

## TRANSCRIPTION

**Company:** Platinum Asia Investments Limited

**Date:** 2 November 2023

**Time:** 10:00am

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### [START OF TRANSCRIPT]

Margaret Towers: Good morning, ladies and gentlemen, and welcome to today's annual general meeting, whether you are joining us in person or remotely. My name is Margaret Towers, and I'm pleased to address you as Director and Chair of Platinum Asia Investments Limited. I'd like to begin by acknowledging that I'm speaking to you today from the land of the Gadigal people of the Eora Nation. I also acknowledge the traditional custodians of the various lands from which each of you are joining the meeting today. I pay my respects to their Elders past, present, and emerging.

It is now 10:00am, the appointed time for holding the meeting, and I advise that the necessary quorum is present. I therefore declare the meeting open. This year, we are again holding our AGM as a hybrid meeting, which gives you, our shareholders, the opportunity to attend the meeting in person or virtually. We hope that in doing so, we've been able to encourage broader participation amongst our shareholders. Before we proceed, I have a couple of housekeeping items to address.

Firstly, I would appreciate that those attending in person ensure that their mobile phones are set to silent. For those joining us virtually through the online platform, you'll be able to see the livestream on the left side of your screen, and the slides being presented will appear on the right. At the bottom of the screen, you have buttons for get a voting card and ask a question, along with the notice of meeting and online meeting guide. Please submit your votes online at any time during the meeting.

I encourage shareholders who would like to ask a question and are joining us virtually to enter your questions now so that they are able to be addressed under the relevant items of business later in the meeting. For shareholders who wish to utilise the teleconference facility, you must use your unique phone PIN provided by Link Market Services. If you don't have a phone PIN and would like to ask a question via the phone, please contact Link on +61 1800 990 363.

When you dial in via the phone line, you'll be asked to mute your online sound and listen to the meeting by phone. If you wish to ask a question, you will need to dial star 1 on your keypad. That will indicate to the moderator that you wish to ask the question. The moderator will require your name and will introduce you, prompting you to ask your question by unmuting your line at the relevant time. I will endeavour to answer all relevant questions from the shareholders during today's meeting.

The order for taking questions will be as follows. Firstly, from any shareholder attending in person, secondly, from any shareholder who has submitted a question online, and thirdly, from any shareholder using the teleconference facility. Shareholder questions received prior to the meeting which are relevant to the business of the meeting will also be addressed. Voting will remain open during the formal business of the meeting and I'll give you a warning when voting is about to close.

Cameron Robertson, the Company's Co-Portfolio Manager, will deliver an informal address and discuss his market outlook at the conclusion of the formal business of the meeting. He will also take any investment-related questions that you may have. Lastly, a recording of my address and the market update by Cameron will be made available on Platinum's website in the next few days.

Now to the formal business of the meeting. Please allow me to introduce my fellow Board members. Mr Ian Hunter, Independent Non-Executive Director and Chair of the Audit, Risk and Compliance Committee, Mr Dick Morath, Independent Non-Executive Director and member of the Audit, Risk and Compliance Committee. Joining us today from the Company's investment manager, Platinum Asset Management, is Mr Cameron Robertson, the Co-Portfolio Manager of the Company's investment portfolio.

We also have present the PricewaterhouseCoopers partner in charge of the audit of the 2023 financial statements and statutory reports, Mr Craig Cummins. Craig will be available to answer any questions you may have in relation to the conduct of the audit later in the meeting.

Firstly, turning to the financial results and investment performance for the year ended 30 June 2023, the Company made a statutory pre-tax operating profit of \$7 million and a post-tax operating profit of \$4.5 million for the financial year end 30 June '23. This was achieved during a challenging and volatile period as China emerged from lockdown, which provided an initial rebound in the portfolio's Chinese company valuations during the middle of the year before investment sentiment changed as China's forecast growth came under pressure.

As you can see from the charts on the slide, our earnings per share over the past five years have ranged from \$0.208 per share to negative \$0.129 per share. The benefit of the listed company structure allows us to smooth your dividend despite this volatility.

