

FACTS

Portfolio value	\$8.50 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/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App - 2.2279 Red - 2.2212
Unit prices P Class	App - 1.0564 Red - 1.0532

PERFORMANCE¹

	C Class %	P Class %	MSCI %
1 month	3.6	3.6	(1.9)
3 months	9.2	9.3	2.9
6 months	3.9	4.1	4.0
Calendar year to date	3.6	3.6	(1.9)
1 year	13.5	13.8	23.3
2 years (compound pa)	9.1	9.4	12.2
3 years (compound pa)	10.0	10.2	16.7
5 years (compound pa)	9.6		14.3
7 years (compound pa)	8.1		11.9
10 years (compound pa)	12.2		15.3
Since inception (compound pa)	11.9	8.0	7.7

INVESTED POSITIONS³

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	42.6	(1.1)	41.5	45.7
Australia	3.4	(0.5)	2.9	3.9
China	19.4		19.4	20.3
Hong Kong	0.8		0.8	2.5
India	1.9		1.9	1.9
Japan	12.3	(0.3)	12.0	12.5
Kazakhstan	0.2		0.2	0.2
New Zealand		(0.3)	(0.3)	(0.3)
South Korea	4.5		4.5	4.5
Thailand	0.2		0.2	0.2
Europe	20.6	(1.9)	18.7	24.4
Austria	1.5		1.5	
Belgium	0.1		0.1	
Denmark	0.4	(0.2)	0.1	0.4
Finland	2.3		2.3	
France	2.9	(0.7)	2.2	
Germany	3.8		3.8	
Ireland	0.8		0.8	
Italy	1.6		1.6	
Netherlands	0.5		0.5	
Spain	0.5		0.5	
Switzerland		(1.0)	(1.0)	0.2
United Kingdom	6.2		6.2	6.2
Euro				17.6
North America	17.8	(14.7)	3.1	27.8
Canada	1.6		1.6	2.9
United States of America	16.1	(14.7)	1.4	24.9
Other	2.1		2.1	2.1
Sub-Total	83.1	(17.7)	65.4	100.0
Cash	16.9	17.7	34.6	
Total	100.0		100.0	100.0

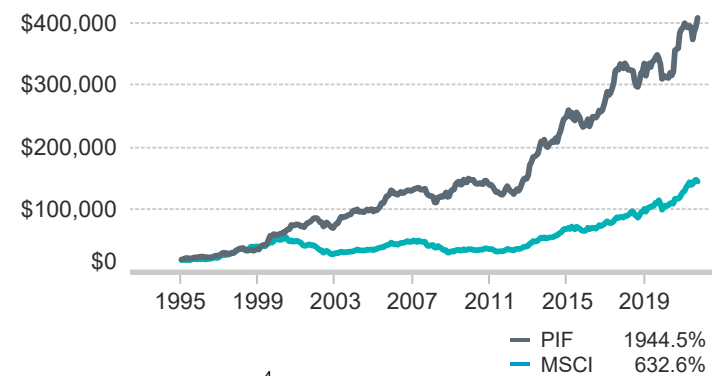
Long - 127 stocks, 2 swaps, 1 option Short - 30 swaps, 2 indices

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	%
ZTO Express Cayman Inc	China	Industrials	3.1
Microchip Technology Inc	United States	Info Technology	3.0
Minebea Co Ltd	Japan	Industrials	2.9
Samsung Electronics Co	South Korea	Info Technology	2.8
Glencore PLC	Australia	Materials	2.8
Tencent Holdings Ltd	China	Comm Services	2.7
Ping An Insurance Group	China	Financials	2.6
China Overseas Land & Inv	China	Real Estate	2.5
UPM-Kymmene OYJ	Finland	Materials	2.3
Weichai Power Co Ltd	China	Industrials	2.1
Total			26.7

