



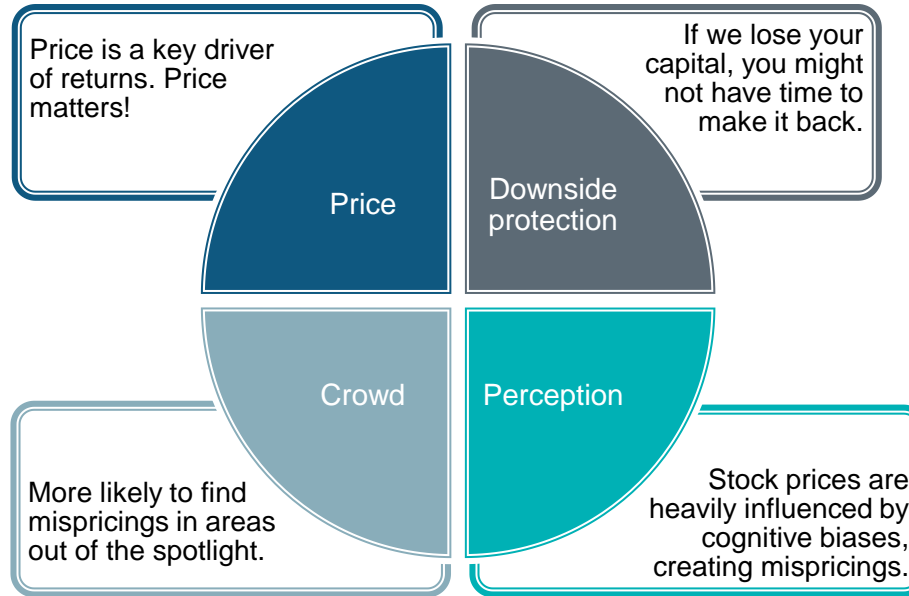
# Platinum International & Asia Funds

28 May 2024

# Contrarian investment approach

Seeking best risk/reward across regions, sectors & themes

## Investment philosophy – four key tenets

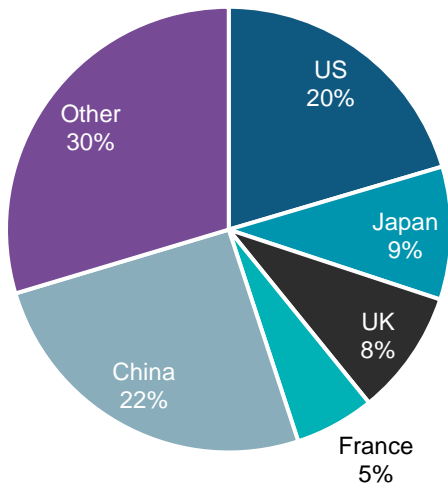


We pursue opportunities in areas of temporary uncertainty and/or long-term change

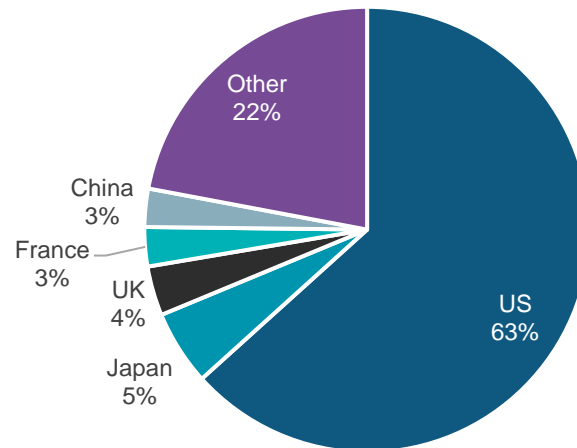


# PIF vs. MSCI AC World Index

Platinum International Fund (long book)



MSCI All Country World Index



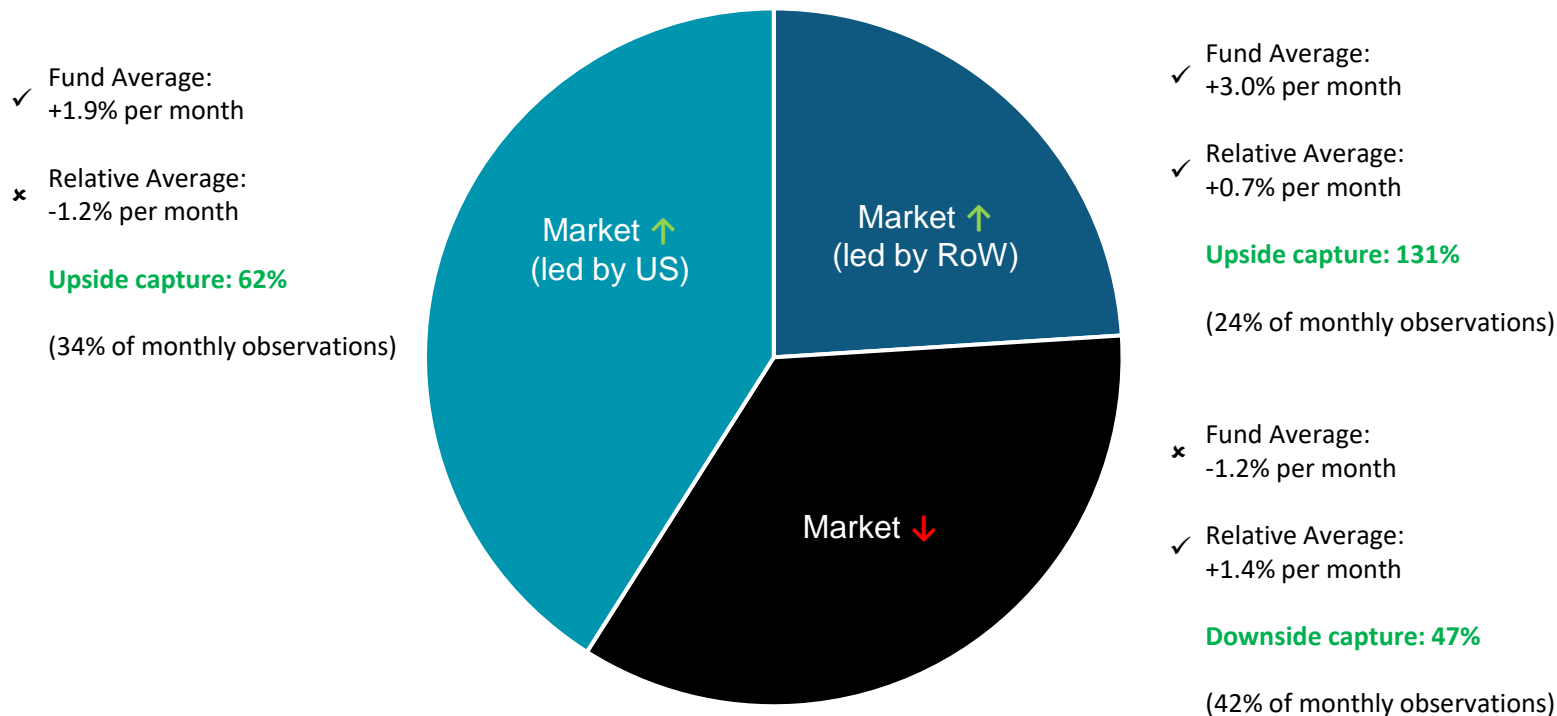
Source: MSCI AC World Index Fact Sheet – April 2024, <https://www.msci.com/www/index-factsheets/msci-acw/05737588>

