

FACTS¹

Market capitalisation	\$317.84 mn
Listing date	21 September 2015
Current share price	\$0.860
Current dividend yield	4.65%
Pre-tax NTA	\$1.0067
Post-tax NTA	\$1.0128
Maximum franked dividend	1.48 cps
Management fee:	1.10% p.a. (excl. GST) of portfolio value plus
Performance fee:	15.00% p.a. (excl. GST) of outperformance over benchmark (MSCI All Country Asia ex Japan Net Index (A\$)). Performance fees are calculated after recovery of any underperformance carried forward from prior periods.

PERFORMANCE²

	1 month	3 months	6 months	CYTD	1 year	2 years p.a.	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a.
Company % (Pre-tax NTA)	2.0	6.9	4.4	6.9	1.6	3.8	(3.3)	5.2	7.1	6.8
MSCI %	2.3	7.1	7.8	7.1	6.8	4.4	(1.9)	3.7	6.3	6.8

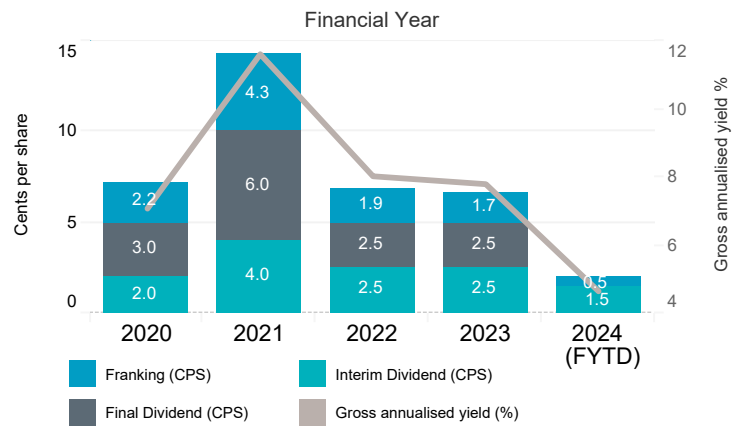
PAI's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PAI's returns have not been calculated using PAI's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	93.2	(0.3)	92.9	96.0
China	44.3		44.3	44.4
Hong Kong	1.6		1.6	3.1
India	4.7		4.7	4.9
Indonesia	4.6		4.6	4.6
Philippines	3.0		3.0	3.0
Singapore				1.1
South Korea	16.3	(0.3)	16.0	16.1
Taiwan	8.8		8.8	8.9
Thailand	1.7		1.7	1.8
Vietnam	7.3		7.3	7.3
Other Asia-Pacific	0.8		0.8	1.0
Europe				0.4
Other Europe				0.4
North America				3.6
United States of America				3.6
Sub-Total	93.2	(0.3)	92.9	100.0
Cash	6.8	0.3	7.1	
Total	100.0		100.0	100.0

Long - 58 stocks, 1 swap Short - 1 swap

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	7.9
SK Hynix Inc	South Korea	Info Technology	6.5
Samsung Electronics Co	South Korea	Info Technology	6.2
Vietnam Ent Investments	Vietnam	Other	5.1
ZTO Express Cayman Inc	China	Industrials	4.4
JD.com Inc	China	Cons Discretionary	3.6
Tencent Holdings Ltd	China	Comm Services	3.5
Trip.com Group Ltd	China	Cons Discretionary	3.2
China Resources Land Ltd	China	Real Estate	3.1
Ayala Land Inc	Philippines	Real Estate	3.0
Total			46.4

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Information Technology	21.5		21.5
Consumer Discretionary	19.1		19.1
Industrials	13.5		13.5
Real Estate	12.6		12.6
Financials	8.6		8.6
Communication Services	4.3		4.3
Consumer Staples	3.5		3.5
Materials	3.3	(0.3)	3.0
Health Care	1.6		1.6
Energy	0.1		0.1
Other	5.1		5.1
Sub-Total	93.2	(0.3)	92.9
Cash	6.8	0.3	7.1
Total	100.0		100.0

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1. Source: Platinum. The pre-tax NTA was calculated in accordance with Australian Accounting Standards, based on the fair value of all investments. The post-tax NTA is the pre-tax NTA after provision for tax on both realised and unrealised income and gains. The NTA is unaudited.

