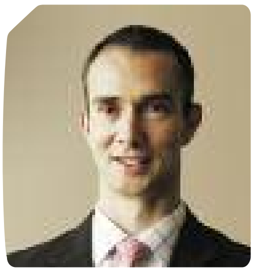
PLATINUM UNHEDGED FUND



Jacob Mitchell
Portfolio Manager

PORTFOLIO POSITION

Changes over the last 12 months to the portfolio composition:

DISPOSITION OF ASSETS		
REGION	DEC 2009	DEC 2008
WESTERN CONSUMER CYCLICAL	23%	18%
BRICS* CONSUMPTION	16%	24%
DEFENSIVE	13%	4%
JAPANESE DOMESTIC	10%	11%
GOLD	8%	7%
CAPITAL EQUIPMENT	8%	11%
COMMODITY/PROCESS	7%	10%
ALTERNATIVE ENERGY	5%	4%
OTHER	2%	2%
TOTAL LONG	92%	91%

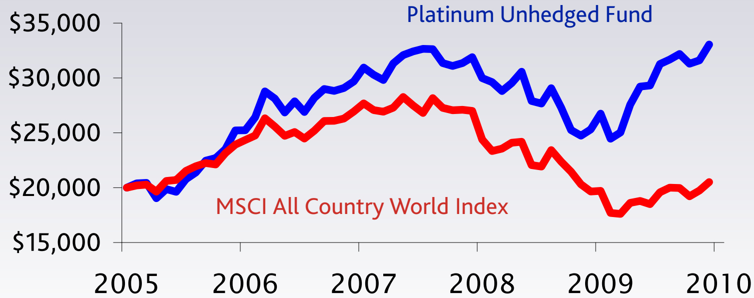
* Brazil, Russia, India and China

Source: Platinum

DISPOSITION OF ASSETS		
REGION	DEC 2009	SEP 2009
NORTH AMERICA	27%	24%
ASIA AND OTHER	24%	27%
JAPAN	24%	22%
EUROPE	15%	16%
AUSTRALIA	2%	2%
CASH	8%	9%

Source: Platinum

VALUE OF $20,000 INVESTED SINCE INCEPTION
31 JANUARY 2005 TO 31 DECEMBER 2009



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

PERFORMANCE AND CHANGES TO THE PORTFOLIO

Over the last 12 months the Fund rose 31%, outperforming the MSCI All Country World Index (A$) benchmark by 26% and over the past quarter the Fund rose 3%, in line with the benchmark. Since the Fund was opened to the public almost three years ago, it has returned 8% versus a 24% decline in the benchmark (cumulative three year return to 31 December 2009). As a fully invested, long only Fund our goal is clearly to make absolute returns for investors, however, with market valuations no longer in the cheap zone, our first priority will be preservation of capital.

A year ago we conveyed how the Fund had been positioned for a strong rebound in the more cyclical parts of the market (eg. technology, commodities, property) versus defensive areas (eg. utilities, telcos and pharma) and that we had concentrated our bets in Asia. This positioning is still working, although, similar to last quarter, we continued to unwind some of the more aggressive holdings. The major investments/ideas that made money this quarter included the same mid-cap stars from last quarter as well as some of our long dormant mega-caps (Merck & Co, Microsoft), including:

- Commodity/Process eg. Canfor Pulp.

- Alternative Energy eg. Veeco Instruments.

- Gold eg. Resolute Mining.

- Asia ex Japan consumption plays eg. China Resources Enterprise, Denway, Gome Electrical Appliances.

- Western Consumer Cyclicals eg. Micron.

In terms of changes in thematic composition, we reduced Brazil, Russia, India and China (BRIC) Consumption (sold Galaxy Entertainment) and Commodity exposure (sold Domtar) by 5.5% and invested the proceeds in a combination of Japanese export stocks (Shin-Etsu Chemical, Ushio – see over) and a US-based turnaround situation (Electronic Arts – see the Platinum International Fund Report).

Conceptually, we took the view that if the rebound in the emerging market economies was as strong as their stock markets were discounting, then greater return would be found in beaten down Japanese and American exporters that were yet to participate in the recent euphoria. We contend that many of the most undervalued so-called "BRIC" plays are now to be found in Western markets.

