Platinum International Fund
Platinum Global Fund (Long Only)
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Sciences Fund
Platinum International Technology Fund

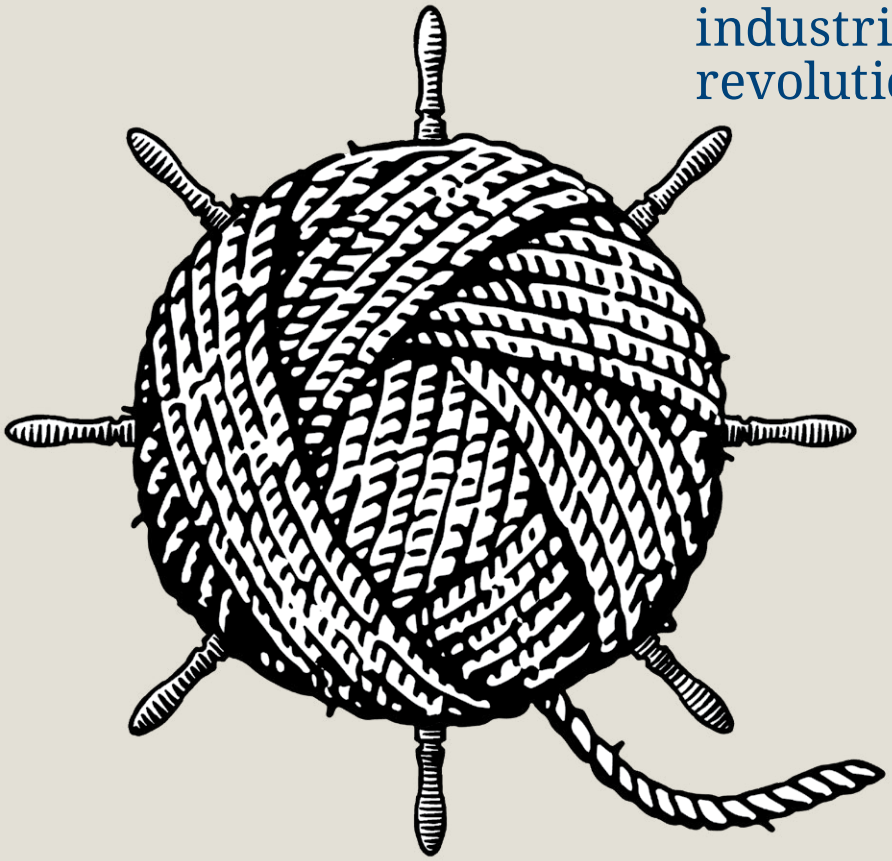
Platinum®
ASSET MANAGEMENT

Quarterly Report

30 JUNE
2025

FEATURE ARTICLE

KOREA: the new industrial revolutionary?



ALSO INSIDE

Unstoppable Forces

What will really drive long-term returns?

Contents

Performance Returns

to 30 June 2025

FUND (C CLASS – STANDARD FEE OPTION) (P CLASS – PERFORMANCE FEE OPTION)	PORTFOLIO VALUE A$ MIL	QUARTER	1 YEAR	3 YEARS COMPOUND P.A.	5 YEARS COMPOUND P.A.	SINCE INCEPTION COMPOUND P.A.	INCEPTION DATE
Platinum International Fund (C Class)	**3,330.5**	**0.3%**	**3.1%**	**7.2%**	**7.9%**	**10.9%**	**30 Apr 1995**
Platinum International Fund (P Class)	15.5	0.4%	3.4%	7.4%	8.2%	6.2%	03 Jul 2017
MSCI All Country World Net Index in (A$)		6.0%	18.4%	19.2%	14.8%	8.2%	30 Apr 1995
Platinum Global Fund (Long Only) (C Class)	**51.6**	**2.6%**	**3.2%**	**10.4%**	**8.3%**	**9.5%**	**28 Jan 2005**
Platinum Global Fund (Long Only) (P Class)	2.3	2.6%	3.4%	10.6%	8.6%	6.5%	03 Jul 2017
MSCI All Country World Net Index in (A$)		6.0%	18.4%	19.2%	14.8%	9.0%	28 Jan 2005
Platinum Asia Fund (C Class)	**1,500.4**	**3.9%**	**16.3%**	**7.6%**	**6.1%**	**12.3%**	**04 Mar 2003**
Platinum Asia Fund (P Class)	5.5	4.0%	16.5%	7.9%	6.3%	7.6%	03 Jul 2017
MSCI All Country Asia ex Japan Net Index in (A$)		6.9%	19.0%	11.0%	7.5%	9.3%	04 Mar 2003
Platinum European Fund (C Class)	**214.4**	**6.8%**	**16.3%**	**13.2%**	**10.1%**	**10.4%**	**30 Jun 1998**
Platinum European Fund (P Class)	3.4	6.9%	16.5%	13.5%	10.4%	6.8%	03 Jul 2017
MSCI All Country Europe Net Index in (A$)		6.0%	20.7%	19.3%	13.0%	4.6%	30 Jun 1998
Platinum Japan Fund (C Class)	**241.0**	**7.7%**	**21.3%**	**11.5%**	**8.6%**	**12.4%**	**30 Jun 1998**
Platinum Japan Fund (P Class)	2.8	7.7%	21.7%	11.8%	8.9%	6.7%	03 Jul 2017
MSCI Japan Net Index in (A$)		5.9%	16.1%	16.9%	9.8%	4.2%	30 Jun 1998
Platinum International Brands Fund (C Class)	**250.4**	**6.6%**	**22.0%**	**7.6%**	**7.7%**	**10.9%**	**18 May 2000**
Platinum International Brands Fund (P Class)	0.7	6.7%	22.4%	7.9%	8.0%	7.0%	03 Jul 2017
MSCI All Country World Net Index in (A$)		6.0%	18.4%	19.2%	14.8%	5.6%	18 May 2000
Platinum International Health Sciences Fund (C Class)	**208.8**	**3.5%**	**-5.7%**	**4.6%**	**0.0%**	**8.3%**	**10 Nov 2003**
Platinum International Health Sciences Fund (P Class)	6.1	3.6%	-5.5%	4.9%	-0.1%	5.9%	03 Jul 2017
MSCI All Country World Health Care Net Index in (A$)		-8.4%	-3.1%	5.3%	6.6%	8.9%	10 Nov 2003
Platinum International Technology Fund (C Class)	**110.6**	**18.4%**	**16.5%**	**19.6%**	**12.4%**	**10.3%**	**18 May 2000**
Platinum International Technology Fund (P Class)	5.8	18.4%	16.8%	19.9%	12.7%	12.8%	03 Jul 2017
MSCI All Country World IT Net Index in (A$)		17.2%	17.1%	30.6%	21.0%	6.4%	18 May 2000

Fund returns are net of accrued fees and costs, are pre-tax, and assume the reinvestment of distributions. Historical performance is not a reliable indicator of future performance. Source: Platinum Investment Management Limited for Fund returns and FactSet Research Systems for MSCI index returns.
See note 1, page 40.

Korea: the new industrial revolutionary?

After years of lagging performance, Korea's sharemarket looks ready to capture the moment.

Global investors have long talked about the "Korea discount" – geopolitical, economic and governance risks that kept South Korean stocks priced below their intrinsic value. The country boasts world-class companies – think Samsung (electronics), SK hynix (semiconductors) and Hyundai (cars and heavy industry). Yet its stockmarket, the KOSPI, returned less than 4% p.a. over the past decade.[1]

That makes Korea interesting. At Platinum, we know opportunity often arises when other investors may lazily project the past forward. Could Korea be on the cusp of change that reverses the discount and makes it a buying opportunity?

