



# Platinum International Health Care Fund

Dr. Bianca Ogden, Portfolio Manager

17 June 2021

# Investing Framework

- ◆ **Companies: People** make a difference, not financial ratios
- ◆ **Deep analysis:** Look well beyond TAM, catalysts, fads and schematics
- ◆ **Engage:** Talk and **LISTEN** to real people doing the actual work
- ◆ **Independence: Think** and **value** for ourselves, avoid the crowd
- ◆ **Crowd:** Understand where the “Street” is



# Biotech: mRNA, an example

BIONTECH  
moderna

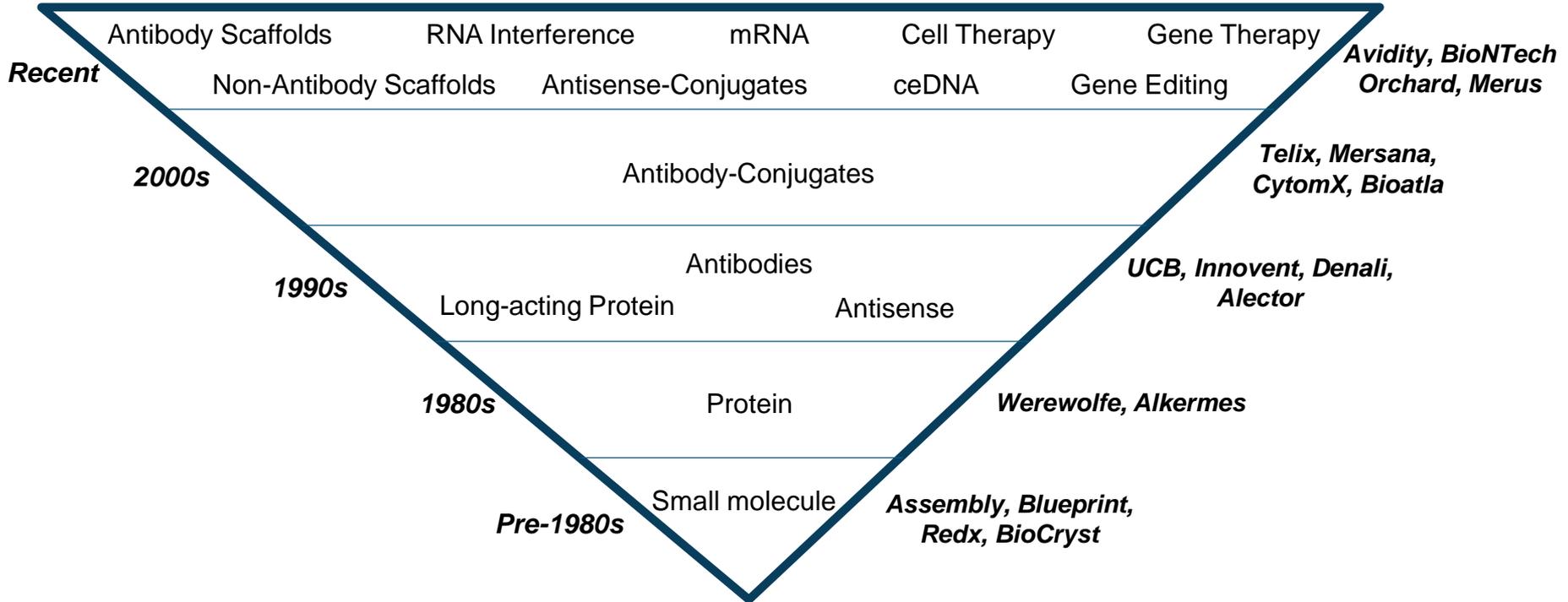


# What lies ahead?

- ◆ Biotech, Engineering and Technology will converge
- ◆ Pharma has to reimagine itself
- ◆ Precision Neurology
- ◆ Synthetic Biology
- ◆ Emergence of Asian Biotechs



# Engineering



# Factor VIII Hemophilia A

## Replace the Protein

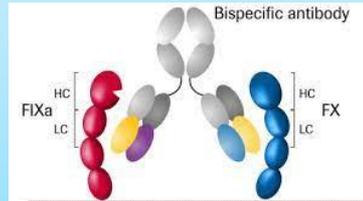
1950s  
plasma derived

1990s  
rc F8, short half life

2000s  
rc F8, longer half life  
less immunogenicity

## Imitate

2017  
Bispecific Antibody  
(Roche/Chugai)



## “Therapeutic”

**siRNA**  
Silencing antithrombin  
(Sanofi / Alnylam)

## Patient as the Manufacturer

### Deliver the gene

- Via a virus (*Various*)
- non viral (*GenerationBio*)

**Deliver the mRNA**  
(Moderna)

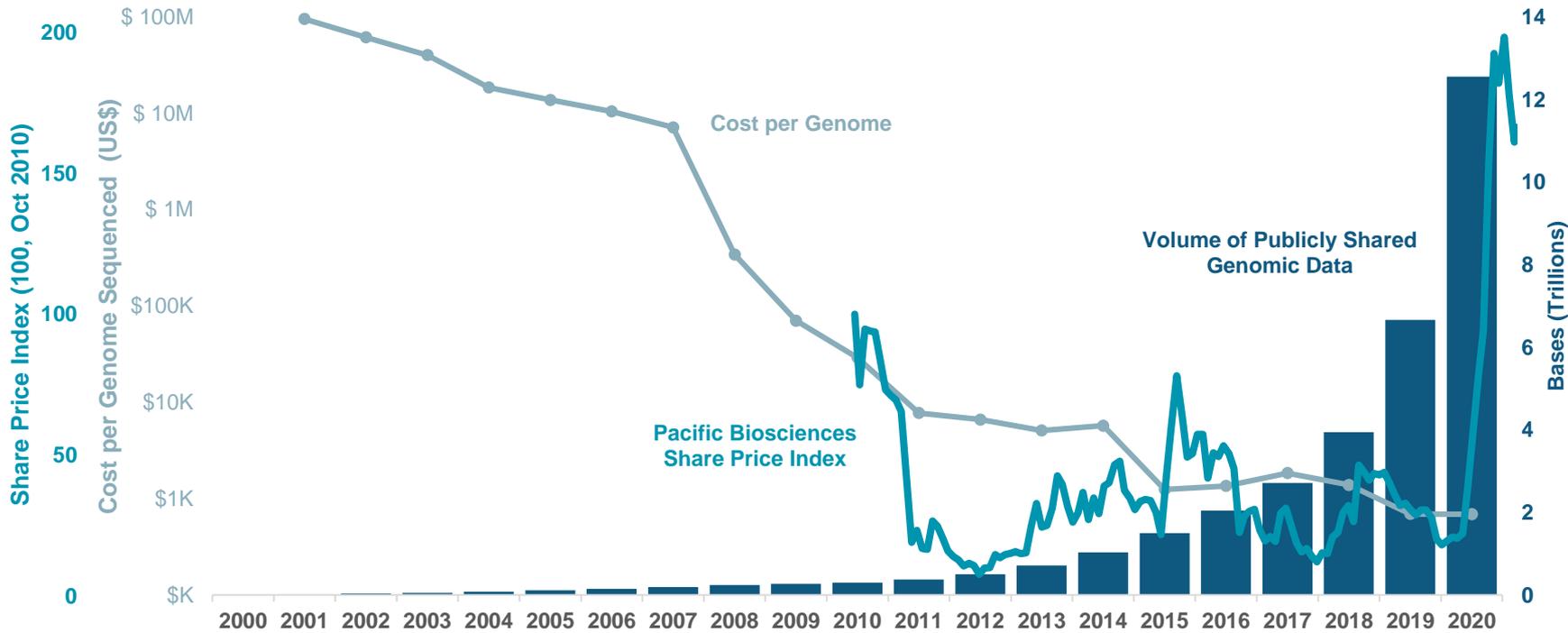
**Fix the mutation**  
(Intellia/Regeneron)  
(NovoNordisk/Bluebird)





