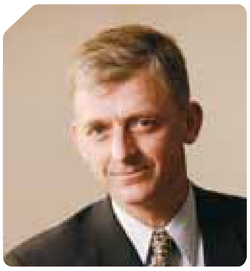
PLATINUM INTERNATIONAL BRANDS FUND



Simon Trevett
Portfolio Manager

PERFORMANCE

The positive performance of the Fund has continued, albeit at a slower pace than the past quarter. Over the twelve months the Fund has achieved a performance of 21% compared with the MSCI World Index of 2%. For the quarter the Fund rose 5.7%, ahead of the 2.1% performance of the index.

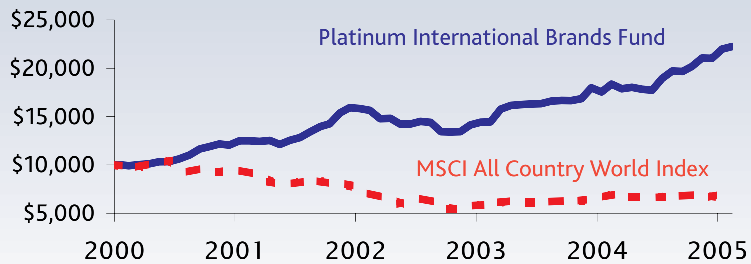
Our investment in Indian companies has continued to perform well for us across the quarter as have our European investments, albeit to a lesser extent. Our Japanese and Korean investments have not particularly contributed this past quarter, detracting marginally from performance. Likewise, our short position has only contributed marginally to the quarters' performance. Of more significance has been the currency moves, particularly the euro.

DISPOSITION OF ASSETS

REGION	JUN 2005	MAR 2005
EUROPE	28%	34%
OTHER ASIA (INCL KOREA)	27%	29%
JAPAN	24%	15%
NORTH AMERICA	4%	4%
CASH	17%	18%
SHORTS	9%	14%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 30 JUNE 2005



Source: Platinum and Factset. Refer to Note 2, page 5.

CHANGES TO THE PORTFOLIO

We have reduced our investment in India from 20% to 18%. Our investment in Japan has increased as we added to most of our existing holdings. We have also added new investments such as Alpine Electronics (a manufacturer of car audio and navigation equipment) and a return to Citizen Watch. Our invested position in Japan has therefore increased quite significantly from 15% to 24%. In Korea we have added a new investment, LG Electronics. Elsewhere, in Europe and North America we have made only minor changes to the portfolio.

LG Electronics might easily be dismissed as another 'cost based' competitor supplying the mass market for DVD players, TVs and mobile handsets. However, with nearly $2 billion in annual research and development spend, we suspect there is much more to this company than first appears. Their past achievements in many industries suggest a strategy of leadership or first-to-market, not that of a follower. They started in 1958 as Goldstar producing transistor radios and in 1966 produced the first TV in Korea. They now hold the number two spot globally in LCD monitors and Plasma Display TVs. The company has also been surprisingly successful in the US market in mobile phones and is certainly able to compete globally with the more recognised names. They are also leaders in the Home Theatre market.

We have closed our short position in the Australian market and added a short position in Porsche as discussed by Toby in the European report. Overall our short position has declined from 14% to 9%.

By way of explanation, we define our brands universe quite simply: a product or service where branding plays a relevant part of the purchase decision, *as made by the consumer*. That is we exclude many 'brands' that may indeed have brand attributes but the decision to purchase is directed by an intermediary, as is the case with branded pharmaceuticals where the decision is predominantly made by the physician.

However, as discussed below, we do try to challenge our thinking about how companies perceive their brands and how they define their product development as a result.

COMMENTARY

Arguably the most significant branded goods development of recent years has been the iPod device introduced by Apple in 2001. Is it just a better device or a technological improvement on the Sony Walkman/Discman era and the other portable music devices (mp3 players)? Perhaps we should even be cautious about describing the iPod in the same conceptual framework as portable music. Certainly the product's development with the introduction of 'podcasts', photos and the success of the online music store, 'iTunes' suggest otherwise. It provides much more satisfaction than a simple portable music player. The iPod is currently selling at the rate of 5 million units a quarter with expectations that this run rate will double within a year. Furthermore, over 200 million 'songs' have been downloaded from the 'iTunes' music store. Market research is suggesting that the iPod has penetrated the lifestyles of a broader audience much more deeply than might ever have been forecast. Interestingly, the adoption by teenagers of the device has not been dampened at all by the participation of their parents, retaining its status as a desirable symbol.