\* The MSCI equal weighted index offer an alternative to market capitalisation weighted indexes. Equal weighting holds the same dollar value in each stock, representing an equal part of the value of the portfolio. Thus, the performance of each company's stock carries equal importance in determining the total value of the index. It therefore avoids concentrating too much of the portfolio into a few large stocks.



# Market conditions

Global equity markets fall into three phases\* (returns and upside/downside capture measured from 1999 to Apr 2024)

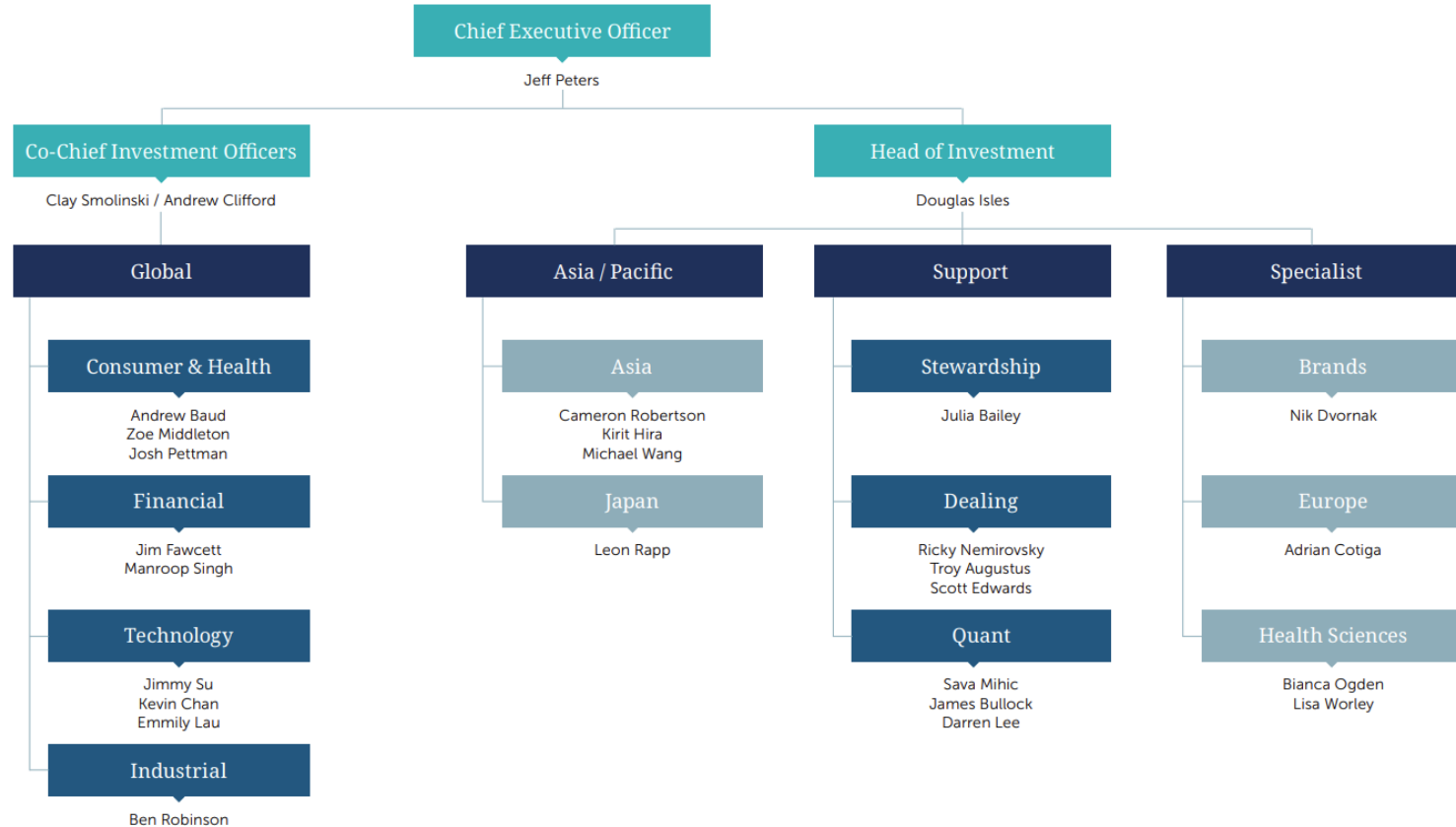


Source: Platinum for "Fund Average" and upside/downside capture data and FactSet Research Systems for "Relative Average" data. Figures have been calculated for the period 1 January 1999 to 30 April 2024, using 304 months\*  
The "Fund Average" represents the average returns of the Platinum International Fund over the period. The "Relative Average" represents the difference between the average returns of the Platinum International Fund and the average returns of the MSCI AC World Net Index (\$A) over the period. The "Fund Average" returns have been calculated using the NAV per unit of C Class units, are after fees and costs and assume the reinvestment of distributions.  
Past performance is not a reliable indicator of future returns.



# What were the recent changes at Platinum?

# Investment Team Changes – New Team Structure



# How did the long book perform in the Platinum International Fund?

# Platinum International Fund Performance

As at 30 April 2024, net of fees

|   | 1 month<br>(%) | 3 months<br>(%) | 6 months<br>(%) | 1 Year<br>(%) | 3 years<br>(% p.a.) | 5 years<br>(% p.a.) | 7 years<br>(% p.a.) | 10 years<br>(% p.a.) | Since<br>inception<br>(% p.a.) |