Three of our most experienced investors were looking to find out: Cameron Robertson – portfolio manager of the Platinum Asia Fund, Andrew Baud – a senior analyst in the Asia team and Andrew Clifford – a Platinum co-founder, former CIO and member of Platinum's Investment Oversight Group.

They crisscrossed Seoul and its environs for seven days and 25 meetings.[2] They visited companies we already hold to refresh our view of their investment cases. And met companies poised to benefit from emerging investment themes. Here's what they saw.

A successful Korea

Between 1970 and 2022 South Korea's economy grew at over 6% a year.[3] With just 50 million people it's Asia's fourth largest economy and the 14th largest economy in the world. It's also wealthy: 23rd in the world by income.[4]

"I first started talking to Korean executives, face-to-face, back in the early 90s," says Platinum Co-founder, Andrew Clifford. "The most striking change over that time is the range of industries where Korean companies have captured share".

Whilst South Korea's success is reflected in the lifestyle of its people and its growing diplomatic and cultural influence, that success hasn't always flowed to investors.

Elephants in the room

One reason is the influence of the *chaebols*, giant, family-dominated conglomerates like Samsung, LG, Hyundai, POSCO and Hanwha. *Chaebols* represent under one percent of all Korean companies but their combined income is worth half the country's GDP.

Like the *kereitsu*[5] in Japan, *chaebols* were instrumental to Korea's economic miracle. Today however, they distort Korea's economy.

- *Chaebols* resist reforms that push up share prices. A low valuation appeals to them because it lowers the tax take when they pass holdings to the next generation. That works against smaller investors.
- *Chaebols* typically pay small dividends, keeping capital within the group structure rather than streaming revenue to shareholders.
- Their size, financial strength and sway with government work against Korea's small business sector.
- Their opaque corporate structures make them hard for investors to analyse – and to realise their inherent value.
- They attract the best and brightest talent with the promise of a well-paid job for life. Korea might do better if its young talent was setting up new businesses.

A big neighbour leaning on the fence

Korean markets also suffered from external factors. China is Korea's biggest trading partner. It's also its major competitor. In the 1990s Korea grew by gnawing away at Japan's industrial power base. Now China is the predator, chasing Korea in areas it used to dominate.

1 In local currency, to 30/06/2025. Source: Factset

2 Seoul Special City, to use its official name, has a population of over 10 million. The broader Seoul megacity accommodates 25 million people – more than half the country's total population. Seoul's population density is twice that of New York. Source: World Population Review.

3 Source: *Can South Korea's new president get his country back on track?* The Economist, 19 June 2025

4 Source: Statista, South Korea Overview

5 Interlocking networks of companies – like Mitsubishi and Sumitomo – that dominated Japan's post-war economy.

Hyundai Heavy Industries and Daewoo Shipbuilding & Marine are major shipbuilders. Twenty years ago, China was winning only 10% of global shipbuilding orders. Now Chinese scale, lower labour costs, government subsidies and new yards mean over 70% of orders went to China in 2024.[6] Chinese competition also hurts Korea in cars, chipmaking and batteries.

As we moved into 2025, Korean businesses struggling to compete with their giant neighbour also faced the threat of a more protectionist America. To add to their struggles, sentiment towards Korea was muddied after an (admittedly short-lived) period of martial law.[7]

The good news for Koreans – and investors – is a range of evolving forces that could boost the performance of Korea's companies.

The rules of the game

The first of these forces is corporate governance. In early 2024, the Korean Financial Services Commission (FSC) launched its "Value-Up" Program – a series of reforms that echo an earlier reform push in Japan.[8]

Value-Up encourages companies to actively target better shareholder returns, to explicitly publish and communicate their plans and to benchmark performance against other Korean companies and global standards. The government is backing these moves with suggestions of rewards – like tax breaks – for good corporate behaviour such as increasing dividends and 'allowing' higher valuations.

As we write, Korean legislators have just amended their Commercial Act to expand board members' fiduciary duty to protect the interests of minority shareholders.

"Value Up and changes to the Commercial Act are the latest parts in a long-running and sometimes stumbling effort by regulators and government to clean up governance and reduce the Korea discount," says Cameron Roberston, Portfolio Manager of the Platinum Asia Fund.

These reforms include better disclosure and more efforts to reduce the issues arising out of conflicts of interest between big controlling shareholders and other stakeholders. They should give investors more clarity – and confidence.

Governance reform is electorally popular. Growing wealth means Koreans are enthusiastic investors – there are 14 million retail investors. The recently elected President Lee Jae-myung is pushing ahead with these reforms and has made a stronger stockmarket – "Kospi 5000" – a policy plank of his administration.[9] The Kospi jumped over 2% on the day of his electoral victory. Tellingly, foreign investors flocked back into the market.

"We're finding pockets of competitive strength in Korea that are supported by better governance, changing geopolitics and fiscal policies which make us more optimistic that good money can be made over the next few years," says Cameron Robertson.

To go where the puck is going

One of the striking features of Korea's economy is its complexity. Harvard's Growth Lab measures the diversity and complexity of a country's economy as a proxy for growth potential. South Korea ranks 5th in its Economic Complexity Index (ECI).[10]

Korea is strong in 'heavy industry' – in defence, power, autos and nuclear. Yet it is also an emerging power in semiconductors, health sciences and culture.

Getting heavy

In Western economies, demand for power has fallen for the past 10-15 years, a trend partly fuelled, (excuse the pun), by climate concerns. Countries focused on energy efficiency rather than energy generation and woke up with hollowed out energy generation just as data centres and AI drive huge increases in energy demand.

Korea can fill these energy gaps. It's already a leader in industrial-scale power equipment such as the transformers and switches deployed in factories, foundries and data centres.

To take one example, Doosan Enerbility says energy businesses – gas turbines, renewable energy, hydrogen energy and Small Modular Reactors (SMRs) – are its growth engine. It's investing in extra capacity so it can produce up to 20 gas turbine and 20 SMR modules, largely to supply American technology companies building out data centre capacity.

6 *South Korea's Global Shipbuilding Market Share Hits 8-year Low,* Hellenic Shipping News, 9 January 2025

7 *Assessment of Financial and Economic Impacts Following the Declaration of Martial Law and Approach to Response,* Bank of Korea, December 2024

8 For our early take on Japan's corporate governance reforms see www.platinum.com.au/the-journal/japan's-reform-new-dawn-or-same-old-story

9 *KOSPI surges as President Lee takes office with 5,000 target in sight,* The Chosun Daily, 5 June 2025

10 See https://atlas.hks.harvard.edu/countries. By contrast, Australia ranks 105th on the ECI.

Korea is also a major defence manufacturer. It's geopolitically aligned with the US and Europe and has the defence production infrastructure to meet the West's rapidly growing defence budgets. Hyundai Rotem recently inked a deal to sell US$6.5 billion worth of K2 tanks to Poland. Closer to home, Hanwha Defence Australia is building the Redback Infantry Fighting Vehicle. It's a subsidiary of Hanwha – the 7th largest business in Korea.

Chipmakers and bio winners

Korea's intensely competitive education system and elite universities like KAIST, Seoul National University and POSTECH give Korea a deep pool of engineering talent.[11] That talent is deployed in heavy manufacturing – and in high-growth, future-facing industries.

Korea dominates semiconductor production, especially in the High Bandwidth Memory chips which enable ever-more AI use cases.

"We visited Samsung and SK hynix, two large holdings in the Platinum Asia Fund," says Cameron Robertson. "We watch the supply dynamics in the semi space because in the past that's what's given us the clearest guide to sector performance. We also wanted to check in on new chip technologies."[12]

Platinum also invests down the semi supply chain. We hold EO Technics, which specialises in laser patterning and dicing for the sector. When we spoke to them, they said AI-driven demand was forcing semiconductor companies into EO Tech's arms as they sought out new, more precise and contaminant-free manufacturing methods.

