

Facts

Portfolio value	\$475.02 mn
Portfolio inception	16 September 2015
Current share price	\$1.37
Pre-tax NTA	\$1.3179
Post-tax NTA	\$1.2469

Fees

Management fee:	1.1% p.a. of the portfolio value
Performance fee:	Payable at 15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country Asia ex Japan Net Index

Performance¹

	FUND % (Pre-tax NTA)	MSCI %
1 month	4.29	3.90
3 months	5.81	5.26
6 months	23.87	16.16
Calendar year to date	4.29	3.90
1 year	40.64	34.57
2 years (compound pa)	23.65	23.30
Since inception (compound pa)	16.25	16.70

The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Invested positions³

	LONG %	NET %	CURRENCY %
China*	53.3	53.3	5.5
Hong Kong	3.2	3.2	44.5
Taiwan	2.0	2.0	2.0
India	11.7	11.7	11.4
Indonesia	1.2	1.2	1.2
Korea	11.6	11.6	11.7
Malaysia	0.5	0.5	0.5
Philippines	2.4	2.4	2.5
Singapore	0.7	0.7	
Thailand	4.5	4.5	4.5
Vietnam	1.0	1.0	1.0
	92.1	92.1	
Australian Dollar			0.4
United States Dollar**			14.9
Cash	7.9	7.9	
Total	100.0	100.0	100.0

Long - 82 stocks, 2 swaps

*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. Source: Platinum for PAI returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible asset value as released to the ASX and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PAI. The returns are calculated relative to the MSCI All Country Asia ex Japan Net Index in A\$. Past performance is not a reliable indicator of future results.

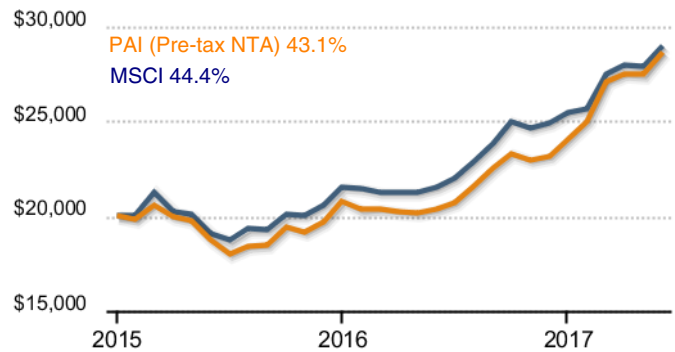
2. Source: Platinum for PAI returns and RIMES Technologies for MSCI returns. The investment returns depicted in this graph are cumulative on A\$20,000 invested in PAI since inception relative to the MSCI All Country Asia ex Japan Net Index in A\$ ("Index"). Performance results have been calculated using the pre-tax net tangible asset value as released to the ASX and represent the combined income and capital return of PAI's investments for the specified period. Please note that the results are not calculated from the share price of PAI. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably from the make-up of the Index. The Index is provided as a reference only. Past performance is not a reliable indicator of future results.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives as a percentage of PAI's portfolio value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PAI's portfolio value. The "Currency %" represents the currency exposure for PAI as a percentage of PAI's portfolio value, taking into account currency hedging.

4. The "Top ten positions" shows PAI's top long share exposure positions as a percentage of PAI's portfolio value. Long derivative exposures are included. However, short derivative exposures are not.

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Performance graph²



The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Alibaba Group	China	Info Technology	3.5
Ping An Insurance Grp	China	Financials	3.5
China Merchants Bank Co Ltd	China	Financials	3.2
Axis Bank Ltd	India	Financials	3.1
Tencent Holdings Ltd	China	Info Technology	2.9
Kasikornbank	Thailand	Financials	2.9
China Overseas land	China	Real Estate	2.6
Samsung Electronics Co Ltd	Korea	Info Technology	2.6
Jiangsu Yanghe Brewery	China	Consumer Staples	2.5
China Oilfield Servies Ltd	China	Energy	2.2

Industry breakdown³

SECTOR	LONG %	NET %
Financials	23.8	23.8
Info Technology	17.0	17.0
Cons Discretionary	10.0	10.0
Industrials	8.5	8.5
Materials	7.7	7.7
Real Estate	5.6	5.6
Energy	5.5	5.5
Consumer Staples	5.2	5.2
Health Care	3.8	3.8
Telecom Services	2.8	2.8
Utilities	2.1	2.1

Asian equity markets performed very strongly for the month, once again. The Company 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.

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.

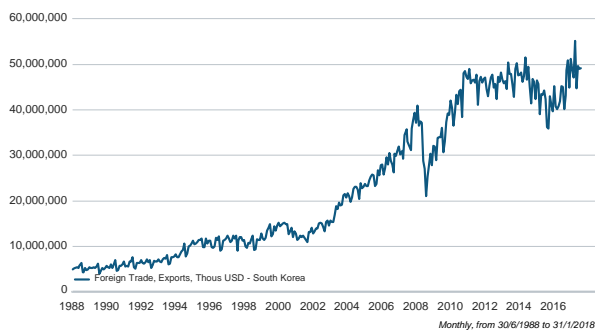
Major Asian equity market PE ratios

	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.