|---|----------------|-----------------|-----------------|---------------|---------------------|---------------------|---------------------|----------------------|--------------------------------|
| Platinum International Fund                 | (0.5)          | 6.5             | 7.8             | 4.3           | 4.6                 | 6.0                 | 7.1                 | 8.4                  | 11.3                           |
| MSCI ACWI net index (AUD)                   | (2.8)          | 5.9             | 16.8            | 19.5          | 10.5                | 11.2                | 11.7                | 12.1                 | 7.8                            |
| Relative Return                             | 2.4            | 0.6             | (8.9)           | (15.3)        | (5.9)               | (5.2)               | (4.6)               | (3.8)                | 3.5                            |
| MSCI ACWI Equal Weighted<br>net index (AUD) | (0.8)          | 6.7             | 10.4            | 6.0           | 3.3                 | 5.1                 | 6.3                 | 7.8                  | n/a                            |
| Relative Return                             | 0.3            | (0.2)           | (2.6)           | (1.8)         | 1.3                 | 0.9                 | 0.8                 | 0.6                  | n/a                            |





# Platinum International Fund Performance

As at 30 April 2024, net of fees

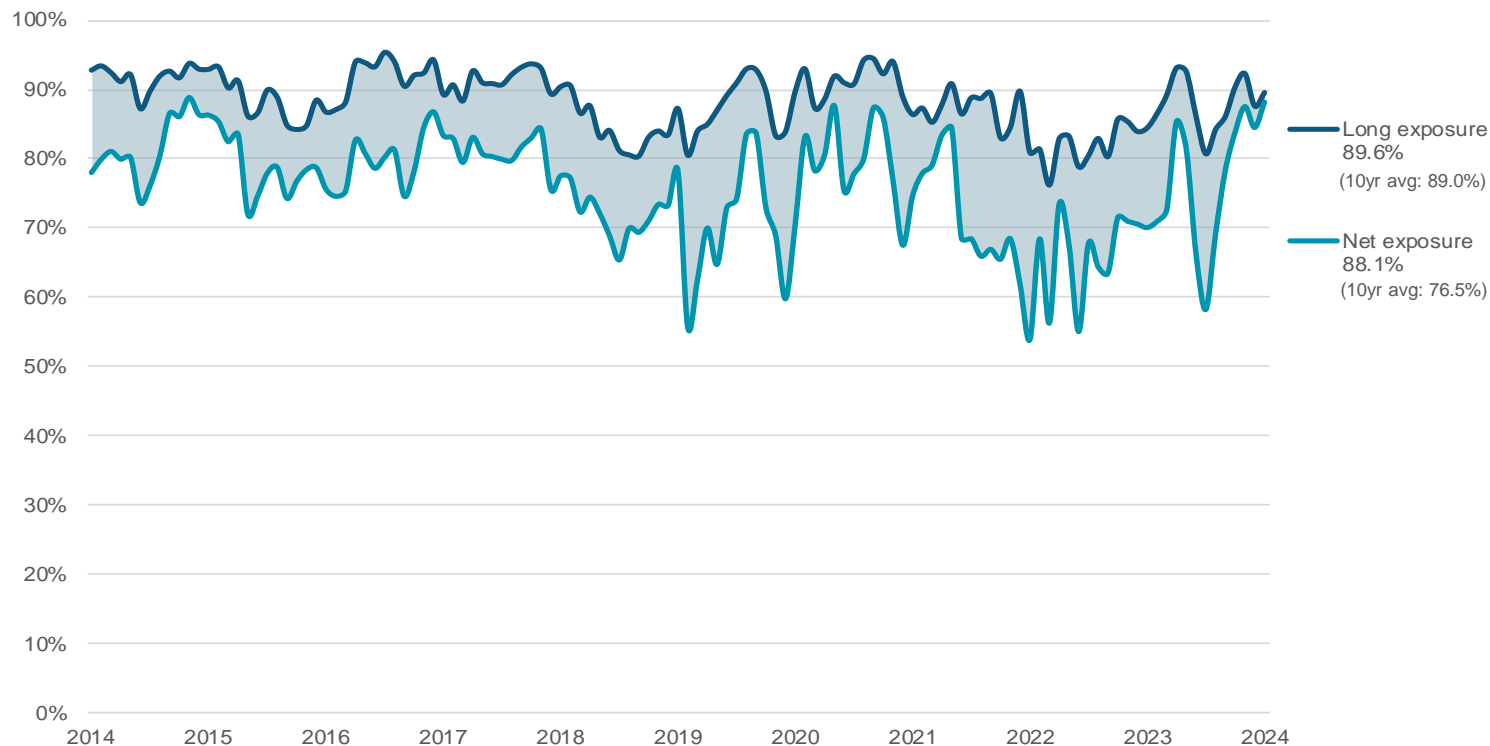
|      | Platinum International Fund (%) | MSCI ACWI (%) | Relative (%) |
|------|---------------------------------|---------------|--------------|
| CY22 | 3.1                             | (12.5)        | 15.6         |
| CY23 | 4.2                             | 21.4          | (17.2)       |
| CYTD | 6.0                             | 9.9           | (3.9)        |