Within the rapidly growing Health Sciences space, Korea has companies like Samsung Biologics – a biotech powerhouse that's the most efficient biologics producer in the world and is Korea's 3rd largest business. Platinum's team visited one firm that developed the world's first ever biosimilar drug and another developing chemical solutions that improve drug efficacy and safety.

Full stream ahead

Korea is now a leading cultural player, producing films like the 2019 Best Picture winner *Parasite* and shows like *Squid Game* whose first season was watched by more than 265 million people.[13] According to *The Economist*, K-pop groups had four of the ten most successful albums of 2024. In a very Korean twist, this happened while their biggest group – BTS – were off market doing National Service.

Korea: the new industrial revolutionary?

Korea is no longer an emerging market that can grow at 6% and lift all boats. It now moves to the slower, low-single-digit rhythm of a large, developed economy.

Yet the complexity of the Korean economy, its mix of heavy industry, new-technology and cultural exports may make it uniquely qualified for the challenges of our times.

Today's great global theme is US/Chinese competition. Korea has become a trusted defence supplier to the West. Given global instability, that demand is only getting stronger. Korea also benefits from Western trade policies that exclude or weaken their Chinese competition. Many countries and firms are happier building supply chains with South Korean partners.

As Jim Simpson writes on page 38, the other great theme of our age is AI. Korean businesses like Samsung and SK hynix are beneficiaries of that boom and the broader Korean technology ecosystem is adapting to its continuing revolution.

Our position in Korea

The Platinum investment methodology is to build portfolios from the bottom up, company by company.

We don't allocate capital by country, but we do assess the economic, political and market dynamics of the countries our holdings come from because that drives key aspects of their performance. Today we're happy to be overweight in Korean stocks, stocks poised to benefit from – and lead – revolutionary changes in growing industries.

For more on the Platinum Asia Fund, see our **Fund** page.

Want to **invest** with Platinum?

11 All highly regarded in engineering and technology

12 In 2025 SK hynix is up over 60% and Samsung up 12% (though Samsung has underperformed significantly over the past few years.) In local currency, to 26/06/2025. Source: Factset

13 Source: Byte Radar, January 2025

Platinum International Fund

Ted Alexander
Portfolio Manager

Overview

- After an early sell off, markets bounced back on the pause in new US tariff policies. In this environment, technology stocks did well and our holding in companies like **Broadcom** and **TSMC** outperformed.
- Views on nuclear energy are shifting as AI drives even higher demand for low-emission energy. Our holding in Canada's **Cameco** was a big winner from this trend in the June quarter.

Performance

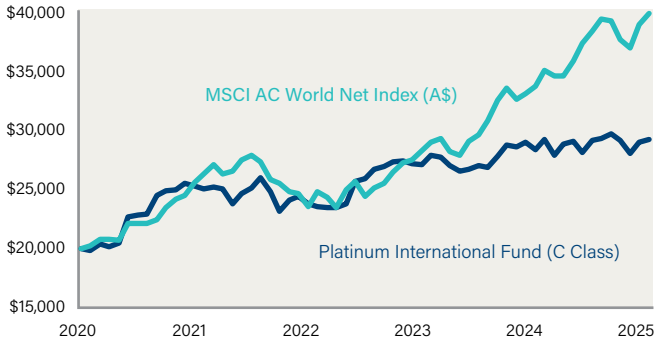
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Fund*	0%	3%	7%	8%	11%
MSCI AC World Index^	6%	18%	19%	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 40. 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 40.

In April there was a sharp negative response to President Trump's 'Liberation Day' tariff announcements. By quarter end though, markets came back strongly as it became clear US trade policy was still up for negotiation.

We saw good performance from US tech holdings like **Micron Technology** (+38%), **Broadcom** (up over 60%), **Lam Research** (+30%) and from Asian tech giant **TSMC** (up 12%).

Energy stocks **Valaris** (US) and **Cameco** (see below) were significant contributors and our financial holdings – **Allfunds** (+22%) from the UK and **Shinhan Financial** (+27%) from South Korea – also did well.

Our weakest position was **Wizz Air**, a low-cost airline focused on Eastern and Central Europe. We examine this position in detail below.

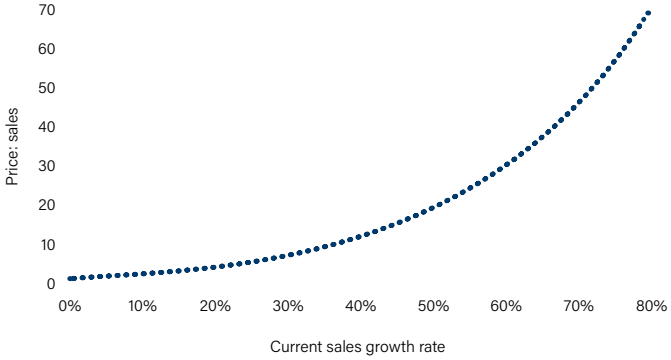
Commentary – how to value AI stocks?

AI stocks are like many high-growth, disruptive companies. You expect high sales growth, with significant reinvestment in R&D and marketing, and so no dividends or buybacks.

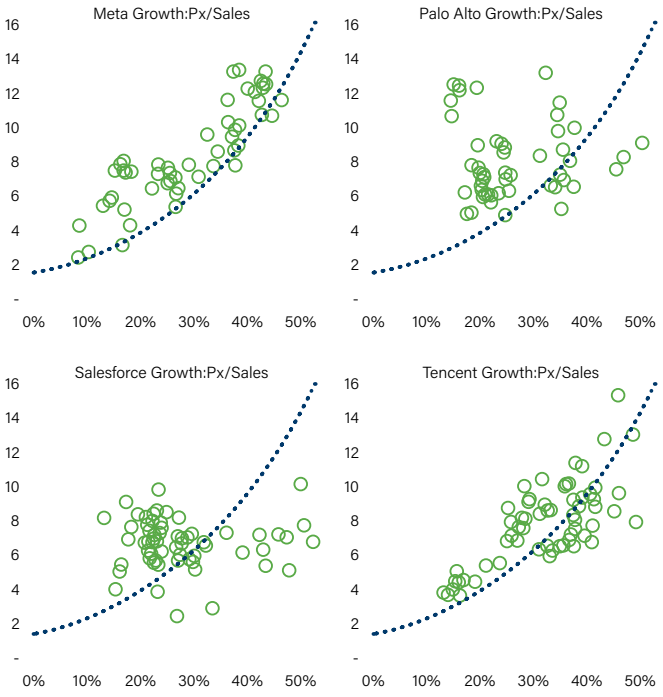
This means no profits or free cash flow on the horizon, so it's difficult to value the stock via price to earnings or discounted cash flow measures – the standard tools for fundamental investors.

For these stocks, we more commonly see valuations using price to sales. This is more of a heuristic than a robust approach but without profits or free cash flow, it may be worth applying best practice valuation science to this price to sales measure to derive a theoretical adjusted price to sales valuation model (TAPS). The TAPS curve helps us derive a reasonable model of a company's value by comparing the growth rate of a stock to its theoretical price to sales.

