

Clay Smolinski

Platinum Asset Management

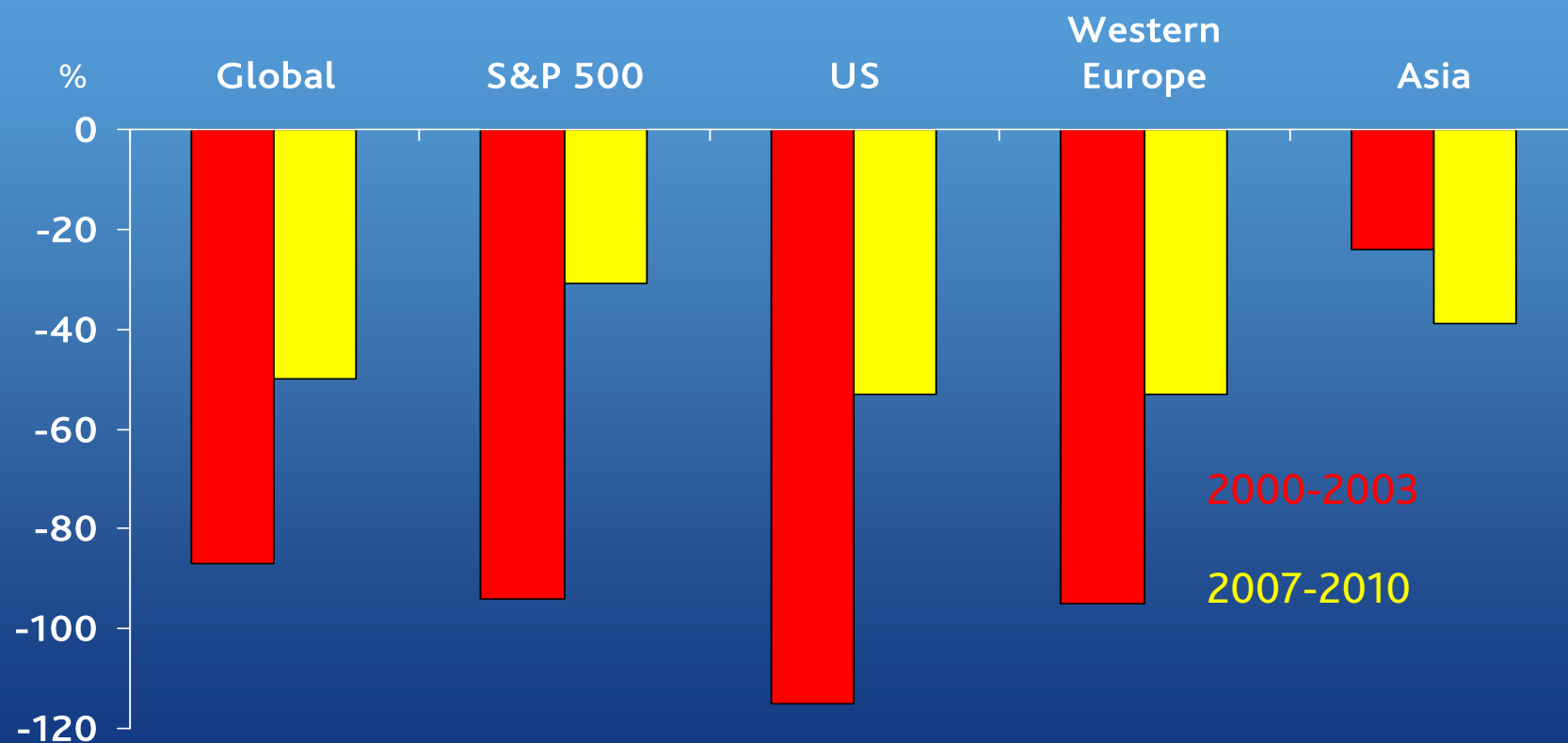
AFSL 221935

Hanmoore Financial Solutions

24 March 2010

Surprises of 2009 - profits held-up surprisingly well

Percentage fall in net profit from peak



Source: Factset

China's rapid rebound



