

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

Financial Report

For the year ended 30 June 2013

Financial Report – For the year ended 30 June 2013

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Responsible Entity Report

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management[®]) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as "*the registered schemes*"), present their report on the registered schemes for the year ended 30 June 2013.

Principal Activities

The principal activity of the registered schemes during the year was the investment of funds internationally into securities of companies, in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

Directors of the Responsible Entity

The Directors of Platinum Investment Management Limited during the year and up to the date of this report were:

Kerr Neilson
Andrew Clifford
Philip Howard

Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the registered schemes that occurred during the year not otherwise disclosed in this report or the financial statements.

Review of Operations

The registered schemes have predominantly maintained their individual investment strategies in listed equities, equity and index derivatives and currency contracts.

Responsible Entity Report (cont)

Results

The performances of the registered schemes, as represented by the results of their operations for the year ended 30 June 2013, were as follows:

	International Fund \$'000	Unhedged Fund \$'000	Asia Fund \$'000	European Fund \$'000	Japan Fund \$'000	International Brands Fund \$'000	International Health Care Fund \$'000	International Technology Fund \$'000
Net Operating Profit/(Loss)								
2013	2,369,922	53,927	763,413	38,201	136,341	227,815	14,194	8,791
2012	(557,521)	(9,400)	(213,193)	(6,529)	(17,120)	(35,752)	1,235	(637)

The distributions of the registered schemes at 30 June were:

Distribution Paid and Payable								
2013	204,282	1,737	66,009	-	-	56,164	1,693	-
2012	126,374	1,818	28,102	16,367	-	51,224	1,325	-
Distribution (cents per unit)								
2013	4.30	1.06	4.69	-	-	13.89	3.85	-
2012	2.40	1.15	2.02	24.46	-	15.54	4.89	-

The redemption prices of the registered schemes at 30 June were:

Redemption Price – (cum-distribution)								
2013	1.7871	1.2864	2.5323	2.2314	2.7130	2.5132	1.4516	1.1989
2012	1.3252	0.9604	1.9901	1.9433	1.6839	2.0433	1.1251	0.9479

Matters subsequent to the end of the year

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2013 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future years; or
- (ii) the results of those operations in future years; or
- (iii) the states of affairs of the registered schemes in future years.

Responsible Entity Report (cont)

Likely developments

The registered schemes will continue to pursue their investment objectives so as to increase their net asset values. The method of operating the registered schemes is not expected to change in the foreseeable future.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Investment Manager, Platinum Investment Management Limited, or the Auditor of the registered schemes. So long as the officers of the responsible entity act in accordance with the schemes' Constitution and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

Fees paid to and interests held in the registered scheme

Fees paid to the responsible entity out of registered schemes' property during the year are disclosed in Note 12 to the financial statements. No fees were paid out of the registered schemes' property directly to the Directors of the responsible entity during the year.

Units on issue

The movements in units on issue in the registered schemes during the year have been disclosed in Note 6 to the financial statements.

Environmental regulation

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Including different registered scheme financial reports in a single document

The registered schemes have applied Australian Securities and Investments Commission's Class Order 06/441, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 5.

This report is made in accordance with a resolution of the Directors.

Philip Howard
Director

Sydney
14 August 2013



Auditor's Independence Declaration

As lead auditor for the audit of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audits; and b) no contraventions of any applicable code of professional conduct in relation to the audits.

This declaration is in respect of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund during the period.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
14 August 2013

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Liability limited by a scheme approved under Professional Standards Legislation.

Statements of Comprehensive Income

For the year ended 30 June 2013

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Investment income									
Dividends		131,313	188,223	3,362	3,269	61,272	63,562	2,965	9,980
Interest		602	854	29	138	2,713	500	39	14
Net gains/(losses) on financial assets at fair value through profit or loss		2,310,188	(255,567)	58,627	(5,774)	795,252	(125,166)	41,621	(13,022)
Net foreign exchange gains/(losses) on forward currency contracts and bank accounts		65,293	(342,409)	(4,651)	(3,866)	(32,187)	(91,676)	(3,709)	(753)
Total net investment income/(loss)		2,507,396	(408,899)	57,367	(6,233)	827,050	(152,780)	40,916	(3,781)
Expenses									
Management fee		100,867	106,775	2,380	2,238	44,037	42,268	1,924	1,847
Administration fee		5,869	6,255	170	160	3,146	3,019	137	132
Withholding tax on foreign dividends		14,832	17,871	360	345	7,439	6,325	315	381
Transaction costs		15,830	17,664	529	423	8,992	8,767	338	387
Other		76	57	1	1	23	34	1	1
Total expenses		137,474	148,622	3,440	3,167	63,637	60,413	2,715	2,748
Net operating profit/(loss)		2,369,922	(557,521)	53,927	(9,400)	763,413	(213,193)	38,201	(6,529)
Financing Costs									
Net operating profit/(loss)		2,369,922	(557,521)	53,927	(9,400)	763,413	(213,193)	38,201	(6,529)
(Increase)/decrease in net assets attributable to unitholders		(2,165,640)	683,895	(52,190)	11,218	(697,404)	241,295	(38,201)	22,896
Distribution paid and payable	7	(204,282)	(126,374)	(1,737)	(1,818)	(66,009)	(28,102)	-	(16,367)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income

For the year ended 30 June 2013

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Investment income									
Dividends		5,400	7,113	13,936	16,938	646	354	654	860
Interest		113	399	3,372	5,182	282	172	31	128
Net gains/(losses) on financial assets at fair value through profit or loss		119,219	(9,863)	224,217	(28,174)	12,849	1,432	8,515	480
Net foreign exchange gains/(losses) on forward currency contracts and bank accounts		17,161	(8,570)	1,328	(17,482)	1,230	(273)	324	(1,316)
Total net investment income/(loss)		141,893	(10,921)	242,853	(23,536)	15,007	1,685	9,524	152
Expenses									
Management fee		4,124	4,869	11,097	9,068	634	345	526	563
Administration fee		295	348	793	648	45	25	38	40
Withholding tax on foreign dividends		404	505	1,326	1,253	76	47	83	104
Transaction costs		727	475	1,817	1,224	58	33	85	82
Other		2	2	5	23	-	-	1	-
Total expenses		5,552	6,199	15,038	12,216	813	450	733	789
Net operating profit/(loss)		136,341	(17,120)	227,815	(35,752)	14,194	1,235	8,791	(637)
Financing Costs									
Net operating profit/(loss)		136,341	(17,120)	227,815	(35,752)	14,194	1,235	8,791	(637)
(Increase)/decrease in net assets attributable to unitholders		(136,341)	17,120	(171,651)	86,976	(12,501)	90	(8,791)	637
Distribution paid and payable	7	-	-	(56,164)	(51,224)	(1,693)	(1,325)	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheets

As at 30 June 2013

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Assets									
Cash and cash equivalents	13(a)	903,530	801,373	19,319	8,935	372,412	210,508	20,032	16,521
Receivables	8	22,200	18,617	325	217	3,575	2,086	499	227
Financial assets at fair value through profit or loss	5	7,662,820	6,238,563	202,217	143,765	3,197,858	2,565,887	145,468	113,667
Total Assets		8,588,550	7,058,553	221,861	152,917	3,573,845	2,778,481	165,999	130,415
Liabilities									
Unitholders' distribution payable	7	204,282	126,374	1,737	1,818	66,009	28,102	-	16,367
Payables	9	70,484	21,050	10,942	1,338	5,382	7,022	268	143
Financial liabilities at fair value through profit or loss	5	10,500	44,273	-	-	10,048	608	1,050	338
Total Liabilities (excluding net assets attributable to unitholders)		285,266	191,697	12,679	3,156	81,439	35,732	1,318	16,848
Net Assets Attributable to Unitholders	6	8,303,284	6,866,856	209,182	149,761	3,492,406	2,742,749	164,681	113,567

The above Balance Sheets should be read in conjunction with the accompanying notes.

Balance Sheets

As at 30 June 2013

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Assets									
Cash and cash equivalents	13(a)	49,082	39,766	230,663	185,422	14,307	7,960	8,003	7,133
Receivables	8	506	517	3,361	1,156	86	226	55	97
Financial assets at fair value through profit or loss	5	335,158	300,370	798,111	492,614	49,692	22,487	33,013	32,250
Total Assets		384,746	340,653	1,032,135	679,192	64,085	30,673	41,071	39,480
Liabilities									
Unitholders' distribution payable	7	-	-	56,164	51,224	1,693	1,325	-	-
Payables	9	9,463	609	13,879	2,604	62	30	42	44
Financial liabilities at fair value through profit or loss	5	2,706	4,518	1,896	2,816	49	111	16	58
Total Liabilities (excluding net assets attributable to unitholders)		12,169	5,127	71,939	56,644	1,804	1,466	58	102
Net Assets Attributable to Unitholders	6	372,577	335,526	960,196	622,548	62,281	29,207	41,013	39,378

The above Balance Sheets should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

For the year ended 30 June 2013

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

For the year ended 30 June 2013

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Total equity at the beginning of the year	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Total equity at the end of the year	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and, accordingly, the registered schemes have no equity for financial reporting purposes.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June 2013

