

**Platinum International Fund<sup>®</sup>** ARSN 089 528 307  
**Platinum Unhedged Fund<sup>™</sup>** ARSN 123 939 471  
**Platinum Asia Fund<sup>®</sup>** ARSN 104 043 110  
**Platinum European Fund<sup>®</sup>** ARSN 089 528 594  
**Platinum Japan Fund<sup>®</sup>** ARSN 089 528 825  
**Platinum International Brands Fund<sup>®</sup>** ARSN 092 429 813  
**Platinum International Health Care Fund<sup>®</sup>** ARSN 107 023 530  
**Platinum International Technology Fund<sup>®</sup>** ARSN 092 429 555

## **Financial Report**

**For the year ended 30 June 2011**

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## **Financial Report – For the year ended 30 June 2011**

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Platinum International Fund  
Platinum Unhedged Fund  
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Platinum International Health Care Fund  
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## **Responsible Entity Report**

The Directors of Platinum Investment Management Limited (trading as Platinum Asset Management<sup>®</sup>) ABN 25 063 565 006 AFSL 221935, the responsible entity of the Platinum International Fund, the Platinum Unhedged Fund, the Platinum Asia Fund, the Platinum European Fund, the Platinum Japan Fund, the Platinum International Brands Fund, the Platinum International Health Care Fund and the Platinum International Technology Fund (collectively referred to as “*the registered schemes*”), present their report on the registered schemes for the year ended 30 June 2011.

### **Principal Activities**

During the year, the registered schemes continued to invest funds in accordance with the Product Disclosure Statement (PDS) and their respective Constitutions.

### **Directors of the Responsible Entity**

The Directors of Platinum Investment Management Limited during the year and up to the date of this report were:

K Neilson  
A Clifford  
P Howard (appointed 31 March 2011)  
M Halstead (retired 31 March 2011)

### **Significant Changes in the State of Affairs**

There were no significant changes to the state of affairs of the registered schemes during the year, other than those disclosed in this report or the financial statements.

### **Review of Operations**

The registered schemes predominantly maintain their individual investment strategies in listed equities, equity and index derivatives and currency contracts.

Platinum International Fund  
 Platinum Unhedged Fund  
 Platinum Asia Fund  
 Platinum European Fund  
 Platinum Japan Fund  
 Platinum International Brands Fund  
 Platinum International Health Care Fund  
 Platinum International Technology Fund

## Responsible Entity Report (cont)

### Results

The performances of the registered schemes, as represented by the results of their operations for the year ended 30 June 2011, were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Net Operating Profit/(Loss)	(702,621)	856,654	(6,500)	13,338	(217,854)	401,472	21,480	30,897	(25,113)	(12,104)	53,084	117,052	2,397	1,610	(1,997)	2,773

The distributions of the registered schemes at 30 June were:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Distribution Paid and Payable	251,204	-	2,772	4,239	37,747	101,224	-	4,074	-	5,424	23,007	13,256	184	198	-	1,518
Distribution (cents per unit)	4.17	-	1.72	6.71	2.36	6.54	-	4.58	-	2.21	7.72	5.90	0.89	1.07	-	3.78

The redemption prices of the registered schemes at 30 June were:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Redemption Price – (cum-distribution)	1.4583	1.5734	1.0361	1.1396	2.1520	2.3439	1.9950	1.7911	1.7586	1.8783	2.2343	2.0775	1.0831	0.9711	0.9639	1.0485

### Matters subsequent to the end of the year

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected or may significantly affect:

- (i) the operations of the registered schemes in future years; or
- (ii) the results of those operations in future years; or
- (iii) the states of affair of the registered schemes in future years.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## **Responsible Entity Report (cont)**

### **Likely Developments**

The registered schemes will continue to pursue their investment objectives so as to increase their net asset values. The method of operating the registered schemes is not expected to change in the foreseeable future.

### **Indemnification and Insurance of Officers and Auditors**

No insurance premiums are paid for out of the assets of the registered schemes with regard to insurance cover provided to either the Investment Manager, Platinum Investment Management Limited, or the Auditor of the registered schemes. So long as the officers of the responsible entity act in accordance with the schemes' Constitution and the Law, they remain fully indemnified out of the assets of the registered schemes against any losses incurred while acting on behalf of the registered schemes. The Auditor of the registered schemes is in no way indemnified out of the assets of the registered schemes.

### **Fees Paid to and Interests Held in the registered scheme**

Fees paid to the responsible entity out of registered schemes' property during the year are disclosed in Note 12 to the financial statements. No fees were paid out of the registered schemes' property directly to the Directors of the responsible entity during the year.

### **Units on Issue**

The movement in units on issue in the registered schemes during the year has been disclosed in Note 6 to the financial statements.

### **Environmental Regulation**

The operations of the registered schemes are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

### **Rounding of amounts to the nearest thousand dollars**

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached on page 5.

This report is made in accordance with a resolution of the Directors.

P Howard  
Director

Sydney  
15 August 2011



## Auditor's Independence Declaration

As lead auditor for the audit of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund, and Platinum International Technology Fund (collectively referred to as "the registered schemes") for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the registered schemes during the period.

AJ Wilson  
Partner  
PricewaterhouseCoopers

Sydney  
15 August 2011

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
DX 77 Sydney, Australia  
T +61 2 8266 0000, F +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Statements of Comprehensive Income

For the year ended 30 June 2011

Notes	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Investment income</b>																
Dividends	178,738	151,965	3,015	1,543	78,976	70,013	3,807	3,452	7,308	8,707	10,342	13,017	270	165	647	692
Interest	18,869	16,151	278	117	3,821	12,158	27	58	284	155	2,733	335	123	35	79	60
Net gains/(losses) on financial assets at fair value through profit or loss	(337,462)	801,161	(1,872)	15,519	(99,231)	441,666	27,301	26,280	(20,775)	(2,439)	55,068	111,717	2,656	1,640	461	3,003
Net foreign exchange gains/(losses) on forward currency contracts	(385,902)	47,885	(5,201)	(2,483)	(126,230)	(57,456)	(6,360)	4,504	(4,589)	(9,960)	(4,374)	250	(295)	39	(2,410)	(203)
<b>Total investment income/(loss)</b>	(525,757)	1,017,162	(3,780)	14,696	(142,664)	466,381	24,775	34,294	(17,772)	(3,537)	63,769	125,319	2,754	1,879	(1,223)	3,552
<b>Expenses</b>																
Management fee	129,237	118,912	1,931	950	52,063	46,061	2,283	2,351	5,699	6,642	7,870	6,012	270	200	577	581
Administration fee	6,817	6,670	138	68	3,719	3,290	163	168	407	474	562	429	19	14	41	42
Withholding tax on foreign dividends	19,419	16,213	304	164	9,310	6,360	412	462	551	652	1,065	825	36	23	80	82
Transaction costs	21,345	18,635	346	175	10,074	9,177	436	415	688	796	1,118	977	30	28	76	74
Other	46	78	1	1	24	21	1	1	2	3	70	24	2	4	-	-
<b>Total expenses</b>	176,864	160,508	2,720	1,358	75,190	64,909	3,295	3,397	7,347	8,567	10,685	8,267	357	269	774	779
<b>Net operating profit/(loss)</b>	(702,621)	856,654	(6,500)	13,338	(217,854)	401,472	21,480	30,897	(25,119)	(12,104)	53,084	117,052	2,397	1,610	(1,997)	2,773
<b>Financing Costs</b>																
<b>Net operating profit/(loss)</b>	(702,621)	856,654	(6,500)	13,338	(217,854)	401,472	21,480	30,897	(25,119)	(12,104)	53,084	117,052	2,397	1,610	(1,997)	2,773
(Increase)/decrease in net assets attributable to unitholders	953,825	(856,654)	9,272	(9,099)	255,601	(300,248)	(21,480)	(26,823)	25,119	17,528	(30,077)	(103,796)	(2,213)	(1,412)	1,997	(1,255)
Distribution paid and payable	(251,204)	-	(2,772)	(4,239)	(37,747)	(101,224)	-	(4,074)	-	(5,424)	(23,007)	(13,256)	(184)	(198)	-	(1,518)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Balance Sheets

As at 30 June 2011

	Notes	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Assets</b>																	
Cash and cash equivalents	13 (a)	997,264	1,450,520	15,612	7,711	459,191	329,688	15,748	11,478	68,470	57,550	162,048	58,315	5,104	5,007	9,546	12,054
Financial assets at fair value through profit or loss	5	7,959,556	8,130,744	155,010	71,456	3,003,480	3,307,573	147,127	148,551	314,923	412,695	506,547	410,709	17,326	13,174	29,446	30,997
Receivables	8	27,984	15,042	244	330	6,990	4,216	384	329	298	11,512	545	3,686	36	30	62	271
<b>Total Assets</b>		<b>8,984,804</b>	<b>9,596,306</b>	<b>170,866</b>	<b>79,497</b>	<b>3,469,661</b>	<b>3,641,477</b>	<b>163,259</b>	<b>160,358</b>	<b>383,691</b>	<b>481,757</b>	<b>669,140</b>	<b>472,710</b>	<b>22,466</b>	<b>18,211</b>	<b>39,054</b>	<b>43,322</b>
<b>Liabilities</b>																	
Unitholders' distribution payable	7	251,204	-	2,772	4,239	37,747	101,224	-	4,074	-	5,424	23,007	13,256	184	198	-	1,518
Payables	9	105,958	19,646	3,457	7,426	9,929	4,395	1,786	188	755	901	1,673	567	23	15	45	50
Financial liabilities at fair value through profit or loss	5	76,923	188,242	-	-	18,243	6,754	118	593	1,567	20,436	1,965	4,931	42	217	69	1,063
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b>434,085</b>	<b>207,888</b>	<b>6,229</b>	<b>11,665</b>	<b>65,919</b>	<b>112,373</b>	<b>1,904</b>	<b>4,855</b>	<b>2,322</b>	<b>26,761</b>	<b>26,645</b>	<b>18,754</b>	<b>249</b>	<b>430</b>	<b>114</b>	<b>2,631</b>
<b>Net Assets Attributable to Unitholders</b>	6	<b>8,550,719</b>	<b>9,388,418</b>	<b>164,637</b>	<b>67,832</b>	<b>3,403,742</b>	<b>3,529,104</b>	<b>161,355</b>	<b>155,503</b>	<b>381,369</b>	<b>454,996</b>	<b>642,495</b>	<b>453,956</b>	<b>22,217</b>	<b>17,781</b>	<b>38,940</b>	<b>40,691</b>

*The above Balance Sheets should be read in conjunction with the accompanying notes.*

Platinum International Fund  
 Platinum Unhedged Fund  
 Platinum Asia Fund  
 Platinum European Fund  
 Platinum Japan Fund  
 Platinum International Brands Fund  
 Platinum International Health Care Fund  
 Platinum International Technology Fund

## Statements of Changes in Equity

For the year ended 30 June 2011

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Total equity at the beginning of the year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity at the end of the year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity and accordingly the registered schemes have no equity for financial reporting purposes.

