

2024 Annual Adviser Roadshow Presentation

Agenda for today's presentation

- ◆ Business update from Jeff Peters, Managing Director and CEO
- ◆ Performance review and investment opportunities
- ◆ Audience Q&A

Please join us for networking drinks and further discussion after Q&A



First Principles: What was our proposition to you?

1. We had a way of making money in markets that was **repeatable**.
2. We knew that if we suffered large losses in markets, that you might not have time to earn it back. We sought to **cushion the effect of large downturns**.
3. We invest with **zero reference to the market index and benchmarks**.



Why we believe we can make money in markets



Price matters

We acknowledge that price is a key driver of returns.

Avoid the crowd

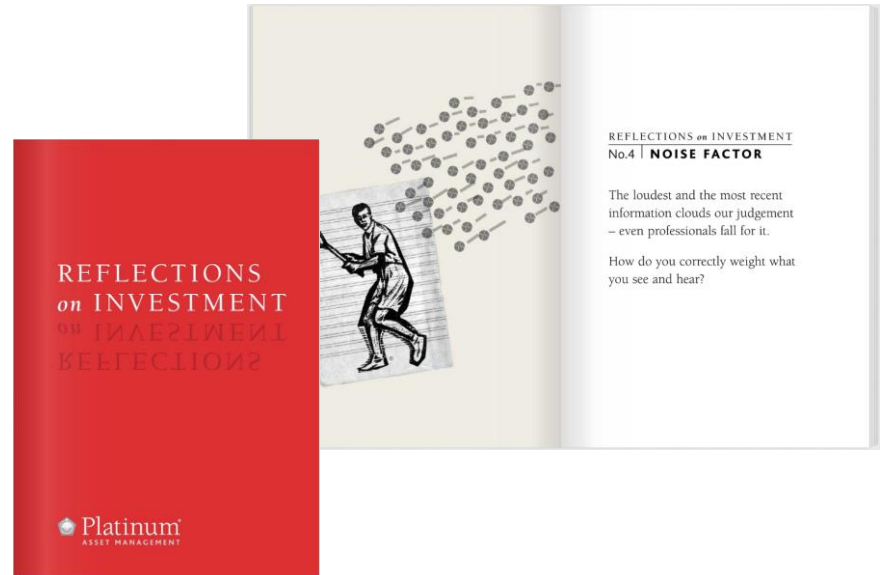
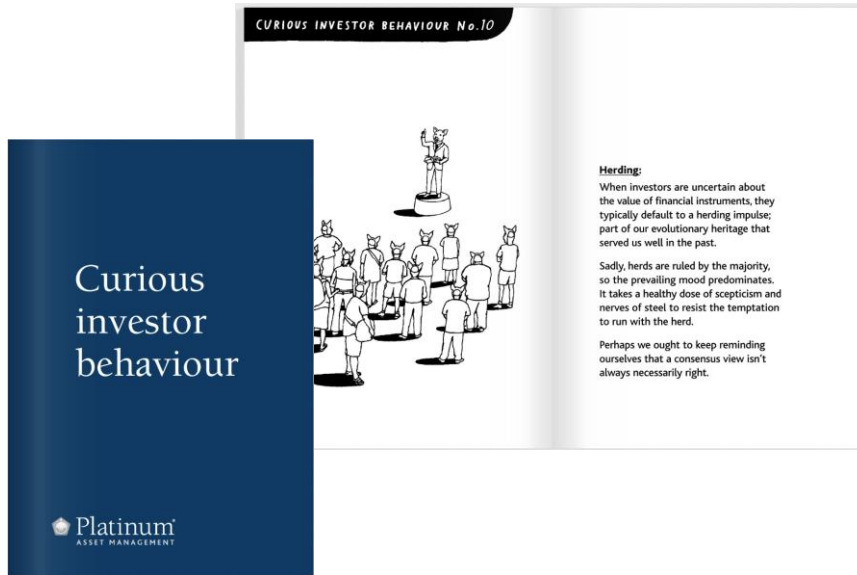
We are more likely to find mispricing in areas out of the spotlight.

Focus on emotion

Stock prices are heavily influenced by cognitive biases, creating mispricing.



Capitalising on behavioural biases

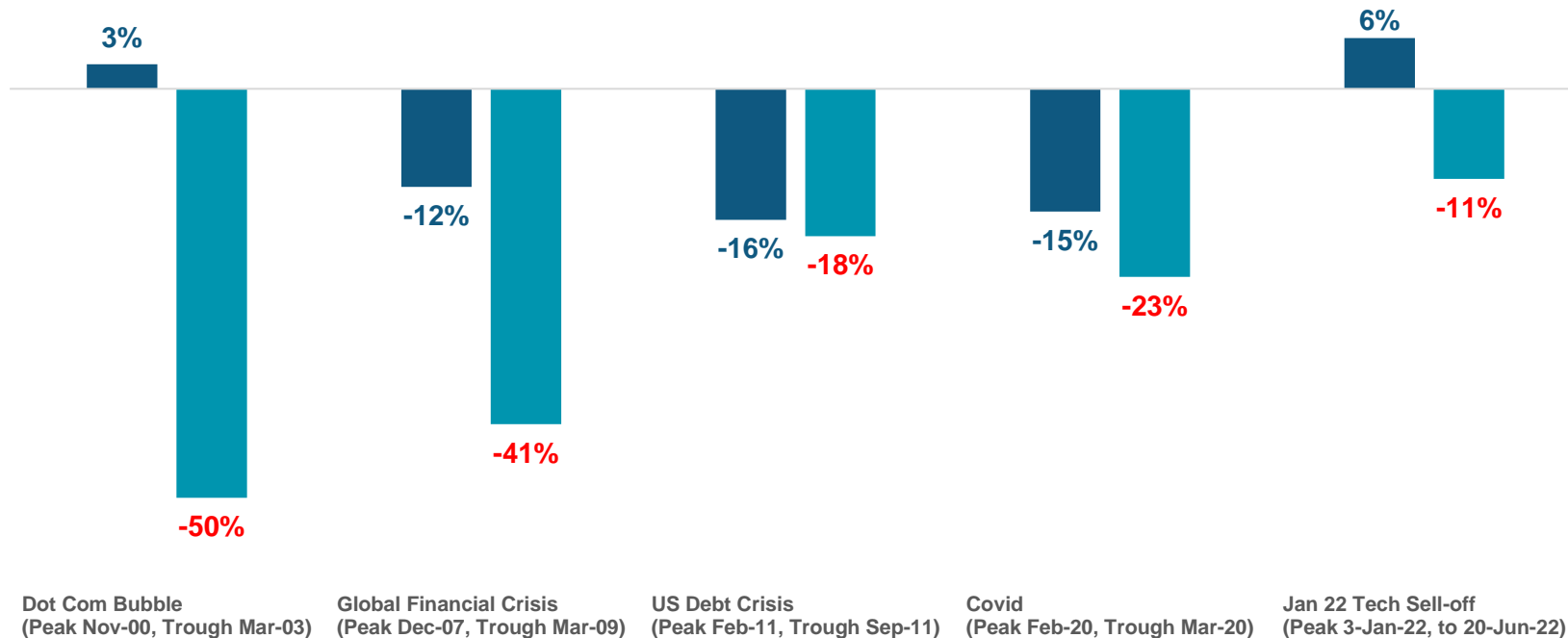


The importance of downside protection

Designed to be there for clients when they need support the most

■ Platinum International Fund

■ MSCI AC World Net Index (A\$)



