

FACTS

Portfolio value	\$9.15 bn
Fund commenced	30 April 1995
Minimum investment	A\$10,000 or NZ\$10,000
Regular Investment Plan (min.)	A/NZ\$5,000 plus A/NZ\$200 mth/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App - 2.2463 Red - 2.2395
Unit prices P Class	App - 1.0703 Red - 1.0670

PERFORMANCE¹

	C Class %	P Class %	MSCI %
1 month	1.9	1.9	1.3
3 months	4.1	4.2	8.8
6 months	12.1	12.3	10.4
Calendar year to date	11.7	11.8	10.5
1 year	27.8	28.2	21.6
2 years (compound pa)	12.6	12.8	15.7
3 years (compound pa)	6.5	6.7	13.0
5 years (compound pa)	10.2		12.7
7 years (compound pa)	10.0		12.8
10 years (compound pa)	11.0		13.1
Since inception (compound pa)	12.2	8.8	7.5

INVESTED POSITIONS³

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	41.3	(1.0)	40.3	46.0
Australia	3.6		3.6	3.8
China	15.4	(0.3)	15.2	15.8
Hong Kong	2.5		2.5	5.6
India	2.3		2.3	2.3
Japan	11.7	(0.7)	11.1	12.9
South Korea	5.5		5.5	5.5
Thailand	0.1		0.1	0.1
Europe	19.7	(0.4)	19.4	21.1
Austria	1.4		1.4	
Belgium	0.1		0.1	
Denmark	0.4		0.4	0.4
Finland	2.3		2.3	
France	3.6		3.6	
Germany	4.7		4.7	
Hungary	0.1		0.1	0.1
Ireland	1.6		1.6	
Italy	1.7		1.7	
Netherlands		(0.4)	(0.3)	
Spain	1.6		1.6	
United Kingdom	2.2		2.2	3.5
Euro				17.1
North America	25.0	(8.3)	16.7	31.4
Canada	2.2	(0.1)	2.1	5.0
United States of America	22.8	(8.2)	14.6	26.4
Other	1.4		1.4	1.4
Sub-Total	87.4	(9.6)	77.8	100.0
Cash	12.6	9.6	22.2	
Total	100.0		100.0	100.0

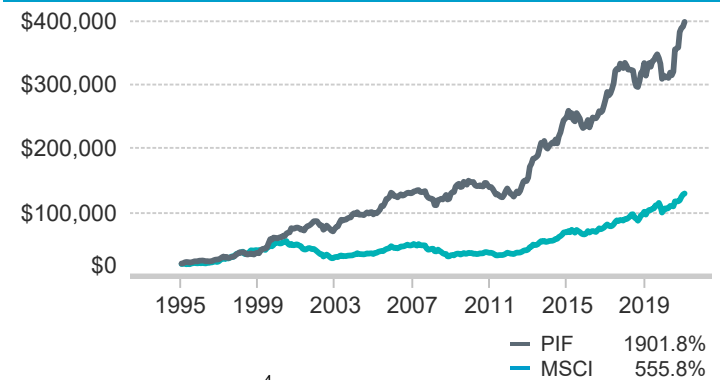
Long - 111 stocks, 2 swaps Short - 21 swaps, 1 index

FEES

Entry fee	Nil
Buy/sell spread	0.15%/0.15%
C Class	Investment management 1.35% p.a. Investment performance N/A
P Class	Investment management 1.10% p.a. Investment performance 15.00% p.a.*

* of the amount by which the Fund's return exceeds its index return

PERFORMANCE GRAPH²



TOP TEN POSITIONS⁴

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co	South Korea	Info Technology	3.7
Glencore PLC	Australia	Materials	3.1
ZTO Express Cayman Inc	China	Industrials	3.1
Minebea Co Ltd	Japan	Industrials	2.7
Ping An Insurance Group	China	Financials	2.5
Micron Technology Inc	United States	Info Technology	2.5
Weichai Power Co Ltd	China	Industrials	2.5
Microchip Technology Inc	United States	Info Technology	2.5
AIA Group Ltd	Hong Kong	Financials	2.4
Ally Financial Inc	United States	Financials	2.3
Total			27.2

