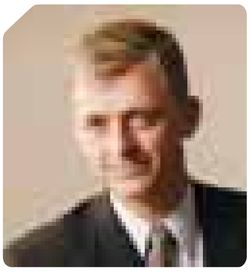
PLATINUM INTERNATIONAL BRANDS FUND



Simon Trevett
Portfolio Manager

PERFORMANCE

The Fund achieved a return of 10.4% for the quarter, contributing to a return of 35.4% for the year. By comparison the MSCI World Index returned 7.6% and 18.4% for the quarter and year respectively.

The Fund has continued to benefit from its exposure to the Asian markets, particularly Japan and Korea with approximately one third of the Fund invested in those two markets. Notably, our investments into the regional banks have performed exceptionally well in the quarter, with returns in the range of 15 to 25%.

LG Electronics of Korea stands out as a significant contributor to the returns for the quarter. In the previous quarterly report we highlighted LG Electronics as one of the largest positions in the Fund and expounded upon the business opportunities created by this company in the appliance division. Clearly the stock has benefited from a strong tailwind with the rise in the Korean stock market. We are, however, maintaining a significant investment based on our perception of the broader prospects of this company. Especially as they continue to build the brand with new products across all divisions; mobile telephones, household appliances and TVs.

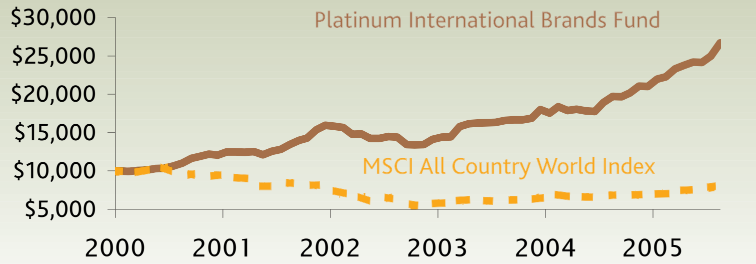
We have also commented previously on the extraordinary opportunity that investing in India provided and the benefit to the Fund of having that exposure. In this quarter, the contribution to performance continued with our investment in Bata India (footwear) showing an outstanding gain along with several of our other investments in that country. Our European investments have been rather mixed, with good returns from Henkel and Credit Agricole and somewhat more restrained showings across the rest of the portfolio.

DISPOSITION OF ASSETS

REGION	DEC 2005	SEP 2005
EUROPE	28%	24%
OTHER ASIA (INCL KOREA)	26%	26%
JAPAN	24%	20%
NORTH AMERICA	5%	6%
CASH	17%	24%
SHORTS	8%	11%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 DECEMBER 2005



Source: Platinum and Factset. Refer to Note 2, page 5.

Detracting from the short term performance have been our US stocks such as Estée Lauder along with some of our more recent investments in Japan and Europe.

Remy Cointreau, where a change of management may address the chronically underperforming champagne business, whilst also expanding on the potential of the two namesake brands.

CHANGES TO THE PORTFOLIO

The changes to the portfolio have resulted in the Fund's investment in Japan and Europe increasing and a reduction in India; we sold our holding in Titan Industries (watches and jewellery) after a seven fold rise. In Japan, we have been adding to the portfolio with the addition of two more companies, Nagano Bank and Mitsui Sumitomo Insurance.

In Europe, we have made several investments lifting the weighting of the Fund in that region by 4% to 28%. Two of these *new* investments are in companies that we have followed for many years:

L'Oreal, whose share price declined to a point that we found attractive given their geographic opportunities and financial flexibility. The valuation, at a long term low point, reflects concerns regarding the recent below trend results and the change in CEO. It may well take some time for the results to rebound and for the market to gain confidence in the new leadership. Nonetheless, we will be content to be patient and follow the development of both existing and new opportunities for this company.

Davide Campari, a company that we have previously invested in over the years was added back into the portfolio. The company has been busy acquiring both brands and distribution rights as the major acquisitions across the industry, such as Pernod acquiring Allied Domecq, trigger regulatory enforced disposals. The global spirits market continues to offer some intriguing possibilities for development, both for brands and regional distribution, and we have been building our investments in this area. We have also added

COMMENTARY

What are we to think when a major beer brewer that's currently engaged in what's arguably the fiercest and most threatening marketing battle in their corporate history launches a product into the spirits market?

It is certainly possible to dismiss the launch of *'Jekyll and Hyde'* by Anheuser Busch as experimental or a minor irrelevant distraction and the chances are that this product may well quietly disappear from the shelves in the near future. Especially as the company are themselves shy to highlight their new subsidiary.

Jekyll is "60-proof, scarlet-red product with a wild berry flavour" and Hyde is "80-proof, black in colour" and "a little liquorice tasting". The black floats on the red although it is apparently possible to drink them separately.

Does Anheuser view the US beer industry as challenging and less attractive? Over the last three years Anheuser has been battling the determined competition of SABMiller with both companies predominantly using promotional discounts in an attempt to increase or regain market share. More simply this has been a ferocious, if somewhat sporadic, price war. The key observation is that a reduction in prices has proven, yet again, that although market share points can be incrementally 'traded', underlying patterns of consumption are not influenced by price alone.

