Platinum
WORLD PORTFOLIOS PLC

Quarterly Investment Manager's Report

Platinum World Portfolios - International Fund

Platinum World Portfolios - Asia Fund

Platinum World Portfolios - Japan Fund

31 December 2020

Contents

Performance

to 31 December 2020

SUB-FUND	PORTFOLIO VALUE (US$ MIL)	QUARTER	1 YEAR	2 YEARS COMPOUND PA	3 YEARS COMPOUND PA	5 YEARS COMPOUND PA	SINCE INCEPTION COMPOUND PA	INCEPTION DATE
Platinum World Portfolios - International Fund								
Class A (USD)	38.0	22.5%	12.8%	15.2%	3.6%	-	9.4%	27 Apr 2016
Class B (USD)	1.8	22.4%	12.1%	14.4%	2.8%	-	9.4%	2 Dec 2016
Class D (USD)	14.5	22.3%	12.1%	14.4%	2.8%	7.8%	7.4%	16 Nov 2015
Class F (EUR)	1.0	17.4%	2.9%	10.8%	2.2%	-	4.0%	4 Apr 2017
Class G (GBP)	14.0	15.6%	9.3%	11.2%	3.3%	-	10.9%	27 Apr 2016
MSCI All Country World Net Index (USD)(1)		14.7%	16.3%	21.3%	10.1%	12.3%	11.9%	16 Nov 2015
MSCI All Country World Net Index (USD) (EUR)(2,3)		9.9%	6.7%	17.3%	9.4%	-	8.3%	4 Apr 2017
MSCI All Country World Net Index (USD) (GBP)(2,4)		8.5%	12.7%	17.1%	9.7%	-	14.0%	27 Apr 2016
Platinum World Portfolios - Asia Fund								
Class A (USD)	25.3	18.0%	41.0%	29.2%	11.0%	-	17.4%	10 Mar 2017
Class D (USD)	25.7	17.8%	42.0%	29.2%	10.7%	15.3%	14.9%	16 Nov 2015
Class F (EUR)	0.4	13.1%	-	-	-	-	-	3 Feb 2020
Class G (GBP)	2.0	11.4%	35.8%	-	-	-	24.4%	19 Feb 2019
Class I (USD)	218.5	18.1%	41.0%	29.4%	11.2%	-	18.2%	19 Jan 2017
MSCI AC Asia ex Japan Net Index (USD)(1)		18.6%	25.0%	21.5%	8.2%	13.6%	13.3%	16 Nov 2015
MSCI AC Asia ex Japan Net Index (USD) (EUR)(2)		13.7%	-	-	-	-	-	3 Feb 2020
MSCI AC Asia ex Japan Net Index (USD) (GBP)(2,4)		12.2%	21.2%	-	-	-	15.6%	19 Feb 2019
Platinum World Portfolios - Japan Fund								
Class A (USD)	16.5	14.5%	6.4%	12.1%	0.4%	-	8.6%	11 Jan 2016
Class D (USD)	21.7	14.3%	5.7%	11.4%	-0.4%	8.1%	8.1%	16 Nov 2015
Class F (EUR)	0.1	9.7%	-3.0%	7.9%	-1.0%	-	0.7%	18 Oct 2017
MSCI Japan Net Index (USD)(1)		15.3%	14.5%	17.0%	6.1%	8.7%	8.5%	16 Nov 2015
MSCI Japan Net Index (USD) (EUR)(2,3)		10.5%	5.0%	13.1%	5.4%	-	6.2%	18 Oct 2017

(1) For the purpose of calculating the “since inception” returns of the Index in USD, the inception date of Class D of the Fund is used, since Class D was the first USD-denominated share class activated.

(2) The MSCI Index returns in USD have been converted into the specified currency (EUR or GBP, as the case may be) using the prevailing spot rate.

(3) For the purpose of calculating the “since inception” returns of the Index in EUR, the inception date of Class F of the Fund is used, since Class F was the first EUR-denominated share class activated.

(4) For the purpose of calculating the “since inception” returns of the Index in GBP, the inception date of Class G of the Fund is used, since Class G was the first GBP-denominated share class activated.

Fund returns are net of accrued fees and expenses, are pre-tax, and assume the accumulation of net income and capital gains. Where a particular share class is not denominated in USD, the net asset value per share in USD, being the Fund’s base currency, is converted into the denomination currency of that share class using the prevailing spot rate.

Historical performance is not a reliable indicator of future performance. See note 1, page 19.

Source: Platinum Investment Management Limited for Fund returns; FactSet Research Systems for MSCI Index returns.

Macro Overview

by Andrew Clifford, CIO, Platinum Investment Management Limited

Regulation, Rates and Inflation - Risks to Watch in 2021?

While stock markets continued their strong run over the last quarter, from early November it was notable that many companies with economically sensitive (cyclical) businesses experienced strong stock price performance. Similarly, there were strong price moves across a broad range of commodities (particularly iron ore and copper) over this same period. These moves in markets are consistent with investors pricing in continuing improvement in the global economic outlook for the year ahead. The commencement of these stock and commodity price moves aligned with the US election and the announcement of successful COVID-19 vaccine trials.

While the high-flying growth stocks continued to perform well, the continued economic recovery potentially poses a threat via higher inflation and interest rates. Similarly, the 'anti-monopoly' movement is gaining momentum, not only in the US and Europe, but also in China, which represents a potential risk to the business models of many of the popular growth names. It is certainly too early to make such bold predictions about either interest rates or changes in regulatory regimes, but the unfolding of events over recent weeks lead us to restate our conclusion from last quarter that: ***We believe extreme caution is warranted in regards to the market's current 'high flyers', while opportunities abound elsewhere***.

The election of Joe Biden as the next US President is likely to reduce the uncertainty around the US-China relationship generally and trade and tariffs in particular. While the complaints around China's behaviour on various fronts, from the South China Sea to unfair trade practices, had strong bipartisan support in Washington and within the US government, it appeals to us that President-elect Biden is a far more conventional politician than his predecessor. As such, we would expect a more traditional negotiated approach to the various issues rather than random decrees issued via Twitter.

Such a considered approach is likely to recognise the deep interdependence of the US and China economies, especially in industries such as semiconductors and electronics, where neither side can operate without the other in the medium term. From a political point of view, we acknowledge that it would be difficult for President-elect Biden to outright reverse the bans on Huawei or lift recent sanctions on Chinese companies linked to the People's Liberation Army (PLA), potentially these measures can be quietly diluted over time. However, even if they stand, a more reasoned approach to trade and tariffs is likely. The importance of this, is the certainty that it brings both to businesses in making long-term investment decisions and for investors in assessing the long-term potential of companies.

At the time of writing, the Georgia Senate run-off elections were about to take place. Success in both seats would result in Democrats having effective control of the Senate and the potential for Biden's policies on infrastructure spending (including green initiatives), expansion of the Affordable Care Act (designed to provide affordable health insurance coverage for all Americans), funded by a reversal of some of Trump's tax cuts, to be put into place. Whether this result unfolds (the polls and betting markets suggest a very tight race), it is highly likely that substantial ongoing fiscal stimulus will occur. In the final days of 2020, the US Congress passed a stimulus bill valued at US$900 billion, or 4.4% of GDP. By any standard this is a significant fiscal spend, particularly when considered in light of the previous US$2 trillion of stimulus that is still flowing through the system and an economy that by all measures is recovering very quickly.[1]

1 Source: Congressional Budget Office, EY.

The news of successful COVID-19 vaccine trials and subsequent regulatory approvals reduces uncertainty on the pathway out of the pandemic. The day-to-day news regarding new COVID-related lockdowns in Europe, together with rising infections in the US make for sombre reading. However, the beginning of vaccination programs in the US and Europe offer a very clear light at the end of the tunnel. While there remain unanswered questions around the longevity of the immune response, new variants of the virus are developing, and there are significant logistical issues in dealing with the vast numbers involved, it is highly likely that substantial portions of the US and European populations will be immunised by the end of 2021. China has also approved a locally developed vaccine for use in the general population, which is likely to be used broadly in the developing world. It should also be noted that there are numerous other vaccines in late stages of development and through time, individual vaccines will be refined in response to outcomes of current programs.