# Biotech-Genomics-Tech conversion

*“I think the biggest innovations of the 21st century will be at the intersection of biology and technology. A new era is beginning.” Steve Jobs (2011)*



# Case study in New England Journal of Medicine (3 June 2021)

- ◆ 5 week old infant with inconsolable atypical crying
- ◆ Head CT scan showed issues
- ◆ 10 years earlier sibling died with similar neurological presentation

*Blood draw*  
*Genome sequencing*



**14h33min**

The NEW ENGLAND JOURNAL of MEDICINE

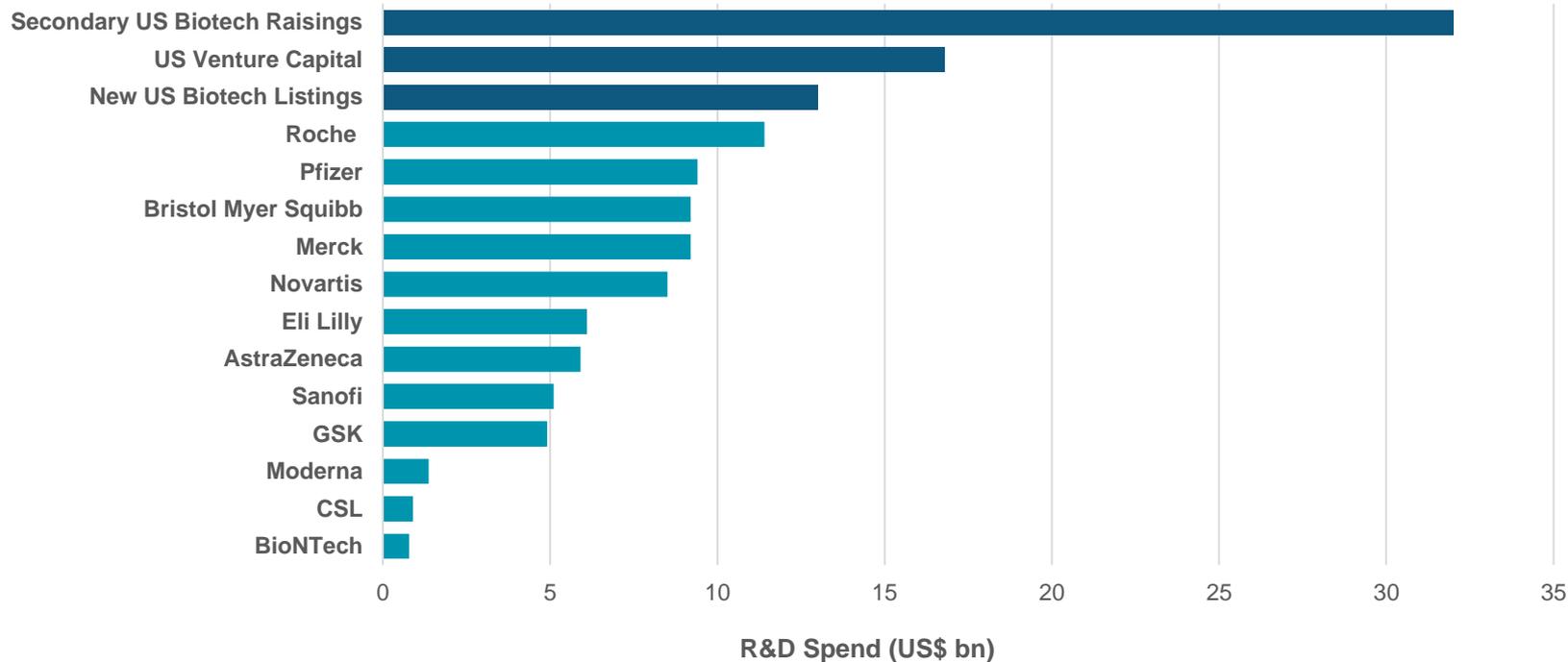
CORRESPONDENCE



Rapid Sequencing-Based Diagnosis of Thiamine  
Metabolism Dysfunction Syndrome

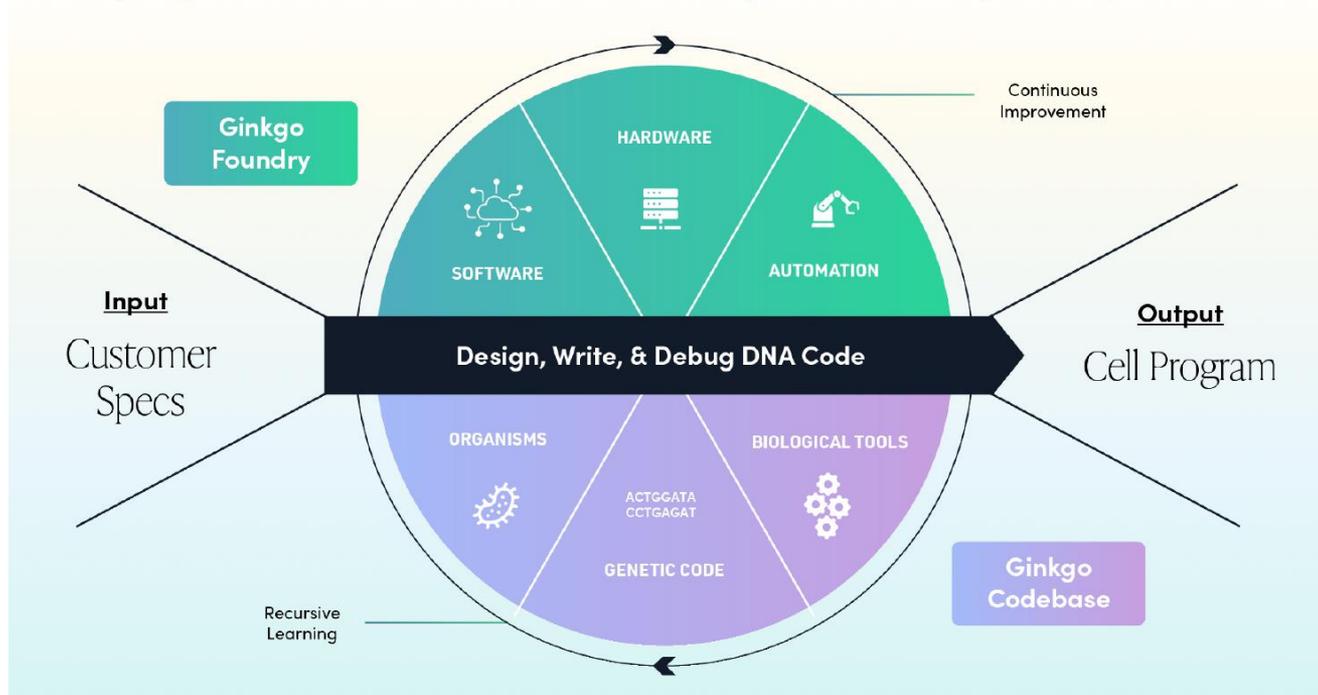


# Research and development “spent” in 2020 (in US\$ bn)



# Synthetic Biology

We program cells for our customers so they can develop new products

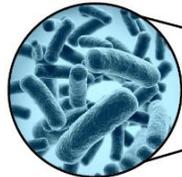
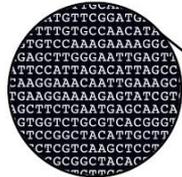


# Bayer-Ginkgo Bioworks JV: Joyn Bio

We learn from wild biology to grow our Codebase

