The Platinum Trust®
Quarterly Report

30 September 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 30 September 2010

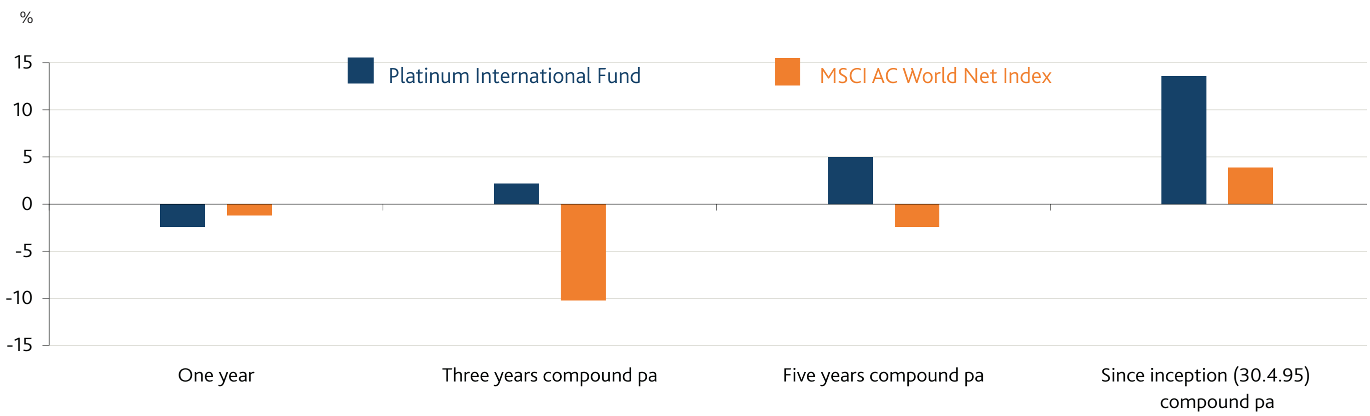
FUND	PORTFOLIO VALUE	QUARTER	1 YEAR	2 YEARS COMPOUND PA	3 YEARS COMPOUND PA	5 YEARS COMPOUND PA	SINCE INCEPTION COMPOUND PA
International Fund	**$9,127m**	**-4.3%**	**-2.4%**	**8.5%**	**2.2%**	**5.0%**	**13.6%**
MSCI AC* World Net Index		-0.3%	-1.2%	-6.1%	-10.2%	-2.4%	3.9%
Unhedged Fund	**$109m**	**-2.3%**	**9.1%**	**13.4%**	**3.8%**	**9.1%**	**10.4%**
MSCI AC World Net Index		-0.3%	-1.2%	-6.1%	-10.2%	-2.4%	-0.2%
Asia Fund	**$3,859m**	**6.7%**	**13.1%**	**17.1%**	**4.3%**	**12.7%**	**21.2%**
MSCI AC Asia ex Japan Net Index		1.6%	8.9%	11.1%	-5.4%	7.6%	12.0%
European Fund	**$159m**	**5.0%**	**6.6%**	**8.3%**	**-1.3%**	**4.8%**	**11.4%**
MSCI AC Europe Net Index		4.1%	-5.9%	-7.8%	-13.0%	-2.4%	-1.0%
Japan Fund	**$388m**	**-9.4%**	**-10.7%**	**5.3%**	**-2.0%**	**-2.1%**	**13.2%**
MSCI Japan Net Index		-7.7%	-8.7%	-9.9%	-12.7%	-7.0%	-1.9%
International Brands Fund	**$503m**	**4.8%**	**24.6%**	**19.4%**	**8.0%**	**9.3%**	**13.7%**
MSCI AC World Net Index		-0.3%	-1.2%	-6.1%	-10.2%	-2.4%	-3.8%
International Health Care Fund	**$18m**	**-1.5%**	**4.1%**	**1.2%**	**-1.7%**	**1.9%**	**1.9%**
MSCI AC World Health Care Net Index		-4.3%	-2.4%	-7.1%	-5.5%	-2.9%	0.3%
International Technology Fund	**$41m**	**-1.2%**	**-2.5%**	**12.1%**	**3.4%**	**5.7%**	**8.0%**
MSCI AC World IT Net Index		-3.0%	-1.1%	-1.5%	-7.7%	-1.9%	-11.2%

* 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

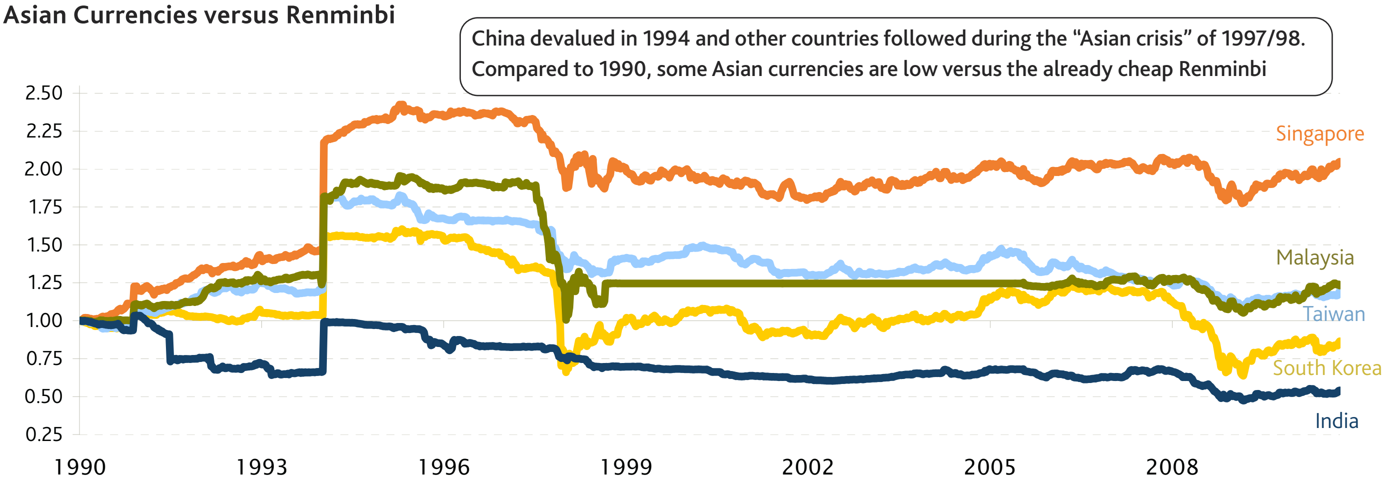
To 30 September 2010



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

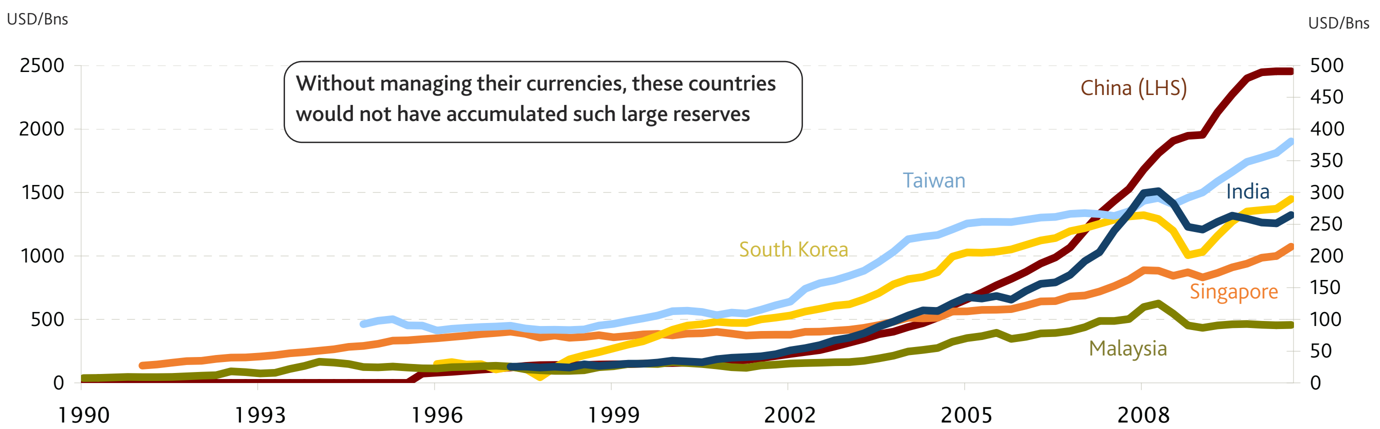
Market Panorama

Asian Currencies versus Renminbi



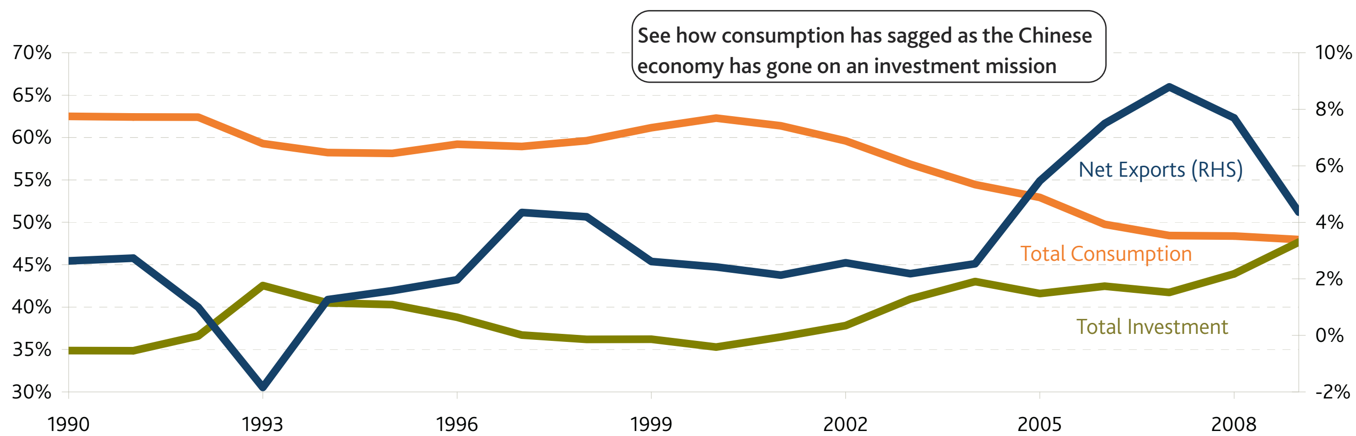
Source: Factset

Foreign Exchange Reserves



Source: Factset

China Consumption and Investment to Nominal GDP



Source: Factset

Platinum International Fund

Kerr Neilson Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
Europe	27%	25%
North America	23%	23%
Asia and Other	22%	21%
Japan	16%	17%
Cash	12%	14%
Shorts	18%	19%

Source: Platinum

Performance

We must confess to being caught flat-footed by a change in sentiment at the beginning of September. Having settled-in to protect the portfolio, the full ramifications of a new bout of quantitative easing eluded us and ignited equities to give one of the best Septembers on record.

Reward was given to those whose portfolios were positioned for growth. We were not. Worse still, our short positions were targeted at those companies that could expect pressure on their margins as new capacity added to meet bottlenecks may have coincided with faltering demand.

