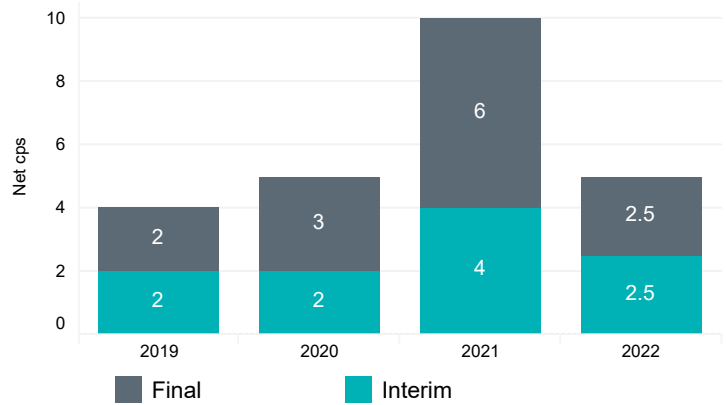


FACTS¹

Market capitalisation	\$311.79 mn
Listing date	21 September 2015
Current share price	\$0.845
Current dividend yield	5.92%
Pre-tax NTA	\$1.0114
Post-tax NTA	\$1.0343
Maximum franked dividend	7.99 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)³



PERFORMANCE²

	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.
Company % (Pre-tax NTA)	1.2	7.1	(1.8)	(9.7)	(9.7)	(6.1)	4.1	3.7	7.6	7.1
MSCI %	(1.4)	5.6	(2.7)	(13.9)	(13.9)	(6.7)	(0.3)	2.2	6.5	6.2

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 POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	91.7	(1.3)	90.4	93.1
China	50.5	(0.3)	50.2	50.2
Hong Kong	4.2		4.2	6.2
India	7.9	(1.0)	6.8	7.0
Macao	1.9		1.9	1.9
Philippines	2.7		2.7	2.7
Singapore	1.3		1.3	1.5
South Korea	11.1		11.1	11.1
Taiwan	5.4		5.4	5.5
Vietnam	5.7		5.7	5.7
Other Asia-Pacific	1.1		1.1	1.3
North America				6.9
United States of America				6.9
Sub-Total	91.7	(1.3)	90.4	100.0
Cash	8.3	1.3	9.6	
Total	100.0		100.0	100.0

Long - 61 stocks, 1 swap Short - 2 swaps, 1 index

TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
ZTO Express Cayman Inc	China	Industrials	5.1
Taiwan Semiconductor	Taiwan	Info Technology	4.8
Ping An Insurance Group	China	Financials	4.3
Samsung Electronics Co	South Korea	Info Technology	4.3
Tencent Holdings Ltd	China	Comm Services	4.3
InterGlobe Aviation Ltd	India	Industrials	4.3
Vietnam Ent Investments	Vietnam	Other	4.1
China Resources Land Ltd	China	Real Estate	3.5
Trip.com Group Ltd	China	Cons Discretionary	3.4
Alibaba Group Holding Ltd	China	Cons Discretionary	2.8
Total			40.9

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	20.0		20.0
Real Estate	14.0		14.0
Industrials	14.0		14.0
Information Technology	14.2	(1.0)	13.1
Financials	11.2		11.2
Materials	4.7		4.7
Communication Services	4.3		4.3
Consumer Staples	4.4	(0.3)	4.1
Health Care	0.9		0.9
Energy	0.1		0.1
Other	4.1		4.1
Sub-Total	91.7	(1.3)	90.4
Cash	8.3	1.3	9.6
Total	100.0		100.0

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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 1.2% in December, capping off a 7.1% return in the quarter, after a period of weakness.
- China's COVID-zero policy shift and reopening dominated headlines in December.
- Tencent was the top contributor on the back of Beijing approving imported games.

Market Commentary

China's COVID-zero policy shift

December saw a shift away from China's COVID-zero policy and an easing of restrictions. Optimism regarding China's reopening quickly gave way to concerns about a larger drag on near-term economic growth and renewed concerns that new COVID variants could emerge as cases rise. As a result, more countries have imposed testing requirements for travellers from China. Our view is that the impact of the lockdowns and COVID spread is already reflected in the Chinese market, with the SSE Composite Index down 15% in 2022. As long-term investors, we are less concerned about any short-term economic setback due to rising COVID cases and maintain our focus on China's long-term economic rebound, which we think will be boosted by government policy support.

December saw an improvement in relations between the West and China

Relations between the US and China were positive in mid-December, with US regulators saying they had been allowed to inspect the work of auditors in China. This eased the threat that about 200 Chinese companies could be removed from American stock markets. It was reported that New York-listed Chinese stocks such as Pinduoduo and Full Truck Alliance were dropping plans to also list in Hong Kong, a sign they are less concerned about future regulatory conflicts (Source: The Information, 28 December 2022). A common concern about investing in China is the potential for rising conflict between the West and China. We think this concern is exaggerated and this latest cooperation is a sign that relations may be improving.

Elsewhere in Asia

South Korea's semiconductor chip production fell by the most since the global financial crisis (GFC), reflecting the deepening downturn as chipmakers struggle to clear large inventories and inflation saps demand for electronics (Source: Financial Times). A resilient rupiah and cooling inflation allowed Indonesia's central bank to slow the pace of its rate hikes, while lawmakers expanded the central bank's mandate and formalised its crisis bond-buying scheme, which was temporarily used during the pandemic.

Performance Analysis*

The positive performance continued in December with the portfolio up 1.2% for the month in a down market. The portfolio returned 7.1% for the quarter ending 31 December 2022, with performance recovering since the end of October. Top contributors to December's performance were Chinese holdings, including Tencent Holdings (internet and technology company), ZTO Express (parcel delivery business) and Ping An Insurance (insurance company). Detractors included LG Chem Ltd (South Korean electric vehicle battery maker), Taiwan Semiconductor Manufacturing (semiconductor manufacturer and designer) and Samsung Electronics (consumer electronics).

The top contributor to performance, Tencent, rallied after China's video games regulator granted publishing licences to 45 foreign games and 84 domestic games. Approval of foreign games was seen as the last regulatory curb to be removed since Beijing's crackdown on the video games industry began in August 2021. Tencent won approval to publish five imported games, including *Pokémon Unite* by Nintendo and *Valorant* by Riot Games and its own game *Synced: Off-Planet*. Tencent has an amazing market position in China (its apps reach ~98% of Chinese internet users), with dominance in gaming, chat services and payments (Source: Business Insider, October 2017). Given investor scepticism about China, we were able to buy it at a discount to peers, and future growth prospects have been buoyed by this regulatory move.

Valuation

Given the portfolio's stronger-than-market performance over the last quarter, it is no surprise that the portfolio's aggregate earnings yield is slightly lower than the market at the end of 2022 (see table below). We continue to focus on finding businesses that have better long-term growth prospects than the opportunity set but are at attractive valuations.

Metric	Platinum Asia Investment Limited	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	7.6% (Price-to-Earnings ratio of 13.2x)	8.1% (Price-to-Earnings ratio of 12.3x)
NTM Dividend Yield	2.7%	3.3%
NTM Enterprise Value-to-Sales	1.7x	1.1x
LTM Price-to-Book Ratio	1.5x	1.5x

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. As at 31 December 2022. 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.**