

Platinum Investment Bond - APIR Code: LIF7284AU

Platinum Asia Fund



MONTHLY REPORT 31 March 2023

FACTS

Portfolio value	\$2.38 mn
Option commenced	23 March 2021
Unit valuation	Adelaide Business Day
Net asset value (\$ per unit)	\$0.9407

PERFORMANCE OF PLATINUM ASIA FUND ¹

	Fund %	MSCI %
1 month	3.4	4.2
3 months	4.4	5.6
6 months	12.9	11.5
Calendar year to date	4.4	5.6
1 year	6.7	2.1
2 years (compound pa)	(5.6)	(6.0)
3 years (compound pa)	6.1	3.8
5 years (compound pa)	4.8	2.8
7 years (compound pa)	9.2	7.9
10 years (compound pa)	10.1	8.8
Since inception (compound pa)	12.7	8.8

The returns shown are for the Platinum Asia Fund C Class (launched on 04 March 2003). It is one of the investment options available for investors in the Platinum Investment Bond, which was launched on 23 March 2021. Investors in the Platinum Investment Bond will not have experienced the returns prior to 23 March 2021 and the historical data is provided for information purposes only. **Past performance is not a reliable indicator of future returns.**

INVESTED POSITIONS OF PLATINUM ASIA FUND ³

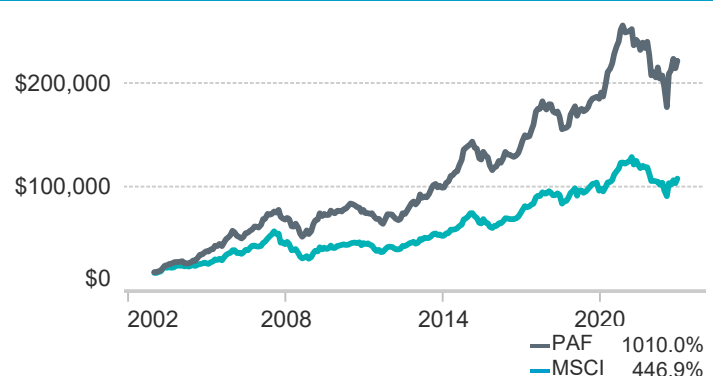
	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	92.9	(5.4)	87.5	91.7
Australia				0.5
China	49.5	(0.3)	49.2	51.2
Hong Kong	3.7		3.7	4.6
Taiwan	6.3		6.3	6.4
India	7.2	(5.2)	2.0	2.3
Indonesia	0.8		0.8	0.8
Macao	2.0		2.0	2.0
Philippines	2.4		2.4	2.4
Singapore	1.0		1.0	1.5
South Korea	13.0		13.0	13.1
Thailand	1.0		1.0	1.0
Vietnam	6.0		6.0	6.0
Europe				0.1
United Kingdom				0.1
North America				8.2
United States of America				8.2
Sub-Total	92.9	(5.4)	87.5	100.0
Cash	7.1	5.4	12.5	
Total	100.0		100.0	100.0

Long - 65 stocks, 1 swap Short - 2 swaps, 2 indices

FEES

Investment management fee	1.05% p.a.
Administration fee	0.30% p.a.
Investing transaction costs	0.30% on contributions

PERFORMANCE GRAPH OF PLATINUM ASIA FUND ²



TOP TEN POSITIONS OF PLATINUM ASIA FUND ⁴

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	5.6
ZTO Express Cayman Inc	China	Industrials	5.1
Samsung Electronics Co	South Korea	Info Technology	4.8
Ping An Insurance Group	China	Financials	4.3
Vietnam Ent Investments	Vietnam	Other	4.2
Tencent Holdings Ltd	China	Comm Services	4.0
InterGlobe Aviation Ltd	India	Industrials	4.0
China Resources Land Ltd	China	Real Estate	3.4
SK Hynix Inc	South Korea	Info Technology	3.2
Weichai Power Co Ltd	China	Industrials	3.1
Total			41.7

INDUSTRY BREAKDOWN OF PLATINUM ASIA FUND ³

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	19.3		19.3
Industrials	14.5		14.5
Information Technology	15.6	(1.2)	14.4
Real Estate	13.1		13.1
Financials	10.9		10.9
Materials	5.4		5.4
Consumer Staples	4.5	(0.3)	4.2
Communication Services	4.0		4.0
Health Care	1.3		1.3
Energy	0.1		0.1
Other	4.2	(3.9)	0.3

The Platinum Investment Bond ("Bond") is an investment bond issued by Lifeplan Australia Friendly Society Limited ABN 78 087 649 492 AFSL 237989. Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 ("Platinum"), is the responsible entity of the Platinum Asia Fund ("PAF"), an underlying investment option of the Bond. The Bond's latest Product Disclosure Statement ("PDS") provides details about the Bond. You can obtain a copy of the PDS from Australian Unity's website www.australianunity.com.au/platinum, or by contacting their Investor Services on 1800 670 638. This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures are subject to rounding. Platinum does not guarantee the performance of the Bond or PAF, the repayment of capital or the payment of income. The market commentary reflects Platinum's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by Platinum for any loss or damage as a result of any reliance on this information.