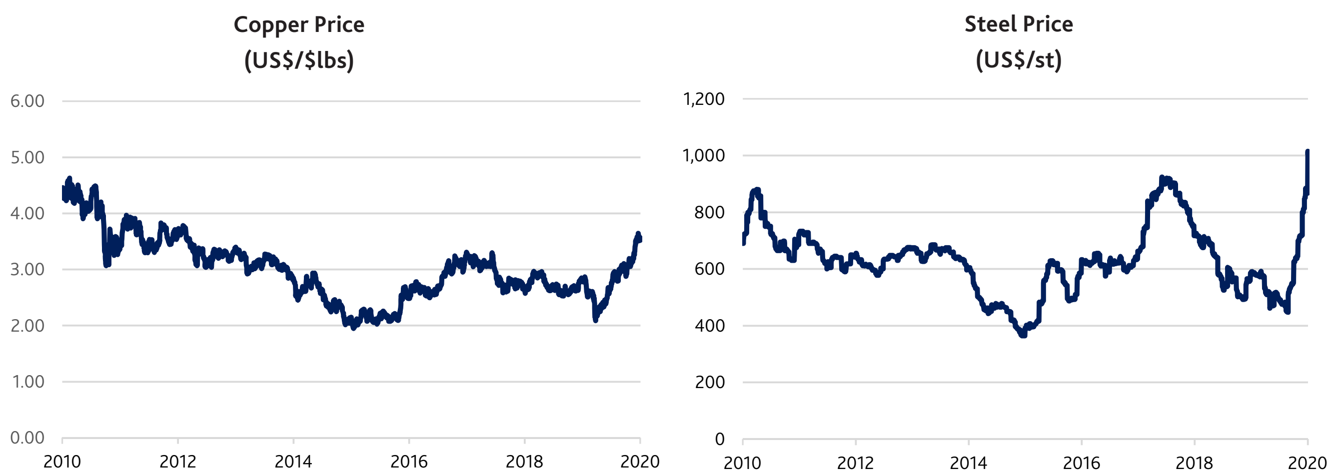
While we have been of the view that the development of an effective vaccine was highly likely (as discussed by portfolio manager and resident virologist, Dr Bianca Ogden in our March 2020 quarterly report), the start of the vaccination programs significantly reduces the risk of shutdowns and travel restrictions continuing beyond the end of 2021. Again, this reduces the long-term uncertainty faced by businesses, particularly those impacted directly, such as travel-related industries. Of course, the year ahead remains difficult, but in the context of the stock market, the value of companies is determined by at least a decade of future profits, not just the next six to 12 months.

The 'anti-monopoly' movement has also continued to gain momentum not only in the US but also China. In the US, the Federal Trade Commission and 48 states filed two antitrust lawsuits against Facebook, focused on acquisitions and the impact on competition. The Department of Justice filed a case against Google claiming they used anti-competitive tactics to protect its monopoly over search. These cases join various actions in the European Union and Australia's move to make the likes of Facebook and Google pay other media outlets for the use of their content. In China, regulators outlined restrictions on how consumer data can be used in relation to anti-competitive practices. Investigations have also commenced into suspected anti-competitive practices at Alibaba, financial regulators having earlier suspended the initial public offering (IPO) of their financial arm, Ant Group.

The dominant e-commerce and technology giants have amassed huge user numbers over the last decade, providing them with enormous market power and highly profitable business models. Indeed, social media platforms have been seen as responsible for swaying elections and enabling uprisings. Our key point is that governments the world over will attempt to rein in this power, and as such there is a genuine risk of additional regulation for dominant players in e-commerce, payments and social media.

One interesting development has been shortages in a range of commodity products from steel to electronic components and silicon wafers, despite the global economy remaining at pre-COVID levels. The explanation behind these shortages are likely multifaceted. The demand for goods (electronics, autos, home furnishings and

Fig. 1: Strong Recovery in Commodity Prices Post COVID-19 Lockdowns



Source: Copper: High Grade Copper (NYM $/lbs) from FactSet Research Systems (to 31 December 2020), Steel: US Midwest Domestic Hot-Rolled Coil Steel (CRU) Index (NYM $/st) from FactSet Research Systems (to 31 December 2020).

renovations) has been strong while services (travel, eating out and entertainment) has been weak. Thus, there has been a short-term boost in demand while suppliers of inputs potentially cut output on initial expectations of reduced demand or COVID-enforced closures. Potentially, these shortages and the associated higher prices may be relatively short-lived, however, a lack of significant investment in new capacity for a period of time in many of these industries may see longer-term shortages developing.

This has all occurred before any economic benefit that may accrue from the continued post-pandemic opening or improving business optimism following the US election. With governments around the world likely to continue spending to accelerate the economic recovery, this could potentially exacerbate the shortages over the course of 2021. While there is no evidence of a rise in inflation in goods and services in the major economies yet, it is easy to see an inflation scare unfolding as the year progresses.

The stock market bull run has continued, though the better performance of economically sensitive stocks is an interesting development. In most respects, the stock price recovery of these 'real world' businesses is hardly surprising. Economic activity continues to recover and vaccinations provide a pathway to full recovery over the course of 2021. The potential for better trade relations between the US and China under a Biden presidency point to less risk of the world slipping back into tariff-inspired manufacturing recessions, as experienced in 2018-19.

Governments continue to promise more spending, focused on real world activities, such as infrastructure and 'decarbonising' projects (i.e. renewable energy and electric vehicles). Additionally, valuations were generally deeply depressed, as investors avoided companies facing any uncertainty in their future earnings.

On the other hand, the speculative mania in growth stocks has continued to a large extent unabated. The market for new listings has remained excitable with many stocks continuing to debut at prices of 50% or more above their issue price. Issuance of special purpose acquisition companies (SPACs)[2] continue, as have elevated levels of retail participation in the market. Valuations have moved from extraordinary to even higher. The one area that has slowed somewhat are the 'megacap' FAANG stocks (Facebook, Amazon, Apple, Netflix and Google owner Alphabet), perhaps in response to the various antitrust initiatives, or possibly reflecting the beginnings of a loss of momentum for growth stocks more generally.

As we have stated in previous reports, manias tend to end abruptly. The significant bull markets of the last 40 years have come to an end when monetary conditions tighten. While it is hard to imagine a traditional central bank tightening cycle currently, potentially a slowing of the printing presses may be enough. Alternatively, an inflation scare could push long-term interest rates higher with ramifications for stocks whose valuations are based on the premise of near-zero interest rates.

When a collapse in the stock prices of growth stocks comes, it too should not come as a surprise. When companies are valued on multiples of sales (not profits) of 20 times or more, the probability that their business will meet investor expectations on growth rates and profitability, to justify the valuation, is simply remote. A select few may achieve what is needed to provide investors with a reasonable return, but in aggregate one should ultimately expect substantial losses on the holding of a portfolio of such stocks.

2 SPACs raise funds from investors and use those funds to acquire existing, privately held companies with the intention of taking them public via an IPO.

