



Platinum Adviser Update Webinar

14 September 2021

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Any reference to long positions in this presentation means a position which the portfolio holds in an attempt to benefit from an increase in value of the underlying security of the position. Any reference to short positions means a position in which the portfolio holds in an attempt to benefit from a decrease in value of the underlying security of the position. Accordingly, long positions represent the fund's exposure to exposure to long securities and long securities/index derivative positions, and short positions represent the fund's exposure to short securities and short securities/index derivative positions, each as a percentage of the market value of the Fund's portfolio.

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Welcome

Dean McLelland, Investment Specialist



Clay Smolinski

Co-Chief Investment Officer
Co-Portfolio Manager, Platinum Global Strategies

Agenda

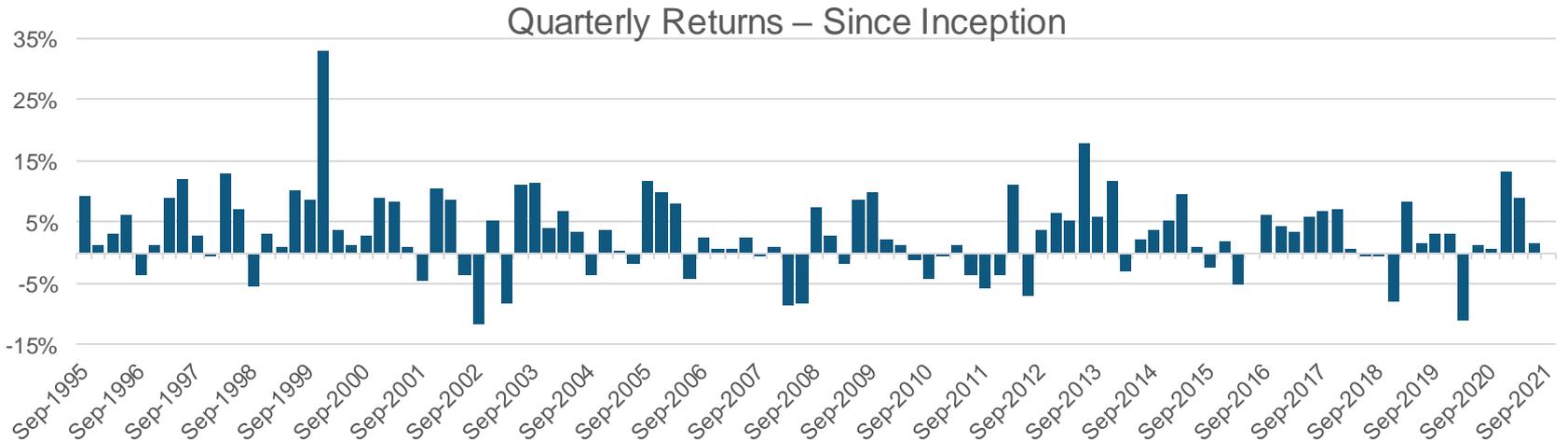
- ◆ Fund performance
- ◆ Portfolio positioning for the future
- ◆ The most common question – the outlook for inflation and interest rates
- ◆ Strong growth environment or back to ‘secular stagnation’?