	Note	International Fund		Unhedged Fund		Asia Fund		European Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash flows from operating activities									
Cash paid for purchase of financial assets		(3,497,122)	(4,575,519)	(164,036)	(131,061)	(1,473,771)	(991,081)	(38,803)	(37,223)
Cash proceeds from sale of financial assets		4,372,283	5,510,723	167,517	130,271	1,575,444	1,192,291	43,056	54,955
Interest received		602	854	29	170	2,822	391	38	14
Dividends received		126,070	203,285	3,327	3,262	59,794	68,294	2,850	10,145
Manager's fees paid		(105,737)	(115,312)	(2,514)	(2,420)	(46,452)	(46,204)	(2,032)	(2,021)
Other expenses paid		(16,026)	(17,501)	(535)	(422)	(9,147)	(8,709)	(343)	(382)
Net cash inflow/(outflow) from operating activities	13(c)	880,070	1,006,530	3,788	(200)	108,690	214,982	4,766	25,488
Cash flows from financing activities									
Proceeds received from units issued		739,083	796,324	24,704	16,286	561,304	206,753	29,505	9,748
Cash paid for units redeemed		(1,468,295)	(1,796,292)	(17,473)	(20,973)	(509,051)	(626,451)	(16,592)	(34,640)
Distributions paid		(126,374)	(251,204)	(1,818)	(2,772)	(28,102)	(37,747)	(16,367)	-
Net cash inflow/(outflow) from financing activities		(855,586)	(1,251,172)	5,413	(7,459)	24,151	(457,445)	(3,454)	(24,892)
Net increase/(decrease) in cash and cash equivalents									
Cash and cash equivalents at beginning of the year		801,373	997,264	8,935	15,612	210,508	459,191	16,521	15,748
Effects of exchange rate changes on cash and cash equivalents		77,673	48,751	1,183	982	29,063	(6,220)	2,199	177
Cash and cash equivalents at the end of the year	13(a)	903,530	801,373	19,319	8,935	372,412	210,508	20,032	16,521

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June 2013

	Note	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash flows from operating activities									
Cash paid for purchase of financial assets		(401,900)	(219,948)	(324,715)	(228,867)	(22,225)	(8,483)	(20,062)	(27,328)
Cash proceeds from sale of financial assets		505,670	213,592	244,755	198,719	8,735	4,302	27,626	23,707
Interest received		109	436	3,546	4,910	297	157	35	130
Dividends received		5,726	6,850	13,405	16,604	608	347	691	823
Manager's fees paid		(4,428)	(5,285)	(11,540)	(9,721)	(647)	(363)	(566)	(604)
Other expenses paid		(734)	(468)	(1,857)	(1,250)	(62)	(34)	(85)	(82)
Net cash inflow/(outflow) from operating activities	13(c)	104,443	(4,823)	(76,406)	(19,605)	(13,294)	(4,074)	7,639	(3,354)
Cash flows from financing activities									
Proceeds received from units issued		68,127	5,195	265,139	176,636	21,587	9,509	4,081	7,821
Cash paid for units redeemed		(167,417)	(33,918)	(99,142)	(109,607)	(1,014)	(2,429)	(11,237)	(6,746)
Distributions paid		-	-	(51,224)	(23,007)	(1,325)	(184)	-	-
Net cash inflow/(outflow) from financing activities		(99,290)	(28,723)	114,773	44,022	19,248	6,896	(7,156)	1,075
Net increase/(decrease) in cash and cash equivalents									
Cash and cash equivalents at beginning of the year		39,766	68,470	185,422	162,048	7,960	5,104	7,133	9,546
Effects of exchange rate changes on cash and cash equivalents		4,163	4,842	6,874	(1,043)	393	34	387	(134)
Cash and cash equivalents at the end of the year	13(a)	49,082	39,766	230,663	185,422	14,307	7,960	8,003	7,133

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1 General Information

This financial report covers the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (collectively referred to as “the registered schemes”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

Registered Scheme	Date of Commencement	Registered Scheme	Date of Commencement
Platinum International Fund	4 April 1995	Platinum Japan Fund	12 June 1998
Platinum Unhedged Fund	19 January 2005	Platinum International Brands Fund	11 April 2000
Platinum Asia Fund	3 March 2003	Platinum International Health Care Fund	5 November 2003
Platinum European Fund	12 June 1998	Platinum International Technology Fund	11 April 2000

Each registered scheme may be wound up on the day immediately preceding the 80th anniversary of the Date of Commencement, unless terminated earlier in accordance with the provisions of the Constitution.

The financial report was authorised for issue by the Directors of the responsible entity on 14 August 2013. The Directors have the power to amend the financial report after issue.

Note 2 Summary of Significant Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the requirements of the registered schemes' Constitution, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Each registered scheme is a for-profit entity for the purpose of preparing the financial report.

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Balance Sheets are presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current assets and liabilities.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 2 Summary of Significant Accounting Policies (cont)

(a) Basis of preparation of the financial statements (cont)

Compliance with International Financial Reporting Standards

The financial statements of the registered schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements, which are included in the accounting policies below.

(b) Income Tax

Under current tax legislation, the registered schemes are not subject to income tax as unitholders are presently entitled to the income of the Fund.

The benefits of any offsets for foreign tax paid are passed on to unitholders.

(c) Financial Assets and Liabilities at Fair Value through Profit or Loss

Under AASB 139, marketable equity securities are designated in the Balance Sheets as “financial assets at fair value through profit or loss”. These include financial assets that have quoted prices in active markets and can be reliably measured. This designation is consistent with the Investment Manager’s general stock selection policy of selecting investments that are liquid and actively traded. These investments are initially recognised at fair value excluding transaction costs, which are expensed as incurred. Investments are valued based on quoted “bid” prices on long securities. Gains and losses arising from changes in the fair value of the financial assets are included in the Statements of Comprehensive Income in the period they arise.

In accordance with Australian Accounting Standards, derivative financial instruments are categorised as “financial assets/liabilities held for trading” and are accounted for at fair value, with changes to such values recognised through the Statements of Comprehensive Income in the period they arise. Derivative financial instruments are valued based on quoted “bid” prices for long equity swaps and long futures. Short equity swaps and short futures are valued based on quoted “ask” prices. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statements of Comprehensive Income in the period they arise.

Forward currency contracts are categorised as “financial assets/liabilities held for trading” and are initially recognised at fair value on the date the contracts are entered into and are subsequently re-measured at each reporting date. The fair value at reporting date is the unrealised profit or loss on the foreign currency position (in Australian dollars).

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at reporting date without any deduction for estimated future selling costs. Long securities, long equity swaps and long futures are priced at “bid” prices, whilst short equity swaps and short futures are priced at “ask” prices.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 2 Summary of Significant Accounting Policies (cont)

(c) Financial Assets and Liabilities at Fair Value through Profit or Loss (cont)

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, the options are valued based on option prices provided by an arm's length broker. These valuations are based on option pricing models.

Recognition/derecognition

The registered schemes recognise financial assets on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets from this date.

The registered schemes no longer recognise financial assets on the date they become party to the sale contractual agreement (trade date).

(d) Transaction costs

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on financial assets at fair value through profit or loss are expensed immediately.

(e) Net assets attributable to unitholders

Units on issue give the unitholder a right to redeem units at the redemption price. The registered schemes have more than one class of unit on issue. Therefore, net assets attributable to unitholders are considered a liability rather than equity. The liability represents the balance of the net assets of the registered schemes at reporting date. As unitholders' funds are classed as a liability under Australian Accounting Standards, it will be necessary to recognise "(increase)/decrease in net assets attributable to unitholders" in the Statements of Comprehensive Income as a financing cost.

(f) Foreign currency translation

The functional and presentation currency of the registered schemes, in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates*, will be the Australian dollar.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities for each Balance Sheet presented are translated at exchange rates at the closing rate at the date of that Balance Sheet. Resulting exchange differences are brought to account in determining profit and loss for the year.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 2 Summary of Significant Accounting Policies (cont)

(g) Investment income

Interest Income

Interest income is recognised in the Statements of Comprehensive Income, based on the nominated interest rate available on the bank accounts held at various locations throughout the world.

Dividend Income

Dividend income is brought to account on the applicable ex-dividend date.

(h) Distributions

In accordance with each registered schemes' Constitution, each registered scheme fully distributes any distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme.

(i) Receivables

All receivables are recognised when a right to receive payment is established. Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised where there is evidence the amount will not be collected.

(j) Payables

All payables are recognised as and when the registered schemes become liable.

(k) Applications and redemptions

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

(l) Rounding of amounts to the nearest thousand dollars

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(m) Including different registered scheme financial reports in a single document

The registered schemes have applied Australian Securities and Investments Commission's Class Order 06/441, which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 2 Summary of Significant Accounting Policies (cont)

(n) Goods and Services Tax (GST)

The GST paid on the costs of various services provided to the registered schemes, such as Investment Management fees, has been passed onto the registered schemes. Investment Management fees have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). GST recoverable from the ATO at reporting date is included in receivables in the Balance Sheets. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

(o) Operating segments

The registered schemes are outside the scope of AASB 8 *Operating Segments* as they do not satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market, or file their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

(p) Cash and cash equivalents

For the purposes of the Statements of Cash Flows, cash includes deposits held at call with financial institutions, cash held in margin accounts and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of financial assets are classified as “cash flows from operating activities” as realised and unrealised gains (and losses) on financial assets represent the registered schemes’ main operating activity.

