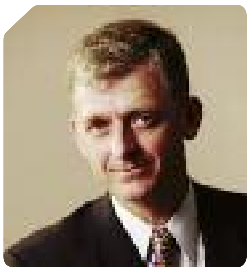
PLATINUM INTERNATIONAL BRANDS FUND



Simon Trevett
Portfolio Manager

PERFORMANCE

The Brands Fund has continued to show positive returns in a rising market with the unit price up 10% in the quarter, ahead of the benchmark MSCI increase of 3%. Over twelve months, the Brands Fund has returned 32%, well ahead of the 4% returns shown by the benchmark index. A relative outperformance of 27%.

The tendency of investors to inevitably focus on the shorter term performance of the Fund is understandably heightened during difficult periods in the markets. The losses posted by the Fund over 2008 and into the start of 2009 clearly exacerbated investors' underlying concerns and sensitivity to the deteriorating headlines of economic woe.

As defensive measures, the Brands Fund can undertake the selling short of stocks, currency hedging and adjust to the level of cash held. Despite these measures, it remains an equity fund that will always be greater than 50% net invested and thus exposed to the major moves in the markets.

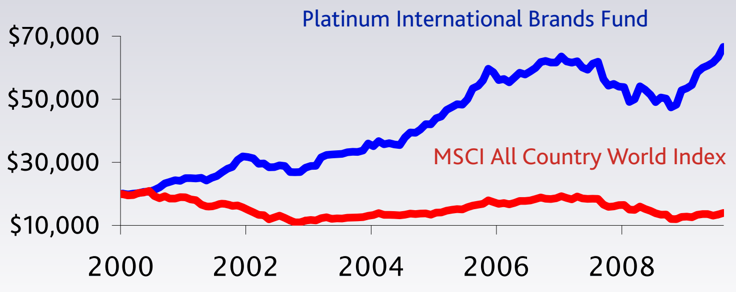
The longer term performance is dependent then on the selection of stocks that meet the Fund's branding criteria as well as investment requirements.

DISPOSITION OF ASSETS

REGION	DEC 2009	SEP 2009
EUROPE	39%	41%
ASIA AND OTHER	30%	25%
JAPAN	8%	9%
SOUTH AMERICA	6%	6%
NORTH AMERICA	5%	5%
CASH	12%	14%
SHORTS	9%	8%

Source: Platinum

VALUE OF $20,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 DECEMBER 2009



Source: Platinum and MSCI. Refer to Note 2, page 36.

Brands, for the purposes of the Fund, are those where the consumer makes the purchase decision based, at least in part, on the branded attributes of the product or service. Some well-known brands fall outside of this view despite the awareness of the consumer and perhaps involvement in the decision. Pharmaceuticals, for example, are excluded as the final decision falls to an intermediary, the physician.

The performance of companies is influenced by many factors, some within the control of management and many more external or uncontrollable for which responses must be found. The long-term success, or otherwise, of many consumer companies is predominantly determined by the myriad of decisions of the management team and the resulting strengths or capability of the brand and products to compete in a less than ideal world.

Those management and their boards who better appreciate the essence of their company and brands also tend to appreciate the durability of superior returns from well-managed brands. Although their businesses require an intensity of day-to-day activity they also require an enduring focus on the longer term.

It is this underlying and potentially enduring strength of corporate performance that the Brands Fund seeks to capture in the core of the portfolio. So with due regard to the short-term performance, investors' attention is drawn to the longer term performance of the Fund.

Over five and seven years the Fund has returned 11% compound pa and 13% compound pa compared to the benchmark MSCI returns of 0% and 2% compound pa. Even over the relatively short period of three years and from when the markets were close to their peaks, the Brands Fund has returned 4% pa compared to a loss of 9% pa by the MSCI - a relative outperformance of 12% pa.

COMMENTARY

A sense of inadequate communication skills and rising frustration quite often characterised our visits to European consumer companies in past years as we pointed East and management determinedly discussed their need to succeed in the all-important US market. Management were politely and firmly determined to ensure that we fully appreciated the US market would always remain *the* most important consumer market and that the emerging markets of China and India would take many lifetimes to develop to a point of financial relevance to their results.

