The Platinum Trust® Quarterly Report

31 March 2010

The Platinum Trust quarterly report is available on our website, *www.platinum.com.au*, from approximately the 15th of the month following quarter end

Platinum International Fund
ARSN 089 528 307

Platinum Unhedged Fund
ARSN 123 939 471

Platinum Asia Fund
ARSN 104 043 110

Platinum European Fund
ARSN 089 528 594

Platinum Japan Fund
ARSN 089 528 825

Platinum International Brands Fund
ARSN 092 429 813

Platinum International Health Care Fund
ARSN 107 023 530

Platinum International Technology Fund
ARSN 092 429 555

Platinum® ASSET MANAGEMENT

Contents

Experts...

We recognise that our greatest untapped resource is our readers. If you are an industry expert, we would welcome your comments and ideas.

Please email us at:

commentary@platinum.com.au

Performance Returns to 31 March 2010

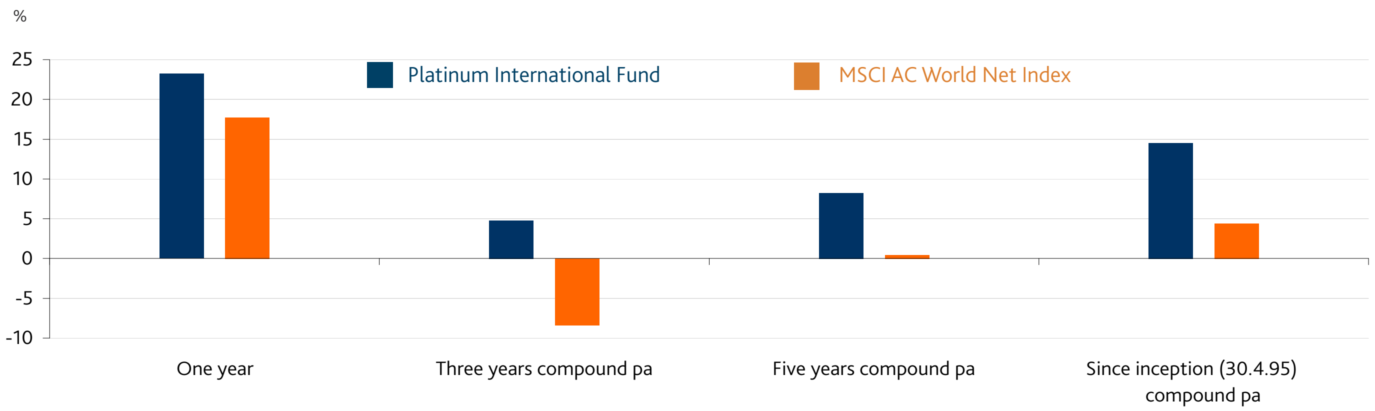
FUND	PORTFOLIO VALUE	QUARTER	1 YEAR	2 YEARS COMPOUND PA	3 YEARS COMPOUND PA	5 YEARS COMPOUND PA	SINCE INCEPTION COMPOUND PA
International Fund	**$9,124m**	**1.2%**	**23.2%**	**10.8%**	**4.8%**	**8.2%**	**14.5%**
MSCI AC* World Net Index		1.1%	17.7%	-6.2%	-8.4%	0.4%	4.4%
Unhedged Fund	**$73m**	**5.3%**	**39.0%**	**9.9%**	**4.2%**	**11.2%**	**11.3%**
MSCI AC World Net Index		1.1%	17.7%	-6.2%	-8.4%	0.4%	0.7%
Asia Fund	**$3,509m**	**-0.2%**	**32.9%**	**5.8%**	**7.9%**	**14.5%**	**21.4%**
MSCI AC Asia ex Japan Net Index		-0.8%	31.2%	-1.8%	0.5%	9.6%	12.2%
European Fund	**$169m**	**2.3%**	**45.7%**	**4.6%**	**-2.7%**	**5.9%**	**11.6%**
MSCI AC Europe Net Index		-3.4%	19.7%	-12.0%	-11.6%	0.1%	-0.7%
Japan Fund	**$492m**	**8.4%**	**13.8%**	**13.5%**	**-1.7%**	**4.2%**	**15.1%**
MSCI Japan Net Index		6.0%	4.4%	-6.3%	-12.8%	-2.1%	-1.1%
International Brands Fund	**$455m**	**3.0%**	**42.1%**	**11.8%**	**3.6%**	**10.2%**	**13.3%**
MSCI AC World Net Index		1.1%	17.7%	-6.2%	-8.4%	0.4%	-3.5%
International Health Care Fund	**$15m**	**9.3%**	**20.8%**	**5.3%**	**0.0%**	**6.1%**	**2.9%**
MSCI AC World Health Care Net Index		-0.1%	2.4%	2.2%	-4.5%	0.4%	1.5%
International Technology Fund	**$43m**	**0.5%**	**29.3%**	**13.4%**	**3.7%**	**8.0%**	**8.9%**
MSCI AC World IT Net Index		1.1%	20.7%	1.9%	-3.0%	1.5%	-11.0%

* Morgan Stanley Capital International All Country

Source: Platinum and MSCI. Refer to Note 1, page 36.

Platinum International Fund Versus MSCI AC World Net Index

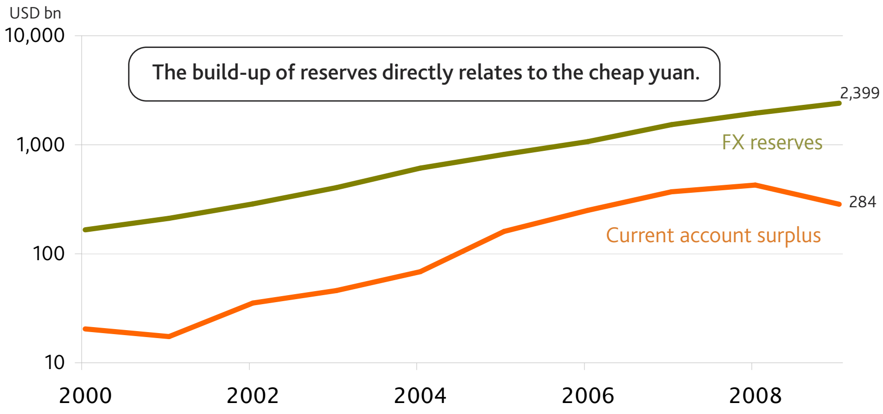
To 31 March 2010



Source: Platinum and MSCI. Refer to Note 1, page 36.

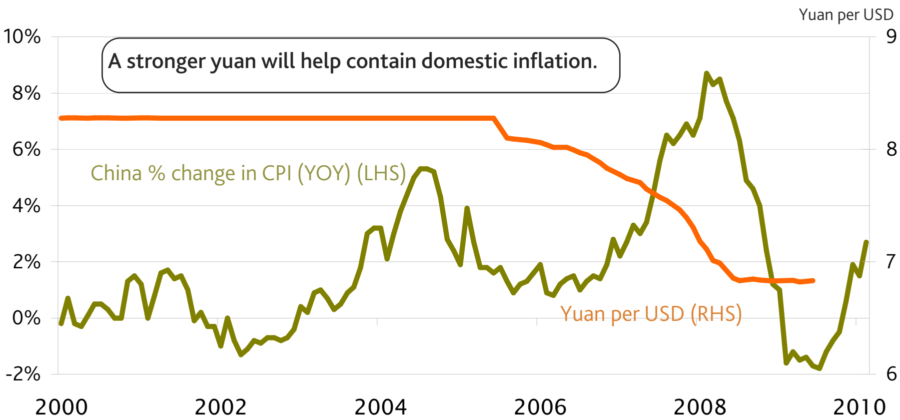
Market Panorama

China Foreign Exchange Reserves and Current Account (log scale)



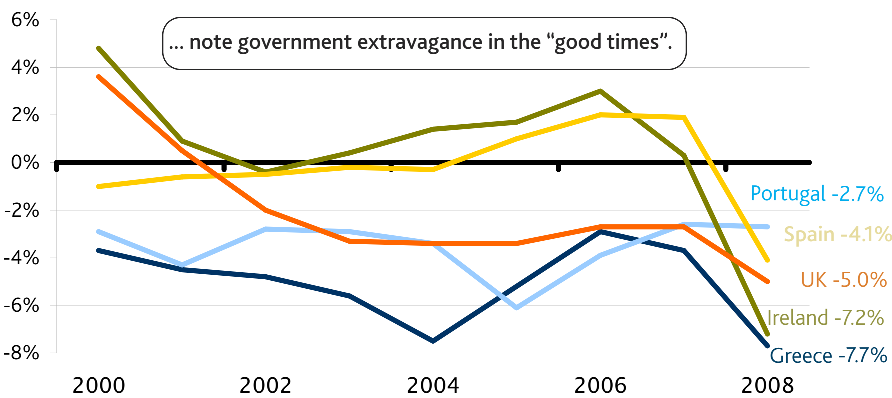
Source: Factset

China Consumer Price Index and Exchange Rate



Source: Bloomberg

Fiscal Deficits in Europe (% of GDP)



Source: Factset

Platinum International Fund

Kerr Neilson Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
Europe	26%	26%
North America	24%	25%
Asia and Other	21%	21%
Japan	18%	17%
Cash	11%	11%
Shorts	21%	18%

The Fund also has a 17% short position on Japanese Government Bonds.

Source: Platinum

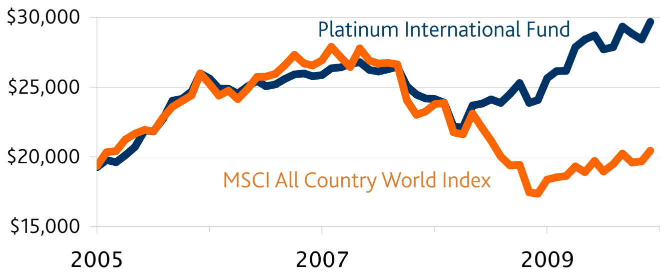
Performance

The price deterioration of the credit default swaps, which we highlighted with a chart last quarter, forewarned observers of the impending problems with Greece and other Club Med members even if the rating agencies followed their normal market-trailing ways. These concerns spilled over into the equity markets in February spoiling sentiment that had already been softened by the problems besetting Dubai. However, with most economic pointers suggesting that the global recovery was broadening out, investors took the opportunity of the dip to employ some of their accumulated cash holdings.