Some crops, such as legumes, have symbiotic microbes that convert atmospheric nitrogen into fertilizer, delivered straight to the plant's roots...

Joyn is working with Ginkgo to leverage this same Codebase for key cereal crops



The **\$70B+** nitrogen-based fertilizer market<sup>(1)</sup> accounts for approximately:

- 5% of global greenhouse gas emissions<sup>(2)</sup>
- 4% of global natural gas production<sup>(3)</sup>

...and local environmental problems from runoff

IMAGE CREDIT: KAREN ING

W I P O  
MESA HOLLISTON SCIENCE 08.14.17 12:13 AM

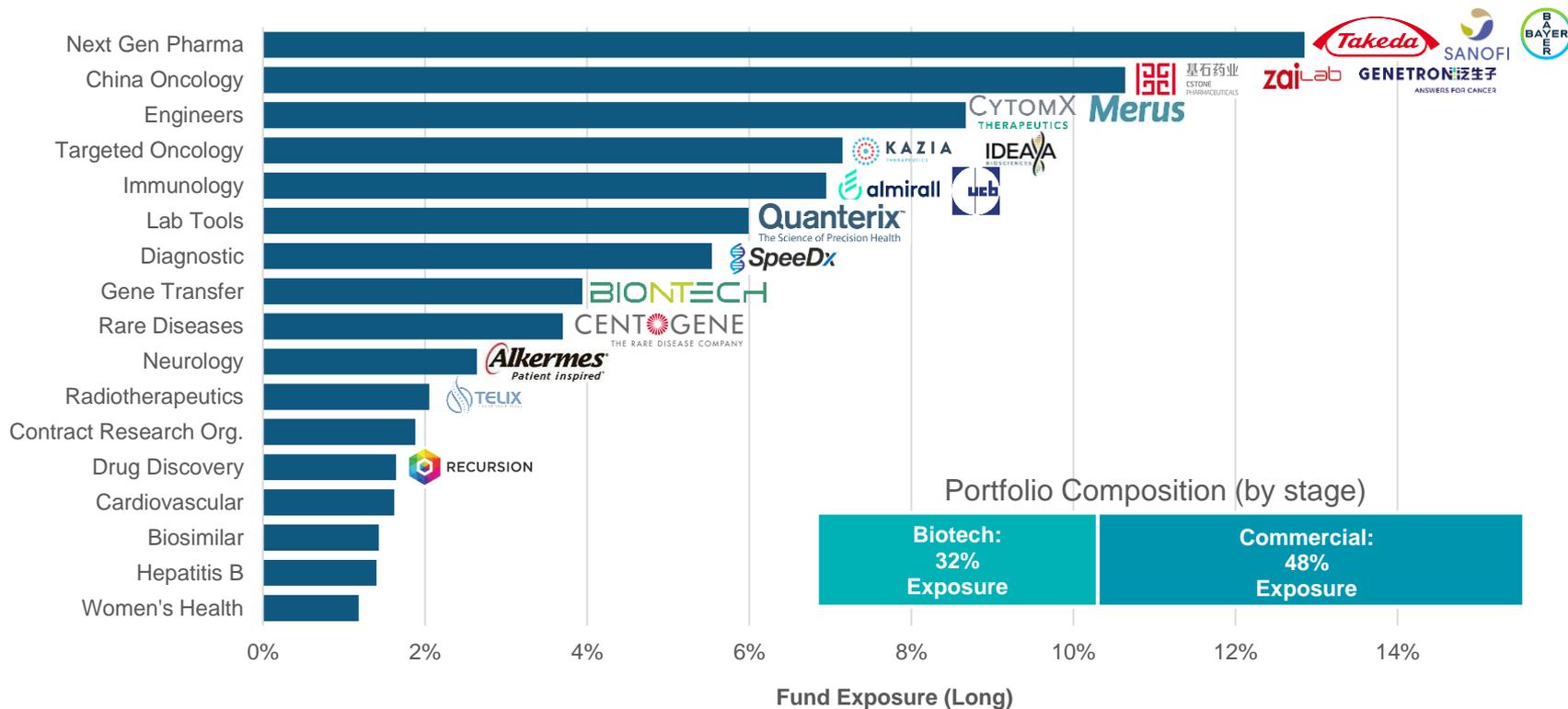
**WITH DESIGNER BACTERIA, CROPS COULD ONE DAY FERTILIZE THEMSELVES**

**BAYER**  
**JOYN**  
**BIO**

(1) Source: Grandview Research, as of 2018; implied 2021 market shown.  
(2) Source: US Environmental Protection Agency, as of 2018.  
(3) Source: SSAC National Accelerator Laboratory (part of OCA), cited by Natural Gas Now, October 2014.