(q) Due to/from brokers for unsettled trades

Amounts due to/from brokers represent payables for securities purchased and receivables for securities sold that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Proceeds on sale of investments are usually received between two and five days after trade date. Payables on purchase of investments are usually paid between two and five days after trade date.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting period. The accounting standards of relevance to the registered schemes are discussed below as is the assessment of their impact.

(i) *Revised AASB 9 Financial Instruments (addressing accounting for financial liabilities and the derecognition of financial assets and financial liabilities), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective for annual reporting periods beginning on or after 1 January 2015)

The revised standard defers the operative date of AASB 9 Financial Instruments from 1 January 2013 to 1 January 2015. AASB 9 provides guidance on the classification and measurement of financial assets and this standard was assessed at 30 June 2012 as not having a significant impact on the registered schemes.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 2 Summary of Significant Accounting Policies (cont)

(r) New accounting standards and interpretations (cont)

(ii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

AASB 13 explains ways to measure fair value and aims to enhance fair value disclosures. The registered schemes have yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the precise impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The registered schemes do not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period beginning 1 July 2013.

(iii) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective for annual reporting periods beginning on or after 1 July 2013)*

The revised standard removes the individual key management personnel (KMP) disclosure requirements from AASB 124 *Related Party Disclosures*, for all disclosing entities to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. Whilst this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the future.

(iv) *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 Financial Instruments: Presentation) (effective for annual periods beginning on or after 1 July 2014)*

These amendments clarify some of the requirements for offsetting financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has legally enforceable right to set off” and also clarifies the application of IAS 32 offsetting criteria to settlement systems. This standard would not have a significant impact on the disclosures contained in the financial report. The registered schemes will apply the standard from 1 July 2014.

(v) *Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7 Financial Instruments: Disclosures) (effective for annual periods beginning on or after 1 July 2013)*

These disclosures introduce more extensive disclosure requirements into IFRS 7, which focuses on quantitative information about recognising financial instruments that are offset in the Statement of Financial Position, as well as those recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement. The standard would not have a significant impact on the disclosures already made. The registered schemes will apply the standard from 1 July 2013.

There are no other standards that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 3 Auditor's Remuneration

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	44,146	42,450	5,775	5,550	24,182	23,250	21,211	20,400
Auditing the Compliance Plan	8,539	8,600	1,681	2,000	6,980	7,100	4,280	4,500
Other audit and assurance services	14,425	4,410	-	400	29,037	8,185	-	400
Taxation services – Compliance	97,445	138,646	41,702	32,344	49,377	45,956	38,652	34,152
Other advisory services – GST	-	500	-	500	-	500	-	500
Other advisory services – Foreign tax agent	4,658	8,201	3,208	2,642	8,152	9,373	-	-
	169,213	202,807	52,366	43,436	117,728	94,364	64,143	59,952

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	22,155	21,300	21,211	20,400	7,949	7,650	18,091	17,400
Auditing the Compliance Plan	5,020	5,200	4,280	4,500	1,680	2,000	3,240	3,500
Other audit and assurance services	-	400	-	400	-	400	-	400
Taxation services – Compliance	50,567	34,271	40,322	38,144	36,212	32,038	36,467	34,064
Other advisory services – GST	-	500	-	500	-	500	-	500
Other advisory services – Foreign tax agent	-	-	635	639	-	-	3,208	3,228
	77,742	61,671	66,448	64,583	45,841	42,588	61,006	59,092

In 2013 (and 2012) Auditor's Remuneration was paid by the responsible entity and reimbursed by the registered schemes.

Note 4 Taxation

Under current tax legislation, the individual registered schemes are not subject to income tax, as taxable income (including assessable net realised capital gains) is distributed in full to unitholders.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets								
Equity securities	7,612,445	6,210,138	202,217	143,765	3,195,503	2,561,097	144,702	112,859
Derivatives	17,052	4,328	-	-	125	1,270	313	-
Forward currency contracts	33,323	24,097	-	-	2,230	3,520	453	808
	<u>7,662,820</u>	<u>6,238,563</u>	<u>202,217</u>	<u>143,765</u>	<u>3,197,858</u>	<u>2,565,887</u>	<u>145,468</u>	<u>113,667</u>
Financial liabilities								
Derivatives	10,410	35,512	-	-	8,958	608	146	6
Forward currency contracts	90	8,761	-	-	1,090	-	904	332
	<u>10,500</u>	<u>44,273</u>	<u>-</u>	<u>-</u>	<u>10,048</u>	<u>608</u>	<u>1,050</u>	<u>338</u>
Total of Financial assets less liabilities	<u>7,652,320</u>	<u>6,194,290</u>	<u>202,217</u>	<u>143,765</u>	<u>3,187,810</u>	<u>2,565,279</u>	<u>144,418</u>	<u>113,329</u>

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets								
Equity securities	326,992	296,433	796,169	491,976	49,487	22,470	32,933	32,188
Derivatives	2,140	840	1,092	495	-	-	-	-
Forward currency contracts	6,026	3,097	850	143	205	17	80	62
	<u>335,158</u>	<u>300,370</u>	<u>798,111</u>	<u>492,614</u>	<u>49,692</u>	<u>22,487</u>	<u>33,013</u>	<u>32,250</u>
Financial liabilities								
Derivatives	1,852	2,498	1,896	1,750	32	34	16	7
Forward currency contracts	854	2,020	-	1,066	17	77	-	51
	<u>2,706</u>	<u>4,518</u>	<u>1,896</u>	<u>2,816</u>	<u>49</u>	<u>111</u>	<u>16</u>	<u>58</u>
Total of Financial assets less liabilities	<u>332,452</u>	<u>295,852</u>	<u>796,215</u>	<u>489,798</u>	<u>49,643</u>	<u>22,376</u>	<u>32,997</u>	<u>32,192</u>

Refer to Note 2(c) for the accounting policy concerning fair value measurement. Information relating to the registered schemes' exposure to foreign currency risk, price risk and liquidity risk in relation to investments is provided in Note 10.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 6 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	6,866,856	8,550,719	149,761	164,637	2,742,749	3,403,742	113,567	161,355
Applications during the year	739,083	796,324	24,704	16,286	561,304	206,753	29,505	9,748
Redemptions during the year	(1,468,295)	(1,796,292)	(17,473)	(19,944)	(509,051)	(626,451)	(16,592)	(34,640)
Increase/(decrease) in net assets attributable to unitholders	2,165,640	(683,895)	52,190	(11,218)	697,404	(241,295)	38,201	(22,896)
Closing balance	8,303,284	6,866,856	209,182	149,761	3,492,406	2,742,749	164,681	113,567
	Units	Units	Units	Units	Units	Units	Units	Units
	'000	'000	'000	'000	'000	'000	'000	'000
Opening balance	5,271,302	6,028,692	157,576	161,464	1,392,636	1,600,208	66,902	80,784
Number of units issued during the year	509,096	583,611	23,210	16,438	245,073	100,066	15,691	5,354
Number of units redeemed during the year	(1,028,542)	(1,341,001)	(16,999)	(20,326)	(229,147)	(307,638)	(8,720)	(19,236)
Closing balance	4,751,856	5,271,302	163,787	157,576	1,408,562	1,392,636	73,873	66,902

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 6 Net Assets Attributable to Unitholders (cont)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	335,526	381,369	622,548	642,495	29,207	22,217	39,378	38,940
Applications during the year	68,127	5,195	265,139	176,636	21,587	9,509	4,081	7,821
Redemptions during the year	(167,417)	(33,918)	(99,142)	(109,607)	(1,014)	(2,429)	(11,237)	(6,746)
Increase/(decrease) in net assets attributable to unitholders	136,341	(17,120)	171,651	(86,976)	12,501	(90)	8,791	(637)
Closing balance	372,577	335,526	960,196	622,548	62,281	29,207	41,013	39,378

	Units '000							
Opening balance	199,777	216,923	329,720	297,934	27,100	20,650	41,501	40,345
Number of units issued during the year	33,207	3,047	121,088	85,475	17,737	8,806	4,054	8,297
Number of units redeemed during the year	(95,585)	(20,193)	(46,456)	(53,689)	(803)	(2,356)	(11,304)	(7,141)
Closing balance	137,399	199,777	404,352	329,720	44,034	27,100	34,251	41,501

Note 7 Distributions Paid and Payable

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The distributions were paid/payable as follows:								
30 June final payable	204,282	126,374	1,737	1,818	66,009	28,102	-	16,367

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The distributions were paid/payable as follows:								
30 June final payable	-	-	56,164	51,224	1,693	1,325	-	-

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 8 Receivables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unsettled trades	8,481	9,979	68	-	22	-	166	14
Interest receivable	-	-	-	-	-	109	1	-
GST receivable	1,020	932	25	20	471	373	20	16
Dividends receivable	7,548	2,708	182	153	3,082	1,604	146	-
Dividend tax refund receivable	4,131	3,728	50	44	-	-	166	197
Indian capital gains tax receivable	1,020	1,270	-	-	-	-	-	-
	22,200	18,617	325	217	3,575	2,086	499	227

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unsettled trades	308	-	1,815	2	-	167	-	-
Interest receivable	6	2	145	319	-	15	4	8
GST receivable	46	43	123	88	8	4	5	6
Dividends receivable	146	472	1,110	607	27	15	44	78
Dividend tax refund receivable	-	-	168	140	51	25	2	5
	506	517	3,361	1,156	86	226	55	97

Proceeds on sale of investments are usually received between two and five days after trade date. Interest is usually received within three days of becoming receivable and dividends are usually received within 100 days of the ex-dividend date.

