

## Facts

Portfolio value	\$452.0 mn
Portfolio Inception	15 September 2015
Current share price	\$1.065
Pre-tax NTA	\$1.2390
Post-tax NTA	\$1.1955

## 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 Net Index

## Performance <sup>1</sup>

	Company % (Pre-tax NTA)	MSCI %
1 month	5.34	4.16
3 months	9.36	6.09
6 months	12.08	0.97
Calendar year to date	12.55	1.31
1 year	19.50	7.94
2 years (compound pa)	10.27	6.24
3 years (compound pa)	12.45	8.44
Since inception (compound pa)	10.71	9.91

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 %	Net %	Currency %
<b>Asia-Pacific</b>	<b>88.9</b>	<b>88.9</b>	<b>91.7</b>
Macao	1.0	1.0	1.0
China	46.4	46.4	46.4
Hong Kong	8.6	8.6	11.1
Taiwan	8.6	8.6	8.6
India	7.3	7.3	7.5
Korea	12.5	12.5	12.6
Thailand	2.1	2.1	2.1
Vietnam	2.2	2.2	2.2
Singapore Dollar			0.2
<b>North America</b>			<b>8.3</b>
United States Dollar			8.3
<b>Sub-Total</b>	<b>88.9</b>	<b>88.9</b>	<b>100.0</b>
<b>Cash</b>	<b>11.1</b>	<b>11.1</b>	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Long - 47 stocks

## Performance graph <sup>2</sup>



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## Top ten positions <sup>4</sup>

Stock	Country	Industry	%
Samsung Electronics Co Ltd	Korea	Info Technology	6.9
Taiwan Semiconductor	Taiwan	Info Technology	6.8
Tencent Holdings	China	Comm Services	6.1
AIA Group Ltd	Hong Kong	Financials	4.6
Reliance Industries Ltd	India	Energy	3.6
Ping An Insurance	China	Financials	3.2
Midea Group	China	Cons Discretionary	3.1
LG Chem Ltd	Korea	Materials	3.1
Alibaba Group Holding Ltd	China	Cons Discretionary	2.9
China International	China	Cons Discretionary	2.9
		<b>Total</b>	<b>43.4</b>

## Industry breakdown <sup>3</sup>

Sector	Long %	Net %
Consumer Discretionary	25.3	25.3
Info Technology	22.2	22.2
Financials	10.5	10.5
Communication Services	9.6	9.6
Real Estate	4.4	4.4
Consumer Staples	4.2	4.2
Energy	3.6	3.6
Materials	3.1	3.1
Industrials	2.5	2.5
Other	2.2	2.2
Health Care	1.3	1.3

NB: With effect from 31 May 2020, our country classifications for securities were updated to reflect Bloomberg's "country of risk" designations, and our currency classifications for securities were updated to reflect the relevant local currencies of our country classifications.

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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 geographic "Long %" is the exposure to long securities and long securities/index derivative positions, the geographic "Short %" is the exposure to short securities and short securities/index derivative positions and the geographic "Net %" is the difference between the geographic "Long %" and the geographic "Short %", each as a percentage of the market value of the Fund's portfolio. The "Currency %" is the effective currency exposure as a percentage of the market value of the Fund's portfolio taking into account long and short securities, cash, forwards and long and short securities/index derivative positions. The cash "Long %" includes cash at bank, cashflows expected from forwards and effective cash exposures resulting from long securities/index derivative positions, the cash "Short %" includes effective cash exposures resulting from short securities/index derivative positions and the cash "Net %" is the difference between the cash "Long %" and the cash "Short %", each as a percentage of the market value of the Fund's portfolio. 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. 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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- China's recovery is ongoing.
- South Korean data, while weak, is improving.
- Data out of India may suggest young, dense populations are robust versus COVID-19.