It is now difficult to find a management presentation that *doesn't* discuss the aspiration opportunities and rapid growth available to them from the emerging markets.

Recent events have provided opportunities in the US market, some sizeable, as many foreign companies start from a small or underdeveloped base and are thus impacted less by the falls in spending. The Fund's investments in Adidas, Henkel, Pernod and BMW should benefit from continuing improvements in their US operations, along with growth in their emerging market businesses. In stark contrast, many US domiciled and significant branded goods companies are wrestling with ongoing declines in their sizeable home market numbers whilst having made insufficient progress in the emerging markets.

Whether the US or the emerging markets offer the best opportunity will, in many cases, depend on the starting point of the company. It is our interest in neglected or difficult areas that has yielded the better investment opportunities for the Fund. So whilst much of the focus of both the corporate and investment community is now on the East, particularly China, we are intrigued to be revisiting opportunities in other parts of the world, including the US.

Readers may recall that the Fund has investments in dairy companies in China and Vietnam with both of these companies enjoying robust earnings growth as dairy products are more widely adopted. Government support such as the adoption of milk programs in schools or subsidies for the purchase of refrigerators contribute to wider consumption and facilitate the introduction of more value added products (yoghurt, flavoured milk, ice cream).

Readers might guess that the most productive dairy herds would be found in the US or perhaps New Zealand or even Argentina. The US would be a good guess whilst Saudi Arabia may not readily spring to mind.

The world's largest integrated dairy company is Almarai of Saudi Arabia whose dairy herd yields 12,500 litres of milk per head, well ahead of the US at 9,800. A herd size of more than 100,000, of which just over half are productive and the balance young ones, produces around 700 million litres of milk per annum at a cost that cannot be matched by competitors.

Almarai's extensive cold distribution network, with 30,000 fridges throughout retail outlets, further provides a formidable competitive advantage across the region. Cold distribution capabilities have facilitated the expansion of the fresh product range both in dairy, with yoghurt products such as fresh laban, and also juice. The company also has bakery and poultry operations and an interesting JV arrangement with Pepsi for expansion into countries outside of the GCC (Gulf Cooperation Council), such as Egypt.

Revenue growth of 28% pa over the past five years is impressive when viewed alongside the ongoing opportunities for both geographic expansion and new product introduction under the well-recognised Almarai brand. At a low teens PE valuation this company was added to Fund.

OUTLOOK

The outlook for good earnings growth remains positive and despite recent share price movement the valuations of many of the Fund's investments remain attractive.

The Fund's focus will continue to be on identifying neglected companies with the potential for sustained growth, mostly but not exclusively, from consumers in emerging markets. There has been some realisation in the markets that investment exposure to emerging market consumers can be obtained at significantly lower valuations in companies listed in Western Europe or the US. This trend is likely to continue to the benefit of the Brands Fund and as noted in the above commentary, we were perhaps a little early with some investments and are yet to see the opportunity fully expressed in the valuations.

Source: Morgan Stanley Research

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$20,000 invested in the relevant Fund since inception relative to their Index (in A$) 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.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 trading as Platinum Asset Management (Platinum) is the responsible entity and issuer of the Platinum Trust Funds (the Funds).
The Platinum Trust Product Disclosure Statement No. 8 (PDS), is the current offer document for the Funds. You can obtain a copy of the PDS from Platinum's website, www.platinum.com.au, or by contacting Investor Services on 1300 726 700 (Australian investors only), 02 9255 7500 or 0800 700 726 (New Zealand investors only) or via invest@platinum.com.au.

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.

DISCLAIMER: The information in this Quarterly Report is not intended to provide advice. It has not been prepared taking into account any particular investor's or class of investor's investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Platinum does not guarantee the repayment of capital, the payment of income or the performance of the Funds.

MSCI Inc Disclaimer: Neither MSCI Inc nor any other party involved in or related to compiling, computing or creating the Index data (contained in this Quarterly Report) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI Inc, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the Index data is permitted without express written consent of MSCI Inc.