As previously stated, the Board maintains that the most appropriate measure of the Company's investment performance is the percentage change in the pre-tax NTA. On this measure, the Company delivered an investment return of 1.8% for the year ended 30 June '23 after fees, expenses, adjusting for corporate taxes, capital flows and assuming the reinvestment of dividends.

The Company's return during this period was delivered with an average net invested position of 88%. The MSCI AC Asia ex-Japan net index in A dollars returned 2.1% over the same period. The Company's best performing investments were primarily in India, Taiwan and Korea. However, those positive returns were

partly offset by negative returns on investments in China, most notably in the Chinese consumer discretionary sector.

Looking at the Company's investment returns over longer time horizons to 30 June '23, the Company has successfully outperformed the index over both three and five years and also since inception, delivering annualised returns of 3.1%, 4.7% and 7.1% respectively. The MSCI index delivered annualised returns of 2.3%, 3.1% and 6.5% over the same periods. This is a solid result, with Platinum's differentiated investment approach continuing to deliver strong investment outperformance over the medium to long term.

Platinum's investment style provides shareholders with a portfolio of investment quite differentiated from the constituents of the MSCI index. For example, this slide shows the Company's and the index's country weightings as at 30 September '23. The Company's portfolio has a higher weighting towards China and consequently is underweight some of the other Asian markets. Whilst this geographic allocation has caused a drag on the portfolio's performance as investor sentiment towards China has reduced, the investment manager's stock selection has compensated for this.

The next slide shows the Company's top 10 holdings vis-à-vis the top 10 stocks of the MSCI index at 30 September '23. In summary, Platinum's investment approach delivers a highly differentiated investment portfolio as compared to the index, providing shareholders with a diversification in their portfolios. During the financial year, the Company's shares continued to trade at a discount to pre-tax NTA in line with the broader global equities closed-end listed investment market. The discount decreased during the financial year, resulting in a total shareholder return, including franking credits, of 7.5% for the year ended 30 June '23. At today's date, the discount has narrowed further since 30 June '23.

The Company determined to pay a 2023 fully franked final dividend of \$0.025 per share, bringing the total dividends paid for the 2023 year to \$0.05 per share. This represents a grossed-up dividend yield of 7.8% based on the Company's 30 June '23 closing share price. The Company's final dividend was fully franked at a tax rate of 25% rather than 30% due to the Company once again meeting the criteria of a base rate entity for the financial year, that is, an entity with turnover of less than \$50 million. As a base rate entity, the Company will pay less corporate tax and therefore distribute a lower amount of franking credits with each cent of dividend.

The Board aims to deliver a consistent stream of fully franked dividends to shareholders over time through its policy of dividend smoothing, subject to future earnings, cash flows, franking credits and accounting profits. This is a key strength of its listed investment structure. Our shareholders will continue to benefit from the Company's ability to manage the level of fully franked dividend payments over time, with the Company delivering an average dividend yield of 5.7% over the five years to June '23.

As shown in our monthly updates, the Company has sufficient franking credits to declare a fully franked dividend of just under \$0.03. Consequently, the ability to pay future fully franked dividends will continue to depend on the Company paying tax on realised profits. The Board's current policy is not to pay unfranked dividends.

On 27 April '23, following on from the capital management initiatives announced to the market in October '22, the Company issued eligible shareholders with one bonus option for every four fully paid shares held at the record date. Each bonus option has an exercise price of 90 cents and an expiry date of 28 March '24. When setting the option exercise price, the Board was of the view that the market environment at the time would be highly favourable for Platinum's investment approach and that the Company's outperformance seen during the 2022 calendar year would continue and drive a rebound in the share price during the option exercise period.

At the bonus option issue date, the bonus options were trading at the money of \$0.89. However, since then, the share price has moved below the bonus option exercise price and the opportunity for shareholders has not materialised to date. Furthermore, like many other listed closed-end investment vehicles, the Company's shares continue to trade at a discount to pre-tax NTA during the financial year. The discount widened from 16.2% as at 30 June '23 to 17.9% as at 30 September '23.

