AUSTRALIAN
RESEARCH
INDEPENDENT INVESTMENT RESEARCH

Platinum Asia Investments Limited (ASX: PAI)

Review

6 November 2023

INDEPENDENT
INVESTMENT RESEARCH

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1) The research process has complete editorial independence from the company and this is included in the contract with the company;
2) Our analyst has independence from the firm's management, as in, management/ sales team cannot influence the research in any way;
3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client;
4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms;
5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion; and
6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

For more information regarding our services please refer to our website www.independentresearch.com.au.

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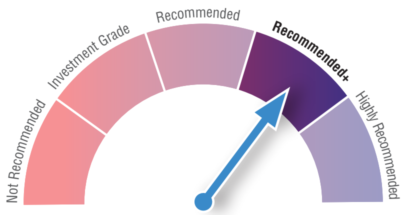
Note: This report is based on information provided by Platinum Asset Management as at June 2023.

Rating



Key Investment Information (as at 30 September 2023)	
ASX Code	PAI
Share Price ($)	0.805
Pre-tax NTA* ($)	0.98
Post-tax NTA ($)	0.996
Shares on Issue (m)	371.0
Market Cap ($m)	298.6
Premium/Discount to Pre-tax NTA*	-17.9%
Trailing 12-month Dividend Yield (net)	6.20%
Trailing 12-month Dividend Yield (grossed-up)	8.86%
Listing Date	September 2015
Investment Manager	Platinum Asset Management Ltd
Investment Structure	Listed Investment Company (LIC)
Dividend Frequency	Semi-annual
Fees:	
Management Fee (p.a), ex GST	1.10%
Performance Fee	15.00%
Performance Hurdle	MSCI All Country Asia ex Japan Net Index, AUD

*After tax on realised gains and before tax on unrealised gains.

The investment opinion in this report is current as at the date of publication. Investors and advisers should be aware that over time the circumstances of the issuer and/or product may change which may affect our investment opinion.

PRODUCT SUMMARY

Platinum Asia Investments Limited (ASX: PAI) is a listed investment company (LIC) that provides exposure to an actively managed portfolio of predominantly listed securities in the Asia ex Japan region. The Company has a history of more than seven years with the Company listing on the ASX in September 2015. The portfolio is managed by Platinum Asset Management Ltd (ASX: PTM), an ASX-listed asset management company focused on global equities with $17.3 billion funds under management (FUM) as at 30 June 2023. The Company provides exposure to the Asia ex Japan strategy which has a track record dating back to March 2003 through the Platinum Asia Fund Class C units. The strategy aims to provide exposure to the developing and emerging markets in the Asian region, hence the exclusion of Japan. The Company's primary objective is to provide capital growth over the long-term by investing in what the Manager considers are undervalued companies in the Asia (ex Japan) region with the Company seeking to achieve net returns over a five-year plus period that are in excess of the MSCI All Country Asia ex Japan, Net Index, AUD. While the Company's primary objective is long-term capital growth, the Manager seeks to mitigate the risk of capital loss by employing a range of strategies including the use of cash and adjusting cash levels, reallocating funds from overvalued to undervalued stocks and short selling, both individual stocks and indices. The Manager has a long-term, contrarian approach to investing with the Manager seeking out companies who's business and growth prospects are temporarily undervalued by the market. The Manager has an index unaware approach with stock selection based on the bottom up fundamental analysis as opposed to a top down approach and little regard to the benchmark index. This results in the portfolio being highly differentiated from the benchmark index with regards to company, sector and geographic allocations. The Manager's fees are in line with its listed actively managed peers with the Company paying a management fee of 1.10% p.a. and the Manager eligible for a performance fee of 15.0% of the outperformance of the benchmark index, subject to a High Water Mark.

INVESTOR SUITABILITY

An investment in PAI is suited to an investor seeking exposure to the developing and emerging markets in Asia with exposure to the investment philosophy and process of Platinum. There are limited listed options available for investors with a focus on this market. We note that an investment in PAI is suitable as a satellite investment as part of a broader investment portfolio with the markets in the investment universe exposed to additional risks, which can result in heightened volatility. The portfolio is managed in an index unaware manner with the Manager having significant flexibility when it comes to country and sector allocation. The portfolio provides differentiated exposure to the benchmark index, providing access to a portfolio that cannot be replicated by a passively managed fund. The value based, contrarian investment approach of the Manager means investors should have a long-term investment horizon to reap the full benefits of the underlying investment strategy. Such a strategy will see the portfolio underperform during certain market cycles, particularly during periods where the market is being driven by growth and momentum thematics. The company structure allows the Manager to pass on franking credits received from the payment of tax in the form of fully franked dividends to shareholders.

RECOMMENDATION

Independent Investment Research (IIR) has maintained its **Recommended Plus** rating for Platinum Asia Investments Limited (ASX: PAI). The Manager has a well resourced and experienced investment team in the Asia region with the Manager having a proven track record of long-term outperformance for the strategy through the Platinum Asia Fund Class C units. While the strategy has outperformed the benchmark index over the long-term, the PAI pre-tax NTA has underperformed since listing and the share price has traded at a discount, predominantly as a result of the relative underperformance which has seen shareholder returns underperform both the benchmark index and the portfolio since listing. The contrarian, value based investment approach has resulted in the portfolio lagging the market with the portfolio having an overweight exposure to the out-of-favour China market and underweight exposure to the better performing markets in the region. This allocation has also resulted in the portfolio not delivering on a key aspect of its investment objective of downside protection, despite the cash holdings during some of the negative market periods. The relative performance of the portfolio moving forward will be subject to the relative performance of the Chinese market compared to other markets in the region with the continued underperformance of this market likely to continue to weigh on the performance of the portfolio and likely result in the vehicle continuing to trade at a discount. However in the event the economic backdrop in China improves, this will likely have a positive impact on the portfolio performance and the discount at which the Company is trading. The investment style of the Manager can result in underperformance of its strategies for prolonged periods of time. As such, an investment in PAI is suitable for long-term, patient investors.

SWOT

Strengths

- The strategy in which PAI provides exposure to has a track record dating back to 2003 with the strategy outperforming the benchmark index over the long-term. The investment philosophy and process has remained largely unchanged with the Manager seeking to invest in undervalued companies in the Asia ex Japan region, while providing downside protection through the use of shorting and cash.
- The Board comprises three Directors, all of which are independent of the Manager. Corporate governance is further improved given the Manager is an ASX-listed company and is therefore required to comply with the additional compliance requirements associated with a listed company.
- The Manager has strong experience in the Asian region with six members of the team focused on the Asia ex-Japan market (the three Portfolio Managers of the strategy supported by three investment analysts). While there are dedicated regional specialists we note that all analysts in the investment team contribute and support the Portfolio Manager's. The team make trips to the region, meeting with existing and prospective companies and market participants to gather insight into companies and industries.
- The Manager is well resourced with an experienced team. While there has been some turnover in the senior ranks in the last three years, the current Portfolio Manager's have been long-term employees of the Manager, led by Andrew Clifford who was a co-founder of the business and took over as Chief Investment Officer in 2013.
- The Manager has a multi-manager approach with the three Portfolio Manager's each managing a sleeve of capital. This results in diversification in ideas and investments in the portfolio. It also provides for succession planning with the ability to bring in new Portfolio Managers, starting with small sleeves and progressing to bigger sleeves of capital as they progress.
- There is significant alignment of interest with investors, with Platinum being the largest shareholder of the Company at 30 June 2023. At the IPO the Manager committed to subscribing to 25% of the subscription amount up to $50 million. At the IPO, the Manager held 17.1% of the total capital issued with 50 million shares. The Company has sold down some its shares with the Manager having 30 million shares as at 30 June 2023 (8.1% share of issued capital).
- The Company has strong shareholder communication with the Company providing monthly updates as well as detailed quarterly reports and weekly NTA's.

Weaknesses

- The Board are yet to strike the balance of paying out increased dividends during strong periods however retaining sufficient reserves and franking credits to allow them to meet their policy of smoothing dividends. This has resulted in dividend volatility throughout PAI's history. After the payment of the final dividend for FY23, the Company has the franking credits to pay just over one semi-annual dividend at the current dividend amount with the accrual of no additional franking credits. As such there is an increased risk of further dividend volatility in the event weak markets in the Asia region, particularly China, continue.

- The Company issued 73.9 million bonus options to shareholders on a 1-for-4 basis in April 2023. The exercise of the options will have the positive benefit of growth in the portfolio size combined with potentially improved liquidity through an increased number of shares on issue, however the exercise price was set at a discount to the NTA and as such will be dilutive. With that said, all shareholders were issued options on an equitable basis. The exercise price being set at a discount to the NTA will likely see the shares continue to trade at a discount in the event the NTA continues to grow for the term of the options.
- The Manager seeks to provide exposure to capital growth while minimising losses in market downturns. While the portfolio's net exposure has limited the downside of the portfolio's losses, it has not provided downside protection when compared to the benchmark.

Opportunities

- There are limited listed investment options available with a focus on the Asia ex Japan region. The Company provides domestic investors exposure to this market, which provides significantly differentiated exposure when compared to the domestic market.
- The strategy employed by the vehicle is available for investment through a number of other vehicles. The benefit of the listed vehicle is that there are no minimum investment requirements other than the minimum investment requirements of an investors broker or online trading platform, unlike the unlisted vehicles.
- The Company pays tax and can pass on franking credits through franked dividends which may be tax effective for investors.

