

PLATINUM INTERNATIONAL HEALTH CARE FUND



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PERFORMANCE AND CHANGES TO THE PORTFOLIO

PERFORMANCE (compound pa, to 31 March 2008)

	QUARTER	1 YR	2 YRS	3 YRS	SINCE INCEPTION
PLATINUM INT'L HEALTH CARE FUND	-10%	-10%	-9%	7%	2%
MSCI HEALTH CARE INDEX	-12%	-17%	-11%	-1%	1%

Source: Platinum and Factset. Refer to Note 1, page 1.

The Platinum International Health Care Fund declined 10.5% in the quarter compared to the MSCI Health Care Index performance of -12.4%. For the year the Fund lost 9.7% versus -16.7% for the Index.

Big pharma successfully continues to defend its out-of-favour status while big biotechs, Gilead and Genentech, remain the preferred choice of investors.

The Health Management Organisations (HMO) in the US lost their "safe haven" position after profit warnings from several of these companies made investors rethink their strategy. The repercussions of this have strategic, rather than immediate relevance for the Health Care Fund as it does not have any exposure to US HMOs since valuations have remained high. We believe the story of these companies is well understood.

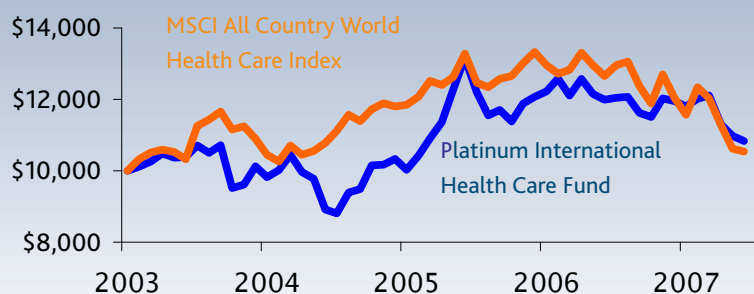
DISPOSITION OF ASSETS

REGION	MAR 2008	DEC 2007
NORTH AMERICA	44%	53%
EUROPE	26%	24%
JAPAN	4%	6%
ASIA	2%	3%
SOUTH AMERICA	1%	1%
CASH	23%	13%
SHORTS	2%	1%

Source: Platinum

VALUE OF \$10,000 INVESTED SINCE INCEPTION

10 NOVEMBER 2003 TO 31 MARCH 2008



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

We like biotech. Unfortunately, it was a sector that performed poorly during the quarter and over the past 12 months. Some of our holdings experienced pipeline setbacks, while others faced regulatory delays or simply got caught up in the sector decline. For some holdings this provided a good opportunity to add to companies that have made good progress. Crucell, the Dutch vaccine maker is a good example. The share price has declined 50% despite the company steadily improving the distribution of several vaccines globally and becoming cash flow positive. In addition, the balance sheet is solid and provides good R&D support for the company's pipeline.

The portfolio continued to benefit from our large pharma/generics holdings including Daewoong Pharma, Johnson and Johnson and Teva. Diagnostic holdings also remained strong as have been our investments in Clinical Research Organisations Icon and CMIC, a Japanese CRO with links into Asia and South America.

COMMENTARY

At a time when drug developers find it extremely challenging to get new drugs approved, device makers are a very interesting alternative. Clinical trial programs are smaller and a lot of new technologies have emerged over the past 10-15 years. Many companies have good balance sheets

First Gamma Knife Prototype



Source: Elekta

and have established a strong reputation with their customers.

The medical device sector is very diverse, with well known companies such as Medtronic, providing a large range of devices from insulin pumps to pacemakers and neurostimulators. At the other end of the spectrum, the “one product line” companies are looking for new opportunities or a buyer.

Elekta, a Swedish radiation therapy company sits somewhere in the middle and has managed to evolve from a single focus on brain radiation to auxiliary products allowing tumour radiation beyond the brain.

This diversification process started in the 1950s with neurosurgeon Lars Leksell (founder of Elekta) developing the Gamma Knife, a radiosurgery device (a rigid frame fixed to the skull providing reference points to guide therapy) that precisely delivers radiation to specific sites of the brain. The knife is still in demand today, albeit as a much more modern version combined with the newest imaging technology and IT support.

Modern Version of Gamma Knife



Worldwide there are about 260 Gamma Knives which are used for brain tumours or minimally invasive brain surgery.

What is more interesting about Elekta is the fact that the company managed to move beyond this first product and establish a solid customer base in the area of tumour radiation, despite serious competitors such as Siemens. This achievement has not come easily for Elekta. A combination of events triggered a serious crisis: there was the integration of a big acquisition which provided the company with a radiation source; there was heavy investment in developing these new oncology devices; and additionally, Elekta's revenue from Asia (45% of total revenue) disappeared as the region had its own problems at the time. These pressures were significant and took several years to overcome.

It is remarkable that despite all these challenges and restructuring activities, Elekta remained focused and ultimately produced new devices for "intensity modulated radiation therapy". This type of therapy uses small, bundled radiation beams (these can vary in intensity) that are subsequently shaped to match the tumour. The whole procedure is guided by images and is very precise, preventing damage to the surrounding tissue. A crucial part of this technology is the interplay between imaging and software as well as positioning of the patient. Elekta has continued to strengthen its offering in each of these areas over recent years. Today Elekta keeps installing new oncology devices worldwide, continues to improve its technology and adds new product lines eg. Neuromag, a device that maps brain activity. Basically Elekta is very busy in the development of its products.

In a very US-focused world, Elekta's small established base in the US (8% versus Varian with 64%) and the company's lower (current) profitability compared to its US-based competitor is disappointing many investors.

To us this aspect is less of a worry, and makes us like the company more. The market fails to take into account Elekta's lead position in China and forgets that the company has successfully managed crises in the past. The company is still small (half the size of Varian) and refuses to compromise on R&D, again a philosophy we support and which offers potential for longer-term value.

OUTLOOK

In recent months valuations of many health care companies have declined and there are several interesting biotech and device companies that do warrant a closer look. As we mentioned many times before, M&A in the sector is a reality and will only increase in coming months. Business development teams so far have remained disciplined but are no less active. The next wave of deals will put biotech back on investor minds.

Outsourcing continues to be a major trend as is the investment into automation and new molecular diagnostic technology. Environmental testing is also on our radar screen and several opportunities are currently being investigated.

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 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. 7 (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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