The Platinum Trust® Quarterly Report

30 September 2011

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

Performance Returns to 30 September 2011

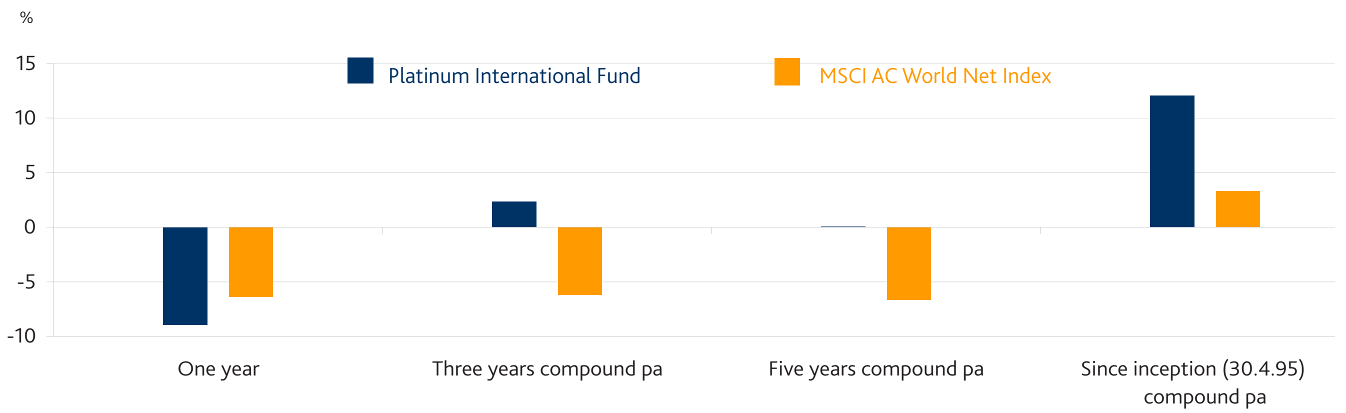
FUND	PORTFOLIO VALUE	QUARTER	1 YEAR	2 YEARS *COMPOUND PA*	3 YEARS *COMPOUND PA*	5 YEARS *COMPOUND PA*	SINCE INCEPTION *COMPOUND PA*
International Fund	**$7,873m**	**-6.0%**	**-8.9%**	**-5.7%**	**2.3%**	**0.0%**	**12.1%**
MSCI AC* World Net Index		-9.0%	-6.4%	-3.8%	-6.2%	-6.7%	3.3%
Unhedged Fund	**$162m**	**-4.3%**	**-5.3%**	**1.6%**	**6.8%**	**2.2%**	**7.9%**
MSCI AC World Net Index		-9.0%	-6.4%	-3.8%	-6.2%	-6.7%	-1.2%
Asia Fund	**$3,057m**	**-6.5%**	**-17.2%**	**-3.2%**	**4.3%**	**4.4%**	**15.9%**
MSCI AC Asia ex Japan Net Index		-12.8%	-14.9%	-3.7%	1.6%	-0.5%	8.5%
European Fund	**$132m**	**-14.0%**	**-6.4%**	**-0.1%**	**3.2%**	**-0.7%**	**9.9%**
MSCI AC Europe Net Index		-15.2%	-12.5%	-9.2%	-9.4%	-9.1%	-2.0%
Japan Fund	**$369m**	**-0.6%**	**3.9%**	**-3.6%**	**4.8%**	**-3.3%**	**12.5%**
MSCI Japan Net Index		3.1%	-0.5%	-4.7%	-6.9%	-9.8%	-1.8%
International Brands Fund	**$624m**	**-7.4%**	**-2.2%**	**10.4%**	**11.7%**	**4.8%**	**12.2%**
MSCI AC World Net Index		-9.0%	-6.4%	-3.8%	-6.2%	-6.7%	-4.0%
International Health Care Fund	**$23m**	**-1.9%**	**12.4%**	**8.2%**	**4.8%**	**1.1%**	**3.1%**
MSCI AC World Health Care Net Index		-1.3%	4.0%	0.8%	-3.5%	-4.5%	0.7%
International Technology Fund	**$41m**	**-2.7%**	**-6.1%**	**-4.3%**	**5.7%**	**0.5%**	**6.7%**
MSCI AC World IT Net Index		-1.5%	-1.0%	-1.1%	-1.3%	-4.1%	-10.4%

* 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

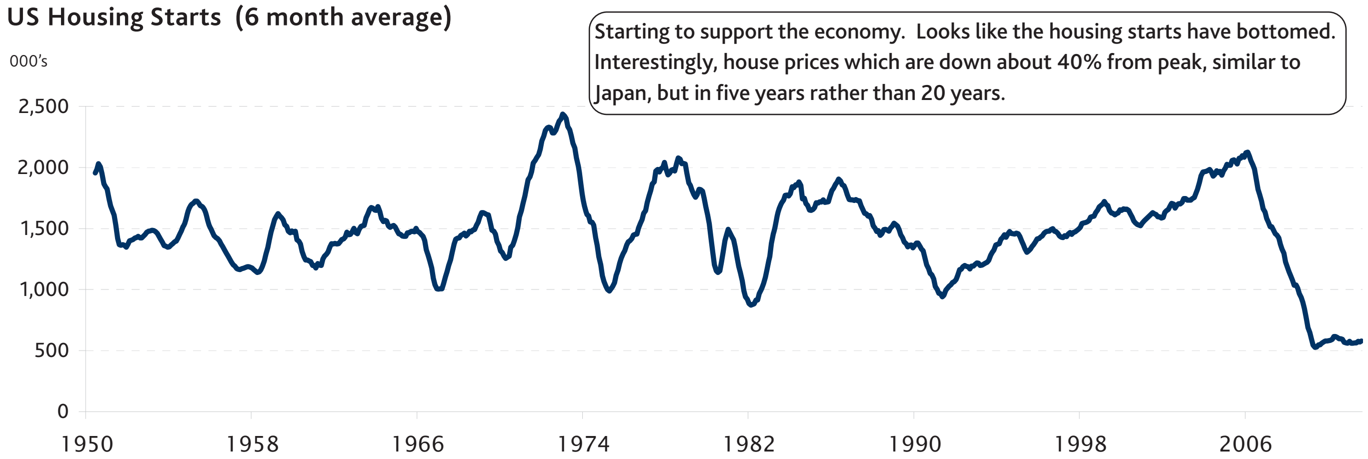
To 30 September 2011



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

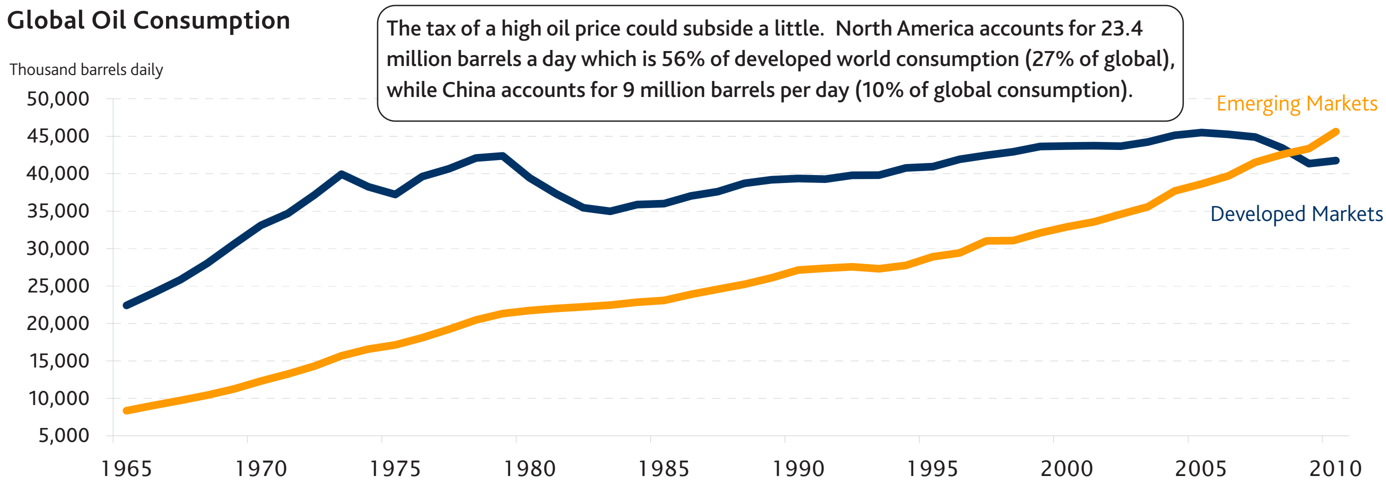
Market Panorama

US Housing Starts (6 month average)



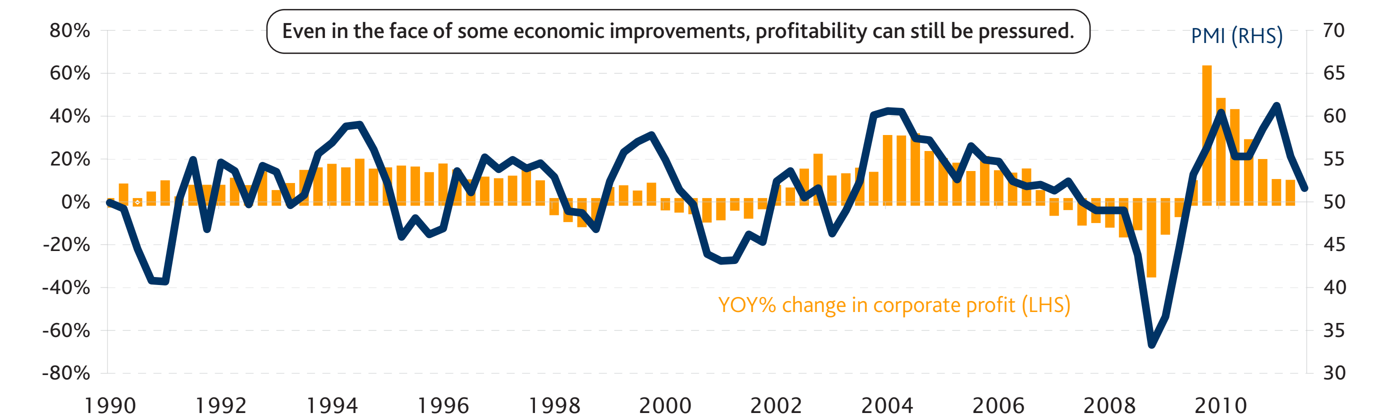
Source: Ned Davis Research Inc

Global Oil Consumption



Source: BP Statistical Review of World Energy June 2011

US Corporate Profits versus Institute for Supply Management Purchasing Managers' Index (PMI)



Source: Ned Davis Research Inc

Platinum International Fund

Kerr Neilson Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
North America	30%	28%
Europe	24%	27%
Japan	18%	18%
Asia and Other	17%	17%
Australia	1%	1%
Cash	10%	9%
Shorts	21%	18%

Source: Platinum

MSCI World Index Regional Performance (AUD)

REGION	QUARTER	1 YEAR
Japan	3%	-1%
US	-5%	0%
United Kingdom	-7%	-6%
Developed Markets	-8%	-5%
Hong Kong	-12%	-18%
India	-12%	-25%
Australia	-12%	-9%
Asia ex Japan	-13%	-15%
Emerging Markets	-15%	-16%
Europe	-15%	-12%
Korea	-15%	-7%
China	-18%	-24%
France	-23%	-18%
Germany	-24%	-14%

Source: MSCI

Performance

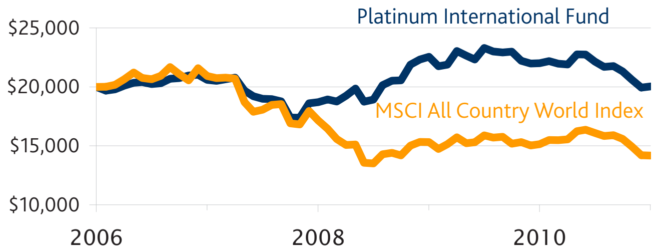
The lurching, staggering, ducking and diving of the markets this year is evocative of a "Rocky" style Hollywood movie. Like the engrossed viewer, one fears the worst yet cherishes the flickering flame of hope.

