

# Platinum Asia Fund

## (Quoted Managed Hedge Fund) - ASX: PAXX

MONTHLY REPORT 31 March 2025



### FACTS

Portfolio value	\$65.20mn
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)	4.9643

### PERFORMANCE<sup>1</sup>

	FUND %	MSCI %
1 month	(0.5)	(0.2)
3 months	1.6	1.2
6 months	2.0	4.7
Calendar year to date	1.6	1.2
1 year	15.1	16.6
2 years (compound pa)	8.3	11.6
3 years (compound pa)	7.9	8.3
5 years (compound pa)	7.0	6.8
7 years (compound pa)	5.9	5.2
10 years (compound pa)	-	-
Since inception (compound pa)	7.0	6.5

### INVESTED POSITIONS OF PLATINUM ASIA FUND<sup>3,4</sup>

DESCRIPTION	LONG %	SHORT %	NET %	CCY %
<b>Asia-Pacific</b>	<b>97.3</b>		<b>97.3</b>	<b>99.8</b>
China	52.5		52.5	52.5
Hong Kong				2.1
India	4.9		4.9	4.9
Indonesia	5.6		5.6	5.6
Philippines	2.0		2.0	2.0
South Korea	14.1		14.1	14.3
Taiwan	8.9		8.9	9.0
Thailand	1.8		1.8	1.8
Vietnam	7.0		7.0	7.0
Other Asia-Pacific	0.6		0.6	0.7
<b>Europe</b>				<b>0.0</b>
Other Europe				0.0
<b>North America</b>				<b>0.2</b>
Other North America				0.2
<b>Sub-Total</b>	<b>97.3</b>		<b>97.3</b>	<b>100.0</b>
<b>Cash</b>	<b>2.7</b>		<b>2.7</b>	
<b>Total</b>	<b>100.0</b>		<b>100.0</b>	<b>100.0</b>

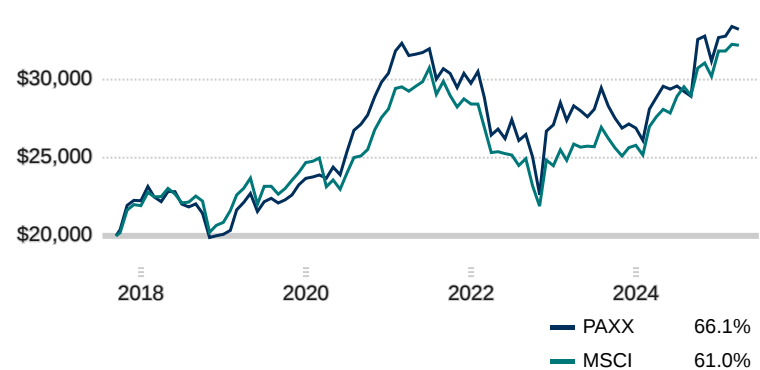
55 Long Positions

### 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<sup>2</sup>



### TOP 10 POSITIONS OF PLATINUM ASIA FUND<sup>6,7</sup>

STOCK	COUNTRY	INDUSTRY	NET %
Taiwan Semiconductor	Taiwan	Info Technology	8.3
JD.com Inc	China	Cons Discretionary	5.8
Tencent Holdings Ltd	China	Comm Services	5.6
SK Hynix Inc	South Korea	Info Technology	5.3
Vietnam Ent Investments	Vietnam	Other	4.5
ZTO Express Cayman Inc	China	Industrials	4.0
Samsung Electronics Co	South Korea	Info Technology	3.9
China Merchants Bank Co	China	Financials	3.9
Ping An Insurance Group	China	Financials	3.8
China Resources Land Ltd	China	Real Estate	3.2
Total			48.3

### INDUSTRY BREAKDOWN OF PLATINUM ASIA FUND<sup>5</sup>

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	21.1		21.1
Information Technology	18.2		18.2
Industrials	14.6		14.6
Real Estate	10.6		10.6
Communication Services	9.5		9.5
Financials	9.1		9.1
Consumer Staples	4.9		4.9
Other	4.5		4.5
Materials	2.9		2.9
Health Care	2.0		2.0
Energy	0.1		0.1

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<sup>1,2</sup> 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.

<sup>3,5</sup> 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".

<sup>4,7</sup> 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.

<sup>6</sup> The "Top ten positions" show PAF's top ten long securities positions as a percentage of the market value of PAF's portfolio (including long securities and long securities derivative positions). Position counts represent aggregated securities holdings, obtained through both direct securities holdings and indirect securities holdings via equity derivatives. 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>

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

- Over the Month PAF was down slightly as was the benchmark index (MSCI AC Asia Ex-Japan). Year-to-date the Fund is slightly up on the index.
- The Fund is close to fully invested as we are finding many attractive investment opportunities in the region.

## Commentary

During March we saw a subtle continuation of the trend from last year where it was the Chinese portion of the portfolio (approximately 50%) that made the most significant contribution to returns. In a quiet month, our two top contributors were travel stocks, with trip.com (China) and Interglobe (India), both doing well. Tech giant TSMC was weak but we believe it remains a stand-out stock on a medium to long-term view.

This China/Rest of Asia divergence in the portfolio can also be seen if we look back over the past quarter and year, with a more considerable performance gap opening up between China and the rest of the region over longer periods. Year to date the average Chinese stock in the portfolio is up about 10%, with platform businesses like Tencent, Alibaba, JD.com and Meitu delivering the largest contributions to returns. Indonesia and Taiwanese holdings have been a drag so far in 2025.

If we look back over twelve months, the average return on our Chinese holdings is north of 30%, while the rest of the portfolio is broadly flat. Eight of the top ten contributors are Chinese, with consumer discretionary, communications and financial stocks dominant. Our Indonesian and South Korean holdings have been the biggest detractors but this has been offset by good outcomes in Taiwan and India, meaning our non-China returns were basically flat.

## Tariff talk

Constant talk of tariffs has created uncertainty in markets since President Trump's election. While this understandably plays on investors' minds, the portfolio is strategically more exposed to domestic-led consumption in the Asian region.

On a more positive note, we believe China may add more stimulus to its domestic economy to offset protectionist US policies. If this occurred it might add to Asian momentum as markets have tended to move quickly upwards in response to significant positive policy change. Also of note is further signs of stability in the Chinese property sector. This has been a major cause of investor concern in recent years. As this pressure weakens it may lead to stronger consumer and business demand in China and indeed across the region.

We believe Asian regional earnings are cyclically suppressed and that valuations are not demanding. As a result we are taking full advantage of stock-picking opportunities and the portfolio is close to fully invested.

## Portfolio Valuations

The portfolio's aggregate valuation metrics are attractive in an absolute sense and relative to the market, with a 27% higher earnings yield and a 20% discount on a price-to-book basis.

Metric	Platinum Asia Fund	MSCI AC Asia ex-Japan Net Index (A\$)
NTM Earnings Yield	10.0% (Price-to-Earnings ratio of 10x)	7.9% (Price-to-Earnings ratio of 12.7x)
NTM Dividend Yield	2.8%	2.6%
NTM Enterprise Value-to-Sales	1x	1.8x
LTM Price-to-Book Ratio	1.6x	2x

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 31 March 2025. 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.**