Platinum International Brands Fund

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Disposition of Assets

REGION	MAR 2014	DEC 2013
Europe	34%	33%
Asia and Other	26%	26%
North America	10%	9%
Latin America	7%	7%
Japan	5%	5%
Russia	3%	2%
Africa	2%	2%
Cash	13%	16%
Shorts	6%	8%

Source: Platinum

Performance and Changes to the Portfolio

(compound pa, to 31 March 2014)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Int'l Brands Fund	-3%	25%	14%	18%	13%
MSCI AC World Index	-2%	31%	13%	11%	0%

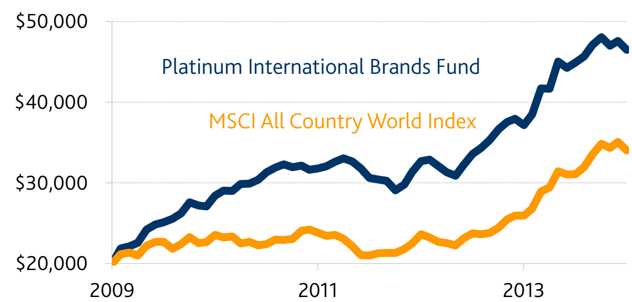
Source: Platinum and MSCI. Refer to Note 1, page 4.

The Fund declined by 3.3% over the quarter whilst showing an annual return of 25.1% and a five year return of 18.4% pa.

The Fund's limited exposure to both technology stocks and the Japanese market detracted from relative performance compared to the MSCI World Index which rose 31.1% for the year. The quarter was also characterised by the wide range of stock price movements amongst the Fund's holdings, from +90% to -30%. As noted in past reports, the increase in volatility is expected and can present opportunities albeit there will be periods where the Fund's overall performance is unduly impacted.

Value of $20,000 Invested Over Five Years

31 March 2009 to 31 March 2014



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

Detractors from performance were unsurprisingly those holdings with significant exposure to Russia, with the Fund taking the opportunity to selectively add to our investments both directly and indirectly impacted. More broadly, the Fund's holdings across the emerging markets were quite mixed; the Brazilian holdings declined whilst others across South East Asia and Africa showed strong gains.

Generally, the Fund has been adding to positions through the quarter with only one sale of note, an Indian consumer company that the Fund has held for many years. The holding has performed well, increasing in value several times over, however, there are now better opportunities on offer in that market.

Commentary

As tourism continues to grow strongly, the Fund's exposure to emerging market consumers is increasingly difficult to quantify. The growth in tourism has a remarkably consistent record, yielding some surprising numbers. Despite the economic and political concerns of the world, there were an *additional* 52 million tourist arrivals in 2013 taking the global tourist arrivals numbers up to 1,087 million.

The long-term chart shows little interruption from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and passing one billion in 2012. The UN World Trade Organisation estimates this industry currently contributes 9% of global GDP with recent decades and projected growth ahead of world GDP growth.

A billion people going on holiday spending US$3.5 billion a day!

More than half of which decided on Europe and within that France remains the preferred destination. Perhaps then we shouldn't be surprised that the Mandarin Oriental on Rue Saint-Honoré can command average room rates in excess of €1,000 per night or that their Hyde Park, London hotel has maintained an 80% occupancy with an average rate above US$850. Also ranking highly, the New York Mandarin located alongside Central Park commands an average rate of US$950 per night. The prospects for the Fund's investment in Mandarin Hotels continue to look compelling against the backdrop of overall growth in tourism and the disproportionate rise in 'new millionaires' from emerging markets. The CEO observes that in his 15+ years in the role he has seen the proportion of leisure guests rise from 20% to more than double that and it continues to grow.

The Selective Retail division of LVMH, comprising predominantly of Sephora and DFS Galleria, is the second largest contributor to LVMH revenues and with strong underlying growth is likely to become the largest division within a few years. Clearly the growth in tourism numbers underpins a degree of confidence, particularly from China which surpassed 100 million outbound tourists and on relatively conservative assumptions that is set to nearly double over the next five years.