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Industrials	17.8	(0.1)	17.7
Financials	13.9		13.9
Materials	13.5	(0.7)	12.9
Consumer Discretionary	11.7	(2.5)	9.2
Information Technology	11.0	(3.7)	7.4
Health Care	5.2	(0.7)	4.5
Communication Services	4.8	(0.5)	4.3
Real Estate	3.3		3.3
Energy	0.9		0.9
Consumer Staples	0.9	(0.1)	0.9
Other		(9.5)	(9.5)

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. The Fund's target market determination is available at www.platinum.com.au/Investing-with-Us/New-Investors. 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 "Long %" is the exposure to long securities and long securities/index derivative positions, the "Short %" is the exposure to short securities and short securities/index derivative positions and the "Net %" is the exposure to long and short securities and long and short securities/index derivative positions, 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. 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".

3. and 4. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of our country classifications.

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 Limited ("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

- Solid start to 2022 for the Fund, with its risk management tools (shorts and currency) driving January returns.
- Sense we may be nearing a regime change in markets; perhaps January was a sneak preview of 2022.
- Portfolio highly differentiated, with almost no net exposure to the US, which dominates global indices.

Market Commentary

For some time, we have been pointing to the risks facing the more speculative elements of the market – from special purpose acquisition companies (SPACs), to cryptocurrency and unprofitable technology stocks, marketed under the guises of disruption, innovation and with endless vistas of total addressable markets – and January provided a glimpse as to what can happen when perfection is questioned.

Intra-month, the Nasdaq Index of high-growth stocks was down around 20% from its highs in November 2021, as investors started to wonder if inflation would perhaps be more permanent, causing bond yields to rise, and at the same time ask if the growth rates and profitability they had assumed would eventuate may not be quite so achievable. Meanwhile, tension in Ukraine was grabbing political headlines, and the Omicron wave was dampening economic activity.

Our approach is about trying to avoid the hype, staying away from the crowd, and we have talked at length about the risks in markets. While this made us appear languid at times, it was a very deliberate approach which led us to enter this year very cautiously positioned on the basis that risks in markets were very asymmetric.

The portfolio is dominated by companies benefiting from trends in, among other areas, decarbonisation (including electric vehicles and materials), travel, technology (via semiconductors), industrial efficiency and the Chinese consumer. The short book is dominated by technology-related stocks that remain over-priced in our view.

In simple terms, what has appeared to many investors to be 'safe' could turn out to be very risky, and vice versa. The closest parallel we can use to describe today's markets is the year 2000. The only difference being that it's more extreme today.

Performance Analysis*

January's positive returns, delivered in a falling market, were driven by the Fund's short positions, with small profits on active currency positions. With a backdrop of rising bond yields, the portfolio delivered its second period of strength since the market rally from the pandemic sell-off. The first period (Q4 2020/Q1 2021) saw a surge in cyclicals with vaccine discovery, while this time it was more nuanced, with more of a rotation away from over-priced technology.

The breakdown of the last three months is revealing, especially if this is a microcosm of what lies ahead, and perhaps somewhat consistent with the behaviour of the Fund in the aftermath of the technology bubble.

Over the most recent three months, the long positions contributed 4% (with an underlying market return of 3%), the technology-heavy short book added another 5% to returns, and there were small gains on active currency.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 48% higher starting earnings yield and a 42% discount on an asset basis (see table below). FactSet consensus earnings as at 31 January 2022 lead us to conclude that the portfolio potentially has marginally higher growth prospects over the next two years than the broader market.

Metric	Platinum International Fund	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.6% (Price-to-Earnings ratio of 12x)	5.8% (Price-to-Earnings ratio of 17x)
NTM Dividend Yield	2.9%	2.5%
Price-to-Book Ratio	1.5x	2.6x
Enterprise Value-to-Sales	1.2x	1.9x

The valuations in the table in respect of the Fund have been calculated by Platinum and refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. As at 31 January 2022.

*Source: Platinum. Contribution numbers 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). Past performance is not a reliable indicator of future returns.