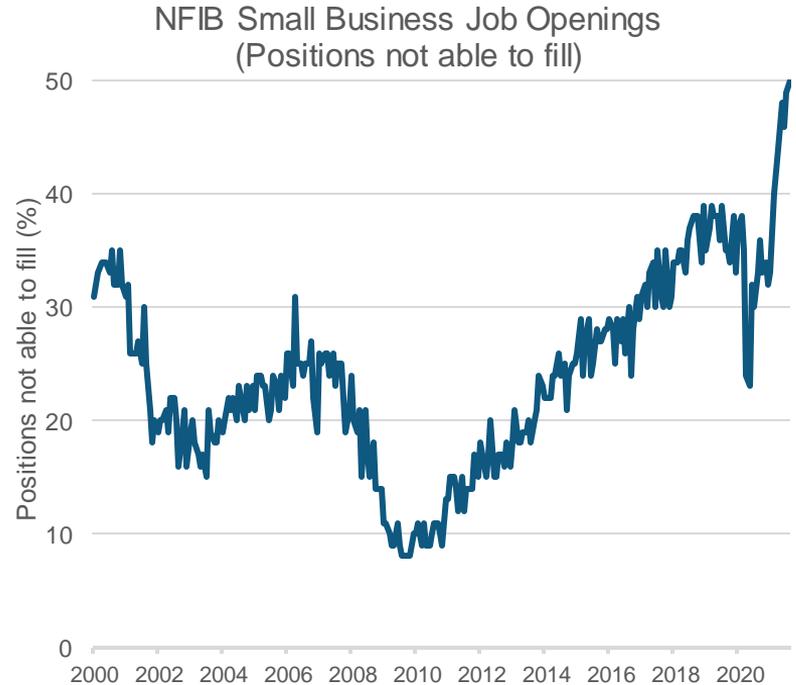
Platinum International Fund Performance

As at 31 August 2021

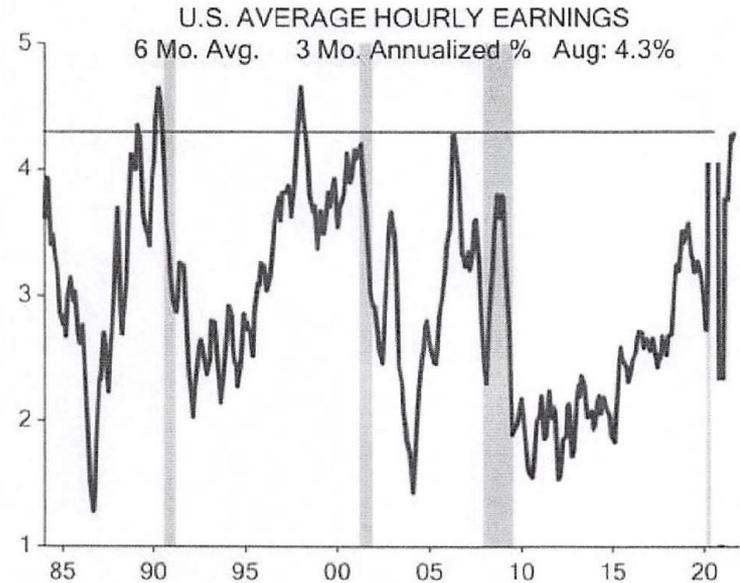
	Since inception p.a.	10 years p.a.	5 years p.a.	3 years p.a.	1 year
Fund Performance – C Class	12.0%	11.8%	9.6%	6.8%	23.5%



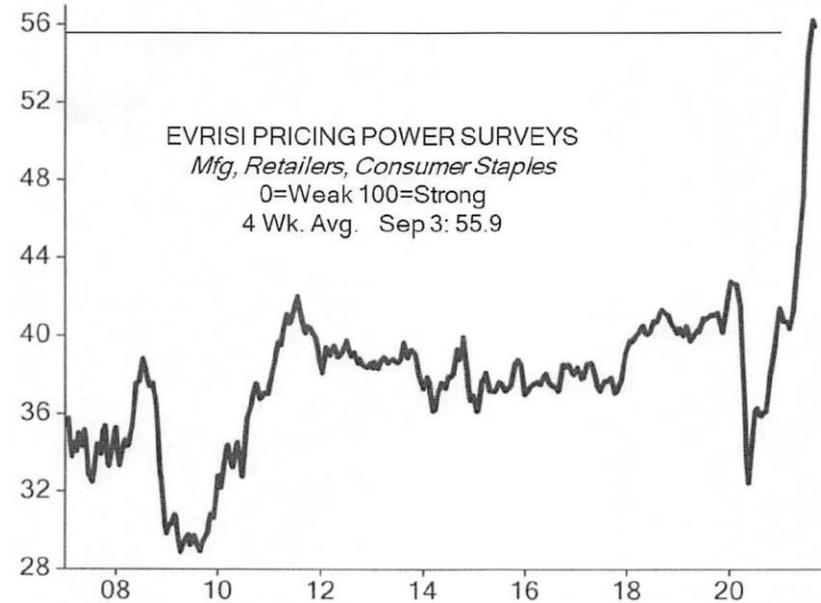
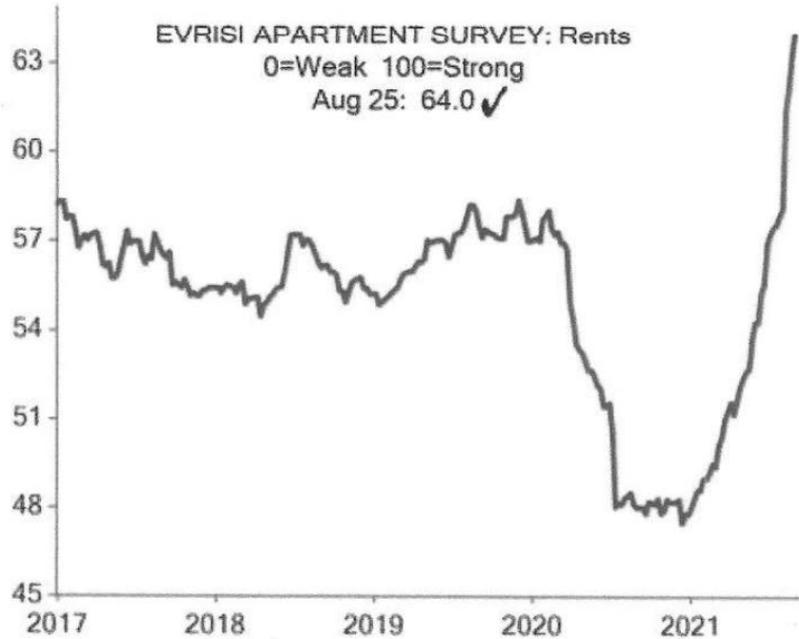
Evidence of strong growth: USA jobs