1. & 2. Source: Platinum for PAF returns and Factset Research Systems for MSCI returns. Investment returns are calculated using PAF's NAV unit price (i.e. exclude a buy/sell spread), and represent the combined income and capital returns in the specified period. All returns are pre-tax, net of fees and costs and assume the reinvestment of distributions. 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 PAF since inception (04 March 2003). **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.

3. The "Long %" is PAF's exposure to long securities and long securities/index derivative positions, the "Short %" is PAF's exposure to short securities and short securities/index derivative positions and the "Net %" is the difference between the "Long %" and the "Short %", each as a percentage of the market value of PAF's portfolio. The "Currency %" is the effective currency exposure of PAF's portfolio as a percentage of the market value of its 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".

3. and 4. 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.

4. 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).

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MARKET UPDATE AND COMMENTARY

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

- The Fund returned 3.4% in March, with Chinese technology companies driving performance.
- March was a volatile month, with the Silicon Valley Bank and Credit Suisse collapses sparking contagion fears in Asia.
- We remain positive on Asian financials given their better capitalisation and robust financial system.

Market Commentary

A tumultuous month where financial stocks came under pressure as contagion worries emerged

The collapse of Silicon Valley Bank and Credit Suisse sparked fears of contagion and a global hard landing caused by a pullback in lending amid tightening financial conditions. Central banks throughout Asia were quick to reassure the market that banks were better capitalised and the broader financial systems were more robust compared to the 1998 and 2008 financial crises. Nevertheless, the negative sentiment towards financials was a drag on the Fund's performance in March.

China's economic growth target of "around 5%" set

Chinese leaders set an annual growth target of "around 5%" at the annual National People's Congress (NPC) meeting, with many economists describing it as an "unambitious and conservative" floor (source: The Financial Times). We think that this target reflects the faster-than-expected economic recovery in China while being cognisant of risks in its economy, including a weaker-than-expected purchasing managers' index (PMI) reading in March, a shrinking export base, and friction with the US over chip production.

Is this the end of Beijing's regulatory revamp for technology stocks?

Alibaba and JD.com announced restructuring plans. Alibaba will break up into six different business units, five of which are already slated for initial public offerings (IPOs) in Hong Kong, and two of JD.com's units, Jingdong Property and Jingdong Industrials, will spin off and list in Hong Kong. We believe this move, Jack Ma's return to China and Premier Li Qiang's meeting with Tencent's CEO signals the end of Beijing's regulatory revamp of the technology sector. Furthermore, Alibaba and JD.com's restructurings would release shareholder value and provide a template for companies to navigate the regulatory environment. The Fund owns both Alibaba and JD.com.

Elsewhere in Asia

We started to see a flurry of battery-related IPOs in Indonesia, given the recent government policy supporting domestic electric vehicle (EV) manufacturing. We have liked the Indonesian market for some time now, given its attractive valuation (14x 1-year forward P/E) and its nickel resource.

Performance Analysis*

Performance improved in March, with the Fund up 3.4% for the month, driven by the long positions. Top contributors to March's performance were Chinese parcel delivery service ZTO Express and Chinese technology companies Tencent Holdings and Alibaba Group. Detractors were Chinese wealth management provider Noah Holdings, Chinese grocery delivery company Dingdong and Chinese financial China Merchants Bank.

Valuation

Given the Fund's stronger-than-market performance in the December 2022 quarter and in the month of January 2023, it is no surprise that the portfolio's aggregate earnings yield is slightly lower than the market (see table below). We continue to focus on finding businesses that have better long-term growth prospects than the opportunity set but are at attractive valuations.

Metric	Platinum Asia Fund	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	7.7% (Price to earnings ratio 13.0x)	7.9% (Price to earnings ratio 12.6x)
NTM Dividend Yield	2.7%	3.1%
NTM Enterprise Value-to-Sales	1.5x	1.1x
LTM Price-to-Book Ratio	1.5x	1.5x

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. As at 31 March 2023. 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.**