

Platinum Asia Fund



Cameron Robertson
Portfolio Manager

Overview

- Fund performance was boosted by a strong performance from Chinese stocks including our core technology holdings such as **Tencent** and **Alibaba**. Korean semiconductor manufacturer **SK hynix** also performed well.
- Tariff threats loom over the Asia region – as they do over most of the world's markets. However we remain positive. We have focused the portfolio on domestically oriented businesses and valuations remain attractive.
- There are some green shoots in China. The arrival of DeepSeek reminded investors that China is more than capable of competing on AI. We're also seeing some stabilisation in the Chinese property market. Chinese stocks were up strongly over the year to end March.

Performance

compound p.a.⁺, to 31 March 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia Fund*	2%	15%	8%	7%	12%
MSCI AC Asia ex Jp Index [^]	1%	17%	8%	7%	9%

+ Excludes quarterly returns.

* C Class – standard fee option. Inception date: 4 March 2003.

After fees and costs, before tax, and assuming reinvestment of distributions.

[^] Index returns are those of the MSCI All Country Asia ex Japan Net Index in AUD.

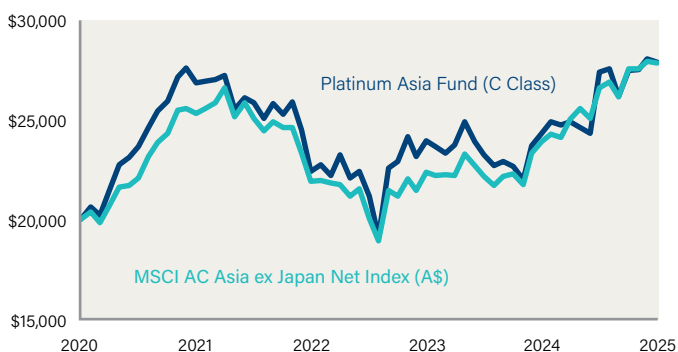
Source: Platinum Investment Management Limited, FactSet Research Systems.

Historical performance is not a reliable indicator of future performance.

See note 1, page 5. Numerical figures have been subject to rounding.

Value of \$20,000 invested over five years

31 March 2020 to 31 March 2025



After fees and costs, before tax, and assuming reinvestment of distributions.

Historical performance is not a reliable indicator of future performance.

Source: Platinum Investment Management Limited, FactSet Research Systems.

See notes 1 & 2, page 5.

The first quarter of 2025 saw the Fund return +1.5%.

The quarter saw strong performance in the Hong Kong stock market, most notably Chinese technology companies, while the broader Chinese market was a little soft. Given the ongoing political situation playing out in Korea, it was a pleasing to see markets look through the noise and perform well. Meanwhile Taiwan and South-East Asian markets were weaker.

With Trump returning to the US President's office, the topic of tariffs hung over markets during the quarter, although most of the action on that front is happening post-quarter-end as I'm writing this update (touched on in the Outlook section).

Strong contributions from several key Chinese technology holdings (**Tencent**, **Alibaba**, **Kuaishou**, **JD.com**) and Korean semiconductor manufacturer **SK hynix** were instrumental to the Fund's outperformance. These gains helped offset weaker performance from holdings such as Taiwanese technology giant **TSMC**, Philippine developer **Ayala Land** and Indonesian sportswear retailer **Map Aktif**.

During the quarter we initiated a position in Korean maritime services company **HD Hyundai Marine Solution**. We capitalised on a surge in Chinese photo-editing app **Meitu**, selling our position after a rapid gain.

Commentary – watching trade developments

The return of Donald Trump to the US presidency has brought international trade policy back into sharp focus. While potential tariff impacts have been a key discussion point, direct consequences for Asian economies were relatively contained during Q1. In the first few days of April we have seen further tariff announcements out of Washington and uncertainty is likely to remain a feature of the global trade environment for the foreseeable future. This is a particularly challenging backdrop for export-heavy sectors. We had positioned our portfolio to favour companies geared towards domestic demand within Asia. This offered some insulation from direct US tariff impacts.

