

Facts

| | |
|---------------------|-------------------|
| Portfolio value | \$396.8 mn |
| Portfolio inception | 16 September 2015 |
| Current share price | \$1.195 |
| Pre-tax NTA | \$1.0937 |
| Post-tax NTA | \$1.0818 |

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 | (2.83) | (1.43) |
| 3 months | (2.91) | 0.51 |
| 6 months | (3.16) | (1.28) |
| Calendar year to date | (3.66) | 1.34 |
| 1 year | 5.83 | 10.02 |
| 2 years (compound pa) | 14.10 | 14.73 |
| 3 years (compound pa) | 10.09 | 12.17 |
| Since inception (compound pa) | 9.60 | 11.92 |

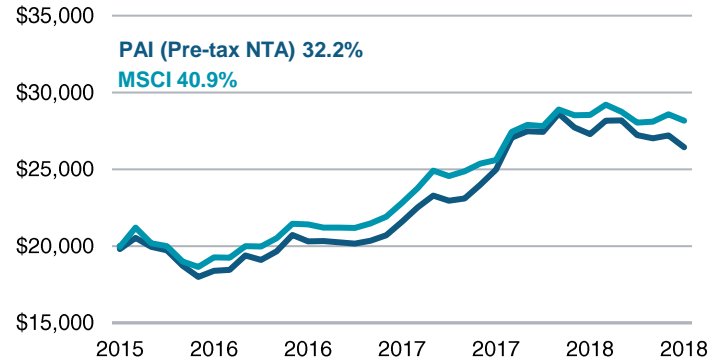
The Pre-tax NTA return is calculated on net assets after the deduction of fees & costs and assumes the re-investment of any dividends

Invested positions³

| | LONG % | NET % | CURRENCY % |
|------------------------|--------------|--------------|--------------|
| China | 5.1 | 5.1 | 5.1 |
| China Ex PRC | 37.6 | 36.1 | |
| Hong Kong | 4.4 | 4.4 | 43.0 |
| Taiwan | 1.8 | 1.8 | 1.8 |
| India | 11.8 | 11.8 | 15.4 |
| Indonesia | 0.1 | 0.1 | 0.1 |
| Korea | 13.2 | 13.2 | 13.2 |
| Malaysia | 0.5 | 0.5 | 0.5 |
| Philippines | 2.2 | 2.2 | 2.2 |
| Singapore | 0.8 | 0.8 | |
| Thailand | 5.1 | 5.1 | 5.3 |
| Vietnam | 1.6 | 1.6 | 1.1 |
| | 84.3 | 82.8 | |
| Australian Dollar | | | 0.1 |
| United States Dollar** | | | 12.2 |
| Cash | 15.7 | 17.2 | |
| Total | 100.0 | 100.0 | 100.0 |

Long - 66 stocks Short - 1 stock

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 | % |
|------------------------------|-----------|-----------------|-----|
| Samsung Electronics Co Ltd | Korea | Info Technology | 4.1 |
| AIA Group Ltd | Hong Kong | Financials | 3.7 |
| Ping An Insurance Grp | China | Financials | 3.7 |
| Kasikornbank PCL | Thailand | Financials | 3.5 |
| China Merchants Bank | China | Financials | 3.3 |
| Alibaba Group | China | Info Technology | 3.0 |
| China Oilfield Servies Ltd | China | Energy | 2.9 |
| Naver Corporation | Korea | Info Technology | 2.6 |
| Tencent Holdings Ltd | China | Info Technology | 2.5 |
| China Overseas Land & Invst. | China | Real Estate | 2.3 |

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

Industry breakdown³

| SECTOR | LONG % | NET % |
|--------------------|--------|-------|
| Financials | 26.1 | 26.1 |
| Info Technology | 20.4 | 20.4 |
| Energy | 10.2 | 10.2 |
| Industrials | 6.3 | 6.3 |
| Real Estate | 5.7 | 5.7 |
| Health Care | 4.5 | 4.5 |
| Cons Discretionary | 3.7 | 3.7 |
| Materials | 2.3 | 2.3 |
| Telecom Services | 1.8 | 1.8 |
| Consumer Staples | 1.3 | (0.2) |
| Other | 1.1 | 1.1 |
| Utilities | 0.9 | 0.9 |