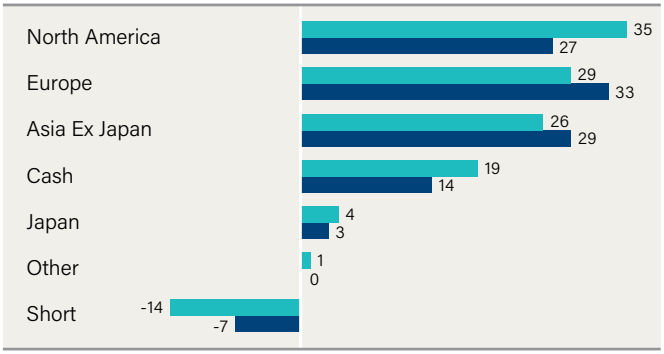
TAPS Curve



As you can see, the TAPS curve is convex, or exponential, as for these types of stocks, high growth is assumed to compound in the future. We can see below how some high growth stocks historically looked against the TAPS curve. We're not expecting a perfect fit, but a relationship which holds pretty well.



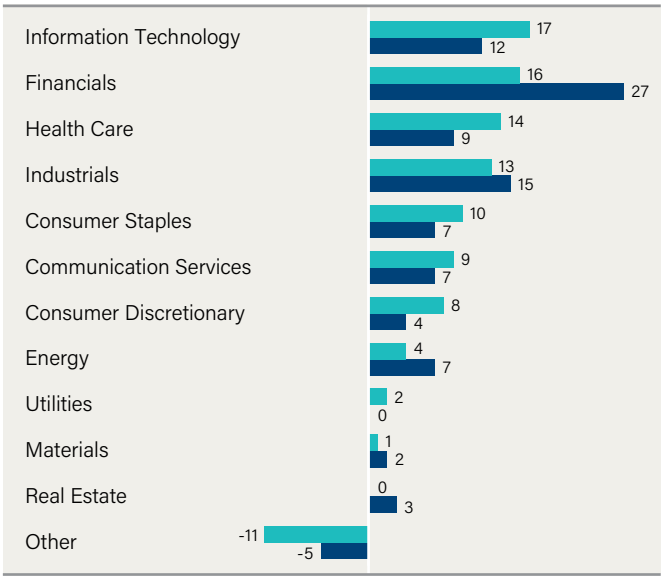
Disposition of Assets %



30 JUN 2025 31 MAR 2025

See note 3, page 40. 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 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Taiwan Semiconductor	Taiwan	Info Technology	5.4%
Alphabet Inc	US	Comm Services	4.4%
Novartis AG	Switzerland	Health Care	3.3%
UBS Group AG	Switzerland	Financials	3.1%
Unilever Plc	UK	Consumer Staples	3.0%
Mowi ASA	Norway	Consumer Staples	2.7%
Shinhan Financial Grp Co	South Korea	Financials	2.7%
Rogers Communications	Canada	Comm Services	2.5%
Orsted	Denmark	Utilities	2.4%
Cameco Corp	Canada	Energy	2.4%

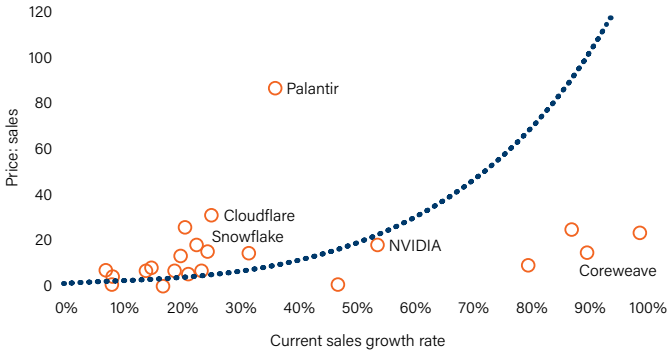
As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

The final step is to compare AI stocks' current valuation with the TAPS curve. AI stocks are not particularly different from previous high growth stocks and there's no reason to exclude them as an investment theme on valuation alone.

However, the primary concern is that many AI-themed stocks have quite low growth, more like 20% than the 30%+ that you'd hope to see from a true disruptor. It may be that growth expectations are too low. In some of these stocks, the disruptive AI component is part of a slower growing business.

Palantir, for example trades on 82x times sales, but revenue growth in 2024 was 29% and forecasts for 2025 and 2026 are 36% and 29%, not the explosive growth assumed for this valuation from the TAPS model. At the other end, Coreweave is only on 15x sales, yet sales are forecast to grow 100% each of the next two years. The TAPS model would suggest this valuation is too low. The reason for the difference is that Palantir already makes 21% profit margins, but Coreweave makes a loss and is highly unlikely to achieve similar margins in the medium term. The TAPS model helps us account for these differences and we run an extension in-house to give us more insight.

TAPS AI Curve



Obviously, Platinum isn't abandoning rational fair price modelling or fundamental deep-dive analysis for AI stocks. The key to any investment decision is understanding the business model, then forecasting growth and future cash flows as part of a robust valuation. The Platinum approach to AI has been to play the major enablers in semiconductors and large language models as the best early way to benefit. As the industry develops and new winners emerge, we will be looking where to focus next. The TAPS curve provides crucial valuation context.

China's Great Trade War

Over 20% of the Fund is invested in Greater China so we're watching how China deals with a volatile trade environment.

China matched all the additional tariffs imposed by the US up to 125% and imposed strict export controls on critical minerals in response to the US restrictions on advanced chips. On 12 May, the two sides agreed to suspend all additional tariffs. They met for talks which established a broad framework without a solid agreement.

Many economies have attempted to placate the US by agreeing to smaller tariffs. China is "resorting to confrontation to prevent confrontation and using talks to secure peace." They can take this approach because they are in a stronger economic position and have more diversified export destinations than during the last major trade dispute in 2018.

Separately, Chinese retail sales were up 6% in May and consumer confidence is improving. Export growth has been resilient, with the decline in US trade more than offset by exports to other regions.

China's trade strategy has been reasonably successful and we hope further negotiations reduce the negative impact on both economies.

Cameco – a new energy

Cameco is a Canadian uranium miner (up nearly 70% this quarter). Cameco's operations span much of the nuclear fuel cycle and reactor technology. We took a position two years ago believing the uranium price was incongruent with the new investment needed to satiate future demand. The uranium market had been capital starved for over a decade, as excess secondary supply and existing inventory meant there was a supply overhang.

Renewed enthusiasm for nuclear energy, both as a low-carbon baseload power source and because of new demand from data centres/artificial intelligence has revived the sector.

Cameco can thrive in this changing marketplace. Its joint venture with Westinghouse provides exposure to reactor newbuilds. It is benefiting from a tight fuel cycle thanks to Russia/Ukraine. Historically, customers in the uranium space suffer from FOMO on supply and pay less attention to price. All these forces can drive Cameco outperformance and we maintain our buy position

Wizz Air

Wizz Air is a stock we didn't get right – the stock fell 25% this quarter. We invested in Wizz given its potential as a low-cost Eastern European airline with a strong growth runway – expanding into under-served regions that were increasingly prosperous and integrated.

Over the past two years, Wizz had to ground around 20% of their fleet due to manufacturing defects in their Pratt and Whitney engines. According to management, the business should have normalised over the past two to three quarters as more planes returned to the sky. This should have reduced business inefficiency and cut unit costs.

However, in their FY25 results the company further delayed this normalisation, guiding to another year of cost pressures. The business may well recover and the stock could easily double, but it no longer meets our quality requirements and the risk/reward ratio is no longer positive. We sold down the position in June.

Fund Outlook

The Fund offers a diversified exposure to international stock markets, using short positions to defend capital in case of crisis. Our role in client portfolios is to offer access to investments beyond US mega cap tech stocks and we provide substantial exposures to Europe, Asia and China. We also offer exposure to investment opportunities in value segments in consumer, healthcare, telecoms and industrials.

We believe there is an elevated chance of a crisis in US stock markets. In the short-term they face the expiration of the tariff pause and simmering Middle East conflict. Longer-term the interplay of rising debt and restrictions on central bank independence could push up inflation in a slowing economy.

