

### Facts

|                      |                   |   |
|----------------------|-------------------|---|
| Portfolio value      | \$292.57 mn       |   |
| Portfolio inception  | 16 September 2015 |   |
| Current share price  | \$0.910           | NTA retained earnings & dividend profit reserve <sup>^</sup> 2.47 cps |
| Current option price | \$0.001           |   |
| <b>Pre-tax NTA</b>   | <b>\$0.9950</b>   |   |
| Post-tax NTA         | \$0.9948          |   |

<sup>^</sup> dividend subject to available franking credits.

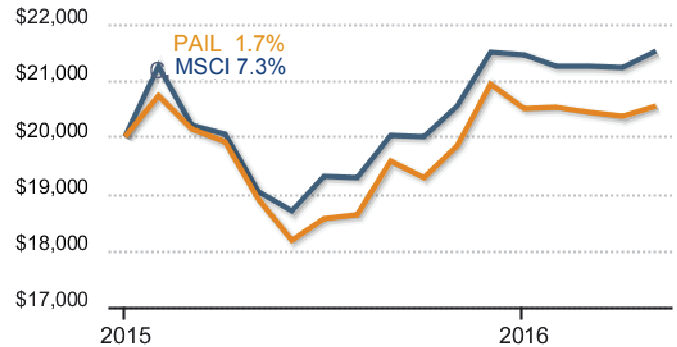
### Performance<sup>1</sup>

|                               | FUND % | MSCI % |
|-------------------------------|--------|--------|
| 1 month                       | 0.91   | 1.30   |
| 3 months                      | 0.06   | 1.27   |
| 6 months                      | 3.51   | 4.65   |
| Calendar year to date         | 0.91   | 1.30   |
| 1 year                        | 8.71   | 12.97  |
| Since inception (compound pa) | 1.26   | 5.25   |

### Fees

|                  |  |
|------------------|--|
| Management fee:  | 1.1% p.a. of the portfolio value   |
| Performance fee: | Payable at 15% of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI All Country Asia ex Japan Net Index |

### Performance graph<sup>2</sup>



### Invested positions<sup>3</sup>

|                          | LONG %       | NET %        | CURRENCY %   |
|--------------------------|--------------|--------------|--------------|
| China                    | 9.0          | 9.0          | 8.5          |
| China Ex PRC             | 28.7         | 28.7         |              |
| Hong Kong                | 0.4          | 0.4          | 21.8         |
| Taiwan                   | 3.9          | 3.9          | 3.9          |
| India                    | 16.8         | 16.8         | 16.8         |
| Indonesia                | 0.3          | 0.3          | 0.3          |
| Korea                    | 8.8          | 8.8          | 9.2          |
| Malaysia                 | 1.0          | 1.0          | 1.0          |
| Philippines              | 4.2          | 4.2          | 4.2          |
| Singapore                | 2.5          | 2.5          |              |
| Thailand                 | 6.8          | 6.8          | 6.9          |
| Vietnam                  | 2.0          | 2.0          | 2.0          |
|                          | 84.5         | 84.5         |              |
| Australian Dollar        |              |              | 16.1         |
| China Renminbi Off Shore |              |              | (16.7)       |
| United States Dollar     |              |              | 26.0         |
| Cash                     | 15.5         | 15.5         |              |
| <b>Total</b>             | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Long - 72 stocks, 1 swap

### Top ten positions<sup>4</sup>

| STOCK                         | COUNTRY      | INDUSTRY         | %   |
|-------------------------------|--------------|------------------|-----|
| Ayala Corp                    | Philippines  | Financials       | 3.4 |
| Kasikornbank PCL Foreign      | Thailand     | Financials       | 3.2 |
| Ping An A Share Note Exp      | China        | Consumer Staples | 3.0 |
| Samsung Electronics Co Ltd    | Korea        | Info Technology  | 2.8 |
| Tencent Holdings Ltd          | China Ex PRC | Info Technology  | 2.5 |
| Jardine Matheson Holdings     | Singapore    | Industrials      | 2.5 |
| Baidu com ADR                 | China Ex PRC | Info Technology  | 2.5 |
| Jiangsu Yanghe Brewery J PN   | China        | Consumer Staples | 2.4 |
| IRB Infrastructure Developers | India        | Industrials      | 2.4 |
| ENN Energy Holdings           | China Ex PRC | Utilities        | 2.3 |