Within markets there was a pattern of the earlier leaders like China and other emerging markets tending to lag while the slower markets of late 2009, mainly the developed markets, tended to speed up. There was not much change in sectorial leadership with investors still favouring those industries that benefit from stronger economic activity. The laggards remained the defensives such as health care, telecoms and utilities. Late in the quarter the financials showed more form on the basis of an improving view about delinquencies.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

The MSCI All Country World Net Index rose in Australian dollars by 1.1%, while our Fund achieved 1.2%. The positive contributors by region were (in order), Japan, North America and Europe, while Asia was flat. Our short positions cost around 0.5%. This is obviously disappointing but given the uncertainties of the times, and the predilection of this manager to attempt to mitigate risk, the strong showing in the last 12 months of 23.2%, inclusive of the losses on the shorts, may be acceptable. Over the last 12 months the MSCI has returned 17.7%. Taking a ten year view, the Fund has compounded at 9.4% pa, while the MSCI has experienced a net contraction of 3.5% pa compound.

MSCI World Index Regional Performance (AUD)

REGION	QUARTER	1 YEAR
Japan	6%	4%
US	3%	13%
India	3%	63%
Australia	2%	41%
Korea	2%	35%
Hong Kong	0%	25%
Emerging Markets	0%	37%
Brazil	-2%	53%
United Kingdom	-3%	21%
Germany	-5%	15%
France	-6%	14%

Source: MSCI

MSCI World Index Sector Performance (AUD)

SECTOR	QUARTER	1 YEAR
Industrials	6%	27%
Consumer Discretionary	4%	25%
Financials	2%	35%
Consumer Staples	2%	10%
Materials	1%	35%
Information Technology	1%	21%
Health Care	0%	2%
Energy	-3%	6%
Telecommunications	-4%	-3%
Utilities	-5%	-4%

Source: MSCI

Currency

Concerns about Dubai and the peripheral economies in Europe, directed investors to continue to favour the USD. The Euro was particularly weak, falling by 5.5% versus the USD while the Yen is now showing a weakening tendency. Interestingly, the AUD has not been able to exceed the highs reached in November against the USD, even with remarkably strong metal and energy prices. During the height of the concerns about Greece, the AUD revealed its sensitivity to concerns about global prosperity. We have allowed our holdings of AUD to slip lower and shifted further out of the Yen into USD. Our principal exposures are now USD and related currencies 55%; Euro 17%; AUD 15%; Yen 6%.

Shorting

As noted earlier, our shorts have been costly. The main pressure point has been our positions against several industrial companies that are factoring in a totally normal cycle. To argue this is to dismiss the turmoil of the last two years as no more than a bad dream. On account of the difficulty and volatility of individual stocks during this phase of the rebound we have, however, moved more to generic index shorts such as the retail Exchange Traded Funds and leading indices.

Changes to the Portfolio

Strong price rises among tech stocks caused us to trim back our exposure to several large holdings such as Microsoft, Micron (memory chips) and SAP (software systems). We also cut the holding of China Resource Holdings, the valuation of which now recognises the quality of its brewing business with a PE of 25 times 2010 earnings. Several smaller positions were added while larger holdings have been built in Applied Materials, Allianz AG, UPM, Stora Enso and T&D in Japan.

Applied Materials makes the equipment used to manufacture micro chips. As the leader in the field, the share price is close to a multi-year low on account of the perceived weakness in the outlook for capital spending on chip making equipment. Another factor is the company's missteps in developing thin film manufacturing technology for solar panels. We cannot identify any fundamental deterioration in the market position of Amat even if the growth rate for its semi-conducting equipment may now be on a lower trajectory. The company has been active in shifting their cost base offshore, and given the surprising improvement in demand for IT and consumer electronic products, we would be surprised if the company doesn't exceed its critics' expectations. In addition, there could be an interesting opportunity in supplying thin film solar manufacturing equipment but that would be a bonus.

Allianz and T&D are insurance companies that have been out of fashion during this early stage of the market's recovery. T&D in particular, is the quintessential play on rising interest rates in Japan because there is such a mismatch between its long-term liabilities as a life insurance company and its shorter dated portfolio of assets. Allianz, based in Germany, has been punished for the current negative underwriting cycle and the dull outlook for traditional private and commercial insurance. Both companies sell for less than their embedded value, which makes them interesting in absolute terms and extremely attractive versus alternatives.

We couldn't resist a return to our truncated theme of the growing shortage of market pulp and the rising price of waste paper. These are now back to pre-crises levels and yet the Nordic paper producers, **UPM and Stora Enso** are still hugging their lows. Trading for less than book value and having adjusted their cost bases, and with new capacity coming on in Latin America, these are interesting investments even though they are price takers.

Commentary

The gears of international trade and commerce are gradually re-meshing but on account of the earlier excesses, fundamental damage has been done and the recovery can be expected to be protracted and accompanied by setbacks. Greece, while causing consternation is merely part of the tapestry that made up the earlier boom. Without an exchange rate mechanism to adjust living standards to reinvigorate that nation's competitiveness, there is undue pressure exerted on the government to make the necessary adjustments. How is this going to work? The political process gives little comfort to those who want to believe that the pleas by the under-employed will go unnoticed. Can one really envisage that those nations which hosted a blow out in central spending and accumulated deficits in the good times will somehow have the character to face down their electors in circumstances of underemployed resources and deepening gloom? Surely the odds favour ultimate ejection by compliant states who believe there are no easy remedies other than discipline and thrift, even if it is at the cost of the realisation of the dream of an integrated greater Europe. The pressures of national self-interest are conspiring against those with the lofty ideals of the greater good and a tightly unified Europe - surely federation at best beckons.

In the meantime, Greece has to find buyers for €35 billion of its debt this year to meet government expenditure and bond roll-overs. Their ten year bonds are required to yield a full three percent more than Germany's simply to attract buyers.

The other issue that is still far from resolved is the need for a more open engagement by China with the rest of the world. Here we have the world's largest exporter and second largest economy, yet it operates with a closed currency market (termed a managed floating exchange rate). We should indeed be most grateful to China for the short-term benefits it bestowed on the world with its massive intervention, both fiscal and monetary to offset the global financial crisis, but the persistent accumulation of foreign exchange reserves tells of the underlying problem.

The internal political dilemma is painful. Investment activity has clearly shifted to the poorer inner provinces and presently investment is running at about twice the level, as a proportion of activity, as compared to the coastal provinces. Inflation across the country is showing signs of accelerating and there are signs of tightness in the labour markets in the coastal states. The government is already directing lending and attempting to avoid an overheating of the property market, yet the Centre is loath to ease off until these less fortunate provinces gain their own momentum. To counter the problem of Beijing trying to control too many variables at once, it seems inevitable that the yuan will be the 'sacrifice' and will gradually revalue upwards. With a current account surplus of over USD200 billion dollars a year, it is difficult to argue that the yuan is anything but undervalued, though the extremes of logic may be tested with the current utterances in Europe that Germany should surrender its hard-won competitiveness in order to assist the weak within the European Monetary Union (EMU).

We see the months ahead revealing many contrasts and contradictions. There will be talk of the Fed tightening cycle and how shares traditionally respond to this. Currency movements will throw-up winners and losers; pressure from gigantic issuance of bonds to meet the profligate's budget deficits will impinge on the bond markets and create a lively debate about the appropriate clearing level of interest rates for long dated paper. Muddying the issue will be the activities of the banks and the extent to which they accumulate government paper in the face of reluctant lending or borrowers. These probably should be regarded as sideshows and distractions from the behaviour of employers regarding staffing needs in the developed economies and how companies capitalise on the available opportunities.

We have to admit surprise at the very strong profit recoveries we have witnessed to date. In terms of valuations, most developed markets are fairly valued but this depends on the premise that the developing world fully compensates for the impaired position of the developed world which will be preoccupied in righting their lopsided economies.

Outlook

While the stock markets have followed a very traditional two thirds recovery after a serious recession, the induced shock of the crises has ensured a healthy divergence of views. This is manifested in attractive divergence of valuations. We are still finding a large number of companies that look attractively priced or indeed underpriced. It is from this ground-up analysis that we form the view that we should be able to make positive returns in the year ahead even though there are likely to be periodic concerns.

Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
North America	28%	27%
Japan	26%	24%
Asia and Other	23%	24%
Europe	14%	15%
Australia	1%	2%
Cash	8%	8%

Source: Platinum

Portfolio Position

Changes in quarterly portfolio composition:

Sector Breakdown

SECTOR	MAR 2010	DEC 2009
BRICs* Consumption	15%	16%
Japanese Domestic	15%	10%
Technology	13%	11%
Consumer Cyclical	13%	14%
Defensive	12%	13%
Gold	8%	8%
Commodity	6%	7%
Capital Equipment	5%	5%
Alternative Energy	3%	6%
Other	2%	2%
Gross Long	92%	92%

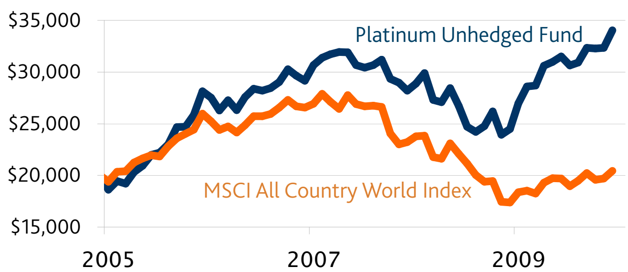
* Brazil, Russia, India and China

Source: Platinum

We have used the term “Consumer Cyclical” in a very broad sense; it includes financials, transport, services etc and similarly “Defensives” includes pharmaceutical, telecommunications, utilities etc.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Performance and Changes to the Portfolio

Over the last 12 months the Fund rose 39%, outperforming the MSCI All Country World Index (AUD) benchmark by 21.3% and over the past quarter the Fund rose 5.3%, outperforming the benchmark by 4.2%. Fund performance has benefited from our late 2009 move to take profits in emerging markets and reorient the portfolio towards Western markets. Conceptually, we took the view that if the rebound in the emerging market economies was as strong as their stock markets were discounting, then greater returns would be found in beaten down US and Japanese stocks that were still to participate in the recent euphoria. We continue to think that many of the most undervalued so-called "BRIC" (Brazil, Russia, India and China) plays are to be found in Western markets (and many are technology related stocks). At least for the quarter, this re-position has worked, with Japan and the US, two of the major markets to post positive quarterly returns (measured in AUD).

Whilst some of the mid-cap stars from the second half of 2009 continued to perform, it was a very satisfying quarter in the sense that a broad selection of stocks and themes contributed to performance, including:

- Pulp stocks eg. Canfor Pulp continued its stellar run on the back of Chinese demand.
- US Financials, MGIC Investment Corp and Fifth Third Bancorp.
- One of our pharmaceutical companies, OSI, was subject to a takeover bid and is currently trading 90% above the price we paid – see the Platinum International Health Care Fund report on page 23 for more commentary.
- Our Japanese "value" stocks including Yamato Holdings and Itochu Techno-Solutions.

