Platinum Asia Fund ARSN 104 043 110

30 November 2018

Facts

Portfolio value	$4.14 bn
Fund commenced	04 March 2003
Minimum investment	A$10,000 or NZ$10,000
Regular Investment Plan	A/NZ$5000 plus A/NZ$200 mth/qrt
Income distribution date	Annual, 30 June
Unit valuation	Sydney Business Day
Unit prices C Class	App – 2.3585 Red – 2.3467
Unit prices P Class	App – 0.8418 Red – 0.8376

Fees

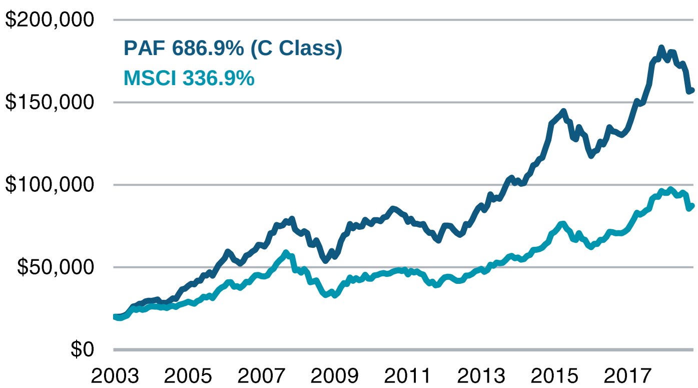
Entry fee		Nil
Buy/sell spread		0.25%/0.25%
Fee:	C Class	Investment Management 1.35% p.a.
		Investment Performance N/A
	P Class	Investment Management 1.10% p.a.
		Investment Performance 15.00% p.a.*

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

Performance[1]

	P Class %	C Class %	MSCI %
1 month	0.56	0.54	2.21
3 months	(9.24)	(9.30)	(8.30)
6 months	(12.60)	(12.71)	(8.83)
Calendar year to date	(10.40)	(10.61)	(5.72)
1 year	(10.50)	(10.66)	(6.02)
2 years (compound pa)		9.62	11.19
3 years (compound pa)		6.24	9.10
5 years (compound pa)		8.85	9.16
7 years (compound pa)		12.81	12.17
10 years (compound pa)		11.32	10.17
Since inception (compound pa)*	3.07	14.00	9.82

Performance graph[2]



Top ten positions[4]

STOCK	COUNTRY*	INDUSTRY	%
Alibaba Group	China	Communication Serv.	4.0
Samsung Electronics Co Ltd	Korea	Info Technology	3.8
Tencent Holdings Ltd	China	Communication Serv.	3.0
Kasikornbank PCL	Thailand	Financials	3.0
Naver Corporation	Korea	Communication Serv.	2.7
Reliance Industries Limited	India	Energy	2.7
Axis Bank Ltd	India	Financials	2.6
Ayala Land Inc	Philippines	Real Estate	2.6
MMG Ltd	China	Materials	2.1
58.COM Inc	China	Communication Serv.	2.1

*China includes exposure to Chinese A shares, H shares and ADRs

Industry breakdown[3]

SECTOR	LONG %	NET %
Financials	19.8	19.8
Communication Services	12.6	12.6
Cons Discretionary	9.4	9.1
Energy	7.3	7.3
Industrials	6.8	6.8
Real Estate	5.8	5.8
Consumer Staples	5.1	3.7
Info Technology	4.5	4.5
Health Care	3.6	1.3
Materials	2.1	2.1
Other	1.8	1.8
Utilities	1.2	1.2

Invested positions[3]

	LONG %	NET %	CURRENCY %
China	8.7	8.7	15.0
China Ex PRC	30.1	28.9	
Hong Kong	4.3	2.9	26.8
India	14.7	14.7	15.5
Korea	12.9	11.5	11.2
Malaysia	0.5	0.5	0.5
Philippines	2.7	2.7	2.7
Thailand	4.3	4.3	4.3
Vietnam	1.9	1.9	1.9
	80.1	76.0	
Australian Dollar			1.1
China Renminbi Off Shore			(7.8)
UK Pound Sterling			0.1
United States Dollar			28.7
Cash	19.9	24.0	
Total	100.0	100.0	100.0

