75%. Bank margins will likely suffer over the next 12-18 months if economic activity continues to weaken and money market expectations of nearly 400bps in cuts materialise. This issue is not confined to Czechia – it's likely to play out in most countries across the region.

Making e-commerce pay

This quarter we initiated a new position in Adyen, an innovative Dutch payments service provider. The explosion of e-commerce transactions has created new challenges for merchants that were not easily solved by legacy payments providers: the buyer does not physically present the card, propensity for fraud is higher and there are more cross-border sales.

1 Where pharma companies lose a source of predictable revenue as their drug patents expire

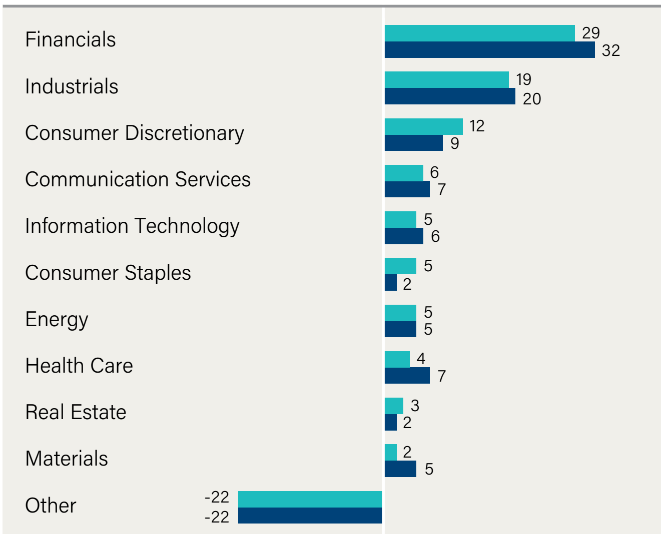
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Airbus SE	France	Industrials	4.7%
ASML Holding NV	Netherlands	Info Technology	4.6%
Applus Services SA	Spain	Industrials	4.5%
Beazley PLC	UK	Financials	4.3%
Allfunds Group Plc	UK	Financials	4.3%
UBS Group AG	Switzerland	Financials	4.1%
Informa PLC	UK	Comm Services	3.8%
Banca Transilvania SA	Romania	Financials	3.7%
Ryanair Holdings PLC	Ireland	Industrials	3.6%
Wizz Air Holdings Plc	Italy	Industrials	3.0%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

To take one example, H&M, a global business operating stores in 74 countries[2], must accept payments both online and in-store across many currencies and many payments methods:

- credit card networks (e.g. Visa, Mastercard, Amex)
- digital wallets (e.g. PayPal, Apple Pay, Google Pay, Amazon Pay)
- popular buy-now-pay-later buttons (e.g. Afterpay, Affirm, Klarna)
- local cards and payment rails[3] (e.g. Cartes Bancaires in France, iDEAL in the Netherlands).

This complexity allowed a new generation of payments providers, such as Adyen, Stripe and PayPal to thrive using a modern technology stack.

Adyen's competitive advantage is that it has one of the best – if not *the* best – omnichannel or 'unified commerce' offer across online and in-app gateways as well as in-store point-of-sale terminals. Importantly, this is all integrated into a single system for the merchant, supported by rich data analytics, leading to higher authorisation rates. (The authorisation rate is the percentage of attempted transactions that are approved and is therefore important for merchants' profitability). These features make Adyen's platform a particularly compelling offer for large multinationals and for e-commerce merchants doing business across multiple countries.

2 Source: The Retail Bulletin

3 Rails are the infrastructure that moves money from one party to another

These strengths enabled Adyen to dramatically grow its payments processed volume and net revenue to almost €850bn and €1.5bn respectively over the year to 30 June 2023. In the 3rd quarter of 2023, both volume and revenue were up over 20%.[4] Crucially, the company expects to deliver 20-30% pa net revenue growth for the next three years.

Interestingly, this stock had suffered a dramatic share price fall in August of 2023 following a very weak first half result. Investors were concerned the US market, a key growth avenue for Adyen, is more commoditised than previously thought, resulting in a 'race to the bottom' in terms of pricing. Moreover, as e-commerce normalised post-COVID, investors were unsure about how much of the slowdown in top line growth was cyclical versus structural. Adyen margins also seemed under pressure due to their countercyclical hiring.

These concerns were largely alleviated by strong growth in the September 2023 reporting period, as well as management's introduction of specific three-year targets for net revenue growth, margin and capital expenditure.

Adyen's situation is a good example of our investment process in action: over short periods of time, stock prices are heavily influenced by cognitive biases, creating mispricing. Buying into a stock when these fears are prevalent – as we did with Adyen – is proof yet again that the best investment decisions are often uncomfortable to make.

A refreshing beer?

During the quarter we started building a position in **Heineken**, the world's second largest global brewer. Founded in 1864, the Amsterdam-based company's premium brands represent around 40% of its total portfolio. Overall, the beer sector is neglected, partly because growth in global volume is relatively weak. However, aspirational consumers are still driving strong volume growth (and higher prices) via the 'premiumisation' trend in developing and emerging markets.

Heineken is the last remaining publicly listed major brewer still controlled by its founding family. The advantage of this ownership structure was their willingness to plan and act for the long-term (the three prior CEOs served terms over 12 years each). The disadvantage of this history is a relatively soft competitive culture compared to peers like the Belgian giant AB Inbev (ABI). We believe there is certainly scope for more rigour around performance and financial returns at Heineken.

An opportunity for the number two brand

Following a decade of industry consolidation led by ABI, competitor dynamics have reached a sweet spot where industry players can now focus on rational pricing, more premiumisation and higher returns via increased productivity. ABI's aggressive M&A behaviour has consolidated their market positions and created what some could argue is excessive profitability. That can provide a wonderful pricing opportunity for the right number two brand – like Heineken.

Heineken's CEO has outlined a sensible multi-year strategic plan for the company to become more competitive. Peer benchmarking shows Heineken can use the operational levers under its control to reduce costs and drive higher productivity.

In the short term, we expect the stock to get a cyclical bounce from margin expansion and an improvement in sentiment about the company and its management. In the long term, we will monitor for financial signs that the underlying business is improving via increased productivity and profitability and is closing the gap on industry leader ABI.

Outlook

European stockmarkets are now close to their historic highs as the dovish interest rate pivot is seen as bullish for equity markets. The key question remains whether disinflation will occur against a soft-landing backdrop or whether it's a precursor for a more severe economic slowdown.

Although inflation is falling, the European economy is weakening. German business sentiment unexpectedly fell in December[5], signalling that Eurozone's largest economy will likely contract again in the fourth quarter. Germany is the weakest major Eurozone economy and the recent budget crisis has resulted in new austerity measures which could further dampen growth. In this context, profit growth in European businesses might negatively surprise investors over the next 12-18 months.

In response, we are reducing our exposure to stocks that have performed well and rotating capital into companies that have reset revenue and profit expectations. Overall, the portfolio remains cautiously positioned with around 9% of its capital in cash and a 23% short position at quarter end.

4 Source: Adyen Q3 2023 Business Update

5 Source: ifo Business survey December 2023

Platinum Japan Fund

James Halse
Portfolio Manager

Leon Rapp
Portfolio Manager

Overview

- The Fund returned 4.0% for the quarter in AUD terms. Our best performers were holdings in enterprise software companies, particularly new holdings in **GMO Payment Gateway**, **Fuji Soft** and **Shift**.
- Rising earnings and improving investor sentiment toward Japanese equities underpinned strong stock market performance during 2023. The Nikkei 225 rose 28%, its best annual return since the beginning of Abenomics in 2013. It is closing in on its all-time high of 38,915 reached in the zenith of Japan's boom in 1989.
- 2023 may be a watershed for Japan's economy, marking the end of a three-decade long struggle with deflation, slow growth and excess corporate saving. From meaningful improvements in corporate governance, to higher wages, reshoring of supply chains, expanding domestic investment and rising productivity, there are many factors set to underpin higher growth for Japan.