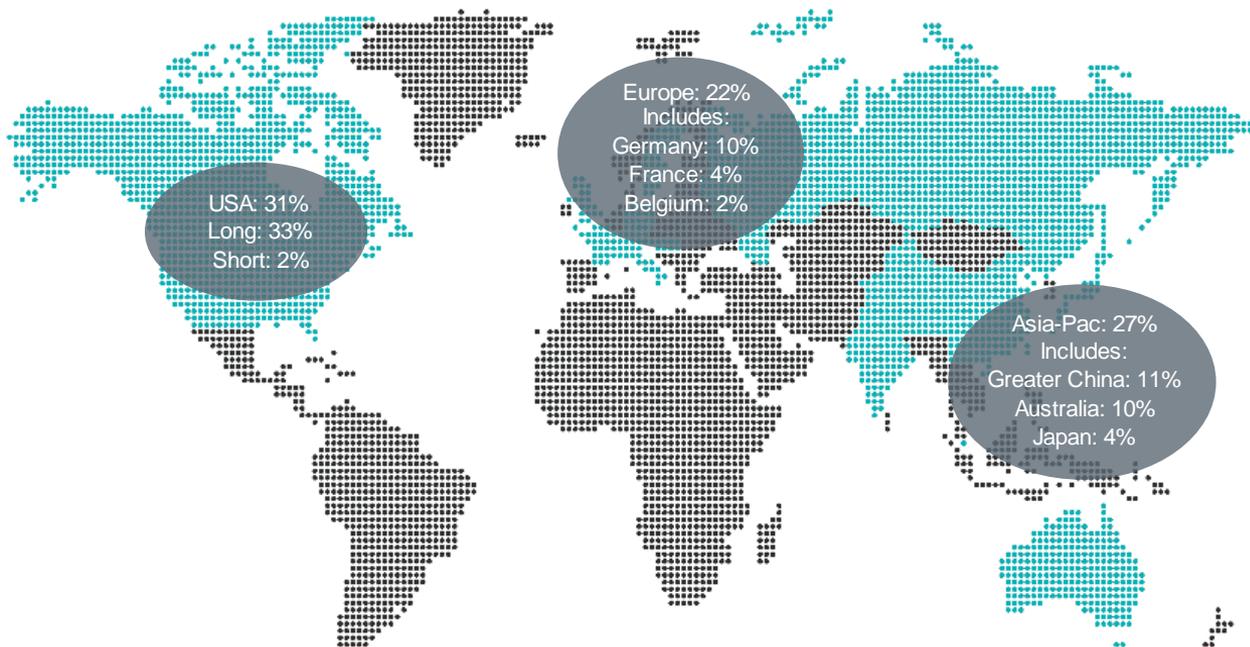


# PIHF “Ltd.”



# Platinum International Health Care Fund

Net geographical and currency exposures as at 31 May 2021



**Major effective currency exposures**

USD & HKD	European	AUD	JPY	Other Asian	Chinese RMB
7%	14%	15%	4%	0%	4%

Source: Platinum. Exposure represents the fund's exposure to the relevant countries/regions as a % of the fund's total market value of investment positions, taking into account direct and indirect long and short securities and derivative positions. Refer to disclaimer slide at the end of the presentation for information on long/short exposure. The currency exposure of the fund is calculated as a % of the fund's net asset value, with exposure through cash, forwards, long and short direct and indirect securities and derivative positions. Actual exposures may be changed from time to time by Platinum.



# Zai Lab, founded in 2014 by Samantha Du

## In 2017 PIHF owned:



Zejula: PARP inhibitor  
Acquired by GSK in 2018 for \$5.1b



Tumor microenvironment biotech  
Bemaritzumab  
Acquired by Amgen in 2021 for \$1.9b



## Zai Lab's sustainable platform and growth acceleration



Partner of choice



Global standards



Horizontal/vertical scale



Scientific insights



# Zai Lab Share Price Index



# Neurodegeneration: genetics, immune system, testing

RARE NEURODEGENERATIVE DISEASES	AMYOTROPHIC LATERAL SCLEROSIS	PARKINSON'S	ALZHEIMER'S
Orphan	20,000+ (US)	1,000,000+ (US)	5,500,000+ (US)
>30 lysosomal storage diseases	>45 known genetic associations	>95 known genetic associations	>35 known genetic associations

## “Engineers”

  
**Denali Therapeutics**  
*Brain Transport Vehicle*

 *Biogen, Takeda, Sanofi*

 *\$8.7b*



 **ALECTOR**  
THERAPIES TO REMEMBER  
*Immuno Neurology*

*Abbvie, Innovent*

*\$1.7b*

## “Trial Tools”

**CENTOGENE** €205Mio  
*Biobank, clinical trial support*

**Quanterix** \$2.2b  
*Biomarker detection*



# In Summary

- ◆ Biotech has gained speed and critical mass
- ◆ Biotech is truly global
- ◆ Biotechs are no longer reliant on “big companies”
- ◆ Biomarkers are the future sensors
- ◆ We have a long history in this sector with very deep, global understanding



# Appendix

# Platinum International Health Care Fund

## Fund overview and manager

- ◆ Launched in November 2003
- ◆ Invests in health care companies from around the world, ranging from those companies engaged in early exploratory research through to those providing health care services directly to consumers such as hospitals or health insurance
- ◆ Follows Platinum investment approach; index agnostic, seeks neglect, manage downside risk
- ◆ Stock analysis undertaken within a global context



## Dr Bianca Ogden

- ◆ Portfolio Manager – Platinum International Health Care Fund
- ◆ Joined Platinum in July 2003
- ◆ Prior to joining the finance industry, Bianca worked as a scientist for Johnson & Johnson Research (Oncology) and for Novartis in Switzerland. The focus of Bianca's post-graduate and undergraduate studies was molecular aspects of viral diseases, such as AIDS.
- ◆ MBio (Tuebingen), PhD (University College London)
- ◆ Key to healthcare investments across Platinum



# Platinum International Health Care Fund

Health Care Sector Team



**Dr Bianca Ogden**  
Portfolio Manager

**Toby Harrop**  
Investment Analyst

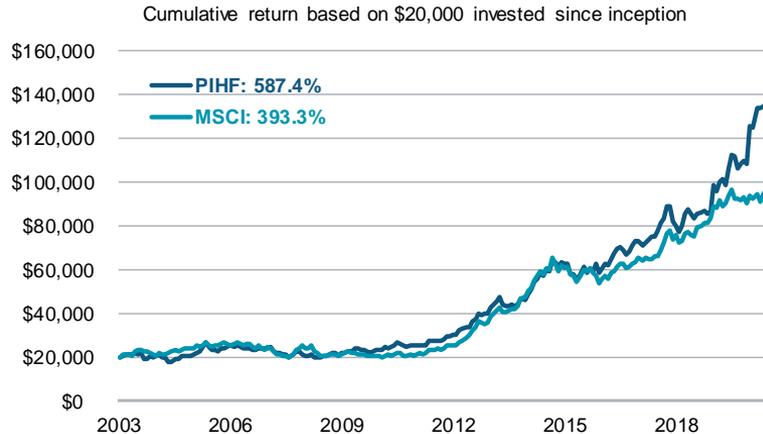
**Zoe Middleton**  
Investment Analyst



# Platinum International Health Care Fund

Performance summary, as at 31 May 2021

	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Platinum International Health Care Fund	2.8	9.3	22.4	20.7	17.5	17.9	17.9	11.6
MSCI AC World - Healthcare net index (AUD)	8.7	5.2	2.2	14.2	10.4	13.3	16.2	9.5
Relative return	(5.9)	4.1	20.2	6.5	7.0	4.6	1.7	2.1