China: AI boosts tech; financials stabilise

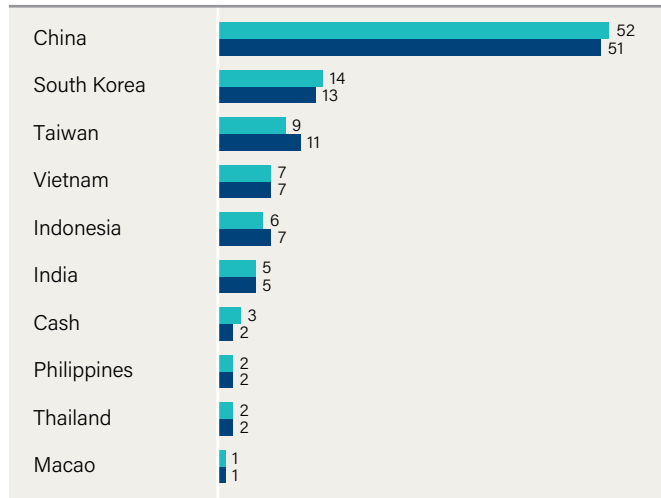
China presented a mixed picture. A major positive was the excitement surrounding domestic AI advancements, sparked by the global attention given to highly capable large language models like 'DeepSeek'. This catalysed strong performance in several of our key Chinese internet and technology holdings, including significant positive contributions from Tencent, Alibaba, Kuaishou and JD.com.

The AI enthusiasm also led to sharp rallies in related names. For instance, photo-editing app Meitu surged due to market excitement about its AI features, providing a timely opportunity for us to exit the position at a healthy profit. We also modestly trimmed some other Chinese technology holdings that benefited from the rally.

Separately, we saw further evidence of a gradual stabilisation in China's property sector and financial system sentiment. While nationwide new home prices continued to decline year-on-year, the pace slowed notably in early 2025, with monthly prices largely flat and even rising in a couple of key cities. Reflecting this improved sentiment and the associated reduction in systemic risks, financial holdings performed well, with **China Merchants Bank**, for example, rising circa 15% during the quarter and contributing positively to Fund performance.

Outside these areas, the performance of our Chinese holdings was varied. Prosthetic joint manufacturer **AK Medical** gained on a sharp improvement in profits. Travel booking site **Trip.com** and grocery delivery service **Dingdong** saw their shares decline.

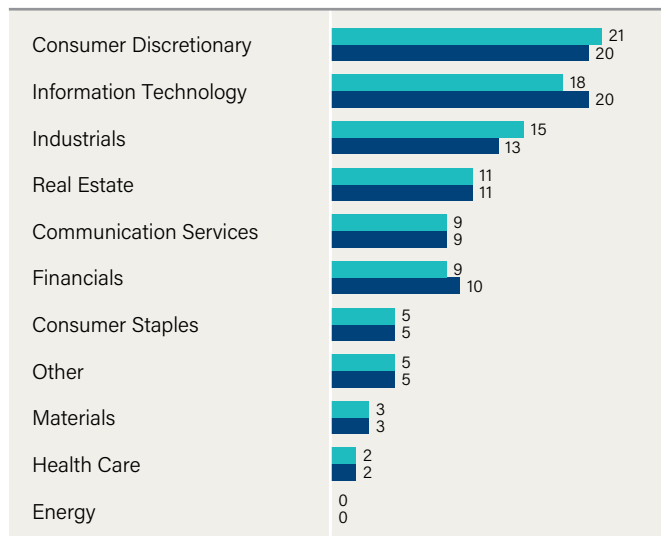
Disposition of Assets %



■ 31 MAR 2025 ■ 31 DEC 2024

See note 3, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



■ 31 MAR 2025 ■ 31 DEC 2024

See note 4, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
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%

As at 31 March 2025. See note 5, page 5.

Source: Platinum Investment Management Limited.