Information relating to the ageing of receivables for 2013 is provided in Note 10.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 9 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unsettled trades	61,413	12,625	10,772	1,204	1,352	289	96	-
Management and administration fees	9,071	8,073	170	134	4,030	3,299	172	143
Indian and Thai capital gains tax payable	-	352	-	-	-	3,434	-	-
	70,484	21,050	10,942	1,338	5,382	7,022	268	143

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unsettled trades	9,099	234	12,730	1,329	-	-	-	-
Management and administration fees	364	373	1,149	799	62	30	42	44
Indian and Thai capital gains tax payable	-	-	-	476	-	-	-	-
Other payables	-	2	-	-	-	-	-	-
	9,463	609	13,879	2,604	62	30	42	44

Payables on purchase of investments are usually paid between two and five days after trade date.

Information relating to the registered schemes' exposures of payables to liquidity risk is provided in Note 10.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management

(a) Financial Risk Management Objectives, Policies and Processes

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The risks that the schemes are exposed to include market risk (including currency risk and price risk), credit risk and liquidity risk.

The responsible entity's investment style:

- adopts a bottom-up stock selection methodology such that long-term capital growth is sought through investing in undervalued securities across the world;
- seeks absolute returns and not returns relative to any index;
- invests excess funds in cash when undervalued stocks cannot be found; and
- actively manages currency.

Derivatives (which include equity swaps, futures and options) are utilised for risk management purposes and to take opportunities to increase returns. The underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the net asset value of that scheme. Each of the registered schemes complied with its investment mandate as at 30 June 2013. The registered schemes do not generally enter or trade derivatives for speculative purposes.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(b) Investments at Fair Value and Derivatives Exposure

	2013				2012			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Fund								
Japan	1,404,070	27,800	(14,590)	1,417,280	1,048,389	13,333	(15,837)	1,045,885
Other Asia	748,196	-	(6,525)	741,671	1,070,119	25,135	(33,307)	1,061,947
Australia	39,279	-	-	39,279	69,772	-	(26,089)	43,683
Europe – Euro	1,415,952	-	(25,183)	1,390,769	1,484,844	-	(6,794)	1,478,050
Europe – Other	654,318	-	(166,463)	487,855	327,721	-	(57,656)	270,065
North America	3,315,781	46,865	(1,002,793)	2,359,853	2,158,181	13,077	(882,070)	1,289,188
South America	34,849	-	-	34,849	1,221	-	(49,991)	(48,770)
Africa	-	-	-	-	49,891	-	-	49,891
	7,612,445	74,665	(1,215,554)	6,471,556	6,210,138	51,545	(1,071,744)	5,189,939
Futures Notional Cost Amounts 30 June 2013	(1,117,757)							
Futures Notional Cost Amounts 30 June 2012	(1,011,406)							
Unhedged Fund								
Japan	54,194	-	-	54,194	33,409	-	-	33,409
Other Asia	18,391	-	-	18,391	21,966	-	-	21,966
Australia	2,407	-	-	2,407	-	-	-	-
Europe – Euro	28,767	-	-	28,767	26,485	-	-	26,485
Europe – Other	18,066	-	-	18,066	8,624	-	-	8,624
North America	78,454	-	-	78,454	51,336	-	-	51,336
Africa	1,938	-	-	1,938	1,945	-	-	1,945
	202,217	-	-	202,217	143,765	-	-	143,765
Futures Notional Cost Amounts 30 June 2013	-							
Futures Notional Cost Amounts 30 June 2012	-							

Refer to the note on page 30 for explanations of the terms used in the above table.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(b) Investments at Fair Value and Derivatives Exposure (cont)

	2013				2012			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Asia Fund								
Asia (excluding Japan)	2,682,814	-	-	2,682,814	2,550,293	32,391	(12,784)	2,569,900
Europe – Other	17,722	-	-	17,722	-	-	-	-
North America	494,967	115,789	(2,387)	608,369	10,804	-	-	10,804
	<u>3,195,503</u>	<u>115,789</u>	<u>(2,387)</u>	<u>3,308,905</u>	<u>2,561,097</u>	<u>32,391</u>	<u>(12,784)</u>	<u>2,580,704</u>
Futures Notional Cost Amounts 30 June 2013	115,505							
Futures Notional Cost Amounts 30 June 2012	19,673							
European Fund								
Europe – Euro	99,201	-	(5,686)	93,515	88,541	-	-	88,541
Europe – Other	39,750	-	(5,515)	34,235	22,097	-	(1,374)	20,723
North America	5,751	-	-	5,751	2,221	-	-	2,221
	<u>144,702</u>	<u>-</u>	<u>(11,201)</u>	<u>133,501</u>	<u>112,859</u>	<u>-</u>	<u>(1,374)</u>	<u>111,485</u>
Futures Notional Cost Amounts 30 June 2013	(11,214)							
Futures Notional Cost Amounts 30 June 2012	(1,391)							
Japan Fund								
Japan	310,219	25,630	(87,425)	248,424	282,592	15,712	(64,756)	233,548
Korea	16,773	-	-	16,773	13,841	-	-	13,841
	<u>326,992</u>	<u>25,630</u>	<u>(87,425)</u>	<u>265,197</u>	<u>296,433</u>	<u>15,712</u>	<u>(64,756)</u>	<u>247,389</u>
Futures Notional Cost Amounts 30 June 2013	(61,092)							
Futures Notional Cost Amounts 30 June 2012	(48,646)							

Refer to the note on page 30 for explanations of the terms used in the above table.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(b) Investments at Fair Value and Derivatives Exposure (cont)

	2013				2012			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Brands Fund								
Japan	56,564	-	-	56,564	45,460	-	-	45,460
Other Asia	186,186	-	(15,495)	170,691	116,128	25,009	(13,349)	127,788
Europe – Euro	212,027	-	(26,881)	185,146	154,602	-	(18,898)	135,704
Europe – Other	109,406	-	(6,508)	102,898	78,320	-	-	78,320
North America	166,441	51,210	-	217,651	53,210	-	(7,687)	45,523
South America	58,016	-	-	58,016	39,824	-	-	39,824
Africa	7,529	-	-	7,529	4,432	-	-	4,432
	796,169	51,210	(48,884)	798,495	491,976	25,009	(39,934)	477,051
Futures Notional Cost Amounts 30 June 2013	1,308							
Futures Notional Cost Amounts 30 June 2012	(13,328)							
International Health Care Fund								
Japan	2,106	-	-	2,106	1,406	-	-	1,406
Other Asia	-	-	-	-	398	-	-	398
Australia	919	-	-	919	148	-	-	148
Europe – Euro	12,086	-	-	12,086	6,318	-	-	6,318
Europe – Other	16,369	-	-	16,369	4,499	-	-	4,499
North America	17,082	-	(1,072)	16,010	9,276	-	(1,089)	8,187
South America	925	-	-	925	425	-	-	425
	49,487	-	(1,072)	48,415	22,470	-	(1,089)	21,381
Futures Notional Cost Amounts 30 June 2013	(1,031)							
Futures Notional Cost Amounts 30 June 2012	(1,076)							

Refer to the note on page 30 for explanations of the terms used in the above table.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(b) Investments at Fair Value and Derivatives Exposure (cont)

	2013				2012			
	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical \$'000	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
International Technology Fund								
Japan	4,397	-	-	4,397	1,374	-	-	1,374
Other Asia	7,024	-	-	7,024	14,652	-	-	14,652
Europe – Euro	5,905	-	-	5,905	4,392	-	-	4,392
Europe – Other	2,487	-	-	2,487	3,310	-	-	3,310
North America	12,626	-	(697)	11,929	8,460	-	(790)	7,670
Africa	494	-	-	494	-	-	-	-
	32,933	-	(697)	32,236	32,188	-	(790)	31,398
Futures Notional Cost Amounts 30 June 2013	(654)							
Futures Notional Cost Amounts 30 June 2012	(797)							

The “Physical” column above represents the location of the registered schemes’ investments. The “Long/Short Contracts” columns include the notional value of long/short equity swaps and futures.

The “Net Exposure” column above represents an approximation of each registered schemes’ exposures to movements in the markets. This is calculated by making an adjustment to the “physical” position by adding to the physical position, the principal notional amount of any long (bought) positions and subtracting any short (sold) derivative positions in shares and shares index futures. For example, if 5% of the Portfolio for a registered scheme was invested in Japan, but there was a 2% short exposure to Nikkei futures, the Net Exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate the Portfolio was net short the Japanese market.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk

(i) Foreign Exchange Risk

Foreign exchange risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The registered schemes operate internationally and are exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currency.

Currency hedging is an integral part of the management of currency risk. The Investment Manager positions a registered scheme's portfolio in what it believes will be a stronger currency(ies). For example, at 30 June 2013, Platinum International Fund's currency exposures were: 54% in the United States Dollar, 32% in European currencies, 13% in Asian currencies, ex the Japanese Yen, 2% in the Japanese Yen, 1% in the Canadian Dollar and -2% in the Australian Dollar.

The Investment Manager may use forward foreign exchange contracts and futures and option contracts on foreign exchange rate contracts to position a registered scheme's portfolio in the desired currencies. A currency exposure may be hedged using a different currency from which the exposure is maintained (for example, US dollar hedges may be used to hedge the currency risk of holding investments in Hong Kong dollars).