# What are the major changes to positioning for the Platinum International Fund?

# Platinum International Fund: portfolio positioning

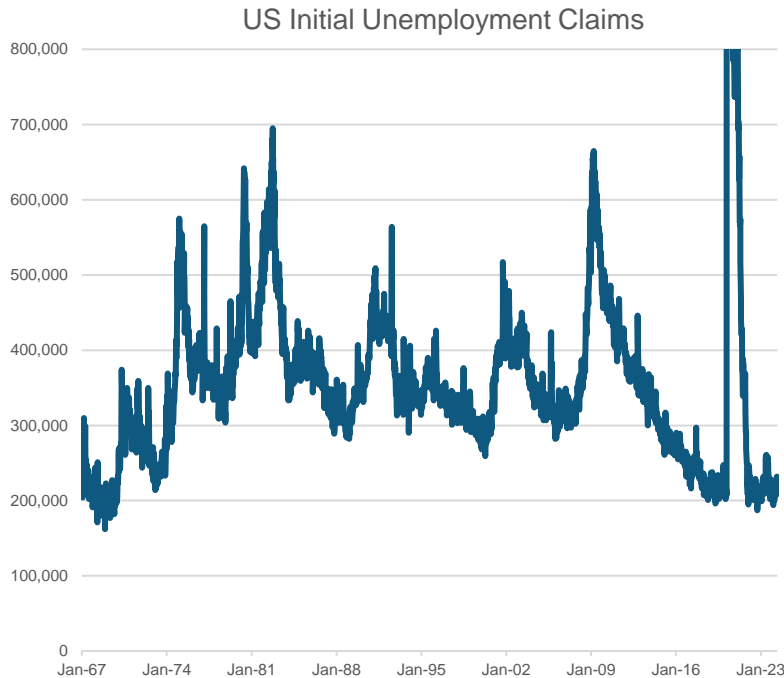
Fund exposure for the period 30 April 2014 to 30 April 2024



# Neutral on the economy – wage growth



# Neutral on the economy – initial unemployment claims



# Platinum International Fund: short book performance

|          | Short average size | Contribution<br>(gross of fees) | Average short position rise /<br>(fall) | MSCI AC World<br>Index return (AUD) |
|----------|--------------------|---------------------------------|---|-------------------------------------|
| 2022     | 19.7%              | 11.2%                           | (56.9%)                                 | (12.5%)                             |
| 2023     | 14.6%              | (6.0%)                          | 41.1%                                   | 21.4%                               |
| 2024 YTD | 4.9%               | 0.7%                            | (14.3%)                                 | 9.9%                                |



Are there any new themes that have been  
built in the Platinum International Fund?

# Platinum International Fund: long book positioning

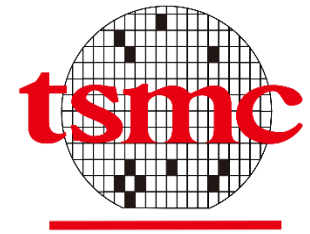
Portfolio snapshot, as at 30 April 2024

| AI value chain  | Cyclical recovery   | China Consumption   | Rate stabilisation beneficiaries   | Banking & insurance leaders   | Industrial leaders  | Beneficiaries of travel recovery  |
|---|---|---|--|---|---|---|
| ~15%  | ~12%  | ~12%  | ~9%  | ~9%   | ~9%   | ~9%   |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |   |  |  |  |
|  |  |  |  |  |  |  |





# TSMC: the company that makes NVIDIA



## What does the company do?

- ◆ Global leader in manufacturing semiconductors
- ◆ Has over 500 customers and manufactures ~12,000 products including chips for phones, computers, auto etc.

## What's the market missing?

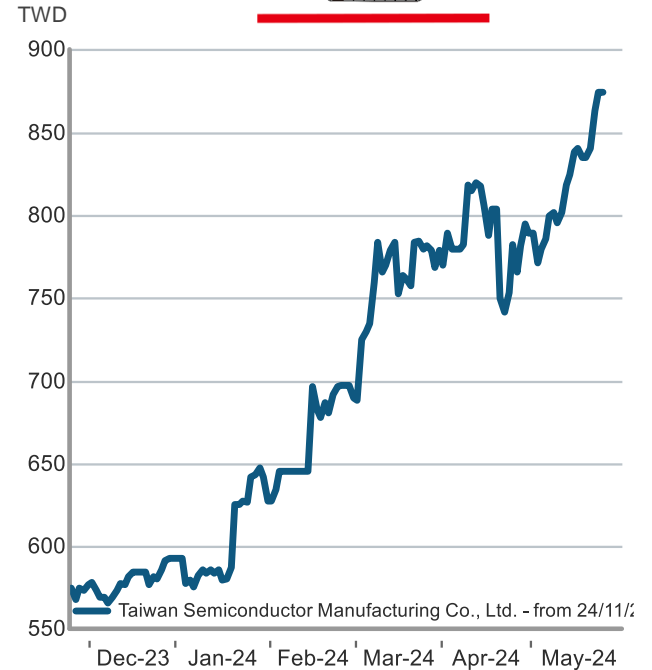
- ◆ A long term holding which we initially purchased when investors underestimated the growth potential of memory chips in mobiles
- ◆ Added more recently when the market then feared maturity in mobiles and underestimated overall memory chip demand

