

## FACTS

Portfolio value	\$420.38 mn
Portfolio commenced	15 September 2015
Current share price	\$1.015
Current dividend yield	8.37%
Pre-tax NTA	\$1.1180
Post-tax NTA	\$1.1171
Maximum franked dividend	9.95 cps
NTA retained earnings & div profit resv.	12.54 cps

## PERFORMANCE<sup>1</sup>

	Company % (Pre-tax NTA)	MSCI %
1 month	(5.3)	(5.2)
3 months	(4.9)	(6.3)
6 months	(5.9)	(9.8)
Calendar year to date	(2.9)	(5.2)
1 year	(10.5)	(8.7)
2 years (compound pa)	9.7	3.9
3 years (compound pa)	10.1	6.0
5 years (compound pa)	11.4	9.3
Since inception (compound pa)	9.3	8.7

PAI's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PAI's returns have not been calculated using PAI's share price.

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

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	86.0	(1.0)	85.0	88.7
Australia				0.1
China	44.5		44.5	44.5
Hong Kong	6.4		6.4	9.7
Taiwan	6.1		6.1	6.1
India	9.8	(1.0)	8.9	9.1
Macao	1.2		1.2	1.2
Philippines	1.9		1.9	1.9
Singapore	1.1		1.1	1.1
South Korea	9.7		9.7	9.8
Vietnam	5.3		5.3	5.3
<b>Europe</b>				0.5
United Kingdom				0.5
<b>North America</b>				10.8
United States of America				10.8
<b>Sub-Total</b>	86.0	(1.0)	85.0	100.0
<b>Cash</b>	14.0	1.0	15.0	
<b>Total</b>	100.0		100.0	100.0

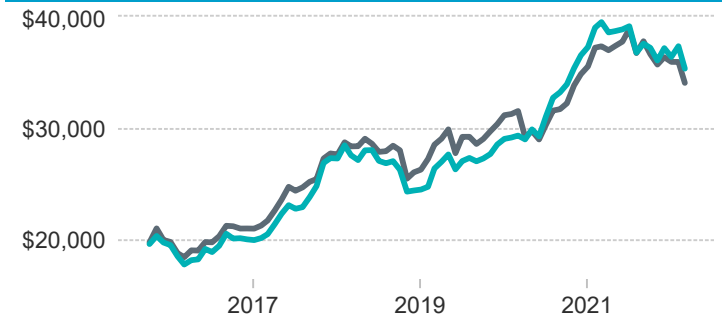
Long - 58 stocks, 1 swap Short - 1 swap, 1 index

## FEES

Management fee:	1.10% p.a. (excl. GST) of portfolio value* plus
Performance fee:	15.00% p.a. (excl. GST) of outperformance over benchmark (MSCI All Country Asia ex Japan Net Index (A\$))

\*The portfolio value is the market value of the investments in the portfolio after the deduction of fees and expenses, adjusted for taxes, corporate actions and dividends.

## PERFORMANCE GRAPH<sup>2</sup>



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

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.6
Samsung Electronics Co	South Korea	Info Technology	4.7
Vietnam Ent Investments	Vietnam	Other	4.0
Tencent Holdings Ltd	China	Comm Services	3.9
ZTO Express Cayman Inc	China	Industrials	3.7
Ping An Insurance Group	China	Financials	3.6
InterGlobe Aviation Ltd	India	Industrials	3.5
China Resources Land Ltd	China	Real Estate	3.3
SK Hynix Inc	South Korea	Info Technology	3.3
AIA Group Ltd	Hong Kong	Financials	3.1
<b>Total</b>			<b>38.7</b>

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

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	16.8		16.8
Information Technology	16.0	(1.0)	15.0
Financials	14.7		14.7
Industrials	12.1		12.1
Real Estate	11.2		11.2
Communication Services	3.9		3.9
Materials	3.4		3.4
Consumer Staples	3.1		3.1
Health Care	0.8		0.8
Other	4.0		4.0

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1. & 2. Source: Platinum for portfolio returns and Factset Research Systems for MSCI returns. The returns are calculated relative to the MSCI All Country Asia ex-Japan Net Index in A\$. The investment returns in the line graph are cumulative on A\$20,000 invested in PAI since inception. 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 PAI's portfolio value. The "Currency %" is the effective currency exposure of PAI's portfolio as a percentage of its portfolio value, 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 PAI's top ten long securities positions as a percentage of PAI's portfolio value (including long securities and long securities derivative positions).

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## MARKET UPDATE AND COMMENTARY

- A difficult month for Asian equities.
- Selling appears indiscriminate.
- China's global integration and economic aspirations are key.

Asian markets and the portfolio had a poor month amid a global sell-off in risk assets, combined - unusually - with a strong Australian dollar. Events in Ukraine have seen a risk-off market environment, plus large increases in commodity prices, which has resulted in the unusual coupling of a risk-off environment with a strong Australian dollar.

### Indiscriminate selling

February saw, what looks to us to be, indiscriminate selling of the Asian region by global investors. The largest detractors from the portfolio's performance for the month were the stocks which are most widely held by global investors in our view, notably Tencent, Taiwan Semiconductor Manufacturing and Alibaba. The main contributors to performance were the under-owned, little-known stocks.

