PLATINUM INTERNATIONAL TECHNOLOGY FUND

Alex Barbi
Portfolio Manager

PERFORMANCE

During the quarter the Fund rose 12.4% compared to an increase of 7.6% in the MSCI World Information Technology Index (in A$ terms) and an 8.8% increase in the MSCI Telecommunications Index (A$).

Within the technology arena, semiconductor stocks were down 2.9% and software stocks were slightly up (+1.4%). Hardware and equipment stocks were strong (+9.8%), while telecommunications showed signs of recovery (+5.1%) after a prolonged period of depressed performance.

Over the last twelve months the Fund rose by 34.1%, compared to an increase of 29.1% in the IT index and an increase of 14.2% in the Telecom index. The "tech-heavy" Nasdaq Composite Index rose 18.0% (in US$) or 27.4% (in A$ terms).

The Fund had another solid quarter with strong performance from Adva (optical networking, +62%), Zarlink (communication semiconductors, +43%), Amdocs (communication software, +32%) and Nintendo (games platforms, +23%).

On the negative side we had some disappointments with some of our small Indian holdings and weakness in our large Korean stocks (LG Electronics and Samsung Electronics) which we believe to be temporary.

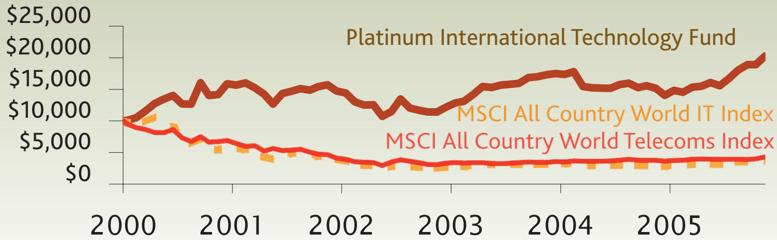
Additionally, the weakening of the A$ against the US$ (-2.2%) and Japanese yen (-2.7%) added to the Fund's performance.

DISPOSITION OF ASSETS

REGION	MAR 2006	DEC 2005
OTHER ASIA (INCL KOREA)	29%	30%
JAPAN	20%	23%
NORTH AMERICA	19%	18%
EUROPE	12%	12%
CASH	20%	17%
SHORTS	5%	4%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 MARCH 2006



Source: Platinum and Factset. Refer to Note 2, page 5.

CHANGES TO THE PORTFOLIO

Last quarter we described our investment in Suntech Power Holding, a China based photovoltaic cells manufacturer. While we are generally long-term investors, we (happily) decided to exit the entire position after the stock nearly trebled (from $15 to $43) within a month from our initial purchase. A strong oil price and a euphoric climate towards anything solar, pushed many stocks in this area to unsustainable valuation levels. In the meantime, new competitors are trying to enter the industry, and scarcity of silicon may start to have a negative impact on costs. While we still think that alternative technologies will eventually be necessary to replace increasingly expensive fossil fuels, we decided to leave and to reassess potential opportunities when valuations become more attractive.

COMMENTARY

Investment Stories - AMD

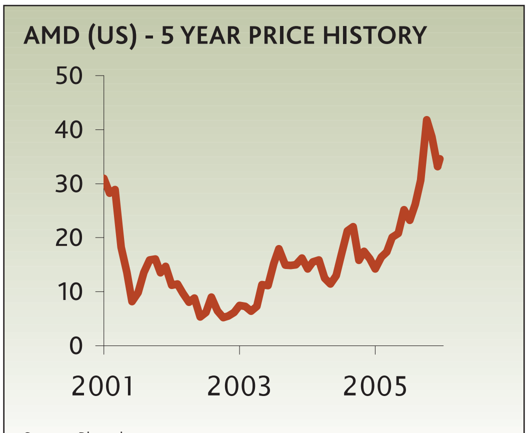
After nearly six years from the initial investment the Fund exited its entire position in Advanced Micro Devices (AMD). We largely built our position between 2001 and 2002 at an average price of $15, and during last quarter we sold the last holdings at $34. We considered that the risks associated with AMD's current valuation were high.

When the Fund first established a position in AMD, the stock market was quite certain that it would be crushed by industry's behemoth Intel. After all, what sane company would make it its mission to take on the giant Intel in producing central processing units (CPUs) for computers. The foolishness of this effort seemed hard to overstate. Intel had formidable intellectual property and had spent several billion dollars building state-of-the-art chip fabricating plants (known as "fabs"). Finally Intel had a sole-supplier agreement with Dell, the leviathan of computer manufacture and distribution.