Threats

- The Company has the ability to take short positions. There are increased risks associated with shorting stocks and indices with the potential for unlimited loss with respect to short positions. Investors should be comfortable with the additional risks associated with shorting before making an investment in the Company.
- To achieve the capital preservation objective, investors will give up some of the upside in positive markets, particularly strong markets.
- A feature of listed closed-ended funds is the share price may dislocate from the portfolio value depending on the supply and demand dynamics from investors. This can result in the Company trading at a premium or discount to the portfolio value.
- The region in which the portfolio is focused is in large part comprised of developing and emerging markets. There are heightened risks associated with such markets with respect to political risks, regulatory risks, corruption, liquidity and economic risks.
- A feature of the long-term contrarian approach of the Manager is that there will periods of underperformance during a market cycle, with the Manager seeking long-term opportunities in markets that are out of favour.

PRODUCT OVERVIEW

Platinum Asia Investments Limited (ASX: PAI) is a listed investment company (LIC) that provides exposure to an actively managed portfolio of predominantly listed securities in the Asia ex Japan region. The Company has a history of more than seven years with the Company listing on the ASX in September 2015. The portfolio is managed by Platinum Asset Management Ltd (ASX: PTM), an ASX-listed asset management company focused on global equities with $17.3 billion Funds Under Management (FUM) as at 30 June 2023.

The Company provides exposure to the Asia ex Japan strategy which has a track record dating back to March 2003 through the Platinum Asia Fund Class C units. The strategy aims to provide exposure to the developing and emerging markets in the Asian region, hence the exclusion of Japan.

The Company's primary objective is to provide capital growth over the long-term by investing in what the Manager considers are undervalued companies in the Asia (ex Japan) region with the Company seeking to achieve net returns over a five-year plus period that are in excess of the MSCI All Country Asia ex Japan, Net Index, AUD. While the Company's primary objective is long-term capital growth, the Manager seeks to mitigate the risk of capital loss by employing a range of strategies including the use of cash and adjusting cash levels, reallocating funds from overvalued to undervalued stocks and short selling, both individual stocks and indices. The Company has an absolute return focus, with the Company seeking to deliver capital growth over the long-term while minimising downside risk in negative markets.

The Company can have up to 50% cash with the Company seeking to have at least a 50% net exposure to the market. The Company can also have 15% of the portfolio invested in unlisted securities. A maximum of 10% of the portfolio value can be borrowed. The long-term, index unaware, contrarian investment approach with the risk management overlay to minimise losses in market downturns, may see the portfolio underperform the benchmark and its competitors throughout market cycles. However, the Manager was founded on the basis that it is more important to minimise the risk of capital loss for clients than to achieve the maximum return possible knowing there would be periods of time where it lagged its competitors.

The portfolio is diversified with the portfolio typically comprising 50 to 100 securities. The portfolio has the ability to be concentrated to individual investments with up to 10% of the portfolio able to be invested in an individual security, at the time of investment. Typically the top 10 holdings account for around 40% of the portfolio. Position sizing at the time of investment will be determined by the level of conviction in a stock.

The Manager seeks to invest in an index unaware manner based on bottom up fundamental analysis. The Manager has a value focus with a contrarian investment approach with the Manager often looking to those markets where share prices have been sold off and are out of favour. The mandate provides the Manager significant flexibility with very few constraints. This investment approach often results in the portfolio being compositionally different to the benchmark index.

The Company will typically have a net exposure between 50% and 100% of the net asset value, with the Company having a maximum gross exposure limit of 150% of the portfolio value. The Company may utilise short selling for risk management purposes or to increase returns with the Manager shorting stocks and indices that have been identified as being extravagantly overvalued. While the Manager utilises short selling, the portfolio will have a long-bias with the use of short selling historically limited due to the dynamics of the markets in which the Company invests.

Given the international exposure of the portfolio, the portfolio is exposed to foreign currency risk. The currency risk is actively managed, with a component of the investment process dedicated to assessing the potential returns and risks created by currency exposure. The Manager seeks to position the portfolio to attempt to capture those returns while minimising the risks. The aim is to be exposed to the greatest extent possible to appreciating currencies while minimising exposure to depreciating currencies. The Manager may use foreign exchange forwards, swaps, non-deliverable forwards, currency options and spot foreign exchange trades.

The Company pays a management fee of 1.10%p.a of the gross assets of the Company. The Manager is also eligible for a performance fee of 15% of the annual outperformance of the MSCI All Country Asia ex Japan, Net Index, AUD, calculated as at 30 June. The payment of a performance fee is subject to a High Water Mark whereby in the event the portfolio's annual return is less than the index, the amount of the underperformance is aggregated, carried forward and deducted from the annual performance in the subsequent year before calculating any performance fee for that year. The aggregate underperformance from prior periods is carried forward until a performance fee becomes payable.

Bonus Options Issue

On 27 April 2023, the Company issued 92.5 million bonus options. The options were issued on a 1-for-4 share basis with an exercise price of $0.90. The options can be exercised at any time up until 5pm on 28 March 2024 and are listed on the ASX under the code PAIO. Each option provides the ability to acquire one ordinary share in PAI. The exercise price represented a 12.6% discount to the pre-tax NTA per share as at 31 March 2023. Given this, the exercise of options will be dilutive.

The options were issued as part of the capital management initiatives that was announced to the market in late 2022. The purpose of the options issue is to potentially grow the assets of the Company and derive the benefits of an increased portfolio size and larger number of shares on issue.

The options offer shareholders the opportunity to potentially acquire additional shares in PAI at a discount to NTA, however the options may weigh on the share price for the duration of the options in the event the options become in-the-money. This could see the Company continue to trade at a discount for the duration the term of the options.

In the event all options are exercised, the Company would raise $83.2 million. In the event all options are exercised the number of shares on issue will increase by 25%. Any capital raised from the options will be invested in line with the investment strategy.

A small amount of options have been exercised since being issued. The exercise of options will likely be dependent on continued growth in the NTA and the share price trading at levels which result in the options being in-the-money.

BOARD & INVESTMENT MANAGER

Board

The Board comprises three Directors, all of which are independent of the Manager. All Board members are on the Audit, Risk and Compliance Committees. All Directors have a significant amount of experience with the Chair having over 35 years experience operating at board and senior management levels within the wealth management and investment banking sectors. The latest addition to the Board is Richard Morath, who was appointed as a Director in September 2021. Jim Clegg, who had been on the Board since 2015, resigned during the year, effective 30 June 2023.

Board of Directors

Name	Position	Independence	Appointed to Board
Margaret Towers	Chair	Independent	March 2018
Richard Morath	Director	Independent	September 2021
Ian Hunter	Director	Independent	June 2015

- **Margaret Towers - Chair (Independent):** Margaret is the Chair of the Board. Margaret has over 35 years' experience operating at board and senior management levels within the wealth management and investment banking sectors in the Australian financial services industry. Margaret is currently also a Non-Executive and Chair of Platinum Capital Limited and was previously a Non-Executive Director of Platinum Asset Management Limited.
- **Richard Morath - Director (Independent):** Richard has over 40 years' experience in life insurance, funds management, banking and financial planning and is the latest addition to the Board. Richard is currently a Non-Executive Director of Platinum Capital Limited.
- **Ian Hunter - Director (Independent):** Ian is the longest serving Director of the current Board, being appointed in June 2015. Ian has over 40 years' experience in finance and the investment industry having held several roles in Corporate Finance and Equity Capital Markets at international banks, most recently Bankers Trust Australia. Ian is currently a Non-Executive Director of Platinum Capital Limited and Ironbark Capital Limited. He has previously served as a Non-Executive Director of several listed companies.

Investment Manager

Platinum Asset Management Ltd (the "Manager" or "Platinum") is the Manager of the portfolio. The Manager is a an ASX-listed asset management company specialising in global equities. The Manager was founded in 1994 and had $17.3 billion FUM as at 30 June 2023. The Manager has a single core investment style based on a fundamental, benchmark unaware, bottom up stock selection with the Manager focused on identifying undervalued companies.

The Manager currently offers a number of broad based regional strategies including: global, Asia ex-Japan, Japan and European equity strategies as well as a range of sector focused strategies. The largest offering by FUM is the Manager's flagship strategy, the Platinum International Fund, which had $6.6 billion FUM as 30 June 2023.

The Manager is well resourced with 122 staff at 31 March 2023, 26 of which are investment professionals. The investment team is structured into sector/regional teams each with a team leader who in most cases is also a Portfolio Manager. The structure is designed to foster a collaborative open approach and to facilitate the free flow of information between analysts and Portfolio Manager's.

There has been some turnover in the team across both junior and senior levels in recent years with he Manager acknowledging that their long-term contrarian investment approach is not suited to everyone. All current Portfolio Manager's commenced initially with the Manager as investment analysts and have been with the Manager for an average of 14 years. The team is led by the co-Chief Investment Officers, Andrew Clifford and Clay Smolinski. Clay was appointed as co-Chief Investment Officer in 2021.

There are three Portfolio Manager's dedicated to the Asia ex Japan strategy to which PAI is exposed. Two of the three Portfolio Manager's have been recently appointed to the position with Joseph Lai departing the Manager in 2020. The Portfolio Manager's have both been with the Manager for a prolonged period of time, starting off in an analyst capacity and are therefore very comfortable with the Platinum investment approach.

