



**Platinum
Global Fund[®]
Quarterly Investment
Manager's Report**

31 March 2020

Investment Update

Platinum Global Fund

Dear Investors

We hope you and your families are taking good care of yourselves throughout this challenging time.

In response to COVID-19, most of Platinum’s staff are working from home and all of Platinum’s investment and business functions are operational.

The investment team is working effectively to evaluate the changes occurring in world economies and markets. Against this backdrop of uncertainty, and with consideration for Platinum’s investment approach, our longer-term invested position is guided by the value that we can see in current stock prices. This quarterly report provides you with the latest commentary, portfolio positioning and outlook for the Platinum Global Fund.

Please note, we are also posting regular updates on The Journal section of our website:

www.platinum.com.au/Insights-Tools/The-Journal/

We encourage you to visit this section for regular market updates and a range of thought-provoking articles and videos. You can also elect to subscribe to the updates.

Please take care and stay safe.



Andrew Clifford

Managing Director and Chief Investment Officer



Clay Smolinski
Portfolio Manager

Performance

(compound p.a.* to 31 March 2020)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Global Fund*	-14.7%	-7.6%	3.7%	3.4%	6.5%
MSCI AC World Index^	-9.7%	3.0%	9.2%	7.5%	10.5%

* Excluding quarterly returns.

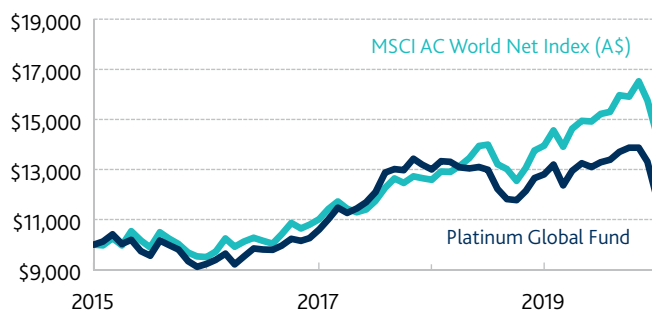
* Fund returns are after fees and costs, are before tax, and assume the reinvestment of distributions. Inception date: 8 September 2014.

^ Index returns are those of the MSCI All Country World Net Index in AUD. Historical performance is not a reliable indicator of future performance.

Source: Platinum Investment Management Limited for Fund returns; FactSet for Index returns. See note 1, page 11.

Value of \$10,000 Invested Over Five Years

31 March 2015 to 31 March 2020



After fees and costs, before tax, and assuming reinvestment of distributions. Source: Platinum Investment Management Limited for Fund returns; FactSet for Index returns. Historical performance is not a reliable indicator of future performance. See notes 1 & 2, page 11.

In Brief:

- The global economy and financial markets were upended in the last few weeks of the quarter as the coronavirus pandemic made its way across the globe.
- Stock markets collapsed and debt markets are struggling under the possibility that companies that only weeks ago looked in good financial shape are now bankruptcy candidates.
- Value has not provided any protection in this market sell down. Indeed, the expensive and loved sectors have fared much better. Our energy, financials and industrials exposure were other major detractors from performance.
- Gilead Sciences, who has a potential COVID-19 treatment in the form of their antiviral Remdesivir, and Moderna, who has a potential vaccine, were positive contributors to the Fund's performance. ZTO Express and Barrick Gold also provided a positive contribution.
- In the spirit of not letting perfection being the enemy of the good, we believe now is a good time to be buying stocks, with the full appreciation that given the economic disruption, markets could see lower levels in the coming months, providing better opportunities.

The Fund fell 14.7%¹ over the quarter, which was a disappointing outcome in both an absolute and relative sense. This outcome can be viewed in stages:

- **1 January - 20 February (pre the market collapse):** The MSCI AC World Index rose 8.4% over this period, driven by a final surge in the US market and 'hot' technology stocks². The Fund, which had a relatively low holding in these areas, rose 4.0% over this period.
- **21 February - 31 March (post the market collapse):** The Fund did not fare any better than the broad market, returning -18% vs. the Index return of -17%.

The performance during the collapse is especially disappointing, given that between 24 February and 6 March (prior to the worst of the market falls) we:

- Increased the cash holdings of the Fund to 18%.
- Reduced our exposure to cyclicals in the Fund by 12%.

