Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	MAR 2013	DEC 2012
North America	30%	30%
Japan	26%	24%
Europe	22%	23%
Asia	13%	16%
Australia	2%	2%
Africa	1%	1%
Cash	6%	4%

Source: Platinum

Portfolio Position

Changes in the quarterly portfolio composition:

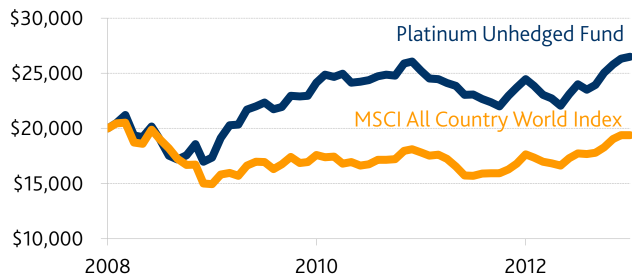
Sector Breakdown

SECTOR	MAR 2013	DEC 2012
Consumer Globalisation (brands, retail etc)	17%	17%
Emerging World Consumer (locally listed)	13%	13%
Healthcare	11%	11%
Internet Ubiquity	10%	10%
Technology (software & components)	10%	11%
Japanese Reflation	7%	4%
Global Financials	6%	8%
Energy and Materials	5%	8%
Gold	5%	6%
US Capex Renaissance	5%	3%
Capital Equipment (yen sensitives)	5%	5%
Gross Long	94%	96%

Source: Platinum

Value of $20,000 Invested Over Five Years

31 March 2008 to 31 March 2013



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

Performance

(compound pa, to 31 March 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Unhedged Fund	6%	8%	3%	6%	8%
MSCI AC World Index	6%	10%	3%	-1%	2%

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

Over the quarter the global stock market was led higher primarily by the US and Japan, with the emerging markets lagging badly, down 2% versus a 7% rise in developed markets. The underperformance of emerging markets is now quite conspicuous over three years, down 1% pa versus a 4% pa rise in developed markets – the significant emerging market outperformance in the ten years ending 2010 now a gradual fading memory along with the commodities boom. As evidence that fund flows are at best a coincident performance indicator, mutual fund investors emerging market love affair has only recently started to fade with such funds taking over 42% and 63% of all US mutual fund inflows over the past one and three years.

The global sector bias remains skewed towards healthcare, consumer staples and consumer discretionary with materials the laggard, down 5%.

The quarter ran almost as a compressed vignette of the prior few years with the Cypriot crisis triggering another bout of Euro weakness and European and emerging equity market underperformance, with the only notable pattern break coming from Japan; the yen has not yet experienced a knee-jerk safe haven appreciation and related local stock market sell-off. For now, the new-found commitment of the Japanese political class to the virtues of unlimited monetary easing are keeping the ever-stronger yen crowd sidelined.

The Fund's performance tracked the market with outperformance from our global consumer stocks (e.g. Ryohin Keikaku, Toyota, Pepsico), Japanese 'reflation' holdings (e.g. Japan Exchange Group, Orix), healthcare (e.g. Johnson and Johnson, Novartis) and mobile data (Google, Vodafone) offset by weakness in our gold, energy and emerging market consumption related names.

Changes to the Portfolio

The key new stocks added to the Fund included Yamada Denki (see the Platinum Japan Fund quarterly report), TNT Express (see Platinum European Fund quarterly report) and Baker Hughes. These stocks were largely funded from the partial sell-down of larger holdings such as Toyota Motor and Bank of America and the complete sale of Gilead as price performance removed some or all of the valuation upside relative to new opportunities.

Commentary and Outlook

The current extent of Chinese economic pessimism seems a little misplaced. Our view is that the economy experienced a significant slow-down in 2012 due to the tightening of policy and is now gradually recovering. However, we would also be the first to acknowledge that any transition by China away from investment-led debt-fuelled growth is unlikely to be smooth, but that in itself will provide opportunities for the Fund.

Whilst we build the Fund one stock at a time, for the purpose of investor communication, it is useful to group some of these holdings by theme. However, there will always be some specific, idiosyncratic ideas that defy grouping. In this sense, the Fund remains exposed to some major investment themes, including:

- US capital spending renaissance driven by a globally competitive supply of natural gas.
- Explosive growth in mobile data or 'internet ubiquity'.
- The rise of local emerging world consumer giants - the West only accounts for roughly 40% of global GDP (purchasing power parity basis).
- Consumer globalisation – Western brands, retailers and service providers positioned for global growth.
- Post-patent cliff pharmaceuticals and personalised medicine.
- Japanese reflation driven by a broad consensus on the need for change.

- Gold - a hedge against a self-reinforcing cycle of competitive quantitative easing (QE) from the three large developed world currency blocks (US, Europe and Japan) where the narrative morphs from necessary monetary easing to government debt monetisation and competitive exchange rate devaluation.

Over the ensuing quarters we will provide more detail around each of these broad ideas and the specific holdings.

Some complacency is creeping back into markets as they grind higher in the face of data disappointments, in particular, in Japan and the European economic periphery. Whilst it may be right to view this as backward looking, this does need monitoring. As we highlighted previously, the strength of the US recovery generally (and housing specifically) in the context of a weaker external environment, will be a key issue for 2013. We remain cautiously optimistic that a combination of a continued recovery in US investment spending and loosening European, Japanese and emerging market monetary policy, will be sufficient to offset a moderate level of global fiscal retrenchment.

Notes

1. The investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specific period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), are pre-tax, and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Funds and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

   The inception dates for each Fund are as follows:
   Platinum International Fund: 30 April 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 4 March 2003
   Platinum European Fund: 30 June 1998
   Platinum Japan Fund: 30 June 1998
   Platinum International Brands Fund: 18 May 2000
   Platinum International Health Care Fund: 10 November 2003
   Platinum International Technology Fund: 18 May 2000

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 31 March 2008 to 31 March 2013 relative to their Index (in A$) as per below:
   Platinum International Fund - MSCI All Country World Net Index
   Platinum Unhedged Fund - MSCI All Country World Net Index
   Platinum Asia Fund - MSCI All Country Asia ex Japan Net Index
   Platinum European Fund - MSCI All Country Europe Net Index
   Platinum Japan Fund - MSCI Japan Net Index
   Platinum International Brands Fund - MSCI All Country World Net Index
   Platinum International Health Care Fund - MSCI All Country World Health Care Net Index
   Platinum International Technology Fund - MSCI All Country World Information Technology Net Index
   (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

   The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. Long invested position represents the exposure of physical holdings and long stock derivatives. The net invested position represents the exposure of physical holdings and both long and short derivatives.

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