Performance

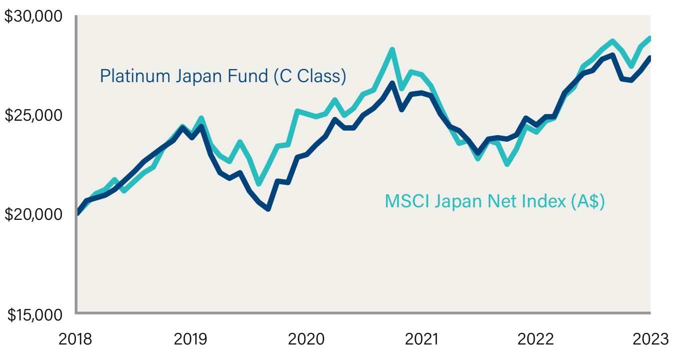
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Japan Fund*	4%	14%	7%	7%	13%
MSCI Japan Index^	2%	20%	5%	8%	4%

+ Excludes quarterly performance.
* C Class – standard fee option. Inception date: 30 June 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

31 December 2018 to 31 December 2023



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.

Key contributors during the quarter were concentrated in our holdings in enterprise software companies, particularly a new holding in **GMO Payment Gateway** (up around 40% since we invested). GMO is the market leader in online/offline payment processing. Payments is a growing industry with high barriers to entry and Japan is a laggard in cashless payments. E-commerce and other online payment levels remain low, implying a large addressable market. We have monitored GMO for some time but baulked at the high valuations. A recent price decline due to transient growth concerns gave us the opportunity to build a position.

Other key contributors were also in the enterprise software space, notably **Fuji Soft** (+22%), a Yokohama-headquartered IT services company that deals in systems integration and control and embedded systems.

The Fund also benefited from a good performance by **DTS Corp** (+10%) which offers its corporate clients IT consulting and systems design services as well as Business Process Outsourcing (BPO). Another holding, **Shift** – which specialises in software testing for the enterprise and entertainment segments – was up over 30%.

In more traditional segments, **Kurabo Industries** – an Osaka-founded conglomerate that operates in textiles, chemicals, real estate, and industrial businesses – was up over 18%

Key detractors were **Hirano Tecseed** (-15%) as orders for its Li-ion battery coating machinery fell. **Oyo** (-17%) is a geological and geotechnical consulting business which saw its share price weaken as it lowered its full year outlook due to rising costs. **Toyo Seikan**, a packaging and packaging systems company, fell over 6%. This partly unwound strong performance earlier in the year.

In the quarter, we reinitiated our position in **Toyota Motor Corp** as we see clearer signs that Battery Electric Vehicle (BEV) adoption is slowing in the US and Europe due to issues around affordability, range anxiety and inadequate charging infrastructure. By contrast, fuel-efficient hybrids are popular thanks to better affordability, longer range, low running costs and strong resale values. The largest beneficiary of this move is Toyota who pioneered hybrids and is still the leader today. Their product portfolio aligns with the current needs of consumers and means Toyota can potentially avoid margin risk should a BEV price war widen. This will enable them to roll out more cost-competitive second-generation BEVs – with advanced solid state batteries – from a position of financial strength.

Commentary

A new dawn and the end of deflation

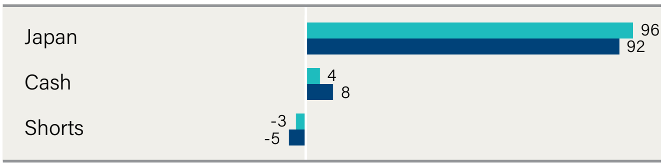
After many false dawns, we think 2023 heralds Japan's long-anticipated exit from the deflationary pressures of the past three decades. Corporates have recaptured pricing power and 2023 also saw an economy freed from COVID restrictions, with a strong rebound in inbound tourism helped by a cheaper yen.

The Japanese stock market also has solid fundamentals: earnings, profit margins, shareholder returns and Return on Equity are strong while corporate debt remains low. Valuations are unstretched on 14.5X 2024 PE Ratios and a 1.3X Price to Book Ratio even after recent strong performance.[1]

The most notable event of 2023 was the release of the Tokyo Stock Exchange's (TSE) action plan encouraging listed companies to raise awareness of their cost of capital and requesting companies to detail specific measures that improve capital efficiency.

1 Source: Factset Research Services – end 2024 forecasts

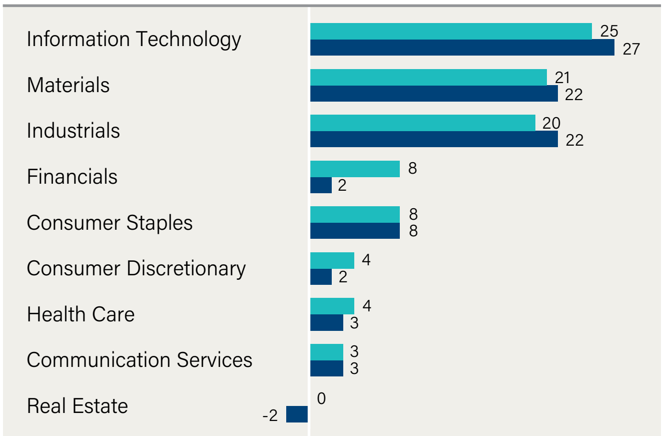
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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	6.7%
Ezaki Glico Co Ltd	Japan	Consumer Staples	4.9%
GMO Payment Gateway Inc	Japan	Financials	4.7%
Nittetsu Mining Co Ltd	Japan	Materials	4.7%
Digital Garage Inc	Japan	Info Technology	3.6%
Toho Titanium Co Ltd	Japan	Materials	3.0%
Hirano Tecseed Co Ltd	Japan	Industrials	3.0%
Oyo Corp	Japan	Industrials	3.0%
Sun Corp	Japan	Info Technology	2.9%
Fuso Chemical Co Ltd	Japan	Materials	2.9%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

Further TSE requests for improvements in corporate governance – including enhanced shareholder rights (particularly for parent/subsidiary listings), more dialogue with investors and expanding English-language disclosure – round out some of the most effective reform frameworks seen in recent memory.

We met with Yamaji-san, the Group CEO of the Japan Exchange Group in late 2023. For more on these meetings – and on the broader importance of Japanese stock market reform for investors – see our recent article.[2]

Inflation and currency

Inflation returned to Japan in 2022, rising above 4% at the end of the year, but eased through 2023 to the 3% YoY level (though remaining above the BOJ's target level of 2%). The retirement of BOJ Governor Kuroda and a sharply depreciating currency led to rising market expectations that new Governor Ueda would finally review the BOJ's decade long commitment to ultra-accommodative monetary policy.

While market expectations for higher interest rates in Japan were not quite met, easing inflation pressures in the US led to the expectation of a Fed pause or even rate cuts. The widening spread between US Treasuries and 10-year JGBs, a key factor in the sharp weakness in the Yen through much of the year, reversed from October and narrowed by year end. Reflecting this, the Japanese Yen strengthened versus the $US and this affected exporter stocks (especially carmakers). Their earnings typically benefit from a weaker currency.

