

Platinum Asia Fund

(Quoted Managed Hedge Fund) - ASX: PAXX

MONTHLY REPORT 29 February 2024



FACTS

| | |
|-------------------------------|---------------------|
| Portfolio value | \$91.21 mn |
| Fund commenced | 12 September 2017 |
| Fund launch | 14 September 2017 |
| Income distribution date | Annual, 30 June |
| Unit valuation | Sydney Business Day |
| Net asset value (\$ per unit) | \$4.2328 |

PERFORMANCE ¹

| | Fund % | MSCI % |
|-------------------------------|--------|--------|
| 1 month | 7.7 | 7.2 |
| 3 months | 3.5 | 5.2 |
| 6 months | (0.7) | 2.9 |
| Calendar year to date | 4.5 | 4.6 |
| 1 year | 2.6 | 8.7 |
| 2 years (compound pa) | (1.3) | 0.1 |
| 3 years (compound pa) | (4.6) | (3.0) |
| 5 years (compound pa) | 5.3 | 3.6 |
| Since inception (compound pa) | 5.4 | 4.7 |

INVESTED POSITIONS OF PLATINUM ASIA FUND ³

| | LONG % | SHORT % | NET % | CCY % |
|----------------------|--------|---------|-------|-------|
| Asia-Pacific | 98.8 | (0.3) | 98.5 | 99.2 |
| China | 45.5 | | 45.5 | 45.5 |
| Hong Kong | 2.2 | | 2.2 | 2.2 |
| Taiwan | 8.3 | | 8.3 | 8.3 |
| India | 7.7 | | 7.7 | 7.9 |
| Indonesia | 4.8 | | 4.8 | 4.8 |
| Macao | 1.2 | | 1.2 | 1.2 |
| Philippines | 3.4 | | 3.4 | 3.4 |
| South Korea | 15.9 | (0.3) | 15.6 | 15.7 |
| Thailand | 1.9 | | 1.9 | 1.9 |
| Vietnam | 7.8 | | 7.8 | 7.8 |
| Other Asia-Pacific | 0.2 | | 0.2 | 0.5 |
| North America | | | | 0.8 |
| Other North America | | | | 0.8 |
| Sub-Total | 98.8 | (0.3) | 98.5 | 100.0 |
| Cash | 1.2 | 0.3 | 1.5 | |
| Total | 100.0 | | 100.0 | 100.0 |

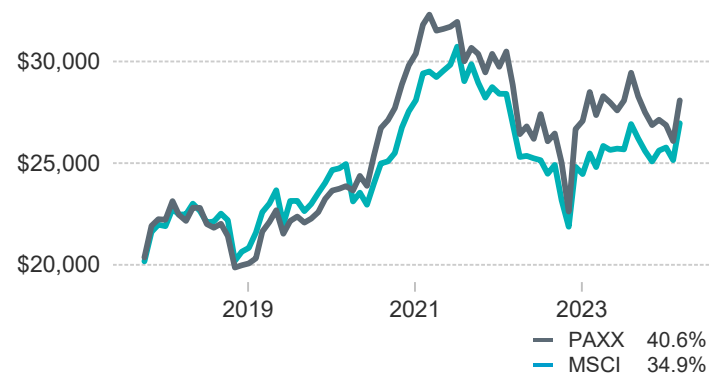
Long - 66 stocks, 1 swap Short - 1 swap

FEES

| | |
|----------------------|-------------------------------------|
| Entry fee | Nil |
| Buy/sell spread | 0.15%/0.15% |
| (Platinum Asia Fund) | Investment management 1.10% p.a. |
| | Investment performance 15.00% p.a.* |