Where there have been major currency movements, or where currencies are perceived to be over or undervalued, the Investment Manager may look for investments whose operating environment has been distorted by the currency as part of the search for undervalued stocks. There may even be opportunities for stocks impacted by a lower currency (for example, export-oriented stocks).

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(i) Foreign Exchange Risk (cont)

In respect of the Platinum Unhedged Fund, there is no currency management undertaken. The disposition of its investments determines its currency exposure.

The table below summarises the registered schemes' investment exposures at fair value to foreign exchange risk:

	2013				2012			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Fund								
Japan	1,579,116	89,152	(1,507,456)	160,812	1,216,120	-	(1,103,151)	112,969
Other Asia	896,506	202,306	(26,140)	1,072,672	1,077,893	190,740	(81,970)	1,186,663
Australia	63,439	104,990	(324,003)	(155,574)	66,156	523,076	(327,903)	261,329
Europe – Euro	1,563,200	457,408	(24,922)	1,995,686	1,558,614	108,786	(875,958)	791,442
Europe – Other	710,607	67,449	(17,445)	760,611	346,839	360,249	(58,962)	648,126
North America	3,707,951	1,749,524	(770,863)	4,686,612	2,728,520	1,921,509	(656,416)	3,993,613
South America	35,031	-	-	35,031	1,284	-	-	1,284
Africa	-	-	-	-	237	-	-	237
	8,555,850	2,670,829	(2,670,829)	8,555,850	6,995,663	3,104,360	(3,104,360)	6,995,663
Unhedged Fund								
Japan	55,823	-	-	55,823	35,395	-	-	35,395
Other Asia	18,409	-	-	18,409	20,335	-	-	20,335
Australia	4,134	-	-	4,134	85	-	-	85
Europe – Euro	29,807	-	-	29,807	26,485	-	-	26,485
Europe – Other	18,078	-	-	18,078	8,667	-	-	8,667
North America	93,347	-	-	93,347	61,733	-	-	61,733
Africa	1,938	-	-	1,938	-	-	-	-
	221,536	-	-	221,536	152,700	-	-	152,700

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(i) Foreign Exchange Risk (cont)

	2013				2012			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Asia Fund								
Asia (excluding Japan)	2,726,112	207,867	(403,777)	2,530,202	2,361,369	128,461	(128,461)	2,361,369
Australia	24,874	-	-	24,874	61,133	78,869	-	140,002
Europe – Other	17,722	-	-	17,722	5,475	-	-	5,475
North America	791,514	231,828	(35,918)	987,424	347,810	-	(78,869)	268,941
	<u>3,560,222</u>	<u>439,695</u>	<u>(439,695)</u>	<u>3,560,222</u>	<u>2,775,787</u>	<u>207,330</u>	<u>(207,330)</u>	<u>2,775,787</u>
European Fund								
Australia	352	12,999	(13,230)	121	351	22,172	(10,400)	12,123
Europe – Euro	110,958	13,230	(67,953)	56,235	99,941	-	(74,796)	25,145
Europe – Other	40,465	42,477	-	82,942	25,781	39,287	(686)	64,382
North America	12,675	25,364	(12,887)	25,152	3,777	37,111	(12,688)	28,200
	<u>164,450</u>	<u>94,070</u>	<u>(94,070)</u>	<u>164,450</u>	<u>129,850</u>	<u>98,570</u>	<u>(98,570)</u>	<u>129,850</u>
Japan Fund								
Japan	323,866	99,474	(260,586)	162,754	303,733	10,000	(182,058)	131,675
Korea	16,773	-	-	16,773	13,816	48,048	(41,194)	20,670
Australia	7,218	56,290	(59,478)	4,030	2,880	63,754	(58,046)	8,588
North America	33,677	320,064	(155,764)	197,977	15,189	159,496	-	174,685
	<u>381,534</u>	<u>475,828</u>	<u>(475,828)</u>	<u>381,534</u>	<u>335,618</u>	<u>281,298</u>	<u>(281,298)</u>	<u>335,618</u>

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(i) Foreign Exchange Risk (cont)

	2013				2012			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Brands Fund								
Japan	56,532	-	(9,338)	47,194	46,242	-	(10,784)	35,458
Other Asia	208,509	-	-	208,509	130,277	-	(7,429)	122,848
Australia	155,222	-	(51,100)	104,122	118,414	-	(51,100)	67,314
Europe – Euro	215,994	9,338	(13,423)	211,909	169,287	18,213	(12,050)	175,450
Europe – Other	111,106	48,196	-	159,302	68,390	45,724	-	114,114
North America	211,703	38,600	(22,273)	228,030	114,971	38,600	(21,174)	132,397
South America	60,267	-	-	60,267	27,639	-	-	27,639
Africa	7,545	-	-	7,545	-	-	-	-
	1,026,878	96,134	(96,134)	1,026,878	675,220	102,537	(102,537)	675,220
International Health Care Fund								
Japan	2,666	-	(539)	2,127	1,443	1,322	(1,064)	1,701
Other Asia	1,782	1,169	-	2,951	639	3,593	(736)	3,496
Australia	11,143	-	(8,760)	2,383	6,645	-	(3,351)	3,294
Europe – Euro	12,748	2,865	(1,046)	14,567	6,164	1,064	(940)	6,288
Europe – Other	16,414	817	-	17,231	4,942	771	(1,537)	4,176
North America	18,272	6,084	(590)	23,766	10,078	2,609	(1,731)	10,956
South America	925	-	-	925	425	-	-	425
	63,950	10,935	(10,935)	63,950	30,336	9,359	(9,359)	30,336

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(i) Foreign Exchange Risk (cont)

	2013				2012			
	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
International Technology Fund								
Japan	4,387	-	(3,957)	430	2,286	-	-	2,286
Other Asia	10,758	-	(1,651)	9,107	14,682	5,639	(1,175)	19,146
Australia	1,104	-	-	1,104	2,191	-	-	2,191
Europe – Euro	6,136	1,947	-	8,083	5,213	-	(2,709)	2,504
Europe – Other	3,124	-	-	3,124	3,350	-	-	3,350
North America	14,998	3,661	-	18,659	11,603	3,884	(5,639)	9,848
Africa	494	-	-	494	-	-	-	-
	41,001	5,608	(5,608)	41,001	39,325	9,523	(9,523)	39,325

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(i) Foreign Exchange Risk (cont)

Forward foreign currency contracts and options on forward currency contracts are adjusted against the “Physical” column to arrive at a “Net Exposure” for each currency grouping. The registered schemes generally utilise short dated (90 day maturity) currency agreements with high credit rating counterparties. Generally, the existing forward currency maturity dates range from 14 to 75 days.

Foreign exchange risk sensitivity analysis

The sensitivity analysis below shows the impact a 10% movement in foreign currency at reporting date would have on the registered schemes’ profit on monetary and non-monetary assets and liabilities such as cash, forward contracts and equities.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and possible future movements. The table presents the foreign currency or currencies with the largest impact on profit for each registered scheme.

	2013 +10% \$'000	2013 -10% \$'000	2012 +10% \$'000	2012 -10% \$'000		2013 +10% \$'000	2013 -10% \$'000	2012 +10% \$'000	2012 -10% \$'000
International Fund					Unhedged Fund				
United States Dollar	(415,595)	507,951	(324,272)	397,610	United States Dollar	(7,546)	9,222	(5,430)	6,637
Euro	(183,558)	224,349	(67,334)	82,296	Japanese Yen	(4,940)	6,038	(3,154)	3,855
Asia Fund					European Fund				
United States Dollar	(88,856)	108,601	(23,459)	28,727	Euro	(5,120)	6,258	(2,299)	2,811
Korean Won	(50,085)	61,215	(37,302)	45,592					
Japan Fund					International Brands Fund				
United States Dollar	(18,045)	22,055	(15,763)	19,501	Euro	(19,114)	23,362	(15,981)	19,311
Japanese Yen	(14,021)	17,136	(11,977)	14,682	United States Dollar	(20,321)	24,837	(11,740)	14,846
International Health Care Fund					International Technology Fund				
United States Dollar	(2,038)	2,490	(881)	1,073	United States Dollar	(1,694)	2,072	(901)	1,088
Euro	(1,325)	1,619	(572)	699	Euro	(735)	898	(222)	286

The sensitivity analysis shows that the registered schemes are all materially affected by exchange rate movements (other things being equal), given the global nature of the investments held. Throughout 2012/2013, most of the registered schemes have had minimal exposure to the Australian Dollar, whilst emphasising the United States Dollar.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(ii) Interest Rate Risk

Interest rate risk is the possibility the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The overwhelming majority of the registered schemes' financial assets and liabilities are non-interest bearing. The registered schemes have a policy of not borrowing money, other than for settlement of trades. Therefore, there is no liability exposure to interest rate risk.

Interest rate risk indirectly affects the registered schemes because interest rate movements will affect forward points used in determining gains or losses on forward contracts. This is not capable of precise estimation. The impact of interest rate movements on our investments is also not capable of precise estimation.

At 30 June 2013 and 2012, if interest rates had changed by +/- 100 basis points with all other variables held constant, the direct impact on interest receivable would not be significant for any of the registered schemes.

(iii) Price Risk

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general.