¹ References to returns and performance contributions (excluding individual stock returns) in this Platinum Global Fund report are in AUD terms.

² For example, the Nasdaq Composite and S&P 500 Index rose 16% and 12% respectively over that period, while the MSCI ex US Index (a proxy for the rest of the world) rose 4.6%. Returns are in AUD terms. Source: FactSet.

Disposition of Assets

REGION	31 MAR 2020	31 DEC 2019
North America	31%	31%
Asia	30%	28%
Europe	17%	15%
Japan	9%	8%
Cash	14%	18%

See note 3, page 11. Numbers have been subject to rounding. Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	31 MAR 2020	31 DEC 2019
Information Technology	19%	15%
Industrials	15%	11%
Financials	13%	15%
Communication Services	12%	12%
Health Care	9%	6%
Consumer Discretionary	6%	4%
Materials	6%	7%
Energy	3%	7%
Real Estate	2%	2%
Consumer Staples	1%	2%
Utilities	1%	1%
TOTAL NET EXPOSURE	86%	82%

See note 4, page 11. Numbers have been subject to rounding. Source: Platinum Investment Management Limited.

Net Currency Exposures

CURRENCY	31 MAR 2020	31 DEC 2019
US dollar (USD)	25%	45%
Japanese yen (JPY)	22%	18%
Euro (EUR)	15%	11%
Hong Kong dollar (HKD)	11%	14%
Australian dollar (AUD)	10%	0%
British pound (GBP)	7%	7%
Korean won (KRW)	7%	6%
Chinese yuan (CNY)	4%	4%
Indian rupee (INR)	3%	4%
Norwegian krone (NOK)	2%	1%
Canadian dollar (CAD)	1%	3%
Swiss franc (CHF)	1%	1%
Thai baht (THB)	1%	1%
Chinese yuan offshore (CNH)	-9%	-14%

See note 5, page 11. Numbers have been subject to rounding. Source: Platinum Investment Management Limited.

The simple observation is that value has not provided any protection in this market sell down. Indeed, it has been the expensive and loved sectors that have fared much better. Stocks on multiples of 8x earnings leading into the crisis have been sold down to 5x earnings, while even seemingly defensive pharmaceutical businesses, such as Takeda Pharmaceutical (Japan) and Bayer (Germany) have seen their prices fall 24% and 27% respectively over the quarter and now trade on earnings multiples of 9x and 7x respectively.³

Another illustration is our holding in Applus Services. Applus is essentially an auditor, performing regulatory mandated testing and inspection for the oil & gas, infrastructure and automotive industries. The vast bulk of this testing is for in-service assets (i.e. pipelines or power grids) or is integral to their customers' business (Applus provides regulatory approval for new car models at their test track in Barcelona). While there will be disruptions in the short term, activity in this area will almost certainly return. Despite having no debt repayments until 2024, €500m of liquidity at its disposal and a flexible cost base (mostly labour), Applus has seen its share price fall 49% in recent weeks and now trades on 5x earnings.

Outside of the above, the major areas of detractor for the Fund and their cost to overall returns were:

- All **energy** exposure (TechnipFMC, Seven Generations, Transocean), which detracted -4.7% from performance.
- **Financials** (Raiffeisen Bank, Ally Financial, Axis Bank), -5.8%
- **Industrials** (Applus, Minebea, Weichai Power), -1.2%.

Given the widespread market sell-off, the list of positive contributors is shorter than we would like but generally comprise companies that are clear beneficiaries of the virus, such as **Gilead Sciences** (+15%) who has a potential COVID-19 treatment in the form of their antiviral Remdesivir, and **Moderna** (+53%) who has a potential vaccine. Other positive contributors included **ZTO Express** (+13%), gaining on the back of greater e-commerce deliveries, and **Barrick Gold** (+7%), benefiting from higher gold prices (typically seen as a 'safe haven' in uncertain times).

³ All individual stock returns are in local currency and price-to-earnings (P/E) multiples are trailing. Source: FactSet.

