Platinum International Brands Fund

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Disposition of Assets

REGION	SEP 2014	JUN 2014
Europe	30%	30%
Asia and Other	29%	26%
North America	10%	9%
Latin America	8%	7%
Japan	6%	5%
Russia	2%	3%
Africa	2%	2%
Cash	13%	18%
Shorts	6%	6%

Source: Platinum. Refer to Note 3, page 5.

Performance and Changes to the Portfolio

(compound pa, to 30 September 2014)

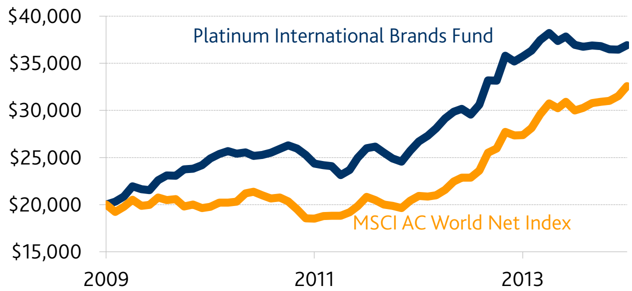
	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Brands Fund	0%	3%	15%	13%	13%
MSCI AC World Index	5%	19%	21%	10%	1%

Source: Platinum and MSCI. Refer to Note 1, page 5.

The Fund's performance for the past quarter and indeed for the year-to-date is clearly disappointing in comparison to the market indices and strong historical performance. A chart of the Fund's quarterly returns is shown on page 2 to help put the recent performance into broader context. The underperformance arises from a combination of factors including having maintained a lower net invested position of around 80% in a strongly rising market, in part achieved through index short positions such as the German DAX. The Fund remains concerned about the distortions and imbalances in the markets and particularly by the impact of a strengthening US dollar on the developing markets, along with the market's relatively narrow enthusiasm for large US companies and Chinese Internet stocks. Neither of these have been leading areas of investment for the Fund.

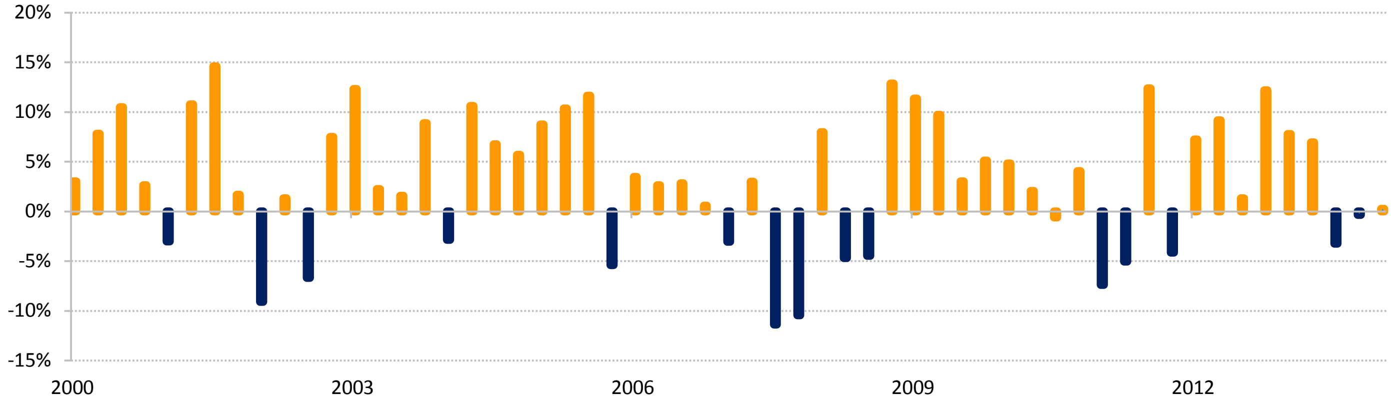
Value of $20,000 Invested Over Five Years

30 September 2009 to 30 September 2014



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

Fund Quarterly Performance Since Inception (2000 - 2014)