2020 was certainly a most unusual year and perhaps doubly so in the stock market. However, the two bedrocks of our investment approach remain. Firstly, **investors' cognitive biases will cause them to overemphasise recent events and news.** This means the best investment opportunities can often be found in areas the crowd is avoiding; while those investments the crowd is embracing are best avoided. There is nothing to suggest that 2020 has changed basic human psychology. Indeed, the evidence shows quite the contrary, with significant returns achieved in unpopular areas, such as semiconductors and commodities.

Our second fundamental investment principle is that **the price you pay for an asset will determine your return.** While you may buy overvalued stocks that move higher, over time this approach is unlikely to yield good returns, as ultimately the stock price will reflect assessments of future profits and cashflows from the business.

Of course, we know that speculative bull markets can run for a long time, but the pain for those investors who don't exit the party in time can be significant.

MSCI Regional Index Net Returns to 31.12.2020 (USD)

REGION	QUARTER	1 YEAR
All Country World	**14.7%**	**16.3%**
Developed Markets	**14.0%**	**15.9%**
Emerging Markets	**19.7%**	**18.3%**
United States	**13.0%**	**20.7%**
Europe	**15.8%**	**4.7%**
Germany	11.5%	11.5%
France	20.4%	4.1%
United Kingdom	16.9%	-10.5%
Italy	22.4%	1.8%
Spain	27.7%	-4.8%
Russia	21.6%	-12.5%
Japan	**15.3%**	**14.5%**
Asia ex-Japan	**18.6%**	**25.0%**
China	11.2%	29.5%
Hong Kong	15.5%	5.8%
Korea	38.3%	44.6%
India	21.0%	15.6%
Australia	22.9%	8.7%
Brazil	37.0%	-19.0%

Source: FactSet Research Systems.
Total returns over time period, with net official dividends in USD.
Historical performance is not a reliable indicator of future performance.

MSCI All Country World Sector Index Net Returns to 31.12.2020 (USD)

SECTOR	QUARTER	1 YEAR
Financials	24.1%	-3.8%
Energy	23.9%	-28.6%
Materials	18.4%	20.9%
Industrials	15.7%	11.3%
Information Technology	15.2%	45.6%
Communication Services	14.9%	23.7%
Consumer Discretionary	14.5%	36.7%
Utilities	10.2%	3.8%
Real Estate	8.4%	-6.4%
Health Care	7.4%	14.9%
Consumer Staples	7.4%	8.1%

Source: FactSet Research Systems.
Total returns over time period, with net official dividends in USD.
Historical performance is not a reliable indicator of future performance.

Platinum World Portfolios - International Fund

Andrew Clifford
Portfolio Manager

Clay Smolinski
Portfolio Manager

Performance

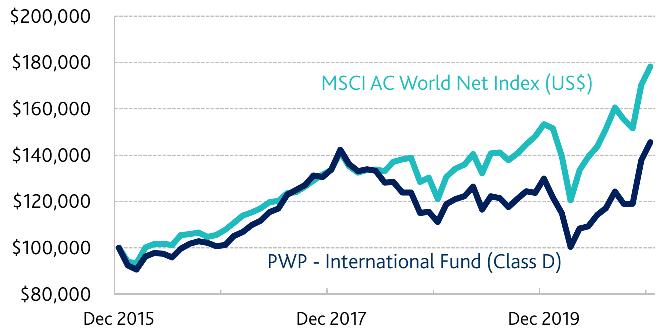
(compound p.a.+, to 31 December 2020)

SHARE CLASS	QUARTER	1 YR	3 YRS P.A.	5 YRS P.A.	SINCE INCEPTION P.A.
PWP Int'l Fund Class A USD	23%	13%	4%	-	9%
PWP Int'l Fund Class B USD	22%	12%	3%	-	9%
PWP Int'l Fund Class D USD	22%	12%	3%	8%	7%
PWP Int'l Fund Class F EUR	17%	3%	2%	-	4%
PWP Int'l Fund Class G GBP	16%	9%	3%	-	11%
MSCI AC World Index (USD)^	15%	16%	10%	12%	12%

+ Excluding quarterly returns
Fund returns are net of accrued fees and costs. Class D inception date (16 Nov 2015) is used for Index "since inception" returns.
^ Index returns are those of the MSCI All Country World Net Index in USD.
Source: Platinum Investment Management Limited, FactSet Research Systems. **Historical performance is not a reliable indicator of future performance.**
See notes 1 & 2, page 19.

Value of US$100,000 Invested Over Five Years

31 December 2015 to 31 December 2020



After fees and costs. See notes 1 & 3, page 19
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems.

The Fund (Class D) returned 22.3% for the quarter and 12.1% for the calendar year.[1]

Given the economic downturn, loss of jobs, collapse in profits and general uncertainty created by the COVID-19 pandemic, it is remarkable that the stock market[2] ended the year in strong positive territory. Having said that, the global economy has continued its recovery as we approach the post-COVID era.

During the quarter, key events included the announcement of successful COVID-19 vaccine trials and subsequent commencement of vaccination programs across the globe. While significant logistical challenges remain, given the enormity of the task, it provides a clear pathway to the end of lockdowns and restrictions over the course of 2021, ensuring an ongoing economic recovery.

The other event of note was the election of Joe Biden as the next US President, which brings a much greater level of certainty to the global business environment. While there was strong bipartisan support for the actions taken by the US against China on trade and security, we would expect a more conventional negotiated approach to these issues, that take into consideration the economic interdependence of the two nations. As such, it is likely that the election result will lead to improving business and investor confidence.

These events sparked a strong rally in the share prices of economically sensitive businesses that will likely benefit from the ongoing recovery, including many of the Fund's holdings. Our semiconductor stocks, led by memory chip producers **Samsung Electronics** (up 39% over the quarter) and **Micron Technology** (up 60%), were major contributors to performance. Spot prices for DRAM (memory) chips rose in the latter half of the quarter, as manufacturing for 5G mobile handsets ramp up for delivery in 2021.

1 References to returns and performance contributions (excluding individual stock returns) in this PWP - International Fund report are in USD terms, unless otherwise specified. Individual stock returns are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified.

2 MSCI All Country World Net Index in USD.

Aerospace companies **General Electric** (up 73%) and **MTU Aero Engines** (up 50%) and other travel-related stocks, such as **Amadeus** (airline booking systems, up 25%) and **Booking Holdings** (online travel agent, up 30%) rallied as the roll-out of vaccination programs provided greater certainty on the return of international travel.

Copper producers **First Quantum Minerals** (up 93%) and **Freeport-McMoRan** (up 66%) performed strongly on the back of a move in the copper price to over US$3.50/lb for the first time since the tail end of the Chinese capital spending boom in early 2013.

Another contributor to performance was the currency positioning of the Fund, which held a low 16% average exposure to the US dollar (USD) over the quarter. The USD depreciated against the Euro (EUR), Japanese yen (JPY), Australian dollar (AUD), Korean won (KRW) and Chinese yuan (CNY), which together represent the majority of the Fund's currency positioning.

The main detractor from performance was the short position in the Nasdaq Index. At a stock level, key detractors included **China Overseas Land & Investment** (down 13%), which was impacted by the Trump administration's restrictions on US citizens owning some Chinese firms and **Barrick Gold** (down 22%), which gyrated with movements in the gold price.

Changes to the Portfolio

The Fund's net invested position increased over the quarter from 74% to 87%, with the main factor being the reduction of our Nasdaq Index shorts in November, which took our short book from 16% to 7%.

On currencies, since 20 March 2020 we have chosen to hedge out half of our natural position in the USD, with the majority of the proceeds invested in the EUR. This has resulted in a 15% exposure to the USD in the Fund at 31 December 2020. The rationale is that the US is winning the race in terms of aggressive stimulus and money printing. While this will create economic activity, the offset is likely to be a weaker USD.