The saga of the deficit reduction debate in the US set the stage for a series of other disappointments as the quarter advanced. Mid-August was something of a crescendo as the flight to the safety of the Swiss franc and gold reflected the sense of confusion enveloping Continental Europe. The credit default swaps on sovereign debt blew out and the stock markets slumped. As this fear subsided, the growing realisation that China too faced problems, forced the markets further against the ropes.

Company earnings reports thus far have been resilient though analysts are beginning to cut their forecasts. Noteworthy is the observation that those taking an economic overview (so-called 'top down') are more pessimistic than those in daily contact with the firms they research (so-called 'bottom-up' analysts). However, there is strong empirical evidence that the bottom-up analysts, together with the management teams with whom they associate, tend to be late to adjust

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

their forecasts! Importantly, the market has probably spoken for this disparity by marking down prices in anticipation of what is to come.

By geographic distribution (see table on page 4), the recent champion, the emerging markets, saw significant foreign selling and sold-off by 15%, though Europe did as badly because of the expected costs of Euro survival with France and Germany dropping by over a fifth. Having had a 20 year bear market, Japan seems to have adjusted enough and was the only stock market to actually rise this quarter though it was trumped by the US over 12 months. Both, however, were close to flat. By sector, there was a continuation of the trend that became evident from the beginning of the year, namely the defensives being sought relative to cyclicals. The big casualties were materials, industrials and financials. Conspicuous for their strength have been healthcare, consumer staples and durables, and IT.

For those who read these quarterlies regularly, there should not be too many surprises though we acknowledge that the shearing of some share prices was shocking. To see the market capitalisation of very fine companies slashed by over one third is most unsettling. This tends to start the process of an adjustment of the relative prices of other similar companies. Another way of saying, in a de-rating of risk assets, there are few places to hide.

Our Fund is doing better in a relative sense with the defensives we favoured last year holding-up well and the shorts and currency starting to reel back some of our under-performance. For the quarter, the Fund is down 6% and down 8.9% for the rolling 12 months. By comparison, the MSCI All Country World Index is down 9% for the quarter and 6.4% for the rolling 12 months.

Currencies

We have actively changed our currency stance over the last three months; exposure to Asian currencies, excluding the Hong Kong dollar, have been cut from around 30% to about 18%. The reasoning for this change lies in the concern about capital flight back to their developed country origins. Also, the willingness of the Pacific Rim countries to revalue remains for the moment in limbo. China has indeed allowed the Renminbi to drift stronger but this is not being matched by the behaviour of the Renminbi in the Hong Kong non-deliverable market. These changes have lifted the Fund's exposure to the US dollar (including the HK dollar) to some 58%. Not the most desirable of choices but reconcilable for now. We continue to hold a minimum of Australian dollars (about 11% at quarter end) as we view it as vulnerable to global slowing and lower domestic interest rates.

Shorting

As the quarter progressed, we gradually migrated our shorts towards individual companies which have become conspicuously expensive as most cyclical names collapsed. We are beginning to read the changing mood of the market better and are making reasonable returns from some of our bigger exposures.

Changes to the Portfolio

Two of our smaller holdings have been subject to take-over bids, **Caliper Life Sciences** (a chip-based testing company) and **Hsu Fu Chi** (a significant sweet maker in China). Both are at good premiums to market value and better still against our cost.

With a view to falling momentum of economic growth we sold down several of our more cyclical holdings early in the quarter in favour of more stable earners. Thus we reduced **IP** (paper and packaging), **BMW, Allianz AG** (more a tactical reduction on Euro issues) and **Vodafone** (again tactical on the basis of the huge change in relative values).

We added to our positions in **China Mobile** early in the quarter (the world's largest mobile network operator with 616 million subscribers) when it was being ill-treated for its slow growth prospects. On ten times earnings and 4.5% dividend yield, we are satisfied.

Nintendo is now trading at just over its cash backing, with investors selling it down on disappointment at the level of sales of its 3D handheld device. We concur that this important part of the business could face greater competition than in the past because of the arrival of smartphones. However, next year will see the launch of its new console with a built-in screen that has excited game developers because of the additional functionality. Some might put this investment in the category of a value-trap but the company has become more co-operative with external game developers and is far from being a spent force. We estimate that prospective profits, well short of its previous peak, will put it on about eight times earnings and that is before share buy-backs.

An area that has caught our imagination is **optical switching.** During the dot com bubble this was the magical objective for carriers and the system suppliers alike. Having over-built during the boom, spending on the network has languished until recent signs of life. Investors clambered in only to find carriers back-pedalling on capital expenditure and the stocks have fallen by more than half. There is an inevitability of the need to spend but ironically we believe profitability of the carriers will determine the pace rather than the creative charts of internet video usage. We are participating through system suppliers like **Ciena** (bolstered by the acquisition of Nortel's optics business and its accompanying international distribution network) and **Infinera**.

The latter has an unusually elegant single chip solution which will allow it to either prosper as an independent or be subject to a takeover to provide it with marketing reach. **Cisco** too is making headway in this area via a recent acquisition but for now the principal contenders are Alcatel, Ciena and Huawei. Problems associated with older networks in the West, have blunted the concerns one would normally have for the private Chinese company Huawei.

Commentary

Even though we met with a very long list of companies on our recent trip to China and the US, it was rather like a holiday. A holiday, that is, compared to the daily bombardment one experiences back at your desk from the barrage of noise and confusion that is the market. Focusing on companies is a much steadier experience as one tries to refine the short list of investable ideas.

Starting in Changsha, the capital in Hunan province in south-central China, we met with several **manufacturers of construction and earth moving equipment.** The budding global competitor to Caterpillar, Sany Heavy is very impressive, from the perspective of what they have achieved in such a short time, the quality of their product line-up and the magnitude of their ambition. But here is the catch; both they and a handful of competitors like Zoomlion, Liugong, Lonking **see only opportunity!** Like so many one meets in China, the talk is all about market dominance and scale and the fear of being left behind in the race for supremacy. One can barely take issue with this as a believer in the virtues of natural selection that is the core of a market economy, but what sets the Chinese companies we met apart from the rest of Asia, is their **predilection to ignore the need for plan B**. When challenged about the sustainable end demand for their products, they now point to exports as an important solution, even though some of these companies have established manufacturing facilities abroad.

This is where an empirical observer may have cause for concern. Take excavators for example; in a boom year, the markets of the US, Western Europe and Japan have each only ever needed about 60,000 new heavy duty excavators a year, with normal demand about a quarter less than this figure. Despite this, and acknowledging that end users are now running their machines less intensively, the industry in China is planning to raise production next year by 50% to 300,000 heavy duty excavators (in addition to say 100,000 mini excavators). It is highly improbable that this will eventuate, yet the consequences of this sort of thinking are alarming for them and for international trade.

Magnifying their problem is that the typical buyer of this equipment tends to own fewer than five machines[1]. To garner new sales, the equipment makers are standing behind their customers with guarantees to the banks. That is to say, to support even current volumes, the sale requires these companies to take on direct credit and product repossession risk.

Fortunately we moved further north and visited consumer and medical related companies and our hopes improved. We came upon several wonderful businesses that will prosper as the country makes **its faltering transformation to a consumer-assisted economy**. These businesses are typically growing at around 30% pa, twice the rate of wage growth, driven by rising sophistication and the winning of market share from western suppliers.

1 The large machines have built-in geo positioning systems pioneered by Komatsu, which allows the maker to monitor usage, equipment condition and location. Our sense of these financing deals was that some contractors see them as an opportunity to gain access to credit and to direct their cash flow to other uses.

When in China, whether on the excellent inter-city highways lined 10 to 20 deep with recently planted trees, or in the great new cities with their strictly enforced green zones, or on a building site for economic housing remembering the paddy fields that used to occupy the spot, you are filled with awe and optimism. Within this context of physical transformation and the relatively steady hand of (an omnipotent) government, reinforced by the likes of CCTV covering the issues facing the troubled West, it is **hardly surprising that a false sense of perpetual well-being pervades the air!**

Time spent at the **US tech conference** gave us a good opportunity to see many companies in a short time. These are speed-dating style of meetings where preliminaries are kept to a minimum and in the half hour allotted one can cover the three or four key questions that need to be resolved. It becomes a blur if one is not very focused and good note keeping is essential. Fortunately Doug, our tech specialist, was well-prepared and up to the task and we filled in the gaps on several companies and discarded others.

Those companies we met were generally cautiously optimistic and saw no need to revise down their forecasts. The industry is generally used to price declines and fickle markets; substitution being only a click away. To meet these extraordinary short product cycles, the industry has built a highly intricate supply chain of subcontractors and assemblers who have been able to marshal huge assemblages of workers across low cost countries. These Electronics Manufacturing Services (EMS) companies are now an integral part of the IT industry's business model.

It started with integrated chip designers **outsourcing to fabrication specialists and it is still growing as traditional integrated multi-nationals grapple with the disparities between developed market costs** and those of the emerging markets. So today there are a host of specialist sub-suppliers listed on Nasdaq in Taiwan, China and India which can grow almost regardless of economic conditions. The big names in high volume manufacture are Taiwan Semiconductor Manufacturing Company (IC chips), Hon Hai and Flextronics (electronic devices like phones and notebooks), Infosys and Tata Consulting Services.

