PLATINUM INTERNATIONAL BRANDS FUND

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PERFORMANCE

Fund performance suffered with a loss in the quarter of 11.4% compared to the MSCI World Index decline of 12.7%. Over twelve months the MSCI World Index has fallen 12.5% with the Fund losing 11%. The cash levels and short positions of the Fund have been increased during the quarter. In the last month there have been more encouraging signs with the Fund delivering a small but positive outcome.

The sell-down by the markets has been focused on the financial stocks, however, sectors such as the retailers and stocks associated with discretionary spend have also been severely marked down on concerns that consumers would, by necessity, reduce expenditure on all but essential items. The rising cost of such basics as milk, bread, water and fuel has been felt across the globe and the accompanying commentary in the financial markets has undermined confidence in even the most defensive of consumer staple stocks.

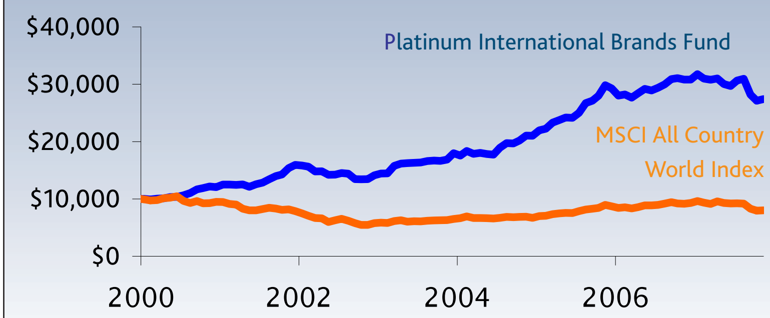
In raising the cash level of the Fund, the number of stocks has been reduced. The retailer Carrefour was sold, with the Fund preferring the retail exposure achieved through Pinault Printemps Redoute (PPR) at a more attractive valuation. Also sold, having achieved a nearly four fold return, is the investment in the Indian company, Asian Paints. Advantage was taken of the lower prices being offered to add to positions in quality companies that we believe should produce superior returns in the years to come, such as the BMW group.

DISPOSITION OF ASSETS

REGION	MAR 2008	DEC 2007
EUROPE	38%	44%
ASIA	21%	26%
JAPAN	17%	19%
NORTH AMERICA	5%	6%
SOUTH AMERICA	2%	1%
CASH	17%	4%
SHORTS	8%	4%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 MARCH 2008



Source: Platinum and MSCI. Refer to Note 2, page 1.

Introduced to the portfolio this quarter was Piaggio & C. S.p.A., the Italian scooter and motorcycle manufacturer with such well known brands as Vespa, Piaggio and Aprilia amongst others. Piaggio, has a market leading position in Europe with 31% market share, more than twice the nearest Japanese rival Yamaha. To support its competitiveness Piaggio spends more than 4% of revenues on R&D for the development of, for example, a hybrid engine for scooters and the MP3 model. The MP3, a three wheeled scooter, has had good success attracting customers looking for a lower cost means of personal transport but fearful of the safety of two wheeled products. Indeed, as commuters struggle with congestion and fuel costs the world over, the scooter as a reliable alternative to single person car commuting starts to look more attractive.

The company has had a difficult history, needing to spend several years restructuring. With operations in India, Vietnam and China as well as the usual Western markets we have highly recognisable brands that are being rejuvenated and taken to new markets together with a share price that reflects little, if any, brand value.

COMMENTARY

Consumer product companies that have consistently invested in their brands through product development and have been true to their market positioning and core consumers, are generally much better placed to withstand contractions in economic activity and consumer spending recessions. As a generalisation they tend to be able to maintain or increase prices to protect their profitability, often achieved with the launch of new variants and an unrelenting focus on meeting the requirements of their core consumers.

Those companies that have stretched their brands and balance sheets to achieve revenue growth, expanding into adjacent categories or creating "new segments", can find these expansionary gains difficult to maintain in harsher conditions. Category descriptions such as "affordable luxury" that have emerged over the years, now need to be evaluated in the light of whether these categories can be sustained, or are they marketing euphemisms for enticing people to spend more than they should (and mostly on credit) during boom times? Perhaps unsurprisingly, companies like Coach and Burberry have found that their expensive products have been relatively more resilient than their lower priced products.

Companies that won market share with unrewarding tactics such as price discounts or inferior quality will quickly find that their market share points have been "borrowed" and may simply disappear or migrate back to the category leaders. The ability of the leaders to maintain communication with the consumer, through R&D and marketing, when competitors are forced to "cut expenses" is clearly differentiating from an investment perspective. We have written extensively in the past about pseudo innovation and the inherent ability of the consumer to determine the "value" of a product across multiple attributes of form, function, quality, price, utility etc. Consumers can become acutely tuned to "value" when they have less to spend.

Companies that have maintained their purpose and investment through the last 15 or so years of economic expansion will be far better placed to succeed during difficult periods. It is in these companies that we are now most interested, especially when the prices of stocks are compressed such that there is little differentiation between the leaders and the followers.

Our interest is also attracted to those leading companies that despite the headlines have sufficient opportunity to determine their own success to a greater degree. The headlines for the US consumer are far from encouraging and the prospect for increasing sales of luxury vehicles, on credit, must be seriously questioned, yet BMW Group is optimistic about their US business.

The reason is that the US consumer's obsession with large and inefficient vehicles must necessarily collapse under the weight of congestion, fuel rises and pollution charges, and that BMW's industry leading research will win through with consumers. Perhaps we are guilty of falling for the "irrefutable logic of German Engineers", however, there are many areas in which this company can make changes to improve their profitability over the next few years.

The Brands Fund has always sought out and held forgotten or neglected brands with a strong heritage that can be 'refurbished'. Recent acquisitions suggest that there is still a very strong demand to acquire famous and infamous brands. Brands such as Grolsch, Puma, Jaguar and Absolut have recently changed hands and at valuations indicating a robust appetite for the earnings power of brands. We have several opportunities in the Brands Fund that could be subject to growing interest.

OUTLOOK

The headlines will continue to cause concern as consumers, particularly those heavily indebted in the western markets, reign in their expenditure and confront a harsher reality. The weaker companies will be troubled by this against a backdrop of sustained high input costs and shifts in the centres of economic activity, accompanied also by adverse moves in exchange rates. There will be plenty of excuses for earnings disappointments on a quarterly basis, even amongst the most reliable companies, and we will need to be diligent in our assessment of which factors are transitory and for which it signals worse to come.

It is likely that as earnings come under pressure we will see further acquisition activity as the stronger companies look for the opportunity to absorb weakened competitors and eliminate overlapping expenses.

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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