Platinum Asset Management's stock selection process is core to the management of price risk. Moreover, whilst we use the MSCI to measure relative performance, risk in our view is not solely relative performance versus a benchmark - but also the prospect of losing money (i.e. absolute returns). Platinum adopts a thematic stock selection approach and is referred to being an "active manager". Platinum seeks a broad range of investments whose business and growth prospects are being undervalued by the market. Accordingly, holdings in each of the registered schemes vary considerably from the make-up of the index. Active fund managers such as Platinum seek to out perform the market as represented by an appropriate index.

In addition, the registered schemes (other than Platinum Unhedged Fund) may enter into short equity swaps and futures to protect against market movements. At 30 June 2013, some of the registered schemes maintained short positions against various company specific stocks and market indices. The use of index derivatives allows a Fund to invest in particular companies, whilst providing some degree of protection against more general adverse market price movements.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(iii) Price Risk (cont)

Price risk sensitivity analysis

Price risk exposure arises from the registered schemes' investment portfolios that comprise investments in securities. The effect on net assets attributable to unitholders due to a reasonably possible change in market factors, as represented by a +/- 5% movement in the key regional equity index or indices affecting the market that each registered scheme invests in, with all other variables held constant is indicated as follows:

	2013 +5% \$'000	2013 -5% \$'000	2012 +5% \$'000	2012 -5% \$'000		2013 +5% \$'000	2013 -5% \$'000	2012 +5% \$'000	2012 -5% \$'000
International Fund					Unhedged Fund				
United States S&P	113,557	(113,557)	74,800	(74,800)	United States S&P	3,674	(3,674)	2,876	(2,876)
Japanese Topix	70,864	(70,864)	52,294	(52,294)	Japanese Topix	2,710	(2,710)	1,670	(1,670)
Asia Fund					European Fund				
Korean Kospi	29,276	(29,276)	20,516	(20,516)	German DAX	2,899	(2,899)	2,612	(2,612)
Hong Kong Hang Seng	23,595	(23,595)	19,566	(19,566)	United Kingdom FTSE	1,847	(1,847)	930	(930)
Japan Fund					International Brands Fund				
Japanese Topix	14,704	(14,704)	13,612	(13,612)	United States S&P	8,547	(8,547)	1,907	(1,907)
					United Kingdom FTSE	5,047	(5,047)	2,748	(2,748)
International Health Care Fund					International Technology Fund				
United States S&P	800	(800)	409	(409)	United States S&P	597	(597)	477	(477)
Swiss Market Index	335	(335)	123	(123)	Japanese Topix	220	(220)	69	(69)

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(c) Market Risk (cont)

(iii) Price Risk (cont)

A sensitivity of 5% has been selected as this is considered reasonably possible. However, given the volatility of the markets, increases or decreases greater than this are possible. We note that since 30 June 2013, global markets have experienced significant volatility.

Note that the above analysis is based on the assumption that the registered schemes' stocks moved in correlation with the respective index or indices. The index or indices provided above is a reference point only. Actual movements in stock prices may vary significantly to movements in the index.

The above sensitivity analysis for price risk is unrepresentative of the market exposure for the registered schemes because Platinum Asset Management does not invest by reference to the weighting or inclusion of a stock in a specific index. An investment management style where the composition of the portfolio is by reference to global share index weightings is often referred to as an "index manager". An index manager tries to match a particular index by investing in securities that are representative of that index.

(d) Credit Risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to a registered scheme (typically "non-equity" financial instruments).

The exposure to credit risk for futures, equity swaps, and forward currency contracts is any unrealised profit, margins and collateral paid on the positions (the money a registered scheme would lose if the counterparty defaulted) at reporting date.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(d) Credit Risk (cont)

The table below shows the registered schemes counterparty credit risk exposure by credit rating.

Rating	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AA-	3,126	4,955	-	-	193,915	62,078	-	-
A+	644,358	615,862	19,324	8,938	93,735	131,893	16,717	16,711
A	109,540	160,484	322	-	89,048	30,942	769	577
A-	249,940	86,823	1,034	5	55,422	36,800	2,850	209
BBB+	6,881	3,853	-	-	1,924	-	545	-
	1,013,845	871,977	20,680	8,943	434,044	261,713	20,881	17,497

Rating	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AA-	142	-	79,674	101,161	9,729	5,638	-	-
A+	26,060	31,659	101,680	67,996	4,103	2,021	7,599	6,518
A	11,530	5,848	32,326	8,609	191	322	88	176
A-	22,606	7,513	18,574	8,821	374	19	408	508
BBB+	3,010	-	230	85	54	-	3	-
	63,348	45,020	232,484	186,672	14,451	8,000	8,098	7,202

(Source: Platinum and Standard & Poor's)

The Investment Manager regularly monitors the registered schemes' credit risk exposures to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties, by signing standard International Swaps and Derivatives Association (ISDA) master agreement and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term.

Transactions in listed securities and investments are only entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(d) Credit Risk (cont)

Ageing analysis of receivables

The registered schemes' ageing analysis of receivables (disclosed in Note 8) at 30 June 2013 is as follows:

Ageing	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
0-30 days	11,683	11,828	102	38	2,044	1,608	284	37
31-60 days	5,291	3,135	191	93	1,204	-	131	100
61-90 days	1,079	438	-	38	327	453	30	24
90+ days	4,147	3,216	32	48	-	25	54	66
	22,200	18,617	325	217	3,575	2,086	499	227

Ageing	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
0-30 days	360	46	2,639	670	18	197	13	22
31-60 days	73	-	469	312	1	1	42	67
61-90 days	31	67	253	172	14	2	-	8
90+ days	42	404		2	53	26	-	-
	506	517	3,361	1,156	86	226	55	97

The amounts 90 days and over are past due, but no receivables are impaired.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(e) Liquidity Risk

The registered schemes are exposed to cash redemptions of redeemable units. They hold equities that are traded on active markets and, if necessary, these can be readily disposed.

Contractual maturity analysis

(i) Non-financial liabilities

The amounts below represent the contractual maturity of non-financial liabilities. Note that net assets attributable to unitholders are only included in the maturity analysis below because, under Australian Accounting Standards, unitholders' equity is classified as a liability. For management purposes, net assets attributable to unitholders are not an operating liability.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Payable within three months								
Unsettled trades	61,413	12,625	10,772	1,204	1,352	289	96	-
Management and administration fees	9,071	8,073	170	134	4,030	3,299	172	143
Indian and Thai capital gains tax payable	-	352	-	-	-	3,434	-	-
Unitholders' distribution payable	204,282	126,374	1,737	1,818	66,009	28,102	-	16,367
Operating liabilities	274,766	147,424	12,679	3,156	71,391	35,124	268	16,510
Assets realisable in one year or less to meet operating liabilities	8,586,399	7,012,925	221,861	152,917	3,573,845	2,777,873	165,956	130,027
Net assets attributable to unitholders	8,303,284	6,866,856	209,182	149,761	3,492,406	2,742,749	164,681	113,567

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(e) Liquidity Risk (cont)

Contractual maturity analysis (cont)

(i) Non-financial liabilities (cont)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payable within three months								
Unsettled trades	9,099	234	12,730	1,329	-	-	-	-
Management and administration fees	364	373	1,149	799	62	30	42	44
Indian and Thai capital gains tax payable	-	-	-	476	-	-	-	-
Other payables	-	2	-	-	-	-	-	-
Unitholders' distribution payable	-	-	56,164	51,224	1,693	1,325	-	-
Operating liabilities	9,463	609	70,043	53,828	1,755	1,355	42	44
Assets realisable in one year or less to meet operating liabilities	384,746	336,135	1,032,135	676,373	64,060	30,532	41,071	39,419
Net assets attributable to unitholders	372,577	335,526	960,196	622,548	62,281	29,207	41,013	39,378

Assets realisable in one year or less include equities, foreign currency contracts, derivatives and cash and cash equivalents.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(e) Liquidity Risk (cont)

(ii) Financial liabilities

The amounts below represent the maturity of derivative and foreign exchange outflows based on the position at 30 June.

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Payable within three months								
Derivative contractual outflows	10,410	35,512	-	-	8,958	608	146	6
Forward currency contracts	90	8,761	-	-	1,090	-	904	332
	10,500	44,273	-	-	10,048	608	1,050	338

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Payable within three months								
Derivative contractual outflows	1,852	2,498	1,896	1,750	32	34	16	7
Forward currency contracts	854	2,020	-	1,066	17	77	-	51
	2,706	4,518	1,896	2,816	49	111	16	58

At 30 June 2013, there are no other contractual amounts due or payable after three months.

Except for short equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

The registered schemes are exposed to daily cash redemptions. If necessary, investments may be realised to cover these redemptions as they are generally readily convertible to cash. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The registered schemes prepare daily cash forecasts and maintain sufficient cash to meet normal operating requirements. The registered schemes have a policy of not borrowing money, other than on a short-term basis for settlement, trading and like purposes.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(f) Fair Value Hierarchy

The registered schemes classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements.

The fair value hierarchy has the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- (iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table summarises the levels within the fair value hierarchy that the registered scheme's investments are classified at 30 June 2013. None of the registered schemes holds financial assets or liabilities that are classified in Level 3.

