Platinum
ASSET MANAGEMENT

26 February 2024

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

Platinum Asia Fund (Quoted Managed Hedge Fund) (PAXX)
2024 Interim Financial Report

PAXX encloses for release to the market the Interim Financial Report for the six months ended 31 December 2023.

Authorised by
Joanne Jefferies | Company Secretary

Investor contact
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ASSET MANAGEMENT

Interim Financial Report

31 December 2023

Platinum Asia Fund
(Quoted Managed Hedge Fund) | ARSN 620 895 427

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial report for the year ended 30 June 2023. In addition, reference should be made to any public pronouncements made in respect of the registered scheme during the interim reporting period.

The financial report covers Platinum Asia Fund (Quoted Managed Hedge Fund) as an individual entity.

The Responsible Entity of the Platinum Asia Fund (Quoted Managed Hedge Fund) is Platinum Investment Management Limited (ABN 25 063 565 006). The Responsible Entity's registered office is: Level 8, 7 Macquarie Place, Sydney, NSW 2000.

The interim financial report was authorised for issue on 26 February 2024 by the Directors, who have the power to amend and re-issue the interim financial report.

Platinum ASSET MANAGEMENT

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The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management®) (ABN 25 063 565 006 AFSL 221935), the responsible entity of the Platinum Asia Fund (Quoted Managed Hedge Fund) (*"PAXX"*, the *"registered scheme"* or *"Fund"*), present their report on the registered scheme for the half-year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Platinum Asia Fund (Quoted Managed Hedge Fund) (ASX code: PAXX) is an Australian registered managed investment scheme. Its units are quoted on the Australian Securities Exchange (ASX) under the ASX AQUA Rules.

PAXX is a feeder fund that primarily invests in units of the unlisted flagship Asian equity fund, Platinum Asia Fund (PAF), giving investors access to PAF's portfolio composition, portfolio managers and investment strategies. The returns of PAXX may vary from the returns of PAF's performance fee P Class due to different cash holdings and gains and losses on redemptions of PAXX units.

The principal activity of PAXX during the half-year was to invest in units of the PAF and some cash. The underlying fund, or PAF, primarily invests in the listed securities of Asian companies, in accordance with its Product Disclosure Statement (PDS) and the Constitution.

DIRECTORS OF THE RESPONSIBLE ENTITY

The Directors of Platinum Investment Management Limited ("PIML") during the half-year and up to the date of this report, unless otherwise stated, were:

Andrew Clifford
Elizabeth Norman
Andrew Stannard

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the registered scheme during the half-year.

OPERATING AND FINANCIAL REVIEW (OFR)

At 31 December 2023, PAXX's Funds Under Management ("FUM") was $90.52 million[1] (30 June 2023: $103.33 million). The six month return for the period from 1 July 2023 to 31 December 2023 was negative 4.3% (1 July 2022 to 31 December 2022: negative 1.2%).[2] The benchmark MSCI All Country Asia excluding Japan Net Index (MSCI) in A$ terms for the same period was positive 0.4% (1 July 2022 to 31 December 2022: negative 2.7%). The Fund's annualised return since inception date[3] on 12 September 2017 to 31 December 2023 was 4.8% (compound per annum), which is above the MSCI which delivered 4.1% since inception.

As at 31 December 2023, PAXX's Net Asset Value per unit was $4.05 (30 June 2023: $4.23 after the 30 June 2023 distribution).

In terms of outlook, the Investment Manager has recently noted that:
"While 2023 was a challenging year, we believe the underlying dynamics of the Asian region – and the availability of high quality stocks at reasonable prices –are likely to reward investors in the medium term.'

1 The reason for the variance between the FUM figure of $90.52 million and the net assets figure of $90.38 million reported in the financial statements relates to the fact that net assets were calculated in accordance with the Australian Accounting Standards and are valued using the redemption price as at 31 December 2023.

2 PAXX's returns are calculated using PAXX's net asset value per unit (which does not include the buy/sell spread) and represent PAXX's combined income and capital returns over the specified period. Returns are net of accrued fees and costs, are pre-tax, and assume the reinvestment of distributions.

3 For the purpose of calculating the "since inception date" returns of the MSCI index, PAXX's inception date (12 September 2017) is used. Index returns assume the reinvestment of dividends from constituent companies, but do not reflect fees and expenses. Platinum does not invest by reference to the weightings of any index or benchmark, and index returns are provided as a reference only. PAXX's underlying assets are chosen through Platinum's bottom-up investment process and, as a result, PAXX's holdings may vary considerably to the make-up of the index.

