

## Facts

Portfolio value	\$4.33 bn
Fund commenced	04 March 2003
Minimum investment	A\$10,000 or NZ\$10,000
Regular Investment Plan (min.)	A/NZ\$5,000 plus A/NZ\$200 mth/qtr
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App - 2.8713 Red - 2.8569
Unit prices P Class	App - 1.0389 Red - 1.0337

## Performance<sup>1</sup>

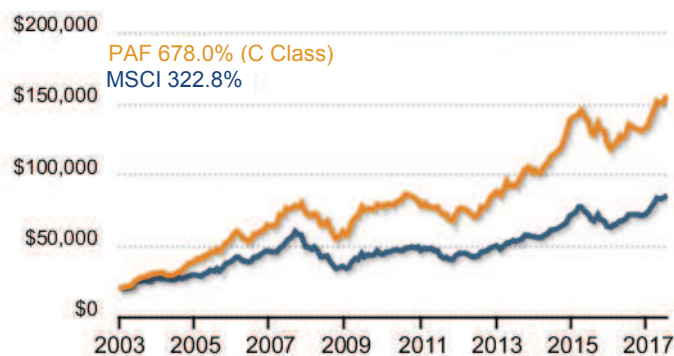
	P Class %	C Class %	MSCI %
1 month	3.68	3.79	2.00
3 months		3.15	1.79
6 months		16.08	15.73
Calendar year to date		19.55	19.66
1 year		15.34	18.25
2 years (compound pa)		9.93	12.24
3 years (compound pa)		11.39	11.74
5 years (compound pa)		17.01	14.86
7 years (compound pa)		9.33	9.01
10 years (compound pa)		7.59	4.55
Since inception (compound pa)	3.63	15.20	10.46

## Fees

Entry fee	Nil
Buy/sell spread	0.25%/0.25%
Fee: C Class	Investment Management 1.35% p.a. Investment Performance N/A
P Class	Investment Management 1.10% p.a. Investment Performance 15.00% p.a.*

\*of the amount by which the Fund's return exceeds its index return

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



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

	LONG %	NET %	CURRENCY %
China	10.5	10.5	12.9
China Ex PRC	44.9	44.9	
Hong Kong	1.1	1.1	33.3
Taiwan	2.5	2.5	2.5
India	11.6	10.4	12.3
Indonesia	0.5	0.5	0.5
Korea	9.3	9.3	9.3
Malaysia	1.0	1.0	1.0
Philippines	4.0	4.0	4.0
Singapore	1.2	1.2	
Thailand	5.1	5.1	5.1
Vietnam	2.6	2.6	2.7
	94.2	93.0	
Australian Dollar			0.8
UK Pound Sterling			0.1
United States Dollar			15.7
Cash	5.8	7.0	
Total	100.0	100.0	100.0

Long - 74 stocks, 4 swaps      Short - 1 index

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

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group ADR	China Ex PRC	Info Technology	3.9
Ping An Insurance Grp Co - A	China	Financials	3.4
Ayala Corp	Philippines	Financials	3.2
Midea Group Co Ltd - A share	China	Cons Discretionary	3.1
Jiangsu Yanghe Brewery - A	China	Consumer Staples	3.0
Kasikornbank PCL Foreign	Thailand	Financials	3.0
CNOOC Ltd	China Ex PRC	Energy	2.9
Axis Bank Ltd	India	Financials	2.9
China Overseas land &	China Ex PRC	Real Estate	2.8
Samsung Electronics Co Ltd	Korea	Info Technology	2.6

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

SECTOR	LONG %	NET %
Financials	21.8	21.8
Info Technology	20.7	20.7
Cons Discretionary	13.6	13.6
Consumer Staples	8.3	8.3
Industrials	6.9	6.9
Real Estate	6.8	6.8
Materials	5.6	5.6
Energy	3.6	3.6
Utilities	3.5	3.5
Telecom Services	1.6	1.6
Health Care	1.4	1.4
Other*	0.6	(0.6)

\* 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. 11 dated 3 July 2017 ("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).

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1. Investment returns are calculated using the Fund's daily unit price for C Class and P Class, and represent the combined income and capital returns for each of these unit classes in the specified period. They are net of fees and costs (excluding the buy-sell spread). Returns for C Class are net of any investment performance fee payable. Returns for P Class are net of any accrued investment performance fee. All returns are 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 (C Class). 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.

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August saw positive returns in Asian markets and the Fund. Returns for the month were driven in particular by Chinese IT holdings such as Alibaba (up 11% in August). However, it was interesting to note that Chinese financials were strong contributors, such as Ping An, which was up 10% in the month. Some of our Chinese real estate-related holdings were also strong contributors – for example Wuba (or 58.com) was up 24% in August. Wuba owns the leading online real estate and blue collar jobs portals in China. As mentioned last month, Chinese cities now appear under-supplied in terms of residential apartments with low inventories and ongoing attempts to subdue pricing by authorities. We expect a renewal of strength in residential investment in China.