Changes to the Portfolio in March

By mid-March, most global share markets had fallen between 30-35% in local currency terms, with many stocks down more than 50%. With a wide range of businesses now trading on attractive valuations, we started adding to our stock holdings, taking the cash balance down from its 9 March peak of 20% to 14%. Our purchases were concentrated in:

- **Semiconductors** – we believe our semiconductor holdings will benefit from long-term growth underpinned by the investment in cloud computing, 5G and artificial intelligence. They also have sound balance sheets and profitable industry structures. With many of these stocks being sold off sharply and again trading below 10x earnings, we added to our holdings in **Skyworks, Micron Technology, Microchip Technology, Samsung Electronics** and added a new name in **Lam Research**.
- **Travel** – there have been few industries more disrupted than travel, with some enormous falls in stock prices, although most would agree given the innate human desire to explore, it is a matter of *when* not *if* travel activity will rebound. In this space, we have generally favoured asset-light companies with strong balance sheets that can both make it through the disruption and potentially emerge stronger, as weaker competitors are eliminated. This includes adding to our holding in **Booking Holdings**.
- **Too cheap to ignore** – we added to a number of stocks that reached GFC-like valuations, including **Takeda** and several new names, including **Applus** and **Bayer**.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Samsung Electronics Co	Korea	Info Technology	4.7%
Intel Corp	US	Info Technology	3.4%
Skyworks Solutions	US	Info Technology	3.3%
Facebook Inc	US	Comm Services	3.2%
Alphabet Inc	US	Comm Services	3.2%
Sanofi SA	France	Health Care	2.9%
Micron Technology In	US	Info Technology	2.8%
Takeda Pharma Co	Japan	Health Care	2.8%
Raiffeisen Bank	Austria	Financials	2.8%
Ping An Insurance	China	Financials	2.7%

As at 31 March 2020. See note 6, page 11.

Source: Platinum Investment Management Limited.

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

Looking Forward

From an economic perspective this crisis is about access to **labour**. Only when employees can go back to work and people can move freely again, will the situation heal.

The key variables we are looking at that could speed up the return of labour include:

1. The effectiveness of antiviral treatments such as Gilead Science's Remdesivir, used to treat Ebola. If this treatment is successful for COVID-19, it could reduce the death rate and ease the load on ICU beds.
2. The speed at which the system can ramp up additional ICU beds and produce additional respirators and protective gear to meet demand.
3. The effectiveness of the lockdowns in countries like the US to control the spread.⁴
4. Whether governments change course and encourage a return to work earlier. The likelihood of this happening is greater if points 1 and 2 are achieved.
5. The speed of the development of an eventual vaccine.

We are all living the 'medical response' to the virus by self-isolating, but the 'economic response' through financial stimulus is also top of mind, with the US administration recently enacting a US\$2 trillion (10% of GDP) stimulus package. Economic measures include:

- In the case of the US, cheques to the value of US\$2,400 for most families.
- Large increases in unemployment benefits. The UK government for instance, is willing to pay all employees who have been temporarily stood down, 80% of their wage up to a cap of £2,500 per month, while the US is adding US\$600 per week on top of the current payment.
- Cash injections to help small business cover payroll and overheads.
- Subsidised loans for large business.
- Encouraging banks to provide forbearance to borrowers (businesses or individuals) who have seen their income affected by the crisis.

These are fantastic measures to both ensure families can keep food on the table and the bones of businesses can remain intact through this period. These stimulus packages will cushion the blow in the coming months and limit the

⁴ Wuhan was locked down for two months with incredible compliance from its citizens. The question is whether we will see similar citizen compliance in major metro areas like New York, Los Angeles or London.

destruction to business that is hard to quickly rebound from. However, this stimulus does not solve the key **real economic problem** of freedom of labour and supply chains, and hence this is where our focus remains. It is all about the speed of getting back to work and what our consumer behaviour looks like once that occurs.