### Industry breakdown<sup>3</sup>

| SECTOR             | LONG % | NET % |
|--------------------|--------|-------|
| Financials         | 24.7   | 24.7  |
| Info Technology    | 15.9   | 15.9  |
| Cons Discretionary | 11.1   | 11.1  |
| Consumer Staples   | 9.1    | 9.1   |
| Industrials        | 8.7    | 8.7   |
| Utilities          | 6.6    | 6.6   |
| Energy             | 3.1    | 3.1   |
| Materials          | 2.2    | 2.2   |
| Real Estate        | 2.0    | 2.0   |
| Telecom Services   | 1.0    | 1.0   |

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1. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. Performance results have been calculated using the pre-tax net tangible asset value price as released to the ASX and represent the combined income and capital return of the investments for the specified period. Please note that the results are not calculated from the share price of PAI. The returns are calculated relative to the MSCI All Country Asia ex Japan Net Index in A\$. You should also be aware that performance results are calculated using historic points of reference. PAI and its directors cannot guarantee that such results will be replicated in the future; therefore, this information should not be used to make future investment decisions.

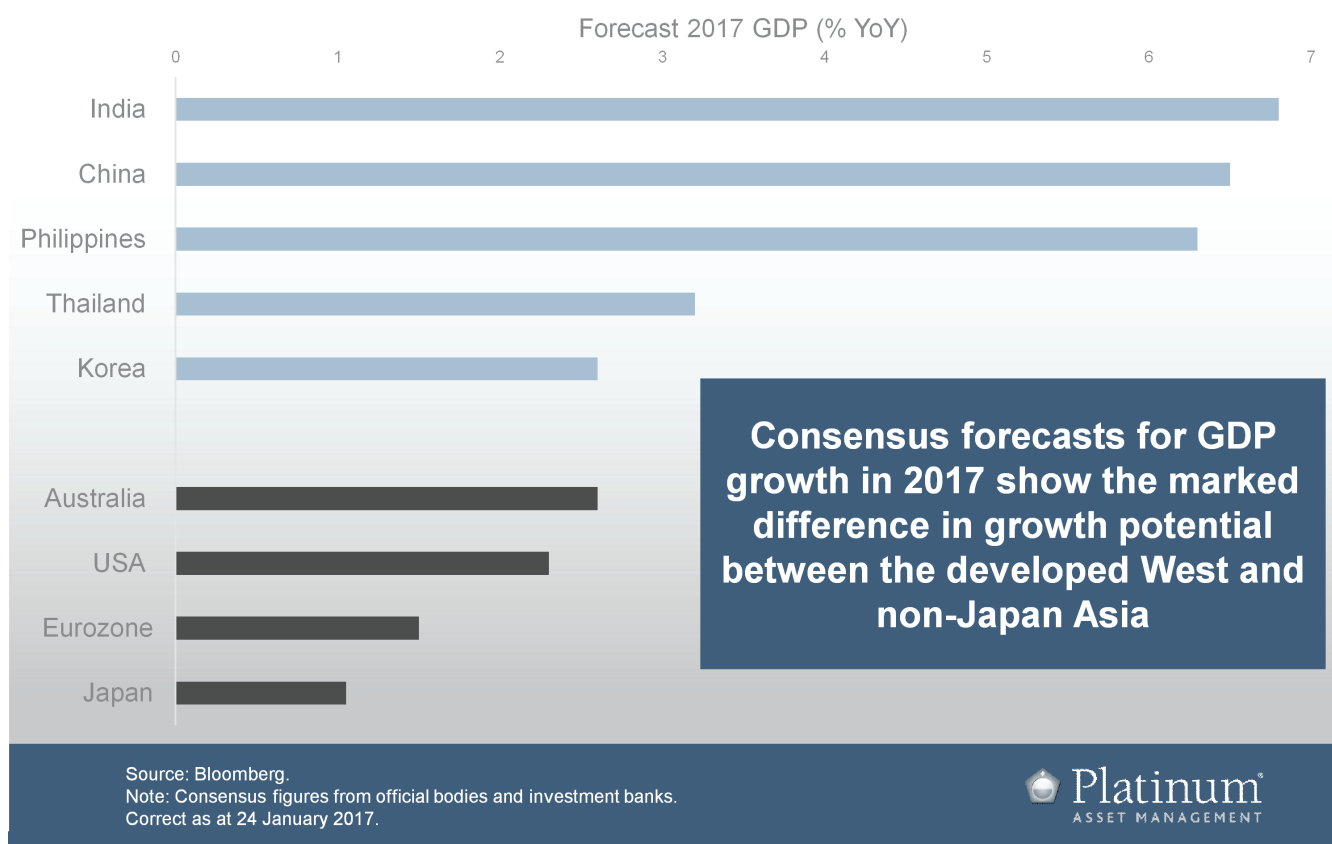
2. Source: Platinum for fund returns and RIMES Technologies for MSCI returns. The investment returns depicted in this graph are cumulative on A\$20,000 invested in PAI since inception relative to the MSCI All Country Asia ex Japan Net Index in A\$ ("Index"). Performance results have been calculated using the pre-tax net tangible asset value as released to the ASX and represent the combined income and capital return of PAI's investments for the specified period. Please note that the results are not calculated from the share price of PAI. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably from the make-up of the Index. The Index is provided as a reference only.