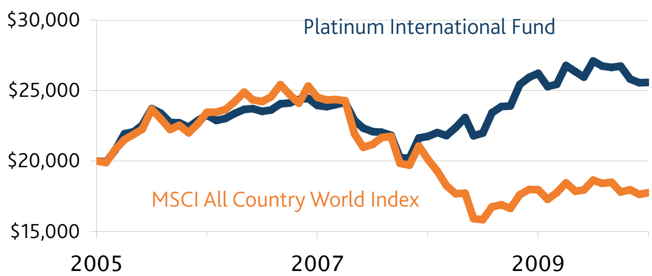
The Japanese market which normally responds to an improved growth outlook failed to rise. Speculative pressure undermined its competitiveness with a rush into the Yen and other currencies such as the Australian dollar and the Brazilian real that were seen as growth proxies.

After a harrowing quarter, it is tempting to throw caution to the wind, shorten one's time horizon and maximise momentum. Our past experience would point us in the opposite direction as we have experienced these type of setbacks before. The best remedy is to reassess one's views but not change one's central focus of seeking out those companies which for transient reasons are experiencing neglect.

The combination of these adverse cross-currents left the Fund down 4.3% for the quarter and -2.4% for the year. By contrast, the MSCI All Country World Net Index declined by 0.3% for the quarter and -1.2% for the year.

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

MSCI World Index Sector Performance (AUD)

SECTOR	QUARTER	1 YEAR
Materials	5%	7%
Telecommunications	3%	1%
Consumer Discretionary	3%	10%
Industrials	1%	5%
Energy	0%	-7%
Financials	-1%	-10%
Consumer Staples	-1%	6%
Utilities	-3%	-8%
Information Technology	-3%	-1%
Health Care	-4%	-2%

Source: MSCI

Currencies

"Quantitative easing" (QE) is the word but currency distortions are proving the effect. It is indeed ironic that just as the US lower house passes a bill that could result in countervailing measures being brought against Chinese imports on the basis that China is manipulating its currency, the markets responded to QE by forcing the US dollar lower. Falling against all comers, though modestly against the Chinese yuan, momentum gathered through the quarter against the US dollar as speculators targeted the Asian currencies in particular.

To protect against this weakness we have been progressively moving out of the US dollar in favour of Asian currencies and even added to our holdings of Euro. We have virtually removed any exposure to the Yen, as we believe it is almost inevitable that Japan too will attempt to weaken its exchange rate indirectly through QE. The Chinese are still resisting a rise in the Yuan for fear of loss of competitiveness, but once the Asian currencies have moved yet higher, it will find its position isolated.

As we begin the new quarter, we hold 31% in European currencies, 29% in Asian currencies ex the Hong Kong dollar, 16% in the Australian dollar, 8% in the US dollar, 7% in the Canadian dollar and 6% in the Hong Kong dollar.

Shorting

This has been the source of maximum stress for the Fund in the last month. We have closed the short on the Japanese Government Bonds at a loss and partially switched our specific stock shorts into more generic Exchange Traded Funds (ETFs) to reduce stock specific risk. Having risen strongly, the remaining specific positions now look to be breathing pure oxygen and we ask for your forbearance as we anticipate at least their retracement for breath. These positions will be reduced if circumstances change, but for now they look to be priced for a perfect world.

Changes to the Portfolio

Concerns about growth led to a divergence of performance and valuations in the first two months of the quarter and gave us an opportunity to deploy some of our cash. We added to existing positions such as Prudential (life insurance); Carrefour (mass retailing); Pernod Ricard (beverages); International Paper (packaging, paper and pulp); Cisco (internet backbone); Royal Dutch Shell (petroleum); LG Display (electronics) and Shin-Etsu (PVC and silicon).

We sold out of long-held positions like Schneider (low voltage devices); SAP (IT software) and Bombardier (air and rail systems). They had each made a reasonable contribution and were sold because of their relative value rather than being particularly expensive. Further, we trimmed some of the very fast movers which were mainly in Asia and they continued higher at the close of the quarter.

Apart from adding several small companies that are tangential plays of resource shortages, the two significant new holdings are Bank of America and Vodafone.

Having emerged from the global financial crisis (GFC) as the leading retail bank in the now-more consolidated US banking market, **Bank of America** (BAC) has a market capitalisation of $130 billion, a 45% discount to stated book value and a mere 2.5 times its pre-provision pre-tax earnings. With significant write-offs having been taken during the GFC and having already built a significant buffer against future defaults, BAC is well-placed to weather the cost of borrowers throwing in the towel and walking away from their debts. With US employment and house prices seemingly stabilised, the burden of defaults should ease, increasing the portion of pre-provision earnings going to shareholders, even as the absolute size of that pool is whittled down by a harsh regulatory backlash and the end of America's love-affair with debt. Even with our enthusiasm tempered by concerns about the headwinds Western banks face, and by our experiences in post-bubble Japan, we are nevertheless drawn to what we see as an attractive opportunity in a sector facing increasing investor apathy.

Vodafone seems to be changing its ways. Having been a serial acquirer, and not always at the best prices, the new management team is settling down to clear out minority investments to reduce debt and focus on its broad portfolio of wireless phone properties around the world. These are indeed extensive and unlike many of its competitors, Vodafone is exclusively a mobile phone/data operator, with no exposure to diminishing fixed line services and, almost without exception, is the largest or second largest provider in its principal markets.

We think this is important from a structural point of view where rapid deployment of smartphones will bring economies of scale to the fore[1]. Ultimately, there will be a winnowing out of players. The remarkable observation for all the conflict in the field: falling voice call prices, handset teaser offers, customer churn levels that would make a motel operator proud, the enormous cost of procuring spectrum licences… and the leaders still make above average returns on capital. This is not a strong growth story but there is an outside chance of profits being stronger than is currently being priced into the sector. In the meantime, one collects a dividend well-above the bond rate with the underlying economics of the business improving.

Commentary

The challenge facing fund managers is to deal with the frequent paradoxes thrown-up by the markets. This is proving particularly trying at the moment with there still being concerns about the rate of recovery, yet the stock markets are on a roll. At quarter end, it was the common belief that the flood of money from yet more quantitative easing combined with massive speculative flows across the foreign exchanges, promised an almost certain bet. If the US economy is weak, the Federal Reserve will buy yet more bonds, thereby injecting even more liquidity. Alternatively, if the economy improves, there is less risk for financial assets anyway.

Belying this pacific setting is the spectacular whirl of funds across the exchanges as the likes of China recycle their surpluses into the asset markets of the world. Without this intervention, which partially gives rise to these surpluses, the Yuan would probably be the strongest major currency in Asia rather than the weakest. **As we have noted in previous quarterlies, recuperation of the industrialised world's health cannot be achieved while the second largest producer on this planet maintains exchange controls and attempts to imitate the mercantilist policies of those adopted by Japan in the 1970s.**

It cannot be much fun either for the rest of Asia, as these flows drive their currencies stronger, giving further advantage to the mega-competitive economy of the region. Some are resisting this pressure by offering more of their own currencies in exchange, and in-turn, participating in the recycling merry-go-round. (Trade surpluses in Asia are accumulating at about US$50 billion each month). At the same time the rise in the value of the Yen and Euro is stripping away the competitiveness of exporters from those countries which is an important driver of their economic recovery.

We spent part of the last quarter visiting India and China. One is of course struck by the sense of purpose of those one meets and the tempo of change. India was reminiscent of 1994 when the sky had no limit and the stories grew in the telling. The hot sector of the moment is infrastructure - particularly acquiring and building road concessions, and building electrical power plants. The shareholder presentations are

[1] The market leader in Korea, KT Corporation, has experienced a massive 40 times increase in data use from its initial iPhone users; while iPad users are seemingly utilising 10 times that of an iPhone user…

immaculately packaged for those with lucid imaginations but fortunately the chase of the crowd does leave room on the periphery for those with less need for instant gratification.

The Chinese "H" market (listed ex China) too has the feel of great excitement. The government is keenly aware of the problems of trying to control so many variables at once and hence is resorting to administrative measures, particularly in the housing market but also among the less efficient segments of energy intensive industries like cement and steel. There is tacit acceptance of the need for wages to adjust upwards in real terms and by so doing, to drive manufacturers to raise productivity or fade out of the market.

The benefit of greater disposable incomes has not been lost on investors, as the valuation of branded consumer companies have reached dazzling levels; typically 35 to 45 times 2010 earnings!

We tried to assess the degree to which the property market is oversupplied. The table below gives a hint of the magnitude of the urban building cycle which is being matched by gargantuan projects to provide rail, road and pipelines from one side of this vast 9.7 million km^2 country to the other[2].

Without having a comprehensive understanding of the quality of the initial stock of urban housing and the degree of over-crowding, nor the level of urban demolitions, we cannot reach a reliable conclusion. However, urban household formation seems to have averaged between 7 and 8 million pa for the last 14 years; essentially double the figure of the preceding 10 years with persons per household dropping from close to four in 1985 to about '2.9' in 2009[3.]

This throws up a problem. Suppose we say the "average dwelling'' occupies say 100 m^2, then as shown by the table, the apparent demand for new urban household formation was only matched by the number of dwellings sold in 2007 and 2009. There may be unsold inventory, but in relation to the annual demand, how significant can this be? Note how the market was absorbing 400 million m^2 to 550 million m^2 from 2004 to 2006 and then stepped up dramatically in tandem with the country's stimulus response to the GFC in 2008-09.

Unbridled optimism characterised every meeting (some 20 meetings). Without wishing to detract from the entrepreneurs who have built wonderful businesses, one is frequently reminded of the **carpet bagging** that has so distorted the distribution of wealth in China. Other factors that can contribute to a sense of omnipotence and hence overconfidence is the support that is given by the government to ensure the rapid and almost costless transfer of technology, the preference given to indigenous companies, the huge scale of the domestic market and the recent history of persistent growth.

We believe there will be a severe setback at some stage but we remind readers that the government has done a reasonably good job to date and it still owns a very large share of the nation's productive capacity. If properly accounted for, the fiscal balance would be shown to be in significant surplus instead of a declared deficit of 2.2% of GDP! The Achilles heel resides in the need to create enough jobs but in attempting to control the currency there will be unintended consequences.

Total Gross Floor Area of Residential Buildings Sold in China - 2004 to 2009

	2004	2005	2006	2007	2008	2009
Millions of square metres	397	496	554	701	593	853
Billions of Renminbi	1036	1456	1729	2557	2120	3816

Source: CEIC Data Co Ltd

2 Depending on definitions, the size of the large jurisdictions are approximately as follows: Russia 17mn km^2; Canada 9.9mn km^2; US and China each around 9.8 mn km^2; Brazil 8.5mn km^2 and Australia 7.7mn km^2.

3 Over the same period rural household formation peaked in about 1997 at 194 million and then dropped by about one million each year subsequently. There are now approximately 179 million rural households and they comprise four persons on average.

The machinations in the foreign exchange markets are reminiscent of the patterns of the 1920s. Then, just as now, the world was experiencing the changing of the baton. Britain with its imperial pride was reluctant to diminish its historic role as the financier to the world and consequently had reset its currency against gold at the pre-war and uncompetitive level. France in the 1920s did the exact opposite while the third major European power, Germany, enfeebled by hyperinflation that was the consequence of monetising on the debt emanating from the Great War, was being eviscerated by reparations.