Outlook

A bedrock of our approach is that the starting valuation you pay for an investment has a large influence in both the future returns you will make and its risk profile. This approach served us well in the fall-out from the tech bubble, the global financial crisis (GFC) and through the European sovereign crisis, but has not worked during the fall in March. After such an outcome, a fair question is why investors should stick with this approach? On this, I would make the following observations:

1. The large falls seen in stocks, irrespective of their valuation, have significantly increased the latent value and returns potential of the portfolio.
2. Large market events, like the GFC and the wash-out from the tech bubble, have a habit of causing phase shifts and changes in leadership within markets.⁵

At the time of writing, most global markets were down between 20-28% in local currency terms from their highs, with the valuation difference between cyclicals and the much-loved defensive stocks now at a record level. **In the spirit of not letting perfection being the enemy of the good, we believe now is a good time to be buying stocks**, with the full appreciation that given the economic disruption, markets could see lower levels in the coming months, providing better opportunities.

When thinking about our invested position, on one hand, there are many companies offering exceptional value, but on the other hand, one has to keep in mind that markets have fallen from fairly elevated levels, with the truly wonderful companies still valued well above levels you would consider attractive. The balance of the two brings us to our net invested position of 86%.

⁵ For example, the view that inflation remains low forever may come into question as we see governments around the globe embracing a policy of almost unlimited fiscal stimulus to fight the recession. In a similar vein, the harm this recession will have on the business models of market darlings like Uber, Afterpay and others could lead to a step change in how investors appraise the risk and value of these types of companies.

Macro Overview

by Andrew Clifford, Chief Investment Officer

Global health crisis takes unprecedented personal, economic and market toll

The global economic environment and financial markets were upended in the last few weeks of the quarter as the coronavirus (COVID-19) pandemic made its way across the globe. The headlines clearly tell the story. As governments sought to contain the spread of the virus, there have been mass closures of businesses, resulting in unheard of jumps in unemployment. Stock markets collapsed in one of the fastest declines in history and debt markets are struggling under the possibility that companies that only weeks ago looked in good financial shape are now bankruptcy candidates.

Governments the world over have responded with fiscal and monetary stimulus of a scale never previously seen. The situation is unprecedented in economic and financial market history. There are no simple answers as investors attempt to navigate the situation. Below is a broad outline of our current thinking on how we see the economic situation unfolding and the response of financial markets.

The Economy

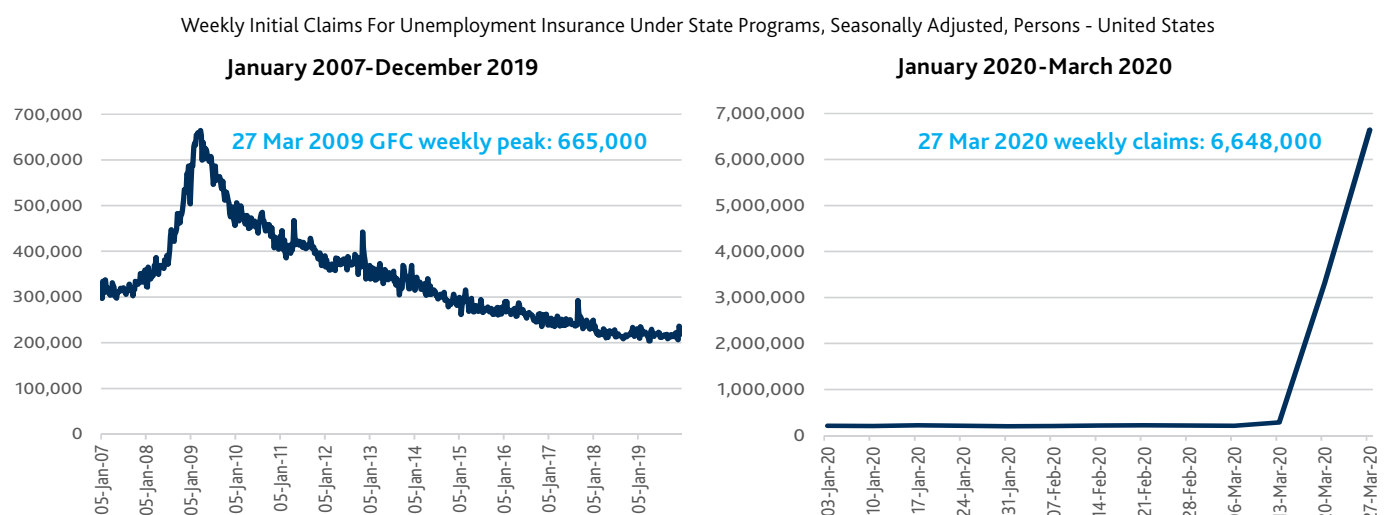
In order to have a view on where economic activity may track from here, we need to address the nature of this economic collapse. We are all used to the economy being defined by sets of numbers such as interest rates, inflation, employment,

retail sales, government spending, trade deficits and surpluses and the like. While these are all useful indicators of what has happened, viewing the economy through the lens of such data tends to make us think of the economy in an abstract manner.