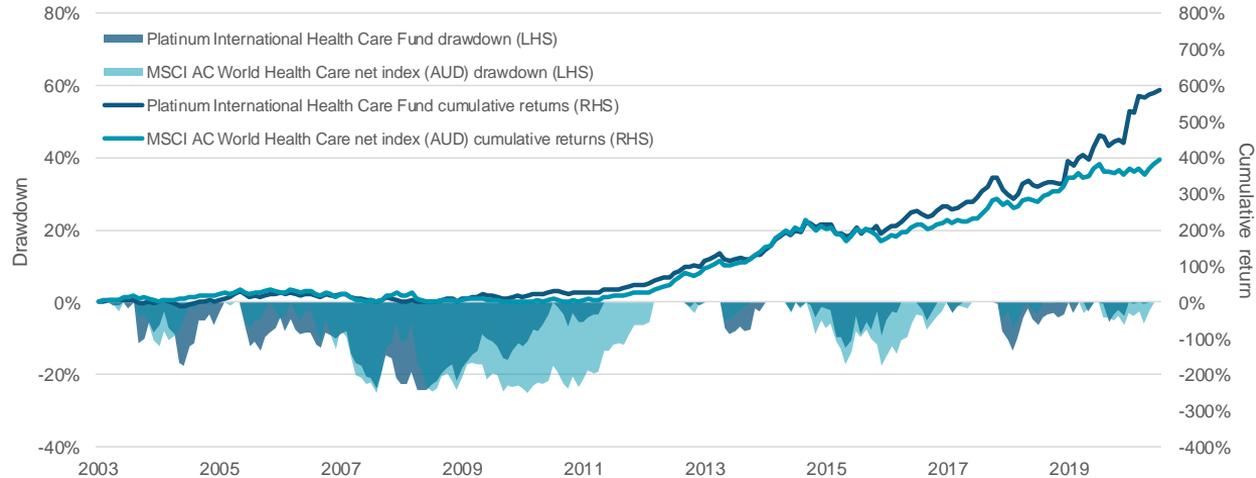
Calendar Year/s	Fund (%)	Index (%)	Relative (%)
2003-2007	21.1	20.2	0.8
2008	(15.8)	(1.0)	(14.7)
2009	7.6	(7.4)	15.0
2010	6.7	(9.7)	16.4
2011	7.8	8.9	(1.1)
2012	19.6	16.3	3.3
2013	45.9	57.5	(11.7)
2014	15.6	29.1	(13.5)
2015	23.3	19.6	3.7
2016	(0.4)	(6.4)	6.0
2017	13.6	11.2	2.4
2018	8.7	13.0	(4.3)
2019	23.8	22.9	0.9
2020	30.8	4.6	26.2
2021	10.0	6.4	3.5



# Platinum International Health Care Fund

Performance and drawdown summary since inception to 31 May 2021

	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Platinum International Health Care Fund	2.8	9.3	22.4	20.7	17.5	17.9	17.9	11.6
MSCI AC World Health Care net index (AUD)	8.7	5.2	2.2	14.2	10.4	13.3	16.2	9.5



Source: Platinum and Factset Research Systems. Refer to disclaimer slide at the end of the presentation for information on the fund index performance calculation and the Index. Drawdown shows the cumulative loss at a point in time from the point of the immediately preceding performance high. Platinum does not invest by reference to the weightings of the index. The index is provided as a reference only. Past performance is not a reliable indicator of future returns.



# Platinum International Health Care Fund

Long & short contribution to performance as at 31 May 2021

<b>1 year</b>	<b>Average exposure %</b>	<b>Contribution %</b>
Long Positions	87.6	26.3
Short Positions	(3.4)	(1.9)
Cash & FX	15.9	(0.3)
<b>Total</b>	<b>100.0</b>	<b>24.1</b>

<b>3 year</b>	<b>Average exposure %</b>	<b>Contribution %</b>
Long Positions	86.4	86.5
Short Positions	(3.9)	(2.4)
Cash & FX	17.5	(1.1)
<b>Total</b>	<b>100.0</b>	<b>83.0</b>

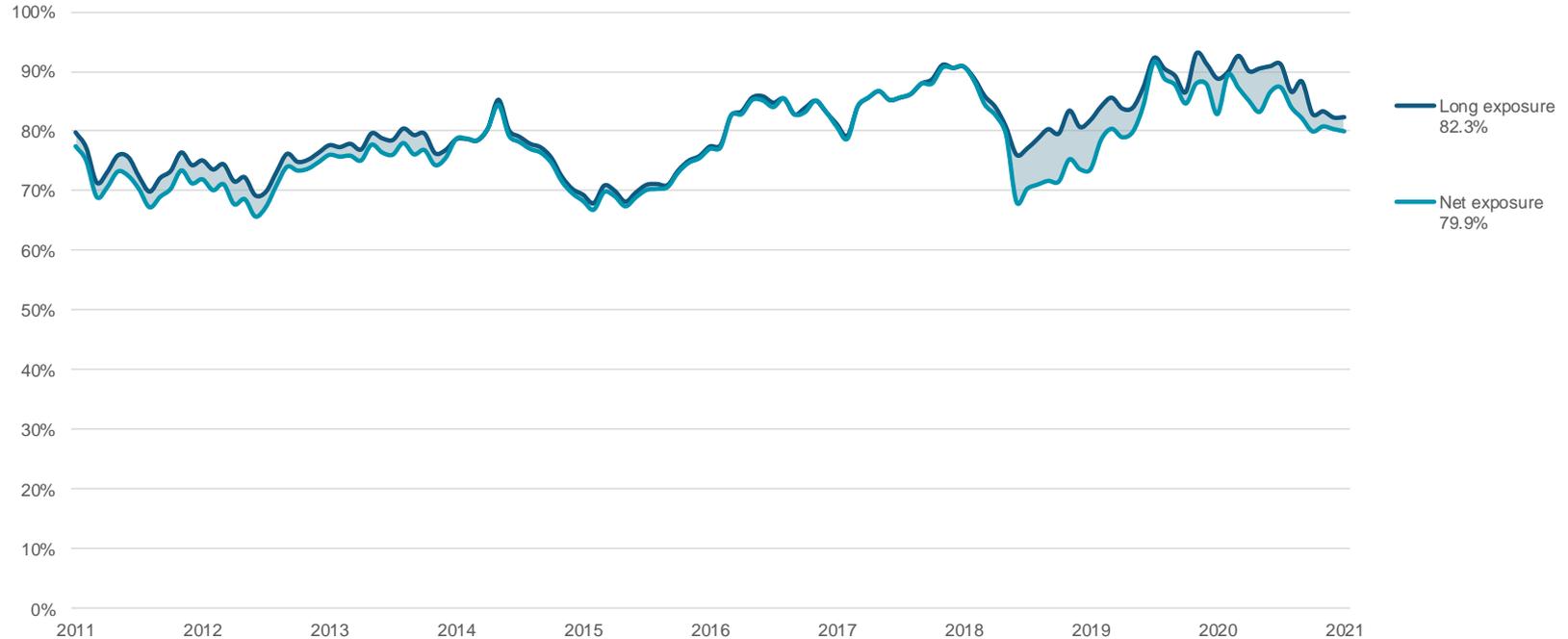
  

<b>5 year</b>	<b>Average exposure %</b>	<b>Contribution %</b>
Long Positions	86.1	143.0
Short Positions	(2.9)	(2.0)
Cash & FX	16.8	(0.9)
<b>Total</b>	<b>100.0</b>	<b>140.2</b>



