

11 July 2023

The Manager  
ASX Market Announcements  
Australian Securities Exchange Limited  
Sydney NSW 2000

**Platinum Asia Investments Limited (ASX: PAI)  
Monthly Investment Update and Net Tangible Asset (NTA) Report**

Platinum Asia Investments Limited hereby releases the Monthly Investment Update and NTA Report for the month ended 30 June 2023 (as attached).

For more information in relation to PAI, please refer to the website at:  
[www.platinumasia.com.au](http://www.platinumasia.com.au)

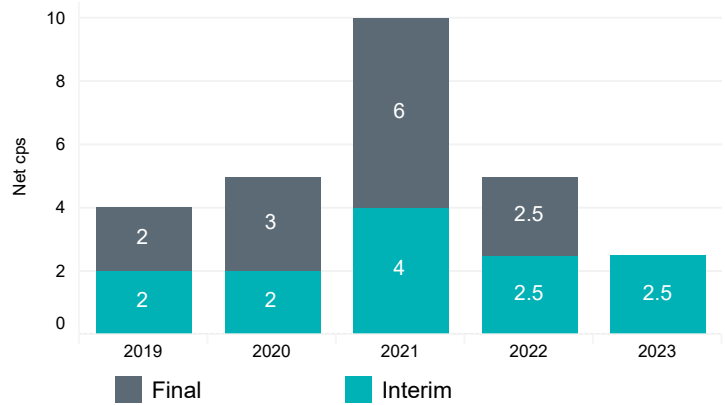
Authorised by  
Joanne Jefferies | Company Secretary

Investor contact  
Elizabeth Norman | Director of Investor Services and Communications  
Platinum Investment Management Limited  
Tel: 61 2 9255 7500  
Fax: 61 2 9254 5555

## FACTS<sup>1</sup>

Market capitalisation	\$316.37 mn
Listing date	21 September 2015
Current share price	\$0.855
Current dividend yield	5.85%
Pre-tax NTA	\$1.0209
Post-tax NTA	\$1.0362
Maximum franked dividend	5.47 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.

## HISTORY OF FULLY FRANKED DIVIDENDS (CPS)<sup>3</sup>



## PERFORMANCE<sup>2</sup>

	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.
<b>Company % (Pre-tax NTA)</b>	1.6	(0.7)	3.7	3.7	1.8	(6.7)	3.1	4.7	8.7	7.1
<b>MSCI %</b>	(0.1)	(0.7)	5.0	5.0	2.1	(8.6)	2.3	3.1	7.2	6.5

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 POSITIONS<sup>4</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	92.4	(6.2)	86.2	91.9
China	45.2	(0.3)	44.9	44.9
Hong Kong	3.2		3.2	8.4
India	8.7	(5.5)	3.3	3.5
Indonesia	1.8		1.8	1.8
Macao	1.9		1.9	1.9
Philippines	2.1		2.1	2.1
Singapore	1.1		1.1	1.3
South Korea	13.8	(0.5)	13.3	13.3
Taiwan	6.8		6.8	6.8
Thailand	1.4		1.4	1.4
Vietnam	6.5		6.5	6.5
<b>North America</b>				8.1
United States of America				8.1
<b>Sub-Total</b>	92.4	(6.2)	86.2	100.0
<b>Cash</b>	7.6	6.2	13.8	
<b>Total</b>	100.0		100.0	100.0

Long - 65 stocks, 1 swap Short - 4 swaps, 2 indices

## TOP TEN POSITIONS<sup>5</sup>

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	6.0
Samsung Electronics Co	South Korea	Info Technology	5.5
InterGlobe Aviation Ltd	India	Industrials	5.1
Vietnam Ent Investments	Vietnam	Other	4.6
ZTO Express Cayman Inc	China	Industrials	4.5
SK Hynix Inc	South Korea	Info Technology	4.1
Ping An Insurance Group	China	Financials	3.9
Tencent Holdings Ltd	China	Comm Services	3.6
Macrotech Developers Ltd	India	Real Estate	3.2
China Resources Land Ltd	China	Real Estate	3.2
<b>Total</b>			43.6