Performance through an absolute and relative lens

Platinum International Fund Performance

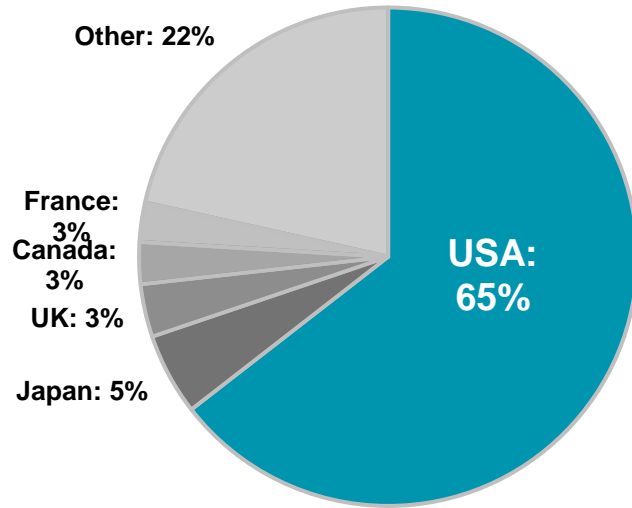
As at 31 August 2024, net of fees

	6 months (%)	1 Year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Platinum International Fund	0.3	0.5	3.4	5.8	7.6	11.1
MSCI ACWI <u>Equal Weighted</u> Net Index (AUD)	1.1	5.0	0.2	5.5	7.3	n/a
Relative Return	(0.8)	(4.5)	3.2	0.3	0.3	n/a
MSCI ACWI Net Index (AUD)	6.1	17.8	8.4	12.0	12.3	7.9
Relative Return	(5.8)	(17.3)	(5.0)	(6.2)	(4.7)	3.2

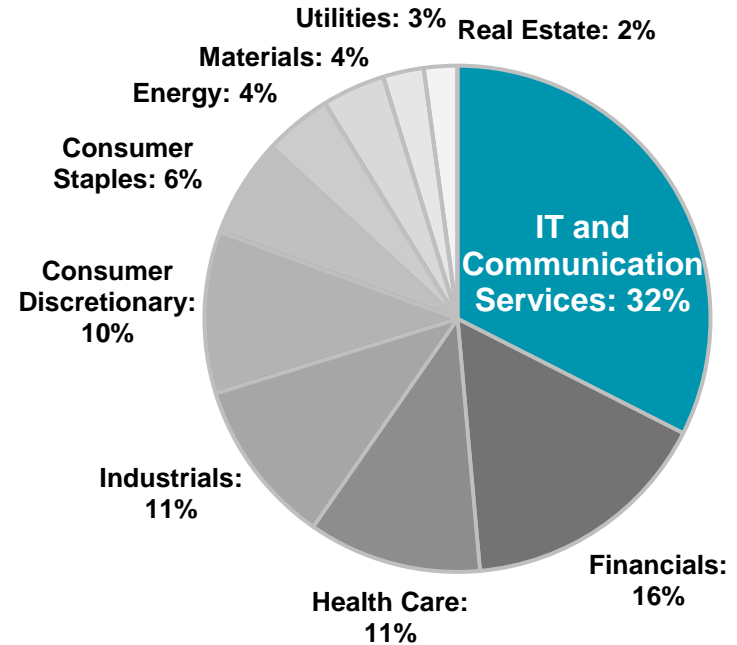


What is 'the market': The MSCI All Country World Index

By Country



By Sector



Source: MSCI AC World Index Fact Sheets – 31 July 2024, [MSCI ACWI Index](#), [MSCI ACWI Equal Weighted Index](#).

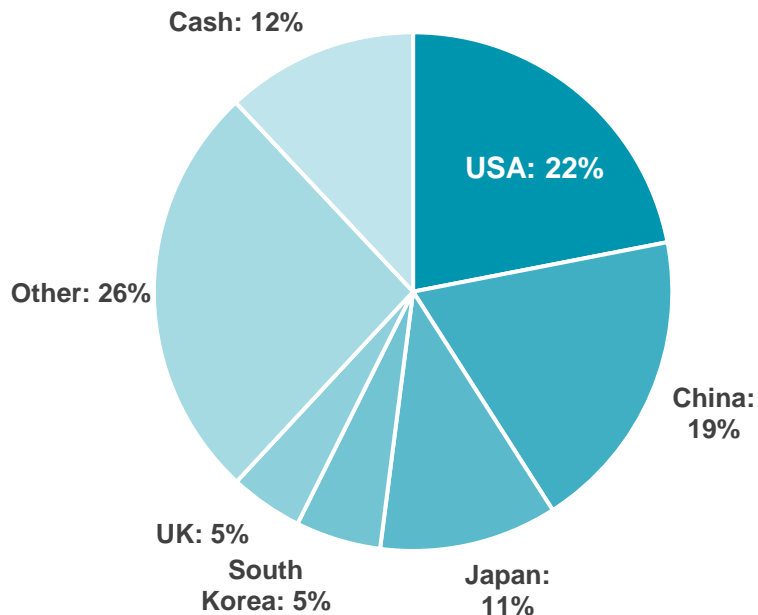
* The MSCI equal weighted index offer an alternative to market capitalisation weighted indexes. Equal weighting holds the same dollar value in each stock, representing an equal part of the value of the portfolio. Thus, the performance of each company's stock carries equal importance in determining the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



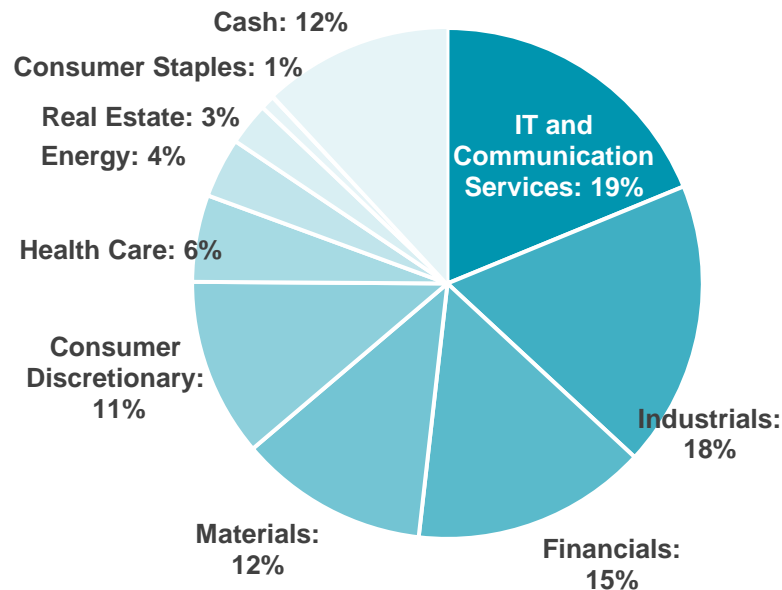
5 year average long position of the International Fund

