

PLATINUM UNHEDGED FUND



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Portfolio Manager

PORTFOLIO POSITION

PERFORMANCE (compound pa, to 30 September 2009)

	QUARTER	1 YR	3 YRS	SINCE INCEPTION
PLATINUM UNHEDGED FUND	10%	18%	3%	11%
MSCI AC WORLD INDEX	8%	-11%	-9%	0%

Source: Platinum and MSCI. Refer to Note 1, page 36.

We have reformatted the opening section to provide investors with a better sense of changes in portfolio composition over the past quarter.

We have used the term “Western Consumer Cyclical” in a very broad sense; it includes technology, internet, transport, financials etc and similarly “Defensive” includes pharmaceutical, telecommunications, etc.

DISPOSITION OF ASSETS

REGION	SEP 2009	JUN 2009
WESTERN CONSUMER CYCLICAL	20%	19%
BRICS CONSUMPTION	19%	24%
DEFENSIVE	13%	7%
COMMODITY/PROCESS	9%	9%
JAPANESE DOMESTIC	9%	11%
CAPITAL EQUIPMENT	7%	6%
GOLD	7%	7%
ALTERNATIVE ENERGY	5%	4%
OTHER	2%	3%
TOTAL LONG	91%	90%

Source: Platinum

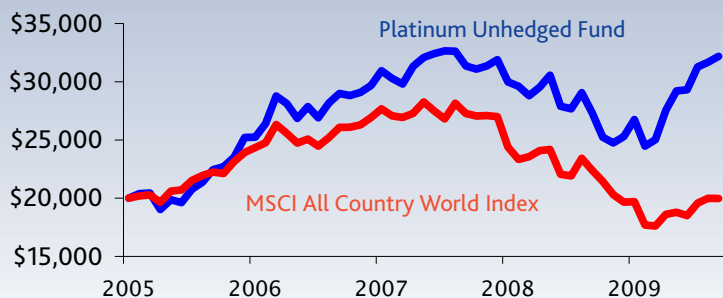
DISPOSITION OF ASSETS

REGION	SEP 2009	JUN 2009
ASIA AND OTHER	27%	33%
NORTH AMERICA	24%	21%
JAPAN	22%	23%
EUROPE	16%	12%
AUSTRALIA	2%	1%
CASH	9%	10%

Source: Platinum

VALUE OF \$20,000 INVESTED SINCE INCEPTION

31 JANUARY 2005 TO 30 SEPTEMBER 2009



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

PERFORMANCE AND CHANGES TO THE PORTFOLIO

Over the last 12 months the Fund rose 17.9%, outperforming the MSCI All Country World Index (A\$) benchmark by 28.6% and over the past quarter the Fund rose 9.8%, outperforming the benchmark by 1.8%.

In the December 2008 quarterly we conveyed how the Fund had been positioned for a strong rebound 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 positioning continues to work, although we are starting to unwind some of the more aggressive positions. The major investments/ideas that made money this quarter include:

- Asia ex Japan consumption plays eg. China Resources Enterprises, KB Financial Group.
- Alternative energy plays eg. Veeco Instruments.
- Commodity/Process eg. Canfor Pulp.
- Western Consumer Cyclical eg. Micron.

The major investments/ideas that cost money this quarter were our Japanese holdings (22% of the Fund is invested in Japan). The Japanese stock market underperformed the global market by approximately 10% over the quarter. We remain committed to the large overweight position in Japan as we see significant potential for outperformance from our specific holdings.

We reshuffled our holdings quite aggressively as specific stocks reached price targets much faster than we expected, hence, we sold positions including: Ebay, Yamato Holdings, Sumitomo Real Estate Sales and Gamuda. The stocks added included: Yahoo, Sanofi-Aventis, Allianz, Reed Elsevier and Nikon Corporation. In terms of changes in thematic composition, we reduced our BRIC's (Brazil, Russia, India and China) consumption bet by 5% (largely by selling down Chinese-HK holdings such as Henderson Land) as these stocks approached fair value. Conceptually, we took the view that if the rebound in Asia ex Japan