- **Andrew Clifford: Co-Chief Investment Officer & Portfolio Manager -** Andrew is a co-founder of the Manager. Andrew previously worked at Bankers trust alongside Kerr Neilson perfecting the craft of uncovering the overlooked gems in the stock market. Andrew believes that irrational market sentiments and the consequential short-term volatility can often lead to opportunity in companies whose true worth is temporarily under-appreciated. Andrew applied this strategy at Bankers Trust in the BT Select Market Trust – Pacific Basin Fund has been applying and refining the same methodology over at Platinum. Andrew took over the role of Chief Investment Officer in 2013 and took over the role of Chief Executive Officer of the Platinum Group in July 2018. Andrew has considerable experience in the market seeing numerous investment cycles. Andrew currently co-manages Platinum's global strategies and Asia ex-Japan strategies.

- **Cameron Robertson: Portfolio Manager -** Cameron joined Platinum in 2010, initially focusing on resources and industrial companies, and later on the technology and communications sectors. In early 2017, Cameron was appointed as co-manager of the Platinum International Technology Fund and was later the sector lead of the technology and communications team. In April 2021, Cameron was appointed a co-manager of Platinum's Asia ex Japan strategy. Prior to Platinum he worked as an equity analyst at CP2 (formerly Capital Partners) for several years.

- **Kirit Hira: Portfolio Manager -** Kirit joined Platinum in 2016 as an investment analyst in the industrials and resource sector team. In December 2019, he joined the Asia regional team and became a co-portfolio manager of the Asia ex Japan strategies in October 2022. Previously, Kirit spent eight years at Macquarie Group as an oil and gas analyst covering the Australian energy sector and global gas markets. Prior to that, Kirit had worked at AMP Capital in Sydney and completed an internship at ExxonMobil in Melbourne.

Investment Team

Name	Position	Sector/Region Responsibility	Tenure with Manager (years)
Andrew Clifford	Co-Chief Investment Officer & Portfolio Manager - International & Asia Ex-Japan	Asia - Regional Specialist	29
Clay Smolinski	Co-Chief Investment Officer & Portfolio Manager - International & Global long only	Technology/ Communications	17
Nikola Dvornak	Portfolio Manager - International	Financials/Services	17
Cameron Robertson	Portfolio Manager - Asia Ex Japan	Asia - Regional Specialist	13
Kirit Hira	Portfolio Manager - Asia Ex Japan	Asia - Regional Specialist	7

Investment Team			
Name	**Position**	**Sector/Region Responsibility**	**Tenure with Manager (years)**
Adrian Cotiga	Portfolio Manager - Europe	Financials/Services	8
James Halse	Portfolio Manager - Japan & International Brands	Japan - Regional Specialist	12
Biance Ogden	Portfolio Manager - International Health Care	Health Care	20
Alex Barbi	Portfolio Manager - International Technology	Technology/ Communications	25
Jimmy Su	Portfolio Manager - International Technology	Technology/ Communications	6
Jodie Bannan	Portfolio Manager - Global Transition	Resources/Industrial Services	6
Liam Farlow	Portfolio Manager - Global Transition	Resources/Industrial Services	9
Ben Robinson	Investment Analyst	Resources/Industrial Services	1
Julian McCormack	Investment Analyst	Resources/Industrial Services	9
Kevin Chan	Senior Investment Analyst	Technology/ Communications	12
Tom Tao	Investment Analyst	Technology/ Communications	2
Jim Fawcett	Senior Investment Analyst	Financials/Services	7
Manroop Singh	Investment Analyst	Financials/Services	2
Andrew Baud	Senior Investment Analyst	Consumer	18
James Foreman	Senior Investment Analyst	Consumer	4
Zoe Middleton	Investment Analyst	Consumer	5
Dr. Lisa Worley	Investment Analyst	Health Care	2
Phillip Sellaroli	Senior Investment Analyst	Asia - Regional Specialist	6
Michael Wang	Investment Analyst	Asia - Regional Specialist	5
Leon Rapp	Senior Investment Analyst	Japan - Regional Specialist	12
Josh Pettman	Investment Analyst	Japan - Regional Specialist	1
Ricky Nemirovsky	Head of Trading	-	19
Troy Augustus	Trader & Analyst	-	13
Scott Edwards	Trader & Analyst	-	2
Sava Mihic	Head of Quantitative Analyst	-	8
Darren Lee	Quantitative Analyst	-	14
James Bullock	Quantitative Analyst	-	5
Average - Portfolio Manager			**14.1**
Average - Investment Analysts			**6.1**
Average - Total Team			**9.9**

INVESTMENT PROCESS

Investment Philosophy

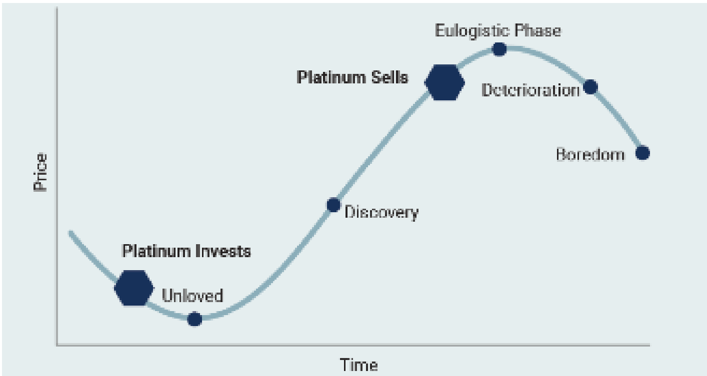
The Manager's investment approach is based around the belief that the best returns are found in companies that are out-of-favour or companies that have been overlooked in areas where there are significant changes underway, such as the competitive landscape, technological developments or government regulation.

Share prices of individual companies can deviate from their intrinsic value. The Manager seeks to take advantage of this temporary divergence, as is highlighted by the Share Price Cycle chart below. The divergences between the inherent value of a company and the market's perception and expectations of the company, are created from investor's inability to anticipate and fully comprehend change, compounded by emotional driver such as fear and greed.

The key to the Manager's investment approach is distinguishing companies with sound businesses that are undergoing creative destruction, from those that are facing fundamental challenges. This requires independent thought and practical business acumen.

Adopting a contrarian approach to investing means that the Manager can periodically underperform given there can be a lag of months or years before the market recognises the intrinsic value of out-of-favour companies. Strong discipline is needed to adhere to the investment thesis and remain unperturbed by market volatility in both good times and bad.

Share Price Cycle



Source: Platinum Asset Management

Investment Process

The Manager's investment process has remained largely unchanged over the years with the Manager having a clear investment philosophy and process which it has followed since the Manager was established in 1994. The Manager is focused on seeking out the out-of-favour and overlooked parts of the market. By using themes and an industry focus, the Manager builds the portfolio from the bottom up with considerable energy attached to individual stock selection. The key elements of the Manager's investment style are:

- A bottom-up, stock selection methodology;
- Seeks absolute returns and not returns relative to any index:
- Utilises short selling of shares and indices:
- When undervalued stocks cannot be found, funds may be invested in cash: and
- Actively manages currency.

The investment process involves the following:

1) Idea Generation:

Generation of themes and ideas is eclectic in nature. In addition to applying the quantitative tools to look for signals of neglect, there is a constant input from observations of the changing socio-economic and political landscape as well as secular trends such as the technological disruptions of traditional industries and new consumer trends emerging amongst the growing middle class of some developing economies.

Importance is placed on the cross-pollination of ideas and the importance of applying a global perspective to each company's operations. The investment team is structured with the specific aim of fostering an open and collaborative environment and to facilitate the free exchange of information and ideas between analysts with different geographic and industry specialisations.

2) Screens:

The Manager uses screens which allow for the selection of companies based on specific criteria across a databank of companies. The process allows for the Manager to undertake cross-comparative studies of companies in its investable universe, which provide the ability to create short lists for companies identified as potential investment candidates. The

Manager is typically seeking to identify companies or industry groups that are currently "out of favour" with investors.

3) Intensive Research:

Once a company has been identified as a potential investment opportunity it is then further investigated by the analyst allocated responsibility for the analysis, utilising a variety of resources, including material from the company itself and its competitors, consultation with experts, reports from stockbroking analysts and industry material. In addition to remote meetings, analysts may also visit the companies being studied as well as their competitors and suppliers.

The analysis includes a number of considerations which typically include but are not limited to:

- Whether the company's business is competitive and sustainable;
- The quality of the company's management;
- The company's ownership structure;
- Whether the company is financially sound;
- The company's price to earnings ratio, price to book ratio, and free cash flow; and
- Whether the company is likely to generate free cash flow that will grow.

The detailed report is prepared by the responsible analyst for all companies. Once complete, the report is subjected to the scrutiny of team members who meet to discuss and debate the merits of the case. The purpose of these meetings is to expose areas of concern and potential flaws in each investment proposal rather than to achieve a consensus.

4) Portfolio Construction:

The Manager has a multi-manager approach with the PAI portfolio having three dedicated Portfolio Managers, each of which are allocated a sleeve of capital to manage. It is the responsibility of the Portfolio Manager's to make investment decisions based on the work undertaken by both themselves and the broader investment team.

The mandate provides significant flexibility with the Manger being largely unconstrained with regards to the construction of the portfolio within the investment universe. An individual position can be allocated a maximum weighting of 10% of the portfolio value at the time of investment, however to date the largest position in an individual security has rise to 8.2%. The position sizing of securities at the time of investment will reflect the level of conviction the Manager has in the stock.