* of the amount by which the Fund's return exceeds its index return

PERFORMANCE GRAPH ²



TOP TEN POSITIONS OF PLATINUM ASIA FUND ⁴

| STOCK | COUNTRY | INDUSTRY | % |
|-------------------------|-------------|--------------------|-------------|
| Taiwan Semiconductor | Taiwan | Info Technology | 7.3 |
| SK Hynix Inc | South Korea | Info Technology | 6.3 |
| Samsung Electronics Co | South Korea | Info Technology | 5.9 |
| Vietnam Ent Investments | Vietnam | Other | 5.5 |
| InterGlobe Aviation Ltd | India | Industrials | 4.8 |
| ZTO Express Cayman Inc | China | Industrials | 4.2 |
| Trip.com Group Ltd | China | Cons Discretionary | 3.6 |
| Ayala Land Inc | Philippines | Real Estate | 3.3 |
| Tencent Holdings Ltd | China | Comm Services | 3.3 |
| Ping An Insurance Group | China | Financials | 3.2 |
| Total | | | 47.5 |

INDUSTRY BREAKDOWN OF PLATINUM ASIA FUND ³

| SECTOR | LONG % | SHORT % | NET % |
|------------------------|--------|---------|-------|
| Information Technology | 20.7 | | 20.7 |
| Consumer Discretionary | 20.4 | | 20.4 |
| Industrials | 16.4 | | 16.4 |
| Real Estate | 13.5 | | 13.5 |
| Financials | 9.6 | | 9.6 |
| Consumer Staples | 3.8 | | 3.8 |
| Communication Services | 3.5 | | 3.5 |
| Materials | 3.7 | (0.3) | 3.3 |
| Health Care | 1.7 | | 1.7 |
| Energy | 0.1 | | 0.1 |
| Other | 5.5 | | 5.5 |

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1. & 2. Source: Platinum for Fund returns and Factset Research Systems for MSCI returns. Investment returns are calculated using the Fund's NAV unit price (i.e. exclude a buy/sell spread) for C Class and P Class (as indicated), and represent the combined income and capital returns for each of these unit classes in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. Returns for P Class are net of any accrued investment performance fee. The returns are calculated relative to the MSCI All Country Asia ex-Japan Net Index in A\$. Since inception date for C Class is 04/03/03 and for P Class is 03/07/17. Since inception date of C Class has been used for the purposes of calculating since inception returns of the index. The investment returns depicted in the graph are cumulative on A\$20,000 invested in C Class units in the Fund since the C Class inception date. **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. 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 exposure to long and short securities and long and short securities/index derivative positions, each as a percentage of the market value of the Fund's portfolio. The "Currency %" is the effective currency exposure as a percentage of the market value of the Fund's portfolio, 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".

3. and 4. Country classifications for securities reflect Bloomberg's "country of risk" designations, and currency classifications for securities reflect the relevant local currencies of our country classifications.

4. The "Top ten positions" show the Fund's top ten long securities positions as a percentage of the market value of the Fund's portfolio (including long securities and long securities derivative positions).

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This commentary relates to the underlying fund, the Platinum Asia Fund.

