

PLATINUM UNHEDGED FUND



Jacob Mitchell
Portfolio Manager

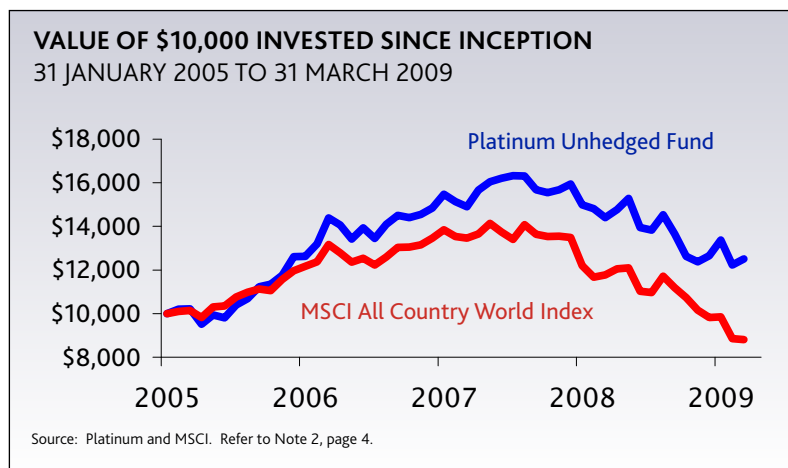
PORTFOLIO POSITION

Some of the themes/large positions contained in the current portfolio include (position prior quarter):

- Technology 16% (13%), Health care and other once proud “growth” stocks.
- Asia ex-Japan/Hong Kong 14% (14%), including Thailand, Korea, Taiwan and Malaysia.
- Energy and “Green” Technology 14% (10%), a long duration theme.
- Hong Kong listings 11% (11%), largely China consumption exposures (eg. property and retail).
- Japanese domestic 9% (11%), banks, property, transport etc; Japan is one of the few developed economies where consumers remain relatively ungeared and investment preferences, driven by rising inflationary expectations, can change for the better ie. away from deposits and bonds, towards equities and property.
- Gold 9% (8%), a laggard metal and inflation hedge.
- Global Infrastructure/Energy capex related 6% (8%), a combination of the BRIC’s (Brazil, Russia, India and China) emerging requirements and the need to “renew” key parts of Western public infrastructure.
- Pulp and Paper 3% (4%), key neglected part of the commodities complex.

DISPOSITION OF ASSETS		
REGION	MAR 2009	DEC 2008
ASIA AND OTHER	33%	30%
JAPAN	23%	21%
NORTH AMERICA	22%	24%
EUROPE	15%	16%
CASH	7%	9%

Source: Platinum



PERFORMANCE AND CHANGES TO THE PORTFOLIO

Over the last 12 months the Fund fell 13%, outperforming the MSCI All Country World Index (A\$) benchmark by 12%, and over the past quarter the Fund fell 1%, outperforming the benchmark by 9%. Since inception the return of the Platinum Unhedged Fund is +6% pa versus 3% pa decline in the MSCI.

The Fund performed strongly in a relative sense; in the current environment, absolute returns from a fully invested, long only Fund will require patience. In the December report we discussed how we had positioned the Fund for a strong performance in the more cyclical parts of the market (eg. technology, commodities, property) versus defensive areas (eg. utilities, telcos and pharma) and that we had concentrated our bets in Asia. This was the outcome of our bottom-up work, rather than a tortured top-down decision. At least for the moment, this positioning is working. Accordingly, the major investments/ideas that made money this quarter included:

- Hong Kong listed Chinese consumption plays including Dongfeng Motors, Denway Motors and Bank of China.
- Technology and other cyclicals including Micron, Nippon Electric Glass, Denso.

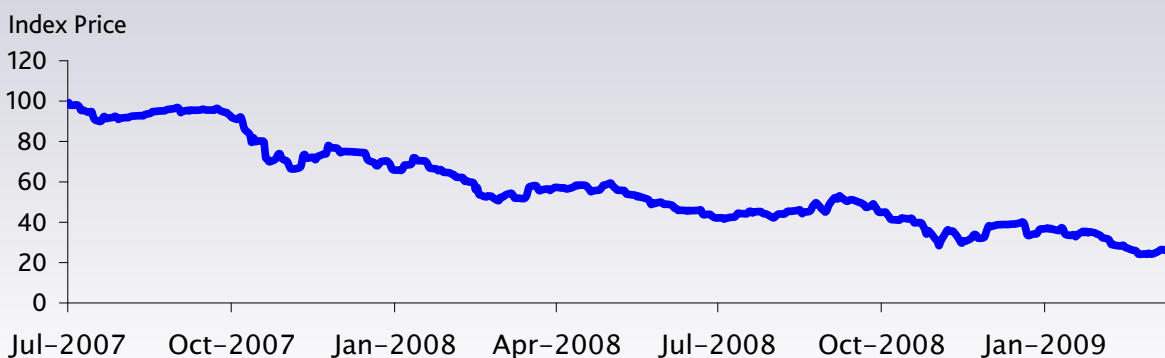
The major investments/ideas that cost money this quarter included:

- Japanese domestic exposures such as Yamato Transport, Mitsubishi UFJ Financial.
- Pulp and paper stocks continued to lose us money – our decision last quarter not to add to this position due to balance sheet risk proved correct.

