The Platinum Trust® Quarterly Report

31 March 2012

The Platinum Trust quarterly report is available on our website, *www.platinum.com.au*, from approximately the 15th of the month following quarter end

Platinum International Fund
ARSN 089 528 307

Platinum Unhedged Fund
ARSN 123 939 471

Platinum Asia Fund
ARSN 104 043 110

Platinum European Fund
ARSN 089 528 594

Platinum Japan Fund
ARSN 089 528 825

Platinum International Brands Fund
ARSN 092 429 813

Platinum International Health Care Fund
ARSN 107 023 530

Platinum International Technology Fund
ARSN 092 429 555

Platinum® ASSET MANAGEMENT

Contents

Performance Returns to 31 March 2012

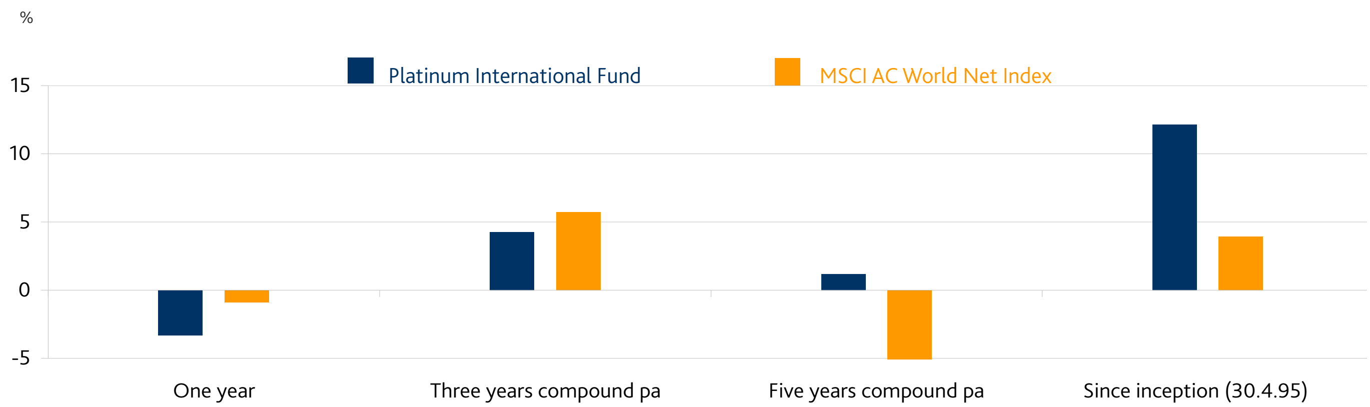
FUND	PORTFOLIO VALUE	QUARTER	1 YEAR	2 YEARS COMPOUND PA	3 YEARS COMPOUND PA	5 YEARS COMPOUND PA	SINCE INCEPTION COMPOUND PA
International Fund	**$7,802m**	**11.2%**	**-3.3%**	**-4.1%**	**4.2%**	**1.1%**	**12.1%**
MSCI AC* World Net Index		10.7%	-0.9%	0.2%	5.7%	-5.0%	3.9%
Unhedged Fund	**$170m**	**11.2%**	**-3.1%**	**0.6%**	**12.1%**	**2.7%**	**8.2%**
MSCI AC World Net Index		10.7%	-0.9%	0.2%	5.7%	-5.0%	0.5%
Asia Fund	**$3,039m**	**13.8%**	**-5.2%**	**-2.1%**	**8.4%**	**3.8%**	**15.7%**
MSCI AC Asia ex Japan Net Index		12.5%	-7.2%	-0.8%	8.9%	0.0%	9.2%
European Fund	**$138m**	**22.6%**	**1.4%**	**6.3%**	**18.1%**	**0.8%**	**10.8%**
MSCI AC Europe Net Index		9.9%	-8.3%	-4.1%	3.3%	-8.7%	-1.2%
Japan Fund	**$366m**	**12.9%**	**-0.7%**	**-3.1%**	**2.2%**	**-2.3%**	**12.2%**
MSCI Japan Net Index		10.1%	0.1%	-5.1%	-2.0%	-9.8%	-1.7%
International Brands Fund	**$691m**	**12.4%**	**2.8%**	**7.2%**	**17.8%**	**5.1%**	**12.3%**
MSCI AC World Net Index		10.7%	-0.9%	0.2%	5.7%	-5.0%	-2.9%
International Health Care Fund	**$26m**	**6.9%**	**9.3%**	**6.0%**	**10.7%**	**2.4%**	**3.6%**
MSCI AC World Health Care Net Index		6.5%	12.0%	2.4%	2.4%	-1.8%	1.7%
International Technology Fund	**$42m**	**8.0%**	**-0.2%**	**-1.8%**	**7.7%**	**1.5%**	**7.0%**
MSCI AC World IT Net Index		18.9%	12.6%	4.8%	9.8%	0.0%	-8.5%

* Morgan Stanley Capital International All Country

Source: Platinum and MSCI. Refer to Note 1, page 36.

Platinum International Fund Versus MSCI AC World Net Index

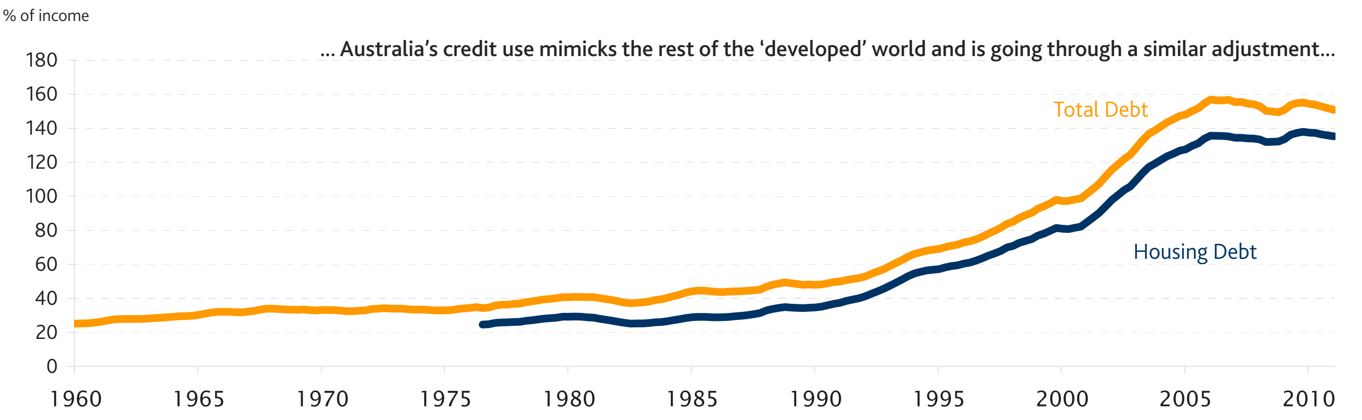
To 31 March 2012



Source: Platinum and MSCI. Refer to Note 1, page 36.

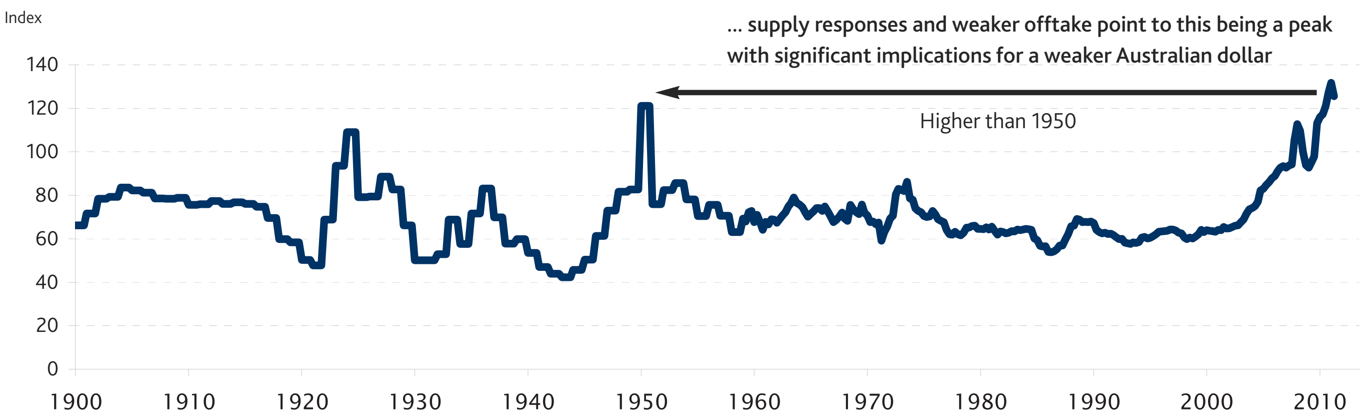
Market Panorama

Australia's Household Debt



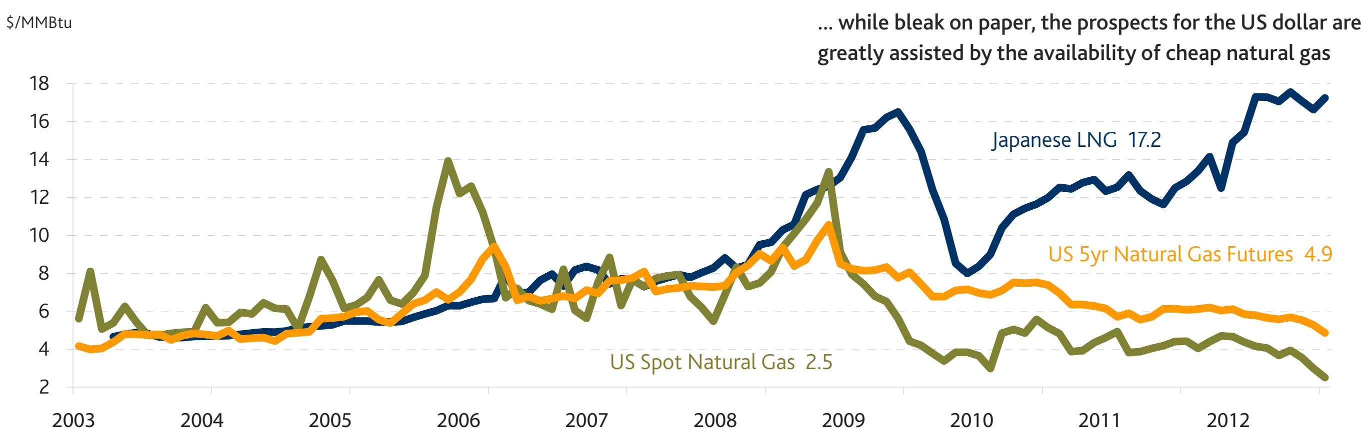
Source: ABS, Morgan Stanley Research

Australia's Terms of Trade



Source: ABS, RBA, Morgan Stanley Research

US versus Japanese Natural Gas Markets



Source: Factset

Platinum International Fund

Kerr Neilson Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
North America	30%	30%
Europe	26%	26%
Asia and Other	16%	17%
Japan	16%	16%
Australia	1%	1%
Cash	11%	10%
Shorts	18%	20%

Source: Platinum

MSCI World Index Regional Performance (AUD)

REGION	QUARTER	1 YEAR
Germany	20%	-8%
India	19%	-21%
Korea	14%	-6%
Emerging Markets	13%	-9%
Asia ex Japan	13%	-7%
Hong Kong	12%	-5%
United States	11%	8%
France	11%	-16%
Developed Markets	10%	0%
Japan	10%	0%
Europe (including Germany)	10%	-8%
China	9%	-13%
Australia	8%	-7%
United Kingdom	7%	1%