2. Source: Platinum for portfolio returns and Factset Research Systems for MSCI returns. The returns are calculated relative to the MSCI All Country Asia ex Japan Net Index in A\$. 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. Shows dividends determined in respect of the relevant financial year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends.

4. 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 total of the "Long %" and "Short %", each as a percentage of PAI's portfolio value. The "CCY %" is the effective currency exposure of PAI's portfolio as a percentage of its portfolio value, 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".

4. and 5. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of the country classifications.

5. The "Top ten positions" show PAI's top ten long securities positions as a percentage of PAI's portfolio value (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

- The portfolio returned +2.0% for March 2024 and +1.6% for the rolling 12 months.
- This compares to the MSCI All Country Asia ex Japan Index (AUD) that returned 2.3% for March 2024.
- Our investments in South Korean chip companies were the main contributor to performance, followed by our Chinese holdings.
- Even though valuations in the Chinese market are back to GFC lows, we're very careful when selecting investments in China. We're looking for domestic champions with low levels of debt at compelling valuations.

Performance Analysis*

Our South Korean holdings contributed 1.1% to the portfolio's monthly return, led by the chip companies, SK Hynix and Samsung Electronics Co. This is the primary way we are playing the AI thematic. When a multipurpose technology such as AI (like the introduction of the internet and data on mobiles) it is important to pay attention because it will have widespread applications. However, it is very difficult to determine who will profit from the technology in the early stages of adoption. By investing in the chip companies that service a variety of technology/application companies, we're investing in the "picks and shovels" - the beneficiaries of the increased spend on AI rather than trying to pick one or two technology/application companies that may - or may not - win the AI race.

Chinese holdings contributed 0.8% to the monthly return. JD.com was the best performing Chinese stock in the portfolio, contributing 0.65%. JD.com is one of China's top three e-commerce platforms and is a good example of how extreme valuations have become. E-commerce in China has a very high penetration rate, approximately 30% of retail sales are online. This compares to America in the high teens and Australia in the low teens. JD.com's revenue is derived from China's domestic market, so is largely insulated from any potential geopolitical escalation or introduction of tariffs. The business generated US\$3.3bn in net profit last year and its market capitalisation is almost entirely covered by its cash holdings, i.e. an investor can buy this company and get the highly profitable operating business for almost nothing.

It's important to note that we are very careful when selecting investments in China. We're looking for well-run companies with strong moats, low levels of debt and attractive valuations. We prefer domestically focussed businesses such as JD.com because we believe they are better insulated from geopolitical tensions. Having said that, we also own world leading companies such as CATL that produce low cost batteries for EVs.

As at the end of March 2024, the portfolio has a high net invested position, approximately 93%, comprising of no shorts and around 7% cash. This reflects our high levels of conviction in the stocks in our portfolio and the very low valuations we are seeing in the region. This presents a very compelling investment opportunity for true long-term investors.

An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~19% higher earnings yield and ~7% discount to book value (see table below).

Metric	Platinum Asia Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	9.3% (Price to earnings ratio 10.8x)	7.8% (Price to earnings ratio 12.8x)
NTM Dividend Yield	3.0%	3.0%
NTM Enterprise Value-to-Sales	1.3x	1.5x
LTM Price-to-Book Ratio	1.4x	1.5x

The valuations in the table have been calculated by Platinum and refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. MSCI data is sourced from Rimes, FactSet and Platinum. As at 31 March 2024. NTM = next twelve months.

LTM = last twelve months.

*Source: Platinum. Contribution numbers are based on the total return of individual positions (in AUD) and are gross as they do not take into account the portfolio's fees and costs (other than brokerage). **Past performance is not a reliable indicator of future returns.**