### Do the events in Ukraine change the investment logic for China?

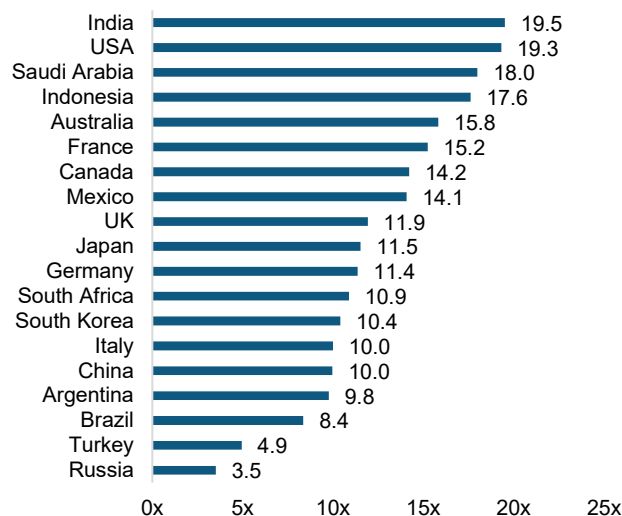
With events such as the Russia-Ukraine conflict, people can be quick to look for analogues and fear can be contagious. One such concern being expressed is the implications of the current situation and its impact on China as an investment destination. At this time, it is interesting to observe firstly, the economic progress seen in China over the last 30 years, relative to that of Russia, as evidenced by the growth in gross domestic product (GDP) per capita, being a different order of magnitude (see chart). Our sense is that China is more integrated into the global economy than Russia – being a major end market for most Western companies, and a major supplier into Western markets. We have often talked about how the rise of China has led to two large and dynamic economies (US and China) that must navigate their own aspirations, and the associated tensions that may emerge from time to time.

The Chinese economy continues to muddle through in our view. Policy officials are keen to provide moderate support to the economy, a stance reiterated again during the month by Commerce Minister Wang Wentao who said that China must "do everything possible" this year to spur domestic consumption (Source: Northern Trust). China's February manufacturing purchasing managers' index (PMI) reading was slightly positive, reflecting our view of an economy which is growing moderately amid a significant reform program (see:

<http://www.news.cn/english/20220301/db1f69121f3d48c7a0989d435c6157ca/c.html>).

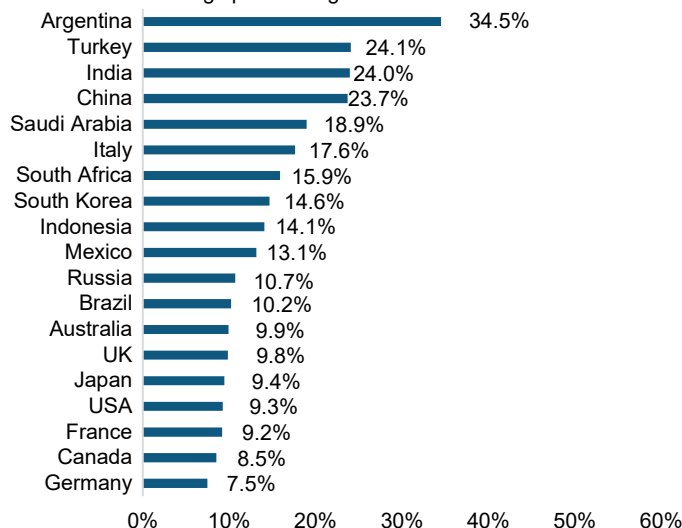
Astute readers will note that commentary regarding a housing crisis in China has receded – quality Chinese property development stocks have stabilised nicely, with key portfolio holding China Resources Land up over 27% over six months at the time of writing, since the apogee of China housing fears (Source: FactSet). China's new home prices rose slightly (0.03%) in February versus January, in line with policy objectives of stable home prices (Source: Northern Trust).

Major market price-earnings ratios - Next 12 months



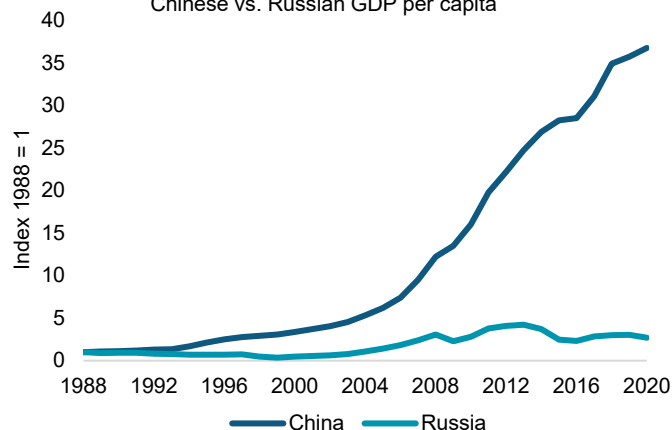
Source: Chart 1 – IBES consensus, in local currency. Correct as at 4 March 2022.

Earnings per share growth - Next 12 months



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

Chinese vs. Russian GDP per capita



Source: Chart 3 - World Bank: Correct as at 4 March 2022.