The economy is real. People get out of bed every day and go to work or at least go looking for work. Once at work, we use the computer in an office, the machinery in a factory, or the intellectual property in a research laboratory. In doing our work we have access to natural resources, whether that is simply the land on which the office or factory sits, the ore taken out of the ground at a mine site, or water and soil in agricultural activities. Economists refer to these elements of the economy as labour, capital, and land, and are collectively referred to as the “factors of production”. The goods and services produced using the factors of production are our income and the sum total is referred to as gross domestic product (or GDP). These factors of production and the goods and services produced are the **real economy**.

Governments around the world have reacted to COVID-19 with a wide variety of containment measures to slow down the spread of the disease. In nearly every case, the result of these measures has been to limit the ability of people to go to work and spend money (e.g. at bars, restaurants, travelling), thus removing the opportunity for work in these

Fig. 1: Rise in Weekly US Jobless Claims Demonstrates Collapse in Economic Activity



Source: FactSet

industries. It is this restriction on the economy's key factor of production, labour, that has resulted in the collapse of activity. Of course, without labour, much of the other factors of production go to waste as well. This collapse is nowhere better demonstrated than in the United States, where initial unemployment claims spiked to 3.3 million in a single week in March (up almost 12-fold from the previous week). They then jumped a further 6.6 million the following week (see Fig. 1), which is almost 10 times the previous record set during the global financial crisis (GFC).

The key point to be taken from all of this, is simply that, **economic activity will stop falling and start to recover when people can return to work.** Exactly when containment strategies can be wound back is unknown at this stage. There is much attention on China as a roadmap and recently Wuhan (the epicentre of the outbreak) has started to re-open a little over two months after the initial lockdown of the city. There is considerable uncertainty about whether this timeframe will be representative for the rest of the world and indeed, what will happen in Wuhan as freedom of movement returns. However, at this point in time, the data from the rest of China suggests reasons to be optimistic that we will be able to slowly get back to work once the spread of the virus has been controlled.

Once we can all get back to work, the productive capacity of the economy, as represented by the factors of production, will be largely undiminished and in theory, economic activity should quickly regain much of what has been lost. In practical terms though, many businesses that have been closed may never return, simply because they were marginal in the first instance, or as a result of bankruptcy. While the closure of these businesses will release resources that can be used in other activity, this takes time.

How quickly will activity return to prior levels? Looking to history, probably the most appropriate period for comparison is the GFC. During the GFC, the breakdown in the financial system saw business activity stifled due to a lack of funding, and similarly to today, resulted in a period of time where the productive capacity of economies could not be put to use. There was also a dramatic fall in activity, though not as rapid as we have experienced in recent weeks. After the major economies peaked in early 2008, it took the US economy just over three years to return to this level, Japan took five years, and Europe took seven years. Of course, this crisis has a different cause, and we still do not have a clear sense of the depth or length of the economic decline. All that can be stated with any confidence really, is that while the rebuilding will start the day we get back to work, it will take some time before we can recover to the previous highs in economic activity.

There is also the issue of government responses to the crisis. These vary significantly across countries, but generally the various fiscal and monetary policies that have been enacted can be grouped into two categories. Many countries have created lending facilities for companies that are struggling to finance their ongoing operations. Typically, the central bank is either directly offering funds to businesses, or indirectly via the banking system, often at concessional interest rates. These policies are aimed at ensuring companies do not fail as a result of not being able to access funds due to the short-term freeze in debt markets and banks trying to protect their positions. The goal of governments is to ensure people have jobs to go back to when we are through this period of containment. There has also been large-scale buying of financial instruments by central banks, which has played a similar role in ensuring that financial markets continue to remain open and able to provide funding to companies. The second key area of focus has been the provision of funding to individuals who have lost their jobs or have been temporarily laid off. The large percentage of workers who have lost employment are from relatively low-income roles in the tourism, retail, and other service industries, and typically have little room within their finances to sustain themselves through a period of unemployment. Payments to those impacted will ensure they can afford their weekly grocery bill and await the chance to search for work at a later point in time.