The emerging super power, America, tried its utmost to accommodate all by keeping interest rates low but in so doing set the stage for rampant speculation that led to the crash of 1929. There followed a spate of currency devaluations (coming-off the gold standard) with America devaluing by about 40% against gold in 1933, but by moving slower than the likes of Britain, experienced a much more severe depression. Liaquat Ahamed's book *Lords of Finance*[4] highlights how the logical path was often eschewed because of the personalities and misconceptions by the principal players and because of their own narrow agendas. The evidence around us suggests that we remain resistant to the lessons of history.

Conclusion

The world has a pattern of lurching from one mishap to another. The intertwining of political demands, together with changes of national competitiveness, finds expression in tampering with money supply and the purchasing power of currencies. Never was this more evident than today. Those countries that resist an appreciation of their currencies will likely see a different immediate pattern to their internal asset prices than those that do not. We can anticipate some currencies, commodities and risk assets to deviate strongly from their inherent value.

This is not an easy environment for value orientated investors but if we can read the trends correctly, good returns may be earned without having to resort to becoming a momentum investor. Should the Chinese surprise markets by allowing a rapid appreciation of the Yuan, markets could rise appreciably on improved fundamentals.

[4] For those with the interest and time, may I suggest you read *Lords of Finance* written by Liaquat Ahamed and published by Penguin Books. The book tries to capture the people and the moment of the events leading up to the great depression of the 1930s.

Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
North America	29%	30%
Asia and Other	27%	24%
Japan	20%	22%
Europe	15%	13%
Australia	0%	1%
Cash	9%	10%

Source: Platinum

Portfolio Position

Changes in quarterly portfolio composition:

Sector Breakdown

SECTOR	SEP 2010	JUN 2010
BRICs* Consumption	22%	17%
Technology	12%	12%
Gold	10%	10%
Defensive	9%	6%
Consumer Cyclical	9%	10%
Healthcare	8%	10%
Japanese Domestic	8%	12%
Commodity	7%	5%
Capital Equipment	4%	4%
Alternative Energy	1%	2%
Other	1%	2%
Gross Long	91%	90%

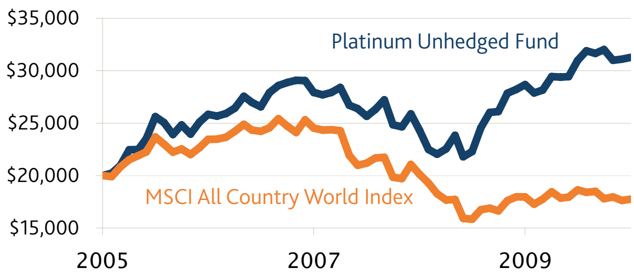
* Brazil, Russia, India and China

Source: Platinum

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

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 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 9%, outperforming the MSCI All Country World Index (A$) benchmark by 10% and over the past quarter the Fund fell 2.3%, underperforming the benchmark by 2%.

The global stock market has experienced a 12 month trading range with turning points dictated by key "macro" climaxes but with a growing pattern of emerging markets rebounding to new highs as Western markets struggle to regain previous highs.

If we look back on our positions entering 2010, we had started to sell some of our more expensive "BRIC" (Brazil, Russia, India and China) investments in preference for Japanese and US equities that were offering a similar growth profile at lower valuation. In a sense, we were looking for some confirmation that the Chinese were in fact serious in their efforts to rebalance towards consumption via a de-pegging of the Renminbi from the US dollar. Further, our fundamental view was that the Yen was grossly overvalued and poised to enter a weakening phase. The strategy worked well until European sovereign debt concerns drove the Euro weaker and Yen stronger, once again delaying a rebound in Japanese equities. The Euro decline proved short-lived as the "macro" crowd refocused on the weakening US recovery with the US dollar now depreciating against almost all currencies and other "hard" assets.

The market has applauded the following aspects of the current uncertain environment:

- The collapse in US yields (even though it has not flowed into a decline in the conforming residential mortgage rate, as the majority of US mortgages no longer conform due to negative equity and/or decline in credit rating). This has fuelled speculation that US policy makers will change the rules to facilitate a refinancing cycle (from around 5% to 3.3%), representing a major shot in the arm for the US consumer. Whilst any change would represents a clear deterioration in the US sovereign credit rating, as roughly 25% of these mortgages are owned by foreigners (largely Asian Central Banks) and 25% by the Federal Reserve, the policy has obvious appeal to US politicians.
- The apparent stalling US recovery has fed market speculation that the Federal Reserve is about to embark on another round of monetised asset purchases, a currency devaluation policy dressed up as deflation fighting.
- Signs that natural demand for Chinese residential property is so strong that the market is rebounding from April's administratively enforced clamp down.
- A renewed crawling appreciation of the Renminbi against the US dollar (the forward market is currently pricing in 4-6% pa) with some signs that Asia, as a whole, may embrace an accelerated currency-trade rebalancing with the West.

Our worst quarterly underperformers were in the technology area (capital equipment suppliers, Cisco and Applied Materials and component suppliers, LG Display and Shin-Etsu) and our Japanese domestic stocks (Obic and T&D Holdings). The outperformers were largely confined to our emerging world consumption stocks (Guangzhou Automobile - the merger of the erstwhile Denway, the Honda China JV partner with its parent company's Toyota, Hino and Fiat JV operations, Kangwon Land, Genting and Bangkok Bank), as well as mid-cap gold stocks (CGA Mining and Great Basin Gold).

In the March quarterly report, we outlined the rationale behind some of our technology holdings and we also noted the risks to the story ie. exposure to a "challenged" Western world consumer. Though in the short-term our view that our downside was protected by valuation has proven incorrect, each of our holdings is underpinned by a strong stock specific investment case. As for our Japanese domestic holdings, we have previously acknowledged our view was mistimed with regard to the Bank of Japan (BOJ) acting to weaken the Yen and reflate the domestic economy. Thus, we have progressively cut exposure to this area from a peak of 15% at the end of March to a current level of 8% by selling holdings with waning conviction levels (eg. Yamato Holdings) and stocks that had reached valuation targets (PAL and Itochu Techno Solutions).

We also sold our last shares in China Resources Enterprise (China's leading beer and mass market retailer) on a current year PE of 36 times. Clearly, in certain parts of the market, euphoria is back and the relative strength of investor flows into emerging markets suggests we are overdue for a correction. Notwithstanding, in aggregate emerging market equities are trading inline with Western valuations (see chart below) suggesting we are a long way from the "irrational exuberance" moment. We are still finding neglected gems and used the pull-back early in the quarter to accumulate new positions (deploying the cash raised from Japan), including:

- CFAO, a stock that readers of the Platinum European Fund quarterly reports would be familiar with; an African new car dealership and pharmaceutical distribution business with trading operations dating back 160 years. Along with the endogenous growth inherent in the new frontier of globalisation, the commodity price boom is driving African foreign direct investment, boosting pitifully low rates of car ownership and pharmaceutical use. In the current European Fund quarterly report, currency moves gifted us an opportunity to buy the stock cheaply, that is at around 12 times PE for a company that we believe will experience a high rate of growth.

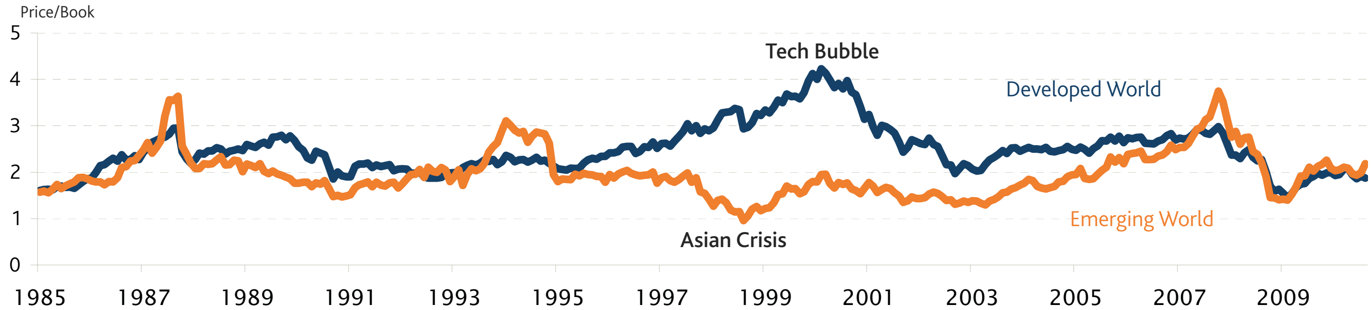
- China Telecom is China's leading fixed-line telecommunications company (180 million subscribers in a two player 300 million subscriber market) and the number three mobile operator (75 million subscribers, 9% share in a three player market with China mobile dominant with 71% share). Along with the global sector, the stock has fallen out-of-favour due to ongoing revenue declines from fix-to-mobile substitution. However, we think the market is missing some points that differentiate the company, including:

    - A high growth broadband business with 55 million ADSL subscribers (dominant player in a 100 million subscriber market) growing customers at 10 million pa and with revenues already larger than the legacy fixed line business.

    - A high growth mobile business, adding customers at a rate of 30 million pa and taking 30% incremental market share. The company is succeeding in winning high-end 3G smartphone customers from the somewhat technologically disadvantaged China Mobile (the regulator enforced an experiment with the untested indigenous TDS CDMA (code division multiple access) 3G technology). We think the mobile telephony market will continue to grow in line with a Western saturation benchmark implying 300 million more subscribers up for grabs ie. the business is far from ex-growth. Clearly, there are competitive risks, however, our thesis is that the threat of asymmetrical regulation (in terms of interconnect) will keep the incumbent China Mobile on the leash.

We acquired our position on a current year un-geared cash flow yield of around 10% and this includes zero contribution from the mobile operation which has just passed through break-even; on our reckoning, we are getting the mobile business for free.

Developed versus Emerging World Price to Book



Source: Factset

Commentary and Outlook

We started the year proposing that for the current equity market cycle to gain durability, we needed a currency led, trade rebalancing between the six billion hyper-competitive consumers in the developing world (average GDP per capita of $3k) and the 800 million over-leveraged, uncompetitive Western consumers (average GDP per capita of $51k). We have certainly embarked on a "rebalancing" journey, but possibly along a somewhat different route to that envisaged 12 months ago. It has become clearer that before the Chinese consider a major de-pegging of the Renminbi from the US dollar, they wish to minimise losses on their existing estimated $1.6 trillion holdings of US dollar by aggressive reserve diversification. They first started to accumulate Euro only to be hit by the European sovereign debt concerns and then accumulating Yen only to be hit by Ministry of Finance (MOF) intervention. Clearly, Western economies are grappling with a lack of export competitiveness and too much leverage and the last thing they want is a strong currency reinforcing deflationary tendencies (so even the Japanese have started a tentative fight back – see the current Platinum Japan Fund quarterly report).

But in addition to the Yen, there is now evidence that the Chinese are accumulating the currencies of their Asian and emerging market export competitors. This is a fascinating development and could be described as the mercantilists starting to eat each other. When one considers that the developing world in total only accounts for 20% daily foreign exchange market turnover, you can see how disruptive China's diversification actions could become. Understanding and capitalising on the unintended consequences of this dynamic will remain a focus of the Fund.

The Chinese are encouraging the appreciation of their Asian export competitors' currencies against the US dollar, so instead of China rebalancing with the West, it is forcing it upon the rest of the emerging world. In a way, it is forging potential new markets for its exports to replace the Western consumer.

