

## FACTS

Portfolio value	\$3.53 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/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App - 2.2531 Red - 2.2463
Unit prices P Class	App - 0.8028 Red - 0.8003

## PERFORMANCE<sup>1</sup>

	C Class %	P Class %	MSCI %
1 month	(8.4)	(8.4)	(6.0)
3 months	(11.2)	(11.1)	(10.9)
6 months	(13.1)	(13.0)	(12.6)
Calendar year to date	(11.2)	(11.1)	(10.9)
1 year	(16.5)	(16.3)	(13.4)
2 years (compound pa)	5.9	5.6	4.6
3 years (compound pa)	6.1	6.0	3.2
5 years (compound pa)	8.4		7.1
7 years (compound pa)	5.7		5.6
10 years (compound pa)	10.7		9.2
Since inception (compound pa)	13.1	6.9	9.2

## INVESTED POSITIONS<sup>3</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	85.6	(5.5)	80.0	90.5
Australia				0.1
China	44.1		44.1	44.6
Hong Kong	4.2		4.2	12.1
Taiwan	6.5		6.5	6.5
India	9.9	(3.8)	6.1	6.3
Indonesia	0.2		0.2	0.1
Macao	1.4		1.4	1.4
Philippines	1.9		1.9	1.9
Singapore	1.2		1.2	1.2
South Korea	10.1	(1.7)	8.4	10.2
Vietnam	6.1		6.1	6.1
<b>Europe</b>				0.9
United Kingdom				0.9
<b>North America</b>				8.6
United States of America				8.6
<b>Sub-Total</b>	85.6	(5.5)	80.0	100.0
<b>Cash</b>	14.4	5.5	20.0	
<b>Total</b>	100.0		100.0	100.0

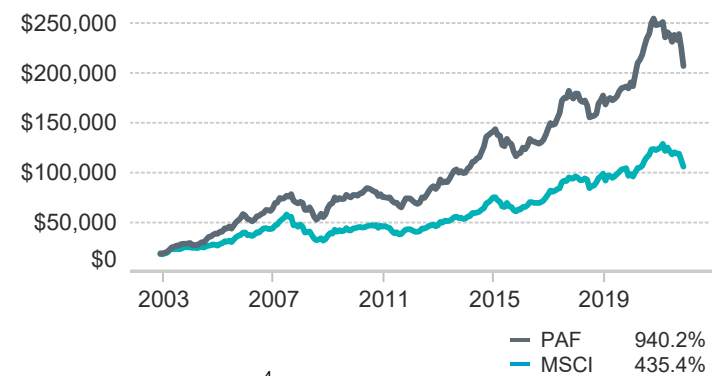
Long - 61 stocks, 1 swap Short - 1 swap, 3 indices

## FEES

Entry fee	Nil
Buy/sell spread	0.15%/0.15%
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>



## TOP TEN POSITIONS<sup>4</sup>

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.9
Samsung Electronics Co	South Korea	Info Technology	5.0
Vietnam Ent Investments	Vietnam	Other	4.5
InterGlobe Aviation Ltd	India	Industrials	4.1
Tencent Holdings Ltd	China	Comm Services	3.9
Ping An Insurance Group	China	Financials	3.7
ZTO Express Cayman Inc	China	Industrials	3.5
SK Hynix Inc	South Korea	Info Technology	3.4
Alibaba Group Holding Ltd	China	Cons Discretionary	3.1
China Resources Land Ltd	China	Real Estate	3.1
<b>Total</b>			<b>40.3</b>

## INDUSTRY BREAKDOWN<sup>3</sup>

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	17.6		17.6
Information Technology	16.6	(1.2)	15.4
Financials	12.6		12.6
Industrials	12.4		12.4
Real Estate	10.8		10.8
Communication Services	3.9		3.9
Consumer Staples	3.5		3.5
Materials	3.0		3.0
Health Care	0.7		0.7
Energy	0.1		0.1
Other	4.5	(4.4)	0.1

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1. & 2. Source: Platinum for Fund returns and Factset Research Systems for MSCI returns. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class (as indicated), 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. The returns are calculated relative to the MSCI All Country Asia ex-Japan Net Index in A\$. Since inception date for C Class is 04/03/03 and for P Class is 03/07/17.

