

Facts

Portfolio value	\$5.06 bn
Fund commenced	04 March 2003
Minimum investment	A\$10,000 or NZ\$10,000
Regular Investment Plan	A/NZ\$5000 plus A/NZ\$200 mth/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App – 3.2489 Red – 3.2326
Unit prices P Class	App – 1.1676 Red – 1.1617

Performance¹

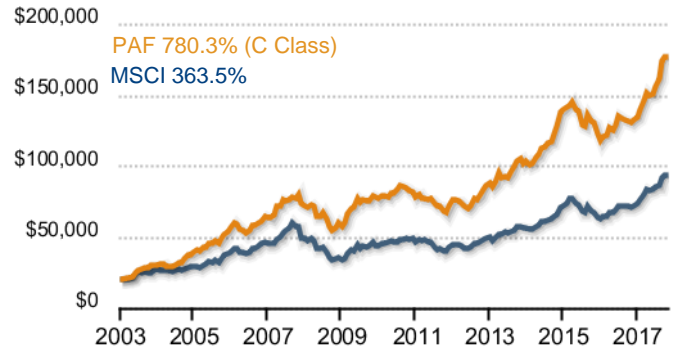
	P Class %	C Class %	MSCI %
1 month	(0.11)	(0.06)	(0.32)
3 months	9.22	9.45	8.57
6 months		18.18	13.17
Calendar year to date		35.28	31.17
1 year		35.28	31.17
2 years (compound pa)		16.47	17.88
3 years (compound pa)		11.42	12.40
5 years (compound pa)		16.32	14.24
7 years (compound pa)		11.48	9.96
10 years (compound pa)		8.27	5.02
Since inception (compound pa)*	16.47	15.80	10.89

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 graph²



Invested positions³

	LONG %	NET %	CURRENCY %
China	50.9*	50.9*	13.9
Hong Kong	3.3	3.3	38.3
Taiwan	1.9	1.9	1.9
India	10.2	10.2	10.7
Indonesia	0.5	0.5	0.5
Korea	11.6	11.6	11.6
Malaysia	0.5	0.5	0.5
Philippines	3.0	3.0	3.0
Singapore	0.7	0.7	
Thailand	4.5	4.5	4.5
Vietnam	1.9	1.9	1.9
	89.0	89.0	
Australian Dollar			0.8
UK Pound Sterling			0.1
United States Dollar			12.3
Cash	11.0	11.0	
Total	100.0	100.0	100.0

Long - 81 stocks, 3 swaps

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group	China	Info Technology	3.3
Axis Bank Ltd	India	Financials	3.1
Ping An Insurance Grp Co	China	Financials	3.1
Kasikornbank PCL	Thailand	Financials	2.9
China Merchants Bank Co Ltd	China	Financials	2.9
Tencent Holdings Ltd	China	Info Technology	2.8
Samsung Electronics Co Ltd	Korea	Info Technology	2.7
Ayala Land Inc	Philippines	Real Estate	2.5
China Overseas land	China	Real Estate	2.5
Jiangsu Yanghe Brewer	China	Consumer Staples	2.4

Industry breakdown³

SECTOR	LONG %	NET %
Financials	21.1	21.1
Info Technology	16.4	16.4
Cons Discretionary	11.5	11.5
Industrials	8.4	8.4
Materials	6.3	6.3
Consumer Staples	6.1	6.1
Real Estate	6.0	6.0
Energy	4.8	4.8
Health Care	3.3	3.3
Telecom Services	2.3	2.3
Utilities	2.1	2.1
Other	0.7	0.7

*China includes exposure to Chinese A shares, H shares and ADRs.

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1. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class, and represent the combined income and capital returns for each of these unit classes in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. Returns for P Class are net of any accrued investment performance fee. 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. *The since inception figure for P Class is from 3 July 2017.

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 NAV unit price (C Class). They are net of fees and costs, 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 bottom-up 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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A pause in performance in December in Asian equity markets, and global equity markets, brought 2017 to a modest conclusion after a year of very strong returns. However, the outlook appears positive.

Globally, Purchasing Managers' Indices are very strong at the conclusion of 2017. China, the largest economy in the world when adjusted for domestic purchasing power (a measure known as purchasing power parity), is a significant driver for this global economic strength.

Capacity closures in oversupplied sectors such as coal and steel have borne fruit in 2017, with commodity prices up, cash generation by distressed state owned enterprises improved and debt servicing capacity on outstanding debts in these sectors enhanced. 2018 may see less focus on eliminating capacity and more focus on merging entities in such industries: for instance the largest power utility in the world is currently being created via the merger of China Shenhua and China Guodian.