Among the smaller players are companies like **Jabil Circuits**, which serves both the volume market and is developing a strong business in providing outsourced manufacturing of large items in batches of under 100 units pa for the likes of the Siemens healthcare division or that of GE. The philosophy of these global giants is changing to take care of product design, development and marketing, while they outsource production and customer support. This allows the leviathans to optimise their margins though one can picture the risks longer term as they bequeath their economies of scale and manufacturing know-how to the newcomers.

Outlook

In this age of retrenchment, the rallying slogans of the bull market will gradually recede. Instead it will be a world of earnings revisions that are more likely to be down than up. The promise of the emerging markets, while somewhat begrimed for now, can in due course be expected to be burnished by their superior growth credentials. While not an easy environment in which to manage money, historically we have found reality an easier partner than fantasy.

When reviewing the portfolio we can divide companies into two broad categories; those companies which have a degree of freedom to set prices and those, the vast majority, where the price is dictated entirely by market forces. The former include companies that provide unique products and services such as drug makers, strong consumer brands, both durable and consumable, as well as some IT companies. These so-called **price makers**[2] account for over 33% of our longs. By contrast, **price takers** (miners, energy producers, pulp and paper makers, financials and some industrials) account for around 56% of our longs. This blend can be comforting in view of the current high volatility of markets but as we have noted so often in the past, **it is price that makes all the difference**. Even if the economic outlook is dull, investing is all about determining the appropriate valuation of a company in that environment. After recent price falls there are now a large selection of companies that are inexpensive.

2 This categorisation may vary in strength, can change over time and indeed may be in the eye of the beholder, but the segmentation is invariably "proved" by a demonstrable superiority of inherent profitability, as expressed in return on invested capital and supported by below average cyclicality.

Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
North America	33%	33%
Japan	26%	26%
Europe	18%	13%
Asia and Other	18%	21%
Cash	5%	7%

Source: Platinum

Portfolio Position

Changes in the quarterly portfolio composition:

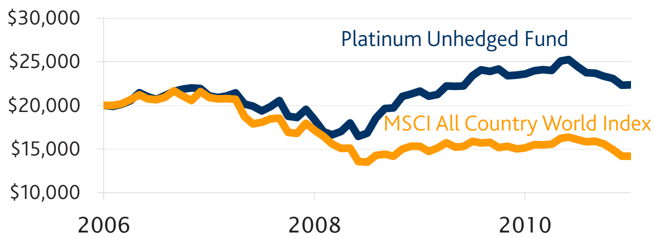
Sector Breakdown

SECTOR	SEP 2011	JUN 2011
Technology	16%	14%
Emerging Asia Consumption	16%	16%
Japanese Domestic	12%	12%
Consumer Cyclical	12%	11%
Gold	9%	7%
Mobile Data	7%	5%
Healthcare	6%	10%
Energy	6%	7%
Capital Equipment	5%	4%
Materials	4%	6%
Consumer Defensive	1%	0%
Other	1%	1%
Gross Long	95%	93%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

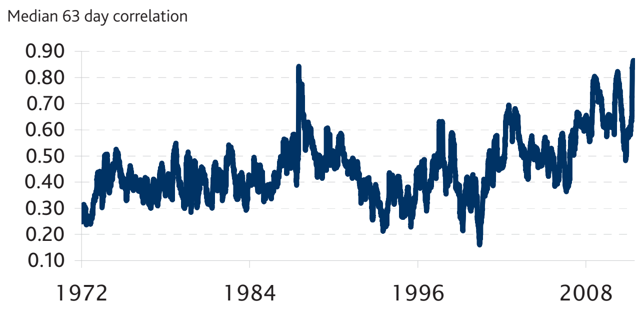
Performance and Changes to the Portfolio

Over the last 12 months the Fund fell 5.3%, outperforming the MSCI All Country World Index (A$) benchmark by 1%, and over the past quarter the Fund fell 4.3%, outperforming the benchmark by 4.7%.

We have regularly discussed with readers our prognosis that without serious realignment of currencies between the hyper-competitive but inflationary East and the indebted West, that an unnecessary Eastern tightening would threaten an orderly deleveraging in the West. Clearly, the process of exposing the weakest links is now in full swing, with European banking and sovereign concerns firmly in the cross-hairs. Whilst we can use the excuse of macro-driven volatility and high stock price correlations (see chart below), we are somewhat disappointed that we have not made up more ground on the market. As stock pickers, we carry a degree of loyalty to our individual holdings that can sometimes cloud a more ruthless approach to a rapidly changing environment.

The relative outperformance for the quarter was assisted by low exposure to Europe (13% at quarter start), the key underperforming developed world market, down 15% and high exposure to Japan (26% at quarter start), the key outperforming developed world market, up 3%.

Median Correlation of S&P500 Stocks to the S&P Index



Source: Ned Davis Research Inc

Attribution wise, consumer cyclicals (both Western and emerging markets) and commodity cyclicals were key areas of weakness, offset by more defensive areas e.g. mobile data, Japanese domestics and gold stocks. The quarter felt eerily similar to September 2008 when the key pre-requisites for capital preservation were:

1. extremely certain un-geared cash annuities such as telecoms, healthcare or consumer non-durable; or
2. stocks that were completely off the international investor's radar i.e. Japanese domestics.

We used the latest round of macro-nerves to add stocks that generally fell into one of three categories:

1. Stocks where based on team feedback from recent trips/meetings, our confidence in the arbitrage had risen e.g. AMD and Stillwater.
2. Beneficiaries of a potentially weaker Euro that are tied into global investment themes with a bias towards Asia e.g. BMW, Pernod and TNT.
3. Beneficiaries of potentially higher European inflation as the European Central Bank (ECB) is forced by Europe's lack of fiscal integration (but with market enforced austerity) to set super loose monetary policy based on saving the weakest member. Whilst the ECB won't explicitly target a weaker Euro, it may use inflation targeting as an excuse to monetise government debt. However, this will only happen once the ECB's Germanic antecedents weaken and/or the markets force this response.

As a consequence, over the quarter our total exposure to European equities has risen from 13% to 18% with most of this increase occurring late in the quarter. Our top-down valuation models show that both European and Japanese equities at their recent lows were priced within 15% and 8% of their late 2009 lows i.e. 1.15 times and 0.84 times book, respectively.

To fund these purchases we have sold some winners; Pfizer, Ariad and Electronic Arts where valuations no longer offered the same level of comfort relative to other opportunities. Further, early in the quarter we made a tactical call to reduce risk and sold Allianz (directly exposed to European sovereign concerns) and some of our Chinese internet gaming stocks (Giant and Shanda Interactive).

Commentary and Outlook

As Andrew details in the Asia Fund report, the sell-through on China's property building splurge has slowed rapidly and implies a systemically dangerous level of inventory build. If the numbers are correct, then China's leaders, by persisting with administrative controls on the property sector, are now risking a hard landing.

Likewise, as Clay details in the European Fund report, Europe needs to achieve some form of fiscal unity if efforts to bail-out individual sovereigns and banks are to have any lasting benefit. However, the political wrangling that this requires means that the handling of the crisis remains reactionary rather than constructive. Given the uncertainty this creates, the euro zone's growth potential is threatened as households and businesses start to economise, hence, our investments here are biased towards global themes.

A potentially much weaker Euro will have a directly negative impact on the US and Japanese export-based recoveries, in fact, Japan is already very close to losing its trade surplus for the first time since 1980.

We found it interesting that Federal Reserve Chairman Bernanke's latest Congressional testimony frankly acknowledged the limitations of Fed policy and placed China's lack of currency reform firmly on the agenda, claiming it was blocking a more normal global recovery. This may reflect an important shift in the Washington consensus that until now has been firmly against picking a currency fight with China. After all, high US corporate profit share is partially underpinned by the outsourcing opportunity that China and emerging markets broadly represents i.e. there is no more powerful bargaining chip with labour than the threat to offshore jobs.

A problem with the modern outsourced manufacturing model is that the hollowing-out process does have a natural limitation based on a national strategic requirement for local technology, sourcing, skills, and maintaining a minimal level of worker prosperity required for social cohesion. One has a sense that the outsourcing phenomenon may be close to at least a short-term zenith when one of the world's largest companies, Apple, is essentially a consumer durable design shop. The laws of comparative advantage may still be in play i.e. Californians are good at dreaming up new concepts (and have intellectual property laws that make this worthwhile), and Asian countries provide the low cost, skilled workforce required to make them. We actually think it has more to do with the direct policies of Asian Central Banks to discourage domestic consumption in favour of undervalued exchange rates and exports, or, flipping this on its head, the Western world's unwillingness to embrace austerity and balance sheet repair.

There is a rarely acknowledged though growing threat to ongoing growth in global trade – in a word, protectionism; typically the card played in desperation when national governments run out of policy options and the risk of upsetting the status quo runs secondary to appeasing the voters. Chinese authorities need to aggressively open their domestic market to foreign companies if a potential global drift towards wealth destroying protectionism is to be avoided. When we discuss these issues with global companies attempting to do business in China, they typically focus less on the exchange rate and more on just the uneven nature of the playing field when competing locally i.e. lack of access to government contracts and intellectual property right protection.

The list of Western Central Banks that are actively promoting some form of Quantitative Easing (QE) has grown to include: the US, Great Britain, Switzerland and Japan (though mild). The distortion this creates seems to be most keenly expressed in the price of energy which is what makes the policy so counterproductive. Western monetary policies stoke commodity speculation which tax consumers, especially the consumers with the lowest per capita incomes i.e. the emerging market consumer that is meant to be leading the great rebalancing. Investors need to consider this as a core input to their investment positioning.

Platinum Asia Fund

Andrew Clifford Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
China (Listed PRC)	5%	7%
China (Listed Ex PRC)	16%	16%
Hong Kong	1%	1%
Taiwan	6%	7%
Greater China total	**28%**	**31%**
Korea	18%	19%
Thailand	12%	11%
India	9%	9%
Singapore	5%	5%
Philippines	5%	4%
Malaysia	4%	5%
Indonesia	2%	2%
Vietnam	1%	1%
Canada	1%	1%
Cash	15%	12%
Shorts	4%	12%

Source: Platinum

Performance

Performance (compound pa, to 30 September 2011)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Asia Fund	-6%	-17%	4%	4%	16%
MSCI AC Asia ex Jp Index	-13%	-15%	2%	0%	9%

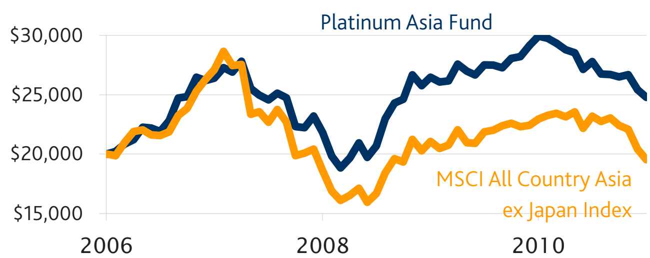
Source: Platinum and MSCI. Refer to Note 1, page 36.