Average of month-end long exposures for the 5 years to 31 July 2024

By Country



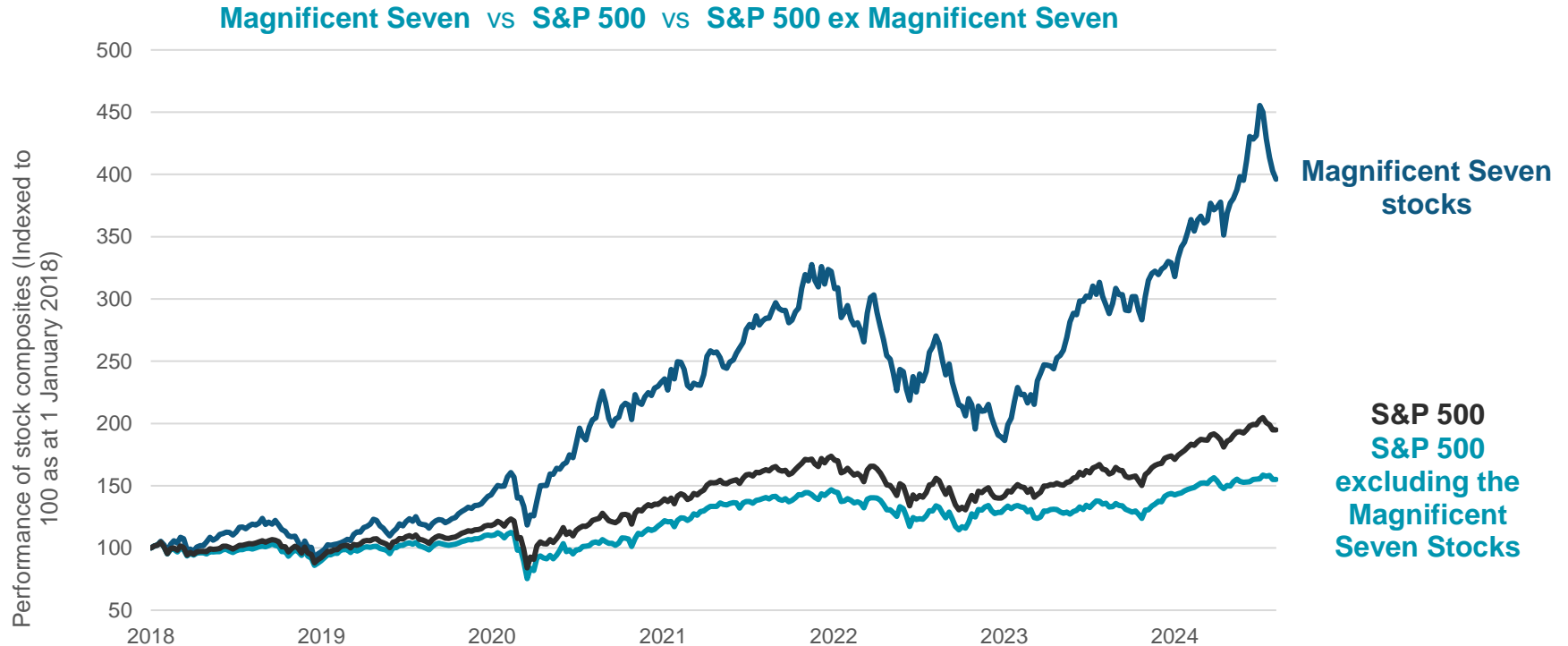
By Sector



The magnitude of US outperformance has been large



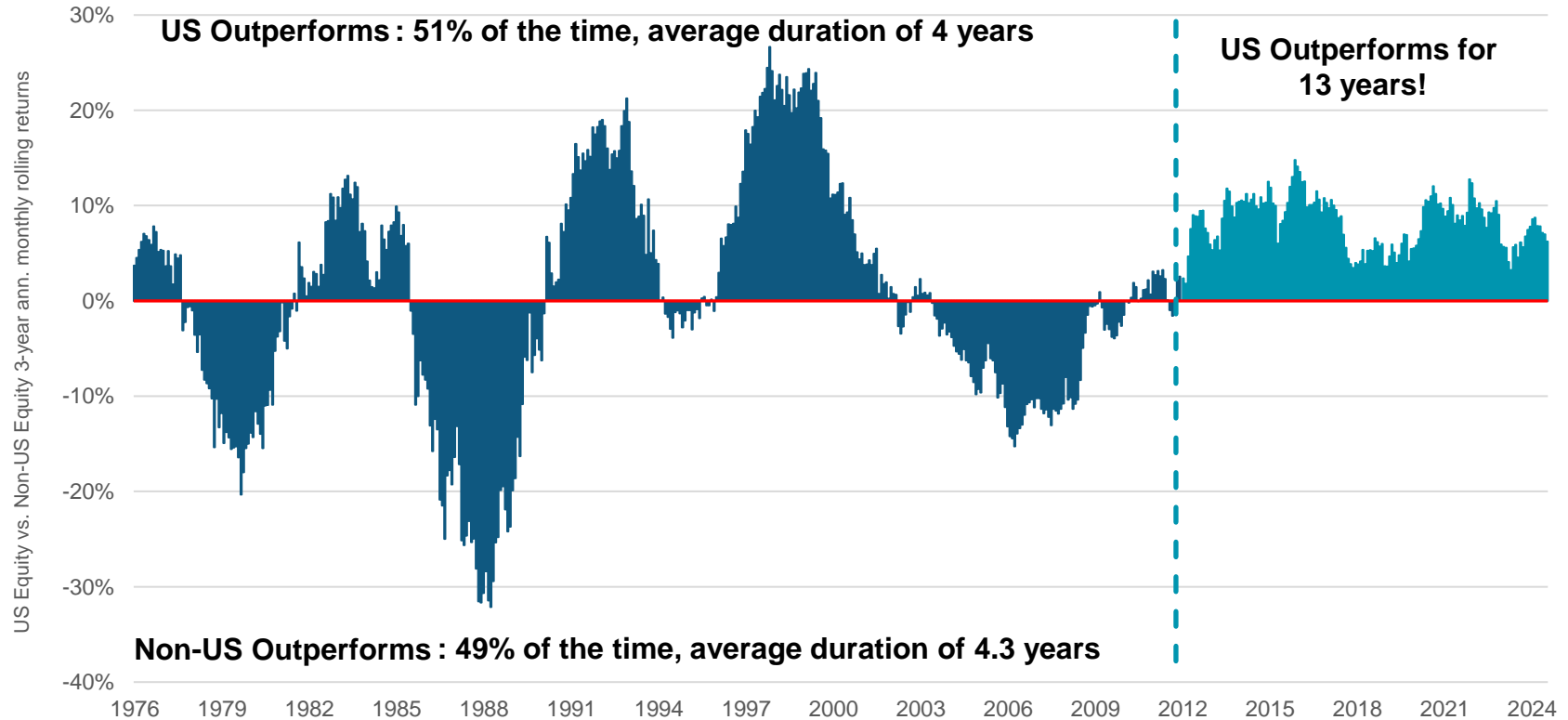
Returns concentrated in seven 'magnificent' companies



Our view of the market landscape

US & International Markets Have Moved in Cycles

US Equity vs. Non-US Equity 3-year annualised monthly rolling returns



Source: FactSet Research Systems. The chart shows the values of the MSCI USA Total Return Index's (AUD) returns minus the MSCI All Country World ex USA Total Return Index's (AUD) returns. When the line is above 0%, USA stocks outperformed international stocks. When the line is below 0%, international stocks outperformed domestic stocks. US equity is represented by the MSCI USA Total Return Index (AUD); international equity is represented by the MSCI All Country World ex USA Total Return Index (AUD). The MSCI All Country World ex USA Total Return Index started commenced in December 1987, for the period January 1976 to December 1987 we have used the returns for the MSCI World ex USA Total Return Index (AUD). For illustrative purposes only. Past performance is not a reliable indicator of future returns.



From 2011-2013 we had significant exposure to the US

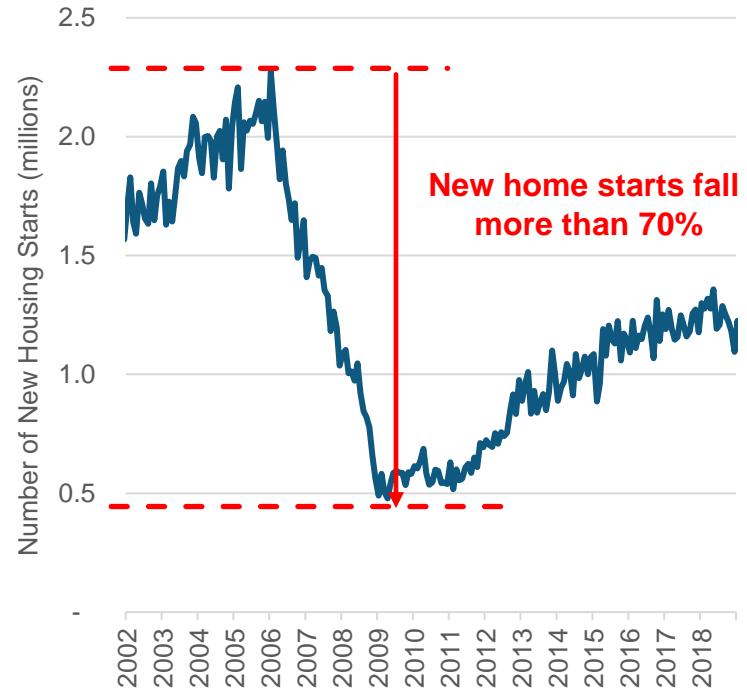
Platinum International Fund – Historic USA Long Exposure



There was no 'good news' story around the US in 2012

The state of the US economy and sentiment:

- ◆ **Economy** struggling in the aftermath of the GFC
- ◆ **Unemployment** was 8%
- ◆ Housing market in crisis: **new home starts -70%**
- ◆ Low political appetite for stimulus
- ◆ **Low interest rates**, but consumers and businesses were paying back their debt
- ◆ Growth was very weak – '**secular stagnation**'
- ◆ The **expectations were low**



But the ‘beautiful’ companies traded on low valuations

Company	2012 Valuation (Price / Earnings, Next 12 Months)	Stock return from that point to today?
Microsoft	9 x	up 14x
Apple	11 x	up 10x
Moody's	12 x	up 12x
Mastercard	16 x	up 11x
D.R. Horton	5 x 1.0 x Book Value	up 11x



How are those same businesses valued today?

