

Platinum Asia Fund Complex ETF (ASX code: PAXX) Investment Strategy

PAXX is a feeder fund. It primarily invests in units in its underlying fund, the unlisted [Platinum Asia Fund](#) (PAF). PAF, in turn, primarily invests in listed securities of Asian companies.

PAF's portfolio will ideally consist of 40 to 100 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. However, the portfolio typically has 50% or more net equity exposure. Platinum may short-sell securities that it considers overvalued.

PAXX's returns may vary slightly from PAF's performance fee P Class returns due to different cash holdings as well as gains and losses arising as a result of PAXX's market making activities.

The key investment guidelines for PAF are summarised below. For further details, please refer to the latest [Product Disclosure Statement](#).

Suggested time horizon	5 or more years
Geographic limits	<p>The fund may invest in Asian companies (including Asian companies with securities listed on securities exchanges other than those in Asia), companies that are not listed in Asia but where their predominant business is conducted in Asia, and companies that benefit from exposure to the Asian economic region.</p> <p>Platinum defines "Asia" as all countries that occupy the eastern part of the Eurasian landmass (separated from Europe by the Ural Mountains) and its adjacent islands and excluding Japan.</p> <p>The fund may invest in companies based in China, Hong Kong, Taiwan, Korea, Malaysia, Singapore, India, Thailand, Indonesia, Philippines, Sri Lanka, Pakistan and Vietnam.</p>
Industry/sector limits	N/A
Number of securities in portfolio	Typically 40 to 100 securities
Net equity exposure	Typically 50% or more of the fund's net asset value
Cash holdings	<ul style="list-style-type: none"> • Typical range: 0 – 40% of the fund's net asset value • Permissible range: 0 – 100% of the fund's net asset value
Limits on individual security holdings	The fund will seldom invest more than 5% of its net asset value in the securities of a single issuer.
Short-selling	<p>Subject to the limits on leverage and the use of derivatives, the fund may short-sell securities and indices for risk management purposes or as a way to take opportunities to increase returns.</p> <p>See Platinum's risk management strategies for further details.</p>
Currency	<ul style="list-style-type: none"> ○ The fund's currency exposures are actively managed with the aim of capturing the returns and minimising the risks arising from the fund's exposure to foreign currency fluctuations, which can change the value of the equity investments measured in the fund's reporting currency (AUD). ○ Platinum may manage the fund's currency exposures using foreign exchange forwards, swaps, non-deliverable forwards, currency options and spot foreign exchange trades. <p>See Platinum's risk management strategies for further details.</p>

Leverage	<ul style="list-style-type: none"> ○ The fund does not borrow funds (except for short-term overdrafts for trade settlement), though borrowing is permitted under the fund's constitution. ○ The fund may be leveraged through the use of derivatives (see below for detail).
Derivatives	<ul style="list-style-type: none"> ○ The fund may use financial derivative instruments for risk management purposes and/or as a way to take opportunities to increase returns, to gain access to markets not readily available to foreign investors and/or to establish short positions. ○ Both over-the-counter (OTC) derivatives and exchange-traded derivatives are permitted. Aggregate exposure to all OTC derivative counterparties will typically be no more than 5% of the fund's net asset value, and in any event will not exceed 10% of the fund's net asset value. ○ The underlying value of the fund's derivative positions¹ will not exceed 100% of the fund's net asset value. ○ The fund's gross exposure, taking into account all physical securities positions and long and short derivatives,¹ will not exceed 150% of the fund's net asset value. <p>See Platinum's risk management strategies for further details.</p> <p>¹ Where options are employed, the underlying value will be the Delta-adjusted exposure. "Delta" is the theoretical measure of the sensitivity of the option price to a change in the price of the underlying asset (usually expressed as a percentage).</p>
Securities lending	<p>Not undertaken, although permitted under the fund's constitution.</p>