While concerns about European and US indebtedness were a major factor in driving Asian stock markets lower during the quarter, increasing evidence that China's frantic growth rate was slowing also contributed to falling stock prices.

During the quarter, Asian stock markets fell 17%, though the depreciation of the Australian dollar reduced losses to the Australian investor to less than 13%. The benefit of the falling Australian dollar was not as significant as one may have expected as many of the regional currencies also suffered setbacks as export prospects have diminished. Hong Kong (down 20%) and Chinese H shares (down 29%) were the weakest of the region's markets.

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

The Fund's outperformance during the quarter can primarily be attributed to the relatively conservative net invested position of the portfolio during the quarter. Short positions made a strong positive contribution to performance, particularly positions in Chinese cement companies which were significantly impacted by falling cement prices. On the long side of the portfolio, our Indian holdings were among our weakest performers as ongoing interest rate rises continued to place pressure on the balance sheets of our Indian property developers. While it is disappointing to continue to experience losses on these and other holdings, the value we see in these underperforming investments give us confidence that in time, returns will improve.

Changes to the Portfolio

The most significant change was an increase in the Fund's net invested position from 76% to 81% toward the end of the quarter. This was achieved through a combination of a reduction in short positions from 12% to 4%, partially offset by an increase in the Fund's cash position from 12% to 15%. The increase in cash came primarily from the sale of a number of positions such as Astra International (Indonesian autos and heavy equipment) due to its strong performance, and Bank of China Hong Kong (HK Bank) and KT Corporation (Korean Telecom) where a reassessment of their medium-term prospects prompted the sale.

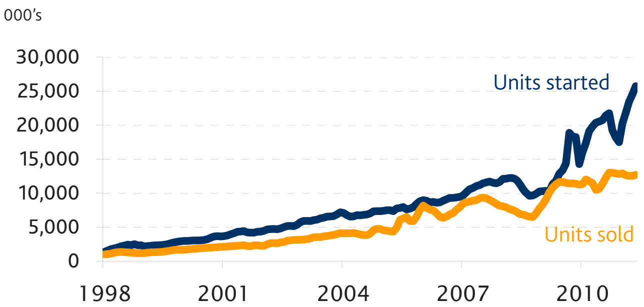
Youku, a recent Chinese internet listing that provides a service that is "part Youtube, part video-on-demand service" is a new holding for the Fund. The fragmented nature of the TV industry in China is allowing Youku to effectively position itself as the leading distributor of high-rating TV series in China. Although a highly competitive business, Youku has a strong position and concerns around US listings of Chinese stocks (please see our previous quarterly report) have allowed us to acquire an initial position at a very interesting valuation. Other new holdings include Fraser and Neave, a Singaporean based regional conglomerate with interests in property development, brewing and beverages; Jaiprakash, an Indian construction company with a portfolio of infrastructure and property developments; and IDFC, an Indian provider of infrastructure finance.

Commentary

It would appear that the tightening of monetary policy in China over the last 18 months has started to have an impact with a number of indicators in parts of the economy suggesting a slowing of growth. Monthly sales of heavy trucks and construction equipment have fallen 9% and 12% respectively from their levels a year ago. Cement volumes have eased-off slightly in recent months, which have resulted in cement prices in some regions falling by several percent since June. Sales of residential property appear to be peaking, while monthly auto sales have continued to languish below peak levels of late 2010. Likely to arrive soon is a slowdown in exports as European and the US governments struggle to deal with their indebtedness. None of these indicators per se suggest much more than a lull in China's frenetic growth rate but there are a number of reasons to be concerned that this may be the beginning of a bigger setback in the economy.

Foremost amongst these are residential construction starts, which in recent months have been running at almost twice the current level of sales (see chart below). What is more, starts have been well-above sales since the second half of 2009 implying an ongoing build-up in unsold inventories of housing. It should be noted that the current level of sales of new housing are hardly subdued - running at a rate of approximately 12.5 million units a year with housing starts at over 25 million! If you want a benchmark for comparison, US housing starts peaked at 2.5 million units in the early 1970s; a rate of one house built for every 85 people. So while current sales may not be out-of-line with this, with around one home sold for every 104 people, actual starts are at twice this level.

China Residential Units (3 month average annualised)



Source: Wigram Capital, CEIC

It must be said, this has all occurred in the one sector where the People's Bank of China (PBOC) has focused its efforts on restricting the availability of financing! Of course making such simple comparisons can be misleading. How does one account for the fact that the construction of modern housing stock is a relatively new phenomenon in China, starting less than a decade ago, or adjust for differing levels of income? The data itself will not be entirely reliable. What probably can be safely concluded is that China is building an extraordinary number of new housing units and it is difficult to see how this can be maintained over time.

Residential construction may be only one sector of the economy (though probably accounting for around 10% of economic activity) but it is not hard to find corroborating evidence elsewhere. Cement consumption at over 2.1 billion tonnes over the last 12 months or 1.6 tonnes per person, exceeds the previous record holder, Korea, which peaked in the mid-90s at 1.4 tonnes per person. The rapid rise in sales of excavators, up almost four fold in the last three years, or heavy duty truck sales up over 2.5 times in the same period, also illustrate the extraordinary rise in investment activity in China.

The observations we make above are also consistent with a change in the Chinese economy's usage of credit. In the period from the beginning of last decade to 2008, debt to GDP was relatively stable and in fact had been falling since 2004, and yet these were years of strong economic growth. By the end of 2011, credit will have expanded by RMB 39 trillion (US$ 6 trillion) over the prior three years, an increase that represents 60% of GDP. By comparison, in the five years leading up to the sub-prime crisis in the US, debt to GDP increased by only 40% of GDP.

Of course, China has been growing strongly for much of the last 15 years but what is important to appreciate is the extraordinary take-off in investment in the three years since the GFC as a result of the expansionary policies put in place by the Chinese government. Not only has investment activity expanded from already high levels achieved by 2008, it has, by most measures, exceeded investment booms achieved anywhere in history. When we compare housing starts with the US, or cement consumption in Korea, these were not levels that were maintained for long periods of time but represent peak levels reached momentarily from which the decline to longer term sustainable levels were significant.

So now that some cracks are appearing in China's growth story, will this snowball into a greater setback revealing the over-investment of the last three years or so? When there are further signs of deterioration, policy makers will likely attempt to turn things around through relaxation of monetary policy and possibly new infrastructure spending initiatives. This may be problematic if we have not seen some relief from inflationary pressures in the economy. Nevertheless it seems reasonably clear that Chinese leadership wish to keep the game going and are unlikely to not at least try.

For the rest of the region, a slowdown in China will compound the weakness in export markets they are facing as a result of slowing European and US economies. As the export sector dominates many of the ASEAN economies, it is likely to have a not insignificant impact on their economic prospects. Having said that, offsetting these pressures to some extent may be relief from rising inflation, particularly for India where the Reserve Bank of India has continued to tighten monetary policy.

Outlook

The conundrum for investors is that usually the stock market is a good place to be during investment and credit booms. During the US housing boom, US housing shares appreciated strongly as did the shares of the companies that provided the finance; until it all fell apart. In the case of China, however, the Shanghai market and the Hong Kong H share markets have been poor performers over the last three years. Within these markets, the worst place to be has been in the real estate and banking stocks whose businesses have been front and centre in China's growth story. Usually at the peak of an investment cycle such as the one China has experienced (which is probably a few months behind us now), one would expect to find stocks trading at record high valuations, while in fact valuations on most criteria are at historically low levels.

So have stock prices adjusted enough for a potential change in China's prospects? To our mind it is likely that in most cases they have. A greater risk is present in other regional markets where stocks prices have performed better since the GFC, have fallen less in recent months, and generally trade at more generous valuations than their Chinese counterparts.

Platinum European Fund

Clay Smolinski Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
Australia	0%	1%
Belgium	1%	3%
Finland	1%	1%
France	17%	17%
Germany	46%	46%
Italy	4%	4%
Netherlands	2%	2%
Spain	2%	1%
Sweden	2%	2%
Switzerland	1%	1%
UK	12%	11%
US	2%	2%
Cash	10%	9%
Shorts	6%	2%

Source: Platinum

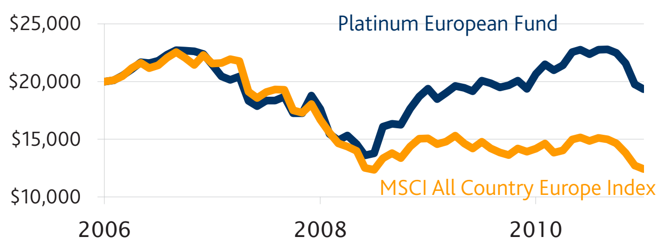
Performance

The debt crisis in Europe took on a new dynamic in July as the yield on the 10 year Italian government bond rose from 4.8% to close to 6% in the space of 18 days (compared to the yield on the German 10 year bund which now sits at 2%).

This move signaled the credit markets have now lost confidence in Italy and Spain. Restoring true confidence in the creditworthiness of the Spanish and Italian government can only be done through changes to taxation, expenditure and regulation that will take many years to implement and play out. The markets will continue to put upward pressure on the price of borrowing for Italy and Spain until a formal policy response is announced that will allow both nations to fund themselves outside of debt markets for at least the next few years. Undoubtedly the equity markets in Europe will remain volatile until this policy response is announced and it is likely the ultimate funding will be provided by the European Central Bank (ECB).

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

The pace of the markets collapse in Europe mimicked the swiftness in the loss of confidence in Italy. Within a two week period the indicies of the German DAX and the French CAC had both fallen 25%, with the Italian MIB (-28%), Spanish IBEX (-19%) and the British FTSE (-13%) fairing little better.

In terms of specific stocks, there were few areas of resilience. Of the 550 stocks in Europe with a market cap above $3 billion, 479 fell over the quarter with 77 falling by over 30%. There were a mere ten stocks within the group that managed to gain more than 10%.

The European banks were at the epicenter of the collapse, with the major French (Soc Gen -48%, BNP Paribas -42%) and Italian banks (Unicredito -45%, Intesa Sanpaolo -34%) all crushed due to fears around their holdings of European sovereign debt. The cyclical sectors received the same treatment as expectations Europe would lead the globe back into recession grew, with autos (Daimler -32%), industrials (Alstom -39%, Siemens -25%), building materials (Lafarge -40%) and chemicals (BASF -30%) all leading the market down.

Measured in A$, over the past three months the MSCI All Country Europe Index was down -15.2%, with the Fund returning-14% over the same period. Measured over the past twelve months, the Fund has returned -6.4% versus the Index which is down -12.5%.