Company	Today's Valuation (Price / Earnings, Next 12 Months)
Microsoft	30 x
Apple	31 x
Moody's	39 x
Mastercard	30 x
D.R. Horton	12 x
	2.5 x Book Value

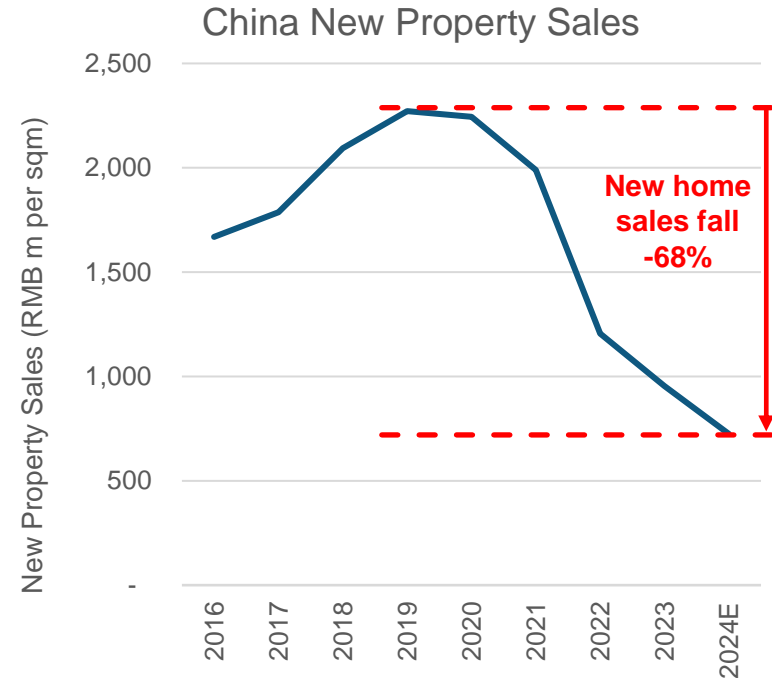


1. Are there any markets that look similar to the US in 2012?

In an economic sense, China looks similar to the US in 2012

The state of the Chinese economy and sentiment:

- ◆ The **economy is struggling** after years of zero covid lockdowns.
- ◆ Housing market in crisis: **new home sales -68%**
- ◆ **Limited political appetite for stimulus**
- ◆ Interest rates have been cut, but **borrowers are not keen to take on debt**

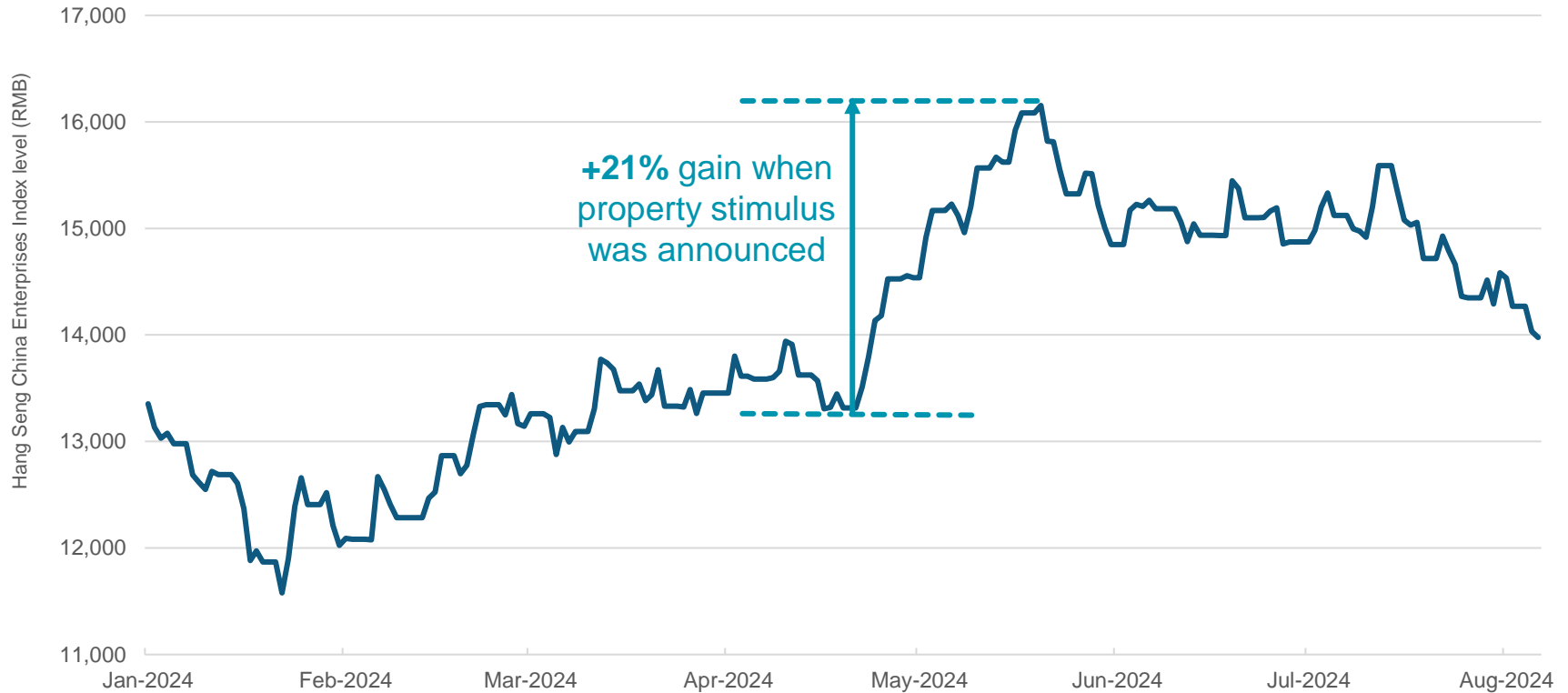


The quality companies in China have massively derated

Company	Today's Valuation (Price / Earnings, Next 12 Months)	Dividend Yield + Buyback Yield
Tencent	15 x	5%
ZTO Express	11 x	5%
JD.com	7 x	11%
AIA Group	12 x	7%
China Resources Land	5 x 0.5 x Book Value	7%