With regards to exiting positions, the Manager may trim positions to take some of the profit off the table and manage positions sizes or may exit in the event the investment thesis has changed, sales and earnings expectations are consistently not being met, or the valuation has become over stretched and the Manager is seeking to reallocate capital to other opportunities identified. In the event no compelling investment opportunities can be found the Manager will hold cash and when the Manager's research reveals companies whose prospects are improbable and extravagantly overvalued, short-selling may be undertaken, with the goal to manage portfolio risk as well as increase returns.

Key Investment Guidelines	
Geographic Limits	PAI may invest in companies that are listed or traded on a securities exchange in the Asia (ex-Japan) region as well as companies that are listed or traded on a securities exchange outside of the Asia (ex-Japan) region but whose business is predominantly conducted in or focused on the Asia (ex-Japan) region.
Industry/Sector Limits	None
Number of Securities in Portfolio	Typically 50 to 100
Net Equity Exposure	Typically 50% or more of net asset value
Cash Holdings	Maximum of 50% cash.
Individual Security Limits	Maximum of 10% of the net asset value at the time of investment.

Key Investment Guidelines	
Short Selling	PAI may short-sell securities and indices for risk management purposes or as a way to take opportunities to increase returns, subject to limits regarding the use of leverage and derivatives.
Currency Management	Currency exposures are actively managed with the aim of capturing the returns and minimising the risks arising from the portfolio's exposure to foreign currency fluctuations, which can change the value of the equity investments measures in PAI's reporting currency (AUD). Platinum may manage currency exposures using foreign exchange forwards, swaps, non-deliverable forwards, currency options and spot foreign exchange trades.
Leverage	PAI can borrow up to 10% of the net asset value.
Derivatives	The Manager may use derivative instruments for risk management purposes and as a way to take opportunities to increase returns, such as to gain access to markets not readily available to foreign investors or to establish short positions. Both over-the-counter (OTC) derivatives and exchange-traded derivatives are permitted. The effective exposure from derivative positions must not exceed 100% of the Company's net asset value. The gross exposure must not exceed 150% of the Company's net asset value.
Securities Lending	Not undertaken

PORTFOLIO POSITIONING

The Manager has a flexible mandate with limited portfolio construction constraints outside of the regional focus. The portfolio positioning is driven by the bottom-up fundamental analysis with the position sizes driven by conviction in a stock. The portfolio is managed in a benchmark unaware manner and as such will vary significantly from the benchmark positioning at times.

The portfolio is concentrated when compared to the benchmark index with the top 10 stocks accounting for over 40% of the portfolio. PAI's top 10 holdings comprised three of the top 10 holdings of the benchmark index with the largest holding also being the largest company in the benchmark. PAI has been a long-term holder of Taiwan Semiconductor.

Top 10 Holdings (as at 30 June 2023)			
PAI Portfolio		MSCI AC Asia Ex Japan Net Index, AUD	
Company Name	**Weighting**	**Company Name**	**Weighting**
Taiwan Semiconductor	6.0%	Taiwan Semiconductor	7.2%
Samsung Electronics Co	5.5%	Tencent Holdings	4.6%
InterGlobe Aviation Ltd	5.1%	Samsung Electronics	4.3%
Vietnam Ent Investments	4.6%	Alibaba Group	3.4%
ZTO Express Cayman Inc	4.5%	AIA Group	1.9%
SK Hynix Inc	4.1%	Meituan	1.5%
Ping An Insurance Group	3.9%	Reliance Industries	1.5%
Tencent Holdings Ltd	3.9%	ICICI Bank	1.0%
Marcotech Developers Ltd	3.2%	China Construction Bank	0.9%
China Resources Land Ltd	3.2%	HDFC Bank	0.9%
	44.0%		**27.2%**

Source: Platinum Asset Management, MSCI.

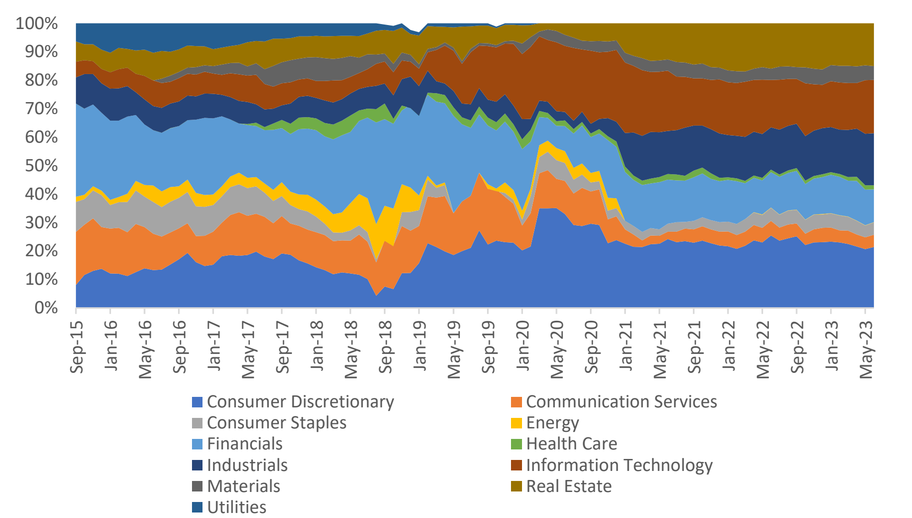
The largest sector allocation as at 30 June 2023 for the portfolio was to the Consumer Discretionary sector with 18.4% allocated to this sector, a slightly overweight allocation when compared to the benchmark. The Manager had limited short exposure at 30 June 2023, with the portfolio having limited short exposure throughout its history. The primary short position is on the Nifty Index. India has been one of the better performing markets in the region over the last 12-months. The largest sector in the benchmark is the Information Technology sector. Information Technology was the second biggest sector allocation at 30 June with three of the top 10 holdings in this sector and these three positions making up the large majority of the exposure to the sector.

PAI Sector Allocation (as at 30 June 2023)

Sector	Long	Short	Net
Consumer Discretionary	18.4%	-	18.4%
Information Technology	17.3%	-1.2%	16.1%
Industrials	15.9%	-0.2%	15.7%
Real Estate	12.9%	-	12.9%
Financials	9.9%	-	9.9%
Materials	4.5%	-0.3%	4.2%
Consumer Staples	4.0%	-0.3%	3.7%
Communication Services	3.7%	-	3.7%
Health Care	1.2%	-	1.2%
Energy	0.1%	-	0.1%
Other	4.6%	-4.3%	0.3%
Total Market Exposure	**92.5%**	**-6.3%**	**86.2%**
Cash	7.6%	6.2%	13.8%

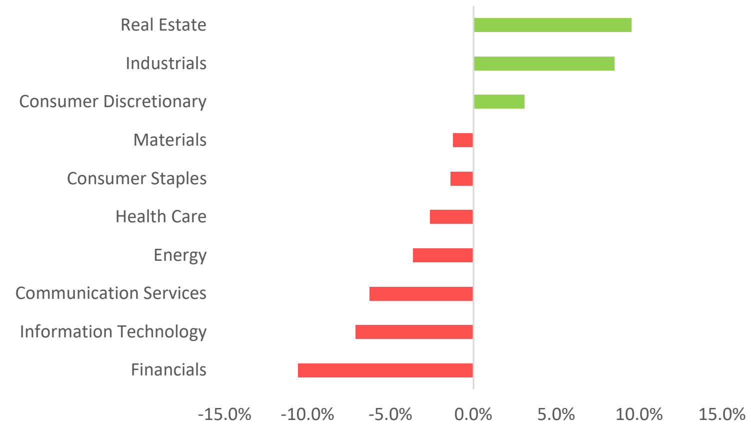
As the chart below shows, the sector exposure will vary over time with the sector allocation largely dependent on the opportunities identified by the investment team. Since listing, exposure to the Industrials and Information Technology sector has progressively increased from two of the smaller allocations at listing to two of the largest sector allocations at 30 June 2023. The Company has also increased its exposure to the Real Estate sector over the last two years.

PAI Historical Net Sector Allocation



At 30 June 2023, the largest underweight allocation was to the Financials sector while the largest overweight allocation was to the Real Estate sector with the portfolio having a 9.5% overweight position to the benchmark at 30 June 2023. One of the top 10 Real Estate holdings is in Marotech Developers Ltd which is a Indian based property developer. The investment team remain bullish on the property market in India which was reinforced by a trip to India in the June quarter. The Company is also exposed to companies in the China Real Estate sector, a sector that has been under severe pressure which has been a drag on performance.

PAI Portfolio Active Sector Weight Compared to the Benchmark (as at 30 June 2023)



Given the value focused, bottom-up, index unaware nature of the investment approach, the country allocation of the portfolio may differ substantially from the benchmark index weightings.

At 30 June 2023, the portfolio had an overweight allocation to China when compared to the benchmark index. As such, in the event the Chinese market underperforms this position will likely be a drag on performance, however in the event the market outperforms this will be beneficial to the portfolio. The Chinese market has been a drag in recent times with the Chinese market being one of the worst performers in the region.