*The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.*

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Statements of Cash Flows

For the year ended 30 June 2011

	Notes	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>																	
Interest received		19,185	16,165	248	126	3,821	12,635	27	62	245	179	2,686	358	123	36	69	66
Dividends received		164,978	148,996	2,902	1,498	75,909	72,232	3,754	3,569	7,622	8,324	10,398	13,181	265	159	630	695
Manager's fees paid		(136,798)	(124,728)	(1,999)	(998)	(55,961)	(48,639)	(2,449)	(2,536)	(6,226)	(7,110)	(8,195)	(6,394)	(281)	(213)	(623)	(620)
Other expenses paid		(21,436)	(18,923)	(360)	(178)	(10,119)	(9,331)	(439)	(416)	(678)	(811)	(1,216)	(1,012)	(33)	(32)	(76)	(76)
Cash paid for purchase of financial assets		(8,560,691)	(6,707,871)	(231,246)	(91,781)	(1,578,070)	(2,578,725)	(60,285)	(68,292)	(386,755)	(611,164)	(226,464)	(191,322)	(5,958)	(7,369)	(22,820)	(36,692)
Cash proceeds from sale of financial assets		8,132,102	5,982,271	143,476	83,431	1,719,716	1,920,371	84,381	91,527	463,344	580,400	190,202	211,229	4,194	6,653	22,864	38,483
<b>Net cash inflow/(outflow) from operating activities</b>	13 (c)	(402,660)	(704,090)	(86,979)	(7,902)	155,296	(631,457)	24,989	23,914	77,552	(30,182)	(32,589)	26,040	(1,690)	(766)	44	1,856
<b>Cash flows from financing activities</b>																	
Proceeds received from units issued		1,489,100	3,042,078	120,211	25,938	618,808	981,917	11,840	16,932	29,038	176,439	226,836	70,992	3,390	5,187	5,388	11,135
Cash paid for units redeemed		(1,372,974)	(954,125)	(20,445)	(15,810)	(488,569)	(353,391)	(27,468)	(37,976)	(77,546)	(82,405)	(68,374)	(69,525)	(1,167)	(1,588)	(5,142)	(6,385)
Distributions paid		-	(1,415,026)	(4,239)	(524)	(101,224)	(220,301)	(4,074)	(8,899)	(5,424)	(55,964)	(13,256)	(44,357)	(198)	(393)	(1,518)	(3,685)
<b>Net cash inflow/(outflow) from financing activities</b>		116,126	672,927	95,527	9,604	29,015	408,225	(19,702)	(29,943)	(53,932)	38,070	145,206	(42,890)	2,025	3,206	(1,272)	1,065
<b>Net increase/(decrease) in cash and cash equivalents</b>		(286,534)	(31,163)	8,548	1,702	184,311	(223,232)	5,287	(6,029)	23,620	7,888	112,617	(16,850)	335	2,440	(1,228)	2,921
Cash and cash equivalents at beginning of the year		1,450,520	1,476,106	7,711	6,186	329,688	557,979	11,478	19,671	57,550	52,380	58,315	81,228	5,007	2,560	12,054	9,047
Effects of exchange rate changes on cash and cash equivalents		(166,722)	5,577	(647)	(177)	(54,808)	(5,059)	(1,017)	(2,164)	(12,700)	(2,718)	(8,884)	(6,063)	(238)	7	(1,280)	86
<b>Cash and cash equivalents at the end of the year</b>	13 (a)	997,264	1,450,520	15,612	7,711	459,191	329,688	15,748	11,478	68,470	57,550	162,048	58,315	5,104	5,007	9,546	12,054

*The above Statements of Cash Flows should be read in conjunction with the accompanying notes.*

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011

### Note 1 General Information

This financial report covers the Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (collectively referred to as “the registered schemes”), as individual entities.

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes. The registered office is Level 8, 7 Macquarie Place, Sydney, NSW 2000.

Registered Scheme	Date of Commencement
Platinum International Fund	4 April 1995
Platinum Unhedged Fund	19 January 2005
Platinum Asia Fund	3 March 2003
Platinum European Fund	12 June 1998
Platinum Japan Fund	12 June 1998
Platinum International Brands Fund	11 April 2000
Platinum International Health Care Fund	5 November 2003
Platinum International Technology Fund	11 April 2000

Each registered scheme may be wound up on the day immediately preceding the 80<sup>th</sup> anniversary of the Date of Commencement, unless terminated earlier in accordance with the provisions of the Constitution.

The financial report was authorised for issue by the Directors of the responsible entity on 15 August 2011. The Directors have the power to amend the financial report after issue.

### Note 2 Summary of Significant Accounting Policies

#### (a) Basis of preparation of the financial report

This general purpose financial report has been prepared in accordance with the requirements of the registered schemes’ Constitution, Australian Accounting Standards (including AASB 101: *Presentation of Financial Statements*), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

**(a) Basis of preparation of the financial report (cont)**

*Compliance with International Financial Reporting Standards (IFRS)*

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements, and the notes thereto, of the registered schemes comply with IFRS as issued by the International Accounting Standards Board (IASB).

*Historical Cost Convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of "financial assets (including derivative instruments) at fair value through profit or loss".

*Critical Accounting Estimates*

The preparation of the financial statements in conformity with AIFRS requires the use of certain critical accounting estimates and judgements, which are included in the accounting policies below.

The Balance Sheets are presented in decreasing order of liquidity.

**(b) Income Tax**

Under current tax legislation, the registered schemes are not subject to income tax, provided that distributable incomes are fully distributed, either by way of cash or reinvestment.

The benefits of any imputation and offsets for foreign tax paid are passed on to unitholders.

**(c) Financial Assets and Liabilities at Fair Value through Profit or Loss**

Under AASB 139, marketable equity securities are designated in the Balance Sheets as "financial assets at fair value through profit or loss". These include financial assets that have quoted prices in active markets and can be reliably measured. This designation is consistent with the Investment Manager's general stock selection policy of selecting investments that are liquid and actively traded. These investments are initially recognised at fair value excluding transaction costs, which are expensed as incurred. Investments are valued based on quoted "bid" prices on long securities. Gains and losses arising from changes in the fair value of the financial assets are included in the Statements of Comprehensive Income in the period they arise.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

#### (c) Financial Assets and Liabilities at Fair Value through Profit or Loss (cont)

In accordance with AIFRS, derivative financial instruments are categorised as “financial assets/liabilities held for trading” and are accounted for at fair value, with changes to such values recognised through the Statements of Comprehensive Income in the period they arise. Derivative financial instruments are valued based on quoted “bid” prices for long equity swaps and long futures. Short equity swaps and short futures are valued based on quoted “ask” prices. Gains and losses arising from changes in the fair value of the financial assets/liabilities are included in the Statements of Comprehensive Income in the period they arise.

Forward currency contracts are categorised as “financial assets/liabilities held for trading” and are initially recognised at fair value on the date the contracts are entered into and are subsequently remeasured at each reporting date. The fair value at reporting date is the unrealised profit or loss on the foreign currency position (in Australian dollars).

#### *Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at reporting date without any deduction for estimated future selling costs. Long securities, long equity swaps and long futures are priced at “bid” prices, whilst short equity swaps and short futures are priced at “ask” prices.

#### *Fair value in an inactive or unquoted market*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm’s length market transactions, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

#### *Recognition/derecognition*

The registered schemes recognise financial assets on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets from this date.

The registered schemes no longer recognise financial assets on the date they become party to the sale contractual agreement (trade date).

#### (d) Transaction costs

Initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs, such as fees and commissions paid to agents. Incremental transaction costs on financial assets at fair value through profit or loss are expensed immediately.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

(e) **Net assets attributable to unitholders**

Units on issue give the unitholder a right to redeem units at the redemption price. The registered schemes have more than one class of units on issue. Therefore, net assets attributable to unitholders is considered a liability rather than equity. The liability represents the balance of the net assets of the registered schemes at reporting date. As unitholders' funds are classed as a liability under AIFRS, it will be necessary to recognise "(increase)/decrease in net assets attributable to unitholders" in the Statements of Comprehensive Income as a finance cost.

(f) **Foreign currency translation**

The functional and presentation currency of the registered schemes as determined in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates* will be the Australian dollar.

Transactions denominated in foreign currencies are translated into Australian currency at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities for each Balance Sheet presented are translated at exchange rates at the closing rate at the date of that Balance Sheet. Resulting exchange differences are brought to account in determining profit and loss for the year.

(g) **Investment income**

*Interest Income*

Interest income is recognised in the Statements of Comprehensive Income using the effective interest method, which allocates income over the relevant period.

*Dividend Income*

Dividend income is brought to account on the applicable ex-dividend date.

(h) **Distributions**

In accordance with each registered schemes' Constitution, each registered scheme fully distributes any distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the registered scheme.

Platinum International Fund  
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Platinum International Technology Fund

## **Notes to the Financial Statements**

For the year ended 30 June 2011 (cont)

### **Note 2 Summary of Significant Accounting Policies (cont)**

**(i) Receivables**

All receivables are recognised when a right to receive payment is established.

Debts that are known to be uncollectible are written off. A provision for doubtful debts is raised when there is evidence the amount will not be collected.

**(j) Payables**

All payables are recognised as and when the registered schemes become liable.

**(k) Applications and redemptions**

Applications received for units in the registered schemes are recorded net of any entry fees payable prior to the issue of units in the registered schemes. Redemptions from the registered schemes are recorded gross of any exit fees payable after the cancellation of units redeemed. The redemption price is determined by reference to the net assets of the registered scheme divided by the number of units on issue at or immediately prior to close of business each day. Issues and redemptions of units are processed simultaneously.

**(l) Rounding of amounts to the nearest thousand dollars**

The registered schemes are of a kind referred to in the Australian Securities & Investments Commission's Class Order 98/0100 (as amended) and consequently amounts in the Responsible Entity Report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

**(m) Including different registered scheme financial reports in a single document**

The registered schemes have applied Australian Securities and Investments Commission's Class Order 06/441 which allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

**(n) Goods and Services Tax (GST)**

The GST paid on the costs of various services provided to the registered schemes, such as Investment Management fees, have been passed onto the registered schemes. Investment Management fees have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). The net of GST recoverable from the ATO is included in receivables in the Balance Sheets. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

**(o) Operating segments**

The registered schemes are outside the scope of AASB 8 *Operating Segments* because they do not satisfy the requirement under AASB 8 of having debt or equity instruments traded in a public market, or files their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

**(p) Cash and cash equivalents**

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents includes deposits held at call with financial institutions, cash held in margin accounts and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions.

Payments and receipts relating to the purchase and sale of financial assets are classified as “cash flows from operating activities” as realised and unrealised gains (and losses) on financial assets represent the registered schemes’ main operating activity.

**(q) Due from/to brokers for unsettled trades**

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for, but not yet delivered by the reporting date. Trades are recorded on trade date. Proceeds on sale of investments are usually received between two and five days after trade date. Payables on purchase of investments are usually paid between two and five days after trade date.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

#### (r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. Our assessment of the impact of these new standards and interpretations on the registered schemes is set out below:

- (i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) (effective for annual periods beginning on or after 1 January 2013).

AASB 9 *Financial Instruments* provides revised guidance on the classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements of AASB 139 in respect of financial assets. The standard contains two primary measurement categories of financial assets: amortised cost and fair value. The standard eliminates the existing AASB 139 categories of held to maturity, available for sale and loans and receivables. Equity instruments will be measured at fair value with fair value changes in traded equity investments taken to the profit or loss. The standard would not have a significant impact on the registered schemes as its equities and derivatives are already recognised at fair value. The registered schemes will apply the standard from 1 July 2013.

- (ii) Revised AASB 124 *Related Party Disclosures* (effective for annual periods beginning on or after 1 January 2011).

The revised AASB 124 simplifies the definition of a “related party”, clarifying its intended meaning and eliminating inconsistencies from the definition. The standard would not impact on the disclosures contained in the financial report. The registered schemes will apply the revised standard from 1 July 2011.

