

### Facts

Portfolio value	\$291.89mn
Portfolio inception	16 September 2015
Current share price	\$0.945
Current option price	\$0.017
<b>Pre-tax NAV</b>	\$0.9928
Post-tax NAV*	\$0.9928

\*liquidation basis

### Performance<sup>1</sup> (Pre tax, after base fees)

	PAI %	MSCI %
1 month	(2.05)	(0.19)
3 months	6.32	7.17
6 months	10.49	11.16
12 months	2.48	7.22
Since Inception	1.46	6.71

### Fees

Management fee:	1.1% p.a. of the portfolio value
Performance fee:	Payable at 15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country Asia ex Japan Net Index

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

Not sufficient data

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

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group ADR	China Ex PRC	Info Technology	3.6
Samsung Electronics Co Ltd	Korea	Info Technology	3.5
Kasikornbank PCL Foreign	Thailand	Financials	3.5
Jardine Matheson Holdings	Hong Kong	Industrials	2.7
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.6
Yes Bank Ltd	India	Financials	2.5
Baidu com ADR	China Ex PRC	Info Technology	2.5
China Resources Gas Group	China Ex PRC	Utilities	2.4
Ping An A Share Pnote Exp	China	Consumer Staples	2.4
Jiangsu Yanghe Brewery J PN	China	Consumer Staples	2.4

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

SECTOR	LONG %	NET %
Financials	24.3	24.3
Info Technology	19.1	19.1
Cons Discretionary	11.1	11.1
Consumer Staples	9.8	9.8
Industrials	7.9	7.9
Utilities	7.2	7.2
Energy	4.1	4.1
Materials	1.9	1.9

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

	LONG %	NET %	CURRENCY %
China	9.1	9.1	9.1
China Ex PRC	29.2	29.2	
Hong Kong	3.2	3.2	21.0
Taiwan	2.4	2.4	2.4
India	18.3	18.3	18.4
Korea	9.2	9.2	9.2
Malaysia	0.6	0.6	0.5
Philippines	4.6	4.6	4.6
Thailand	6.8	6.8	6.8
Vietnam	2.2	2.2	2.2
	85.4	85.4	
Australian Dollar			12.1
China Renminbi Off Shore			(16.9)
United States Dollar			30.6
Cash & Accruals	14.6	14.6	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 64 stocks, 3 swaps

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**DISCLAIMERS:** Some numerical figures in this Fact Sheet have been subject to rounding adjustments. The information presented in this Fact Sheet is general information only and is 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. No company and the directors in the Platinum Group® guarantee the performance of PAI, 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.

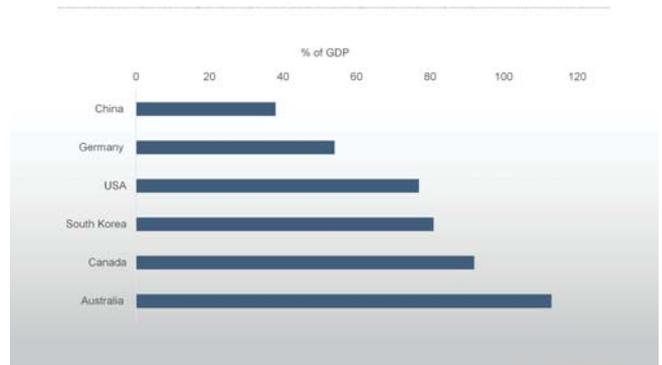
- Performance results have been calculated using the pre-tax net asset value price (as released to the ASX) and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PAI. You should also be aware that performance results are calculated using historic points of reference. PAI and its directors cannot guarantee that such results will be replicated in the future; therefore, this information should not be used to make future investment decisions.
- The investment returns depicted in this graph are cumulative on A\$20,000 invested in PAI since inception relative to the MSCI All Country Asia ex Japan Net Index in A\$ ("Index"). Performance results have been calculated using the pre-tax net asset value as released to the ASX (monthly 'Net Asset Values') and represent the combined income and capital return of PAI's investments for the specified period. Please note that the results are not calculated from the share price of PAI. 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 from the make-up of the Index. The Index is provided as a reference only.
- The "Long %" represents the exposure of physical holdings 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 PAI's Portfolio, taking into account currency hedging.
- Top Ten positions shows PAI's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

US vs China: retail sales growth



Source: Bloomberg. Last data point is September 2016. Platinum ASSET MANAGEMENT

Household debt by country



Source: McKinsey & Co. Platinum ASSET MANAGEMENT

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

Platinum ASSET MANAGEMENT

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

Platinum ASSET MANAGEMENT

Market update and Commentary

Economic progress in Asia continues to impress us. India has shown genuine progress on economic reforms designed to boost growth and tame inflation. Our Chinese consumer and technology holdings, in particular Tencent and Alibaba, are performing well. High savings rates and an under-g geared household sector, position Chinese consumption to grow over the long-term.

Interestingly, the regional Asia Index has been supported by the very strong share price performance of Chinese banks – which are up variously 10-25% in recent weeks. We have not participated here, given that we foresee ongoing significant credit losses, but this seems an indication of greater comfort that Chinese banks will muddle through.

Elsewhere in the region, our Philippine holdings, particularly Ayala Land, were detractors during the month, as political risk from the off-putting behavior of President Duterte induced selling. However, the Philippines' underlying economic story remains exciting, with a record high Purchasing Manager Index (PMI) result of 57.5 in September capping six straight months of PMI readings above 55 (a result below 50 indicates contraction in purchasing intentions, above 50 indicates expansion).

Vietnam Dairy, which has been a great performer for years, sold off during the month as the market was somewhat disappointed that the lifting a foreign ownership limit did not spur a wave of foreign buying. Further, there is some consternation that the state may sell down its holding. In reality this is all highly positive in the longer term – it will add liquidity and increase the ability of institutional investors to buy the stock.

Samsung shares sold off briefly during the month due to news of the company's Galaxy 7 phone recall. However, highlighting the resilience of the tech giant, its shares rebounded strongly following month-end to reach new highs, driven principally by strong earnings for the September quarter: memory chip and display earnings offset weakness from consumer handset sales.

The Thai stock market was down in September, with uncertainty regarding the country's possible transition to a new king should the current, revered king Bhumibol Adulyadej pass away. However, Thailand is showing promising signs of a lift in both public and private investment and we have used weakness to add to our positions there, particularly in banks.

The Platinum Asia Investments Limited Quarterly Report will be available on our website, [www.platinumasia.com.au](http://www.platinumasia.com.au), from 17 October and mailed out by month end.