

PLATINUM INTERNATIONAL TECHNOLOGY FUND



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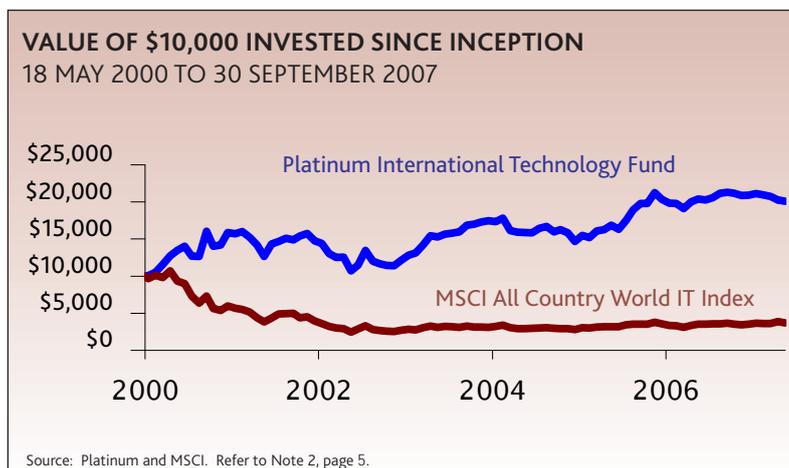
PERFORMANCE AND CHANGES TO THE PORTFOLIO

During the quarter the Fund declined by 4% compared to an increase of 1.8 % in the MSCI World Information Technology Index (in A\$ terms). The Fund performance for the last 12 months was -1.5% (versus +4.5% of the benchmark) and for the last five years was +13.4% pa (versus +8.5% of the benchmark).

The mid-quarter correction of global equities markets impacted negatively on the Fund's performance and created a lot of volatility in the currency markets. The sub-prime crisis in the US triggered a temporary sell-off in the Australian dollar against the US dollar and the Japanese yen, and the Fund initially benefited from this. However, as soon as the US Federal Reserve announced its surprise 50 basis points rate cut, the "carry trade" game (borrowing in low interest rate currencies to invest in other assets) was on again. The Australian dollar quickly recovered most of its losses and actually ended the quarter stronger against major currencies. During the quarter we increased the Fund's hedging as we believe the interest rate gap between the Australian dollar and US dollar will benefit our local currency in the medium-term. The Fund's assets are now 41% in the Australian dollar, 20% in euros and 10% in Japanese yen.

DISPOSITION OF ASSETS		
REGION	SEP 2007	JUN 2007
ASIA (INCL KOREA)	29%	33%
NORTH AMERICA	24%	25%
JAPAN	17%	15%
EUROPE	13%	14%
CASH	17%	13%
SHORTS	2%	7%

Source: Platinum



The Fund's portfolio also suffered from the poor performance of its holdings in Asia and of small caps in general. These were badly treated by the market during the sell-off phase but they recovered only part of their losses in the subsequent period. The Fund's relatively low exposure to large capitalisation US technology stocks also explains part of the under-performance. At a time of uncertainty, as was the case during this quarter, the market is happy to pay a premium for certainty. Hence the performance of the tech-heavy Nasdaq (+3.7% in A\$) was largely driven by strong movements of stalwarts like Amazon, Apple, Research in Motion or Juniper Networks, all reporting extremely high growth rates. This despite valuations for these companies being at sky-high levels between 41 and 84 times current year's earning!

The methodology we follow in building our portfolio, regardless of index benchmarks, can lead the Fund to temporary periods of under-performance relative to those indices. While we have probably underestimated the "certainty" factor at times of uncertainty, we still believe in our investment philosophy of avoiding investing in momentum driven stories. We remain confident in the intrinsic value of the Fund's holdings and their ability to deliver growth in the medium-term.

Major purchases: we introduced a position in China Netcom, the second largest fixed-line telecom operator in China. We think that an imminent restructuring of the domestic telecom sector will benefit China Netcom with the acquisition of mobile network assets and 3G licenses. This will change Netcom's growth profile in a country with a lot of potential still for mobile phone growth. We increased our position in Corning, a major beneficiary of the consumer trend towards adoption of Liquid Crystal Display (LCD) TVs.

