

FACTS

Portfolio value	\$7.08 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 - 2.0667 Red - 2.0605
Unit prices P Class	App - 0.9793 Red - 0.9763

PERFORMANCE¹

	C Class %	P Class %	MSCI %
1 month	(1.0)	(0.9)	1.0
3 months	1.0	1.0	7.8
6 months	5.9	6.0	7.0
Calendar year to date	4.9	5.1	12.8
1 year	11.3	11.6	11.8
2 years (compound pa)	3.3	3.5	6.0
3 years (compound pa)	10.9	11.2	11.0
5 years (compound pa)	5.2	5.5	10.2
7 years (compound pa)	8.2		10.7
10 years (compound pa)	9.5		12.1
Since inception (compound pa)	11.5	7.0	7.4

INVESTED POSITIONS³

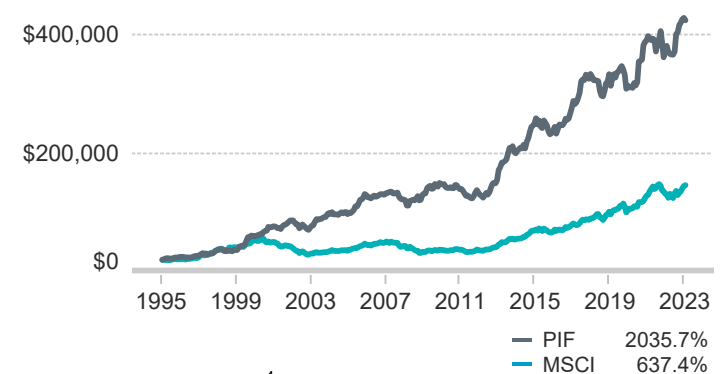
	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	39.2	(1.9)	37.3	44.7
Australia	2.0	(0.5)	1.4	2.1
China	19.5		19.5	22.0
Hong Kong	0.1		0.1	0.7
Taiwan	0.6		0.6	0.2
India	2.6		2.6	2.6
Israel	0.2		0.2	0.2
Japan	9.1	(1.1)	8.0	12.0
Kazakhstan	0.3		0.3	0.3
New Zealand		(0.1)	(0.1)	(0.1)
South Korea	5.0	(0.1)	4.9	4.9
Europe	25.5	(0.7)	24.8	29.1
Austria	2.1		2.1	
Belgium	0.1		0.1	
Denmark	0.1	(0.1)		0.1
Finland	2.5		2.5	
France	3.4	(0.1)	3.3	
Germany	3.0		3.0	
Ireland	0.9		0.9	
Italy	1.4		1.4	
Monaco	0.6		0.6	
Netherlands	2.0		2.0	
Sweden	0.1	(0.4)	(0.3)	0.1
Switzerland	1.3	(0.1)	1.3	1.3
United Kingdom	8.1		8.1	12.4
Euro				15.3
North America	19.2	(13.2)	6.1	23.5
Canada	1.1		1.1	2.4
United States of America	18.1	(13.2)	5.0	21.1
Other	2.7		2.7	2.7
Sub-Total	86.6	(15.7)	70.8	100.0
Cash	13.4	15.7	29.2	
Total	100.0		100.0	100.0

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	3.6
Minebea Co Ltd	Japan	Industrials	3.5
Samsung Electronics Co	South Korea	Info Technology	3.2
Microchip Technology Inc	United States	Info Technology	3.1
Allfunds Group Plc	UK	Financials	3.0
Ping An Insurance Group	China	Financials	2.7
InterGlobe Aviation Ltd	India	Industrials	2.6
UPM-Kymmene OYJ	Finland	Materials	2.5
Suzano SA	Brazil	Materials	2.3
Airbus SE	France	Industrials	2.2
Total			28.6

