

7 August 2023

The Manager  
ASX Market Announcements  
Australian Securities Exchange Limited  
Sydney NSW 2000

**Platinum Asia Investments Limited (ASX: PAI)  
Monthly Investment Update and Net Tangible Asset (NTA) Report (with cover letter)**

Platinum Asia Investments Limited hereby releases the attached Monthly Investment Update and NTA Report for the month ended 31 July 2023 (released today at 5:08pm) with the accompanying cover letter (which was omitted in the previous release). There is no change to the information in the attachment.

For more information in relation to PAI, please refer to the website at:  
[www.platinumasia.com.au](http://www.platinumasia.com.au)

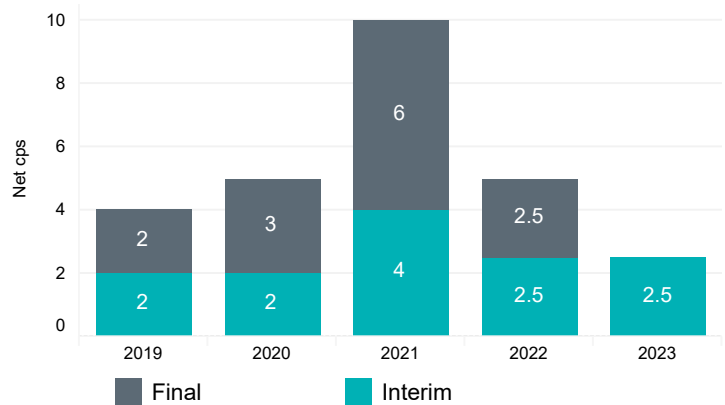
Authorised by  
Joanne Jefferies | Company Secretary

Investor contact  
Elizabeth Norman | Director of Investor Services and Communications  
Platinum Investment Management Limited  
Tel: 61 2 9255 7500  
Fax: 61 2 9254 5555

## FACTS<sup>1</sup>

Market capitalisation	\$323.78 mn
Listing date	21 September 2015
Current share price	\$0.875
Current dividend yield	5.71%
Pre-tax NTA	\$1.0745
Post-tax NTA	\$1.0728
Maximum franked dividend	5.47 cps
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\$)). Performance fees are calculated after recovery of any underperformance carried forward from prior periods.

## HISTORY OF FULLY FRANKED DIVIDENDS (CPS)<sup>3</sup>



## PERFORMANCE<sup>2</sup>

	1 month	3 months	6 months	CYTD	1 year	2 years p.a.	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a.
<b>Company % (Pre-tax NTA)</b>	4.8	5.2	3.6	8.7	12.2	(1.4)	2.9	5.8	8.9	7.7
<b>MSCI %</b>	4.8	4.9	5.7	10.0	10.0	(3.7)	2.5	4.0	7.6	7.0

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. Past performance is not a reliable indicator of future returns.

## INVESTED POSITIONS<sup>4</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	91.0	(2.8)	88.2	94.9
China	47.0		47.0	47.0
Hong Kong	2.4		2.4	8.4
India	7.0	(2.1)	4.8	5.1
Indonesia	2.0		2.0	1.9
Philippines	2.3		2.3	2.3
Singapore	1.1		1.1	1.2
South Korea	13.4	(0.7)	12.7	12.8
Taiwan	6.2		6.2	6.2
Thailand	1.5		1.5	1.5
Vietnam	7.2		7.2	7.2
Other Asia-Pacific	0.9		0.9	1.4
<b>North America</b>				5.1
United States of America				5.1
<b>Sub-Total</b>	91.0	(2.8)	88.2	100.0
<b>Cash</b>	9.0	2.8	11.8	
<b>Total</b>	100.0		100.0	100.0

Long - 63 stocks, 1 swap Short - 3 swaps, 2 indices

## TOP TEN POSITIONS<sup>5</sup>

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.5
Samsung Electronics Co	South Korea	Info Technology	5.1
Vietnam Ent Investments	Vietnam	Other	5.1
ZTO Express Cayman Inc	China	Industrials	4.7
SK Hynix Inc	South Korea	Info Technology	4.3
Ping An Insurance Group	China	Financials	4.2
InterGlobe Aviation Ltd	India	Industrials	4.0
Tencent Holdings Ltd	China	Comm Services	3.6
China Resources Land Ltd	China	Real Estate	3.4
Midea Group Co Ltd	China	Cons Discretionary	2.9
<b>Total</b>			42.8

## INDUSTRY BREAKDOWN<sup>4</sup>

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	18.7		18.7
Information Technology	16.5	(0.9)	15.5
Industrials	14.5	(0.2)	14.3
Real Estate	12.4		12.4
Financials	10.3		10.3
Materials	4.4	(0.5)	3.9
Consumer Staples	3.8		3.8
Communication Services	3.7		3.7
Health Care	1.4		1.4
Energy	0.1		0.1
Other	5.2	(1.2)	4.0
<b>Sub-Total</b>	91.0	(2.8)	88.2
<b>Cash</b>	9.0	2.8	11.8
<b>Total</b>	100.0		100.0

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the investment manager of Platinum Asia Investments Limited ("PAI"). This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Neither PAI nor Platinum, guarantee the performance of PAI, the repayment of capital or the payment of income. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by PAI or Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by PAI or Platinum for any loss or damage as a result of any reliance on this information.