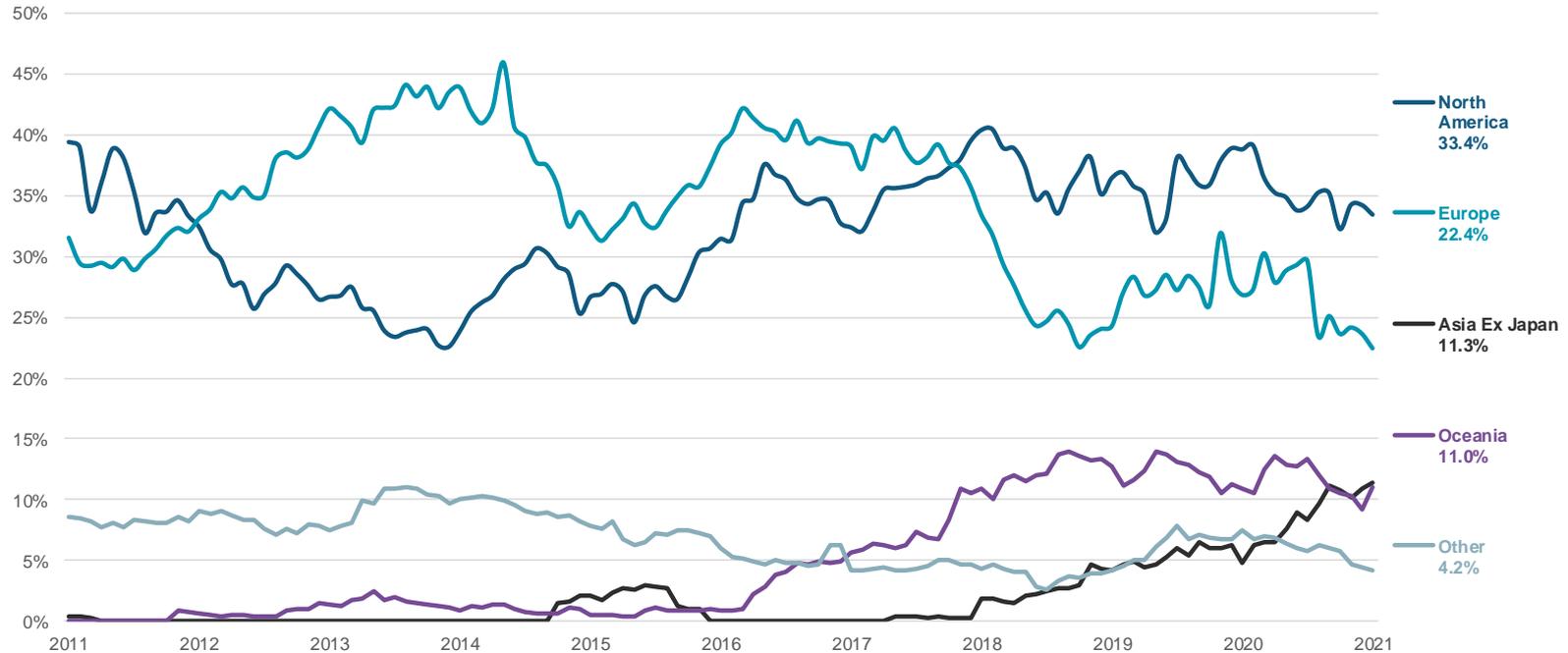
# Platinum International Health Care Fund

Fund exposure for the period 31 May 2011 to 31 May 2021



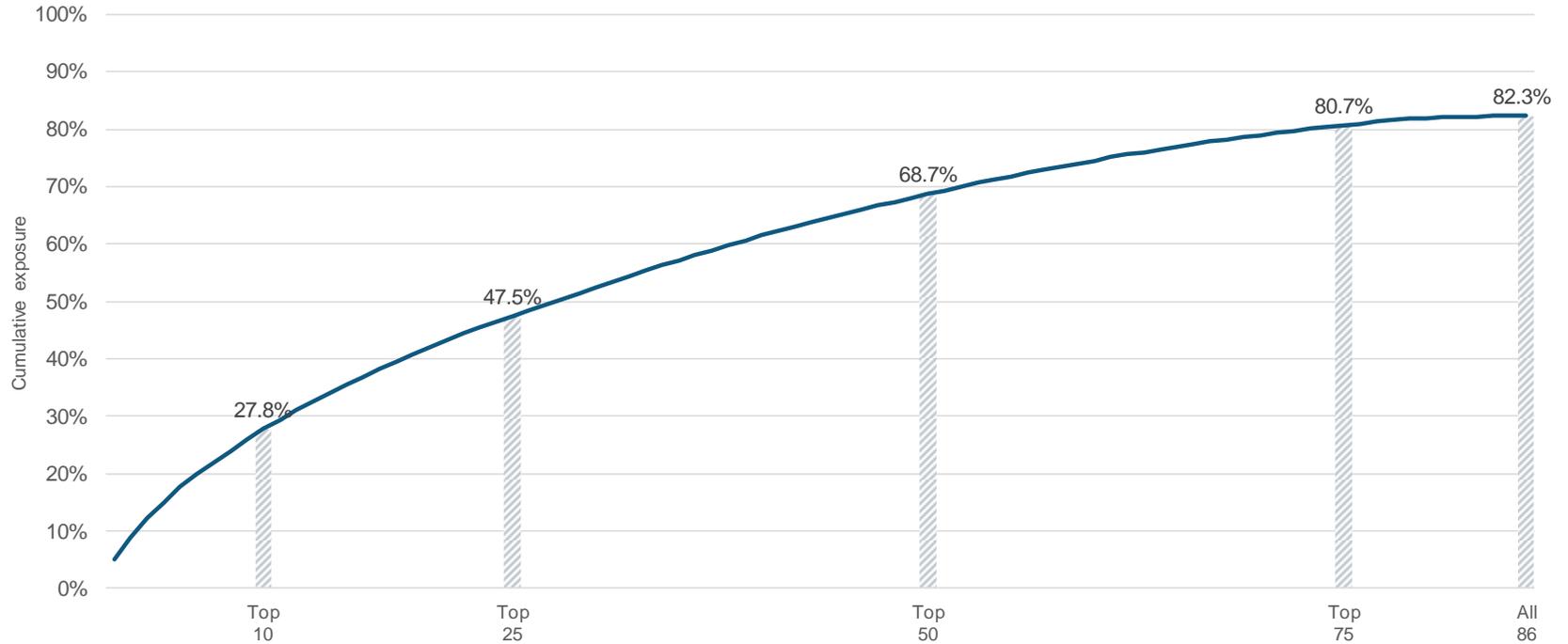
# Platinum International Health Care Fund