Changes to the Portfolio

Over the quarter we made a significant change to our currency exposure, where we reduced our holdings in both the Euro and the A$. As we discuss later in the report, the solution to Europe's debt problem will likely include the combination of some money printing by the ECB, a prolonged period of low rates and cuts to government spending dampening economic growth; not a recipe for a strong currency in the medium term. In regards to the A$, while the A$ has a number of fundamental strengths (high interest carry, little government debt) it remains highly susceptible to changes to expectations around Asian growth and with the A$ still at record highs against the major crosses, we are reluctant to hold much A$ here. The currency exposure of the Fund is now 26% Euro, 26% US dollar, 23% Norwegian krone, 13% British pound and 10% Australian dollar.

In terms of stocks, we exited some of our more 'defensive' holdings that have held-up well, namely Belgian pharmaceutical player **UCB** and UK mobile giant **Vodafone**, using the proceeds to top-up our positions in **Infineon, Lloyds Bank, Daimler, Deutsche Börse and Amadeus**. In terms of new holdings to the Fund, we have been patiently building a position in two fine services companies, both of which, given their cyclical exposure, have been thrashed back to their GFC lows.

The market volatility allowed us to be fairly nimble with our shorts, with our position over the quarter ranging from 2-14% to 6% at the time of writing. Our initial shorts were targeted at a collection of European banks, heavily indebted utilities and Real Estate Investment Trusts (REITS), all of which would feel the knock-on effects of the sovereign debt crisis, whether through fear of losses on bond haircuts, windfall taxes or difficulty accessing funding. Post the heavy fall in markets, we have closed a number of these short positions and have now rotated our focus towards some of the high flying growth stocks that are valued on lofty multiples of earnings. These shorts are unlikely to hurt us much if we get a bounce in markets but can suffer a decent multiple de-rating should the growth element of these stories start to come under question.

Commentary

With Europe attracting so much media coverage and the proposal of many seemingly ineffective 'bail-out' solutions, it is worth providing a simplistic outline of Europe's problem and the evolution of the response to date.

- With the backdrop of a weak economy, credit markets became worried about the long-term sustainability of European sovereigns who had a large stock of outstanding debt and were running high (-10% GDP) budget deficits. The funding costs of these nations quickly spiked to unsustainable levels.
- In response, **all European Union (EU) governments** have implemented plans to reduce their budget deficits (i.e. Italy has enacted a 'zero deficit law' with the goal of having a balanced budget by 2014).
- The synchronous cuts to government spending are slowing the EU economy directly in the sense of loss of jobs and cuts to pay but also indirectly as the uncertainty kills confidence in the private sector. The subsequent fall in GDP we have seen in countries like Greece have tended to offset progress made by those governments on reducing expenditure and fears of an eventual default increase.
- This situation is weakening the banking system, and confidence is being lost in the euro zone banks. The banks are attacked from two angles. Firstly, the weakening economy hits them through higher loan defaults and falling collateral values. Secondly, many of the EU banks have large holdings of sovereign bonds; if there were to be a sovereign default it would wipe out a significant amount of euro zone bank capital.
- The final problem is the risk that the weak position of the banks is transmitted through the real economy as they curtail lending. The first reaction of a bank who is having difficulty sourcing funding is to start pulling back on lending, and it is usually the small/medium sized businesses and consumers who find it the most difficult to borrow.

The initial bailout packages provided to Greece and later Portugal and Ireland, reflect the hopes and expectations of how the debt situation would play out at that time. The first €110 billion package was a short-term measure which would provide funding for 1-2 years in the hope that an economic rebound would ease market pressure. The announcement of the extended powers of the European Financial Stability Fund (EFSF) in July of this year goes much further in providing a holistic solution:

- The firepower of the fund was increased to €440 billion and can be accessed at low rates – this would comfortably meet all the deficit financing needs and bond rolls of Greece, Ireland and Portugal for the next five years.
- The fund could buy bonds on both the primary and secondary market, and could conduct precautionary buying (i.e. they can act before markets completely shut).
- The EFSF funds can be used to recapitalise banks.
- The announcement of the fund came with a proposal for a selective default on Greek government bonds. In essence, holders of Greek debt could swap their bonds for new 30 year bonds guaranteed by the EU, in exchange for taking a 20% haircut on the principle (quite a generous offer in our view given the pricing of Greek bonds).

The EFSF provides the tools to tackle the majority of the issues. Governments who are both willing and realistically able to reduce their budget deficits are given plenty of time to make the adjustments, while those where the initial debt burden is too great can default with the fund recapitalising the effected banks where needed. As we have seen in the UK, any recapitalisation of the banks will also likely come with some mechanism to force the banks to 'keep lending'.

Problem solved? Unfortunately no. The funding capability of the EFSF was built to fight the last war. It is simply too small to fund Italy and Spain for any meaningful period of time (Italy and Spain will need close to a €1 trillion to fund deficits and bond rolls over the next few years). The mechanics of the EFSF also prevent the funds being used by either Italy or Spain[1]. In short, a new funding solution must be found.

1 The money raised by the EFSF is implicitly guaranteed by each EU member, with the size of the guarantee in proportion to their ownership of ECB capital. The guarantee proportions are 28% Germany, 20% France, 18% Italy, 12% Spain, 5% Netherlands etc. Of course to receive funds, Italy and Spain would need to 'step out' of their guarantee, further reducing the size of the EFSF.

The ECB or Eurobonds?

There has been much press discussion around the possible implementation of a Eurobond as a solution to the crisis. The realities around implementing a Eurobond system (framework design around ceding control of national tax bases to a central body, overcoming massive populous opposition etc) mean that it is simply not a realistic solution in the medium term.

The obvious source of funding is the ECB. The ECB is currently buying Italian and Spanish bonds in small quantities and while there is internal squealing about their discomfort in doing this, the key is to remain focused on their actions rather than the rhetoric. The reluctance of the ECB to engage in wild US style money printing stems both from the lessons learnt from Germany's hyperinflation in the 1920s, and the desire to maintain pressure on the governments to fix their budget problems. The ECB will act as the lender of last resort but only if Italy and Spain are keeping their part of the bargain.

There are a number of guises under which the ECB can safeguard both the banks and the sovereigns. For instance, a plan recently proposed by George Soros calls for the ECB to provide a guarantee and recapitalisation of the major banks, whom in return would agree to follow ECB instructions to keep lending. With the ECB standing behind (and providing funding to) the banks, they would then instruct sovereigns like Italy to raise the funding they need via short-term (one year) debt at a low interest rate (1%) which would be bought by the banks using ECB funds. Over time, as the governments show they are making progress reducing their debt, the ECB can wind down the short-term funding mechanism and the governments can go back to funding themselves on the long-term debt markets.

Of course the eventual plan may include all or none of these methods but the illustration is a reminder that despite the dramatisation in the press, there are a number of realistic solutions to prevent the nuclear collapse scenario and the policy makers are getting closer to a holistic solution.

Outlook

As discussed, our central case is that European policy makers keep funding the troubled European nations and will ensure the banking system remains functioning. In exchange for this support, European governments will reduce spending and increase taxation and this is going to restrain economic growth across the region. Combined with recent falls in activity measures in the real economy (airfreight cargo, temporary employment) increasingly pointing to another recession, it is difficult to be enthusiastic about the 'macro outlook'.

When we return our gaze back to the valuations of the companies on offer, our enthusiasm level is a lot higher. Outside of the depths of the GFC in March 2009, the selection of attractively priced investments has not been as good for some time. Stocks which operate in more heavily cyclical industries can be picked up for 5-6 times earnings (Daimler/BMW), while at the less cyclical end there are many solid companies with sensible balance sheets and strong industry positions trading at ten times or below. Although it must be said that many of Europe's truly exquisite businesses have yet to be priced down to levels that would make them great investments.

Over the next six months what should you expect to see from European markets? Given the despair around the sovereign situation, any comprehensive policy response from the ECB would certainly set the markets up for a big rally but in the face of deteriorating economy and pressure on corporate earnings this will likely prove to be a trading rally at best. Their can be no guarantees that markets will not continue to fall over the next 6-12 months, however, on a three year view we are confident that purchases at these levels will reward investors handsomely.

Platinum Japan Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
Japan	87%	89%
Korea	3%	2%
Cash	10%	9%
Shorts	14%	13%

The Fund also has a 14% short position in Japanese Government Bonds.

Source: Platinum

Portfolio Position

Changes in the quarterly long portfolio composition:

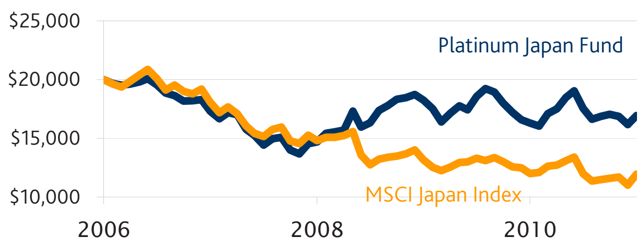
Sector Breakdown

SECTOR	SEP 2011	JUN 2011
DOMESTIC	49%	43%
Retail and Services	19%	14%
Telco, IT and Internet	12%	10%
Financials	11%	12%
Real Estate and Construction	7%	7%
EXPORT	41%	48%
Tech/Capital Equipment	15%	14%
Autos and Machinery	11%	13%
Commodities	10%	13%
Alternative Energy	5%	8%
Gross Long	90%	91%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

Performance

Over the past 12 months, the Fund rose 3.9%, outperforming the MSCI Japan Index (A$) benchmark by 4.4%, and over the past quarter the Fund fell 0.6%, underperforming the benchmark by 3.7%. For the quarter, the benchmark rose 3.1% in A$ terms and fell 10.7% in Yen terms.

Japan could not escape the downdraft in global markets, driven by sovereign concerns in the euro zone, policy tightening in China and a US slowdown. However, in times of global market distress, Japan is perceived to offer a relative "safe haven" status which has contributed to Japan's recent bout of equity outperformance versus other global markets. In some-ways this reflects a corporate and household sector that has spent a good part of the last 20 years deleveraging. Japan's sovereign position is not great with a 2010 government deficit to GDP of 8.1% and a net government debt/GDP of 116.3%, the highest in the OECD, whilst the country runs a trade surplus, the very strong external position offsets sovereign risk. However, a serious global recession would threaten the trade surplus and ultimately expose Japan's Achilles' heel; a dysfunctional government sector.

Looking a little more closely at attribution, our best performers were domestic stock exposures, especially retail and telecoms, not surprising given the defensive nature of their earnings. Our commodities and autos exposure detracted from Fund performance on global economic slowdown concerns.

Changes to the Portfolio

We have made some incremental changes in portfolio composition as we expect that the macro headwinds that we have often discussed, and have not surfaced, will persist.

Long positions

We have introduced some new longs, in the foods, retail and capital goods sectors. One in particular, Nikkiso, should benefit from increased demand for its niche industrial pumps and stable growth opportunities for their dialysis machines in Asia. Significant latent demand exists in China for dialysis treatment as improved medical coverage and treatment options cover a larger portion of the population. Their joint venture with Weigao group in China is expected to begin local production of dialysis machines from 2012 and targets a 40% market share. There are estimated to be 100,000 dialysis patients in China currently but the latent potential could be as high as 1.5 million, some five times as large as the current Japanese market. We think the earnings growth prospects for this company are both substantial and under-appreciated by the market.

