PLATINUM ASIA FUND

Andrew Clifford
Portfolio Manager

PERFORMANCE

PERFORMANCE (compound pa, to 31 March 2008)	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
PLATINUM ASIA FUND	-12%	12%	21%	28%	28%
MSCI AC ASIA EX JP INDEX	-18%	5%	18%	19%	18%

Source: Platinum and Factset. Refer to Note 1, page 1.

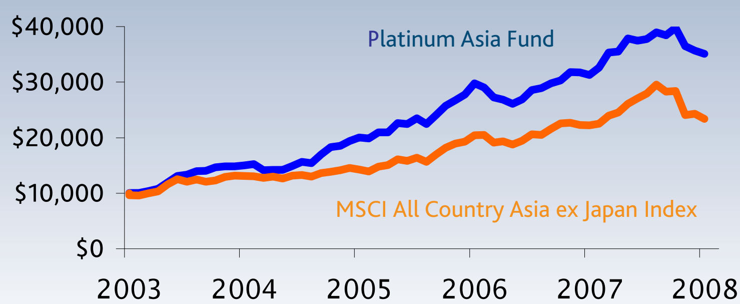
The Asian markets suffered a significant setback during the quarter as a result of the ongoing turmoil in global credit markets. Increasing inflation across the region gave further cause for concern. The appreciation of the Australian dollar against regional currencies of approximately 3% was an additional weight on returns. The weakest markets included India (down 22%), which had previously held-up well during the December quarter and China stocks (Shanghai listed A shares down 34% and Hong Kong Listed H shares down 25%). Another high-flying market of the last two years, Vietnam, was down 44%. The better performing markets were found amongst the least favoured of the last two years; Taiwan (up 1%) which responded well to a change in government at recent elections, and Thailand (down 5%) where consumer and business confidence are improving post the election at the end of last year. The Fund's outperformance of the index can be attributed to significant cash holdings as well as good performance from investments in the Taiwanese and Thai stocks.

DISPOSITION OF ASSETS

REGION	MAR 2008	DEC 2007
CHINA (LISTED EX PRC)	18%	19%
HONG KONG	8%	8%
CHINA (LISTED PRC)	1%	2%
TAIWAN	8%	6%
GREATER CHINA TOTAL	35%	35%
INDIA	8%	11%
KOREA	12%	12%
THAILAND	10%	8%
MALAYSIA	5%	5%
INDONESIA	3%	3%
SINGAPORE	4%	2%
PHILIPPINES	1%	1%
CASH	22%	23%
SHORTS	1%	3%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
3 MARCH 2003 TO 31 MARCH 2008



Source: Platinum and MSCI. Refer to Note 2, page 4.

CHANGES TO THE PORTFOLIO

During the early weeks of the quarter, cash was raised from the sale of strongly performing stocks such as China Netcom (telecommunications), Gome Electrical (PRC electronics retailer), and Huaku Construction (Taiwanese property developer). New holdings acquired during the period included Ayala Land, the leading property company in the Philippines. Property stocks have generally been sold-off in this market over fears that remittances from overseas Philippino workers would fall as unemployment rises in the developed economies, allowing us to acquire this high quality company at a substantial discount to net asset value. We took advantage of lower prices to add to the Fund's holdings in Bank of China, Jardine Matheson (regional investment company), SinoPac Financial (Taiwanese Bank), and Kangwon Land (Korean casino).

COMMENTARY

One of the issues we highlighted in our last quarterly report was the rapid increase of inflation in China, particularly in food. Subsequently the situation has deteriorated further with food inflation in China now running at over 23% pa. Indeed as can be seen from the table, rapid escalation in food prices has become an issue for many of the economies across the region.

Higher global prices for palm oil, soybeans, corn, and wheat are behind this burgeoning food inflation, and while these prices might be volatile year-to-year, as we commented in our last report, there are signs that the global supply–demand balance is becoming tighter and the issue will not recede as easily as expected. Not reflected in these numbers are higher global rice prices which have jumped over 100% this quarter. Most countries are self-sufficient in rice, with the notable exception being the Philippines, and tend to have closed or regulated local markets, thus these price increases have not been experienced by Asian consumers. Nevertheless it will be a concern to regional governments that the market in this important staple is in such tight supply.

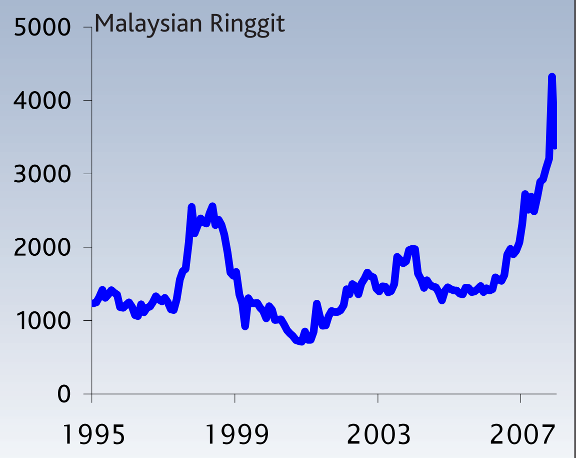
FOOD PRICE INFLATION ACROSS ASIA (% YEAR ON YEAR)

