

FACTS

Portfolio value	\$8.06 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 - 2.1264 Red - 2.1200
Unit prices P Class	App - 1.0084 Red - 1.0053

PERFORMANCE¹

	C Class %	P Class %	MSCI %
1 month	(4.6)	(4.5)	(5.4)
3 months	0.7	0.8	(5.9)
6 months	(1.5)	(1.3)	(4.6)
Calendar year to date	(1.1)	(1.1)	(7.2)
1 year	1.5	1.7	15.0
2 years (compound pa)	8.0	8.2	11.7
3 years (compound pa)	6.8	7.1	12.7
5 years (compound pa)	8.4		12.7
7 years (compound pa)	6.8		10.3
10 years (compound pa)	11.2		14.3
Since inception (compound pa)	11.7	6.8	7.5

INVESTED POSITIONS³

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	43.0	(1.8)	41.1	45.8
Australia	4.0	(0.4)	3.5	4.4
China	19.1		19.1	20.1
Hong Kong	0.8		0.8	2.6
India	1.9		1.9	1.9
Japan	12.3	(1.1)	11.2	12.2
Kazakhstan	0.2		0.2	0.2
New Zealand		(0.3)	(0.3)	(0.3)
South Korea	4.4		4.4	4.4
Thailand	0.2		0.2	0.2
Europe	20.4	(0.9)	19.5	23.5
Austria	1.0		1.0	
Belgium	0.1		0.1	
Denmark	0.4	(0.3)	0.1	0.4
Finland	2.2		2.2	
France	2.9	(0.4)	2.5	
Germany	4.2		4.2	
Ireland	0.8		0.8	
Italy	1.5		1.5	
Netherlands	0.8		0.8	
Spain	0.5		0.5	
Switzerland	0.1	(0.3)	(0.1)	0.1
United Kingdom	5.9		5.9	5.9
Euro				17.1
North America	18.7	(13.5)	5.2	28.1
Canada	1.9		1.9	3.2
United States of America	16.8	(13.5)	3.3	24.9
Other	2.6		2.6	2.6
Sub-Total	84.6	(16.3)	68.3	100.0
Cash	15.4	16.3	31.7	
Total	100.0		100.0	100.0

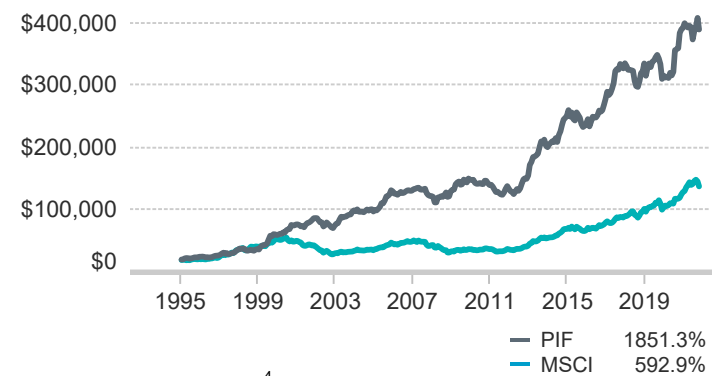
Long - 127 stocks, 2 swaps, 1 option Short - 36 swaps, 2 indices

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	%
Glencore PLC	Australia	Materials	3.3
ZTO Express Cayman Inc	China	Industrials	3.1
Minebea Co Ltd	Japan	Industrials	2.8
Samsung Electronics Co	South Korea	Info Technology	2.8
Microchip Technology Inc	United States	Info Technology	2.8
Ping An Insurance Group	China	Financials	2.7
China Overseas Land & Inv	China	Real Estate	2.6
Tencent Holdings Ltd	China	Comm Services	2.5
Micron Technology Inc	United States	Info Technology	2.3
UPM-Kymmene OYJ	Finland	Materials	2.2
Total			27.2

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Industrials	18.2	(0.1)	18.1
Materials	14.9	(0.3)	14.6
Financials	13.2		13.2
Consumer Discretionary	11.3	(3.6)	7.7
Information Technology	11.4	(5.4)	6.0
Health Care	5.3	(0.3)	5.0
Communication Services	4.4	(0.7)	3.7
Real Estate	3.5		3.5
Energy	1.5		1.5
Consumer Staples	0.9	(0.3)	0.6
Other		(5.6)	(5.6)

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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).

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MARKET UPDATE AND COMMENTARY

- Challenging month for markets in light of the Russia-Ukraine conflict.
- Portfolio has held up well over the last three months, against declining market backdrop.
- Signs of change of long-established market leadership, with speculative growth under pressure.

Market Commentary

February was a challenging month for markets and the portfolio, with the Russia-Ukraine conflict dominating the discussion. The imposition of sanctions had a severe and direct impact on Russian companies and its economy, which for context, is approximately the scale of Australia's gross domestic product (GDP). The portfolio did not hold any Russian companies, and the indirect impact, via companies' sales to Russia, is of the order of 1%. Notwithstanding the terrible human cost, increased uncertainty generally causes markets to sell-off as risk premia rise. In time, when markets start to anticipate resolution of the conflict, this will likely dissipate.

The discussion, or narrative, in markets is a very important element in understanding what the crowd is thinking. In recent years, the dominant theme in markets could loosely be termed "disruption". Aided by record levels of liquidity, this fuelled an ever-increasing divide between "growth" and so-called "value", which we have likened to 1999.

With inflationary pressures building, as we have been discussing over the last 18 months in our quarterly reports, and bond yields starting to move higher, the market was starting to question whether liquidity was receding. This in turn, has caused people to question the amount they were willing to pay for the more speculative growth stocks. Technology stocks have been under pressure over the last three months.

To describe where we are today, we may be somewhere between the "end of the bull market" and the "beginning of a bear market". It is worth noting that in a bear market, we tend to see 50-80% of the bull market retrace as liquidity and the narrative change direction.

The good news though, is that the market has been bifurcated and while there are areas of speculation, there remain some very interesting propositions which we might term loosely "growth industrials" or perhaps "decent cyclicals". These include meaningful exposures to decarbonisation, semiconductors, travel, Chinese consumers, and industrial efficiency. As the data in the table below shows, the long portion of the portfolio is on an enticing 11x earnings.

Performance Analysis*

The Fund has held up well over the last three months in the face of a declining market. This is a reminder of the benefits of the flexibility of the strategy, with risk management tools playing a significant role. Over the 3-month period, with markets down -6%, the long portfolio was only down -3%, with the IT, Communications, and Consumer Discretionary sectors weak. However, it was the short book which added 4% to returns, with key targets in the more speculative growth areas being sold off heavily, including broad indices like the Nasdaq, particular "baskets of stocks" and individual companies.

Over the last three months, the leading contributors to returns (on the long side) were an eclectic mix and included three miners (Glencore, Barrick Gold and First Quantum), two Japanese companies (Takeda, pharma and Itochu, conglomerate), plus Mosaic (fertiliser), China Overseas Land & Investments (property), MTU Aero Engines, Beazley (UK insurer) and Micron (semiconductors). The biggest negative impact (-0.7%) came from Central and Eastern European bank, Raiffeisen.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 40% higher starting earnings yield, and a 38% discount on an asset basis (see table below).

Metric	Platinum International Fund	MSCI AC World Net Index (A\$)
NTM Earnings Yield	9.1% (Price-to-Earnings ratio of 11x)	6.5% (Price-to-Earnings ratio of 15x)
NTM Dividend Yield	3.1%	2.6%
Price-to-Book Ratio	1.6x	2.6x
Enterprise Value-to-Sales	1.3x	1.7x

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 28 February 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.