Platinum International Technology Fund

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Disposition of Assets

REGION	30 JUN 2017	31 MAR 2017	30 JUN 2016
North America	35%	34%	32%
Asia and Other	26%	25%	28%
Europe	14%	13%	13%
Japan	4%	5%	7%
Russia	0%	0%	3%
Cash	21%	23%	17%
Shorts	<0%	0%	-3%

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

Top 10 Holdings

STOCK	COUNTRY	INDUSTRY	WEIGHT
Alphabet Inc	USA	IT	5.9%
Samsung Electronics	Korea	IT	5.2%
Tencent Holdings	China Ex PRC	IT	4.2%
Oracle Corporation	USA	IT	3.8%
Taiwan Semiconductor	Taiwan	IT	2.8%
JD.com Inc	China Ex PRC	Consumer Disc	2.7%
Apple Inc	USA	IT	2.6%
ams AG	Austria	IT	2.5%
ZTE Corp	China Ex PRC	IT	2.4%
PayPal Holdings	USA	IT	2.4%

As at 30 June 2017. Source: Platinum. Refer to note 4, page 3.

Performance and Changes to the Portfolio

(compound pa, to 30 June 2017)

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Tech Fund	6%	25%	12%	17%	9%
MSCI AC World IT Index	6%	32%	22%	23%	-1%

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

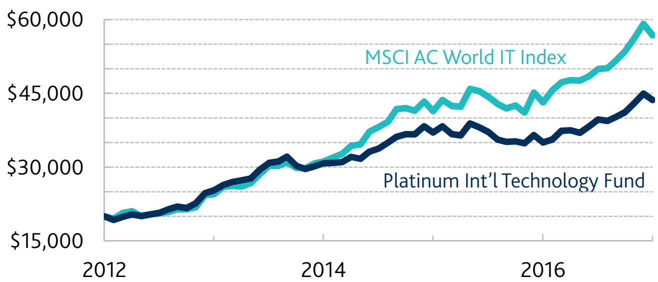
For the 12 month period to 30 June, the Fund returned 24.6%, trailing the very strong sector benchmark, MSCI AC World IT Index (A$) which rose 31.5%. Over the quarter the Fund was up 6%, matching the performance of the Index.

Investor enthusiasm for technology stocks seemed to have cooled in the later part of the quarter, and the optimism of prior months was replaced by profit-taking, mostly concentrated on recent favourites such as mega-capitalisation and semiconductor stocks.

A review of the best performing industries for the quarter (in US dollar terms) shows strong numbers across a diversified group: Electronic Components (+25%), Recreational Products (+16%), Internet Retail (+12%), Computer Peripherals (+12%)

Value of $20,000 Invested Over Five Years

30 June 2012 to 30 June 2017



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

and Internet Software/Services (+12%).[1] Semiconductor stocks were up a more modest +5%, with some signs of buyer fatigue emerging in June (-1%).

Geographically, the Fund benefited from its exposure to Asian and, in particular, Chinese technology names which represented six of the top seven performers for the quarter. **Autohome Inc**, a China-based leading car advertising portal was up 43% while e-commerce giant **JD.com** and social and gaming platform **Tencent** were up 26% and 25% respectively. **ZTE**, a leading Chinese telecom equipment manufacturer, was up 30%, while **SK Hynix**, the South Korean digital memory manufacturer also extended its rally by growing 30%.

During the quarter we added to our position in **Samsung SDI** (+21% in the quarter). Our original investment case (refer to the Fund's March 2015 Quarterly Report) was based on the company's leadership in Lithium-ion batteries used in smartphones, electric/hybrid vehicles and energy storage. As sales of plug-in electric vehicles (PEV) continue to grow, electric battery makers have seen their revenue growth accelerate and their profits improve through economies of scale.

In 2016, while still only accounting for a small 0.85% of the total number of cars sold, total PEV sales almost reached 800,000 units, growing by 40% year-on-year.[2] The same trend persisted for the first six months of 2017, and it bodes well for Samsung SDI which counts BMW and Volkswagen among its major customers.