What is important to understand about these policies is that they achieve very little in the way of new activity. Simply, going back to first principles, if people can't work for whatever reason, economic activity will remain suppressed. It helps that a newly unemployed individual can afford the weekly grocery bill, but in the scheme of the broader loss of activity, this is marginal. The various policies ultimately aim to remove the worst-case outcomes from the economic collapse and they effectively do this by redistributing the burden of the crisis from those who are initially impacted (such as those who lose their jobs), across the broader community. While governments can spend money, they are not a source of economic activity. When they spend, they do this either by raising funds through taxation, borrowing money from the private sector (which then has to be paid for from future taxation receipts) or by printing money. The burden of today's spending measures by governments will either be funded from taxation (today or in the future) or through a loss of value in money or cash (i.e. inflation). It is not to say that these policies are not necessary. It is just to state that these are the mechanisms by which the burden is spread more broadly across all in society.

Fig. 2: Market Declines from 2020 Highs to Lows

COUNTRY	INDEX	2020 HIGH	2020 LOW	DECLINE HIGH TO LOW
USA	Russell 2000	17 January	18 March	-44%
Germany	DAX	17 February	16 March	-40%
Australia	ASX 200	20 February	23 March	-39%
USA	S&P 500	19 February	23 March	-35%
USA	Nasdaq	19 February	23 March	-33%
Japan	Topix	20 January	17 March	-31%
China	Hang Seng China Enterprises Index	20 January	19 March	-28%
China	Shanghai Composite	14 January	19 March	-15%

Source: FactSet. Returns are in local currency.

Historical performance is not a reliable indicator of future performance.

Once we do come out the other side of this crisis, it is likely that consumer and business confidence will recover slowly, especially in the light of the damage to household and corporate balance sheets. Additional government spending is likely to remain a feature of the environment, as governments attempt to fill the spending gap left by the private sector. At this point, such spending will aid in creating economic activity as it helps create employment. The future economy may potentially look quite different, as some industries may simply not recover and the growth path of others, such as e-commerce, information technology, renewal energy and healthcare, will be reinforced by today's events. Government spending on infrastructure, not just on the typical 'roads and bridges', but healthcare and efforts to decarbonise economies, seem likely. There will potentially be interesting challenges around the future funding of government initiatives given the deterioration in national balance sheets resulting from current policy initiatives.

In Summary:

- The current economic shock is a result of large numbers of people being unable to work as a result of the strategies to contain COVID-19. There can be no economic recovery until people can get back to work.
- Current government initiatives around the world will prevent worst-case economic outcomes and help share the costs of the downturn across society. Government policies will have little impact in creating activity until we start to move beyond containment strategies.
- Ultimately, a recovery in the economy will take hold, though it will take time to recover to 2019 levels and this may vary dramatically by country. Further, the make-up of our economies may be very different in the recovery period, compared with that of 2019.

The Markets

The response of stock markets to the unfolding pandemic has been swift, recording some of the largest and fastest declines on record. From peak levels in markets during the first weeks of 2020 to their lows in the second half of March, markets fell between 31% to 44% in local currency terms (see Fig. 2). The exception was China, which had already been in a protracted bear market for some time.

These are very significant adjustments by any standards, other than against the most significant bear markets in history. For reference, during the GFC the S&P 500 Index fell 57% from its peak in 2007 to its trough in early 2009, Germany fell 54%, Japan 61% and Australia 54%.¹ The comparison with the GFC is interesting, as the decline in economic activity in the current downturn has been far swifter. However, if the rest of the world follows the experience of Wuhan and is able to release the lockdowns after two to three months, the base in economic activity is likely to be reached relatively quickly.