3. The "Long %" represents the exposure of physical holdings and long stock derivatives as a percentage of PAI's net tangible asset value. The "Net %" represents the exposure of physical holdings and both long and short derivatives as a percentage of PAI's net tangible asset value. The "Currency %" represents the currency exposure for PAI as a percentage of PAI's net tangible asset value, taking into account currency hedging.

4. The "Top ten positions" shows PAI's top long share exposure positions as a percentage of PAI's net tangible asset value. Long derivative exposures are included. However, short derivative exposures are not.

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## A region that GROWS



### Market update and Commentary

Across Asia we see robust economic activity and attractive opportunities which are overlooked in our view. Several of our favoured sectors have not participated in recent strength for the regional index, which is dominated by Samsung and TSMC (combined these are approximately 9% of the regional index). In particular, we would highlight our Chinese insurers and more recently Chinese tech companies. We believe that these remain outstanding opportunities.

Further evidence is apparent that China's recovery kept ripping along into the end of 2016: for instance rail freight movements were up 15% year-on-year in November. As we have mentioned in previous monthly updates, Chinese producer price inflation turned positive for the first time in four years in recent months. Both services and manufacturing Purchasing Managers Indices (PMI) remain above 50 (indicating expansion). Improving business conditions prompted service companies to hire staff at the fastest pace in 20 months in December. We have seen widespread improvements in luxury goods spending and Macau gaming data seems to be improving. The Chinese consumer looks to be in good shape.

However, there is good reason to believe that Chinese authorities are quite serious about tightening monetary conditions to restrain economic activity somewhat, before the economy overheats. Real estate investment restrictions have been in place since October last year and further lending restrictions were put in place in late January. Chinese banks are now required to obtain sign-offs by PBOC officials to process foreign exchange transactions and penalties were increased for miscreants daring to do as they wish with their foreign currency. Chinese authorities also restricted RMB liquidity into Hong Kong, which caused overnight lending rates to spike. Those borrowing in the overnight market to short the RMB were squeezed with rates climbing in excess of 30%. For now, speculation on the RMB has eased. In summary, from China we expect activity to remain at a strong level, while some deceleration is likely from here.

Meanwhile in India economic data is beginning to show the impact of efficiency and anti-corruption reforms. Interest rates and inflation are declining, while the current account deficit has narrowed significantly. The Indian equity market, however, is expensive, requiring selectivity. We remain holders Indian banks and infrastructure, as opposed to vastly more expensive consumer stocks in the country.

Looking ahead we continue to view Asia as an attractive investment locale. Fears of a trade war make headlines, but determining why this would affect Asia negatively while the large cap US corporates that rely on Asian supply chains make new highs stretches logic in our view. Asia is host to cheap, attractive stocks and the region remains unloved by investors. Ongoing reasonable global growth and earnings growth in Asia in particular mean that we see Asia as highly attractive.