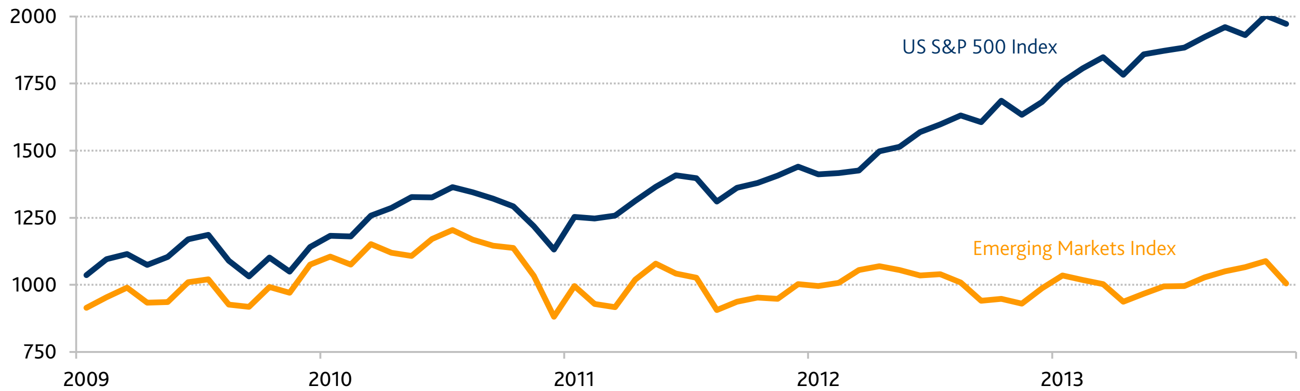
Source: Platinum

Globally, consumer related stocks have not been favoured especially those associated with developing markets facing elections or suffering various degrees of civil unrest or external disruption. Disruptions to the normal flow of tourists due to health scares (Ebola) or the tragic loss of two Malaysian Air flights have for the moment impacted the Fund's tourist related stocks.

Notwithstanding the poor backdrop, the Fund has continued to find new opportunities. A review of the recent additions to the Fund is encouraging, especially where the focus has been on finding or adding to investments closely linked to the growing middle class in developing markets. The Fund has continued to resist the temptation to rotate to the perceived safety of the US market, preferring to find positions in the developing markets with stronger underlying growth for comparable valuation metrics albeit with the likelihood of increased volatility. The chart below of the US S&P 500 Index and the MSCI Emerging (developing) Market Index dramatically illustrates the performance gap that has opened up and the more recent deterioration in the emerging markets.

The Fund has reduced its Australian dollar exposure to a minimum.

US S&P 500 Index and MSCI Emerging Markets Index (2009-2014)



Source: Factset

Commentary

The Fund's underlying premise has always been the association a person's purchasing decision has with the opportunity to influence that decision via the emotive attributes of branding and hence extract a price premium for the brand owner. In other words, there is always a cost associated with an emotive purchase and the Fund's objective is to identify and buy those companies that are successfully branding to achieve higher returns. The difficulty therefore is to minimise our own buying emotions whilst at the same time being enthusiastic about the prospects and ensuring that we enter the investment at an appropriate price.

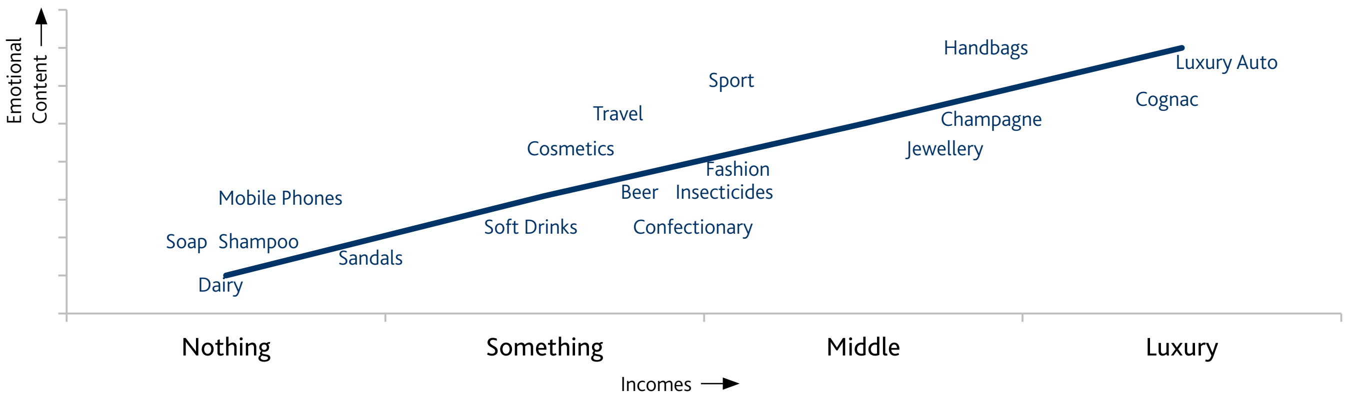
One way is to consider the opportunity set from an alternative perspective. Rather than starting from the classification or nomenclature of the financial markets; consumer-defensives, cyclicals, developed versus emerging, large-small cap etc with the associated inference about the current or next favoured area.

