Platinum International Health Sciences Fund

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Overview

- This quarter saw some positive clinical data come through on key holdings such as **Amplia** and **ADC Therapeutics**. This bodes well for these companies' long-term prospects though as we discuss below, companies need to make a range of good decisions around funding, their clinical development strategy and the emerging competitive landscape to achieve success.
- Markets responded dramatically to President Trump's Liberation Day tariff announcements. By the end of the quarter, however, the excitement had worn off and broader equity markets recovered, though healthcare lagged. In our experience, when our markets reach these levels, a recovery is in prospect.

Performance

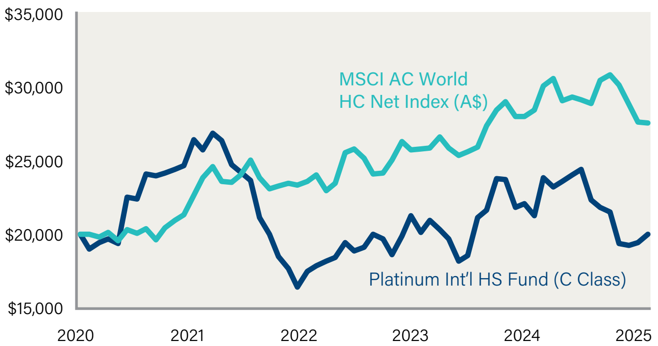
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HS Fund*	4%	-6%	5%	0%	8%
MSCI AC World HC Index^	-8%	-3%	5%	7%	9%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 10 November 2003.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World Health Care Net Index in AUD. Source: Platinum Investment Management Limited, FactSet Research Systems.
Historical performance is not a reliable indicator of future performance.
See note 1, page 5. Numerical figures have been subject to rounding.

Value of $20,000 invested over five years

30 June 2020 to 30 June 2025



After fees and costs, before tax, and assuming reinvestment of distributions.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited, FactSet Research Systems.
See notes 1 & 2, page 5.

The quarter started off with a Liberation Day sell-off where President Trump's tariffs sent a shiver through world markets. Since Liberation Day markets have reversed, though healthcare has lagged. Historically, when the healthcare market is at these levels we tend to see a good recovery.

The Health Sciences Fund had a busy quarter with medical meetings, positive data announcements, M&A readthrough on some of our holdings as well as positive commercial updates.

Our private holdings detracted from performance. *The Fund currently holds over 7% of its assets in four private companies. The private company component of the Fund was down over 44% over the year, while the publicly listed company holdings were more or less flat.* This is important when comparing fund performance to indices given they do not hold any private companies.

Despite short-term performance issues, our private holdings are making steady progress. **Speedx**, our molecular diagnostic holding, is executing effectively under new leadership, increasing sales and keeping cash burn under control. Haemalogix, an Australian biotech focusing on new drug targets in multiple myeloma, has completed a pre-IPO round and is readying for an IPO.

On the clinical data front, **Amplia** and **ADC Therapeutics** were the standout performers. Amplia's FAK inhibitor showed positive activity in pancreatic cancer. ADC Therapeutics' Zynlonta (a CD19-ADC) is showing great promise. Its strong complete responses in B cell lymphoma in combination with Roche's bispecific antibody Columvi, is making it competitive versus cell therapy. The company's stock was up over 90% for the quarter.

Syntara released additional data for its myelofibrosis drug. Symptom scores continue to deepen, however a long-term shareholder exited which put pressure on the share price.

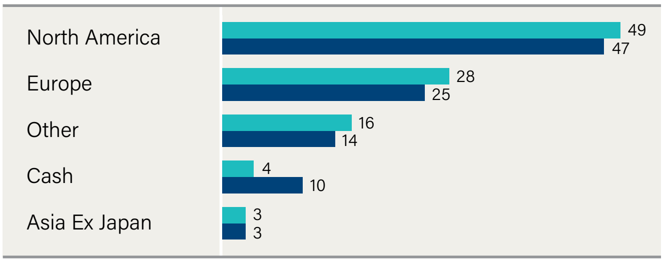
Reading through M&A activity

During the quarter Sanofi acquired Blueprint medicine for over $9b. The Fund has been increasing its position in Blueprint competitor **Cogent Biosciences** as we feel its drug bezuclastinib is competitive despite worries about its side effect profile. Cogent's valuation has been very compelling (below $1b). Shortly after the quarter end, Cogent reported solid data for bezu which now puts it into a solid commercial position.