In light of this, the Board revised its buyback policy to remove the 20% share price discount guide that had been communicated to the market in October '22 and thereafter began the execution of the Company's 10/12 limit share buyback program with effect from 18 October '23. As at 1 November 2023, 638,025 shares have been bought back. The Board continues to believe that buybacks do not succeed in eliminating share price discounts, and the market has generally shown this to be the case. Accordingly, the Board's primary objective in effecting the buyback is to provide liquidity to existing shareholders and accretion to continuing shareholders, rather than to narrow the discount.

The Board is firmly of the view that improved relative investment performance is key to narrowing the discount, as this is what drives demand for the shares. The Board expects the discount to change in line with market sentiment if relative performance of the Company improves and there is in turn more appetite for the investment manager's strategy.

As already mentioned, discounts have generally widened across the global equities closed-end listed fund market. This has prompted some market participants to convert to open-ended structures. The Board continues to hold the view that the closed-end listed investment company structure has merits which are appreciated by many shareholders. These merits include the ability to smooth dividends and manage the portfolio without regard for cash flows. That said, we remain open to shareholders' views and will continue to listen to your feedback.

The Company delivered a negative 1.9% for the calendar quarter ended 30 September 2023, against the index return of negative 0.3%, and for the 12 months to 30 September '23 delivered a return of 9% against the index return of 10.5%. The most recent weekly pre-tax NTA per share released to the market as at Friday 27 October was \$0.9629. The fund manager recently commented that the sentiment around China remained bearish, but there were still some bright pockets within the economy. The team continues to find opportunities in China with strong long-term growth prospects at attractive valuations.

As mentioned earlier, Cameron will provide an update on markets and his outlook for the investment portfolio at the conclusion of the formal business of the meeting. Cameron manages the portfolio alongside the other co-portfolio managers, Andrew Clifford and Kirit Hira. Andrew is also Platinum's Co-Chief Investment Officer and has recently decided to step aside as Platinum's Chief Executive Officer in order to concentrate on portfolio management.

Ladies and gentlemen, we now come to the items which comprise the formal business of the meeting, which are outlined in the notice of meeting dated 29 September '23. It was sent to all shareholders, so unless there are any objections, I will take the notice of meeting as read. No objections? The resolutions for consideration today may only be voted on by shareholders, including their proxy holders and Company representatives. Voting on each resolution will be conducted by way of a poll.

Each resolution set out in the notice of meeting is to be considered as an ordinary resolution and must be approved by a majority of the votes cast by shareholders entitled to vote and voting on the resolution. Shareholders attending in person should have a voting card on which they will be able to cast their votes. If you've not received your voting card, please see one of the Link representatives at the registration desk.

Shareholders attending the meeting online will be able to cast their votes using the electronic voter card once their online registration has been validated. Please refer to the online meeting guide for assistance. Please ensure that you select either for, against or abstain for each resolution requiring a vote. With respect to item A in the notice of meeting, I present the Company's financial report, Director's report and auditor's report for the year ended 30 June '23 before the meeting. Please note that there is no requirement for shareholders to approve these reports.

I now open the meeting for any questions or comments on the financial statements and statutory reports or any other questions for the auditor relative to the conduct of the audit. I will also take questions relating to the general business of the meeting. Firstly, are there any questions from anyone in the room?

Ken Butterfield: (Shareholder) Good morning. My name's Ken Butterfield. Can you hear me okay?

Margaret Towers: Yes, I can.

Ken Butterfield: (Shareholder) Yes. Yes, I think for many investors, the benefits of the listed structure seem to be quite thin, and I think you mentioned a couple of them being the smoothing of dividends. Well, that's not really just isolated to listed structures, is it? So, are there really any benefits - when you see the discount that we're still trading at about 14% yesterday, are there really any benefits remaining for us, remaining in a listed structure? I mean, the other point that you raised was managing cash flows and investments within the portfolio. Well, Platinum has an international fund of some \$2 billion, which is an open-ended fund, so presumably the business is quite expert at doing that.