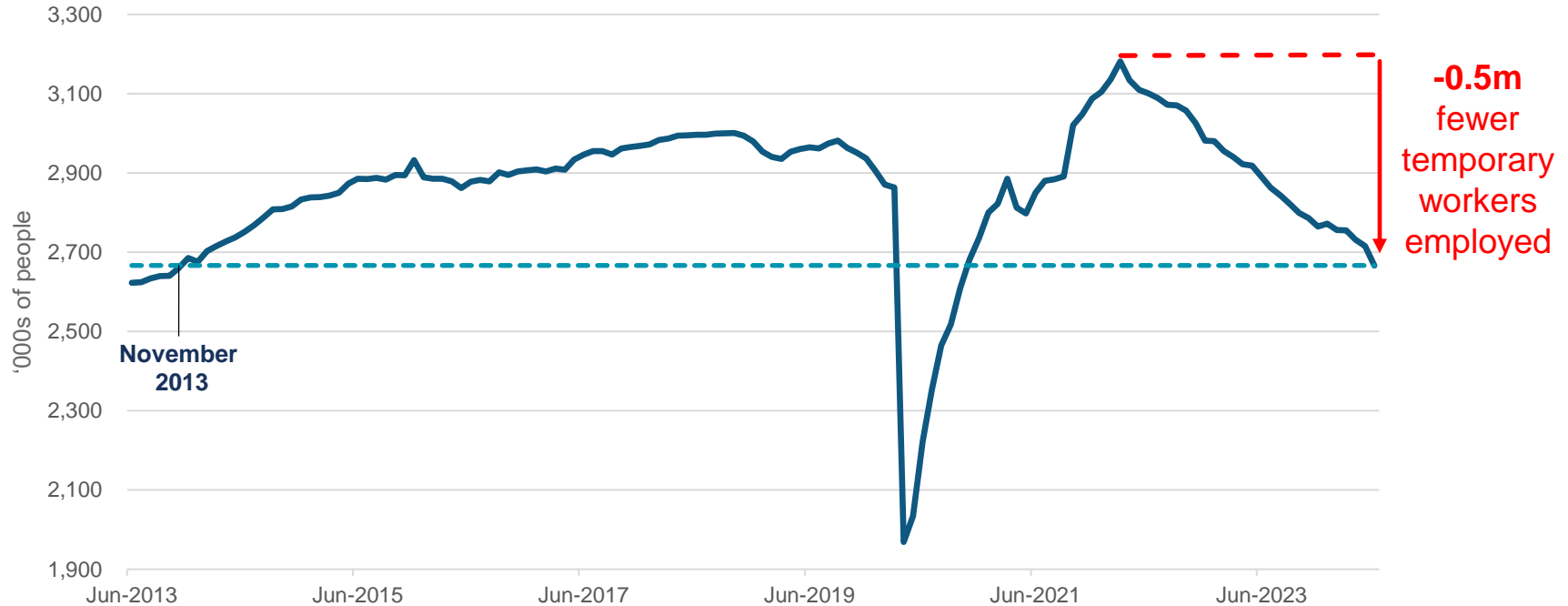
Positive news can result in an outsized market reaction



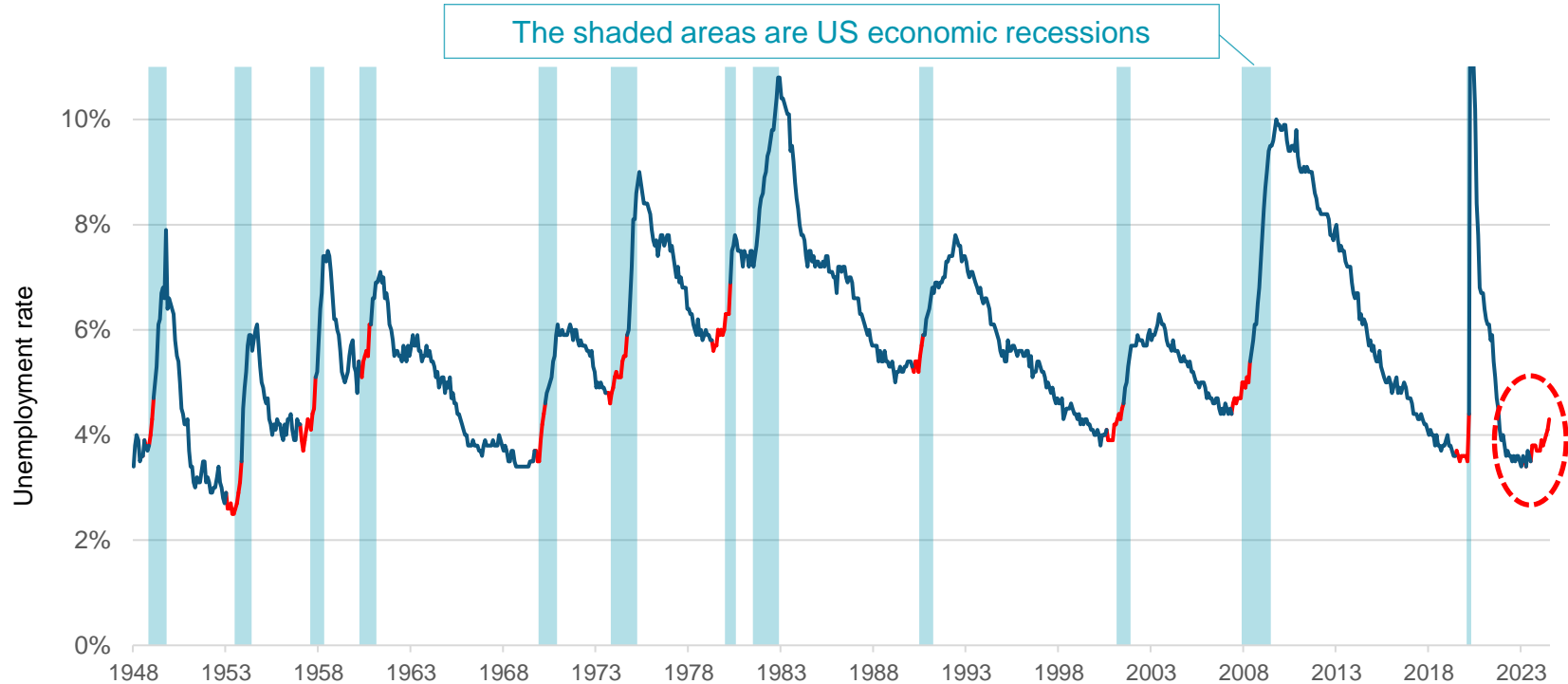
2. Are there any signs of change in the US?

Temp workers are usually the first to go in a downturn

US Temporary Help Services – Number of Employees




The US unemployment rate is hooking up



We are seeing a change of tone around the fiscal position

US Fiscal Deficit as a % of GDP

2019	2020	2021	2022	2023	2024
5%	15%	12%	5%	6%	On track for ~6%

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EXCLUSIVE

KAMALA HARRIS

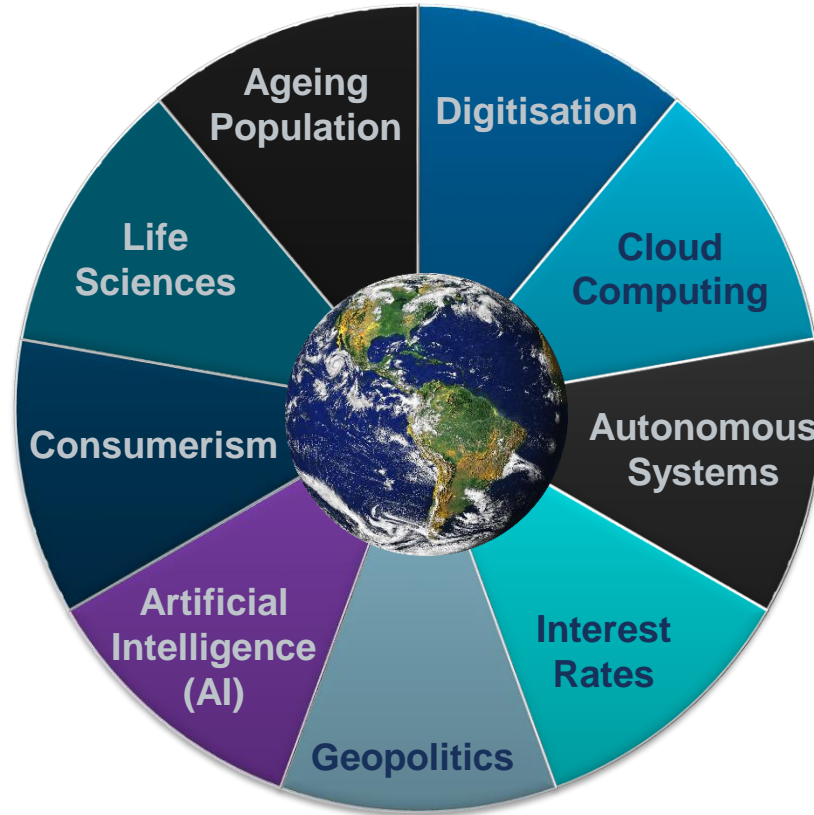
Harris proposes raising the corporate tax rate to 28%, rolling back a Trump law

The vice president is rolling out her first revenue-raising policy proposal as the Democratic presidential nominee and drawing a contrast with GOP opponent Donald Trump.