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Industrials	22.7	(5.8)	16.9
Financials	17.3	(1.4)	15.9
Information Technology	11.3	(1.8)	9.5
Materials	8.6	(0.1)	8.5
Energy	6.0		6.0
Health Care	4.9		4.9
Communication Services	4.7	(0.1)	4.6
Consumer Discretionary	8.2	(4.7)	3.5
Real Estate	2.2	(0.4)	1.8
Utilities	0.2		0.2
Consumer Staples	0.5	(0.5)	0.0
Other		(0.9)	(0.9)

Long - 126 stocks, 2 swaps, 1 option, 2 other Short - 37 swaps

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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

- The Fund fell 1.0% for the month. This brings the one-year return to a solid 11.3% - broadly in line with the market*.
- The net invested position remains near historical averages.
- Looking forward, there are exciting opportunities on the long side, but we remain wary of further market weakness.

Market Commentary

Choppy trading dominated markets again this month. Global equity markets edged higher overall, despite mounting concerns on the economic front. The media focused largely on the US debt ceiling, which thankfully seemed to be resolved near the close of the month, but this was largely viewed as a noisy sideshow. The only clear move, as seen in the previous month, was the market continuing to favour large technology stocks on a potential AI revolution. Talk continued around this emerging theme, with the loudest argument being a “winner takes most” mentality in the form of barriers to entry being large in terms of intellectual property, capital required and established industry relationships (favouring the mega-cap names as they are the only ones that could afford such investment). We would caution that this could simply be the echoes of one of the great bubbles in market history, amid narrow market breadth and an oncoming recession. We continue to avoid trying to predict which direction the overall market is heading and instead look for attractively valued idiosyncratic business opportunities to invest capital in over the medium to long term.

The further crowding into large technology stocks signals to us a lack of conviction in the current rally and that investors are back hiding in mega-cap ‘safe’ names as the outlook remains uncertain. The S&P 500 still trades at a very high valuation multiple relative to history, and we continue to think there are much better investment opportunities to be found elsewhere.

We continue to believe that volatility will return as the decades-long easy money regime normalises. We expect much more divergent markets over the course of 2023, as a complex and uncertain environment creates mispricing in equities. We think this is a great market for active, ‘true’ investors.

Our net exposure remains at around 71% as we analyse various investing opportunities. We continue to buy stocks that we think offer good value and remain excited by opportunities across decarbonisation, semiconductors, travel, Chinese consumers, financials, and growth industrials. Our short book remains dynamic and aims to protect capital. The composition of the short portfolio continues to have less emphasis on highly valued growth names and more on COVID beneficiaries (e.g. retailers, e-commerce, logistics) that we expect will have weak earnings outcomes in the year ahead.

Performance Analysis**

For the month, our biggest contributors were InterGlobe Aviation (Indian airline), Samsung Electronics (Korean semiconductor manufacturer) and Suzano (Brazilian paper and pulp manufacturer). While providing a strong contribution to performance over the year, our Chinese positions detracted from performance over the month (Ping An Insurance, ZTO Express, China Overseas Land & Investment), as lacklustre economic numbers disappointed those playing for a short-term reopening trade. We still see China in the early stages of its recovery and continue to believe that China is a much-unloved stock market. We remain confident in the Chinese businesses we hold. China remains in a different part of its economic cycle from economies in the West, and the government is taking clear steps to stimulate the economy.

For the calendar year to date (CYTD) our long positions contributed 7.9% to the Fund’s return, while our short positions detracted 2.4%. The Fund’s CYTD return was driven by a broad array of long positions, with our industrials and travel names being the standouts (MinebeaMitsumi, Wizz Air, Airbus). Semiconductor names have also been solid contributors (Samsung Electronics, Micron, Infineon Technologies, Microchip), benefiting from the excitement over AI.

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 15.3x)
NTM Dividend Yield	3.3%	2.8%
NTM Enterprise Value-to-Sales	1.3x	1.6x
LTM Price-to-Book Ratio	1.6x	2.6x

The valuations in the table have been calculated by Platinum and for the Fund refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. As at 31 May 2023. NTM = next twelve months. LTM = last twelve months.

* Market returns throughout this report refer to the MSCI AC World Net Index in A\$. Source: FactSet.

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.