Margaret Towers: Yes. Smoothing dividends is quite different from other structures where they actually manage your return, one such fund being - you can get a 4% return, but if the fund-managed investment scheme actually only earns 1%, the way you achieve the extra 3% is actually by cashing in some of your units, so therefore you're crystallising capital gains in addition to the distribution. So I don't think you can compare the two vehicles at all. What we are trying to - well, I think we are achieving through the listed investment company structure - is actually giving you that 5% yield or higher through the smoothing process. So I do think there is still a benefit to the listed investment company structure.

We are willing to listen to shareholders' views on it, but at this point in time, yes, our discount has widened out, which I think is a cause for concern, but as I've highlighted in the address there, that we actually do believe that when performance improves and the investment strategy - there's a greater appetite for the investment strategy - I think that that discount will narrow, and that has been proven the last quarter of '22 and the first quarter of '23.

We saw a narrowing of our discount as we outperformed the index and got solid returns. There are fund managers in the market who are performing very well who are trading at a premium. So I think that the listed investment company is true to purpose and there are many shareholders who still do enjoy that structure.

Brian Ellison: (Shareholder) Brian Ellison, shareholder. Just to expand on the discussion that's been had so far, I think one of the benefits of the closed-end structure is that it's much easier to manage than an open-ended structure, which I think could become ridiculously hard, but people have yet to experience that. But the key thing for me is that I invested in a closed-ended structure and I have no desire to invest in an open-ended structure, and I would suggest, first of all, that if Platinum was contemplating an open-ended structure, that they launch a separate vehicle so that people have the choice.

The other thing is that, for some reason, because of previous discussion on listed investment vehicles, is that the Company is somehow responsible for the share price, which other companies are not, although shareholders do get restless, of course, but to hold the Board responsible for the share price - and I wouldn't like to see these listed investment vehicles concentrating on the share price when they should be concentrating on running the vehicle, and I would encourage Platinum to continue that with all their listed

vehicles. If, as the last gentleman said, he likes the unlisted vehicle instead, then I suggest that maybe he should have invested in that vehicle and not this one.

Margaret Towers: I thank you for your comments there, and I think a lot of the points that you've made are very pertinent, particularly around managing the cash flows, and I think that when I've spoken to Platinum management, our discount does flow in the same way as Platinum's inflows and outflows do to their unlisted funds, and so the discount is a function of being in fashion and people wanting that style from their investment manager.

Although I don't feel that - we feel that we need to give value to shareholders, and that's why we've undertaken the bonus option of late and now the buybacks, because there are some people who really don't - they want to move away, they don't want that investment strategy anymore. We're trying to balance the two, but as we've said, I think the only thing that is going to turn the performance around is the investment performance. Any other comments?

Brian Ellison: (Shareholder) Thank you. Yes, over the last few years, there's been a steady decline in our franking balance, reduced dramatically in the last couple of years. So we're now down, I think you said, to about \$0.03 as a maximum franked dividend. Can you see any turnaround in that, or are we really looking at dividends being slashed over the next 12 months?

Margaret Towers: You're quite right. As I outlined in my address, there's about \$0.03 dividend capacity at this point in time. I'd rather not comment at this stage, simply because we're four months into this calendar year and obviously tax is paid based on our financial year ended June '23, and as we saw through the six months of October through to end of March last year, we got a good solid return of 12%. If that sort of turnaround happens in the next eight months, then there's every opportunity to realise profits and pay tax. So I think we've got a long way to go before we start making a decision on those. Any other questions from the room? Thank you. Secondly, are there any questions from online?

[Female 1]: Chair, no questions have been received through the online platform for this item.

Margaret Towers: Thank you. Thirdly, are there any other questions from the telephone line?

Operator: Thank you. There are no phone questions.

Margaret Towers: Thank you. We'll move on to the items actually requiring resolution now. As resolution 1 concerns my re-election as Non-Executive Director, I will hand over to Ian Hunter to chair the meeting for this resolution.

Ian Hunter: Thank you, Margaret. The first resolution that will require a shareholder vote is the re-election of Margaret Towers as a Non-Executive Director. The Company's constitution provides that a Director may not hold office for a continuous period in excess of three years or past the third annual general meeting following

the Director's appointment, whichever is longer, without submitting for re-election. However, if no Director would otherwise be required to submit for re-election at an annual general meeting, the Director to retire at the meeting is the Director who has been longest in office since last elected.

