Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	MAR 2016	DEC 2015
Asia	29%	31%
Europe	23%	28%
North America	12%	12%
Latin America	11%	8%
Japan	9%	7%
Russia	2%	2%
Africa	1%	1%
Cash	13%	11%
Shorts	-3%	-3%

Source: Platinum. Refer to note 3, page 4.

Performance and Changes to the Portfolio

(compound pa, to 31 March 2016)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Brands Fund	-3%	-4%	11%	10%	12%
MSCI AC World Index	-5%	-5%	17%	12%	1%

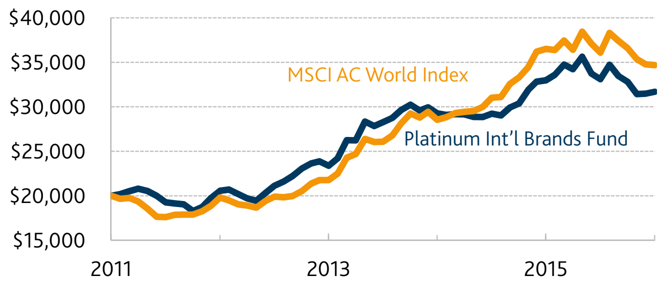
Source: Platinum and MSCI. Refer to note 1, page 4.

The Fund's performance for the quarter and the year, whilst marginally ahead of the MSCI AC World Index, was negative for both time periods. As noted in prior reports, the Fund has maintained a consistent approach to its significant exposure to consumers in the emerging markets. That proved beneficial this quarter as market flows showed a return of interest to those markets.

The Fund's strongest performing stocks across either the quarter or the last 12 months are to be found in our holdings in Vietnam, Brazil, India and Russia. Notably, Vietnam Dairy has increased in value by some 50% over the year and our Brazilian investment in Hypermarcas, highlighted in the December 2015 Quarterly Report, contributed with a 30%

Value of $20,000 Invested Over Five Years

31 March 2011 to 31 March 2016



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

increase in value in the quarter. Also mentioned in the prior commentary were Almacenes Exito (Colombian retailer) and Groupe Casino (the French retailer and parent company of Exito), both of which performed well during the quarter, albeit still well down from 12 months ago.

Detractors from performance were otherwise widespread, with some small gains from the Fund's US investments being more than offset by declines in our positions across Europe, Hong Kong and China. The Fund has very little hedging back to the Australian dollar which contributed a minor drag on performance, given the recent modest appreciation of the currency.

The Fund sold several holdings in the quarter, amounting to approximately 8% of the Fund: European holdings **Mulberry**, **Sonae**, **Remy Cointreau** and **Tod's** along with our Kenyan investment in **Safaricom**. These positions have all made a notable contribution to past Fund performance, with Mulberry in particular having been one of the Fund's leading contributors to performance in recent years.

The Fund has initiated positions in the Japanese e-commerce company **Rakuten** along with **Asahi**, the Japanese beer company, and **Kering**, best known for its Gucci brand.

Commentary

The prospect of low or uncertain growth facing many companies hasn't been lost on investors with an evident bias in the market to those companies offering some degree of apparently reliable growth. The S&P 500 Consumer Staples index is one of the few sectors showing gains for the year, rising 11% to record levels, compared to less than 2% for the entire S&P 500. Valuation multiples have clearly expanded as few consumer companies have been able to maintain sales and earnings growth above 10%.

During periods of low overall growth, gaining market share at the expense of the myriad of weaker or smaller competitors that have flourished during easier times is often an attractive option. Recessions, albeit unwelcome for many, have in the past provided a useful opportunity for market leaders to wind back egregious price umbrellas and retake market share. Winning market share using core strengths in existing markets tends to be a lower risk option than expanding into new markets. For those companies who have their house in order, it's a matter of layering the options from the lower risk prospect of gains with existing products in home markets through to seeking growth with new products in new markets. The theory appears simple; in practice we find surprisingly few companies are well equipped to successfully expand on multiple fronts.