Evidence of strong growth: USA wages



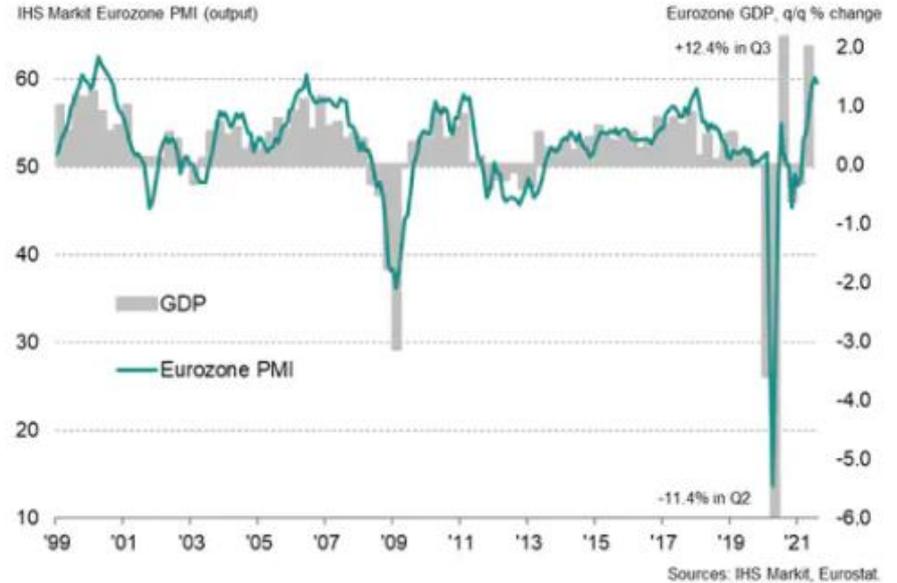
Evidence of strong growth: USA rents and pricing power



Evidence of strong growth: Europe



IHS Markit Eurozone PMI v. GDP

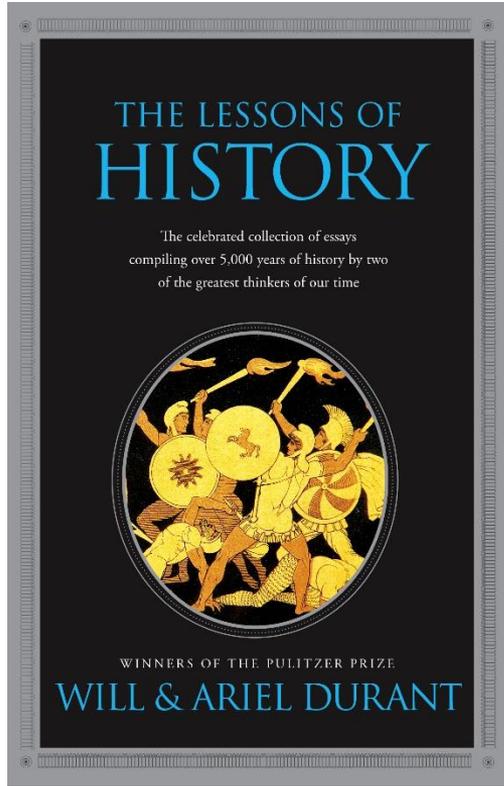


China: some slow down

China Manufacturing Purchasing Managers' Index (PMI)



A book recommendation: The Lessons of History (1968)



Not all is well in the US...



Platinum International Fund

Portfolio snapshot, as at 31 August 2021

Growth industrials	Chinese consumer	Real estate, Financials	Materials	Semiconductors	Travel	Healthcare
~19%	~15%	~14%	~13%	~11%	~9%	~7%
						
						
						
						

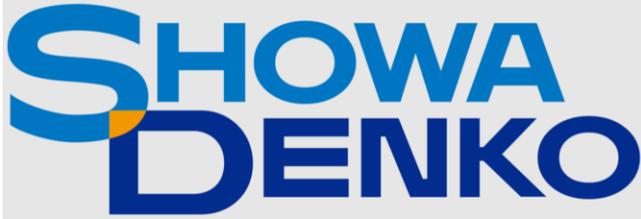


The next area of growth and change?