1. Source: Platinum. The pre-tax NTA was calculated in accordance with Australian Accounting Standards, based on the fair value of all investments. The post-tax NTA is the pre-tax NTA after provision for tax on both realised and unrealised income and gains. The NTA is unaudited.

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\$. 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. Shows dividends paid during the calendar year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends (if any).

4. 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 total of the "Long %" and "Short %", each as a percentage of PAI's portfolio value. The "CCY %" 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".

4. and 5. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of the country classifications.

5. 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). All data where MSCI is referenced is the property of MSCI Limited ("MSCI"). No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>

## MARKET UPDATE AND COMMENTARY

- The portfolio returned 4.8% in July and 12.2% over the year.
- The return was driven by strong contributions from consumer discretionary, information technology and industrials.
- We are focused on finding businesses that have strong long-term growth prospects with attractive valuations.

### Market Commentary

#### **All eyes were on China's Politburo meeting in July**

The Politburo statement from the 24 July meeting acknowledged China's economy was facing new difficulties and challenges, in particular, lacklustre domestic demand and a complex external environment. Members urged the need for proactive fiscal policy and prudent monetary policy (source: Xinhua). Three US cabinet officials visited China during July to calm geopolitical tensions, and President Xi made comments calling for greater international cooperation in terms of trade and investment. The market took this announcement positively, with some economists describing the tone as more dovish than expected (source: Deutsche Bank). Analysts agreed that more stimulus measures seem likely and will be enough to ensure that the government's growth target of "at least 5%" will be achieved (source: FactSet). Chinese stocks recorded their best month since January on rising expectations that stimulus would be forthcoming (source: Bloomberg).

#### **Support for the Chinese property market was the standout**

The standout development cited was the change in language on real estate policy, dropping the mantra that "housing is for living, not for speculation". Chinese property stocks rebounded in late July on the news that authorities are looking to ease housing curbs and stimulate private consumption, with officials in top-tier cities including Beijing, Shenzhen and Guangzhou mulling easing home-buying restrictions in these cities to drive a recovery in property markets (source: SCMP). The portfolio has about ~7% exposure to Chinese real estate companies.

Platinum is a contrarian investor; our hunting ground is to look for out-of-favour stocks where the market has overreacted to temporary setbacks or structural change. Even world-class companies with strong long-term growth prospects at attractive valuations that happen to be situated in China still seem to be out of favour with investors, and this is therefore an area where we think the best opportunities are to generate alpha for the long term.

#### **Elsewhere in Asia**

India continues to be the flavour for the month for investors. We think India is a great story both in terms of demographics and macroeconomic indicators, however, it is a well-known story, and we believe it is already reflected in the price. The BSE500 Index is trading on 20x 12-month forward price-to-earnings (PE), the most expensive market in the G20, and reflects the market's expectations of 21% earnings per share (EPS) growth for the next 12 months. This is compared to China (Shanghai A Share Index), which is trading on 9.5x 12-month forward PE with the market expecting EPS growth of 24% (source: FactSet and Credit Suisse).

### Performance Analysis\*

The portfolio returned 4.8% for the month. Top contributors to July's performance included Vietnamese fund manager Vietnam Enterprise Investments, Chinese insurance company Ping An Insurance and Chinese tech company Alibaba. Detractors included Taiwan Semiconductor Manufacturing and Chinese technology company TI Cloud.

### Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 4% higher earnings yield (see table below). We continue to deploy Platinum's contrarian investment process, which focuses on finding businesses that have better long-term growth prospects but are oversold or out of favour due to temporary setbacks and therefore have attractive valuations.

Metric	Platinum Asia Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	7.9% (Price-to-Earnings ratio of 12.6x)	7.6% (Price-to-Earnings ratio of 13.1x)
NTM Dividend Yield	2.6%	3.0%
NTM Enterprise Value-to-Sales	1.5x	1.1x
LTM Price-to-Book Ratio	1.6x	1.6x

The valuations in the table have been calculated by Platinum and for the portfolio refer to the long portion of the portfolio, exclude negative net earnings and use FactSet consensus earnings. MSCI data is sourced from Rimes, FactSet and Platinum. As at 31 July 2023. NTM = next twelve months. LTM = last twelve months.

\*Source: Platinum. Contribution numbers are based on the total return of individual positions (in AUD) and are gross as they do not take into account the portfolio's fees and costs (other than brokerage). **Past performance is not a reliable indicator of future returns.**