Major sales: we exited our position in Oracle after reaching our valuation target and the stock price growing more than 50% over the last 18 months. We exited Sharp at a small loss, after revisiting the case for holding the stock. While we liked Sharp's

technological expertise in LCD and solar panels, the company seems to have some weakness in addressing consumer electronic markets overseas, which results in having a somewhat "devalued" brand. The outcome is Sharp's lower profitability if compared to major global competitors such as Sony or Samsung. As we judged this issue as one difficult to resolve, we decided to sell given the limited upside.

COMMENTARY

A future view of the Internet: how video will drive Internet Protocol traffic growth

"Youtube already generates traffic equal to the entire Internet load in the year 2000..." Scott Kriens, Juniper CEO, Jan 2007.

Youtube is a video sharing website created in February 2005, where users can upload/download video-clips. The fact that it generates more data traffic than the entire internet network could carry seven years ago, is in itself extraordinary. Increased adoption of high speed Internet connection among the world's population and the trend to spend more time in front of a PC screen surfing the web (as opposed to watching broadcast TV), are major drivers of current Internet traffic growth.

However, Youtube is only the beginning. Based on Cisco Systems' analysis and forecasts¹ reported below, global Internet Protocol (IP) traffic (ie. data traffic carried along the public Internet or the privately owned telecom providers' networks) will nearly double every two years between 2006 and 2011, driven largely by adoption of Internet video by consumers. According to Cisco Systems' estimates, the traffic generated globally by Google and Youtube combined in mid-2007 was around 46 Petabytes² (Pb) per month. That is nearly

¹ Refer to Cisco's White Papers "Global IP Traffic Forecast and Methodology, 2006-11" and "The Exabyte Era".

² Petabyte is a measure of data capacity. 1 Petabyte (PB) = 1,000 Gigabyte (GB).

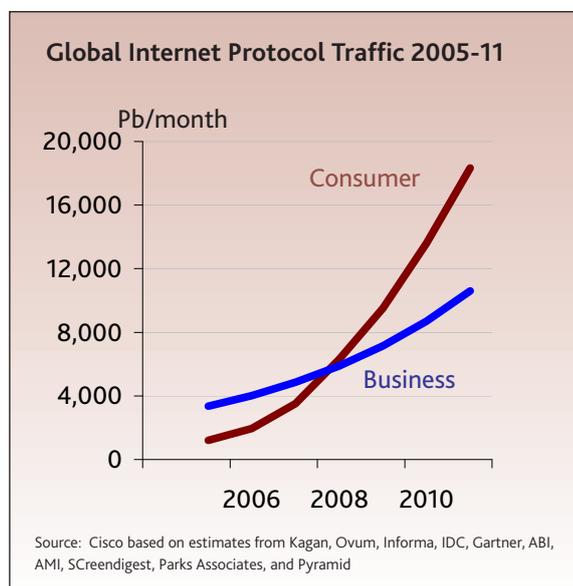
twice the total traffic carried on the Internet in the US in the year 2000 (25 Petabytes).

Both the Technology Fund and the International Fund own Cisco in their portfolios. Cisco Systems is the worldwide leader in IT networking hardware for enterprise corporations and telecom operators. It creates hardware and software for transporting and routing data, voice and video within buildings, across cities and around the world. It has grown into a global market leader that holds a number one or two market share in almost every market segment in which it participates. Its position both at the centre and periphery of rapidly growing networks, makes Cisco Systems a primary beneficiary of the trend described above.

Consumer IP traffic will grow much faster through to 2011

Driven by high-definition video and high-speed broadband penetration, consumer IP traffic will bolster the overall IP growth rate so that it sustains a fairly steady growth rate through to 2011, growing at a compound annual growth rate (CAGR) of 37% and nearly quintupling the monthly traffic run rate from 2006 to 2011.

Consumer IP traffic will grow at a CAGR of 57% from 2006 to 2011, compared to 21% for business



IP traffic. Consumer IP traffic will surpass 18 Exabytes³ per month by 2011.

The single most important factor behind this rapid growth will be IP video. IP Video is video delivered to the consumer using an Internet connection (ie. either a DSL or cable modem) and it may include videos embedded in web pages, downloadable videos (ie. from iTunes), or peer-to-peer (file sharing). In the future it will also include content currently delivered over the air by broadcasters or through cable by PayTv operators.