Long - 68 stocks, 1 swap Short - 6 stocks

1. & 2. Source: Platinum for Fund returns and RIMES Technologies 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, 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$. The investment returns depicted in the graph are cumulative on A$20,000 invested in the Fund since inception. Past performance is not a reliable indicator of future returns. It should be noted that Platinum does not invest by reference to the weightings of the index. Underlying assets are chosen through Platinum's bottom up 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. China refers to securities or derivatives over securities, which securities are listed on the Shanghai or Shenzhen stock exchange. China Ex PRC refers to securities or derivatives over securities, which securities are listed outside of the PRC but provide exposure to PRC companies. The "Long %" represents the exposure to direct securities holdings and long stock/index derivatives as a percentage of the Fund's net asset value. The "Net %" represents the exposure to direct securities holdings and both long and short stock/index derivatives as a percentage of the Fund's net asset value. The "Currency %" represents the effective currency exposure of the Fund's portfolio as a percentage of the Fund's net asset value, taking into account currency exposures through securities holdings, cash, forwards and long and short stock/index derivatives.

4. The "Top ten positions" show the Fund's top ten long positions as a percentage of the Fund's net asset value. Direct securities holdings and long stock derivatives are included. However, short stock derivatives are not included.

- Macro-economic and trade fears dominate
- China is responding to boost domestic demand with tax cuts and loosening credit conditions
- Economic data indicates a mild slow down in a reasonably healthy Chinese economy
- Corporate earnings are growing and stocks appear very reasonably priced

Some relief was apparent in Asian equities in November, with the index rising, and the Fund less so. Our holdings in TSMC and Samsung detracted in November as these companies were sold off amid broad concerns regarding tech profitability, a slowdown for demand for memory chips and growth rates for mobile phone sales. Our shorts cost us money in November, as high profile Korean biotechs and Chinese Tesla lookalike Nio had strong bounces off already-enthusiastic valuations for at best questionable businesses. Further, the index was buoyed by strong performances in Indonesian banks, where we have no exposure.

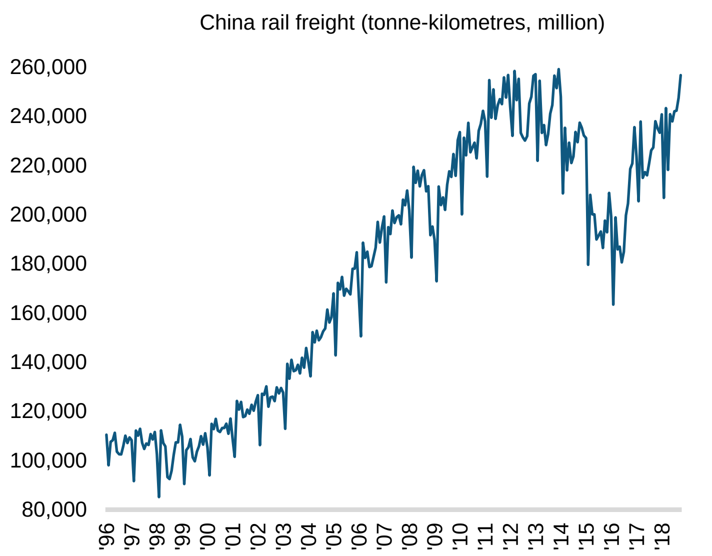
We lightened exposure through to the end of October as markets began to capitulate in the face of rate rises in the US, trade tensions between the US and China and concerns over Chinese economic growth.

