Platinum International Fund ARSN 089 528 307

MONTHLY REPORT **30 June 2022**

FACTS

Portfolio value	$6.77 bn (Post distribution)
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 (CUM dist)	App - 2.0345 Red - 2.0284
Unit prices P Class (CUM dist)	App - 0.9656 Red - 0.9627

FEES

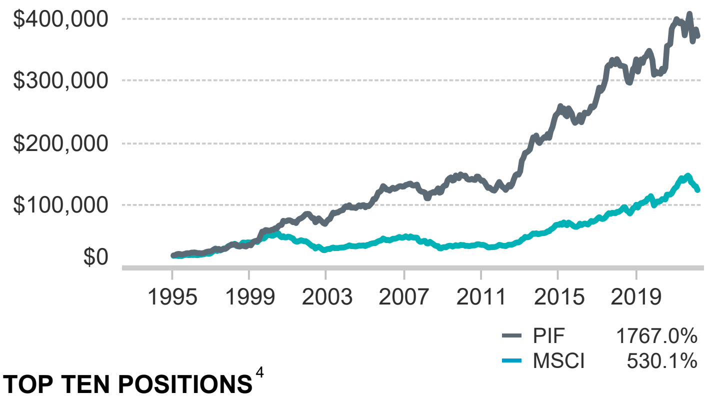
Entry fee	Nil
Buy/sell spread	0.15%/0.15%
C Class	Investment management 1.35% p.a.
	Investment performance N/A
P Class	Investment management 1.10% p.a.
	Investment performance 15.00% p.a.*

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

PERFORMANCE [1]

	C Class %	P Class %	MSCI %
1 month	(2.7)	(2.7)	(4.5)
3 months	2.5	2.5	(7.9)
6 months	(5.4)	(5.3)	(15.6)
Calendar year to date	(5.4)	(5.3)	(15.6)
1 year	(5.9)	(5.7)	(8.0)
2 years (compound pa)	9.0	9.2	8.4
3 years (compound pa)	4.4	4.7	6.9
5 years (compound pa)	5.6		9.4
7 years (compound pa)	5.9		8.7
10 years (compound pa)	11.2		13.2
Since inception (compound pa)	11.4	5.4	7.0

PERFORMANCE GRAPH [2]



INVESTED POSITIONS [3]

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	35.3	(3.8)	31.5	43.3
Australia	3.3	(1.8)	1.4	2.4
China	18.9		18.9	19.8
Hong Kong				3.1
India	1.8		1.8	1.8
Israel		(0.1)	(0.1)	(0.1)
Japan	7.6	(1.8)	5.8	12.6
Kazakhstan	0.2		0.2	0.2
South Korea	3.4		3.4	3.4
Europe	22.7	(2.3)	20.4	25.7
Austria	1.5		1.5	
Belgium	0.1		0.1	
Denmark		(0.1)	(0.1)	
Finland	2.3		2.3	
France	2.5		2.5	
Germany	4.4	(1.6)	2.8	
Ireland	0.7		0.7	
Italy	2.2		2.2	
Netherlands	2.2		2.2	
Other Europe		(0.5)	(0.5)	
Spain	0.5		0.4	
Switzerland	0.6		0.6	0.6
United Kingdom	5.7		5.7	7.9
Euro				17.2
North America	16.4	(14.0)	2.4	29.1
Canada	2.4		2.4	3.1
United States of America	14.0	(14.0)	(0.1)	26.0
Other	1.9		1.9	1.9
Sub-Total	76.3	(20.1)	56.2	100.0
Cash	23.7	20.1	43.8	
Total	100.0		100.0	100.0

Long - 113 stocks, 3 swaps, 1 option Short - 36 swaps, 3 indices

TOP TEN POSITIONS [4]

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	3.5
Glencore PLC	Australia	Materials	2.9
Ping An Insurance Group	China	Financials	2.8
Microchip Technology Inc	United States	Info Technology	2.6
Minebea Co Ltd	Japan	Industrials	2.4
UPM-Kymmene OYJ	Finland	Materials	2.3
Trip.com Group Ltd	China	Cons Discretionary	2.2
Shell PLC	Netherlands	Energy	2.0
Beazley PLC	UK	Financials	2.0
Samsung Electronics Co	South Korea	Info Technology	1.9
		Total	24.5