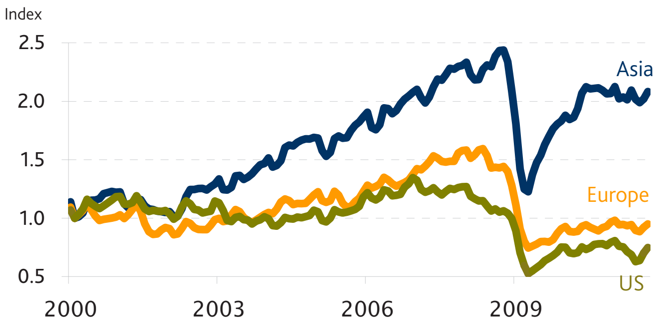
Short positions

We have initiated shorts in names where we believe growth stories have become stale or the earnings risks have not been fully priced in. These stocks represent companies that, while displaying solid earnings, are either not immune to a cyclical slowdown in emerging markets or have exposure to a depreciating Euro/Yen exchange rate. Stock prices have moved well-ahead of their underlying fundamentals and become priced for perfection. Market consensus in Japan at times can be quite slow to discount such turning points, which rewards a more nimble and contrarian approach.

Currency

Unfortunately Japan's safe haven status was also conferred on its currency, which appreciated against most currencies over the quarter. Despite raising our Yen exposure from 35% to 41% over the period, the opportunity cost of not having the Fund fully exposed to Yen accounted for 7% of lost performance relative to the benchmark. The impact of the strong currency is clearly evident in the limited recovery in Japan's exports to Europe and the US (see chart over). Given the issues facing the euro zone, Japan will find it hard to weaken its currency without resolute policy action – something that painfully eludes Japan's political and bureaucratic class.

Japan Exports by Destination



Source: Bloomberg

Commentary and Outlook

Fears of further financial contagion and sovereign risks emanating from the euro zone continue to dominate headlines. It was not so long ago that global markets feared financial catastrophe from Japan which had dragged its feet on cleaning up its banking system. In sharp contrast to the recent falls in global stock markets, led by worries over banks, the stocks of Japanese megabanks have performed in line with the Topix. Whilst affected by a cyclical slowdown and the after affects of the Tohoku earthquake, we do not believe that asset quality is a concern. In a world where sector correlations are close to their highest levels ever, worries about Japans' banks are conspicuous by their absence. Further, in typical pre-emptive Japanese fashion, the megabanks recapitalised twice in the last three years in anticipation of Basel 3 requirements.

The reason for this preparedness is that Japan has spent much of the past 20 years dealing with the deflationary aftermath of its own credit crisis. During the time, when much of the excesses of credit expansion in Western economies were created, Japanese banks were still repairing their own balance sheets. Unwilling and unable to participate in the global credit boom, Japanese banks have now been spared the worst of the bad debts. Japanese banks have limited exposure to euro zone loans.

Japanese megabanks now have one of the lowest loan to deposit ratios globally. Non-performing loan ratios remain below 2%, barely moving even through the GFC. Tier one capital adequacy ratios, a key indicator of bank health, have improved from 7% levels in 2007 to 12% currently. Importantly, the quality of capital has improved: the ratio of deferred tax assets within tier one capital has now dropped from around 30% in 2005 to less than 10% currently, and the proportion of equity holdings in tier one capital has dropped from around 65% in 2005 to 30% currently. In short, Japanese banks have now rebuilt their capital bases and are cautiously emerging after nearly two decades of problems.

Japanese real estate is also showing the first tentative signs of a cyclical recovery after a difficult few years. The key Tokyo market is seeing office vacancy rates peaking out, indicating that the market is able to comfortably absorb new supply. Despite continued falls in existing tenant rents, asking rents for new buildings have fallen to reasonable levels. Real estate transaction volumes are rising and cap rates falling, indicating relatively healthy demand for centrally located prime properties.

Having lived in Japan for most of the past 20 years one could see how government policy plays an outsized role in low growth environments. Many economic reforms have tended to be half hearted and ill-conceived, as they cut across numerous vested interests. Still, Japan has embraced aggressive reforms when needed, most notably during the Koizumi years, which resulted in the longest period of GDP growth in the post-war period (69 months from February 2002 to October 2007). A strong global economy contributed, but it was the resolution of bad debts at the banks in 2003 that allowed domestic growth to accelerate.

There are two key barometers of progress in Japan that are worthy of investor focus. Firstly, merger and acquisition (M&A) activity is slowly gathering momentum and secondly, electoral reform has gained some attention. We will be looking closely at these issues in coming months as they provide the keys to unlocking higher profit share and implementation of pro-growth economic policies.

On the M&A side, Nippon Steel and Sumitomo Metal Industries have agreed to merge by October 2012, subject to Fair Trade Commission (FTC) approval. This has been brought about by a shift to a more pragmatic anti-trust policy, with the FTC now taking into account global market shares of combined entities rather than domestic share. We regard this as a positive step as we believe that large cap corporate Japan needs to gain scale efficiencies in order to better compete globally.

Japan politicians have put-off electoral redistribution to reflect underlying population shifts. The end result is a chronic over-representation of rural and under-representation of urban seats in both the lower and upper house of Japan Parliament. Vote value disparity, which measures the magnitude of this gap, reached a maximum of 5.126 to one (meaning the value of one vote in the least populous prefecture was equal to over five votes in the most populous) in the most recent upper house election and the lower house election was a large 2.524 to one gap.

This has not gone unnoticed and numerous lawsuits challenging the validity of the election results have been ruled on by the High Courts. In March, the Supreme Court of Japan deemed the current lower house distribution as unconstitutional and will require reforms to correct the disparity. The courts have not gone as far as nullifying the election results but have been clear that enacting proposals to correct these disparities will be required before the next general elections (which must be called before August 2013).

The implications of redistricting on economic policy are potentially significant. The current system clearly favours voters in rural seats, particularly increasingly elderly farmers on fixed pensions. These constituencies benefit from deflation and closed agricultural markets and are major barriers to structural reforms. Urban voters, who are generally more in favour of open markets and pragmatic pro-growth policies, should see increased representation. We expect this should result in a focus on more aggressive economic reforms and pro-growth policies designed to reflate the Japanese economy.

Leon Rapp
Japanese Investment Analyst

Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
Europe	31%	34%
Asia and Other	26%	26%
North America	8%	8%
Japan	6%	6%
Latin America	5%	5%
Cash	24%	21%
Shorts	4%	6%

Source: Platinum

Performance and Changes to the Portfolio

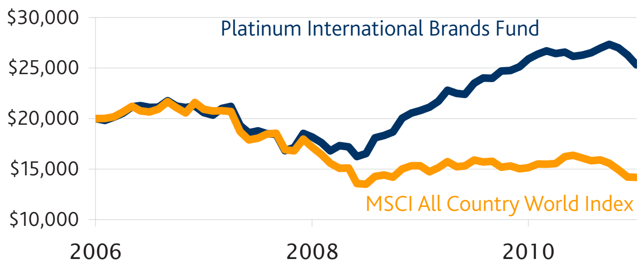
The Brands Fund declined by 7.4% for the quarter compared with the 9% fall in the MSCI All Country World Index. On a 12 month basis the Fund is now also showing a decline of 2.2% albeit somewhat ahead of the MSCI World Index decline of 6.4%.

Notable in the quarter was the increased volatility and towards the end of the quarter a more indiscriminate approach by the market to selling stocks. This rush to sell seemingly based on heightened concerns that every major region of the world would now be constrained by a global recession.

In the last quarterly report it was noted that the Fund had been too early in positioning for increased volatility ahead of an expected loss of confidence in the face of the woeful global macro economic headlines. A somewhat early view to increase the Fund's cash position perhaps also led to an

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

increased, albeit implied, optimism around the resilience of some of the Fund's holdings. Nonetheless, as discussed below, the commentary from the corporate management teams and the continued delivery of robust results are at odds with the volatile and at times precipitous treatment of some of the Fund's holdings.

The Fund had previously benefited from holding stocks perceived as defensive together with a relatively higher cash position. Given the more indiscriminate selling by the markets, even those companies have been significantly marked down. At quarter end it would have been more effective to hold higher short interest positions rather than cash, whereas earlier in the quarter a higher cash position was proving more effective. The Fund will remain positioned with relatively higher cash levels and engage opportunistically in buying stocks that are discounting extreme outcomes.

The Fund has been selective in its activity during the quarter, mostly selling from some of the better performing stocks and adding where the volatility presented opportunities. It is only towards the end of the quarter that buying opportunities have been more prevalent.

Commentary

The contradiction and challenge for the Fund is to balance the understanding that the macro economic conditions are far more difficult and complex than have been seen for some decades, against the commentary from corporate management, that prima facie, is far less dramatic. The resolution of the economic backdrop would appear to be, for the moment, in the hands of a relatively small number of politicians. A more immediate consequence of which is markets that are highly sensitised to the headlines and reactive to politician's comments.

Against the backdrop of unfathomable macro economic challenges and associated headlines there have been disparate, and at times surprising, responses by the consumers. For example, light vehicle sales in the US have grown by 10.4% in 2011, with September sales continuing to track that at 9.9% above last year. Within that, BMW brand sales posted a gain of 19.3% for the month with the company posting an increase of 14.1% for the year.

Clearly with a drop of 30% in the share price of BMW over the quarter, the market has been concerned about things other than the rate of sales in the US. The obvious question might be the dependence on profitability from China and adverse headlines about discounting in that market. The headlines on discounting are true *and* misleading. Much the case with many headlines in the financial markets that seek to exaggerate, or rather exasperate, the emotional state of market participants.

The volume profit earner for the company is the 3 series which is undergoing a model change. The discounting is reflective of planned stock clearance ahead of the new model and we were advised of it when visiting the Chinese dealers more than a month ago. More relevant perhaps, is that the discounting does not directly impact BMW since it is the 5 series and 7 series that are imported to China and not the 3 series which is locally produced and accounted for by the joint venture partner.

Certainly luxury car sales are showing signs of slowing in China. Another somewhat misleading statement? Sales continue to grow, there are waiting lists, the run rate is significantly higher than any sensible forecast that was made at the start of the year, however, the rate of growth has changed. Year-to-date, the premium segment is 40% up on last year. It may not finish the year at that rate of growth, however, even with a noticeable slowdown it is difficult to reconcile with the valuation of the company. We forecast BMW cash earnings before tax to be less than two times the enterprise value of the firm even allowing for a drop in earnings.

We monitor closely the sales of luxury goods from Hong Kong. The numbers have continued to be extraordinarily strong, although more importantly the commentary from management has been somewhat optimistic. The previous quarterly report described the astounding strength of Swiss watch sales to China, bearing in mind the strength of the Swiss franc. Sales have accelerated from the 41% for the first five months of the year to be up 47% to the end of July and up 44% in August! Anecdotes of queues outside shops in September and October continue despite the rain.