Source: Factset

Valuations reached once in a lifetime levels



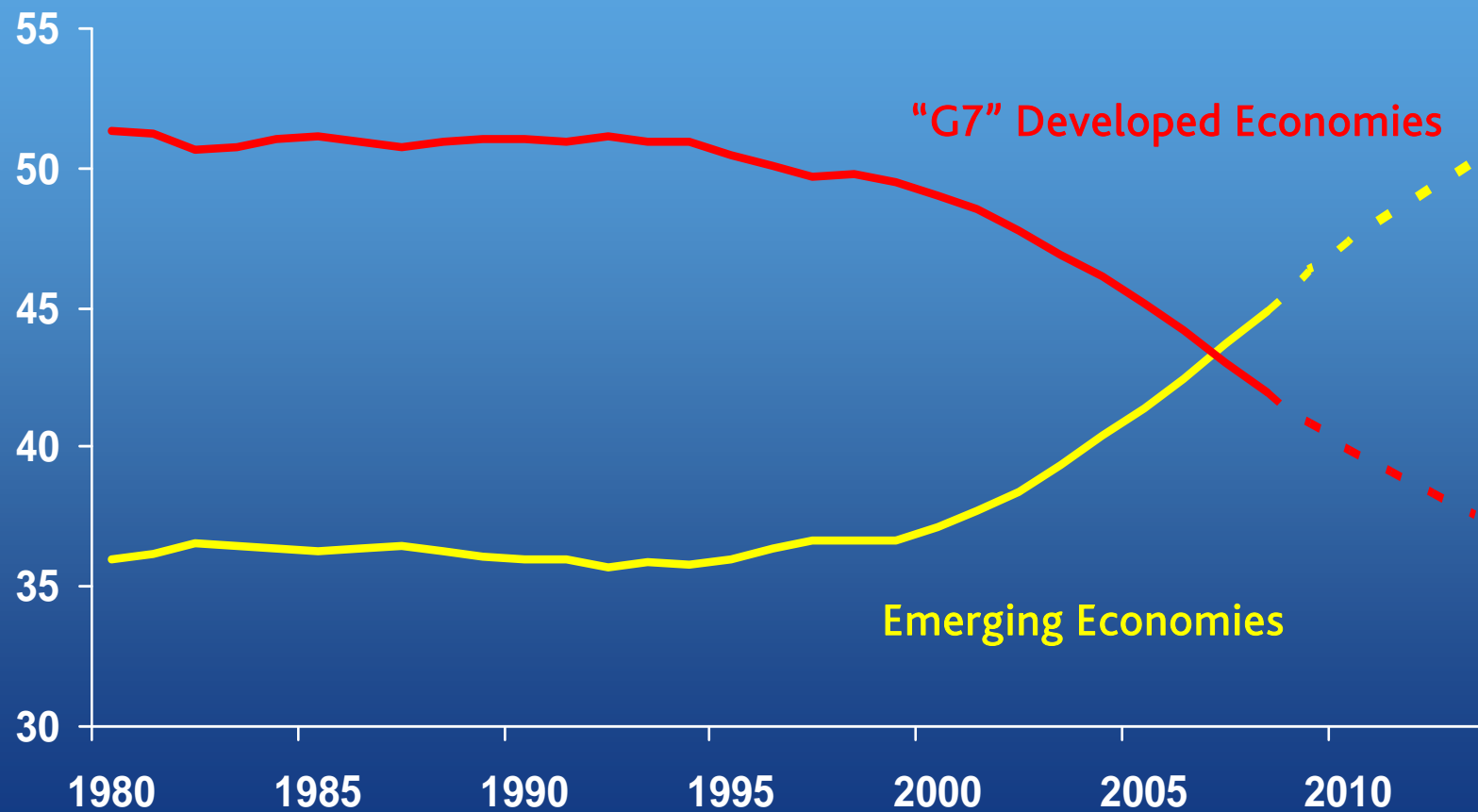
Source: Factset

Key lessons learnt

- Price is everything
- Avoid the crowd
- Understand what you own
- Good investment decisions are usually uncomfortable