In terms of changes to holdings, notable purchases included:

Louisiana Pacific (LP). LP is a US manufacturer of building materials, with its two main products being oriented strand board (OSB) and 'SmartSide'. Certain areas of residential building products can be highly attractive businesses, particularly where they are marketed directly to the consumer and national distribution is hard to replicate.

LP's SmartSide product fits this bill. It has carved out a duopoly with James Hardie in the premium US siding market, where its engineered wood siding has been taking market share for a number of years, given its better durability, cost of ownership and visual aesthetics versus alternatives like vinyl. This has allowed the siding business to grow at 10% p.a. for a number of years, while making high-teen earnings before interest and tax (EBIT) margins and a circa 30% return on capital.

While the company is currently benefiting from strong activity in the US housing market, there is still an underappreciation of the siding business, as evidenced by the significant valuation multiple difference between James Hardie and LP. Over the past decade, SmartSide has grown from 20% of LP's earnings to 40%, and over the next five years, it could comprise up to 60% and beyond, which would improve the quality of the group's earnings and warrant a higher multiple.

Disposition of Assets

REGION	31 DEC 2020	30 SEP 2020	31 DEC 2019
Asia	30%	30%	33%
North America	27%	27%	26%
Europe	19%	17%	14%
Japan	12%	12%	13%
Australia	4%	3%	3%
Africa	2%	1%	1%
South America	0%	0%	1%
Cash	6%	10%	10%
Shorts	-7%	-16%	-9%

See note 4, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	31 DEC 2020	30 SEP 2020	31 DEC 2019
Industrials	21%	19%	13%
Materials	17%	13%	10%
Information Technology	17%	16%	13%
Financials	14%	11%	15%
Consumer Discretionary	11%	12%	5%
Health Care	6%	8%	7%
Communication Services	4%	6%	11%
Real Estate	2%	2%	3%
Energy	2%	1%	6%
Consumer Staples	0%	-1%	0%
Other	-6%	-13%	0%
TOTAL NET EXPOSURE	87%	74%	81%

See note 5, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

UPM-Kymmene Oyj (UPM). UPM is a Finnish-based pulp and speciality paper/wood products company. The business is investing in a number of high-returning projects that should drive considerable earnings growth over the next five years.

These include the completion of their 2.1 million tonne pulp mill in Uruguay. In planning for over 10 years, this mill is highly cost competitive in a global sense and will represent a 50% increase to their current pulp capacity. A second source of growth is UPM's expertise in using wood-based feedstocks to make high-quality renewable fuels and bioplastics. There is a strong push within Europe towards renewable solutions, both from the government and corporates, with demand for products like bioplastics completely outpacing supply. UPM is spending €1.6 billion to expand its bio-diesel/plastics production, with customers already offering to purchase the entire offtake.

Elsewhere, the Fund acquired a new position in **Banco Santander,** a multinational banking group that has its main operations in Spain, UK, USA, Brazil and Mexico. The highly profitable operations in Brazil and Mexico are the jewels in the crown. The US business skews to the riskier end of consumer lending which, properly managed, can be highly profitable. On the other hand, the UK and Spain are highly competitive markets with weak credit demand and low interest rates. Earning an adequate return there will require improvement in the external environment and management action.

We paid 1.5x earnings before tax and loan loss provisions for this business. Thinking back to the Global Financial Crisis (2008-09) and the European Sovereign Debt Crisis (2012-13) banks rarely traded below 2.5x on this measure. Yet those were true existential crises. In 2009, the fear was not that some banks would fail but that ***all*** banks would fail. In 2013, the fear was that the financial order in some large developed economies would collapse entirely. By contrast, in 2020 the concern is simply that banks face reduced profitability. The share price action of European banks in 2020 was essentially an almighty dummy-spit by investors, aggravated by years of successive disappointment, which gave us a rare buying opportunity.

We also continued to add to our positions in **InterGlobe Aviation** (Indian low-cost airline) and **AIA** (life insurer). These purchases were funded via trimming a number of our strong-performing travel-related stocks (**Amadeus**, **Booking Holdings, Vail Resorts**) and internet-related stocks (**Alibaba**, **Alphabet**, **Tencent**).

Net Currency Exposures

CURRENCY	31 DEC 2020	30 SEP 2020	31 DEC 2019
Euro (EUR)	26%	20%	10%
Chinese yuan (CNY)	16%	17%	20%
US dollar (USD)	15%	19%	38%
Japanese yen (JPY)	12%	13%	18%
Korean won (KRW)	8%	7%	6%
Chinese yuan offshore (CNH)	5%	0%	-18%
Australian dollar (AUD)	4%	10%	2%
Hong Kong dollar (HKD)	4%	4%	3%
Canadian dollar (CAD)	2%	3%	2%
Indian rupee (INR)	2%	2%	4%
British pound (GBP)	2%	2%	9%
Zambian kwacha (ZMK)	2%	1%	1%
Taiwan dollar (TWD)	1%	1%	0%
Thai baht (THB)	0%	0%	1%
Norwegian krone (NOK)	0%	0%	1%
Brazilian real (BRL)	0%	0%	1%
Swiss franc (CHF)	0%	0%	1%

See note 6, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Samsung Electronics	Korea	Info Technology	5.1%
Glencore Plc	Australia	Materials	3.5%
Ping An Insurance	China	Financials	2.9%
AIA Group Ltd	Hong Kong	Financials	2.9%
General Electric Co	US	Industrials	2.9%
LG Chem Ltd	Korea	Materials	2.8%
Micron Technology	US	Info Technology	2.7%
Microchip Technology	US	Info Technology	2.5%
Minebea Co Ltd	Japan	Industrials	2.4%
UPM-Kymmene Oyj	Finland	Materials	2.0%

As at 31 December 2020. See note 7, page 19.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit www.platinumworldportfolios.ie/The-Funds/PWP-International-Fund.

Outlook

We are cautiously optimistic in the medium term about the future returns of the portfolio based on the valuations and outlook for the companies in the portfolio. While we have seen strong stock price appreciation across many holdings, this has occurred in line with the improving prospects that were part of our original investment case for making these investments. The memory chip makers Samsung and Micron, or the copper producers First Quantum and Freeport-McMoRan, are cases in point. Both groups of companies have seen lifts in their product prices and thus profits, as a result of tightness in supply, which we expect will be maintained for a number of years. That we are still in the early stages of the post-COVID recovery provides additional support for the investment case. As such, we remain comfortable that these companies are still in the early stage of their business cycles and believe they can still produce good returns from here.

The other element of our optimism is that even where we may start to trim some of these good performers, we continue to find new prospective ideas to add to the portfolio. In the shorter term, our concern is for the potential unwinding of the speculative mania in growth stocks. The end of the technology bubble in 2001 showed that it is feasible for our 'real' economy companies in the portfolio to appreciate while 'virtual' counterparts collapsed. While many investors may find it hard to envisage that a sell-off in these market favourites would not impact the rest of the market, it would only represent a reversal of the trend of the last two years that has been unprecedented in financial history.

The more concerning risk for future returns is the possibility of a financial accident akin to what happened during the GFC. For years after the GFC, many commentators were obsessed with the idea that the world had too much debt (though it should be noted that they never provided a framework for thinking about what was the right level of debt). Today, after an enormous increase in indebtedness across the global economy, as a result of the fiscal policy response to the pandemic, perversely there is little discussion about the levels of debt. Indeed, the increasing attention to the idea of Modern Monetary Theory (MMT)[3] lends greater credence to the suggestion that levels of debt don't matter. While we can't provide the framework to say how much debt is too much, that this debt has been accrued at a time when there is such a high level of certainty that interest rates will stay at near zero levels, is an uncomfortable backdrop for investors. We would expect if stress develops in financial markets, the most likely warning bells will come in the debt markets. At this stage, there are no signs of any such stress in debt markets and indeed, they continue to perform strongly.

