

FACTS¹

Market capitalisation	\$383.02 mn
Listing date	21 September 2015
Current share price	\$1.035
Current dividend yield	2.42%
Pre-tax NTA	\$1.1195
Post-tax NTA	\$1.0956
Maximum franked dividend	0.26 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.

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)	12.5	10.2	12.4	20.1	17.3	13.1	1.8	7.5	6.7	7.8
MSCI %	6.0	6.3	11.3	19.2	20.0	15.1	2.0	6.0	6.2	7.7

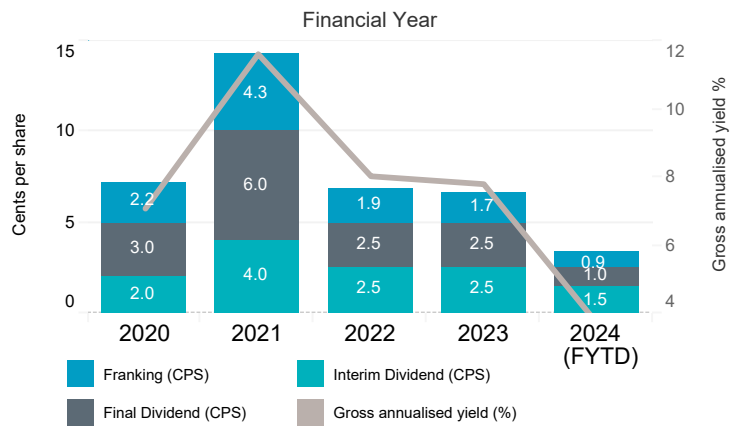
PAI's returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. PAI's returns have not been calculated using PAI's share price. Past performance is not a reliable indicator of future returns.

INVESTED POSITIONS⁴

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	94.7		94.7	95.3
China	50.1		50.1	50.1
Hong Kong	0.8		0.8	1.2
India	3.7		3.7	3.7
Indonesia	6.2		6.2	6.2
Philippines	2.7		2.7	2.7
South Korea	12.8		12.8	12.8
Taiwan	9.2		9.2	9.2
Thailand	1.8		1.8	1.9
Vietnam	6.8		6.8	6.8
Other Asia-Pacific	0.6		0.6	0.7
Europe				0.5
Other Europe				0.5
North America				4.2
United States of America				4.2
Sub-Total	94.7		94.7	100.0
Cash	5.3		5.3	
Total	100.0		100.0	100.0

Long - 57 stocks

HISTORY OF FULLY FRANKED DIVIDENDS (CPS)³



TOP TEN POSITIONS⁵

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	8.4
JD.com Inc	China	Cons Discretionary	5.3
SK Hynix Inc	South Korea	Info Technology	4.8
Tencent Holdings Ltd	China	Comm Services	4.6
ZTO Express Cayman Inc	China	Industrials	4.4
Vietnam Ent Investments	Vietnam	Other	4.4
Samsung Electronics Co	South Korea	Info Technology	4.1
Ping An Insurance Group	China	Financials	3.8
China Merchants Bank Co	China	Financials	3.5
Trip.com Group Ltd	China	Cons Discretionary	3.5
Total			46.8

INDUSTRY BREAKDOWN⁴

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	21.4		21.4
Information Technology	17.9		17.9
Real Estate	12.6		12.6
Industrials	12.5		12.5
Financials	8.7		8.7
Communication Services	7.4		7.4
Consumer Staples	4.4		4.4
Materials	3.6		3.6
Health Care	1.7		1.7
Other	4.4		4.4
Sub-Total	94.7		94.7
Cash	5.3		5.3
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 12.5% for September 2024.
- China was the standout, with extraordinary performance in the last week of the quarter after the government announced a large, wide-ranging stimulus and reform package. China contributed over 12% to monthly performance.
- The portfolio holds around 5% cash and is 95% long, reflecting the compelling long-term investments we are finding in the region.

Performance Analysis*

The portfolio returned 12.5% for the month of September 2024. The portfolio is now up 17% over one year.

China's stimulus package released in the last week of September provided significant relief for Asian investors. Amongst the portfolio's Chinese holdings, technology/ecommerce business JD.com and Ping An insurance alone contributed over 3% of the portfolio's total monthly return. These results reflect the oversold nature of the Chinese market and, for many stocks, valuations remain attractive. It highlights local investors' preparedness to return to the market if there is some hope for the future. Consumer discretionary, financials and real estate delivered the majority of returns.

A "whatever it takes" announcement?

Unlike some previously piecemeal efforts, the late September announcement featured a coordinated series of monetary, fiscal and reform measures including:

- 24th September: Peoples Bank of China (PBOC) sought to boost liquidity in the banking system and support lending activity: cut its 7 day repo policy rate by 0.2% to 1.5%, lowered banks' reserve requirements, reduced mortgage rates by 0.5% and reduced minimum down payments to 15% (from 25%).
- 25th September: PBOC cut rates on medium term lending facility loans to financial institutions.
- 26th September: Ministry of Finance and Ministry of Civil Affairs announced cash handouts to disadvantaged groups and fiscal measures injecting 1 trillion CNY of capital into state banks (the first capital injection since 2008) to reduce debt and 1 trillion CNY for equipment trade-ins.

Importantly, the authorities reiterated their commitment to revitalise property markets, with the Politburo announcement including the statement **"Stop the decline in the housing market"**. That's much more emphatic language than in prior statements. Some commentators are already comparing the stimulus move to ECB Governor Draghi's "whatever it takes" response to the European sovereign debt crisis.

If these stimulus efforts are successful it bodes well for the wider ASEAN region where we have built up an 18% exposure. ASEAN countries, in particular the likes of Indonesia, offer the same attractive future growth and development seen in India, albeit at much more reasonable valuations. ASEAN holdings were a positive contributor for the month.

India was a slight detractor, with Interglobe, Macrotech and IndiaMart all down slightly. The major detractor for the month was South Korea's Samsung, down 17% on weakening demand for conventional memory and lower high-bandwidth memory revenues.

At end September, the portfolio was around 95% net invested with no shorts and ~5% cash. This reflects our high levels of conviction in the stocks in our portfolio and the very attractive valuations in the region. Even after the recent strength in China, this can present a very compelling investment opportunity for investors who are underweight Asia in their portfolios.

An attractively valued portfolio

The portfolios aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~23 % higher earnings yield and ~6% discount to book value (see table below).

Metric	Platinum Asia Investments Limited	MSCI AC Asia ex-Japan Net Index (A\$)
NTM Earnings Yield	9.2% (Price-to-Earnings ratio of 10.9x)	7.5% (Price-to-Earnings ratio of 13.3x)
NTM Dividend Yield	2.8%	2.8%
NTM Enterprise Value-to-Sales	1.4x	1.6x
LTM Price-to-Book Ratio	1.6x	1.7x

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 September 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.**