Dick and Margaret have both stood for re-election at the 2021 AGM. I last stood for re-election at the '22 AGM. Accordingly, being one of the longest-serving Directors in office, Margaret has agreed to retire from office and offers herself for re-election. I now call upon Margaret to provide a statement in support of her re-election.

Margaret Towers: Thank you, Ian. Ladies and gentlemen, after two years as a Non-Executive Director and Chairperson, I offer myself for re-election. I'm a chartered accountant and graduate of the Australian Institute of Company Directors. I've had a career in the finance industry spanning over 35 years. I've been a director of a number of other listed, unlisted and not-for-profit organisations. Throughout my executive career, I've had heads of roles across finance, risk, technology and operations in funds management, investment and retail banking and wealth management.

The markets we are currently experiencing are very challenging, but not alien to me, having experienced the high interest rates of the '80s, the equities crash of '87, followed by other downturns in property, technology and currencies, amongst others. With this background, I bring my finance, risk and governance experience to Platinum Asia's Board as your representative and I'm pleased to offer myself for re-election.

Ian Hunter: Okay. Thank you.

Margaret Towers: Any questions?

Ian Hunter: Well, the screen behind shows the proxies received for and against the resolution. In regard to open proxies given to me, I will be voting in favour of this resolution. In regard to open proxies given to me, I will voting in favour of this resolution. I'll take any questions or comments on the re-election. Firstly, are there any questions from the room? Yes.

Ken Butterfield: (Shareholder) At the last AGM, you might recall that I raised questions about the impact of any discounted option and share issue negatively impacting the NTA. The Chair gave as assurance that the issue price would be based around the NTA rather than the share price, and I quote, I don't think this was clear in the announcement. It subsequently then was based around the share price, rather than NTA. So I'd like to hear from the Chair as to why those comments were made and why were we misled at the last AGM?

Margaret Towers: Okay. At the time of making that announcement, we were expecting a rebound in the investment performance, which actually did happen. The share price certainly increased, but by the time that we actually came to do the bonus option issue, the discount had widened again. Because we actually wanted



the shareholders to benefit from that rebound in the equities markets, we felt it was more appropriate to actually issue those bonus options at 12.5% discount to the NTA.

So that was our intent at that time and when we came to actually look at the final price setting, we felt that it was - as you noted, we issued them at the money. But it was actually judged against the - as a discount to the NTA.

Ian Hunter: Thank you, Margaret. Are there any other questions from the room? Secondly, are there any questions online, please?

Female 1: No questions have been received through the online platform for this item.

Ian Hunter: Okay. All right. Are there any questions on the telephone line?

Operator: Thank you. There are no phone questions.

Ian Hunter: Okay. Thank you. I'll now hand back to Margaret to chair the remainder of the meeting. Thanks, Margaret.

Margaret Towers: Thank you, Ian. The next item of business that will require a shareholder vote is resolution 2 in the notice of meeting, the adoption of the 2023 remuneration report. Whilst it should be noted that the resolution is advisory only and non-binding, the Directors take shareholders input on this matter seriously. In accordance with the *Corporations Act*, the Company will disregard any votes cast by key management personnel, whose remuneration details were included in the Company's 2022 remuneration report, or by any closely-related party or proxyholders or any such persons.

The screen shows the proxies received for and against this resolution. In regards to the open proxies given to me, I will be voting in favour of the resolution. I will now take any questions or comments on the adoption of the 2023 remuneration report. Firstly, are there questions from anyone in the room? Thank you. Secondly, are there any questions from anyone online?

Female 1: Chair, no questions have been received through the online platform for this item.

Margaret Towers: Thirdly, are there any questions from anyone on the telephone line?

Operator: Thank you. There are no phone questions.

Margaret Towers: Thank you. Ladies and gentlemen, that concludes the formal business of the meeting. A representative from Link Market Services will now collect the voting cards from the floor. For those voting via the online platform, voting will remain open for a further two minutes, following which voting will close. Please ensure that you have cast your votes on all resolutions. The results of the poll will be announced to the ASX later today and published on Platinum's website.