Reckitt Benckiser has been one such company that has shown remarkable consistency and capability over a long period of time. They are well known for their leading household brands (such as Finish, Air Wick and Dettol) and their expertise in winning market share profitably. Perhaps less well known is that they have steadily built a consumer health business which grew from being a mere 5% of sales in 2005 to now a third of sales. The acquisition of the UK's Boots Healthcare provided brands such as Strepsils, Clearasil and Nurofen.

As a brand, Strepsils has an enviable history. Invented in 1958 in the UK by Boots, well known for their high street pharmacies, it was originally sold on prescription and whilst the basic formula hasn't changed, it's since achieved widespread availability without prescription and holds leading market share positions in many countries. Boots also discovered the analgesic *ibuprofen* (Nurofen) in the early 1960s. Originally a prescription medication, it became more widely available in the 1970s when the US approved it for over the counter sales. The leading US *ibuprofen* brand, "Advil", was originally made under licence from Boots. There are many other iconic consumer health brands with remarkable long-term brand building success that are available without prescription, including such well-known brands that have stood the test of generations such as Vicks (1891) and Aspirin (1897).

We are noting an increased interest by the regulatory authorities to allow products previously only available by prescription to be sold over the counter, perhaps motivated by budget constraints. We suspect this will continue to expand beyond the recent additions of allergy treatments (Rhinocort) and the stomach relief drug Nexium24hr. Along with an expanding list of products that may become available over the counter, we have also noted the increased appetite by companies such as Bayer, Sanofi and Reckitt Benckiser that have paid or are willing to pay rich multiples to acquire in this area.

As we have seen in other consumer product categories, we believe the branded consumer health segment is in the very early stages of global consolidation. The Fund is initiating investment in this area and interestingly at valuations that are notably more palatable than the currently highly favoured S&P 500 Consumer Staples companies.

Outlook

The Fund continues to hold positions in emerging markets based on valuations and growth prospects that appear increasingly at odds with those displayed by the leading S&P consumer companies. A good part of this divergence is attributable to the risk appetite of investors with valid concerns across a range of issues, including currency, debt levels and the depth and duration of recessions in Brazil, Russia and other markets. Notwithstanding the headlines and ongoing concerns of the market, the Fund has had recent success with a number of our emerging market holdings and will continue to seek out those companies, regardless of region, that have the potential to navigate the current environment and are offered at an appropriate valuation.

Platinum has a long-standing policy of awarding fund management responsibility to talented and capable members of the Investment Team in order to develop talent within the team. As a continuation of this policy, consumer sector analysts, Ian Carmichael and James Halse, have each been given responsibility to manage up to $100 million of the Platinum International Brands Fund.

Notes

1. The investment returns are calculated using the relevant 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: 28 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

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

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 31 March 2011 to 31 March 2016 relative to its benchmark index (in A$) 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

   The investment returns are calculated using the relevant 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 benchmark 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. Invested position represents the exposure of physical holdings and long stock derivatives.

Disclaimer

This publication has been prepared by Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 trading as Platinum Asset Management (Platinum®). It contains general information only and is not intended to provide any person with financial advice or take into account any person's (or class of persons') investment objectives, financial situation or needs. Before making any investment decision you need to consider (with your financial adviser) whether the information is suitable in the circumstances.

Platinum is the responsible entity and issuer of units in the Platinum Trust Funds® (the Funds). You should consider the Product Disclosure Statement in deciding whether to acquire, or continue to hold, units in the Funds. You can obtain a copy from Platinum's website, www.platinum.com.au or by phoning 1300 726 700 (within Australia), 02 9255 7500 or 0800 700 726 (within New Zealand), or by emailing to invest@platinum.com.au.

No company in the Platinum Group® guarantees the performance of any of the Funds, the repayment of capital, or the payment of income. The Platinum Group means Platinum Asset Management Limited ABN 13 050 064 287 and all of its subsidiaries and associated entities (including Platinum).

MSCI Inc Disclaimer

Neither MSCI Inc nor any other party involved in or related to compiling, computing or creating the Index data (contained in this Quarterly Report) 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 Inc, 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 Index data is permitted without express written consent of MSCI Inc.