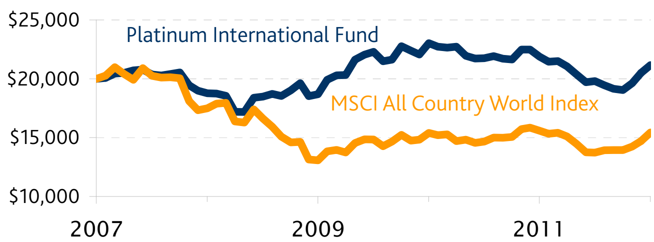
Source: MSCI

Performance

A series of positive surprises set the equity markets off to a strong start in 2012. Favourable readings for employment and the housing market, followed by good earnings reports, fired up Wall Street. The European markets took comfort in the European Central Banks (ECBs) provision of long-term refinancing to the European banks, as this facilitation eliminated most counterparty concerns and found its way to driving down sovereign bond yields. The performance of company profits was in line or better than common consensus and guidance for the medium-term was regarded as reassuring. Lastly, the statement from the Bank of Japan (BOJ) regarding inflation targeting by way of Quantitative Easing (QE) resulted in a change in the direction of the yen and a very positive interpretation by investors for company profits.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

MSCI World Index Sector Performance (AUD)

SECTOR	QUARTER	1 YEAR
Information Technology	19%	13%
Financials	16%	-9%
Consumer Discretionary	16%	9%
Industrials	11%	-5%
Materials	9%	-15%
Health Care	7%	12%
Consumer Staples	6%	14%
Energy	4%	-10%
Utilities	2%	-3%
Telecommunication Services	1%	-4%

Source: MSCI

Ironically, the emerging markets were somewhat less sure-footed as conditions proved less certain than some had come to expect. Fortunately, the threat of food inflation retreated and Central Banks began to lower their benchmark interest rates. There had been some hope that the Chinese would further ease credit restrictions but as the quarter progressed, utterances from the leadership made it clear that they regarded high property prices with grave concern and were determined to wring out the speculative excesses that had accompanied the post-crises credit boom. At the same time, the official growth target has been reduced to 7.5% and the leadership is preparing for one of the most significant shifts in the Chinese Communist Party's history just as the economy is preparing for a change in its principal growth drivers. India is also facing uncertainties with scandals inhibiting decisive leadership and fiscal issues are restricting economic flexibility. Even so, the market had sold-off fiercely late last year and has subsequently sprung back.

Brighter prospects favoured the cyclical sectors and technology, while leaving the defensives stranded after their favoured treatment during the growth scare of late 2011. See the conspicuous differences of performance both by region and sector in the accompanying tables.

We are pleased to report a significant improvement in the Fund's performance over the quarter. As we bleated in our last report, cyclicals had been particularly poorly treated late last year to the detriment of our performance. These shares all turned decisively and way out-ran the markets in the last three months. While our short sales were detrimental in the strong market surge, we achieved 11.2% for the quarter but are still down over 12 months by 3.3%. For reference, the MSCI World Index was up 10.7% for the quarter and down 0.9% for the year.

Shorting

The pattern of high correlation of share prices broke down early in the quarter which gave us some opportunity to close positions with reasonable gains but such was the momentum of the market, that most of our shorts ended the quarter at higher levels.

Currency

We raised our exposure to the euro, added the Canadian dollar as a proxy for commodity exposure and cut our holdings of the Chinese renminbi. At quarter's end, the currency exposure of the Fund was as follows: US dollar and Hong Kong dollar 50%, European currencies 23%, Asian currencies ex Hong Kong dollar 12%, Australian dollar 6% and the Canadian dollar 5%.

Changes to the Portfolio

There were some very substantial stock price rises within the portfolio over the quarter. However, to enable you to track those companies that we highlighted as purchases made in the second half of 2011, we list their moves in native currency in the table below:

Price Movement (Native currency)

STOCK	QUARTER
Bank of America (financial)	72%
TNT Express (logistics)	60%
Stillwater Mining (palladium/platinum)	21%
Foster Wheeler (plant engineering)	19%
Gilead Sciences (biopharmaceuticals)	19%
Deutsche Börse (stock exchange)	17%
Marvell Technology (microchips)	14%
Nexen (oil)	13%
Guess? (retail)	5%
Pepsico (beverage)	0%

Source: Factset

The market clearly warmed towards the cyclicals and in the case of Bank of America, the passing of the Fed-orchestrated stress test was taken positively. TNT Express was indeed bid for by UPS at a price of €9.50 which is close to twice our entry cost.

In the last three months, we used the spikes in prices to exit some small holdings as well as Infineon Technologies, China Life Insurance and Shanda Interactive Entertainment (which was under bid by the founders). We also reduced our positions in China Mobile, Ping An Insurance, BMW, Siemens, Allianz, Pernod Ricard and Guess? The five principal purchases were Carnival Corp, Sina Corp, Sohu.com Inc, Toyota Motor Corp and Ericsson.

As you will see, this is quite an eclectic mix with the common variable being that their share prices are low by historic standards.

Carnival is the world's largest passenger cruise ship operator claiming about 50% market share with 100 vessels marketed under different brands[1]. Each caters to a different market segment or even nationality. It has been a fast growing industry with total cruise passengers carried rising from about 15 million in 2006 to nearly 20 million in 2011. This has been encouraged by fierce price competition as operators, seduced by the improved operating economics of giant vessels, literally cities at sea[2], sought to fill their ever-growing capacity.

Several things have now changed. The share price has been hit by the combination of the tragic grounding of the *Costa Concordia* off the coast of Isola del Giglio, the rising price of oil and fears about yields as load factors are likely to be hurt by harder economic times. Our assessment is that while each of these factors is very real, there has been a change in the industry's behaviour about adding to capacity and for the desire to raise yields. Prices for these voyages are essentially at the same level as in 2005 and down 8% from the peak of 2008, while the oil cost per passenger has trebled to about $34 per day. Over the same time span, the price of alternative holiday destinations, such as resorts or hotel rooms, has risen by over 6% and spend per room guest by at least twice as much.

It is our contention that in view of the prospective halving of the global cruising fleet growth rate to about 3% pa over the foreseeable future[3], the industry is much better placed to at least recover prices to those of earlier years. Moreover, the principal competitor, Royal Caribbean Lines, has changed its incentive structure to ensure profitability is favoured over growth. During this time the industry had earned a mid-teens return on assets and importantly pays no income taxes thus bolstering its net cash flow return on funds employed. Despite these near-term concerns, we find the share at book value, with the prospect of strong earnings recovery over the next few years and collect a 3% dividend along the way. We plan to build our position slowly.

The two Chinese internet plays **Sina** and **Sohu** are also in transition. Sina is the largest internet news portal in China and owns the hugely popular blogging site *Sina Weibo*, a blend

[1] Carnival, Princess Cruises, Holland America Line, Seabourn, P&O Cruises, Cunard, Costa, AIDA Cruises and Ibero.

[2] Some carry as many as 3,500 passengers and half as many again as crew.

[3] These vessels are available from very few specialist yards and hence future delivery schedules are known.

of Twitter and some aspects of Facebook with some 300 million registered users. While the portal makes about $150 million net pa, all this money is being ploughed back into its social blogging business. In China, this has particular political sensitivities but our view is that the chances of the entire site being blocked or eliminated is a low probability on account of the various factions understanding its benefits for broadcasting their own agendas. In the meantime, the company is working on ways to monetise the visits of some 11 million users a day and coping with the juggling act of keeping the site relevant while meeting the government's demands for accountability. At a capitalisation of $3.7 billion net of cash, we find this opportunity enticing but need to manage the risk by our sizing our exposure.

Sohu is less contentious owning a leading gaming portal, strong in multiplayer web hosted games, being number three in search and second place in video/TV streaming, if the merger of Youku and Tudou is consumated. Sohu had aggressively competed for content for its video streaming site to the detriment of margins but content prices seem to have now subsided, while the demand for advertisers is rising strongly at 50% pa. (At present, internet ads absorb around 13% of all advertising spend in China versus close to twice that in the US). With a relatively modern internet architecture, urban Chinese can enjoy relatively high quality online video. In addition, there are restrictions on the traditional TV stations regarding content and advertising time which adds to the allure of internet sourced content. Apparently the average family watches some 6 hours of internet delivered video a week and there are now over 500 million Chinese with internet access. Neither Sohu or Sina is a certain winner given the threats of substitution or regulation. However, when seen against the market potential and with an eye on what these businesses sell for elsewhere, their market capitalisations, ignoring cash held, are surprisingly modest at US$2.3 billion and US$4.4 billion respectively.

Toyota and **Ericcson** are both great companies facing transient issues and yet their market power and reach are unimpaired. Toyota is fighting its way back from a series of missteps and natural disasters and is about to launch a host of new products. Forgotten by investors is this company's technical depth, its product distribution network, quality standards[4] etc. Current earnings are pitiful compared to its global peers and we would expect that the current initiatives, together with volume recovery of some two million extra vehicles a year, will see its margins return to levels at least similar to those of other volume producers.

Likewise, Ericsson is sacrificing margin today to entrench its position as the leading supplier of mobile telephony globally with a market share of some 42%. With the gradual change of its business from the build-out and management of mobile networks across 100 countries, Ericsson is an equal match to the likes of Huawei.

Commentary

Investors are finding the markets disconcerting. Just five months ago the problems facing the euro zone seemed inextricable. Was Greece going to remain within the euro and how were the other members going to refinance their government bonds at a reasonable price? Are we now on a rickety suspension bridge to redemption or about to experience another episode of doubt and despair?

As we have noted in previous reports, there have been many instances of **deleveraging recessions** around the world in the last 60 years. What sets this one apart is that it has afflicted several leading economies simultaneously and the degree of leverage had reached record levels. Past experience shows the importance of creating a monetary illusion which allows the economy to grow in nominal terms faster than the stock of debt (and its attendant interest costs). Falling prices, as seen in Japan for the last 22 years have prevented the burden of debt from diminishing as a proportion of the economy. So even though the economy has grown in real terms by 1.1% pa since their bust occurred in 1990 and interest rates have been low (Japanese Government Bond's averaging 2.6%), the stock of debt has grown to nearly five times GDP versus four times at the start. The composition has changed as the private sector has repaid and/or defaulted while the government has taken up the slack.

[4] See the facts on product recalls as per the Japan Fund's quarterly report of March 2010.

The Federal Reserve Board, the Bank of England, latterly the ECB and now even the BOJ, have each clearly executed policies to expand the amount of money available to banks, accompanied by actions to depress the long end of their bond markets[5]. This in itself will not create growth but it certainly alleviates counterparty concerns and provides the mechanism for new loans to be granted to support those healthy parts of the economy to grow. The debate circles around the action taken by the Europeans and the UK to reduce their government deficits as public retrenchment is seen as counter-productive to growth. The US has thus far chosen to run a central deficit of 10% and encouragingly, job creation in the private sector has more than compensated for state and federal job losses over the last two years.

History points to many successes where countries have had debt burdens of a magnitude now present but these have invariably been accompanied by hefty currency devaluations, which contributed to the money illusion and provided the commercial impetus for growth. **With whole economic blocs now proceeding along this route, the outcome is unclear.** However, for now, governments are succeeding in repressing real interest rates and as we have pointed out often, the emerging markets are growing and account for at least half of world economic output!

In the past, we have questioned the blithe assumption that **China** can maintain its breakneck growth rate. Our recent visit **re-emphasised the central importance of property, both as a source of funding for the provincial governments and as collateral for lending.** We strongly believe that there will be no relief for bank lending to high-end residential property and this, together with indiscriminate expansion of retail and commercial property space, points to a protracted *slowing* of construction activity. The transformation to a more consumer-led economy will face various impediments and with the change of political leadership, there is a risk that policy delays could cause mischief. Fortunately, China runs only a modest central government deficit (1.6%) and outstanding debt amounts to 24% of GDP; in addition it owns expansive stakes in State-Owned Enterprises. The purpose of this commentary is principally to draw attention to over-optimistic assumptions about raw material demand emanating from China, and by extension, the implications for resource-based economies.

