Platinum International Brands Fund

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Disposition of Assets

REGION	MAR 2012	DEC 2011
Europe	36%	32%
Asia and Other	25%	24%
North America	8%	9%
Japan	7%	6%
Latin America	5%	5%
Cash	19%	24%
Shorts	7%	6%

Source: Platinum

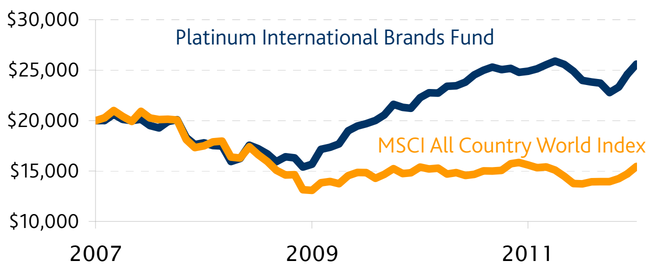
Performance and Changes to the Portfolio

The Brands Fund achieved a return of 12.4% in the quarter, marginally ahead of the 10.7% rise in the MSCI World Index. The 12 month return has improved to 2.8% slightly ahead of the small decline, (0.9%), in the Index.

Over longer timeframes, and more in keeping with the investment horizon of the Fund, the Fund has continued to perform well. The three year return of the Fund at 17.8% is well ahead of the 5.7% gain in the Index and similarly over 10 years, the Fund has achieved a return of 11% pa more than the Index.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

During the quarter, the Fund maintained a relatively high level of cash at around 20%, as well as a short position of around 7%. It is therefore perhaps a little surprising that the Fund was able to produce such a strong quarter given the relatively defensive positioning, as well as being devoid of market leading stocks such as Apple or Bank of America. The gains were widespread across the portfolio and in part reflecting a bounce back from the previous two quarters of poor performance. The currency moves had little impact over the quarter.

The Fund's European investments continued to perform well, particularly those in the UK and Germany. BMW gained 30% as the negative press headlines receded in light of the continuing strong sales and profits being reported. Despite the economic difficulties and evident pressure on the UK consumer's ability to spend, the Fund's UK investments contributed strongly to the quarter's gain.

Several additions were made to the Fund during the quarter, predominantly in Europe and around our work on the retail sector and the development of internet shopping. This was particularly so in the UK but also continental Europe where the financial stress of austerity packages are having their greatest impact.

We have also been opportunistic in initiating or adding to investments across the globe. Calbee, for example, with their leading market shares in the Japanese snack foods sector, can potentially and materially expand profitability, and with Pepsi as a shareholder, some international developments are more feasible.

Commentary

The Fund has continued to follow three avenues of research; the continuing theme of rising incomes and growth in consumerism in emerging markets, the development and impact of internet shopping on traditional retailers, and thirdly tourism, especially in Europe.

As discussed in the last quarterly report, there has been a specific focus on the developments in Russia and how the Fund might participate either directly or indirectly. There are without doubt valid concerns behind the headline assessment of the risks of investing in Russia and no end of illustrative anecdotes as to why any such exercise might reasonably and justifiably be filed in the too-hard basket. As always though price plays a part, as does the need to consider what may be happening prior to the equity markets having sufficient data points to discount more optimistic scenarios.

Yet there are clearly signs of opportunity and developments that are encouraging, not least of which is the commentary and direct investment being made by the management teams of a number of Western companies with whom we are already invested. The Fund is participating both directly, by investing in a Russian domiciled company as well as indirectly with several of our existing holdings. The Russian market is patchy; very strong results are being reported in some retail segments whereas in others, inflation, difficult distribution and the impact of last year's poor harvest have hampered the business.

The message, however, from some corporate management, as also evidenced by their action on investment, is that Russia is not the typical emerging market and the expansion of an educated middle class with high disposable income may be much faster than is currently assumed.

The Russian tourist remains at the top of the table of spending by foreign visitors to Europe, albeit the Chinese tourist is likely to surpass them fairly soon. The Chinese government report that the number of outbound Chinese tourists grew by 22% in 2011 to 70 million whilst their spending grew by 25% to $69 billion. UK and US tourism authorities report that Chinese tourists spend 2-3 times more than other international tourists.

A branded luxury products company with outlets in Milan, Paris, Zurich, London is faced with the interesting challenge of recruiting staff for their flagship stores fluent in both Russian and Chinese, whilst also ranging the store with sizes and styles to satisfy these two very different groups of consumers. If the company is then also listed in Europe, or perhaps Italy, an interesting investment opportunity for the Fund can develop. We have seen that the share price will be influenced and impacted by the concerns and volatility of the overall situation in Europe, and by the local austerity measures and yet the strength of tourism is underpinning some robust results.

This growth in tourism looks set to continue, particularly from Russia and China but not exclusively with the strength of the German economy also facilitating a rise in outbound tourism. It is a theme that the Brands Fund will continue to develop and dovetail with our work on the retail sector in Europe.

The difficulties of austerity measures, unemployment, debt reduction and a sceptical equity market have seen the retail sector justifiably under enormous pressure. A good proportion of the troubles they are currently facing are also self-inflicted through years of careless expansion and insufficient attention to the necessary rigors of running a modern retailer. Those that were also not acutely attuned to the dynamics of internet retail have an added burden to confront.

There are a few somewhat better positioned than their compatriots and able to capitalise, at least in a market share sense, on the current difficulties facing the industry. The Fund has initiated two new investments in retailers in Europe at what we believe are attractive valuations given the environment and the plans being undertaken by the respective management teams. It is nonetheless a difficult and dynamic situation that will no doubt provide a challenging backdrop to the progress of these investments. One is in the UK and the other in southern Europe.

Outlook

The Fund will likely remain relatively defensively positioned following the recent strong performance of the markets. Although there are noticeably more new investments being considered and added to the Fund than has been the case in the past year or two. These additions will not necessarily lead to an increase in the Fund's net invested position.

There remains the ongoing tension between increased liquidity in the financial system along with rising confidence from the gains in the equity markets, contrasted against the underlying and clearly evident concerns that economic recovery and hence profitable corporate growth cannot be presumptuously assumed. The distressing headlines of Europe may have eased and US economic statistics may be showing some positive trends, however, the opportunities for corporate growth will be selectively scarce.

The past year was also characterised by high levels of correlation in the stocks along with periods of difficult volatility. The Fund's relatively high cash balance provides the means to be opportunistic at inopportune times and this will continue. The receding of sensational headlines and an increasing collective market understanding of the global macroeconomic position has lessened the herd-like correlation amongst equities which, for the moment, is enabling the Fund to develop some interesting new ideas.

Notes

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

   The inception dates for each Fund are as follows:
   Platinum International Fund: 30 April 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 4 March 2003
   Platinum European Fund: 30 June 1998
   Platinum Japan Fund: 30 June 1998
   Platinum International Brands Fund: 18 May 2000
   Platinum International Health Care Fund: 10 November 2003
   Platinum International Technology Fund: 18 May 2000

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 31 March 2007 to 31 March 2012 relative to their Index (in A$) as per below:
   Platinum International Fund - MSCI All Country World Net Index
   Platinum Unhedged Fund - MSCI All Country World Net Index
   Platinum Asia Fund - MSCI All Country Asia ex Japan Net Index
   Platinum European Fund - MSCI All Country Europe Net Index
   Platinum Japan Fund - MSCI Japan Net Index
   Platinum International Brands Fund - MSCI All Country World Net Index
   Platinum International Health Care Fund - MSCI All Country World Health Care Net Index
   Platinum International Technology Fund - MSCI All Country World Information Technology Net Index
   (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

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

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