As it became clearer that the Japanese economy was rebounding more strongly than prevailing low expectations might indicate, we continued adding domestics including Obic (enterprise resource planning software for small businesses), Yamato Holdings (the UPS of Japan) and T&D Holdings (Life Insurance - see the Platinum Japan Fund report on page 17); we also added a position in US semiconductor production equipment company, Applied Materials, and LCD panel maker, LG Display. These positions were funded by selling stocks that had either reached price targets or suffered from waning conviction levels including Fifth Third Bancorp, Polaris and Kureha.

Looking at the portfolio composition as it stands today our two most active bets are a large position in Japanese domestics and global technology stocks (a combination of component and capital equipment companies).

We continue to think that the Japanese equity market represents an interesting opportunity as monetary policy may actually loosen as many other markets have or will begin to tighten.

As for the decision to add to our technology holdings, readers of previous quarterlies will appreciate our positive view. In a nut shell, a growth cycle has been reignited by product innovation (LED, 3D TV's, smart-phones, etc), BRIC demand (China recently surpassed the US as the world's largest LCD TV market) and upgrade cycles. Further, industries such as DRAM entered a downturn prior to the onset of the 2008 credit crunch, hence, capital spending has been rationed and capacity utilisation is now high; the perfect scenario for profitability.

Specifically on Applied Materials, the world's largest supplier of semiconductor production equipment, due to the need for ongoing manufacturing innovation (to make smaller, faster, more efficient chips) we remain hopeful that this remains a lucrative, albeit cyclical, business. Applied has also distinguished itself by extending its core skills to become a leading supplier of equipment to the solar industry. Applied brings core chemical processing expertise to a hitherto low technology environment to allow its customers to make differentiated, high efficiency, solar panels. We are investing now, as the semiconductor equipment business is poised for recovery and the solar business represents an exciting long-term growth opportunity.

For readers who may be concerned that we are getting a little carried away with the technology cycle (ie. how does this reconcile with the obvious need for Western World consumer de-leveraging?), our only riposte is that the stocks we are buying are quite cheap, eg. at purchase, LG Display was priced at just over 1x book and a PE of 7x.

Outlook

Whilst Obama's health care reforms may have been passed only in a very watered down version, any move to control the national health care bill at 18% of GDP and close to double the OECD average would appear, at least to an outsider, common sense. Moreover, it should allow the governing party to focus on a more pressing issue, job creation. Much of 2010's $350 billion in US Government stimulus (dropping to $170 billion in 2011) will be accounted for by tax cuts and appropriations to shore up the finances of state and municipal governments – it doesn't involve much direct infrastructure investment. We suspect, with mission accomplished on health care, Obama will now launch a much more politically appealing rebuild America campaign focused on energy and public infrastructure. Whilst it isn't clear exactly where the money comes from, one imagines there will be an ongoing reordering of US expenditure priorities. We will be looking for opportunities.

At global level, we seem to have transitioned from a world that was unbalanced, led by an over-levered Western consumer, to one that is unbalanced, led by an explosion of Chinese credit. So-called "rebalancing" as we once envisaged, has not occurred, and the question is, who cares?

We think China's size in the global economy and the sheer size of its trade surplus mean that some appreciation of the Renminbi is required to placate Western political constituencies, especially given the political capital expended on the great Wall Street bailout. A jobless recovery in the US will strengthen the position of the protectionist lobby. Much recent commentary has focused on the impending mid-April deadline for the US decision on whether to label China a currency manipulator, a precursor to potential trade sanctions. Taking the Chinese side of the argument, one could see a case for accusing the US of being an interest rate manipulator ie. why didn't the Federal Reserve allow asset prices to find a natural level, and adopt similar austerity measures to those that the US influenced IMF forced upon many countries during the 1998 Asian Currency Crisis?

Clearly this is a difficult and emotive issue and by casting it in Sino-US terms, commentators may be thinking too narrowly. Over the past 12 months major competitors to Chinese manufacturers in places such as India, Indonesia, Thailand and Korea have seen their currencies appreciate between 10% and 15% against the Renminbi – they are gradually losing competitiveness, and by intervening to prevent appreciation, risk higher inflation. It is not by accident that India has brought more World Trade Organisation anti-dumping cases against the Chinese than any other country.

Whilst we cannot know the path ahead, given the politics involved, we should expect a bumpy ride. South Korea will use the upcoming June meeting of the G20 in Seoul to assist each side to see the benefits of compromise (call it enlightened self-interest or the economic version of Mutually Assured Destruction, MAD) and this remains our base case scenario.

Platinum Asia Fund

Andrew Clifford Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
China (Listed Ex PRC)	17%	19%
China (Listed PRC)	9%	7%
Hong Kong	7%	6%
Taiwan	6%	7%
Greater China total	**39%**	**39%**
Korea	15%	13%
Thailand	9%	8%
India	9%	9%
Malaysia	6%	6%
Singapore	5%	5%
Indonesia	3%	3%
Philippines	3%	3%
Vietnam	1%	0%
Cash	10%	14%
Shorts	2%	0%

Source: Platinum

Performance

Performance (compound pa, to 31 March 2010)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Asia Fund	0%	33%	8%	14%	21%
MSCI AC Asia ex Jp Index	-1%	31%	0%	10%	12%

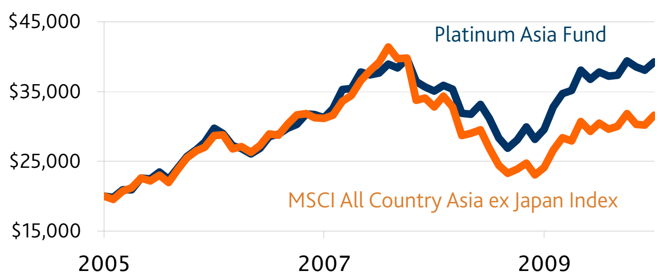
Source: Platinum and MSCI. Refer to Note 1, page 36.

Asian stock markets were flat for the quarter with key China related markets of Hong Kong, Shanghai, and Taiwan all recording falls up to 5% as a result of rising concern over inflation in China and the potential for tighter monetary and fiscal policy. The ASEAN markets were generally amongst the better performers with Indonesia (up 9%) and Thailand (up 7%) as these economies continued to show better economic performance, particularly with respect to exports. A strong Australian dollar further reduced returns over the quarter to the tune of approximately 2%.

The Fund's performance was slightly ahead of the market over the quarter and for the last 12 months. In line with developments of the market, the better performing holdings were from the ASEAN market, for example Bangkok Bank (up 13%), Ayala Land (Philippine property developer, up 15%), and Astra International (Indonesian auto distributor, up 20%). The poorer performing positions included two of the December quarter's strongest, Denway Motors (Chinese auto producer, down 16%) and GOME Electrical (Chinese retailer, down 7%).

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Changes to the Portfolio

There were a significant number of new holdings added to the portfolio this quarter. Included among these were Dongbu Insurance, a Korean non-life insurer. The Korean property and casualty insurers are currently suffering from a couple of short-term setbacks in their business: a rising loss ratio in auto insurance; and a slow down in health insurance after there was a rush by customers last year to insure before new rules limited coverage. We see both as short-term setbacks and that Dongbu, along with Samsung Fire and Marine (another Fund holding) will shortly recommence their strong growth in earnings.

Bank of China (Hong Kong) is one of the four dominant banks in Hong Kong and has a highly profitable business. The Hong Kong mass residential property market has been showing signs of finally coming to life which bodes well for BOC-HK's mortgage business. The stock has been trading at valuations which have been lower only during periods of severe financial distress. KT Corporation is Korea's incumbent telecom operator and along with SK Telecom has one of the country's two dominant mobile phone businesses. The introduction of the iPhone has the potential to significantly increase the utilisation (and thus profitability) of KT's mobile network. The Fund also purchased small positions in a number of Vietnamese companies, the Fund's first direct purchases in this market.

Funding of these acquisitions was provided through the disposal of our holding in China Resources Enterprise (Chinese brewer and retailer) that had almost doubled since our initial purchase a year ago, along with the sale of a number of smaller names in the portfolio. Small short positions were introduced in a number of commodity related companies. The net invested position of the portfolio has increased from 86% to 88%.

Commentary

During the quarter we completed three trips to the region, visiting companies in Korea, Vietnam, and China. In each case we were able to uncover new investment opportunities and confirm the attractiveness of existing holdings, which augurs well for the longer-term returns of the Fund. However, before discussing our recent findings it is worth restating what we see as the key risk to regional markets in the short-term. In our last report, we discussed at length the issue of inflation across the region, and in particular in China. While at the moment there is room to debate that inflation is not yet an issue, when this view changes, monetary and fiscal policy will be tightened. As China remains the key engine for economic growth, not only in the region but globally, such actions have the potential to create significant uncertainty and subsequent falls in markets. It would seem likely that such an outcome will occur within the next one to two years.

Many people would associate Korea with consumer electronics products of the likes of Samsung and LG and with Hyundai's motor vehicles. A decade ago these companies would have been primarily considered as cheap alternatives to the Japanese brands, but through product development and brand-building, these companies now stand as either market leaders or as serious competitors in global markets.

The transformation of Samsung Electronics (a long held position of the Fund) from a consumer AV goods maker 15 years ago to a global giant with strong positions in a range of markets from mobile phones to flat screen TVs is a well-known story. It is also well understood that the group is more than just a producer of electronic goods, as its now long dominance of the market for memory chips used in PCs and other devices demonstrates. But what is impressive is how Samsung Electronics or its group companies manage to continually pop-up in new markets. Consider the following list, all areas where the group has come to establish itself in recent years as a significant player: LCD panels used in TVs or PC screens, rechargeable batteries for phones, laptops, and possibly autos, electronic components such as multi-layered ceramic condensers and LEDs, as well as new technologies such as AMOLED (Active-matrix organic LEDs) screens being used in high-end mobile phones. And in most cases Samsung has come into markets already dominated by strong players.

The story for its arch rival, the LG group is almost as good. It has established leading positions in LCD panels, rechargeable batteries, mobile phones and consumer electronics.

The Hyundai Motors story is almost as impressive. The company has fought its way to a 4% market share in the US, the most competitive auto market globally. US surveys of vehicle quality show a remarkable improvement of Hyundai vehicles to above the market average over the last decade. While having a US business may not be that desirable today, Hyundai has a greater contribution to sales coming from China and India than the other major auto companies as a result of its early efforts to build its businesses in these developing markets.

