PLATINUM INTERNATIONAL BRANDS FUND

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PERFORMANCE AND CHANGES TO THE PORTFOLIO

The markets proved quite challenging with a sharp decline towards the end of February followed by a partial recovery and increased volatility. Against this backdrop the Fund was relatively stable and returned 2.8% in the quarter compared to the MSCI World Index return of 0%.

We have previously commented on the negative impact of the appreciation of the Australian dollar on our returns. That trend continued in this quarter particularly in the last month, detracting from the performance of our investments in their local currencies.

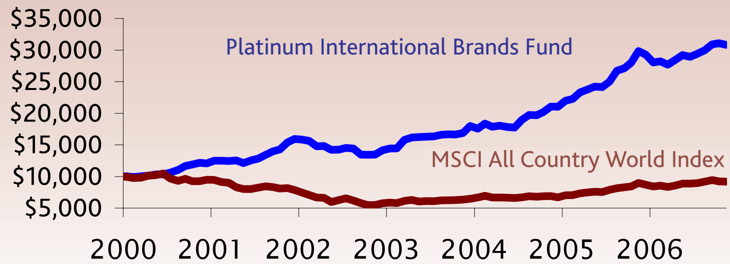
Perhaps a little surprisingly, some of the best performing stocks in the Fund were in the emerging markets. Our investment in India's United Breweries increased by close to 50% in the quarter whilst our, admittedly small, position in Vietnam Dairies produced a similar return. Investments in Japan, such as Citizen Watch and Sony, contributed gains in excess of 20% in the quarter together with some of our long-held companies, Lindt and Spruengli, and Clarins increasing in value by more than 10%. Clarins, which holds an attractive position in the cosmetics market, became the focus of increased takeover speculation following the death of the founder.

DISPOSITION OF ASSETS

REGION	MAR 2007	DEC 2006
EUROPE	32%	33%
JAPAN	25%	23%
OTHER ASIA (INCL KOREA)	21%	20%
NORTH AMERICA	7%	5%
CASH	15%	19%
SHORTS	9%	9%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 MARCH 2007



Source: Platinum and MSCI. Refer to Note 2, page 4.

At the end of the last quarter, the Fund introduced a short position against the French CAC Index, to protect the significant 15% of the Fund invested in stocks domiciled in that country. This short position proved useful in contributing to the stability of the Fund, albeit for no net gain.

At the other end of the spectrum, some of our small positions across Asia lost value, such as BenQ in Taiwan. None of the investments that declined in value were particularly large holdings and in the case of our minor positions in India, were partially protected by our short position on the Indian Nifty index.

The Fund opportunistically increased its investment in several of the Japanese and Asian companies such as Singapore Airlines and Bangkok Bank. A more substantial addition was made to Sharp, to become the largest position of the Fund.

Sharp has emerged as a leading LCD TV company under the leadership of the outgoing President and although the incoming President inherits a strong position, there are nonetheless some challenges. Concerns such as a slow down in US consumer expenditure, perhaps a strengthening yen that would weaken export earnings, falling TV prices and some manufacturing concerns have led to a dull stock performance and a valuation that is at a relative low. Against this potentially quite miserable outlook the management team express confidence in their technology advances and the cost competitiveness of their products.

We have also added Microsoft to the Fund. There is a lot of noise and chatter regarding the products, especially the new "Vista" operating system and with product launches from Sony and Nintendo, the performance of the gaming system Xbox is also brought into question. Nonetheless, when the valuation of this company (adjusting for its massive cash hoard) is compared with its long-term record, we question whether there isn't a degree of neglect.

COMMENTARY

Many companies' communication departments have done an excellent job in setting forth the tremendous potential of their nascent emerging market operations. In their enthusiasm to highlight the progress of their newest arena of growth, more often than not China, the focus on the majority of their business has been reduced to incremental comments on cost management and movements in commodity prices. There has generally been an insufficiency or complacency in presenting the challenges and opportunities for maintaining a healthy growth in the core revenue drivers of the business.

For some companies the temporary relief from scrutiny has proven to be short lived as long-standing inefficiencies have been closely examined by a variety of market participants, ranging from activist hedge funds to well-funded private equity firms.

The sleepy habits of iconic names such as Heinz have been thrust into the media through the appearance of an activist shareholder on the register, with management reluctantly discovering that really, they did have the capacity to urgently reduce costs and reconsider their product portfolio. We are somewhat sceptical of Heinz's recent protestations that they are much more of a healthy foods company than people perceive and despite devoting much of their investor presentation time to "health and wellness" and "emerging markets" we continue to believe that the progress of the core business in mature markets is the key issue. The current valuation reflects the enthusiasm for short-term earnings per share, increases derived through cost cutting and share buybacks with perhaps insufficient weighting on the difficulties of creating long-term revenue growth. But then perhaps we underestimate a new found attractiveness for engaging in "industry consolidation" and reducing the influence of meddlesome minority shareholders.

