Platinum Asia Fund

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Portfolio Manager

Overview

- The portfolio delivered a strong return of 12.5% for the quarter, bringing performance for the 12 months ending September to 19% (C-class). A renewed wave of enthusiasm for Artificial Intelligence (AI) propelled Asian technology stocks to new heights.
- Across the region, political developments created distinct winners and losers. Thailand's market staged a remarkable comeback as a semblance of political stability returned. This was positive for our holdings. In contrast, the steady drumbeat of tariff threats from Washington unsettled investors in India, and high-profile political protests in Indonesia created turbulence in that market.

Performance

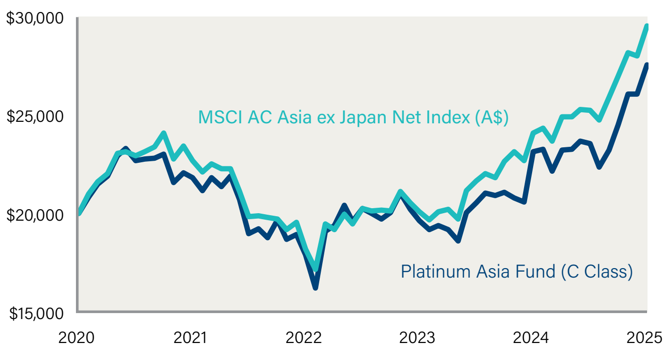
compound p.a.+, to 30 September 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia Fund*	12%	19%	15%	7%	13%
MSCI AC Asia ex Jp Index^	10%	23%	18%	8%	10%

+ 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

30 September 2020 to 30 September 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 Fund's strong return this quarter was driven by some key holdings within the technology sector. A resurgence of investor enthusiasm for AI provided a powerful tailwind for our positions in **TSMC**, **Tencent**, **Samsung Electronics** and **SK hynix**. Our Chinese short-video platform holding **Kuaishou** was up over 30% for the quarter and **Alibaba** was up over 60%.

The Fund also benefited from our Thai holdings, **Mega Lifesciences** and **Supalai**, which rallied as the domestic political situation stabilised. Other significant positive contributors included Chinese battery giant **CATL** (+59%). Indonesian conglomerate **Astra International** and online travel agent **Trip.com** were each up around 30%.

These gains helped to offset weakness in other parts of the portfolio. Our Indian holdings, **Lodha Developers** and **InterGlobe Aviation**, softened amid investor concerns over the potential effect of US tariffs. In Indonesia, political protests weighed on much of the market, hurting our positions in **MAP Aktif** and **Avia Avian**. Other detractors from performance during the quarter included China **Merchants Bank** (down 13%) and **Weichai Power**, off 9%.

Commentary – AI: The Second Wave

If the initial AI excitement of 2023 was a tidal wave, the third quarter of 2025 felt like a powerful second swell. The narrative has now moved beyond simply selling the picks and shovels of the AI gold rush to understanding the AI applications emerging across the ecosystem.

A neat example is the rapidly advancing field of text-to-video generation. We have a holding in Kuaishou, the Chinese short-video powerhouse. Kuaishou's Kling AI model, capable of generating high-definition video clips from simple text prompts, is a stunning demonstration of the creative and commercial power being unlocked. Some 70% of its users are from outside China. One moment it's a fun social media app; the next, it's a Hollywood studio in your pocket. This rapid innovation underscores the immense value embedded within these platform companies.

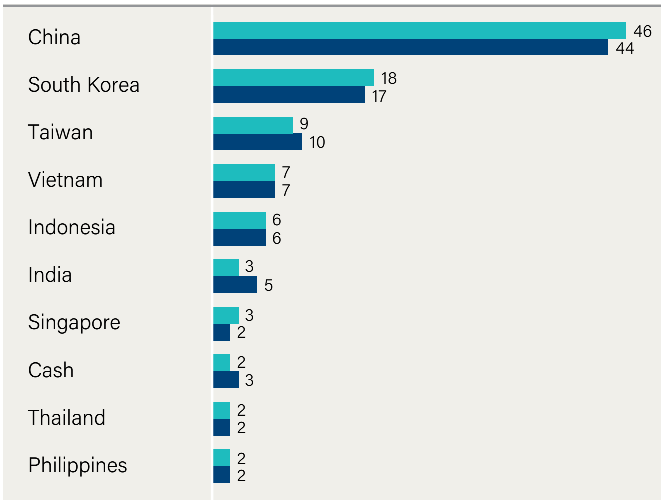
Unlocking the conglomerate

Away from the world of AI, one of the more interesting company-specific stories this quarter came from Indonesian conglomerate Astra International. For years, sprawling family-controlled groups like Astra have traded at a "conglomerate discount" – the market values the company at less than the sum of its individual parts. The fear with conglomerates is that capital gets misallocated, with cash from star divisions (like Astra's automotive business) used to fund less promising ventures.

However, the announcement of a formal strategic review within the company signals a potential sea-change. This isn't happening in a vacuum. Astra's parent, the storied Hong Kong-based group, Jardine Matheson, has itself been taking steps to simplify its notoriously complex structure.

The review at Astra suggests this modernising mindset is filtering down. It implies a new focus on portfolio discipline: critically evaluating each business, selling off non-core assets and reallocating capital to the highest-return opportunities. For shareholders, this is a welcome sign that management is serious about unlocking the value within its complex structure. The stock was up nearly 30% over the September quarter.