The difficulty in dealing with this type of risk is that it may or may not be realised, and if there is an event, it is likely to arise relatively quickly. We will continue our approach of taking advantage of investment opportunities as they arise, but also maintaining a relatively conservatively invested position by keeping cash reserves and short positions as insurance.

3 Modern Monetary Theory is based on the premise that if a country is responsible for issuing its own currency, then there are no limitations on how much money it can print (and hence spend) and therefore, the amount of debt it incurs is inconsequential. MMT has divided economists and market practitioners alike, with opponents arguing that this approach is inflationary.

Platinum Asia Fund

Andrew Clifford
Portfolio Manager*

Performance

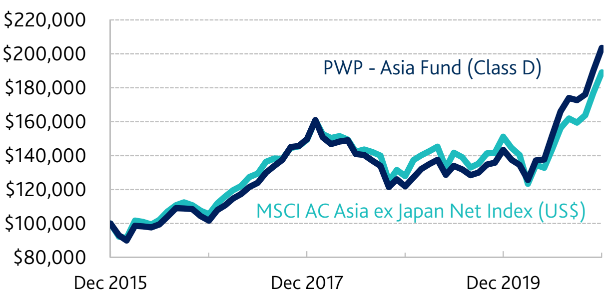
(compound p.a.+, to 31 December 2020)

SHARE CLASS	QUARTER	1 YR	3 YRS P.A.	5 YRS P.A	SINCE INCEPTION P.A.
PWP Asia Fund Class A USD	18%	41%	11%	-	17%
PWP Asia Fund Class D USD	18%	42%	11%	15%	15%
PWP Asia Fund Class F EUR	13%	-	-	-	-
PWP Asia Fund Class G GBP	11%	36%	-	-	24%
PWP Asia Fund Class I USD	18%	41%	11%	-	18%
MSCI AC Asia ex Jp Index^	19%	25%	8%	14%	13%

+ Excluding quarterly returns
Fund returns are net of accrued fees and costs. Class D inception date (16 Nov 2015) is used for Index "since inception" returns.
^ Index returns are those of the MSCI All Country Asia ex Japan Net Index in USD. Source: Platinum Investment Management Limited, FactSet Research Systems.

Value of US$100,000 Invested Over Five Years

31 December 2015 to 31 December 2020



After fees and costs. See notes 1 & 3, page 19.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems.

The Fund (Class D) returned 17.8% for the quarter and 42.0% for the year.[1]

The December quarter saw further clear evidence that the Chinese economy, and the global industrial economy, had returned to growth.

This has implications for the Fund's portfolio. Our tilt away from cyclical value paid handsomely for the last year, but a resumption of global industrial growth after years of trade wars and a pandemic requires a shift back toward more economically leveraged companies like banks and industrials. This shift comes at the expense of exposure to the Chinese tech giants Alibaba and Tencent, with the added catalyst of Chinese regulatory scrutiny.

Our holdings in semiconductor chip makers and related stocks performed well during the quarter, with **Samsung Electronics** (+39% for the quarter), **SK Hynix** (+41%) and **Taiwan Semiconductor Manufacturing** (+22%) all providing strong contributions to the Fund's performance.

The ongoing economic recovery in China helped our Chinese consumer-related holdings – sporting goods maker **Anta Sports Products** rallied strongly (+53%), as did home appliance manufacturer **Midea** (+36%).

Given increased regulatory scrutiny, **Alibaba** was a detractor from performance for the quarter (-21%). Fellow Chinese tech giant **Tencent**, while well down from its highs in November, was actually a contributor to performance over the quarter (+10%), given its strength in October and early November.

Energy-related holdings detracted from performance, with **CNOOC** (-19% from the Fund's entry point during the quarter) and **Reliance Industries** (-11%) key detractors.

1 References to returns and performance contributions (excluding individual stock returns) in this PWP - Asia Fund report are in USD terms. Individual stock returns are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified.

* Andrew Clifford is managing the Asia Fund following the recent departure of Joseph Lai at the end of December 2020. We will announce the internal replacement(s) shortly.

Changes to the Portfolio

Given their strong performance in recent years and the current environment of increased regulatory scrutiny in China, we trimmed our holdings in both **Tencent** and **Alibaba** significantly during the quarter.

We also trimmed our holdings in semiconductor chip makers **SK Hynix** and **Samsung Electronics** given their significant share price rises over the quarter.

We added new holdings in two higher-quality Chinese banks (**Ping An Bank** and **China Merchants Bank**) and increased our holding in Indian bank **HDFC** during the quarter, as we pivot the portfolio toward more value and economically leveraged exposures.

Elsewhere, we initiated a holding in Chinese diesel and hydrogen engine maker **Weichai Power**, along with airline leasing company **BOC Aviation**.

Further context around current portfolio positioning is provided in the Commentary below.

Commentary

As noted above we sold down some of our largest holdings, particularly in the technology sector – including Tencent and Alibaba. We have been oriented toward best-in-class growth businesses in Asia for some time. We have been aware that this orientation would need to change to capture any genuine reflation rally as the global economy returns to life. The time to make this shift has arrived, we believe, with commodity prices, currencies and equity markets all signalling a shift toward value and economically leveraged assets.

A catalyst for action came on 10 November 2020, when China's State Administration for Market Regulation released draft antitrust rules. This followed a revision to anti-monopoly laws earlier this year that specified the monitoring of the impacts of internet companies on outcomes in markets in which they operate. Behaviour targeted by the draft regulation includes: predatory pricing practices; forced exclusivity to gain access to platforms; forced bundling of transactions; and price discrimination using data on individuals. Challengers like ele.me in food and JD.com in goods e-commerce may be advantaged at the cost of incumbents; but more broadly, many as-yet-unknown challengers could erode industry economics. We have no way of knowing whether these measures will be enforced, but we are inclined to take them seriously, hence our move to trim holdings in Chinese tech giants. The situation was further complicated in late December and early January by the possible disappearance of Alibaba founder Jack Ma.

The Trump administration continued its aggressive stance toward not just China but other exporting nations, launching an investigation into the trade practices of Vietnam during the quarter, with particular focus on whether the country is a currency manipulator. The aggressive and bilateral trade policy pursued by the Trump administration has reduced certainty for capital allocators in global supply lines: when Germany, Canada, Mexico, Vietnam, Japan and China have all been threatened with trade sanctions, it is difficult for businesses to know where to invest in global supply chains, particularly as such investments require many years to earn a return on capital. It is unsurprising in this context that we have been in an industrial recession globally for nearly three years, on our analysis.