Long regional exposure for the period 31 May 2011 to 31 May 2021



# Platinum International Health Care Fund

Long position concentration as at 31 May 2021



# Platinum International Health Fund

Top 10 holdings as at 31 May 2021

Company	Country	Sector	Holding %	Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Price-to-earnings ratio (NTM*)	Earnings Yield (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
SpeeDx	Australia	Health Care	5.0	n/a	n/a	n/a	n/a	n/a	n/a
Takeda Pharmaceutical	Japan	Health Care	3.8	53.6	28.9	19.4x	5.2%	1.2x	4.8%
Sanofi	France	Health Care	3.5	134.1	7.2	13.3x	7.5%	1.7x	3.8%
Bayer AG	Germany	Health Care	2.7	61.8	45.6	8.4x	11.9%	1.7x	4.0%
CStone Pharma	China	Health Care	2.6	2.0	-0.3	neg	neg	4.4x	0.0%
Almirall	Spain	Health Care	2.3	3.1	0.3	29x	3.4%	1.9x	1.4%
Telix Pharmaceutical	Australia	Health Care	2.1	1.0	0.0	neg	neg	16x	0.0%
Quanterix Corporation	United States	Health Care	1.9	1.9	-0.2	neg	neg	7.9x	n/a
Gilead Sciences, Inc.	United States	Health Care	1.9	82.9	16.5	9.5x	10.5%	4.6x	4.3%
Syneos Health Inc	United States	Health Care	1.9	9.2	2.3	19.2x	5.2%	2.8x	0.0%

\*NTM: Next twelve months



# Platinum International Health Care Fund

Top positions as at 31 May 2021: #1 SpeedX (5%)

## Investment case in brief

- SpeedX is an Australian-based molecular diagnostics company with offices in London and the US, and distributors across Europe.
- The company specialises in diagnostic solutions that transcend detection to offer comprehensive information for improved patient management.
- SpeedX is unlisted for now, but given its impressive science and product pipeline, we were able to take a position with some confidence of a good outcome.

## 3 year price movement

1.0

May 2018 #N/A #N/A #N/A #N/A #N/A

Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
n/a	n/a	n/a
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
n/a	n/a	n/a

\*NTM: Next twelve months



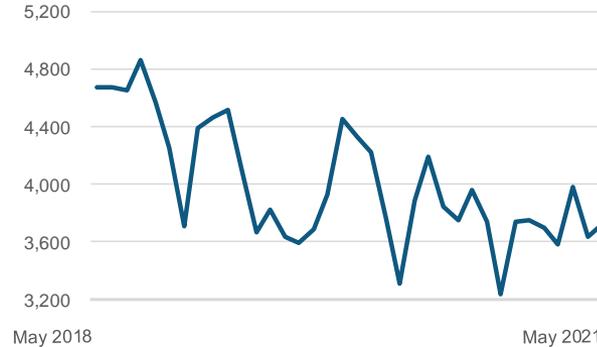
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #2 Takeda Pharmaceutical (3.8%)

## Investment case in brief

- Japanese pharma company Takeda is unusual among its peers for its outward focus and willingness to acquire assets offshore. Its recently announced acquisition of Shire is an example.
- The company has a 70 country footprint, helping it attract over 50 alliances with other companies globally.
- Investor scepticism regarding cost cutting initiatives and a temporary lack of late stage 3 trial drugs gave us the chance to buy this company at undemanding valuations.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
53.6	28.9	-3%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
19.4x	1.2x	4.8%

\*NTM: Next twelve months



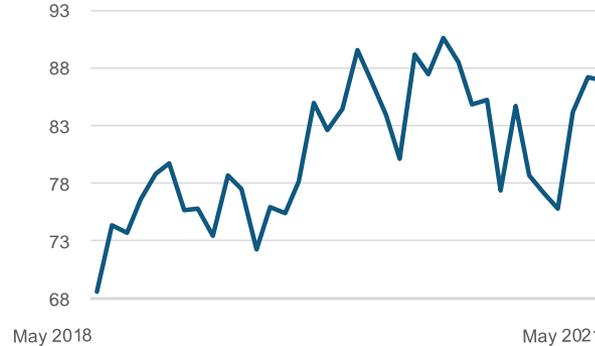
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #3 Sanofi (3.5%)

## Investment case in brief

- ◆ French pharmaceutical giant, notable for its strong positions in diabetes medicine, vaccines and in emerging markets.
- ◆ This 'boring' pharma company has a solid vaccine division and exposure to emerging markets
- ◆ There have been changes in the management that should provide further benefits over time.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
134.1	7.2	9%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
13.3x	1.7x	3.8%

\*NTM: Next twelve months



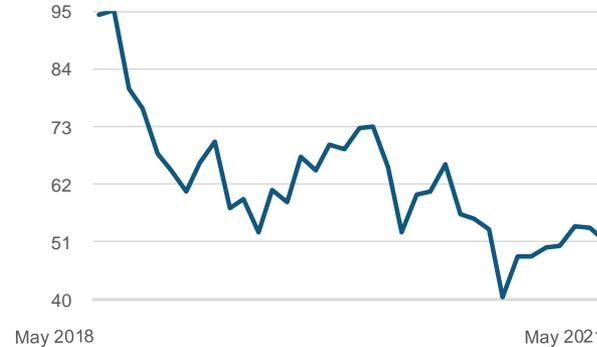
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #4 Bayer AG (2.7%)

## Investment case in brief

- ◆ Bayer has had significant litigation risk associated with the stock pertaining to glyphosate toxicity. Underlying this issue, an opportunity has been brewing Bayer's pharma division.
- ◆ This was signalled to us in the form of board changes, especially with old guard members of the board with pharma expertise leaving and the hiring of business development powerhouse Marianne De Backer from Johnson & Johnson.
- ◆ Relative to the outcomes of prior litigation crisis such as the Vioxx scandal for Merck, the market had punished Bayer sufficiently in our view allowing us the opportunity to

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
61.8	45.6	0%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
8.4x	1.7x	4.0%

\*NTM: Next twelve months



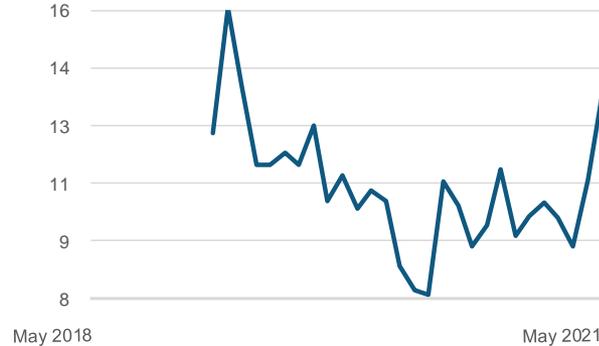
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #5 CStone Pharma (2.6%)

## Investment case in brief

- ◆ CStone is a Shanghai-based clinical-stage biopharmaceutical company focusing on developing and commercializing novel immuno-oncology and molecularly targeted therapies for the treatment of cancers.
- ◆ The company uses a hybrid model that combines internal drug discovery and external partnership for long-term growth.
- ◆ The pipeline has a nice mix of drug candidates targeting both novel and clinically validated targets to support sustainable product launches.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
2.0	-0.3	n/a
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
neg	4.4x	0.0%