## INDUSTRY BREAKDOWN<sup>4</sup>

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	18.4		18.4
Information Technology	17.3	(1.2)	16.1
Industrials	15.9	(0.2)	15.7
Real Estate	12.9		12.9
Financials	9.9		9.9
Materials	4.5	(0.3)	4.2
Consumer Staples	4.0	(0.3)	3.7
Communication Services	3.7		3.7
Health Care	1.2		1.2
Energy	0.1		0.1
Other	4.6	(4.3)	0.3
<b>Sub-Total</b>	92.4	(6.2)	86.2
<b>Cash</b>	7.6	6.2	13.8
<b>Total</b>	100.0		100.0

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the investment manager of Platinum Asia Investments Limited ("PAI"). This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Neither PAI nor Platinum, guarantee the performance of PAI, 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 PAI or Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by PAI or Platinum for any loss or damage as a result of any reliance on this information.

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 paid during the calendar year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends (if any).

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 1.6% in June, with positive contributions from Indian and Chinese property developers.
- Investors remain cautious about a Chinese recovery and geopolitical tensions.
- We are focused on finding businesses that have strong long-term growth prospects with attractive valuations.

### Market Commentary

#### **China's reopening economic recovery disappoints but could provide an opportunity**

Investors' primary concern with China now seems to be weaker-than-expected economic data, eclipsing geopolitical risks and a potential US recession. After starting 2023 on a high note, the market seems to have lost confidence, as the second leg of the reopening rally proved elusive. Disappointing consumer spending during the Dragon Boat holiday and data showing that manufacturing activity had contracted and services were losing steam also hurt sentiment. However, we believe that this could be a buying opportunity, with the increased likelihood of additional stimulus, under-representation in investor portfolios, relative market value compared to history and peers, and the potential for earnings upgrades.

#### **China stimulus has been targeted thus far**

Stimulus in China has been targeted to date, with the announcement of 22 measures aimed at reducing costs for businesses and 16 measures to boost exports (source: National Development and Reform Commission). There was also a support package to boost the EV sector, and tax breaks were announced for high-end manufacturing companies. China is a dynamic country with best-in-class sectors that should benefit from targeted stimulus. Take EVs, for instance, investors often forget that China leads the world in terms of EV sales and is now the second-largest exporter of cars, overtaking Germany (source: Statista and Market Research Future, respectively). Chinese companies also dominate battery material refining and battery technology. Platinum's investing philosophy and process is to find mispriced stocks and great long-term opportunities in areas that are out of favour and away from the crowd, and this is the case with the portfolio's Chinese investments.

#### **Elsewhere in Asia**

Monthly performance in other Asian markets was mixed in June. Indian stocks spiked to record levels on sustained overseas inflows and strong economic data. Taiwan's stock market was led higher by chip stocks, as the sector benefited from a second month of AI chip optimism. In contrast, Korea's stock market rally in May lost steam amid an ongoing slowdown in its exports and the domestic economy, and Thailand's market continued to see capital outflows as the political impasse over its new coalition government continued and its central bank said it expects to continue tightening monetary policy to battle inflation.

### Performance Analysis\*

The portfolio returned 1.6% for the month. Top contributors to June's performance were property developers in India (Marotech Developers) and China (China Resources Land), Chinese electrical appliance manufacturer Midea (after it dropped its takeover bid for Electrolux) and Indian passenger airline InterGlobe Aviation. Detractors included Chinese wealth management company Noah, Philippine property developer Ayala Land and Chinese parcel delivery service ZTO Express.

### Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 5% higher earnings yield (see table below). We continue to deploy Platinum's contrarian investment process, which focuses on finding businesses that have better long-term growth prospects but are oversold or out of favour due to temporary setbacks and therefore have attractive valuations.

Metric	Platinum Asia Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
<b>NTM Earnings Yield</b>	8.2% (Price to earnings ratio 12.2x)	7.8% (Price to earnings ratio 12.8x)
<b>NTM Dividend Yield</b>	2.7%	3.1%
<b>NTM Enterprise Value-to-Sales</b>	1.4x	1.1x
<b>LTM Price-to-Book Ratio</b>	1.5x	1.5x

The valuations in the table have been calculated by Platinum and for the portfolio refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. As at 30 June 2023. 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.**