Cameron Robertson will shortly provide his informal address on investment performance and global markets more generally. He will also take any questions you may have in relation to these matters. If you are joining virtually, you will be able to ask questions of Cameron through the online platform, which will remain open. Please ensure that you stay online to hear from Cameron. I will pause now for two minutes to finalise votes. Thank you. I now declare the meeting closed and over to you, Cameron.

Cameron Robertson: Thanks, Margaret, and good morning, everyone. So for the year ended June, the fund delivered 1.8% compared to the market that was up 2.1%. Since then, for the most recent quarter, the fund was down 1.9%. So, today, I'm going to give a quick review of the past year, so to set the scene for the region, and then talk through some of the high-level contributors over the past year and changes made to the portfolio, as well as give an example of recent investment and a quick discussion of the outlook.

So if you remember by this time last year, inflation had started to become an issue and come onto the radar, particularly in developed countries, and interest rates were being lifted in response; generally, end demand and overall economic environment was still fairly robust. Also, if you remember late last year, we saw China rapidly scaling back pandemic-control measures and reopening the country. This led to enthusiasm and hopes for economic tailwinds from China in terms of reopening of the domestic economy, but also tourism throughout the region.

As time went by, those economic benefits of the re-opening did come through, but perhaps with a bit less vigour than people had hoped. In China, domestically, there's still the malaise from the property sector, which drags on in the background and consumer sentiment remains weak. Over the past year, we've seen a new president elected in the Philippines; watched a drawn-out process surrounding the appointment of a new government in Thailand; there's been ongoing development and ramping up of domestic industry around Indonesia's nickel resources; and China has stormed onto the global stage as an automotive export powerhouse. So plenty to keep an eye on.

More recently, however, consumers and businesses around the world are showing signs of fatigue, having to contend with the sustained impact of rising rates and the withdrawal of liquidity from global markets, as quantitative easing programs are put in reverse and uncertainty across Europe, with conflicts in Eastern Europe and now the Middle East. This all comes at the same time as inflationary pressures have been eroding consumer power and savings accumulated through the pandemic are exhausted.

As a result, global markets have been grappling with questions around the strength and sustainability of end demand across a range of industries. In the past month or two, there's been weakness across stock markets almost everywhere. Despite Asia generally having come into this environment in a much better situation with respect to inflation, interest rates and domestic liquidity, Asian markets haven't been spurred from this recent weakness. As an export-dominated region, the challenges of weak export markets and simply fighting capital

flight, as high rates offered on fixed income investments in developed countries lures money away, has been pressuring valuations and currencies across the region.

Turning to our portfolio. Over the past year, there's been great enthusiasm around the growth of AI adoption, and that's pervaded the tech industry with the launch of applications like ChatGPT. That helped performance of holdings in some of the region's largest semiconductor companies, like Taiwan semiconductor Samsung, SK hynix, as well as some of our smaller holdings that we exited during the year, actually, such as photo-editing app owner Meitu, and office software provider Kingsoft.

India's also continued to be the standout market across the region, and so holdings there have done well. Holdings in property developer Macrotech and airline operator InterGlobe Aviation both contributed nicely to performance over the year. We also made some money on Chinese travel website operator Trip.com, as a result of the enthusiasm about the reopening seen earlier in the year.

It hasn't all been smooth sailing, though. We did see the value of holdings in Indonesian paints company Avia Avian decline, as some consumer downtrading has occurred and the business grew less than expected. Across Chinese ecommerce we've had a mixed experience. We made some money on our holding in Pindoudou, but our stake in JD.com declined, as consumer electronic sales have been weak. Online grocery delivery company Ding Dong also saw its share price fall, with sales again coming in lower than the market had expected.

We believe both of these are temporary issues, however, relating to distortions from consumer behaviour driven by lockdowns in 2022, and as such, we actually use the share price weakness in these companies to add to our holdings. Some of our property holdings in China also had a difficult year, with China's Overseas Land, China Vanke and Hang Lung all seeing share prices decline. Results in the sector for our holdings have generally held up okay, but the end market is weak and sentiment remains poor, resulting in these companies' share prices derating.