Studies have shown an exponential rise in tourism once certain GDP/capita income thresholds are reached. Chinese tourist numbers have increased by about 15% pa over the past decade, with the next decade likely to see even higher growth rates as more cities and regions in China pass disposable income thresholds. The progression over the past two decades in numbers of Chinese travellers is remarkably similar to that of Japan or Korea in the 1970s and 1980s from which point there was a more than doubling of outbound tourists.

China may yet surprise, as it has already in many areas, with the speed of adoption. Surveys are also highlighting that shopping remains a key purpose with an intention to increase spending budgets. That is certainly attracting the attention of many given an already relatively higher propensity to indulge in luxury purchases.

Even a cursory review of the pictures of Beijing's air pollution or the queues and crowds at domestic tourist sites such as the Great Wall in Golden week, support the notion that an increasing proportion of the domestic tourist market will venture further afield as confidence and means grows. Rising incomes, relaxed visa restrictions and perhaps an increase or some flexibility in annual leave will all contribute. Thailand, Japan and South Korea have experienced exponential increases in Chinese visitors and we note more recently, Baidu's search rankings are showing an increasing interest in shopping destinations such as Dubai and Singapore.

The scale of opportunity to invest in consumption-related products from rising emerging market incomes is not only demonstrated with tourism or the potential of Chinese consumption, even though we might note as an aside that the Chinese consumed 1.9 billion bottles of red wine last year, that's more than the French.

India has 485 million people of legal drinking age with another 150 million likely to be added over the next five years. Despite already being one of the largest alcohol markets in the world, it still has one of the lowest per capita consumptions. Diageo's acquisition of United Spirits is promising for the industry and certainly there is good reason to believe that they will lift the overall industry profitability as they migrate consumers up the quality and price range. The Fund's investments in United Spirits and Pernod Ricard are not without risk, however, the potential of this market warrants a degree of patience.

It is not just the progress towards premium products that is attracting the Fund's interest. As low income consumers generate even quite modest increases in disposable income, the spending patterns develop quickly. Mosquito borne Dengue Fever is prevalent in many highly-populated, low income countries and an even more difficult intrusion for those with limited access to modern healthcare. The progression of the insecticide market from smoke based coils to mats (or papers) through to vapourisers is well-understood in the now developed markets.

The potential of markets such as Indonesia, Nigeria or Kenya is vast, especially when it is estimated that the number of deaths due to Dengue Fever or Malaria is higher in Africa than from HIV. It is not unreasonable to believe that consumers will quickly adopt effective low cost options to protect themselves as their incomes permit. All three of those markets are currently of interest to the Fund.

Outlook

The Fund is adding to positions in emerging markets as volatility and falling share prices provide longer term opportunity. Basic foodstuffs through to insecticides are being added, mostly by direct investment in emerging markets. The tourism theme continues to show potential with the Fund adding to both existing and new positions. Developed market opportunities, particularly amongst US and European listed companies, are much less compelling given the progression of those markets and prices over the past five years.

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 historical 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).

   The inception dates for each Fund are as follows:
   Platinum International Fund: 30 April 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 4 March 2003
   Platinum European Fund: 30 June 1998
   Platinum Japan Fund: 30 June 1998
   Platinum International Brands Fund: 18 May 2000
   Platinum International Health Care Fund: 10 November 2003
   Platinum International Technology Fund: 18 May 2000

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 31 March 2009 to 31 March 2014 relative to their Index (in A$) as per below:
   Platinum International Fund - MSCI All Country World Net Index
   Platinum Unhedged Fund - MSCI All Country World Net Index
   Platinum Asia Fund - MSCI All Country Asia ex Japan Net Index
   Platinum European Fund - MSCI All Country Europe Net Index
   Platinum Japan Fund - MSCI Japan Net Index
   Platinum International Brands Fund - MSCI All Country World Net Index
   Platinum International Health Care Fund - MSCI All Country World Health Care Net Index
   Platinum International Technology Fund - MSCI All Country World Information Technology Net 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.

3. Long invested position represents the exposure of physical holdings and long stock derivatives. The net invested position represents the exposure of physical holdings and both long and short derivatives.

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