PLATINUM INTERNATIONAL HEALTH CARE FUND

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PERFORMANCE AND CHANGES TO THE PORTFOLIO

PERFORMANCE (compound pa, to 31 December 2007)

	QUARTER	1 YR	2 YRS	3 YRS	SINCE INCEPTION
PLATINUM INT'L HEALTH CARE FUND	1%	0%	5%	5%	5%
MSCI HEALTH CARE INDEX	0%	-6%	-2%	4%	5%

Source: Platinum and Factset. Refer to Note 1, page 32.

This quarter some of our long-standing biotech holdings contributed strongly to the performance of the Fund. US Biotech Rigel (+160%) presented outstanding results for its new rheumatoid arthritis drug. The company will now be on the radar screen of many big companies.

Most disappointing this quarter and for the year has been the performance of some other biotech holdings (down 10-30%). A combination of risk aversion and lack of new data was the reason for their lack of performance.

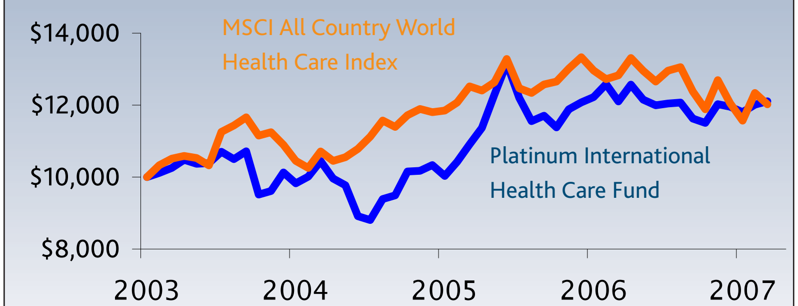
The continued disinterest in big pharma holdings Pfizer and Novartis (-12%) also weighed negatively; while Johnson and Johnson have performed better as the drug pipeline is becoming visible (+1% for the quarter).

DISPOSITION OF ASSETS

REGION	DEC 2007	SEP 2007
NORTH AMERICA	53%	54%
EUROPE	24%	23%
JAPAN	6%	6%
ASIA (INCL KOREA)	3%	3%
SOUTH AMERICA	1%	1%
CASH	13%	13%
SHORTS	1%	1%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
10 NOVEMBER 2003 TO 31 DECEMBER 2007



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

Our tool and diagnostic theme (25% of the portfolio) gained traction, with Invitrogen (+65%) having had a remarkable year as had our molecular diagnostic holdings Cepheid (+210%) and Qiagen (+28%). We decided to exit Invitrogen, as the company will start to look for acquisitions, usually a more volatile time for the stock. Other positions were reduced marginally.

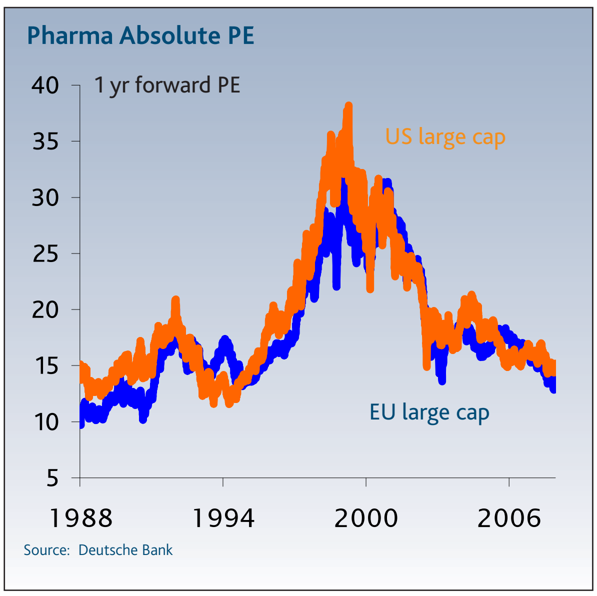
We continue to maintain a good exposure (22%) to selected generic companies and big pharma holdings with a focus on diversity, change and pipeline. Biotechs are a big part of the industry and play a crucial role in pharma's success; our exposure to a diverse set of profitable, drug and technology companies is steady at about 25%.