- (iii) AASB 2009-12 *Amendments to Australian Accounting Standards* AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031; and Interpretations 2, 4, 16, 1039 & 1052 (effective for annual periods beginning on or after 1 January 2011).

The standard contains a variety of “editorial corrections”, many of which reflect changes made to the text of equivalent IFRSs by the IASB. These changes will have no major impact or effect on the financial report of the registered schemes. The registered schemes will apply the revised standards from 1 July 2011.

Platinum International Fund  
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## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 2 Summary of Significant Accounting Policies (cont)

#### (r) New accounting standards and interpretations (cont)

- (iv) AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project* (effective for annual periods beginning on or after 1 January 2011).

AASB 2010-4 makes amendments to various disclosure requirements including AASB 7: *Financial Instruments: Disclosures*, AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting*. The registered schemes do not expect that any adjustments will be necessary as a result of applying the amendments. The registered schemes will apply the revised standards from 1 July 2011.

- (v) AASB 2010-5 *Amendments to Australian Accounting Standards* AASB's 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042 (effective for annual periods beginning on or after 1 January 2011).

The standard contains a variety of "editorial amendments" to a range of Australian Accounting Standards and Interpretations, many of which reflect changes made to the text of equivalent IFRSs by the IASB. The registered schemes do not expect that any adjustments will be necessary as a result of applying the amendments. The registered schemes will apply the revised standards from 1 July 2011.

- (vi) AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfer of Financial Assets* (effective for annual periods beginning on or after 1 July 2011).

AASB 2010-6 amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transfers of financial assets (for example securitisations) and requires an understanding of the possible effects of any risks that remain with the entity that transfers the financial asset. The amendments will not have any impact on the registered schemes disclosures. The registered schemes will apply the revised standard from 1 July 2011.

Platinum International Fund  
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## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 3 Auditor's Remuneration

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Auditing and review of the financial report	40,893	40,091	5,362	5,257	22,306	21,868	19,517	19,135	20,445	20,045	19,517	19,135	7,436	7,290	16,730	16,401
Auditing the Compliance Plan	8,305	8,142	1,859	1,823	6,818	6,684	4,338	4,253	4,959	4,862	4,338	4,253	1,859	1,823	3,410	3,343
Other audit and assurance services	6,939	13,800	(1,117)	1,875	13,093	29,311	(1,117)	1,875	(1,117)	1,875	(1,117)	1,875	(1,117)	1,875	(1,117)	1,875
Taxation services – Compliance	71,327	68,880	46,046	47,020	54,305	52,690	41,877	44,270	43,541	46,570	50,847	49,650	41,723	42,280	46,657	48,450
Other advisory services – Foreign tax agent	7,842	8,845	2,515	2,849	10,226	8,845	-	-	-	-	2,526	2,849	-	-	3,073	3,481
	135,307	139,758	54,665	58,824	106,748	119,398	64,615	69,533	67,828	73,352	76,111	77,762	49,901	53,268	68,753	73,550

In 2011 (and 2010) Auditor's Remuneration was paid by the responsible entity and reimbursed by the registered schemes.

### Note 4 Taxation

Under current tax legislation, the individual registered schemes are not subject to income tax, as taxable income (including assessable net realised capital gains) is distributed in full to unitholders.

Platinum International Fund  
 Platinum Unhedged Fund  
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 Platinum International Brands Fund  
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 Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 5 Financial Assets and Liabilities at Fair Value through Profit or Loss

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Financial assets</b>																
Equity securities	7,948,109	7,989,876	155,010	71,456	2,998,474	3,274,695	146,504	147,498	311,035	407,748	505,131	409,264	17,307	13,087	29,388	30,975
Derivatives	2,857	115,992	-	-	3,259	1,630	-	380	2,223	2,692	683	1,445	-	13	19	-
Forward currency contracts	8,590	24,876	-	-	1,747	31,248	623	673	1,665	2,255	733	-	19	74	39	22
	7,959,556	8,130,744	155,010	71,456	3,003,480	3,307,573	147,127	148,551	314,923	412,695	506,547	410,709	17,326	13,174	29,446	30,997
<b>Financial liabilities</b>																
Derivatives	66,190	22,812	-	-	17,365	6,754	39	142	1,567	3,523	1,092	177	40	-	16	21
Forward currency contracts	10,733	165,430	-	-	878	-	79	451	-	16,913	873	4,754	2	217	53	1,042
	76,923	188,242	-	-	18,243	6,754	118	593	1,567	20,436	1,965	4,931	42	217	69	1,063
Total of Financial assets less liabilities	7,882,633	7,942,502	155,010	71,456	2,985,237	3,300,819	147,009	147,958	313,356	392,259	504,582	405,778	17,284	12,957	29,377	29,934

Refer to Note 2(c) for the accounting policy concerning fair value measurement. Information relating to the registered schemes' exposure to foreign currency risk, price risk and liquidity risk in relation to investments is provided in Note 10.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
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Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 6 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Opening balance	9,388,418	6,443,811	67,832	49,901	3,529,104	2,600,330	155,503	149,724	454,996	378,490	453,956	348,693	17,781	12,770	40,691	34,686
Applications during the year	1,489,100	3,042,078	120,211	25,938	618,808	981,917	11,840	16,932	29,038	176,439	226,836	70,992	3,390	5,187	5,388	11,135
Redemptions during the year	(1,372,974)	(954,125)	(14,134)	(17,106)	(488,569)	(353,391)	(27,468)	(37,976)	(77,546)	(82,405)	(68,374)	(69,525)	(1,167)	(1,588)	(5,142)	(6,385)
Increase/(decrease) in net assets attributable to unitholders	(953,825)	856,654	(9,272)	9,099	(255,601)	300,248	21,480	26,823	(25,119)	(17,528)	30,077	103,796	2,213	1,412	(1,997)	1,255
Closing balance	8,550,719	9,388,418	164,637	67,832	3,403,742	3,529,104	161,355	155,503	381,369	454,996	642,495	453,956	22,217	17,781	38,940	40,691
	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Opening balance	5,959,553	4,575,833	63,191	53,699	1,548,288	1,264,162	89,039	101,092	245,134	198,037	224,680	222,154	18,478	14,752	40,189	35,567
Number of units issued during the year	977,258	2,005,030	111,650	25,258	266,491	441,830	6,181	10,179	15,954	91,295	105,239	39,636	3,335	5,424	5,330	10,690
Number of units redeemed during the year	(908,119)	(621,310)	(13,377)	(15,766)	(214,571)	(157,704)	(14,436)	(22,232)	(44,165)	(44,198)	(31,985)	(37,110)	(1,163)	(1,698)	(5,174)	(6,068)
Closing balance	6,028,692	5,959,553	161,464	63,191	1,600,208	1,548,288	80,784	89,039	216,923	245,134	297,934	224,680	20,650	18,478	40,345	40,189

### Note 7 Distributions Paid and Payable

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
The distributions were paid/payable as follows: 30 June final payable	251,204	-	2,772	4,239	37,747	101,224	-	4,074	-	5,424	23,007	13,256	184	198	-	1,518

Platinum International Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 8 Receivables

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsettled trades	4,973	5,868	-	242	189	503	-	-	-	10,927	-	3,160	-	-	-	236
Interest receivable	-	316	32	2	-	-	-	-	39	-	47	-	-	-	10	-
GST receivable	1,164	1,121	22	9	465	444	22	20	50	62	85	57	3	2	6	6
Dividends receivable	17,162	5,677	175	67	6,336	3,172	134	149	209	523	284	380	13	9	43	24
Dividend tax refund receivable	4,335	2,060	15	10	-	97	228	160	-	-	129	89	20	19	3	5
Indian capital gains tax receivable	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	27,984	15,042	244	330	6,990	4,216	384	329	298	11,512	545	3,686	36	30	62	271

Proceeds on sale of investments are usually received between two and five days after trade date. Interest is usually received within three days of becoming receivable and dividends are usually received within 50 days of the ex-dividend date.

Information relating to the ageing of receivables for 2011 is provided in Note 10.

### Note 9 Payables

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsettled trades	95,592	8,534	2,272	-	843	-	1,601	-	314	340	171	-	-	-	-	-
Payable to unitholders	-	-	1,029	7,340	-	-	-	-	-	-	-	-	-	-	-	-
Management and administration fees	10,355	11,099	156	86	4,216	4,395	185	188	441	561	804	567	23	15	45	50
Indian capital gains tax payable	-	-	-	-	4,870	-	-	-	-	-	698	-	-	-	-	-
Other payables	11	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	105,958	19,646	3,457	7,426	9,929	4,395	1,786	188	755	901	1,673	567	23	15	45	50

Payables on purchase of investments are usually paid between two and five days after trade date.

Information relating to the registered schemes' exposures of payables to liquidity risk is provided in Note 10.

Platinum International Fund  
Platinum Unhedged Fund  
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Platinum International Technology Fund

## **Notes to the Financial Statements**

For the year ended 30 June 2011 (cont)

### **Note 10 Financial Risk Management**

#### **(a) Financial Risk Management Objectives, Policies and Processes**

The registered schemes' primary risks are related to the investment activities undertaken on its behalf by the responsible entity. The risks that the schemes are exposed to include market risk (including currency risk and price risk), credit risk and liquidity risk.

The responsible entity's investment style:

- adopts a bottom-up stock selection methodology such that long-term capital growth is sought through investing in undervalued securities across the world;
- seeks absolute returns and not returns relative to any index;
- invests excess funds in cash when undervalued stocks cannot be found; and
- actively manages currency.

The registered schemes may also invest in fixed interest investments, although this is not a primary investment objective.

Derivatives (that include equity swaps and futures) are utilised for risk management purposes and to take opportunities to increase returns. The registered schemes do not enter or trade derivatives for speculative purposes. The underlying value of derivatives held by a registered scheme may not exceed 100% of the net asset value of that scheme. The underlying value of long stocks and derivative contracts may not exceed 150% of the net asset value of that scheme. Each of the registered schemes complied with its investment mandate at 30 June 2011.