Korea: resilience amidst uncertainty

Despite lingering domestic political uncertainty, the South Korean market held up reasonably well. Corporate activity provided some stock-specific drivers at companies like water purifier business **Coway**, where activist investor attention drew a commitment to increase the dividend payout ratio. As a result the stock performed well. Food company **Orion** also delivered steady gains, seemingly on positive sales data.

Other positive contributors from Korea were SK hynix and **Samsung**. The global AI stock rally moderated late in the quarter and this contributed to weakness in TSMC, a key detractor from Fund returns. However, Korean memory makers were relatively resilient. This reflected, in part, an improved outlook for memory demand and the potential benefits from US export controls hitting Chinese competition. There was growing market enthusiasm for Samsung's progress in high-bandwidth memory (HBM), though Samsung has yet to receive qualifications to be incorporated into the latest Nvidia products. Our holding in Soulbrain, which provides chemicals used in Samsung's manufacturing process, also benefited.

During the quarter, we established a new position in **HD Hyundai Marine Solution**. This recent spin-off from the HD Hyundai group is a leader in ship after-market servicing, providing parts and services critical to vessel operations. It enjoys a strong market position and is the monopoly parts provider for Hyundai engines. With few analysts covering the stock, we believe its quality attributes may be underappreciated by the market and this offered us an attractive entry point. We funded this buy, in part, by exiting our position in **LG Chem**.

India: a quiet quarter

Indian shares had a relatively subdued quarter, starting out weak before recovering to finish broadly flat. Our holdings reflected this, with **Interglobe Aviation** rising, while **Macrotech Developers** fell.

South-East Asia: headwinds persist

SE Asian markets generally struggled due to renewed US dollar strength and some country-specific concerns. A number of holdings declined, including Ayala Land (Philippines) and Map Aktiv (Indonesia). Other Indonesian holdings like **Pakuwon Jati**, **Merdeka Battery Materials** and **Cinema XXI** also weakened. In many cases the companies appear to be performing perfectly well operationally. However, broader market and regional concerns dragged the shares lower.

Outlook

Looking ahead, we face known uncertainties such as shifts in US trade policy, rapid technological evolution and changing regional economic momentum. The constant flux in tariff discussions makes the current environment particularly challenging for global businesses that sell into or operate within the US.

Why? Because running a business effectively requires the ability to make long-term investment decisions about capability and capacity. That's difficult without clarity on the medium-to-long-term 'rules of the road' regarding trade. This confusion and resulting inaction will create knock-on effects, potentially slowing global economic activity.

While our portfolio is positioned to minimise direct impacts from tariffs, the broader economic environment is an unavoidable reality for investors. However, we find comfort in Asia's domestic markets. Many have been relatively subdued, meaning sales and margins aren't cyclically high, valuations are often low and there appears to be room for domestic recovery, even independent of the global trade situation.

We believe Asia continues to present compelling opportunities for disciplined, long-term investors. We are confident our portfolio is well-positioned to generate value for investors over time.

Notes

Unless otherwise specified, all references to "Platinum" in this report are references to Platinum Investment Management Limited (ABN 25 063 565 006, AFSL 221935).

Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. Fund returns are calculated by Platinum using the net asset value unit price (i.e. excluding the buy/sell spread) of the stated unit class and represent the combined income and capital returns over the specified period. Fund returns are net of fees and costs, pre-tax, and assume the reinvestment of distributions. The MSCI index returns are in AUD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, the Fund's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Fund's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short term.
2. The investment returns depicted in the graph are cumulative on A\$20,000 invested in C Class (standard fee option) of the Fund over the specified period relative to the specified MSCI index in AUD.
3. The geographic disposition of assets (i.e. other than "cash" and "shorts") shows the Fund's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Country classifications for securities reflect Bloomberg's "country of risk" designations. "Shorts" show the Fund's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through derivative transactions.
4. The table shows the Fund's net exposures to the relevant sectors through its long and short securities positions and long and short securities/index derivative positions, as a percentage of its portfolio market value. 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".
5. The table shows the Fund's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

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