PLATINUM INTERNATIONAL TECHNOLOGY FUND

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Portfolio Manager

PERFORMANCE AND CHANGES TO THE PORTFOLIO

PERFORMANCE (compound pa, to 31 December 2007)	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
PLATINUM INT'L TECH FUND	**3%**	**-2%**	**7%**	**11%**	**10%**
MSCI IT INDEX	**-1%**	**2%**	**6%**	**5%**	**-12%**

Source: Platinum and Factset. Refer to Note 1, page 32.

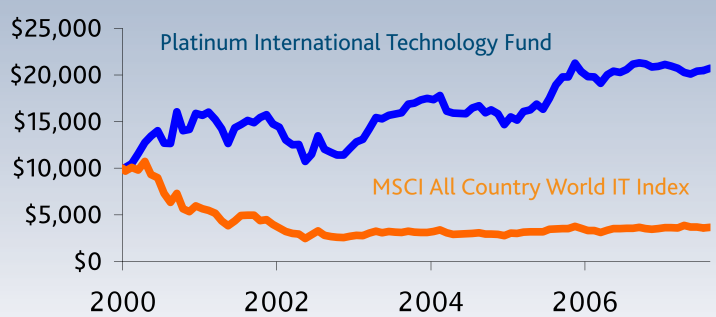
During the quarter the Fund's performance benefited from a recovery in our Japanese and Asian holdings after the sharp sell-off of the previous three months. We were pleased to see our thesis on **Microsoft** (the Fund's largest position) confirmed by the strong results reported for the September quarter and this contributed to a positive re-rating of its stock price. **Cisco** reported strong results but it indicated that short-term uncertainties in some sectors (namely US financial services, retail and autos) may slow an otherwise very strong growth outlook globally. Cisco's stock price was marked down in reaction to this cautious commentary but we remain confident about the long-term growth story.

US listed Chinese solar leader **Suntech Power** went from strength to strength after revising upwards their forecast for future revenues and profits. We decided to reduce our position in Suntech after the stock reached our valuation target. We may revisit the story at more attractive entry prices and we are looking at alternative names in the same area. We remain convinced that "green-technologies" will continue to attract investor support in light of the increased awareness about climate change and energy conservation.

DISPOSITION OF ASSETS		
REGION	DEC 2007	SEP 2007
ASIA (INCL KOREA)	**31%**	**29%**
JAPAN	**18%**	**17%**
NORTH AMERICA	**15%**	**24%**
EUROPE	**14%**	**13%**
OTHER	**3%**	**0%**
CASH	**19%**	**17%**
SHORTS	**1%**	**2%**

Source: Platinum

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



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

In Europe the Fund faced a setback with **Ericsson** announcing a profit warning and triggering an instant 30% collapse in its stock price. To some extent Ericsson has been a victim of its own success. After aggressively raising its market share in its core business (wireless telecom equipment), while most of its competitors were losing money, Ericsson progressively shifted its attention to emerging markets. Here the extremely aggressive public tender tactics of some telecom operators (particularly in India and China) have forced Ericsson to enter into mega-contracts at initially punitive conditions. While winning these contracts means Ericsson will likely remain the long-term supplier of choice in markets with hundreds of millions of wireless subscribers, in the short-term, it is going to have a negative impact on its profitability. Moreover, this emerging market expansion came at a time when more mature markets like Europe and the US had just completed their initial 3G roll-outs and operators are not prepared to invest more aggressively until they see a more convincing uptake of 3G usage (mobile video, wireless broadband for laptops etc). We underestimated the temporary margin erosion caused by these factors and note the short-term focus of most investors.

In this respect the Australian wireless market seems destined to be ahead of foreign markets! With its decision to aggressively press on with 3G investment a year ago (with their Ericsson supplied NEXTG infrastructure) Telstra has built a mobile network with more coverage, higher speed (theoretical 14.4 Mbps) and more capacity compared to its competitors. Witnessing Telstra's success, Vodafone Australia has recently decided to bring forward its plan to cover 95% of the Australian territory with an upgraded 3.5G network with similar specifications. This indicates to us that there is still plenty of potential business for a competent technology supplier, and Ericsson remains the most profitable and most technologically advanced one in the global wireless telecom equipment. We are confident of the long-term potential and recovery of the stock price, in light of the solid financials and extremely depressed valuation (price earnings ratio 11x for 2008).

Major purchases: We introduced a position in **Mobinil**, the leading mobile phone company in Egypt (48% market share). The country has an 80 million population with cellular penetration at 25-30% and growing fast. With tariffs coming down and subscriber additions accelerating, Mobinil's revenues have been recently growing at 25-30% year-on-year. Trading at 10-11x PE for 2008, the company is one of the cheapest in the telecom emerging market universe and yet it presents an attractive growth profile.