Platinum International Fund  
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Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (b) Investments at Fair Value and Derivatives Exposure

	International Fund							
	2011				2010			
	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Japan	1,537,128	-	-	1,537,128	1,582,835	-	(1,204,371)	378,464
Other Asia	1,345,382	26,336	(184,392)	1,187,326	1,811,747	36,880	-	1,848,627
Australia	108,364	-	(39,398)	68,966	12,425	4,138	(64,473)	(47,910)
Europe – Euro	2,094,601	-	-	2,094,601	2,103,003	-	(89,550)	2,013,453
Europe – Other	298,677	-	(160,233)	138,444	202,216	-	(242,358)	(40,142)
North America	2,493,861	-	(1,230,610)	1,263,251	2,142,364	-	(1,344,427)	797,937
South America	882	-	-	882	1,011	-	-	1,011
Africa	69,214	-	-	69,214	134,275	-	-	134,275
	<u>7,948,109</u>	<u>26,336</u>	<u>(1,614,633)</u>	<u>6,359,812</u>	<u>7,989,876</u>	<u>41,018</u>	<u>(2,945,179)</u>	<u>5,085,715</u>

Futures Notional Cost Amounts 30 June 2011 (1,536,397)

Futures Notional Cost Amounts 30 June 2010 (2,964,675)

	Asia Fund							
	2011				2010			
	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Other Asia	2,968,914	50,969	(417,260)	2,602,623	3,274,695	57,555	(40,622)	3,291,628
Australia	-	-	-	-	-	-	-	-
Europe – Euro	-	-	-	-	-	-	-	-
Europe – Other	-	-	-	-	-	-	-	-
North America	29,560	-	-	29,560	-	-	-	-
	<u>2,998,474</u>	<u>50,969</u>	<u>(417,260)</u>	<u>2,632,183</u>	<u>3,274,695</u>	<u>57,555</u>	<u>(40,622)</u>	<u>3,291,628</u>

Futures Notional Cost Amounts 30 June 2011 (349,910)

Futures Notional Cost Amounts 30 June 2010 23,113

	Unhedged Fund							
	2011				2010			
	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Japan	43,121	-	-	43,121	17,377	-	-	17,377
Other Asia	31,388	-	-	31,388	18,931	-	-	18,931
Australia	-	-	-	-	809	-	-	809
Europe – Euro	18,652	-	-	18,652	7,890	-	-	7,890
Europe – Other	3,313	-	-	3,313	2,728	-	-	2,728
North America	58,536	-	-	58,536	23,721	-	-	23,721
South America	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
	<u>155,010</u>	<u>-</u>	<u>-</u>	<u>155,010</u>	<u>71,456</u>	<u>-</u>	<u>-</u>	<u>71,456</u>

Futures Notional Cost Amounts 30 June 2011 -

Futures Notional Cost Amounts 30 June 2010 -

	European Fund							
	2011				2010			
	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000	Physical	Long Derivative Contracts \$'000	Short Derivative Contracts \$'000	Net Exposure \$'000
Other Asia	-	-	-	-	-	-	-	-
Australia	812	-	-	812	-	-	-	-
Europe – Euro	120,434	-	(3,160)	117,274	121,279	-	(4,731)	116,548
Europe – Other	21,499	-	-	21,499	24,068	-	(8,300)	15,768
North America	3,759	-	-	3,759	2,151	-	-	2,151
	<u>146,504</u>	<u>-</u>	<u>(3,160)</u>	<u>143,344</u>	<u>147,498</u>	<u>-</u>	<u>(13,031)</u>	<u>134,467</u>

Futures Notional Cost Amounts 30 June 2011 (3,135)

Futures Notional Cost Amounts 30 June 2010 (13,034)

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### Note 10 Financial Risk Management (cont)

#### (b) Investments at Fair Value and Derivatives Exposure (cont)

	Japan Fund							
	2011				2010			
	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Japan	303,656	37,259	(55,446)	285,469	383,891	15,461	(129,585)	269,767
Other Asia	7,379	-	(36,073)	(28,694)	23,857	-	(52,830)	(28,973)
Europe – Euro	-	-	-	-	-	-	-	-
Europe – Other	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-	-
South America	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
	311,035	37,259	(91,519)	256,775	407,748	15,461	(182,415)	240,794

Futures Notional Cost Amounts 30 June 2011 (54,568)

Futures Notional Cost Amounts 30 June 2010 (163,107)

	International Brands Fund							
	2011				2010			
	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Japan	37,273	-	-	37,273	41,252	-	-	41,252
Other Asia	152,209	19,747	(17,022)	154,934	137,277	16,990	(9,944)	144,323
Europe – Euro	175,355	-	(25,564)	149,791	133,374	-	(13,118)	120,256
Europe – Other	53,863	-	-	53,863	37,552	-	(9,465)	28,087
North America	50,179	-	-	50,179	31,454	-	(11,540)	19,914
South America	32,738	-	-	32,738	27,455	-	-	27,455
Africa	3,514	-	-	3,514	900	-	-	900
	505,131	19,747	(42,586)	482,292	409,264	16,990	(44,067)	382,187

Futures Notional Cost Amounts 30 June 2011 (22,436)

Futures Notional Cost Amounts 30 June 2010 (27,956)

	International Health Care Fund							
	2011				2010			
	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Japan	587	-	-	587	291	-	-	291
Other Asia	391	-	-	391	-	-	-	-
Europe – Euro	3,550	-	-	3,550	3,122	-	-	3,122
Europe – Other	3,114	-	-	3,114	2,446	-	-	2,446
North America	9,384	-	(512)	8,872	7,080	-	(209)	6,871
South America	281	-	-	281	148	-	-	148
	17,307	-	(512)	16,795	13,087	-	(209)	12,878

Futures Notional Cost Amounts 30 June 2011 (477)

Futures Notional Cost Amounts 30 June 2010 (213)

	International Technology Fund							
	2011				2010			
	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure	Physical	Long Derivative Contracts	Short Derivative Contracts	Net Exposure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Japan	2,712	-	-	2,712	3,023	-	-	3,023
Other Asia	11,520	-	(773)	10,747	10,804	-	(1,075)	9,729
Europe – Euro	6,582	-	-	6,582	6,687	-	-	6,687
Europe – Other	848	-	-	848	593	-	-	593
North America	7,726	-	(214)	7,512	9,868	-	-	9,868
South America	-	-	-	-	-	-	-	-
	29,388	-	(987)	28,401	30,975	-	(1,075)	29,900

Futures Notional Cost Amounts 30 June 2011 (1,005)

Futures Notional Cost Amounts 30 June 2010 (1,060)

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For the year ended 30 June 2011 (cont)

### **Note 10 Financial Risk Management (cont)**

#### **(b) Investments at Fair Value and Derivatives Exposure (cont)**

The “Physical” column above shows the location of the investments. The “Long/Short Contracts” columns include the notional value of long/short equity swaps and futures.

The “Net Exposure” column above represents an approximation of each registered schemes’ exposure to movements in the markets. This is calculated by making an adjustment to the “physical” position, by adding to the physical position, the principal notional amount of any long (bought) positions and subtracting any short (sold) derivative positions in shares and shares index futures. For example, if 5% of the Portfolio for a registered scheme was invested in Japan, but there was a 2% short exposure to Nikkei futures, the net exposure column would show 3%. Conceivably, the figure could show a negative exposure, which would indicate the Portfolio was net short the Japanese market.

#### **(c) Market Risk**

##### **(i) Foreign Exchange Risk**

Foreign exchange risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The registered schemes operate internationally and are exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currencies.

Currency hedging is an integral part of the management of currency risk. The Investment Manager positions a registered scheme’s portfolio in what it believes will be a stronger currency(ies). For example, at 30 June 2011, Platinum International Fund’s currency exposures were: 30% in Asian currencies ex the Hong Kong Dollar, 27% in European currencies, 20% in the United States Dollar and 11% in the Australian Dollar.

The Investment Manager may use forward foreign exchange contracts and futures and option contracts on foreign exchange rate contracts to position a registered scheme’s portfolio in the desired currencies. A currency exposure may be hedged using a different currency from which the exposure is maintained (for example, US dollar hedges may be used to hedge the currency risk of holding investments in Hong Kong dollars).

Where there have been major currency movements, or where currencies are perceived to be over or undervalued, the Investment Manager may look for investments whose operating environment has been distorted by the currency as part of the search for undervalued stocks. There may even be opportunities for stocks impacted by a lower currency (for example, export-related stocks).

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### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

#### (i) Foreign Exchange Risk (cont)

In respect of the Platinum Unhedged Fund, there is no currency management undertaken. The disposition of its investments determines its currency exposure.

The table below summarises the registered schemes' investment exposures at fair value to foreign exchange risk:

#### International Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	1,780,390	-	(1,673,751)	106,639
Other Asia	1,424,862	1,760,162	(125,952)	3,059,072
Australia	120,065	1,184,170	(386,966)	917,269
Europe – Euro	2,167,462	189,011	(467,766)	1,888,707
Europe – Other	349,444	337,885	(208,067)	479,262
North America	3,036,762	2,068,769	(2,677,495)	2,428,036
South America	912	-	-	912
Africa	-	-	-	-
	<u>8,879,897</u>	<u>5,539,997</u>	<u>(5,539,997)</u>	<u>8,879,897</u>
2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	1,455,979	-	(1,224,963)	231,016
Other Asia	1,909,912	422,168	-	2,332,080
Australia	681,797	1,763,020	(771,060)	1,673,757
Europe – Euro	2,104,139	301,067	(984,382)	1,420,824
Europe – Other	264,814	637,736	(326,673)	575,877
North America	2,973,861	2,109,600	(1,926,513)	3,156,948
South America	1,011	-	-	1,011
Africa	1,509	-	-	1,509
	<u>9,393,022</u>	<u>5,233,591</u>	<u>(5,233,591)</u>	<u>9,393,022</u>

#### Unhedged Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	46,785	-	-	46,785
Other Asia	22,632	-	-	22,632
Australia	10,350	-	-	10,350
Europe – Euro	19,217	-	-	19,217
Europe – Other	3,313	-	-	3,313
North America	68,325	-	-	68,325
South America	-	-	-	-
Africa	-	-	-	-
	<u>170,622</u>	<u>-</u>	<u>-</u>	<u>170,622</u>
2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	18,398	-	-	18,398
Other Asia	15,740	-	-	15,740
Australia	3,709	-	-	3,709
Europe – Euro	9,984	-	-	9,984
Europe – Other	2,967	-	-	2,967
North America	28,369	-	-	28,369
South America	-	-	-	-
Africa	-	-	-	-
	<u>79,167</u>	<u>-</u>	<u>-</u>	<u>79,167</u>

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

#### (i) Foreign Exchange Risk (cont)

#### Asia Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	3,067,858	131,936	(212,100)	2,987,694
Australia	(10,638)	235,723	-	225,085
Europe – Euro	-	-	-	-
Europe – Other	10,157	-	-	10,157
North America	377,051	49,827	(205,386)	221,492
	<u>3,444,428</u>	<u>417,486</u>	<u>(417,486)</u>	<u>3,444,428</u>
2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	3,091,808	606	(93,811)	2,998,603
Australia	168,458	684,025	(275,292)	577,191
Europe – Euro	-	-	-	-
Europe – Other	-	-	-	-
North America	370,241	275,292	(590,820)	54,713
	<u>3,630,507</u>	<u>959,923</u>	<u>(959,923)</u>	<u>3,630,507</u>

#### European Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	-	-	-	-
Australia	1,526	31,385	(11,990)	20,921
Europe – Euro	134,383	1,590	(44,258)	91,715
Europe – Other	22,179	12,873	-	35,052
North America	4,669	10,400	-	15,069
	<u>162,757</u>	<u>56,248</u>	<u>(56,248)</u>	<u>162,757</u>
2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Other Asia	-	-	-	-
Australia	202	61,955	(22,500)	39,657
Europe – Euro	128,733	22,500	(80,594)	70,639
Europe – Other	24,365	18,340	-	42,705
North America	6,136	8,299	(8,000)	6,435
	<u>159,436</u>	<u>111,094</u>	<u>(111,094)</u>	<u>159,436</u>

#### Japan Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	324,581	7,000	(200,617)	130,964
Other Asia	7,829	122,262	(15,539)	114,552
Australia	14,253	103,378	(58,101)	59,530
Europe – Euro	-	-	-	-
Europe – Other	-	-	-	-
North America	35,163	120,615	(78,998)	76,780
South America	-	-	-	-
	<u>381,826</u>	<u>353,255</u>	<u>(353,255)</u>	<u>381,826</u>

#### International Brands Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	37,032	-	(20,761)	16,271
Other Asia	159,525	8,439	(15,470)	152,494
Australia	133,996	42,509	(45,353)	131,152
Europe – Euro	179,668	43,712	(8,439)	214,941
Europe – Other	54,806	-	(14,414)	40,392
North America	78,845	31,914	(22,137)	88,622
South America	22,758	-	-	22,758
	<u>666,630</u>	<u>126,574</u>	<u>(126,574)</u>	<u>666,630</u>