- ◆ A global push to decarbonise
- ◆ Every company now has an ESG mandate
- ◆ Labour costs are going up – automation and processing relocation are key
- ◆ Technological advances in artificial intelligence and new drug modalities in health care



Stock story: Showa Denko (4004 JP)



- ◆ Benefits from shift towards decarbonisation
- ◆ Major producer of specialty chemicals used in the manufacture of semiconductors
- ◆ China closing blast furnaces to meet CO2 goals
- ◆ Electric Arc Furnace's consume graphite electrodes
- ◆ Showa Denko well placed to capture this demand

High quality growth industrial. Can purchase on 9x earnings today, or 4x earnings if electrode pricing continues to be strong.





Cameron Robertson

Co-Portfolio Manager, Platinum Asia ex-Japan Strategies

China's recent regulation headlines

Business • Analysis

Why China Is Cracking Down Now on After-School Tutors

Investors rethink China strategy after regulatory shocks

WORLD | ASIA | CHINA

China's Corporate Crackdown Is Just Getting Started. Signs Point to More Tumult Ahead.

Regulators are pushing companies to do more to serve the Communist Party's goals, rattling markets

Technology

Baffled investors fear nothing's off limits in China regulatory crackdown

Reuters

Companies Financial Services Inside China

— Opinion

China's tech crackdown shows no sign of abating

Karen Maley Columnist

Jul 19, 2021 - 12:00am

Save Share



Big Tech regulation is happening globally – not just China

EU tech regulation

+ Add to myFT

EU targets Big Tech with 'hit list' facing tougher rules

BUSINESS

House Bills Seek to Break Up Amazon and Other Big Tech Companies

Technology Competition

— Opinion

Concentrated power in Big Tech harms the US

Rather than focusing on prices paid by consumers, US courts and legislators must grapple with something more complex — the outsized power of corporations in our political economy.

Rana Foroohar Contributor

Sep 28, 2020 - 9:40am

Save Share

OPINION | COMMENTARY

Tech Giants and Social Media Need Smart Regulation

The digital economy should have a code of conduct that enhances competition and encourages innovation.



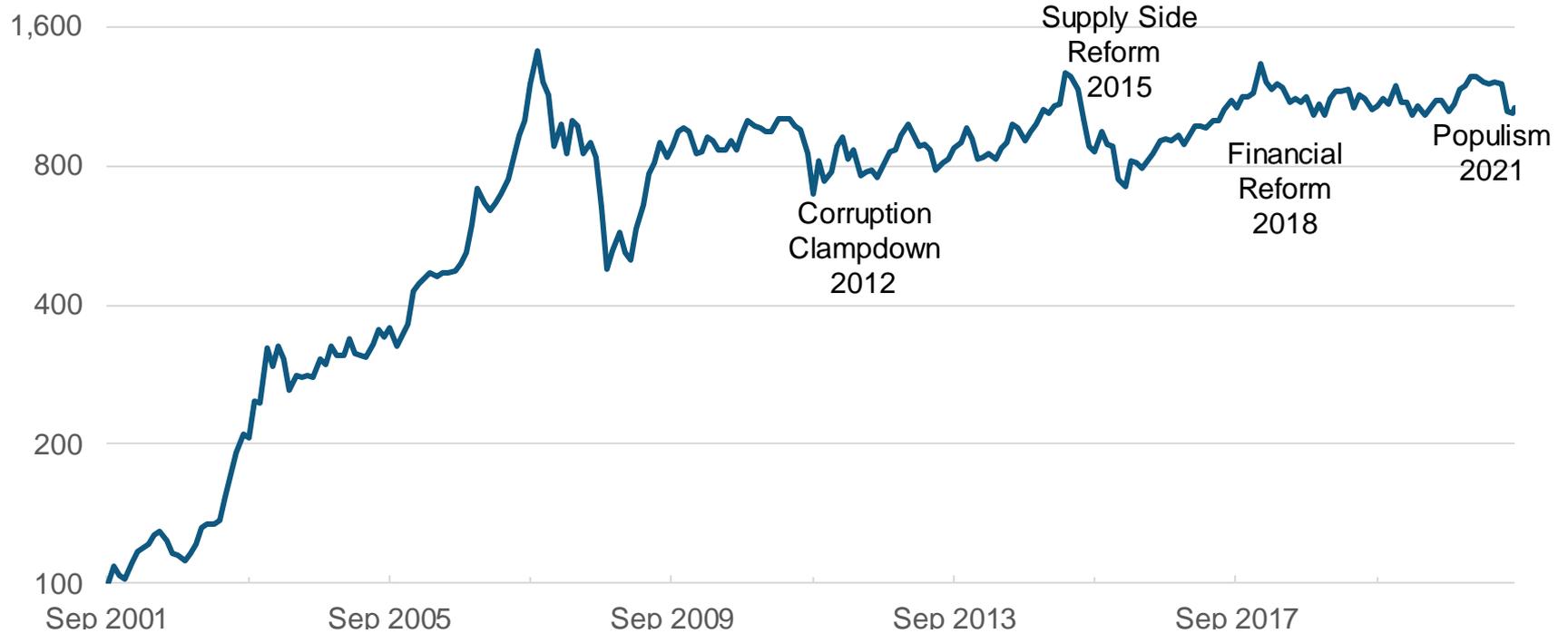
Gini Coefficient: A Measure of Inequality