As the market sold-off, we increased our equity weighting to 95% as we found valuations too compelling to resist. We reinforced the cyclical bet within the portfolio by adding 3.5% to technology (eg. Canon, ebay), 3.5% to energy/commodity (eg. Mitsui, Impala Platinum) and funded this by selling outperforming Japanese domestics that had benefitted from the yen's strength (eg. Shimizu, Obayashi), selling outperforming European exporters that had benefitted from Euro weakness (eg. MTU Aero Engines) and running down some cash. This all seemed to work as the bounce in the market was predictably accompanied by weakness in the yen against most currencies and the tentative Japanese market rebound hides some quite large moves in exporters.

Towards the end of the quarter we started to book gains on some of our more successful trades, selling Dongfeng Motors and reducing Denway and Denso.

US MORTGAGE INDICATORS (sub-prime AAA residential)



Source: Factset, Markit, ABX HE AAA 7-2

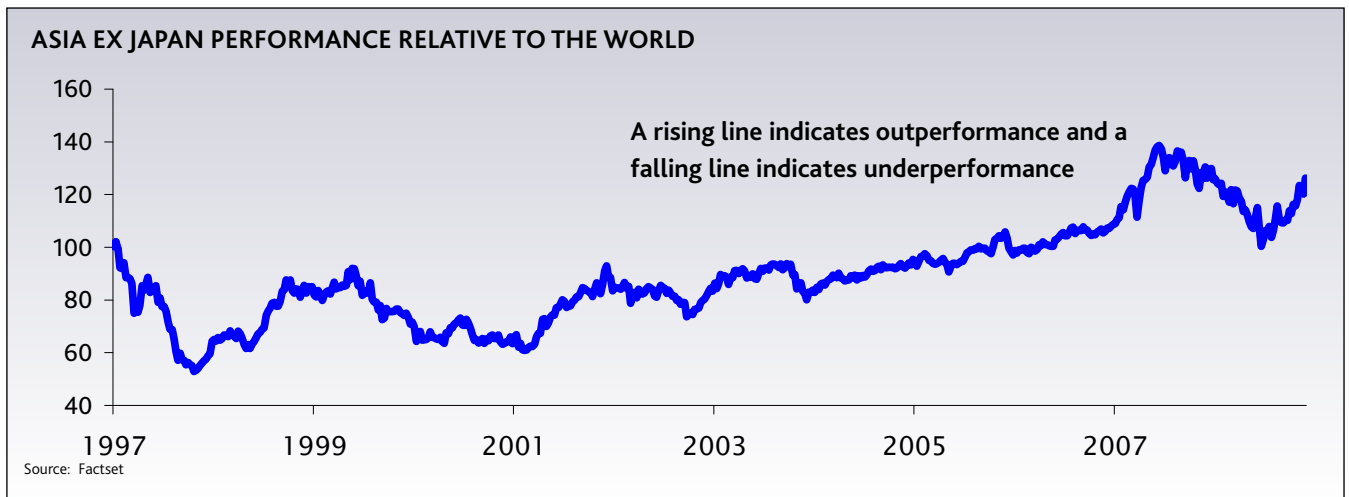
OUTLOOK

Emerging markets have started to strongly outperform developed world markets (see chart below). In the bull market that ended abruptly two years ago there was much discussion regarding the potential for Asia to “decouple” (to the upside) from a slowing developed world and morph seamlessly into a domestic-led demand story with its bull-market intact. Of course the opposite happened and Asian markets fell much harder than most Western markets as the realisation hit investors that this was no ordinary slow-down and many foreign investors returned home.

Most of the excitement regarding tentative improvement in Western world data points is all about a slowing rate of decline or a sequential improvement in orders as inventory rebuild occurs. However, there is still a significant question mark over recovery in the end demand environment. We think the key measure of whether any of the US Federal Reserve’s attempts to recapitalise the US financial system are actually working will be found in a stabilisation in US housing prices and some indication that the pricing of various types of asset backed paper is actually improving – there is no evidence of this yet (see chart on page 10).

The data coming out of the emerging world and specifically China sits in sharp contrast with this - retail sales are still expanding at roughly 15%, auto sales are flat, property transactions are rebounding and credit is expanding at a rate of 20% - these are not “depression” like outcomes.

Without wanting to jinx markets, Asian decoupling may now be occurring (as originally intended) – but as is often the case when much money has been lost betting on an outcome, the original adherents are less keen to embrace the idea.



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.

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The Platinum Trust Product Disclosure Statement No. 8 (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.

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