However, the Korea story extends well beyond these household names. OCI commenced operations at its first polysilicon plant in early 2008 with its output destined for the booming solar panel market. Already, the company has established itself not only as a clear number three in the global polysilicon market, its cost of production would appear to be at similar levels to long established market leaders. Samsung Engineering and Construction has been wildly successful in building its plant engineering business in the Middle East and in a period marked by significant fluctuations in materials prices it has had significantly more success at turning revenues into profits than many of its better established international peers. In LEDs, Seoul Semiconductor has established itself almost overnight as a manufacturer with a technological platform that will allow it to compete with the industry leaders, a process that has taken others several years.

The depth of these Korean businesses exceeds what one finds in most of the region, with the exceptions being many of their Taiwanese counterparts (and of course the Japanese.) It is interesting to think that much of Korea's development has occurred post the 1997 crisis when restrictions imposed by foreign lenders and the IMF resulted in the country taking a very different path post its credit crisis than that chosen by Western nations today or Japan post its debt bubble of the 1980s. Korea went through a very traumatic adjustment that saw GDP fall by over 30% in USD terms and it was over five years before economic activity fully recovered. However, adjustments in balance sheets and spending were made and the Korean economy has since gone from strength to strength.

Still it is the case that the country is highly dependent on global trade (exports are 50% of GDP) and thus the slowdown in spending by Western consumers remains a drag on growth. However, with China becoming the largest consumer of many manufactured products (flat screen TVs, mobile phones, cars) where the Koreans excel, perhaps this may not be as big an issue as many may fear. Meanwhile, the Korean stock market already to a large extent reflects global growth concerns as many of the companies we visited traded on quite modest valuations. While the Fund has holdings in a number of the Korean export names mentioned above, it is our view that many of the more interesting investments in the country are to be made in domestic businesses that are placed to take advantage of a fast developing consumer market.

Vietnam proved to be an interesting trip, the details of which we will share in a later report. Our concern prior to the trip, as outlined in the December 2009 report, was that the country was heading into a major balance of payments crisis. The short summary would be that a combination of high interest rates (lending rates are at 15%) and an already considerable fall in the Vietnamese dong should act to substantially reduce the current account deficit. Meanwhile foreign direct investment and repatriations from overseas Vietnamese will more than finance the current account deficit. As we found many companies to be trading at attractive prices, the Fund has made its first direct investments in this country.

Platinum European Fund

Clay Smolinski Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
Belgium	3%	3%
Finland	3%	2%
France	27%	26%
Germany	37%	38%
Italy	3%	2%
Netherlands	2%	3%
Norway	2%	2%
Sweden	2%	3%
Switzerland	3%	3%
UK	7%	7%
US	1%	0%
Cash	10%	11%
Shorts	5%	4%

Source: Platinum

Performance

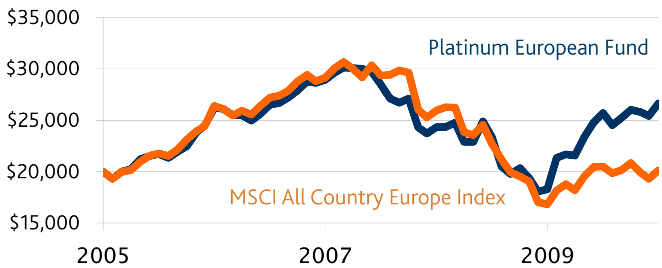
European markets were down 3.4% in AUD terms over the quarter, with the major European indices down 10% at one point as the worries around Greece peaked in February. In comparison the Platinum European Fund returned 2.3% over the same period. Over the last 12 months the Fund has returned 46% compared to 20% for the MSCI Europe Index.

Discernable trends were not obvious among the top performers over the quarter, but in general the cyclicals did well. Strong areas were advertising (JCDecaux +21%, WPP +12%); oil services (CGG Veritas +40%, Technip +22%) and tech (ARM holdings +35%, Infineon +32%). The clear areas of weakness were the Mediterranean EU members, with the Greek, Spanish and Portuguese markets down -10%, -7% and -5% respectively.

The Fund's return was helped by good performance by a number of its mid-cap holdings, most notably French aerospace engineer Safran and pulp producer Mercer. The Australian dollar has continued its year long bull run against all major European currencies, appreciating 9.5% versus the Euro and 7% versus the pound. The major currency positions of the Fund are 56% Euro, 20% AUD and 8% in both the Norwegian kroner and the Pound.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Commentary

Greece dominates headlines

The markets' continued optimism in the recovery was given a jolt in January as worries around debt again entered investors' minds. This time the specific focus was sovereign debt levels. Over the past two years, in the face of economic collapse most Western governments have chosen to prop-up their economies by turning on the fiscal spending taps whilst tax receipts plummet, resulting in massive increases in public debt. The normal (or hoped for) progression of events would be that debt markets tolerate the increased debt load as the nation works through the recession, with the government deleveraging once economic growth returns. Whilst Greece is in many ways a unique situation, what is happening there is still very much a warning shot as investors worry about our ability to spend our way out of trouble.

Greece is suffering a liquidity issue as it struggles to roll its maturing debt via the bond market even at unsustainably high interest rates (6%). From the perspective of a lender, the Greek government has a debt load of over 100% of GDP (€250 billion) and is also annually spending €30 billion more than it takes in as revenue. Greece's history shows little appetite for spending cut-backs and there are questions about the reliability of its national accounting. From the government's perspective, as a member of the fixed euro currency exchange, it can't devalue its way out of trouble and it is required to take the politically unpopular step of cutting spending when the economy needs it most. There is no "easy fix" for Greece.

During the whole affair there has been an almost complete market consensus that Germany et al will eventually step in with a rescue package, the rationale being that the possible fall-out from a Greek default would be too great (ie. firstly losses on Greek debt held by French and German banks but more importantly, a blow-out in lending costs for the likes of Portugal and Spain, as the market speculates they will be the next domino to fall). However, voters are rarely keen to see their tax dollars used to bailout foreign nations and unsurprisingly there has been much resistance to a bail-out package from EU members, with Chancellor Merkel of Germany in particular pushing for tough conditions on aid, if any were to be given at all. The European Commission in conjunction with the IMF, last week announced the details of an aid package for Greece should they need it. The next test is whether the existence of a firm plan (we are not there yet, the interest cost of the aid loans is still being contested by Germany) will calm markets to the extent that Greece won't have to call on it.

Whilst Greece dominates the headlines today, it is the broader implications for a united Europe that will absorb interest in the months ahead. We have written in the past that in a monetary union without a political union, it is inevitable that monetary policy will eventually become highly inappropriate for some part(s) of the union. Today the differences in economic situations between members could not be starker, the two most obvious contrasts being Spain and Germany. Spain having had a decade of high wage inflation together with a credit/housing boom and bust, faces an uncomfortable adjustment period as wages deflate to restore labour competitiveness and the government is forced to reign in its fiscal spending. Germany on the other hand has just come from a decade of almost zero real wage growth leading to a huge increase in labour productivity, having no credit or housing boom to speak of and with an export sector that will start benefiting from the weaker Euro.

Whilst Germany has long been against the prospect of inflation, as the excesses of the past decade unwind and the deflationary pressures build in the Mediterranean countries, the likely compromise is that the European Central Bank will maintain easy monetary policy to accommodate. In the short run German consumption will be subdued by higher unemployment, but given its sound foundations, a period of low rates could be the spark for some stronger than expected growth in Germany, finally providing some tailwind to the long struggling German retail and property sectors.

Changes to the Portfolio

Two notable additions to the Fund during the quarter were French retailing giant Carrefour and Finnish paper producer UPM-Kymmene.

The story at Carrefour is a good reminder of the difficulties of both corporate mergers and trying to enact change in the processes and culture of an organisation. Carrefour has its heritage as a pioneer of the hypermarket format, dominating its home market in France and then successfully expanding abroad into Spain, Brazil and China from the 1970s onward.

The difficulties within the company began following its merger with French rival Promodes in 1999, and the company has seen little profit growth over the last decade.

The company is now onto its third CEO this decade and the appraisal by the new CEO, Lars Olofssen (former head of Nestle Europe) has revealed problems stemming from multiple purchasing and stock-keeping IT systems, vast duplication within the warehousing and supply-chain and a surprising lack of progress in combining the original Carrefour and Promodes operations. Many of these issues were being worked on by previous CEO Jose Luis Duran; however, as always, the key problem is getting the co-operation of middle management to drive through the changes at the shop floor. It is of interest to us that in contrast to Duran, Olofssen has brought in a number of new management heads from the likes of Tesco and Wal-mart and we are starting to see gradual evidence of the changes coming through.

As with most 'turnarounds' it is more important to look down rather than up and given that Carrefour benefits from regular footfall, owns 70% of its store real-estate and has rarely traded cheaper in the last 12 years, the downside looks to be limited. Today most listed European food retailers make operating profits of between 4.5-6% of sales, in contrast to Carrefour who last year made 3%. Even a modest improvement of profitability towards the levels of its peers should see Carrefour do well for the Fund.

Our position in UPM saw us again return to the paper theme. The European paper industry has just lived through some of its darkest days, already suffering from overcapacity and an inability (even whilst the economy was booming) to push through input cost inflation. The subsequent collapse in demand and price of fine paper grades (ie. magazine & printing papers) during the global financial crisis pushed many producers into heavy losses. Adding to their woes, whilst domestic paper demand remains weak, soaring paper consumption in China is pushing up feedstock prices, with recycled paper and pulp prices now close to all time highs. This has led to the unprecedented situation in Europe of pulp prices now exceeding the cost of fine paper.

Unintegrated producers (ie. those that don't produce their own pulp) account for 35% of European paper supply and with these players making cash losses, fine paper prices must rise or we will see further capacity closures. The European paper industry is far more fragmented than its North American counterparts and given the realities of structural decline in demand for writing grades we hope this near death experience speeds up the move to consolidate. UPM as a fully integrated producer with a relatively sound balance sheet and an interesting portfolio of hydro and nuclear energy assets is set to benefit in most scenarios. With a share price roughly 30% below even our most conservative estimates of its asset value, UPM looks a good prospect.