The investment returns shown are historical and no warranty can be given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility of the underlying assets of PAXX and other risk factors associated with investing, investment returns can be negative, particularly in the short-term.

Source: Platinum Investment Management Limited for PAXX's returns and FactSet for MSCI index returns.

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ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The registered scheme is of a kind referred to in ASIC Corporations *"Rounding in Financial/Directors' Reports"* Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'.

Amounts in this report have been rounded off in accordance with this Instrument to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 4.

This report is made in accordance with a resolution of the Directors.

Andrew Stannard
Director

26 February 2024
Sydney

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Auditor's Independence Declaration

As lead auditor for the review of Platinum Asia Fund (Quoted Managed Hedge Fund) for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
26 February 2024

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Statement of comprehensive income

Platinum ASSET MANAGEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	NOTE	HALF-YEAR ENDED 31 DEC 2023 $'000	HALF-YEAR ENDED 31 DEC 2022 $'000
Income			
Interest		1	1
Net gains/(losses) on units held in the Platinum Asia Fund		(4,184)	(1,822)
Total income/(loss)		(4,183)	(1,821)
Expenses			
Operating expenses		-	-
Total expenses		-	-
Net profit/(loss)		(4,183)	(1,821)
Other comprehensive income		-	-
Total comprehensive income/(loss)		(4,183)	(1,821)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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Statement of financial position

Platinum ASSET MANAGEMENT

AS AT 31 DECEMBER 2023

	NOTE	AS AT 31 DEC 2023 $'000	AS AT 30 JUNE 2023 $'000
Assets			
Cash and cash equivalents		269	35
Settlements receivable		6	103
Distribution receivable from the Platinum Asia Fund		-	1,335
Financial assets at fair value through profit or loss	3	90,112	103,033
Total assets		90,387	104,506
Liabilities			
Payables (for units purchased in the Platinum Asia Fund)		-	-
Distribution payable to investors	6	-	(1,334)
Total liabilities		-	(1,334)
Net assets attributable to unitholders – equity	4	90,387	103,172

The above statement of financial position should be read in conjunction with the accompanying notes.

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	NOTE	HALF-YEAR ENDED 31 DEC 2023 $'000	HALF-YEAR ENDED 31 DEC 2022 $'000
Total equity at the beginning of the half-year		103,172	115,424
Net profit/(loss) attributable to unitholders	4	(4,183)	(1,821)
Other comprehensive income for the half-year		-	-
Total comprehensive income/(loss) for the half-year		(4,183)	(1,821)
Transactions with equity holders:			
Unitholder applications	4	1,637	2,225
Unitholder redemptions	4	(10,239)	(11,122)
Total equity at the end of the half-year	4	90,387	104,706

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Platinum ASSET MANAGEMENT

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	NOTE	HALF-YEAR ENDED 31 DEC 2023 $'000	HALF-YEAR ENDED 31 DEC 2022 $'000
Cash flows from operating activities			
Payments for the purchase of financial assets		-	-
Proceeds from the sale of financial assets		8,903	9,348
Distribution received		1,335	3,450
Interest received		1	1
Net cash from/(used in) operating activities		10,239	12,799
Cash flows from financing activities			
Proceeds from units issued		1,373	2,121
Payments for units redeemed		(10,043)	(11,122)
Distribution paid		(1,335)	(3,450)
Net cash inflow/(outflow) from financing activities		(10,005)	(12,451)
Net increase in cash and cash equivalents		234	348
Cash and cash equivalents at the beginning of the half-year		35	151
Cash and cash equivalents at the end of the half-year		269	499

The above statement of cash flows should be read in conjunction with the accompanying notes.

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NOTE 1. GENERAL INFORMATION

Platinum Investment Management Limited (ABN 25 063 565 006 AFSL 221935) is the responsible entity of Platinum Asia Fund (Quoted Managed Hedge Fund) (*"PAXX"*, the *"registered scheme"* or *"Fund"*). The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

NOTE 2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This financial report for the interim reporting period ended 31 December 2023 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting.*

These financial statements for the half-year ended 31 December 2023 do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2023 and any public pronouncements made in respect of the registered scheme during the interim reporting period.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Comparative information has been reclassified, where appropriate, to enhance comparability.