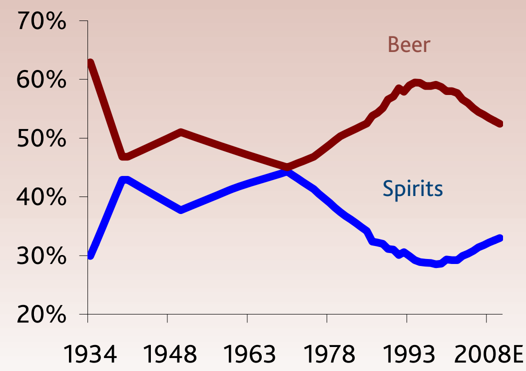
Such thoughts may be near the forefront of the management at Cadbury Schweppes. The appearance on their shareholder register of the same activist hedge fund has seen a rather hasty recognition by management for the need to address long outstanding shareholder questions. In this case, the question as to why they maintained ownership of the US and Australian soft drinks business despite having sold the European business to private equity firms in 2005.

They protest that they were already considering this and that the plans were in place, except perhaps for the part about discussing the options with their shareholders. Analysts are also now able to "see" that a robust bid for the beverages business from private equity, together with an interest in "industry consolidation" amongst the confectionary companies, could leave shareholders some 50% better off with their investment; a consequence of a catalytic 3% position by a hedge fund. The confectionary business does have some interesting opportunities for both revenue growth and some significant margin enhancement and we will monitor this with interest. In the meantime, our investment in Lindt and Spruengli has proven to be significantly more rewarding.

In highlighting these two companies it would be a simplification to assume that the interest of hedge funds, private equity and wealthy individuals/activists is only piqued when considering under-performing companies. There are a number of examples of significant and competently run companies being suggested as attractive targets, such as Clarins and Adidas. Similarly the move by Pernod to ensure that they have a sufficiently large pact amongst friendly shareholders is further evidence of a more general concern amongst the management teams that they may be exposed to unwelcome scrutiny or changes in ownership.

It is also worth highlighting that despite the near-term excitement and distraction of the corporate shenanigans highlighted above, there are nonetheless some underlying themes that continue to drive solid performance in our companies. The chart over highlights a theme that is well represented in the Fund and perhaps illustrates the potential for longevity in some investment ideas.

US Share of Beer and Spirits servings



Source: Beer Marketers' Insights, Adams, Goldman Sachs research estimates

The presence of such a seemingly powerful underlying theme does not in itself guarantee good investment returns. A review in the quarter of Brown-Forman, known for their Jack Daniels brand, revealed a company at a higher valuation than its European counterparts and with decelerating growth in the lead brand. We also prefer the exposure to the Asian markets that our existing investments provide.

OUTLOOK

We maintain our long standing caution in respect of the dependence of many companies on a prodigal US consumer. An increasingly apprehensive consumer may become more evident as the year progresses. In many cases the robust growth of consumerism in Asia is already confidently reflected in the valuations of many companies and is unlikely to provide sufficient offset should there be a pullback in spending patterns in the US. We have commented recently that the valuations of many of the broader consumer goods companies are relatively high and that remains the case. We are finding some opportunities and neglect in the largest of companies as the market continues to prefer to focus on the potential for outsized growth and possible acquisition amongst smaller companies.

NOTES

1. The investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specific period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), are pre-tax and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that past performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Funds and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

2. The investment returns depicted in the graphs are cumulative on A$10,000 invested in the relevant Fund since inception relative to their Index (in A$) as per below:

Platinum International Fund:
Inception 1 May 1995, MSCI All Country World Net Index

Platinum Unhedged Fund:
Inception 31 January 2005, MSCI All Country World Net Index

Platinum Asia Fund:
Inception 3 March 2003, MSCI All Country Asia ex Japan Net Index

Platinum European Fund:
Inception 1 July 1998, MSCI All Country Europe Net Index

Platinum Japan Fund:
Inception 1 July 1998, MSCI Japan Net Index

Platinum International Brands Fund:
Inception 18 May 2000, MSCI All Country World Net Index

Platinum International Health Care Fund:
Inception 10 November 2003, MSCI All Country World Health Care Net Index

Platinum International Technology Fund:
Inception 18 May 2000, MSCI All Country World Information Technology Index

(nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

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Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. You should consider the PDS in deciding whether to acquire, or continue to hold, units in the Funds.

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