

## Facts

Portfolio value	\$4.15 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 - 2.7602    Red - 2.7464

## Performance<sup>1</sup>

	FUND %	MSCI %
1 month	1.84	2.08
3 months	2.33	3.35
6 months	(0.64)	2.19
Calendar year to date	2.99	3.41
1 year	14.10	17.54
2 years (compound pa)	(1.70)	1.25
3 years (compound pa)	9.30	9.28
5 years (compound pa)	12.22	10.72
7 years (compound pa)	8.40	7.84
10 years (compound pa)	7.77	5.07
Since inception (compound pa)	14.57	9.70

## 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	0.25%/0.25%

## Performance graph<sup>2</sup>



## Invested positions<sup>3</sup>

	LONG %	NET %	CURRENCY %
China	10.6	10.6	3.4
China Ex PRC	30.1	30.1	
Hong Kong	0.5	0.5	21.5
Taiwan	3.8	3.8	3.9
India	16.4	12.9	17.5
Indonesia	0.1	0.1	0.1
Korea	9.7	9.7	9.6
Malaysia	1.1	1.1	1.1
Philippines	4.3	4.3	4.3
Singapore	2.5	2.5	
Thailand	6.4	6.4	6.4
Vietnam	2.8	2.8	2.8
	88.2	84.7	
Australian Dollar			16.7
China Renminbi Off Shore			(8.7)
UK Pound Sterling			0.2
United States Dollar			21.3
Cash	11.8	15.3	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 76 stocks, 4 swaps    Short - 1 index

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

STOCK	COUNTRY	INDUSTRY	%
Ayala Corp	Philippines	Financials	3.3
Kasikornbank PCL Foreign	Thailand	Financials	3.2
Alibaba Group ADR	China Ex PRC	Info Technology	3.1
Ping An Insurance Grp Co - A	China	Financials	2.9
Jiangsu Yanghe Brewery - A	China	Consumer Staples	2.7
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.6
Samsung Electronics Co Ltd	Korea	Info Technology	2.6
Baidu com ADR	China Ex PRC	Info Technology	2.5
Jardine Matheson Holdings	Singapore	Industrials	2.5
Axis Bank Ltd	India	Financials	2.3

## Industry breakdown<sup>3</sup>

SECTOR	LONG %	NET %
Financials	24.1	24.1
Info Technology	17.5	17.5
Cons Discretionary	13.8	13.8
Consumer Staples	8.7	8.7
Industrials	7.6	7.6
Utilities	6.0	6.0
Real Estate	3.2	3.2
Energy	3.0	3.0
Materials	2.8	2.8
Telecom Services	1.0	1.0
Other*	0.5	(3.0)

\* Includes index short position

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 and Supplementary PDS dated 27 February 2017 ("together 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), or 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 the 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 investors' 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 professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

No company or 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 or their directors for any loss or damage as a result of any reliance on this information.

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 Platinum as to their accuracy or reliability.

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. Investment returns are calculated relative to the MSCI All Country Asia ex Japan Net Index in A\$. 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). Source: Platinum for fund returns and RIMES Technologies for MSCI returns.

