

Platinum Investment Bond - APIR Code: LIF7284AU

Platinum Asia Fund



MONTHLY REPORT 31 March 2022

FACTS

Portfolio value	\$1.83 mn
Option commenced	23 March 2021
Unit valuation	Adelaide Business Day
Net asset value (\$ per unit)	\$0.8997

PERFORMANCE OF PLATINUM ASIA FUND ¹

	Fund %	MSCI %
1 month	(8.4)	(6.0)
3 months	(11.2)	(10.9)
6 months	(13.1)	(12.6)
Calendar year to date	(11.2)	(10.9)
1 year	(16.5)	(13.4)
2 years (compound pa)	5.9	4.6
3 years (compound pa)	6.1	3.2
5 years (compound pa)	8.4	7.1
7 years (compound pa)	5.7	5.6
10 years (compound pa)	10.7	9.2
Since inception (compound pa)	13.1	9.2

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

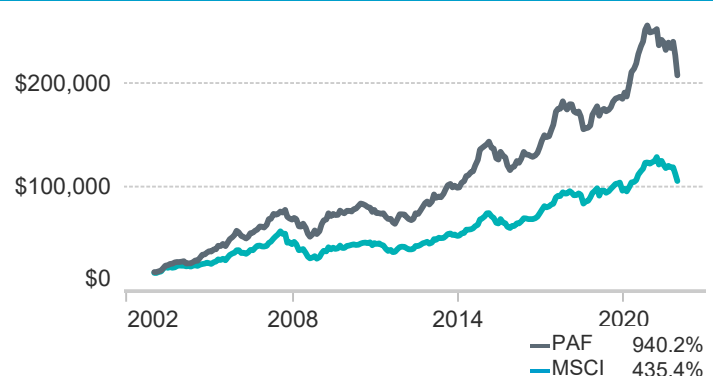
	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	85.6	(5.5)	80.0	90.5
Australia				0.1
China	44.1		44.1	44.6
Hong Kong	4.2		4.2	12.1
Taiwan	6.5		6.5	6.5
India	9.9	(3.8)	6.1	6.3
Indonesia	0.2		0.2	0.1
Macao	1.4		1.4	1.4
Philippines	1.9		1.9	1.9
Singapore	1.2		1.2	1.2
South Korea	10.1	(1.7)	8.4	10.2
Vietnam	6.1		6.1	6.1
Europe				0.9
United Kingdom				0.9
North America				8.6
United States of America				8.6
Sub-Total	85.6	(5.5)	80.0	100.0
Cash	14.4	5.5	20.0	
Total	100.0		100.0	100.0

Long - 61 stocks, 1 swap Short - 1 swap, 3 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	5.9
Samsung Electronics Co	South Korea	Info Technology	5.0
Vietnam Ent Investments	Vietnam	Other	4.5
InterGlobe Aviation Ltd	India	Industrials	4.1
Tencent Holdings Ltd	China	Comm Services	3.9
Ping An Insurance Group	China	Financials	3.7
ZTO Express Cayman Inc	China	Industrials	3.5
SK Hynix Inc	South Korea	Info Technology	3.4
Alibaba Group Holding Ltd	China	Cons Discretionary	3.1
China Resources Land Ltd	China	Real Estate	3.1
Total			40.3

INDUSTRY BREAKDOWN OF PLATINUM ASIA FUND ³

SECTOR	LONG %	SHORT %	NET %
Consumer Discretionary	17.6		17.6
Information Technology	16.6	(1.2)	15.4
Financials	12.6		12.6
Industrials	12.4		12.4
Real Estate	10.8		10.8
Communication Services	3.9		3.9
Consumer Staples	3.5		3.5
Materials	3.0		3.0
Health Care	0.7		0.7
Energy	0.1		0.1
Other	4.5	(4.4)	0.1

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.

- Another month of weak performance in Asia.
- China has no inflation problem.
- China is in a position to cut rates and taxes as others hike.