Whilst there is a risk that these countries respond with greater currency/capital controls, for the following reasons this may not occur just yet:

- In 1997 the non-Japan Asian currencies devalued heavily against the Renminbi; China could make a convincing argument that these countries should revalue first, especially the more affluent ones like Taiwan, South Korea, Singapore, Malaysia etc.
- The commodity price boom represents an Asian terms of trade shock as the region is generally a commodity importer; a strong currency can help offset commodity price inflation.
- The sterilisation of Asian Central Bank intervention now has a real cost as US dollar yields (and in fact all G7 yields) have fallen below most Asian domestic yields.

Clearly, the implicit contradiction in US and Chinese monetary policies is heightening risks, such as:

- Administrative controls that dampen developing world domestic demand may exacerbate Western deflationary tendencies, potentially triggering a major sovereign credit event (PIGS (Portugal, Italy, Greece and Spain) or a large US State like Illinois or California).
- US-China trade spat balloons out of control.
- US dollar crisis triggered by excess liquidity from Federal Reserve easing policies driving up commodity prices to the point where not just foreigners, but US citizens, start to question the US dollar as a store of value.

As we witnessed in the great Western world credit bubble that burst in 2008, whilst the risks had been apparent to many of us for years, it didn't pay to be that pre-emptive and the "Minsky moment" proved allusive (though we were reasonably well prepared when it finally did arrive). If we see Japan and Europe (re)join in the currency devaluation game, many of these concerns may well be blasted away by a new abundant source of liquidity.

Platinum Asia Fund

Andrew Clifford Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
China (Listed Ex PRC)	18%	17%
China (Listed PRC)	8%	9%
Hong Kong	4%	6%
Taiwan	6%	6%
Greater China total	**36%**	**38%**
Korea	17%	17%
India	11%	9%
Thailand	11%	9%
Malaysia	6%	6%
Singapore	5%	6%
Indonesia	3%	3%
Philippines	3%	3%
Vietnam	1%	1%
Cash	7%	8%
Shorts	8%	1%

Source: Platinum

Performance

Performance (compound pa, to 30 September 2010)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Asia Fund	7%	13%	4%	13%	21%
MSCI AC Asia ex Jp Index	2%	9%	-5%	8%	12%

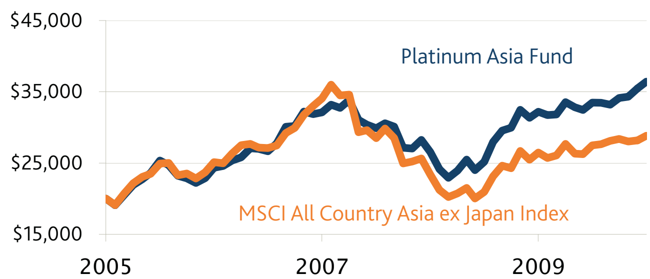
Source: Platinum and MSCI. Refer to Note 1, page 36.

Asian stock markets had a strong quarter returning 13% in local currency terms, though this was reduced to 2% due to the strength of the Australian dollar. Entering the period, markets were concerned by the sluggishness of the developed economies and fears of a slowing Chinese property market. However, as the quarter progressed signs of an improvement in US employment and improving sales of residential property in China encouraged investors to take a more optimistic view.

Over the last 20 years, whenever Central Banks in the developed economies have suppressed interest rates, money has flowed to the "best" investment story of the day. The technology bubble after the Asia and Russian debt crisis or the US property market after the "tech wreck" are two examples. Today, Asia is one of the few obviously good investment stories globally and is attracting significant investment flows as a result. The regional Central Banks policy of not allowing significant appreciation of their exchange rates exacerbates the impact of these flows. In the last quarter we have seen sharp rises across the region, in particular in the ASEAN markets where Thailand has led the way, rising almost 19% for the quarter. The sustainability of such moves are at best difficult to assess.

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

The Fund has performed well in the latest quarter outperforming the market by 5%. Much of this can be attributed to holdings in ASEAN market with stocks such as Genting (Malaysian and Singapore casinos, up 39%), Jardine Matheson (regional conglomerate, up 29%), and Ayala Land and Vista Land (Philippine property developers, up 28% and 85% respectively) amongst the Funds biggest contributors. The one disappointment of note during the quarter was China Life whose most recent results saw a drop-off in the growth in sales of life policies.

Changes to the Portfolio

Recent trips to India and China proved productive with a number of new holdings added to the Fund. Educomp is a provider of educational materials to Indian schools and has also entered into the business of running private schools in that country. A change to the way the company is financing its rapid growth has caused concerns for the market leading to a fall in the stock price and an opportunity for the Fund to buy in at attractive levels. Shree Renuka Sugar is an Indian sugar miller and refiner that have acquired Brazilian mills, significantly increasing the company's cane crushing capacity. The company is well-positioned to take advantage of a tight global sugar market and the transformation of India into a sugar importer.

In China, Sohu and Sina are both internet portals with other associated businesses that are trading at very attractive levels compared with prices typically being paid for consumer-related companies in China. China Telecom is benefiting from growth in its mobile phone business where it is taking share from China Mobile who has been forced to use less well-supported local technology in rolling out 3G services. Generally we have been adding to our telecom holdings across the region as 3G rollouts combined with smartphones are creating a new source of revenue growth. Typically these companies are throwing-off significant free cash flow and are trading at very attractive dividend yields.

The Fund sold out of its position in Hutchison Whampoa. The company's European telecom businesses continued to be a drag on profitability and we took advantage of a move-up in the stock to sell, freeing funds for more prospective opportunities. In the last weeks of the quarter, we put in place index short positions in a number of markets to reduce market exposure, reflecting our short-term view that markets were somewhat overextended.

Commentary

Readers of past quarterly reports will be familiar with our view that a revaluation of the Chinese yuan will allow China and the region to move away from the boom-bust growth pattern that has developed over the last two decades. If the Yuan were allowed to float freely, or at least appreciate significantly in the medium-term, inflationary pressures in the property market and food prices would substantially dissipate. It would also be helpful for developed economies such as the US as it would provide a catalyst for investment, helping them dig their way out of the mountain of debt under which they are buried. A one-off improvement in export competitiveness providing a boost to investment and employment is perhaps one of the few genuine hopes for such economies to reignite growth, in the face of stretched government finances.

Recent announcements by the Chinese authorities suggest that change is afoot. Changes allowing greater access to the Chinese fixed interest markets have been announced for financial institutions that are already involved in Yuan trade and deposit taking in Hong Kong. While the quantum of access to China's money markets is still expected to be controlled, it is a significant step in the opening of China's capital account, and will certainly pave the way for a full opening in time. Hong Kong's position as the offshore trading centre for the Yuan appears to have been affirmed, with approval for the development of Yuan based financial products. Already we have seen McDonald's issuing a Yuan denominated bond and the Hong Kong Exchange is considering launching a Yuan exchange rate futures contract.

Since the decision in June to allow greater fluctuations in the exchange rate, the Yuan has appreciated by less than 2% against the US dollar, though the latter has been weak against the major currencies, so little impact has been felt as yet. Indeed the above steps are part of a series of announcements over the last five years, and many predictions of a stronger or floating Yuan throughout that period have come to nought, so why should it be different this time? While little may change, there are a number of pressures being brought to bear at the moment that could force China's hand.

Most significant of these is inflation in property prices. As discussed in past reports, this is a highly sensitive issue, one which has in the past been managed reasonably well through various administrative controls around lending for property. Recently, strong pick-up in transaction volumes suggest that these controls are no longer functioning as well as in the past and new solutions are required. A stronger exchange rate and the independent monetary policy it would allow would probably be the best chance of dampening property speculation. As an aside, the completion of new apartments this year is expected to exceed eight million; a number starting to stretch one's imagination with regard to the sustainability of this level of annual demand. Given the importance of residential construction in China's economy this represents a significant risk in the medium-term to the country's economic growth - reform of the exchange rate or not.

It is not only in property prices though that inflation is causing policy makers cause for concern with inflation continuing to move higher, in particular food prices, and as mentioned last quarter, ongoing increases in the cost of labour. Elsewhere in the region, as Central Banks have attempted to limit the appreciation of their currencies which have been steadily creeping higher, we have seen asset inflation expressing itself in the form of higher stock prices across the ASEAN and Indian stock markets. While equity investors may be enjoying the ride, Central Banks in these countries are very sensitive to the potential damage to the real economy caused by the rush of speculative money. The possibility of some form of capital controls to reduce the flows should not be discounted.

While China may or may not be sensitive to the plight of its neighbours, the state of its major trading partners in Europe and the US must be of significant concern. A boost to competitiveness that would come with a stronger Yuan is the best chance of boosting investment in these debt laden economies. If these economies do not begin to pick-up of their own accord in the next few months, the likelihood of further policy measures such as additional quantitative easing rises (so-called "QE2", or more simply, further printing of US dollars). This will only exacerbate the problems of cheap money finding its way into the economies of China and the rest of the region. Beyond this lies the threat of protectionism if action isn't taken. It is unlikely any of this is lost on China's leadership. However, deep concerns about creating enough jobs and an unwillingness to surrender the mercantilist model pioneered by Japan in the 1960s, suggest that conservatives will hamper moves for change, particularly in the face of the change in leadership set for 2011.

Outlook

Global trade imbalances, debt burdens in the west, and building inflation across Asia, are a mix of variables that could give rise to a wide variety of outcomes. In the short-term, it may well be the case that regional markets, particularly those at the periphery such as the ASEAN countries continue their strong run for the moment. But Asian markets will also remain vulnerable to developments in their export markets, as well as policy decisions at home. A significant revaluation of the Chinese yuan could lead to a much more sustainable platform for regional growth of economies and corporate profits. Describing the outlook for the region, the unhelpful "uncertain" comes to mind.

As investors in stocks rather than markets, a slightly more useful prognosis can be made. As noted earlier, we continue to unearth some interesting new investments; stocks that should make us reasonable returns over a three to five year period in most environments we envisage. Our older holdings, despite having moved up significantly in price, are still trading at sensible valuations.

This leads one to be optimistic about the returns that can be made in the medium-term though it would seem unlikely that it will be a smooth ride.

Platinum European Fund

Clay Smolinski Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
Belgium	3%	2%
Finland	4%	3%
France	25%	25%
Germany	41%	41%
Italy	2%	3%
Netherlands	2%	2%
Norway	0%	1%
Sweden	3%	3%
Switzerland	4%	3%
UK	11%	8%
US	1%	1%
Cash	4%	8%
Shorts	6%	8%

Source: Platinum

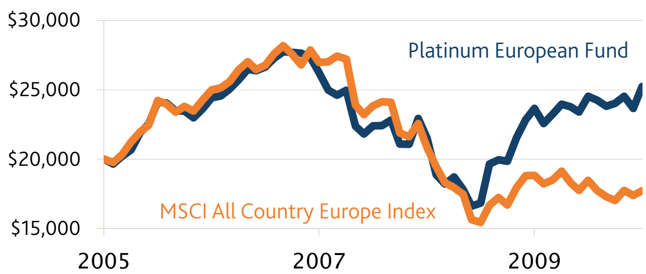
Performance and Changes to the Portfolio

We concluded our last quarterly report with the observation that whilst the European markets were gripped with fear over sovereign debt levels and US led deflation, the companies themselves were far more sanguine about the business conditions they were seeing. This optimism was later reflected in strong second quarter results reported out of Europe and this, together with some better than expected economic figures, gave the markets reason to rally with the DAX (Germany +7%), CAC (France +11%), FTSE (UK +13%) and IBEX (Spain +17%) all finishing well-above their July lows.