New Accounting Standards and Interpretations

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

NOTE 3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	AS AT 31 DEC 2023 $'000	AS AT 30 JUN 2023 $'000
Financial assets		
Units in the Platinum Asia Fund (valued at the redemption price at balance date which includes the impact of any distributions)	90,112	103,033
Total financial assets at fair value through profit or loss	90,112	103,033

NOTE 4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	HALF-YEAR ENDED 31 DEC 2023 UNITS	HALF-YEAR ENDED 31 DEC 2023 NET ASSETS $'000	HALF-YEAR ENDED 31 DEC 2022 UNITS	HALF-YEAR ENDED 31 DEC 2022 NET ASSETS $'000
Opening balance	24,419,207	103,172	27,570,588	115,424
Applications	392,471	1,637	562,202	2,225
Redemptions	(2,460,534)	(10,239)	(2,814,466)	(11,122)
Net profit/(Loss)	-	(4,183)	-	(1,821)
Closing balance	22,351,144	90,387	25,318,324	104,706

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NOTE 5. FAIR VALUE HIERARCHY

AASB 13: *Fair Value Measurement* requires the registered scheme to classify its assets held at fair value based on the following fair value hierarchy model:

(a) quoted prices (unadjusted) in active markets for identical assets (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the assets that are not based on observable market data (unobservable inputs) (level 3).

The registered scheme measures and recognises the units held in the Platinum Asia Fund, as a fair value investment, pursuant to AASB 13, on a recurring basis.

As can be seen from the table below, the registered scheme has no assets that are classified as level 3. For all other financial assets, the carrying value approximates fair value.

31 DECEMBER 2023	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financial assets				
Units held in PAF	-	90,112	-	90,112
Total financial assets	-	90,112	-	90,112

30 JUNE 2023	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financial assets				
Units held in PAF	-	103,033	-	103,033
Total financial assets	-	103,033	-	103,033

The registered scheme's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for any assets measured at fair value during the half-year.

Valuation techniques used to classify assets as level 2

The units held in the Platinum Asia Fund have been classified as level 2, because these units are valued based on the 31 December 2023 redemption price, which is based on the underlying value of the net assets of Platinum Asia Fund, which includes both observable and unobservable asset balances.

NOTE 6. DISTRIBUTION TO UNITHOLDERS

The distribution paid during the half-year in cents per unit ("CPU") was as follows:

	HALF-YEAR ENDED 31 DEC 2023 CPU	HALF-YEAR ENDED 31 DEC 2023 NET ASSETS $'000	HALF-YEAR ENDED 31 DEC 2022 CPU	HALF-YEAR ENDED 31 DEC 2022 NET ASSETS $'000
30 June gross distribution paid during the half-year	6.31	1,540	14.64	4,018
	6.31	1,540	14.64	4,018

The 30 June 2023 gross distribution payable to investors was $1,540,000 (2022: $4,018,000) of which $1,335,000 (2022: $3,450,000) was paid out in cash, with the difference of $205,000 (2022: $569,000) being reinvested by investors into additional units.

NOTE 7. EVENTS AFTER THE REPORTING PERIOD

There are no other matters or circumstances that have arisen since 31 December 2023 that have significantly affected, or may significantly affect the registered scheme's operations, the results of those operations, or the registered scheme's state of affairs in future financial years.

NOTE 8. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

The registered scheme has no contingent assets, liabilities or commitments as at 31 December 2023.

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Director's declaration

Platinum ASSET MANAGEMENT

In the opinion of the Directors of the responsible entity, the financial statements and notes of the Platinum Asia Fund (Quoted Managed Hedge Fund) (*'the registered scheme'*) as set out on pages 5 to 11:

(a) are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the financial position of the registered scheme as at 31 December 2023 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.

(b) there are reasonable grounds to believe that the registered scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors

Andrew Stannard
Director

26 February 2024
Sydney

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Independent auditor's review report to the unitholders of Platinum Asia Fund (Quoted Managed Hedge Fund)

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Platinum Asia Fund (Quoted Managed Hedge Fund) (the Registered Scheme) which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors of Platinum Investment Management Limited (the Responsible Entity) declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Platinum Asia Fund (Quoted Managed Hedge Fund) does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

CJ Cummins
Partner

Sydney
26 February 2024