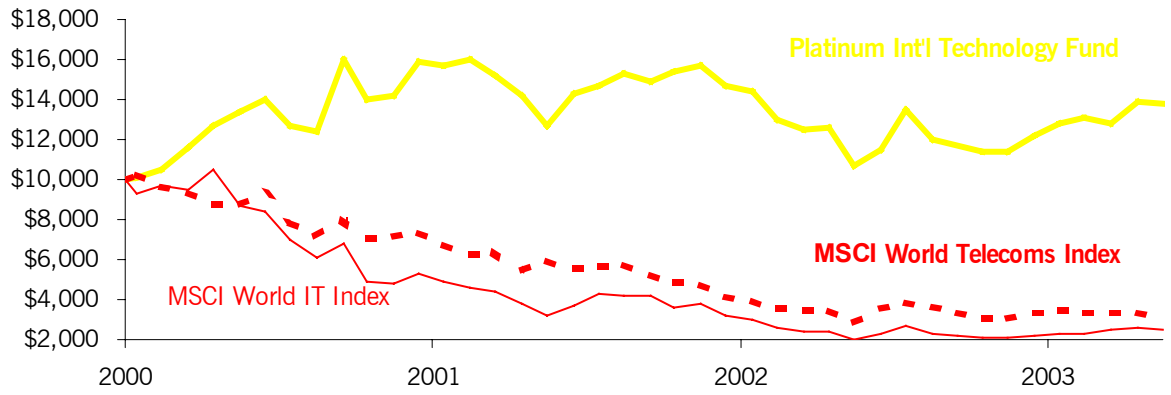
Platinum International Technology Fund

Performance

REDEMPTION PRICE: $0.8988

VALUE OF $10,000 INVESTED SINCE INCEPTION (18 MAY 2000 – 30 SEPTEMBER 2003)



Source: Platinum and MSCI Refer to Note 1, page 5

Technology stocks continued their strong performance during the quarter mostly driven by improving visibility in various industries such as computers, semiconductors and wireless handsets. Particularly strong was the stock price appreciation of companies active in Electronic Manufacturing Services (+29%), Semiconductors (+ 26%) and Semiconductor Equipment (+ 21%).

The Fund performance during the quarter was +16.7%. The MSCI World Information Technology Index (A$) was up 11.2% and the MSCI Telecommunications (A$) Index was down 4.6%. By comparison, the tech-laden NASDAQ rose by 10.1%.

For the year to 30 September 2003 the fund is up 42.6 %, outperforming the MSCI IT Index (+ 26.2%) and the MSCI Telecommunications Index (+9.0%)

Within the fund, major contributors to the performance were Spirent Plc (telecommunication testing) +98%, Advanced Micro Devices (semiconductors) +73%, Marconi Corp Plc (telecommunication equipment) +46%, Bharat Electronics (Indian defence and civilian electronics) +43% and Infineon Technologies (semiconductors) + 33%.

Changes to the Portfolio

Our view that Japan is on the midst of a long awaited recovery has influenced our decision to increase our exposure to Japanese stocks. We bought Toshiba semiconductors), Canon (consumer electronics) and Tokyo Broadcasting (TV network).

We have also opportunistically increased our position in Telkom Indonesia at very interesting prices, following a temporary correction of the stock price. The story of telecom growth in Indonesia is still intact and the stock price has since appreciated nicely.

In the US we bought Checkpoint Software, the leading vendor of firewall software. Firewall software monitor a network's connection to the Internet by applying a set of pre-defined rules. Firewalls can prevent many forms of Internet attack

DISPOSITION OF ASSETS

Region	Sep 2003	Jun 2003
US	23%	24%
Other Asia (incl. Korea)	17%	21%
Japan	17%	17%
Europe	20%	10%
Cash and Other	23%	28%
Shorts	15%	23%
Net Invested	62%	49%

Source: Platinum

initiated by hackers or malicious code by blocking their ability to connect to corporate networks.

While IT spending is still at an early stage of recovery, we believe Internet and network security are going to be a priority within corporate budgets and Checkpoint will be a beneficiary.

We reduced our position in Infineon Technologies and sold out of National Semiconductors after these stocks reached their valuation targets.

BREAKDOWN BY INDUSTRY

Categories	Sep 2003	Jun 2003
Telecom Equipment and Suppliers	25%	29%
Semiconductors	14%	18%
Software	11%	11%
Electronic Components	9%	6%
Other	18%	8%

Source: Platinum

Commentary

The good performance of technology stocks in the quarter has been generally consistent with signs of improvement in many of the industries we analyse.

In August 2003 technology orders in the US rose 12.2% year on year (the best growth since June 2000) and tech book-to-bill (the ratio of ordered goods to shipped goods) increased to 1.05, the fourth month in a row above 1.00. More specifically computer hardware orders were +18% and communication equipment orders were up 8%. Globally, the Semiconductor Industry Association's data also show that three month rolling average billings in August were +13% vs. last year with particularly strong growth in Asia (+17%) and Japan (+15%).