Outlook

There is no shortage of concern to enfeeble one's decision making. However, even after the strong rally, we can find a large number of companies that fit our criteria for inclusion in the portfolio. As noted last December, while the temptation was to hide in defensive non-cyclical opportunities, we follow a process of valuation-led investment. At times when the market is fearful, non-defensives will be more volatile but so long as their earnings power is unimpaired, the returns over time will more than compensate. To ameliorate this volatility we attempt to identify companies or sectors that are overpriced and engage in short selling. Longer term we may engage in ignoring short-term volatility in favour of trying to insure against extreme events.

[5] Major Central Bank balance sheets are now almost 30% of global stock market capitalisations compared with 10% in 2008; Central Banks have printed US$8 trillion since 2007. Set against national GDPs, the Federal Reserve and Bank of England assets stand at around 20%, and the ECB and BOJ just over 30%.

Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
North America	34%	35%
Japan	23%	24%
Asia and Other	17%	19%
Europe	16%	19%
Cash	10%	3%

Source: Platinum

Portfolio Position

Changes in the quarterly portfolio composition:

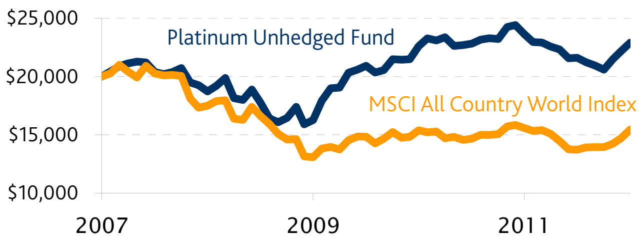
Sector Breakdown

SECTOR	MAR 2012	DEC 2011
Emerging Asia Consumption	16%	16%
Technology	15%	16%
Western Consumer	11%	9%
Western Financials	8%	6%
Energy	8%	9%
Healthcare	7%	7%
Japanese Reflation	7%	10%
Gold	6%	8%
Mobile Data	4%	7%
Capital Equipment	4%	4%
Materials	3%	3%
Other	1%	2%
Gross Long	90%	97%

Source: Platinum

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

Performance and Changes to the Portfolio

Over the last 12 months, the Fund fell by 3.1%, underperforming the MSCI All Country World Index (A$) benchmark by 2.2%, and over the past quarter, the Fund rose 11.2%, outperforming the benchmark by 0.5%.

Over the past 18 months we have found it tough to perform in a market driven by macro concerns reflected by very low dispersion in P/E valuations and individual stock returns. The former means that there are fewer obvious valuation anomalies which as a stock picker we would typically seek to exploit; the latter that the market is behaving as one rather than as a collection of individual stock stories. The good news is that the dispersion of returns has started to pick-up, that is, the individual company investment cases are gaining attention rather than a banal discussion of risk 'on' and 'off'. As for stock picking, P/E convergence in itself is interesting as one is afforded the opportunity to buy exceptional companies (e.g. Microsoft, Johnson and Johnson) at below the overall market multiple.

For the quarter, the key contributors were generally the more cyclical names (Western World banks/consumer cyclical, technology and commodity related names) reversing some of the poor performance of the previous quarter.

In terms of new investments, we added Sina, the leading Chinese internet portal that three years ago launched a Twitter-like social networking service that has since grown to 300 million subscribers (available on 20 times current underlying earnings which are yet to reflect this new business opportunity) and Toyota Motor (see the current Japan Fund quarterly report) as this global behemoth shows real signs of regaining its past lustre and until recently, was available at sub-book value. These acquisitions were funded by sales of some of our more defensive holdings, including Vodafone, as following a period of solid outperformance, the general sell-off provided more attractive alternatives for our capital. We generally refocused the portfolio on our best ideas consciously reducing the tail of small holdings that had grown over the past 12 months.

Commentary and Outlook

We think few would now dispute that the Federal Reserve and European Central Bank (ECB) are actively (and Bank of Japan (BOJ) passively) facilitating deleveraging by a policy of holding down bond yields such that the nominal economic growth rate is held higher than the nominal funding rate (in effect, targeting mild inflation with some attendant currency deprecation). However, what matters most with any Central Bank monetary stimulus (especially after the zero point on policy rates is reached and the attendant liquidity trap risks are that much greater) is not the supply of credit, but whether there is any productive demand for credit. Typically the requirement for de-leveraging reflects a general abundance of productive capacity and, hence, the Central Bank stimulus (conveyed by record low real rates and asset purchases) just flows into 'bubble' activities such as lower bond yields and holdings of gold locked in Swiss Bank vaults. With some prescience that this might happen, we held a core 8% holding in gold stocks for most of the last five years. Frustratingly, this failed to capture much of the metal price move with the NY Stock Exchange Gold Stock Index way underperforming the move in the metal price.

We understand why readers may not think the current mood of optimism will last given the backdrop of well articulated concerns: ongoing Western private sector deleveraging, sustainability of Western fiscal stimulus, longer-term effects of Federal Reserve and ECB money 'printing', Chinese political and economic transition away from State-Owned Enterprises led investment towards private consumption, lack of currency realignments between East and West, risk of protectionism etc.

A more optimistic view would put greater weight on rapid Chinese wage growth and the US exploitation of low cost natural gas resources (discussed over) as a form of rebalancing that may over time reduce some of the 'tail' risk associated with the weak US trade and fiscal position. This opening up of productive US investment opportunities (again, discussed in more detail over) may indicate we have entered a phase of the cycle where real bond yields start to rise as growth transitions from a dependence on monetary/fiscal stimulus to investment.

Investors are poorly positioned for a rise in US real yields on two accounts:

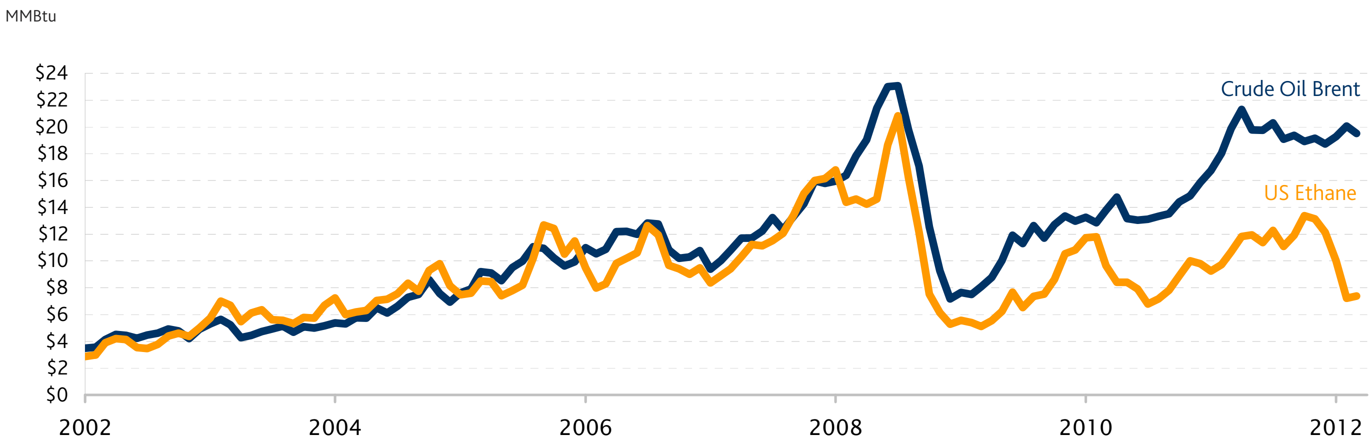
1. Retail investors have switched a large part of their equity exposure into bonds (and rising yields equal falling bond prices).
2. Rising US real yields would attract investors back to the much maligned US dollar (and out of gold). We are not suggesting a major reversal in gold, just a period of consolidation (but as for our gold stocks, they are too cheap to sell and the main game has not yet arrived i.e. broad based inflation).

We have many stocks in the portfolio that are geared to a US, or more broadly, Western led recovery in investment spending, though the following discussion relates specifically to those exposed to the US energy and chemical sectors.

We invested in the US based engineering and construction firms (e.g. KBR and Foster Wheeler) when valuations started to reflect a very poor industry prognosis. There were some signs of light as the US was progressively becoming a low cost producer of natural gas with some interesting implications for industrial investment in that country. The context around this has been the technological breakthroughs associated with directional drilling and fracking of the large onshore shale stratas to release tight gas. The consequent land grab and expansion in production (US shale gas went from 2% of US gross domestic supply in 2005 to 25% today) was such that in the short-term, the price of US natural gas that has averaged $6 over most of the past ten years has fallen to just over $2 per MMBtu. This compares with the current Asian Liquefied Natural Gas (LNG) price (using Japan import price as the proxy) of $17. The long-term relationship is plotted on the third chart on page 3 and whilst in the short-term the Japan import price has risen due to the post-Fukushima replacement of nuclear generation with gas fired turbines, it is noteworthy that the real break in the relationship dates back to late 2008 i.e. the US natural gas price advantage is moving into its fourth year, and hence, the discussion has moved from a cyclical to a structural advantage.

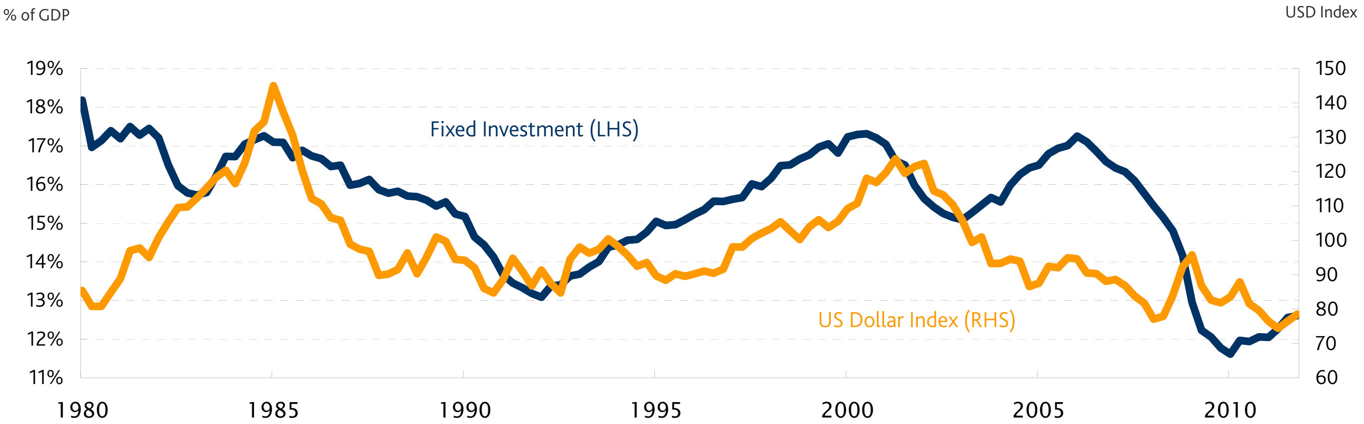
The US natural gas price is set by North American supply-demand dynamics due to the size of the market and lack of LNG liquefaction export facilities (i.e. until recently the US was seen as a potential importer of LNG). Whilst the US natural gas price is currently below the market clearing cost of production and production cuts will ensue, the longer-term price should still be capped below $6 per MMBtu. But even at this price some interesting investment opportunities are opening up that would previously have been considered laughable. Take the example of ethylene, the most common basic chemical used in many plastics, where 60% of global capacity is fed by naphtha and much of the residual by ethane extracted from natural gas. In terms of feedstock prices, US ethane has never been cheaper relative to naphtha (Brent oil price used as a naphtha proxy, see chart below). Given naphtha is linked to a global price, that is oil, and US ethane a US domestic natural gas price, this could represent a sustainable advantage. Complexity arises in that the naphtha cracking process delivers more valuable by-products than

Brent Crude Oil versus US Ethane



Source: Factset

US Fixed Investment to GDP versus US Dollar Index



Source: Ned Davis Research Inc

ethane, however, after allowing for this, our internal calculations suggest that US ethane fed ethylene production is now two times more profitable than naphtha based production with the cash pay-back on a new ethane cracker being close to four years. Not surprisingly, North American industry plans to increase capacity by some 20% by 2017.