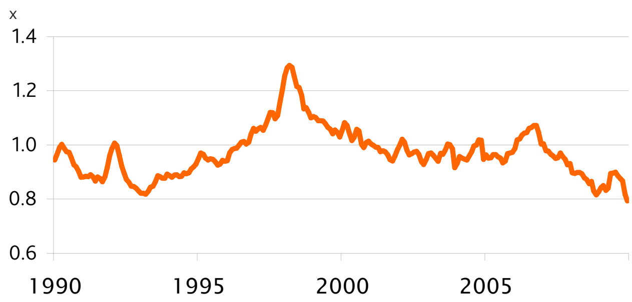
These additions were funded by the full exit of our holdings in French telecom and construction conglomerate Bouygues, Swedish paper manufacturer SCA (the stock has done well and we felt UPM the more interesting play) and German medical and safety equipment manufacturer Draegerwerk.

Outlook

Our central 'macro' thesis throughout the cycle has been that high debt levels and the need for subsequent deleveraging in the western economies will result in a prolonged period of weak and unpredictable domestic growth. As discussed we are now seeing this debt dynamic being played out in its different forms (ie. whether it be consumer, corporate or sovereign deleveraging), and remain mindful that these issues, far from being solved will weigh on markets.

We would encourage investors to remember that we are investing in specific companies rather than markets or domestic economies, and valuation matters. Accompanying the gloomy headlines in Europe are modest valuations, with European markets now at 20 year low price to book valuations relative to the world index.

Western Europe Price to Book Relative to World



Source: Factset

Platinum Japan Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
Japan	87%	93%
Korea	5%	4%
Cash	8%	3%
Shorts	16%	18%

The Fund also has a 17% short position on Japanese Government Bonds.

Source: Platinum

Portfolio Position

Changes in quarterly portfolio composition:

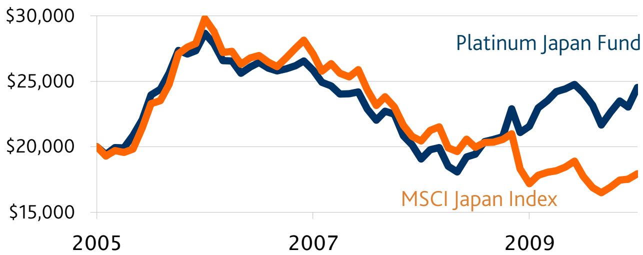
Sector Breakdown

SECTOR	MAR 2010	DEC 2009
DOMESTIC	51%	47%
Retail and Services	15%	13%
Financials	15%	11%
Telco, IT and Internet	13%	14%
Real Estate and Construction	8%	9%
EXPORT	41%	46%
Tech/Capital Equipment	19%	19%
Commodities	8%	9%
Alternative Energy	8%	10%
Autos	6%	8%
Gross Long (ex Long Derivatives)	92%	93%

Source: Platinum

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Performance and Changes to the Portfolio

Over the past 12 months the Fund rose 13.8%, outperforming the MSCI Japan Index (AUD) benchmark by 9.4% and over the past quarter the Fund rose 8.4% outperforming the benchmark by 2.4%. For the quarter the benchmark rose 6% in AUD terms and 9% in local currency.

Quarterly performance was largely attributable to our long holdings and currency. Encouragingly, in a quarter where the market rose, our short book in aggregate did not detract from performance. Whereas in the past two quarters our major long contributors were very select, performance in the March quarter was far broader with both Domestics (financials, construction, IT services) and Exporters (technology components and capital equipment) contributing.

In contrast with the second half of 2009, when Japan underperformed global equity markets by a massive 18%, it has started 2010 on a more promising note as one of the few markets globally to post year-to-date positive returns (measured in AUD). Part of this was driven by funds rotating out of non-Japan Asia into cheap Japanese cyclicals and part was triggered by some weakening of the Yen against the USD. However, based on the view that the European Central Bank (ECB) will have to keep monetary policy loose to accommodate Greece's fiscal woes, the Euro also weakened against the USD and, hence, for the many Japanese capital equipment exporters that compete against the Europeans, no real currency advantage has been gained.

As readers would know, we have positioned the Fund to benefit from looser monetary policy and a weaker Yen. However, standing in the way is a hawkish Governor Shirakawa's Bank of Japan (BOJ) which will deliver only the absolute minimum to "defeat" deflation and weaken the Yen. Finance Minister Kan sensibly prefers a combination of pro-growth fiscal and monetary policies as the best way to reduce Japan's high government debt/GDP ratio and permanently fix the deflationary bias in the economy. The BOJ would rather the government hike taxes aggressively. If the Democratic Party of Japan (DPJ) wins outright control of the Upper House later this year, we suspect Shirakawa's position will become less tenable (or are we dreaming of a country where fiscal and monetary policy seem to be applied in a coordinated manner ie. South Korea – more of that later). In the meantime, we will have to rely on exogenous factors to help Japan along ie. a lopsided global recovery led by monumental Chinese credit expansion.

New long positions

As we detailed last quarter, we like the outlook for technology stocks due to fundamental shortages of electronic components. We continue to find ideas in this area, adding LG Display as another direct play on LCD panel tightness.

We also significantly increased our Bank and Insurance holdings, an area of the market shunned by investors due to what might be described as some ill-advised and executed capital raisings late last year, and ongoing deflation. We continue to see value in our large underperforming Mitsubishi UFJ Financial position as the market capitalisation of Japan's major banks is roughly 34% less than the aggregate market capitalisation of Australia's top major banks – and Japan is still economically five times larger than Australia. For all their perceived management failings, the major problem facing the Japanese banks is the lack of yield curve from which to earn decent lending spreads (and contrast this with the US where the yield curve is at an all time high). It is the same low level of long-term interest rates that makes life difficult for Japanese life insurance companies. Whilst it is tempting to extrapolate current poor macro conditions indefinitely, we can envisage a not too distant scenario where Japanese long-term interest rates materially rise. The trigger is likely to be an external inflation event centred in Asia – and there are some early signs of this happening. As yield curve steepening plays, during the quarter we added positions in Japan's second largest bank, Sumitomo Mitsui Financial Group, and second largest listed life company, T&D Holdings.

We funded these purchases by:

- Reducing commodity stock exposure (eg. Mitsui and Mitsubishi) on the basis that in the short-term much of the positive news regarding iron ore and coking coal negotiations had been priced in.
- Selling out of Sumitomo Electric (primarily an auto-component stock) because on re-visiting the investment case we couldn't see any real progress towards improving a return on capital employed commensurate with other stocks in our portfolio priced at similar valuations eg. Denso.
- Selling out of Kanto Denka Kogyo, a company with an interesting lithium-ion battery precursor material business that had reached our valuation price target.

Shorting

Our total short position fell marginally over the quarter. We took advantage of the mid-February Greek sovereign debt related correction to cover a large part of our Kospi (Korean index) short, replacing this with stock specific shorts where we see near-term triggers for de-rating.

Currency

From point to point over the quarter there was little change in the key currency rates that the Fund is exposed to: Yen, Korean won and USD. We continue to gain confidence that the Yen has entered a prolonged weakening phase, hence, we took advantage of the mid-February market correction to lift our exposure to the AUD from 11% to 14% and KRW from 20% to 25%, cutting exposure to the Yen from 43% to 39%.

Outlook

Given that Toyota is still the largest company in Japan (and we own it), we should offer some commentary on the recent recall headlines. By way of perspective, in the US over the past ten years a total of 148 million vehicles (all manufacturers) were recalled, actually more than the 137 million cars sold. The Big Three (General Motors, Ford and Chrysler) account for a disproportionate share of recalls as a percentage of sales: 151% for GM, 106% for Ford, 126% for Chrysler, 108% for Nissan, and yet just 67% for Honda and 55% for Toyota. At four million cars (and counting) Toyota's current recall is undeniably large, but the company's record would indicate that it remains a highly reliable car maker and we have used recent stock market weakness to add to our position. The situation is not without risk as we can't know the extent to which (if at all) Toyota acted in any cover-up. Unfortunately, Toyota's historical success seems to have bred a certain hubris that possibly fed into some poor strategic decisions eg. obsession with US SUV market share and insufficient investment in markets such as China and India (in contrast with Hyundai Motors). Toyota's March US market share ran at about 18% due to a very aggressive financing-led incentive campaign – we are hoping this represents a short-term stabilisation strategy as longer-term, aggressive incentives will hurt lease residual values and the Toyota brand. We hold our position on the basis that this is a company that should be able to correct its missteps.

We recently spent two weeks visiting companies in both Japan and South Korea. In Japan we visited a combination of macro related ideas (Life Insurance), mid-caps (the part of the market that offers entrepreneurially managed growth companies at cheap valuations) and some of the perennial under-achievers (just in case we were missing the renaissance of the Japanese conglomerate – and we are not). We went to Korea with some scepticism (we have been fans of the currency, but not so much the market) given that the exporters had been aided through the global financial crisis by an unsustainably cheap currency. From our visits, it is clear that the tightness in the technology supply chain will continue to underwrite the performance of many Korean (and Japanese) exporters. Further, some of the gains made by the Korean exporters have been driven by factors other than currency – a spirit of entrepreneurship that makes the typical large Japanese conglomerate look painfully pedestrian. The visit reinforces our view that it doesn't make sense to move down the quality spectrum in Japan to second tier exporters - these stocks are and will continue to be value traps. Accordingly, until we think Yen weakness is set to accelerate, our Japanese holdings will remain focused on globally competitive market leading companies.

It is worth recapping some of our thoughts regarding Japan. We are operating in an environment where:

- Aggregate US$15 trillion of household assets are significantly exposed to nominal fixed income assets (eg. Japanese Government Bonds) with little exposure to real assets such as equities and real estate.
- The government that the households and corporate Japan is funding has an extremely weak fiscal position with gross debt to GDP exceeding 170% and a current year deficit of approximately 7% of GDP.
- Chinese (BRIC - Brazil, Russia, India and China) growth is once again driving up commodity prices and there are some early signs of accelerating Chinese (BRIC) inflation.

We think many of the pre-conditions necessary to trigger a major reallocation of Japanese assets out of cash and fixed income and into equities are falling into place. Whilst timing these things is difficult, we take comfort in that our overall portfolio of Japanese and Korean stocks remains cheap ie. the weighted average forward PE is 16x (and earnings estimates are still too low) and the current Price/Book ratio is 1.3x.

Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
Europe	38%	39%
Asia and Other	30%	30%
Japan	9%	8%
South America	6%	6%
North America	6%	5%
Cash	11%	12%
Shorts	7%	9%

Source: Platinum

Performance

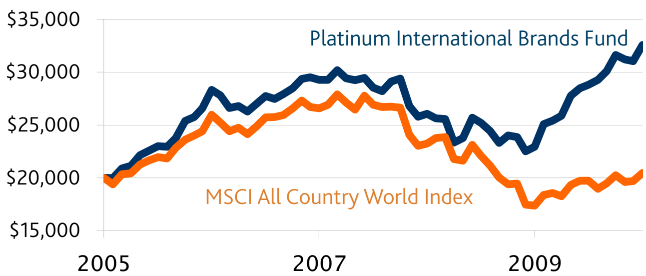
The returns for this quarter from the Brands Fund might be considered somewhat pedestrian at 3% in comparison to the twelve month number of 42%. Clearly the last twelve months are flattered by the base of March 2009, a notable low point in the markets. Notwithstanding, the Brands Fund has performed ahead of the benchmark MSCI through the recent turmoil with a relative outperformance of 24% for the past year and 12% compound pa over three years.

The Fund's Japanese stocks contributed to the quarter's returns with Nintendo the highlight, up 40% after being neglected by the market for most of the past year. Interest in the stock was trigged by announcement of a 3D version, without the need for glasses, of their highly successful handheld DS unit.

Also up strongly in the quarter was Estée Lauder on their continuing migration from a family run company with below industry profitability to a more dynamic and growing global concern. The stock has recovered all the lost ground from the lows a year ago and has moved beyond to the highest point since listing in 1995. The Fund remains invested despite the stock price appreciation, in the belief that the depth of opportunities is yet to be fully realised.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Twelve months ago the headlines were very much concerned with unemployment, financial crisis and recession. This was the background and context for our investment planning and decisions. Estée Lauder with its large exposure to US department stores, was not the sort of investment in the face of such adverse headlines that captured investors' imaginations. Similarly, in March 2009, the Fund's quarterly report highlighted Thai beverage company Serm Suk, the Philippines Pepsi Company and Luk Fook the Chinese Jeweller. These latter three stocks have appreciated between 120% and 250% since then. Such robust performance was not envisioned at the time, reflected in the small positions we held, thus exemplifying the difficulty of being influenced by the concerns of the moment.

The Fund is subject to the overall direction of the markets at any given point, yet within the consumer branded goods universe there will always be brands at different stages of their life cycle. The adverse circumstances of a year ago provided good opportunity for the Fund to add to positions in companies that had the potential to improve their performance despite the adverse conditions. Henkel was a good example and has done well for the Fund.

Detracting from the Fund's performance over both the quarter and the year has been the appreciation of the Australian dollar.

During the quarter the Fund divested some relatively small positions including Genting and Carrefour and introduced PepsiCo and Femsa (Fomento Economico Mexicano S.A.B.). Femsa sold its Cerveza beer division to Heineken for a 20% stake in Heineken whilst retaining its market-leading convenience store operation and the Coke bottling franchise. Following the recent activity by Pepsi and Coke to buy back their bottling companies, Femsa is now Coke's largest bottler outside the US and one of the fastest growing.

Commentary

We recently met with the CEO and Chairman of Colgate and although we have immense respect for this very well-managed company and its reliable delivery of outstanding financial metrics, we were not able to discern a compelling investment proposition given the valuation. In many respects their plan for the foreseeable future is an extension and continuation of that which has served them so well to date.

A two day show by Pepsi management gave a very different impression and a sense of the energy needed to adapt to a changing environment. Pepsi is a company dissatisfied with the status quo and evidently prepared to set ambitious objectives in the way they think about their business. As is usually the case, there is a component of necessity to address past mistakes and weak positions that would otherwise unduly hinder the company over many years. Despite that, there is undeniable enthusiasm in the company to rethink the way it interacts with everyone from farmers, employees, retailers and consumers to the wider community.

Pepsi has spent much of the past decade *working towards* their objectives and, however necessary or successful that has been, it is likely to be insufficient if the organisation is to become the world's leading food and beverage company.

An example would be the development of a new flavour for their crisps. The "old way" would have been flavour development, market research, trial or test markets, advertising to tell the consumer about it, store promotions to get visibility and then measurement of trial and repeat metrics. Instead, Walkers, Pepsi's UK snackfood company, asked the consumers for flavour ideas and then to vote for one to be produced. They received 1.2 million responses, with Builders Breakfast winning out over Cajun Squirrel and Onion Bahji. By apparently giving up "control" of their product and involving the consumer, Walkers were able to get much closer to understanding and communicating with their consumers who then also eagerly anticipated the product's availability. Notable was the positive impact on existing product sales.

Engaging with consumers with experiences and ideas, and collaborating through digital interaction, is evolving and slowly replacing the "tell them" mechanism of print and media advertising. A relatively new technology called 'Augmented Reality' is also providing a means to allow greater interaction between the consumer and product advertising.

Pepsi isn't the only one using this technology; however, they have had some success and will be expanding the concept in conjunction with their World Cup promotions.

The idea that Pepsi could be the largest fruit and veg company in Europe does not readily spring to mind. Yet it is this integration of product offering between food and beverages that Pepsi hopes to exploit. Historically, the casual observer would associate Pepsi with a can of soft drink and a bag of crisps.

Pepsi, however, have a much broader interpretation of both beverages (juice, water, tea, dairy) and snacks (crisps, dips, biscuits, cereal bars). They also see the extension as providing products for health and nutrition as well as fun. Acquisitions, joint ventures and alliances are bringing together these ranges of products to facilitate an integrated offer to the consumer.

Challenging the existing thinking to build long-term advantage is evident throughout this organisation and encouragingly, it is being done from a position of strength as opposed to the more usual (and often imposed upon) need for a restructuring. Even Pepsi's search for overhead or indirect cost savings is being tackled by an alliance with another large consumer company as opposed to the more traditional outsourcing or cost cutting techniques.

Few consumer goods organisations are sufficiently prepared or have the capability to tackle the full gamut of headline issues that will inevitably impact every aspect of their organisation. Pepsi appears to be one that does and still offers a valuation that is cheaper than it has been for many years.

Outlook

The Fund's companies have been reporting good earnings and are generally cautiously optimistic of that continuing, albeit with various provisos about ongoing employment growth. In the majority of cases valuations are reflecting the commentary and are less compelling but not unreasonable.

Within that observation, the markets appear to have fully recognised the growth available for consumer companies from the younger and more vibrant populations of the world. The enthusiasm for emerging market exposure is resulting in some relative neglect in the mature markets and providing the Fund with some interesting areas to explore.

The Pepsi CEO recently stated "Somebody has got to pay for the sins of the past few years from the economic meltdown… I think the world is going to be pretty different". The Brands Fund is sympathetic to these sentiments and concurs with the idea that investments will also need to have something "pretty different" to be of interest.

Platinum International Health Care Fund

Bianca Elzinger Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
North America	50%	49%
Europe	32%	33%
Japan	1%	1%
Cash	17%	17%
Shorts	0%	0%

Source: Platinum

Performance and Changes to the Portfolio

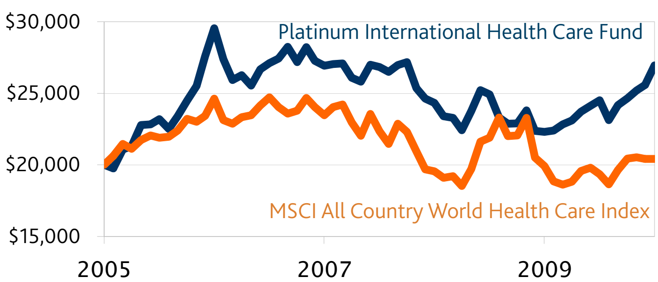
What a quarter and year it has been! The Platinum International Health Care Fund increased by 9.3% for the quarter significantly exceeding the MSCI Health Care Index which was negative 0.1%. For the year the Fund rose 20.8% while the Index gained only 2.4%.

Pharma is becoming the next big biotech industry with Merck's share price gaining over 40% for the year, while Sanofi-Aventis advanced almost 35%. Big biotechs in Europe are also doing well; UCB rose over 40% for the year; Qiagen increased 45%. Both companies embarked on new product cycles.

Currency movements worked against us but several of our small biotech holdings did well regardless. Swedish biotech Medivir rose almost 190% for the year. The company achieved approval of its new herpes drug. Medivir is also doing well with the development of its Hepatitis C drug. Johnson & Johnson (JNJ) is Medivir's HCV partner, prompting speculations that JNJ may buy this virology expert.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

Consolidation is a major theme in biotech and two of our holdings have been approached this quarter. OSI Pharmaceuticals, a US biotech selling lung cancer drug Tarceva is in acquisition discussions with Japanese pharma Astellas while Millipore, a filter and life science tool company will become part of German pharma/materials company Merck. We wish them well!

We have made minor changes to the portfolio. We exited two small biotechs, trimmed some positions, and added to companies that were not caught up in the consolidation frenzy but are perfectly able to succeed by themselves.

Commentary

European health care shares offer some of the best opportunities in today's market. Companies have grown up with socialised medicine as well as cultural and regulatory diversity. Adding to the attractiveness is the lack of analyst coverage. On a recent visit to Europe we were able to find some exciting, new investment ideas.

Digitalisation, together with the implementation of connecting software in the dentist office, was one theme well worth investigating.

This IT/imaging theme is similar to our investment case behind Swedish radiation oncology company Elekta. Two years ago in our quarterly (PIHF 31 March 2008) we highlighted how Elekta was early in its focus on the integration of software applications relating to specific devices. For Elekta this work has been a big differentiating factor; it allows easy computer-guided radiation therapy that is tailored to the patient. Elekta has doubled in value since we invested.

Another example is digital mammography; again it exploits the power of digital imaging to make a much more precise diagnosis. The dentist's office is moving in this direction and we are at the very start of it.

Remember your last visit to the dentist and compare it to how it was ten years ago. Not a lot has changed. There is remarkably little computer/digital presence at most dental practices.

This is not to say that there is no innovation. Dental implant systems have been a growth area for some time and the respective companies have done well. However, it is now old hat and the dentist has become more sophisticated. Implants are good for some patients while others would benefit from complex crowns or bridges. Until now dental implant companies focused mostly on dental implants but Swiss-based Straumann is expanding to offer solutions for a broad range of dental work. The picture below highlights where Straumann is offering products and services today.

Source: Straumann

Straumann has been thinking about broadening its field for some time but in typical Swiss fashion, the CEO is still very conservative and highlights that "dentists are very cautious and very critical of new advances. A lot of hand holding is required and strong customer relationships are absolutely essential".

Straumann has done exactly what the CEO says, it maintains close links to its customers and has a very strong R&D philosophy, which has been a point of criticism by analysts as profitability has lagged its peers. We would argue the opposite, R&D is essential for a solid business in the long-term.