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### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

#### (i) Foreign Exchange Risk (cont)

#### Japan Fund

2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	376,851	340,570	(464,368)	253,053
Other Asia	25,144	174,488	(135,042)	64,590
Australia	1,024	216,917	(150,040)	67,901
Europe – Euro	-	-	-	-
Europe – Other	-	-	-	-
North America	46,790	355,728	(338,253)	64,265
South America	-	-	-	-
	449,809	1,087,703	(1,087,703)	449,809

#### International Brands Fund

2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	37,062	13,789	(32,668)	18,183
Other Asia	140,348	9,084	(17,374)	132,058
Australia	10,012	84,571	(20,000)	74,583
Europe – Euro	158,817	20,000	(48,302)	130,515
Europe – Other	33,381	-	(835)	32,546
North America	60,765	5,524	(13,789)	52,500
South America	23,708	-	-	23,708
	464,093	132,968	(132,968)	464,093

#### International Health Care Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	590	1,250	(969)	871
Other Asia	407	-	-	407
Australia	3,825	1,049	(900)	3,974
Europe – Euro	3,735	1,319	(826)	4,228
Europe – Other	3,416	877	-	4,293
North America	10,132	491	(2,291)	8,332
South America	283	-	-	283
	22,388	4,986	(4,986)	22,388

#### International Technology Fund

2011	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	2,675	-	(2,352)	323
Other Asia	12,974	2,720	-	15,694
Australia	3,741	3,049	-	6,790
Europe – Euro	7,340	-	-	7,340
Europe – Other	884	-	(697)	187
North America	11,309	-	(2,720)	8,589
South America	-	-	-	-
	38,923	5,769	(5,769)	38,923

2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	306	2,474	(2,038)	742
Other Asia	-	-	-	-
Australia	3,384	6,321	(5,150)	4,555
Europe – Euro	3,167	1,338	(721)	3,784
Europe – Other	2,486	2,100	(1,200)	3,386
North America	8,437	2,521	(5,645)	5,313
South America	184	-	-	184
	17,964	14,754	(14,754)	17,964

2010	Physical \$'000	Bought \$'000	Sold \$'000	Net Exposure \$'000
Japan	5,643	2,995	(5,473)	3,165
Other Asia	11,668	3,097	(2,238)	12,527
Australia	2,483	9,550	(2,187)	9,846
Europe – Euro	8,750	-	(4,848)	3,902
Europe – Other	1,558	2,069	(735)	2,892
North America	11,886	8,706	(10,936)	9,656
South America	-	-	-	-
	41,988	26,417	(26,417)	41,988

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### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

##### (i) Foreign Exchange Risk (cont)

Forward foreign currency contracts and options on forward currency contracts are adjusted against the “Physical” column to arrive at a net exposure for each currency grouping. The registered schemes generally utilise short dated (90 day maturity) currency agreements with high credit rating counterparties. The existing forward currency maturity dates range from 14 to 288 days.

##### *Foreign exchange risk sensitivity analysis*

For Platinum International Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the Euro with all other variables held constant, net assets attributable to unitholders would have been \$A206,921,283/\$A169,301,538 higher/lower (2010: A\$158,238,016/A\$129,469,072 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the United States Dollar with all other variables held constant, net assets attributable to unitholders would have been A\$191,586,991/A\$156,817,364 higher/lower (2010: A\$335,651,227/A\$274,623,889 higher/lower).

For Platinum Unhedged Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the United States Dollar with all other variables held constant, net assets attributable to unitholders would have been A\$6,721,033/A\$5,499,049 higher/lower (2010: A\$2,926,655/A\$2,394,537 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the Japanese Yen with all other variables held constant, net assets attributable to unitholders would have been A\$5,092,925/A\$4,166,938 higher/lower (2010: A\$2,072,763/A\$1,695,897 higher/lower).

For Platinum Asia Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the Korean Won with all other variables held constant, net assets attributable to unitholders would have been A\$75,160,798/A\$61,495,198 higher/lower (2010: A\$65,520,411/A\$53,607,609 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the Hong Kong Dollar with all other variables held constant, net assets attributable to unitholders would have been A\$56,487,662/A\$46,217,142 higher/lower (2010: A\$87,150,308/A\$71,304,869 higher/lower).

For Platinum European Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the Euro with all other variables held constant, net assets attributable to unitholders would have been A\$10,039,899/A\$8,214,596 higher/lower (2010: A\$7,879,690/A\$6,447,112 higher/lower).

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### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

##### (i) Foreign Exchange Risk (cont)

For Platinum Japan Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the Japanese Yen with all other variables held constant, net assets attributable to unitholders would have been A\$14,712,390/A\$12,037,410 higher/lower (2010: A\$29,381,283/A\$24,039,235 higher/lower).

For Platinum International Brands Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the Euro with all other variables held constant, net assets attributable to unitholders would have been A\$23,821,030/A\$19,490,126 higher/lower (2010: A\$14,741,980/A\$12,061,725 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the United States Dollar with all other variables held constant, net assets attributable to unitholders would have been A\$9,923,807/A\$8,119,502 higher/lower (2010: A\$5,886,467/A\$4,816,203 higher/lower).

For Platinum International Health Care Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the United States Dollar with all other variables held constant, net assets attributable to unitholders would have been A\$827,750/A\$677,253 higher/lower (2010: A\$490,672/A\$401,459 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the Euro with all other variables held constant, net assets attributable to unitholders would have been A\$470,400/A\$384,876 higher/lower (2010: A\$420,971/A\$344,434 higher/lower).

For Platinum International Technology Fund at 30 June 2011, had the Australian Dollar weakened/strengthened by 10% against the United States Dollar with all other variables held constant, net assets attributable to unitholders would have been \$A953,179/\$A779,877 higher/lower (2010: A\$1,072,838/A\$877,777 higher/lower). Similarly, had the Australian Dollar weakened/strengthened by 10% against the Euro with all other variables held constant, net assets attributable to unitholders would have been \$A815,822/\$A667,498 higher/lower (2010: \$A433,998/\$A355,094 higher/lower).

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and possible future movements.

The sensitivity analysis is based on the impact of foreign currency movements on monetary assets and liabilities held at reporting date, such as cash and forward contracts, as well as non-monetary assets, such as equities.

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For the year ended 30 June 2011 (cont)

### **Note 10 Financial Risk Management (cont)**

#### **(c) Market Risk (cont)**

##### **(i) Foreign Exchange Risk (cont)**

The sensitivity analysis shows that the registered schemes are all materially affected by exchange rate movements (other things being equal), given the global nature of the investments held. Throughout 2010/2011, most of the registered schemes have had minimal exposure to the Australian Dollar and thus returns have reduced because of its significant appreciation.

##### **(ii) Interest Rate Risk**

Interest rate risk is the possibility the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The overwhelming majority of the registered schemes' financial assets and liabilities are non-interest bearing. The registered schemes have a policy of not borrowing money, other than for settlement of trades. Therefore, there is no liability exposure to interest rate risk.

Interest rate risk indirectly affects the registered schemes because interest rate movements will affect forward points used in determining gains or losses on forward contracts. This is not capable of precise estimation. The impact of interest rate movements on our investments is also not capable of precise estimation.

At 30 June 2011 and 2010, if interest rates had changed by +/- 100 basis points with all other variables held constant, the direct impact on interest receivable would not be significant for any of the registered schemes.

##### **(iii) Price Risk**

Price risk is the possibility the fair value or future cash flows of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Price risk is caused by a range of factors that are outside the control of the registered schemes, such as factors specific to the individual stocks or its issuer or factors affecting the market in general, such as the recent deterioration in global financial markets.

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

##### (iii) Price Risk (cont)

Platinum's stock selection process is core to the management of price risk. Moreover, whilst we use the MSCI to measure relative performance, risk in our view is not solely relative performance versus a benchmark - but also the prospect of losing money (i.e. absolute returns). Platinum adopts a thematic stock selection approach and is referred to being an "active manager". Platinum seeks a broad range of investments whose business and growth prospects are being undervalued by the market. Accordingly, holdings in each of the registered schemes vary considerably from the make-up of the index. Active fund managers such as Platinum seek to out perform the market as represented by an appropriate index.

In addition, the registered schemes (other than Platinum Unhedged Fund) may enter into short equity swaps and futures to protect against market movements. At 30 June 2011, some of the registered schemes maintained short positions against various company specific stocks and market indices. The use of index derivatives allows a Fund to invest in particular companies, whilst providing some degree of protection against more general adverse market price movements.

##### *Price risk sensitivity analysis*

Price risk exposure arises from the registered schemes' investment portfolios that comprise investments in securities. The effect on net assets attributable to unitholders due to a reasonably possible change in market factors, as represented by a +/- 5% movement in the key regional equity index or indexes affecting the market that each registered scheme invests in, with all other variables held constant is indicated as follows:

For Platinum International Fund at 30 June 2011, if the Japanese Topix index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$76,856,409 (2010: \$79,141,732). Similarly, if the German DAX index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$61,295,113 (2010: \$53,005,003).

For Platinum Unhedged Fund at 30 June 2011, if the United States S&P index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$2,566,186 (2010: \$1,081,611). Similarly, if the Japanese Topix index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$2,156,036 (2010: \$868,828).

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

##### (iii) Price Risk (cont)

For Platinum Asia Fund at 30 June 2011, if the Korean Kospi index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$28,606,608 (2010: \$29,484,181). Similarly, if the Thailand SET Index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$19,887,258 (2010: \$16,464,600).

For Platinum European Fund at 30 June 2011, if the German DAX index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$3,705,832 (2010: \$3,028,312). Similarly, if the French CAC index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$1,362,642 (2010: \$1,975,002).

For Platinum Japan Fund at 30 June 2011, if the Japanese Topix index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$16,396,134 (2010: \$16,823,235).

For Platinum International Brands Fund at 30 June 2011, if the United States S&P index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$3,010,488 (2010: \$1,184,314). Similarly, if the Hong Kong Hang Seng index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$2,903,983 (2010: \$1,412,580).

For Platinum International Health Care Fund at 30 June 2011, if the United States S&P index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$427,502 (2010: \$324,557). Similarly, if the Switzerland SMI index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$100,097 (2010: \$72,008).

For Platinum International Technology Fund at 30 June 2011, if the United States S&P index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$375,116 (2010: \$520,283). Similarly, if the Korean Kospi index had increased/decreased by 5% with all other variables held constant, this would have increased/decreased net assets attributable to unitholders by approximately \$271,417 (2010: \$198,148).

A sensitivity of 5% has been selected as this is considered reasonably possible. However, given the volatility of the markets, increases or decreases greater than this are possible. We note that since 30 June 2011, global markets have experienced significant volatility.

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (c) Market Risk (cont)

##### (iii) Price Risk (cont)

Note that the above analysis is based on the assumption that the registered schemes' stocks moved in correlation with the respective index or indices. The index or indices provided above is a reference point only. Actual movements in stock prices may vary significantly to movements in the index.

The above sensitivity analysis for price risk is unrepresentative of the market exposure for the registered schemes because Platinum does not invest by reference to the weighting or inclusion of a stock in a specific index. An investment management style where the composition of the portfolio is by reference to global share index weightings is often referred to as an "index manager". An index manager tries to match a particular index by investing in securities that are representative of that index. For example, if BHP Billiton Limited made up 10% of the S&P/ASX 200 index, the investment manager would have 10% of the funds portfolio invested in BHP Billiton Limited and aim to maintain the weighting.