But the opportunities in ethylene are only one part of a broader story. Cheap natural gas is a real bonus for many other energy intensive industries that have previously been considered of only marginal viability in the US including oil refining and steel making. Other areas of real potential include the use of natural gas (LNG or LPG) as a transport fuel in substitution of diesel, in distributed commercial/industrial power applications in substitution of grid electricity, and as base load electricity generation in substitution of higher cost Appalachian coal.

In summary, we are potentially on the cusp of a reasonable North American petro-chemical and coal/oil substitution-based investment cycle and our companies are well-positioned to benefit from this as designers and builders of ethylene and gas separation plants, LNG liquefaction and receiving terminals, refineries and the like. Whilst active market observers will suggest that this is not necessarily a new story and we would agree that the more obvious stock market beneficiaries have been discovered, many of the second order effects are yet to be reflected in stock/asset prices. For those that are secular-US dollars bears, please note US investment led cycles have at times coincided with a stronger US dollar (see chart above); the housing led cycle that peaked in late 2006 was the notable exception.

Platinum Asia Fund

Andrew Clifford Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
China (Listed Ex PRC)	17%	17%
China (Listed PRC)	6%	6%
Taiwan	5%	5%
Hong Kong	2%	1%
Greater China total	**30%**	**29%**
Korea	17%	18%
Thailand	16%	14%
India	9%	7%
Philippines	7%	6%
Singapore	6%	6%
Malaysia	5%	5%
Indonesia	2%	2%
Vietnam	1%	1%
Canada	1%	1%
Cash	6%	11%
Shorts	2%	2%

Source: Platinum

Performance

Performance (compound pa, to 31 March 2012)

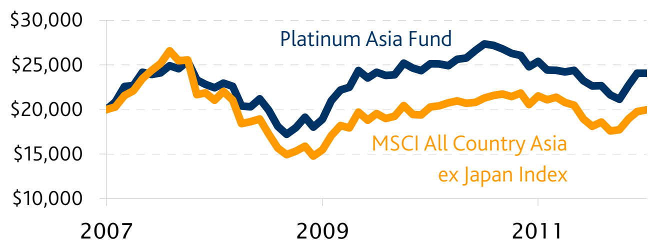
	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Asia Fund	14%	-5%	8%	4%	16%
MSCI AC Asia ex Jp Index	13%	-7%	9%	0%	9%

Source: Platinum and MSCI. Refer to Note 1, page 36.

Asian stock markets staged a good rally during the quarter rising 13% (in both local and Australian dollar terms) driven by a combination of factors. While there was some degree of anticipation that policy may be eased in China and India as inflation in both countries appears to have peaked, there was goods news from the US where the economy continues to improve, and relief that the problems in Europe were subsiding - at least for the moment. Most of the regions markets participated in the gains with the main exception being the Chinese market where the Shanghai composite index managed a relatively paltry 2.9% gain, a particularly weak result given the long-term underperformance of this market.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

The Fund's performance was a little better than the market for the period, with strong performances from many of the Fund's largest stock holdings. Among the bigger contributors to performance were Bangkok Bank (Thai bank, up 20%) and Ayala Land (Philippine property company, up 37%), as both companies have shown steady earnings progress and the market has steadily re-rated these companies. Our Indian stocks have been good performers, with many of the companies whose performance detracted heavily from performance last year, bouncing back. Prime examples were our property companies, Housing Development and Infrastructure, and Unitech, where there has been some light at the end of the tunnel with respect to interest rates in India. The stocks that continue to lag significantly are our Chinese A share holdings such as China Life and Ping An Insurance which have been held back with the whole of the Chinese market.

Changes to the Portfolio

The Fund's net invested position increased from 87% to 92% over the quarter as cash was put to work in both new and existing holdings. Amongst the portfolio's new positions was 51job, a Chinese internet job board (similar in nature to Australia's Seek.com) but with an additional social network element where job seekers place their CVs for general viewing by recruitment agencies. The Fund re-entered CITIC Securities, the leading Chinese investment bank, which we expect to benefit from the eventual easing of monetary conditions in China. Otherwise, toward the end of the quarter we started to reduce holdings in a number of the Fund's better performers such as Samsung Electronics, Bangkok Bank, Ayala Land, and our India cement stocks, Madras and Ambuja Cement.

Commentary

In early March we went on one of our regular trips to China making stops in five provincial cities; Hefei, Zhengzhou, Chengdu, Chongqing, and Kunming. Meetings were held with a variety of local companies, entrepreneurs, various experts and the occasional government official. The picture that unfolded was a country which has reached a medium-term peak in construction activity with all segments of the property sector either overbuilt or on their way, and significant infrastructure construction having already taken place. If correct, this will have significant implications for construction related commodities such as steel and cement, and for the Australian dollar.

We last wrote in detail in the September 2011 quarterly report about the take-off in residential apartment starts compared to sluggish sales. In China, the business model for developers is to use proceeds from pre-selling the apartments to fund construction, however, a pre-sale certificate is not issued until several floors of the superstructure (the rules vary by city) have been built. Surveying the cities as we travelled through them, there were an extraordinary number of building sites where little activity appeared to be occurring. Certainly crane movements were hard to spot, and trucks rolling into or out of the sites, the usual cloud of dust and the noise of construction work, often seemed to be absent! Of course, one should put a low value on this type of anecdotal observation, but through the course of our meetings over the week it was generally accepted that construction had slowed substantially. So it would appear that many developers, having rushed to build to the pre-certification level in the hope of selling down their land bank and improving their balance sheets, have not been able to make adequate pre-sales to keep the site moving along and for the moment are stuck with half built sites and plenty of debt.

However, this is not really news as markets have been concerned about a slowdown in construction activity since mid-2011. The general view has been that once the pain from the slowdown became great enough, that policymakers would unwind the restrictions on lending to property buyers, and soon enough it would be 'back to the races'. This does not appear to be happening quite on cue. Indeed some people we talked to see the central government as having taken a philosophical view that residential property was an 'end user' asset and not for 'hoarding'; terms that were mentioned a number of times in property related discussions. The expectation is that measures will continue to aim at restricting how much property individuals can accumulate and capping price appreciation. This points to a much slower recovery in activity in this important sector than might otherwise be expected.

Elsewhere, the retail and office property markets look well on their way to significant oversupply. In Chengdu, we heard from one of the major international property agents, that three million m^2 of A grade office space is expected to come on the market in the next three years. This compares with current annual take up of around 250,000 m^2 of office space. Of course, take up of new space might accelerate as rents fall, but still there will be significant vacancies for some time to come. In the retail property market, the pattern has become one of 'winner takes all', with the malls that attract the right tenants (Zara, H&M, Apple, Uniglo, and Muji at the top of the list) receiving significant foot traffic, while those next door, without the name tenants, receive a fraction of the traffic. In Chengdu, this hasn't stopped developers starting work on up to 2.6 million m^2 of retail space which will be delivered over the next two years. This new supply alone would put Chengdu in line with typical European countries in terms of mall space per capita. Interestingly, construction continues on these office and retail projects, presumably because funding is in place, but ultimately at some point the looming oversupply will see a significant cutback in activity.

The other area of concern is infrastructure, where one can observe the number of airport terminals, rail lines, roads, bridges and tunnels, which were simply not there when visiting these cities several years ago. Getting a sense of how much is enough is difficult, but one Yunnan government official responsible for infrastructure development remarked that the major road and rail links in his province were either complete or on the way to completion. In the short-term, funding has become an issue because infrastructure projects have traditionally been funded via the sale of land to developers!

Construction activity is typically estimated to be around 10% of the Chinese economy, though some would argue it is potentially closer to 25% when one includes the industries that supply goods and services to this sector. Clearly a slowdown in construction will impact headline figures such as GDP growth, but for some fast growing industries we would expect any impact to be muted. For example, many consumer related goods are likely to continue to grow at good rates even in a downturn. The country is in the process of rolling out a nationwide health insurance system that should help underpin the growth of the healthcare industry. We would expect the growth of many internet related businesses in China would be barely, if at all, affected by a construction slowdown. If there is a simple message, it is to avoid investments that will be driven by Chinese construction and look elsewhere.

At the end of our trip we made a detour to Burma (Myanmar). The country sits in a strategic position, potentially connecting China and Indochina to the Indian Ocean by road and rail, cutting transport times significantly to markets in Europe, and for that matter, India. In particular this would be the case for Western China where goods are typically shipped to the coast before being exported. The country is well endowed with natural resources and pipelines will connect the region to Burma's (Myanmar's) oil and gas reserves. The country also has significant potential to develop as a tourist destination.

The political change that has taken place in many respects seems too good to be true. However, there does appear to be evidence of real change taking place with monopolies being broken-up and senior military officers being arrested for corruption. Ultimately though, the most important development has been Aung San Suu Kyi's endorsement of the changes taking place through her participation in the recently held elections. The key to the country's economic development will be the lifting of the US and EU sanctions that is expected post a fair and free election. This potentially opens the way for significant foreign direct investment. Though there are no significant ways of investing directly in the country, it is likely that many of our Thai companies, in particular the banks, will derive some benefit from the development of their Northern neighbour.

Outlook

Markets have moved well-off the lows of 2011 but our observation would be that valuations across the portfolio remain attractive, giving us confidence that good returns are likely over the next three years and beyond. In the short-term, news of easier policy in China or India has the possibility to push markets higher but we suspect that given neither country is likely to pursue such policies with the same enthusiasm as they did in 2009, this may not be quite the boost investors are hoping for. The risks remain a much harder downturn in China unfolding (a prospect we would rate as likely) and the ongoing problems of the indebted developed economies.

Platinum European Fund

Clay Smolinski Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
Germany	43%	48%
France	16%	16%
UK	16%	12%
Netherlands	4%	5%
Italy	4%	4%
Spain	2%	2%
US*	2%	2%
Sweden	2%	1%
Finland	1%	1%
Belgium	1%	1%
Switzerland	1%	1%
Cash	8%	7%
Shorts	6%	9%

* Pulp stock listed in the US but predominant business is conducted in Europe

Source: Platinum

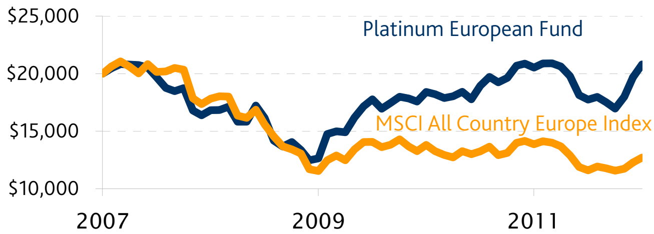
Performance

European markets continued their recovery over the quarter; the standout performer being the German market with the DAX up +18%, while the French CAC , Italian MIB and UK FTSE Indices were up +10%, +9% and +5% respectively.

There were a couple of catalysts for the market strength. The first was ongoing evidence that the US economy is recovering, with the housing market showing signs of life and the job market continuing to expand. The second was the implementation of the 'Long Term Refinancing Operation' (LTRO) by the European Central Bank (ECB). The LTRO enables European banks to borrow funds from the ECB for a three year period at a cost of 1%. Undoubtedly much of this money is being used by the banks to buy shorter dated government debt – evidenced by the fact that prior to implementation the interest rate on Italian one year debt was 6% in November versus 1.4% today! While one could go into great detail around the mechanics of the LTRO, it is essentially another tool for the ECB to increase the supply of money to ensure those who badly need it (Italian/Spanish governments) can get it cheaply.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

Returning to stocks and industries, unsurprisingly given the aforementioned relief provided by the LTRO, the banks did well with the Germans (Commerzbank +44%, Deutsche Bank +30%), British (RBS +38%, Barclay's +36%) and French (Soc Gen +36%) leading the gains. Elsewhere strength was seen broadly across the cyclicals, especially in Autos (Renault +46%, Continental +45%), Chemicals (Lanxess +52%, Solvay +33%) and Construction Materials (Heidelberg Cement +35%, Lafarge +27%).

