

PLATINUM INTERNATIONAL BRANDS FUND



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PERFORMANCE

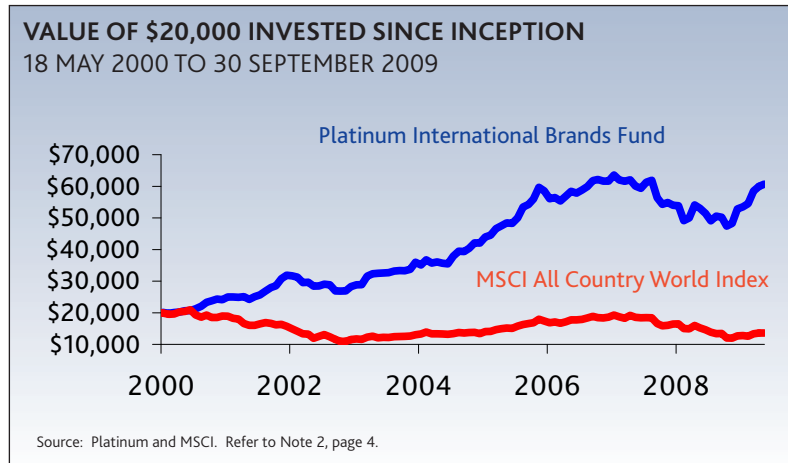
The Brands Fund achieved a positive return of 11.4% for the quarter in rising markets where the benchmark MSCI World Index returned 8%. Despite the recent surge in the markets the benchmark MSCI performance for 12 months continues to show a loss of 10.7%, while the Brands Fund returned a positive 14.4%, a relative outperformance by the Fund of 25%. Over five years the Brands Fund has returned 11.2% pa compared to the 0.5% pa from the MSCI.

The European stocks in the Fund contributed strongly to the quarter's performance. The Fund's leading positions were up significantly with Henkel, as discussed in the last quarterly report, and Adidas, up over 30%. BMW and Pernod both added more than 20%. The other 'intriguing addition' to the portfolio discussed in the last quarterly was up 40% on the quarter and continues to be held by the Fund.

The Fund's Japanese investments were notable detractors from performance with declines over the quarter. In the rising markets the Fund's short positions also marginally detracted from performance.

DISPOSITION OF ASSETS		
REGION	SEP 2009	JUN 2009
EUROPE	41%	36%
ASIA	25%	23%
JAPAN	9%	10%
SOUTH AMERICA	6%	5%
NORTH AMERICA	5%	5%
CASH	14%	21%
SHORTS	8%	7%

Source: Platinum



COMMENTARY

Past quarterly commentaries of the Brands Fund have highlighted the apparent contradiction between the challenging macro factors at play, particularly the deteriorating consumer markets of the developed world, and the opportunities that are inevitably available for investment.

Notwithstanding the very real difficulties being faced by many consumers there remain significant returns to be gained from stocks in high quality companies in the mature markets, especially in those cases where the management teams take constructive advantage of the circumstances. By way of example, Henkel remains a significant holding given our assessment of the ongoing improvements to its business. Likewise, there remain attractive developments in the operations of the Fund's other major holdings: Pernod, Adidas and BMW.

Having noted that the core holdings of the Fund remain attractive and are contributing well to performance it is always difficult to resist the temptation to enthuse about the virtues of the latest addition to the Fund. Interestingly, the Fund continues to find a range of intriguing opportunities.

Perhaps surprising is that relatively undiscovered or neglected companies can be discovered in the most obvious of places. For instance, it's improbable, given the focus on China of the last few years and the growth in consumption, to identify a market leading branded goods company supplying the Chinese consumer that's apparently been neglected by the markets.

Hsu Fu Chi International Ltd, a leading confectionery producer to the Chinese, was added to the Fund at 12x trailing earnings and with cash on the balance sheet to fund additional capacity.

Hsu Fu Chi's core production facilities in Dongguan have a combined productive floor area exceeding 500,000 sq metres housing 136 production lines and 380 high-speed automated packing lines capable of producing more than 700 tonnes of confectionery a day!

The majority, 98%, of the confectionery produced is for the Chinese market. Indeed, given the continuing growth and the need to construct more manufacturing facilities it is unlikely that readers will be able to sample the products other than by visiting China.

Although only listed in 2006, the company has been winning awards in China for many years and has been the market leader with its candy products since 1998. The stock listing in Singapore as opposed to Hong Kong may partially account for the financial markets' myopia despite the obvious size of the facilities and the financial growth of the company.

There is little broker coverage and the share register is notable for the lack of participants. The investment plans and recent performance of this company suggest that it's still a relatively young company but clearly one that's being built for a bigger future. One suspects it's only a matter of time before we hear excitedly from the broker community about this overlooked opportunity.

Many readers will be familiar with the leading tea brand Tetley and perhaps recall the longevity of the distinctive *Tetley Tea Folk* advertising campaigns. Tetley remains the market leading tea in the UK and the second largest branded tea business globally.

Recent organisational changes look promising with global management now centred in the UK and an ambitious plan commitment to expand both geographically and beyond tea with the consolidation of coffee and water businesses into the company. Geographic opportunities abound with the company products available to less than half the world's tea drinkers. The recent acquisition of a major tea and coffee distributor in Russia exemplifies the scope, given that Russia is the world's second largest tea market and is yet to experience the range of products from Tetley.

OUTLOOK

The Fund's focus will continue to be on identifying neglected companies with the potential for sustained growth, mostly but not exclusively from consumers in emerging markets.

Expectations of good earnings results are being enhanced by cost reductions, especially redundancies, and falls in commodity costs. Previous price increases further support margin expansion and underpin the recent optimism. The challenge rests with the revenue line which will increasingly become the focal point now that the crisis on margins and credit has passed.

The search for growth may well be reflected in an increase in merger and acquisition activity, as in the past quarter. The beverage industry, both alcoholic and non-alcoholic, continues to show signs of activity with recent discussions and likely ownership changes in the beer market in Mexico having global implications. Brands Fund has significant exposure to the beverages industries with more than 25% of the Fund invested therein.

The significant decline in Sterling has no doubt facilitated and encouraged Kraft in their attempts to buy Cadbury as they search for growth. Similarly the Brands Fund is investing in a UK-based company with brands that are widely recognised internationally. The company's recently constructed production facility in China is believed to be the world's largest in the category. Modern capacity and ambitious expansion plans make this an attractive proposition for a variety of suitors.

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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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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