Platinum European Fund

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Overview

- The Platinum European Fund was down slightly for the quarter. Over the past year the Fund is up more than 13%.
- During the September quarter, the Fund captured strong contributions from our financial and technology holdings, which capitalised on semiconductor demand and improving sentiment around European banks. However, these gains were tempered by setbacks in infrastructure and real estate exposures, reflecting broader sector rotations.

Performance

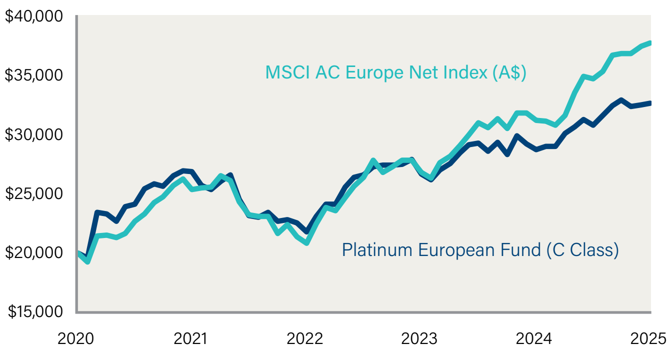
compound p.a.+, to 30 September 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum European Fund*	-1%	14%	14%	10%	10%
MSCI AC Europe Index^	2%	21%	22%	14%	5%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 30 June 1998.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country Europe 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 September 2020 to 30 September 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.

Performance Drivers

Our technology and financial holdings were key contributors to performance. **ASML** (+23%), the Dutch semiconductor equipment leader, surged on the improving outlooks for its key customers, as well as a price rally driven by tight supply. The company also raised expectations for a better outlook in 2026 and 2027.

ABN AMRO Bank the Dutch lender, rallied on better-than-expected bottom line results, as well as heightened expectations that the new CEO will push down on the cost base and improve capital allocation. **Société Générale** (+17%), one of the largest French banks, outperformed as it continued to deliver positive results, upgraded guidance on the back of disciplined cost control and issued positive messaging on revenues across all divisions. This result defied a broader Eurozone slowdown narrative.

One of the main detractors to performance was **London Stock Exchange Group (LSEG)** (-20%). While LSEG's data and analytics franchise remains robust, there is a growing view in the market that the financial data terminal companies (e.g. Factset, S&P CapIQ, LSEG Workspace) are likely to be losers from the rollout of AI Large Language Models (LLMs) such as Claude for Financial Services.

These AI LLMs reduce the competitive moat of fundamental databases and, as they become key distribution channels, could decrease terminal providers' revenue and pricing power. However, we believe LSEG's strength lies in its robust real-time data offerings, which provide a significant competitive moat. Additionally, the market may revise its concerns about AI threats once LSEG introduces its own AI solutions.

Cellnex Telecom (-13%), the European telecoms tower company, suffered as long term bond yields stayed high – higher rates pressure infrastructure assets as they are typically highly geared. There were also concerns about carrier consolidation and the company's inability to obtain the price they were seeking for some non-core assets they were looking to sell.