Our RNA editing holding, **ProQR** (up 58% this quarter) also benefited from M&A readthrough. Eli Lilly is buying its gene editing partner Verve Therapeutics for $1.3b, seeking to grow its genomics medicine business. ProQR also has Eli Lilly as a partner, with the pharma company holding over 16% of ProQR.

This quarter Biomerieux, a partner and equity holder of **Oxford Nanopore** (one of our holdings and up 33% for the quarter), announced a small acquisition of Day Zero Diagnostic. Albeit a small deal, it is an important one as Day Zero is also a partner of Oxford Nanopore. The two companies have been working on a workflow for rapid antibiotic resistance testing. This transaction is yet another indicator that Biomerieux, a leader in microbiology, sees great potential in Oxford's technology.

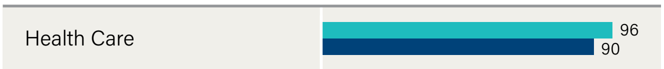
Disposition of Assets %



30 JUN 2025 31 MAR 2025

See note 3, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



30 JUN 2025 31 MAR 2025

See note 4, page 5. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Imricor Medical Systems Inc	US	Health Care	4.5%
Amplia Therapeutics Ltd	NZ	Health Care	4.2%
Oxford Nanopore Technologies Plc	UK	Health Care	4.1%
SpeeDx Pty Ltd	Australia	Health Care	4.1%
Syntara Ltd	Australia	Health Care	4.1%
Roche Holding AG	US	Health Care	4.0%
Roivant Sciences Ltd	US	Health Care	3.9%
Johnson & Johnson	US	Health Care	3.5%
Sanofi SA	US	Health Care	3.1%
BeOne Medicines Ltd	China	Health Care	3.0%

As at 30 June 2025. See note 5, page 5.
Source: Platinum Investment Management Limited.

Oral non-peptide GLP-1 receptor agonists are making their way through development, with Eli Lillys orforglipron showing a competitive profile. Chugai and Roche will collect royalties as the asset originated in their labs.

Keeping up with the myriad activities in the weight management space is challenging and requires patience. **Zealand Pharma** has been a poor performer given the competitive environment.

In contrast **Skye Biosciences** had a terrific quarter. This has been a small position for us given clinical risk with the mechanism but nevertheless it was a strong contributor. Skye is developing nimacimab (an anti CB1 antibody) for weight loss. The antibody is in phase 2 both as a mono therapy and in combination with Wegovy. Mouse data shows weight loss and lean mass preservation. The issue is CNS side effects given the experience with previous small molecules in this space. Nima is an antibody and does not cross the blood brain barrier, so should have a clean side effect profile. Clinical data is imminent.

Vera Therapeutics has been disappointing despite demonstrating a significant reduction in proteinuria in IgAN when treated with Vera's B cell modulator. The principal reason for the weakness was data from competitor Otsuka. We always anticipated competition and continue to believe Vera Therapeutics' Atacicept (an anti-BAFF and Anti-APRIL therapeutic) will be a successful commercial product in a growing, nascent disease indication. In the end it will come down to long-term data and eGFR stabilization. Some believe this will require the inhibition of both BAFF and APRIL. We added to our holding.

Finally, both **BridgeBio** and **Verona** continue to deliver on their product launches. BridgeBio's TTR stabilizer is off to a great start and we are looking forward to pipeline updates. Verona's ensifentrine has been the best launch in COPD with further label expansions to come.