Consumer preferences in the US appears to have been changing, certainly their purchasing of greater quantities of wine and spirits at the expense of the beer market is evident. The brewers have clearly been concerned that their price reductions for beer have not resulted in increased consumption; the expected volume lift to offset the cost of discounting has not materialised.

So is Anheuser tacitly acknowledging that their dominance of the broader alcoholic beverage market is also under more serious threat than a mere market share tiff with SABMiller? Perhaps their systemic abuse of the consumer through sustained price gouging, both explicit and implicit in the product, restricting choice through the buying of small boutique breweries and converting the output to 'sameness', whilst also presiding over a steady deterioration in branding and media standards, has created a fertile opportunity for a worthy alternative.

These disgruntled thoughts were certainly evident at a recent industry meeting, particularly amongst Anheuser's 'exclusive' distributors along with some cutting criticism about the relative decline in profitability of these family-based businesses. Those distributors that are not exclusive to Anheuser have enjoyed more success through growth in their other product ranges, such as wine and spirits.

Perhaps of greater concern for this closed-system of beer distribution is the potential for major changes to the archaic and parochial regulations covering the sale of alcohol in the US. The current (three tier) system requires individual store retailers to purchase alcohol from a distributor within the state. The wine industry has had some limited success at the state level in being able to deliver across state borders, although this is still the exception. The three tier system (supplier, distributor, retailer) is intact with many examples of archaic regulations regarding distribution and pricing that are mostly directed against the wine and spirits industry. The current system prohibits quantity discounts and deliveries to retailers' central warehouses and imposes a mandatory distributor mark-up. Many of these laws and regulations date from the Prohibition era.

Nothing is inevitable or necessarily predictable with legislative change, however, such a ridiculous system does look to be under pressure. There are now more proponents of change with greater influence than at any time in recent history. Diageo has emerged with a quarter of the US spirit market and as an international company has sufficient resources and experience in other markets to compete with the beer industry at federal lobbying.

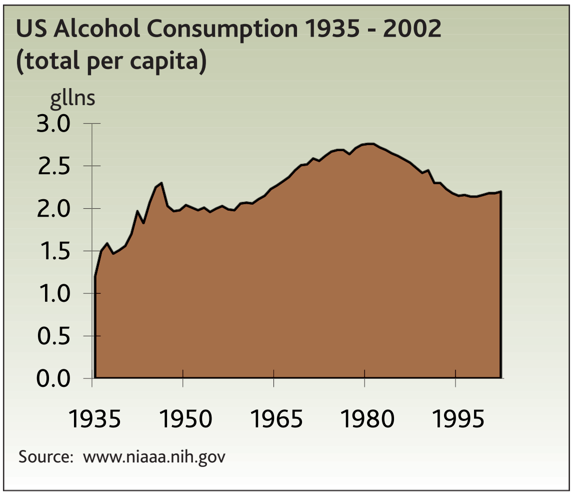
Other interested parties are the national retailers. Historic dominance in the US by regional or local supermarkets diminished the incentive to challenge the national alcohol distribution system. Now WalMart, with less than 1% of their revenue from alcohol, are desperately keen to secure new sources of growth in their business. Diageo is working with WalMart to lift sales from alcohol five fold over the next five years. Costco, WalMart's key competitor, has been given leave to take a case before the Supreme Court challenging for the right to source directly from suppliers.

The Federal Trade Commission has reported that the current three tier system imposes on the wine and spirits industry *the most expensive distribution system of any packaged-goods industry by far*. They also observed that the regulatory concerns of tax collection and temperance could be met by other means and concluded that the current system was *an abuse of the regulatory process to protect concentrated economic interests*.

It may ensue that other domestic lobby groups hold sway over the mounting pressure to ease some of the legal impediments to a more open system, however, the US is conspicuous by international comparisons. The European Union has already requested liberalisation of the US distribution system and is linking the discussion to trade agreements. There have also been suggestions that the World Trade Organisation reviews the system for protectionism.

Statistics on the US market are difficult to interpret given the significant distortions in that market. Overall though there does appear to be a meaningful opportunity for increased consumption on a broad basis if moves to eliminate some of the restrictive trade practices are successful. Per capita consumption of 'spirits' are not very different from the levels of the 1950s and are well below their peak of the late 1970s or early '80s. Again, with caution on the reliability of the statistics, a small 6% of the US adult population account for half of US alcohol consumption.

We might surmise that this could provide abundant opportunity for the leading spirit brands to exploit their strong brands from a relatively low consumption base.



OUTLOOK

There are several investment themes underpinning the portfolio where further research has yielded company specific opportunities. We are encouraged that there is still potential in the current investments and in the underlying themes to find new ideas.

The portfolio has produced some exceptional returns over the past year and we would caution investors not to harbour excessive expectations based on the most recent performance. The emerging markets of the East would still appear to offer the strongest growth prospects and, notwithstanding the US focused commentary, we will continue to seek opportunities to participate either directly or indirectly. Although our spirits' and cosmetic companies are predominantly European listed, many have increasingly important Asian operations.

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 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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