To understand why IP traffic will grow at such a healthy rate over the next few years, it is useful to have a look at some comparative data:

APPLICATION	TYPICAL FILE SIZE (KB)	RELATIVE SIZE
EMAIL	6	0.02
WEBSITE	260	1
ITUNES SONG	4,000	15
SMALL-SCREEN MUSIC VIDEO	11,250	43
FULL-SCREEN SITCOM	450,000	1,731
FULL SCREEN HD SITCOM	2,250,000	8,654

Source: Bernstein

Simply put, a 20 second movie trailer at full-screen size consumes as much bandwidth as 10,000 e-mail messages! If consumer's adoption of IP video takes off as predicted, there will be plenty of network upgrades and money to be spent on building the infrastructure.

However, this growth will not happen overnight. Cisco believes there will be three waves of Internet video:

1. Internet video as viewed on the PC (2005-2010),
2. Internet delivery of video to the TV set (2010-2015), and
3. Video communication (from 2015).

³ Exabyte (EB) = 1,000 Petabyte (PB).



We are currently in the first phase, when the majority of IP video is watched on PC screens, either at websites like Youtube or downloaded from peer-to-peer (file-sharing) sites (quite often illegally).

New services are also emerging which can be classified as Internet-TV-to-PC.

A company called **Joost** (www.joost.com) is currently distributing TV shows and other forms of video over the Internet using peer-to-peer technology, and more importantly by licensing the content from the original producers (the likes of CBS, Warner, Endemol, MTV, Paramount etc).

While still in beta-testing and free-to-use, the service will soon be funded by advertising. In fact this service, if largely adopted, could potentially become a competitor (or at least a complement) to cable and satellite TV providers.

The second wave of Internet Video to TV will start when new devices able to plug the Internet to the TV set will be commercialised. Some early adopter's versions of these devices have already appeared in the marketplace. Apple TV, Tivo's Series3 Digital Video Recorder and the Microsoft's XBoX 360 game console, all offer some form of Internet connectivity and ability to stream video from the Internet to the TV screen. They are steps towards the "media convergence" which ultimately will blur the distinction between traditional TV broadcasting and the Internet. Once Internet-enabled set-top devices are directly deployed by service providers (telecom or cable operators), delivery of video through the Internet will skyrocket. Considering the ongoing transition to High Definition TV, which requires five times (even allowing for compression) more bandwidth than Standard Definition content, it's easy to understand why Cisco is so optimistic about future IP traffic growth.

Third Wave: Internet Video Communication. Video calling has been predicted as the next big thing several times over past decades but it has so far failed to develop into a mass market application. Quite often the diffusion of consumer technology can be slow, and reaching mass penetration can take from seven years (like

the DVD) to 20 years (like the mobile phone) or more. With declining cost of bandwidth and as consumer devices become more affordable (a webcam can cost as little as \$50), we already see young users easily integrating video communications in their instant messaging interactions. We are not very far from the day when it will be very easy to switch on the TV with the remote controller and make a video call. And probably for free!

OUTLOOK

In the medium-term technology companies are likely to be less impacted by the unfolding credit crisis compared to other sectors of the economy. However, to the extent that a slowdown in the US housing market has a negative impact on consumers' spending, areas such as consumer electronics, internet advertising and IT capital expenditure may all experience slowdown. There is, however, no sign of it, yet.

Quarterly reporting from US companies starting from mid-October will shed more light on how they are seeing their orders developing for the important Christmas season. We suspect that a protracted weakness in the US property market will take its toll on consumers' appetite for quite some time. Emerging markets' economies should do better and the secular trend of their growing middle classes with their appetite for consumer electronics, media and telecom services should continue its upward trajectory.

We maintain a reasonably diversified portfolio with exposure to Greater China (22%), Europe (13%), Japan (17%) and US (24%).

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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The Platinum Trust Product Disclosure Statement No. 7 (PDS), is the current offer document for the Funds. You can obtain a copy of the PDS from Platinum's website, www.platinum.com.au, or by contacting Investor Services on 1300 726 700 (Australian investors only), 02 9255 7500 or 0800 700 726 (New Zealand investors only) or via invest@platinum.com.au.

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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