

Facts

Portfolio value	\$268.97
Portfolio inception	16 September 2015
Current share price	\$0.965
Current option price	\$0.05
Pre-tax NAV	\$0.9153
Post-tax NAV*	\$0.9153

*liquidation basis

Performance¹ (Pre tax, after base fees)

	PAI %	MSCI %
1 month	(5.06)	(5.00)
3 month	(8.84)	(10.42)
Since Inception	(6.41)	(5.00)

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 Index

Performance graph²

Not sufficient data

Top ten positions⁴

STOCK	COUNTRY	INDUSTRY	%
Tencent Holdings Ltd	China Ex PRC	Info Technology	4.1
Yes Bank Ltd	India	Financials	3.0
CK Hutchison Holdings Ltd	Hong Kong	Industrials	2.9
PICC Property & Casualty Co	China Ex PRC	Financials	2.8
Kasikornbank PCL Foreign	Thailand	Financials	2.8
JD.com Inc ADR	China Ex PRC	Cons Discretionary	2.8
Shinhan Financial Group Ltd	Korea	Financials	2.8
China Mobile Ltd HK	China Ex PRC	Telecom Services	2.6
Baidu com ADR	China Ex PRC	Info Technology	2.6
Jardine Matheson Holdings	Singapore	Industrials	2.5

Industry breakdown³

SECTOR	LONG %	NET %
Financials	26.4	26.4
Info Technology	13.2	13.2
Industrials	9.5	9.5
Cons Discretionary	8.8	8.8
Utilities	7.9	7.9
Consumer Staples	6.3	6.3
Telecom Services	2.6	2.6
Energy	1.4	1.4

Invested positions³

	LONG %	NET %	CURRENCY %
China	5.6	5.6	5.6
China Ex PRC	26.2	26.2	
Hong Kong	3.5	3.5	22.1
Taiwan	3.2	3.2	
India	16.8	16.8	0.5
Korea	9.2	9.2	9.0
Philippines	2.8	2.8	3.2
Singapore	2.5	2.5	
Thailand	6.3	6.3	6.4
	76.1	76.1	
Australian Dollar			5.4
China Renminbi Off Shore			(26.5)
United States Dollar			74.3
Cash	23.9	23.9	
Total	100.0	100.0	100.0

Long - 37 stocks, 18 swaps

1. Performance results have been calculated using the pre-tax net asset value price (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 Platinum Asia Investment Limited (PAI). You should also be aware that performance results are calculated using historic points of reference. PAI cannot guarantee that such results will be replicated in the future; therefore, this information should not be used to make future investment decisions.

2. 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\$. Performance results have been calculated using the pre-tax net asset value (NAV) price as released to the ASX (monthly 'Net Asset Values') 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 individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives. The "Net %" represents the exposure of physical holdings and both long and short derivatives.

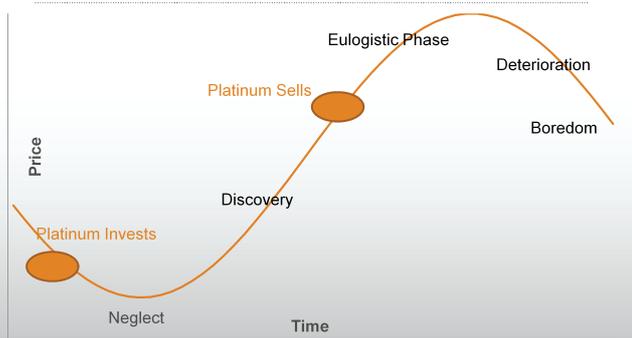
The "Currency %" represents the currency exposure for the Company's Portfolio, taking into account currency hedging.

4. Top Ten positions shows PAI's top long share exposure positions. Long derivative exposures are included, however, short derivative exposures are not.

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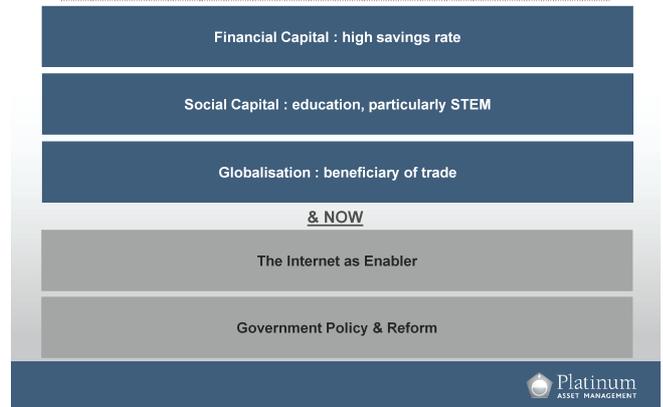
Platinum's approach



Source: Platinum



Drivers of Asia's Development



Rewards from Asian investing



Consumption : China v US Retail Sales Growth



Source: Bloomberg



Market update and Commentary

Gradual deployment of funds raised in the September IPO has proven to be prudent but not enough to protect the portfolio against the recent down-draft. January 2016, in particular, was a difficult month. The headlines blame China, oil and perhaps the Fed's tighter monetary policy. Oil fell further than even the most fanciful of forecasts; news on US monetary policy and China's challenges were not new though may have been given more weight in decision-making.

The performance over the last six months has been disappointing. However, as with episodes such as the Asian crisis (1997) and European sovereign crisis (2011) it seems to be a case of cheap stocks, and markets, getting cheaper. Today as China, along with other emerging markets, and commodities sits squarely in the firing line, recent moves are more the result of broader acceptance of problems we have long been aware of. As per our approach we have been investing in unloved companies, with under-appreciated prospects. Many of these are in China.

We respect markets and constantly revisit our hypotheses, even more so when returns are negative. Our large exposure to stocks exposed to the Chinese consumer is a case in point. China's transition from an investment driven economy means it is slowing but we think the challenges get too much weight. Risks of policy mistakes do exist, but on the other hand, the Chinese are in a position to stimulate the economy and loosen monetary policy to an extent that most Western governments and central banks no longer can. When we look at what we hold, primarily e-commerce, insurance and beverages, we remain convinced that we are exposed to growth at very attractive absolute and relative values. Our hypothesis on the emerging/Chinese consumer is not controversial yet few seem willing to invest in the idea directly (see chart above of Retail Sales Growth). We also hold a large short position on their currency as we think it should be allowed to weaken; until it does those who don't employ currency management may remain on the sidelines.

Today, the portfolios weighted median stock is on a P/E of 12x, a lot less than Australia's 15x or the US on 16x, and with plentiful cash to deploy, we are now looking to add to some of our preferred companies after such a severe setback, having been only 76% invested at this point.