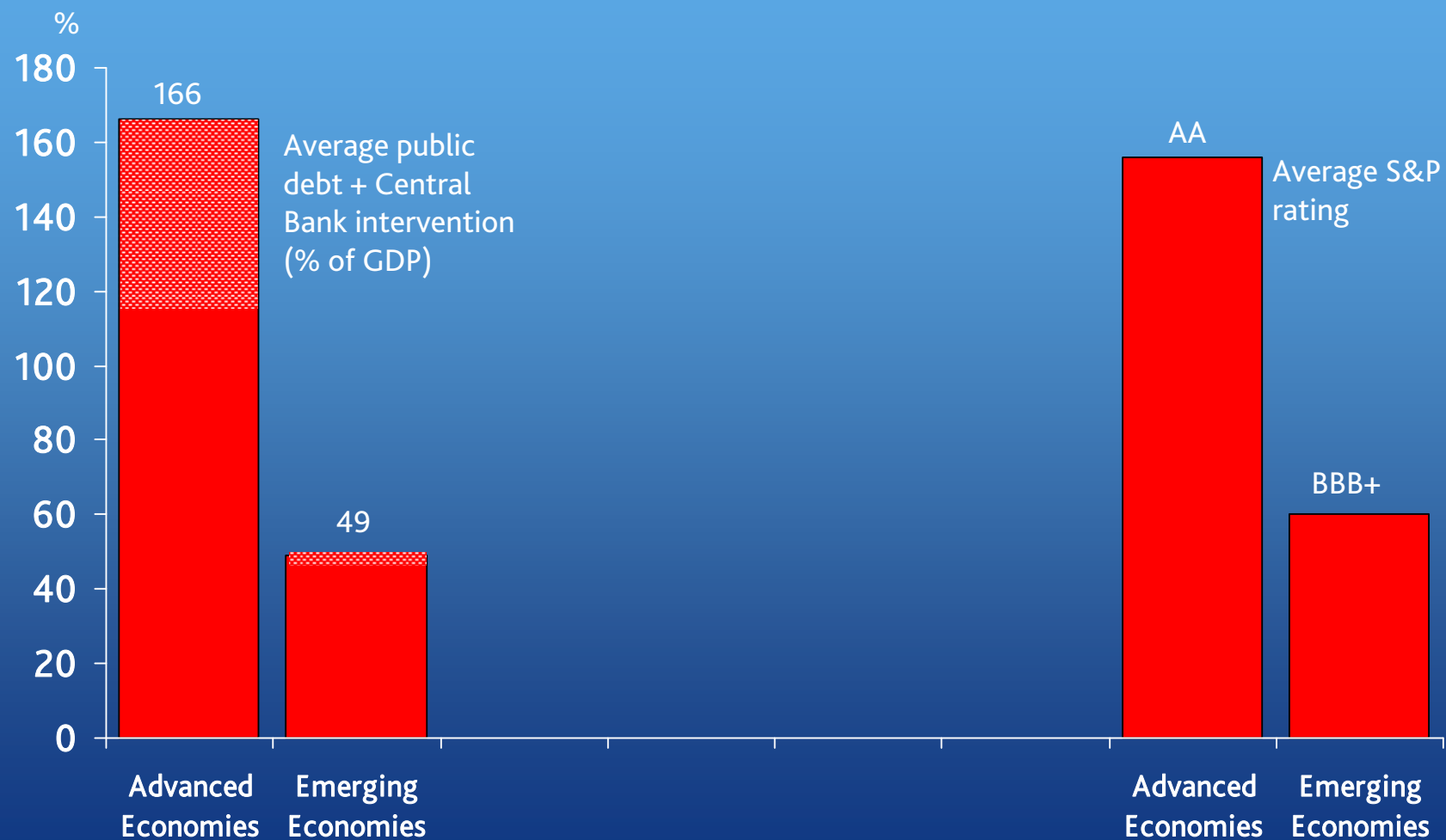
Where are we now? EM - overtaking G7 share of GDP

