

## FACTS

|                                |                                    |
|--------------------------------|------------------------------------|
| Portfolio value                | \$7.66 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 - 2.0609 Red - 2.0547          |
| Unit prices P Class            | App - 0.9778 Red - 0.9748          |

## PERFORMANCE<sup>1</sup>

|                               | C Class % | P Class % | MSCI % |
|-------------------------------|-----------|-----------|--------|
| 1 month                       | 3.8       | 3.8       | (2.8)  |
| 3 months                      | (7.5)     | (7.4)     | (9.2)  |
| 6 months                      | 1.1       | 1.2       | (6.6)  |
| Calendar year to date         | (4.2)     | (4.1)     | (10.9) |
| 1 year                        | (3.7)     | (3.5)     | 2.8    |
| 2 years (compound pa)         | 9.3       | 9.6       | 12.7   |
| 3 years (compound pa)         | 4.0       | 4.3       | 9.1    |
| 5 years (compound pa)         | 6.3       |           | 10.6   |
| 7 years (compound pa)         | 6.0       |           | 9.6    |
| 10 years (compound pa)        | 10.9      |           | 13.5   |
| Since inception (compound pa) | 11.5      | 5.9       | 7.3    |

## INVESTED POSITIONS<sup>3</sup>

|                          | LONG % | SHORT % | NET % | CCY % |
|--------------------------|--------|---------|-------|-------|
| <b>Asia-Pacific</b>      | 38.0   | (3.5)   | 34.5  | 45.0  |
| Australia                | 4.3    | (0.3)   | 4.0   | 4.5   |
| China                    | 17.3   |         | 17.3  | 18.3  |
| Hong Kong                |        |         |       | 3.6   |
| India                    | 2.0    |         | 2.0   | 2.0   |
| Japan                    | 10.5   | (3.1)   | 7.4   | 12.8  |
| Kazakhstan               | 0.2    |         | 0.2   | 0.2   |
| New Zealand              |        | (0.1)   | (0.1) | (0.1) |
| South Korea              | 3.7    |         | 3.7   | 3.7   |
| <b>Europe</b>            | 22.7   | (4.6)   | 18.1  | 24.3  |
| Austria                  | 1.7    |         | 1.7   |       |
| Belgium                  | 0.1    |         | 0.1   |       |
| Denmark                  | 0.2    | (0.2)   |       | 0.2   |
| Finland                  | 2.4    |         | 2.4   |       |
| France                   | 2.5    | (0.3)   | 2.2   |       |
| Germany                  | 4.1    | (3.2)   | 0.8   |       |
| Ireland                  | 0.8    |         | 0.8   |       |
| Italy                    | 1.6    |         | 1.6   |       |
| Netherlands              | 2.2    |         | 2.2   |       |
| Other Europe             |        | (0.7)   | (0.7) |       |
| Spain                    | 0.5    |         | 0.5   |       |
| Switzerland              | 0.9    | (0.2)   | 0.7   | 0.8   |
| United Kingdom           | 5.8    |         | 5.8   | 6.0   |
| Euro                     |        |         |       | 17.2  |
| <b>North America</b>     | 18.2   | (19.1)  | (1.0) | 28.6  |
| Canada                   | 2.9    |         | 2.9   | 3.5   |
| United States of America | 15.2   | (19.1)  | (3.9) | 25.1  |
| <b>Other</b>             | 2.1    |         | 2.1   | 2.1   |
| <b>Sub-Total</b>         | 81.0   | (27.2)  | 53.8  | 100.0 |
| <b>Cash</b>              | 19.0   | 27.2    | 46.2  |       |
| <b>Total</b>             | 100.0  |         | 100.0 | 100.0 |

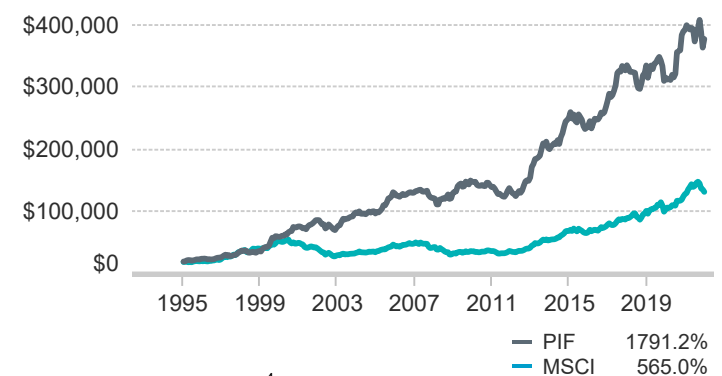
Long - 122 stocks, 2 swaps, 1 option Short - 37 swaps, 5 indices

## FEES

|                 |   |
|-----------------|---|
| Entry fee       | Nil   |
| Buy/sell spread | 0.15%/0.15%   |
| C Class         | Investment management 1.35% p.a.<br>Investment performance N/A          |
| P Class         | Investment management 1.10% p.a.<br>Investment performance 15.00% p.a.* |

\* of the amount by which the Fund's return exceeds its index return

## PERFORMANCE GRAPH<sup>2</sup>



## TOP TEN POSITIONS<sup>4</sup>

| STOCK                    | COUNTRY       | INDUSTRY           | %    |
|--------------------------|---------------|--------------------|------|
| Glencore PLC             | Australia     | Materials          | 3.6  |
| ZTO Express Cayman Inc   | China         | Industrials        | 3.2  |
| Microchip Technology Inc | United States | Info Technology    | 2.8  |
| Minebea Co Ltd           | Japan         | Industrials        | 2.6  |
| Ping An Insurance Group  | China         | Financials         | 2.5  |
| UPM-Kymmene OYJ          | Finland       | Materials          | 2.4  |
| Tencent Holdings Ltd     | China         | Comm Services      | 2.4  |
| Samsung Electronics Co   | South Korea   | Info Technology    | 2.2  |
| Trip.com Group Ltd       | China         | Cons Discretionary | 2.1  |
| InterGlobe Aviation Ltd  | India         | Industrials        | 2.0  |
| <b>Total</b>             |               |                    | 25.8 |