**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 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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- Macro-economic and trade fears dominate
- China is responding to boost domestic demand with tax cuts and loosening credit conditions
- Economic data indicate a mild slow down in a reasonably healthy Chinese economy
- Corporate earnings are growing and stocks appear very reasonably priced

China's economy appears to be in the midst of a modest slow down, amid ongoing economic reforms. There are clear indications of official attempts to stimulate the economy to offset a tightening of lending conditions prompted by these ongoing reforms, for instance the People's Bank of China cut the reserve ratio requirement by 1% in the banking system on 7 October, effective 15 October. The central bank said the cut will free up 1.2 trillion yuan (US\$174.7bn) (Source: Credit Suisse).

Below we look at a range of data indicating a solid economic picture in China.

September National Bureau of Statistics manufacturing Purchasing Managers Index (PMI) declined to 50.8 from 51.3 in August (Source: CICC). The private Caixin/Markit PMI came in at 50.0, weak by Chinese standards, indicating a neutral reading, with results over 50 indicating intentions to raise orders (Source: Deutsche Bank).

Non-manufacturing PMI picked up further to 54.9 in September from 54.2 in August. Source: CICC. Power consumption increased 8.8% year-on-year (Source: CICC). Retail sales grew 9% year-on-year in August (Source: CICC).

Property investment growth was 9.5% in August (Source: CICC). Property investment seems likely to accelerate in coming months, with land transactions in area terms up 44.7% year-on-year in August.

Since March, Chinese metals inventories are down 28%, 22%, 24% and 58% in copper, aluminium, nickel and zinc respectively. During the same period, China steel rebar and hot rolled coil (HRC) inventories destocked by 54% and 28%, respectively (Source: JP Morgan).

August excavator sales in China rose 33% year-on-year with the first month-on-month increase in 4 months (Source: Northern Trust).

As mentioned however, the Chinese economy has clearly slowed. Key areas of weakness in the economy include fixed asset investment (chiefly infrastructure and property), up just 4.1% in August (albeit this accelerated from 3.0% growth in July) (Source: CICC). Auto sales are also weak, down 20% in late September on a year ago (Source: CICC).

After years of strong performance, our Indian bank holdings were a drag on performance during the month, following the ouster of the highly regarded CEO of Yes Bank. Further, monetary conditions in India are tight, with high real rates reflecting the Reserve Bank of India's focus on squeezing inflation out of the system. This is all likely to crimp banking system growth in the near term. Longer term, it must be noted how positive this is for sustainable economic growth in India, alongside deep reform efforts such as the GST, the elimination of large bank notes, bio-identification and bank account opening.

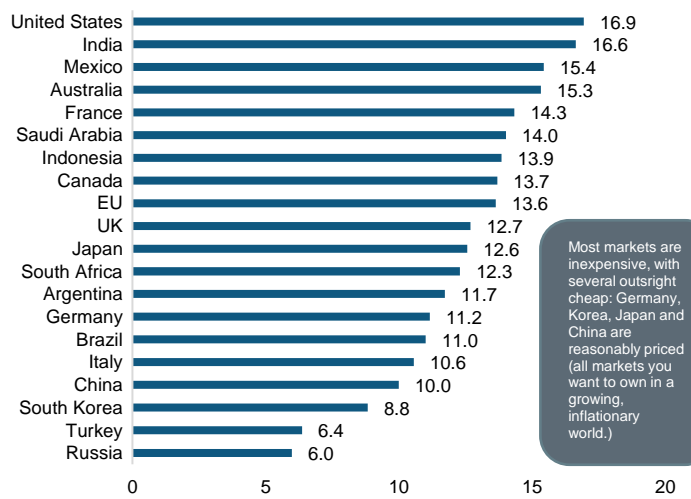
In summary, our portfolio is tilted toward cyclicals (e.g. financials, energy, industrials and real estate), amid low valuations for cyclicals globally. This is in preference to highly valued technology stocks. This appears sensible to us, amid solid economic data in Asia and globally.

Major market EPS growth - Next 12 months



Chart¹- Major market EPS growth

Major market price-earnings ratios - Next 12 months



Chart²- Major market P/E ratios