Platinum Asia Fund ARSN 104 043 110

MONTHLY REPORT **30 April 2022**

Platinum ASSET MANAGEMENT

FACTS

Portfolio value	$3.54 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 - 2.2852 Red - 2.2783
Unit prices P Class	App - 0.8143 Red - 0.8118

FEES

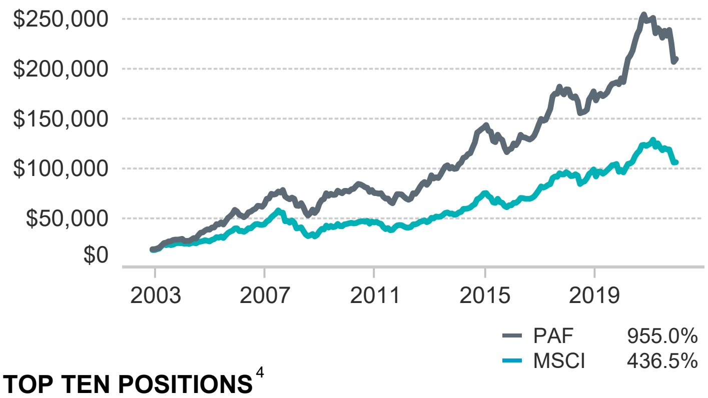
Entry fee	Nil
Buy/sell spread	0.15%/0.15%
C Class	Investment management 1.35% p.a.
	Investment performance N/A
P Class	Investment management 1.10% p.a.
	Investment performance 15.00% p.a.*

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

PERFORMANCE [1]

	C Class %	P Class %	MSCI %
1 month	1.4	1.4	0.2
3 months	(12.1)	(12.1)	(10.7)
6 months	(9.2)	(9.1)	(10.1)
Calendar year to date	(9.9)	(9.9)	(10.7)
1 year	(15.5)	(15.3)	(14.1)
2 years (compound pa)	4.9	4.8	3.8
3 years (compound pa)	5.7	5.6	2.3
5 years (compound pa)	7.8		6.2
7 years (compound pa)	5.8		5.0
10 years (compound pa)	10.9		9.3
Since inception (compound pa)	13.1	7.1	9.2

PERFORMANCE GRAPH [2]



INVESTED POSITIONS [3]

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	83.5	(5.5)	78.0	88.5
Australia				0.1
China	43.2		43.2	43.8
Hong Kong	4.2		4.2	11.9
Taiwan	5.6		5.6	5.6
India	9.7	(3.7)	6.0	6.3
Indonesia	0.3		0.3	0.3
Macao	1.4		1.4	1.4
Philippines	1.8		1.8	1.8
Singapore	1.4		1.4	1.4
South Korea	9.6	(1.7)	7.8	9.6
Vietnam	6.2		6.2	6.2
Europe				0.9
United Kingdom				0.9
North America				10.5
United States of America				10.5
Sub-Total	83.5	(5.5)	78.0	100.0
Cash	16.5	5.5	22.0	
Total	100.0		100.0	100.0

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

TOP TEN POSITIONS [4]

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.1
Samsung Electronics Co	South Korea	Info Technology	4.5
Vietnam Ent Investments	Vietnam	Other	4.4
Tencent Holdings Ltd	China	Comm Services	4.2
ZTO Express Cayman Inc	China	Industrials	4.0
InterGlobe Aviation Ltd	India	Industrials	4.0
Ping An Insurance Group	China	Financials	3.4
SK Hynix Inc	South Korea	Info Technology	3.3
China Resources Land Ltd	China	Real Estate	3.1
Alibaba Group Holding Ltd	China	Cons Discretionary	3.0
		Total	39.1

INDUSTRY BREAKDOWN [3]

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	18.3		18.3
Information Technology	15.2	(1.0)	14.1
Real Estate	12.5		12.5
Industrials	12.1		12.1
Financials	9.3		9.3
Communication Services	4.2		4.2
Consumer Staples	3.5		3.5
Materials	3.1		3.1
Health Care	0.7		0.7
Energy	0.1		0.1
Other	4.4	(4.4)	0.0

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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. 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).

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MARKET UPDATE AND COMMENTARY

- Asian markets were soft, but fared better than other large markets in April.
- A statement by China's Politburo spurred some excitement late in the month.
- As other economies commence tightening cycles, China is in a very different position.

The Fund and Asian markets ex-Japan were soft over the course of April. Until the last two trading days of April, regional markets traded poorly, in line with global markets, weighed down by ongoing weakness in China. However, events toward the end of the month saw Chinese equities and the Fund rebound sharply to end with mild losses compared to those seen in global, and particularly US, equity markets.

Late April Politburo statement

The excitement was caused by a relatively anodyne statement from China's Politburo, the key decision-making body of that country, the content of which we would summarise into four, market-relevant areas:

1. A thaw in the regulation of tech platform businesses in China

The statement included language indicating that the singling out of tech firms like Tencent and Alibaba for particular regulatory scrutiny may end soon. This followed calls in March by Vice-Premier Liu He to ensure consistent and transparent regulation of tech firms in China. In response, Tencent and Alibaba rose 11% and 16%, respectively in Hong Kong trading on 29 April: both are portfolio holdings (Source: Bloomberg).

2. Increased infrastructure spending

The Politburo once again indicated that infrastructure spending would be used to increase growth, given that current infrastructure is insufficient or inappropriate for the nation's needs in many areas. This follows statements earlier in the week by Xi Jinping that infrastructure spending must increase this year – a signal to local governments, which control the majority of infrastructure expenditure in China, that they must start spending.

3. Speeding up of fiscal stimulus

A call was made to speed up some CNY1.5 trillion (roughly 1.3% of 2021 GDP) in tax and fee reductions (Source: Wigram Capital Advisers).

4. Relaxation of property restrictions

The Politburo indicated that it was willing to allow relaxation of macroprudential controls such as taxes, loan to value restrictions and resale restrictions, while maintaining tight control over use of funds and gearing in the housing sector. Over the long term, the current policy settings are likely to advantage the large, well-capitalised developers in China which we own, such as China Overseas Land & Investment and China Resources Land, in our view.

China is loosening as other economies tighten

None of this is new in essence. Liu He made similar statements in his March release, which saw a similar market bounce, and Chinese official policy has been stimulatory since late 2021. The point is that China is in partial lockdown when other countries are in full recovery and is stimulating as most other large economies commence interest rate tightening cycles and see declining fiscal support.

Perhaps more relevant than the market exuberance itself is the extremely beaten up state of Chinese equities – these are among the cheapest in the world, with ongoing earnings growth and very sophisticated businesses on offer. However, China's ongoing commitment to cracking down on Covid – now known as a "dynamic zero" approach – is restricting economic growth. China's April purchasing managers' index (PMI) readings were very weak: 47.4 in manufacturing and 41.9 in non-manufacturing (Source: Bloomberg). As such, China is in a holding pattern for now, with attempts to stimulate offset by severe interruptions to economic growth from lockdowns. It may be worth recalling that the depths of Covid lockdowns presented buying opportunities in Western markets over the last two years. Time will tell.

Source: Chart 1 – IBES consensus, in local currency. Correct as at 3 May 2022.

Source: Chart 2 – IBES consensus, in local currency. Correct as at 3 May 2022.