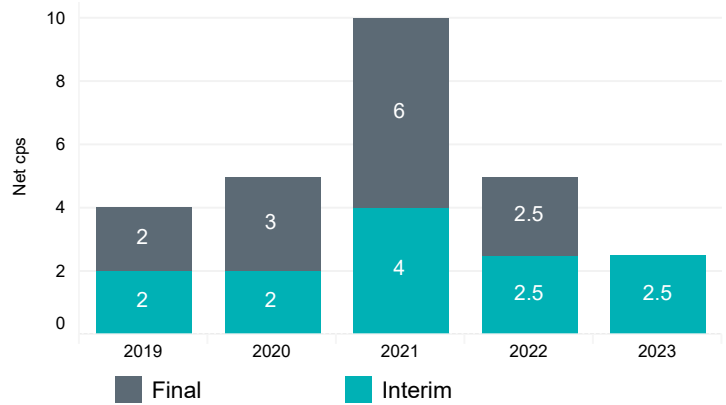


## FACTS<sup>1</sup>

Market capitalisation	\$323.62 mn
Listing date	21 September 2015
Current share price	\$0.875
Current dividend yield	5.71%
Pre-tax NTA	\$1.0186
Post-tax NTA	\$1.0336
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>	(1.1)	(1.5)	22.4	3.3	3.3	(6.3)	4.3	3.9	9.2	7.2
<b>MSCI %</b>	(0.8)	0.7	17.2	4.8	1.1	(6.8)	2.9	2.2	7.8	6.6

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>	93.2	(5.8)	87.4	92.9
China	49.2	(0.3)	49.0	49.0
Hong Kong	3.7		3.7	8.7
India	7.7	(5.3)	2.4	2.6
Macao	2.1		2.1	2.1
Philippines	2.4		2.4	2.4
Singapore	1.1		1.1	1.3
South Korea	13.0	(0.2)	12.8	12.8
Taiwan	6.1		6.1	6.1
Thailand	1.1		1.1	1.1
Vietnam	5.9		5.9	5.9
Other Asia-Pacific	0.8		0.8	0.8
<b>Europe</b>				(0.1)
Other Europe				(0.1)
<b>North America</b>				7.2
United States of America				7.2
<b>Sub-Total</b>	93.2	(5.8)	87.4	100.0
<b>Cash</b>	6.8	5.8	12.6	
<b>Total</b>	100.0		100.0	100.0

Long - 64 stocks, 1 swap Short - 3 swaps, 2 indices

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

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.3
ZTO Express Cayman Inc	China	Industrials	5.0
Ping An Insurance Group	China	Financials	5.0
Samsung Electronics Co	South Korea	Info Technology	4.9
InterGlobe Aviation Ltd	India	Industrials	4.4
Vietnam Ent Investments	Vietnam	Other	4.1
Tencent Holdings Ltd	China	Comm Services	3.7
China Resources Land Ltd	China	Real Estate	3.5
SK Hynix Inc	South Korea	Info Technology	3.3
Midea Group Co Ltd	China	Cons Discretionary	3.2
<b>Total</b>			42.5

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

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	18.8		18.8
Industrials	14.8		14.8
Information Technology	15.1	(1.1)	14.0
Real Estate	13.2		13.2
Financials	12.3		12.3
Materials	5.3	(0.2)	5.1
Consumer Staples	4.4	(0.3)	4.2
Communication Services	3.7		3.7
Health Care	1.2		1.2
Energy	0.1		0.1
Other	4.1	(4.2)	(0.1)
<b>Sub-Total</b>	93.2	(5.8)	87.4
<b>Cash</b>	6.8	5.8	12.6
<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 -1.1% in April, with financials contributing the most to performance.
- April was mixed, as investors remained cautious about an uneven Chinese recovery and a global economic slowdown.
- We are focused on finding businesses that have strong, long-term growth prospects and trade at attractive valuations.

### Market Commentary

#### **Mixed reactions to Chinese economic data**

China's economy expanded more than expected in the March quarter, underpinned by strong growth in exports and a recovery in retail sales and property prices (source: Bloomberg). Despite the strong economic growth print, Chinese equities were sold off as investors doubted the sustainability of the rebound, and the National Bureau of Statistics of China admitted the foundation for economic recovery was "not solid yet". The bears pointed to the elevated unemployment number, particularly youth unemployment rising to a near-record high, however, this was partially explained by people returning to cities to search for jobs after the Lunar New Year holiday (source: The South China Morning Post).

We continue to believe that China is a much-unloved stock market and remains in a different part of its economic cycle from other economies in the West. The government is taking clear steps to stimulate the economy, particularly the property sector. However, no economic recovery is linear; there will be some sectors that continue to rebound while other sectors lag. Chinese consumption and travel continue to rebound, with Bloomberg reporting that millions of Chinese travellers thronged major cities and tourist hotspots over the Labor Day break, the first normal holiday period since COVID restrictions were lifted. Meanwhile, the production side of the economy is lagging, as seen in the latest purchasing managers' index (PMI) figures. We remain confident in the Chinese businesses we hold; our largest sector exposure is consumer discretionary.

#### **Trade tensions ease**

Geopolitical risk is always a factor to consider when investing in a country like China. Our base case is that trade wars and sanctions have a higher probability of occurring than military conflict, however, trade tensions appear to be easing. Australia announced it would suspend a complaint against China with the World Trade Organisation after Beijing agreed to review steep tariffs on Australian barley (source; Bloomberg).

#### **Elsewhere in Asia**

April saw a flood of economic forecasts from the International Monetary Fund, the World Bank, and the Asian Development Bank. The latter forecasts that South Asia will be the standout region this year, growing by 5.5% followed by 6.1% next year, mainly due to India's strength. Platinum has a contrarian investing style, looking for those stocks that are unloved or overlooked by the market because there has been an overreaction to a temporary setback or an underappreciation of a significant change underway. The tailwinds for the Indian economy are well known, and while we like the story, we can find few stocks that are unloved or overlooked by the market and have compelling valuations. The Indian stock market is the most expensive in the G20 at 19x 1-year forward P/E, with lower expected earnings growth than China, which is only trading on 9.6x 1-year forward P/E (source: FactSet).

### Performance Analysis\*

The portfolio returned -1.1% for the month. Top contributors to the Fund's performance were Chinese insurance company Ping An Insurance, Indian low-cost carrier InterGlobe Aviation and Chinese white goods company Midea. Detractors included Chinese technology companies Alibaba, JD.com and Tencent.

### Valuation

The portfolio's aggregate earnings yield is roughly in line with the market (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 Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	7.7% (Price-to-Earnings ratio of 13x)	7.9% (Price-to-Earnings ratio of 12.6x)
NTM Dividend Yield	2.7%	3.1%
NTM Enterprise Value-to-Sales	1.5x	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 30 April 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.**