30 June 2013	International Fund			Unhedged Fund			Asia Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	7,612,445	-	7,612,445	202,217	-	202,217	3,184,790	10,713	3,195,503
Derivatives	16,152	900	17,052	-	-	-	125	-	125
Forward currency contracts	-	33,323	33,323	-	-	-	-	2,230	2,230
	7,628,597	34,223	7,662,820	202,217	-	202,217	3,184,915	12,943	3,197,858
Financial liabilities									
Derivatives	10,144	266	10,410	-	-	-	7,111	1,847	8,958
Forward currency contracts	-	90	90	-	-	-	-	1,090	1,090
	10,144	356	10,500	-	-	-	7,111	2,937	10,048
Total of financial assets less liabilities	7,618,453	33,867	7,652,320	202,217	-	202,217	3,177,804	10,006	3,187,810
30 June 2012									
Financial assets									
Equity securities	6,210,138	-	6,210,138	143,765	-	143,765	2,552,526	8,571	2,561,097
Derivatives	4,328	-	4,328	-	-	-	1,270	-	1,270
Forward currency contracts	-	24,097	24,097	-	-	-	-	3,520	3,520
	6,214,466	24,097	6,238,563	143,765	-	143,765	2,553,796	12,091	2,565,887
Financial liabilities									
Derivatives	35,512	-	35,512	-	-	-	608	-	608
Forward currency contracts	-	8,761	8,761	-	-	-	-	-	-
	35,512	8,761	44,273	-	-	-	608	-	608
Total of financial assets less liabilities	6,178,954	15,336	6,194,290	143,765	-	143,765	2,553,188	12,091	2,565,279

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(f) Fair Value Hierarchy (cont)

30 June 2013	European Fund			Japan Fund			International Brands Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	144,702	-	144,702	326,992	-	326,992	796,169	-	796,169
Derivatives	313	-	313	2,140	-	2,140	1,092	-	1,092
Forward currency contracts	-	453	453	-	6,026	6,026	-	850	850
	145,015	453	145,468	329,132	6,026	335,158	797,261	850	798,111
Financial liabilities									
Derivatives	146	-	146	1,852	-	1,852	988	908	1,896
Forward currency contracts	-	904	904	-	854	854	-	-	-
	146	904	1,050	1,852	854	2,706	988	908	1,896
Total of financial assets less liabilities	144,869	(451)	144,418	327,280	5,172-	332,452	796,273	(58)	796,215
30 June 2012	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets									
Equity securities	112,859	-	112,859	296,433	-	296,433	491,976	-	491,976
Derivatives	-	-	-	287	553	840	495	-	495
Forward currency contracts	-	808	808	-	3,097	3,097	-	143	143
	112,859	808	113,667	296,720	3,650	300,370	492,471	143	492,614
Financial liabilities									
Derivatives	6	-	6	2,498	-	2,498	1,750	-	1,750
Forward currency contracts	-	332	332	-	2,020	2,020	-	1,066	1,066
	6	332	338	2,498	2,020	4,518	1,750	1,066	2,816
Total of financial assets less liabilities	112,853	476	113,329	294,222	1,630	295,852	490,721	(923)	489,798

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(f) Fair Value Hierarchy (cont)

30 June 2013	International Health Care Fund			International Technology Fund		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets						
Equity securities	49,487	-	49,487	32,933	-	32,933
Derivatives	-	-	-	-	-	-
Forward currency contracts	-	205	205	80	-	80
	49,487	205	49,692	33,013	-	33,013
Financial liabilities						
Derivatives	32	-	32	16	-	16
Forward currency contracts	-	17	17	-	-	-
	32	17	49	16	-	16
Total of financial assets less liabilities	49,455	188	49,643	32,997	-	32,997
30 June 2012	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets						
Equity securities	22,470	-	22,470	32,188	-	32,188
Derivatives	-	-	-	-	-	-
Forward currency contracts	-	17	17	-	62	62
	22,470	17	22,487	32,188	62	32,250
Financial liabilities						
Derivatives	34	-	34	7	-	7
Forward currency contracts	-	77	77	-	51	51
	34	77	111	7	51	58
Total of financial assets less liabilities	22,436	(60)	22,376	32,181	11	32,192

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 10 Financial Risk Management (cont)

(g) Capital Risk Management

The responsible entity manages the registered schemes' net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the registered schemes are subject to daily applications and redemptions at the discretion of unitholders.

The responsible entity is required to hold an Australian Financial Services Licence (AFSL). As a holder of an AFSL, the Australian Securities and Investment Commission (ASIC) requires the responsible entity to:

- prepare 12 month cash-flow projections, which must be approved at least quarterly by directors; and
- hold at all times minimum Net Tangible Assets (NTA) the greater of:
 - \$150,000;
 - 0.5% of the average value of scheme property (capped at \$5 million); or
 - 10% of the average responsible entity (RE) revenue.

The Responsible Entity must hold at least 50% of its minimum NTA requirement as cash or cash equivalents and hold at least \$50,000 in Surplus Liquid Funds (SLF).

The responsible entity has complied with all externally imposed requirements to hold an AFSL during the year.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 11 Key Management Personnel Disclosures

AASB 124: *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

Directors

The following persons were Directors of Platinum Investment Management Limited during the year and up to the date of this report:

Kerr Neilson
Andrew Clifford
Philip Howard

There are no other key management personnel within Platinum Investment Management Limited.

Key management personnel compensation

The Directors are all employees of Platinum Investment Management Limited and are not compensated by the registered schemes. AASB 124 requires compensation provided by the registered schemes or on behalf of the registered schemes to be disclosed. Platinum Investment Management Limited provides investment management services to the registered schemes and a portion of the compensation paid to its employees is in relation to managing the affairs of the registered schemes. Platinum Investment Management Limited has not made any determination as to what proportion of its employees’ compensation relates to the registered schemes. Platinum Investment Management Limited compensated the Directors as follows:

Director	Cash Salary		Other (1)		Short-Term Incentives Bonus		Post-employment benefits Superannuation		Share-based payments (2)		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Kerr Neilson	400,000	400,000	23,062	32,287	-	-	16,470	15,775	-	-	439,532	448,062
Andrew Clifford	350,000	350,000	19,884	(527)	350,000	170,000	16,470	15,775	1,049,976	1,091,795	1,786,330	1,627,043
Philip Howard	400,000	400,000	52,833	20,039	257,500	244,000	16,470	15,775	234,038	243,359	960,841	923,173
	1,150,000	1,150,000	95,779	51,799	607,500	414,000	49,410	47,325	1,284,014	1,335,154	3,186,703	2,998,278

(1) Is comprised of the increase/(decrease) in the provision for annual and long service leave, that was booked as a provision in Platinum Investment Management Limited’s Balance Sheet. These amounts were not received as cash or as compensation by the Directors.

(2) Relates to instances where the options vest over a number of years and some of the vesting period fell in 2013. Under the accounting standards. We are required to show the portion of the expense relating to 2013. The amount expensed for accounting purposes does not represent the amount received by the Executives during the year. The only Executive to exercise options and physically receive consideration during the year in relation to options was Philip Howard, who received consideration of \$143,396.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 11 Key Management Personnel Disclosures (cont)

Relevant interest disclosure relating to key management personnel and their related parties

All related party transactions are conducted on normal commercial terms and conditions.

Units in which the key management personnel had a relevant interest in during the year:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 Units	2012 Units	2013 Units	2012 Units	2013 Units	2012 Units	2013 Units	2012 Units
Kerr Neilson								
Opening balance	57,506,702	54,685,458	21,738,361	27,410,357	33,386,716	29,885,986	15,706,920	13,661,965
Units acquired during the year	20,558,220	2,821,244	310,246	2,438,477	8,972,216	3,530,812	83,686	2,044,955
Units disposed of during the year	(580,061)	-	-	(8,110,473)	(60,577)	(30,082)	-	-
Closing balance	77,484,861	57,506,702	22,048,607	21,738,361	42,298,355	33,386,716	15,790,606	15,706,920
Andrew Clifford								
Opening balance	2,929,973	2,202,410	1,824	6,062,860	2,980,967	3,003,417	4,649	4,649
Units acquired during the year	17,854	727,563	-	2,049,437	-	7,632	-	-
Units disposed of during the year	(580,061)	-	-	(8,110,473)	(60,577)	(30,082)	-	-
Closing balance	2,367,766	2,929,973	1,824	1,824	2,920,390	2,980,967	4,649	4,649
Philip Howard								
Opening balance	1,312,059	584,496	1,824	6,062,860	129,189	219,730	4,649	4,649
Units acquired during the year	17,855	727,563	-	2,049,437	1,210	8,283	-	-
Units disposed of during the year	(580,061)	-	-	(8,110,473)	(60,578)	(98,824)	-	-
Closing balance	749,853	1,312,059	1,824	1,824	69,821	129,189	4,649	4,649

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 11 Key Management Personnel Disclosures (cont)

Relevant interest disclosure relating to key management personnel and their related parties (cont)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	Units	Units	Units	Units	Units	Units	Units	Units
Kerr Neilson								
Opening balance	30,556,355	30,513,133	2,321,412	1,166,672	9,526,843	7,264,527	6,835,971	6,793,033
Units acquired during the year	6,994,166	191,703	149,595	1,154,740	-	2,262,316	42,784	42,938
Units disposed of during the year	-	(148,481)	-	-	-	-	-	-
Closing balance	37,550,521	30,556,355	2,471,007	2,321,412	9,526,843	9,526,843	6,878,755	6,835,971
Andrew Clifford								
Opening balance	2,704,956	2,834,699	5,015	5,015	10,071	10,071	100,462	100,462
Units acquired during the year	-	18,738	-	-	-	-	-	-
Units disposed of during the year	-	(148,481)	-	-	-	-	-	-
Closing balance	2,704,956	2,704,956	5,015	5,015	10,071	10,071	100,462	100,462
Philip Howard								
Opening balance	4,684	134,427	57,900	5,015	10,071	10,071	9,410	9,410
Units acquired during the year	-	18,738	3,085	52,885	-	-	-	-
Units disposed of during the year	-	(148,481)	-	-	-	-	-	-
Closing balance	4,684	4,684	60,985	57,900	10,071	10,071	9,410	9,410

Service Agreements

The Directors do not have service agreements as they are employees of Platinum Investment Management Limited.