An additional leg to the investment case is Samsung SDI's 15% ownership in its sister company Samsung Display Corp, which manufactures organic light emitting diode (OLED) displays for mobile phones and TVs. The smartphone industry is currently at the inflection point for OLED screen adoption. While Samsung Electronics has been an early adopter of OLED technology for its smartphones (featuring OLED screens for the first time in its 2010 models), major competitor Apple is expected to launch its first OLED iPhone only later this year. The irony is that, given Samsung Display Corp's leadership in OLED know-how, Apple can only source OLED displays for its iPhones from a company closely affiliated with its biggest competitor.

In the US, notable contributors to performance include **PayPal** (+25%) and **Oracle** (+12%).

Global online payment solutions provider PayPal reported very robust growth with adjusted revenues up 19% for the March quarter, total transaction volumes growing strongly at 25% year-on-year and expected to soon reach US$400 billion annually, and a total user base now exceeding 200 million (up 11% year-on-year). Despite increasing competitive pressure from the numerous emerging players in the fintech space, we believe that adoption of digital payments is only at a relatively early stage and that the addressable market still has significant scope for growth. Moreover, we are of the view that PayPal has most of the key attributes necessary to profit from the proliferation of digital payments in a world of fast growing e-commerce transactions: a large installed base, advanced security and fraud protection technology, network effect, and ease of use.

Database and enterprise software leader Oracle positively surprised investors. Recent quarterly results showed more evidence that the company is gradually, but successfully, transitioning to its new cloud-based business model. Upfront licences for software installed on customers' premises are gradually being replaced by subscription revenues for systems and applications managed by Oracle off-site. Most importantly, investors now seem more confident that the transition can be achieved while maintaining customer loyalty and a good level of profitability.

Among the worst performing industries this quarter were Media Conglomerates (-8%) and Broadcasting (-5%), driven by deteriorating audience metrics and slow advertising growth in traditional media. Computer Communications was also weak (-3%) with our holding **Cisco Systems** reporting a slowdown in data centre revenue. Major Telecommunications (-3%) remained a difficult area to invest with renewed signs of price competition across both sides of the Atlantic: AT&T, Deutsche Telekom and UK-based BT Group Plc were all down between 5% and 10% for the quarter.

We reduced our position in **Apple** as the valuation has re-rated substantially from our latest entry point in early 2016. The stock price seems to have mostly discounted expectations for a special 10th anniversary edition of the iPhone to be released later this year.

Outlook

As at the end of the quarter, the Fund had a net invested position of 79% (before annual cash distribution). We are keeping a reasonable cash position and are ready to re-deploy the Fund's capital should the recent weakness in technology stocks offer us attractive entry points in the names we are most interested in.

As the macro-economic conditions in the US seem to lose momentum, we intend to look for more opportunities in Europe and Asia where the local stock markets have been less exuberant and continue to offer more opportunities at attractive valuations.

1 Source: FactSet. Industry classification by FactSet.

2 Source: http://insideevs.com/world-ev-sales-hit-record-103000-deliveries-in-december-almost-800000-for-2016/.

Notes

1. 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 Funds' inception dates 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.)

2. 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.

3. Geographic exposures (i.e. the positions listed other than "cash" and "shorts") represent any and all of the Fund's exposure to company securities and long derivatives (stock and index) as a percentage of the Fund's net asset value (before annual cash distribution).

4. The table shows the Fund's top ten long stock positions (including any company securities and long derivatives) as a percentage of the Fund's net asset value (before annual cash distribution).

5. Sector breakdown represents the Fund's net exposure to any and all company securities and both long and short derivatives (stock and index) as a percentage of the Fund's net asset value (before annual cash distribution).

6. The table shows the Fund's net currency exposures as a percentage of the Fund's net asset value (before annual cash distribution), taking into account any currency hedging.

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