As discussed above, the recovery in economic activity will begin when people can go back to work, though a full recovery will take time. However, markets will anticipate the full recovery well ahead of its actual occurrence. Post the GFC, stock markets rallied strongly in subsequent years, well ahead of the full economic recovery. Ultimately, the market is likely to reach its low at the point of greatest uncertainty. Potentially, we have already seen that occur as the major monetary and fiscal initiatives that were announced by governments at the end of March did reduce some of the worst-case scenarios as discussed earlier. On the other hand, there were rallies in markets of the order of 20% on two

¹ All index and market returns in this Macro Overview are in local currency terms and sourced from FactSet unless otherwise specified.

occasions in the latter months of 2008, only for the market to falter and fall to new lows.

There remain many unanswered questions at this point. Besides the length of the lockdowns occurring around the world, the quantum of the economic loss is far from clear. Additionally, the impact of the slowdown on company profits is not linear. Companies with high fixed overheads will incur significant losses and will need to either take on debt or issue equity to survive. Others may find profits suppressed for a number of years if revenues remain subdued. Probably of greatest concern is what appears to be a highly disorganised response in the US, the world's largest economy.

Our view at the time of writing, is that markets will likely return to their recent lows and possibly fall further. It is likely that this will occur relatively quickly as many of the uncertainties outlined above will start to be better

understood with each passing day. Our position may change quickly. Ultimately, what will guide our longer-term position is the value that we can see in current stock prices. We do this by taking a view on the earnings power of companies three to five years in the future, based on our assessment of their business prospects. We will adjust valuations for losses that we expect them to accrue during the worst of the downturn. We will assume a reasonable rebound in future economic activity in aggregate, but will not expect this to play out evenly across all industries. On this front, we have a mixed view. There are many extremely attractively priced companies, particularly in cyclical areas and those areas directly impacted, such as travel. On the other hand, many market darlings of recent years, while having been sold off, have continued to perform better than the broad market and remain expensive.

MSCI Regional Index Net Returns to 31.3.2020 (USD)

REGION	QUARTER	1 YEAR
All Country World	-21.4%	-11.3%
Developed Markets	-21.1%	-10.4%
Emerging Markets	-23.6%	-17.7%
United States	-19.8%	-7.7%
Europe	-24.8%	-15.7%
Germany	-27.0%	-17.5%
France	-27.6%	-17.7%
United Kingdom	-28.8%	-23.0%
Italy	-29.3%	-21.4%
Spain	-29.8%	-26.5%
Russia	-36.4%	-14.4%
Japan	-16.8%	-6.7%
Asia ex-Japan	-18.4%	-13.4%
China	-10.2%	-5.8%
Hong Kong	-17.3%	-21.1%
Korea	-22.4%	-16.8%
India	-31.1%	-30.9%
Australia	-33.2%	-26.3%
Brazil	-50.2%	-41.9%

Source: FactSet.

Total returns over time period, with net official dividends in USD.

Historical performance is not a reliable indicator of future performance.

MSCI All Country World Sector Index Net Returns to 31.3.2020 (USD)

SECTOR	QUARTER	1 YEAR
Energy	-43.9%	-44.6%
Financials	-31.7%	-22.2%
Materials	-27.2%	-21.3%
Industrials	-26.3%	-18.0%
Consumer Discretionary	-21.3%	-11.2%
Communication Services	-16.2%	-6.1%
Utilities	-15.0%	-6.0%
Consumer Staples	-13.9%	-6.0%
Information Technology	-13.7%	6.7%
Health Care	-11.4%	0.6%

Source: FactSet.

Total returns over time period, with net official dividends in USD.

Historical performance is not a reliable indicator of future performance.

The Journal

Visit www.platinum.com.au/our-products/PGF to find a repository of information about Platinum Global Fund (PGF), including:

- Distribution history and statements
- ASX releases and financial statements
- Monthly updates on PGF's investment performance, portfolio positioning and top 10 holdings

You can find a range of thought-provoking articles and videos on our website. For ad hoc commentary on the latest market trends and investment themes, look up **The Journal** under **Insights & Tools**.

If you find yourself short on time to read our in-depth reports and articles, have a listen to our **audio podcasts** or watch brief market updates in **video** format.