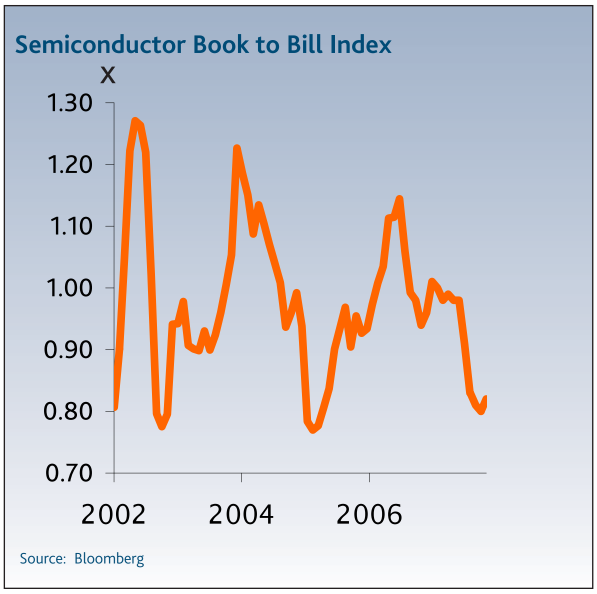
Major sales: We reduced our position in **ZTE** (telecom equipment supplier), **Corning** (LCD Glass) and we exited **Liberty Media Interactive** (Home Shopping channels and e:commerce).

COMMENTARY AND OUTLOOK

The Fund has had a limited exposure to semiconductor and semiconductor equipment stocks over the last 12 months, reflecting our view that excessive capital expenditure in memory semiconductors (DRAM in particular) would limit return on invested capital for a while.

Semiconductor stocks have been among the worst technology stock performers in the second half of the year, with the Amex Semiconductor Holders Index down 28% and the Philadelphia Semiconductor Sector Index down 32%. To some extent semiconductor stocks are already anticipating a recession and factoring in a slowdown of economic activity. While the first part of 2008 will probably see deterioration in the semiconductors supply chain, our experience in the past suggests that when some "stress" limits are reached, the reversal of the trend cannot be that far away.

Given the cyclical nature of this industry, a useful indicator to analyse is the Semiconductor Book-to-Bill Index, representing the ratio between orders and sales in their aggregates. The Index has been at 0.8x for the last few months, a level which in the recent past indicated major inflection points (see chart over). While the Index could go below current levels (in 2001 in the aftermath of the Internet

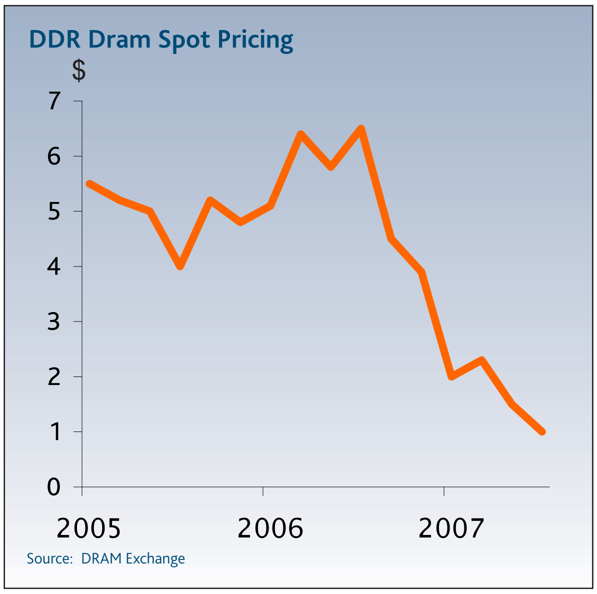


bubble it reached 0.45x!) we don't believe that such extreme adjustments are required this time.

Another widely followed indicator is the DRAM spot price. The chart illustrates the severity of its price decline: from $6-7 to $1-2 in the last 12 months!

While demand for PCs and notebooks has been growing solidly over the last 12 months, DRAM production over-capacity has been such that it has probably created the conditions for some marginal players to seriously reconsider their future investment plans. One example is DRAM manufacturer Micron Technology which recently announced razor thin margins, clearly suggesting that its appetite for additional capacity expansions may soon wane. When other players feel the same need and/or they start retiring their older 200mm factories, pricing conditions will improve dramatically.

Currently we have only two positions with significant exposure to semiconductors (Samsung



Electronics and Taiwan Semiconductors), both of which retain our confidence, given their attractive valuations and leadership in their respective fields. Entering 2008 we think we will have an opportunity to buy other interesting names in the sector at attractive valuations. Once again the market focus on the short-term could be the catalyst to determine these opportunitites.

The Fund has reduced its exposure to US names, reflecting our concern about the US economy's ability to avoid a severe slowdown. While a US recession will have implications for global growth, we are convinced that technology will be increasingly less dependent on the US. Already 61% of handset demand and 47% of PC demand and nearly three quarters of telecom infrastructure are coming from emerging markets.

The Fund's geographic exposure is currently: Greater China (23%), Japan (18%), US (15%) and Europe (14%).

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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