## Drivers of value and growth?

- ◆ Rise of AI
- ◆ Proliferation of Internet of Things (IoT)
- ◆ Growing at ~15% p.a. with rising free cash flow and strong dividends

## Valuation?

- ◆ Trading on 1yr PE of ~18x

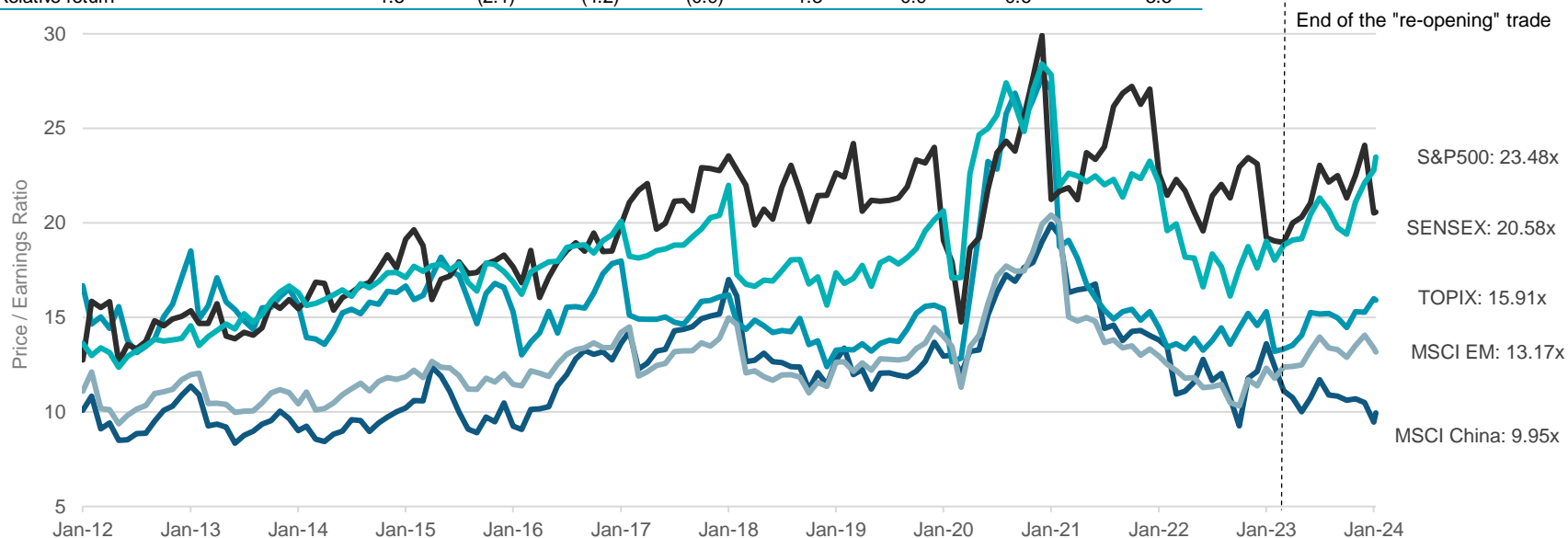


# What's the recent performance of the Platinum Asia Fund?

# Platinum Asia Fund: an unloved region for 3 years

Performance summary; as at 30 April 2024 (net of fees)