3. Since inception date of C Class has been used for the purposes of calculating since inception returns of the index. The investment returns depicted in the graph are cumulative on A\$20,000 invested in C Class units in the Fund since the C Class inception date. **Past performance is not a reliable indicator of future returns.** Platinum does not invest by reference to the weightings of the index. The index is provided as a reference only. 3. The "Long %" is the exposure to long securities and long securities/index derivative positions, the "Short %" is the exposure to short securities and short securities/index derivative positions and the "Net %" is the exposure to long and short securities and long and short securities/index derivative positions, each as a percentage of the market value of the Fund's portfolio. The "Currency %" is the effective currency exposure as a percentage of the market value of the Fund's portfolio, taking into account long and short securities, cash, forwards and long and short securities/index derivative positions. For the "Industry breakdown", index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".

3. and 4. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of our country classifications.

4. The "Top ten positions" show the Fund's top ten long securities positions as a percentage of the market value of the Fund's portfolio (including long securities and long securities derivative positions). All data where MSCI is referenced is the property of MSCI Limited ("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 <https://www.platinum.com.au/Special-Pages/Terms-Conditions>

## MARKET UPDATE AND COMMENTARY

- Another month of weak performance in Asia.
- China has no inflation problem.
- China is in a position to cut rates and taxes as others hike.

### A weak month in Asian equities

March saw another month of weak performance in Asia, by both regional indices and the Fund. Over the month, our detractors were dominated by Chinese stocks amid a rush for the exits by global investors, in our view, along with our semiconductor holdings Samsung, SK Hynix and Taiwan Semiconductor Manufacturing. Positive contributors for the month included Alibaba, which bounced from very oversold conditions, our short positions and Indian and Vietnamese stocks. Investors may be inclined to ask “what is the point?”. After well over a decade of staggering outperformance by US equities, it feels normal for this to be the case and for emerging market and Chinese equities to underperform. However, it is worth mentioning that in the prior market cycle, non-US equities outperformed those listed in the US (see accompanying charts).

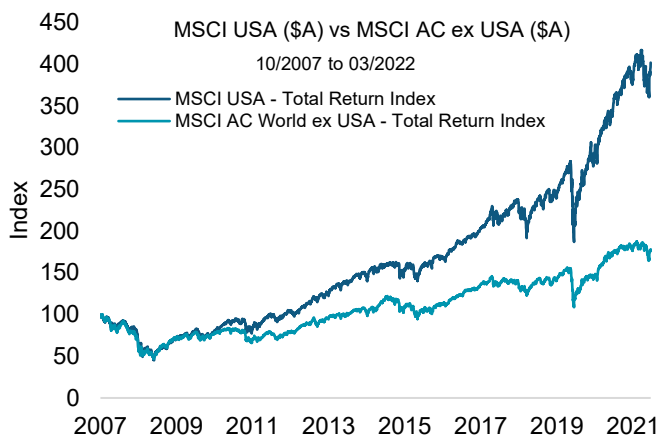
### China has no inflation problem

Moreover, China has run a relatively tight monetary and fiscal response to the COVID-related disruption for the last two years – with money supply, growth and inflation both running at a fraction of those in most other major economies: M2 growth in China peaked at just over 11% in the post-COVID period and was 9.2% higher in February 2022 than a year earlier; China’s consumer price index rose by just 0.9% over the 12 months to February 2022 (Source: FactSet).