Takeovers and unwindings

2023 also saw several new developments in the market for corporate control. A revised M&A code was released with the aim of developing Japan's M&A market and ensuring respect for shareholders. Since then we have seen some notable takeovers and several management buy-outs (MBOs) such as Taisho Pharmaceutical's – at ¥700bn, Japan's largest-ever MBO – plus those at Fuji Glass, Benesse and Shidax.

Cross shareholdings have been steadily falling in recent years, though 2023 saw the first meaningful unwind of the complex web of cross shareholdings across the Toyota group. Given its prominent position within Japan's economy this could signal that Japan's corporate world is fully supportive of policy reforms. We believe these reforms will help revitalise Japan's economy.

2 www.platinum.com.au/insights-tools/the-journal/japans-reform-new-dawn-or-same-old-story

Outlook

We now see a virtuous economic cycle in place in Japan.

Corporates are increasing investment and helping to reverse the three-decade hollowing out of Japan's storied manufacturing base. The supply-chain fragility highlighted by Covid means many Japanese corporates are looking to re-shore production.

Japan's government has also been taking steps to encourage this shift, such as tax incentive programs designed to encourage investment in key areas such as semiconductors and EVs. We have already seen significant capacity expansion commitments by semiconductor makers such as TSMC, Kioxia, Renesas, Sony, Micron and Rapidus.

Key suppliers are also investing to support these hubs (including wafer supplier **SUMCO** which we own and which rose around 9% during the quarter). We have seen booming investment in regions such as Kyushu where this activity is concentrated. All these are welcome developments, with positive impacts for construction activity, employment and wages.

A more digital Japan?

We have written before[3] about Japan's under-investment in corporate IT and software solutions. The COVID pandemic exposed an economy that had neglected to modernise and digitalise work practices. As the stock stories above show, a long overdue acceleration of investment in enterprise productivity software and IT is now underway, with spending now growing at a double digit pace. We believe we are still in the early stages of a multi-year investment in digital capabilities as Japan catches up.

Low unemployment is reducing the pressure on corporates to retain labour in unproductive roles, while portfolio restructuring and private equity deals are helping corporates realign their businesses to be more efficient and effective users of capital.

The recent rise in the yen has quieted fears that the BoJ may be forced to raise rates to tame inflation. Investors may worry that an appreciating Yen could be negative for Japanese stocks, but historical data demonstrates that Japanese markets often rise in years where the yen strengthens, perhaps due to a coincident strong domestic economy.

A strengthening yen could force unhedged global investors to reassess whether they have a sufficient allocation to Japanese equities. It may also push local investors to embrace domestic equities rather than investing their funds overseas as they have in recent years.

3 www.platinum.com.au/insights-tools/the-journal/japan-in-the-first-innings-of-a-digital-shift

Platinum International Brands Fund

James Halse
Portfolio Manager

Overview

- The Fund had a difficult quarter and year as markets shrugged off tighter policy. Our defensive approach cost us returns.
- The recent rally (outside China) reflects the US Federal Reserve's dovish monetary policy outlook. Our view is that the US economy is weakening due to the historic tightening of monetary conditions and the outlook for consumer spending and company earnings is not positive. This view is reflected in our overall positioning, which is relatively conservative.
- There's little sign of a post-COVID recovery in the Chinese consumer space and this raises question about the value of holding Chinese stocks, especially given ongoing geopolitical issues. In our view, these holdings are now even more attractive from a valuation perspective and investor sentiment is so weak any good news could trigger a sizeable rally. Chinese funeral services business **Fu Shou Yuan** is one example of this issue. It's priced far more cheaply than similar businesses in the US and Australia even though its growth profile is much more attractive.

Performance

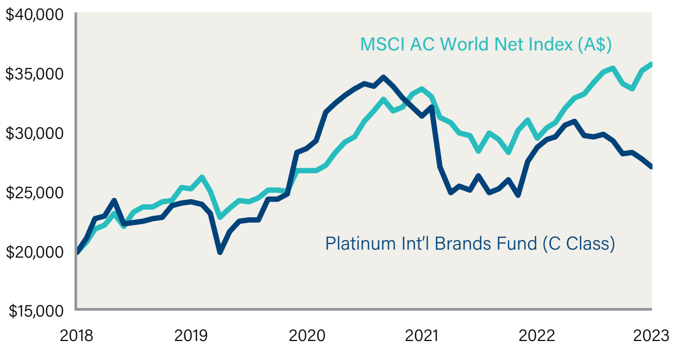
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Brands Fund*	-4%	-6%	-2%	6%	11%
MSCI AC World Index^	5%	21%	10%	12%	5%

+ 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

31 December 2018 to 31 December 2023



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 had a difficult quarter and year as markets rose despite tighter monetary policies in most major economies. Our defensive approach cost us returns.

The Fund had begun the quarter well, maintaining positive performance even as global markets, led by the US, continued the sell-off that began in September.

However, from the end of October, our short positions in over-earning US discretionary stocks, overpriced EV stocks and "meme" stocks that had done well through September and October became a significant burden on performance as the market bounced into a "Santa rally".

Performance was further hampered by what is now a severe slump in Chinese stocks in the face of ongoing issues in the real estate sector and a sluggish economy. Chinese Fund holdings: **China Mengniu Dairy**, **Meituan Dianping** (a food delivery and local services platform) and **DingDong Cayman** (grocery e-commerce) were down over 20% in the quarter.

An unlikely rally?

The rally in non-Chinese markets reflects the view that the US Federal Reserve's monetary policy outlook is turning dovish as inflation eases. We take the view that the economy is weakening due to restrictive monetary conditions, therefore the outlook for consumer spending and thus company earnings is not positive. With that in mind, it makes little sense for the S&P500 to be closing within a hair's breadth of a record high and for many consumer discretionary stocks to have staged large rallies. This view is reflected in our overall positioning at the end of the quarter, which is relatively conservative at 67% net exposed to markets.

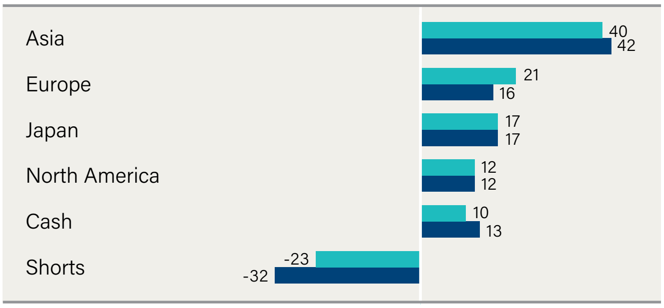
Cushioning our performance somewhat this quarter was our relatively low exposure to a weakening US dollar and a large position in the appreciating Japanese Yen. We made an active decision to increase our Yen exposure during the quarter, as Japanese monetary policy continues to normalise, and the US looks to have reached the peak of its tightening cycle. One only need visit Japan and monitor the cost of everyday activities to understand that the Yen remains very cheap on a fundamental basis, so has much room to run if longer-term interest rates continue to converge. Overall, currency added to performance in the quarter.

In terms of individual stocks, low-cost gym franchisor **Planet Fitness** (+48%) bounced from depressed levels. The company announced various measures designed to improve franchisee economics, which the market viewed positively. It is also a beneficiary of lower long-term interest rates. Austria's **Raiffeisen Bank** (+40%) jumped midway through the quarter due to a strong earnings result, then later in the quarter as it announced a transaction designed to reduce the capital invested in its Russian subsidiary.