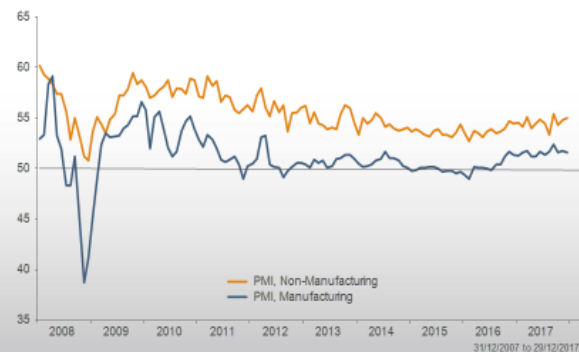
The Chinese economy does not look to be running at or above capacity, which would require caution. Producer Price Inflation has rebounded sharply over the last 18 months, running at above 5% consistently. This is a welcome return to inflation after over three years of deflation at the producer level, driven by China's previously over-supplied industries. However, Consumer Price Inflation in China is running at under 2%, giving a picture of an economy in rude health, but not overheating.

We see significant potential for a rebound in activity in the Chinese property market. Property prices, having rocketed in Tier 1 cities in 2015, have stabilised, while smaller cities' property price have risen gradually since then, alleviating fears of a property bubble. Tier 1 (finished) property transactions were down 31% in 2017 versus 2016, while land sales rose in 2017 – restrictive property policies are limiting end market activity, but more land has been freed up for development. This is why property investment fell in 2017, and this sets the scene for a rebound in property investment in 2018. We have a good exposure to residential property firms in China, notably with China Offshore Land Investment.

At the core of our portfolio lies the Chinese consumer, be this in financials, information technology or consumer staples and discretionary. In addition we have been buying industrials, energy and materials exposures, as cyclicals remains cheap and the global economy is firing. Further, China's economic evolution is providing new opportunities in environmental technology, robotics, biotech and battery materials.

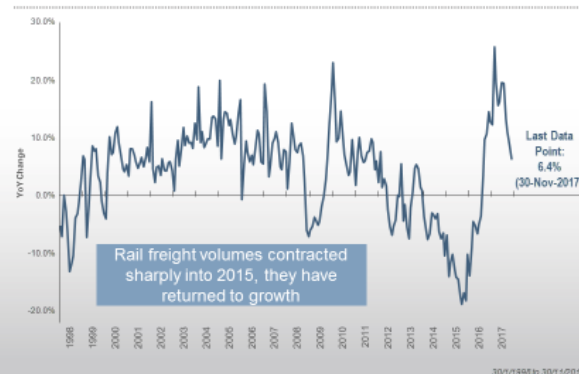
India remains in an interesting position economically and a difficult place to invest for us given valuation. Real interest rates remain very high, with Consumer Price Inflation at 4.8% in November (year on year) and the policy rate at 6%. Credit growth is very low, with bank credit growth just 0.2% in the Indian fiscal year to November (this is the lowest credit growth in the history of the country). Personal loans are growing at around 9%, while lending growth to industry is negative. Despite tight monetary policy and low credit growth, the Indian economy is growing at around 6.5%p.a. Also, India remains the most expensive major equity market globally, at over 19 times forward earnings. Hence our modest exposure to India at this stage.

China - Purchasing Manager's Intentions



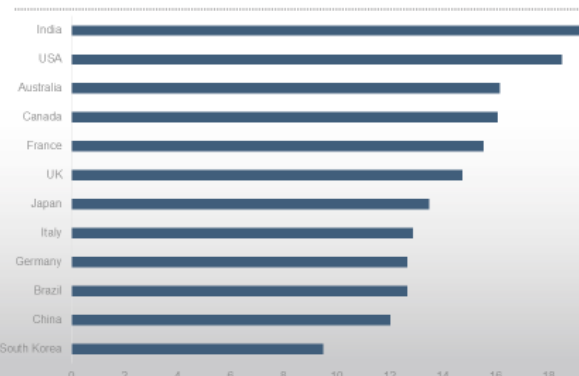
Source: FactSet
 Note: PMIs are surveys of logistics managers' intentions to increase or decrease orders. A reading above 50 indicates expansion, below 50 indicates contraction.

Chinese rail freight (tonne-kilometres)



Source: FactSet

Major market price-earnings ratios – Next 12 months



Source: Credit Suisse, IBES
 Note: Next 12 months price earnings ratios. Correct as at 2 January 2018

The Platinum Trust Quarterly Report will be available on our website, www.platinum.com.au, from the 12th of January and mailed out by month end.





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