The Investment Opportunities

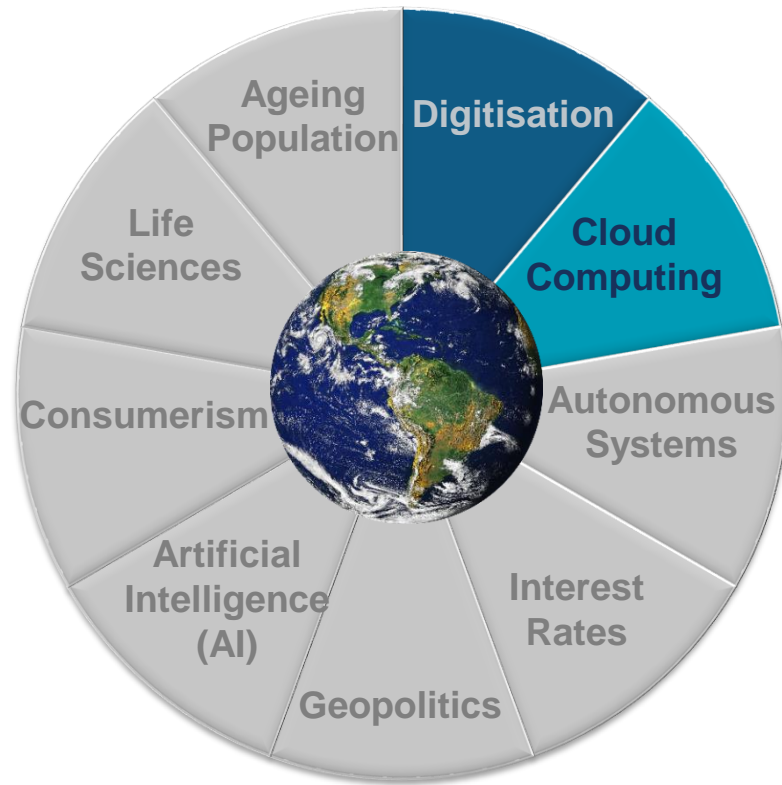
Global Investment Themes











































Global Investment Themes

Digitisation and Cloud Computing

- ◆ Exposed stocks have performed exceptionally well for over a decade
- ◆ Many portfolios have become concentrated in this narrow area
- ◆ This is a bet that the future will look very much like the past.



The changing of the guard - Top 10 companies by decade

1990: Japan will take over the world		2000: TMT Bubble		2010: Commodity Super Cycle		2020: US Tech will take over the world	
	NTT		Microsoft		Exxon Mobil		Microsoft
	Bank of Tokyo-Mitsubishi*		General Electric		PetroChina		Apple
	Industrial Bank of Japan		NTT DoCoMo		Apple		Amazon
	Sumitomo Mitsui Banking		Cisco Systems		BHP Billiton		Google
	Toyota Motors		Wal-Mart		Microsoft		Facebook
	Fuji Bank		Intel		ICBC		Alibaba
	Dai Ichi Kangyo Bank		NTT		Petrobras		Tencent
	IBM		Exxon Mobil		China Constr. Bank		Johnson & Johnson
	UFJ Bank		Lucent Tech.		Royal Dutch Shell		JPMorgan Chase
	Exxon		Deutsche Telekom		Nestle		Exxon Mobil



Global Investment Themes

Waymo One driverless taxi – Phoenix, Arizona

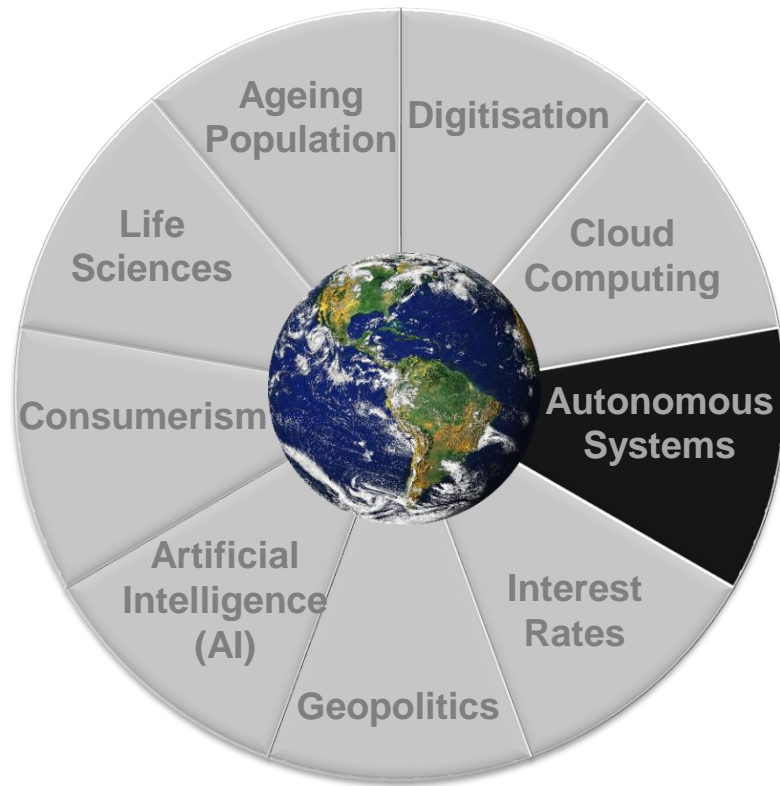
“

It worked so well that instead of making one trip to prove a point, I decided to replace some of my weekly driving trips with Waymo.

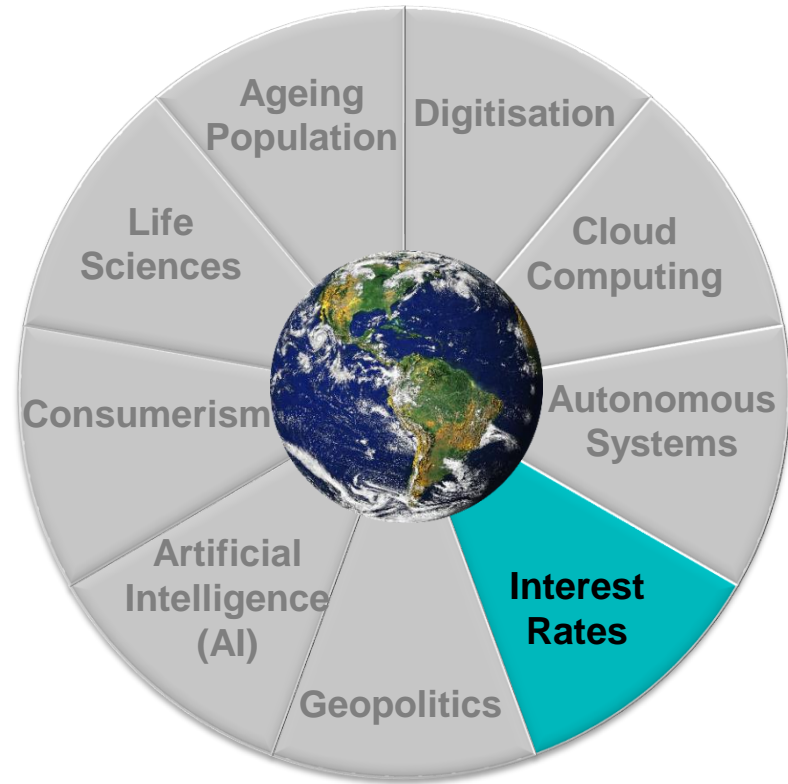
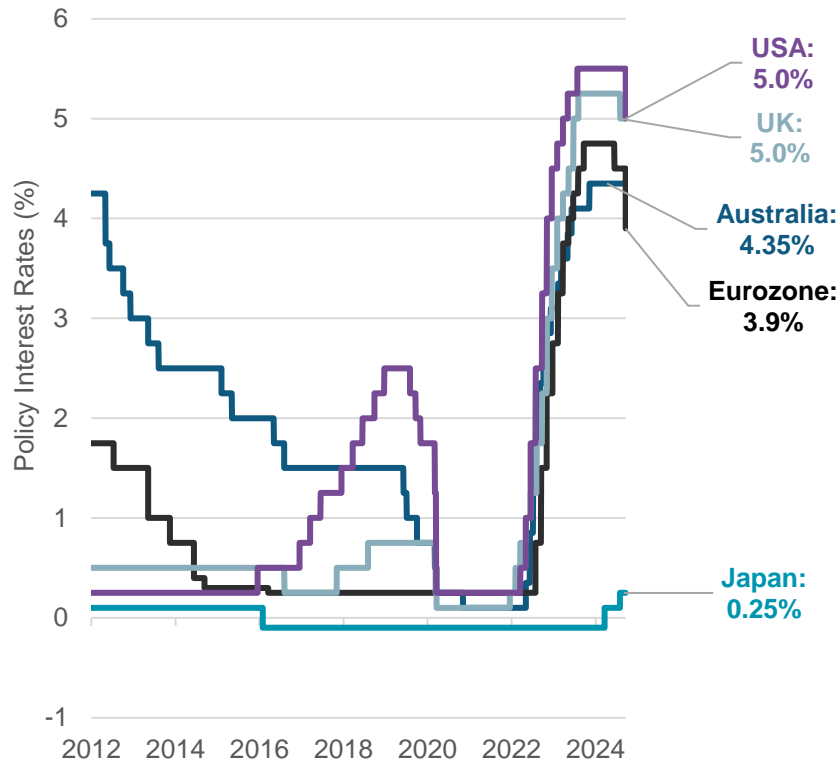
David, Phoenix