Jeweller **Pandora** (+27%) surged in early October in response to aggressive growth targets announced at its capital markets day. It followed that up in early November with a strong earnings result that caused that stock to rise even further. Likewise, video game platform owner **Nintendo** defied the strong yen to rise 18% in the quarter as a result of continued strong earnings. Our thesis – that changes in Nintendo's underlying business model should result in higher profitability and less cyclicality of earnings through the console cycle – is playing out well.

Our holdings in **Meta**, and to a lesser extent Google-parent **Alphabet**, have been strong contributors to the Fund's performance over the past year, rising 190% and 58% respectively. That said, their relative attractiveness has declined considerably as their valuations have expanded. We have therefore trimmed our holdings, to the point where they are now each sub 1% positions.

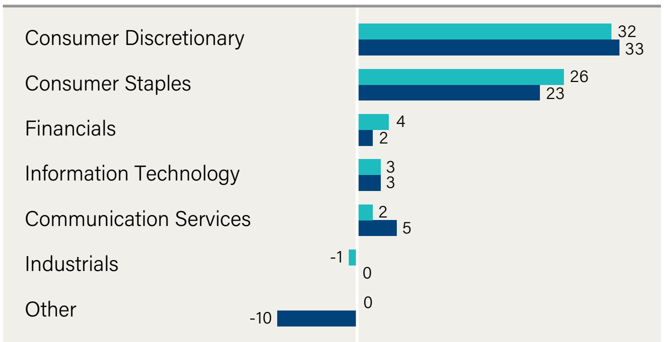
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Ezaki Glico Co Ltd	Japan	Consumer Staples	5.0%
Prosus NV	China	Cons Discretionary	3.6%
Digital Garage Inc	Japan	Info Technology	3.5%
Basic-Fit NV	Netherlands	Cons Discretionary	3.5%
JD.com Inc	China	Cons Discretionary	3.4%
Nien Made Enterprise Co Ltd	Taiwan	Cons Discretionary	3.3%
Fu Shou Yuan Int Group Ltd	China	Cons Discretionary	3.3%
Melco Int Development Ltd	Hong Kong	Cons Discretionary	3.1%
China Feihe Ltd	China	Consumer Staples	3.1%
Pernod Ricard SA	France	Consumer Staples	3.1%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

Commentary

One of the most interesting trends in global markets for investors in consumer-focused companies is the ongoing relative and absolute de-rating of consumer staples[1] companies. We have had very little exposure to consumer staples names in developed markets as we viewed much of the space as low-growth and interest-rate sensitive.

More recently we have seen opportunities beginning to emerge in this area, and to that end in December we established a position in global brewer Heineken. Our recent purchases of this stock took place at some of the cheapest valuations relative to expected earnings seen in the past decade.

Heineken has faced headwinds from rising input costs and a strong US dollar which has hurt profitability in its emerging market strongholds. These trends appear set to reverse, so the stock appeared well positioned for the double whammy effect of a resumption of earnings growth and valuation re-rating. Additionally, management has announced plans to reduce costs via better integrating its very decentralised operations and reducing its brewery footprint to improve capacity utilisation. It has the opportunity to improve significantly in both areas.

Consumer opportunities in China

The opportunity in Chinese consumer stocks can be effectively illustrated by looking at the funeral services sector. This sector has long been recognised by investors globally as highly attractive, with strong pricing power (especially for the cemetery business) and with the opportunity for strong players to grow via acquisition. Category champions in various markets include players such as **Service Corp** in the US, and **Invocare** in Australia (recently taken private by TPG).

The Fund owns a position in Chinese leader **Fu Shou Yuan**. Fu Shou Yuan holds around 1% of the Chinese market and the vast majority of earnings are derived from its cemetery business, which has exhibited strong pricing power. The company has shown solid execution in growing via effective acquisitions, buying under-managed cemeteries, improving them and raising prices for new plots.

With only 1% share, there is considerable scope for ongoing growth via acquisition. Compare this to Invocare and Service Corp, where each company holds more than 20% of its respective market, making new acquisitions difficult and where a significantly greater portion of earnings derive from less attractive funeral home operations. Service Corp has grown net income at 0.7%pa over the last five years, compared with Fu Shou Yuan's 9.7%. Invocare was acquired for 37x price/earnings, while Service Corp trades on 20x.

1 Essential products like food and beverages, household and hygeine products.

After the recent sell-off, Fu Shou Yuan can be bought for 14x 2023 expectations, or 11x 2024. It seems clear which stock represents the better opportunity for investors.

Outlook

We expect the recent weakening trends in US consumer spending to pressure the earnings of many consumer discretionary[2] stocks – particularly in areas such as furniture & home, and sporting goods. We have seen recent declines in these categories. There may be further moves to the downside if consumers do not replenish or repeat COVID-era purchases (we are already seeing this in some categories when we adjust for inflation).

Despite large sales declines, several companies have opted to maintain high pricing in the hope of maintaining gross margins. It is likely this strategy will ultimately fail.

The situation in Chinese markets remains uncertain but given the strengths of the underlying businesses and their very attractive valuations it may be that not much needs to go right for our Chinese holdings to outperform.

The absence of a post-COVID recovery in the Chinese consumer space may raise questions about continuing to hold stocks in this market – especially in light of broader economic weakness and ongoing geopolitical issues.

Our view is that our holdings now look much more attractive from a valuation perspective and that investor sentiment is so poor that any good news could trigger a sizeable rally.

It is at the core of our investment philosophy that we seek out opportunities in areas of the market that are unpopular. What is popular is unlikely to be undervalued. Our Chinese holdings continue to represent great value, in large part because of their current unpopularity.

2 Non-essential goods and services - for example luxury and leisure goods.

Platinum International Health Sciences Fund

Dr Bianca Ogden
Portfolio Manager

Overview

- This quarter there was significant acquisition activity in the Health Sciences space as big pharma companies seek to refresh their portfolio of tools, technologies and commercial therapeutics. Some of our Fund holdings – including **Orchard Therapeutics** and **Icosavax** – were acquired during the quarter and this benefited investors.
- Radiopharmaceuticals is an area we have been watching and working in for many years. In broad terms, they're agents – an antibody, a small molecule or other synthetic carrier – that 'deliver' a radioactive isotope to assist in the treatment of a disease – especially cancers. **RayzeBio** is a standout in this space and we bought into its IPO. The company was likely to benefit from the accelerated approval of a core product and was building a quality pipeline of differentiated oncology-related assets. Just as importantly, RayzeBio's efficient R&D engine positions them to build a radiotherapeutic pipeline for the future. The company has now been acquired and this was positive for Fund performance.

Performance

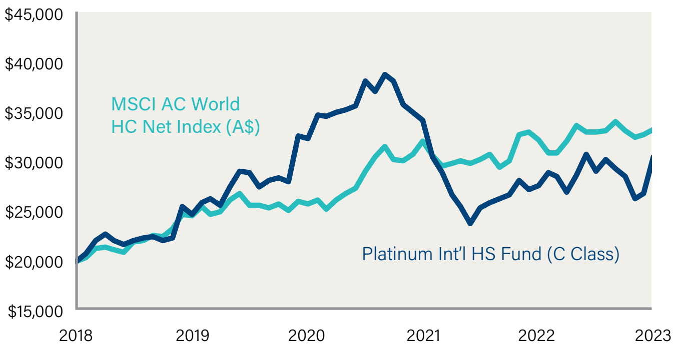
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HS Fund*	7%	11%	-2%	9%	9%
MSCI AC World HC Index^	0%	3%	9%	11%	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

31 December 2018 to 31 December 2023



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.