% share of Global GDP



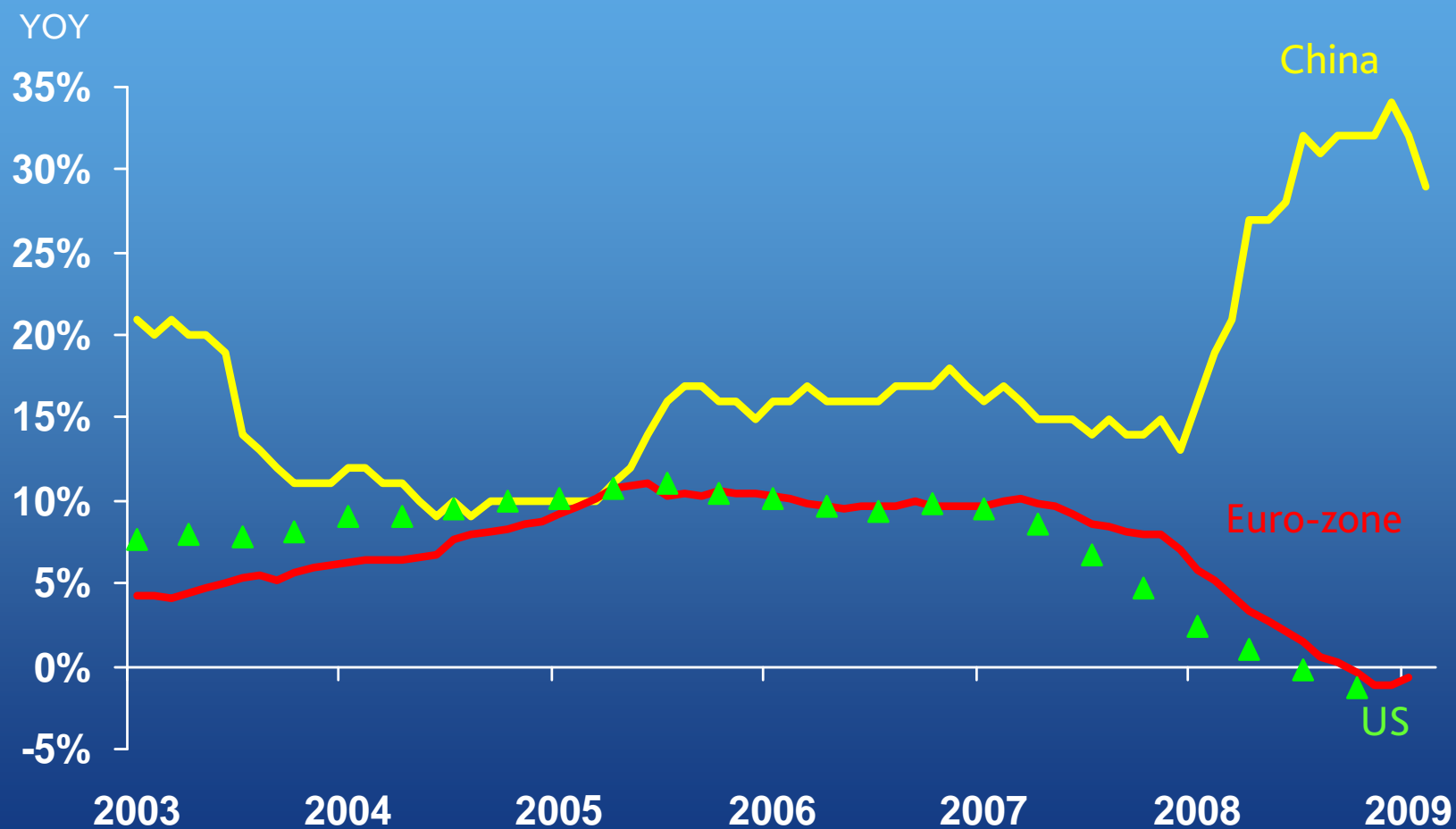
Source: IMF

Where are we now? - total actual and potential debt



Source: IMF, Bloomberg, S&P, Nomura Research

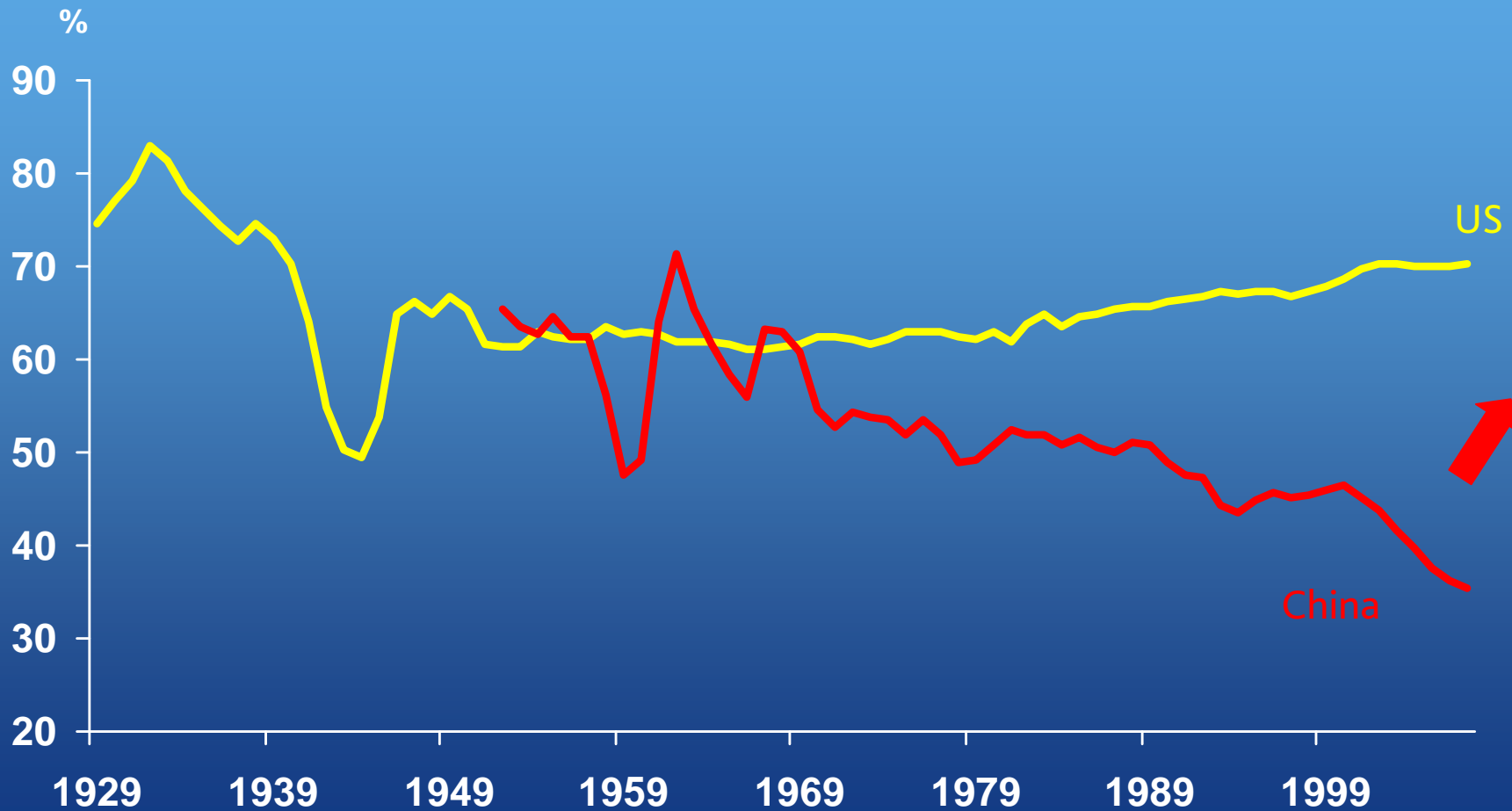
Divergence in lending growth -Chinese, US and Euro-zone lending



Source: Factset

Opportunities?

