PLATINUM INTERNATIONAL HEALTH CARE FUND

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PERFORMANCE AND CHANGES TO THE PORTFOLIO

PERFORMANCE (compound pa, to 30 September 2009)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
PLATINUM INT'L HEALTH CARE FUND	6%	-2%	-3%	2%	2%
MSCI HEALTH CARE INDEX	3%	-12%	-8%	-1%	1%

Source: Platinum and MSCI. Refer to Note 1, page 4.

The Platinum International Health Care Fund increased 6.1% in the quarter compared with an increase of 2.8% for the MSCI World Health Care Index. For the year the Fund lost 1.7%, while the index was down 11.6%.

Our biotech holdings continued rising strongly this quarter. Incyte doubled in value and was successful in raising money. Raising cash was, in general, not a problem for the industry; several of our holdings successfully completed equity raisings. All cashed up, it is now time to focus on the essentials: drug approvals, drug launches and selling products.

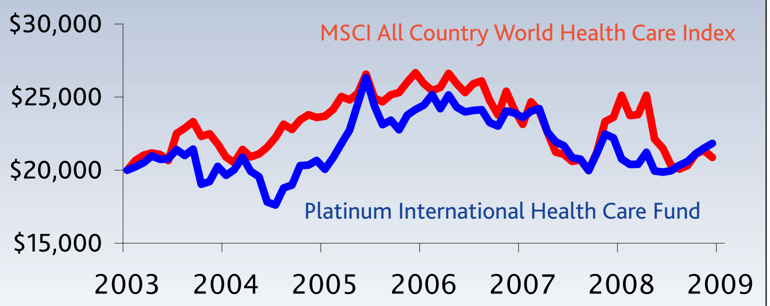
Our tool and diagnostic companies also recovered with Caliper Life Sciences being a stand out (up over 60%). This company develops imaging equipment that is used in modern drug development and allows the real time monitoring of physiological events in mice. It is a very interesting company that has steadily improved its product offering over the past three years having built a strong instrument base which will now lead towards consumables and as such towards profitability.

DISPOSITION OF ASSETS

REGION	SEP 2009	JUN 2009
NORTH AMERICA	47%	46%
EUROPE	32%	31%
JAPAN	0%	2%
CASH	21%	21%
SHORTS	0%	4%

Source: Platinum

VALUE OF $20,000 INVESTED SINCE INCEPTION
10 NOVEMBER 2003 TO 30 SEPTEMBER 2009



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

UCB, the Belgian biotech company we have highlighted previously has calmed its critics and shown that despite US patent expirations for its main drug, the company is not falling off a cliff at all. The newly approved drugs are doing better than expected and the experienced CFO keeps costs well under control. This scenario was part of our investment case for the company and we believe this company will continue to positively surprise.

There are other companies with upcoming patent problems in our portfolio. While analysts recommended staying away, we added to our holdings in these companies. The reason for this strategy being that the cashflow over the coming years underpins the current valuation. This allows us to have a free option on pipeline assets.

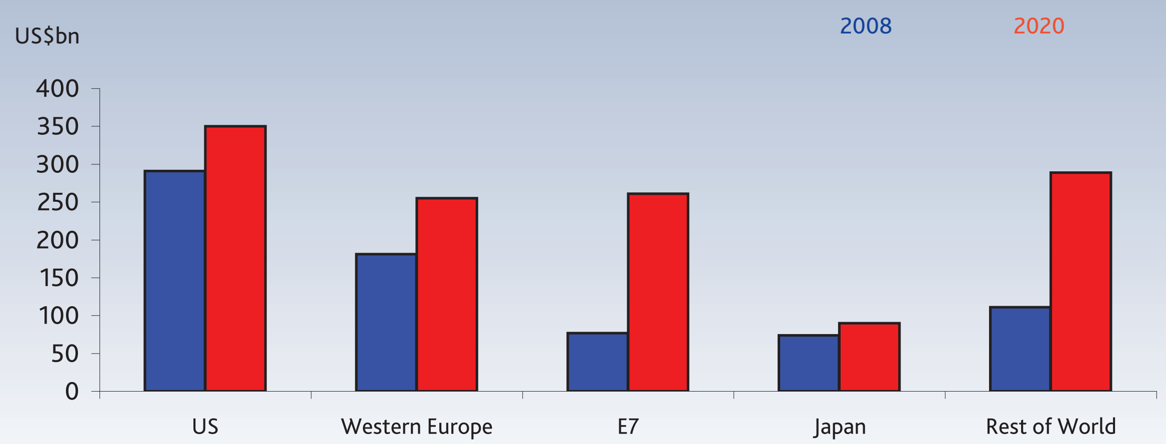
Consolidations and licensing deals continued (several of our holdings were actively involved) with no end in sight. As these deals happen rather rapidly, analyst's financial models of pharma companies often become obsolete overnight. It is clear that these deals are about product diversification (eg. JNJ bought 18% of vaccine maker Crucell), access to biotech assets (JNJ, Sanofi acquired US biotechs with phase 3 drugs), as well as to reduce exposure to the US and the EU (eg. Sanofi-Aventis acquired Indian vaccine maker Shanta).