Weight-loss drugs and heavyweight acquisitions

It was a dramatic year in Healthcare, particularly for the biotech sector. The sector started promisingly, wobbled in the middle of the year but staged a stellar recovery as the rising interest rate cycle *appeared* to be nearing an end. It was also a year that brought new varieties of diabetes and weight loss drugs – GLP-1s – to the notice of the general public and saw increased market worries about the performance of medical device companies. In 2023 the number of new drug approvals by the US FDA was the second highest in the past 30 years (55 new molecular entities or biologics license applications).[1]

This quarter there were several significant biotech acquisitions and some of our holdings were acquired:

- **Orchard Therapeutics** (a portfolio holding) was bought by Kyowa Kirin[2]
- Our holding, **Icosavax**, was bought by AstraZeneca
- We invested in **RayzeBio** at the IPO in September. We had been engaging with the company for some time and saw a strong team putting together a great radiopharmaceutical pipeline. Valuation was very reasonable and, as always in biotech, if the data and execution holds up acquirers will take note. This happened earlier than we thought with Bristol Myer Squibb acquiring the company in late December.

These acquisitions were highly rewarding for Fund investors this quarter with the premia on takeover ranging from 100% to 180%.

In addition. **Roivant** (a holding in the Fund) sold Televant to Roche (which we also hold). Televant was the Roivant subsidiary dedicated to the development of a treatment for Inflammatory Bowel Disease and Ulcerative Colitis. The transaction is worth over $US 7billon.[3]

Roche also acquired Carmot Therapeutics this quarter to gain access to the biotech's obesity pipeline. Carmot had been on our radar for some time and we were looking to participate in the IPO. While many have lost interest in Roche's R&D capability we believe recent deal activity has been sound and Roche is gradually restocking its drug development pipeline.

Obesity therapies continue to garner attention. Denmark's **Zealand Pharma** (up 22% this quarter), is a peptide specialist that we hold. It has a serious development pipeline in the metabolic and inflammatory disease space and is garnering significant industry attention. On the flip side, another holding, **Structure Therapeutics**, was down 19% for the quarter after delivering mixed data for its oral GLP-1 receptor agonist in diabetics. However, in our view the data in obese patients showed great promise hence we added to our position.

In the life science tool[4] space the hope for recovery at bioprocessing companies was squashed quickly during the year with companies missing earnings forecasts and seeing their China business fall away. So far M&A in the sector has been muted, however we expect that to change in 2024.

One Fund holding, **908 Devices**, has been a solid performer (up 68% this quarter) as short selling is subsiding. The company is all about miniaturising mass spectrometry into handheld and desktop devices. These devices can be deployed in the field to detect substances such as counterfeit drugs or linked to cell manufacturing to allow real-time data analysis. We believe the company is in an outstanding position to benefit from the recovery in bioprocessing.

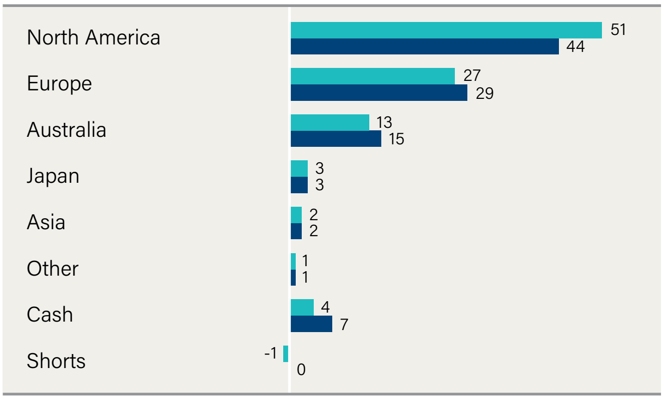
1 Source: US Food and Drug Administration

2 Orchard Therapeutics develops hematopoetic stem cell gene therapy for genetic and rare diseases; Icosavax develops VLP (Viral like particle) vaccines for respiratory disease; RayzeBio focuses on radiotherapy.

3 Source: Roivant Press Release, 23/10/23

4 Life science tool companies develop technologies, instruments and tests for use in medical research, diagnosis and treatment. These companies also provide tools and equipment used in biomanufacturing.

Disposition of Assets %



31 DEC 2023 30 SEP 2023

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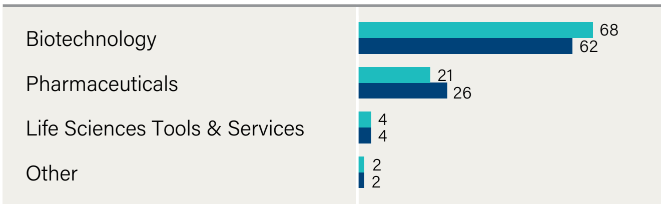
Source: Platinum Investment Management Limited.

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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	7.0%
RayzeBio Inc	US	Biotechnology	4.4%
Icosavax Inc	US	Biotechnology	3.5%
Exscientia Plc	UK	Biotechnology	3.0%
UCB SA	Belgium	Pharmaceuticals	2.7%
Galapagos NV	Belgium	Biotechnology	2.7%
Takeda Pharmaceutical Co	Japan	Pharmaceuticals	2.7%
Zealand Pharma A/S	Denmark	Biotechnology	2.6%
Sanofi SA	US	Pharmaceuticals	2.6%
Ideaya Biosciences Inc	US	Biotechnology	2.6%

As at 31 December 2023. See note 5, page 40.
Source: Platinum Investment Management Limited.

AI makes its mark in medicine

The increasing use of AI in drug discovery is generating demand for partnerships. Our holding, **Exscientia**, expanded its alliance with Sanofi and was up around 40% for the quarter. **Absci**, a generative AI biotech that focuses on biologics, formed new partnerships with AstraZeneca and Almirall and was up 218% for the quarter.

Detractors from performance this quarter included our pharma holdings **Sanofi**, **Takeda** and **Bayer** (down around 25%). All three are investing more in R&D due to pipeline setbacks. Our Australian holdings, **Pharmaxis** and **Telix**, fell due to capital raisings or poorer than expected sales growth.

During the quarter we trimmed many of our holdings due to their exceptional price performance, while adding to our holdings in neurodegenerative biotechs like AC Immune and Wave Life Sciences.

Aura Biosciences has been added to the Fund. This biotech is developing viral-like drug conjugates for oncology – ocular cancers are a focus for Aura and the company has recently started its phase 3 trials.

Commentary

In recent years we have noticed a renaissance in the therapeutic radiopharmaceutical space.

Radiopharmaceuticals are made up of three components, a cell-targeting component also known as a "binder", which can be an antibody, a small molecule or other synthetic carrier molecules. The binder is connected via a linker to a radioactive isotope, which can either be an alpha or beta emitting isotope. Beta emitters are less potent, travel further but are readily available, hence more popular.

Until recently, the general approach to binders has been to repurpose an available antibody or small molecule, conjugate it to a beta emitter and start clinical development. New biotech start-ups have now emerged that are building proper precision radiopharmaceuticals instead of repurposing available modalities as isotope carrier molecules.

Some of these new biotechs are investing in the supply of alpha emitters. Alpha emitting isotopes are in short supply but as a therapeutic payload they are very effective, inducing double stranded DNA breaks efficiently while limiting surrounding damage. This indicated real innovation – and new investment opportunities.

Pharmacokinetic properties

Having the right binder-therapeutic modality-isotope combination is crucial as it determines the pharmacokinetics of the molecule – how fast it penetrates the tumour, how long will it hang around and where else will it accumulate in the body. We saw real change happening and we engaged with various private companies to further our understanding.

