Platinum International Fund

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Portfolio Manager

Overview

- The Fund delivered a return of over 9% for the quarter, outperforming its benchmark index which also enjoyed a strong quarter, returning over 6%.
- Fund performance came mainly from successful stock selection of companies with positive idiosyncratic factors and from our allocation to US and Chinese stocks.
- Tech stocks were also a key contributor to returns with US holdings an important component of that. Dutch company **ASML** and Taiwan's **TSMC** also performed well.

Performance

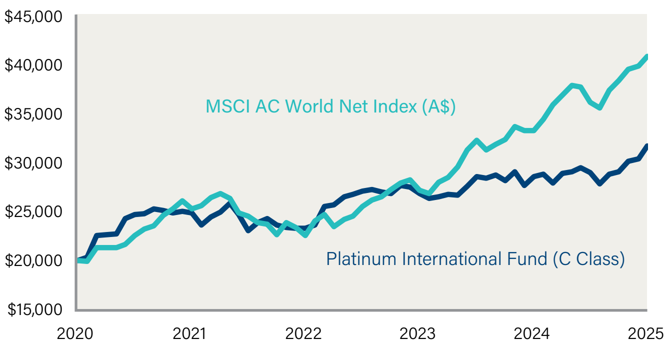
compound p.a.+, to 30 September 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Fund*	9%	11%	11%	10%	11%
MSCI AC World Index^	6%	23%	22%	15%	8%

+ Excluding quarterly returns.
* C Class – standard fee option. Inception date: 30 April 1995.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World 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.

For the September quarter, the Platinum International Fund (PIF) returned 9.3%, a historically strong quarter for our investors, both from an absolute and a relative perspective. The MSCI World All Country World Index returned 6.4%, so it was a very solid quarter. The Fund's outperformance was driven by successful stock selection and our allocation to both the US and China markets.

Stock picks in the Information Technology and Communication Services sectors made up most of the portfolio's top ten contributors this quarter. The best of these included US firms **Micron Technology**, **Lam Research** and **Alphabet** (owner of Google). All three stocks were up over 35%.

Two other tech heavyweights, Dutch company **ASML** and Taiwan's **TSMC**, were also amongst our top ten contributors. These two stocks are central to the AI revolution.

ASML designs and manufactures photolithography machines, the crucial tools used to mass produce the chips found in nearly all modern electronic devices. ASML was up 20% over the quarter.

TSMC is the world's largest semiconductor foundry, manufacturing computer chips for companies like Apple, NVIDIA and AMD that don't have their own manufacturing plants. TSMC was also up 20% during the September quarter.

Some of the other successful stocks this quarter were new additions to the Fund this year including **AbbVie**, **Techtronic**, **Johnson & Johnson**, pharma company **IQVIA**, platinum miner **Valterra** and ASML. All these stocks had idiosyncratic drivers for outperformance that were supported by overly generous valuations, thereby offering a strong opportunity to risk ratio.

As mentioned above, the portfolio also benefited from our established semiconductor names, TSMC, **Broadcom**, Micron and LAM. While the Fund has traditionally had a contrarian flavour, we rode the AI investment theme through the year. Contrarian doesn't necessarily mean ignoring the obvious play.

Commentary – a tale of tech and China

This quarter had two core drivers for outperformance: technology and China. Investment plans for artificial intelligence expansion grew consistently, with that massive investment then spreading through the ecosystem.

Even previous AI losers such as Intel and AMD started to perform as a cashed-up industry looked for partners with capacity. The question on many investors lips is: "Is this a bubble?"

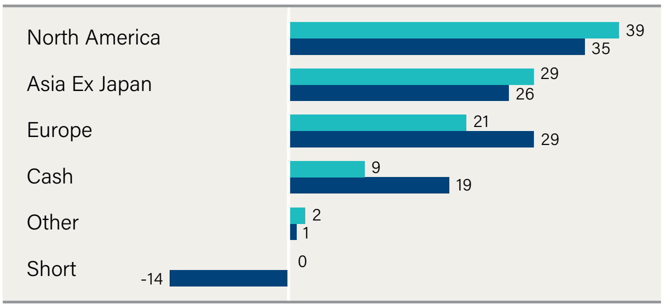
The evidence doesn't support that yet. Technology stocks have been trading on a consistent multiple of profits over the past five years. While investment plans keep rising, so do reported and expected profits from the sector. So far, the returns on investment may be said to justify the prices.

The concern is that over a longer horizon the returns tail off, but we can't point to strong enough data to call this a bubble at this point. The focus will be on earnings season, when company managements update the market on profits earned and expected.

China was the second big winner, with the overall Chinese market as represented by the MSCI China Index up 19% over the quarter.

Earlier this year, and especially around the sudden arrival of DeepSeek in February, we saw that the world had material appetite for Chinese AI technology, especially as it seemed to be competing with the US models at a lower point on the cost curve. Chinese technology stocks are still cheap relative to history and we were happy to be holders there.

