Platinum International Health Sciences Fund

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Portfolio Manager

Overview

- The Fund delivered exceptional performance over the past quarter and year. Performance came from Merger and Acquisition (M&A) activity involving portfolio holdings and from the markets' response to positive clinical data at companies we invested in.
- A highlight of the quarter was the reaction to our holding, **Revolution Medicine's** ras(on) inhibitor – Daraxonrasib – which is used to treat pancreatic cancer. The drug doubled survival in patients that had failed previous therapies, a remarkable result.
- **Apogee Therapeutics**, a biotech company we originally bought into on listing in 2023 at US$17 a share, is being acquired by AbbVie for around US$135.11 a share.

Performance

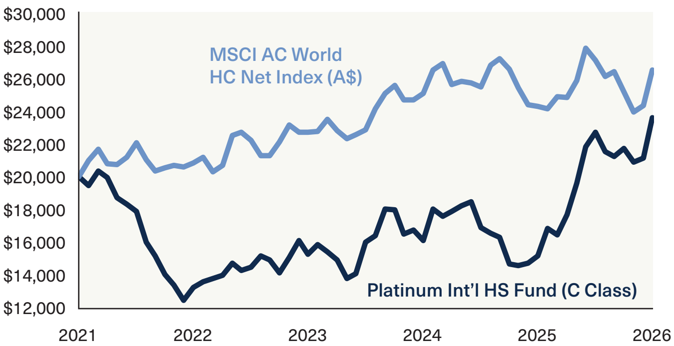
compound p.a.+, to 30 June 2026

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l HS Fund*	9%	56%	16%	3%	10%
MSCI AC World HC Index^	5%	9%	5%	6%	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 2021 to 30 June 2026



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.

Biotech companies continue to be in the spotlight with medical conferences showcasing great progress across various diseases. There is plenty of Merger and Acquisition (M&A) activity in the sector with a number of transactions announced this quarter. Both M&A activity and positive reactions to release of new clinical data strongly contributed to the exceptional performance of the Fund over the past year. The Fund returned over 50% over the past year and averages an 11% return over the past ten years.

A dramatic advance against pancreatic cancer

In a recent Platinum Quarterly Report we wrote about **Revolution Medicine's** new ras(on) inhibitor – Daraxonrasib – and its potential ability to change the standard of care for pancreatic patients. The drug appears to double survival in pancreatic cancer patients that had failed previous therapies. These results are remarkable and a significant step forward in tackling this devastating cancer. Again, a biotech company persevered with tackling a drug target that was considered undruggable. The coming years will be about figuring out combination therapies to further improve efficacy.

In a similar vein, the Fund holds **Ideaya Biosciences** who, working with Roche's pan-ras inhibitor, are testing its PRMT5 inhibitor in pancreatic patients. Recently, Tango Therapeutic's PRMT5 inhibitor showed promising early data. However, Ideaya's molecule, given its design, should have a better therapeutic window.

Apogee Therapeutics, a biotech company we discussed in the last Platinum Quarterly Report, is being acquired by AbbVie for almost US$11 billion (U$135.11 a share). Apogee has been an outstanding investment for us as we first added it to the portfolio in July 2023 for U$17 a share when the company listed. We have been firm believers in its lead asset – zunilokibart – and long-acting antibody approach. AbbVie, a company with a formidable inflammatory disease franchise, can now fully exploit the commercial potential of zunilokibart and the rest of Apogee's emerging asset pipeline.

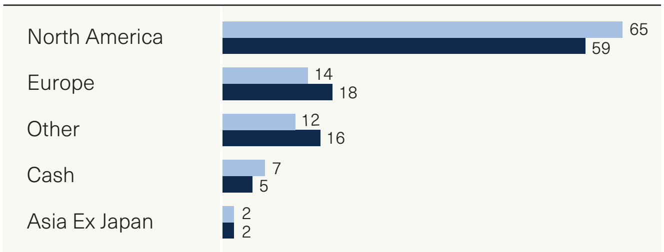
Definium, a biotech company focusing on psychedelics for psychiatric and neurological indications has reported solid positive and durable responses in Major Depressive Disorders with a single dose of its LSD oral disintegrating tablet (DT120). Following this data the company raised US$800 million and is emerging as one of the leaders in building out the field of psychedelic therapies.

Absci, a Canadian biotech with a generative AI setup, also contributed strongly to performance as its lead asset for hair loss is coming into focus.

ADC Therapeutics and **Zealand Pharma** had disappointing performance. For ADC's Zynlonta, we have seen a mix of some positive and negative study results. We are waiting for the next dataset for the Lotis-7 trial, a single arm study in combination with Roche's glofitamab. For now, we are holding onto ADC shares as we believe Lotis-7 has promise.

Most of our Australian holdings disappointed this quarter. There is little tangible explanation for this weakness other than risk averse investors.