#### (d) Credit Risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to a registered scheme (typically "non-equity" financial instruments).

The exposure to credit risk for futures, equity swaps, and forward currency contracts is any unrealised profit, margins and collateral paid on the positions (the money a registered scheme would lose if the counterparty defaulted) at reporting date.

The table below shows the registered schemes counterparty credit risk exposure by credit rating.

Rating	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
AA	74,235	491,299	-	-	29	162,940	-	6,557	-	-	120,346	25,904	2,487	3,646	-	643
AA-	-	27,140	-	-	-	60,421	-	-	-	-	-	2,479	-	-	-	-
A+	803,070	939,141	14,587	10,756	396,760	110,158	16,034	5,340	51,040	51,656	33,708	22,777	2,426	1,648	8,976	10,854
A	206,019	251,085	6,410	1,160	129,196	131,537	495	592	21,382	16,536	9,080	9,655	240	-	634	634
BBB+	8,591	-	-	-	-	-	-	-	2,296	7,560	671	-	-	-	-	-
	1,091,915	1,708,665	20,997	11,916	525,985	465,056	16,529	12,489	74,718	75,752	163,805	60,815	5,153	5,294	9,610	12,131

(Source: Platinum and Standard & Poor's)

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (d) Credit Risk (cont)

The Investment Manager regularly monitors the registered schemes' credit risk exposures to counterparties and seeks to manage the risk by spreading exposure over a number of counterparties, by signing standard International Swaps and Derivatives Association (ISDA) master agreement and net settlement contracts, employing two-way symmetrical margining of unrealised profits and losses and by controlling the duration of contracts to be short-term.

Transactions in listed securities and investments are only entered into with approved brokers. Payment is only made once a broker has received securities and delivery of securities sold only occurs once the broker receives payment.

#### *Ageing analysis*

For Platinum International Fund at 30 June 2011, the ageing analysis of receivables is \$7,045,635 (0-30 days) (2010: \$10,587,207), \$2,523,348 (31-60 days) (2010: \$1,752,348), \$3,649,768 (61-90 days) (2010: \$370,790) and \$14,767,395 (90+ days) (2010: \$2,333,636). The amounts 61 days and over are past due, but no receivables are impaired.

For Platinum Unhedged Fund at 30 June 2011, the ageing analysis of receivables is \$88,402 (0-30 days) (2010: \$306,448), \$14,884 (31-60 days) (2010: \$12,102), \$83,000 (61-90 days) (2010: \$nil) and \$57,726 (90+ days) (2010: \$15,048). The amounts 61 days and over are past due, but no receivables are impaired.

For Platinum Asia Fund at 30 June 2011, the ageing analysis of receivables is \$3,960,887 (0-30 days) (2010: \$3,743,917), \$1,299,981 (31-60 days) (2010: \$197,716), \$219,978 (61-90 days) (2010: \$80,904) and \$1,510,436 (90+ days) (2010: \$194,729). The amounts 61 days and over are past due, but no receivables are impaired.

For Platinum European Fund at 30 June 2011, the ageing analysis of receivables is \$21,795 (0-30 days) (2010: \$118,211), \$149,236 (31-60 days) (2010: \$135,729), \$134,764 (61-90 days) (2010: \$19,678) and \$80,995 (90+ days) (2010: \$56,677). The amounts 61 days and over are past due, but no receivables are impaired.

For Platinum Japan Fund at 30 June 2011, the ageing analysis of receivables is \$89,313 (0-30 days) (2010: \$10,986,624), \$29,469 (61-90 days) (2010: \$34,687) and \$179,233 (90+ days) (2010: \$486,970). The amounts 61 days and over are past due, but no receivables are impaired.

For Platinum International Brands Fund at 30 June 2011, the ageing analysis of receivables is \$346,188 (0-30 days) (2010: \$3,514,434), \$89,228 (31-60 days) (2010: \$27,062), \$76,121 (61-90 days) (2010: \$30,703) and \$33,257 (90+ days) (2010: \$114,081). The amounts 61 days and over are past due, but no receivables are impaired.

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (d) Credit Risk (cont)

For Platinum International Health Care Fund at 30 June 2011, the ageing analysis of receivables is \$8,393 (0-30 days) (2010: \$7,573), \$1,503 (31-60 days) (2010: \$1,585), \$4,275 (61-90 days) (2010: \$4,446) and \$22,152 (90+ days) (2010: \$16,483). The amounts 61 days and over are past due but, no receivables are impaired.

For Platinum International Technology Fund at 30 June 2011, the ageing analysis of receivables is \$29,982 (0-30 days) (2010: \$242,942), \$8,653 (31-60 days) (2010: \$1,435), \$21,105 (61-90 days) (2010: \$12,594) and \$nil (90+ days) (2010: \$9,943). The amounts 61 days and over are past due, but no receivables are impaired.

#### (e) Liquidity Risk

The registered schemes are exposed to cash redemptions of redeemable units. It holds equities that are traded on active markets and if necessary these can be readily disposed.

#### *Contractual maturity analysis*

The amounts below represent the contractual maturity of financial liabilities. Note that net assets attributable to unitholders is only included in the maturity analysis below because under AIFRS, unitholders equity is classified as a liability. For management purposes, net assets attributable to unitholders is not an operating liability.

For Platinum International Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$95.6 million (2010: \$8.5 million), management and administration fees payable \$10.4 million (2010: \$11.1 million), unitholders' distribution payable \$251.2 million (2010: \$nil) and net assets attributable to unitholders \$8.6 billion (2010: \$9.4 billion). Platinum International Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$8.9 billion (2010: \$9.4 billion).

For Platinum Unhedged Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$2.3 million (2010: \$nil), payables to unitholders \$1.0 million (2010: \$7.3 million), management and administration fees payable \$0.16 million (2010: \$0.09 million), unitholders' distribution payable \$2.8 million (2010: \$4.2 million) and net assets attributable to unitholders \$164.6 million (2010: \$67.8 million). Platinum Unhedged Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$170.9 million (2010: \$79.5 million).

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For the year ended 30 June 2011 (cont)

### Note 10 Financial Risk Management (cont)

#### (e) Liquidity Risk (cont)

For Platinum Asia Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$0.8 million (2010: \$nil), management and administration fees payable \$4.2 million (2010: \$4.4 million), Indian capital gains tax payable \$4.9 million (2010: \$nil), unitholders' distribution payable \$37.7 million (2010: \$101.2 million) and net assets attributable to unitholders \$3.4 billion (2010: \$3.5 billion). Platinum Asia Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$3.5 billion (2010: \$3.6 billion).

For Platinum European Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$1.6 million (2010: \$nil), management and administration fees payable \$0.2 million (2010: \$0.2 million), unitholders' distribution payable \$nil (2010: \$4.1 million) and net assets attributable to unitholders \$161.3 million (2010: \$155.4 million). Platinum European Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$163.1 million (2010: \$159.7 million).

For Platinum Japan Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$0.3 million (2010: \$0.3 million), management and administration fees payable \$0.4 million (2010: \$0.6 million), unitholders' distribution payable \$nil (2010: \$5.4 million) and net assets attributable to unitholders \$381.4 million (2010: \$454.8 million). Platinum Japan Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$382.1 million (2010: \$461.3 million).

For Platinum International Brands Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for unsettled trades is \$0.2 million (2010: \$nil), management and administration fees payable \$0.8 million (2010: \$0.6 million), Indian capital gains tax payable \$0.7 million (2010: \$nil), unitholders' distribution payable \$23.0 million (2010: \$13.3 million) and net assets attributable to unitholders \$642.5 million (2010: \$453.9 million). Platinum International Brands Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$667.2 million (2010: \$467.7 million).

For Platinum International Health Care Fund at 30 June 2011, the contractual maturity for amounts payable within 3 months for management and administration fees payable is \$0.02 million (2010: \$0.02 million), unitholders' distribution payable \$0.2 million (2010: \$0.2 million) and net assets attributable to unitholders \$22.2 million (2010: \$17.8 million). Platinum International Health Care Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$22.4 million (2010: \$18.0 million).

For Platinum International Technology Fund at 30 June 2011, the contractual maturity for management and administration fees payable is \$0.04 million (2010: \$0.05 million), unitholders' distribution payable \$nil (2010: \$1.5 million) and net assets attributable to unitholders \$38.9 million (2010: \$40.7 million). Platinum International Technology Fund has sufficient funds to cover its operating liabilities as the value of assets realisable in one year or less is \$39.0 million (2010: \$42.3 million).

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### Note 10 Financial Risk Management (cont)

#### (e) Liquidity Risk (cont)

Assets realisable in one year or less include equities, foreign currency contracts, derivatives and cash and cash equivalents.

The amounts below represent the contractual maturity of derivative outflows.

For Platinum International Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$66.2 million (2010: \$22.8 million) and for forward currency contracts \$10.7 million (2010: \$165.4 million) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

For Platinum Asia Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$17.4 million (2010: \$6.8 million) and for forward currency contracts \$0.9 million (2010: \$nil) for amounts payable within three months. At 30 June 2011, there are no contractual amounts due or payable after three months.

For Platinum European Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$39,274 (2010: \$141,986) and for forward currency contracts \$78,493 (2010: \$451,277) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

For Platinum Japan Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$1.6 million (2010: \$3.5 million) and for forward currency contracts \$nil (2010: \$16.9 million) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

For Platinum International Brands Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$1.1 million (2010: \$0.2 million) and for forward currency contracts \$0.9 million (2010: \$4.8 million) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

For Platinum International Health Care Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$39,914 (2010: \$nil) and for forward currency contracts \$2,418 (2010: \$216,461) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

For Platinum International Technology Fund at 30 June 2011, contractual maturity for settlement of derivative contractual outflows is \$15,855 (2010: \$21,002) and for forward currency contracts \$53,475 (2010: \$1,042,131) for amounts payable within three months. At 30 June 2011, there are no other contractual amounts due or payable after three months.

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For the year ended 30 June 2011 (cont)

### **Note 10 Financial Risk Management (cont)**

#### **(e) Liquidity Risk (cont)**

Except short equity swaps and futures, the maximum capital risk resulting from financial instruments is determined by the fair value of financial instruments. Potential losses from equity swaps and futures are limited to available capital.

The registered schemes are exposed to daily cash redemptions. If necessary, investments may be realised to cover these redemptions as they are generally readily convertible to cash if necessary. The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The registered schemes prepare daily cash forecasts and maintain sufficient cash to meet normal operating requirements. The registered schemes have a policy of not borrowing money, other than on a short term basis for settlement, trading and like purposes.

#### **(f) Fair Value Hierarchy**

The registered schemes classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and
- (iii) Inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

For Platinum International Fund at 30 June 2011, \$7,881,100,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$7,937,485,000), \$1,533,000 as level 2 (2010: \$5,017,000) and \$nil as level 3 (2010: \$nil).

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### **Note 10 Financial Risk Management (cont)**

#### **(f) Fair Value Hierarchy (cont)**

For Platinum Unhedged Fund at 30 June 2011, \$155,010,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$71,456,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

For Platinum Asia Fund at 30 June 2011, \$2,979,351,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$3,294,708,000), \$5,886,000 as level 2 (2010: \$6,111,000) and \$nil as level 3 (2010: \$nil).