The standout sectors for the quarter were the miners (copper producer Antofagasta +61%, Xstrata +44%), the auto and truck manufacturers (Fiat +38%, BMW +34%, Scania +28%) with the German luxury brands doing particularly well as Chinese demand for high-end vehicles continues to boom. The most notable area of weakness were the building material stocks (CRH -27%, Heidelberg Cement -10%), where expectations of a recovery in US construction related spending failed to materialise.

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

CFAO (+34%) was one of the better performing holdings for the Fund over the quarter. We added to our holding in June after the price collapsed amongst fears that the weaker Euro would hurt profits (CFAO is an importer of mostly Japanese and US brand autos, whose price would rise in the African states which peg their currency to the Euro). The stock has since rebounded sharply on the strengthening Euro and a pick-up of auto sales in its African markets. Other highlights include PPR (French retailer +21%) and Dutch listed vaccine producer Crucell (+68%) which received a takeover bid from Johnson and Johnson.

As sovereign debt fears have slowly calmed, the Euro has continued to strengthen from its June lows, appreciating 11% versus the US dollar and 5% versus both the Yen and British pound. The Fund was not well-positioned against the Australian dollar, which again strengthened versus the Euro, up +3% for the quarter.

In Australian dollar terms, the Platinum European Fund returned 5% for the quarter compared to 4% for the MSCI All Country Europe Index. The returns of the Fund for the six and 12 month period were 3% and 7% respectively, versus -4% and -6% for the Index.

Commentary

We entered the quarter with the Fund holding a reasonably full gross invested position and have only had to make minor adjustments to our holdings as market conditions changed.

One new position we have taken is our holding in Vodafone. With origins dating back to UK defence electronics manufacturer Racal, Vodafone was one of the infamous players in the late nineties drunken TMT frenzy, consummating the mega mergers with US based Airtouch (now Verizon wireless) and Germany's Mannesmann for a jaw dropping US$250 billion combined. A decade on, Vodafone remains a pure mobile network operator and whilst still largely pan-European focused, has meaningful positions in the US, Africa, Middle East and India.

As many of our readers will know, the post-bubble experience of the European mobile operators did not live up to the pro-bubble hype. The auctioning of new mobile licenses brought new competitors, whom after building out their networks, had few tools other than discounting to attract subscribers.

Pricing pressure was further compounded by regulatory change around mobile termination rates (MTRs – the fee one operator charges to another to end a call on their network). The European commission noted that mobile operators (especially the incumbents with high market shares) held a monopoly over call traffic directed from other networks to their mobile subscribers. The solution was to first set asymmetrical MTRs between the incumbent mobile operators and new mobile entrants (ie. the new entrants were paid a higher rate, increasing their ability to compete) and then enforce annual MTR price cuts for all operators. The above factors led to a situation where growth in voice minutes was largely offset with price declines. As mobile phone penetration/voice usage in Europe is now mature, continued falls in price have seen total mobile service revenues start to shrink, with the market now pricing these stocks for terminal decline.

Given the bleak past, why get interested now? Certainly there are a few areas that are getting better for the operators. MTRs have now fallen to a level where they will cease to be a material drag in a couple of years and we are seeing more signs of consolidation between the weaker players (most notably Deutsche Telekom and France Telecom merging their UK operations). However, the real opportunity for change is the growth in mobile data consumption. Certainly anyone who owns an iPhone or iPad can attest that the functionality of hardware has finally reached a level where the concept of mobile internet is ***worth using and paying for.***

Despite the growth, mobile internet use is still nascent in Europe, only 15% of users have an internet enabled 'smartphone' and data accounts for 12% of total revenue. A useful case study on how the mobile data experience may evolve is Japan, where 70% of mobile users carry an internet enabled 'smartphone' and data use now accounts for 45% of mobile revenues. Critically for the operators, growth in data revenues is now eclipsing the decline in voice revenue to the point where total revenue per user should begin to grow again in 2012 for the likes of Docomo (Japan's largest mobile phone operator).

Before extrapolating the Japanese experience to Europe, the question remains whether the data opportunity will simply be competed away as players discount to win market share. There are some reasons to be optimistic. Firstly, unlike a phone call, download speed does give you some scope for service and price differentiation. The quality of your network should begin to matter again. Network and spectrum quality will also influence the cost of adding new capacity to handle the data explosion. Whilst installation of new LTE (4G) technology and re-farming of old spectrum will allow all operators to increase capacity to meet demand, the third and fourth players with a weaker network will have fewer options and face higher costs. We are certain the smaller players will compete for their share of data customers but given their poor profitability as a whole and the fact extra data capacity will incur at least some incremental cost, there are signs that data pricing can remain stable.

Vodafone looks well-positioned to capitalise on this trend. The company has invested heavily in its network and is typically the number one or two in each of its markets. The days of wild merger and acquisitions are coming to a close under new CEO Vittorio Colao who is now simplifying the group and selling off minority assets (non-controlling stakes in China Mobile and French telco SFR). Priced at nine times earnings, Vodafone not only trades at a massive discount to other utility/infrastructure businesses (UK water utilities/toll roads) but is cheaper than many of its telecom peers who have large exposure to decaying fixed line operations.

Elsewhere in the portfolio we have seen progress on a number of ideas we have detailed in past reports, notably at UPM (Finnish pulp and paper company) which we last wrote about in March. You may recall we took our position in UPM during a time when European paper producers were enduring a massive profit squeeze, with large portions of the industry making cash losses as the price of feedstock (pulp, recycled paper) raced ahead of fine paper grades. Whilst the scenario has improved over the past six months (demand for graphic paper has picked up and the producers have been successful in pushing through price increases), the more interesting development was UPM's bid for Finnish producer Myllykoski, evidence that the much hoped consolidation between the European producers are finally taking place. A successful bid would take UPM's market share in European magazine grades from 26% to 40% and while it's early days yet, it is a decent first step to address the overcapacity that still plagues the European market.

Outlook

The mix of opposing policy interventions are being expressed through wild swings in market sentiment. A mere three months ago the front cover of US Newsweek magazine boasted the "end of the Euro" with the currency dropping to 1.20 versus the US dollar as investors fled the region. As we write today, the Euro sits at 1.39 versus the US dollar as investors now flee the greenback on concerns of competitive devaluations!

Such a quick reversal in the value of the Euro is painful news for Europe's Mediterranean periphery and their hopes of an export led recovery. If a Chinese appreciation of the Renminbi is not forthcoming and Japan and the US press on with plans to devalue their currencies, the difficulty for the European Central Bank (ECB), given the imbalances between Euro members, is how they will coordinate their response. Either way, under this scenario the ECB will undoubtedly be the last of the majors to devalue. (We would refer you to the International Fund's report around the currency actions of the four superpowers in the 1920s and 1930s which provides a useful parallel to today).

Our last two quarterly reports were primarily devoted to exploring the macro environment in Europe, however, the direction of future returns is generally better illustrated by the valuations of stocks on offer. Encouragingly we are still finding new ideas for the Fund and our current holdings are sensibly priced. However, it is of note that valuations in Europe are starting to noticeably cluster at opposite poles; the traditional high quality growth businesses trading at high teen PEs while the perceived low/no growth stories like utilities, pharma or insurance sit at 10 times or below. On this basis, the 'market' is not as cheap as it may first seem, and whilst not pessimistic on the medium-term prospects for our holdings in the Fund, given the strong rally since June, a near-term set back to markets would not come as a surprise.

Platinum Japan Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
Japan	88%	87%
Korea	7%	5%
Cash	5%	8%
Shorts	14%	25%

The Fund also has a 12% short position in Japanese Government Bonds.

Source: Platinum

Portfolio Position

Changes in quarterly portfolio composition:

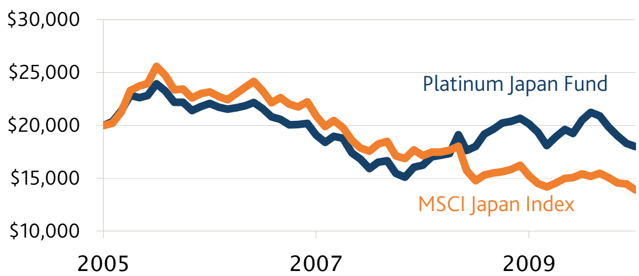
Sector Breakdown

SECTOR	SEP 2010	JUN 2010
DOMESTIC	47%	52%
Retail and Services	15%	16%
Financials	14%	14%
Telco, IT and Internet	13%	14%
Real Estate and Construction	5%	8%
EXPORT	48%	40%
Tech/Capital Equipment	19%	17%
Commodities	9%	9%
Alternative Energy	8%	8%
Autos and Machinery	12%	6%
Gross Long	95%	92%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

Performance

Over the past 12 months the Fund fell 10.7%, underperforming the MSCI Japan Index (A$) benchmark by 2%, and over the past quarter the Fund fell 9.4%, underperforming the benchmark by 1.7%. For the quarter the benchmark fell 7.7% in A$ terms and 0.1% in Yen terms.

Currencies continue to play a heavy role in markets. The US dollar counter-rally triggered when Greece's sovereign issues went front page in April, proved short-lived. For the moment, the European Central Bank (ECB) has restored some semblance of order without resorting to significant new asset purchases allowing the "macro" crowd to refocus on the US debt sustainability issue. As readers would be aware, the US dollar is now depreciating against almost all currencies. Hence, whilst the Yen continues to appreciate against the US dollar, 5% for the quarter, at least the currencies of most of its export competitors are now appreciating alongside it (ie. for the quarter, the Korean won and Euro appreciated 1.2% and 5.2% respectively against the Yen). However, these small moves make little difference in the context of how overvalued the Yen remains and this is impeding Japan's export performance. Unsurprisingly, the Japanese Topix Index remains anchored to the low-end of the post March 2009 trading range.

There were few places to hide with both domestic/export sectors and defensives/cyclicals declining. Sector and stock price correlation within the market remains very high reflecting a fairly indiscriminate liquidation of Japanese equities as investors allocate assets to outperforming emerging markets (in A$ terms over last 12 months, emerging markets have outperformed developed markets by 12.3%). Hence, in regard to quarterly performance attribution, outside of some very specific mid-cap stocks, our longs tracked the market, whilst our shorts cost money and currency was neutral.

In terms of the nine months year-to-date attribution relative to the benchmark (the Fund -4.9%, benchmark -4.4%), being less than fully exposed to the Yen has cost 3.4%, stock and index shorts cost 1.2%, the Japanese Government Bonds short cost 0.5% and we were just above break-even on our longs ie. our longs outperformed by 4.6%. Importantly, towards the end of the quarter the trade weighted Yen finally started to weaken – the biggest drag on our portfolio may be starting to unwind.