Straumann has a strong family history and started in the 1930s by making specific alloys for watches. The focus throughout the company's history has been on materials and fine engineering skills. In the 1950s dental implants began to be a focus and today Straumann has over 17% market share.

Straumann's idea is to help the dentist offer tailored solutions for the differing needs of patients using digital imaging combined with software.

The company's "digital solution" is complex and centres around the digital image of the teeth and the link to the dental lab or Computer-aided-design/Computer-aided-manufacturing process (which makes the crown for example). Basically, the digital imaging will replace the manual impression taking.

Similarly for dental implants, connectivity is essential. The CT scan (as a digital image) which is prepared prior to the implant is used as the starting point for the computer-guided treatment plan, both systems need to talk to each other.

Straumann has put together all the required scanners and CAD/CAM equipment as well as the software. The digital solution has been launched in the EU this year. It will take time to make its way to your dentist but one thing is very clear, the company is moving on from simply providing screw and abutments for dental implants.

We are excited by this theme and are evaluating opportunities. Straumann along with a number of other companies we recently visited are offering exciting prospects for the Fund.

Platinum International Technology Fund

Alex Barbi Portfolio Manager

Disposition of Assets

REGION	MAR 2010	DEC 2009
North America	28%	26%
Asia	26%	22%
Europe	16%	21%
Japan	12%	11%
Cash	18%	20%
Shorts	3%	1%

Source: Platinum

Performance and Changes to the Portfolio

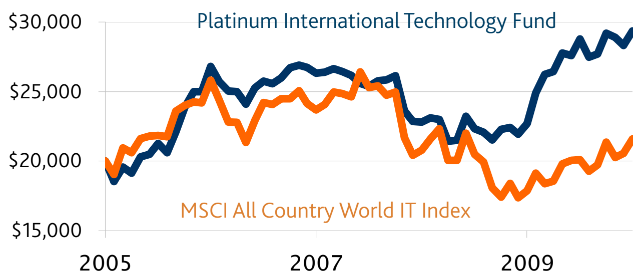
The Fund's value increased by 0.5% during the quarter substantially in line with an increase of 1.1% for the MSCI Information Technology (A$) Index for the same period. Over twelve months the Fund has recorded a strong positive 29.3% return and outperformed both the MSCI Information Technology (A$) Index by 8.6% and Nasdaq measured in Australian dollar by 9%.

During the quarter, the best contributors to the Fund's performance were in Japan, Korea and selected European stocks.

In Korea we introduced two new names and their performance has made a positive contribution even earlier than expected. KT Corp, the integrated telecom operator, was up 21% thanks to its progress in the restructuring of its fixed-line business, the announcement of favourable competition policies from the telecom regulator and its introduction of the iPhone in the country on an exclusive basis. LG Display, the global leader in Liquid Crystal Display panels was up 20% from our entry point thanks to expectations that demand for flat panel TVs and PC/laptop monitors will accelerate this year by 30% and 20% respectively driven by consumer demand for electronic devices.

Value of $20,000 Invested Over Five Years

31 March 2005 to 31 March 2010



Source: Platinum and MSCI. Refer to Note 2, page 36.

In Japan we sold our entire holding in Jupiter Telecom after major international shareholder Liberty Global Inc sold its 38% to local competitor KDDI at 40% premium to the market price. Unfortunately we learned at our expense how convoluted and poor Japanese market governance rules are, when we found out that minority shareholders would receive no equivalent offer, or any offer for that matter. We divested our position on the market accepting a gain of 22% on our entry cost.

Canon, the leader in digital camera and office equipment machines, is now our largest holding in Japan as we believe it will benefit from a recovery in consumer and corporate spending with hopefully extra benefits derived from a weakening yen.

In France, SES-Global, the provider of satellite broadcasting services to pay-tv operators, was up 19% and we partially trimmed our position as valuation is approaching fair value. In Italy, Prysmian, a leading player in the industry of high-technology cables and systems for energy and telecommunications, was up 18% as the market becomes more interested in specific names related to the infrastructure capex cycle.

In the US we recorded some losses with Brocade Communications (-25%) and Ener1 (-26%). Brocade, the leader in storage networking hardware, is suffering from what we believe to be a temporary crisis with its integration of recently acquired Foundry Networks. We believe that its low valuation at 10x PE more than reflects its issues and it should gradually recover.

Ener1, a developer of lithium-ion batteries for the nascent electric and hybrid vehicles industry, has been negatively impacted by their decision to interrupt collaboration with one of their customers. Operating in an industry at its infancy stage, Ener1 remains a potentially promising investment if adoption of hybrid/electric cars takes off within a reasonable timeframe (say 3-4 years).

In currencies the big event for the quarter was the rapid deterioration of sentiment versus weak elements of the European Monetary Union (namely Greece) which put pressure on the Euro against all major counterparties. We reduced our exposure to the European common currency to 10% of the Fund as we believe the political complexity and the structural imbalances within the Eurozone will hinder the currency. On the positive side a weaker Euro will benefit European based exporters.

The Fund's largest individual positions are:

Microsoft (the global software leader in PC and servers applications), Amdocs (market leader in billing software and operating support systems for tier-1 telecom and pay-tv operators), Samsung Electronics (the global leader in electronic goods, memories and components), Cisco Systems (the global leader in data networking and advanced video technologies) and Prysmian (a leading player in the industry of high-technology cables and systems for energy and telecommunications).

At quarter end the Fund was 82% invested with a 3% short position on selected US stocks and indices for a total 79% net exposure.

Since its inception in the year 2000 the Platinum International Technology Fund has compounded at 8.9% pa, while the MSCI Information Technology Index (AUD) has recorded a net contraction of 11% pa compounded.

Commentary and Outlook

On 10 March 2000, the Nasdaq Composite Index reached its all time high at 5,048 and marked the peak of the technology bubble which preceded a long period of value destruction for many companies and stock market investors.

Ten years later the index at 2,398 is still more than 50% below its historic high but things could not look more different for technology stocks. The majority of technology companies are awash with cash and most have no net debt at all. The table over shows how some of the most familiar names in the technology sector have accumulated huge cash reserves.

How was this possible?

Partly it is due to their more cautious behaviour after some near-death experiences at the turn of the century. The financial stress experienced by century-old companies like Ericsson or Corning earlier in the decade or the government orchestrated rescues of some European telecom operators after the multi-billion dollar auctions for 3G licenses, have probably dictated a more cautious approach towards expansion at all costs over the rest of the decade.

One would expect that some of the cash flow generated by these industry leaders is re-invested in capital expenditures and R&D. Some of the names on the list (Microsoft, Google, Amazon) are clearly "asset-light" businesses, requiring relatively low levels of capital re-investment, yet even companies involved in capital intensive sectors like Intel (semiconductors) or Samsung Electronics (Digital memories) seem to be able to produce excess cash. Probably the now established trend of outsourcing manufacturing, assembly and even circuitry design to specialised foundries and IT integrators in Asia has been one of the key factors behind many Western technology groups' structural profit recovery. A slow consolidation process has also helped, strengthening the survivors in their respective industries.

Looking back at investment themes fashionable ten years ago, it is interesting to see how many of those ideas are eventually coming to fruition. Think of the internet advertising market which in 2000 in the US was worth around US$5 billion and which is expected to reach US$120 billion this year. Or at global mobile phone subscribers who totalled 740 million in 2000 and now are above 4 billion! Think of when Microsoft bought WebTv in 1997 with the idea of connecting a box to your TV with a link to the Internet. Fast forward a decade and you can now download on-line movies directly onto your Xbox360 game console!

We find it reassuring that after so many years of uncertainties and false starts we can now invest in many names around these themes at reasonable valuations.

Valuation of technology stocks has now reached fair value and they are no longer the bargain they were a year ago. In the US, the Nasdaq 100 Index trades on a historic PE of 23x and on a 17.7x prospective PE, reflecting expectations for economic recovery. We are comforted, however, that we can still find individual investment opportunities trading globally at more attractive valuations.

Our efforts remain as usual focused on the selection of individual stocks. Our investment strategy is shaped around the monitoring of themes such as those described above and in our previous reports, which will define the technology landscape over the next few years (ie. mobility, internet video, smartphones, alternative energy technologies etc). Our challenge will be, as usual, to identify the right stocks.

Cash Reserves for Technology Companies

COMPANY	MKT CAP 31 MARCH 2010 $BN	NET CASH $BN	% OF MKT CAP
Microsoft	257	30	12%
Apple	213	25	12%
Google	139	24	18%
Cisco	149	24	16%
Qualcomm	71	12	17%
Intel	123	12	10%
Samsung	106	11	10%
Dell	29	7	24%
Canon	62	9	14%
Amazon	60	6	10%

Source: Factset

Glossary

Balance of Payments
A summary of all economic transactions between a country and all other countries for a specific period time period, usually a year. The balance of payments account reflects all payments and liabilities to foreigners and all payments and obligations received from foreigners.

Credit Default Swap
A derivative designed to transfer the credit exposure of a fixed income product (eg. a bond) between parties. By entering into a credit swap the risk of default is transferred from the holder of the fixed income security to the seller of the swap.

Current Account
The difference between a nation's total exports of goods, services and transfers, and its total imports of them.

Japanese Government Bond (JGB)
A bond issued to investors by the Japanese Government, denominated in Japanese yen. Currently JGBs offer a relatively low yield of 1.3%.
Bond prices have an inverse relationship to bond yields. This means that falling bond prices denote rising yields and vice versa. If the economic outlook in Japan begins to improve and long-term interest rates rise in Japan, JGB prices will fall. By short selling JGBs, the Platinum Trust Funds are positioned to benefit from an improvement in the Japanese economy.

Long Dated Paper
Debt securities issued with a long-term maturity (eg. 10yr bonds).

Monetary Policy
The process used by a government or central bank to influence the supply, availability and cost of money in an economy. It is often used as a method to control inflation and stabilise currencies.

MSCI Indices
Varying indices compiled by Morgan Stanley Capital International (eg. World, Asia, Health Care etc) that are designed to measure equity market performance across different regions and industries.
Platinum does not structure its investment portfolios relative to a benchmark, however, the MSCI indices are used as a reference to determine how each Fund is performing in relation to the total market in which it invests.

Price to Book Ratio (PB)
The ratio of a company's current share price to its current book value. Book value is the sum of a company's total assets minus its total liabilities and intangible assets. The PB is used as an indicator of the value of a company by comparing its share price to the amount of the company's assets that each share is entitled to.

Price to Earnings Ratio (PE)
The ratio of a company's current share price to its per share earnings. The PE is used as an indicator of the value of a company by comparing its share price to the amount of per-share earnings the company generates.