COUNTRY	DEC 2006	DEC 2007	FEB 2008
CHINA	6.3	16.7	23.3
HONG KONG	2.6	7.6	12.6
INDIA	9.7	6.2	N/A
INDONESIA	12.9	11.3	13.6
KOREA	1.5	3.1	1.4
MALAYSIA	3.0	4.2	4.4
PHILIPPINES	4.7	5.0	7.0
SINGAPORE	1.7	5.5	6.7
TAIWAN	-1.3	7.5	9.8
THAILAND	6.0	2.8	7.8
VIETNAM	14.1	15.4	30.1

Source: CLSA

Given the high percentage that food accounts for in the household budget, food prices remain a highly sensitive political issue. The response to inflation in China has been further interest rate hikes and increases in reserve requirements for the banking system. However, as we have noted before, this isn't the most effective policy as it simply attracts more liquidity into the system as a result of the managed exchange rate, resulting in further general inflationary pressures. And of course the supply and demand for food is relatively insensitive to

Palm Oil Price (1995-2008)



Source: Factset

variables such as interest rates. So long as central bank countries across the region manage their currencies with an eye on the undervalued Chinese Yuan, they will struggle to control inflation. *If these inflationary pressures persist for much longer the bullish story for consumption in the region will come under threat as household budgets are squeezed.*

One outcome that would significantly improve the inflationary outlook would be if China were to allow the Yuan to appreciate more rapidly. Indeed the Yuan's rate of appreciation has continued to accelerate in recent months and now stands 18% higher versus the US dollar than when the PBOC introduced the flexible exchange rate mechanism two and a half years ago. However, given the depreciation of the US dollar against major currencies, the move in the Yuan has done little to correct its significant undervaluation.

In recent months, politics have been playing an interesting role in regional markets. The Taiwanese legislative elections in January and presidential elections in March saw the KMT (Kuomintang) win both comfortably. With the KMT now in power, the prospects of improved relations between Taiwan and mainland China have strengthened significantly. Resolution of issues such as direct transport links and investment in China by Taiwanese entities should occur in due course. Most importantly, however, for the Taiwanese economy will be the boost consumer and business confidence should receive from improved relations between the two governments.

The Thai elections saw the People's Power Party win office, effectively returning to power the previous government (with the exception of ex-Prime Minister Thaksin) which had been removed by a military coup in September 2006. Subsequently there have been accusations of election fraud with an outside possibility that the PPP could be dissolved. Nevertheless against this background of political disharmony, consumer and business confidence is improving in the expectation that the PPP resume from where PM Thaksin left-off with pro-investment, pro-business type policies.

Korea also saw a change of power in the presidential election late last year with the Grand National Party's candidate, Lee Myung-bak, winning in a landslide. Again the new president is expected to implement more pro-business policies than his predecessor. Meanwhile, in Malaysia the ruling coalition, Barisan National, suffered its worst election result since 1969, its majority falling from 92% to 62% of the national parliament, and losing government in four key States including Selangor (of which Kuala Lumpur is the capital). It is hard to see the result in a poor light given the government has been notable for its inaction on important reforms. However, the initial reaction of the market was to sell-off, with stocks that have been viewed as beneficiaries of government largesse suffering the greatest falls.

Whether one should read much into this changing political landscape for the region is difficult to know. In each case the election results reflect relatively weak domestic economies where consumers have been struggling to deal with the effects of inflation. The goal for these newly elected governments will be to improve domestic economic growth but without exacerbating current inflationary trends. The only solution available is to move away from the traditional mercantilist policies of maintaining undervalued exchange rates, though the willingness to do so will most likely be a function of what action the Chinese take on their exchange rate.

Since the highs of last year, most regional markets have experienced significant falls. Most of the extreme valuations that had been appearing, particularly in Chinese and Indian companies, have for the main part been removed, with some quite good value reappearing in different parts of the market. With the tightness in global money markets starting to recede it would not be surprising to see better performance from Asian markets in the near-term, though there will undoubtedly be ongoing sensitivity to signs that western economies are slowing.

NOTES

1. The investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specific period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), are pre-tax and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that past performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Funds and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

2. The investment returns depicted in the graphs are cumulative on A$10,000 invested in the relevant Fund since inception relative to their Index (in A$) as per below:

Platinum International Fund:
Inception 1 May 1995, MSCI All Country World Net Index

Platinum Unhedged Fund:
Inception 31 January 2005, MSCI All Country World Net Index

Platinum Asia Fund:
Inception 3 March 2003, MSCI All Country Asia ex Japan Net Index

Platinum European Fund:
Inception 1 July 1998, MSCI All Country Europe Net Index

Platinum Japan Fund:
Inception 1 July 1998, MSCI Japan Net Index

Platinum International Brands Fund:
Inception 18 May 2000, MSCI All Country World Net Index

Platinum International Health Care Fund:
Inception 10 November 2003, MSCI All Country World Health Care Net Index

Platinum International Technology Fund:
Inception 18 May 2000, MSCI All Country World Information Technology Index

(nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 trading as Platinum Asset Management (Platinum) is the responsible entity and issuer of the Platinum Trust Funds (the Funds).
The Platinum Trust Product Disclosure Statement No. 7 (PDS), is the current offer document for the Funds. You can obtain a copy of the PDS from Platinum's website, www.platinum.com.au, or by contacting Investor Services on 1300 726 700 (Australian investors only), 02 9255 7500 or 0800 700 726 (New Zealand investors only) or via invest@platinum.com.au.

Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. You should consider the PDS in deciding whether to acquire, or continue to hold, units in the Funds.

DISCLAIMER: The information in this Quarterly Report is not intended to provide advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Platinum does not guarantee the repayment of capital, the payment of income or the performance of the Funds.

MSCI Disclaimer: Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.