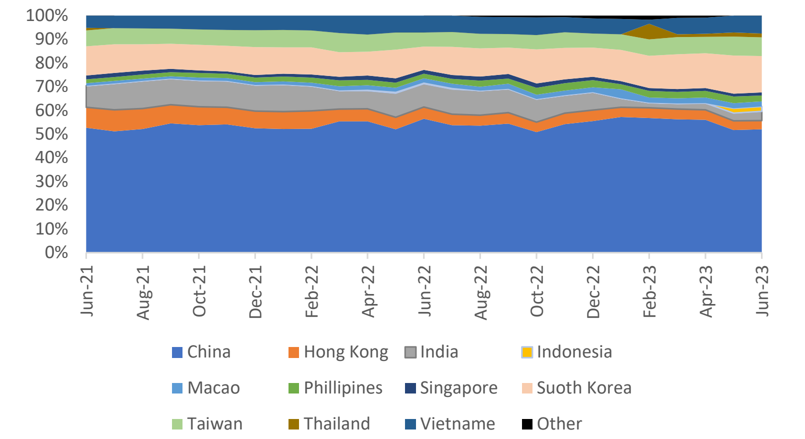
In its June quarterly update, the Manager stated “Our relatively high net invested position, compared to the historical average, reflects the prospective valuations on offer across most Asian markets and constituents. However, if and when market and/or stock valuations do become stretched, we will progressively add to short positions to protect the portfolio”. This has been the case with the portfolio’s exposure to India. As the Indian market has increased, the Manager has trimmed some of the holdings that have performed strongly while increasing its short exposure to provide an element of protection to the portfolio against a market decline.

PAI Net Country Allocation (as at 30 June 2023)

Country	Long	Short	Net
China	45.2%	-0.3%	44.9%
Hong Kong	3.2%	-	3.2%
India	8.7%	-5.5%	3.3%
Indonesia	1.8%	-	1.8%
Macao	1.9%	-	1.9%
Philippines	2.1%	-	2.1%
Singapore	1.1%	-	1.1%
South Korea	13.8%	-0.5%	13.3%
Taiwan	6.8%	-	6.8%
Thailand	1.4%	-	1.4%
Vietnam	6.5%	-	6.5%
Total Exposure	92.4%	-6.2%	86.2%
Cash	7.6%	6.2%	13.8%

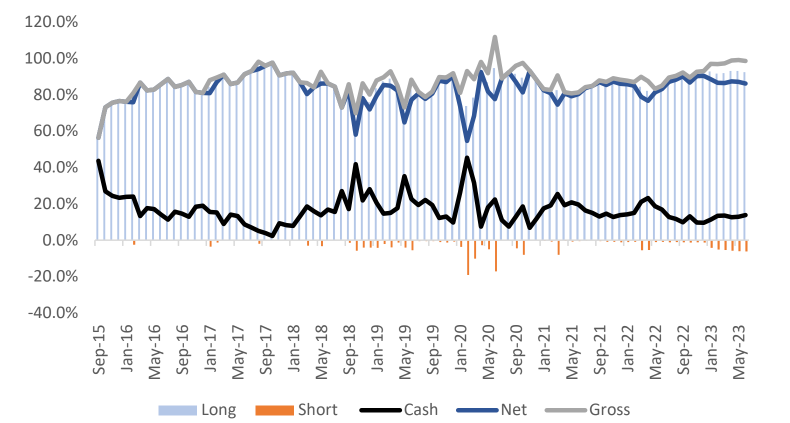
China has typically been the largest country exposure since listing through its exposure to China and Hong Kong listed shares. The below chart shows the country exposure over the two years to 30 June 2023. On average over this period, over 50% of the portfolio has been allocated to China & Hong Kong. Net exposure to India has been declining with the allocation to India falling from 7.0% in June 2021 to 3.3% in June 2023. This has been largely due to the Manager increasing its short exposure to the market after its strong performance.

Net Country Exposure Excluding Cash (30 June 2021 to 30 June 2023)



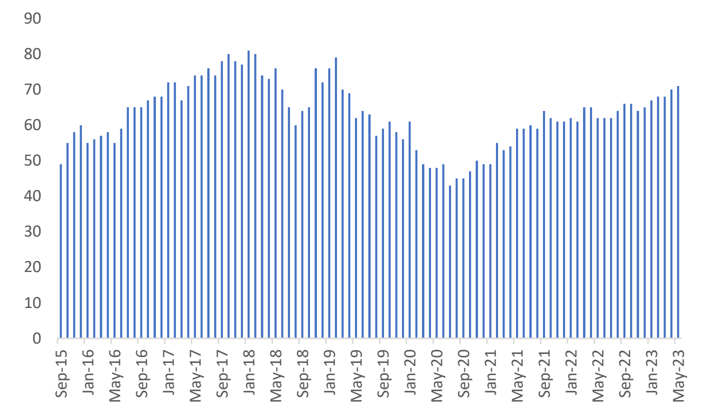
The Manager has the mandate to invest both long and short to achieve its investment objectives. Historically the portfolio has had a long-bias with only minimal use of shorts. The markets in which the Company invests can be restrictive with regards to shorting, as such the Manager will likely continue to have limited short exposure. The net exposure to the market has primarily been driven by adjusting the cash position. Net exposure for the portfolio is expected to typically be 50% to 100% of the Company's portfolio value, while there is a maximum limit of 150% gross exposure. Net exposure has ranged from 56.4% to 97.7% over the Company's history with an average net exposure of 85.4%. The cash position has ranged from as low as 2.3% to 45.3%.

PAI Historical Long Short Exposure



The portfolio is diversified, typically holding 50 to 100 securities. The portfolio has largely operated within this band with an average number of securities of 63 over its history with a maximum of 81 and a minimum of 43. The level of diversification in the portfolio will be determined by the number of investment opportunities identified with the Manager.

Historic Number of Securities in the Portfolio



The Manager has a long-term investment horizon, which can result in periods of low turnover, however the portfolio has also had periods of significant turnover with the net exposure position of the portfolio actively managed. During FY19 and FY20, there was significant reweighting of the net exposure of the portfolio with large swings in short positions and cash exposure on a monthly basis. This contributed to very high levels of portfolio turnover.

Annual Portfolio Turnover	
FY18	81.0%
FY19	192.8%
FY20	309.1%
FY21	128.0%
FY22	33.0%
FY23	24.9%
Average	**128.1%**

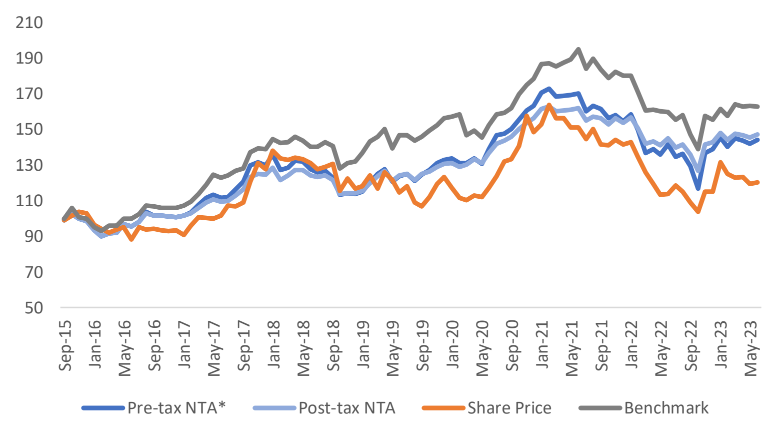
Source: Platinum Asset Management

PERFORMANCE ANALYTICS

The below looks at the performance of the PAI portfolio, represented by the pre-tax NTA (NTA after tax on realised gains and before tax on unrealised gains) and post-tax NTA and the shareholder returns compared to the benchmark index (MSCI AC Asia ex Japan Index, Net, AUD). We also take a look at the longer-term returns of the strategy in which PAI provides exposure to. We note that the pre-tax NTA incorporates tax on realised gains and therefore is a not a direct comparison to the benchmark index which is pre any capital gains tax. The LIC structure and the payment of tax allows for the Company to distribute franking credits to shareholders.

PAI has underperformed the benchmark index since listing on a pre-tax NTA and post-tax NTA basis, as shown in the below chart. Shareholder returns have underperformed the NTA returns due to the shares trading at a discount for prolonged periods of time.

Indexed PAI NTA & Share Price Returns vs. Benchmark



*NTA after tax on realised gains but before tax on unrealised gains.

Looking at the performance of the portfolio and the share price to 30 June 2023, the portfolio (represented by the pre-tax NTA) has underperformed since listing on both an absolute and risk-adjusted basis. We attribute the overweight position to China and the underweight exposure to India as contributing factors to the underperformance combined with the underperformance of value stocks more broadly in this market over the period since the Company listed.

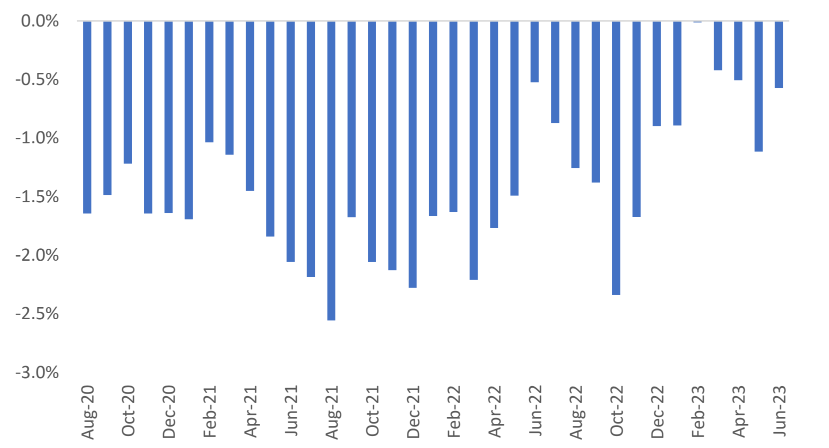
The high tracking error of the pre-tax NTA highlights the differentiated risk/return profile of the portfolio to the benchmark index.