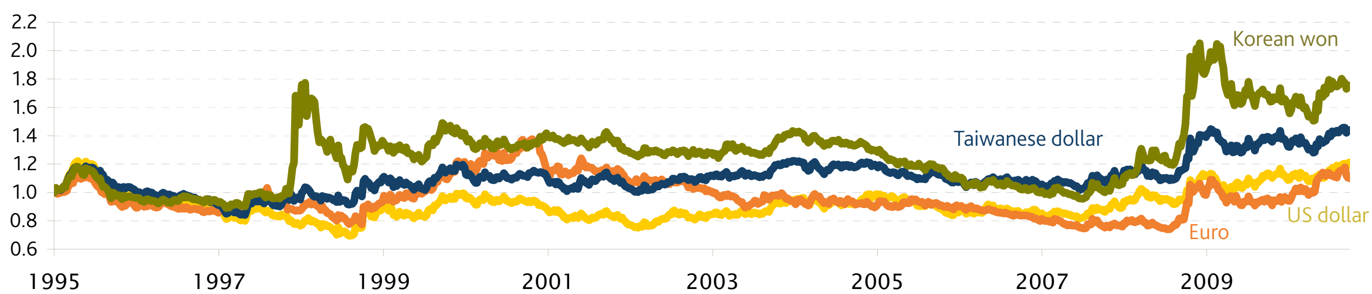
Changes to the Portfolio

Long Positions

We reduced domestic holdings in preference for more interesting export stories as the strong Yen (especially against the Euro) provided an attractive entry point to some thematically appealing global leaders. In total, we cut domestic exposure by 5.6% (eg. outright sales of Daiwa Securities and Sekisui House) and increased export exposure by around 8% including the addition of NGK Insulator and Kubota.

NGK Insulator is a company with a 100-year history in fine ceramic materials that has deftly applied this artisanal

Japanese Yen Indexed to Currencies of Major Export Competitors



Source: Factset

knowledge to industrial applications. There are two areas of particular interest to us - exhaust filter substrates for vehicles and sodium-sulphur (NAS) batteries, which may play an important role in solving the electrical grid storage problem.

Ceramic material is notoriously hard to work with. Not only does the subtle blend of ingredients affect its characteristics, so too do particle sizes and consistency of firing. Compounding this is the very harsh operating environments the end products are expected to operate in. The result is a situation where just two or three companies globally supply the entire automotive industry for catalytic converter and exhaust filter substrates.

Whilst the Western car market remains depressed, the trend towards tighter emission standards, not only in Western markets but in emerging markets such as China and Brazil, works in the company's favour. Emission standards are also being tightened for much larger vehicles such as trucks, agricultural and construction equipment. While in exhaust filter unit terms, the three million or so trucks/heavy machinery sold globally are only a fraction of the 70 million cars sold, it represents a largely untapped market and the very large engine displacements mean unit prices can easily be many multiples of a passenger vehicle. We think that the market for these exhaust filter substrates can potentially grow from $1.5 billion today to US$4 billion over the next five years and that NGK might reasonably expect to capture 40-50% of that.

The other opportunity is not as easily quantifiable but exciting nonetheless. NGK has used its ceramic material technology to develop what is essentially a very large rechargeable battery that can be used to store electricity on a grid scale. It has the potential to store wind and solar energy for use in peak demand periods or to make existing grids more reliable and efficient. Grid storage is in some ways the holy grail of electricity transmission and as such there are many lofty claims being made, but we put more faith in NGK largely because it's shipping commercial systems today. The stock became a hot story in 2009 when the company received a rash of large NAS battery orders (and we successfully shorted the over-hyped valuation) but has now returned to an attractive valuation as the hype has moved elsewhere (ie. outside Japan).

Now turning to Kubota and what on the surface looks like a boring manufacturer of small farm machinery. In the US and locally, the company is well-known for its strong position in the hobby farm/recreational segment selling small tractors/lawn movers and excavators – a segment that has been hit hard by the US housing wreck. Possibly, less well-understood, is its strong position in the high growth Asian small tractor, rice planting/harvesting machinery market. Asian agriculture has features that play to Kubota's strengths. Wet paddy farming is the predominant rice farming method throughout Asia and it requires very light equipment that is also reliable while working in mud and/or water for many months of the year.

Japanese demand for agricultural machinery boomed in the late 1960s, early 1970s for two principal reasons:

- Due to shortages, global agricultural commodity prices rose, driving-up farm income and new equipment purchases.
- Japanese industrialisation and urbanisation reduced agricultural labour surpluses (the young workers move to the city for higher wages) forcing farm labour productivity via mechanisation.

From our work back in 2005 on the global grain/cereal market, we know global food inventories remain tight. To a certain extent, low inventory just reflects the modernisation of the farming supply chain; however, it also reflects the growing affluence of the six billion people living in developing countries and the fundamental shortage of arable land relative to this population base. Accordingly, any weather or politically inspired supply chain disruption has the potential to feed into much higher commodity prices.

China may be on the cusp of an agricultural machinery boom similar to that experienced by Japan 40 years ago. That is, urbanisation levels are similar to Japan's (40 years ago) and industrial wage growth is accelerating, a function of government directives to lift minimum wages and a diminishing surplus of rural labour. But rather than an absolute shortage of workers, the real issue in China is a very low level of agricultural productivity and, hence, the government is encouraging higher levels of mechanisation as both an enhancement to farmer "quality of life" and to free-up labour resources for industrial jobs.

Japan is a relatively small rice producer with only 1.7 million ha of land under cultivation compared with Thailand (Kubota's largest Asian ex-Japan market) at 10 million ha and China at 28 million ha. In the 1960-70s, Japanese growth rates of rice planter and combined sales averaged 30-75% pa ie. rice planter sales went from 20k units in 1968 to 350k in 1974. If China is close to a Japan-like inflection point, then over the next five or so years the Chinese rice machinery market could expand five-fold to over $3 billion in sales. For market leader Kubota, this is a sizable opportunity given its total global machinery business has sales of around $6 billion. The US housing wreck and strong Yen has provided the opportunity to buy Kubota at an attractive valuation as we are paying very little for a claim on potential rapid Asian agricultural mechanisation.

Short Positions

We reduced our total short position from 25% to 14% by closing winners such as Samsung Electro-mechanics (falling as the LED mania cooled in the face of looming over-supply), GS Yuasa, Komatsu and Nidec (all hit by the strong Yen), and reducing positions where our thesis has proven mistimed (Hyundai Steel, Hyundai Motors, Sysmex and the Korean Kospi index). Whilst it was a poor quarter for our shorts, in different market conditions, shorting has added considerable performance to the Fund.

Currencies

After adding considerable value in calendar year 2009 (roughly 9%), our 2010 currency positioning has been less than optimal. However, we have invested considerable effort over the last 12 months improving our currency framework and remain convinced that whilst our timing has been off, that the Yen is significantly over-valued and that it makes sense to own currencies such the Australian dollar, Korean won and Taiwanese dollar as alternatives (our reasoning for this can be found in the current Platinum International and Platinum Unhedged reports). Hence, over the quarter our holdings of these three currencies increased from 29% to 47%, largely at the expense of the Yen.

Commentary and Outlook

It remains a dull fact that developed markets, including Japan, remain currency and policy driven.

In late September, there was some excitement as the Ministry of Finance (MOF) spent $25 billion "intervening" in the currency – the effect lasted a few days with the Yen weakening from Y83 to Y86, before promptly returning to Y83. Leaving the fishing boat incident aside, the final straw would seem to have been China's continuing accumulation of the Yen as part of its diversification of foreign reserves away from the US dollar (as at July roughly $27 billion in total, buying the Yen at a rate of around $5 billion per month). As a mercantilist country competing against China, Japan has no interest in the Yen becoming a reserve currency for China. The MOF's decision to start selling the Yen against the US dollar marks the first skirmish of what will likely be a prolonged currency war, where the real objective is to devalue the Yen against its major Asian trade competitors that remain largely US dollar pegged ie. China, South Korea and Taiwan.

In early October, the Bank of Japan (BOJ) also created some excitement by announcing an additional asset buying program worth up to ¥5 trillion, or 1% of GDP or a 4% expansion of the BOJ's balance sheet. Importantly, they will target assets other than Japanese Government Bonds, a necessary first step to ultimately adopting an inflation targeting regime that focuses on restoring a yield curve and risk appetite. Whilst these measures help, they do not address the fundamental problem of Japan's lack of structural reform, and in a monetary sense, are equivalent to using a pop-gun to bring down a bull elephant (the Federal Reserves active policy of devaluing the US dollar and the inherent inconsistency the Chinese remaining ostensibly pegged to the US dollar, though diversifying reserves away from the US dollar).

The third source of excitement was Ozawa's challenge against Kan for the Prime Ministership. Even though crusty old Ozawa lost the challenge, his faction remains at war with Kan, splitting the parliamentary party down the middle. Under indictment for certain "questionable" deals, Ozawa is fighting for survival. In itself, this is not interesting. What is interesting, is the rising influence of a new party, "mina-no-to" ie. "Your Party". Whilst their presence in the Parliament is minor (5/480 seats Lower House and 11/242 seats Upper House), they hold the Upper House balance of power and the minimum 10 seats required to introduce legislation. Your Party has heavy-weight leadership and a well-articulated policy platform, the over-riding goal of which is to end deflation and reduce debt to GDP ratios. This will be done via high nominal GDP growth by cutting corporate taxes (to aid competitiveness), deregulation, privatisation, and more importantly, changing the BOJ law to force the Central Bank to target a specific inflation rate ie. buy assets (public and private) and weaken the currency until structural inflation re-emerges. Fiscal consolidation via a consumption tax hike would be deferred until after nominal growth had been kick-started. For the policy free zone of Japanese politics this is radical stuff, a frontal assault on the bureaucratic status quo.

Whilst we are a long-way from the wholesale adoption of the "Your Party" policy manifesto, this month the party plans to introduce a bill that will require the BOJ to actively pursue policies to end deflation and then the question becomes "will the Democratic Party of Japan (or the Liberal Democratic Party + DPJ rebels) support the bill, if only to marginalise the new upstart by co-opting its policies"? We are following this closely as we see pro-reform Koizumi's resounding win in the 2005 Postal Reform election as a key catalyst for Japan's 2005-2006 brief return to global stock market relevance.

Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
Europe	36%	36%
Asia and Other	34%	34%
North America	6%	7%
South America	6%	5%
Japan	5%	9%
Cash	13%	9%
Shorts	7%	9%

Source: Platinum

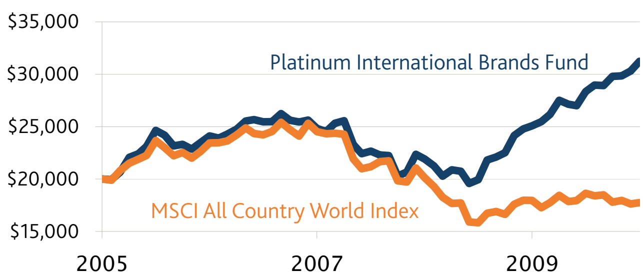
Performance and Changes to the Portfolio

The Brands Fund returned a robust 4.8% for the quarter in an environment characterised by ongoing uncertainty, as reflected in the essentially flat outcome for the MSCI All Country World Index at -0.3%. That the MSCI is flat belies significant moves, notably in the currency markets with the decline of the US dollar and concomitant declines in the Japanese equities market.

The Brands Fund has relatively little direct investment in the US, however, many of the Fund's companies continue to view it as an influential part of their business. Certainly the revenue derived from the US for European consumer companies is often material, subject to translation effects and readily identified in the company reporting.

