PLATINUM INTERNATIONAL BRANDS FUND

Simon Trevett Portfolio Manager

PERFORMANCE

During the quarter, the Platinum International Brands Fund fell 2.9%. The Fund's performance ended slightly ahead of that of the MSCI World Index (-4.4%), albeit through the quarter the performance was quite mixed.

At the end of the previous quarter we commented on the decline in the Asian markets, and for the Brands Fund, the influence on performance of our Indian holdings. This quarter those stocks recovered and were the main positive contributors. In Europe, Adidas-Salomon stands out with a +14% performance, an impressive performance especially in light of the generally weak showing of our other holdings. Our positions in European cosmetic companies, Beiersdorf and Oriflame were particularly weak whilst consumer goods companies such as Nestlé, Unilever and Henkel fared little better, all declining by more than 10% in the quarter.

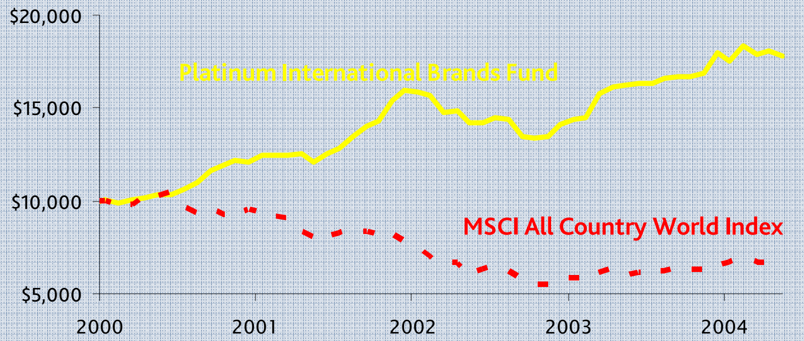
Our short positions contributed marginally with these stocks tending to remain within relatively narrow trading ranges for most of the quarter. As we start to receive the latest quarterly updates from the companies, particularly the US consumer goods companies, the market is starting to question their valuations and prospects. More on this later.

DISPOSITION OF ASSETS

REGION	SEP 2004	JUN 2004
EUROPE	39%	40%
OTHER ASIA (INCL. KOREA)	24%	22%
JAPAN	19%	16%
NORTH AMERICA	4%	3%
CASH	14%	19%
SHORTS	12%	11%
NET INVESTED	74%	70%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION 18 MAY 2000 - 30 SEPT 2004



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

CHANGES TO THE PORTFOLIO

We have been reluctant to be particularly active with our investments, adding marginally to our short positions and adding to our existing Japanese and Indian holdings. Oriflame declined significantly and we took the opportunity to add to the position. We were also encouraged by the progress being made by Pernod Ricard and increased that holding.

New names for the quarter include Liberty Media Corporation and Carrefour, the French retailer. We have exited our position in Nestlé.

Carrefour is Europe's largest food retailer and operates globally, with leading market positions in France, Spain, Belgium, Brazil, Argentina, Taiwan (and the largest foreign retailer in China). The group runs 750 hypermarkets, 1,500 supermarkets, and 3,500 hard discount stores (and has an additional 4,000 franchise stores). The company is clearly benefiting from the growth of its businesses in emerging markets with the financial markets having been enthusiastic on this aspect of the company's business. Less clear has been the potential of the French hypermarket business which has been losing market share and suffering sales declines across the existing store base. Investors have been disappointed in this home market performance and the stock valuation has suffered accordingly. With the stock at its lowest valuation for many years and perhaps some interesting signs of life in the French economy, we are more optimistic on Carrefour's potential.

Carrefour

LIBERTY

Liberty Media Corporation, a holding company, owns some of the US and globally most-recognised and respected brands with interests in a broad range of electronic retailing, media, communications and entertainment businesses. These include controlling and strategic stakes in companies like QVC (Home Shopping Channel), STARZ! (Movie Channels), Discovery (TV Programming), IAC/InterActiveCorp (E:commerce), and The News Corporation Limited. Originally set-up by John Malone as a vehicle to grow in the dynamic American cable TV industry, it is gradually shaping up as a focused group ready to leverage its content on the convergence between TV, telecommunications and the Internet. Liberty has been historically valued at a discount to its intrinsic value due to its holding company structure. We believe that recent restructuring moves will contribute to the closing of this gap.

Commonality of Holdings

Just over half of the names in the Platinum International Brands Fund are also represented among the Platinum International Fund's holdings.

However, the weightings are completely different.

At quarter end, common holdings represent 56% of the Brands Fund's invested position and yet only 11% of the International Fund's invested capital.

COMMENTARY

In the September 2003 quarterly we highlighted two themes; the rising cost of competing for the incremental consumer dollar and the trend to seek growth opportunities in the East. Currently, on an almost daily basis, the results and news releases remind us that both these topics are the focus of attention across the consumer and branded goods industries.

This quarter we have seen announcements from Coke, Colgate and Anheuser Busch among others that describe the difficulties of the current environment. Coke share price fell from $50 to $40 and Colgate's dropped by a comparable 20%. There has been a similar pattern across Europe. The companies have tended to describe the circumstances as to do with a specific, transient and identifiable issue. In Coke's case the poor morale at the Atlanta Head Office leading to '*fixable execution issues*', which we think means 'stop making mistakes'. However there has also been a litany of *external* excuses; commodity prices, energy prices, the weather, *skittish* consumers, 'low carb' diet fads and unreasonable competition.

We suspect that a number of themes are coming to bear at the same time, particularly in the US. There is no doubt that the companies are facing rising costs at a time when consumers are also starting to question their consumption needs. Pseudo innovation at higher prices is no longer providing the impetus to grow revenues. The battle is shifting to market share, how to defend existing business, as opposed to the more exciting prospects of enjoying the gains of an expanding market.

To defend or grow market share, and to meet revenue targets that are on the whole still built on robust past growth patterns, greater levels of marketing and support expenditures are needed. The rise in input costs, that is occurring at the same time as many of the companies are completing their major cost reduction initiatives, is inconvenient at best but, more realistically, is likely causing difficulties in reaching similarly ambitious earnings growth targets.

An increasingly difficult environment for these companies in the Western markets, coupled with uncertainty on currency movements, and the inherent volatility in the emerging markets, is leading many to reassess their expectations of growth in revenues and earnings. We are hearing the phrase *double digit* far less frequently and more often *low single digit*. Accordingly the markets rating of these stocks is falling and we suspect in the majority of cases that we are yet to see a realistic assessment of the costs of holding ones competitive position, never mind the hype about growth and margin expansion.

As always we will be opportunistic and whilst our commentary has been somewhat negative there are nonetheless companies that are well placed to press on with what they know best and successfully navigate the machinations of the real world. On the other hand, we have been comfortable to short sell several companies whose earnings are still levitating on past experience.

Simon Trevett
Portfolio Manager

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.