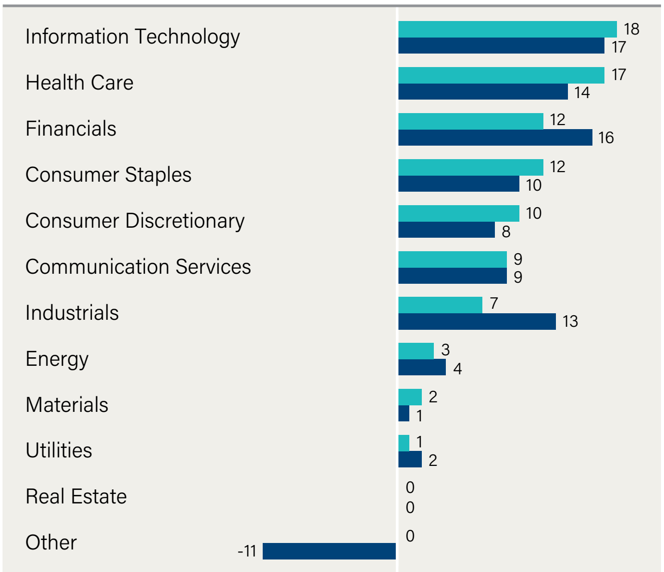
Disposition of Assets %



30 SEP 2025 30 JUN 2025

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

Net Sector Exposures %



30 SEP 2025 30 JUN 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
Taiwan Semiconductor	Taiwan	Info Technology	5.2%
Alphabet Inc	US	Comm Services	4.1%
Intercontinental Exchange	US	Financials	4.0%
Novartis AG	Switzerland	Health Care	3.5%
Unilever PLC	UK	Consumer Staples	3.4%
AbbVie Inc	US	Health Care	3.0%
ASML Holding NV	Taiwan	Info Technology	2.9%
Merck & Co	US	Health Care	2.7%
Alibaba Group Holding Ltd	China	Cons Discretionary	2.7%
Micron Technology Inc	US	Info Technology	2.7%

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

One such stock was **Alibaba**, which was up 60% over the quarter. It is a world class e-commerce business, a huge cloud computing business, a payments business and owns Weibo, one of China's biggest social media platforms.

More broadly, the Chinese consumer has continued to spend cautiously and the Chinese recovery is only in its early stages. In general terms, any uplift in Chinese consumer confidence – and Chinese government support for local stocks – could help continue the rally.

Compare and contrast – China and the US

The Fund's overweight to China over recent years was a long-term allocation designed to benefit from the eventual recovery of the Chinese consumer post-Covid. This process was slower than hoped but came through this year and over the past quarter.

One of the most interesting economic trends of the past five years has been that US consumers have spent more than they've earned. By contrast Chinese consumers have shifted towards saving their incomes and spending less.

This has in turn helped drive US stock markets to all-time highs and conversely slowed the Chinese economy and stock markets. Eventually, Chinese consumers will return to a more normal balance of spending versus saving, and US consumers will need to rein in their behaviour. In the long-term, we believe Chinese stocks can be strong performers as was the case this quarter, but there are geopolitical risks that need to be managed.

More clarity on healthcare

This quarter healthcare stocks welcomed some certainty from President Trump's administration about tariffs and regulation affecting the sector. Spending plans in the sector have been on hold and this has particularly affected business to business service providers, including contracted research organisations.

We hold IQVIA in the portfolio, which jumped 16% over the quarter on improved market visibility. We first bought into IQVIA earlier this year at below $160. The stock is currently above $200 and has 40% to go to hit its 2021 levels. Pharmaceutical investment has really been hit by political and policy uncertainty, rather than any issue with the quality of research or products in the market. We see a long pathway of recovery for stocks like IQVIA.

Where to for markets?

In terms of orange flags, the market has been very hard on perceived AI losers, regardless of the evidence. Earlier this year **Adobe's** share price suffered despite a decent outlook and this quarter it was data providers like **Factset** and **Gartner** that were each down around 35%. Fund holding **LSE** was also affected, off 20% over the quarter.

Yet there hasn't been evidence of a collapse in demand for these companies' products or signs of profits fading. However, investors are concerned that these businesses could be displaced by newer AI products.

There's a touch of the 'madness of crowds' in stock markets when it comes to these negative herd movements on 'AI losers'. It wasn't a big handicap for the Fund this quarter, but it's something all investors can benefit from watching out for.

Final note

There is now a new fund management team in place for the Platinum International Fund and the current team wishes them all the best. Any outcome that benefits the unitholders will be genuinely celebrated by the outgoing team.

On 1 October 2025, David Steinthal, CIO of L1 Capital International, became portfolio manager of the Platinum International Fund following the successful merger between L1 Capital and Platinum. For more information, please see our PIF strategy video at www.platinum.com.au/the-journal/pifstrategy and the PIF page of our website www.platinum.com.au/the-l1-capital-international-strategy.

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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