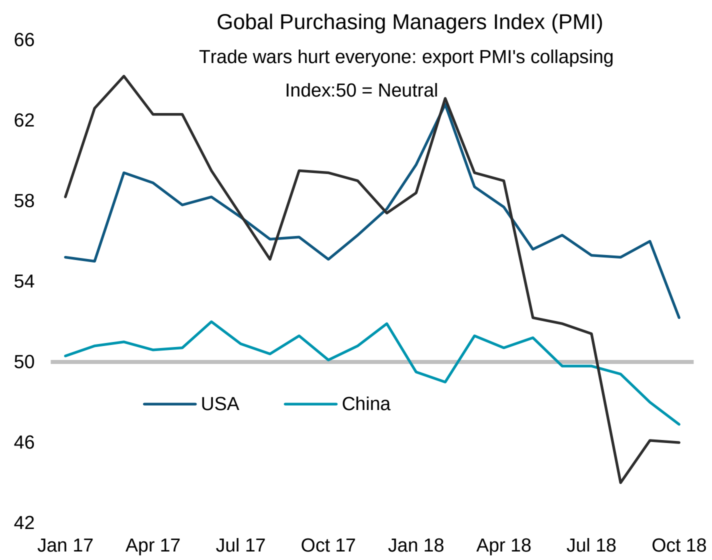
We have added exposure through November, buying: domestic Chinese stimulus proxies (Zoomlion and Sany in heavy machinery); beaten up Chinese consumer plays (Midea and Jiangsu Yanghe); the Chinese internet giants Tencent and Alibaba at significant discounts to recent highs; Indian private banks (Axis and ICICI); and other cheap plays on generally resilient Asian growth such as Kasikorn Bank in Thailand.

China's economy has clearly slowed over the course of 2018. As we have stated previously, the primary cause of this slowdown is a sensible package of financial reforms designed to limit corporate and consumer credit availability via informal channels and to force credit provision to occur through banks and bond markets.

In addition, uncertainty in the export sector of the economy has been an additional drag on an already-slowing economy. To be clear, though, the US is not "winning" the trade war. Rather, export sectors of economies globally have been impacted, with China just one among those. Please note that the export sectors of Germany and the US have seen steep declines in recent months, as we show in the accompanying charts. So, it was not a huge surprise when a partial truce was reached in Buenos Aires between General Secretary Xi and President Trump. Markets responded positively initially, but have since returned to a sceptical stance, perhaps prompted by the vagueness of the arrangement and the ongoing threat to lift tariffs without some ill-defined notion of progress being reached within 90 days.

Amid macro-economic fears and investor gloom, we see exceptional starting valuations and secular growth stories in Asia.





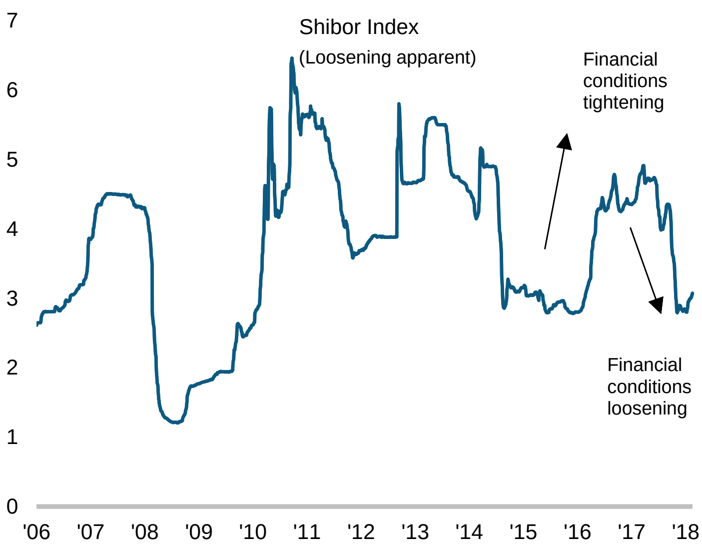


Chart Source: China rail – Bloomberg
Global Purchasing Managers Index PMI – Bloomberg
Shibor - FactSet