

Facts

Portfolio value	\$4.46 bn (Post Distribution)
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 (CUM Distribution)	App – 3.2041 Red – 3.1881
Unit prices P Class (CUM Distribution)	App – 1.1530 Red – 1.1472

Performance¹

	P Class %	C Class %	MSCI %
1 month	(3.68)	(3.70)	(2.50)
3 months	(0.95)	(1.01)	(1.78)
6 months	(1.25)	(1.38)	0.82
Calendar year to date	(1.25)	(1.38)	0.82
1 year		16.55	14.10
2 years (compound pa)		18.12	18.48
3 years (compound pa)		7.74	8.43
5 years (compound pa)		13.78	12.91
7 years (compound pa)		12.58	10.59
10 years (compound pa)		10.53	8.60
Since inception (compound pa)*	15.01	15.15	10.58

Invested positions³

	LONG %	NET %	CURRENCY %
China	10.5	10.5	13.8
China Ex PRC	35.0	35.0	
Hong Kong	5.8	5.8	33.3
Taiwan	1.3	1.3	1.4
India	11.8	8.7	12.6
Indonesia	0.6	0.6	0.6
Korea	10.7	10.7	10.7
Malaysia	0.5	0.5	0.5
Philippines	2.0	2.0	2.0
Singapore	0.6	0.6	
Thailand	4.3	4.3	4.3
Vietnam	0.7	0.7	0.7
	83.8	80.6	
Australian Dollar			4.7
UK Pound Sterling			0.1
United States Dollar**			15.4
Cash	16.2	19.4	
Total	100.0	100.0	100.0

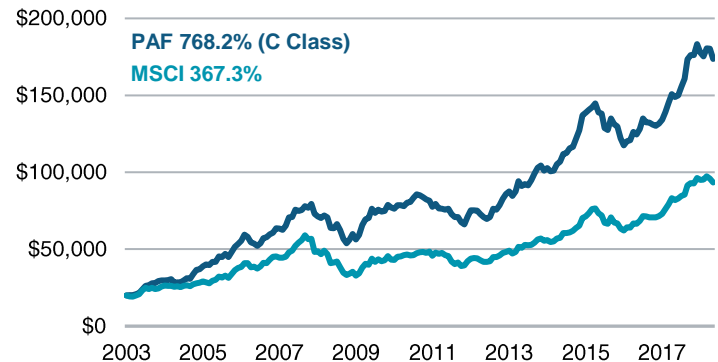
Long - 68 stocks, 1 swap Short - 1 index

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



Top ten positions⁴

STOCK	COUNTRY*	INDUSTRY	%
Samsung Electronics Co Ltd	Korea	Info Technology	3.4
Ping An Insurance Grp	China	Financials	3.4
Axis Bank Ltd	India	Financials	3.1
Alibaba Group	China	Info Technology	3.0
Kasikornbank PCL	Thailand	Financials	2.8
China Overseas Land & Invst.	China	Real Estate	2.7
Yes Bank Ltd	India	Financials	2.7
China Oilfield Servies Ltd	China	Energy	2.6
CNOOC Ltd	China	Energy	2.4
Naver Corporation	Korea	Info Technology	2.3

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

Industry breakdown³

SECTOR	LONG %	NET %
Financials	22.0	22.0
Info Technology	17.5	17.5
Energy	9.2	9.2
Industrials	7.9	7.9
Cons Discretionary	7.5	7.5
Real Estate	5.6	5.6
Materials	3.9	3.9
Health Care	3.1	3.1
Consumer Staples	2.8	2.8
Utilities	2.1	2.1
Telecom Services	1.6	1.6
Other*	0.7	(2.5)

* Includes index short position

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

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 and the Supplementary Product Disclosure Statement dated 23 February 2018 (together the "PDS") provide details about the Fund. You can obtain a copy of the PDS from Platinum's website 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.

DISCLAIMERS: The information presented in the Fact Sheet is general information only and not intended to be financial product advice. It has not been prepared taking into account any particular investor's or class of investors' investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. You should read the entire PDS and consider your particular investment objectives, financial situation and needs prior to making any investment decision to invest (or divest) in the Fund. You should also obtain professional advice prior to making an investment decision. Some numerical figures in this Fact Sheet have been subject to rounding adjustments.

No company or the directors in the Platinum Group® guarantee the performance of the Fund, 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® or their directors for any loss or damage as a result of any reliance on this information.

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. 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.

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.

All data where MSCI is referenced is the property of MSCI. No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in www.platinum.com.au/our-funds/platinum-asia-fund/#FundPerformance.