Finally, we've been cautious about the market outlook in India for a little while, Largely, just as a result of valuations, the economic situation looks good. But as a result, when a major corporate governance scandal unfolded and hit headlines around the world earlier in the year - not related to any of our holdings, fortunately - we grew concerned that could serve as a prompt for people to reassess the valuations being ascribed to Indian assets, so we hedged out some of our exposure to that market. As it turned out, the episode didn't really dent market's enthusiasm for India, however, that cost us some money.

Looking at the portfolio at the end of last quarter and comparing that to a year ago, you'll note that we modestly increased exposure to Vietnam, Thailand, Korea, Indonesia, the Philippines and Taiwan, while exposure was reduced a little to India and to China more broadly, when you include Macau and Hong Kong. Net investor position is also increased. To give you a flavour of the types of opportunities we've been finding and

purchasing in recent months, I'll talk about a stake that we recently bought in Indonesian developer Pakuwon Jati. We bought this company for about ten times earnings and that's while one of the two main engines of profitability for this business is on its knees.

So the business historically, roughly, got about half its earnings from shopping malls that it operates - think something like Westfield - and these are shopping malls in Jakarta and Surabaya primarily - and half historically came from apartments, residential apartment sales. Now, the apartment business is pretty much not contributing anything at the moment. Apartment sales in Indonesia have been weak the last two years, but you'd very much expect that to come back.

So I think that should provide a strong tailwind to growth as that half of the business recovers, on top of the normal expansion plans. This is in a business that is conservatively managed, long track record of good corporate governance and no debt. Rather, it actually has a net cash position as buying assets quite cheap. So sum up, what I'd say is by and large across the region we are finding plenty of opportunities. Assets appear cheap, sentiment is poor, the structural growth drivers of general economic development across the region and improvements in living standards remain in place. Inflation's under control.

So while it's hard to know what the short-term outlook is, given the broader global weakness, I think the medium-term prospects presented by these markets are actually pretty attractive, but, as always, time will tell. Thanks. Any questions?

[Male 1]: (Shareholder) Yes. I was interested in your statement about investments in Chinese property that seems just very brave at this stage. Investing in China has some perils, as - if you don't believe me, you could ask Magellan. Yes. So how do you see these investments in Chinese property? Why would you have confidence in them or are you looking to eliminate them from the portfolio, hopefully with some franking credits?

Cameron Robertson: Yes. Yes. It's a good question. So the Chinese property holdings we've had for a couple of years. We first increased our exposure to that sector, if you remember, back about two years ago. There were all these headlines about is this China's Lehman moment and things like that running in the *FT*, *Wall Street Journal*. Essentially, there are some real problems in the Chinese property industry. That's indisputable.

But if you look at what we've purchased and what's going on in that market, largely there are a number of large private developers. Like, Evergrande's the poster child of that, that engaged in business practices that probably were a bit risky, not super sound. But we're not invested in those. The companies that we've got holdings in are pretty conservatively managed in terms of the way they've run their balance sheet. The presales process as well was a real big problem for some of those private developers that got into trouble.

So if you look at it, the ones that we own, because they have come through that process with much better balance sheets and so forth, presales for them are holding up much better than the industry. Results are holding up better than overall markets. They don't have some of those same debt issues that you're seeing with a lot of the other companies. So like I was saying, the earnings are coming through okay. The end market is a bit weak. But the reality is no one wants to touch this. Everyone around the world is scared.

I think - like I say, the end markets are weak. I understand why people are, but there will be an ongoing need for new apartments, new housing in that country. At the moment, you've got about five big developers that still have decent balance sheets and are able to deliver on that. You can buy those really cheap. So at the moment some of these companies - I mean, I think China Vanke is trading down at around four times earnings.

So even if you assume that those earnings do come under pressure - and that is the weakest of our holdings. CR Land, which is probably the strongest trades on just under 10 times earnings. But nevertheless you can see that people really aren't paying much for these companies. So as long as you buy into the fact that there will be a continued need for housing, developers should be able to continue to make money, I think actually those assets should work out fairly well for us is our view at the moment. So hopefully we'll get a boost and then be able to sell it and get you some franking credits.