Yet the share prices of our holdings in Hong Kong watch and jewellery retailers have declined by more than 40% in the quarter. Ongoing robust trading suggests that these companies will continue to report strong earnings growth for a while yet and with the share market offering these stocks to us at earnings multiples of 5-10 times, along with dividends, we are starting to see some attractive buying opportunities.

Not all companies are enjoying ongoing robust growth. In particular, the large well-known US brand companies are increasingly finding their large domestic market to be a drag on their results. Recent reports from companies such as YUM! brands (KFC, Pizza Hut etc) highlight the difficulties in the US, whilst enjoying continued growth and opportunity in the developing markets. Kraft is taking a more radical approach having decided to become two companies, splitting off the faster growing international confectionary and snack company. Fortune Brands has similarly decided to shed the more difficult businesses and focus on spirits, renaming themselves Beam Inc.

High on the gossip and speculation list is now Pepsi, which clearly has a significant opportunity to split their business into Frito Lay and a beverages business, notwithstanding the intense focus on the "Power of One" campaigns designed to extract the benefits of having both businesses work together. We are not convinced that Pepsi is ready to initiate such a move despite the financial markets clamouring for access to developing markets and higher growth product sets without the drag of a mature low-growth US business.

It is during these difficult times that the better managed companies that were well-prepared showcase their strength. At a recent meeting with the CEO of one such company we discussed numerous examples where they are taking market share from weaker participants now that conditions have become more demanding. Recessions, or at least more difficult conditions, have generally been useful in redistributing market share back to the stronger participants.

Many of these stronger participants have strengthened their balance sheets and are now finding themselves in a preferred position to borrow funds. The debt markets are willing providers to these companies and at rates that are minimal by comparison to the returns being generated, and in any case, significantly less than over recent decades.

Consistent with the obvious repositioning of companies towards growing markets, together with exceptionally cheap funding, it is no surprise to see increasing speculation on mergers and acquisitions. The Fund owns SABMiller which has recently been the subject of increasing speculation that they would fit well with Anheuser-Busch Inbev (ABI).

Many of the arguments put forward are logically based on the benefits and good fit surrounding such a merger.

Less discussed though is the outcome in China and the Snow Beer joint venture that SABMiller has with China Resources Enterprise. North America and Europe combined account for 40% of global beer volumes compared to China's 28% with China now larger than each of them. However, on a profit basis China generates 1/15th the profit of those markets. Perhaps the question for ABI is really about addressing being less than half the size of the Snow joint venture in China and having a competitor that is rapidly building operational expertise in what's set to become the most important opportunity for profit growth in the global beer market.

Outlook

There is no doubt that there will be immense challenges faced by the companies in various markets. Interestingly though, this may not be as straightforward as the headlines or catch phrases may suggest. There will likely be greater surprises along the way that defy the literal interpretation of the economic headlines.

Ongoing volatility will provide opportunities especially now that valuations and stock prices have been set at lower levels. The Fund is well-placed with its relatively high cash balance to participate opportunistically.

The Fund has a greater breadth than might be initially perceived. Direct and indirect exposure to growing markets and product categories, developing and emerging markets, whilst selectively maintaining an exposure to the most profitable, albeit slower growth, mature markets.

Platinum International Health Care Fund

Bianca Ogden (nee Elzinger) Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
North America	40%	42%
Europe	30%	30%
Japan	4%	2%
Asia	1%	2%
South America	1%	1%
Cash	24%	23%
Shorts	3%	2%

Source: Platinum

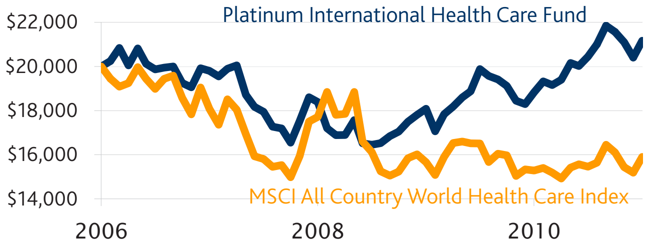
Performance and Changes to the Portfolio

The Platinum International Health Care Fund advanced almost 12.4% for the year, while the MSCI Health Care Index rose just over 4%. For the quarter, the Fund declined by 1.9% while the Index declined 1.3%.

Biotechs were for sale this quarter as global economic issues dominated. We used this opportunity and selectively added to some of our positions such as Biomarin and Qiagen. At the same time, we added to our short positions.

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

It was not all doom and gloom this quarter. Roche is advancing nicely, expanding its cancer franchise. The company received rapid approval of its anti-melanoma drug. The agency took only three months to review the data; usually six months is seen as fast. This new drug is a very valuable addition to Roche's repertoire of anti-cancer agents and we believe underestimated by analysts. In breast cancer, Roche has also shown that it indeed may have a very valid Herceptin replacement antibody. Trastuzumab emtansine (Herceptin linked to a chemical) appears to be powerful in killing cancer cells and lacking a number of side effects.

Pharmasset also continues to do well with its anti-Hepatitis C Virus (HCV) drugs; the company is moving closer to showing that Interferon treatment for HCV may soon be a thing of the past. We continue to like the company but have been trimming our position due to a steep rise in valuation.

Finally, Cepheid and Caliper (tool/diagnostic companies), held up strongly. Both companies are expanding their sales at a rapid pace with profits also improving gradually. Caliper has been doing so well, that its competitor, PerkinElmer will now acquire the company at a decent price (40% premium on the day).

For Teva, things are tough right now. The company is as cheap as it has ever been, however, the situation Teva is in is also as different as it has ever been. New generic launches in the US have been limited and its Multiple Sclerosis drug will encounter significant competition next year. In addition, its follow-on MS drug has shown mixed results and may take longer to develop. Teva is, however, not a basket case and we believe that the company has a solid respiratory business, is expanding in Japan (low generic drug utilisation that is rapidly changing) and is increasing its health consumer business via a joint venture with Procter and Gamble. At seven times earnings, expectations are low.

Commentary

Biotechs and small device companies continue to set trends in healthcare, while the big companies watch on and ultimately pay up for new innovations. This is unlikely to change particularly as pharma has no problem at all accessing new financing.

Often these trendsetters grow into sizable companies ($2-10 billion in market capitalisation) with significant commercial infrastructures. It is these type of companies that are very interesting investments at the right price.

Biomarin, a holding in the Fund, is such a company. Biomarin is valued at $3.5 billion, employs about 800 people and sells four products for rare diseases in about 40 countries.

Rare diseases (there are about 5,500+ diseases; with 250 million affected globally) have been an area that big pharma had problems in appreciating the potential; too few patients (one in 1,000-200,000 patients affected) to justify high development costs.

Such ignorance is not new; pharma dismissed antibodies as highly valuable drugs many years ago. Today pharma cannot reiterate fast enough how many antibody entities they have in their pipeline!

"Rare diseases" is looking to follow a similar path with GSK and Pfizer having established separate units to develop drugs for rare diseases, while Sanofi made a bolder statement and acquired Genzyme, the pioneer in this field. Long gone are the times of the blockbuster-only business models; however, these new areas require a different thinking and selling approach.

Biomarin was founded in the late nineties and has since successfully developed three enzyme replacement therapies[1] with the majority being protein drugs.

To be successful in rare diseases requires strong knowledge of protein chemistry along with outstanding biomanufacturing expertise. The other very important aspect is the sales, marketing and distribution network. These types of drugs are not mass market drugs; an army of sales reps and a myriad of advertisements will not achieve much. These drugs are for a select few patients that first of all, have to be identified and secondly have to be managed and supported during their therapy e.g. guiding them through the reimbursement maze.

1 Genetic diseases, whereby the patient is unable to make a particular enzyme. As a consequence certain proteins cannot be broken down and accumulate in organs.

It is essential to work with support groups, patient advocacy groups, foundations and key investigators in the field to gain access to larger groups of patients. Biomarin has established and fostered those relationships over many years and is now in a position to really leverage this network once its pipeline materialises. Newcomers will need some time to develop such an infrastructure.

Biomarin is in a very good position as this type of marketing approach provides a natural barrier for competitors offering longevity; something we are sure pharma is starting to recognise.

Biomarin has been criticised for its continued research and development (R&D) spending at the expense of profits. However, we argue that it was a wise decision to give up short-term gains for a much longer tail of significant cash flow. The pipeline is maturing, while the base business continues to grow nicely. At 6-7 times sales it is not a bargain, but it is a growing company that possesses rare assets.

Outlook

We continue to maintain a good mixture of different health care companies in the Fund. There is no doubt that pricing pressure will be felt across the board but we are making sure that our holdings do have an innovative edge and that valuations reflect today's challenges within this industry.

We continue to be very selective with big medical device companies despite historically cheap valuations. We believe that payor and regulatory pressure will increase. There is evermore demand for outcome-based data and comparative effectiveness studies adding pressure to R&D budgets. Medtech companies have been slow to adapt to the changing landscape and we do see more difficulties ahead. In many ways, medtech is were pharma was five years ago.

Platinum International Technology Fund

Alex Barbi Portfolio Manager

Disposition of Assets

REGION	SEP 2011	JUN 2011
Asia	29%	30%
Europe	21%	19%
North America	20%	20%
Japan	6%	7%
Cash	24%	24%
Shorts	5%	3%

Source: Platinum

Performance

The Fund's value declined by 2.7% during the quarter, while the MSCI World Information Technology Index (A$) declined by 1.5% for the same period. Over 12 months, the Fund has recorded a negative 6.1% while the MSCI World Information Technology Index (A$) was down 1%.

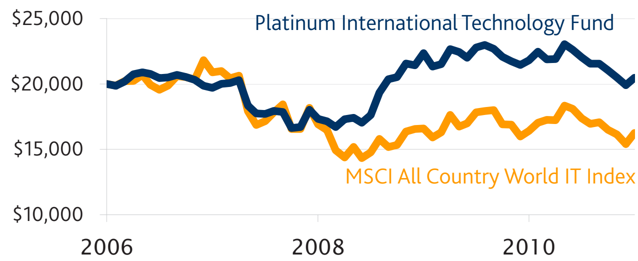
On a three year performance basis the Technology Fund at 5.7% compound pa remains ahead of the above Index, which declined by 1.3% over that period.

Among major detractors to performance were:

- German stocks (Infineon, GfK, Kontron, Adva Optical) all affected by fears of slowdown in their respective sectors;
- in the US, Brocade Communication Systems, punished by the markets after delivering a profit warning and revised outlook; and
- in Korea, Melfas, suffering from delayed orders from their largest customer, Samsung Electronics.