Our analysts have identified opportunities to profit from value in stock markets outside the best-known themes, augmented by protective shorts and cash management. We believe this represents the best balance of risk and return in current markets.

Platinum Global Fund (Long Only)

Ted Alexander
Portfolio Manager

Overview

- After an early sell off, markets bounced back on the 'pause' in new US tariff policies. In this environment technology stocks did well and our holding in companies like **Broadcom**, **Samsung** and **TSMC** outperformed.
- Views on nuclear energy are shifting as AI drives even higher demand for low-emission energy. Our holding in Canada's **Cameco** was a big winner from this trend in the June quarter.

Performance

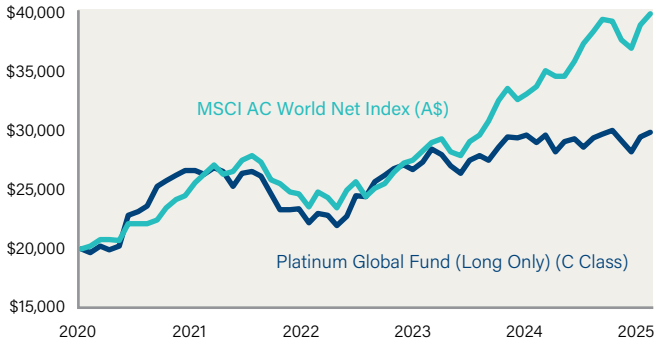
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Global Fund (Long Only)*	3%	3%	10%	8%	9%
MSCI AC World Index^	6%	18%	19%	15%	9%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 28 January 2005.
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 40. 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 40.

In April there was a sharp negative response to President Trump's 'Liberation Day' tariff announcements. By quarter end though, markets came back strongly as it became clear US trade policy was still up for negotiation.

We saw good performance from US tech holdings like **Micron Technology** (+38%), **Broadcom** (up over 60%), **Lam Research** (+30%) and from Asian tech giant **TSMC** (up 12%).

Energy stocks **Valaris** (US) and **Cameco** (see below) were significant contributors and our financial holdings – **Allfunds** (+22%) from the UK and **Shinhan Financial** (+27%) from South Korea – also did well.

Our weakest position was **Wizz Air**, a low-cost airline focused on Eastern and Central Europe. We examine this position in detail below.

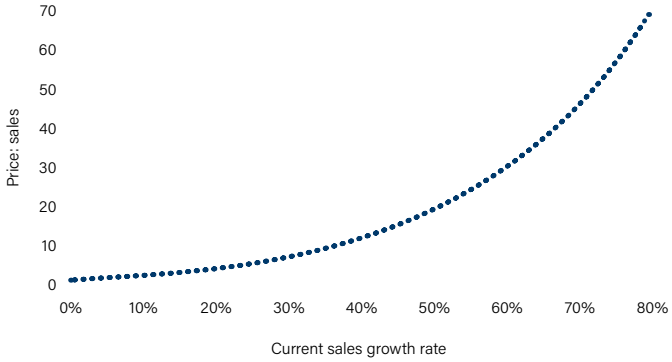
Commentary – how to value AI stocks?

AI stocks are like many high-growth, disruptive companies. You expect high sales growth, with significant reinvestment in R&D and marketing, and so no dividends or buybacks.

This means no profits or free cash flow on the horizon, so it's difficult to value the stock via price to earnings or discounted cash flow measures – the standard tools for fundamental investors.

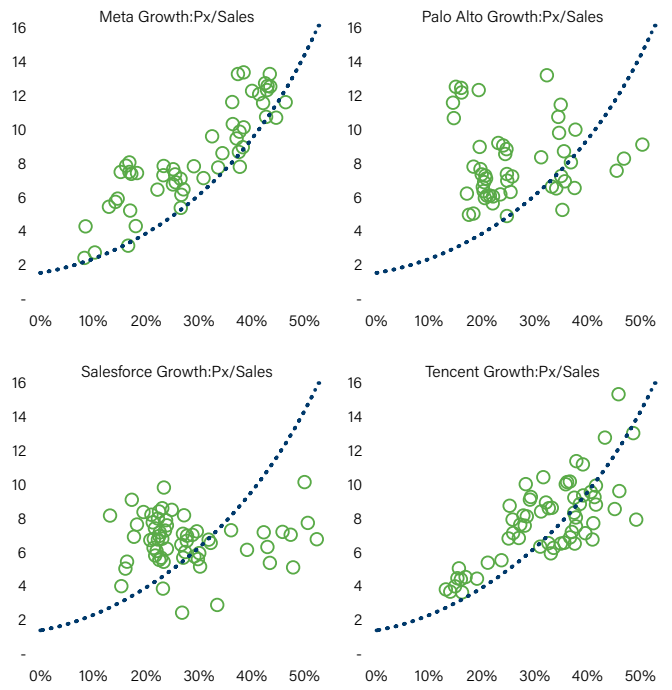
For these stocks, we more commonly see valuations using price to sales. This is more of a heuristic than a robust approach but without profits or free cash flow, it may be worth applying best practice valuation science to this price to sales measure to derive a theoretical adjusted price to sales valuation model (TAPS). The TAPS curve helps us derive a reasonable model of a company's value by comparing the growth rate of a stock to its theoretical price to sales.

TAPS Curve

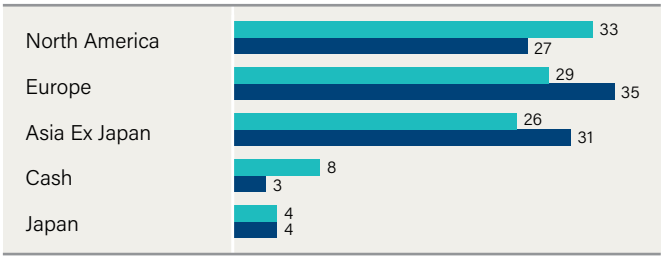


As you can see, the TAPS curve is convex, or exponential, as for these types of stocks, high growth is assumed to compound in the future.

We can see below how some high growth stocks historically looked against the TAPS curve. We're not expecting a perfect fit, but a relationship which holds pretty well.



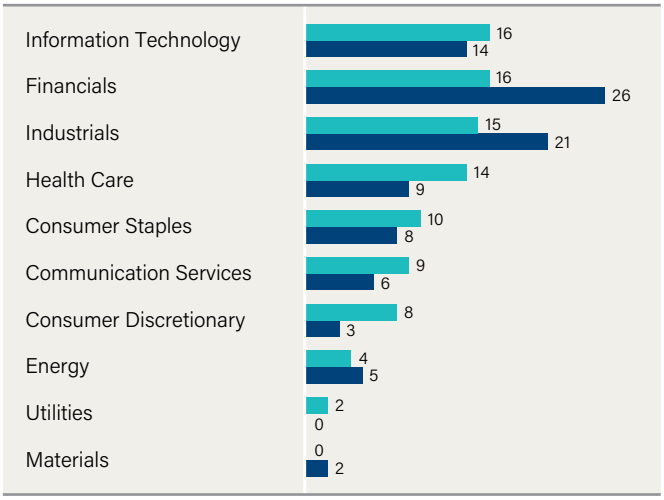
Disposition of Assets %



30 JUN 2025 31 MAR 2025

See note 3, page 40. 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 40. 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%
Novartis AG	Switzerland	Health Care	3.1%
UBS Group AG	Switzerland	Financials	2.9%
Unilever Plc	UK	Consumer Staples	2.8%
Mowi ASA	Norway	Consumer Staples	2.6%
Shinhan Financial Grp Co	South Korea	Financials	2.6%
Rogers Communications	Canada	Comm Services	2.5%
Orsted	Denmark	Utilities	2.4%
Cameco Corp	Canada	Energy	2.3%

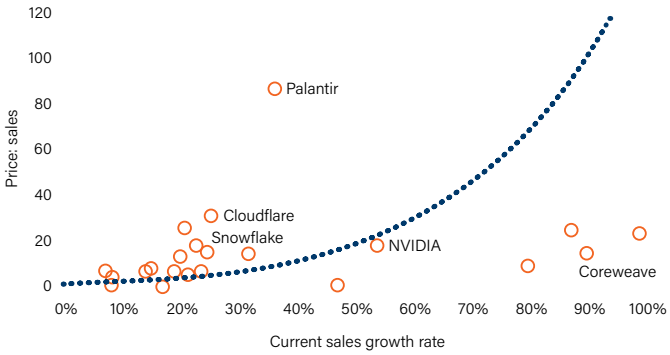
As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

The final step is to compare AI stocks' current valuation with the TAPS curve. AI stocks are not particularly different from previous high growth stocks and there's no reason to exclude them as an investment theme on valuation alone.

