

# Platinum Investment Bond - APIR Code: LIF2561AU

## Platinum International Fund



MONTHLY REPORT 30 June 2021

### FACTS

Portfolio value	\$0.18 mn
Option commenced	23 March 2021
Unit valuation	Adelaide Business Day
Net asset value (\$ per unit)	\$1.0170

### PERFORMANCE OF PLATINUM INTERNATIONAL FUND<sup>1</sup>

	Fund %	MSCI %
1 month	(0.9)	4.5
3 months	1.6	9.0
6 months	10.6	15.4
Calendar year to date	10.6	15.4
1 year	26.1	27.7
2 years (compound pa)	10.0	15.3
3 years (compound pa)	6.8	14.0
5 years (compound pa)	11.1	14.4
7 years (compound pa)	9.6	13.4
10 years (compound pa)	11.1	13.9
Since inception (compound pa)	12.1	7.6

The returns shown are for the Platinum International Fund C Class (launched on 30 April 1995). It is one of the investment options available for investors in the Platinum Investment Bond, which was launched on 23 March 2021. Investors in the Platinum Investment Bond will not have experienced the returns prior to 23 March 2021 and the historical data is provided for information purposes only. **Past performance is not a reliable indicator of future returns.**

### INVESTED POSITIONS OF PLATINUM INTERNATIONAL FUND<sup>3</sup>

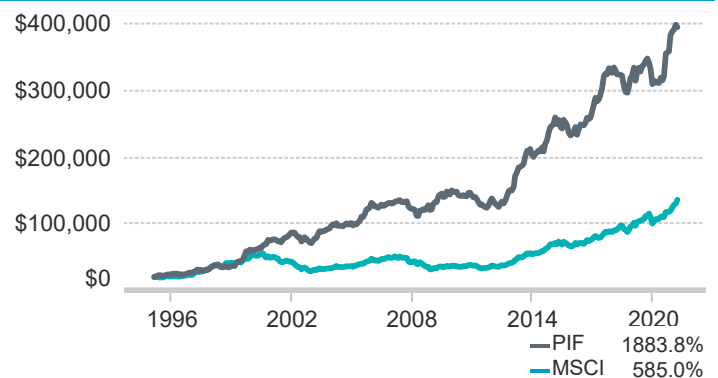
	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	40.7	(0.7)	40.0	46.3
Australia	3.3		3.3	3.4
China	15.0		15.0	15.6
Hong Kong	2.5		2.5	5.6
India	2.3		2.3	2.3
Japan	12.3	(0.7)	11.7	14.1
South Korea	5.2		5.2	5.2
Thailand	0.1		0.1	0.1
<b>Europe</b>	20.2	(0.4)	19.8	21.0
Austria	1.5		1.5	
Belgium	0.1		0.1	
Denmark	0.5		0.5	0.5
Finland	2.4		2.4	
France	3.6		3.6	
Germany	4.6		4.6	
Hungary	0.1		0.1	0.1
Ireland	1.4		1.4	
Italy	1.7		1.7	
Netherlands		(0.4)	(0.4)	
Spain	1.2		1.2	
United Kingdom	3.1		3.1	4.0
Euro				16.3
<b>North America</b>	23.1	(5.3)	17.8	31.3
Canada	2.1		2.1	5.1
United States of America	21.0	(5.3)	15.7	26.3
<b>Other</b>	1.4		1.4	1.4
<b>Sub-Total</b>	85.3	(6.4)	79.0	100.0
<b>Cash</b>	14.7	6.4	21.0	
<b>Total</b>	100.0		100.0	100.0

Long - 118 stocks, 2 swaps Short - 15 swaps, 2 indices

### FEES

Investment management fee	1.05% p.a.
Administration fee	0.30% p.a.
Investing transaction costs	0.30% on contributions

