

Platinum International Technology Fund



Alex Barbi
Portfolio Manager



Cameron Robertson
Portfolio Manager

Disposition of Assets

REGION	31 MAR 2017	31 DEC 2016	31 MAR 2016
North America	34%	34%	30%
Asia and Other	25%	24%	29%
Europe	13%	11%	13%
Japan	5%	8%	7%
Russia	0%	0%	2%
Cash	23%	23%	19%
Shorts	0%	0%	-3%

Source: Platinum. Refer to note 3, page 3.

Download a copy of the full Platinum Trust March 2017 Quarterly Report to read the macro overview and general market commentary written by Andrew Clifford, CIO. Members of our investment team recently undertook a series of company visits on separate trips to China and Japan. You may also find in the full Platinum Trust report Andrew Clifford's detailed account of his observations on the ground in China and Scott Gilchrist's colourful note reflecting on his trip with Kerr Neilson to Japan, meeting with 34 companies over seven days.

Beginning from February 2017, Cameron Robertson has been appointed a Co-Manager of the Platinum International Technology Fund with responsibility for 50% of the portfolio.

Performance

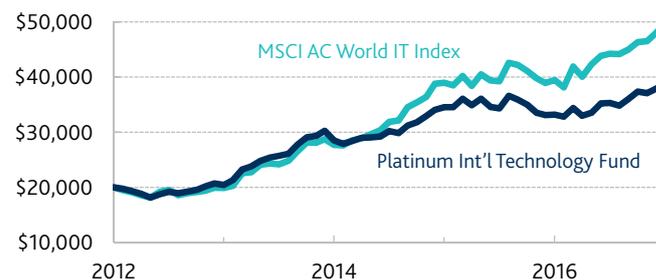
(compound pa, to 31 March 2017)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Tech Fund	4%	17%	11%	14%	9%
MSCI AC World IT Index	7%	26%	22%	20%	-1%

Source: Platinum and MSCI Inc. Refer to note 1, page 3.

Value of \$20,000 Invested Over Five Years

31 March 2012 to 31 March 2017



Source: Platinum and MSCI Inc. Refer to note 2, page 3.

Top 10 Holdings

STOCK	COUNTRY	INDUSTRY	WEIGHT
Alphabet Inc	USA	IT	5.6%
Samsung Electronics	Korea	IT	5.1%
Apple Inc	USA	IT	3.7%
Tencent Holdings	China Ex PRC	IT	3.5%
Oracle Corporation	USA	IT	3.2%
ams AG	Austria	IT	2.8%
Taiwan Semiconductor	Taiwan	IT	2.6%
China Mobile Ltd	China Ex PRC	Telecom	2.4%
Level 3 Communications	USA	Telecom	2.4%
JD.com Inc	China Ex PRC	Consumer Disc	2.2%

As at 31 March 2017. Source: Platinum. Refer to note 4, page 3.

For further details of the Fund's invested positions, including country and industry breakdowns as well as currency exposures, updated monthly, please visit <https://www.platinum.com.au/fund-updates/#MonthlyUpdatesForThePlatinumTrustFunds>.

Performance and Changes to the Portfolio

During the quarter the Fund was up 3.7% while the MSCI AC World Information Technology Index (A\$) was up 7.3%. A nearly 6% appreciation in the value of the Australian dollar against the US dollar detracted from performance. For the 12 month period to 31 March, the Fund returned 16.8%, slightly ahead of global markets (MSCI AC World Index A\$, +16%), but trailing the very strong sector benchmark (MSCI AC World IT Index A\$, +26%).

Among the best performers this quarter (in US dollar terms) were, once again, semiconductor equipment stocks, with companies like Applied Materials and Lam Research up 21%. The semiconductor industry in general was up 11%.¹ This was an extension of the rally that started in early 2016 and which does not seem to have exhausted itself yet. The trend has mainly been driven by the increased complexity and varied specifications of new smartphone models as well as a relative scarcity of digital memory chips (DRAM and NAND) and semiconductor wafers in general. All of these factors are having a positive impact on the profitability of semiconductor companies.

The Fund benefited from this rally through our positions in **Micron Technology** (+32%), **Skyworks Solutions** (+31%) and **ams AG** (+88%).

ams AG was the most recent addition to our stable of beneficiaries of the smartphone cycle. It is an Austrian semiconductor maker with a focus predominantly on optical sensors, but also has a broad portfolio of products, including miniature air quality sensors that are small enough to integrate into phones. Roughly half of ams' revenue comes from consumer products, mostly mobile phones, with Apple being its largest customer and favouring its ambient light sensors which adjust screen brightness based on surrounding light.

