

FACTS¹

Market capitalisation	\$305.29 mn
Listing date	21 September 2015
Current share price	\$0.825
Current dividend yield	6.06%
Pre-tax NTA	\$1.0088
Post-tax NTA	\$1.0171
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.

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)	(3.8)	2.5	3.5	4.6	6.3	(4.3)	1.1	4.8	7.5	7.1
MSCI %	(2.6)	1.9	5.7	7.1	5.2	(6.3)	1.5	3.1	6.5	6.6

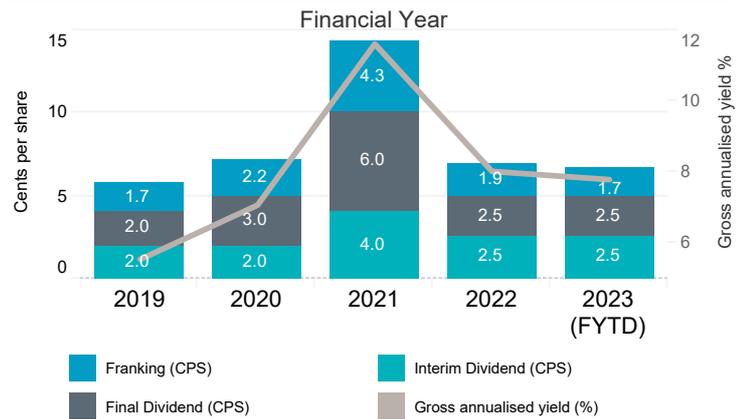
PAI's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PAI's returns have not been calculated using PAI's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	91.8	(2.9)	88.8	95.2
Australia				2.2
China	46.8		46.8	46.8
Hong Kong	2.3		2.3	6.0
India	6.9	(2.2)	4.6	4.9
Indonesia	2.2		2.2	2.2
Philippines	2.5		2.5	2.5
Singapore	1.1		1.1	1.3
South Korea	13.7	(0.7)	13.0	12.9
Taiwan	6.3		6.3	6.3
Thailand	1.8		1.8	1.8
Vietnam	7.3		7.3	7.3
Other Asia-Pacific	0.9		0.9	0.9
North America				4.8
United States of America				4.8
Sub-Total	91.8	(2.9)	88.8	100.0
Cash	8.2	2.9	11.2	
Total	100.0		100.0	100.0

Long - 62 stocks, 1 swap Short - 3 swaps, 2 indices

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.7
Samsung Electronics Co	South Korea	Info Technology	5.3
Vietnam Ent Investments	Vietnam	Other	5.0
ZTO Express Cayman Inc	China	Industrials	4.6
SK Hynix Inc	South Korea	Info Technology	4.4
Ping An Insurance Group	China	Financials	4.1
InterGlobe Aviation Ltd	India	Industrials	4.1
Tencent Holdings Ltd	China	Comm Services	3.6
China Resources Land Ltd	China	Real Estate	3.4
Midea Group Co Ltd	China	Cons Discretionary	2.9
Total			43.0

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	19.4		19.4
Information Technology	16.9	(1.0)	16.0
Industrials	14.5	(0.2)	14.3
Real Estate	12.5		12.5
Financials	10.1		10.1
Communication Services	3.9		3.9
Materials	4.2	(0.5)	3.7
Consumer Staples	3.7		3.7
Health Care	1.5		1.5
Energy	0.1		0.1
Other	5.0	(1.3)	3.7
Sub-Total	91.8	(2.9)	88.8
Cash	8.2	2.9	11.2
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 determined in respect of the relevant financial year. This information is historical. No guarantee is given about future dividends or the level of franking of such dividends.

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 -3.8% in August and 6.3% for the year.
- Financials, industrials and real estate weighed on monthly performance.
- We are focused on finding businesses that have strong long-term growth prospects with attractive valuations.

Market Commentary

Widespread stimulus for the Chinese property sector arrived

On 31 August, the Chinese government announced a series of stimulus measures aimed at stabilising and revitalising the property sector, which had been subject to heightened regulatory scrutiny to control speculative activities (source: People's Bank of China). Key elements of the stimulus package included:

1. **Lower minimum down-payment ratio** for first-time homebuyers to 20% and second-time homebuyers to 30% across the country.
2. **Lower minimum mortgage rate** for second-time homebuyers from a loan prime rate (LPR) +60 basis points (bps) to LPR +20 bps. It remains unchanged for first-time homebuyers at LPR -20 bps.
3. **Mortgage refinancing** is now available for homeowners at a lower rate for their existing first home mortgage loans.
4. **Four tier-1 cities expanded the definition of first-time homebuyers** to include those with mortgage records, as long as the loans aren't for an apartment.

This policy is the most widespread support for the property sector. Previously, when widespread stimulus has been announced, there has usually been a lag between the announcement and stock reactions. Platinum's investment philosophy has always been to find mispriced stocks and opportunities in areas that are out of favour and away from the crowd. Chinese real estate stocks are the best illustration of the process. The portfolio has about ~9% of funds exposed to Chinese real estate companies, which were added to at peak fear levels when CNN declared that it was "China's Lehman Moment" (source: CNN, 13 August 2023). While some Chinese real estate companies have not and will not survive, we believe our holdings are good-quality companies that we were able to buy at attractive valuations because the sector was sold off.

We continue to avoid trying to predict which direction the overall market is heading and, instead, look for attractively valued idiosyncratic business opportunities to invest capital in over the medium to long term. China continues to be a country deeply out of favour with investors, and the market is still 30-45% below its most recent February 2021 peak (depending on A-shares or H-shares, source: FactSet). We continue to look for world-leading companies with strong long-term growth prospects at attractive valuations, and we are finding a lot of these opportunities in China.

Elsewhere in Asia

India continues to be the flavour of the month for investors. We think India is a great story both in terms of demographics and macroeconomic indicators, however, it is a well-known story, which we believe is reflected in the price. We note that foreign investors remain net buyers in contrast to domestic institutional selling in July (source: Business Insider India, 1 September 2023).

Performance Analysis*

The portfolio returned -3.8% for the month. Top contributors to monthly performance included Chinese online retailer PDD, Thai healthcare company Mega Lifesciences and Thai real estate company Supalai. Detractors included Chinese tech stock JD.com, Chinese insurance company Ping An Insurance and Chinese parcel delivery company ZTO Express.

Valuation

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a 6% higher earnings yield (see table below). We continue to deploy Platinum's contrarian investment process, which focuses on finding businesses that have better long-term growth prospects but are oversold or out of favour due to temporary setbacks and therefore have attractive valuations.

Metric	Platinum Asia Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	8.6% (Price-to-Earnings ratio of 11.6x)	8.1% (Price-to-Earnings ratio of 12.4x)
NTM Dividend Yield	2.9%	3.2%
NTM Enterprise Value-to-Sales	1.4x	1.4x
LTM Price-to-Book Ratio	1.4x	1.4x

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. MSCI data is sourced from Rimes, FactSet and Platinum. As at 31 August 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.**