### PERFORMANCE GRAPH OF PLATINUM INTERNATIONAL FUND<sup>2</sup>



### TOP TEN POSITIONS OF PLATINUM INTERNATIONAL FUND<sup>4</sup>

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co	South Korea	Info Technology	3.2
ZTO Express Cayman Inc	China	Industrials	3.2
Glencore PLC	Australia	Materials	2.8
Minebea Co Ltd	Japan	Industrials	2.7
Micron Technology Inc	United States	Info Technology	2.6
Weichai Power Co Ltd	China	Industrials	2.6
AIA Group Ltd	Hong Kong	Financials	2.5
Microchip Technology Inc	United States	Info Technology	2.4
UPM-Kymmene OYJ	Finland	Materials	2.4
Ping An Insurance Group	China	Financials	2.2
<b>Total</b>			<b>26.5</b>

### INDUSTRY BREAKDOWN OF PLATINUM INTERNATIONAL FUND<sup>3</sup>

SECTOR	LONG %	SHORT %	NET %
Industrials	19.9		19.9
Financials	15.9		15.9
Materials	16.0	(0.4)	15.6
Information Technology	12.1	(1.5)	10.6
Consumer Discretionary	10.4	(1.9)	8.5
Health Care	6.1		6.1
Real Estate	3.2		3.2
Communication Services	1.3		1.3
Energy	0.4		0.4
Consumer Staples		(0.8)	(0.8)
Other		(1.8)	(1.8)

The Platinum Investment Bond ("Bond") is an investment bond issued by Lifeplan Australia Friendly Society Limited ABN 78 087 649 492 AFSL 237989. Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 ("Platinum"), is the responsible entity of the Platinum International Fund ("PIF"), an underlying investment option of the Bond. The Bond's latest Product Disclosure Statement ("PDS") provides details about the Bond. You can obtain a copy of the PDS from Australian Unity's website [www.australianunity.com.au/platinum](http://www.australianunity.com.au/platinum), or by contacting their Investor Services on 1800 670 638. 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 are subject to rounding. Platinum does not guarantee the performance of the Bond or PIF, 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 PIF returns and Factset Research Systems for MSCI returns. Investment returns are calculated using PIF's NAV unit price (i.e. exclude a buy/sell spread), and represent the combined income and capital returns in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. The returns are calculated relative to the MSCI All Country World Net Index in A\$. The investment returns depicted in the graph are cumulative on A\$20,000 invested in PIF since inception (30 April 1995). **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 PIF's exposure to long securities and long securities/index derivative positions, the "Short %" is PIF's exposure to short securities and short securities/index derivative positions and the "Net %" is the difference between the "Long %" and the "Short %", each as a percentage of the market value of PIF's portfolio. The "Currency %" is the effective currency exposure of PIF's portfolio as a percentage of the market value of its 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 PIF's top ten long securities positions as a percentage of the market value of PIF's portfolio (including long securities and long securities derivative positions).

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## Platinum International Fund

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### MARKET UPDATE AND COMMENTARY

This commentary relates to the underlying fund, the Platinum International Fund

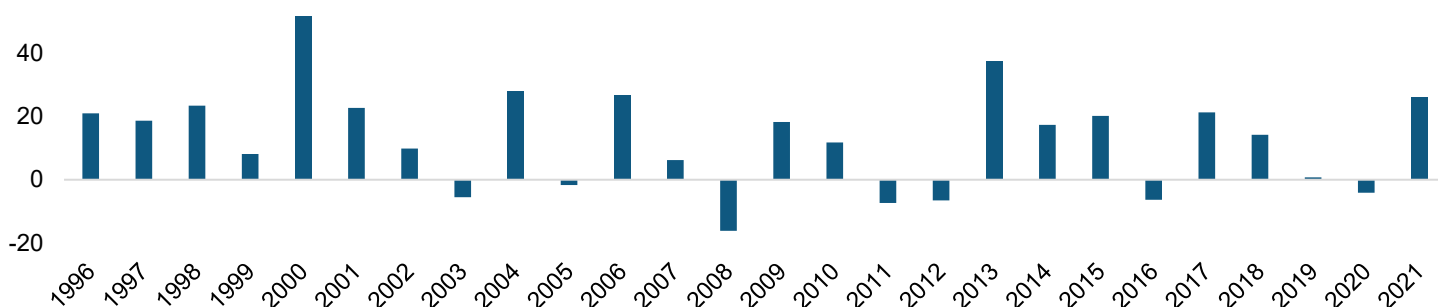
- Strong year of performance, ranking 5th in the Fund's long history, driven by good stock selection on the long side.
- Recent months have seen market drivers reward cyclical assets after a prolonged fallow period, though June saw a reversal in this.
- We believe adopting the consensus view of transitory inflation could prove risky and it is helpful to be open to the alternative.