Disposition of Assets

REGION	31 DEC 2020	30 SEP 2020	31 DEC 2019
China	45%	45%	45%
Korea	13%	13%	11%
India	8%	9%	10%
Hong Kong	7%	8%	9%
Taiwan	7%	9%	7%
Vietnam	3%	2%	3%
Philippines	2%	1%	3%
Thailand	1%	2%	3%
Singapore	1%	0%	0%
Macao	1%	1%	0%
Cash	12%	9%	9%
Shorts	0%	-4%	-1%

See note 4, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	31 DEC 2020	30 SEP 2020	31 DEC 2019
Information Technology	22%	23%	19%
Consumer Discretionary	20%	26%	20%
Financials	15%	11%	18%
Communication Services	7%	10%	12%
Industrials	6%	3%	6%
Real Estate	5%	6%	5%
Energy	3%	3%	3%
Materials	3%	3%	1%
Other	3%	-2%	3%
Consumer Staples	2%	3%	1%
Health Care	2%	1%	2%
Utilities	0%	0%	0%
TOTAL NET EXPOSURE	88%	86%	91%

See note 5, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

We think the evidence is plain that the global industrial economy, and China in particular, are once again growing. China's manufacturing Purchasing Managers' Index (PMI) readings indicate an economy in solid expansion, with readings above 50 since the significant decline in the PMI in March 2020 due to the impact of COVID-19. Moreover, there has been some mild reacceleration since May 2020. Evidence of a strong industrial recovery is apparent globally. Domestic Chinese metallurgical coal prices are near four-year highs; global steel prices are surging – for instance US hot rolled coil prices are at their highest levels since 2018 and Japanese steel prices rose in November for the first time in 29 months; Shanghai Futures Exchange copper inventories are at their lowest levels since 2014; and London Metal Exchange copper prices are near eight-year highs. Moreover, there have been confirming moves in Asia's key trade-related currencies – with the Korean won and Chinese yuan both reaching two-year highs against the US dollar during the December quarter.[2]

Amid this industrial recovery, our quality cyclical exposures in China continue to perform well. As mentioned above, we added **Weichai Power** over the quarter, a leading heavy-duty truck (HDT) engine maker in China. China's HDT recovery is helped by China's upgrade of emission standards and saw 35% p.a. unit growth in the first eleven months of 2020 versus the prior period in 2019.[3]

We have memory exposure through the oligopolistic DRAM makers **Samsung Electronics** and **SK Hynix**. They have shown willingness to reduce capacity by converting excess DRAM capacity to image sensors, and DRAM prices are starting to rebound. Their capacity expansion in coming years also appears highly rational, pointing to further support in memory prices. For Samsung, it is also the beneficiary of Huawei sanctions, as its telco business has been taking market share in the USA with the recent US$6.65 billion deal to build Verizon's 5G network. We continue to own **Taiwan Semiconductor Manufacturing** (TSMC) alongside Samsung to benefit from the oligopolistic structure of the advanced node semiconductor foundry industry. Both Samsung and TSMC are investing heavily to widen the gap with contenders. In addition, they are benefiting from more companies choosing to bring chip design in-house e.g. Apple with their M1 chip and Amazon with their Graviton cloud computing chip. Further, TSMC is benefiting from the widespread chip shortage as global supply chains restock inventories. As a result, the utilisation for TSMC's highly profitable mature node production line is expected to remain high from the strong demand overflow in the second half of 2020.

2 Source: PMI: FactSet Research Systems; Industrial recovery: BMO; Commodity prices: Bloomberg; Korean won and China yuan: FactSet Research Systems.

3 Source: Morgan Stanley.

In India, the central government introduced further initiatives to promote investment in local manufacturing under its "Make in India" agenda. Prior "Production Linked Incentives" (PLI) were expanded from mobile phone assembly, medical devices and bulk drugs to include a further 10 sectors - automobiles, electric vehicle (EV) batteries, complex pharmaceuticals, telecom equipment, textiles, food products, speciality steel, white goods, electronic products and solar photovoltaic (PV) modules. We are yet to see large capital expenditure (capex) commitments to take advantage of the support for medical devices or bulk drugs. If the full US$20 billion new PLI package was taken up over five years this would equate to 6% of current Indian gross domestic product (GDP). Manufacturing only represents 15% of Indian GDP, employing 12% of the country's labour force, so this would be a meaningful increase. India's economy is dominated by

Net Currency Exposures

CURRENCY	31 DEC 2020	30 SEP 2020	31 DEC 2019
Chinese yuan (CNY)	45%	45%	44%
Korean won (KRW)	13%	13%	11%
Indian rupee (INR)	9%	9%	11%
Chinese yuan offshore (CNH)	8%	7%	-12%
Hong Kong dollar (HKD)	8%	9%	12%
Taiwan dollar (TWD)	7%	7%	7%
Vietnamese dong (VND)	3%	2%	3%
Philippine peso (PHP)	2%	1%	3%
Thai baht (THB)	1%	2%	3%
Singapore dollar (SGD)	1%	0%	0%
Macanese pataca (MOP)	1%	1%	0%
US dollar (USD)	1%	2%	18%

See note 6, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Samsung Electronics Co	Korea	Info Technology	6.6%
Taiwan Semiconductor	Taiwan	Info Technology	6.0%
AIA Group Ltd	Hong Kong	Financials	4.0%
Tencent Holdings	China	Comm Services	3.6%
SK Hynix Inc	Korea	Info Technology	3.3%
Ping An Insurance	China	Financials	3.1%
Kingsoft Corp Ltd	China	Info Technology	3.0%
LG Chem Ltd	Korea	Materials	2.9%
HDFC Bank	India	Financials	2.8%
Vietnam Enterprise	Vietnam	Other	2.6%

As at 31 December 2020. See note 7, page 19.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit www.platinumworldportfolios.ie/The-Funds/PWP-Asia-Fund.

services (50%) and, while the agriculture sector employs 42% of the labour force, it only contributed 16% of India's GDP in 2019. Such policies support the Fund's investment in leading manufacturing businesses such as **Maruti Suzuki India**, which is progressively scaling up exports from new production facilities in Gujarat.[4]

Another prevailing theme across the Indian market has been the recovery of the banking sector, which has outperformed the Nifty 50 Index by 19% over the last three months.[5] Despite ballooning COVID-19 cases, one of the most severe lockdowns globally, unprecedented economic contraction (-23.9% in the second quarter and -7.5% in the third quarter[6]) and a Reserve Bank of India (RBI)-mandated moratorium on loan repayments (which according to the RBI saw as much as 40% of outstanding loans in the system in deferral at its peak in mid-August), the early signs appear encouraging after the second moratorium was lifted. Banks raised more than US$10 billion in fresh equity to improve capital adequacy in a timely manner and the RBI's Emergency Credit Line Guarantee Scheme (ECLGS) has provided support to the fragile micro, small and medium enterprise (MSME) sector. Following the lifting of the moratorium, collection efficiency has improved to as high as 97% for HDFC Bank, as high as 95% for the more cyclical commercial vehicle market and has remained largely stable for the last three months.

Given the moratorium and the RBI's allowance of one-time restructuring of loans under COVID-induced stress by March 2021, data is yet to reflect stress in terms of an increase in gross non-performing assets. What in hindsight appears a conservative stress test, in its mid-year Financial Stability Report the RBI estimated system gross non-performing assets could increase from 8.5% in March 2020 to 12.5-14.7% by March 2021.[7] Rating agency estimates of loans to be restructured at 5-8% appear conservative compared to initial commentary from individual lenders at 3-5%. For the larger private lenders, such as HDFC Bank, consensus is moving lower towards 2% of assets to be restructured.

The December quarter reporting period will shed more light on credit slippage, restructuring and ultimate credit costs. Nonetheless, many of the leading private banks have emerged from the crisis stronger, with strong liquidity and excess provisioning, and are now refocusing on loan growth, supported by lower funding costs. HDFC reported a 20% year-on-year increase in retail mortgage disbursements in October, which likely reflects pent-up demand due to challenges with credit evaluation at branches during the lockdown as well as a buoyant festive season. While system credit growth has been relatively poor over the immediate years prior to COVID-19, the long-term case for well-run private banks that have appropriately invested in digital platforms remains intact. India still remains a largely under-banked retail market with the penetration of mortgages at less than 10% versus 60-70% in Western markets.[8] As a result, the Fund increased its position in leading Indian bank **HDFC** during the quarter.