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Industrials	19.8		19.8
Materials	18.9	(0.4)	18.6
Financials	15.9		15.9
Information Technology	12.3	(2.2)	10.2
Consumer Discretionary	9.9	(1.9)	8.0
Health Care	5.6	(1.6)	4.0
Real Estate	3.3		3.3
Communication Services	1.2		1.2
Energy	0.4		0.4
Consumer Staples		(1.0)	(1.0)
Other		(2.6)	(2.6)

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity of the Platinum International Fund (the "Fund"). The Fund's latest Product Disclosure Statement (the "PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website www.platinum.com.au, or by contacting Investor Services on 1300 726 700 (Australian investors only), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via invest@platinum.com.au. This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Platinum does not guarantee the performance of the Fund, the repayment of capital or the payment of income. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by Platinum for any loss or damage as a result of any reliance on this information.

1. & 2. Source: Platinum for Fund returns and Factset Research Systems for MSCI returns. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class (as indicated), and represent the combined income and capital returns for each of these unit classes in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. Returns for P Class are net of any accrued investment performance fee. The returns are calculated relative to the MSCI All Country World Net Index in A\$ (the gross MSCI Index was used prior to 31/12/98). Since inception date for C Class is 30/04/95 and for P Class is 03/07/17. Since inception date of C Class has been used for the purposes of calculating since inception returns of the index. The investment returns depicted in the graph are cumulative on A\$20,000 invested in C Class units in the Fund since the C Class inception date. Past performance is not a reliable indicator of future returns. Platinum does not invest by reference to the weightings of the index. The index is provided as a reference only.

3. The geographic "Long %" is the exposure to long securities and long securities/index derivative positions, the geographic "Short %" is the exposure to short securities and short securities/index derivative positions and the geographic "Net %" is the difference between the geographic "Long %" and the geographic "Short %", each as a percentage of the market value of the Fund's portfolio. The "Currency %" is the effective currency exposure as a percentage of the market value of the Fund's portfolio taking into account long and short securities, cash, forwards and long and short securities/index derivative positions. The cash "Long %" includes cash at bank, cashflows expected from forwards and effective cash exposures resulting from long securities/index derivative positions, the cash "Short %" includes effective cash exposures resulting from short securities/index derivative positions and the cash "Net %" is the difference between the cash "Long %" and the cash "Short %", each as a percentage of the market value of the Fund's portfolio. For the "Industry breakdown", 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".

4. The "Top ten positions" show the Fund's top ten long securities positions as a percentage of the market value of the Fund's portfolio (including long securities and long securities derivative positions). All data where MSCI is referenced is the property of MSCI. No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>

MARKET UPDATE AND COMMENTARY

- Third-strongest financial year to date (i.e. 11 months to 31 May 2021) in the Fund's history of investment performance, driven by good stock selection on the long side.
- Increasing signs that the market drivers are changing and rewarding cyclicals after a long trend favouring growth and defensives.
- Taking the view that inflation will only be transitory is likely riskier than being open to more persistent effects.

Market Commentary

Inflation has become increasingly scrutinised. In mid-2020, few thought it would ever return, but increasingly, the data points to rising prices. This follows strong moves in asset prices and supply shortages in areas such as semiconductors, following COVID-driven distortions. The debate has moved from whether there will be inflation, to whether it will be transitory. Where asset prices sit today, we feel there is more risk in taking the transitory side of the argument. We note the economic recovery, and that stock market, housing market and commodity prices have all rebounded further and faster than expected, so we question whether inflation and interest rates should be any different?