### China loosening as others forced to tighten

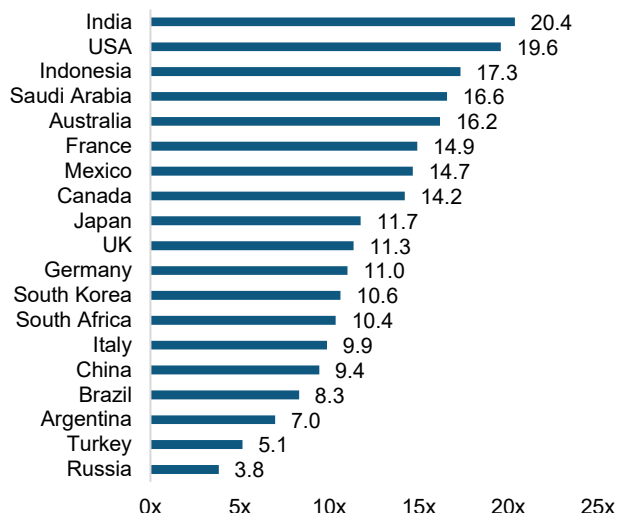
As most other major economies seem set to enter rate-raising cycles, China cut interest rates in January and seems likely to be gradually entering a rate-cutting cycle. Early in March, Chinese Premier Li Keqiang announced a range of measures designed to support the Chinese economy, including tax and fee reductions. So, as other economies are forced to reverse the effects of fiscal stimulus funded by government bond buying, China is in the reverse position, providing some moderate policy support to its economy. Late in March, it became clear that China’s zero-COVID policy was to be extended, principally with lockdowns of Shanghai and various other cities. Unsurprisingly, China’s Purchasing Managers’ Index (PMI) fell sharply following a moderate expansion the prior month: the Caixin Manufacturing PMI fell at its sharpest rate in two years to a contractionary 48.1 (Source: Reuters).

In summary, sentiment towards China among global investors is at an absolute low point, in our view. The reality is that the Chinese economy continues to lumber along, with strong earnings growth expected for its corporates, rumours of a property crisis receding (these were always vastly overblown) and officials in a position to offer moderate support in the form of interest rate and tax cuts. Most importantly, Chinese equities remain cheap and very under-owned by global investors. As such, we see China, and the region as a whole, as an important diversifier for investors and believe we are more than adequately compensated for political and sentiment risk by attractive starting valuations for what are very fine businesses.



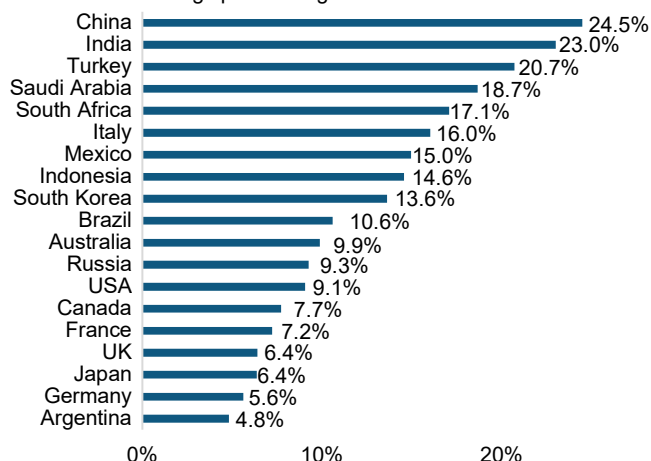
Source: Chart 3 – FactSet Research Systems. Correct as at 29 March 2022

Major market price-earnings ratios - Next 12 months

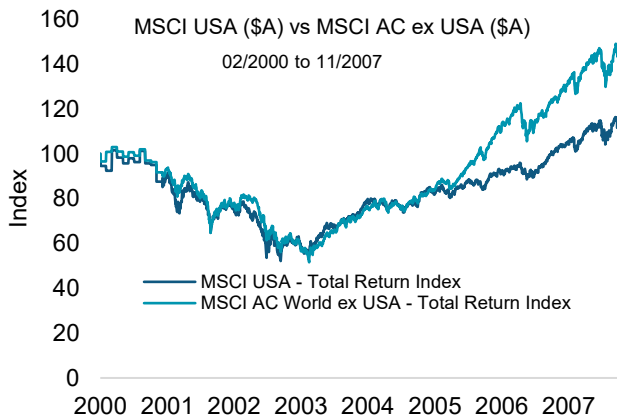


Source: Chart 1 – IBES consensus, in local currency. Correct as at 4 April 2022.

Earnings per share growth - Next 12 months



Source: Chart 2 – IBES consensus, in local currency. Correct as at 4 April 2022.



Source: Chart 4 – FactSet Research Systems. Correct as at 29 March 2022