Last year, ams acquired an optical packaging company called Heptagon, which gives the company a unique end-to-end solution from chips to sensors, to the optical package that houses all of the key components. Expertise in all three areas is becoming essential in order to meet the scale and performance requirements of demanding customers.

We are expecting to see significant content growth in smartphone applications, thanks to the addition of 3D sensors. These are sensors that can build a 3D map of the immediate environment surrounding the device and are finding use in photography and augmented reality. ams' stock price has rallied on the back of an improving outlook for smartphone volumes, but we believe the current valuation remains attractive if the company can continue to grow

content in smartphones as well as benefit from increased industrial applications over the medium-term.

The Telecommunications Equipment Industry (+16% in US dollars)¹ was also a strong performer this quarter with Apple being its major driver. The company is benefiting from the well-received launch of iPhone 7. It was nice to see our thesis playing out as the stock has appreciated more than 50% since we increased the Fund's position in it in early 2016.

Internet Retail was another area of strength (+15% in US dollars),¹ largely driven by the stellar performance of Amazon and the fast growth in e-commerce in general, to the detriment of traditional retail channels. Our participation in this theme includes **eBay** (+13%) and, most importantly, China's **JD.com** (+22%). JD.com is developing a large scale e-commerce platform that leverages on its own fulfilment capabilities, direct control over customer experience and greater control over product quality than many of its e-commerce competitors.

Chinese Internet stocks have had a decent recovery from a period of weakness in the previous quarter. We had taken the opportunity to increase some of our holdings. In particular, we added to **Tencent Holdings** (+17% this quarter). We find the superior long-term potential of the Chinese Internet companies highly compelling when compared to their Western peers, and intend to maintain a sizeable exposure to companies such as Tencent and JD.com.

As at 31 March 2017, the Fund's major exposures by geography include the US (32%), China (15%), Taiwan (3%), Europe (13%), South Korea (7%) and Japan (close to 5%). With a net invested position of 77%, we are maintaining a higher than usual cash position as the valuations of a large number of companies in the technology sector are reaching very elevated levels.

Outlook

The coming few months will likely see more political (European elections) and macro-economic (US monetary policy) uncertainty which will impact on global markets. The long-term prospect, however, remains one with a multitude of fast evolving technologies emerging across many industries, including communications, manufacturing, financial services, retail, transport, and energy. We will continue to endeavour to identify the winners from the crowd and deliver satisfactory returns to our investors.

¹ Source: FactSet. Industry classification by FactSet.

Notes

- The investment returns are calculated using the relevant Fund's unit price and represent the combined income and capital return for the specified 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. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Funds' underlying assets 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

(NB: The gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist then.)

- The investment returns depicted in this graph are cumulative on A\$20,000 invested in the relevant Fund over the specified five year period relative to the relevant benchmark index as follows (the "Index"):
 - Platinum International Fund – MSCI All Country World Net Index (\$A)
 - Platinum Unhedged Fund – MSCI All Country World Net Index (\$A)
 - Platinum Asia Fund – MSCI All Country Asia ex Japan Net Index (\$A)
 - Platinum European Fund – MSCI All Country Europe Net Index (\$A)
 - Platinum Japan Fund – MSCI Japan Net Index (\$A)
 - Platinum International Brands Fund – MSCI All Country World Net Index (\$A)
 - Platinum International Health Care Fund – MSCI All Country World Health Care Net Index (\$A)
 - Platinum International Technology Fund – MSCI All Country World Information Technology Net Index (\$A)

(NB: The gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist then.)

The investment returns are calculated using the relevant Fund's unit price and represent the combined income and capital return for the specified 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. Platinum does not invest by reference to the weighting of the Index. Underlying assets are chosen through Platinum's individual stock selection process and, as a result, the Fund's holdings may vary considerably to the make-up of the Index. The Index is provided as a reference only.

- Geographic exposures (i.e. the positions listed other than "cash" and "shorts") represent any and all of the Fund's physical holdings, long derivatives (stock and index), and fixed income securities as a percentage of the Fund's net asset value.
- The table shows the Fund's top ten long stock positions as a percentage of the Fund's net asset value. Long derivative exposures are included. However, short derivative exposures, if any, are not.

- Sector breakdown represents the Fund's net exposure of any and all physical holdings and long and short derivatives (stock and index) as a percentage of the Fund's net asset value.
- The table shows the Fund's net currency exposures as a percentage of the Fund's net asset value, taking into account any currency hedging.

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Some numerical figures in this publication have been subject to rounding adjustments.

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