

PLATINUM INTERNATIONAL HEALTH CARE FUND



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Portfolio Manager

PERFORMANCE AND CHANGES TO THE PORTFOLIO

PERFORMANCE (compound pa, to 31 March 2009)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
PLATINUM INT'L HEALTH CARE FUND	-3%	-8%	-9%	-1%	0%
MSCI HEALTH CARE INDEX	-10%	2%	-7%	1%	1%

Source: Platinum and MSCI. Refer to Note 1, page3.

The Platinum International Health Care Fund declined 2.6% in the quarter compared to a decline of 9.7% for the MSCI Index. For the year, the Fund lost 8.3% while the Index advanced almost 2%.

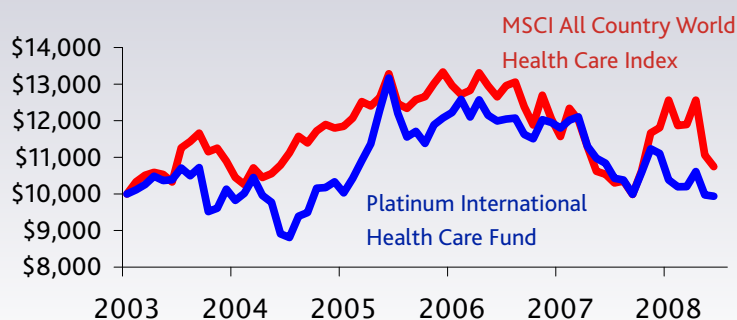
During this quarter discussion of proposed changes to the US health care system had investors worried. There is an acute awareness in Government, the industry and the market that health care costs have to be reduced and money needs to be drawn from somewhere to implement universal healthcare coverage. Details on how this will be achieved are still scarce but it is clear that corporate profits will be harder to generate than in the past. For example, there will be no market for a fifth cardiovascular stent or another cholesterol lowering drug when the same efficacy and safety profile are already available from a cheap generic version.

DISPOSITION OF ASSETS

REGION	MAR 2009	DEC 2008
NORTH AMERICA	39%	39%
EUROPE	27%	28%
JAPAN	2%	2%
CASH	32%	31%
SHORTS	4%	5%

Source: Platinum

VALUE OF \$10,000 INVESTED SINCE INCEPTION 10 NOVEMBER 2003 TO 31 MARCH 2009



Source: Platinum and MSCI. Refer to Note 2, page3

Companies will need to respond to such changes and they have already started this work. The trend so far is reflected in more acquisitions along with geographical and product diversification. Pharma, biotech and medtech are all busy shopping or analysing available opportunities. Several of our biotech holdings are considered good targets. For example, this quarter Crucell, the last independent vaccine maker, attracted a bid from Wyeth, although negotiations fell apart after Pfizer bid for Wyeth. We continue to like and hold Crucell for many reasons. It is now profitable with a solid cash position allowing it to progress its pipeline.

Big pharma consolidation is back, despite its dismal track record. As previously mentioned, Pfizer is pursuing Wyeth for its vaccine and biologics expertise. The Swiss pharma Roche is buying 100% ownership of its long-term biotech partner Genentech. The US pharma Merck, which is new to the large pharma takeover game, will acquire its cardiovascular partner Schering Plough, who itself, recently purchased Organon (pharma arm of Dutch chemical company AkzoNobel).

The motivation behind each of these transactions does differ. Where size was once a major determinant, the factors to be considered are now more complex. The Pfizer/Wyeth combination raises alarm bells for investors as it looks likely to repeat old mistakes. As is often the case but rarely achieved, huge potential cost savings are at the forefront of justification for the acquisition. Both companies have similar patent issues occurring at the same time. We're concerned by the less than convincing R&D track record of both and it isn't likely to be Pfizer's last acquisition either.

In the case of Roche, its acquisition is about having full control over Genentech's remarkable oncology (biologics) franchise and the very strong cash flow that goes with it. How Roche will maintain the "science" culture of Genentech remains to be seen and an argument can be made that the deal was mostly driven by financial modelling.

The Merck-Schering-Plough combination is one to watch closely. It did disappoint some that Merck has not stuck by its philosophy to avoid large acquisitions. To take a balanced view, this transaction is not just about cost cuts or size. It is also about sales growth and launching new products. Both companies have been through several years of internal clean up, their patent expiration schedules do not overlap nor do their disease areas or pipelines. Schering Plough is an interesting company, its joint venture with Merck and the consequent doubling of exposure was a reason we have not previously owned it, but we do see value and opportunity in this pharma combination.

In the health care landscape consolidation will continue, as will the political chatter. Our concerns focus on the cash balances of biotechs and the possibility that deals may not materialise soon enough. Thus we will continue to trim our positions along the way. We will be adding to companies that are profitable and have a pipeline of drugs or devices the market isn't recognising. Further, we like the idea of follow on biologics and are looking to increase our exposure in this area.

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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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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