US and Chinese consumption as a % of GDP



Source: IMF, Macquarie Bank

Benchmarking China's consumption potential

<u>Country</u>	<u>Current GDP per capita (\$ppp)</u>	<u>Cars owned per 100</u>	<u>Per capita spending on health (\$)</u>	<u>Credit card per person</u>	<u>Per capita total insurance premium (\$)</u>
China	6,000	2.2	120	0.2	70
Average (8 major economies)		24.9	2,288	1.4	3,235

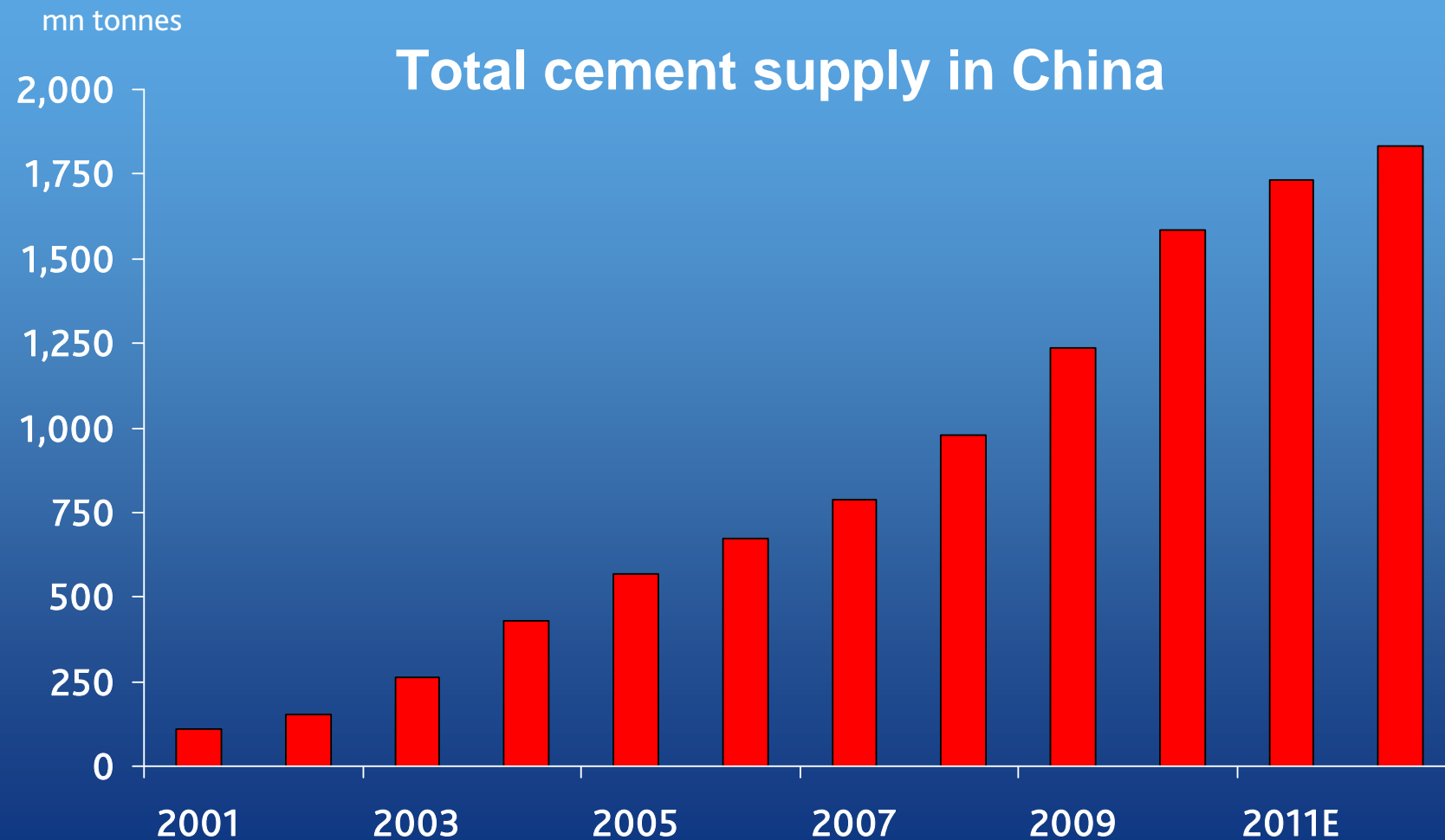
How far behind is China? (%)	91	95	87	98
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Detail – 8 major economies

