

Platinum Investment Bond - APIR Code: LIF7284AU

Platinum Asia Fund



MONTHLY REPORT 31 May 2024

FACTS

Portfolio value	\$1.54 mn
Option commenced	23 March 2021
Unit valuation	Adelaide Business Day
Net asset value (\$ per unit)	\$0.9656

FEES

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

PERFORMANCE

Please refer to <https://www.australianunity.com.au/wealth/platinum> for latest performance information.

INVESTED POSITIONS OF PLATINUM ASIA FUND ¹

	LONG %	SHORT %	NET %	CCY %
Asia-Pacific	97.6		97.6	98.9
China	47.6		47.6	47.6
Hong Kong	1.7		1.7	2.3
Taiwan	9.3		9.3	9.4
India	6.1		6.1	6.3
Indonesia	5.1		5.1	5.1
Philippines	2.4		2.4	2.4
South Korea	15.4		15.4	15.4
Thailand	1.7		1.7	1.8
Vietnam	7.6		7.6	7.6
Other Asia-Pacific	0.7		0.7	1.0
North America				1.1
United States of America				1.1
Sub-Total	97.6		97.6	100.0
Cash	2.4		2.4	
Total	100.0		100.0	100.0

Long - 60 stocks, 1 swap

TOP TEN POSITIONS OF PLATINUM ASIA FUND ²

STOCK	COUNTRY	INDUSTRY	%
Taiwan Semiconductor	Taiwan	Info Technology	8.3
SK Hynix Inc	South Korea	Info Technology	5.9
Samsung Electronics Co	South Korea	Info Technology	5.6
Vietnam Ent Investments	Vietnam	Other	5.1
ZTO Express Cayman Inc	China	Industrials	4.7
Tencent Holdings Ltd	China	Comm Services	4.2
JD.com Inc	China	Cons Discretionary	3.9
China Resources Land Ltd	China	Real Estate	3.6
Ping An Insurance Group	China	Financials	3.5
Trip.com Group Ltd	China	Cons Discretionary	3.3
		Total	48.1

INDUSTRY BREAKDOWN OF PLATINUM ASIA FUND ¹

SECTOR	LONG %	SHORT %	NET %
Information Technology	20.6		20.6
Consumer Discretionary	19.8		19.8
Industrials	14.3		14.3
Real Estate	13.2		13.2
Financials	8.9		8.9
Communication Services	5.4		5.4
Materials	4.5		4.5
Consumer Staples	4.1		4.1
Health Care	1.7		1.7
Energy	0.1		0.1
Other	5.1		5.1

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. 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".

1. and 2. 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.

2. 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 Platinum Asia Fund returned -0.6% for May 2024, beating the MSCI All Country Asia ex Japan Index which was down -0.8% for the month.
- Our investments in Vietnam and India were the best performers, contributing a combined 0.5% to the monthly return.
- The Fund is almost fully invested, reflecting the compelling long-term investments we are finding in the region.

Performance Analysis*

The Platinum Asia Fund returned -0.6% for the month of May 2024 compared to the index of -0.8%. Our Vietnamese holdings contributed 0.3% to the Fund's monthly return, led by Mobile World Investment.

Mobile World Investment is an omni-channel retailer in Vietnam. It operates under a number of brands including DienmayXANH.com, thegioididong.com, BachhoaXANH.com and BigPhone.com and mainly sells consumer electronics including mobile phones, tablets, laptops and accessories as well as household appliances such as televisions, karaoke systems, refrigerators and washing machines. The stock has performed well as it continues its store roll out and produced better than expected profit margins at its 1Q24 result.

The Fund also benefited from its holding in Indian property company Macrotech Developers. The company is a developer of residential property in key Indian urban centres like Mumbai, Pune and Bangalore. At its most recent earnings call the CEO commented on its best ever quarterly and annual sales results and on overall average price growth of 5.5% in fiscal 2024¹.

South East Asian opportunities

We're increasingly excited about investing in South East Asian countries such as Vietnam and one that is firmly on our radar is Indonesia. We have been building up exposure over the past year to the current 5% level. It has many of the same demographic tailwinds that India is experiencing, namely a rising working age population and a tech savvy population. Consumer spending has been strong and President-elect Subianto has stated an 8% annual GDP growth target. It also has very valuable natural resources, especially nickel, which is increasingly in demand as the world tries to move away from fossil fuels. The Indonesian market is trading on <14x 1 year forward PE ratio compared to the Indian market trading on >22x.

As at the end of May 2024, the Fund had a very high net invested position, approximately 98%, with no shorts and around 2% cash. This reflects our high levels of conviction in the stocks in our portfolio and the very low valuations we are seeing in the region.

An attractively valued portfolio

The Fund's aggregate valuation metrics are attractive in both an absolute sense and relative to the market, with a ~19% higher earnings yield and ~7% discount to book value (see table below). Platinum's contrarian investment process means we are focused on finding businesses that have better long-term growth prospects but are oversold or out of favour due to temporary setbacks and therefore have attractive valuations.

Metric	Platinum Asia Fund	MSCI AC Asia Ex Japan Index (A\$)
NTM Earnings Yield	9.4% (Price to earnings ratio 10.6x)	7.9% (Price to earnings ratio 12.7x)
NTM Dividend Yield	3.0%	3.0%
NTM Enterprise Value-to-Sales	1.3x	1.5x
LTM Price-to-Book Ratio	1.4x	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. MSCI data is sourced from Rimes, FactSet and Platinum. As at 31 May 2024. 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.**

¹ Source Factset, Q42024 Earnings Call.