Performance Metrics to 30 June 2023				
	Pre-tax NTA*	**Post-tax NTA**	**Share Price**	**Benchmark***
Cumulative Total Returns:				
1 year	1.9%	1.7%	5.6%	2.1%
3 year (p.a.)	1.3%	2.5%	0.8%	2.3%
5 year (p.a.)	2.5%	3.5%	-1.7%	3.1%
Since Listing (p.a.)	4.8%	5.1%	2.4%	6.4%
Standard Deviation:				
1 year	23.2%	16.3%	21.9%	18.5%
3 year (p.a.)	16.3%	11.6%	18.6%	13.4%
5 year (p.a.)	14.3%	10.5%	18.1%	13.1%
Since Listing (p.a.)	13.1%	10.1%	16.7%	12.1%
Tracking Error:				
1 year	7.7%	5.5%	15.8%	na
3 year (p.a.)	6.3%	4.8%	13.9%	na
5 year (p.a.)	6.8%	6.2%	14.4%	na
Since Listing (p.a.)	6.3%	5.8%	13.7%	na

*NTA after tax on realised gains and before tax on unrealised gains.

One of the Company's objectives is to outperform the benchmark index on a net basis over a five-year plus period. The below shows the excess rolling five year returns of the pre-tax NTA compared to the benchmark index since the Company listed to 30 June 2023. We note that the pre-tax NTA includes tax on realised gains, while the benchmark is before any capital gains tax. On a pre-tax NTA basis, the portfolio is yet to outperform over a five year period.

Rolling Excess 5-year NTA* Return Compared to the Benchmark Index



*NTA after tax on realised gains and before tax on unrealised gains.

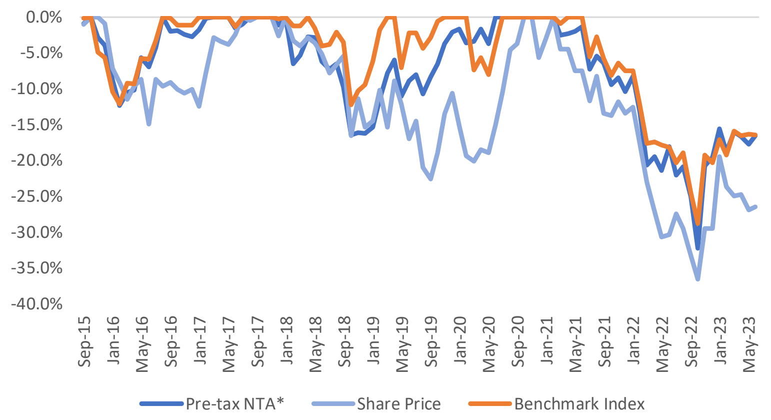
The below table shows the performance of the PAI portfolio in different market conditions based on rolling 12-month returns. Given the investment style of the Manager we would typically expect the portfolio to underperform in strong markets and outperform in negative markets, however the portfolio has underperformed across all market conditions with the overweight exposure to China a drag on performance.

Performance of PAI NTA* in Varying Market Conditions			
Rolling 12-month Market Return	**Number of Periods**	**Number of Periods of Outperformance**	**% of Periods of Outperformance**
Strong Markets (>10%)	40	12	30.0%
Moderate Markets (0%-10%)	21	7	33.3%
Negative Markets (<0.0%)	21	8	38.1%
Total	**82**	**27**	**32.9%**

*NTA is after tax on realised gains and before tax on unrealised gains.

The Manager seeks to provide downside protection with the Manager seeking to minimise losses during down markets. Based on the drawdowns, both the portfolio and shareholder returns have provided little downside protection when compared to the market to date.

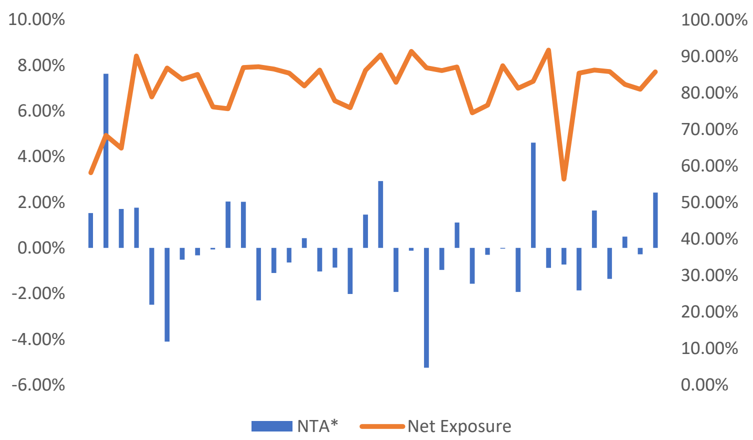
Drawdowns



*NTA is after tax on realised gains and before tax on unrealised gains.

The lack of downside protection in negative markets is further highlighted by the below chart which shows the monthly excess pre-tax NTA returns in negative benchmark periods. Despite sometimes having a low net exposure position, the portfolio often underperformed in negative market periods. In the 38 negative monthly periods, the portfolio outperformed in just 36.8% of them.

Excess NTA* Monthly Return in Negative Market Periods

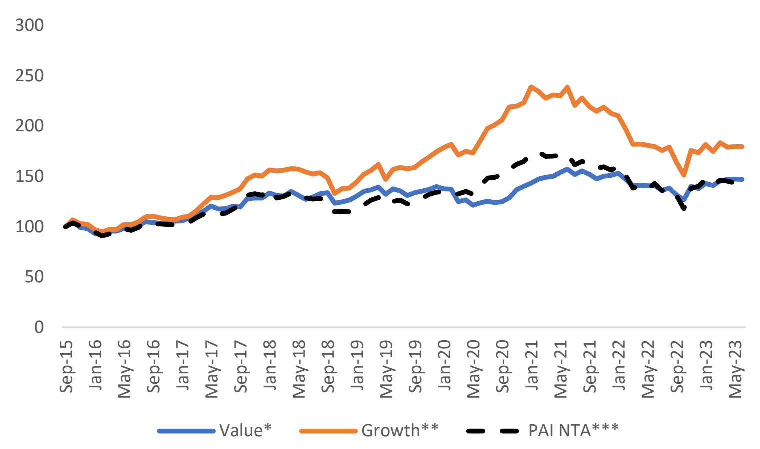


*NTA is after tax on realised gains and before tax on unrealised gains.

Value versus Growth

When looking at the performance of the PAI portfolio we put it into context of the performance of value versus growth stocks in the benchmark index. Over the period since PAI listed, value stocks have underperformed growth stocks. As shown below, the PAI pre-tax NTA has performed in line with value stocks more broadly. This is in contrast to longer-term periods in which value stocks have outperformed growth stocks in the region. For a value focused strategy, the underperformance of value stocks more broadly will have an impact on the performance of the portfolio compared to the broader benchmark. As has been highlighted throughout this report, the Manager's investment approach will result in periods in which the portfolio lags the benchmark.

Performance of Value versus Growth Stocks in the Asia ex Japan Region



*MSCI AC Asia ex Japan Value Net Index, AUD

** MSCI AC Asia ex Japan Growth Net Index, AUD

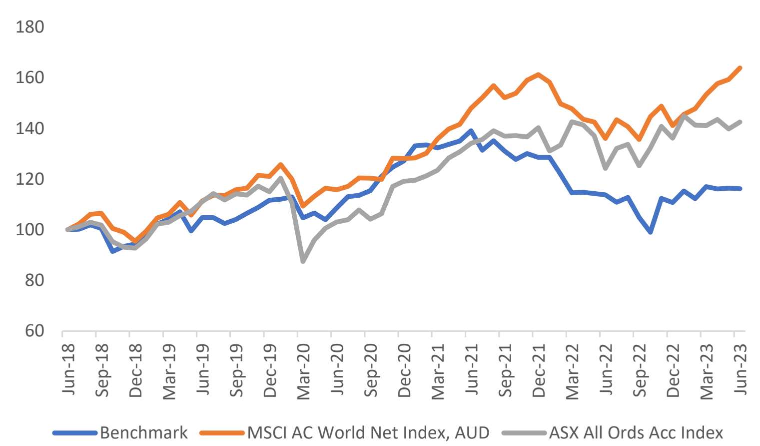
***NTA after tax on realised gains and before tax on unrealised gains.

Performance of Asia ex Japan Region

The Asia ex Japan markets have performed poorly in recent years relative to global markets, with the benchmark returns lagging the broader global market substantially which were buoyed by the performance of the US market. The below chart shows the performance of the benchmark index compared to the MSCI AC World Net Index, AUD and the ASX All Ordinaries Accumulation Index over the last five years. The Asia ex Japan region has underperformed the global market since 2021. This to a large extent has been driven by the weakness in the Chinese market, which is the largest country exposure in the benchmark index.

The Manager has an overweight position to China which has been a drag on the portfolio performance.