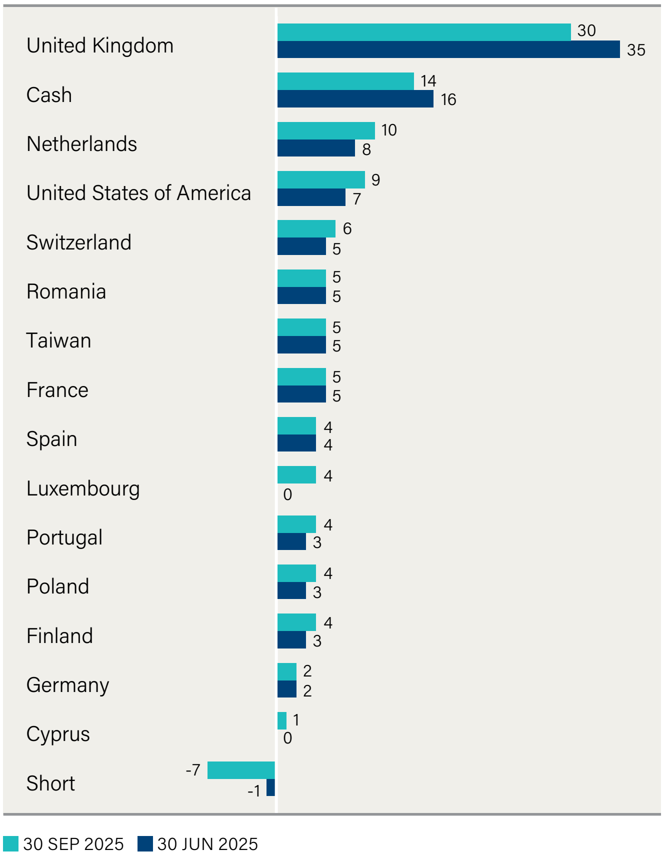
Our holdings in UK property developers dipped as the broader sector performed poorly. Overall results were weak as the anticipated pick-up in sales volumes has been pushed out, as has the expected recovery in margins. In our view, this is a temporary dip in a structurally undersupplied market.

Portfolio Activity

During the quarter we exited several sizeable, long-term holdings that reached our valuation targets such as the Lloyds insurer, **Beazley** and **Compass Group**, the global catering powerhouse. On the back of its recent run, we trimmed ASML, although we continue to like its positioning in extreme ultraviolet lithography systems. These are critical for AI chip production. We reintroduced **Adyen**, the payments champion, taking advantage of a sell off on the company's earnings result.

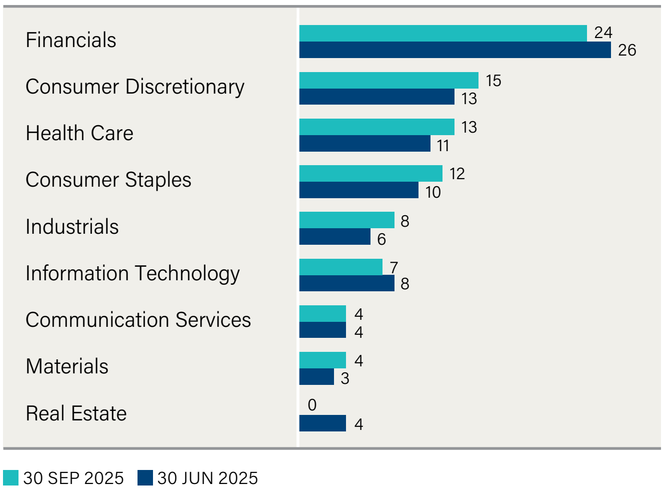
Midway through the quarter, we increased our stake in **Zabka Group**, Poland's dominant convenience retailer. Zabka has 90% brand awareness and listed on the Warsaw Stock Exchange in late 2024. With nearly 12,000 stores and ambitious plans to open 1,300+ annually through 2028 in Poland and Romania, Zabka is capitalising on its franchise business model which allows it to grow quickly with limited capital.

Disposition of Assets %



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

Net Sector Exposures %



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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Banca Transilvania SA	Romania	Financials	5.1%
ASML Holding NV	Taiwan	Info Technology	4.9%
Nestle SA	US	Consumer Staples	4.3%
Birkenstock Holding Plc	Luxembourg	Cons Discretionary	3.9%
Jeronimo Martins SGPS SA	Portugal	Consumer Staples	3.8%
Cellnex Telecom SA	Spain	Comm Services	3.8%
Allfunds Group Plc	UK	Financials	3.8%
UPM-Kymmene OYJ	Finland	Materials	3.7%
Lonza Group AG	Switzerland	Health Care	3.6%
London Stock Exchange	UK	Financials	3.6%

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

This addition bolsters our overweight to Central Eastern Europe consumer themes. This is enhancing portfolio diversification while tapping into the underappreciated growth potential in that region's markets.