Learn why David chooses Waymo One



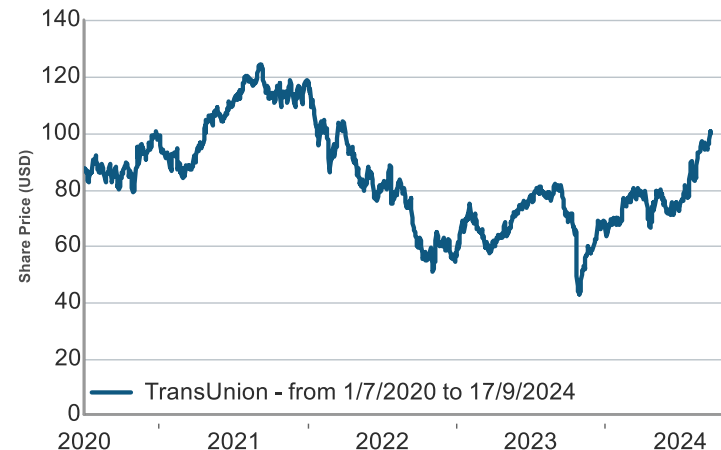
Global Investment Themes



We have a number of interest rate sensitive investments

TransUnion:

- ◆ The owner of valuable, high-quality, consumer data
- ◆ Broad array of customers
- ◆ Exciting AI applications are coming, data will be more valuable
- ◆ 70% market share in India
- ◆ Earnings will rebound as interest rates fall
- ◆ We bought TransUnion on ~17x earnings



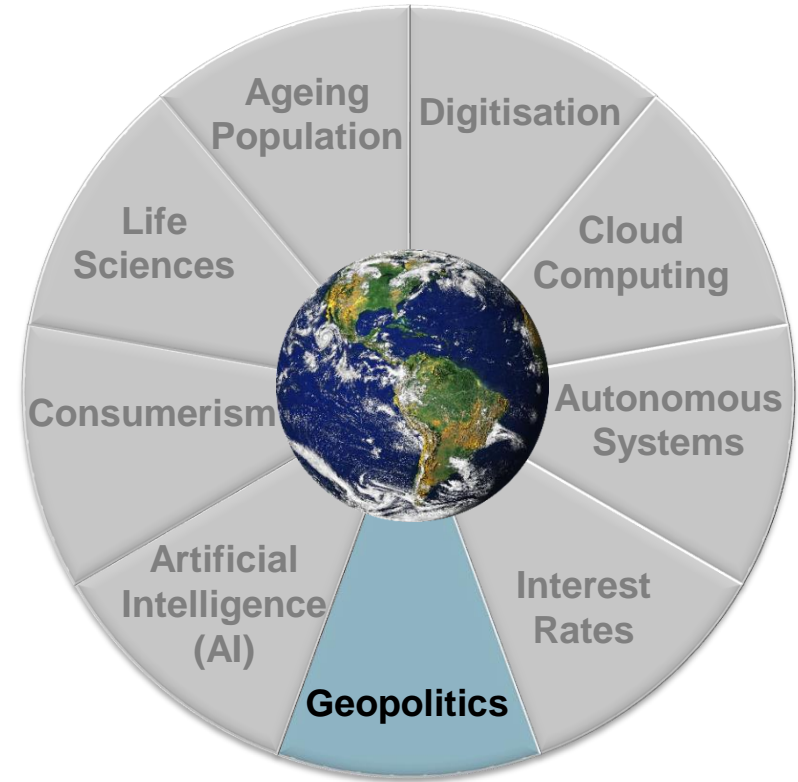
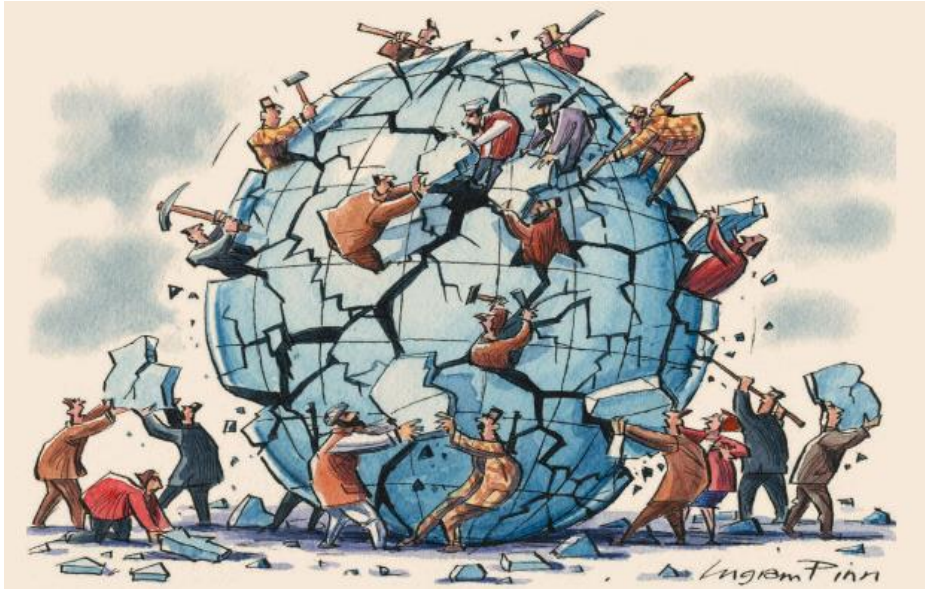
London
Stock Exchange