## INDUSTRY BREAKDOWN<sup>3</sup>

| SECTOR                 | LONG % | SHORT % | NET %  |
|------------------------|--------|---------|--------|
| Industrials            | 17.2   | (0.7)   | 16.5   |
| Materials              | 14.6   | (0.2)   | 14.4   |
| Financials             | 12.5   | (0.1)   | 12.4   |
| Consumer Discretionary | 10.7   | (4.2)   | 6.4    |
| Health Care            | 4.9    | (0.1)   | 4.8    |
| Energy                 | 3.9    |         | 3.9    |
| Communication Services | 4.3    | (0.6)   | 3.7    |
| Information Technology | 9.3    | (5.9)   | 3.3    |
| Real Estate            | 2.6    |         | 2.6    |
| Consumer Staples       | 0.9    | (0.5)   | 0.4    |
| Other                  |        | (14.9)  | (14.9) |

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity of the Platinum International Fund (the "Fund"). The Fund's latest Product Disclosure Statement (the "PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au). The Fund's target market determination is available at [www.platinum.com.au/Investing-with-Us/New-Investors](http://www.platinum.com.au/Investing-with-Us/New-Investors). This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Platinum does not guarantee the performance of the Fund, the repayment of capital or the payment of income. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by Platinum for any loss or damage as a result of any reliance on this information.

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).

All data where MSCI is referenced is the property of MSCI Limited ("MSCI"). No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI.

MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>

## MARKET UPDATE AND COMMENTARY

- Strong April means that 6-month returns are positive against a falling market backdrop.
- Portfolio positioning near its most conservative in our 28-year history.
- Likely we are only part-way through the technology sell-off based on historical patterns.

### Market Commentary

The Fund had a strong April, returning 4% (after fees and costs), which is especially pleasing given the very weak market backdrop, with the technology-heavy Nasdaq index extending its 2022 losses to over 20%.

It was no surprise to see bond yields rise rapidly and more heat come out of the speculative mania. The surprise to us though, is how long it has taken, having expressed concerns over a bifurcated market, wild speculation and the risks of inflation for some time.

Taking an alternate view to the crowd is uncomfortable. We strive to protect our investors' portfolios from permanent impairment of capital, but in a rampant bull market, staying the course can be challenging.

In December, we showed the expensive valuations ascribed to the 'big six' largest companies Apple, Amazon, Microsoft, Alphabet (Google parent), Tesla and Meta Platforms (formerly known as Facebook). By 30 April 2022, each was 14-48% below their respective 52-week highs (average 28%), with Netflix down 70%, yet on a simple earnings yield (see second table below) they are now more expensive relative to 'risk free' US Treasuries than before, reducing their investment appeal (Source: FactSet).

With an understanding from history that when bull markets end, markets tend to give back 50-85% of the preceding rise, we have one of the most cautious portfolio positionings in our history.

We remain excited by opportunities across decarbonisation, semiconductors, travel, Chinese consumers, and growth industrials. On the short side, we have sought to protect the portfolio with a range of positions on stocks that have alarming fundamentals and/or valuations, many of which are in the technology and consumer areas.

### Performance Analysis\*

The last six months is a good reminder of why we do what we do. As markets sold off by 7%, we delivered a positive return. This was due to our short positions adding over 6% to returns. This more than offset any falls on the long side in challenging markets. That return from the short positions arose from an average weighting of only 23% of our assets, implying that companies we were short fell on average by more than 25% over the six-month period to 30 April. On the long side, three stand out contributors were China Overseas Land & Investment (Property) and materials companies Glencore and Mosaic (US fertiliser company).

### Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 51% higher starting earnings yield and a 40% discount on an asset basis (see table below).

| Metric                    | Platinum International Fund             | MSCI AC World Net Index (A\$)           |
|---------------------------|---|---|
| NTM Earnings Yield        | 9.8% (Price-to-Earnings ratio of 10.2x) | 6.5% (Price-to-Earnings ratio of 15.4x) |
| NTM Dividend Yield        | 3.2%                                    | 2.7%                                    |
| Price-to-Book Ratio       | 1.5x                                    | 2.5x                                    |
| Enterprise Value-to-Sales | 1.4x                                    | 1.8x                                    |

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. As at 30 April 2022. NTM = next twelve months.

In December, we compared the long portfolio with global markets, the 'big six' listed above, and US 10-year bond yields. Increasing yields mean more attractive valuations all round, but the rate of change is informative. The portfolio yield has risen the most, which is encouraging, followed by bonds, meaning that broad global markets and particularly the 'big six' have become relatively dearer.

| Asset                               | NTM Earnings Yield<br>(31-12-2021) | NTM Earnings Yield<br>(30-4-2022) | Increase in NTM<br>Earnings Yield |
|-------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Platinum International Fund (Longs) | 7.8%                               | 9.8%                              | +2.0%                             |
| MSCI AC World Net Index (A\$)       | 5.5%                               | 6.5%                              | +1.0%                             |
| 'Big six' stocks                    | 2.8%                               | 3.6%                              | +0.8%                             |
| US 10-year Treasury                 | 1.5%                               | 2.9%                              | +1.4%                             |

Source: 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 30 April 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.**