Related parties

Disclosures relating to manager's fees payable to Platinum Investment Management Limited are set out in note 12.

Two of the Directors, Kerr Neilson and Philip Howard, are also Directors of Platinum Asset Management Limited (listed holding company of Platinum Investment Management Limited). The remuneration paid by Platinum Investment Management Limited to these Directors has been disclosed on page 49.

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 12 Related Parties

Responsible Entity

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

Responsible Entity Fees

Fees paid by the registered schemes include management fees (calculated at 1.44% per annum inclusive of GST of the registered schemes' net asset value and payable monthly) and administration fees (calculated at 0.10 % per annum inclusive of GST of the registered schemes' net asset values and payable monthly). The fees, exclusive of GST, are as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	106,735,938	113,030,120	2,549,564	2,397,857	47,182,582	45,287,003	2,061,822	1,978,507
Aggregate amounts payable by the registered schemes at reporting date	9,070,380	8,072,456	169,758	134,147	4,030,348	3,299,144	172,088	142,813
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Fees for the year expensed by the registered schemes to the responsible entity	4,418,866	5,216,948	11,889,738	9,715,859	678,947	369,440	563,080	603,188
Aggregate amounts payable by the registered schemes at reporting date	364,490	373,068	1,148,830	799,743	61,366	30,194	42,221	44,026

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities

(a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Balance Sheets as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	631,757	559,704	19,319	8,935	266,908	160,308	16,715	16,191
Margin accounts	271,773	241,669	-	-	105,504	50,200	3,317	330
	903,530	801,373	19,319	8,935	372,412	210,508	20,032	16,521

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	26,055	28,117	181,564	156,013	13,831	7,644	6,550	6,515
Margin accounts	23,027	11,649	49,099	29,409	476	316	1,453	618
	49,082	39,766	230,663	185,422	14,307	7,960	8,003	7,133

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bears floating interest rates in the range of 0% to 3.4%. Information in relation to the registered schemes' exposures to interest rate risk is provided in Note 10.

(b) Non Cash Financing Activities

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were reinvested in additional units	79,854	46,595	1,097	1,257	36,139	13,353	-	9,083

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (cont)

(b) Non Cash Financing Activities (cont)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were reinvested in additional units	-	-	14,591	14,437	1,121	967	-	-

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating profit/(loss)	2,369,922	(557,521)	53,927	(9,400)	763,413	(213,193)	38,201	(6,529)
(Increase)/decrease in investments	(1,458,030)	1,688,343	(58,452)	11,245	(622,531)	419,958	(31,089)	33,680
(Increase)/decrease in exchange rates	(77,673)	(48,751)	(1,183)	(982)	(29,063)	6,220	(2,199)	(177)
(Increase)/decrease in settlements receivable	1,498	(5,006)	(68)	-	(22)	189	(152)	(14)
(Increase)/decrease in dividends and tax refund receivable	(5,243)	15,061	(35)	(7)	(1,478)	4,732	(115)	165
(Increase)/decrease in interest receivable	-	-	-	32	109	(109)	(1)	-
(Increase)/decrease in other receivables	162	(688)	(5)	2	(98)	92	(4)	6
Increase/(decrease) in settlements payable	48,787	(82,967)	9,568	(1,068)	1,063	(554)	96	(1,601)
Increase/(decrease) in management and administration fees payable	999	(2,282)	36	(22)	731	(917)	29	(42)
Increase/(decrease) in Indian and Thai capital gains tax payable	(352)	352	-	-	(3,434)	(1,436)	-	-
Increase/(decrease) in other payables	-	(11)	-	-	-	-	-	-
Net Cash Flows from operating activities	880,070	1,006,530	3,788	(200)	108,690	214,982	4,766	25,488

Notes to the Financial Statements

For the year ended 30 June 2013 (cont)

Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (cont)

(c) Reconciliation of Net Cash from Operating Activities to Operating Profit (cont)

	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating profit/(loss)	136,341	(17,120)	227,815	(35,752)	14,194	1,235	8,791	(637)
(Increase)/decrease in investments	(36,600)	17,504	(306,417)	14,784	(27,267)	(5,092)	(805)	(2,815)
(Increase)/decrease in exchange rates	(4,163)	(4,842)	(6,874)	1,043	(393)	(34)	(387)	134
(Increase)/decrease in settlements receivable	(308)	-	(1,813)	(2)	167	(167)	-	-
(Increase)/decrease in dividends and tax refund receivable	326	(263)	(531)	(334)	(38)	(7)	37	(37)
(Increase)/decrease in interest receivable	(4)	37	174	(272)	15	(15)	4	2
(Increase)/decrease in other receivables	(3)	7	(35)	(3)	(4)	(1)	1	-
Increase/(decrease) in settlements payable	8,865	(80)	11,401	1,158	-	-	-	-
Increase/(decrease) in management and administration fees payable	(9)	(68)	350	(5)	32	7	(2)	(1)
Increase/(decrease) in Indian capital gains tax payable	-	-	(476)	(222)	-	-	-	-
Increase/(decrease) in other payables	(2)	2	-	-	-	-	-	-
Net Cash Flows from operating activities	104,443	(4,823)	(76,406)	(19,605)	(13,294)	(4,074)	7,639	(3,354)

Note 14 Events Occurring after the Balance Sheet Date

No significant events have occurred since Balance Sheet date that would impact the financial position of the registered schemes as at 30 June 2013 and the results of the year ended on that date.

Note 15 Contingent Assets, Liabilities and Commitments

The registered schemes have no contingent assets, liabilities or commitments as at 30 June 2013 and 30 June 2012.

Statement of Net Asset Value

For the year ended 30 June 2013

Reconciliation of Net Asset Value before unitholders' liability, in accordance with Australian Accounting Standards, to the Redemption Value*

	International Fund		Unhedged Fund		Asia Fund		European Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Net assets attributable to unitholders per balance sheet	8,303,284	6,866,856	209,182	149,761	3,492,406	2,742,749	164,681	113,567
Distributions paid and payable to unitholders	204,282	126,374	1,737	1,818	66,009	28,102	-	16,367
Redemption cost of financial assets**	(21,284)	(17,509)	(528)	(379)	(8,940)	(6,946)	(413)	(326)
Difference between "bid" price under Australian Accounting Standards and last price	5,993	11,229	318	144	17,519	7,618	574	408
Tax receivables	-	(908)	-	-	-	12	-	-
Net Asset Value for redemption purposes	8,492,275	6,986,042	210,709	151,344	3,566,994	2,771,535	164,842	130,016
Redemption price	1.7871	1.3252	1.2864	0.9604	2.5323	1.9901	2.2314	1.9433
	Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Net assets attributable to unitholders per balance sheet	372,577	335,526	960,197	622,548	62,281	29,207	41,013	39,378
Distributions paid and payable to unitholders	-	-	56,164	51,224	1,693	1,325	-	-
Redemption cost of financial assets**	(934)	(843)	(2,547)	(1,689)	(160)	(76)	(103)	(99)
Difference between "bid" price under Australian Accounting Standards and last price	1,130	1,740	2,400	1,660	108	36	157	60
Net Asset Value for redemption purposes	372,773	336,423	1,016,214	673,743	63,922	30,492	41,067	39,339
Redemption price	2.7130	1.6839	2.5132	2.0433	1.4516	1.1251	1.1989	0.9479

* Financial assets are valued at the last sale price with an allowance for transaction costs for the purposes of redemption value.

** The day of the week that the reporting period ends will determine whether the above redemption price will be available for unitholders to sell their holdings.

Directors' Declaration

In the Directors' opinion, the financial statements and notes of:

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund (together the 'registered schemes') as set out on pages 6 to 55

- (a) are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the financial positions of the registered schemes as at 30 June 2013 and of their performances as represented by the results of their operations, changes in equity and their cash flows for the year ended on that date;
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay their debts as and when they become due and payable; and
- (c) Note 2 (a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Philip Howard
Director

Sydney
14 August 2013



Independent auditor's report to the unitholders of

**Platinum International Fund;
Platinum Unhedged Fund;
Platinum Asia Fund;
Platinum European Fund;**

**Platinum Japan Fund;
Platinum International Brands Fund;
Platinum International Health Care Fund; and
Platinum International Technology Fund**

Report on the financial report

We have audited the accompanying financial report of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund (the Registered Schemes), which comprises the Balance Sheets as at 30 June 2013, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

Directors' responsibility for the financial report

The Directors of Platinum Investment Management Limited (the responsible entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund, and the Platinum International Technology Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the registered scheme's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



- (b) the registered scheme's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
14 August 2013