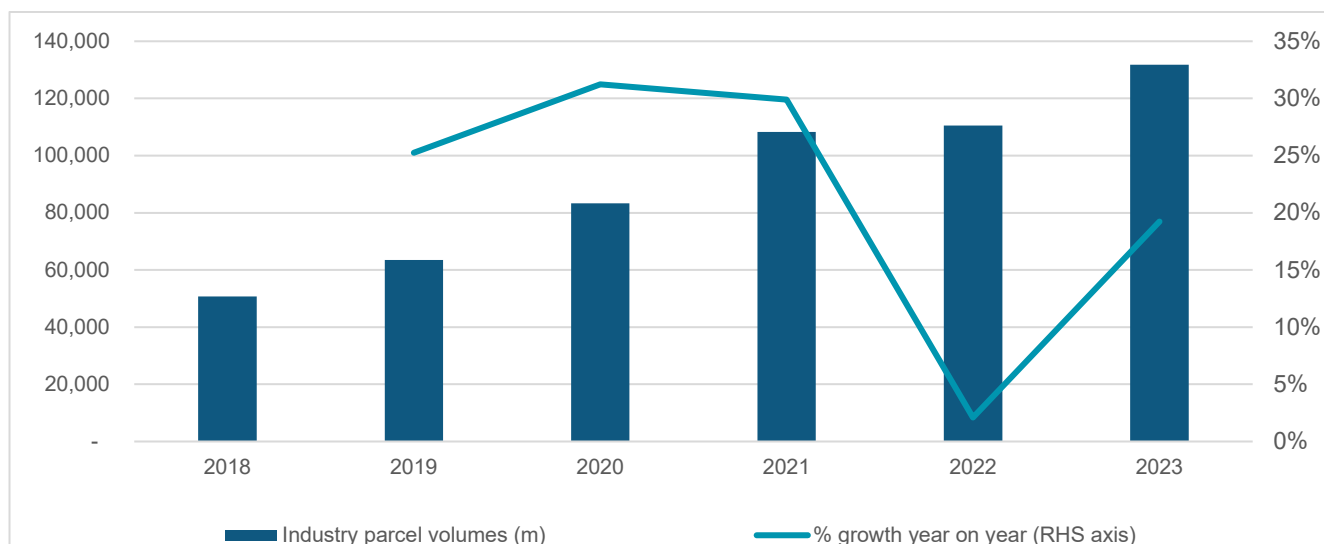
The Platinum Asia Fund (PAF) returned +7.6% for February 2024 compared to the index of +7.2%. PAF's Chinese holdings contributed 3.9% to that return.

Sentiment towards China is deeply negative and the Chinese market's PE is at the biggest discount to the MSCI Emerging Markets Index in a decade. With expectations this low, any positive news could see the market move higher. The stocks we hold are quality growth stories at attractive valuations. They should not require a market re-rating to appreciate in the medium-term.

Parcel delivery company ZTO Express and travel company Trip.com are two of our significant China holdings and were standout performers in February. Trip.com has benefited from the end of COVID lockdowns in China with domestic travel now exceeding 2019 levels. We believe the company could grow earnings in the high teens as international travel opens up. Trip is trading on a 2024 PE of 17x and also owns half of India's largest online travel business.

ZTO Express is the largest and lowest-cost parcel delivery business in China, delivering 30 billion parcels a year. The company is growing at 20-30% p.a. and trading on a 2024 PE of 12x.

ZTO: Parcels - volume and growth



Source: State Post Bureau

South Korea was the other standout contributor, contributing 1.3%. This was largely due to memory chip maker SK Hynix. Thanks to the AI investment cycle, there was a 66% surge in chip shipments from South Korea in February, the highest since 2017. SK Hynix is trading on a 2024 PE of 13x and could grow earnings by over 50% over the next 5 years.

The South Korean market has long traded at a discount due to a plethora of unwieldy conglomerates and lacklustre dividends. Their Financial Services Commission recently revealed its "Corporate Value-up Program", aimed at supporting shareholder returns. The program is similar to the corporate governance reforms in Japan that helped push the Nikkei up 42% over the past year (to 3 March 2024).

An attractively valued portfolio

The Fund's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~21% higher earnings yield and ~7% discount on Price to Book Value.

| Metric | Platinum Asia Fund | MSCI AC Asia Ex Japan Index (A\$) |
|-------------------------------|--------------------------------------|--------------------------------------|
| NTM Earnings Yield | 9.8% (Price to earnings ratio 10.2x) | 8.1% (Price to earnings ratio 12.4x) |
| NTM Dividend Yield | 3.0% | 3.0% |
| NTM Enterprise Value-to-Sales | 1.3x | 1.4x |
| LTM Price-to-Book Ratio | 1.3x | 1.4x |

The valuations in the table have been calculated by Platinum and for the Fund 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 29 February 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 Fund's fees and costs (other than brokerage). **Past performance is not a reliable indicator of future returns.**