

**Facts**

Portfolio value	\$4.27 bn (Post Distribution)
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 (CUM Distribution)	App - 2.7291 Red - 2.7154

**Performance<sup>1</sup>**

	FUND %	MSCI %
1 month	(1.40)	(0.10)
3 months	3.53	3.72
6 months	(4.08)	(0.15)
Calendar year to date	(4.08)	(0.15)
1 year	(10.34)	(9.14)
2 years (compound pa)	7.90	7.63
3 years (compound pa)	10.98	9.34
5 years (compound pa)	10.44	7.59
7 years (compound pa)	8.49	7.61
10 years (compound pa)	8.76	5.60
Since inception (compound pa)	14.71	9.45

**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 graph<sup>2</sup>**


Source: Factset and Platinum

**Invested positions<sup>3</sup>**

	LONG %	NET %	CURRENCY %
China	6.9	6.9	(4.5)
China Ex PRC	25.2	25.2	
Hong Kong	3.4	3.4	21.2
Taiwan	3.9	3.9	1.1
India	20.2	20.2	20.9
Indonesia	0.2	0.2	0.2
Korea	9.7	9.7	5.8
Philippines	4.8	4.8	4.8
Singapore	2.7	2.7	
Thailand	6.1	6.1	6.1
Vietnam	3.2	3.2	2.8
	86.2	86.2	
Australian Dollar			12.1
China Renminbi Off Shore			(4.5)
UK Pound Sterling			0.4
United States Dollar			32.5
Cash & Accruals	13.8	13.8	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 67 stocks, 6 swaps, 1 bond

**Top ten positions<sup>4</sup>**

STOCK	COUNTRY	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	4.3
Yes Bank Ltd	India	Financials	3.4
Kasikornbank PCL Foreign	Thailand	Financials	3.4
Tencent Holdings Ltd	China Ex PRC	Info Technology	3.4
Ayala Land Inc	Philippines	Financials	3.3
ICICI Bank Ltd	India	Financials	2.9
CNOOC Ltd	China Ex PRC	Energy	2.7
China Resources Gas Group	China Ex PRC	Utilities	2.7
Jardine Matheson Holdings	Singapore	Industrials	2.7
Uni-President Enterprises Co	Taiwan	Consumer Staples	2.5

**Industry breakdown<sup>3</sup>**

SECTOR	LONG %	NET %
Financials	24.9	24.9
Info Technology	19.4	19.4
Consumer Staples	10.4	10.4
Cons Discretionary	9.3	9.3
Industrials	7.9	7.9
Utilities	7.7	7.7
Energy	5.0	5.0
Materials	1.0	1.0
Other	0.4	0.4

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity and issuer of units in the Platinum Asia Fund (the "Fund"). The Platinum Trust Product Disclosure Statement No. 10 ("PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au).

**DISCLAIMERS:** The information presented in this Fact Sheet is general information only and not intended to be financial product advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. You should read the entire PDS and consider your particular investment objectives, financial situation and needs prior to making any investment decision to invest (or divest) in the Fund. You should also obtain a professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

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.

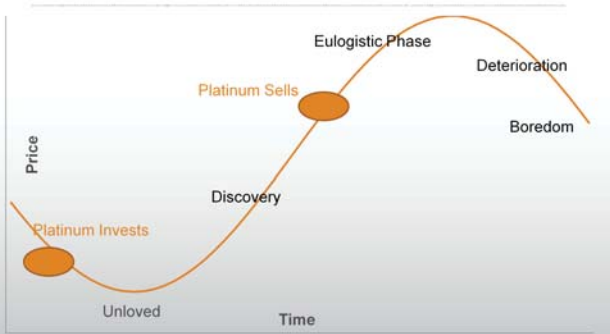
1. Investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specified period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax, and assume the reinvestment of distributions. 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
<b>&amp; NOW</b>
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)
<b>Expressed Via</b>
China and ASEAN Consumer, Indian Infrastructure, Tech Leaders, Korean Banks



### Key Chinese Consumer-facing holdings



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



### Market update and Commentary

While the Western world focuses on the ramifications of Brexit, Asian markets are starting to see a benefit from the perception that US rates will stay lower for longer – note our key theme on our recent roadshow was ‘Lower for Much Longer’ (see our website, The Journal entry of 18 May for more on this). While China’s A-share market did not join the MSCI indices this time round, it is only a matter of time before it plays a greater role in professionally managed portfolios which will need to build Chinese positions in the future. A weaker Chinese currency is starting to unfold, but with fear in global markets rising around Brexit, it seems likely it will be, for now, supported by the PBOC. ASEAN’s consumer focused economies are starting to attract investor attention again as they appear to be stronger than expected.

Whilst it is disappointing to report a negative return over the last year in the Fund, the outcome since the tumultuous events of last August has been broadly flat and hence the key hit to the Fund was taken primarily in the rapid falls in the Chinese market at that point. When one looks at the make up of the return, it is the Chinese market which took the brunt of the hit, indeed outside of China / HK, the contribution to the balance of the Fund was neutral and losses were concentrated in Financials (Chinese Insurers), Consumer Discretionary (in particular, China’s ‘Amazon’, JD.com, and appliance makers suffered) and Industrials, with the balance of sectors making a positive contribution, led by Technology and Consumer Staples.

Tencent (China’s ‘Facebook’) and Samsung Electronics, the global leader in smartphones, memory and display (TV’s and monitors) were stand-outs in the tech sector, while Staples, like Vietnam Dairy (Vietnam’s ‘Nestle’), Chinese white spirits makers, Kweichow Moutai and Jiangsu Yanhe, and Taiwanese food conglomerate, UniPresident, known for its instant noodles, all did well. India’s private YES Bank bucked the general downtrend in financials, and was in fact the biggest contributor to the Fund.

We have long documented the case for investing in Asia, and today we own a portfolio of strong local businesses, trading on a weighted median P/E of 14X, with some cash in hand to exploit any opportunities that present themselves. We do believe that every professional investor is aware of the challenges that China faces in its transition and which the administration is focused on dealing with. We are prepared for sporadic bouts of fear as the bad debts in the system get more air time and their resolution is addressed, but are comfortable with the margin of safety in our Chinese investments from a long-term investment perspective and we are focusing on strong consumer-facing businesses predominantly.

The Platinum Asia Fund Quarterly Report will be available on our website, [www.platinum.com.au](http://www.platinum.com.au), from 15 July and mailed out by month end.