Male 1: (Shareholder) Well, the Australian property market is in need of expansion as well. However, it hasn't prevented a lot of the companies from going broke. So...

Cameron Robertson: It's a tough industry. Yes.

Bruce Simpson: (Shareholder) [Bruce Simpson], a small investor for many years in Platinum's various things. Just a general comment. Greatly appreciate the commentaries that are provided by Platinum across all the funds over the years. I find it very insightful and informative. Occasionally, something really grates, like, just to pick a small example, on - it's a small proportion of things that I perhaps feel I have a deeper knowledge on a particular thing than what the fund managers do or the portfolio investment managers. One was, for example, the electrification industry where you were keen on Toyota/Subaru at a particular time, it might have been 12 months or so ago.

I thought, how could you possibly do this? So I was just curious as to what sort of feedback you get from the commentaries. Obviously, as a marketing and communication tool it's wonderful. What sort of reactions do you get generally and does that have any influence on the investment, apart from an input to your - many, many inputs to your investment making decisions? Thank you.

Cameron Robertson: We get some comments passed back through to us. I'm not sure across the firm. Obviously, we've got a large number of clients and so I think it gets filtered a little bit before it hits my desk. But, absolutely, if people have insights into holdings or things like that, I'd love to hear it. I think anyone - if

you're an expert in that area, then great. We'd love to hear more about it. So feedback's always welcome and appreciated.

In terms of how that comes into the process, it's, as always, one of many data points that we get. We do obviously try to make use of many experts in the field and people working in those areas. But if you've got comments...

Bruce Simpson: (Shareholder) So I wouldn't claim myself to be an expert in the field. I think part of why I invest modestly in the Platinum funds and Asia in particular is because you have a different perspective. You do things that I wouldn't and you do things better than what I would. You know, taking that portfolio perspective, it's still healthy across the portfolio. Well, you have a different perspective, you do different things. I think that's part of the appeal to a retail investor. So I'm not intending any criticism or wanting to change your approach or direction specifically or generally. Thank you.

Cameron Robertson: Thanks. Any questions from online?

Female 1: Yes. There is one so far. Are you familiar with China-based economist Michael Pettis? Do you agree with his long-argued position that China's supply side and infrastructure-driven growth model is unsustainable and is driving a growing debt burden? If so, would you accept that government supply-side stimulus will only keep China on this path and so add fuel to the fire?

Cameron Robertson: Thanks for the question. Yes. I'm familiar with Michael Pettis' work. We read that from time to time. I think there is an element of truth to what he says. I don't have any big issues with the idea that the Chinese economy historically had grown through fixed-asset investment. At some point, that needs to shift to a more services-based industry and I think that you are seeing them try to do that. So more recently the stimulus, whilst still somewhat supply side, which I'm sure he - Michael might not want to see necessarily, it's taken quite different forms as they're trying to move more up - I guess, up technology curves.

So recently there's been huge investment into the semiconductor industries, for example. But, absolutely, I think that the challenge of trying to shift that growth model is a fairly understood issue and I think it's something that the politicians in China are also fairly aware of and grappling with. I think they're trying their best. These economies are tricky to manage. But the one thing I would say is you've got to remember that we - when we're running a portfolio, we're investing in very specific companies. We're not investing in the overall market.

You can have a successful business that's doing - like that grocery delivery company I talked about or ecommerce consumer electronic sales, JD.com, that we've been buying more of recently. These businesses, you can see businesses succeed, even when the overall economy isn't growing that rapidly. So I absolutely can see that Michael Pettis has some good points and I'm glad that I'm not an economist. They're tricky problems.

Female 1: There are no further questions on the online platform at this time.

Cameron Robertson: Anything from the phone?

Operator: Thank you. There are no phone questions.

Cameron Robertson: All right. Thanks very much.

Margaret Towers: Thank you, Cameron. It's always enlightening. Ladies and gentlemen, the results of the poll will be announced to the ASX later today. On behalf of the Board, I would like to thank all shareholders for your ongoing support and invite you to join us for some refreshments directly outside. Thank you all very much.

**[END OF TRANSCRIPT]**