#### Market Commentary

The Quarterly Report with more insights around performance, portfolio positioning, commentary and outlook will be available on our website on 13 July (<https://www.platinum.com.au/Investing-with-Us/Investment-Updates>).

#### Performance Analysis\*

The financial year to 30 June 2021 has been one of the strongest in the Fund's history, and one of only five times returns have exceeded 25%. This chart shows the return history of the Fund year by year. (This performance relates to the underlying fund, Platinum International Fund).



For the financial year, the long part of the portfolio contributed an impressive +33% to returns. Shorts cost -5% over this period, almost all from the Nasdaq Index during the initial rebound from the COVID-19 sell-off, while there was a small positive payoff from actively managing currency.

Over this period, the top 10 long contributors added +16%, led by resources (Glencore, First Quantum Minerals, Freeport McMoRan, Seven Generations) and semiconductors (Samsung Electronics, Micron) plus Ally Financial, General Electric, LG Chem and Lixil. A number of travel stocks and businesses exposed to the electric vehicles thematic were all meaningful. On the negative side, five companies cost in aggregate 3% to returns being ZTO Express, China Overseas Land & Investment, Barrick Gold, Intel and Bayer.

Return contributions over this period, are shown by sector and geography on the long side of the portfolio, to provide more detailed insight. The contribution is shown for industry groups and regions, along with the average exposure to these.

Sector**	Contribution %	Avg.W %	Sector Breakdown Contribution %	Region**	Contribution %	Avg.W %	Region Breakdown Contribution %
Cyclicals**	26	65	Materials 9 Industrials 8 Consumer Disc 5 Financials 4	Asia Pacific	14	44	Korea 4 Japan 4 Australia 2 China 2
Technology	8	20		Nth. America	13	27	
Defensives	-1	7		Europe	5	18	
Total	33	91		Total	33	91	Rest of World 1

#### Valuation

Aggregate valuation data is a useful gauge for the portfolio's attractiveness. There appears to be value in an absolute and relative sense, with the Fund offering a starting earnings yield 42% higher than the market and appearing 39% cheaper relative to the assets backing it.

Metric	Platinum International Fund	MSCI AC World Net Index (A\$)
NTM Earnings Yield	7.8% (Price-to-Earnings ratio of 13x)	5.5% (Price-to-Earnings ratio of 18x)
NTM Dividend Yield	2.4%	2.5%
Price-to-Book Ratio	1.7x	2.8x
Enterprise Value-to-Sales	1.3x	2.1x

The valuations in the table in respect of the Fund have been calculated by Platinum and refer to the long portion of the portfolio, exclude negative net earnings, and use FactSet consensus earnings.

Source\*: Platinum for Fund returns and FactSet Research Systems Inc for MSCI returns. Numbers for long and short positions 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). Contribution numbers may not add up due to rounding and the effect of fees. Past performance is not a reliable indicator of future returns.

Source\*\*: Cyclicals include: Industrials, materials, energy, real estate, financials and consumer discretionary; Technology includes: IT and communication services; and Defensives include: Healthcare, utilities and consumer staples.