PLATINUM INTERNATIONAL TECHNOLOGY FUND

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PERFORMANCE AND CHANGES TO THE PORTFOLIO

During the quarter the Fund declined by 1.5% compared to a decline of 1.9% in the MSCI World Information Technology Index (in A$ terms).

Currencies had a slightly negative impact on the Fund performance with the Australian dollar stronger against the US dollar, the euro and the yen.

Major purchases: Corning, Oracle
Major sales: Alpine Electronics, Sun Microsystems

We introduced a position in Corning, as we believe that the company has a number of very interesting businesses in strong growth areas. In particular, its leadership in specialty glass substrate for active matrix LCD displays, makes it a clear beneficiary of consumer demand for large flat panel TVs. Corning is also a leader in optical fibre manufacturing, a sector with high prospective growth, thanks to renewed capital expenditure plans of telecom operators in the area of broadband and IPTV. Lastly, Corning through its joint-venture with Dow Chemical, is the world's leading producer of polycrystalline silicon used in the manufacturing of solar cells.

We exited the position in Alpine Electronics after reaching our valuation target and the stock's strong performance. Moreover, signs that competition in the car navigation systems is increasing made the investment potentially less attractive.

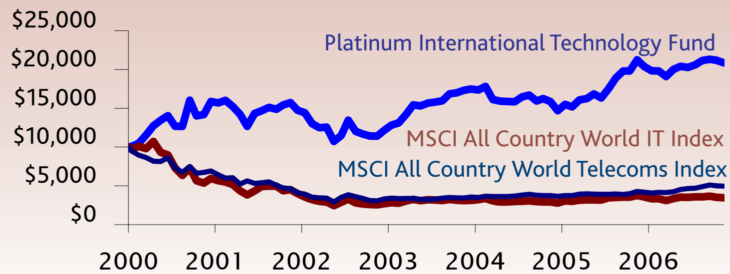
We also exited Sun Microsystems after a long association with the name, following a strong performance (+50% from last July) and considering the risks of a slowing market for IT hardware in general and servers in particular.

DISPOSITION OF ASSETS

REGION	MAR 2007	DEC 2006
OTHER ASIA (INCL KOREA)	25%	28%
NORTH AMERICA	24%	20%
JAPAN	17%	16%
EUROPE	15%	16%
CASH	19%	20%
SHORTS	5%	5%

Source: Platinum

VALUE OF $10,000 INVESTED SINCE INCEPTION
18 MAY 2000 TO 31 MARCH 2007



Source: Platinum and MSCI. Refer to Note 2, page 4.

COMMENTARY

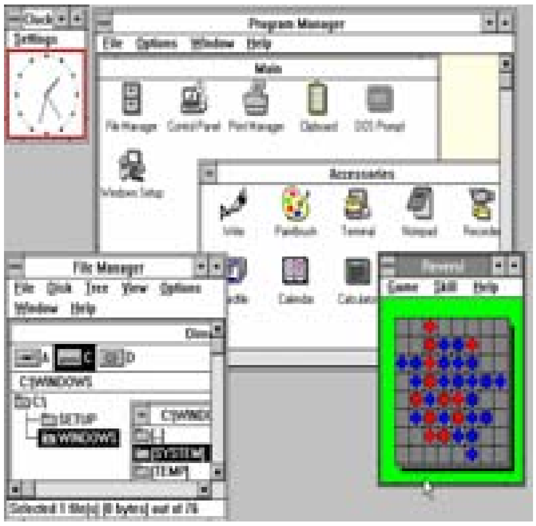
The main event in the quarter was the long awaited launch of Microsoft's new operating system, Windows "Vista". "Vista" went on sale to the public at the end of January, after a delay of several months, which raised questions about Microsoft's ability to execute. What made this launch even more important is the fact that Windows' previous version (XP) had been released nearly six years ago in October 2001. Microsoft had never before waited so long upgrading Windows (the average in the past being two to three years between upgrades).

Given Microsoft's 90% market share of the global desktop market, a new product launch from the giant of Seattle has by definition huge consequences on the global IT chain. Research house IDC calculates that for every dollar that "Vista" earns for Microsoft, it will trigger a minimum expenditure of $12 into the global economy. So if Microsoft sell $10 billion of "Vista" software over the next 18 months, there will be a cascade of $120 billion in revenues for other technology companies around the globe.