For Platinum European Fund at 30 June 2011, \$147,009,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$147,958,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

For Platinum Japan Fund at 30 June 2011, \$313,356,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$392,259,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

For Platinum International Brands Fund at 30 June 2011, \$504,582,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$405,778,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

For Platinum International Health Care Fund at 30 June 2011, \$17,284,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$12,957,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

For Platinum International Technology Fund at 30 June 2011, \$29,377,000 of financial assets at fair value through profit or loss can be classified as level 1 (2010: \$29,934,000), \$nil as level 2 (2010: \$nil) and \$nil as level 3 (2010: \$nil).

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### **Note 10 Financial Risk Management (cont)**

#### **(g) Capital Risk Management**

The responsible entity manages the registered schemes' net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the registered schemes are subject to daily applications and redemptions at the discretion of unitholders.

The responsible entity is required to hold an Australian Financial Services License (AFSL). As a holder of an AFSL, the Australian Securities and Investment Commission (ASIC) requires the responsible entity to:

- hold at least \$5 million Net Tangible Assets in respect of its managed investments and custody services provided to the registered schemes;
- have Adjusted Surplus Liquid Funds ("ASLF") of:
  - \$50,000; plus
  - 5% of adjusted liabilities between \$1 million and \$100 million; plus
  - 0.5% of adjusted liabilities for any amount of adjusted liabilities exceeding \$100 million,up to a maximum ASLF of \$100 million.
- have at least \$50,000 in Surplus Liquid Funds ("SLF") (i.e. its own funds in liquid form).

The responsible entity has complied with all externally imposed requirements to hold an AFSL during the year.

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### **Note 11 Key Management Personnel Disclosure**

AASB 124: *Related Party Disclosures* defines key management personnel as “persons having authority and responsibility for planning, directing and controlling activities of the entity”. The only employees that have this authority and responsibility are the Directors of Platinum Investment Management Limited.

#### **Directors**

The following persons were Directors of Platinum Investment Management Limited during the year and up to the date of this report:

K Neilson  
A Clifford  
P Howard (appointed 31 March 2011)  
M Halstead (retired 31 March 2011)

There are no other key management personnel within Platinum Investment Management Limited.

#### **Key management personnel compensation**

The Directors (K Neilson, A Clifford and P Howard) are all employees of Platinum Investment Management Limited and are not compensated by the registered schemes. M Halstead was employed by Platinum Investment Management Limited until his retirement on 31 March 2011. AASB 124 requires compensation provided by the registered schemes or on behalf of the registered schemes to be disclosed. Platinum Investment Management Limited is a related party of the three Directors as the Directors are Directors of Platinum Investment Management Limited, which provides investment management services to the registered schemes. A portion of the compensation paid by Platinum Investment Management Limited to its employees is in relation to managing the affairs of the registered schemes. Platinum Investment Management Limited has not made any determination as to what proportion of its employees' compensation relates to the registered schemes. Platinum Investment Management Limited paid: K Neilson \$400,000 (2010: \$364,468) and superannuation of \$15,199 (2010: \$49,993); A Clifford \$527,000 (2010: \$969,464) and superannuation of \$15,199 (2010: \$24,997); P Howard \$357,500 and superannuation of \$3,800 from the date of his appointment to the Board; M Halstead \$236,400 (2010: \$314,468) and superannuation of \$11,399 (2010: \$49,993) until the date of his retirement from the Board on 31 March 2011. In addition, M Halstead received a payout of \$118,226 representing accrued annual leave of \$24,941 and accrued long service leave of \$93,285.

Platinum Investment Management Limited provided for additional long service leave as follows: K Neilson \$8,012 (2010: \$7,258), A Clifford \$5,725 (2010: \$7,216) and P Howard \$31,742 and provided for an increase/(decrease) in annual leave as follows: K Neilson (\$6,130) (2010: (\$13,793)), A Clifford (\$10,728) (2010: (\$4,023)) and P Howard \$12,014.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 11 Key Management Personnel Disclosure (cont)

#### Relevant interest disclosure relating to key management personnel and their related parties

All related party transactions are conducted on normal commercial terms and conditions.

Units in which the key management personnel had a relevant interest in during the year:

#### K Neilson

Platinum International Fund – units held at 1 July 2010: 46,998,588.18 (1 July 2009: 46,711,072.59), 7,792,585.60 units acquired during the year: (2009/10: 287,515.59), 105,715.76 units disposed of during the year: (2009/10: nil), 54,685,458.02 units held at 30 June 2011: (30 June 2010: 46,998,588.18). Platinum Unhedged Fund – units held at 1 July 2010: 19,282,660.02 (1 July 2009: 17,780,189.09), 11,627,696.63 units acquired during the year: (2009/10: 14,442,201.45), 3,500,000.00 units disposed of during the year: (2009/10: 12,939,730.52), 27,410,356.65 units held at 30 June 2011: (30 June 2010: 19,282,660.02). Platinum Asia Fund – units held at 1 July 2010: 29,333,599.74 (1 July 2009: 28,332,272.78), 624,920.32 units acquired during the year: (2009/10: 1,001,326.96), 72,534.49 units disposed of during the year: (2009/10: nil), 29,885,985.57 units held at 30 June 2011: (30 June 2010: 29,333,599.74). Platinum European Fund – units held at 1 July 2010: 13,589,261.81 (1 July 2009: 13,172,363.12), 72,703.45 units acquired during the year: (2009/10: 416,898.69), nil units disposed of during the year: (2009/10: nil), 13,661,965.26 units held at 30 June 2011: (30 June 2010: 13,589,261.81). Platinum Japan Fund – units held at 1 July 2010: 27,483,831.59 (1 July 2009: 19,176,258.11), 3,029,300.96 units acquired during the year: (2009/10: 8,307,573.48), nil units disposed of during the year: (2009/10: nil), units held at 30 June 2011: 30,513,132.55 (30 June 2010: 27,483,831.59). Platinum International Brands Fund – units held at 1 July 2010: 1,120,531.21 (1 July 2009: 1,083,052.82), 46,140.83 units acquired during the year: (2009/10: 37,478.39), nil units disposed of during the year: (2009/10: nil), 1,166,672.04 units held at 30 June 2011: (30 June 2010: 1,120,531.21). Platinum International Health Care Fund – units held at 1 July 2010: 7,158,680.59 (1 July 2009: 7,034,275.74), 105,846.22 units acquired during the year: (2009/10: 124,404.85), nil units disposed of during the year: (2009/10: nil), 7,264,526.81 units held at 30 June 2011: (30 June 2010: 7,158,680.59). Platinum International Technology Fund – units held at 1 July 2010: 6,750,360.03 (1 July 2009: 6,467,368.23), 42,672.66 units acquired during the year: (2009/10: 282,991.80), nil units disposed of during the year: (2009/10: nil), 6,793,032.69 units held at 30 June 2011: (30 June 2010: 6,750,360.03).

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## **Notes to the Financial Statements**

For the year ended 30 June 2011 (cont)

### **Note 11 Key Management Personnel Disclosure (cont)**

#### **Relevant interest disclosure relating to key management personnel and their related parties (cont)**

##### **A Clifford**

Platinum International Fund – units held at 1 July 2010: 1,623,688.63 (1 July 2009: 1,623,688.63), 684,436.98 units acquired during the year: (2009/10: nil), 105,715.76 units disposed of during the year: (2009/10: nil), units held at 30 June 2011: 2,202,409.85 (30 June 2010: 1,623,688.63). Platinum Unhedged Fund – units held at 1 July 2010: 281,321.95 (1 July 2009: nil), 9,281,538.21 units acquired during the year: (2009/10: 13,221,052.47), 3,500,000.00 units disposed of during the year: (2009/10: 12,939,730.52), 6,062,860.16 units held at 30 June 2011: (30 June 2010: 281,321.95). Platinum Asia Fund – units held at 1 July 2010: 2,944,836.39 (1 July 2009: 2,920,389.72), 131,115.01 units acquired during the year: (2009/10: 24,446.67), 72,534.49 units disposed of during the year: (2009/10: nil), 3,003,416.91 units held at 30 June 2011: (30 June 2010: 2,944,836.39). Platinum European Fund – units held at 1 July 2010: 4,649.41 (1 July 2009: 4,649.41), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), 4,649.41 units held at 30 June 2011: (30 June 2010: 4,649.41). Platinum Japan Fund – units held at 1 July 2010: 2,834,699.18 (1 July 2009: 2,704,956.48), nil units acquired during the year: (2009/10: 129,742.70), nil units disposed of during the year: (2009/10: nil), 2,834,699.18 units held at 30 June 2011: (30 June 2010: 2,834,699.18). Platinum International Brands Fund – units held at 1 July 2010: 5,015.34 (1 July 2009: 5,015.34), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), 5,015.34 units held at 30 June 2011: (30 June 2010: 5,015.34). Platinum International Health Care Fund – units held at 1 July 2010: 10,071.29 (1 July 2009: 10,071.29), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), 10,071.29 units held at 30 June 2011: (30 June 2010: 10,071.29). Platinum International Technology Fund – units held at 1 July 2010: 100,462.07 (1 July 2009: 100,462.07), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), 100,462.07 units held at 30 June 2011: (30 June 2010: 100,462.07).

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 11 Key Management Personnel Disclosure (cont)

#### Relevant interest disclosure relating to key management personnel and their related parties (cont)

##### P Howard

Platinum International Fund – units held at 1 July 2010: nil (1 July 2009: nil), 16,493.18 units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 568,003.13 (2009/10: nil), 584,496.31 units held at 30 June 2011: (30 June 2010: nil). Platinum Unhedged Fund – units held at 1 July 2010: nil (1 July 2009: nil), 4,728.45 units acquired during the year: (2009/10: nil), 1,000,000.00 units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 7,058,131.71 (2009/10: nil), units held at 30 June 2011: 6,062,860.16 (30 June 2010: nil). Platinum Asia Fund – units held at 1 July 2010: nil (1 July 2009: nil), 2,355.86 units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 217,373.90 (2009/10: nil), 219,729.76 units held at 30 June 2011: (30 June 2010: nil). Platinum European Fund – units held at 1 July 2010: nil (1 July 2009: nil), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 4,649.41 (2009/10: nil), 4,649.41 units held at 30 June 2011: (30 June 2010: nil). Platinum Japan Fund – units held at 1 July 2010: nil (1 July 2009: nil), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 134,426.76 (2009/10: nil), 134,426.76 units held at 30 June 2011: (30 June 2010: nil). Platinum International Brands Fund – units held at 1 July 2010: nil (1 July 2009: nil), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 5,015.34 (2009/10: nil), 5,015.34 units held at 30 June 2011: (30 June 2010: nil). Platinum International Health Care Fund – units held at 1 July 2010: nil (1 July 2009: nil), nil units acquired during the year: nil (2009/10: nil), units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 10,071.29 (2009/10: nil), 10,071.29 units held at 30 June 2011: (30 June 2010: nil). Platinum International Technology Fund – units held at 1 July 2010: nil (1 July 2009: nil), nil units acquired during the year: (2009/10: nil), nil units disposed of during the year: (2009/10: nil), other changes – increase in holdings during the year: 9,409.53 (2009/10: nil), 9,409.53 units held at 30 June 2011: (30 June 2010: nil).