Commentary

These days there are many pipeline drugs chasing the same target, making differentiation and commercial success more challenging than ever. A company's clinical development strategy and its understanding of the emerging competitive landscape vs the current standard of care is key. Efficient execution and proper funding are also crucial. None of these are easy, particularly for biotechs with limited human and financial resources. They need to be doubly smart.

Amplia, an Australian biotech we supported as a key shareholder for some time, is one example of a company that now needs to make all the above decisions.

When we first invested in Amplia, our thesis was that FAK (Focal Adhesion Kinase) will be an important target given it is linked to fibrosis, cell adhesion and migration – all hallmarks of difficult-to-treat cancers such as pancreatic and ovarian cancer.

Just as important to us was the combinability of Amplia's FAK inhibitor, which means a manageable side effect profile. Today AMP945 (narmafotinib) is showing promising activity in pancreatic cancer patients when combined with chemotherapy. This quarter Amplia reported complete responses in the ACCENT trial, something that is very rare (also see article in *The Australian*, 4th July 2025).

One always has to be cautious as this is a small single arm trial and duration will be paramount. So far it is a great start. However, it now faces some big strategic decisions given the changes we are expecting to the standard of care in pancreatic and ovarian cancer.

Pancreatic cancer is finally seeing therapeutic activity beyond chemotherapy. US biotech, Revolution Medicine, is leading the charge with its Ras(ON) multi-selective inhibitor daraxonrasib.

Over 90% of pancreatic cancers have mutations and Daraxo has shown improved response rates and progression free survival in patients that progressed on chemotherapy. The drug recently received Breakthrough Therapy designation from the FDA for end line pancreatic cancer. Registrational 2nd line trials for Daraxo are already ongoing, while 1st line and adjuvant clinical trials are not far behind. Daraxo will change the standard of care for pancreatic cancer over the next 18 months. Revolution has also recently entered a funding alliance with Royalty Pharma that allows the company to move swiftly globally.

While there are many other Ras inhibitors in development, Revolution has the edge given how the company designs drugs. Revolution now needs to expand into combination trials and we are seeing that with the recently announced deal for Summit's VEGF/PD1 bispecific combo (though this is non-exclusive). We believe Amplia needs to engage with Revolution Medicine and start combination trials swiftly. Let's see how a small Australian company performs on the big stage!

Outlook

We are not out of the woods in drug pricing yet as uncertainty about Australia's Most Favoured Nation (MFN) pricing persists. However, the FDA continues to do its job and hence biotech is in calmer waters. This is helped by M&A and licensing deals, while companies with setbacks are quickly revamped, oftentimes with assets from China, fresh funding and fresh management teams. IPOs are the missing piece. We have seen more royalty and debt funding in the sector versus equity raises.

The themes we are interested in are emerging modalities like long-acting therapies and oral therapies for inflammatory diseases. Degraders are a modality we are watching closely in oncology. We are watching inflammatory diseases as clinical data becomes available.

Notes

Unless otherwise specified, all references to "Platinum" in this report are references to Platinum Investment Management Limited (ABN 25 063 565 006, AFSL 221935).

Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. Fund returns are calculated by Platinum using the net asset value unit price (i.e. excluding the buy/sell spread) of the stated unit class and represent the combined income and capital returns over the specified period. Fund returns are net of fees and costs, pre-tax, and assume the reinvestment of distributions. The MSCI index returns are in AUD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, the Fund's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in the Fund's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short term.
2. The investment returns depicted in the graph are cumulative on A$20,000 invested in C Class (standard fee option) of the Fund over the specified period relative to the specified MSCI index in AUD.
3. The geographic disposition of assets (i.e. other than "cash" and "shorts") shows the Fund's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Country classifications for securities reflect Bloomberg's "country of risk" designations. "Shorts" show the Fund's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through derivative transactions.
4. The table shows the Fund's net exposures to the relevant sectors through its long and short securities positions and long and short securities/index derivative positions, as a percentage of its portfolio market value. Index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".
5. The table shows the Fund's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

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