These next generation of radiopharma biotechs were different, the focus was on new targets and on identifying new binder molecules that have the best pharmacokinetic properties when linked to radiation. In addition, the leadership teams at these various companies knew about the complexity of the field and had solid drug development and biotech experience.

San Diego based biotech, RayzeBio, founded in 2020, impressed us the most given its R&D approach and the fact it had a valuable late stage pipeline asset. This late stage assets has similarities with an approved drug (Novartis Lutathera) but used the more powerful alpha emitter. Clinical data looks promising. This was a sound strategy with potential for accelerated approval.

RayzeBio's R&D platform also produced RYZ801, a GPC3[5] peptide binder that to us was very interesting given early data from other modalities such as ADCs[6] or cell therapy.

The team around RayzeBio's CEO Ken Song has been thoughtful and innovative while also having no illusions that this space can be very costly to operate in. We invested in RayzeBio at the IPO in September in the belief that if this company continued to execute someone would step in to acquire it. This happened earlier than we thought with Bristol Myer Squibb acquiring the company in late December.

Targeted therapeutic radiopharmaceutical companies like RayzeBio are of great interest to big pharma companies. The barriers to entry are very high, the supply chain is complex and hence generic competition is less likely. That can underpin better long-term revenue and profit growth for the acquiring pharma company.

Outlook

Biotech and pharma companies alike continue to reprioritise pipeline assets and hence are reining in spending. Consolidation will continue and pharma company business development teams will be as important as the CEO and CFO as they drive the ability of pharma companies to acquire high quality research (and new product) at the right price through acquisition.

Private biotech firms looking to list in 2024 should start to get some traction as funds freed up due to recent M&A activity will be recycled into new investments.

Given the interest rate environment is now more predictable, we also expect to see M&A pick up in the life science tool and diagnostic space. Obesity and Alzheimer's disease will remain a focus for many companies.

5 Glypican-3 is an oncofetal protein that is overexpressed in up to 75% of hepatocellular tumors.

6 Antibody Drug Conjugates.

Platinum International Technology Fund

Jimmy Su
Portfolio Manager

Overview

- The Fund generated a return of nearly 7% during the quarter with solid contributions from semiconductor lithography giant, **ASML**, **Netflix** and **Amazon**. Our short positions had a negative effect on performance as some weak companies benefited from the perception that US interest rates would fall, which increased the market's risk appetite. We believe many of the companies we are shorting have structural weaknesses that will be exposed over time.
- GPU maker **Nvidia** delivered exceptional returns in 2023. Upon reviewing this stock, we decided against deploying investor capital behind the theme. We are cautious because we believe current spending in this area is funded by private markets and not by adoption among consumers and businesses. As a result we think investor expectations imply a level of capex spending which may prove to be too high.
- In the current market, stocks with poor business models, substandard execution and a clouded path to future earnings continue to attract investors' interest. We're focused on finding, understanding and investing in quality businesses we can buy at an attractive price.

Performance

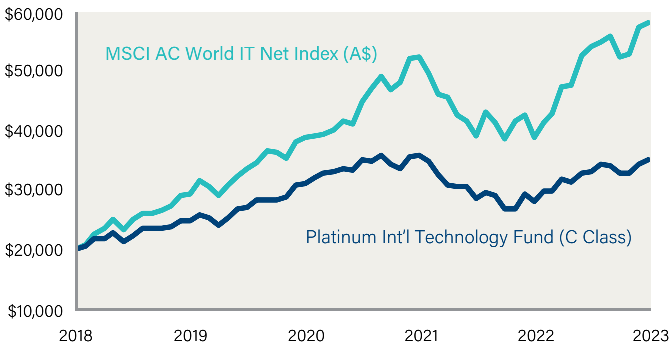
compound p.a.+, to 31 December 2023

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Tech Fund*	7%	25%	4%	12%	10%
MSCI AC World IT Index^	11%	50%	14%	24%	5%

+ 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

31 December 2018 to 31 December 2023



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 was up +6.8% during the quarter. The long book performed well, up +9% in AUD terms. **ASML** (+22%), **Netflix** (+29%), **Infineon** (+20%), **Broadcom** (up around 30%) and **Amazon** (+19%) were the major contributors to performance. Our China tech stocks – **Alibaba** and **Tencent** (down 10 – 20%) were detractors.

Disappointingly, the short book detracted ~1.5% from total returns. As a reminder, our short book consists of:

i) structurally challenged businesses

ii) businesses which we believe are meaningfully manipulating earnings

iii) companies which are still priced as if they are benefiting from COVID

iv) 'science projects' and stock promotion schemes trading at multi-billion dollar valuations.

These types of stocks performed strongly in November as investors' risk appetites increased on the perception that US monetary policy was easing. We are holding onto the majority of our short positions and believe these businesses will be worth significantly less in the medium term. Ultimately, lower interest rates do not make up for weak business models, poor unit economics or deceitful management conduct.

Reshaping the portfolio

At the beginning of the quarter, we exited some companies which *looked* cheap but didn't meet our quality and/or growth criteria and used the proceeds to fund existing positions which we believe are undervalued. During the quarter, we also trimmed some positions which performed well and funded new positions in Broadcom, **Visa**, **Qualcomm**, **AMD**, **Intel** and **Adyen**.

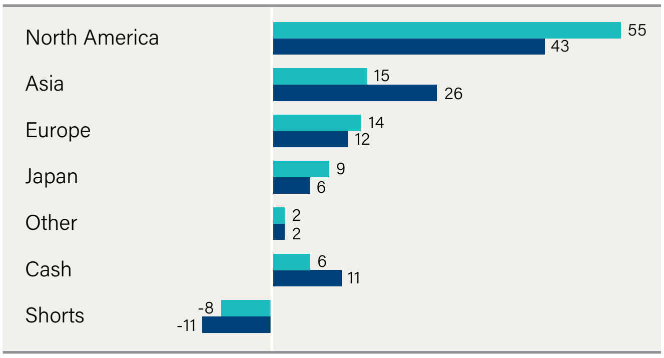
The table below highlights the changes in portfolio positioning versus the September quarter.

Top 10 Holdings Current vs Previous Quarter

31 December 2023		30 September 2023	
Alphabet Inc	4.5%	SK Hynix Inc	4.5%
Taiwan Semiconductor	4.3%	Samsung Electronics Co	4.3%
Adobe Systems Inc	4.3%	Alphabet Inc	4.3%
Netflix Inc	4.1%	Taiwan Semiconductor	4.3%
ASML Holding NV	4.1%	Micron Technology Inc	4.2%
Universal Music Group NV	4.0%	Infineon Technologies AG	4.1%
Amazon.com Inc	4.0%	Microchip Technology Inc	4.0%
Broadcom Inc	3.7%	Meta Platforms Inc	3.7%
Keyence Corp	3.6%	Amazon.com Inc	3.3%
Nintendo Co Ltd	3.4%	Constellation Software Inc	3.0%

■ NEW TOP TEN HOLDINGS IN THE DECEMBER QUARTER
Source: Platinum Investment Management Limited. See Note 5, page 40.