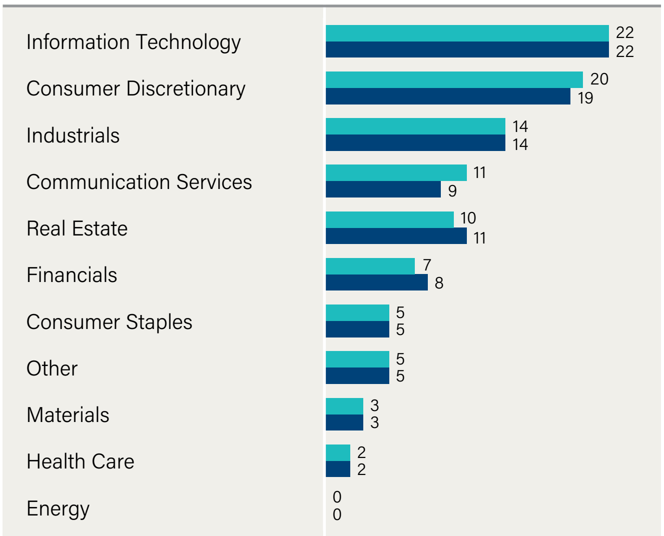
Disposition of Assets %



30 SEP 2025 30 JUN 2025

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

Net Sector Exposures %



30 SEP 2025 30 JUN 2025

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	8.9%
Tencent Holdings Ltd	China	Comm Services	6.1%
SK hynix Inc	South Korea	Info Technology	5.6%
Samsung Electronics Co	South Korea	Info Technology	5.1%
JD.com Inc	China	Cons Discretionary	4.7%
Vietnam Enterprise Inv Ltd	Vietnam	Other	4.7%
ZTO Express Cayman Inc	China	Industrials	3.4%
China Resources Land Ltd	China	Real Estate	3.3%
Ping An Insurance Group	China	Financials	3.2%
Kuaishou Technology	China	Comm Services	3.1%

As at 30 September 2025. See note 5, page 5.
Source: Platinum Investment Management Limited.

Innovation Under Pressure: China's AI Ecosystem

A key question hanging over Asian markets was whether restricted high-end chip sales would crimp China's AI stars. This quarter we saw an answer to that question. Chinese firms are continuing to innovate in the face of these challenges, a key factor behind the strong performance of some of our Chinese tech holdings, such as Alibaba – a company that combines e-commerce, payment systems, cloud computing and digital media.

The response has been two-pronged: leveraging off improved hardware and smarter software.

On the hardware front, entities like Alibaba's chip-design unit, T-Head, are producing increasingly credible domestic AI accelerators. These homegrown chips are not just lab experiments. They are winning significant commercial contracts and demonstrating performance that is competitive with the export-grade chips available from US firms. This provides a viable path to building out the massive computing power AI requires.

Just as important is the software. AI models perform trillions of calculations and how you represent the numbers in those calculations matters enormously. The Chinese AI group, DeepSeek, which shocked the world earlier this year with their unexpected advancement, recently implemented a new, highly efficient data format (known as UE8M0) specifically designed to get the best performance out of domestic Chinese chips. This signals a potential split between the Chinese and US AI ecosystems. Think of it as developing a more efficient mathematical shorthand. By adopting this new format, Chinese companies could make their homegrown hardware punch well above its weight.

For investors, this dual hardware-software advance has been a lightbulb moment. It demonstrates a clear strategy for China to remain competitive in AI, easing fears the US technology 'blockade' would do lasting damage and leading to a significant re-rating in the shares of Alibaba and other Chinese AI ecosystem players.

Portfolio Activity

A notable recent addition has been Korea's **LG Display**. We initiated the position in June and continued to build it through July, following our research trip to that market.

Our investment case is based on evidence of a cyclical recovery in LG Display's markets and a large dose of self-help by the company. The company has made the tough but necessary decision to exit its legacy LCD business, sharpening its focus on its world-leading OLED technology.

Crucially, management has signalled a shift away from their growth-at-all-costs mindset, shelving plans for capacity expansion and sweating existing assets to generate cash flow. With signs that the supply-demand balance in the display panel market is improving, we felt the company was at a positive inflection point. This investment has already started to pay off, though it remains a modest position size.

During the quarter, we also added to our positions in semiconductor equipment maker **HPSP** (Korea) and food companies **Mayora Indah** (Indonesia) and **Orion** (South Korea).

To fund these purchases and manage risk, we trimmed several positions, including **Ping An Insurance**, **China Merchants Bank** and SK hynix, the latter after a period of exceptional performance. We also reduced our holding in India's Interglobe Aviation.

We exited two positions entirely. The first was **Longshine**, a Chinese technology company that provides utilities billing management software and EV charging, among other things. The stock had raced up, partly on excitement around a collaboration with Alipay to create tokenised "Real World Assets" (RWAs) from its charging network. While the initiative is undoubtedly interesting, the share price move suggested the narrative was getting ahead of the business fundamentals. We felt it was an opportune moment to cash out on the enthusiasm and move on. We also sold our position in Macau casino operator **Sands China** as we feel there are more compelling opportunities elsewhere.

Outlook

The Asian market remains a study in contrasts. On one hand, the excitement around AI is palpable. We are starting to see small pockets of what could be described as exuberance.

On the other, many parts of the market continue to trade at what we believe are very reasonable valuations. The constant noise from geopolitics and trade disputes can be distracting – but if you can manage those distractions, it can create opportunities for patient investors.

While we remain vigilant to the risks, the general shape of company valuations and the earnings outlook for our portfolio companies still strikes us as favourable. We continue to find plenty of value across the region and are confident in the portfolio's ability to generate attractive returns over the medium to long term.

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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