"Vista" will induce upgrades in hardware (consumers will be tempted to upgrade their old PCs or buy a new laptop) and will make adoption of more sophisticated, graphic intensive software easier (ie. 3D imaging, high resolution games etc). It will also have an impact on software applications. Some of you may remember when Windows 3.0 was launched in 1990 (see picture). Remember when those first little "icons" appeared on our PC screens? Or when we first started browsing through the Internet and Microsoft launched Internet Explorer with Windows 95? Similarly, we believe that "Vista" will foster the transformation of PCs into true multimedia devices.

One of the most attractive features of "Vista" is probably Windows Media Centre, an application designed to make your PC the home entertainment-hub.

Windows in 1990



Source: Wikipedia.org

Windows Vista in 2007

Source: Microsoft

If your PC has a TV tuner, you can use Windows Media Centre to record, watch and pause live television on your desktop or laptop. You can use the built-in television guide and a remote control, or you can surf through the channels with a mini-guide without interrupting your current program.

Moreover, throughout 2007, Microsoft plans to collaborate with manufacturers of DVD players, set top boxes and TVs to build integrated Media Centre "Extenders" in their devices. You will then be able to redirect all the digital entertainment stored on your PC across the home (up to five different TV sets!).

Surely the launch of "Vista" was not completely flawless. Early users have complained about Microsoft's approach to copyright protection with its strict Digital Rights Management (DRM) software, targeting pirated content. Also as often happens with the launch of new software, not all the applications and devices developed by third party providers have worked smoothly from day one.

We do believe, however, that these and other issues will turn out to be minor ones and the full potential of the system will eventually be appreciated. In fact, in the first month from the retail launch, Windows "Vista" has already shipped 20 million units. Compared to Windows XP which shipped 17 million in the first two months from launch, it can definitely be considered a promising sign!

When discussing Microsoft, a lot of the emphasis is obviously on its dominant position on the desktop with Windows and Office. However, we often forget that increasingly large portions of their revenues are now being generated from areas like Severs and Tools (database software, Windows Server, Mail Server, collaboration Software etc making 26% of total sales) or new divisions like Business Applications, MSN.com, Home and Entertainment and Mobility etc (representing in total 20% of sales).

Microsoft is building these new businesses with an eye to the potential future software landscape. An environment where Software as a Service (also known as Service Oriented Architecture or SOA), may replace the traditional model of selling software upfront on a one-off perpetual licence. A new business model is envisaged based on "renting" the software application from an online provider, and paying for it by way of a monthly/yearly subscription.

Those readers who have been following our reports for a while may remember that in the past we commented on consolidation in the software industry (see June 2004 Platinum International Technology Fund report) arguing that it would be a slow, long and painful but inevitable process.

Nearly three years later things are starting to get clearer.

Oracle has marched forward with a series of acquisitions targeting the Enterprise Resource Planning domain, traditionally presided over by leader SAP. IBM has been aggressively acquiring companies in a bid to strengthen its software applications portfolio to eventually compete against SAP (traditionally an IBM partner). Microsoft is leveraging on its huge installed base to extend its penetration with additional applications and services and it is buying or developing new business in areas such as mobility and Internet search.

This trend is set to continue and in 2005, according to SAP, its market share of global enterprise software applications was 21%, followed by Oracle with 9% and Microsoft with 5%. This market, valued at more than $15 billion in pure software licences, is still very fragmented; many corporate IT departments are still relying on a wide range of providers and on in-house developed software applications. The opportunity for the leading companies to gradually deepen their penetration of the global market gives them plenty of scope for further growth.

OUTLOOK

After a strong performance of technology stocks at the end of 2006, a seasonal slowdown in the early part of 2007 was to a certain extent expected. It was partly compounded by emerging uncertainties about the US consumer's health.

Technology stocks remain generally solidly positioned for a long-term secular growth, fostered by the "Digital revolution" and large capitalisation companies, in particular, are increasingly attractive in terms of valuation. We maintain our positive medium-term view but we keep a reasonable amount of cash to profit from any opportunity arising from any short-term correction.

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 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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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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