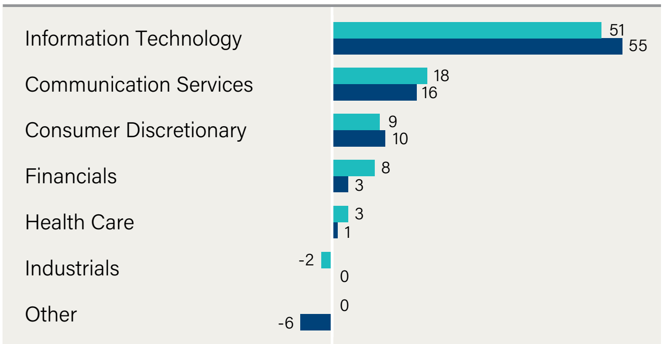
Disposition of Assets %



31 DEC 2023 30 SEP 2023

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

Net Sector Exposures %



31 DEC 2023 30 SEP 2023

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

Commentary

One of the best performing stocks in tech last year was **Nvidia**, which was up nearly 250%. The company is dominant in the graphics processing unit (GPU) chips market, which are used for PC gaming, crypto mining and AI model training and inferencing. Revenues and earnings declined in CY2022 as PC demand normalised and due to the wash-out in the crypto market. They then soared in 2023 as the rapid growth in ChatGPT's user base and industry excitement about potential generative AI applications triggered a scramble to buy GPUs for AI model training.

The Nvidia quandary[1]

Not owning Nvidia was an error of omission in 2023. We were aware of Nvidia's strong position in AI, however, our mistake was in believing that GPU demand from AI training would ramp up much more gradually and investor enthusiasm for the AI theme would be more muted. Whilst generative AI is really interesting from a technology and scientific perspective, we believe the technology is still immature and use cases, adoption rates and business models all remain, to this day, unclear. Acknowledging the above, we went back and reviewed the investment case in August/September. After the review, we remain very reluctant to deploy investors' capital in this area given two concerns.

Our first concern is the vulnerability of short-term demand. Despite popular belief, generative AI adoption (and demand for GPU capacity) among consumers and enterprises remains minimal. The majority of demand is driven by private capital which has flooded the sector. A portion funded AI application companies who are renting thousands of GPUs from large cloud service providers (the big three being Amazon AWS, Microsoft Azure and Google Cloud) to train new AI models and build AI applications. This in turn is causing a capacity shortage at the cloud service providers, who in turn are scrambling to buy more GPUs.

The remaining portion of capital funded small cloud service providers who are buying up as many GPUs as they can and renting them out as cheaply as they can. Neither of these groups are profitable or have sustainable business models (yet) and it's fair to assume that future GPU demand will be highly dependent on the ability of these companies to raise money and the willingness of investors to fund them.

Our second concern is the risk that investors' expectations for Nvidia over the next three years are too high. Consensus estimates now think Nvidia will generate an additional ~$170bn in revenues from generative AI. Given that GPUs make up ~70% of data centre capex for AI workloads, this implies that the cloud service providers (CSPs) will invest ~$240bn in capex over the next three years on AI workloads, effectively doubling their capex spend vs the last three years. In our view, it's unlikely that the CSPs are willing to make a risky bet of this magnitude in such a short time frame on such an immature technology. We have calculated where we think AI adoption could be in three years' time and think the CSP industry will make ~$45bn in revenues from generative AI. Such level of revenues on ~$240bn of capex suggest capacity utilisation of less than 30% and industry losses of ~$25bn per year.

1 For more on Nvidia see our Funds in Focus webinar (www.platinum.com.au/insights-tools/the-journal/funds-in-focus-platinum-international-technology-fund)

Lessons from history

As we worked our way through the case with Nvidia, we couldn't help but draw parallels between what is happening today and what happened with Cisco during the telco boom and bust in the late 1990s.

For background, the US telco industry tripled fibre capacity from 1996 to 2000, with capacity added by incumbents and new entrants (some with unsustainable business models). At the turn of the century investors funded this extraordinary capex due to rapid growth in internet usage and huge optimism on how big the internet could be in the future.

By 2000 however, telco capex was cut and funding dried up. There was a widespread realisation that a lot of the capacity that was added was underutilised, the macroeconomic environment was weakening and investors had lost confidence in the new entrants' business models.

During the upswing in the capex cycle from 1996 to 2000, Cisco, a maker of networking equipment, saw revenue grew from ~$4bn to ~$19bn and EPS from ~15c to ~36c. The stock traded on 25x sales in 2000 as investors extrapolated strong historical growth rates well into the future and justified this by assuming that internet usage growth, telco capex demand and Cisco revenues would continue to grow at those outsized rates.

What investors missed at the time was the fact that ultimately, telco capex was driven by external funding and not by underlying user demand for the internet nor by sustainable business models amongst the new entrants of the day. When the telcos cut back on capex, Cisco's EPS fell only ~30%. Yet the stock was down ~80% as investors were forced to reset their lofty expectations.

The slide below highlight some commonalities between Cisco and Nvidia – and the lessons for investors.

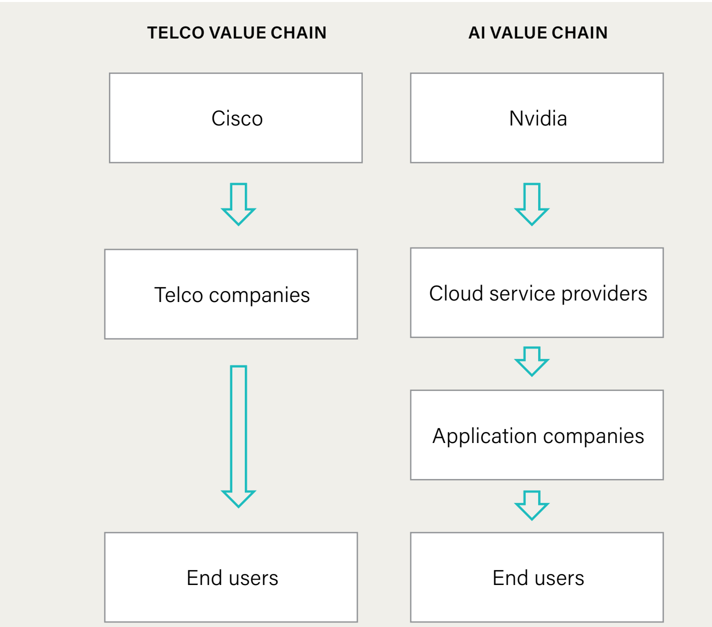
Outlook

Today's market conditions feel a lot like 2021, in that one needs to move down the quality and risk spectrum to find a level of return that is acceptable. Instead of chasing these risky returns, we remain patient and continue to spend time identifying a list of quality businesses we would like to own at the right price.

We also continue to remain patient with the short book despite its weaker performance last quarter. Over the medium term, we believe most of the businesses we are shorting are worth a lot less than their current market caps.

Historic Parallels – Cisco and Nvidia

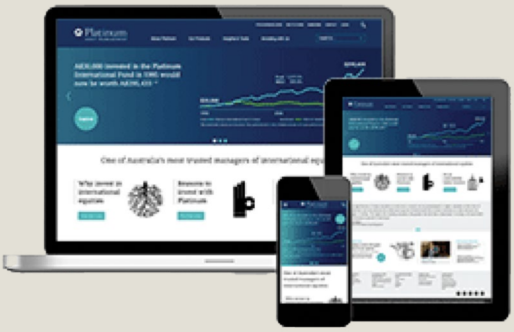
FACTORS	CISCO IN TELCO BOOM/BUST	NVIDIA IN 2023
Capital intensity of customers	High – laying fiber	High – adding GPU capacity
Capacity expansion by new entrants	Qwest, Level 3, IXC	CoreWeave, Lambda, Applied Digital
New entrants' business models	Undercut incumbents on price, profitability questionable	Undercut incumbents on price, profitability questionable
Bullish demand side forecasts	"Internet use doubles every 3 to 4 months"	"GenAI will double IT spend"
Use cases and monetisation	Internet – unsure	GenAI – unsure
Valuations	P/S 25x at peak	P/S 21x for CY23e



Investor enthusiasm, capacity overbuilds and stock market boom and busts in capital intensive industries is not new...