The skew in our portfolio is strongly away from the growth and defensive stocks that were beneficiaries of the central banks' largesse. With governments providing the additional support to economies, the probability of prolonged inflation starts to increase. It is in crisis that we tend to generate the most excitement in terms of new themes in the portfolio, such as travel during COVID and semiconductors in the trade war. Our investments in copper miners and automakers provide exposure to the burgeoning energy transition theme.

Avoiding permanent impairment of capital is our goal; we must acknowledge extremely high valuations at a broad market level and a speculative mania in certain subsets. We are more active on the short side; net market exposure is trending down. In our view, it is highly plausible that markets as a whole will struggle to make real progress in the coming years, but within that, we expect rotations may be highly profitable. Events like Archegos and Greensill, are now joined by a rapid sell-off in crypto-currencies and a re-emergence of the craziness in so-called meme-stock land. We cannot emphasise enough that the more of these that we see, the more we are alert to risk.

Performance Analysis*

For the financial year to date (i.e. 11 months to 31 May 2021), this period ranks 3rd in the Fund's investment performance history, returning 27% after fees and costs, behind only FY2000 and FY2013 (having regard to the same 11-month period). Over this period of rising markets (MSCI AC World Net Index (\$A) +22%), the long portfolio contributed an impressive +33% to gross returns. This can be broken down to: 'cyclicals' adding +28%; technology adding +8%; and 'defensives' costing -2%. Shorts cost -4% over this period, almost all from the Nasdaq index. The top 10 contributors added +16%, dominated by resources (Glencore, First Quantum Minerals, Freeport McMoRan, Seven Generations) and semiconductors (Samsung Electronics, Micron) plus Ally Financial, General Electric, LG Chem and Louisiana Pacific.

Quantitative Analysis

The way markets have behaved in recent years has prompted a lot of talk about 'value' and 'growth'. Our acute focus on price leads to us being viewed as a 'value manager'. However, 'value' is a technical term, which has specific connotations inconsistent with our portfolio construction. Portfolio analysis highlights that at this point in time, the Fund's most significant difference to broad equity markets, is its higher exposure to rising interest rates. This has been the case over the last few months, with the Fund's strong performance coinciding with a move upwards off all-time low US bond yields.

Valuation

Aggregate valuation data is a useful gauge for the portfolio's attractiveness. There appears to be value in an absolute and relative sense, with the Fund offering a starting earnings yield 44% higher than the market and appearing 41% cheaper relative to the assets backing it.

Metric	Platinum International Fund	MSCI AC World Net Index (A\$)
NTM Earnings Yield	7.8% (Price-to-Earnings ratio of 13x)	5.4% (Price-to-Earnings ratio of 18x)
NTM Dividend Yield	2.4%	2.4%
Price-to-Book Ratio	1.7x	2.9x
Enterprise Value-to-Sales	1.3x	2.1x

The valuations in the table have been calculated by Platinum and refer to the long portion of the portfolio, exclude negative net earnings, and use FactSet consensus earnings.

Distribution

As we approach the end of the financial year, a reminder that the estimated annual 30 June distributions, updated weekly, are on the website at <https://www.platinum.com.au/About-Platinum/Company-News/2021-Fund-Distributions-Estimates>. In May 2021, we introduced a Fixed Cash Distribution option for the annual distribution, alongside the existing option of reinvestment and cash, for investors seeking more certain cash flow outcomes. For more detail see: <https://www.platinum.com.au/FixedCashDistribution>

*Source: Platinum for Fund returns and FactSet Research Systems Inc for MSCI returns. Numbers for long and short positions are based on the total return of individual positions (in AUD) and are gross as they do not take into account the Fund's fees and costs (other than brokerage). Contribution numbers may not add up due to rounding and the effect of fees. Past performance is not a reliable indicator of future returns.

*Cyclicals (63% average weight) include: Industrials, materials, energy, real estate, financials and consumer discretionary; Technology (21% average weight) includes: IT and communication services; and Defensives (7% average weight) include: Healthcare, utilities and consumer staples.