A weak month in Asian equities

March saw another month of weak performance in Asia, by both regional indices and the Fund. Over the month, our detractors were dominated by Chinese stocks amid a rush for the exits by global investors, in our view, along with our semiconductor holdings Samsung, SK Hynix and Taiwan Semiconductor Manufacturing. Positive contributors for the month included Alibaba, which bounced from very oversold conditions, our short positions and Indian and Vietnamese stocks. Investors may be inclined to ask "what is the point?". After well over a decade of staggering outperformance by US equities, it feels normal for this to be the case and for emerging market and Chinese equities to underperform. However, it is worth mentioning that in the prior market cycle, non-US equities outperformed those listed in the US (see accompanying charts).

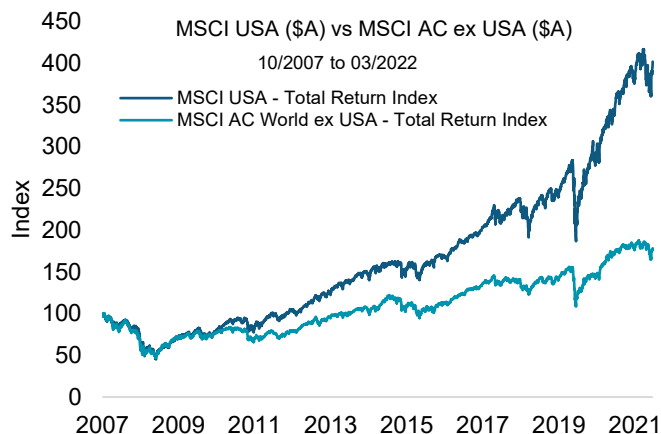
China has no inflation problem

Moreover, China has run a relatively tight monetary and fiscal response to the COVID-related disruption for the last two years – with money supply, growth and inflation both running at a fraction of those in most other major economies: M2 growth in China peaked at just over 11% in the post-COVID period and was 9.2% higher in February 2022 than a year earlier; China's consumer price index rose by just 0.9% over the 12 months to February 2022 (Source: FactSet).

China loosening as others forced to tighten

As most other major economies seem set to enter rate-raising cycles, China cut interest rates in January and seems likely to be gradually entering a rate-cutting cycle. Early in March, Chinese Premier Li Keqiang announced a range of measures designed to support the Chinese economy, including tax and fee reductions. So, as other economies are forced to reverse the effects of fiscal stimulus funded by government bond buying, China is in the reverse position, providing some moderate policy support to its economy. Late in March, it became clear that China's zero-COVID policy was to be extended, principally with lockdowns of Shanghai and various other cities. Unsurprisingly, China's Purchasing Managers' Index (PMI) fell sharply following a moderate expansion the prior month: the Caixin Manufacturing PMI fell at its sharpest rate in two years to a contractionary 48.1 (Source: Reuters).

In summary, sentiment towards China among global investors is at an absolute low point, in our view. The reality is that the Chinese economy continues to lumber along, with strong earnings growth expected for its corporates, rumours of a property crisis receding (these were always vastly overblown) and officials in a position to offer moderate support in the form of interest rate and tax cuts. Most importantly, Chinese equities remain cheap and very under-owned by global investors. As such, we see China, and the region as a whole, as an important diversifier for investors and believe we are more than adequately compensated for political and sentiment risk by attractive starting valuations for what are very fine businesses.



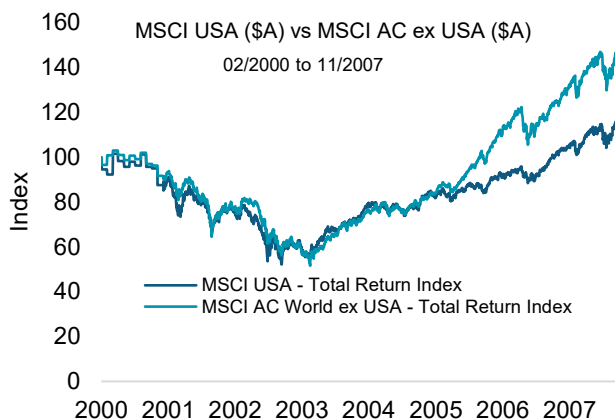
Source: Chart 3 – FactSet Research Systems. Correct as at 29 March 2022



Source: Chart 1 – IBES consensus, in local currency. Correct as at 4 April 2022.



Source: Chart 2 – IBES consensus, in local currency. Correct as at 4 April 2022.



Source: Chart 4 – FactSet Research Systems. Correct as at 29 March 2022