Short Selling or Shorting
A transaction by which an investor is able to generate profit from a fall in the price of a particular company or market index. To generate such a profit an investor borrows securities and sells them, then when the price has fallen, the investor repurchases the securities at a lower price and returns them to the lender.
Platinum utilises short selling of stocks and indices for risk management (that is, to protect a Fund's Portfolio from either being invested or uninvested) and to take opportunities to increase returns.
Short selling is not undertaken for the Platinum Unhedged Fund.

Democratic People's Republic of Korea

Why DPRK? Well, it's different and it's definitely not on the usual holiday circuit. Only 2000 Westerners a year visit and presumably the same number return so it can't be that risky, surely. My son (celebrating leaving school and reluctantly accepting dad's 'alternative' to the Schoolies favoured by his contemporaries) and I leave Beijing International on a 50 year old Soviet-built Air Koryo jet on a cold winter's day. "Spacious Economy seats", my son noted. '"Rather noisy", I said to the English tour guide sitting beside me. "The time to worry is when you don't hear anything", was the comforting reply.

Ironically, on take-off we taxi past Air Force One. US President Obama is meeting with China's President Hu Jintao and Prime Minister Wen Jiabao. This sets the theme of contrasts throughout our journey. Passing over the clearly visible Great Wall we descend into Pyongyang. Pyongyang airport's arrivals and departures board is notably bare today. A single typed A4 sheet taped to the glass entrance door shows the week's flights – about six altogether, to Beijing and Vladivostok. At other times the airport is closed.

Our English tour guides explain we're not able to keep mobile phones but that they will be returned on our departure. Hey, this place has something going for it after all! We meet our local guides – Miss Kim and Mr Lee, who will accompany us everywhere during our visit. There are no unaccompanied visits in DPRK. We are allowed to take photos but only after first asking permission. During our visit there is rarely a picture we aren't allowed to take.

We are a group of 21 mainly from Australia and the UK. One is a 74-year old former Australian army corporal shot twice by the North Koreans but bearing no grudge and feted by the DPRK tour guides throughout. The military is well respected in the DPRK. It is cold – minus 5 to minus 10 centigrade at midday. The countryside is brown and barren with all the crops collected and stored away except a few 'colourful' cabbages. In spring the countryside is green, and in autumn it's golden up in the mountains. In mid-November we are the last tour group of the year and in four days' time the border is to be closed to visitors. I reflect that ours is a five day tour.

Not really knowing what to expect we are driven to the Arch of Triumph for our first view of DPRK architecture. The Arch straddles a major road into the city and although it is about 5pm we wander aimlessly across the road as traffic is a rare sight even in rush hour. We spot some schoolchildren practising Taekwondo in front of a large mosaic of the Great Leader surrounded by his appreciative people. Reticent at first, they soon enjoy looking at photos of themselves on our cameras. Some speak a few words of English which is taught in schools, but amongst adults communication is hard unless one knows a few words of Korean which is very well received. Miss Kim and Mr Lee speak excellent English and work for the government tourist agency, a much sought-after position.

Statues of the Great Leader, Kim Il-sung abound. His memory is not allowed to be forgotten by young or old in DPRK. We visit his mausoleum to pay our respects and are surrounded by groups from the military, office and factory workers, and travellers from distant cities and villages. The ladies, sometimes in local costume and sometimes weeping, the men, quiet and respectful in suits or uniform.

On our day trip to the DMZ's Panmunjom Joint Security Area, we are guided by senior army personnel who explain the history and the current scene. Accompanied by armed soldiers we drive in our highly visible tour bus into the area where no military activity is allowed. We walk around keeping close to our guides and pathways. We visit the three UN blue huts through which the border runs (right down the middle of a boardroom table where discussions between the two sides are held, and where we sit to listen to an explanation underneath

Pyongyang river with Juche Tower on right hand side and May Day Stadium in distance

Grand People's Study House, Pyongyang

the flags of all the nations except South Africa who had been involved in the conflict leading to separation). The huts are shared between tourists from the two halves of Korea and we have to hurry along to ensure we keep our appointed time. On a beautiful sunny day the area around the huts is quiet and peaceful but the tension obvious as banks of cameras follow every movement on either side of the border.

Pyongyang is a relatively new city, the old having been totally destroyed in the early 1950s. Rebuilt in the Soviet style, its public buildings are stark and forbidding, one with portraits of Lenin and Stalin staring down into the square below and lunchtime building workers playing volleyball outside another. None minded our photos. Football is the popular sport and sporting heroes' photographs are frequently displayed. (Readers may remember the 1966 World Cup in which the North Korean team caused major upsets. DPRK has qualified for this year's finals for the first time since. Women's soccer is given similar prominence to men's.) There's no advertising or obvious evidence of shops, the major signage being exhortations to the general population. Shops, if we can spot any, are largely indistinguishable from office buildings and not open to visitors. We are taken to special shops from which we can purchase the words of the Great Leader in multiple languages, books and postcards, stamps, the DPRK 'official' calendar which I buy as there is no other, and 'department' stores which sell a limited range of imported goods such as biscuits and drinks. We didn't buy much, the meals provided being adequate but not spectacular. Transport consists of old buses and trolley buses manufactured in former Soviet economies and maintained till they drop, sometimes literally, as we see passengers pushing them aside. The population is active, with many walking long distances between work and home. Cycles seem surprisingly uncommon but perhaps we have missed starting time which may be linked to daylight hours. Home is a large, multi-storey concrete apartment block which we aren't able to view. Even in the countryside 'newer' buildings are four storey apartments. We are allowed a brief journey on the Soviet-built underground. The grandeur of the station far outshines that of the carriages.

Pyongyang is a clean and tidy city with no litter and low pollution. At night it is pitch dark, electricity being in very short supply. Lit street lamps are a rarity which adds to the eerie feeling between restaurant and coach as we leave the circus with the snow starting to fall. At every major junction, despite the almost complete lack of traffic, the traffic lights are switched off during the day and replaced by young ladies on point duty. Replete in their blue, fur trimmed jackets and fur hats they command respect with their twirling and batons. Apparently a much sought-after job, the ladies are chosen for their good looks and sport different uniforms for each season.

To be expected, the military is very important. At a middle school we are taken to, the boys and girls are eagerly looking forward to their compulsory army service – boys for 13 years, girls for nine. The unheated military museum is a first port of call for those joining up, and we pass a group of young male soldiers attentively receiving an education in military history. Our female army guide shows us just a part of the collection of captured enemy equipment and photographs. It is well looked after. The Great Leader beams down on us at every turn. The USS Pueblo is another important stop on our tour. We climb aboard for a documentary film and to look around.

Kumsusan Memorial Palace and Mausoleum, Pyongyang

Main road from Pyongyang to Kaesong and DMZ

The captured US spy torpedo is on show next to the ship. We return to our hotel, the Yanggakdo, a large five star hotel, nearly empty but with BBC World which is not available to locals. Two ladies sell me stamps for my postcard to the UK. Under-employment is rife but everyone has a role to play and a small income. My postcard took five weeks to be delivered.

We leave for Beijing by a surprisingly comfortable Chinese sleeper train. We pass numerous freight trains transporting the year's rice crop around the country. Each wagon sports an armed soldier ensuring the rice sacks reach the nominated destination. Allocations based on family size are clearly not sufficient and food shortages are not uncommon in winter. We are informed rice is being replaced with the potato, more suited to the climate. Small markets have been allowed to develop in recent years but the authorities are wary of their impact. Since we left, the currency has been replaced and market development toned down, reportedly causing some concern.

Old quarter, Kaesong near DMZ

On the Chinese side of the Yalu River which represents the border with DPRK, the tall, illuminated buildings, traffic, and noise of the bustling small city of Dandong (population 'only' 4m) contrast with the abject darkness and silence of Sinuiju on the opposite bank. The train slowly pulls over the Friendship Bridge between the two, parallel to the Jiang Duan Qiao Bridge which ends abruptly halfway, the effect of US planes' strafing visible in the remnant twisted metal beams, and now a tourist spot from which to look into DPRK. We re-learn how to cross a busy road and like addicts, stock up on snacks at Tesco for the next day's visit to the easternmost part of the Great Wall and the remainder of our journey to Beijing. Clearly withdrawal symptoms have kicked in.

DPRK is well worth visiting (www.koryogroup.com). The people we met were welcoming but apart from those required to interact with foreign visitors and therefore with some spoken English, there was little opportunity to meet with locals and to learn and understand how they live. It is a different way of life and it's confronting. At first unsettling, always thought provoking, DPRK is a proud nation and deeply concerned with its 'axis of evil' status. For those with an interest in a different type of holiday destination, who want to step out of their comfort zone, I can only recommend it.

Richard E Stokes, PT Unit holder

Photos: Declan Stokes


Pyongyang from Yanggakdo Hotel


Mandsudae Grand Monument (of Kim Il Sung) outside the Korean Revolution Museum, Pyongyang


DPRK Guard, Panmunjom Joint Security Area, DMZ (concrete strip is border)


Pyongyang

"SEE IF OUR TECHNICAL PEOPLE CAN GET THIS UP AND RUNNING."

"YOU KEEP OUTLIVING YOUR OLD-AGE RETIREMENT SAVINGS!"

"ONE FINAL QUESTION: IS THERE AN OBSERVATION ROOM WHERE I CAN WATCH MY MONEY GROW?"

"It was only driven to and from the dealer for recalls..."

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 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: 1 May 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 3 March 2003
   Platinum European Fund: 1 July 1998
   Platinum Japan Fund: 1 July 1998
   Platinum International Brands Fund: 18 May 2000
   Platinum International Health Care Fund: 10 November 2003
   Platinum International Technology Fund: 18 May 2000

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 31 March 2005 to 31 March 2010 relative to their Index (in A$) 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
   (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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Platinum®
ASSET MANAGEMENT

Platinum Asset Management is a Sydney-based manager specialising in international equities. The investment team uses a thematic stock-picking approach that concentrates on identifying out-of-favour stocks with the objective of achieving superior returns for our clients. We pay no heed to recognised indices. We aim to protect against loss and will hedge stocks, indices and currencies in our endeavours to do so.

The firm was founded in February 1994 by a group of professionals who had built an enviable reputation. The investment team has grown steadily and PAM now manages around $18 billion, with approximately 9% of this coming from overseas investors. The Company was listed on the ASX in May 2007 and staff remain the majority shareholders.

Since inception, the Platinum International Fund has achieved returns of over three times those of the MSCI All Country World Index* and considerably more than interest rates on cash.

Investor services numbers

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