INDUSTRY BREAKDOWN [3]

SECTOR	LONG %	SHORT %	NET %
Industrials	16.8	(1.4)	15.5
Financials	13.0	(0.9)	12.1
Materials	11.8	(1.1)	10.8
Consumer Discretionary	11.5	(3.5)	8.0
Information Technology	8.9	(3.8)	5.1
Energy	4.3		4.3
Health Care	3.4		3.4
Real Estate	2.7		2.7
Communication Services	3.4	(1.0)	2.4
Consumer Staples	0.5	(0.4)	0.1
Other		(8.1)	(8.1)

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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MONTHLY REPORT **30 June 2022**

MARKET UPDATE AND COMMENTARY

- Fund delivers positive return for quarter, despite global equity markets falling by 8%.*
- Global equity markets down 16% for the calendar year to date as prolonged bull market comes to an end.
- Short selling has added 7% to the Fund's quarterly return and 8% so far in 2022 (before fees and costs).**

Market Commentary

Global equity markets have had one of the poorest starts to any year observed by us in our 28-year history, with only 2002 and 2008 starting marginally worse. Indeed, this is only the third episode over that timeframe when global equity markets have fallen by 15% or more in A$ terms, with the bursting of the technology bubble and the global financial crisis being the other two.

The last decade or more saw an incredible bull market with the story of 'disruption' at its centre, fuelled by an enormous wave of liquidity, which started in response to the financial system meltdown of 2008. This was perpetuated through European crises, episodic Chinese reform efforts and a global pandemic. While the market became ever-more speculative, many appeared to become increasingly comfortable with fanciful ideas, with their valuations benefiting from ultra-low interest rates.

We could wax lyrical about tides going out, music stopping or the party being over. However, quite simply, an inflationary pulse was the inevitable consequence of authorities' response to COVID-19, as we have been highlighting in our quarterly commentaries since June 2020. With this situation, rates could not remain as low as they were, and the effect of the removal of liquidity, is for the story of the day to lose its lustre.

While some of the recent moves down may seem dramatic, it is worth bearing in mind, the scale of the bull market, and as a reasonable rule of thumb, that we might give back 50-85% of these gains, based on historical market cycles.

In our view, we should start to see the 'truths' of the last decade called into question as time-tested principles, such as the importance of price paid, reassert themselves. The good news is that there were vast areas that didn't participate in the bubble, yet have strong prospects. Today, we feel that our long portfolio offers compelling value, but we remain wary of the need to protect capital against further lurches down. We have not yet seen widespread panic and observe that the prices of many 'fashionable' stocks remain well above pre-pandemic levels.

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

For more details, see the latest Quarterly Report to be released on 13 July 2022.

Performance Analysis**

The Fund's strategy encompasses multiple elements which have roles to play at different times. In widespread market sell-offs it is hard to protect capital on the long side, and indeed, over the last quarter and year, the long portfolio has come under pressure. Although, pleasingly in the last quarter the Fund's Chinese holdings added 2% to returns.

It is in falling markets, such as those we are currently witnessing, that short-selling comes to the fore. Indeed, over the last quarter the Fund has benefited to the tune of 7% from its short positions and 8% over the first six months of 2022. A further 1% was added from active currency management over the quarter.

While the Fund is down 5% for the calendar year to date, in our view, the outcome would have been much worse without the flexibility in our approach.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 49% higher starting earnings yield and a 39% discount on an asset basis (see table below).

Metric	Platinum International Fund	MSCI AC World Net Index (A$)
NTM Earnings Yield	10.6% (Price-to-Earnings ratio of 9.4x)	7.1% (Price-to-Earnings ratio of 14.1x)
NTM Dividend Yield	3.4%	2.9%
Price-to-Book Ratio	1.4x	2.3x
Enterprise Value-to-Sales	1.3x	1.7x

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 June 2022. NTM = next 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.