August saw further data confirming our view that China's industrial rebound is very significant. Year to July shipments of heavy duty trucks were up 73%. Diesel engine shipments were up 30% in the year to July. Year to date sales of excavators are up 101%. Producer prices continue their rebound, up 5.5% year-on-year in July. And rail freight in China was up 19.5% in July versus July 2016. All of these figures should be seen against a low base in the prior corresponding period, but they are striking nonetheless.

We have commented before that supply side discipline appears to be real in China. Steel, metallurgical coal, thermal coal, iron ore, PVC and cement prices are all up. All this is having very real financial impacts. Upstream industrial profits were up 143% in July 2017 versus July 2016. Where 18 months ago heavy industries like steel and coal mining had huge non-performing loans, these are now being serviced.

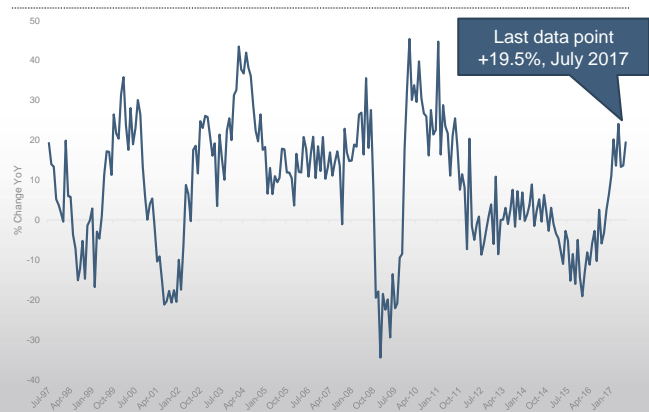
Most importantly for our holdings, consumer confidence is very high. The Financial Times maintains a proprietary consumer confidence measure – this was at its second highest level ever in August, in a series going back to 2011.

All this is very significant – not just for China, but for global growth. Data in August indicates global GDP growth is running at around 4% year-on-year. As further evidence, Korean exports remain strong, with July showing 19.5% growth. Korea exports technology inputs, consumer electronics and heavy industrial outputs and is the largest exporter to China.

India has seen GDP growth estimates for fiscal 2018 (to March) lowered after a weaker than expected first quarter (to June) GDP growth figure of 5.7%. This would seem to be the result of disruption to the economy from the imposition of the GST, coming just eight months after the Modi Government's cancellation and replacement of large-denomination notes. None of this strikes us as catastrophic: this is an economy with a massively diminished current account deficit, rapidly falling inflation, falling interest rates and falling indebtedness. We are confident its economic trajectory will be restored.

We believe we have a very different view of what is unfolding in China and the greater Asian economy than most market participants. We are confident that the Fund's holdings are likely to perform well if we are correct in our appraisal of broad, robust economic upswing in Asia, a possibility that we do not think the majority of market participants expect.

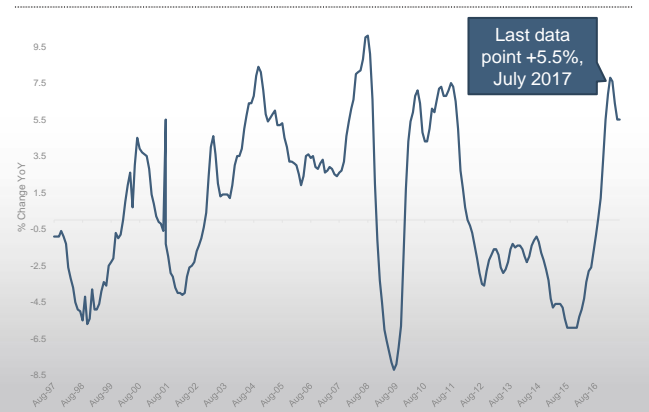
### Korean exports



Source: Bloomberg



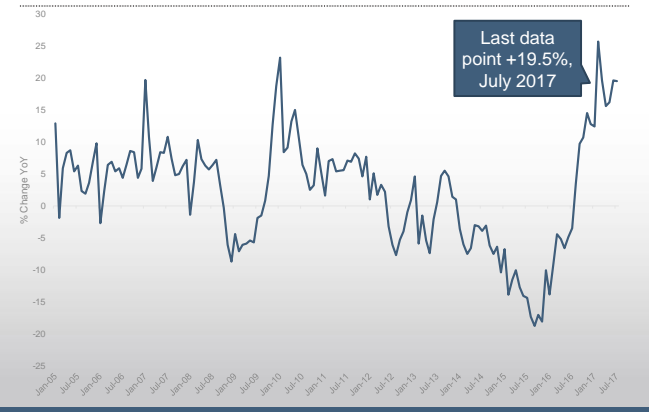
### Chinese producer price inflation



Source: Bloomberg



### Chinese rail freight (tonne-kilometres)



Source: Bloomberg



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