Complete equality = 0; Complete inequality= 1.0

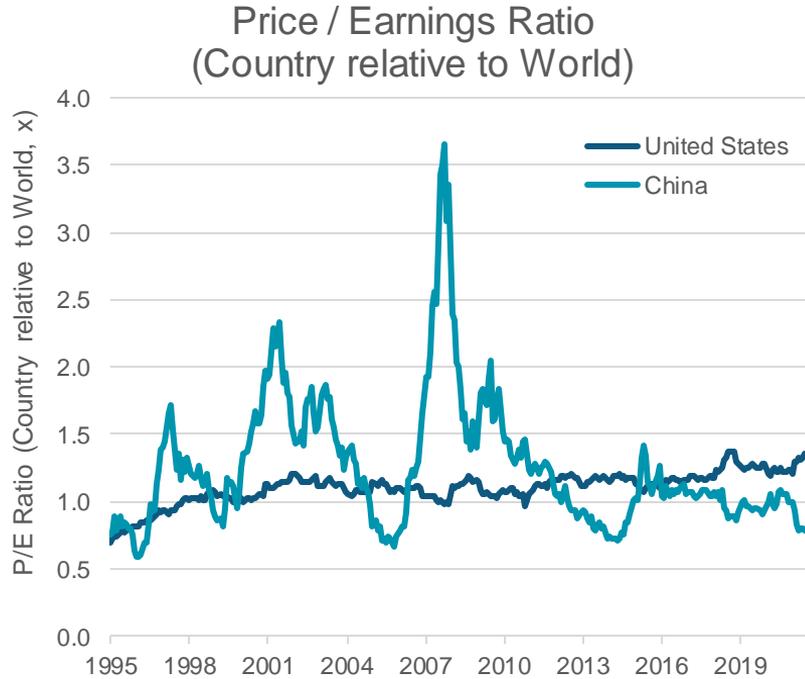


Riding China's waves of reform on the path to prosperity

Total return of Hang Seng China Enterprises Index (USD) (HSCEI). Indexed to 100 at 30 September 2001



Valuation: China and USA in a global context



Platinum Asia Fund

Portfolio snapshot, as at 31 August 2021

Semiconductors



Network champions



Chinese insurance



Chinese consumer



Growth industrials



Chinese real estate



Indian leaders



Emerging South East Asia



Stock story: InterGlobe Aviation (539448 IN)



- ◆ India's largest domestic airline
- ◆ Potential to become the next Southwest or Ryanair
- ◆ IndiGo is 60% of domestic market with little competition
- ◆ Price war over and fares expected to rise.
- ◆ Only 147m domestic flights vs 600m by China with similar population size.
- ◆ Indian air travel is growing by 15% annually.

High quality growth stock. If you owned the Chinese airline stocks at similar stage you made roughly 6x your money.





In Summary

Clay Smolinski

In Summary

- ◆ We are still operating in a very bipolar market - huge enthusiasm and valuations being given to high growth businesses, and outright speculation in areas like SPACs.
- ◆ The economic picture on the ground has changed out of sight. There is mounting evidence that we are not falling back into the slow growth world of the last decade.
- ◆ Making macroeconomic predictions is dangerous, but the risk is asymmetric because the market is pricing in a continuation of the low interest rate environment.
- ◆ It is important to stick to the discipline that price matters and to be wary of the hot areas of the market.
- ◆ We continue to position the portfolio into these new growth areas, where relative valuations are on our side, and where we are likely to be more insulated if we do get a higher rates.





Thank you for joining our webinar