

FACTS

Portfolio value	\$389.92 mn
Portfolio commenced	15 September 2015
Current share price	\$0.860
Current dividend yield	9.88%
Pre-tax NTA	\$1.0566
Post-tax NTA	\$1.0730
Maximum franked dividend	11.16 cps
NTA retained earnings & div profit resv.	8.11 cps

PERFORMANCE¹

	Company % (Pre-tax NTA)	MSCI %
1 month	4.3	(0.4)
3 months	3.4	(0.6)
6 months	(8.0)	(11.5)
Calendar year to date	(8.0)	(11.5)
1 year	(14.4)	(18.1)
2 years (compound pa)	3.8	2.4
3 years (compound pa)	7.3	2.8
5 years (compound pa)	7.9	5.4
Since inception (compound pa)	7.9	7.1

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 POSITIONS³

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	84.1	(1.0)	83.1	87.5
China	46.9		46.9	46.9
Hong Kong	4.2		4.2	8.2
Taiwan	5.0		5.0	5.1
India	9.1	(1.0)	8.1	8.3
Indonesia	0.5		0.5	0.5
Macao	1.4		1.4	1.4
Philippines	1.6		1.6	1.6
Singapore	1.4		1.4	1.4
South Korea	8.1		8.1	8.1
Vietnam	5.9		5.9	5.9
North America				12.5
United States of America				12.5
Sub-Total	84.1	(1.0)	83.1	100.0
Cash	15.9	1.0	16.9	
Total	100.0		100.0	100.0

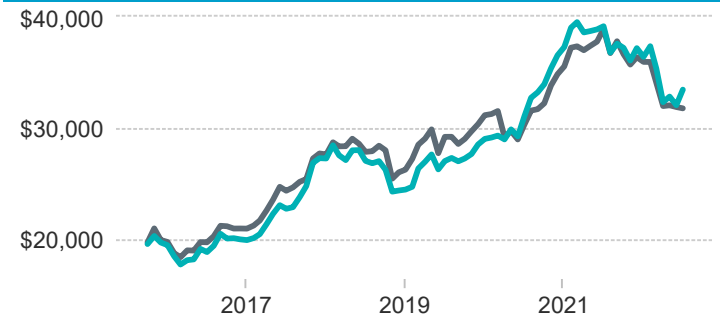
Long - 59 stocks, 1 swap Short - 1 swap, 1 index

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 GRAPH²



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.

TOP TEN POSITIONS⁴

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	4.6
ZTO Express Cayman Inc	China	Industrials	4.1
Tencent Holdings Ltd	China	Comm Services	4.1
Vietnam Ent Investments	Vietnam	Other	4.0
Ping An Insurance Group	China	Financials	4.0
Samsung Electronics Co	South Korea	Info Technology	3.7
Alibaba Group Holding Ltd	China	Cons Discretionary	3.5
InterGlobe Aviation Ltd	India	Industrials	3.5
China Resources Land Ltd	China	Real Estate	3.2
JD.com Inc	China	Cons Discretionary	2.7
Total			37.3

INDUSTRY BREAKDOWN³

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	20.2		20.2
Information Technology	14.1	(1.0)	13.2
Real Estate	12.6		12.6
Industrials	11.8		11.8
Financials	9.9		9.9
Communication Services	4.1		4.1
Consumer Staples	3.6		3.6
Materials	3.1		3.1
Health Care	0.7		0.7
Energy	0.1		0.1
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

- Strong performance by China.
- Chinese property developers are a case study.
- Updates on India and South Korea.

Performance in June was pleasing for the portfolio, driven by our Chinese holdings. The Shanghai Composite has performed well in recent months relative to large regional peers India (Nifty) and Korea (KOSPI), as shown in the accompanying chart. Drivers of performance for the month were Chinese travel companies Trip.com and Huazhou, tech/consumer discretionary names Alibaba and JD.com, Ping An Insurance, and property developer China Resources Land. Among our larger detractors for the month were our semiconductor holdings Samsung Electronics, SK Hynix and Taiwan Semiconductor Manufacturing.