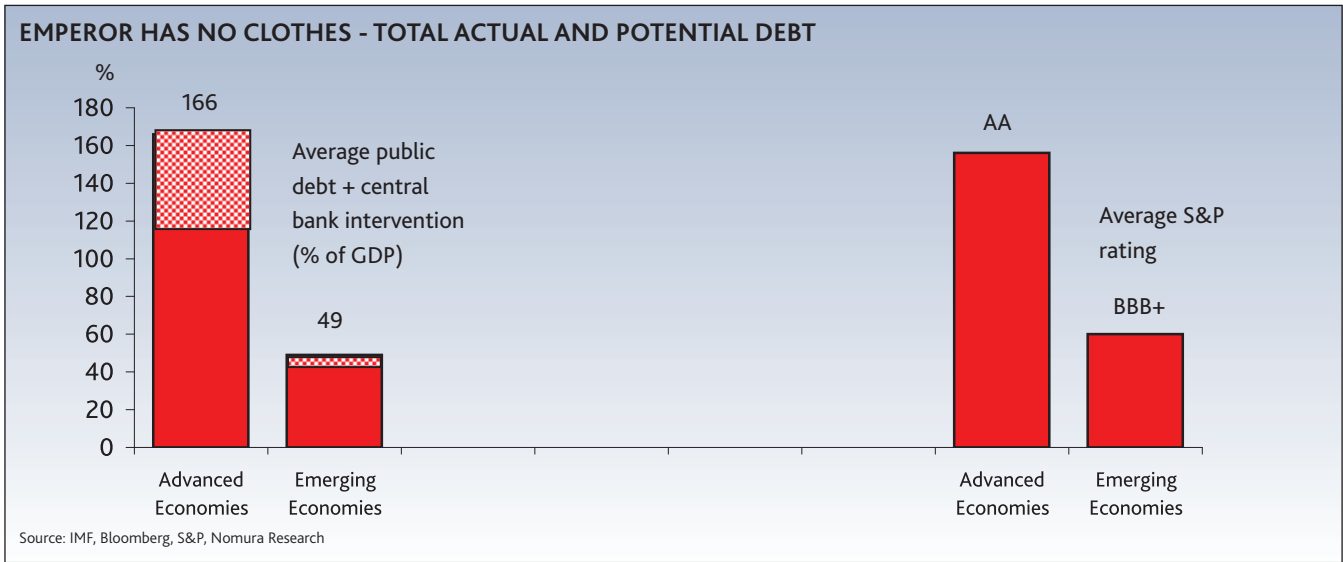
really was as strong as the stock market was discounting, then there would be greater return from allocating capital towards beaten down Western markets that were yet to participate in the euphoria. Hence, we increased our holdings in Europe and North America by 3.4% and 2.9%, respectively. We rebuilt our position in Western Europe early in the quarter and, hence, captured most of that market's recent outperformance. Some of these funds were re-deployed towards what could be described as more defensive (and extremely cheap) parts of the market such as pharmaceuticals (see the Platinum International Health Care Fund report and telecommunications).

OUTLOOK

The Fund maintains a large bet in developing Asia at the expense of North America. Whilst it's tempting to say that the Asian ex Japan markets have moved too far, looking at valuations and growth rates, many of our holdings remain fundamentally attractive. The weighted average price/book of the Unhedged Fund's Asian ex Japan holdings is now 1.4x which compares to 1.6x for North America and Europe – Japan at 1.2x has become the value market.

Further, the rebalancing of the Western world away from consumption towards saving/investment (and the emerging world towards consumption) will take longer than three stock market quarters. A simple example of how long this process will take can be found in the following chart that displays rating agencies' attitudes towards sovereign debt.

Whilst we have never placed much weight on individual rating agency opinions (even before the AAA collateralised debt obligations (CDOs) debacle), we still find it astounding that nations with surplus savings (most of the "Emerging Economies") are deemed to be higher risk than those actively trying to debase their currencies via quantitative easing (most of the so-called "Advanced Economies"). The apparent centre of the universe will re-orient slowly.



The second table provides some tangible examples of how far China (as the largest BRIC's economy) is behind the West in the consumption stakes. The argument that these economies don't hold much sway yet in terms of aggregate world consumption is a little ingenuous. We are using the G7 (commonly used grouping of the seven largest developed economies) for comparison purposes against the E7 (our definition, the seven largest emerging economies: BRIC + Mexico, Indonesia and Turkey).

Using nominal measures of GDP, the G7 accounts for 53% of World GDP and is 3x the size of the E7. However, on a purchasing power parity basis, the G7 accounts for 42% of World GDP and is only 1.6x the size

of the E7 at 27%. It is worth reminding ourselves of the population aggregates at play here: the E7 accounts for 3.2bn people and is 4.4x the size of the G7. Whilst this type of analysis is simplistic, it is useful for maintaining perspective, especially when the *uber* bears highlight the extreme vulnerability of the global equity markets to the demise of the US consumer – the potential for ongoing rebalancing towards emerging economies as the global growth engine is real. Whilst there are clearly fewer extreme value opportunities left in the market relative to March, the ongoing rapid industrialisation of the emerging world will provide new growth opportunities across global equity markets.

CHINA FAR BEHIND IN THE CONSUMPTION STAKES...

COUNTRY	CURRENT PPP GDP PER CAPITA (\$)	AUTOS PER 100	PER CAPITA SPENDING ON HEALTH (\$)	CREDIT CARD PER PERSON	PER CAPITA TOTAL INSURANCE PREMIUM (\$)
US	45,931	47.80	6,700.00	2.35	4,086
JAPAN	33,710	39.50	2,500.00	1.18	3,319
UK	44,115	37.30	2,800.00	1.10	7,113
HONG KONG	32,000	9.18	1,300.00	1.50	3,373
SINGAPORE	28,313	11.73	1,250.00	1.38	2,776
TAIWAN	30,345	24.10	1,450.00	1.00	2,628
KOREA	21,200	25.40	1,500.00	2.10	2,384
BRAZIL	10,643	3.90	800.00	0.80	202
CHINA	6,000	2.2	120	0.2	70
AVERAGE		24.9	2,288	1.4	3,235
HOW FAR BEHIND IS CHINA?(%)		91	95	87	98

Source: CEIC, Bloomberg, Nomura Research

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\$20,000 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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