The key to understanding pharma today is as much about their human relationships with biotech executives and talent in emerging markets, as it is about their historical financial performance in times of change. The first aspect, however, is impossible to model in an excel spreadsheet, but worthwhile analysing as these networks hold a lot of value.

Analysts also grumble about the complexity of modelling sales of drugs in emerging markets, where sales data is difficult to come by; there are many unknowns and it is difficult to assess how well prepared a company is to tackle these new opportunities. Too much dependence on the US market is a handicap; it is all about the new playgrounds of India, China, Mexico, Turkey, Brazil, South Korea and Russia. In 2008, sales in these countries amounted to almost \$77bn and estimates pin 2020 sales to be almost \$261bn.

Japan is another pharma treasure trove as most western drugs are still unavailable, albeit pricing will be restricted. The table below lists the different markets along with 2020 estimates (in billions US\$).

DRUG SALES - 2008 AND 2020 ESTIMATES



Source: UBS

E7: Brazil, Mexico, Russia, India, China, Turkey, South Korea

This geographic expansion will not be an easy endeavour; each one of these countries has its own idiosyncrasies. Local knowledge is a critical yet scarce asset and in a lot of ways European companies have deeper experience in managing such diversity.

The large product portfolio (drugs, vaccines, animal health, generics, consumer products) along with the diverse geographical footprint are reasons why we like French pharma company Sanofi-Aventis (approximately 30% of sales are derived ex US/EU). Although French, the company is happy to manage joint ventures, particularly with Merck and has shown success in countries such as Japan and China. Despite all that, the company is not a favourite. This negative bias is simple; US/EU patent expirations, combined with pipeline failures and delays, make for a bleak 2012/13 timeframe; analysts advise to wait and see.

Sanofi is doing the opposite and is changing rapidly. Late last year a German/Canadian outsider (albeit with very strong ties to France) was appointed as CEO and since then Sanofi has not looked back. Cash is being put to work, new vaccines were added as was an Indian vaccine company, branded generics were acquired for Eastern Europe, Brazil and Mexico; as well as new cancer drugs being added to the pipeline.

The new CEO has been as bold as to state that if Sanofi remains as it is today, by 2013, sales and profit will be the same as in 2008. We all know this will not be the case and further acquisitions have been completed since that statement.

Sanofi does look at the world rather differently from its peers; it separates the world into north (mature) and south (opportunities). Progress is being made in the "south". In 2003 in China, the company had virtually no sales, while today Sanofi-Aventis is the number three multi-national company in China with about 3,500 employees, selling almost US$500mn worth of products. In Brazil, Mexico and Eastern Europe acquisitions will assist in lifting Sanofi's knowledge of local operating conditions. These markets are very different to the US and EU being more consumer and brand focused. Products considered old in US/EU are perfectly fine to sell in these countries.

There will be more acquisitions and alliances in the future to gain exposure to these emerging markets of the world. As large multinationals try to increase their presence in non-traditional drug markets it is likely that they will favour joint ventures or take-overs. With this is mind we have a number of ideas, including manufacturers, distributors, diagnostic and tool companies. Often these companies are in good shape but not available at the right price-yet. We do see this geographical shift as a long-term theme and will continue to find ways of exploiting it.

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.

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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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