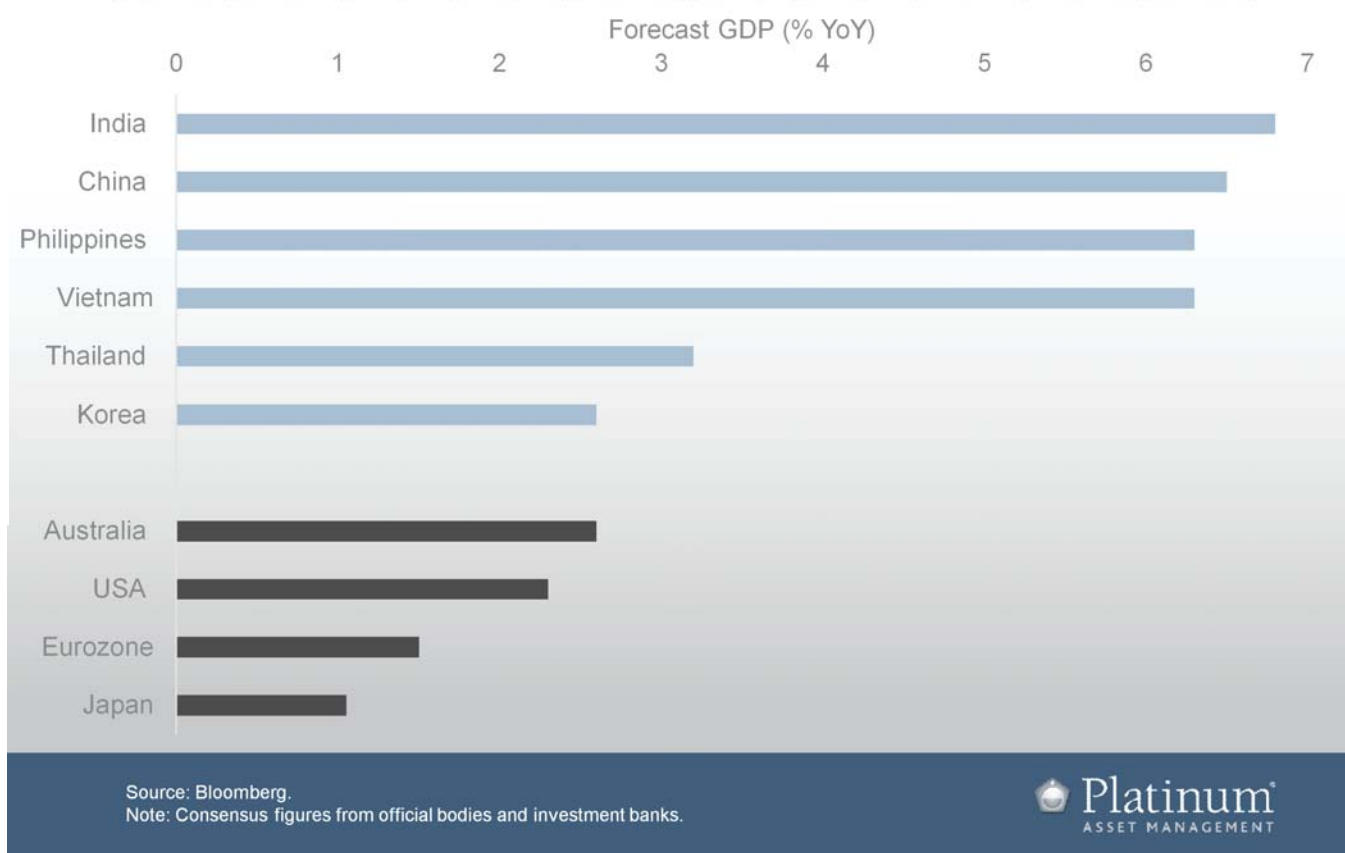
2. The investment returns depicted in this graph are cumulative on A\$20,000 invested in the Fund since inception relative to the MSCI All Country Asia ex Japan Net Index in A\$ ("Index"). The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the 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. Source: Platinum for fund returns and RIMES Technologies for MSCI returns.

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

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

All data where MSCI is referenced is the property of 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 [www.platinum.com.au/our-funds/platinum-asia-fund/#FundPerformance](http://www.platinum.com.au/our-funds/platinum-asia-fund/#FundPerformance).

## A region that GROWS



### Market update and Commentary

Investors may not have felt like they received a double-digit return over the last 12 months, but the Fund is up 14%. Sentiment towards the region remains sceptical and hence the feel-good factor is not there for many, despite the strong market outcome. We remain optimistic that some of the best opportunities in the world today are in the Asian region. China continues to be ignored by investors, and yet evidence for a strong recovery in that economy seems clear: sales of cranes, trucks, construction equipment have all increased. Chinese auto sales are strong: China sold 24 million cars last year up 15% annually. Power generation data, cement prices and gas consumption data all point to a broad recovery in economic activity. Further, Chinese exports in January were up 7.9% year on year.

Exports from Korea were up 20% year on year in February, indicating how broad the upswing in economic activity is. By Asian standards Korea is a low grower, and yet is expected to grow at the same rate as Australia in 2017, while its market trades at a derisory one-year forward price-earnings multiple of approximately 10 times.

The Indian economic story is genuinely impressive. In India we see falling inflation, strong growth, a narrowing current account deficit and genuine economic reforms undertaken by a strong administration with popular support. However, stocks are expensive. We remain focused on infrastructure and financials in India as consumer stocks trade at eye-watering multiples. At a forward price-earnings multiple of over 17 times, India is no bargain, hence our selectivity.

Elsewhere we see the Philippines growing strongly (despite its quixotic president), while Thailand is recovering well from years of political dislocation.

The case for Asia remains compelling: we see reforming, rapidly growing, exporting nations with high savings rates and, most importantly, cheap companies with little debt. At present we feel investors are bombarded with dire warnings regarding political risk and distracted by the antics of political opportunists. But investing remains a conceptually simple pursuit – just buy cheap, good stocks. And Asia affords cheap, growing companies.

Over the last year the average stock in the portfolio has returned around 20%, led by India's Yes Bank, Korean technology companies Samsung Electronics and SK Hynix, and Chinese internet companies Tencent and Sina. The Fund's returns have been dampened by holding some cash, consistent with our conservative approach, and a cost from protecting the Fund from a devaluation of the Chinese currency, which remains an observable risk given the effectively fixed nature of the exchange rate.