The iPod is being rapidly adopted by a range of industries which is also testament to the acceptance by the consumer, auto manufacturers, airlines and even clothing manufacturers are participating. Burton Snowboards, for example, have introduced a jacket with an 'electronic fabric' that allows the iPod to be controlled through a 'Softswitch' pad built into the jacket, without the use of wires.

The success of the iPod highlights a number of points that we find of interest and broadly applicable across many of our investments. For example, the way companies address the fundamental issue of value to the consumer, as represented by the quality in their brand as well as the product offering and the influence of price. Also, how companies define their market and direct their research and development spending requires some creativity.

To make it clearer, we highlight a number of examples below as they relate to current investments in the Fund.

We have long lamented the short term focus of the packaged goods companies. Most of the time the incremental product and packaging changes have quite often resulted in the consumer paying more for less, or the product simply deteriorated in the name of cost-savings. We maintain that consumers are astute in determining their value equation and only they will decide where they are prepared to compromise. As a case in point, Procter & Gamble believed that price discounts would allow them to successfully penetrate the German laundry market and compete for Henkel's share. Interestingly, they have pulled back from this tactic and, in fact, need to be more concerned about the development of Henkel's business in the US laundry market.

As an example of the differing perceptions of the importance of quality we compare the approaches of Nestlé, and Lindt and Spruengli. Lindt and Spruengli products reflect a focus on quality in the packaging, the product and the experience, compared with Nestlé, where we have concerns that the focus on profitability and cost cutting is equally being reflected in their products.

In the alcoholic beverage market the Fund has been invested in Pernod Ricard whilst also holding a short position in Anheuser Busch. The US beer market has seen significant change with the purchase of Miller by the London based SAB, now a much stronger competitor. The many years of consistently rising volumes and regular price increases have come to an end for Anheuser Busch. The beer market has recently been in decline despite the increase in discounting and promotional activity. At meetings with their distributors the focus of the beer companies is very specifically on the market share battle than the actual beverage. We also consider that there has been another equally important and fundamental change. The US alcohol market has been heavily regulated with some regulations (at state level) still in force since the days of prohibition, mostly restricting the activity of the spirit companies. Diageo has emerged to be the first company of sufficient size to be able to tackle the formidable distribution, legal and political obstacles. Pernod's recent acquisition of Allied Domecq places them as the number two participant with exceptional opportunities. Perhaps the moat that Anheuser Busch has built around the beer market has been breached by more than their most obvious competitors. It may also become far more significant that the consumer is receptive to a brand and product offering presented quite differently to those of the past decades. We have seen signs of this before with the success of the Skyy Vodka.

Nintendo

Nintendo, another of our investments sees the current game industry as unimaginative, much like Sony may have considered the music player market, before the incursion by Apple. The focus has shifted to graphic realism and complexity, and as a result, the market is flooded with visually impressive but increasingly difficult-to-master games. So the game industry is effectively limiting its target audience to, stereotypically, males 15-25 with lots of time. Nintendo appears to be thinking that it's time we focused again on making games fun and accessible to everyone and is betting that 'gamers' or consumers might think so too.

Being both a hardware and software developer, they have the luxury of being able to concurrently develop novel ideas from each perspective. On the hardware side, they introduced the Nintendo DS (Dual Screen) late last year. It has two screens, one of which is touch sensitive. So instead of using just a keypad, you can also direct the game's character via the screen. In software, their most intriguing game to date, taking advantage of the touch screen is 'Nintendogs', a virtual pet puppy. There is something addictive about patting and scratching your dog, or throwing a Frisbee, through the touchscreen. To reinforce the experience there is also a built-in microphone and voice recognition so the dog responds to your commands (when it wants to).

Nintendo's next big development will be revealed next year when they introduce their next-generation console, the “Revolution”. They are keeping details of it under wraps generating rumours that Nintendo is falling behind its development schedule. The stock price reflects this and other competitive concerns. We suspect other dynamics are at play and that Nintendo is placed quite differently from its competitors that must share their hardware development plans much earlier with their software partners.

It's an interesting observation that Nintendo believe that many consumers have been lost by the complexity or time commitment required by today's games. Apparently 40% of Nintendogs players are now women in their 20s and 30s, so perhaps the market is much more than the corner that we have worked ourselves into.

OUTLOOK

We have been building the investments in Japan whilst reducing our weighting in India. It is likely that we will continue to increase our investments in Japan whilst carefully monitoring the Indian market for opportunities.

More recently we added to our short position in Europe. Certainly many of the European companies share prices have performed well for us and it is also likely that over the next quarter we will adjust some of our existing positions and be opportunistic around some of the valuations that we are seeing.

We will continue to be circumspect about the US consumer as we learn more about the interplay of interest rate and oil price moves on the consumer. Our investment in Estée Lauder declined by over 10% in the quarter and we will review this investment.

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 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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