Over the last six months, the Japanese equity market has underperformed the global market by 18% and whilst our significant exposure here has cost in the short-term, it is yet to result in underperformance of the Fund. The Bank of Japan was one of the few central banks globally to actually shrink its balance sheet over the duration of the global financial crisis. We think this cold turkey approach to economic management may be ending in the face of rising unemployment and growing domestic political pressure. This places the Japanese equity market in an interesting position where monetary policy may actually be loosening when in many other markets tightening has already commenced.

In terms of how markets often get bored with long-term developments just at the time when an application is going mass market, we highlight our investment in Ushio, a company that dominates the market for high-powered discharge lamps used in LCD lithography (a cyclical business) and the digital cinema projector equipment (a growing business). The problem for Ushio is that digital cinema has been a compelling story for at least five years (a virtual eternity by investment world standards) – studios could beam new releases to cinemas around the world for very little cost with less risk of piracy and the cinemas could avoid traditional film degradation (those squiggly lines that develop on old prints) and gain the ability to screen 3D films and live events. The reality, however, was that no cinema chain was willing to spend six times as much for a projection system that represented unproven technology. With a decline in the price of equipment and greater availability of 3D content (eg. James Cameron's recent *Avatar* blockbuster and Pixar's *Up*), and a proven record of 3D films bringing in three times the revenue of a standard film, US cinema chains are now falling over themselves to embrace the new technology. 20% of all global screens (concentrated in the US) have now gone digital and Ushio has increased its projector production capacity by a factor of five times on a year ago to accommodate demand. We think this is a compelling global growth story but find very little stock market interest. Why? Maybe because it is listed in Japan (or maybe we are wrong and we have missed some technology substitution threat). Time will tell.

OUTLOOK

There is some risk of a double dip outcome in Western markets simply because debt levels are unsustainably high. Whilst the Federal Reserve balance sheet is now shrinking (largely due to the normalisation of the commercial paper market), we suspect that at the first sign of trouble, the punch-bowl will be replenished. The Japanese policy of offsetting the worst of their twenty year deflationary bust via corporate socialism and government spending has had a somewhat negative effect on entrepreneurial risk appetite. In a similar manner, the West's inability to deal with the too-big-to-fail structure of its financial system may have unintended, and somewhat negative long-term consequences. We will continue to hold a large position in gold stocks as protection against ongoing tendencies by the West to deal with its debt problems via currency debasement, rather than allow a politically unpopular correction in domestic asset prices to clearing type levels.

The million dollar question for global equity investors is whether the growth impetus in emerging markets is now strong enough to offset the deflationary tendencies elsewhere. Whilst we have no definitive answer, we can monitor the information flow for signs of confirmation or denial.

In contrast with December 2008 when we positioned the Fund for a strong rebound in Asia ex Japan, we have now positioned the Fund for a strong rebound in Japan by increasing our exposure to this market to 24%. Rather than being super-bulls on Japan (we are aware of the structural issues), we currently view it as the least worst alternative available in the major markets and see genuine neglect in the valuations of high quality companies and potential for outperformance from our specific holdings.

NOTES

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

2. The investment returns depicted in the graphs are cumulative on A$20,000 invested in the relevant Fund since inception relative to their Index (in A$) as per below:

Platinum International Fund:
Inception 1 May 1995, MSCI All Country World Net Index

Platinum Unhedged Fund:
Inception 31 January 2005, MSCI All Country World Net Index

Platinum Asia Fund:
Inception 3 March 2003, MSCI All Country Asia ex Japan Net Index

Platinum European Fund:
Inception 1 July 1998, MSCI All Country Europe Net Index

Platinum Japan Fund:
Inception 1 July 1998, MSCI Japan Net Index

Platinum International Brands Fund:
Inception 18 May 2000, MSCI All Country World Net Index

Platinum International Health Care Fund:
Inception 10 November 2003, MSCI All Country World Health Care Net Index

Platinum International Technology Fund:
Inception 18 May 2000, MSCI All Country World Information Technology Index

(nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

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

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The Platinum Trust Product Disclosure Statement No. 8 (PDS), is the current offer document for the Funds. You can obtain a copy of the PDS from Platinum's website, www.platinum.com.au, or by contacting Investor Services on 1300 726 700 (Australian investors only), 02 9255 7500 or 0800 700 726 (New Zealand investors only) or via invest@platinum.com.au.

Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and financial circumstances. You should consider the PDS in deciding whether to acquire, or continue to hold, units in the Funds.

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