In the US market for PCs, while price competition is still fierce, volumes shipped have been growing strongly in the period May-August at yearly rates of 6 to 13%, with most of the growth coming from Notebooks (+41% in August alone, admittedly helped by "back to school" promotions).

New technologies

We have been looking for a number of years at technology developments in the wireless industry and we realise that the focus of the investment community has mostly been on personal handsets and the ubiquity of personal communications. The transition from analog to digital signal in the early 90s, the take-off of the Internet in 1995 and chip miniaturisation are pushing wireless technology even further to the point that it is now possible to use a notebook to wirelessly connect to the Internet without any need to plug in a telephone socket. Using a technology called Wireless Ethernet or Wireless-Fidelity (wi-fi); data can now be transmitted between two computers across the air without need for any cable connection.

But is this technology effectively so new? One step back. In 1973 Robert Metcalfe was a member of the research staff for Xerox at Palo Alto (PARC) where some of the first personal computers were being made. Metcalfe was asked to build a networking system for PARC's computers. Xerox's motivation for the computer network was that they were also building the world's first laser printer and wanted all of PARC's computers to be able to use this printer. Metcalfe eventually came up with the solution (essentially a protocol/language used by two computers to talk to each other), which was named Ethernet because the "ether" part of the network could be anything: copper wires, coaxial cable or air. A new standard was created that is now universally used across all Local Area Networks (LAN) in the world. It took about 30 years for this technology to be developed to such a level where we are now effectively able to send significant data through the air. That's just a reminder of how long it can take before a newly developed technology reaches effective commercial applications.

To set-up a wi-fi network (or wireless LAN) you plug the access point into an Ethernet network at your office, and insert a wireless card into the slot on the side of your notebook computer. You can then move around with your notebook within a radius of 300 feet and remain connected to the internet. Access point units are currently available for as little as US$130.

Picture 1: Access Point
Dimensions: 18cm x 15cm x 5cm

Picture 2: Wireless Card
Dimensions: 11cm-x 5 cm x 0.7 cm

You can even set-up a Wi-fi network for yourself at home, by simply plugging the access point into your desktop PC and ensure that it is connected into the internet.

The speed of your connection will ultimately depend on the speed of your fixed-line connection.

If you were entrepreneurial, you could set up multiple access points across towns by knocking on the doors of everybody who's willing to lease you premises to set up what is called a "hot spot". At that stage, you can charge users a fee for using your connection, or you can share part of the landlord revenues. That's what many people have done in major US cities and hot spots have popped up everywhere, from coffee shops to airports and laundrettes, basically anywhere where there is likely to be high traffic of potential notebook or Personal Data Assistant (PDA) users, keen to surf.

While the range of wi-fi radios is generally limited to a 300-foot radius, the speed of transmission can be very high. The latest version access points (using a standard named 802.11g) are expected to transmit data at speed of up to 54 Megabits per second (Mbps)! To put it in perspective, current Telstra Big Pond DSL users have speeds between 256 Kbps and 1.5 Mbps.

At the end of 2002 in the US there were 4,200 hot spots and a number of independent operators and telecom providers are rushing to build up more access points in public places in Europe and Asia as well. The landscape is somewhat reminiscent of the early days of the Internet, when hundreds of Internet Service Providers (ISPs) were setting up services promising to offer free Internet access. We later discovered that there was not such a thing as a free lunch and most of the Internet traffic is now managed by the good old telephone companies.

Although wi-fi services are often dismissed as unreliable and prone to security breaches and interferences, they should not be underestimated. They have all the features of a disrupting technology and could potentially represent a serious threat to some telecom operators.

Firstly, in many countries no license is required to build and install a wi-fi network. This is in sharp contrast to the multi-billion dollars paid by European Mobile Operators in 1999-2000 to obtain licences to operate so-called 3rd generation (3G) mobile networks. The absence of "entry fee" represents an incentive to new entrants.

Fearful of the potential competition, many telecom operators are rushing to cover. Verizon Communications, the largest US telecom operator has started offering *free* wireless LAN access to its DSL users in select areas of New York City as a perk to existing customers and a enticement to new ones. Verizon is installing wireless LAN hotspots in its payphone boxes in NYC and says it will have 1,000 in place by the end of 2003. The idea is not that Verizon customers will cluster around the booth in order to get access but can catch a wireless wave in nearby buildings.

Secondly, a new technology called Voice over Internet Protocol (VoIP or Voice over IP) is being deployed across corporate networks and it can easily be integrated in a wi-fi network. Every corporate network is built around Ethernet, and if voice calls can be carried over the data network rather than through the traditional circuit-switched networks, businesses could potentially save a lot on phone bills.

If one extends this concept to the hot spots discussed above, one can imagine using a wi-fi phone when one is in close range of an access point, so avoiding the charge of a phone call. (Effectively your call is being carried by the internet). This concept is quite attractive to corporate users who can build VoIP networks within the limits of their buildings/factories, and let their employees "roam" from access point to access point while moving from one floor/building to another.

