

Facts

Portfolio value	\$337.63 mn		
Portfolio inception	16 September 2015		
Current share price	\$1.005		
Current option price	\$0.002	NTA retained earnings & dividend profit reserve* 9.60 cps	
Pre-tax NTA	\$1.0921		
Post-tax NTA	\$1.0675		
Max. franked dividend	0.82 cps	*dividend subject to available franking credits.	

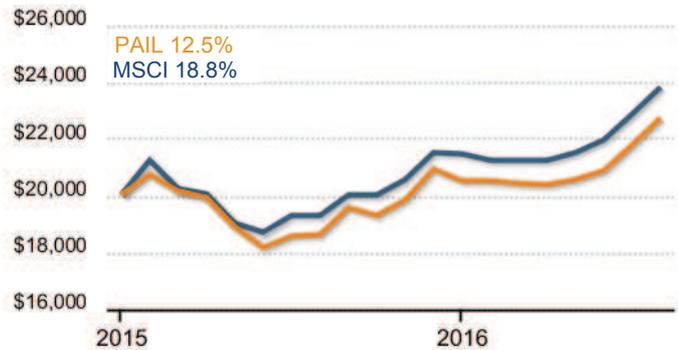
Performance¹

	FUND %	MSCI %
1 month	4.28	4.23
3 months	10.61	10.74
6 months	10.68	12.14
Calendar year to date	11.61	12.17
1 year	22.00	23.59
Since inception (compound pa)	7.55	11.22

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 graph²



Invested positions³

	LONG %	NET %	CURRENCY %
China	7.5	7.5	7.0
China Ex PRC	33.8	33.8	
Hong Kong	0.5	0.5	22.6
Taiwan	3.2	3.2	3.2
India	13.8	13.8	13.8
Indonesia	0.4	0.4	0.4
Korea	11.9	11.9	12.0
Malaysia	1.1	1.1	1.1
Philippines	3.7	3.7	3.7
Singapore	2.3	2.3	
Thailand	5.9	5.9	5.9
Vietnam	2.0	2.0	2.0
	85.9	85.9	
Australian Dollar			4.1
China Renminbi Off Shore			(14.5)
United States Dollar			38.9
Cash	14.1	14.1	
Total	100.0	100.0	100.0

Long - 71 stocks, 2 swaps

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group ADR	China Ex PRC	Info Technology	3.4
Ayala Corp	Philippines	Financials	3.0
Kasikornbank PCL Foreign	Thailand	Financials	2.8
Jiangsu Yanghe Brewery J PN	China	Consumer Staples	2.6
Axis Bank Ltd	India	Financials	2.5
Tencent Holdings Ltd	China Ex PRC	Info Technology	2.5
Samsung Electronics Co Ltd	Korea	Info Technology	2.4
Jardine Matheson Holdings	Singapore	Industrials	2.3
Baidu com ADR	China Ex PRC	Info Technology	2.2
CNOOC Ltd	China Ex PRC	Energy	2.1

Industry breakdown³

SECTOR	LONG %	NET %
Info Technology	22.8	22.8
Financials	17.7	17.7
Cons Discretionary	13.0	13.0
Consumer Staples	8.6	8.6
Industrials	8.0	8.0
Utilities	5.2	5.2
Materials	3.5	3.5
Energy	3.5	3.5
Real Estate	2.6	2.6
Telecom Services	1.0	1.0

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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. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible 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. The returns are calculated relative to the MSCI All Country Asia ex Japan Net Index in A\$. 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.

2. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. 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 tangible asset value as released to the ASX 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.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives as a percentage of PAI's net tangible asset value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PAI's net tangible asset value. The "Currency %" represents the currency exposure for PAI as a percentage of PAI's net tangible asset value, taking into account currency hedging.

4. The "Top ten positions" shows PAI's top long share exposure positions as a percentage of PAI's net tangible asset value. Long derivative exposures are included. However, short derivative exposures are not.

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Returns in Asia continue to be very strong, with the 1-year return of the Company now above 20%*. Our Chinese holdings were strong contributors for the month, with India contributing to a lesser extent. Similarly over the last year, our Chinese holdings have been the primary contributors, with strong positive contributions from India, Korea and Asean countries excluding the politics-affected Philippines. So, with very strong returns over the last year, what lies in prospect for investors in Asia?

Commentators have been very interested to call the end of the “reflation trade”, and any such slump in risk appetite would be deleterious for Asian equities. The language itself is instructive – the assumption is that we are seeing a “trade” a moment of sunlight before some further slough of despond. We simply do not agree. We see ongoing capital formation with reasonable returns, along with reform in the large economies of Asia and an appetite to tackle the excesses of the past, such as excessive reliance on debt in China and corruption in India.