The Fund has been well positioned for the recovery underway in air traffic and progress surrounding vaccine development, with investments in a high-quality online travel agent (OTA) in China, **Trip.com**, a locally dominant and well-capitalised airline in India, **InterGlobe Aviation** and a Chinese hotel group, **Huazhu**. During the quarter, the Fund invested in **BOC Aviation (BOCA),** a top 10 global aircraft lessor. BOCA has a 27-year track record leasing aircraft, originally as a subsidiary within Singapore Airlines and more recently under the ownership of Bank of China. BOCA has one of the longest duration lease portfolios among lessors with an average lease term of 8.5 years with only 2% of leases expiring in each of 2021 and 2022.[9] Its average fleet age is only 3.5 years with a skew towards in-demand narrow body aircraft. BOCA has taken advantage of its A- credit rating and Bank of China parent support to countercyclically increase its asset portfolio at a time where funding options have narrowed for competitors and airlines that had previously funded aircraft via their own balance sheets are forced to turn to the lease market. BOCA's ability to secure higher-returning purchase and leaseback transactions with higher-quality customers, coupled with competitive funding costs, in our view should translate to solid net interest margin growth after 2021, as credit costs normalise.

Outlook

We believe that with a lessening of global trade tensions and the distribution of vaccines over the course of 2021, we are likely to see an ongoing global recovery. We would highlight that the strong data, commodity price and currency movements cited above come amid ongoing lockdowns and disruption in major economies, both in Asia and globally, and the recovery cited is likely to gain momentum as major economies emerge from these disruptions. We are likely to continue to pivot the portfolio toward more value and economically sensitive exposures, such as industrials and financials, with a view to the potential for a robust synchronous recovery globally.

4 Source: Citi, government releases

5 Source: FactSet Research Systems, Platinum analysis.

6 Source: FactSet Research Systems.

7 Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50122

8 Source: HDFC corporate presentation.

9 Source: BOCA corporate presentation.

Platinum Japan Fund

Scott Gilchrist
Portfolio Manager

Performance

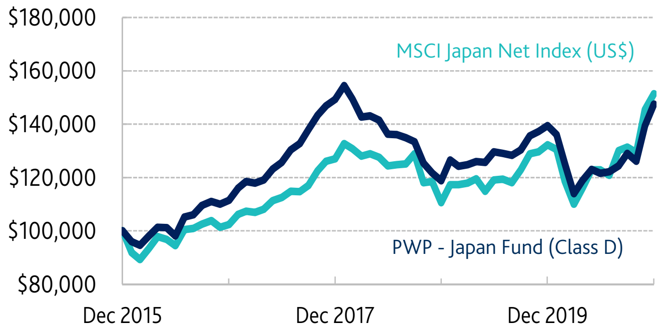
(compound p.a⁺, to 31 December 2020)

SHARE CLASS	QUARTER	1 YR	3 YRS P.A.	5 YRS P.A.	SINCE INCEPTION P.A.
PWP Japan Fund Class A USD	15%	6%	0%	-	9%
PWP Japan Fund Class D USD	14%	6%	0%	8%	8%
PWP Japan Fund Class F EUR	10%	-3%	-1%	-	1%
MSCI Japan Net Index (USD)	15%	14%	6%	9%	9%

+Excluding quarterly returns
Fund returns are net of accrued fees and costs. Class D inception date (16 Nov 2015) is used for Index "since inception" returns.
^ Index returns are those of the MSCI Japan Net Index in USD.
Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance. See notes 1 & 2, page 19.

Value of US$100,000 Invested Since Inception

31 December 2015 to 31 December 2020



After fees and costs. See notes 1 & 3, page 19.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems.

The Fund (Class D) returned 14.3% for the quarter and 5.7% over the year.[1]

The significant gains during the quarter were provided by long-standing holdings, such as **Hirano Tecseed** (+58% over the quarter), **Sumco** (+53%), **Nitto Denko** (+35%) and **Toyota Motor** (+15%). These were augmented by recent purchases, such as **Suncorporation** (+39% from the Fund's first entry point during the quarter) and **Yappli** (+84% from the Fund's first entry point during the quarter).

Key detractors from performance over the quarter included **Rakuten** (-12%), **Hogy Medical** (-7%) and **Anritsu** (-4%).

Following a number of new stock purchases, the Fund has recently been fully invested.

Changes to the Portfolio

As mentioned above, the Fund made a number of new investments during the quarter, including Suncorporation and Yappli.

Suncorporation owns a leading global security company focused on mobile phones in addition to a range of legacy businesses.

Yappli is a software abstraction layer, which produces Apple and Android apps in a no-code environment.

Following these purchases, the Fund now owns a diversified portfolio of Japanese companies with strong medium- and long-term prospects at reasonable valuations.

1 References to returns and performance contributions (excluding individual stock returns) in this PWP - Japan Fund report are in USD terms. Individual stock returns are quoted in local currency terms and sourced from FactSet Research Systems, unless otherwise specified. Returns for stocks purchased during the quarter are calculated from the price on the date of purchase to the price on 31 December 2020.

Commentary

Long-standing Japanese Prime Minister Shinzo Abe announced his resignation in August last year and was succeeded by Suga, his staunch supporter and Chief Cabinet Secretary. He retired as the longest-standing Prime Minister in Japanese political history. Abe-san's second term will be remembered for his Three Arrows of: Monetary Policy; Fiscal Policy; and Growth Strategy and Structural Reform. The likely counterfactual is that without Abe's stability and reform, the country would be in a far worse position today. His successor, Yoshihide Suga is 72 years old. His core focus is privatisation and structural economic reform; thus, his tenure will trend in Abe's direction with added emphasis on the Third Arrow.

Japan recently entered a State of Emergency in key population centres. This is a pre-emptive move to restrict the spread of the virus. Further, the details of the restrictions show a targeted and science-based approach, which balances many competing needs. Japan on the whole has handled the COVID-19 pandemic well, as has most of Asia. Japanese companies such as Honda and Nissan both assemble cars in Wuhan where they were impacted by the early stages of the outbreak. This knowledge spread quickly across the Japanese archipelago and into the hundreds of Public Health Centres founded by the Americans who designed them to fight infectious disease. Their competent staff located clusters, tracked infection links and conducted tests. It's not at all surprising that Japanese mortality has been amongst the lowest in the developed world, nor that many Asian countries have emerged earlier and stronger.

The fundamental building blocks of industrial society, bullocks, canals, railroads, automobiles, have changed through the generations and are currently shifting dramatically. This broad and deep transformation is most evident in the USA, across money (central banking), transport (batteries, automation), geopolitics, employment structures and society.

In Japan, however, change has been held back by innate respect for tradition and their ingrained parsimonious behaviours. For example, fax machines and hanko stamps are still used widely across Japanese society and corporations. In fact, temples have been holding memorial services for the demise of physical stamps. The company, GMO Internet and their internet service Agree have seen a 20-fold increase in digital contracts over the last 12 months, and a recent scan of SaaS (software as a service) companies in Japan unearthed hundreds of dynamic domestic-bred entities across the various ecosystems.

Disposition of Assets

REGION	31 DEC 2020	30 SEP 2020	31 DEC 2019
Japan	88%	88%	89%
Korea	12%	9%	6%
Cash	0%	3%	5%
Shorts	-1%	-3%	-5%

See note 4, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures

SECTOR	31 DEC 2020	30 SEP 2020	31 DEC 2019
Information Technology	31%	21%	15%
Consumer Discretionary	17%	12%	19%
Industrials	15%	12%	19%
Health Care	15%	17%	12%
Communication Services	9%	25%	12%
Materials	6%	4%	4%
Financials	2%	3%	2%
Energy	2%	0%	5%
Consumer Staples	1%	1%	2%
Real Estate	0%	0%	0%
TOTAL NET EXPOSURE	98%	94%	90%

See note 5, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Currency Exposures

CURRENCY	31 DEC 2020	30 SEP 2020	31 DEC 2019
Japanese yen (JPY)	88%	90%	90%
Korean won (KRW)	12%	9%	4%
US dollar (USD)	0%	1%	6%

See note 6, page 19. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Japan's economy has been forged in the North Asian transformation of recent decades. Korean autos and semiconductors are globally competitive, if not leaders. Chinese corporate progress and economic development have been relentless with the help of low-cost labour. The timing of North Asia's resurrection was unfortunate for Japan as an expensive and highly developed nation.