Instead, the chart below considers a continuum of purchase decisions related to rising incomes and is perhaps more representative of the underlying thinking of the Fund. Another observation on this representation is that as incomes rise from subsistence living to a very small amount of income, the focus is often on improving the circumstances of the family or community with purchases of soap or perhaps a first pair of shoes for the kids. As incomes move progressively higher and beyond the low-middle income levels so does the aspirational engagement in self-indulgent purchases.

The Fund has performed well over the past years with a bias towards the luxury and self-indulgent products. Recently the Fund has been migrating down the continuum with investments more tightly focused on the middle and lower income groups. An overlay of the Fund's investments on the same continuum chart would show the Fund well-represented along the spectrum with the newer additions concentrated in the low-middle incomes. The categories chosen for illustrative purposes are somewhat representative of the Fund's holdings and no doubt readers can contemplate many other progressions as incomes rise such as school fees or health-related expenditure.

An example might be the Fund's recent addition of Anta Sports Products, the leading local Chinese sportswear company. Its ambition and positioning is not to directly tackle Nike or Adidas but to be the leading company in the lower price points. Similar to many other consumer categories in China, the sportswear companies overstocked in their exuberance to stake their claim on their position in the market, including Adidas and Nike. All these companies, including the major brands, have spent the past several years eliminating inventory, repositioning stores and installing better management systems. There's a variety of 'excuses' as to the cause in each segment, however, from luxury goods through to a low cost pair of sneakers, the patterns are remarkably similar as the companies sort out their supply chains and retail offers. Compounding this is the need for many of them to urgently address their on-line offers as the rise of Alibaba amongst others, offer new competitors a faster option on gaining distribution.

The Consumption Continuum



Source: Platinum

There are encouraging signs and commentary across many of the segments that much of the difficult repositioning has been done and we are starting to see some more consistent underlying growth. Anta was not exempt, the need to redress its inventory and distribution systems along with a requirement for better management control. It does appear to have emerged from this ahead of competitors and is therefore better positioned to pursue opportunities in e-commerce along with their roll-out of the Fila brand in China. We would be disappointed if Anta was not able to achieve at least a consistent high teen growth rate in the near term.

Another example of an industry needing to spend some time removing the excesses of inventory and price gouging is the local Chinese Baijiu market. After being in decline for the past three years there appears to be some stability and tentative signs of growth. That said, we can't be as confident in the short-term as there is a need for this industry to continue to consolidate and reposition itself. Accordingly, the Fund has slowly built an investment in the China listed (A shares) of Jiangsu Yanghe Brewery with their positioning in the mid to lower price category.

Also worthy of comment this quarter is the acceleration in a number of well-known trends and some of the surprises that have not been well anticipated by many management teams or the finance markets. On-line retail continues its inexorable rise and even a cursory review of Nike's recent quarterly results surprised many with a 30%+ growth in their European business and a 70%+ growth in their e-commerce sales. Zalando, the leading European on-line fashion retailer has in five years achieved revenues that took the renowned European fashion company H&M (Hennez & Mauritz) more than 50 years. Zalando is now one of Nike's leading European outlets and clearly raises the question of how many other US branded apparel purveyors might find the Zalando platform more effective than a traditional wholesaler given the difficulties of building websites country-by-country tailored to local languages and preferences.

In the UK and indeed in many markets, the more aggressive discount retailers, along with the range and price visibility that on-line shoppers now enjoy, have dramatically increased the pressure on the incumbent supermarkets. Aldi recently announced their UK turnover for 2013 reached a record high of £5.2 billion up from £3.9 billion with operating profits up more than 50%! Those metrics suggest there wouldn't appear to be a problem with them continuing to put pressure on the major supermarkets and further contributing to the ongoing deflationary pressures in that market or even across Europe.

Outlook

As noted in the commentary, the Fund continues to find opportunities, currently in the out-of-favour developing markets, although some of the recent price moves in Europe are also attracting our attention. The distortions and increasing volatility in the markets, along with difficult or dramatic headlines of civil unrest or the unnerving effects of potential changes in governments through elections, referendums or even insurgent uprisings, is currently undermining performance in a number of the Fund's existing holdings. Nonetheless there remains a degree of confidence in the underlying trends and growth inherent in the Fund's investments even though there is little clarity or enthusiasm in the unpredictability of short term performance.

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$20,000 invested in the relevant Fund over five years from 30 September 2009 to 30 September 2014 relative to their Index (in A$) 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.

3. Invested position represents the exposure of physical holdings and long stock derivatives.

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