In respect to the holdings of the Fund, the largest contributor to performance was TNT Express NV. Part of our investment case for TNT (detailed in our December 2011 quarterly report) was given the immense difficulty of building an express parcel network from scratch; the value of TNT's European network would be far greater when viewed from the perspective of an industry buyer. Over the quarter, US parcel logistics giant UPS emerged as such a buyer, making an €9.5 per share offer for TNT, roughly 80% above our average acquisition price. Elsewhere notable gains came from a number of our large German and UK stocks (BMW, Infineon, Daimler and Lloyds Bank all appreciating between 25-35%).

In Australian dollar terms, the Fund returned 22.6% for the quarter compared to 9.9% for the MSCI Europe Index. The returns of the Fund for the six and 12 month periods were 17.2% and 1.4% respectively, outperforming the Index which returned 9.6% and -8.3% over the same period.

Changes to the Portfolio and Commentary

Given the sharp rally over the past five months, the recent changes in the portfolio have largely been about trimming holdings where price increases had made the position sizes larger than desired. On this basis we reduced our holdings in **Allianz, BMW, Infineon, Henkel and Adidas**.

One new investment established over the quarter is our holding in the UK listing of **Carnival Cruise Lines**. Carnival was founded and is still operated today by the Arison family, who starting with one ship in 1972, built Carnival into the world's largest cruise line, today carrying 9.5 million passengers per year across a fleet of 100 ships. Carnival is interesting in the sense that it is the only cruise operator that has true brand and product segmentation, controlling nine brands that differentiate themselves not only based on aspects such as product luxury and age groups, but also through being tailored to cultural and regional tastes. For example, on Carnival's German brand AIDA, the language, food, entertainment and custom (no tipping) are all German. This has given Carnival the advantage in pioneering new markets and has allowed them to expand outside of the US to the extent that 50% of profits now come from Europe, Latin America and Australia.

From a broad industry perspective, the cruise lines hold a number of unique advantages when compared to other leisure/transport alternatives, namely:

- Due to registering their vessels in tax free locales (the so-called 'flag of convenience' states such as Panama or Liberia) or under 'tonnage tax'[1] agreements, cruise lines pay almost no tax.
- Their mobility and operation in international waters allow them to source a great deal of their staff from low labor cost countries (i.e. serving Western customers with emerging world costs).
- The cruise industry is unusually concentrated. 75% of capacity is controlled by two firms, Carnival and Royal Caribbean who control 50% and 25% respectively.

These cost advantages aided by technological advances in ship building (vastly increasing the scale and range of activities that can be offered on the ships) have allowed the cruise lines to offer very attractively priced holidays. For instance, for $150 per person/per day, over a seven day cruise you will get transported to four different ports, with accommodation, all meals and entertainment included. In regions with a wealth of interesting coastal destinations (i.e. the Mediterranean) that is a fairly compelling offer.

The desire to exploit this privileged position has seen both Carnival and Royal Caribbean go through a massive expansion in capacity over the last decade. The two combined on average brought 7 to 8 new ships (equivalent to >23,000

[1] A system where a ship owner pays tax based on the size of the vessel (gross tonnage) rather than the actual profit made by the vessel, with the end result usually being an extremely low level of tax is paid. Tonnage tax regimes are common in developed markets like the UK and Italy.

passenger capacity) into service each year, which based on an average seven day cruise length meant in order to have these ships sail full all year round[2], they needed to find between 800k–1 million new cruisers per annum. While this strategy has been great for revenue growth and broadening the profile of cruising worldwide, it has come at the cost of profitability - Carnival's revenue and passengers carried are up fourfold since 2000, while Earnings Before Interest and Tax (EBIT) has only doubled. Simply, the need to attract passengers to fill so many new ships hampered Carnival's ability to raise ticket prices, while the cost of oil has quadrupled since 2002 – the end result being that Carnival's profit per passenger/per day has fallen from $54 in 2005 to an all time low of $32 today.

So why are we interested in Carnival now? The key is that both Carnival and Royal Caribbean have stepped back from their growth-at-all-costs strategy, and are now concentrating on recapturing the profitability that was lost during the building boom. From 2013 onward, capacity growth for the global cruise industry will be 2-3% versus the 10% seen over the last decade and the number of new passengers that need to be sourced globally will be closer to 350,000 rather than the 800k-1 million previously. Given the pricing convention of the industry (i.e. you discount to ensure every ship sails full), and the fact that those new to cruising are naturally the most price sensitive given their unfamiliarity with the product, this change in the supply dynamic should have a significant effect on the ability to raise prices.

In 2011, Carnival earned revenue of $179 (made up of a $139 ticket price and $40 of onboard spending) per passenger/per day, still well below the $195 made in 2008 prior to the price cuts during the GFC. If Carnival can return prices close to the $195 level, they should be on track to make upwards of $3 billion of net profit, putting the company on an eight times earnings multiple. The added benefit is that with the far lower rate of ship building, in this scenario almost all of that $3 billion can be returned to shareholders in the form of higher dividends, share buybacks or debt reduction. Predicting the exact timing of how long it will take management to reposition for higher pricing is difficult. However, with Carnival's valuation sitting at historic lows post the Concordia tragedy and the recent oil price spike, we feel it is an investment that has minimal downside should the pricing story not play-out as hoped, but considerable upside if it does.

Outlook

Our mid-term view on how the broad European economy will progress remains largely as we wrote in September 2011, namely:

1. The restoration of confidence in the creditworthiness of Spain and Italy can only be done through implementation of measures that will take many years.
2. At least in the mid-term, the ECB will keep funding the troubled governments and will ensure the functioning of the banking system.
3. In exchange for this support, the affected governments will make a serious effort to cut spending, increase taxation and implement economic reform – which will hamper economic growth as they are implemented.

Can one make money with such a backdrop?

We are in the affirmative and would firstly point to the rapid recovery in European markets over the last six months as a clear example of the importance of focusing on valuation, not macro predictions, when projecting future investment returns. It is also important to remember that we invest in companies, not countries or broad markets. There are a number of our holdings (BMW, MTU Aero engines, Johnson Matthey and PPR to name a few) that whether it be via expansion into offshore markets, success in product design, and research and development, or the power of their brands, continue to have **sales, profits and share prices well in excess of the last market peak in 2008**. The simple fact is the majority of our holdings are truly global businesses that have a number of important drivers outside of their domestic economies.

Overall valuations and market expectations of many stocks in the portfolio remain modest, and we are encouraged by the fact we are still finding companies not priced for their full potential. The current position of the European Fund is 92% long, 8% cash and 6% short, for a net 86% invested position.

[2] The cruise industry tends to book to 100% occupancy, the example being that it is better to aggressively discount any unsold tickets close to sail date as you will still capture the customers lucrative onboard spending.

Platinum Japan Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
Japan	91%	90%
Korea	3%	3%
Cash	6%	7%
Shorts	10%	14%

The Fund also has a 17% short position in Japanese Government Bonds.

Source: Platinum

Portfolio Position

Changes in the quarterly long portfolio composition:

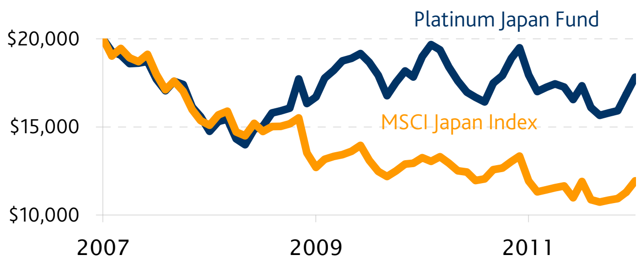
Sector Breakdown

SECTOR	MAR 2012	DEC 2011
DOMESTIC	52%	51%
Retail and Services	18%	19%
Financials	14%	12%
Telco, IT and Internet	10%	13%
Real Estate and Construction	10%	7%
EXPORT	42%	42%
Tech/Capital Equipment	19%	17%
Autos and Machinery	15%	13%
Alternative Energy	5%	4%
Commodities	3%	8%
Gross Long	94%	93%

Source: Platinum

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

Performance

Over the past 12 months, the Fund fell 1% underperforming the MSCI Japan Index (A$) benchmark by 1%, and over the past quarter, the Fund rose 13%, outperforming the benchmark by 3%. For the quarter, the benchmark rose 10% in A$ terms and rose 19% in yen terms.

The quarter was a tale of two halves. The first six weeks were characterised by concerns over a stronger yen despite prior attempts at currency intervention. The Index, however, continued to track higher with global markets as better economic data out of the US supported the export sector.

The unexpected announcement by the Bank of Japan (BOJ) on 14 February that it was setting an inflation goal of 1% and increasing its Asset Purchase Program was understandably taken positively by the markets. Since this announcement, the yen has dropped 7% and the Nikkei Index has risen 13%. Unsurprisingly, exporters continued to do well on a weakening yen, as did domestic sectors such as banks, life insurance and real estate, that are perceived to provide an inflation hedge. Our best performers were to be found in the above sectors though somewhat offset by a flattish contribution from traditional defensives such as telecoms and internet names.

Changes to the Portfolio

Long positions

Early in the quarter we added Fuji Heavy Industries to the portfolio. The market was ignoring the clear strength of the Subaru franchise, especially in the US, but with a largely Japanese production base, the strength of the yen was weighing heavily on the stock. We also re-established positions in two stocks we know well:

1. Asahi Diamond that had been unduly punished due to the general collapse in solar related demand for its diamond plated wire saws, and
2. Obayashi as we become more positive on the potential for a turn in domestic construction orders due to the Tohoku earthquake rebuilding and a general rebound in industrial and property related investment from depressed levels.

Short positions

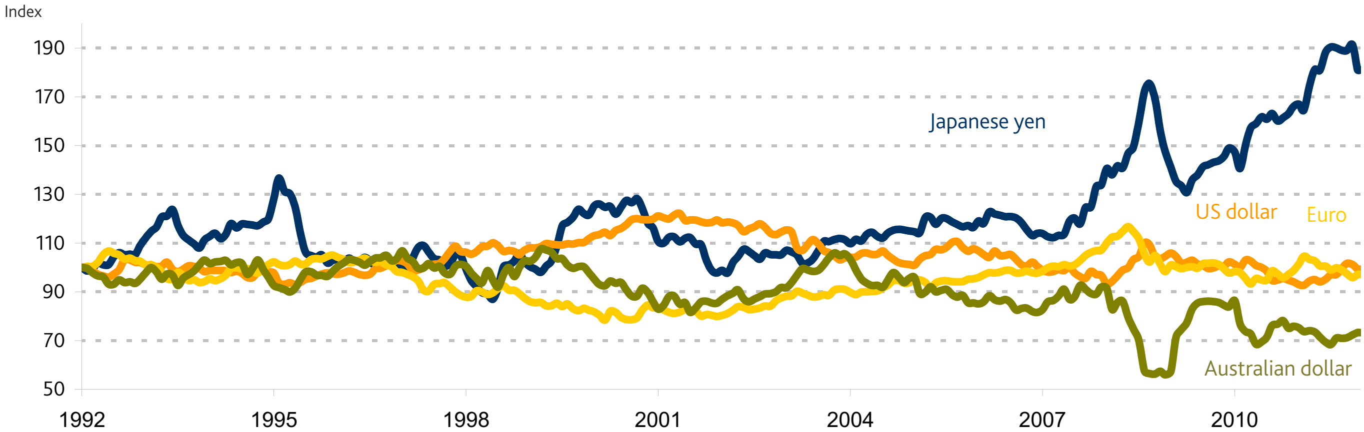
No major changes.