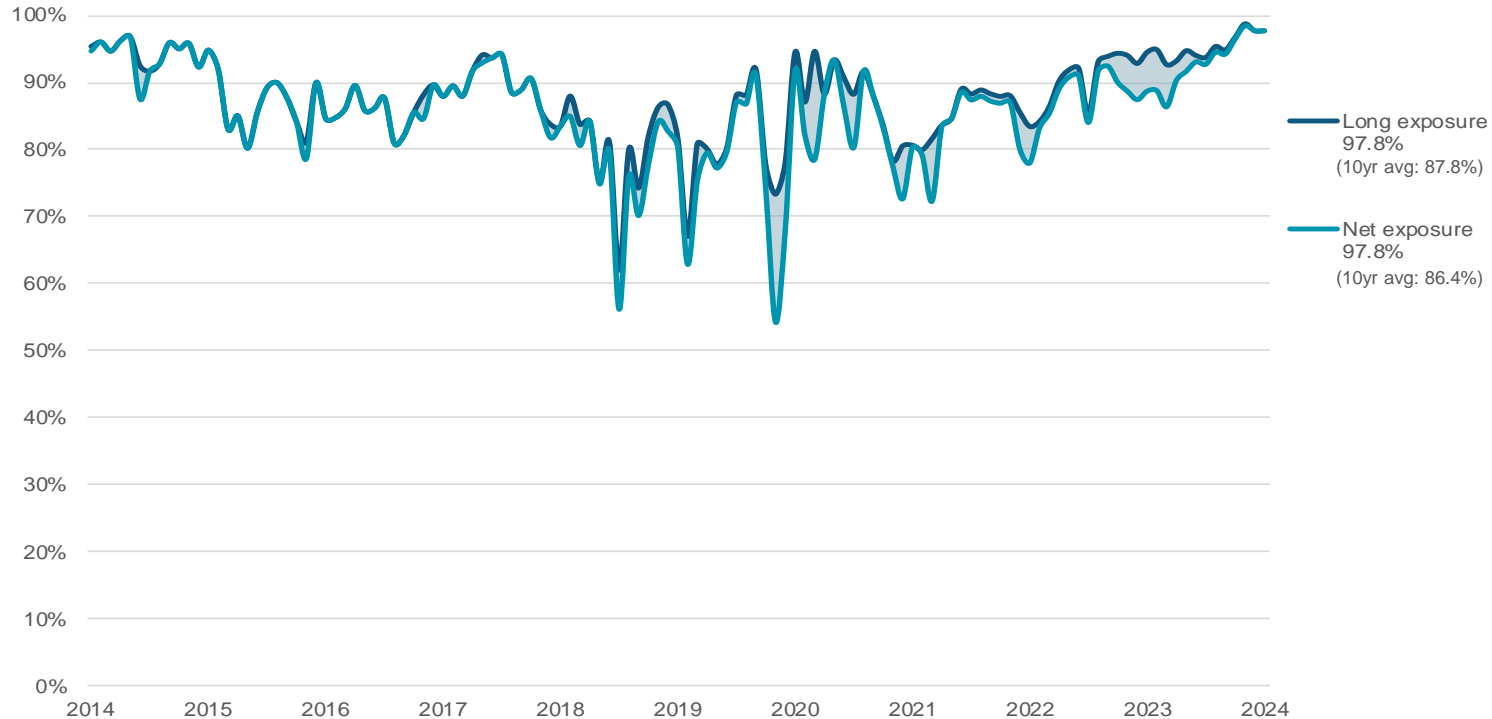
|                                      | 3 months<br>(%) | 6 months<br>(%) | 1 year<br>(%) | 3 years<br>(% p.a.) | 5 years<br>(% p.a.) | 7 years<br>(% p.a.) | 10 years<br>(% p.a.) | Since inception<br>(% p.a.) |
|--------------------------------------|-----------------|-----------------|---------------|---------------------|---------------------|---------------------|----------------------|-----------------------------|
| Platinum Asia Fund                   | 13.1            | 9.7             | 5.2           | (2.6)               | 5.3                 | 6.8                 | 8.6                  | 12.3                        |
| MSCI AC Asia ex-Japan net index (AUD | 11.6            | 11.9            | 9.4           | (1.7)               | 3.5                 | 5.9                 | 8.0                  | 8.8                         |
| Relative return                      | 1.5             | (2.1)           | (4.2)         | (0.9)               | 1.8                 | 0.9                 | 0.6                  | 3.5                         |



# How is the Platinum Asia Fund currently positioned?

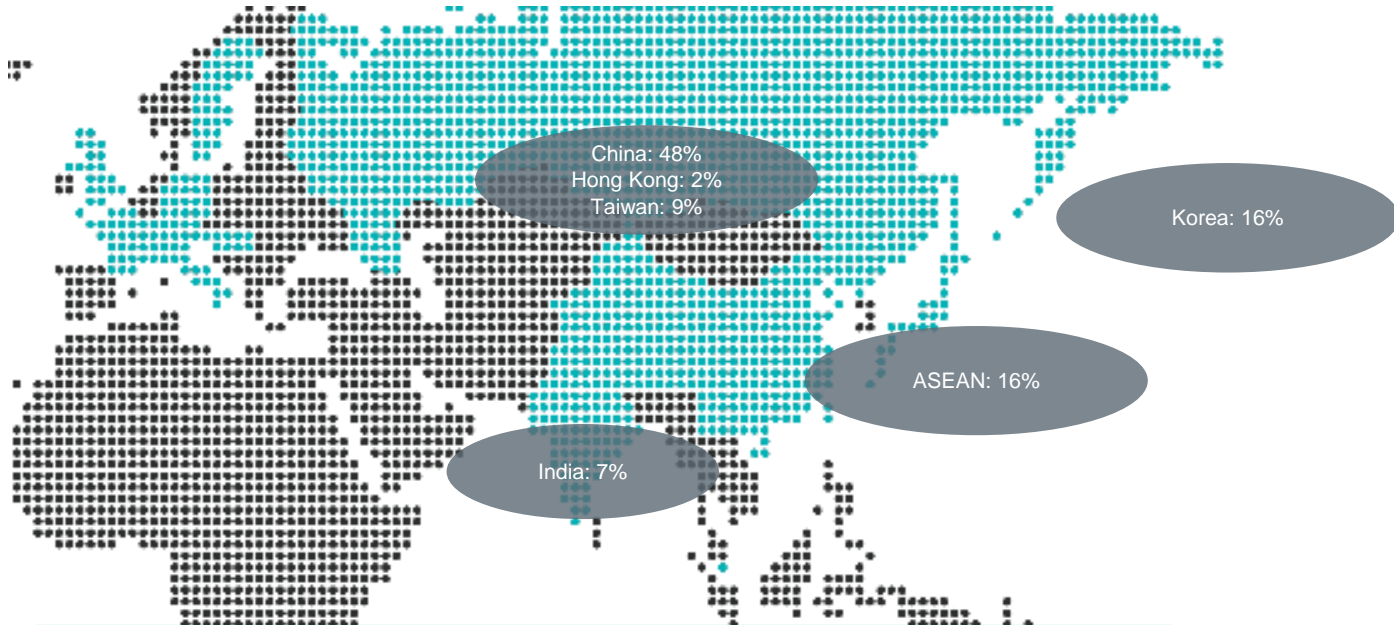
# Platinum Asia Fund

Fund exposure for the period 30 April 2014 to 30 April 2024



# Platinum Asia Fund

Net geographical and currency exposures as at 30 April 2024



Major effective currency exposures

| USD & HKD | India | AUD | Korea | Thailand | Chinese RMB |
|-----------|-------|-----|-------|----------|-------------|
| 3%        | 7%    | 0%  | 16%   | 2%       | 48%         |

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 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.