Less obvious might be the impact of global supply contracts written in US dollars, as in the case of Adidas, or that BMW's US factory is running at full capacity to meet global demand. BMW's factory in Spartanburg, South Carolina may not spring to mind as the place to make autos in the world, yet over 70% of the production is exported, some one million vehicles since the factory started operations.

Value of $20,000 Invested Over Five Years
30 September 2005 to 30 September 2010



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

Twelve month performance of the Brands Fund continues to be strong at 24.6%, in comparison to the MSCI World Index which shows a decline of 1.2%. The Fund has not been particularly well-positioned for the rise of the Australian dollar and the short positions have also cost performance.

On a regional basis the Fund's investment in India, Italy and Hong Kong performed well whilst those in Japan suffered declines along with that market. The Fund had reduced its holdings in Japan at the beginning of the quarter.

The Fund has been adding opportunistically to existing positions, mostly in developing markets.

Commentary

The austerity packages being promulgated across Europe with headlines such as 20% unemployment (Spain) have resulted in a degree of scepticism and cautiousness by both the management teams and investors. This has provided some opportunities for the Fund as an undue weighting is given by commentators to the weakness of domestic markets and insufficient consideration to the growth in other parts of the world. Pernod Ricard (beverages), for instance, reported that the "new economies" are now a larger part of their business than either Europe or the Americas in both sales and profits.

Last quarter, our commentary highlighted the improbable performance of BMW against a plethora of negative headlines. This performance has continued with the stock up a further 20%, as the impact on earnings of incremental demand from China is yet to be fully appreciated. The propensity of the financial markets to short-term thinking seems to have precluded the possibility that incremental demand, together with new model launches, might continue for much longer than is being discounted in the share price.

We also highlighted Serm Suk, the Thai bottler for Pepsi where we declined an offer from Pepsi to buy our holdings. Serm Suk's shares have continued to trade well-ahead of the offer price from Pepsi. It is perhaps interesting to note that it is not necessarily going to be the exclusive domain of our emerging market holdings that provide interest to acquisitive multinationals in search of growth.

We were therefore not overly surprised to receive a bid for our holdings in SSL Ltd from Reckitt Benckiser, at a 33% premium to the market price, which we duly accepted. Recent acquisitions by SSL in emerging markets and factories in India and China give Reckitt a world-leading position and expeditious access to growth in emerging markets. We suspect that there is interest in some of our other holdings that are listed on Western exchanges.

For an acquirer, the drag of accumulating a Western market domestic business can be readily justified by the opportunity to cut overheads, and eminently sensible if the acquired business provides a fast track to one of the significant Asian markets. Compared to the meagre returns from a cash rich balance sheet and the difficulties of establishing a leading position in far away lands, the attraction of buying over building will be irresistible to some.

As expected, the Fund has found that new investment opportunities at compelling valuations are far less abundant in the Asian markets, as the dichotomy of growth between East and West is expressed in the financial markets. Whilst appreciating the enduring trends of the underlying growth in these young economies, the Fund has preferred to seek areas of neglect where the markets have apparently lost interest or hope.

Enterprise Inns is the owner of approximately 7,100 tenanted pubs in the UK and has been struggling under the weight of £3.3 billion of debt in an environment where rising unemployment, smoking bans and economic malaise has made trading extraordinarily difficult. The company has been selling pubs, prima facie not the easiest of activities, as it renegotiates and restructures its debt. On an earning basis we have been able to buy this stock on a price multiple of less than four times and with a degree of comfort in the asset backing. Recent valuations of the pub estate, evidentially supported by the sale program, show an asset value of more than £5.3 billion.

The share price having fallen from a peak in 2007 of nearly eight pounds to less than one pound indicates an equity value of £500 million, a fraction of the implied net asset value of the company. With the debt now restructured and manageable in terms of cost and duration, we look forward to earnings reflecting the recently implemented improvements in operational activities. Perhaps also, over the course of time, benefiting from an improvement in the economics of the UK. Albeit in the near-term, this might only be achieved by an influx of tourists from a country with an appreciating currency.

Outlook

The underlying trends continue with relatively high unemployment in the US and European consumer markets making those markets inordinately difficult compared to the ebullient consumer markets of the East. It is somewhat easier to be enthused about paying a premium for growth and to enjoy the reinforcing news flow than to try and develop conviction in companies announcing that stable results ie. the absence of a decline, is a good outcome. As always it is a matter of price with the Fund continuing to look for, and finding, areas of neglect or under appreciation.

We would continue to highlight the prospect of ongoing merger and acquisition activity as the global growth imbalances bear directly on the outlook for many companies. Unemployment, and the consequential machinations of governments to weaken their respective currencies, will continue to be significant both for corporate management and for the Fund.

Platinum International Health Care Fund

Bianca Elzinger Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
North America	39%	39%
Europe	35%	31%
Japan	2%	2%
South America	1%	1%
Cash	23%	27%
Shorts	1%	1%

Source: Platinum

Performance and Changes to the Portfolio

The Platinum International Health Care Fund declined by 1.5% for the quarter while the MSCI Health Care Index was down 4.3%. For the year, the Fund rose 4.1% while the Index declined 2.4%.

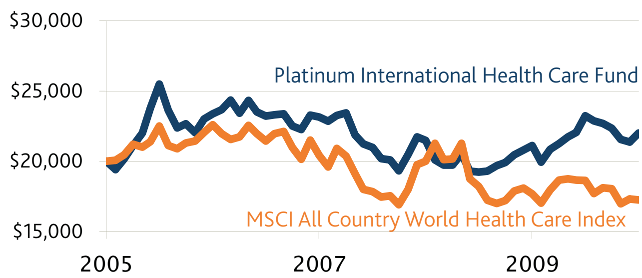
During the quarter, Belgian based Movetis and Dutch vaccine maker Crucell have been acquired at up to 70% premium positively impacting the Fund. On the downside, currency has limited the performance this quarter.

Movetis and Crucell have been typical acquisition candidates. Both companies have been successful in getting drugs or vaccines approved. Movetis (now part of biotech company Shire), was at an early stage of commercialising a constipation drug in several European countries. Shire will be able to accelerate this process and will sell the drug in more markets while at the same time invest in further clinical development of the drug.

Crucell (soon to be a Johnson and Johnson (JNJ) company), has been a more mature company selling travel vaccines in several markets as well as childhood vaccines to the developing world. Crucell has a solid manufacturing track record and an emerging pipeline of vaccines and antibodies, aspects that JNJ knew very well as the two companies have been partners for a while.

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

Replenishing product portfolios via acquisitions is a key theme among companies. We strongly believe this will continue and it is worthwhile remembering that by 2015 US pharma alone will have accumulated $65 billion in net cash.

The Fund is ideally positioned and we are confident that several of our holdings will either be acquired or the target of licensing agreements. During the quarter we added to our biotech holdings and also added Swiss biotech Actelion, who has an exceptional global position in pulmonary hypertension and new products in development to defend, as well as expand its position.

We also added a new virology company, Pharmasset. This company is developing drugs for Hepatitis C and so far, data looks promising. Roche is Pharmasset's partner and has a strong interest in developing HCV drugs.

Commentary

It is telling when a US iconic drug company like Pfizer is proud to tell investors that they have become less US-centric and that their research and development (R&D) dollars are leaving the US to be deployed in countries that offer much better value for money.

We have anticipated this shift away from the US but have always been cautious how rapid it may be. After a recent trip to the US and Europe we feel much more confident that companies have seriously started to change.

However, we are less confident that investor's mindset has kept pace. To them the US is still the market to compete in despite its maturity. At the same time, the complexity of emerging markets is being ignored and many investors have inflated expectations anticipating financial benefits within months.

On the recent visit it was very clear that the US Health Care industry, as it was, does not exist anymore. Direct to consumer (DTC) advertisements such as TV ads have almost vanished from US televisions. This is a real change, as DTC, together with an army of sales representatives, were the cornerstone of drug marketing. Instead hospitals are now the big advertisers hoping to secure patients, particularly as many more US citizens should have health care coverage by 2014.

The mindset of health care consumers is also changing quickly, influenced by the recent recession. No longer is everyone rushing to the doctor or into a pharmacy at the first sign of a sniffle.

Big companies, from drug/device developer to distributor and service providers, are adapting to these trends: growth and cash has shifted to Asia and Latin America. Markets in the US and Europe for that matter, will resemble more of a consumer-driven market with expense control a priority and some new products allowing some, but more stable, sales growth.

Investors, however, are still far too US-centric in their thinking. They are still looking for that blockbuster drug that benefits from generous US pricing (yes, there is still denial that the US market is mature), while emerging markets are seen as the quick fix with limited profitability.

We do not doubt that blockbusters will still be produced but it will be driven by a global launch rather than the US only.

We see emerging markets as a long-term opportunity and not at all as a quick fix. It is seemingly forgotten that many emerging markets do not yet have a sophisticated distribution network or a well-established reimbursement system where a US-made drug can simply slot in. These things need to be established with solid profits to follow on later.

The good thing for us, we can take advantage of this discrepancy. On our travels it was very clear that companies have done their homework and so have we.

The companies are replenishing their product portfolios by using their balance sheets, they have realised that more R&D spending does not translate into more or better products at all, and they also know that an army of sales representatives can be a waste of time.

Companies are much less negative; they are excited about their new playing field. Emerging markets require real thinking and operational ground work, something that makes management's eyes light up.

This industry is at a very interesting inflection point with new products becoming available. Just this quarter a new MS pill was approved eclipsing the previous method of injecting. The drug was discovered by Japanese pharma company Mitsubishi-Tanabe and developed by Novartis, both held in the Fund.

There is a lot of negative news about lower "health care utilisation" in the US and price cuts in the European Union. However, this distracts from the fact that health care companies are pretty resilient and adaptable long-term; they take longer to change but they do get there in the end.

Platinum International Technology Fund

Alex Barbi Portfolio Manager

Disposition of Assets

REGION	SEP 2010	JUN 2010
Asia	28%	26%
North America	27%	23%
Europe	18%	17%
Japan	8%	7%
Cash	19%	27%
Shorts	0%	2%

Source: Platinum

Performance and Changes to the Portfolio

The Fund's value decreased by 1.2% during the quarter, slightly less than the 3% decline of the MSCI Information Technology (A$) Index for the same period. Over 12 months, the Fund has recorded a 2.5% decline while the MSCI Information Technology (A$) Index was down 1.1%.

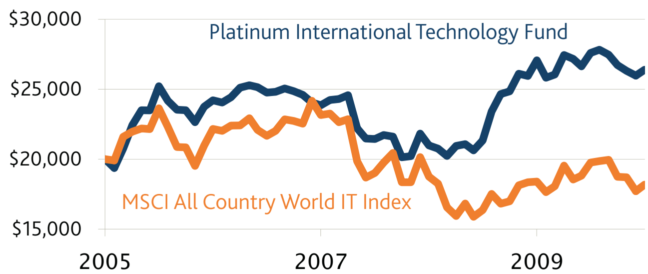
During the quarter we increased the Fund's net invested position from 71% to 81% as we introduced some new names, added to existing positions at interesting entry levels and exited or trimmed others after reaching our valuation targets.

We decided to exit our investment in Smartrac (Radio Frequency ID technology) after the German company became the target of a management buy-in assisted by private equity buyers. A full valuation and a solid 100% appreciation since our entry point prompted us to look for better value elsewhere.