Currency

We remain of the view that the yen is significantly overvalued with our exposure unchanged at 39%. Those bullish on the yen typically point out that on a purchasing power basis the currency is not expensive i.e. deflation has helped maintain Japanese competitiveness even after the extreme revaluation against the US dollar and euro, ignoring the fact that Japanese manufacturing primarily competes against much lower cost labour in North Asia i.e. South Korea, Taiwan and China. Further, the commentary typically ignores the current financial stress of companies such as Elpida, which entered bankruptcy during the quarter. There is also an element of fitting the words to the music in that the same commentators that are typical bullish on the yen are also bullish on the Australian dollar. They argue that the Australian dollar currency is cheap relative to the terms of trade improvement, blithely ignoring the fact that Australia's resource boom gain represents a real loss to the non-commodity backed Asian economies that import these resources. Specifically, Japan has experienced a massive terms of trade shock (far greater the Europe or the US) over the past ten years of higher energy and material prices which would typical result in a much weaker currency.

The chart over details how expensive each of the major currencies is on a real effective exchange rate basis versus their respective terms of trade, with an upward sloping line indicating over-valuation, and the yen, the conspicuous stand-out.

Real Effective Exchange Rate versus Terms of Trade



Source: Factset

The relative vigour of the US economic recovery and the waning likelihood of Quantitative Easing 3 (QE3) poses the inconvenient question of why the US dollar should remain the structural weak currency against the other two liquid alternatives, the euro or the yen? Reinforcing this question is the ongoing renaissance of the US oil patch (discussed in more detail in the current Unhedged Fund quarterly report) that sits in stark contrast with Japan's already high and growing dependence on energy imports (exacerbated by nuclear plant shut-downs). That is, Japan's trade surplus is no longer guaranteed at the same time that the US may gradually reduce its dependence on the energy imports that account for most of its trade deficit.

In summary, even without the recent change in Bank of Japan (BOJ) policy to explicit inflation targeting, we think the yen was set to weaken.

Commentary and Outlook

Over the last 12 months, having progressively taken a more positive view on the US economic recovery, we have increased weightings in those stocks with exposure such as Toyota Motor/Industries, Mitsubishi UFJ Financial (which owns Union Bank in California) and Shin-Etsu Chemical (benefits from cyclical upswing in US PVC demand and dramatically lower US natural gas prices, a key cost variable). For some of our major holdings, the individual catalysts for a re-rating are becoming more apparent, that is, the journey from neglect to discovery has commenced. Such is the case of Toyota; still recovering from the Tohoku earthquake, Thailand flooding supply chain disruptions and the share price languishing near GFC lows, despite an improving sales outlook in its key US auto market. Our research indicated that the recent management shakeup was leading to results with localisation of production and parts procurement a clear priority. This, combined with new model launches, should allow Toyota to win back share and result in earnings substantially ahead of that discounted in current valuations.

The strong yen has also triggered a sense of urgency within corporate Japan to undertake home base reforms that have typically been considered too hard with a concurrent pick-up in Japanese companies combining businesses to build global scale e.g. Nitto Denko selling its encapsulates business to Hitachi Chemical.

The current poster boy for this apparent change in attitude is Hitachi. Following the successful sale of its hard disk storage unit to Western Digital, the company communicated in some detail a plan for longer-term corporate prosperity - it includes the following succinct analysis of the problem (as to why its margin structure is so much worse than Western peers):

- High cost structure dependant on domestic resources.
- Inefficiencies and redundancies of resources due to multiple businesses, large organisations, and optimisation at the individual company level.
- Excessive focus on doing things internally.

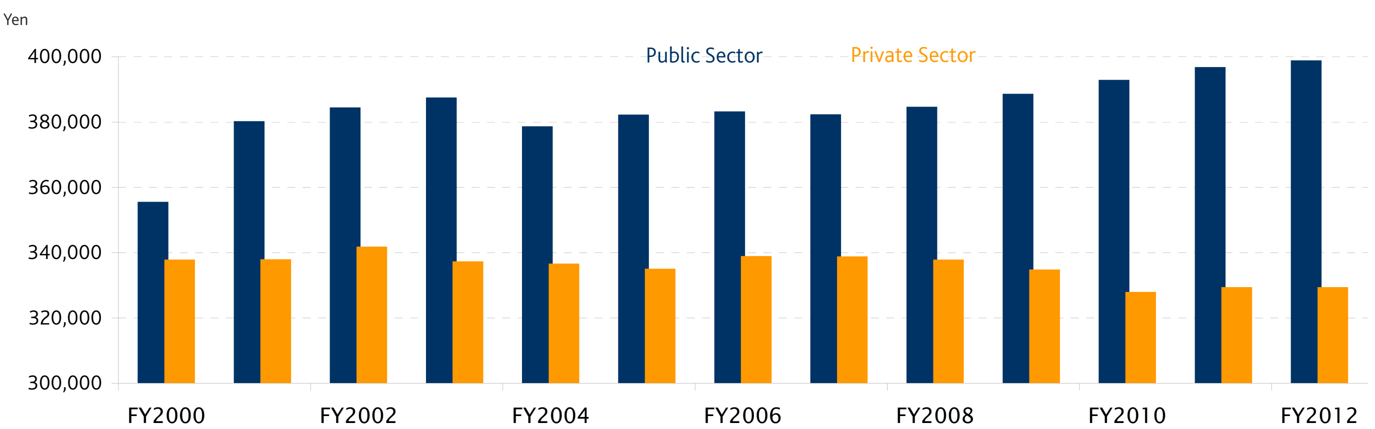
These are the ills that plague many Japanese corporations; the ones we have tended not to own. It may be time to reassess the prospects of certain operational underperformers that retain some franchise value to the extent they are willing to follow in Hitachi's footsteps.

The recent BOJ move to an explicit 1% inflation target is likely to have been a reaction to growing political pressure. The establishment political parties and bureaucrats are rather alarmed by the emergence of an alternative and credible third force in Japanese politics. Japan is currently governed by an increasingly fragile coalition led by the Democratic Party of Japan (DPJ). It currently holds a 61% majority in the lower house (with an election last held in 2007) but only holds a 43% minority in the upper house (having lost their majority in the 2010 election), effectively resulting in a hung parliament. Due to general incompetence, the DPJ has failed to deliver on its reform programme and has allowed the bureaucrats to corner them with a consumption tax hike proposal as a cure-all for Japan. This failure, combined with the chaotic response to the Fukushima nuclear incident has resulted in a collapse in voter support, but this is not resulting in substantial gains for the opposition LDP (that has governed Japan for most of the post-war period).

Tapping into this dissatisfaction, a third pro-reform political force is taking form around a regional political party based in Osaka and led by its young (42) and popular Governor, Toru Hashimoto. The party, known as *Osaka Ishin-no-kai*, gains particularly strong support from Generation X i.e. 30~40 year olds that missed the jobs for life enjoyed by their baby-boomer parents. The party recently won two key Osaka elections in a landslide and has now set its sights on national politics tying up with the awkwardly named 'Your Party' of similar ideology and together are looking to field 400 candidates in the next general election.

To place voting publics' dissatisfaction in context, there have been two clear beneficiaries of ongoing deflation and tax hikes in Japan, those on fixed incomes (the elderly) and civil servants, who have enjoyed a widening pay gap over the private sector (see chart below) that has been far more exposed to global competition.

Public Versus Private Sector Average Monthly Earnings in Japan



Source: Morgan Stanley

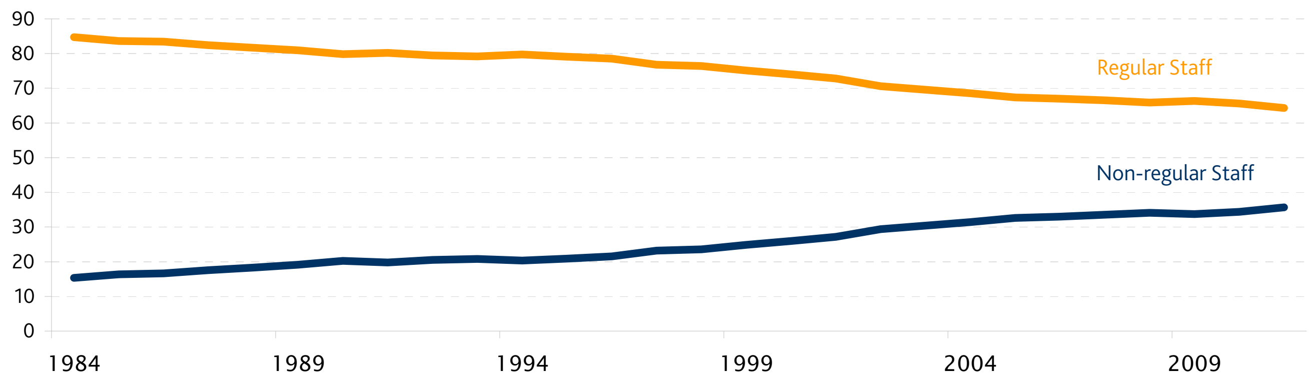
The chart on page 22, however, *understates* the magnitude of the private sector adjustment as it fails to capture the shift in private sector employment from 'regular' full time employees, with job security, health and retirement benefits, to so-called 'irregular' workers, those who are in part time or temporary contract work (see chart below).

Whilst still early days, it would seem Hashimoto/Your Party's bias is to link any rise in taxes to spending reform (e.g. cuts to bureaucratic wages) and pro-growth policies (including loose monetary policy). Other key proposals include institutional reforms such as abolishing the upper house, downsizing Japan's 48 prefectures and decentralisation of power to eight or so regions, direct elections of a prime minister, pushing entry to the Trans Pacific Partnership (a new regional free trade pact) and amendment of the BOJ law to set an inflation target of 2%.

We are still some way off real change, however, it is time to reassess whether Japanese socio-economic inertia is about to end. Even the cloistered bureaucrats must be somewhat shaken by what their pro-deflationary monetary/strong yen policy has done to the corporate tax base that ultimately pays their salaries.

Japan Employees by Job Type

% of total



Source: Ministry of Internal Affairs & Communications

Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
Europe	36%	32%
Asia and Other	25%	24%
North America	8%	9%
Japan	7%	6%
Latin America	5%	5%
Cash	19%	24%
Shorts	7%	6%

Source: Platinum

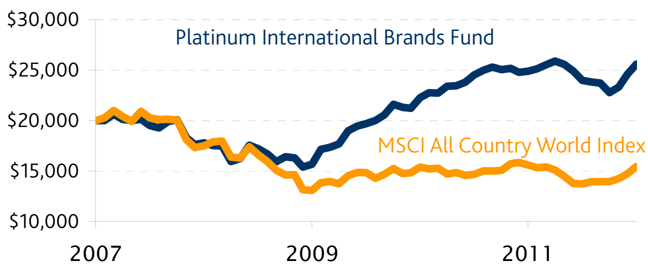
Performance and Changes to the Portfolio

The Brands Fund achieved a return of 12.4% in the quarter, marginally ahead of the 10.7% rise in the MSCI World Index. The 12 month return has improved to 2.8% slightly ahead of the small decline, (0.9%), in the Index.

Over longer timeframes, and more in keeping with the investment horizon of the Fund, the Fund has continued to perform well. The three year return of the Fund at 17.8% is well ahead of the 5.7% gain in the Index and similarly over 10 years, the Fund has achieved a return of 11% pa more than the Index.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

During the quarter, the Fund maintained a relatively high level of cash at around 20%, as well as a short position of around 7%. It is therefore perhaps a little surprising that the Fund was able to produce such a strong quarter given the relatively defensive positioning, as well as being devoid of market leading stocks such as Apple or Bank of America. The gains were widespread across the portfolio and in part reflecting a bounce back from the previous two quarters of poor performance. The currency moves had little impact over the quarter.

The Fund's European investments continued to perform well, particularly those in the UK and Germany. BMW gained 30% as the negative press headlines receded in light of the continuing strong sales and profits being reported. Despite the economic difficulties and evident pressure on the UK consumer's ability to spend, the Fund's UK investments contributed strongly to the quarter's gain.