US	46,000	47.8	6,700	2.4	4,086
Japan	34,000	39.5	2,500	1.2	3,319
UK	44,000	37.3	2,800	1.1	7,113
Hong Kong	32,000	9.2	1,300	1.5	3,373
Singapore	28,000	11.7	1,250	1.4	2,776
Taiwan	30,000	24.1	1,450	1.0	2,628
Korea	21,000	25.4	1,500	2.1	2,384
Brazil	11,000	3.9	800	0.8	202

Source: CEIC, Bloomberg, Nomura Research

But not without risks....



Source: Factset

Matching the outlook with valuations

	1 yr market performance (A\$)	Price/Book	PE historic	PE forecast (con-sensus)
Asia (ex Jap)	39%	2.5	20.9	14.5
N. America	6%	2.3	18.3	15.3
Europe	4%	1.8	14.2	12.8
Japan	-21%	1.3	20.4	19.9

} Market's recovery expectations muted for Europe & Japan

Data as at 31 December 2009

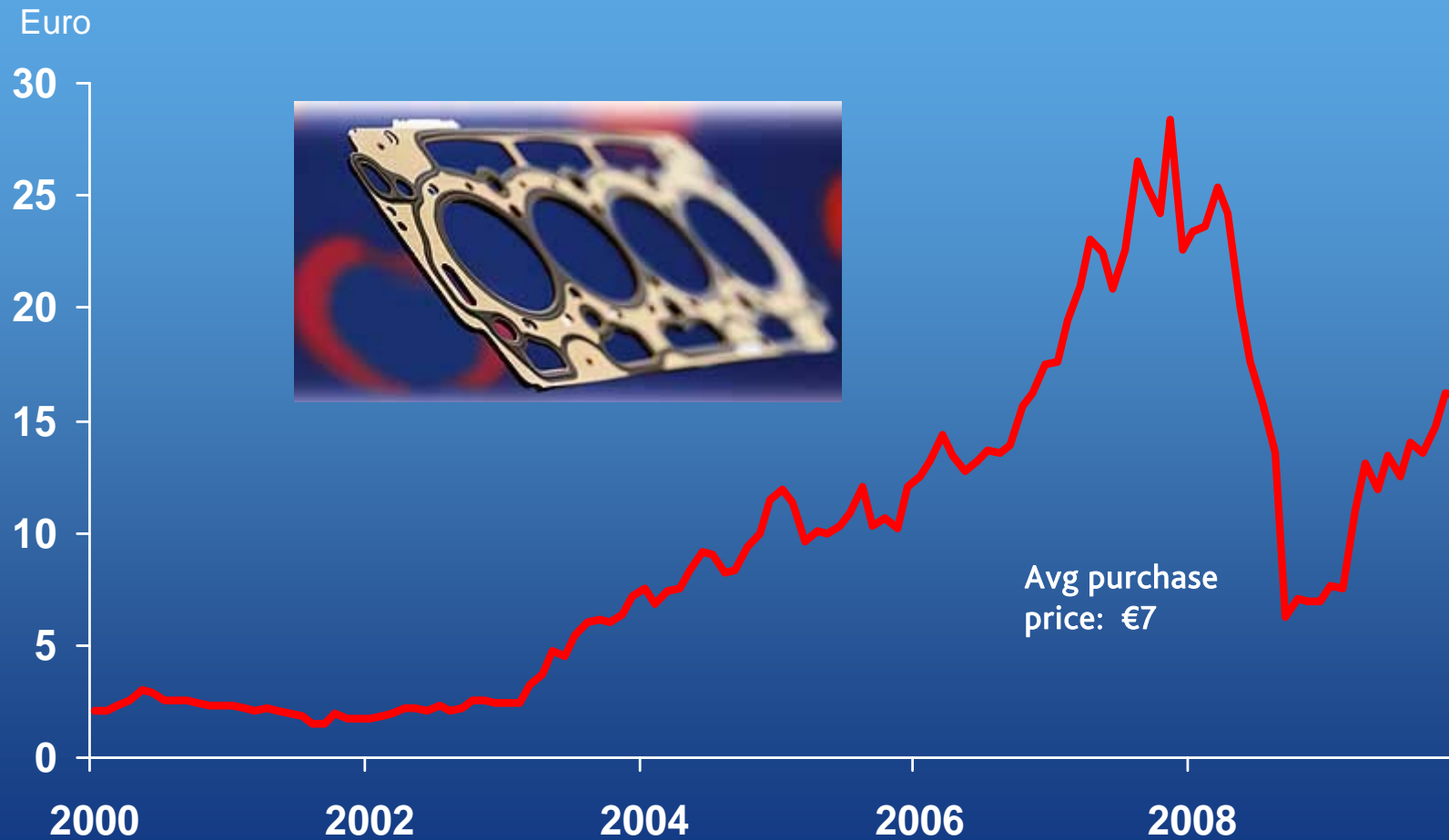
Source: Factset

China Resources Enterprise (HK) share price



Source: Factset

ElringKlinger (Germany) stock price



Source: Factset

Platinum International Fund portfolio

(as at 28 February 2010)