- Equity market weakness in Asia continued in June
- Underlying economic data is strong
- We are disposed to buy in this market

Asian markets and the Fund saw further weakness in June, amid ongoing fears of both a trade war and a liquidity crunch affecting China. We remain disposed to buy, albeit gingerly without seeing real signs of panic or capitulation in markets at present, which would induce us to buy more aggressively.

Purchasing Manager's Index (PMI) readings in China continued to indicate expansion in June – with the unofficial Caixin at 51.0 and the official PMI at 51.5 (readings above 50 indicate expansion in activity). Both measures indicate some weakness in exports and export forward orders, offset by domestic expansion, giving the resulting, mildly expansionary reading*.

Recent statements from the People's Bank of China indicate that the central bank will maintain a neutral stance, but are committed to maintaining “ample” liquidity in the system to facilitate ongoing deleveraging**.

So – why have markets been so soft in Asia? Much of the answer lies in the fact that we are in the throes of the third-largest episode of foreign selling from Asian equities in history (after the GFC and the 2015 Chinese market sell-off), according to information from Goldman Sachs. Investors have been spooked by fears of trade war, perhaps. Or perhaps fears of over-tightening in China as the government continues its deleveraging efforts are to blame. Whatever the case, we remain sanguine about the structure of the market in China – with less than half of the margin debt outstanding now versus the 2015 episode according to Bloomberg. That said some leverage has migrated to “share pledges” on the A Share market, but these came under regulatory control months ago – regulators appear to have learnt the lessons of 2015.

For all that, the latest available economic data in China look strong, in keeping with the PMI readings mentioned above. Electricity production in June was up 9.8% p.a., industrial production in May was 6.8% on a year earlier, rail freight in May was up 5% p.a. and the residential property industry, which has been soft as inventories have been run down and the government discourages speculation, showed life with new building starts up 16% in the three months to May (all data courtesy of CICC). JPMorgan notes that Chinese vehicle sales were up 9.2% p.a. in May

Chinese industrial profits to May were up 16.5% on a year earlier (see accompanying chart), industrial profit margins, at 6.5% are near five year highs, while both rural and urban disposable incomes are growing at better than 8% (CICC).

Beyond China, economies across Asia are performing well. Deutsche Bank noted in a report this month that there are nine economies in the world that have seen improvements in PMIs in the last three months. Fully five of these are in non-Japan Asia – these are South Korea, Thailand, the Philippines, India and Vietnam (while China has scarcely changed).

While investors are selling cyclical and emerging market exposures, we are looking to buy. We believe the evidence for this confidence is strong.

Source:
* <https://www.cnbc.com/2018/07/02/caixin-china-pmi-june-manufacturing-purchasing-managers-index.html>

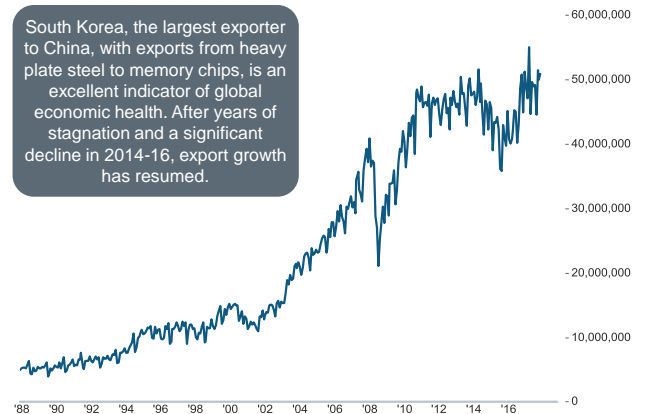
** Reported by CICC, original source:
<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3567830/index.html>

Industrial enterprise profit growth in China (% p.a.)



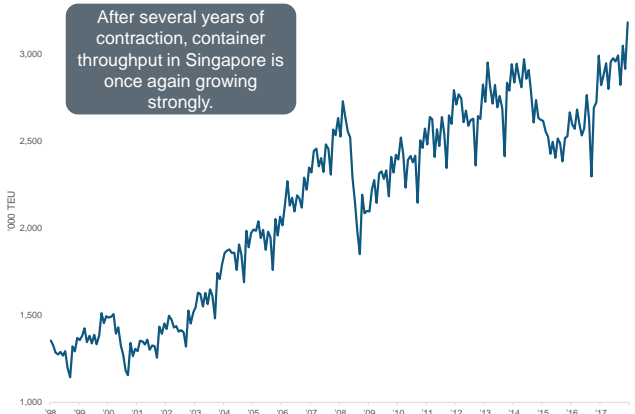
Source: FactSet

South Korean exports ('000 USD)



Source: FactSet

Port of Singapore container throughput '000 TEU



Source: Bloomberg
Note: TEU signifies twenty-foot container equivalent.