Japan has subsequently evolved to dominate global niches and many of the 4,000 listed companies are essential to global supply chains. Examples, such as Hoya, supply all of the mask blanks for extreme ultraviolet lithography (EUVL), while Lasertec sells the critical inspection tools. It is almost impossible to build a robot without Japanese components. Companies like Toyota, Keyence, Nidec, Minebea and Murata illustrate global reach, while SoftBank and Rakuten show a more energetic spirit.

It surprises many that the total Japanese workforce is now at record highs. The Japanese female participation rate has surpassed many Western nations. Japan is widely accepted as having good credentials in environmental, social and governance (ESG) issues. The 'environmental' comes through in companies such as Toyota and the Prius, while 'governance' continues to improve as seen by recent corporate action at Lixil, the absorption of NTT Docomo by its parent, and Nitori's aggressive takeover bid for Shimachu are certainly just the bow wave. Dividend payouts and share buybacks have risen in recent years. Japan is a local maximum for many things in Asia, including ESG.

Various Japanese market indices recently rose to 29-year highs. Some broad markers are at all-time highs. Over the last three decades, the composition of the listed market has changed significantly, reflecting the underlying economic changes and renewal. While these are businesses with long paths ahead, many of the older businesses are seeing a cyclical revival and value investors have noticed the attractions of the Japanese trading houses.

As you would expect at the end of a 30-year bear market, broad swathes of the market are at multi-decade low valuations. A recent hunt for 'cheap stocks' uncovered a list of 2,000 companies with some having more cash than their market capitalisation.

The market is not the economy though. It is time to reassess Japan from a different perspective; reconsider time horizons and the power of hindsight bias. Such psychological pitfalls are well known and understood, but ongoing reminders help us outwit them. The psychology of domestic Japanese investors is changing; don't miss the shift.

Outlook

The global backdrop appears uncertain, yet the system trundles on. Despite the swirling problems, it is hard not to notice the looming shortages of some critical components and surging prices for various commodities and services. In many ways, the aftershocks of the pandemic will be felt for many years to come.

The pandemic has been a Rorschach Test for governments and societies around the world. In this context, the stability of the Japanese system stands out. In our last quarterly report, we stated: "*While the political system seems to have transitioned calmly following seven years of Abenomics, corporate governance continues to improve while the relentless drive for product improvement is augmented by growing innovation and new product development. This is set against the backdrop of a 30-year psychological trough, low overall valuations and extreme valuation dispersion. In combination with waves of innovation and disruption only seen a few times every century, we believe there are more than enough opportunities to construct an attractive portfolio in the Japanese stock market.*" This sentiment remains true.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Toyota Motor Corp	Japan	Cons Discretionary	5.4%
Samsung Electronics	Korea	Info Technology	5.3%
Rakuten Inc	Japan	Cons Discretionary	4.6%
Minebea Co Ltd	Japan	Industrials	4.4%
Nintendo Co Ltd	Japan	Comm Services	4.2%
Astellas Pharma	Japan	Health Care	3.9%
GMO Internet Inc	Japan	Info Technology	3.5%
Oracle Japan	Japan	Info Technology	3.4%
EISAI Co Ltd	Japan	Health Care	3.2%
Takeda Pharma Co	Japan	Health Care	2.9%

As at 31 December 2020. See note 7, page 19.
Source: Platinum Investment Management Limited.

For further details of the Fund's invested positions, including country and industry breakdowns and currency exposures, updated monthly, please visit www.platinumworldportfolios.ie/The-Funds/PWP-Japan-Fund.

NOTES: Unless otherwise specified, all references to "Platinum" in this report are references to Platinum Investment Management Limited (ABN 25 063 565 006, AFSL 221935). Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. Fund returns are calculated by Platinum using the Fund's net asset value per share (i.e. excluding the anti-dilution levy) attributable to the specified share class. Where a share class is not denominated in USD, the net asset value per share in USD, being the Fund's base currency, is converted into the denomination currency of that share class using the prevailing spot rate. Fund returns are net of fees and expenses, pre-tax, and assume the accumulation of the net income and capital gains, each as attributable to the specified share class. The MSCI index returns are in USD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, the Fund's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Fund's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short term.
2. The portfolio inception dates for each active share class of the relevant Fund are as follows:
   - Platinum World Portfolios - International Fund:
     Class A USD (Accumulating) (ISIN: IE00BYRGQX37): 27 April 2016
     Class D USD (Accumulating) (ISIN: IE00BYRGQZ50): 16 November 2015
     Class G GBP (Accumulating) (ISIN: IE00BYRGR290): 27 April 2016
     Class B USD (Accumulating) (ISIN: IE00BYRGR076): 2 December 2016
     Class F EUR (Accumulating) (ISIN: IE00BYRGR183): 4 April 2017
   - Platinum World Portfolios - Asia Fund:
     Class A USD (Accumulating) (ISIN: IE00BYRGR522): 10 March 2017
     Class D USD (Accumulating) (ISIN: IE00BYRGRD06): 16 November 2015
     Class G GBP (Accumulating) (ISIN: IE00BYRGRB81): 19 February 2019
     Class B USD (Accumulating) (ISIN: IE00BYRGR639): 5 June 2020
     Class F EUR (Accumulating) (ISIN: IE00BYRGR969): 3 February 2020
     Class I USD (Accumulating) (ISIN: IE00BYMJ5524): 19 January 2017
   - Platinum World Portfolios - Japan Fund:
     Class A USD (Accumulating) (ISIN: IE00BYRGRF20): 11 January 2016
     Class F EUR (Accumulating) (ISIN: IE00BYRGRL89): 18 October 2017
     Class D USD (Accumulating) (ISIN: IE00BYRGRJ67): 16 November 2015

   For the purpose of calculating the "since inception" returns of the MSCI index, the inception date of Class D of the Fund, being 16 November 2015, is used (as Class D was the first share class activated).
3. The investment returns depicted in this graph are cumulative on US$100,000 invested in Class D of the specified Fund over the specified period relative to the specified net MSCI Index in US Dollars.
4. The geographic disposition of assets (i.e. other than "cash" and "shorts") shows the Fund's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. With effect from 31 May 2020, country classifications for securities were updated to reflect Bloomberg's "country of risk" designations and the changes were backdated to prior periods. "Shorts" show the Fund's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through derivative transactions.
5. The table shows the Fund's net exposures to the relevant sectors through its long and short securities positions and long and short securities/index derivative positions, as a percentage of its portfolio market value. 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".
6. The table shows the Fund's net exposures to the relevant currencies through its long and short securities positions, cash at bank, cash payables and receivables, currency forwards and long and short securities/index derivative positions, as a percentage of its portfolio market value. Currency classifications for securities reflect the relevant local currencies of the relevant Bloomberg country classifications. The table may not exhaustively list all of the Fund's currency exposures and may omit some minor exposures.
7. The table shows the Fund's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

PLATINUM WORLD PORTFOLIOS PUBLIC LIMITED COMPANY

An umbrella fund with segregated liability between sub-funds
Company Registration Number: 546481

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