We also reduced our position in Hutchison Whampoa as we believe that its recent stock price appreciation (+35% in the quarter) already fully reflects future improvements in its "3" telecommunication business.

Value of $20,000 Invested Over Five Years

30 September 2005 to 30 September 2010



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

Among the new names we introduced **eBay**. In the past, the Fund had not invested in eBay as we could not make a sense of the valuation and its management expensive diversifications. Early in the quarter we found the stock trading at levels depressed enough that we thought it was worth having another look. With investors worried about its weaker than expected outlook and its exposure to the "troubles of Europe", eBay was sitting at 11 times earnings with 18% of its market capitalisation in net cash. While the stock has appreciated by 20% since our initial entry point, we believe that management are on track to restore profitability of the core marketplace business and the company will continue to benefit from strong growth in its leading PayPal payment system. Moreover, with the recent devaluation of the US dollar against the Euro and other major currencies, suddenly what was seen as a weakness only three months ago will become a positive factor.

We also reintroduced an old name: **Infineon Technologies**. As already explained in the June 2010 quarterly reports for the International and European Funds, the German semiconductor company has radically transformed itself by exiting the capital intensive and money losing memory division, and by selling their mobile device chip business to focus their efforts on the more profitable industrial and automotive segments

The Fund's largest individual positions are:

Microsoft (the global software leader in PC and servers applications), Cisco Systems (the global leader in data networking and advanced video technologies), LG Display (the global leader in flat panel displays), Amdocs (market leader in billing software and operating support systems for tier-1 telecom and pay-tv operators) and KT Corp (the telephone operator with exclusive distribution rights for the iPhone in Korea).

Commentary

As highlighted in our recent commentary (please refer to the March 2010 Technology Fund quarterly report), cash reserves for technology companies have never been this high. Our analysis identified an aggregated $160 billion in the form of cash and quasi-cash on the balance sheets of 10 major companies including Microsoft, Cisco, Apple, Google etc.

Interestingly, this phenomenon is not unique to the technology sector, at least in the US. If we look at data of the Federal Reserve for the holdings of money market mutual funds of listed and unlisted US financial corporations, we discover a balance of $2.4 trillion as at first quarter 2010, up from $2.1 trillion at the end of 2007. This is after the worst recession of the post-war era with unemployment rates approaching 10%!

Perhaps even more surprising is the fact that this year the US corporate sector is on track to generate $1.7 trillion of cash flow or $400 billion more than it did in 2007 before the recession started (Source: NIPA – Bureau of Economic Analysis - BEA).

One could argue that the US economy still has to deleverage from the excesses of the past decade, so there will not be much money being positively recycled into the economic cycle. Putting aside for a moment the debate of whether credit is still contracting or not, one thing is certain: profitability is still robust. Perhaps the doubts are more justified when examining data from the household sector which is still struggling to show solid evidence of consumer's demand recovery.

Such a strong evidence of financial health from the corporate sector at a time when there is little evidence of jobs being generated on US soil, may become politically uncomfortable for Washington. While we know that higher taxes are anathema to the American public, the pile of hoarded cash in corporate hands may become an easy target after the stories of Wall Street bailouts. Unless the corporate sector itself decides to do something with the cash...

In this respect, it is interesting that some corporate leaders (Cisco's CEO John Chambers for one) have openly pointed to their large cash reserves as a potential source of jobs creation. The problem is that a large portion of US technology companies cash holdings is in overseas jurisdictions due to a combination of lower taxes and the fact that large parts of their business are now being generated abroad.

Our impression is that Chambers was trying to "tease" the US administration into making a deal along the lines of the 2004 *Homeland Investment Act*. In 2004, the US Congress approved a law which provided a one-time tax holiday on the repatriation of foreign earnings by US multinationals. Data suggests that in 2005 repatriations jumped to $300 billion from an average of $62 billion pa over the period 2000-2004 (Source: UBS - BEA). It may happen again, more likely after the US mid-term elections in November.

In recent months we have also seen technology companies taking the initiative on two fronts: merger and acquisition (M&A) activity and increased dividends.

Few would have predicted that Intel would bid $7.5 billion (or a 60% premium) for security software specialist McAfee. Or that Hewlett Packard would engage in a fierce bidding war against Dell to conquer the relatively small storage software specialist 3PAR for a hefty $2.4 billion (a price which ended up being more the three times the original 3PAR's stock price). On average, this year's premiums on $1 billion M&A deals, have been at 45% above the levels recorded during the boom period of 1999-2001. Interestingly, most of the bids are cash based (nearly 90%).

We think that deal premiums are increasing because companies have the cash, and technology valuations have in general, become lower versus history.

An interesting phenomenon over the last year or so is also the increased number of deals across sectors and outside the bidders core business: a semiconductor company (Intel) buying software (McAfee), a software company (Oracle) buying hardware (Sun) and so on. This trend suggests several factors in play: 1. maturing core businesses, 2. consolidation strategies pursued by the sector leaders, and 3. technology/device convergence where the separation lines between hardware, software and services are becoming increasingly less clear.

Another relatively new phenomenon in technology has been the chorus from institutional investors directed to cash hoarding companies to distribute more dividends. Traditionally, technology companies have been fairly stingy with their dividends, preferring to buy-back shares or using cash for acquisitions, and research and development. In the last month alone, we have heard from Cisco, announcing that they will start paying a dividend of 1-2% from 2011 and Microsoft saying they will raise their dividends to 64 cents (or a dividend yield of 2.6%). Oracle started paying dividends last year, but at a modest 0.75%, while Intel has been paying since 1992 and it offers a more attractive 3.2%. Admittedly these may seem still very low but they should be assessed in the context of the currently depressed US interest rate environment.

Outlook

If we look at current technology companies' valuations, they are not excessive in relation to their history (13.5 times PE estimated next 12 months earnings or a 30% discount to the 20 times historical average for 1990-2008 period excluding the dot com bubble).

On the negative side it is worth noting that recently in the US there has been a significant increase in negative earnings guidance revisions: in the month of September more than a third of total guidance revisions were negative, the highest level since March 2009, according to UBS. This may prelude to a generalised downward revision in analysts' estimates for the second half 2010, which are currently predicting a new peak in profit margins.

On the positive side the amount of liquidity in the system and the potential impact of corporate cash being put to work via M&A activity, buy-backs and increased dividend distributions, may offset any lack of underlying demand acceleration… at least in the short-term.

Glossary

Exchange Traded Fund (ETF)
An investment fund that is listed and can be traded on a stock exchange. An ETF can invest in different assets including stocks, bonds, property and physical commodities.

Earnings per Share (EPS)
The EPS is used as an indicator of a company's performance. It is calculated by dividing the company's earnings by the number of shares on issue to highlight the profit earned in terms of each share.

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 0.9%.
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.

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.

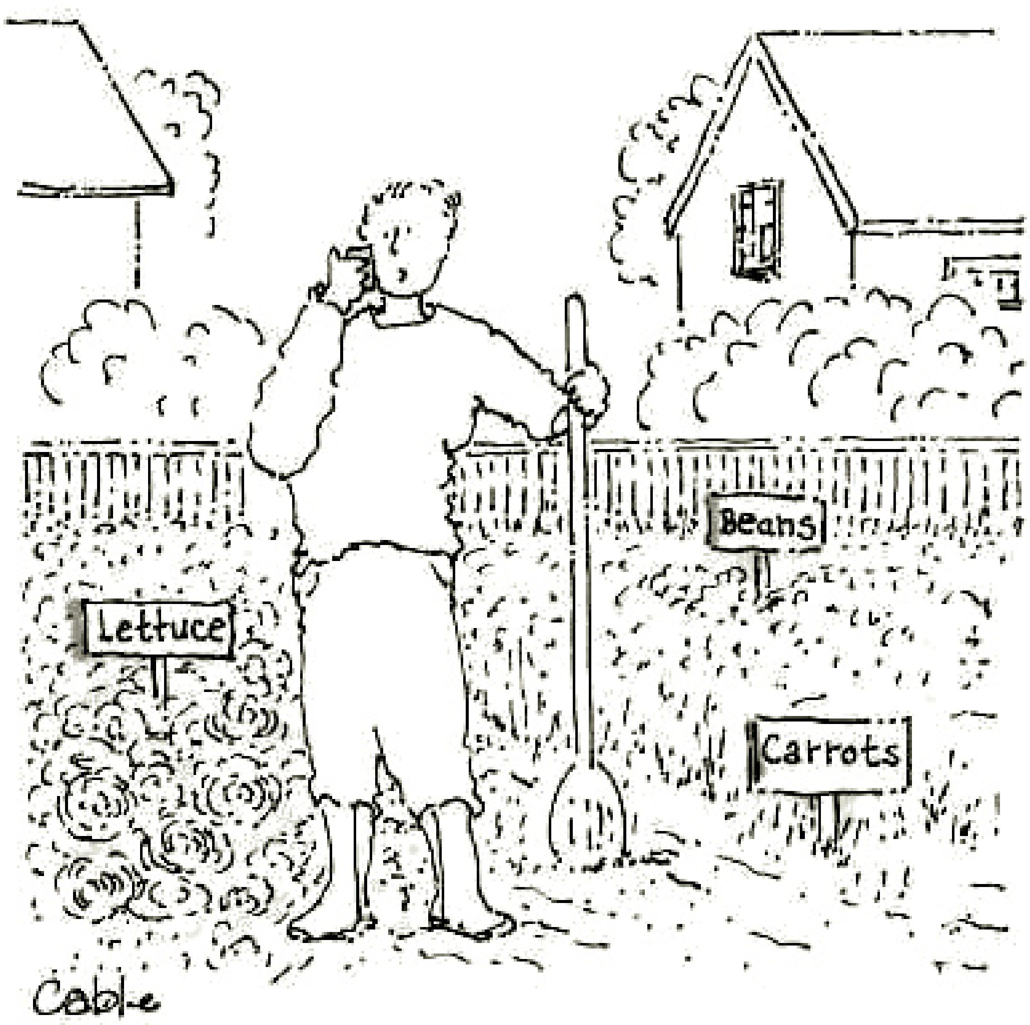
Price to Book Ratio (PB)
The ratio of a company's current share price to its current book value. Book value is the sum of a company's total assets minus its total liabilities and intangible assets. The PB is used as an indicator of the value of a company by comparing its share price to the amount of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

Quantitative Easing (QE)
A monetary policy used by Central Banks to increase the supply of money by increasing the excess reserves of the banking system.

I'm not asking anything for me but would you indicate to me as to whether you are bullish or bearish?"



"Oh, not much. Well, still dabbling a bit in commodities futures."

OKAY DAD, JUST FOR THE RECORDS...
YOU'RE FRIGHTENED TO LOSE MONEY,
THAT'S WHY YOU STOP BUYING STOCKS,
THAT'S WHY YOU DON'T MAKE PROFITS,
THAT'S WHY YOU'RE LOSING MONEY...
AND YOU CALL US KIDS ILLOGICAL??!

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: 30 April 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 4 March 2003
   Platinum European Fund: 30 June 1998
   Platinum Japan Fund: 30 June 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$20,000 invested in the relevant Fund over five years from 30 September 2005 to 30 September 2010 relative to their Index (in A$) 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 11% 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

Monday to Friday, 8.30am – 6.00pm AEST

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Or visit us at our office

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