Source: Platinum Investment Management Limited – PITF Funds in Focus webinar.

Highlights from The Journal



You can find a range of thought-provoking articles and videos on our website in **The Journal** under **Insights & Tools.**

ARTICLE

Why investing in the energy transition is not just about renewables.[1]

The energy transition designed to decarbonise the world is well underway but it's becoming increasingly clear success is about much more than renewable energy. We talked to two Platinum Portfolio Managers to see how they think the transition will really work – and what that could mean or investors.

ARTICLE

Japan's reform. New dawn or same old story?[2]

We've been investing in Japan for 25 years and think corporate governance reform could unleash a whole lot of value hidden inside some of Japan's biggest companies. In this article our experts report on their talk with the regulators who are driving the reform – and the companies that will change because of them.

VIDEO

Funds in Focus: Platinum European Fund.[3]

In the video webinar, Nik Dvornak, Co-Portfolio Manager for the Platinum European Fund, talks about big company turnarounds, the Central European consumer and the investment upsides of investing in powerful networks (like stock exchanges).

VIDEO

Funds in Focus: Platinum International Technology Fund.[4]

Jimmy Su, Portfolio manager for the Platinum International Technology Fund looks past the headlines about the "Magnificent 7" to examine some key misconceptions about generative AI and the next leg of growth for streaming services like Netflix and Amazon. He also provides an update on the Fund's portfolio.

AUDIO

Macro Overview: A Cautious Approach is Warranted, But Opportunities Still Prevail.[5]

In late September 2023, Platinum Co-CIO Andrew Clifford sat down with investment analyst Julian McCormack to discuss why Japan is now an attractive investment destination and assess some opportunities in China – particularly in the delivery, travel and auto sectors.

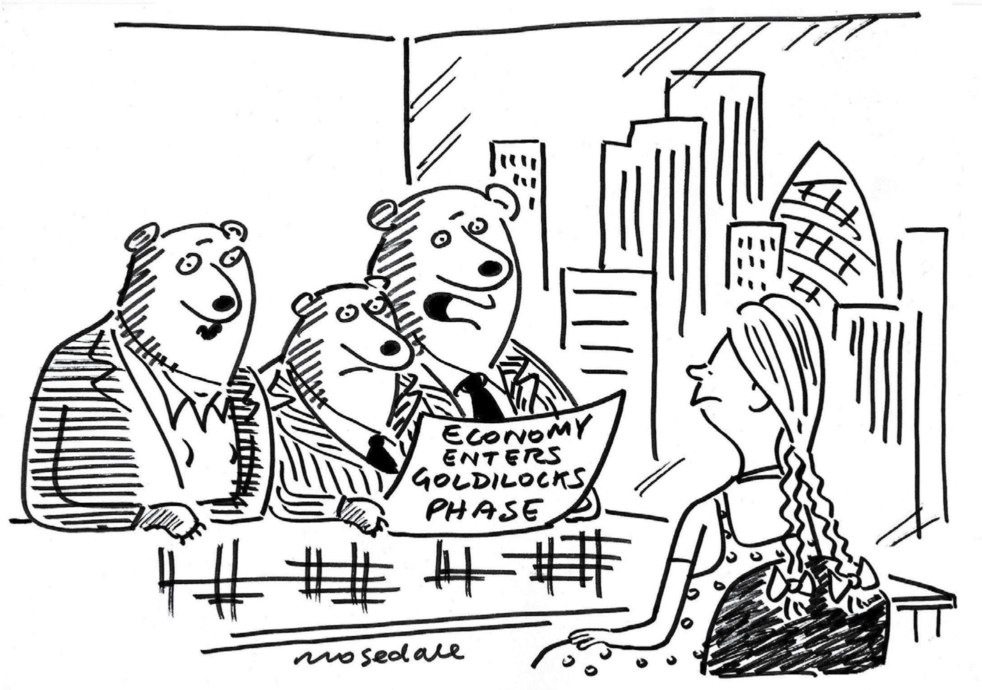
VIDEO

Finding Opportunities Where Others Fear to Tread.[6]

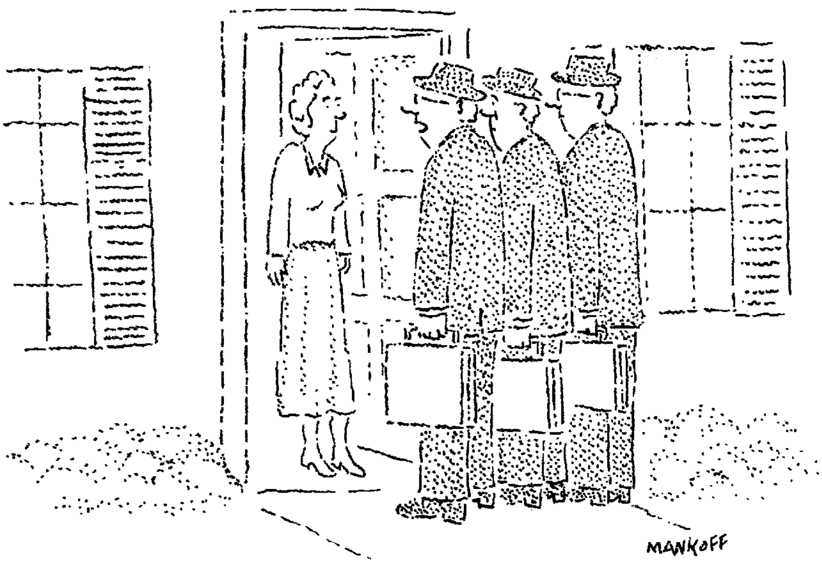
In this video, Platinum's Co-CIO, Clay Smolinski, discusses why it's hard to get macroeconomic predictions correct and how Platinum *leverages* the uncertainties inherent in macroeconomic forecasting to find mispricings that allow us to buy into valuable companies cheaply.

1 www.platinum.com.au/insights-tools/the-journal/why-investing-in-the-energy-transition-is-not-just-about-renewables
2 www.platinum.com.au/insights-tools/the-journal/japans-reform-new-dawn-or-same-old-story
3 www.platinum.com.au/insights-tools/the-journal/funds-in-focus-platinum-european-fund
4 www.platinum.com.au/insights-tools/the-journal/funds-in-focus-platinum-international-technology-fund
5 www.platinum.com.au/insights-tools/the-journal/macro-overview-a-cautious-approach-is-warranted-but-opportunities-still-prevail
6 www.platinum.com.au/insights-tools/the-journal/video-finding-opportunities-where-others-fear-to-t

Some light relief



'How about cutting us in on this?'



"Hello, we're Mathers, Thorpe and Beneke. Can your husband come out and play the market?"

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. Country classifications for securities reflect Bloomberg's "country of risk" designations. "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 graph includes cash at bank, cash payables and receivables and cash exposures through long derivative transactions.
4. The graph 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

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$15 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.

Investor services numbers

Monday to Friday, 8.30am – 6.00pm AEST

1300 726 700

0800 700 726 New Zealand only

Or visit us at our office

Level 8, 7 Macquarie Place, Sydney

* Please refer to page 1.

Platinum
ASSET MANAGEMENT

Level 8, 7 Macquarie Place
Sydney NSW 2000

GPO Box 2724
Sydney NSW 2001

Telephone
1300 726 700 or +61 2 9255 7500
0800 700 726 (New Zealand only)

Facsimile
+61 2 9254 5590

Email
invest@platinum.com.au

Website
www.platinum.com.au