Motorola and NEC are co-developing an IP office phone that roams from wi-fi into cellular networks. When used inside an office, the phones tap into a wi-fi network to make calls that travel, in part over the internet rather than over a phone network. Outside the wi-fi 300-foot range the handsets switch calls automatically to a cellular network.

In Australia we are also witnessing innovative wireless developments. Hutchison launched 3G services through their "3"subsidiary, and we now see handsets able to send real-time video at reasonably decent speeds and image quality. Questions remain however as to what applications users will adopt, apart from live video-calls, games etc. Many operators have openly admitted their caution to investing in 3G technology.

The paradox could be that eventually the entire spectrum acquired to deploy 3G services will be used instead to rollout voice services at much lower cost (3G technology is far more efficient in spectrum utilisation than GSM).

Picture 3: Smart Antenna

More interestingly, the real growth in wireless data could come from "alternative" such as wi-fi or new services as launched by ArrayCom in Sydney last month. ArrayCom is a privately owned company whose founder, Martin Cooper, invented the first mobile phone in 1973 while working at Motorola. He has developed a technology based on "smart antennas". They deliver

wireless broadband to a large numbers of users "on the move". The capacity of this solution is expected to be between 1 to 40 Mbps (up to 40x faster than 3G) and it has the advantages of using only 5Mhz of spectrum compared to 20 Mhz of 3G networks.

While the introduction of innovative and disruptive technologies will cause more competition among equipment providers and telecom operators, we believe it will ultimately result in increased adoption of broadband services, new applications and generally benefit growth in IT spending.

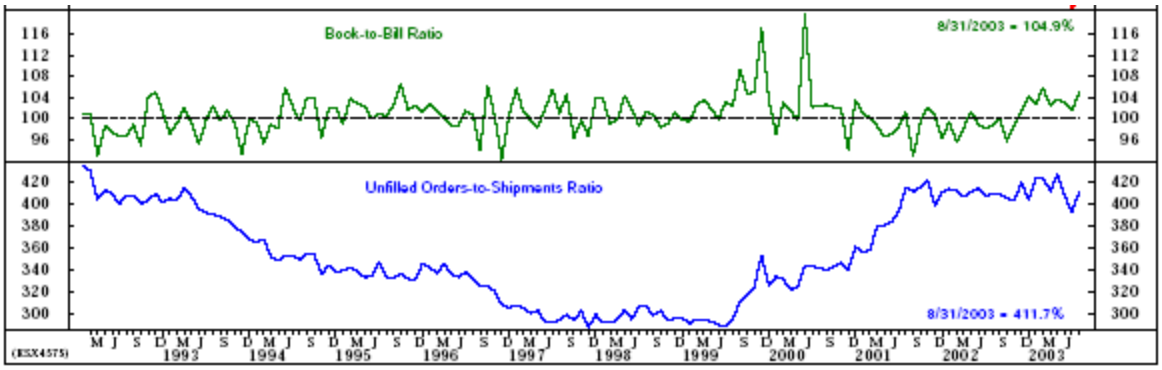
Outlook

The strong rebound of US technology stocks from their recent bottom in March 2003 has continued through the September Quarter. While news flow has been generally positive and pointing at steady improvements in most industries, valuations are probably discounting too much too soon and are reaching levels reminiscent of 1999.

We intend to keep a large proportion of our funds in Japan and Asia where valuations are still more attractive.

We maintain a 15% short position in selected stocks and the NASDAQ index.

Alex Barbi
Portfolio Manager



1. DISCLAIMER

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The Platinum Trust Product Disclosure Statement No 4 (PDS), *for Australian investors,* and The Platinum Trust Investment Statement No 8 (IS), *for New Zealand investors*, provides details about the Funds. You can obtain a copy of the PDS or IS from Platinum's web site, www.platinum.com.au, or by phoning our Investor Services staff on 1 300 726 700 (*Australian investors only*) or 02 9255 7500

Before making any investment decision you need to consider (with your securities adviser) your particular investment needs, objectives and financial circumstances. You should refer to the PDS or IS (whichever applicable) when deciding to acquire, or continue to hold, units in the Funds**.**

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2. NOTES

(a) The returns represent the combined income and capital return for the specified period. They have been calculated using withdrawal prices, after taking into account management fees (excluding any performance fees), pre-tax, and assuming reinvestment of distributions. The returns shown represent past returns of the Fund only. 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, returns can be negative (particularly in the short-term).

(b) The investment returns depicted in this graph are cumulative on A$10,000 invested in the Fund since Inception relative to the its index(in A$) as per below;

Platinum International Technology Fund:

MSCI Global Technology Index in A$. The inception date of the fund was 18 May 2000.

The investment return in the Fund is calculated using withdrawal prices, after taking into account management fees (excluding performance fees), pre-tax and assuming 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 Index. The Index is provided as a reference only.