Performance of Benchmark Compared to Broader Global Market

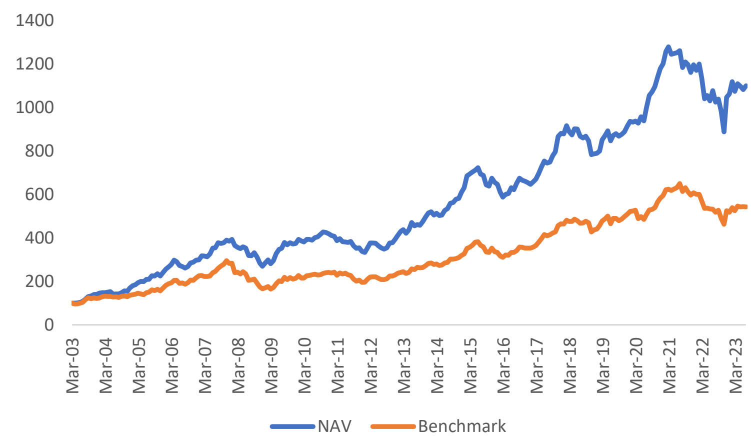


Platinum Asia Fund - Class C

The strategy implemented in PAI reflects the Platinum Asia Fund strategy which has a track record dating back to March 2003. We have provided the longer-term performance of the strategy. A few things to note, the Platinum Asia Fund returns are based on the Class C units which have been around since inception of the strategy. The Class C units have a management fee of 1.35%p.a. and no performance fee applicable, this compares to the PAI vehicle which has a management fee of 1.10%p.a. and a performance fee of 15.0%. The unit trust structure of the Fund means the returns are pre-tax as the Fund itself does not pay tax.

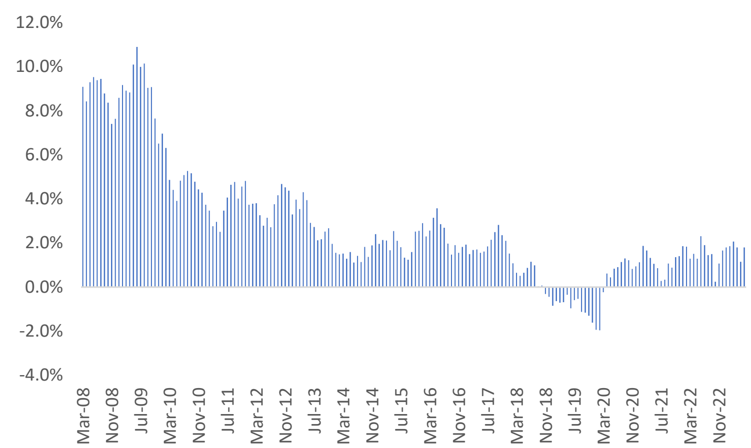
The below illustrates that the investment strategy has outperformed the benchmark index over the longer-term.

Indexed Total Cumulative Platinum Asia Fund Class C NAV Return vs. Benchmark



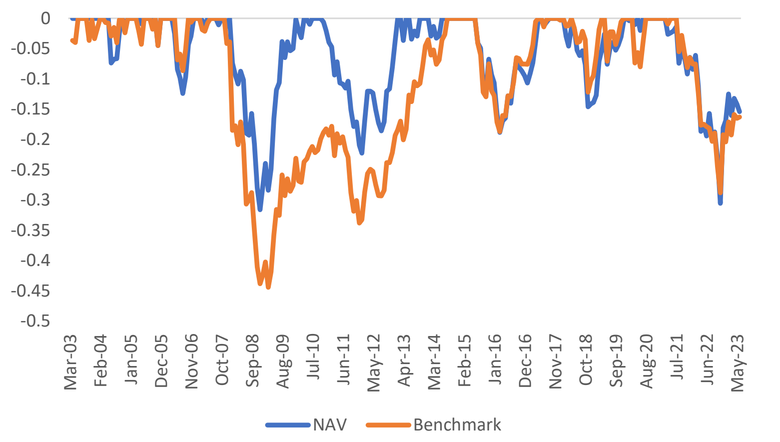
Looking at the excess return of the Platinum Asia Fund compared to the benchmark over rolling five year periods, the performance looks much more attractive than on the pre-tax NTA basis provided for PAI above. The Class C units have outperformed consistently over rolling 5 year periods since inception. The excess returns were outsized in the initial years of the Fund however the size of the outperformance of returns has reduced in latter years.

Platinum Asia Fund Class C Excess 5 Year Rolling Returns vs. Benchmark



Over the longer-term, the strategy has provided periods of downside protection during weak markets, however outside of the market drawdown in the 2008 to 2013 period, the strategy has provided limited protection in down markets. The drawdowns over the longer-term illustrates that the ability to actively manage the net equity exposure is a lever for the Manager to reduce exposure to the potential portfolio drawdowns that would have occurred in the event the portfolio was fully exposed to the market and provides the Manager flexibility to deploy capital when opportunities are identified. This however has not historically led to the outperformance of the portfolio in negative markets.

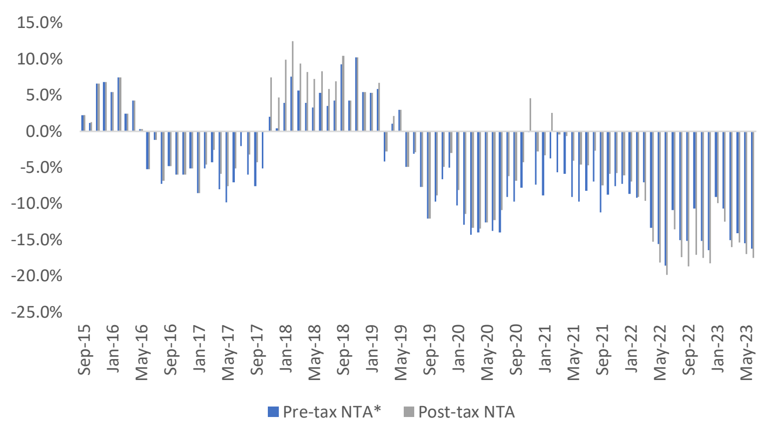
Drawdowns



PAI Premium/Discount

Throughout its history, PAI has traded at both premiums and discounts to NTA (pre-tax and post-tax) as highlighted in the below chart. The Company has predominantly traded at a discount to NTA since mid-2019 with the Company trading at the largest discount in its history in recent times. The Board are seeking to address the discount through initiatives such as the Bonus Options issue, however in IIR's view the primary driver of the discount narrowing will be improved portfolio performance. As detailed above, the investment universe has lagged the broader global market and there is significant uncertainty regarding the economic outlook for the largest market in the benchmark, China. This has likely resulted in less demand for exposure to this region. In the event the sentiment surrounding the China market improves, we anticipate there will be more demand for products offering exposure to this market.

Historical Premium/Discount (based on month-end data)



*NTA is after tax on realised gains and before tax on unrealised gains.

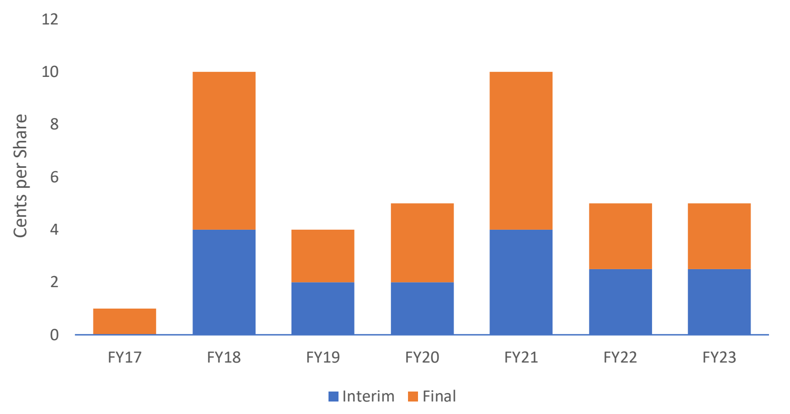
Dividends

The below shows the dividends declared by financial year over the Company's history. The Company commenced paying dividends in 2017. All dividends paid have been fully franked. The Company sought to grow the dividend too quickly once it commenced paying dividends, resulting in there not being sufficient reserves to maintain the dividend, resulting in significant dividend volatility.

It is the Company's policy to utilise the LIC structure to smooth dividends. This is one of the key benefits/differentiators of a LIC when compared to trust structures. While we view this as an appropriate policy, the Board are yet to strike the balance of paying out increased dividends during strong periods however retaining sufficient reserves and franking credits for the maintenance of dividends during periods of portfolio weakness.

While the portfolio receives some dividend income from its investments, the Net Profit is driven primarily by the capital returns of the portfolio. As such, the Company relies on generating capital growth in order to grow the reserves available for dividends. Based on the profits reserve as at 30 June 2023, the Company had 4.3 years of dividend coverage, based on the current number of shares on issue and an annual dividend of 5 cents per share. At 30 June 2023, after providing for the 2023 final dividend, the Company had sufficient franking credits to pay fully franked dividends of 3 cents per share without the accumulation of any additional franking credits. As such, the Company is in a position to maintain one semi-annual fully franked dividend of 2.5 cents per share based on the current reserves. The Company does not believe it is in shareholder's best interest to pay unfranked dividends, and therefore intends to pay only fully franked dividends.

Dividends Declared by Financial Year



PEER COMPARISON

The below looks at the key features and performance of PAI compared to its listed peers. The peer group includes both actively managed listed closed-ended funds (LICs and LITs) and open-ended funds (ETMFs). There are limited options for investors to gain access to strategies focused on the Asia ex Japan region with just four vehicles that have a specific focus on this region. We have also included two ETMFs that have an emerging markets strategy. While the mandates for these vehicles extends beyond the Asian region, ~80% of the emerging markets index is markets within the Asian region and therefore these portfolios are likely to have a substantial exposure to emerging markets within the Asian region.