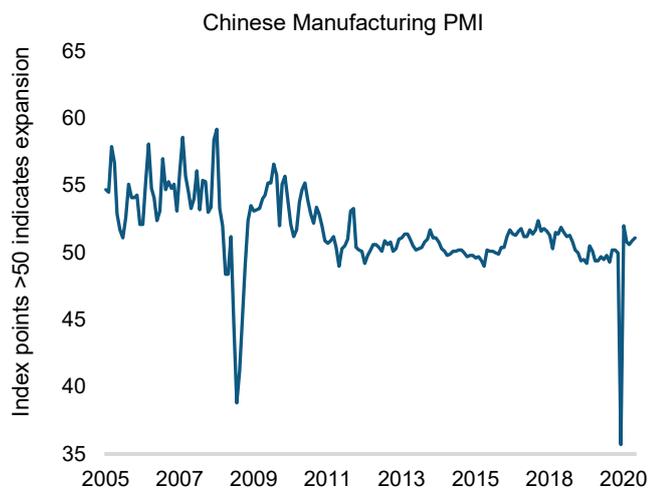
Asian markets and the portfolio recorded another strong month of performance in July.

Signs continued of China's ongoing recovery from coronavirus' economic impact. Official July Purchasing Managers' Index (PMI) data rose 0.2 points to 51.1, the measure's fifth consecutive month in expansion territory (Source: CICC). The rebound into expansion territory is pleasing, but we would characterise the recovery as moderate – it is certainly nothing akin to the sharp rebound from the GFC (see accompanying chart of China's official PMI). The corollary of this is that the policy response and consequent economic recovery are likely to be more sustainable than the immense stimulus after the GFC. This was directed largely via the banking system, which necessitated the near decade of de-gearing that followed, in our view. China's non-manufacturing PMI in July was 54.2, down slightly from June's 54.4, but nonetheless a strong result and is the fifth consecutive month of readings over 50 for the measure (Source: Market Watch).

Given the composition of South Korea's economy, it is a useful bellwether of the global economy. South Korean exports for July were down 7% on the year prior, but have rebounded solidly from their lows of March (see accompanying chart from FactSet Research Systems). Exports to China were up 2%, those to the USA were up 7%, while exports to Europe were down 11% versus a year ago (Source: Marine Link). Similarly, IHS Markit's manufacturing PMI for South Korea came in at 46.9 in July, up from 43.4 in the prior month (Source: Reuters). Indicative of a return to more robust activity in the second half, the South Korean manufacturers' Business Survey Index was 57 for July, versus 51 in June (Source: FactSet Research Systems).

We have maintained light exposure to India for some time, given valuation and a troubling situation in regard to coronavirus. However, data is emerging that might be indicative of the ability of young populations in emerging markets to recover more quickly from the disease than expected. A study of 7,000 residents of slum areas in Mumbai found that 57% of those tested had been exposed to COVID-19 and displayed antibodies against the disease (Source: BBC). The study also found that a large proportion of people had been infected and survived with no or few symptoms, leading to a low fatality rate in the areas tested: between one in 1,000 to one in 2,000 (Source: BBC). We would caution that this data is suggestive only – we are all dealing with a novel pandemic disease and uncertainty prevails. This said, the data cited here is encouraging in terms of the ability of emerging Asia's young and dense populations to recover from COVID-19 ahead of expectations.

We have discussed in the past our tilt toward quality some two years ago. This has worked pleasingly. In light of ongoing signs of recovery in Asia, and some suggestion of positive population-level data regarding COVID-19, we may see the need to tilt back to more economically sensitive areas in coming months should the region's nascent economic recovery mature.



Source: Chart 1 – Bloomberg. Chinese Manufacturing PMI, Correct as at 5 August 2020.



Source: Chart 2 – FactSet Research Systems. Correct as at 5 August 2020.



Source: Chart 3 – IBES consensus, in local currency. Correct as at 5 August 2020.

Chart 3 shows valuations based on sell-side consensus estimates. It is worth noting at this stage, that in our view these earnings forecasts will very likely come down substantially to reflect the impact of the coronavirus-related slowdown in the global economy.