China is tightening monetary policy to a degree. We are wary of policy mistakes and remain short the yuan as a result. However, we see efforts to tighten monetary policy and clean up the shadow banking sector as welcome. We note also that they come simultaneous with an upswing in the producer price index in China and a resultant improvement in corporate profitability. Our instinct and analysis point to China being a market which is very under-owned and under-valued relative to its own history: this is the kind of situation in which we have made serious money in the past**. However, aware of the risk of confirmation bias, we are constantly testing our assumptions and retain our short position on the yuan.

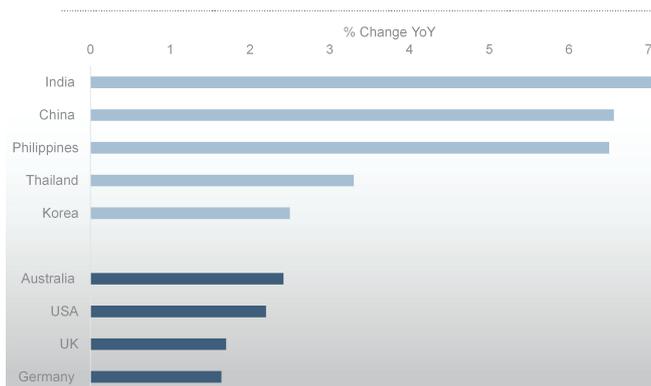
In India we see an economic powerhouse, but an expensive market. We have been very selective in India and remain exposed principally to financials and infrastructure. Several members of the team traveled to India this month and the energy in the country is palpable. There remain challenges for investors, not least the “promoter culture”, where the identity and ethics of the founders of companies are every bit as important as the commercial situation of the business. It is common to see the employment of multiple vehicles allowing for differing economic outcomes depending on one’s place in the puzzle. However, such issues are amenable to analysis and calculation – an undertaking worth the trouble in a country with a narrowing current account deficit, accelerating economic growth, falling inflation and falling interest rates. Such are the dividends of genuine economic reform.

Korean exports, a good benchmark for the health of the global economy, have been growing strongly this year. The Korean equity market has been strong, led by tech giant Samsung, as well as other beneficiaries of a strong cycle in the pricing of memory chips, such as SK Hynix (we hold positions in both in the portfolio).

In Thailand we see an exporting country with a significant manufacturing base, benefiting from an upswing in global trade. Kasikornbank is a large holding in the portfolio. It is a good lender, which has lent to corporates in Thailand, among them many exporters whose profitability is improving. It remains on approximately 1.2x book and 10x earnings.

In the Philippines we see a young, dynamic, high-savings, high growth economy and hold Ayala Land, which was accumulating land following the GFC and now boasts substantial hidden asset value in its land development operations not reflected in its earnings or balance sheet. And this in an economy growing at 6.5%p.a. (source: Bloomberg).

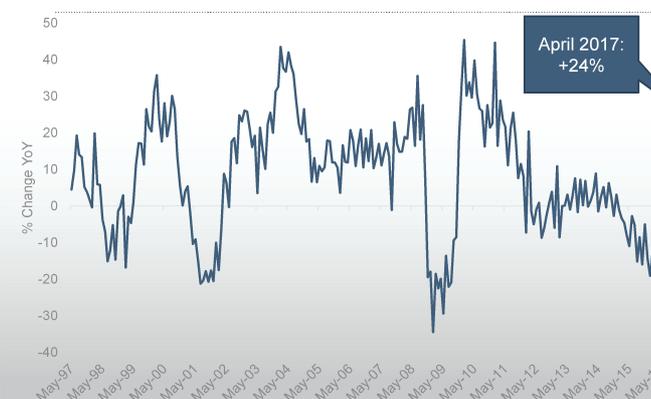
Consensus estimates, GDP growth 2017



Source: Bloomberg
Note: Correct as at 5 May 2017



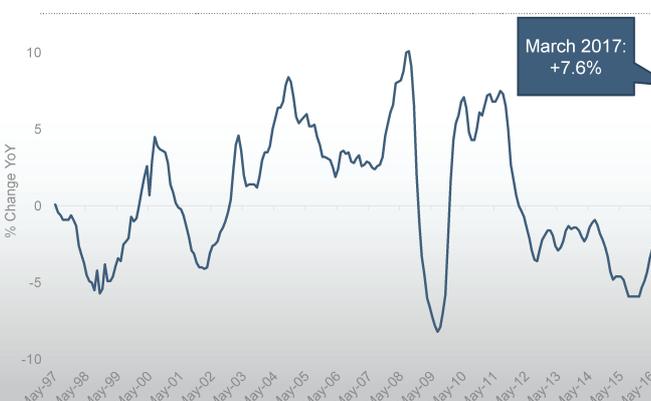
Korean exports



Source: Bloomberg



Chinese Producer Price Inflation



Source: Bloomberg



*Please see footnote 1 on the front page for our performance disclaimer.

**Past performance is not a reliable indicator of future performance.