

Facts

Portfolio value	\$458.44 mn
Portfolio inception	16 September 2015
Current share price	\$1.325
Pre-tax NTA	\$1.2322
Post-tax NTA	\$1.1785

Fees

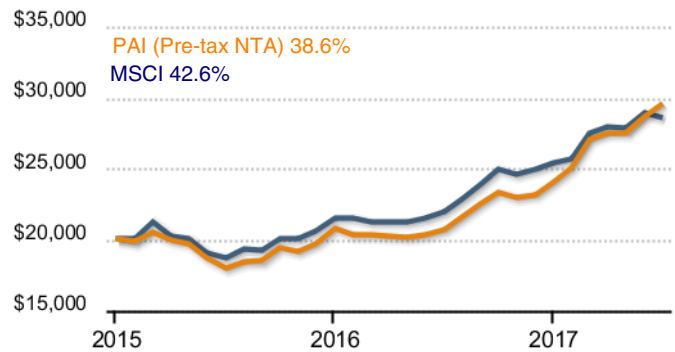
Management fee:	1.1% p.a. of the portfolio value
Performance fee:	Payable at 15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country Asia ex Japan Net Index

Performance¹

	FUND % (Pre-tax NTA)	MSCI %
1 month	(3.12)	(1.26)
3 months	0.92	2.26
6 months	15.52	12.46
Calendar year to date	1.04	2.59
1 year	33.97	30.17
2 years (compound pa)	24.14	23.69
Since inception (compound pa)	14.22	15.55

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

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 ADR	China	Info Technology	3.7
Ping An Insurance Grp	China	Financials	3.5
Kasikornbank PCL	Thailand	Financials	3.1
Tencent Holdings Ltd	China	Info Technology	3.1
Axis Bank Ltd	India	Financials	3.0
Samsung Electronics Co Ltd	Korea	Info Technology	2.9
China Overseas land	China	Real Estate	2.8
China Everbright International	China	Industrials	2.1
China Oilfield Services Ltd	China	Energy	2.1
Jiangsu Yanghe Brewery	China	Consumer Staples	2.1

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

Industry breakdown³

SECTOR	LONG %	NET %
Financials	22.7	22.7
Info Technology	17.9	17.9
Consumer Discretionary	8.8	8.8
Industrials	8.1	8.1
Materials	7.0	7.0
Real Estate	5.4	5.4
Energy	5.2	5.2
Health Care	4.1	4.1
Consumer Staples	3.7	3.7
Utilities	2.1	2.1
Telecom Services	2.0	2.0

Invested positions³

	LONG %	NET %	CURRENCY %
China	3.5	3.5	3.6
China Ex PRC	44.8	44.8	
Hong Kong	3.6	3.6	46.0
Taiwan	2.1	2.1	2.1
India	12.9	12.9	13.3
Indonesia	0.6	0.6	0.7
Korea	11.3	11.3	12.1
Malaysia	0.5	0.5	0.5
Philippines	2.1	2.1	2.2
Singapore	0.8	0.8	
Thailand	4.7	4.7	4.9
	86.9	86.9	
Australian Dollar			1.2
United States Dollar**			13.4
Cash	13.1	13.1	
Total	100.0	100.0	100.0

Long - 82 stocks, 1 swap

**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. 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 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.

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 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 bottom up 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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February saw a negative month for the portfolio, with our Chinese stocks contributing most to the weakness.

News was released this month of the possible removal of term limits for China's leader Xi Jinping. We found this unsurprising, and more importantly think most market participants in China did also. In the medium term the news regarding Xi is positive for China's reform program. Xi has shown himself to be a capable leader who has made significant changes to clean up the system which he is head of.

The knowledge that he will potentially be leader for longer than another five year term is likely to discourage opposition to his reforms, such as capacity closure and consolidation in heavy industry, de-risking the financial system and reforming state owned enterprises. Longer term – there are potential negative effects of allowing for indefinite rule – we are cognisant of this and will monitor for signs of declining standards in governance.

While the scale and impact of Chinese economic development are unprecedented, the experience is not without parallel. South Korea, Taiwan and Japan saw similar trajectories of urbanisation and economic growth during the twentieth century. For instance, it is easy to forget that Japan saw rapid wage growth and high rates of investment in the 1960s and 1970s: wage growth over these periods was 8-10% per annum. All of these earlier Asian development stories converted agrarian workers to urban workers, grew wages and rates of savings and investment very rapidly. In all cases this process slowed only once urbanisation levels reached somewhere in the 70-80% range. China's rate of urbanisation is currently 57%*. This is often overlooked in discussions about demographics and future growth prospects: fears of a demographic slowdown overlook the significant potential, indeed necessity, of converting rural workers to urban workers in coming decades.

Trade tension has reared its head following month end, with the Trump administration pushing for tariffs on steel and aluminium. US corporate profitability is tied to supply lines into large Asian economies. This, plus China's position, with its trade and current account surpluses, rebalancing toward domestic consumption and huge holdings of US treasuries, leave us optimistic that this will be a squall, not a war.

We continue to see Asian markets as relatively cheap (with some exceptions – India is somewhat expensive), with potential for significant potential economic and profit growth. Minor setbacks along the way can be expected and we see current events as exactly that.

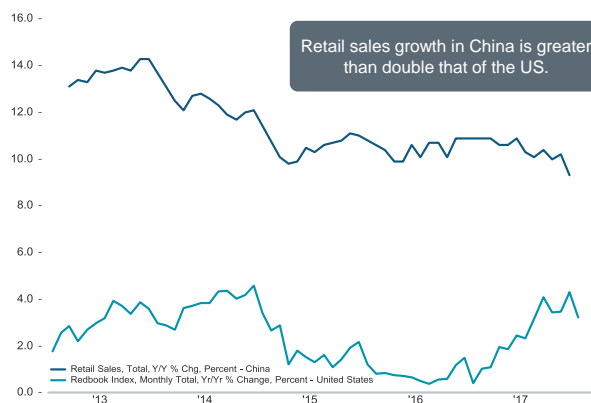
*The World Bank data

Major Asian equity market PE ratios

	2018 NTM PE	2017 NTM PE
South Korea	9.4	10.1
China	11.9	12.3
India	18.5	16.7

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

Chinese vs. US retail sales growth (% change, YoY)



Source: FactSet

Chinese money supply growth (M2, % change YoY)



Source: PBOC, FactSet