Several additions were made to the Fund during the quarter, predominantly in Europe and around our work on the retail sector and the development of internet shopping. This was particularly so in the UK but also continental Europe where the financial stress of austerity packages are having their greatest impact.

We have also been opportunistic in initiating or adding to investments across the globe. Calbee, for example, with their leading market shares in the Japanese snack foods sector, can potentially and materially expand profitability, and with Pepsi as a shareholder, some international developments are more feasible.

Commentary

The Fund has continued to follow three avenues of research; the continuing theme of rising incomes and growth in consumerism in emerging markets, the development and impact of internet shopping on traditional retailers, and thirdly tourism, especially in Europe.

As discussed in the last quarterly report, there has been a specific focus on the developments in Russia and how the Fund might participate either directly or indirectly. There are without doubt valid concerns behind the headline assessment of the risks of investing in Russia and no end of illustrative anecdotes as to why any such exercise might reasonably and justifiably be filed in the too-hard basket. As always though price plays a part, as does the need to consider what may be happening prior to the equity markets having sufficient data points to discount more optimistic scenarios.

Yet there are clearly signs of opportunity and developments that are encouraging, not least of which is the commentary and direct investment being made by the management teams of a number of Western companies with whom we are already invested. The Fund is participating both directly, by investing in a Russian domiciled company as well as indirectly with several of our existing holdings. The Russian market is patchy; very strong results are being reported in some retail segments whereas in others, inflation, difficult distribution and the impact of last year's poor harvest have hampered the business.

The message, however, from some corporate management, as also evidenced by their action on investment, is that Russia is not the typical emerging market and the expansion of an educated middle class with high disposable income may be much faster than is currently assumed.

The Russian tourist remains at the top of the table of spending by foreign visitors to Europe, albeit the Chinese tourist is likely to surpass them fairly soon. The Chinese government report that the number of outbound Chinese tourists grew by 22% in 2011 to 70 million whilst their spending grew by 25% to $69 billion. UK and US tourism authorities report that Chinese tourists spend 2-3 times more than other international tourists.

A branded luxury products company with outlets in Milan, Paris, Zurich, London is faced with the interesting challenge of recruiting staff for their flagship stores fluent in both Russian and Chinese, whilst also ranging the store with sizes and styles to satisfy these two very different groups of consumers. If the company is then also listed in Europe, or perhaps Italy, an interesting investment opportunity for the Fund can develop. We have seen that the share price will be influenced and impacted by the concerns and volatility of the overall situation in Europe, and by the local austerity measures and yet the strength of tourism is underpinning some robust results.

This growth in tourism looks set to continue, particularly from Russia and China but not exclusively with the strength of the German economy also facilitating a rise in outbound tourism. It is a theme that the Brands Fund will continue to develop and dovetail with our work on the retail sector in Europe.

The difficulties of austerity measures, unemployment, debt reduction and a sceptical equity market have seen the retail sector justifiably under enormous pressure. A good proportion of the troubles they are currently facing are also self-inflicted through years of careless expansion and insufficient attention to the necessary rigors of running a modern retailer. Those that were also not acutely attuned to the dynamics of internet retail have an added burden to confront.

There are a few somewhat better positioned than their compatriots and able to capitalise, at least in a market share sense, on the current difficulties facing the industry. The Fund has initiated two new investments in retailers in Europe at what we believe are attractive valuations given the environment and the plans being undertaken by the respective management teams. It is nonetheless a difficult and dynamic situation that will no doubt provide a challenging backdrop to the progress of these investments. One is in the UK and the other in southern Europe.

Outlook

The Fund will likely remain relatively defensively positioned following the recent strong performance of the markets. Although there are noticeably more new investments being considered and added to the Fund than has been the case in the past year or two. These additions will not necessarily lead to an increase in the Fund's net invested position.

There remains the ongoing tension between increased liquidity in the financial system along with rising confidence from the gains in the equity markets, contrasted against the underlying and clearly evident concerns that economic recovery and hence profitable corporate growth cannot be presumptuously assumed. The distressing headlines of Europe may have eased and US economic statistics may be showing some positive trends, however, the opportunities for corporate growth will be selectively scarce.

The past year was also characterised by high levels of correlation in the stocks along with periods of difficult volatility. The Fund's relatively high cash balance provides the means to be opportunistic at inopportune times and this will continue. The receding of sensational headlines and an increasing collective market understanding of the global macroeconomic position has lessened the herd-like correlation amongst equities which, for the moment, is enabling the Fund to develop some interesting new ideas.

Platinum International Health Care Fund

Bianca Ogden Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
North America	35%	33%
Europe	34%	31%
Japan	4%	4%
Asia	1%	1%
South America	1%	1%
Australia	1%	0%
Cash	24%	30%
Shorts	3%	3%

Source: Platinum

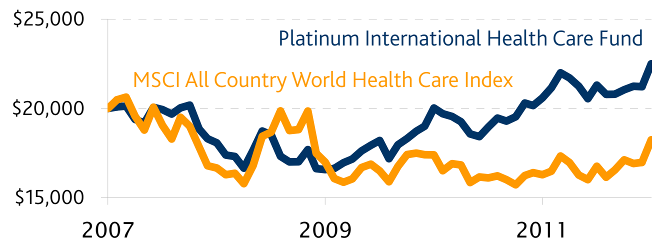
Performance and Changes to the Portfolio

The Platinum International Health Care Fund advanced 9.3% for the year, while the MSCI Health Care Index rose 12%. For the quarter, the Fund advanced by 6.9%, while the Index increased 6.5%.

The biotech sector continues to do well and will remain a core holding in our Fund. Our most recent addition to the portfolio, Thrombogenics (see previous quarterly report), has already added to our performance over the past three months. Thrombogenics entered a very lucrative deal for Microplasmin with eye disease leader Alcon (part of Novartis). Microplasmin could not be in better hands and it is good to see that a very experienced company sees value in a product we felt was undervalued.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

For the year, the Fund benefited not only from our strong biotech holdings but also from our tool companies. German-based Sartorius in particular added significantly to our performance (up over 50% for the year). This company provides tools for biomanufacturing as well as weighing equipment for lab and industrial purposes. As is often the case with German companies, the product and service offering is of the highest quality but the profitability is lagging its US peers. Sartorius was no different, and in recent years, has done all the right things to improve its business. Today the company has grown sales and earnings in a very competitive way as the most recent earnings release illustrated.

A disappointment has been French company Ipsen. The company terminated its diabetes drug program and is currently assessing what to do with its primary care business. Management changes have occurred and Ipsen is slowly reassessing its options. It is a good company, not overly expensive but will need some time to get back on track. At this stage we are happy to wait and enjoy a dividend; a rarity in biotech.

We exited our position in Cepheid, a provider for molecular diagnostic tests. This company has been part of the Fund for some time. It developed an easy to use diagnostic instrument and over the past 18 months successfully launched the product. The story is well-covered and we have made a very decent return over the past couple of years (+400%). At eight times sales we feel that our money is better invested elsewhere.

The high cash position of the Fund has slowed our performance. However, outstanding opportunities at reasonable prices are rare in healthcare, particularly at times of frequent acquisitions in the market. On a recent visit to Europe, we met with many new companies and have started to put some cash to work.

Commentary

"Was lange währt, wird endlich gut" meaning "good things come to those who wait". This describes perfectly what has happened to pharma. It has taken years rather than months but numerous restructuring efforts, together with several acquisitions and licensing deals have today placed pharma in a good position. Most companies are entering a new stage of their lifecycle after many years of remoulding their structures. In the meantime, profits have not collapsed; cash generation has continued to be strong and the research and development (R&D) engine is running again - maybe not at full speed yet but productivity is on the rise and drug approvals are forthcoming globally.

Despite patent expirations being at their highest level, big pharma (at least some of them) has been doing something right. Even the market cannot ignore such progress anymore and has started to look beyond patent expirations.

Over recent years these companies have undergone significant changes. Some have been bold such as divesting divisions or completing significant acquisitions, while others have been more subtle and often coincided with senior personnel changes which is something we track closely.

In a nutshell, these companies have adjusted their cost structure (see graph on page 29 of combined R&D and selling, general and administrative (SG&A) budgets of US pharma companies).

Manufacturing sites have been consolidated, sales forces are being reduced, pipelines have been cleaned out and R&D budgets are being managed a lot more carefully. This has in no way stifled progress; to the contrary, the outlook for the majority of pharma companies has improved.

The quality, rather than quantity of pipeline assets has risen. The late-stage decision making process within the companies has been overhauled. Management layers have been removed and the process now takes into account not only the efficacy and safety of a new product, it also assesses carefully the commercial potential of a new drug vis-à-vis competitors, along with its potential to be reimbursed by payors. Remuneration schemes have been adjusted accordingly; staff will be rewarded once a product gains approval AND receives a positive reimbursement decision by the relevant agencies. As Roche told us, under the new decision making process several recent failures would have not been allowed to enter phase 3 trials. There is no longer room for 'me-too' drugs in today's market place.

Pharma has accepted that biotech continues to be an essential ingredient for pharma's success and the relationship between the two has become a lot more sophisticated. Previously, big pharma simply acquired an equity stake and expected to run the show. More often than not this 'barging in' approach did not result in a commercial product; it resulted in write-offs. Today, lessons have been learned; equity investments are rare while Joint Steering Committees are almost standard. At the same time, biotechs are now more likely to retain options to co-promote the product in certain territories.

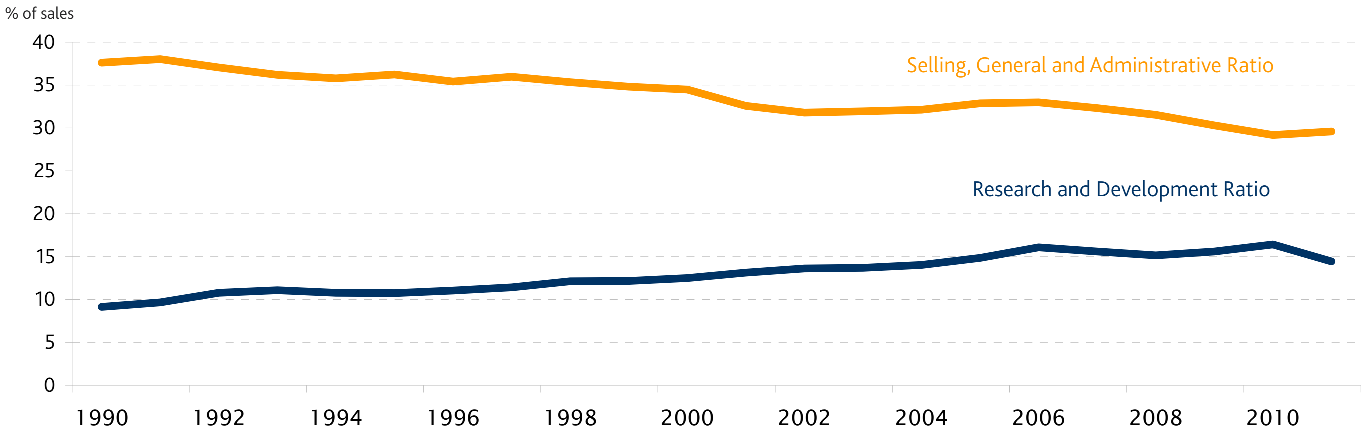
Acquisitions will continue as externally sourced opportunities are now firmly part of the growth strategy. Pharma has learned how to use its cashflow more efficiently; making up-front payments to biotech specialists has been found to offer an elegant solution to exploring new potential drugs.

Large acquisitions, some may call them transformational, are more or less behind us and those in process are approaching completion. The benefits from these acquisitions (e.g. Sanofi will have an outstanding position in Latin America) will soon become visible and contribute growth as well as cash. Debt levels will decline quite rapidly, dividend payments will continue to rise and gradually the 'patent' hole will become a distant memory.

