

Facts

Portfolio value	\$4.38 bn
Fund commenced	04 March 2003
Minimum investment	A\$20,000 or NZ\$20,000
Regular Investment Plan (min.)	A\$200 or NZ\$200 per mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices	App - 2.6512 Red - 2.6379

Performance¹

	FUND %	MSCI %
1 month	0.57	(0.10)
3 months	(0.86)	1.23
6 months	(10.44)	(9.32)
Calendar year to date	(6.82)	(3.83)
1 year	(14.99)	(15.79)
2 years (compound pa)	9.40	7.98
3 years (compound pa)	11.39	9.95
5 years (compound pa)	9.60	6.46
7 years (compound pa)	9.11	7.78
10 years (compound pa)	7.61	4.57
Since inception (compound pa)	14.65	9.26

Fees

Entry fee	Nil
Exit fee	Nil
Management Expense Ratio/ Indirect Cost Ratio (MER/ICR)	1.54% per annum (inclusive of investment & administration costs)
Brokerage paid	Nil
Buy/sell spread	0.5% total

Performance graph²



Source: Factset and Platinum

Invested positions³

	LONG %	NET %	CURRENCY %
Canada	0.3	0.3	0.3
China	7.2	7.2	(6.4)
China Ex PRC	28.3	28.3	
Hong Kong	3.4	3.4	27.9
Taiwan	3.4	3.4	3.6
India	18.0	18.0	18.6
Indonesia	0.2	0.2	0.2
Korea	8.4	8.4	8.3
Philippines	4.1	4.1	4.2
Singapore	2.5	2.5	
Thailand	5.6	5.6	5.8
Vietnam	3.1	3.1	2.7
	84.5	84.5	
Australian Dollar			7.1
China Renminbi Off Shore			(4.6)
UK Pound Sterling			0.5
United States Dollar			31.7
Cash & Accruals	15.5	15.5	
Total	100.0	100.0	100.0

Long - 71 stocks, 5 swaps, 1 bond

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Tencent Holdings Ltd	China Ex PRC	Info Technology	4.0
JD.com Inc ADR	China Ex PRC	Cons Discretionary	3.4
Yes Bank Ltd	India	Financials	3.2
Baidu com ADR	China Ex PRC	Info Technology	3.1
Kasikornbank PCL Foreign	Thailand	Financials	3.1
Samsung Electronics Co Ltd	Korea	Info Technology	3.0
Jiangsu Yanghe Brewery - A	China	Consumer Staples	2.6
Ayala Land Inc	Philippines	Financials	2.6
China Mobile Ltd HK	China Ex PRC	Telecom Services	2.6
China Resources Gas Group	China Ex PRC	Utilities	2.5

Industry breakdown³

SECTOR	LONG %	NET %
Financials	25.6	25.6
Info Technology	15.1	15.1
Cons Discretionary	10.7	10.7
Consumer Staples	10.7	10.7
Industrials	7.7	7.7
Utilities	6.7	6.7
Energy	3.3	3.3
Telecom Services	2.6	2.6
Materials	1.3	1.3
Other	0.4	0.4

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No company and the directors in the Platinum Group® guarantee the performance of the Fund, the repayment of capital, or the payment of income. To the extent permitted by law, no liability is accepted by any company of the Platinum Group and their directors for any loss or damage as a result of any reliance on this information.

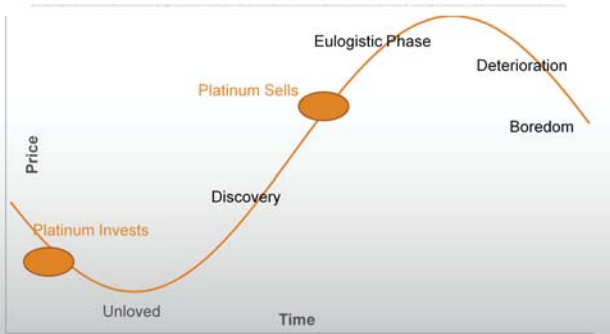
1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Fund and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country Asia ex Japan Net Index in A\$ ("Index"). The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. The "Long%" represents the exposure to physical holdings, corporate fixed income securities and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives. The "Currency %" represents the currency exposure for the Fund's Portfolio, taking into account currency hedging.

4. Top Ten positions shows the Fund's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

Platinum's approach



Source: Platinum



Drivers of Asia's Development

Financial Capital : high savings rate
Social Capital : education, particularly STEM
Globalisation : beneficiary of trade
& NOW
The Internet as Enabler
Government Policy & Reform



Rewards from Asian investing

Pricing Imperfections
Fastest Growing Economic Bloc
Under-appreciated Scale AND Substance
Labour Cost Arbitrage
Almost Certain: Future Index Inclusion (HUGE Underweight to Close)
Expressed Via
China and ASEAN Consumer, Indian Infrastructure, Tech Leaders, Korean Banks



Key Chinese Consumer-facing holdings



Source: Company Websites, South China Morning Post, Bloomberg, avjg.com



Market update and Commentary

The turbulent start to 2016 in Asia, and particular, China's stock markets has started to fade and there has been somewhat more stability. It seemed that the latest trend in China was to speculate on commodity futures as iron ore temporarily became fashionable once more as punters started to focus on the potential for increased growth focused policy and restocking. Authorities were quick to try and stamp this out and it is likely the steel industries poor fundamentals will regain their inevitable pressure on the price of a commodity Australia is dependent on. In general, economic data coming out of China could be described as surprisingly positive versus consensus opinions on where things were going; a small sign that market prospects may be improving.

While losing money is disappointing, we view the decision to reduce exposure prior to the sharpest part of the mid-2015 sell as prudent, and note that the valuations of the stocks we own did not exhibit exuberance prior to the sell-off, but nor did that make them immune – Chinese insurers and appliances were among the harder hit. There were very few hiding places in Asia these last few months as fear gripped investors. We have used the opportunity to rebuild exposure cautiously, including newer positions among Chinese utilities and energy. So far in 2016, the ASEAN and Korean components of the portfolio have provided stability, with marginally positive contribution.

In the recent March 2016 quarterly report, portfolio manager Joe Lai, reflected on his recent trip to India and looked at their progress on reform. India's desperate need to build infrastructure, leads to many opportunities for investors. He also looked at the Chinese rebalancing efforts, as the 13th Five Year Plan gets underway, and noted that looser policy is having an impact; even certain property markets are hot again. We are prepared for negative headlines in the Banking sector, as bad debts are worked through but we are not exposed, nor to the areas of overcapacity such as Steel, Cement, Aluminium and Glass. We are instead excited by the prospects for the strong, and growing, Chinese consumer-facing companies we own (such as in the bottom-right slide above), when we consider the attractive prices at which they trade.

Today the long stock portfolio is on a weighted median forward PE of 13X, with substantial cash to smooth the ride. This compares favourably with the structurally challenged Australian market, and growth-challenged United States, which are both on 17X. Our key currency position is the hedging out of our Chinese currency exposure, with a risk of devaluation worthy of avoiding. In the near term this has had a negative impact as the Yuan has strengthened but we note it has been the world's strongest major currency in recent years and softening through China's transition would be unsurprising.