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 11 Key Management Personnel Disclosure (cont)

#### Relevant interest disclosure relating to key management personnel and their related parties (cont)

##### M Halstead

Platinum International Fund – units held at 1 July 2010: 1,244,966.59 (1 July 2009: 1,244,966.59), units acquired during the year: 667,943.80 (2009/10: nil), units disposed of during the year: 105,715.76 (2009/10: nil), other changes - reduction in holdings during the year: 1,807,194.63 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 1,244,966.59). Platinum Unhedged Fund – units held at 1 July 2010: 1,158,520.61 (1 July 2009: 853,649.94), units acquired during the year: 9,276,809.76 (2009/10: 13,244,601.19), units disposed of during the year: 2,500,000 (2009/10: 12,939,730.52), other changes - reduction in holdings during the year: 7,935,330.37 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 1,158,520.61). Platinum Asia Fund – units held at 1 July 2010: 1,042,406.68 (1 July 2009: 1,012,661.47), units acquired during the year: 130,207.19 (2009/10: 29,745.21), units disposed of during the year: 72,534.49 (2009/10: nil), other changes - reduction in holdings during the year: 1,100,079.38 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 1,042,406.68). Platinum European Fund – units held at 1 July 2010: 494,648.94 (1 July 2009: 489,666.35), units acquired during the year: nil (2009/10: 4,982.59), units disposed of during the year: nil (2009/10: nil), other changes - reduction in holdings during the year: 494,648.94 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 494,648.94). Platinum Japan Fund – units held at 1 July 2010: 1,008,716.93 (1 July 2009: 876,441.84), units acquired during the year: nil (2009/10: 132,275.09), units disposed of during the year: nil (2009/10: nil), other changes - reduction in holdings during the year: 1,008,716.93 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 1,008,716.93). Platinum International Brands Fund – units held at 1 July 2010: 388,812.71 (1 July 2009: 385,378.74), units acquired during the year: nil (2009/10: 3,433.97), units disposed of during the year: nil (2009/10: nil), other changes - reduction in holdings during the year: 388,812.71 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 388,812.71). Platinum International Health Care Fund – units held at 1 July 2010: 10,071.29 (1 July 2009: 10,071.29), units acquired during the year: nil (2009/10: nil), units disposed of during the year: nil (2009/10: nil), other changes - reduction in holdings during the year: 10,071.29 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 10,071.29). Platinum International Technology Fund – units held at 1 July 2010: 9,409.53 (1 July 2009: 9,409.53), units acquired during the year: nil (2009/10: nil), units disposed of during the year: nil (2009/10: nil), other changes - reduction in holdings during the year: 9,409.53 (2009/10: nil), units held at 30 June 2011: nil (30 June 2010: 9,409.53).

##### Service Agreements

The Directors do not have service agreements as they are employees of Platinum Investment Management Limited.

##### Related parties

Disclosures relating to manager's fees payable to Platinum Investment Management Limited are set out in note 12.

Two of the Directors, Messrs Neilson and Howard, are also Directors of Platinum Asset Management Limited (listed holding company of Platinum Investment Management Limited). The remuneration paid by Platinum Investment Management Limited to these Directors has been disclosed above. Platinum Investment Management Limited has not made any determination as to what proportion of the Directors' compensation relates to Platinum Asset Management Limited.

Platinum International Fund  
 Platinum Unhedged Fund  
 Platinum Asia Fund  
 Platinum European Fund  
 Platinum Japan Fund  
 Platinum International Brands Fund  
 Platinum International Health Care Fund  
 Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 12 Related Parties

#### Responsible Entity

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 is the responsible entity of the registered schemes.

#### Responsible Entity Fees

Fees paid by the registered schemes include management fees (calculated at 1.44% per annum inclusive of GST of the registered schemes' net asset value, and payable monthly) and administration fees (calculated at 0.10 % per annum inclusive of GST of the registered schemes' net asset values and payable monthly). The fees, exclusive of GST, are as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Fees for the year expensed by the registered schemes to the responsible entity	136,053,835	125,581,930	2,068,567	1,017,974	55,782,030	49,350,820	2,445,744	2,518,888	6,106,505	7,116,640	8,432,071	6,441,416	288,855	214,154	618,130	622,880
Aggregate amounts payable by the registered schemes at reporting date	10,354,603	11,099,386	155,362	86,390	4,215,649	4,395,498	185,418	188,644	440,936	561,523	803,793	566,811	23,013	15,503	44,775	49,410

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities

#### (a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call and cash at bank. Cash at the end of the period, as shown in the Statements of Cash Flows, is reconciled to the related items in the Balance Sheets as follows:

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash and cash equivalents	997,264	1,450,520	15,612	7,711	459,191	329,688	15,748	11,478	68,470	57,550	162,048	58,315	5,104	5,007	9,546	12,054

The registered schemes maintain bank accounts at various locations throughout the world to enable the settlement of purchases and sales of investments and to conduct other normal banking transactions. All accounts are at call and the majority bear floating interest rates in the range of 0% to 4.75%. Information in relation to the registered schemes' exposures to interest rate risk is provided in Note 10.

#### (b) Non Cash Financing Activities

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
During the year, the following distribution payments were reinvested in additional units	93,864	-	1,914	2,133	17,389	46,994	-	2,082	-	3,834	6,730	3,924	124	129	-	825

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## Notes to the Financial Statements

For the year ended 30 June 2011 (cont)

### Note 13 Reconciliation of Net Profit/(Loss) to Net Cash Inflow from Operating Activities (cont)

#### (c) Reconciliation of Net Cash from Operating Activities to Operating Profit

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Net operating profit/(loss)</b>	(702,621)	856,654	(6,500)	13,338	(217,854)	401,472	21,480	30,897	(25,119)	(12,104)	53,084	117,052	2,397	1,610	(1,997)	2,773
(Increase)/decrease in investments	59,869	(1,558,903)	(83,554)	(20,517)	315,582	(1,039,282)	949	(9,251)	78,903	(7,705)	(98,804)	(94,138)	(4,327)	(2,365)	557	(981)
(Increase)/decrease in exchange rates	166,722	(5,577)	647	177	54,808	5,059	1,017	2,164	12,700	2,718	8,884	6,063	238	(7)	1,280	(86)
(Increase)/decrease in settlements receivable	895	(5,720)	242	(239)	314	(503)	-	-	10,927	(10,892)	3,160	(3,160)	-	-	236	140
(Increase)/decrease in dividends and tax refund receivable	(13,760)	(2,969)	(113)	(45)	(3,067)	2,219	(53)	117	314	(383)	56	164	(5)	(6)	(17)	3
(Increase)/decrease in interest receivable	316	14	(30)	9	-	477	-	4	(39)	24	(47)	23	-	1	(10)	6
(Increase)/decrease in other receivables	(393)	3,010	(13)	(2)	(21)	(123)	(2)	-	12	(12)	(28)	(11)	(1)	-	-	(2)
Increase/(decrease) in settlements payable	87,058	8,534	2,272	(643)	843	(1,488)	1,601	-	(26)	(1,834)	171	-	-	-	-	-
Increase/(decrease) in management and administration fees payable	(744)	854	70	20	(179)	712	(3)	(17)	(120)	6	237	47	8	1	(5)	3
Increase/(decrease) in Indian capital gains tax payable	-	-	-	-	4,870	-	-	-	-	-	698	-	-	-	-	-
Increase/(decrease) in other payables	(2)	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flows from operating activities</b>	<b>(402,660)</b>	<b>(704,090)</b>	<b>(86,979)</b>	<b>(7,902)</b>	<b>155,296</b>	<b>(631,457)</b>	<b>24,989</b>	<b>23,914</b>	<b>77,552</b>	<b>(30,182)</b>	<b>(32,589)</b>	<b>26,040</b>	<b>(1,690)</b>	<b>(766)</b>	<b>44</b>	<b>1,856</b>

### Note 14 Events Occurring after the Balance Sheet Date

No significant events have occurred since Balance Sheet date that would impact the financial position of the registered schemes as at 30 June 2011 and the results of the year ended on that date.

### Note 15 Contingent Assets, Liabilities and Commitments

The registered schemes have no contingent assets, liabilities or commitments as at 30 June 2011 and 30 June 2010.

Platinum International Fund  
 Platinum Unhedged Fund  
 Platinum Asia Fund  
 Platinum European Fund  
 Platinum Japan Fund  
 Platinum International Brands Fund  
 Platinum International Health Care Fund  
 Platinum International Technology Fund

## Statement of Net Asset Value

Reconciliation of Net Asset Value before unitholders' liability in accordance with AIFRS to the Redemption Value\*.

	International Fund		Unhedged Fund		Asia Fund		European Fund		Japan Fund		International Brands Fund		International Health Care Fund		International Technology Fund	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Net assets attributable to unitholders per balance sheet	8,550,719	9,388,418	164,637	67,832	3,403,742	3,529,104	161,355	155,503	381,369	454,996	642,495	453,956	22,217	17,781	38,940	40,691
Add:																
Distributions paid and payable to unitholders	251,204	-	2,772	4,239	37,747	101,224	-	4,074	-	5,424	23,007	13,256	184	198	-	1,518
Less:																
Redemption cost of financial assets**	(22,035)	(23,502)	(419)	(180)	(8,631)	(9,096)	(404)	(400)	(956)	(1,154)	(1,668)	(1,170)	(56)	(45)	(97)	(106)
Difference between "bid" price under AIFRS and last price	12,173	12,228	310	121	10,793	7,887	225	302	1,082	1,203	1,850	746	22	12	48	36
Net Asset Value for redemption purposes	8,792,061	9,377,144	167,300	72,012	3,443,651	3,629,119	161,176	159,479	381,495	460,469	665,684	466,788	22,367	17,946	38,891	42,139
Redemption price	1.4583	1.5734	1.0361	1.1396	2.1520	2.3439	1.9950	1.7911	1.7586	1.8783	2.2343	2.0775	1.0831	0.9711	0.9639	1.0485

\* Financial assets are valued at the last sale price with an allowance for transaction costs.

\*\* Depending on the day of the week that the reporting period ends will determine whether the above redemption price will be available for unitholders to sell their holdings.

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

## **Directors' Declaration**

In the Directors' opinion, the financial statements and notes of:

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund (together the 'registered schemes') as set out on pages 6 to 49.

- (a) are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - (ii) giving a true and fair view of the financial positions of the registered schemes as at 30 June 2011 and of their performances as represented by the results of their operations, changes in equity and their cash flows for the year ended on that date; and
  - (iii) Note 2 (a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (b) there are reasonable grounds to believe that the registered schemes will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

P Howard  
Director

Sydney  
15 August 2011



## Independent auditor's report to the Unitholders of

Platinum International Fund  
Platinum Unhedged Fund  
Platinum Asia Fund  
Platinum European Fund  
Platinum Japan Fund  
Platinum International Brands Fund  
Platinum International Health Care Fund  
Platinum International Technology Fund

### Report on the financial report

We have audited the accompanying financial report of Platinum International Fund, Platinum Unhedged Fund, Platinum Asia Fund, Platinum European Fund, Platinum Japan Fund, Platinum International Brands Fund, Platinum International Health Care Fund and Platinum International Technology Fund (together the "registered schemes"), which comprises the Balance Sheets as at 30 June 2011, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration for the registered schemes.

#### *Directors' responsibility for the financial report*

The Directors of Platinum Investment Management Limited ("the responsible entity") are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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#### **PricewaterhouseCoopers, ABN 52 780 433 757**

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
DX 77 Sydney, Australia  
T +61 2 8266 0000, F +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



*Auditor's opinion*

In our opinion:

- (a) the financial report of the registered schemes is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the registered schemes' financial position as at 30 June 2011 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the registered schemes' financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

AJ Wilson  
Partner

Sydney  
15 August 2011