# Platinum Asia Fund

Portfolio snapshot, as at 30 April 2024

AI value chain  
~20%



Chinese Consumer  
~20%



Emerging South East  
Asia ~15%



Network Champions  
~10%



Chinese Financial  
Leaders ~9%



Growth Industrials  
~8%



Indian Leaders  
~7%



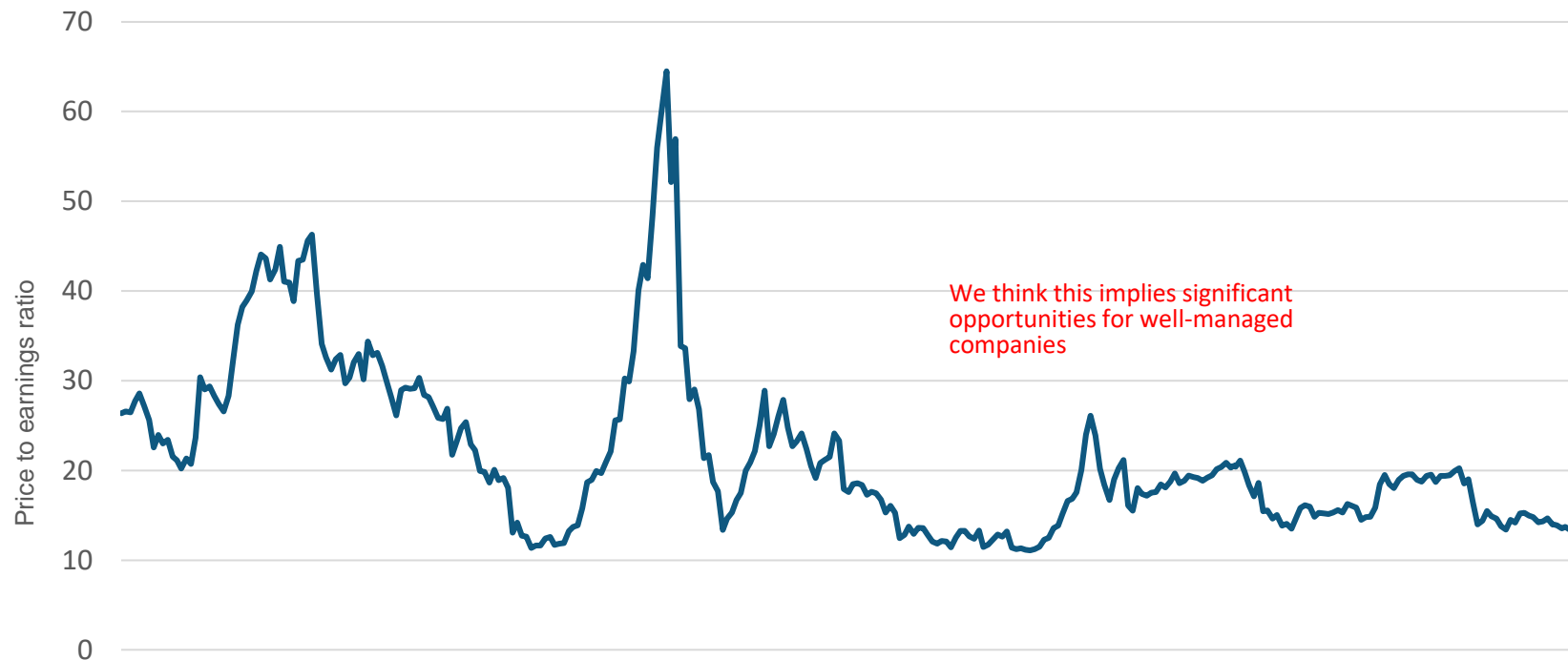
Quality Real Estate  
~7%



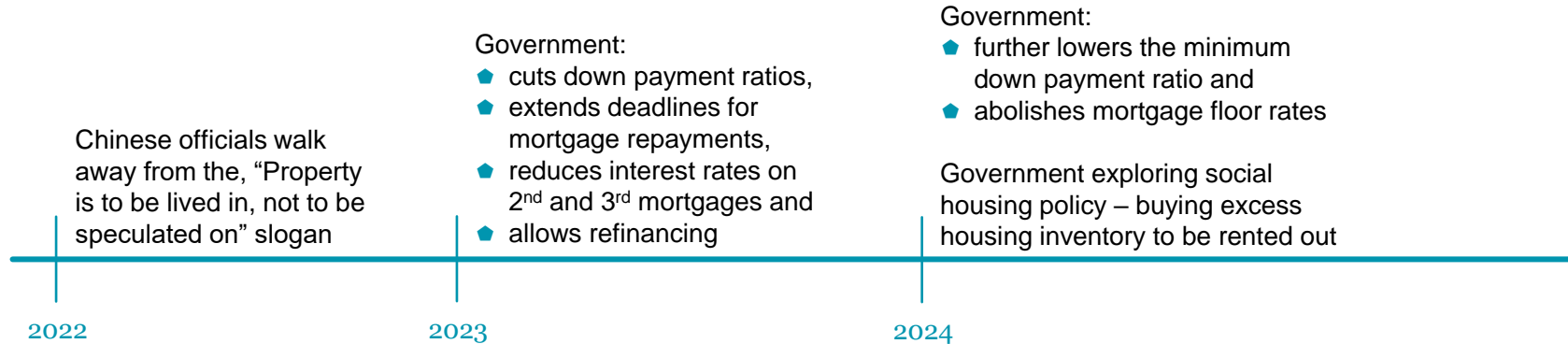
How are you feeling about China now?