	<u>Long %</u>	<u>Net %</u>	<u>Currency %</u>
Africa	1.4	0.6	
Asia	18.7	18.7	26.4
Australia		(0.2)	17.2
Europe	23.9	21.4	20.9
Japan *	16.8	16.8	4.6
North America	23.9	6.5	30.9
South America		(0.1)	
	84.7	63.7	
Cash and Accruals	15.3	36.3	
Total	100.0	100.0	100.0

Long – 136 stocks, 2 swaps Short – 19 stocks, 4 indices

* The Fund also has a 19.6% short exposure to Japanese Government Bonds

Platinum Asia Fund portfolio

(as at 28 February 2010)

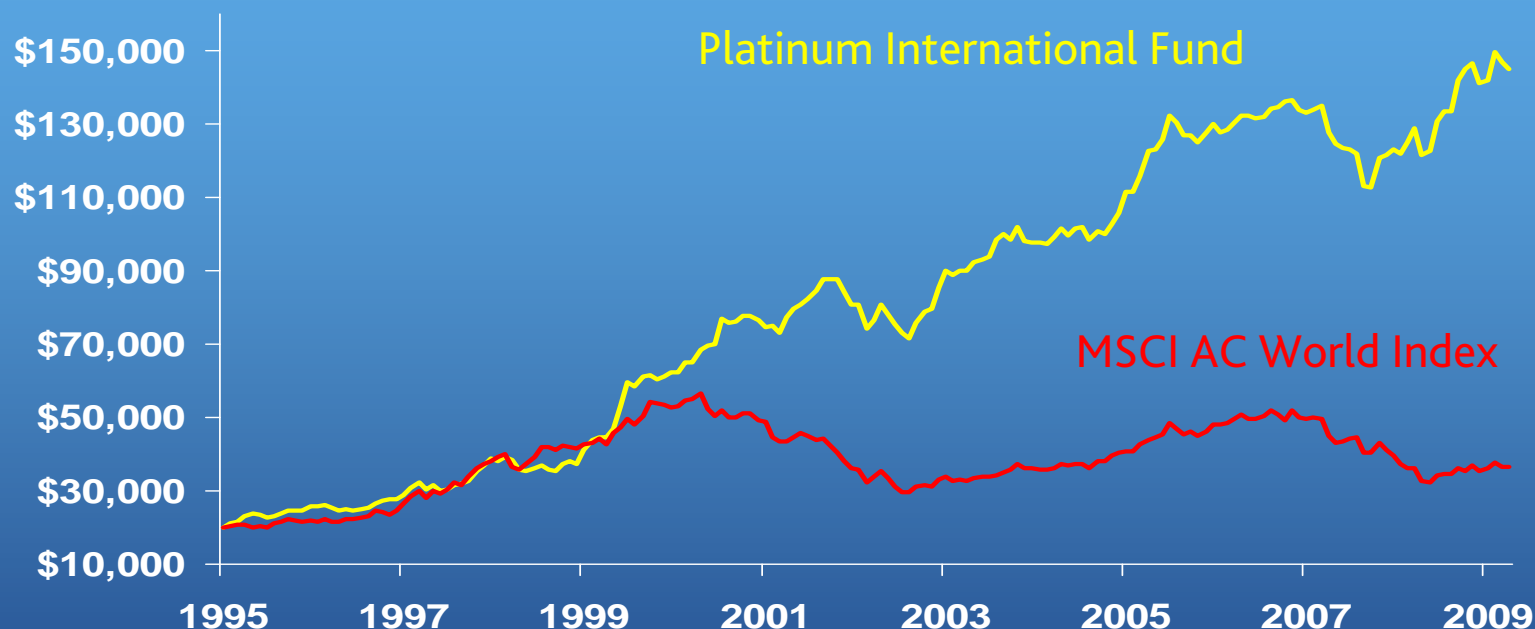
	<u>Long %</u>	<u>Net %</u>	<u>Currency %</u>
China (Listed PRC)	7.8	7.8	4.9
China (Listed ex PRC)	19.2	19.2	
Hong Kong	6.9	6.3	23.9
Taiwan	6.1	6.1	6.3
Greater China	40.0	39.4	35.1
India	8.7	7.4	8.9
Indonesia	3.3	3.3	3.3
Korea	12.8	12.8	11.8
Malaysia	5.7	5.7	5.7
Singapore	5.1	5.1	2.6
Thailand	8.8	8.8	8.8
Philippines	2.7	2.7	2.7
	87.1	85.2	
US\$			11.4
A\$			9.7
Cash and Accruals	12.9	14.8	
Total	100.0	100.0	100.0