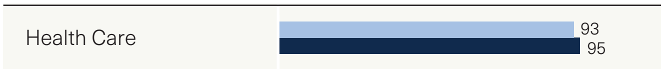
Disposition of Assets %



30 JUN 2026 31 MAR 2026

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

Net Sector Exposures %



30 JUN 2026 31 MAR 2026

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

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Apogee Therapeutics Inc	US	Health Care	5.5%
Imricor Medical Systems Inc	US	Health Care	5.4%
Cogent Biosciences Inc	US	Health Care	4.3%
Immunovant Inc	US	Health Care	4.0%
SpeeDx Pty Ltd	Australia	Health Care	3.9%
Arrowhead Pharmaceuticals Inc	US	Health Care	3.8%
Ideaya Biosciences Inc	US	Health Care	3.7%
Vera Therapeutics Inc	US	Health Care	3.5%
Structure Therapeutics Inc	US	Health Care	3.5%
Arcus Biosciences Inc	US	Health Care	3.0%

As at 30 June 2026. See note 5, page 5.
Source: Platinum Investment Management Limited.

Commentary – will China and AI change biotech?

The biotech industry is highly competitive, particularly as China can now produce drug candidates at lower cost and record speed.[1] We have seen many licensing deals involving Chinese assets that previously may have involved US or European companies. However, the doom and gloom scenario is not something we accept.

In our view, US and European biotech companies need to step up their efficiency and compete. Indeed, that is already the case, judging by the number of biotech companies doing early-stage clinical trials in Australia. Less red tape, speed and cost are quoted as reasons and we believe this trend will continue.

We also believe AI will bring down drug discovery timelines and cost. We have invested in the drug discovery AI space previously but in the end underestimated the effort and money it takes to build datasets and ultimately produce generative AI models. In biotech, nobody will reward you for a promising tech stack. Valuation uplift comes from promising assets that have clinical data.

Absci, a Canadian biotech with wetlabs in Zug, Switzerland, is one of these companies that we owned previously because we liked their approach to building training sets of protein-protein interactions that could then form the basis for generative AI models to rapidly produce antibody drugs.

The hair loss treatment

We were too early and exited but kept a close eye on progress. Last year that progress emerged and we invested again. Sean McClain (founder and CEO) along with Andreas Busch (then Chief Innovation Officer, now retired) stopped by the office on a trip to visit clinical trial sites for their upcoming phase 1 hair loss trial and to meet with renowned hair loss expert Professor Rodney Sinclair in Melbourne.

The meeting with Sean and Andreas was very timely as ABS-201, an anti-PRLR antibody was rapidly moving into the clinic. The drug had shown very promising data in non-human primates, improving hair growth as well as exhibiting an extended half-life (i.e. the potential for just 2-3 doses a year).

We were familiar with the hair loss market given our experience with the Veradermics IPO, a biotech company developing an extended-release pill of minoxidil, the active ingredient in hair growth treatment, Regaine.

1 Something we explore briefly in this quarter's feature article.

However, we were looking for new therapeutic approaches. Hair loss events such as androgenetic alopecia are akin to an obesity moment. They could potentially create a significant market with over-the-counter commercial opportunities. By some estimates the hair loss market is already worth over ten billion dollars a year.

Targeting the prolactin receptor is an interesting approach. These receptors are expressed on hair follicles. Hair growth goes through cycles (grow, transition, resting, shedding) with Prolactin being a key control molecule. An anti-Prolactin antibody essentially shifts the balance towards the so-called anagen (growth) phase.

Absci has put together a solid data package characterising the mechanism of action of its molecule. Most recently, Absci reported interim Phase 1 data in healthy volunteers who received a single ascending dose of the drug that showed a good safety profile and confirmed that the administration pattern could be 2-3 times a year. Next step will be multiple ascending dose cohort in participants with androgenetic alopecia. Absci raised money on the back of this data release with Eli Lilly participating as a strategic investor. Absci's market capitalisation is below $2 billion, while Veradermics is valued at $5.4 billion. The latter is more advanced and also has Eli Lilly as a shareholder. We tend to agree with Eli Lilly that in a large commercial market both products can happily coexist.

Outlook

The acquisitions of biotech companies continue apace and there are frequent equity raises and IPOs. Reverse mergers are also taking place, and we are seeing the odd Special Purpose Acquisition Company (SPAC) listing as well. This trend should continue and there are plenty of data readouts to come. We are looking forward to the approval of Revolution Medicine's pancreatic cancer drug as well as further readouts in the psychedelic space.

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 of the Fund 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. Where applicable, 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 Disposition of Assets and Revenue Exposure by Region charts (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. Unless otherwise noted, 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 graph includes cash at bank, cash payables and receivables and cash exposures through long derivative transactions.
4. The graph 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.