However, the primary concern is that many AI-themed stocks have quite low growth, more like 20% than the 30%+ that you'd hope to see from a true disruptor. It may be that growth expectations are too low. In some of these stocks, the disruptive AI component is part of a slower growing business.

Palantir, for example trades on 82x times sales, but revenue growth in 2024 was 29% and forecasts for 2025 and 2026 are 36% and 29%, not the explosive growth assumed for this valuation from the TAPS model. At the other end, Coreweave is only on 15x sales, yet sales are forecast to grow 100% each of the next two years. The TAPS model would suggest this valuation is too low. The reason for the difference is that Palantir already makes 21% profit margins, but Coreweave makes a loss and is highly unlikely to achieve similar margins in the medium term. The TAPS model helps us account for these differences and we run an extension in-house to give us more insight.

TAPS AI Curve



Obviously, Platinum isn't abandoning rational fair price modelling or fundamental deep-dive analysis for AI stocks. The key to any investment decision is understanding the business model, then forecasting growth and future cash flows as part of a robust valuation. The Platinum approach to AI has been to play the major enablers in semiconductors and large language models as the best early way to benefit. As the industry develops and new winners emerge, we will be looking where to focus next. The TAPS curve provides crucial valuation context.

China's great trade war

Over 20% of the Fund is invested in Greater China so we're watching how China deals with a volatile trade environment.

China matched all the additional tariffs imposed by the US up to 125% and imposed strict export controls on critical minerals in response to the US restrictions on advanced chips. On 12 May, the two sides agreed to suspend all additional tariffs. They met for talks which established a broad framework without a solid agreement.

Many economies have attempted to placate the US by agreeing to smaller tariffs. China is "resorting to confrontation to prevent confrontation and using talks to secure peace." They can take this approach because they are in a stronger economic position and have more diversified export destinations than during the last major trade dispute in 2018.

Separately, Chinese retail sales were up 6% in May and consumer confidence is improving. Export growth has been resilient, with the decline in US trade more than offset by exports to other regions.

China's trade strategy has been reasonably successful and we hope further negotiations reduce the negative impact on both economies.

Cameco – a new energy

Cameco is a Canadian uranium miner (up nearly 70% this quarter). Cameco's operations span much of the nuclear fuel cycle and reactor technology. We took a position two years ago believing the uranium price was incongruent with the new investment needed to satiate future demand. The uranium market had been capital starved for over a decade, as excess secondary supply and existing inventory meant there was a supply overhang.

Renewed enthusiasm for nuclear energy, both as a low-carbon baseload power source and because of new demand from data centres/artificial intelligence has revived the sector.

Cameco can thrive in this changing marketplace. Its joint venture with Westinghouse provides exposure to reactor newbuilds. It is benefiting from a tight fuel cycle thanks to Russia/Ukraine. Historically, customers in the uranium space suffer from FOMO on supply and pay less attention to price. All these forces can drive Cameco outperformance and we maintain our buy position

Wizz Air disappoints

Wizz Air is a stock we didn't get right – the stock fell 25% this quarter. We invested in Wizz given its potential as a low-cost Eastern European airline with a strong growth runway - expanding into under-served regions that were increasingly prosperous and integrated.

Over the past two years, Wizz had to ground around 20% of their fleet due to manufacturing defects in their Pratt and Whitney engines. According to management, the business should have normalised over the past two to three quarters as more planes returned to the sky. This should have reduced business inefficiency and cut unit costs.

However, in their FY25 results the company further delayed this normalisation, guiding to another year of cost pressures. The business may well recover and the stock could easily double, but it no longer meets our quality requirements and the risk/reward ratio is no longer positive. We sold down the position in June.

Fund Outlook

The Fund offers a diversified exposure to international stock markets. Our role in client portfolios is to offer access to investments beyond US mega cap tech stocks and we provide substantial exposures to Europe, Asia and China. We also offer exposure to investment opportunities in value segments in consumer, healthcare, telecoms and industrials.

We believe there is an elevated chance of a crisis in US stock markets. In the short-term they face the expiration of the tariff pause and simmering Middle East conflict. Longer-term the interplay of rising debt and restrictions on central bank independence could push up inflation in a slowing economy.

Our analysts have identified opportunities to profit from value in stock markets outside the best-known themes, augmented by protective cash management. We believe this represents the best balance of risk and return in current markets.

Platinum Asia Fund

Cameron Robertson
Portfolio Manager

Overview

- The portfolio delivered a 3.9% return over the quarter and a 16.2% return for the year. South Korean stocks were the outstanding performers during the June quarter thanks to a reduction in political instability after Jae-myung Lee's clear victory in the Presidential election.
- Indian and Indonesian stock also did well. India's economy is domestically focused and this protects that country from some of the tariff uncertainty that affected global markets in the quarter. Monetary policy shifts supported the Indonesian market. Thailand, bedevilled by political instability, was notably weak.

Performance

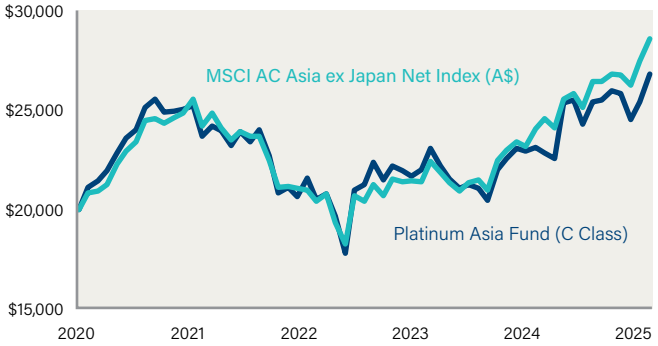
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia Fund*	4%	16%	8%	6%	12%
MSCI AC Asia ex Jp Index^	7%	19%	11%	7%	9%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 4 March 2003.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country Asia ex Japan 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 40. 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 40.

The quarter was characterised by a significant divergence in market performance across the region, with constant background noise surrounding US trade policy. After an initial bout of weakness sparked by renewed tariff discussions, Asian markets re-found their footing as the US dollar softened, providing regional central banks with greater monetary policy flexibility.

South Korea was the standout market, buoyed by post-election optimism and positive developments across several key industries.[1] India and Indonesia also delivered strong returns. In contrast, Thailand was notably weak, weighed down by political uncertainty and soft economic data.

We initiated two new positions during the quarter, **Mayora Indah**, a high-quality Indonesian consumer snack foods company and **EO Technics**, a Korean laser company serving the technology industry. We trimmed a handful of holdings that had performed strongly.