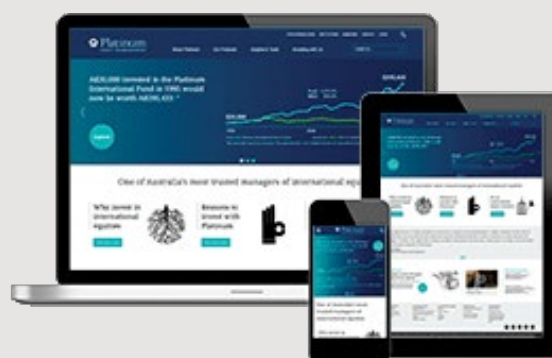
A number of articles, webinars, videos and podcasts on COVID-19 (coronavirus) and the implications for markets have been posted on our website.

Highlights include:

- **COVID-19: Demystifying this Frightening Disease.**¹ In this article, Dr Bianca Ogden, virologist and portfolio manager for the Platinum International Health Care Fund explains what the virus is, what makes it unique and the progress that has been made in developing a treatment and vaccine.
- **Dr Bianca Ogden talks COVID-19, Healthcare Stocks and what the Future Holds.**² Dr Bianca Ogden and Julian McCormack, Investment Specialist talk on a podcast with Gemma Dale at NAB.

We have continued to produce our **monthly video** series, however, we have delayed releasing them due to COVID-19, as we felt our investors would prefer to hear more about our thoughts on the virus, market outlook and portfolio positioning. We will release these at an appropriate time, so please keep an eye out for these on our website. One video we did release though, which was in keeping with the focus on health care and biotechs is below:

- **Biotechs – Driving Innovation and Evolution in Global Healthcare.**³ Dr Bianca Ogden shares her excitement for the rapidly growing biotech sector. From gene sequencing, to new drug modalities and molecular profiling – biotechs are playing a leading role in transforming our lives.



1 <https://www.platinum.com.au/Insights-Tools/The-Journal/COVID-19-Demystifying-this-Frightening-Disease>

2 <https://www.platinum.com.au/Insights-Tools/The-Journal/Audio-A-virologist-and-portfolio-manager-talks-C>

3 <https://www.platinum.com.au/Insights-Tools/The-Journal/Biotechs>

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 using the Fund's net asset value (NAV) unit price (which does not include the buy/sell spread) and represent the Fund's combined income and capital returns over the specified period. Fund returns are net of fees and costs, are pre-tax, and assume the reinvestment of distributions.

Fund returns have been provided by Platinum. The MSCI All Country World Net Index (A\$) returns have been sourced from FactSet. Index returns are in Australian Dollars and are inclusive of net official dividends, but do not reflect fees or expenses. For the purpose of calculating the "since inception" returns of the Index, the Fund's inception date (8 September 2014) is used. Platinum does not invest by reference to the weightings of the Index, and Index returns are provided as a reference only. The Fund's underlying assets are chosen through Platinum's bottom-up investment process and, as a result, the Fund's holdings may vary considerably to the make-up of the Index.

The investment returns shown are historical and no warranty can be 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 this graph are cumulative on A\$10,000 invested in the Fund over the specified period relative to the MSCI All Country World Net Index in Australian Dollars.
3. The geographic disposition of assets represents, as a percentage of the Fund's net asset value, the Fund's exposures to the relevant countries/regions through direct securities holdings and long derivatives of stocks and indices. As the Fund does not undertake any short-selling, the Fund's net exposures are the same as its long exposures.
4. The table shows, as a percentage of the Fund's net asset value, the Fund's exposures to the relevant sectors through direct securities holdings and long derivatives of stocks and indices. As the Fund does not undertake any short-selling, the Fund's net exposures are the same as its long exposures.
5. The table shows the effective net currency exposures of the Fund's portfolio as a percentage of the Fund's net asset value, taking into account the Fund's currency exposures through securities holdings, cash, forwards, and derivatives. The table may not exhaustively list all of the Fund's currency exposures and may omit some minor exposures.
6. The table shows the Fund's top 10 long equity positions as a percentage of the Fund's net asset value, taking into account direct securities holdings and long stock derivatives. The designation "China" in the "Country" column means that the company's business is predominantly based in mainland China, regardless of whether the company's securities are listed on exchanges within mainland China or on exchanges outside of mainland China.

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