Looking back, there were several milestones along the way that confirmed our faith. Despite its underdog status, AMD recruited several world leading experts to its cause. It was also the first company to introduce a chip breaking the gigahertz barrier (a chip capable of processing a billion pieces of information at a time). Moreover, its chips were widely preferred by the most demanding customers: the PC gaming community. Finally AMD had also formed a R&D joint venture with IBM, arguably the world's leading semiconductor manufacturing technology expert. Around three years ago, AMD was confident enough of its technology and had a daring change in strategy; it decided to target the heartland of Intel (the most lucrative high end market). At that time there were plenty of doubters but eventually its gamble paid off: AMD's processors are now increasingly acknowledged as superior in terms of performance and power consumption compared to the equivalent Intel chips. The results are also evident in AMD's rising market share and profitability.

AMD was not an easy investment. At times, there were articles in the financial press and by Wall Street analysts predicting its demise. Yet, by being a nimble challenger, AMD survived and is now thriving.

After four years this stock worked well for us. Picking stocks is not just about analysing the accounts. In this case it was about analysing the product, its customers (often someone playing computer games) and the likely reaction of competitors.



Source: Bloomberg

ORACLE

The Fund recently initiated a position in Oracle, a leading provider of database and enterprise management software (accounting, supply chain, customer relationship etc.)

When we first looked at the company it appeared to be a paradox. Oracle has a lot of characteristics that would lead one to conclude it is an attractive company. Consider that 40% of all electronically processed transactions in the world are handled with Oracle's database software. It has a strong history of innovations and its business is highly cash flow generative and extremely profitable. In a world increasingly dependent on digital information, Oracle is going to be a beneficiary of the digital migration trend and society's growing data intensity. Yet, partly due to a period of prolonged slow revenue growth post the year 2000 tech bubble, Oracle is valued by the stock market as though it has lost its growth credentials.

The market dislikes the fact that Oracle spent close to $20 billion to acquire several enterprise applications companies. Oracle harbours the ambition to create its second franchise and challenge the industry leader, SAP, in the process. While the market is probably correct not to under-estimate the difficulty of the task ahead, Oracle has in fact consolidated the enterprise applications market. Behind SAP (60% market share) Oracle is now a strong second player with 24% market share. Microsoft is third but so far has directed most of its effort to the small business segment. Such a concentrated market surely cannot be a negative for price discipline and stability.

Anecdotes suggest that Oracle has handled its various acquisitions quite well and that customers are happy with its new strategy and focus. We are also seeing encouraging progress in its application license sales. It appears that Oracle is indeed on the way to establishing its second franchise. We believe that Oracle can develop into an even stronger software vendor in the medium term.

Investment Philosophy

Both the AMD and Oracle investment cases are illustrative of our investment philosophy at work: search for "neglected" stocks and for the inherent gap between value and price. Searching for neglect does not mean we have to settle for lesser companies. Sometimes neglect may just be the result of the market apportioning the wrong weighting to certain important factors. Our efforts go in the direction of identifying these discrepancies.

Once the stock is discovered and the potential of the company is acknowledged by the market, we generally enjoy the ride as new passengers come on board. When the space becomes over-crowded and valuations reach unsustainable levels, we are happy to leave in search of new ideas.

OUTLOOK

The long-awaited launch of the new Microsoft Windows Vista has been unexpectedly delayed by a few months and it will now miss the critical Christmas season. This will likely have a moderating effect on consumer PC demand for the rest of the year as many will wait for the new software release to upgrade their PC/notebooks.

However, the increase in adoption of flat panel TVs, replacement of mobile phones and general demand for "mobility" products (notebook, handsets and MP3 players) is expected to be strong and should help sustain technology stocks.

After a protracted period of depressed sales, the software sector has started to see initial signs of recovery and we are confident of further strength.

Capital expenditure on telecom equipment is expected to continue on its recovery path, driven by continuous progress in wireless and broadband communications.

Alex Barbi & Douglas Huey

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$10,000 invested in the relevant Fund since inception relative to their Index (in A$) as per below:

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

Platinum 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

(Note. 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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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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