Long – 104 stocks, 2 swaps Short – 2 stocks, 2 indices

Source: Platinum

Platinum International Fund performance

(value of \$20,000 invested since inception 30 April 1995 to 28 February 2010)



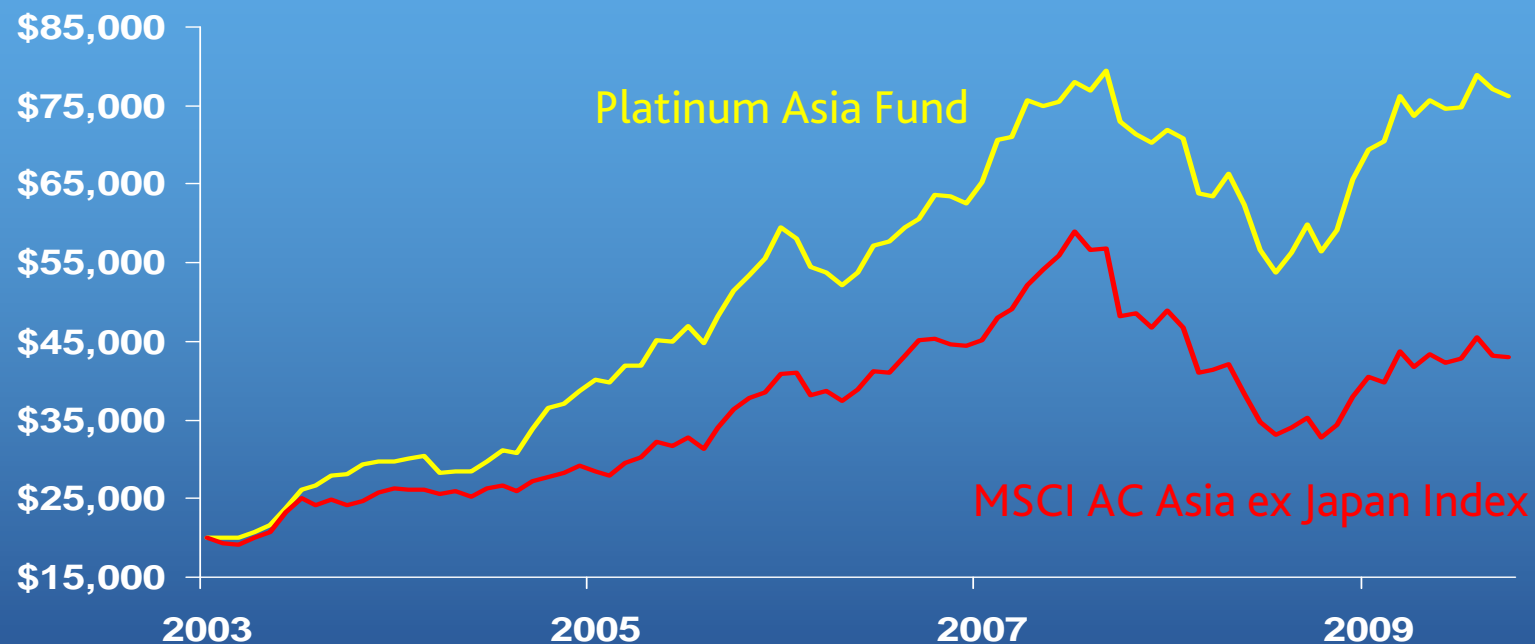
(compound pa, to 28.2.10)

	<u>3 mths</u>	<u>1 yr</u>	<u>3 yrs</u>	<u>5 yrs</u>	<u>Since Inception</u>
Platinum International Fund	2.0%	19.1%	3.1%	7.4%	14.3%
<i>MSCI All Country World Net Index</i>	<i>1.1%</i>	<i>12.8%</i>	<i>-9.7%</i>	<i>-0.2%</i>	<i>4.2%</i>

Source: Platinum, MSCI

Platinum Asia Fund performance

(value of \$20,000 invested since inception 3 March 2003 to 28 February 2010)



(compound pa, to 28.2.10)

	<u>3 mths</u>	<u>1 yr</u>	<u>3 yrs</u>	<u>5 yrs</u>	<u>Since Inception</u>
Asia Fund	1.9%	35.2%	6.3%	14.5%	21.1%
<i>MSCI AC Asia ex Japan Net Index</i>	<i>0.7%</i>	<i>31.2%</i>	<i>-1.1%</i>	<i>8.1%</i>	<i>11.6%</i>

Source: Platinum, MSCI

The Platinum Trust quarterly report

available from the 15th
of the month
following quarter end
on our website
www.platinum.com.au



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MSCI data has been sourced through MSCI.

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