

## FACTS<sup>1</sup>

Market capitalisation	\$340.21 mn
Listing date	21 September 2015
Current share price	\$0.920
Current dividend yield	4.35%
Pre-tax NTA	\$1.0266
Post-tax NTA	\$1.0335
Maximum franked dividend	1.26 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.

## 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>	0.5	2.0	9.0	9.0	4.4	3.1	(3.1)	5.6	6.5	6.8
<b>MSCI %</b>	3.8	4.7	12.1	12.1	12.5	7.2	(2.0)	4.5	5.9	7.1

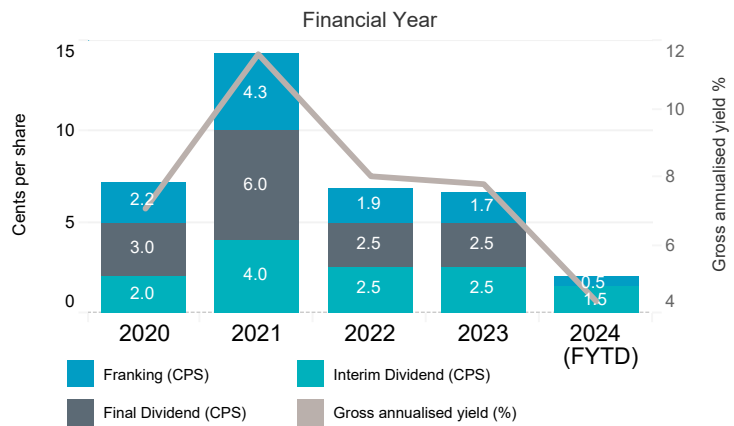
PAI's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PAI's returns have not been calculated using PAI's share price. Past performance is not a reliable indicator of future returns.

## INVESTED POSITIONS<sup>4</sup>

	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	94.8		94.8	98.6
Australia				1.0
China	44.2		44.2	44.2
Hong Kong	1.4		1.4	3.9
India	5.0		5.0	5.1
Indonesia	5.1		5.1	5.2
Philippines	2.6		2.6	2.6
South Korea	16.7		16.7	16.7
Taiwan	10.4		10.4	10.5
Thailand	1.7		1.7	1.8
Vietnam	7.2		7.2	7.1
Other Asia-Pacific	0.5		0.5	0.5
<b>Europe</b>				0.4
Other Europe				0.4
<b>North America</b>				1.0
United States of America				1.0
<b>Sub-Total</b>	94.8		94.8	100.0
<b>Cash</b>	5.2		5.2	
<b>Total</b>	100.0		100.0	100.0

Long - 60 stocks

## HISTORY OF FULLY FRANKED DIVIDENDS (CPS)<sup>3</sup>



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

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	9.4
SK Hynix Inc	South Korea	Info Technology	7.1
Samsung Electronics Co	South Korea	Info Technology	5.5
Vietnam Ent Investments	Vietnam	Other	4.8
Tencent Holdings Ltd	China	Comm Services	4.4
ZTO Express Cayman Inc	China	Industrials	4.2
JD.com Inc	China	Cons Discretionary	3.5
China Merchants Bank Co	China	Financials	3.4
China Resources Land Ltd	China	Real Estate	3.3
Ping An Insurance Group	China	Financials	3.0
<b>Total</b>			<b>48.7</b>

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

SECTOR	LONG %	SHORT %	NET %
Information Technology	22.6		22.6
Consumer Discretionary	18.7		18.7
Industrials	12.8		12.8
Real Estate	12.5		12.5
Financials	7.8		7.8
Communication Services	6.2		6.2
Consumer Staples	3.9		3.9
Materials	3.9		3.9
Health Care	1.6		1.6
Other	4.8		4.8
<b>Sub-Total</b>	94.8		94.8
<b>Cash</b>	5.2		5.2
<b>Total</b>	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 +0.5% for June 2024, taking the Calendar Year performance for 2024 to 9.0%.
- The portfolio holds approximately 5% cash, is roughly 95% long and has zero shorts as we are finding many compelling long-term investments in the region.

### Performance Analysis\*

Our South Korean holdings contributed significantly (1.7%) to the monthly return, led by SK Hynix and Samsung Electronics. Taiwan Semiconductor Manufacturing Company (TSMC) also performed strongly, adding 1.4% to portfolio performance. The share prices of these semiconductor companies rose on the increasingly bullish outlook for AI and on spending on AI-related projects that require semiconductors.

When a new technology such as AI arrives, it is important to understand the many potential applications. However, as we saw at the birth of the internet and the arrival of data on mobiles, it is difficult to know who will profit from a revolutionary technology in the early stages of adoption. Our current approach is to seek those companies who will do very well as AI spending continues to grow, but who are trading at reasonable historic valuations and who have strong non-AI related businesses that will support their valuations if the promise of AI is overblown. This is the case with SK Hynix, Samsung Electronics and TSMC.

Detractors from performance this month included Chinese parcel business ZTO Express, e-commerce platform JD.com and online booking website Trip.com Group. Shares in ZTO Express were hit during June as the company said it would concentrate on profit rather than market share gains. While this is a short term hit to estimates, we think it's a smart strategic pivot and will set up ZTO Express to take market share in the long term when irrational and unprofitable competition has fallen away.

Shares in JD.com were hit on a weaker than expected 618 Shopping Festival results (a mid-June annual online shopping event). JD's platforms were offering unusually steep discounts to encourage cautious Chinese consumers to spend and to fend off competition from the likes of PDD Holdings. We continue to rate JD.com as attractive on a medium-term view with the business growing at low double digits and trading on a PE of around 10x PE. Similarly, Trip.com – the leading online travel agency in China - is a play on improving Chinese consumer confidence and is trading on a compelling PE of 15x.

As at the end of June 2024, the portfolio had a high net invested position of approximately 95%, with no shorts and around 5% cash. This reflects our high levels of conviction in the stocks in our portfolio and the very low valuations we are seeing in the region. This presents a very compelling investment opportunity for true long-term investors.

### An attractively valued portfolio

The portfolio's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~22% higher earnings yield and ~13% discount to book value (see table below). These metrics align with Platinum's contrarian investment process - we are focused on finding businesses with good long-term growth prospects that are oversold due to temporary setbacks and therefore have attractive valuations.

Metric	Platinum Asia Investments Limited	MSCI AC Asia Ex Japan Index (A\$)
<b>NTM Earnings Yield</b>	9.4% (Price to earnings ratio 10.6x)	7.7% (Price to earnings ratio 13x)
<b>NTM Dividend Yield</b>	3.0%	2.8%
<b>NTM Enterprise Value-to-Sales</b>	1.3x	1.6x
<b>LTM Price-to-Book Ratio</b>	1.4x	1.6x

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 30 June 2024. 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.**