We have included Regal Asian Investments Limited (ASX: RG8) in the peer group as this is the only other LIC that has a focus on the Asian region after Ellerston Asia investments Limited converted to an ETMF. We note that RG8 can and does invest in Japan and therefore has a broader mandate than PAI. Further to this, the investment strategy is substantially different to PAI with RG8 providing exposure to a highly concentrated portfolio of stocks in the Asian region and typically utilises gearing to a much greater extent than PAI.

The strategy implemented for PAI can also be accessed through an ETMF - Platinum Asia Fund (Quoted Managed Hedge Fund) (ASX: PAXX). Some of the key differences between the two vehicles are:

- PAI is a closed-ended fund with a closed pool of capital while PAXX is an open-ended fund and therefore the AUM will increase and decrease based on the demand for the fund.
- As a closed-ended fund, PAI has a fixed number of shares on issue the price of which will depend on the demand and supply from investors. This can result in the share price dislocating from the portfolio value. ETMFs on the other hand are required to appoint market makers, which provide liquidity and result in the market price trading around the portfolio value. As such PAXX does not trade at substantial discounts or premiums.
- PAI has a company structure that pays tax and generates franking credits that can be passed on to shareholders through franked dividends. PAXX is a trust structure that does not pay tax and therefore will only pass on franking credits received from dividends from companies in the portfolio. Given the global mandate, distributions are likely to be unfranked.

- Under the company structure, PAI can retain capital gains and income generated to smooth dividends. PAXX as a trust structure is required to distribute all distributable income in any given year. As such, PAXX distributions will likely be more volatile than PAI's dividends.
- PAI pays a semi-annual dividend while PIXX pays an annual distribution.

LMI Peer Group

LMI	Ticker	Structure	Listing Date	Market Cap ($m)*	Dividend Frequency
Platinum Asia Investments Limited	**PAI**	**LIC**	**Sep-15**	**316.4**	**Semi-annual**
Regal Asian Investments Limited	RG8	LIC	Nov-19	419.7	Semi-annual
Abdrn Sustainable Asian Opportunities Active ETF (Managed Fund)	ASAO	ETMF	Oct-22	1.19	Annual
Ellerston Asia Growth Fund (Hedge Fund)	EAFZ	ETMF	Jun-23	77.7	Semi-annual
BetaShares Legg Mason Emerging Markets Fund (Managed Fund)	EMMG	ETMF	Jun-19	123.87	Annual
Fidelity Global Emerging Markets Fund (Managed Fund)	FEMX	ETMF	Nov-18	216.74	Annual
Platinum Asia Fund (Quoted Managed Hedge Fund)	PAXX	ETMF	Sep-17	103.34	Annual

*As at 30 June 2023.

The management fee is largely in line with the median fee for the peer group. The performance fee is higher than the median, with a number of vehicles in the peer group not charging performance fees. We view the performance hurdle for the performance fees for PAI as appropriate with the inclusion of a High Water Mark a positive for investors.

Peer Group Fees

LMI	Ticker	Management Fee, ex GST	Performance Fee	Performance Hurdle
Platinum Asia Investments Limited	**PAI**	**1.10%**	**15.0%**	**MSCI All Country Asia ex Japan Net Index**
Regal Asian Investments Limited	RG8	1.50%	15.00%	High Water Mark
Abdrn Sustainable Asian Opportunities Active ETF (Managed Fund)	ASAO	1.07%	0.0%	MSCI All Country Asia ex Japan Net Index
Ellerston Asia Growth Fund (Hedge Fund)	EAFZ	0.68%	10.0%	MSCI Asia Ex Japan (non-accumulation) (AUD) Index
BetaShares Legg Mason Emerging Markets Fund (Managed Fund)	EMMG	0.91%	0.0%	MSCI Emerging Markets Index
Fidelity Global Emerging Markets Fund (Managed Fund)	FEMX	0.90%	0.0%	MSCI Emerging Markets Index NR
Platinum Asia Fund (Quoted Managed Hedge Fund)	PAXX	1.10%	15.0%	MSCI All Country Asia ex Japan Net Index
Median		**1.07%**	**10.00%**	

The below provides the portfolio performance metrics over 1, 3 and 5 year periods to 30 June 2023 for the peer group. The portfolio performance for LICs is based on the NTA after tax on realised gains and before tax on unrealised gains, while the performance for the ETMFs is based on the NAV, which does not include any tax provisions. We note that the below table does not include ASAO and EAFZ. EAFZ was only recently restructured as an ETMF and ASAO was listed less than 12-months ago.

From a performance perspective, the returns from the peer group have been somewhat lackluster, largely due to the underperformance of emerging markets when compared to developed markets in recent times.

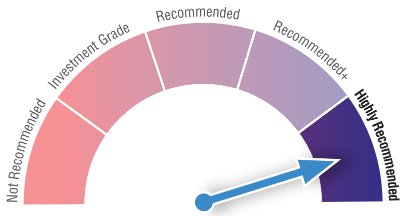
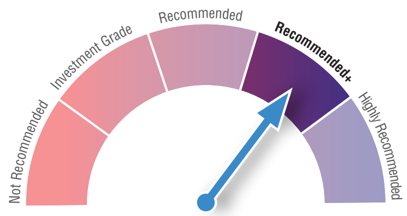
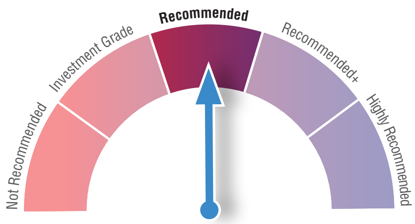
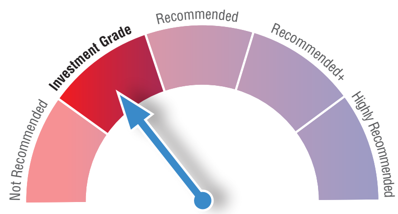
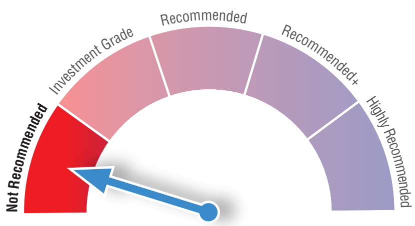
Over the 1 year period to 30 June 2023, PAI's portfolio performance has largely lagged its peers and experienced significantly greater levels of volatility. We attribute this primarily to the overweight exposure to China and underweight exposure to India.

Portfolio (pre-tax NTA/NAV) Performance Metrics (to 30 June 2023)						
	PAI	RG8	ASAO	EMMG	FEMX	PAXX
Total Cumulative Returns:						
1 year	1.87%	7.60%	na	8.70%	6.66%	2.43%
3 year p.a.	1.27%	-0.09%	na	1.91%	7.06%	3.46%
5 year p.a.	2.49%	na	na	na	na	4.99%
Standard Deviation:						
1 year	23.18%	14.34%	na	15.65%	15.61%	24.03%
3 year p.a.	16.31%	12.33%	na	13.83%	13.14%	16.82%
5 year p.a.	14.33%	na	na	na	na	14.51%

APPENDIX A – RATINGS PROCESS

Independent Investment Research Pty Ltd "IIR" rating system

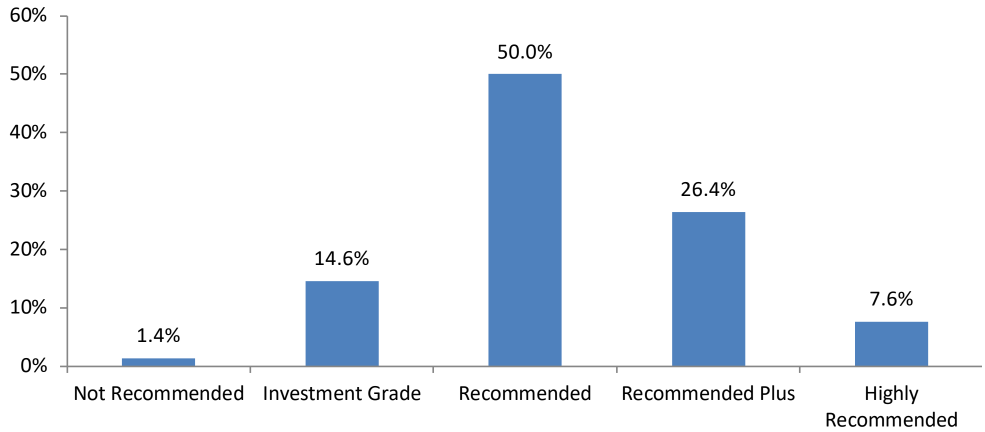
IIR has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

LMI Ratings	SCORE
Highly Recommended	83 and above
	This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.
Recommended +	79–83
	This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.
Recommended	70–79
	This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.
Investment Grade	60-70
	This rating indicates that IIR believes this is an average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an average risk/return trade-off and should be able to consistently generate average risk adjusted returns in line with stated investment objectives.
Not Recommended	<60
	This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.

APPENDIX B – MANAGED INVESTMENTS COVERAGE

The below graphic details the spread of ratings for managed investments rated by Independent Investment Research (IIR). The managed investments represented below include listed and unlisted managed funds, fund of funds, exchange traded funds and model portfolios.

Spread of Managed Investment Ratings



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