Commentary – dollar weakness, Asian strength

The quarter began with global markets fixated on escalating trade tensions. The announcement of a new round of US tariffs in early April sent a brief but sharp tremor through risk assets. However, the subsequent decision to pause the implementation of the most severe measures allowed markets to regain composure. While this 90-day pause provided a temporary reprieve, the fundamental issues remain unresolved. There is deep ambiguity around the goal of these tariffs. Is it revenue generation, the reshoring of manufacturing, or geopolitical leverage? This creates a challenging environment for businesses.

Despite this uncertainty, aspects of the macroeconomic backdrop for Asia improved as the quarter progressed. A notable weakening of the US Dollar Index (DXY) was a significant tailwind. For the past few years, sustained dollar strength has constrained the ability of Asian central banks to manage their domestic economies, as cutting interest rates risked currency depreciation, which would in turn fuel inflation through higher commodity import costs.

The recent shift in the dollar has eased these concerns, giving Asian policymakers the room to pursue more independent and accommodative monetary policies tailored to local conditions. This newfound flexibility was a key factor in improving sentiment towards the region, giving investors reasons to look beyond the policy uncertainty emanating from the US.

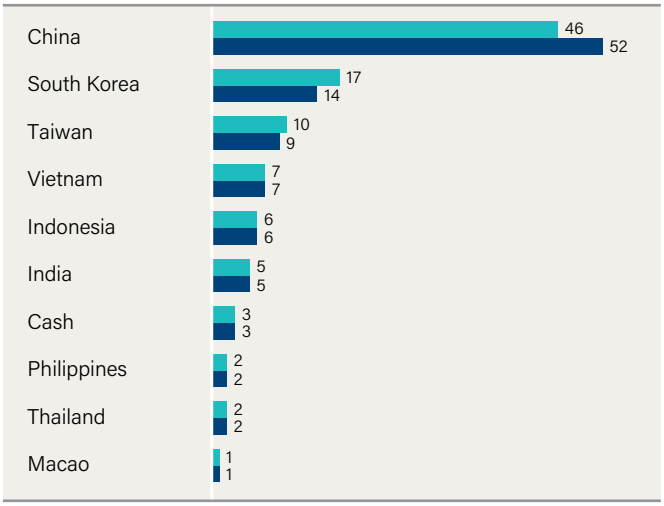
Market Highlights – innovation in Korea, confidence in India

South Korea was the region's top-performing market. The conclusion of the presidential election, with Jae-myung Lee securing victory, removed a layer of political uncertainty. The new administration's centrist policy platform has been well-received and there is positive momentum in several sectors. These include the nuclear power, defence, ship building, AI and semiconductor sectors.

During a visit to Korea this quarter, we met with a range of companies. The growing strength and innovation within the country's biotech sector impressed us. This is rapidly becoming a second pillar of growth alongside its long-standing dominance in semiconductors. The positive market environment flowed through to our holdings, with **SK hynix** (up nearly 50%), **HD Hyundai Marine Solution** (+47%) and **Coway** (+22%) all amongst the top contributors to Fund performance.

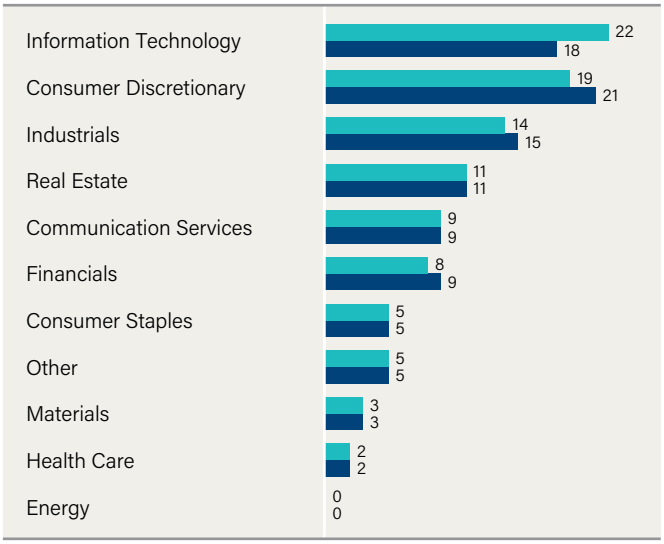
1 This quarter's feature article has a deep dive into Korea's investment potential.

Disposition of Assets %



See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Taiwan Semiconductor	Taiwan	Info Technology	9.8%
SK hynix Inc	South Korea	Info Technology	6.3%
Tencent Holdings Ltd	China	Comm Services	5.1%
Vietnam Ent Investments	Vietnam	Other	4.7%
JD.com Inc	China	Cons Discretionary	4.4%
Samsung Electronics Co	South Korea	Info Technology	4.1%
Ping An Insurance Group	China	Financials	3.8%
ZTO Express Cayman Inc	China	Industrials	3.3%
China Resources Land Ltd	China	Real Estate	3.1%
InterGlobe Aviation Ltd	India	Industrials	2.9%

As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

India continued to be a source of strength. Its big domestically focused economy is largely insulated from trade concerns and, powered by soaring investor confidence, is humming along. Similarly, Indonesia delivered an impressive performance as the government worked to reassure markets about their fiscal position and the Bank of Indonesia cut rates to support the economy.

In stark contrast, Thailand was the region's laggard with its market falling around 9% during the quarter. The weakness was broad-based and driven by a confluence of negative factors. Lingering political uncertainty continues to weigh on sentiment, while key economic indicators disappointed. The much-hoped-for recovery in Chinese tourism has been weaker than expected, hurting Thailand's services sector. Furthermore, data from parts of the retail sector has been poor, with major companies reporting significant negative same-store sales growth. The property market also shows signs of stress. All these factors are contributing to a downbeat outlook for the domestic economy.

China and Hong Kong had a volatile quarter, initially selling off on the tariff news before recovering to finish just in positive territory. The performance of our Chinese holdings was mixed. Some of our holdings in the financial sector – like **China Merchants** and **Noah Holdings** – performed well. Counterbalancing this we saw weakness in e-commerce and logistics-related holdings, including **JD.com**, **Alibaba**, **ZTO Express** and **Trip.com**.

Portfolio Activity

During the quarter we initiated a position in Mayora Indah, a leading Indonesian consumer food company. Mayora owns a portfolio of iconic snack food brands with formidable distribution across both traditional "mom-and-pop" shops and modern retail channels. The company has a successful track record of expanding its footprint across Southeast Asia. A recent increase in sales and marketing expenditure aimed at driving long-term growth led to a short-term dip in earnings estimates. The stock price fell. We saw this as an attractive opportunity to invest in a high-quality, resilient business at a compelling valuation.

We also added EO Technics to the portfolio. EO is a South Korean company and a global leader in laser marking and other laser-based applications for the semiconductor industry. For years, the company has been expanding its technological capabilities from simple marking into more advanced processes like wafer dicing and annealing.

We believe EO Technics is now at an inflection point. The increasing complexity and miniaturisation of semiconductors necessitate the cleaner, more precise cuts that its laser dicing technology provides. At the same time, demand for marking is set to grow with the trend towards chip-scale marking, while newer annealing applications are also gaining traction. The company can capture growth from these multiple, durable tailwinds.

Exited Positions

We exited our position in Chinese property developer **China Vanke**. The decision followed recent regulatory moves around the pre-sales system for new homes. Developers are increasingly unable to rely on customer down payments to fund a significant portion of their construction costs. Given Vanke's relatively weak balance sheet compared to some state-owned peers, we felt it was prudent to exit the stock. We retained our holdings in the more resilient, state-backed developers **China Resources Land** and **China Overseas Land**.