Outlook

As for the past year, biotech will continue to set the tone in healthcare. Innovation is done in these small to mid-sized companies and we will continue to make sure we understand the complexity. The diagnostic sector continues to be an area that is lagging and valuations are getting more and more interesting, not just for us but also for a corporate acquirer, we suspect more consolidation is to come.

US Pharma* Sales Ratios (1990-2011)



* Merck & Co, Pfizer, Eli Lilly, Bristol Meyer Squibb, Johnson & Johnson

Source: Company Annual Reports and Factset

Platinum International Technology Fund

Alex Barbi Portfolio Manager

Disposition of Assets

REGION	MAR 2012	DEC 2011
Asia	36%	35%
North America	21%	19%
Europe	19%	17%
Japan	4%	5%
Cash	20%	24%
Shorts	7%	3%

Source: Platinum

Performance and Changes to the Portfolio

The Fund's value increased by 8% during the quarter, while the MSCI World Information technology (A$) Index was up by 18.9% for the same period. Over 12 months, the Fund has recorded a negative 0.2%, while the Index was up by 12.6%.

During the quarter major contributors to performance were:

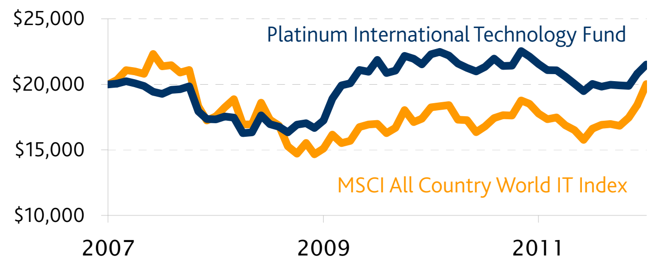
- Advance Micro Devices - AMD (Semiconductors) +48%
- Apple Inc (Hardware and phones) +48%
- Adva Optical (Optical networking) +39%, and
- Samsung Electronics (Korean Electronics giant) +18%.

Among major detractors to performance were:

- ZTE -14%, and
- Comba Telecom Systems -31%.

Value of $20,000 Invested Over Five Years

31 March 2007 to 31 March 2012



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

Both ZTE and Comba suffered from delays announced by Chinese telecom operators in their capital expenditure plans. We bought these stocks too early as we believed that the market had already anticipated the cyclical slowdown. We believe this is only a temporary setback and we remain committed to them. In fact, both AAC Technologies +27% and China Mobile +13% (two holdings in the Fund related to the broader theme of mobility in China) reported very good results, and indirectly confirm our case that China upgrading its telecom network is only a matter of when, not if.

Commentary

Apple was the star of the US stock market during the quarter with its stock price jumping to an all time high and its market capitalisation growing to a huge US$575 billion, making it the largest listing on the planet. While plenty has been written about the success of its iPhones and iPads, and the enormous cash pile accumulated by the company (US$97 billion at last count), less has been said about its impact on the stock market itself.

A research piece recently produced by Barclay's Capital shows how index weightings can be quite deceiving, in particular, the valuation of Apple as compared to the rest of the market. Most people would be aware that Apple is a behemoth but the extent of its impact on the entire market is less clear.

First of all, it is revealing that during an average day, $13 billion worth of Apple shares are traded on the Nasdaq, where the total value of daily traded shares is $55 billion. In other words, Apple makes almost a quarter of all shares traded in that market by value!

Our decision last December (refer to the Fund's December 2011 quarterly report) to raise the Fund's exposure to Apple was the correct one, and it added to performance. However, the Fund's relatively low 3.6% weight in this stock ultimately was nowhere near the heavyweights (between 15% and 19%) represented by Apple in typical technology indices like the Nasdaq 100, S&P Global Technology or MSCI IT Index. That partly explains the Fund's underperformance, together with the relatively large 18% average cash position and a 1% negative contribution from the short positions.

Analysts at Barclays also calculated that the year-to-date gains in Apple stock were responsible for 15% of the S&P 500 first-quarter gains, and virtually all of the bellwether Index's earnings growth versus a year ago. We have to go back all the way to 1999 to find other such observations, when another tech giant, Microsoft, was responsible for these large contributions. That is not to say that we are back in the bubble days of 1999. S&P 500 trailing P/E ratio is now at around 14 times compared with 27 times in 1999, and Apple's trailing P/E is around 14 times compared to Microsoft at 70 times in 1999.

However, *"is it rational to expect a single stock to provide outsized contributions to the index price return?"* the analysts asked rhetorically. The note reveals that Apple's contribution to the S&P 500 gain was four times its weighting in the Index. *"In addition, Apple has offset 40% of the year-to-date decline in estimated 2012 index EPS"* they said. First-quarter earnings growth is estimated at just 1.4% year-over-year for the S&P 500, and about zero excluding Apple, the report concluded. *"On balance, the outlook for first-quarter earnings reports is mixed at best; any slip-ups from Apple could be costly to equity investors"* the analysts wrote.

The issue raised here is of major importance because if stock market indices grow mostly thanks to an outsized contribution from an individual company's earning explosion, investors may confuse the unique strength of a particular phenomenon with a general market earnings recovery. At that stage the risk of a sudden market reversion due to Apple's growth rate slowing down becomes quite high. Almost two years ago (refer to the Fund's June 2010 quarterly report) we described the huge profitability gap between the iPhone and the average Nokia phone, and some less evident drivers of Apple's success (i.e. telephone carriers being happy to subsidise the cost of the iPhone, and incur an upfront loss in exchange for subscribers 24 month long-term contracts). We cannot predict when Apple rocket-fuelled growth will start facing serious headwinds, but to some extent it is inevitable for companies relying on continuous technology innovation to face obsolescence, competition and yes… even maturity. It is typical of technology companies to go through periodic disruptive cycles. We are not saying Apple has reached that point yet, but the odds are becoming increasingly more difficult to calculate, in light of what we experienced in two decades of technology investing.

Therefore, having first invested in Apple at US$235 exactly two years ago, we now think that (above US$600) it is prudent to trim our position and take some profit.

China Mobile

Moving to China, concerns have increased among investors that a slowdown is now overdue in those parts of its economy more dependent on public and private investments (particularly residential construction and infrastructure building). The Chinese leaders themselves have recently pointed to a more moderate pace of growth in their update of their five-year-plan targets. The nation's economic growth target is now 7.5%, down from an 8% goal in place since 2005, a signal that leaders are determined to cut reliance on exports and capital spending in favour of consumption.

In this context, we remain confident in our holding in China Mobile. They will likely benefit from new government policies to promote higher domestic consumption and to raise average earnings for the low and middle income groups. This should encourage the population to increase their discretionary spending just when the global trend of higher mobile data usage through smartphones, tablets and other mobile devices will become irresistible to those keen to adopt Western-style consumption models.

As a reminder, China Mobile is the largest mobile network in the world with an army of subscribers (660 million) which is more than twice the entire population of the US! Six million net new subscribers are being added to its network on average each month and Chinese users are increasingly adopting smartphones like their Western counterparts.

Importantly, smartphone penetration in China is still extremely low, reaching an estimated 6.9% as at the end of 2011. That compares to levels of 10% in Indonesia, 13% in Thailand, 20% in Taiwan, 45% in Hong Kong and 50% in Singapore and Australia. Smartphones like the iPhone, the Samsung Galaxy and the many other cheaper brands developed by local and foreign companies will bring true affordable mobile internet to the Chinese masses. It is not unreasonable to expect smartphone penetration in China to approach 35-40% within three or four years and with them, revenues for China Mobile will accelerate from the current (and fairly decent) +8.8% year-on-year increase. Despite the promising long-term outlook, the market is, however, cautious about regulatory uncertainties and government interferences in China. While we acknowledge this, we think that on balance the potential upside more than offset the downside risks. Trading at 10.5 times P/E for 2012, and offering a 4% dividend yield, China Mobile remains quite attractive considering its strong leadership position and growth prospects.

Outlook

The bold European Central Bank intervention in February put a 'safety net' around the European financial systems with the €1 trillion 'Long Term Refinancing Operation' (LTRO) and it avoided a major funding crunch among troubled European banks. In the US, the slow but continuous progress of its economic indicators is encouraging, but current estimates on future corporate earnings growth may suggest that the stock market has largely discounted the recent recovery.

The divergence in medium-term economic prospects among Europe, Asia and the US may become a driver of divergent performance in the next few months. With such an uncertain economic picture in the background, we remain convinced that our philosophy of finding the best investment themes and selecting the best companies within them is the best way to proceed.

Glossary

Earnings Before Interest and Tax (EBIT)
An indicator of a company's profitability. It is calculated as revenue minus expenses including tax and interest.

Earnings Per Share (EPS)
An indicator of a company's performance. It is calculated by dividing the company's after-tax earnings by the number of shares on issue to highlight the profit earned in terms of each share.

Japanese Government Bond (JGB)
A bond issued to investors by the Japanese Government, denominated in Japanese yen. Currently JGBs (10 year) offer a yield of 1%. Bond prices have an inverse relationship to bond yields. This means that falling bond prices denote rising yields and vice versa. If the economic outlook in Japan begins to improve and long-term interest rates rise in Japan, JGB prices will fall. By short selling JGBs, the Platinum Trust Funds are positioned to benefit from an improvement in the Japanese economy.

MSCI Indices
Varying indices compiled by Morgan Stanley Capital International (eg. World, Asia, Healthcare etc) that are designed to measure equity market performance across different regions and industries.
Platinum does not structure its investment portfolios relative to a benchmark, however, the MSCI indices are used as a reference to determine how each Fund is performing in relation to the total market opportunity in which it invests.

Price to Book Ratio (P/B)
The ratio of a company's current share price to its current book value. Book value is the sum of a company's total assets minus its total liabilities and intangible assets. The P/B is used as an indicator of the value of a company by comparing its share price to the amount of the company's assets that each share is entitled to.

Price to Earnings Ratio (P/E)
The ratio of a company's current share price to its per share earnings. The P/E is used as an indicator of the value of a company by comparing its share price to the amount of per-share earnings the company generates.

Quantitative Easing (QE)
A monetary policy used by Central Banks to increase the supply of money by increasing the excess reserves of the banking system. QE3, refers to proposals for an additional round of quantitative easing following QE2.

Short Selling or Shorting
A transaction by which an investor is able to generate profit from a fall in the price of a particular company or market index. To generate such a profit an investor borrows securities and sells them, then when the price has fallen, the investor repurchases the securities at a lower price and returns them to the lender.
Platinum utilises short selling of stocks and indices for risk management (that is, to protect a Fund's Portfolio from either being invested or uninvested) and to take opportunities to increase returns.
Short selling is not undertaken for the Platinum Unhedged Fund.

Please utilise the "What's New" page on our website, http://www.platinum.com.au/Whats_New.htm as a reference point for updates and announcements.

From early May, we shall use this part of our website to advise of the estimations (updated weekly) for the forthcoming Platinum Trust Funds' 30 June distribution.

Look on the bright side; you got out of that stock before it became…unstable.

"I can't put my finger on it, but something doesn't seem right."

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$20,000 invested in the relevant Fund over five years from 31 March 2007 to 31 March 2012 relative to their Index (in A$) 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.

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Platinum®
ASSET MANAGEMENT

Platinum Asset Management is a Sydney-based manager specialising in international equities. The investment team uses a thematic stock-picking approach that concentrates on identifying out-of-favour stocks with the objective of achieving superior returns for our clients. We pay no heed to recognised indices. We aim to protect against loss and will hedge stocks, indices and currencies in our endeavours to do so.

The firm was founded in February 1994 by a group of professionals who had built an enviable reputation. The investment team has grown steadily and PAM now manages around $16 billion, with approxmately 14% of this coming from overseas investors. The Company was listed on the ASX in May 2007 and staff remain the majority shareholders.

Since inception, the Platinum International Fund has achieved returns of over three times those of the MSCI All Country World Index* and considerably more than interest rates on cash.

Investor services numbers

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* Please refer to page 2.

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