\*NTM: Next twelve months



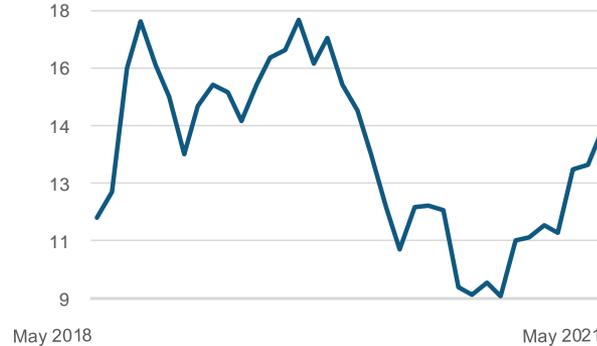
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #6 Almirall (2.3%)

## Investment case in brief

- ◆ Founded in 1943, Spanish pharmaceutical company Almirall researches, develops, manufactures and markets its own medicines as well as offering a portfolio of licensed products.
- ◆ Almirall has particular strength in treatments for dermatological conditions such as psoriasis and acne and has recently announced the acquisition of Allergan's US dermatology portfolio.
- ◆ We bought the stock as we saw potential for margin expansion from new product launches despite lacking a blockbuster drug, with milestone payments and possible royalties from a deal with AstraZeneca supporting valuation.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
3.1	0.3	10%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
29x	1.9x	1.4%

\*NTM: Next twelve months



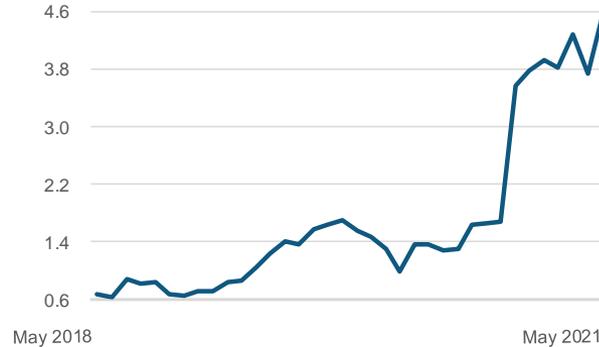
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #7 Telix Pharmaceutical (2.1%)

## Investment case in brief

- ◆ Telix, based in Melbourne, is a global biopharmaceutical company focused on the development of diagnostic and therapeutic products.
- ◆ Telix's molecularly targeted radiation products employ a radioactive isotope to attach to either an antibody or small molecule that targets delivery to tumour cells in kidney, prostate or brain cancer.
- ◆ We were able to buy this well-funded Australian biotech junior at attractive valuations as it has been somewhat overlooked by the market since listing in late 2017.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
1.0	0.0	n/a
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
neg	16x	0.0%

\*NTM: Next twelve months



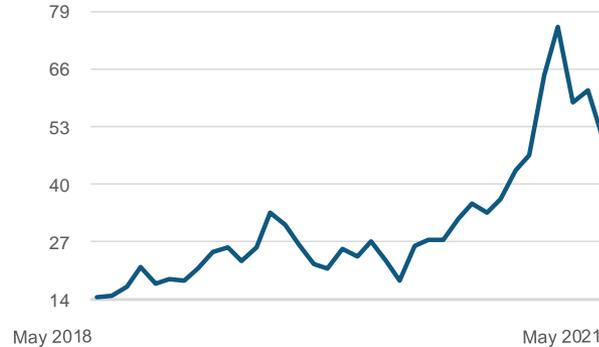
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #8 Quanterix Corporation (1.9%)

## Investment case in brief

- ◆ Quanterix is a medical devices and diagnostics company with strength in the manufacture of super-sensitive equipment for the detection of bio-markers critical in disease diagnosis.
- ◆ The company's Single Molecule Array (Simoa) technology platform uses single molecule measurements to access previously undetectable proteins.
- ◆ We got the chance to buy given the company's limited life as a listed company and our appreciation of the impact of the company's devices in research applications.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
1.9	-0.2	n/a
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
neg	7.9x	n/a

\*NTM: Next twelve months



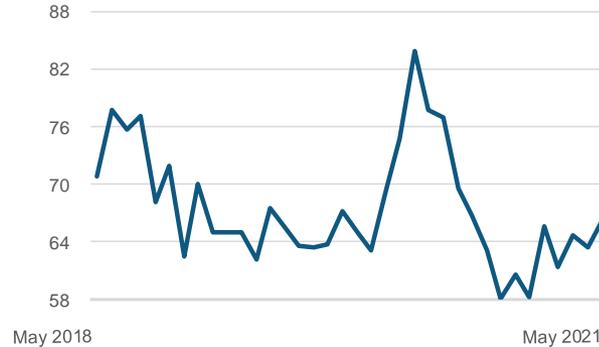
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #9 Gilead Sciences, Inc. (1.9%)

## Investment case in brief

- ◆ A large biotechnology company with a virology focus (HIV and HCV) as well as growing cell therapy division in oncology.
- ◆ Rapid success of its anti-HCV drugs was also the company's weakness. Gilead is gradually progressing its pipeline while at the same time looking for external opportunities.
- ◆ Significant management changes have now happened and a new CEO is now in charge to prepare the company for the next cycle.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
82.9	16.5	-3%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
9.5x	4.6x	4.3%

\*NTM: Next twelve months



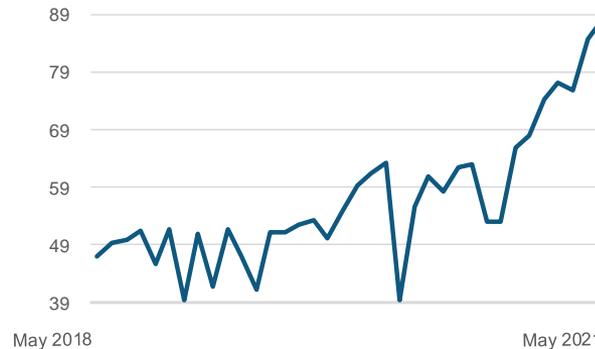
# Platinum International Health Care Fund

Top positions as at 31 May 2021: #10 Syneos Health Inc (1.9%)

## Investment case in brief

- ◆ Syneos Health is a leading contract research organization (CRO) providing a full range of Phase I to Phase IV clinical development services for biopharmaceutical and medical device companies.
- ◆ The company connects customers, clinical research sites and patients to accelerate the delivery of new medicines to market.

## 3 year price movement



Market Capitalisation (US\$bn)	Debt (NTM*, US\$bn)	Earnings per share (EPS) growth (2 year consensus per annum)
9.2	2.3	21%
Price-to-earnings ratio (NTM*)	Price-to-book ratio	Dividend yield (NTM*)
19.2x	2.8x	0.0%

\*NTM: Next twelve months



# Disclaimer

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