## Chinese market appears historically undervalued (Price/Earnings Ratio)



# The Chinese government is working to restore confidence in the property market



# Sentiment towards China is turning

CHINA ECONOMY

## HSBC is 'very positive' about the future of China's economy, CFO says

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Business / Banking & Finance

### Goldman Sachs, UBS, BNP more positive on Chinese stocks as chorus of favourable sentiment grows in run-up to July plenum

- Goldman analysts say A share valuations may rise by 40 per cent, while UBS raised its rating on the MSCI China Index and Hong Kong stocks to overweight
- DBS Bank says valuation gap between Hong Kong stocks and US stocks has reached the widest on record



Published: 7:30am, 6 May 2024

By Bloomberg News  
May 16, 2024 at 6:27 PM GMT+10

## China Regulators to Discuss Property Aid With Banks Friday

- State Council plans to hold video conference in the morning
- Seeks feedback on proposal to buy millions of unsold homes

By John Cheng  
April 23, 2024 at 11:06 AM GMT+10

## UBS Lifts Chinese Stocks to Overweight in Rare Upgrade Call

- Swiss bank also upgrades Hong Kong, downgrades Taiwan, Korea
- Early signs of pickup in consumption seen positive for stocks



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Asian Markets

## China's consumer prices rise for third month, signalling demand recovery

By Joe Cash

May 13, 2024 9:13 AM GMT+10 · Updated 4 days ago



# Under-appreciated growth stories at compelling valuations

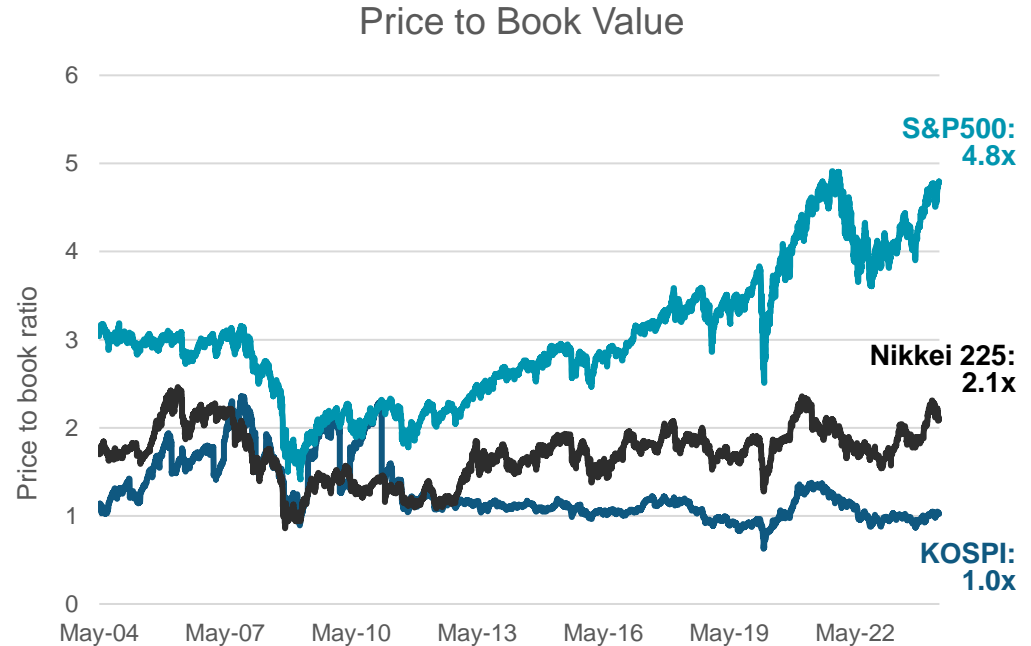
|                                  | Platinum<br>Estimated<br>P/E ratio | What's the market missing?   | 2024 CYTD<br>to 16/5/24 |
|----------------------------------|------------------------------------|--|-------------------------|
| ZTO Express Inc ADR              | 10                                 | Profits can double over the next 5 years.  | 10%                     |
| Trip.com Group Ltd               | 15                                 | Chinese international travel is still a structural growth story and yet to fully open up.                | 55%                     |
| Weichai Power                    | 11                                 | More optimistic on core diesel engine margins and consolidated KION earnings.                            | 28%                     |
| Tencent Holdings                 | 18                                 | Advertising revenue growing at 25% p.a.  | 30%                     |
| China Resources Land             | 7                                  | 0.6x Price/Book and 6.8% dividend yield.   | 10%                     |
| Ping An Insurance                | 5                                  | 5x Price/Earnings and 8% dividend yield.   | 14%                     |
| China Overseas Land & Investment | 5                                  | 0.3x Price/Book, with the book backed by a large portfolio of grade A office buildings in tier 1 cities. | 10%                     |
| JD.com Inc                       | 10                                 | JD's e-commerce business is growing at low double digits and made US\$3.3bn net profit last year         | 17%                     |
| CATL                             | 14                                 | Now the undisputed world leader in both EV and grid storage batteries.                                   | 24%                     |



What about the other ~50% your portfolio?

# Korea: Japan 2.0

- ◆ Market at decade-low earnings multiple
- ◆ Foreign participation lowest since 2009
- ◆ Stable, technologically advanced & geopolitically allied
- ◆ Significant improvements in investor protections – “value up” initiative



# Pakuwon Jati: the Westfield of Indonesia



PT. Pakuwon Jati Tbk.

## What does the company do?

- Indonesia real estate developer
- Stable business underpinned by mall rental income

## What's the market missing?

- We were able to establish a position at an attractive valuation when their condo sales were weak

## Drivers of value and growth?

- Mall business has recovered since COVID
- Indonesia is short housing yet property prices are -10%

## Valuation?

- Trading on 1yr PE of ~8x
- Healthy balance sheet



# Questions & Answers



Thank you for joining our webinar

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