

Facts

Portfolio value	\$5.30 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 – 3.3819 Red – 3.3650
Unit prices P Class	App – 1.2153 Red – 1.2092

Performance¹

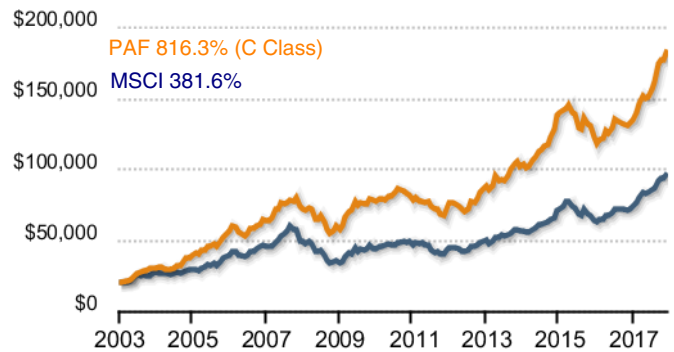
	P Class %	C Class %	MSCI %
1 month	4.09	4.09	3.90
3 months	5.56	5.63	5.27
6 months	21.29	22.25	16.17
Calendar year to date		4.09	3.90
1 year		39.25	34.54
2 years (compound pa)		22.56	23.27
3 years (compound pa)		10.14	11.05
5 years (compound pa)		16.37	14.85
7 years (compound pa)		12.26	10.28
10 years (compound pa)		9.65	7.18
Since inception (compound pa)*	21.23	16.01	11.11

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*	52.4	52.4	13.8
Hong Kong	3.1	3.1	39.5
Taiwan	2.0	2.0	2.0
India	11.0	11.0	11.3
Indonesia	0.8	0.8	0.8
Korea	11.4	11.4	11.5
Malaysia	0.5	0.5	0.5
Philippines	2.5	2.5	2.6
Singapore	0.7	0.7	
Thailand	4.5	4.5	4.5
Vietnam	1.8	1.8	1.8

	LONG %	NET %	CURRENCY %
Australian Dollar	90.7	90.7	1.3
UK Pound Sterling			0.1
United States Dollar**			10.5
Cash	9.3	9.3	
Total	100.0	100.0	100.0

Long - 83 stocks, 3 swaps

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group	China	Info Technology	3.5
Ping An Insurance Grp Co	China	Financials	3.5
China Merchants Bank Co Ltd	China	Financials	3.2
Axis Bank Ltd	India	Financials	3.0
Tencent Holdings Ltd	China	Info Technology	2.9
Kasikornbank PCL	Thailand	Financials	2.8
China Overseas land	China	Real Estate	2.6
Samsung Electronics Co Ltd	Korea	Info Technology	2.6
China Oilfield Servies Ltd	China	Energy	2.5
Jiangsu Yanghe Brewery	China	Consumer Staples	2.5

Industry breakdown³

SECTOR	LONG %	NET %
Financials	22.9	22.9
Info Technology	16.6	16.6
Cons Discretionary	10.1	10.1
Industrials	8.0	8.0
Materials	6.9	6.9
Real Estate	6.1	6.1
Consumer Staples	5.4	5.4
Energy	5.4	5.4
Health Care	3.7	3.7
Telecom Services	2.7	2.7
Utilities	2.1	2.1
Other	0.7	0.7

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

**Figure includes exposure to USD through USD cash, USD denominated stock and derivatives over such stocks

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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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Asian equity markets performed very strongly for the month, once again. The Fund benefited by having large holdings in China and by holding cyclicals such as materials, residential property developers and banks, in addition to the tech winners that have dominated indices in recent months. Every one of the top ten stocks in January was a Chinese holding, but the spread of contributors by industry was wide: materials, financials, tech, property developers, energy, consumer and financials stocks all did well. This reflects a widening of market strength – returns for the year are dominated by Chinese tech stocks.

After a year of such strong returns it is sensible for investors to wonder if valuations are getting stretched. In Asia, they patently are not, outside of India, which has gone from somewhat expensive to very expensive in the last year. The region's other major markets – China and South Korea – remain cheap. Indeed South Korean equities have de-rated over the last year, as stock prices have not kept pace with rapidly rising earnings.

In China's case, the industrial economy has returned to growth after a steep decline in activity from 2013 to 2016. This decline was far more severe than that seen during the Global Financial Crisis (see attaching charts for rail freight movements in China over the last 20 years). The relevance of this is not that Chinese heavy industry has become attractive for investment – the point is that the debt laden heavy industrial sector of the Chinese economy is no longer a threat to its banking system and general economic activity. And the market remains cheap.

South Korea has seen its exports return to growth after years of stasis and a steep decline from 2014 to 2016. Its corporate champions such as Samsung are making some moves toward treating their shareholders with a modicum of decency and its companies benefit from huge trends such as the chip cycle and electric vehicles. And the market remains supremely cheap.

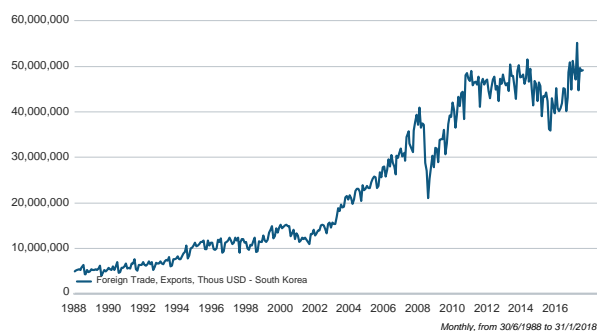
There are other success stories in Asia. Notably, the Philippines has just notched its sixth year in a row of GDP growth above six percent. It is a country benefiting from massive transfers of capital from its diaspora of workers, has high savings rates, a good current account and is investing heavily in infrastructure. It is an excellent example of the merits of Asia as an investment locale, politics notwithstanding.

Major Asian equity market PE ratios

	2018 NTM PE	2017 NTM PE
South Korea	9.8	10.1
China	12.8	12.3
India	18.8	16.7

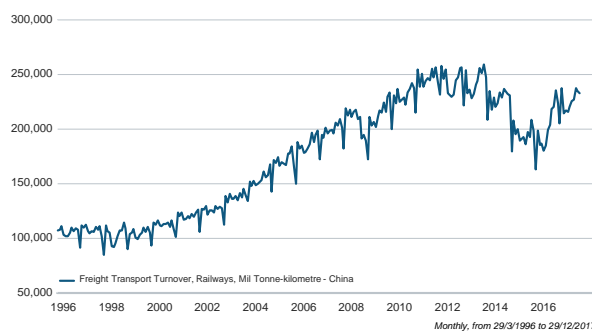
Source: MSCI, Credit Suisse
Note: NTM signifies "next twelve months".

South Korean exports ('000 USD)



Source: FactSet Research Systems.

Chinese rail freight movement (tonne-kilometres, million)



Source: FactSet Research Systems.





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