Value of $20,000 Invested Over Five Years

30 September 2006 to 30 September 2011



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

On the positive side of the ledger this quarter, were large technology stocks and more defensive telecom names (Apple, China Mobile, Chunghwa Telecom and Cisco Systems).

During the quarter our short positions started to work in our favour, contributing positively to performance.

Changes to the Portfolio

We reduced our exposure to Korean telecoms after our original thesis of improved margins through reduced competition and higher smartphones penetration did not play out as expected. Major telecom operators in Korea remain engaged in a fierce competitive price war to the detriment of everybody's profitability. Moreover, some management still seems keen to "diworsify" in completely unrelated and unprofitable businesses; witness SK telecom attempts to buy a 20% stake in troubled Korean semiconductor maker Hynix.

In Taiwan, we sold part of our holding in Chunghwa Telecom (which returned 20% for the year) and we swapped it into a larger share of Far Eastone Telecom, a pure play on mobility. We believe that mobile data growth in wireless telecommunication will be enough to offset the decline in voice revenues to drive revenues and profit growth. Moreover, the emergence of cheaper smartphones (available from local and Chinese manufacturers starting from US$150-200) will alleviate the subsidies burden for telephone operators and stimulate higher adoption, and hopefully usage.

Ericsson is a new addition to the Fund. Readers may remember that the Fund owned this company before and we believe now is the time to buy back into it. Ericsson has demonstrated an amazing ability to maintain a profitable market leadership globally in 3G wireless equipment despite a fiercely competitive environment. Valued at 8.3 times next year earnings excluding cash, we believe it is too cheap for a company which is optimally placed to guide telecom operators through yet another technology transition (this time 4G-LTE or Long-term Evolution) to cope with the ever-increasing amount of data traffic flowing through our iPhones and iPads.

Commentary

Mergers and Acquisitions, and patent wars

Last quarter, we mentioned that large liquidity reserves in corporate coffers would have been a potential stimulant of mergers and acquisitions in the technology sector. We didn't have to wait for long to see some interesting action.

A few acquisitions were announced whereby bidders offered hefty premiums in cash (around 60% above undisturbed market prices in all cases) to gain control of other companies in similar or adjacent businesses. These transactions all happened at very hefty valuations and suggest that many companies are prepared to pay top prices to acquire what they believe to be strategic assets.

Broadcom (semiconductors) acquired rival NetLogic for US$3.3 billion to strengthen their presence in data networking and wireless infrastructure chips.

Hewlett Packard acquired UK based software company Autonomy in a US$5.7 billion bid as part of a new diversification strategy into the higher growth area of business software analytics and in an effort to offset HP's exposure to traditional and slow growing/maturing PC business.

Google acquired Motorola Mobility in what is perhaps the most controversial move made by the search giant until now. They paid US$11.2 billion for a mobile phones business which is a shadow of itself with an estimated 4% global market share and a solid, but not growing, pay-tv set top boxes division. The real value for Google though was the trove of Intellectual Property (IP) rights (more than 17,000 patents) accumulated by Motorola over decades of research and development work in radio communications/mobile devices. This alone could be estimated to be worth around US$12.7 billion if valued with the same parameters adopted by rivals Microsoft and Apple when they recently acquired for US$4.5 billion a collection of 6,000 Nortel patents out of its bankruptcy procedures.

So why did Motorola accept Google's offer?

The reality is that the business of selling mobile phones has never been easy and it appears even less so with multiple technology transitions and the need to differentiate against new and old players.

As Motorola Mobility's CEO Sanjay Jha recently stated in a Fortune magazine interview:

"it's very much like a Hollywood movie business or drug selection business. What we need is a business machine that works at a modest profitability level at all times, and then on top of that you can have hits. The question isn't whether there's volatility. There is definitely volatility in this business. You're only as good as your last product".

A few weeks after this interview, Motorola accepted Google's take-over offer. His words will sound familiar with managers at Alcatel, Ericsson, Siemens, Research in Motion (the Blackberry maker) and more recently Nokia, who all have seen their mobile phones achieve success only to eventually suffer to new and more innovative competitors.

At the same time, people's internet usage on mobile devices is growing rapidly and Google identified very early that this area would be clearly strategic to extend its leadership in search. The launch of the Android Operating System (O/S) as an open platform available to all phone manufacturers free of charge has been an enormous success and is posing a serious challenge to Apple's iPhone leadership.

An unexpected consequence of this proliferation of Android phones has been a flurry of lawsuits among major players for patent infringement. Apple has sued HTC, Motorola and Samsung claiming their Android phones and tablets were infringing patents for its iPhone and iPad. Similarly Microsoft sued Google and Motorola on claims of infringing proprietary software patents.

These kind of patent wars are very common in the technology world and they often end up in large settlements being negotiated among litigants. However, the intensity of this particular fight is extreme and the number and calibre of the players involved unusual: in fact, it involves ALL major groups.

So why did Google decide to buy Motorola?

The official line will say that they will re-launch the hardware businesses (mobile phone and set-top boxes) but we believe the real reason behind this purchase was ultimately to acquire a solid chest of patents in order to better defend its own and its licensees' products. At stake is the control of the smartphones market (expected to grow by 60% this year to 480 million devices) where Google is determined to be a major player through its search and advertising platforms.

Ultimately it is logical to expect settlements to be negotiated and cross-licenses and royalty payments to be agreed upon among various litigants.

We are pleased to notice that Microsoft (a major Fund's holding), has successfully negotiated a deal whereby they will receive royalties from Samsung and HTC on their Android-based phones and tablets sales. This confirms to us that both the largest and second largest maker of Android phones are acknowledging that Microsoft claims have merit. The consequence is that suddenly Android O/S is no longer "free": Microsoft is estimated to seek around US$12-13 per Android handset licensed. With more than 400 million Android phones expected to be sold in 2015, the potential revenues would not be trivial, even for the giant Microsoft.

Outlook

The troubles of the euro zone, uncertainties on the status of the US economy and fears about a possible slowdown in fast growing China, are all contributing to extreme volatility in global stock markets. Technology stocks have not been exempt.

While we are aware of the macroeconomic headwinds, our large capitalisation stocks are modestly valued and we believe they remain attractive. We maintain the core of the Fund's investments in this category.

We maintain also some short positions in stocks active in the Internet/Cloud space where the market seems to discount perpetual growth for businesses, which in our opinion are not really bullet proof, and could be seriously re-rated at the first signs of momentum deceleration.

Glossary

Japanese Government Bond (JGB)
A bond issued to investors by the Japanese Government, denominated in Japanese yen. Currently JGBs (10 year) offer a yield of 1%.
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.

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

MSCI Indices
Varying indices compiled by Morgan Stanley Capital International (eg. World, Asia, Healthcare 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.

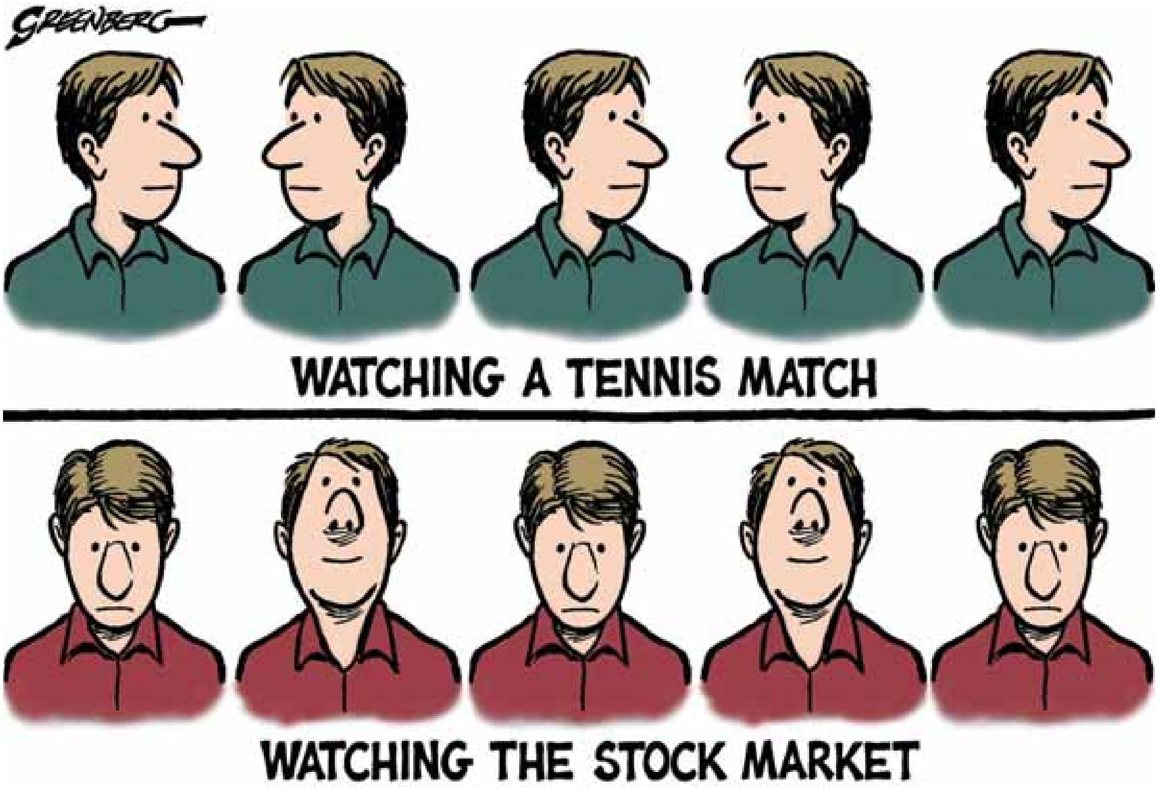
Price to Book Ratio (PB)
The ratio of a company's current share price to its current book value. Book value is the sum of a company's total assets minus its total liabilities and intangible assets. The PB is used as an indicator of the value of a company by comparing its share price to the amount of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

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.
QE2, the second round of the Federal Reserve's monetary policy used to stimulate the US economy following the recession that began in 2007/08.

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.

Please utilise the "What's New" page
on our website,
http://www.platinum.com.au/Whats_New.htm
as a reference point for
updates and announcements.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WATCHING THE STOCK MARKET

"And now, here's our own Ted Slimbuck to explain all those recent ups and downs in the stock market."

"Good news -- remember all those growth stocks I sold you? They're now value stocks."

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$20,000 invested in the relevant Fund over five years from 30 September 2006 to 30 September 2011 relative to their Index (in A$) 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 $16 billion, with approximately 14% 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.

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Level 8, 7 Macquarie Place, Sydney

* Please refer to page 2.

Level 8, 7 Macquarie Place
Sydney NSW 2000

GPO Box 2724
Sydney NSW 2001

TELEPHONE
1300 726 700 or 02 9255 7500
0800 700 726 (New Zealand only)

FACSIMILE
02 9254 5590

EMAIL
invest@platinum.com.au

WEBSITE
www.platinum.com.au

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