

FACTS

Portfolio value	\$6.23 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/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App - 1.9743 Red - 1.9683
Unit prices P Class	App - 0.9319 Red - 0.9291

PERFORMANCE¹

	C Class %	P Class %	MSCI %
1 month	3.4	3.4	5.9
3 months	4.0	4.1	12.0
6 months	0.3	0.4	11.1
Calendar year to date	3.0	3.0	9.9
1 year	3.3	3.5	27.5
2 years (compound pa)	5.8	6.1	12.2
3 years (compound pa)	4.3	4.6	13.1
5 years (compound pa)	6.4	6.7	12.5
7 years (compound pa)	7.6		12.6
10 years (compound pa)	7.4		11.9
Since inception (compound pa)	11.3	6.6	7.8

INVESTED POSITIONS³

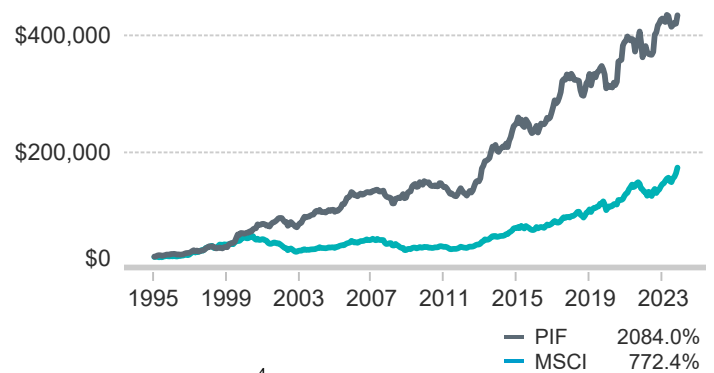
	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	40.2	(0.3)	39.9	60.1
Australia	1.1	(0.2)	0.9	2.2
China	19.3		19.3	19.3
Taiwan	3.0		3.0	3.0
India	2.3		2.3	2.3
Japan	8.9		8.9	27.6
South Korea	3.8	(0.1)	3.6	3.6
Other Asia-Pacific	1.9		1.9	2.0
Europe	27.7		27.7	28.9
Austria	1.4		1.4	
Finland	2.8		2.8	
France	6.3		6.3	
Italy	1.4		1.4	
Netherlands	1.8		1.8	
Switzerland	3.2		3.2	3.2
United Kingdom	9.0		9.0	10.2
Euro				15.3
Other Europe	1.8		1.8	0.3
North America	21.6	(4.6)	17.1	8.1
Canada	2.4		2.4	2.7
United States of America	19.2	(4.6)	14.6	5.4
Other	2.8		2.8	2.8
Sub-Total	92.4	(4.9)	87.4	100.0
Cash	7.6	4.9	12.6	
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	3.7
Allfunds Group Plc	UK	Financials	3.5
UBS Group AG	Switzerland	Financials	3.1
Samsung Electronics Co	South Korea	Info Technology	3.1
Taiwan Semiconductor	Taiwan	Info Technology	2.9
UPM-Kymmene OYJ	Finland	Materials	2.8
Minebea Co Ltd	Japan	Industrials	2.4
Airbus SE	France	Industrials	2.4
Beazley PLC	UK	Financials	2.4
Trip.com Group Ltd	China	Cons Discretionary	2.3
Total			28.6

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Industrials	20.4	(1.1)	19.3
Financials	17.4	(0.3)	17.1
Information Technology	13.7	(1.8)	12.0
Consumer Discretionary	12.4	(1.4)	11.0
Materials	8.4	(0.1)	8.3
Energy	6.5		6.5
Communication Services	4.4	(0.2)	4.2
Health Care	3.4		3.4
Real Estate	3.1		3.1
Consumer Staples	2.5		2.5
Utilities	0.2		0.2

Long - 125 stocks, 1 swap, 1 other Short - 19 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

Performance Analysis*

The Platinum International Fund (“PIF”) returned +3.4% for February 2024, bringing the rolling 12 month return to +3.3% net of fees. Fuelled once again by large cap US tech stocks, the MSCI AC World Index (AUD) returned +5.9% for February.

Is now the right time to increase exposure to US large cap tech?

The US large cap tech segment was broadly higher for the month helped by a 28% rise from NVIDIA, +25% from Meta (Facebook’s parent) and a 13% gain from Amazon. NVIDIA’s 4Q results were ahead of consensus on a revenue and earnings basis and it also upgraded guidance. Meta’s guidance was the bright spot of its 4Q results with the focus on AI tailwinds and a capital return (a US\$50bn buyback and its first dividend).

Amazon’s result was ahead of consensus, driven by a reaccelerating AWS, expanding retail margins and ad growth. While NVIDIA, Meta and Amazon experienced stellar gains, the remaining Magnificent Seven stocks fared less well. Apple was up just 2% in February due to underwhelming guidance and a market focus on increased competition. Shares in Alphabet (Google’s parent), Tesla and Microsoft have all declined since the end of February.

The graph below compares IT stock performance to the S&P500 and shows it exceeding the highs seen in the Tech bubble. We believe increasing exposure to these stocks now is risky given economic uncertainty and high earnings expectations. We have already seen expectations of US interest rate cuts pushed out from March to June 2024.

Figure 1: Ratio of S&P500 IT sector vs. S&P500 (monthly total return from 29 Sep 1989 to 26 Feb 2024)



Source: Bloomberg, indexed to 100 from 29 September 1989

Platinum is positioned differently

The Fund is positioned very differently to the MSCI AC World Index and provides a hedge to the US large cap tech concentration discussed above. Top contributors to the Fund’s performance in February included Chinese parcel delivery business ZTO Express and travel company Trip.com. ZTO Express is the largest and lowest cost parcel delivery business in China, delivering around 30 billion parcels a year (more than the whole of the US). The company is growing at 20-30% p.a. and is trading on a 2024 PE of 12x. Trip.com has benefited from the end of COVID lockdowns in China with domestic travel now exceeding 2019 levels. It also has a half share in India’s biggest online travel business. We expect earnings to grow in the high teens as international travel opens up. Trip is trading on a 2024 PE of 17x. The Fund’s Chinese holdings are well-run growth businesses at attractive valuations that do not need the Chinese market to re-rate in order to do well.

An attractively valued portfolio

The portfolio’s aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~42% higher earnings yield and a ~43% discount on Price to Book basis (see table below).

Metric	Platinum International Fund	MSCI AC World Net Index (A\$)
NTM Earnings Yield	8.1% (Price-to-Earnings ratio of 12.3x)	5.7% (Price-to-Earnings ratio of 17.4x)
NTM Dividend Yield	2.7%	2.5%
NTM Enterprise Value-to-Sales	1.6x	2.3x
LTM Price-to-Book Ratio	1.6x	2.8x

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. MSCI data is sourced from Rimes, FactSet and Platinum. As at 29 February 2024. NTM = next twelve months. LTM = last twelve months.

*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.**