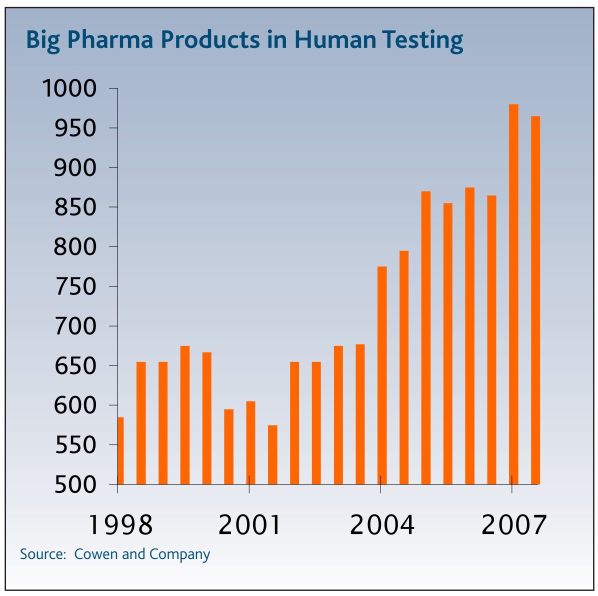
COMMENTARY

The widely held view is that pharma's future is looking gloomy. This we have seen before. In the nineties the possibility of government price controls in the US was a big problem and a pharma recovery was unthinkable. History shows otherwise. The recovery did happen and pharma entered one of the most successful product cycles for which preparations had started in the eighties. (The first graph below shows one year forward PEs over the past 20 years).

Looking at pharma today, it is again very easy to join in and believe that the good times are over for this sector. The business model or the "sales and marketing binge" of the nineties is now seen as completely flawed. Sales reps, consumer advertising and small molecules that one can take every day for everything no longer work. Regulators used to be easy going, approving drugs quite easily and reimbursement agencies did not ask a lot of questions. Money was made without difficulty and there was no need to keep scientists focused on building a large pipeline.

Today the reverse is true and the exciting, mostly ignored fact, is some pharma companies have done something about it. Resilience, determination and a solid cash position have been features over the past five years. The big problem is time and the long development cycles of a product (10 years to develop a drug). We are about half way into a new cycle and it is all about R&D and diversity, while sales and marketing budgets are slowly in decline. The graph below is a striking example of the hard work at pharma labs; it shows the number of big pharma products in human testing from the late nineties until now.





Novartis, a Swiss-based pharma formed in 1996 through the merger of Basel-based Ciba-Geigy and Sandoz, has been busy rebuilding itself for the last 10 years. Part of the strategy has been diversification in health care and a complete overhaul of its global R&D division. The construction of a US and a Swiss R&D campus, the purchase of a generic drug manufacturer, the acquisition of a US vaccine company and the divestments of divisions such as agriculture and speciality chemicals, all have been part of a long-term plan. The company's Swiss headquarters have been a major construction site for several years and only last year the new R&D campus became operational, marking the full integration of the Sandoz-Ciba labs. Despite all the "building" activity, new products were launched successfully, the R&D pipeline continues to fill and the generic division is doing very well. Diversity and the strong R&D emphasis will pay off for Novartis in the coming years.

OUTLOOK

In the coming year US politics will dominate the headlines for almost every sector of health care. Scrutiny from regulators and health insurers will remain strong and having a diverse product portfolio will be beneficial.

Keeping these aspects in mind diagnostic companies will continue to be well-positioned, as will be companies offering services or products allowing the government to save money. Generic companies or consumer health companies are interesting themes to contemplate further.

The consolidation between pharma and biotech will continue, particularly given the strong cash positions of some pharma companies. At the same time we will see progress in places such as China and Asia.

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 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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