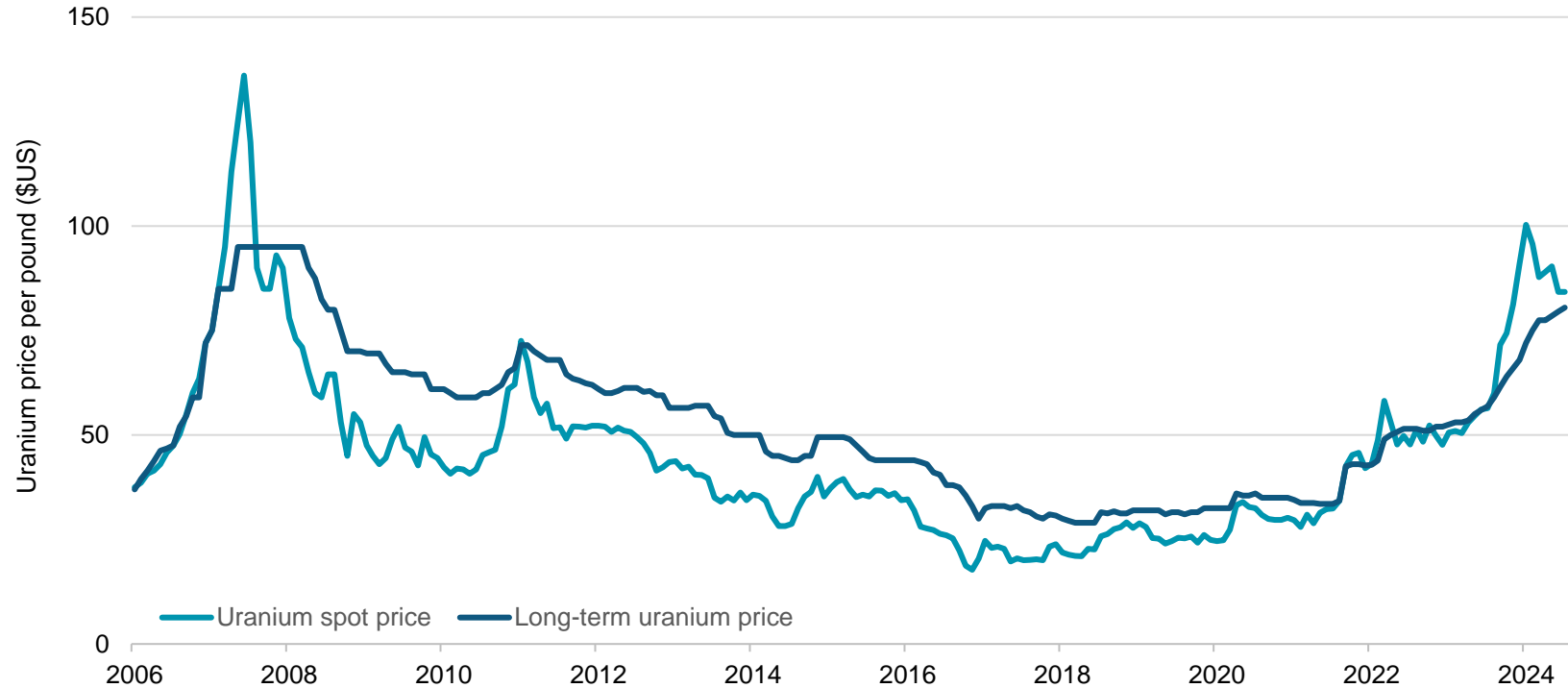
allfunds



Global Investment Themes



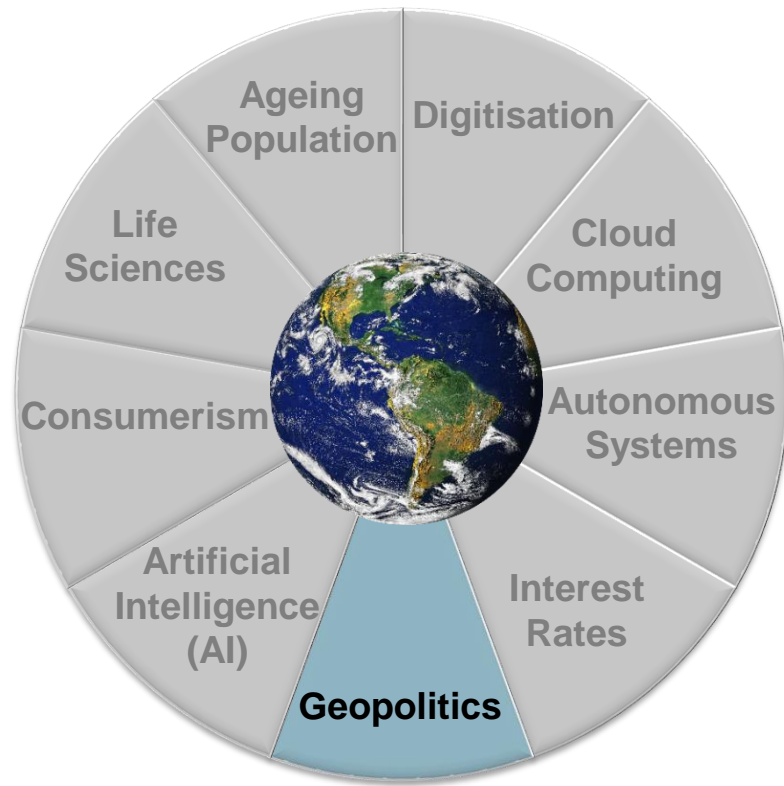
Since 2018, Uranium prices quadrupled from \$20 to \$80



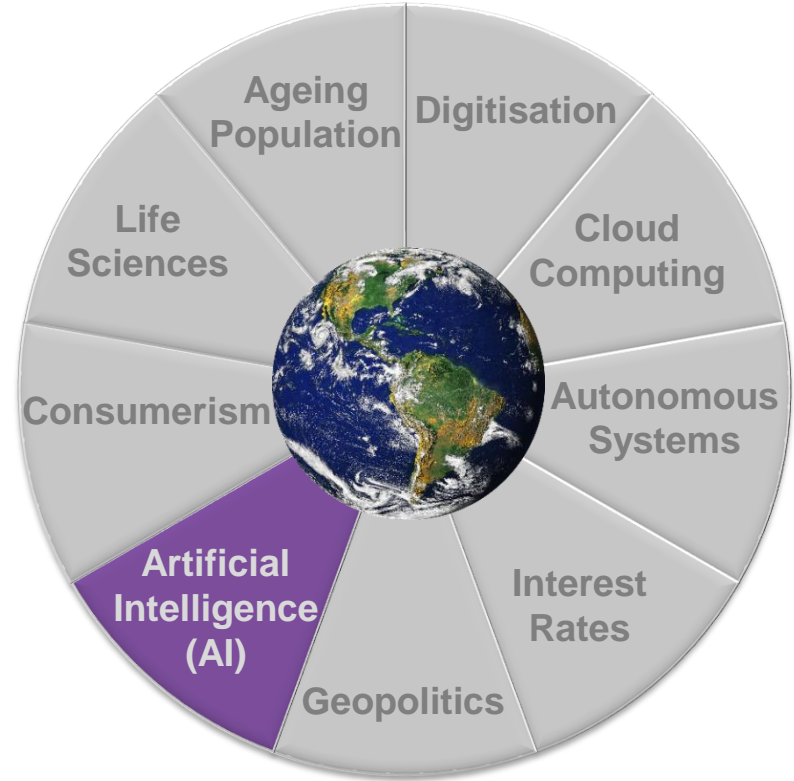
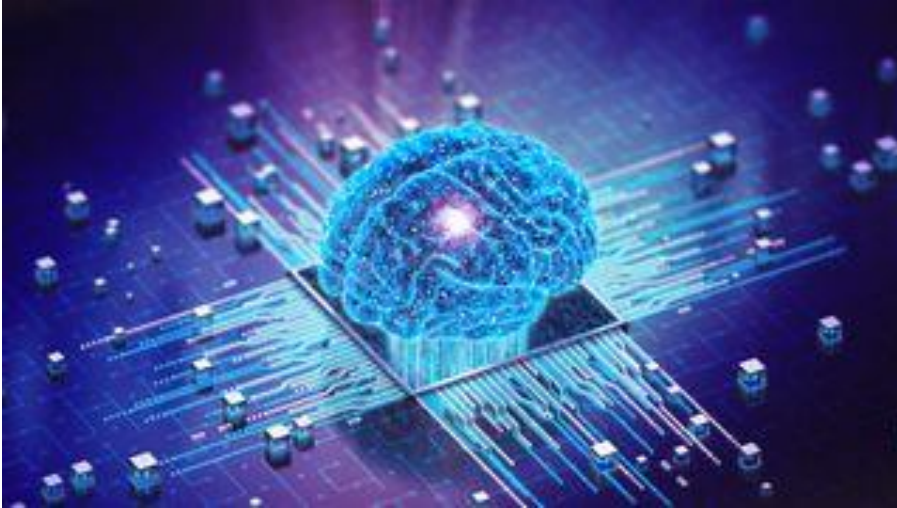
Global Investment Themes

Nuclear renaissance:

- ◆ **440** existing reactors
- ◆ **+60** under construction
- ◆ **+110** have financing & permitting



Global Investment Themes



The winners from big technological shifts move in waves

1990s



2000s



2010 - Today



We are investing in the hardware 'wave'

It is these hardware providers that are enabling the training and running of the AI models

These investments all share a common thread:

- 1) AI is a meaningful new growth driver
- 2) They have very strong base businesses outside of AI that are growing, and underpin the value of the company.
- 3) They were very reasonably valued when we invested.



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