Chinese property developers contribute strongly

The performance of our Chinese property developer holdings over the past year has been pleasing: China Resources Land is up approximately 23% in Australian dollars (AUD); and China Overseas Land & Investment is up approximately 42% in AUD (Source: FactSet). These are emblematic of our approach, particularly in China. These are large companies, with long track records of earnings growth, sound balance sheets, operating in an industry that is essential for ongoing Chinese development, and they are advantaged by official pressure on smaller and highly geared competitors, in our estimation.

Property development presents a case study in what our peers call “political risk” in China. A highly interventionist and methodical state regularly announces areas of concern: corruption, pollution, excessive speculation or gearing and so on, and then action follows. This gives investors time to analyse and decide a course of action. In the case of property developers, we decided that the larger and well-capitalised developers presented excellent opportunities. We can still make mistakes of course, but this is a fault of analysis, not “political risk”.

India

Indian equities have come under pressure in recent months as energy prices bite and inflation has remained above the Reserve Bank of India’s upper threshold of 6% p.a. since February, with a last available reading of 7% in May (Source: Bloomberg). At the same time, unemployment has remained stubbornly high (7.7% in June), but the situation is more serious than this suggests, with a participation rate of just 40% of working age Indians, and only 9% of women, in the labour market, according to the Centre for Monitoring the Indian Economy (Source: Bloomberg, *The Economist*).

In response to high energy prices, at the end of June, the Modi Government announced an increase in diesel and gasoline export duties, along with a windfall tax on domestic oil production and a reserving policy for the domestic market. This is unlikely to solve India’s long-term reliance on imported energy and vulnerability to high oil prices, in our view.

In all, India remains an expensive equity market, and very much the emerging market that global investors can hold in preference to China. Earnings growth is rapid, but it is hardly an economy without challenges – hence our relatively modest holdings (see accompanying charts and portfolio data).

South Korea

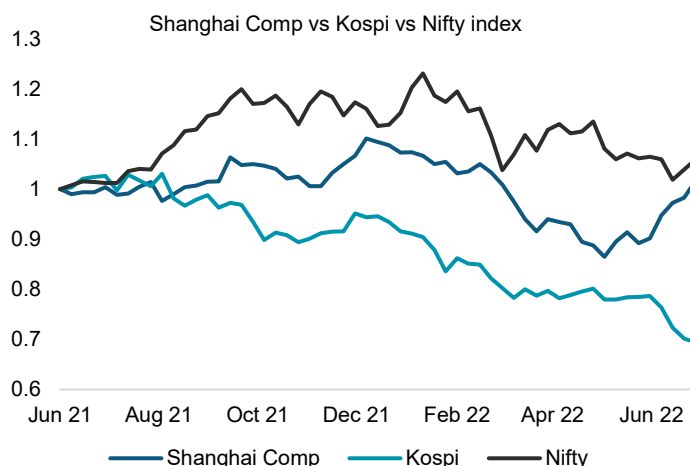
Following a decade of the slowest GDP growth in the country’s history, South Korea enjoyed GDP growth of 4% in 2021, its highest reading since 2010 (Source: World Bank). Now, however, the country faces inflation of 6% in June and has recorded 15 straight months of inflation above the Bank of Korea’s target of 2%, contributing to significant pressure for Korean equities (Source: CNBC). Korea has a challenging domestic economy, competing with the North Asian giants, but in our view the country produces some fine businesses: our holdings in Korea are limited to chip makers Samsung Electronics and SK Hynix, plus petrochemicals and battery material company LG Chem.



Source: Chart 1 – IBES consensus, in local currency. Correct as at 5 July 2022.



Source: Chart 2 – IBES consensus, in local currency. Correct as at 5 July 2022.



Source: Chart 3 – FactSet from 6/6/2021 to 3/07/2022