We initiated a position in **Birkenstock**. Their core assets are a multi-century history in shoe making, control of their manufacturing process, a long association with 'Made in Germany' quality craftsmanship and a high-quality product.

As my colleague Nik Dvornak has written in previous Quarterlies, the brand continues to attract strong consumer interest around the globe and is growing its top line at ~20% p.a.

That growth is based on three pillars. First, broaden the scope of the brand by expanding the product range. Second, move from wholesale to retail distribution allowing them to capture more of the value but also control brand presentation and interaction with consumers. Third, expand geographically outside the US and EU.

Towards the end of the quarter, we added to our short book. Our individual short names fall into two categories:

- businesses whose near-term earnings outlooks are likely to be weaker than the market anticipates
- financial stocks that have run well ahead of their fundamentals.

Market Commentary: Why Europe, Why Now?

As we reflect on the quarter, a pivotal question emerges: Why Europe, why now?

After years of scepticism fuelled by stagnant growth, energy shocks and geopolitical headwinds, the continent is at an inflection point. Inflation is cooling, monetary easing is taking hold and structural reforms are gaining traction. These tailwinds could unlock underappreciated opportunities in innovation, in a manufacturing revival and in undervalued sectors like banking.

Europe has long been the overlooked sibling in the global equity family – overshadowed by US tech exuberance and emerging market dynamism. Consensus forecasts paint a picture of tepid GDP growth for 2025, hamstrung by higher US tariffs, a firmer euro and intensifying competition from Asia.

Yet beneath the surface, the region is undergoing a profound transformation, creating fertile ground for discerning investors. Why commit to Europe today? Because the ingredients for a multi-year reacceleration are aligning – disinflation, policy easing, fiscal firepower and reform momentum. The pessimism is priced in; the upside is not.

Consider the macroeconomic backdrop. Europe is firmly entering a low-inflation era, with the ECB pencilling in 1.7% inflation for 2026 and 1.9% for 2027. That's down from 2.1% this year. This glide path alleviates the stagflation fears of recent years, paving the way for sustained monetary accommodation.

The ECB's rate cuts are only now filtering through to looser financing conditions and could turbocharge consumer spending and capex. Some of the earliest signs of transmission should be visible in the housing market, given that Europe has a higher share of variable or short-term fixed mortgages than the US.

Households, now flush with more than €1 trillion in excess savings, are poised to deploy that money as mortgage rates dip below 3%. Investment, too, should flourish, underpinned by EU Recovery Fund disbursements and national infrastructure spending.

Germany's landmark €500 billion off-balance-sheet debt reform – unleashing funds for roads, rail and renewables – exemplifies this shift. Add in ballooning defence budgets and industrial firms order books look set to pick up through year-end.

Of course, headwinds persist. President Trump's tariff salvoes could shave 0.5% off Eurozone growth, while euro appreciation erodes export competitiveness. Global rivals like China in EVs and India in pharma are encroaching on traditional European strongholds. This time however, these pressures are catalysing change, not paralysis.

The first comprehensive audit of former EU Central Bank President, Mario Draghi's, blueprint for competitiveness reveals tangible progress. Of the 383 recommendations, 11% are fully implemented, rising to 31% if we include partially implemented measures. From single-market deepening to R&D tax credits, the agenda is "busy but unfinished" – advancing unevenly by sector and country yet unmistakably moving forward.

In sum, Europe's story is one of quiet reinvention. Neglected by benchmarks chasing US mega caps, it offers asymmetric rewards for investors who dig deep enough.

Let's look at a recent parallel. Over the past decade we have seen Japan's economy and market enjoy a governance-led revival. Now the country is driven by a cohort of elite firms, a technical edge in key markets and links to the US economy.

In Europe, the geopolitical pressures that forced the Union to shift on debt and defence spending are now acting as a catalyst for growth. We see a mix of policy thawing, growing fiscal muscle and underappreciated innovation positioning the region for outperformance. We are hunting mispricings in this evolving landscape.

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. [The gross MSCI index was used prior to 31/12/98]. 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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