Trimmed Positions

We trimmed several holdings that enjoyed strong share price appreciation during the quarter. These included China Merchants Bank, Coway, SK hynix, and **TSMC**. In each case, our fundamental view on the business remains positive, but we realised some profits to manage our position sizes after the strong run-up in their stock prices.

Outlook

The global trade environment remains uncertain. The lack of clarity on the long-term rules of engagement continue to make it difficult for businesses to commit to multi-year investment plans. This could create a drag on broader economic activity.

Our portfolio strategy reduces exposure to tariff-related risks by focusing on companies geared towards domestic demand. However, no company is entirely immune to a slowdown in the global economy. We find reassurance in the fact that valuations and the cyclical position of businesses across large swathes of the market remain attractive.

This means there is considerable room for domestic recoveries to gather pace independently. We are confident our portfolio of high-quality businesses can navigate the prevailing uncertainties and generate value for investors over the long term.

Platinum European Fund

Adrian Cotiga
Portfolio Manager

Overview

- The Fund delivered a solid performance over the quarter (up nearly 7%) and the year (16%). During the June quarter markets started with a dive following President Trump's proposed new tariff regime but recovered as it became clearer the initial positions were an outline only.
- This quarter, the Fund returns built on strong performances from financial stocks including two banks – **Barclays** and **Société Générale** – and UK funds administration platform, **Allfunds**.
- Thanks to regulatory reform, lower interest rates, fiscal stimulus and increased investor appreciation for European business opportunities, the short-term outlook for European equities looks positive. We are managing risk by keeping a close eye on US trade policies as they have the potential to affect global growth.

Performance

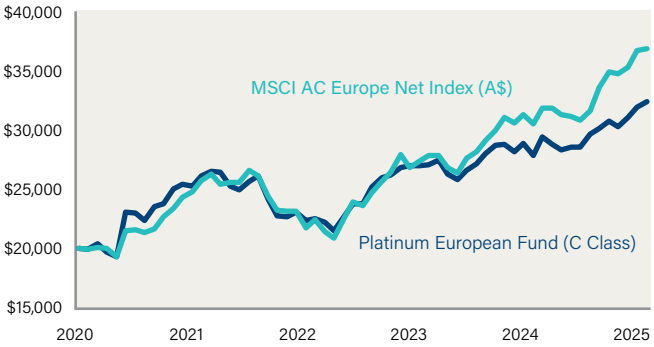
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum European Fund*	7%	16%	13%	10%	10%
MSCI AC Europe Index^	6%	21%	19%	13%	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 40. 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 40.

Europe's markets had a volatile start to the quarter. Early April saw a 12% decline following the introduction of steep tariffs by the US. However, this downturn was short-lived. As President Trump began to roll back some of these tariffs, the market quickly repriced the new environment, leading to a strong rebound – the STOXX Europe 600 was up nearly 6% in AUD terms.

Within your Fund, holdings in financials, consumer discretionary and technology were standout performers. Conversely, the energy and materials sectors faced headwinds and underperformed.

Performance Drivers

Our financial holdings were significant contributors to performance. **Allfunds** (+22%), the fund administration platform, led the charge, buoyed by the appointment of a new CEO and a palpable improvement in sentiment across European markets. Our bank holdings, **Barclays** (+14%) and **Société Générale** (+17%), continued to deliver consistent results, underscoring the resilience of our selections in this sector.

On the other side of the ledger, **Wizz Air** (-25%), the Central and Eastern European-based airline, was our weakest performer.

For the past 18-24 months, Wizz Air has grappled with significant operational challenges stemming from manufacturing defects in their Pratt & Whitney engines which grounded approximately 20% of its fleet. Predictably this led to operational inefficiencies and elevated unit costs. For several quarters, management had anticipated an inflection point where the number of grounded aircraft would decline, signalling a return to normal operations and lower unit costs. However, in their latest earnings results, the company revised its outlook, projecting continued cost pressures and delaying this normalisation by another year. While we had reduced our exposure to Wizz Air ahead of these results, the stock's weak performance still dragged on Fund returns.

Monetary Policy and Structural Reforms

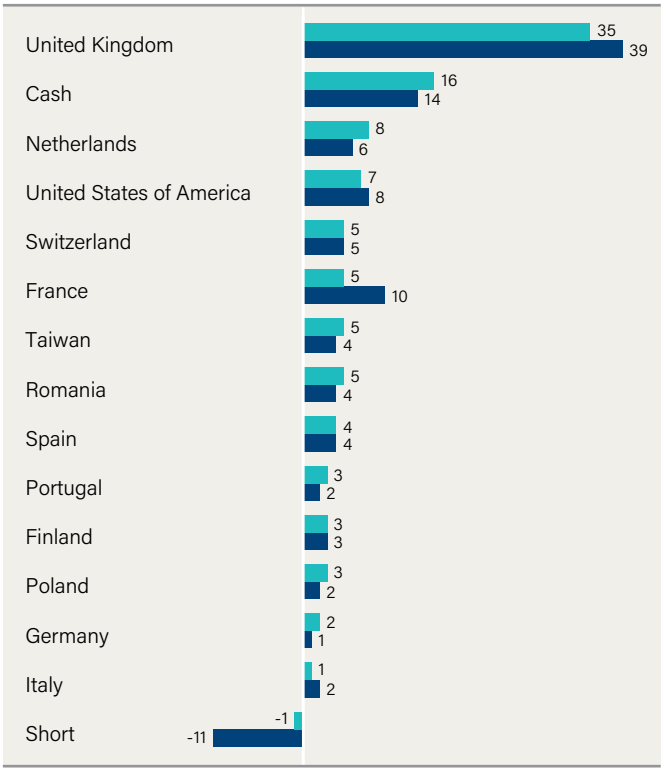
European central banks continued their pivot towards more accommodative monetary policies. The Swiss National Bank cut its policy rate by 0.25% to 0%, as disinflationary pressures persisted. Similarly, the European Central Bank (ECB) reduced its deposit facility rate to 2% citing moderating inflation and the need to stimulate growth amid global trade uncertainties. The return of low or even zero rates in Europe should boost equity valuations and encourage much-needed investment across the continent.

Europe is structurally uncompetitive and addressing this problem could require €800-900 billion annually in investment. Removing regulatory hurdles means private capital could play a pivotal role in funding crucial investments in defence, digital transformation and green energy.

To tackle this, the EU has launched the Savings and Investments Union (SIU), a transformative initiative designed to improve market supervision, securitisation and insolvency laws. By harmonising regulations across member states, the SIU aims to streamline cross-border investment and improve access to funding for Small and Medium-sized Enterprises (SMEs).

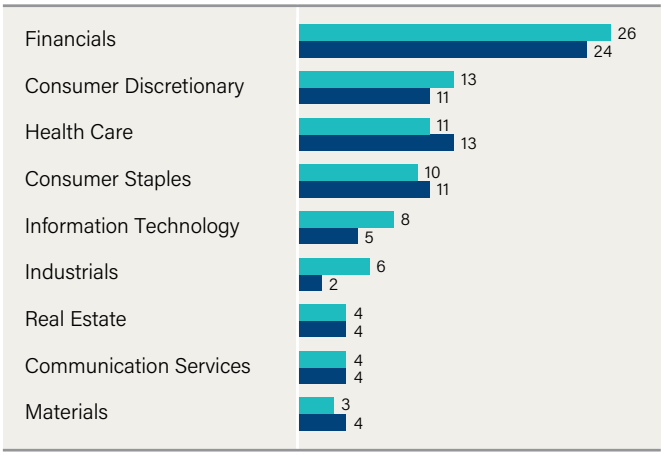
With Europe's savings pool estimated at a staggering €13 trillion, the SIU seeks to channel these funds into productive investments within Europe, rather than seeing excess savings flow outside its borders. A key objective is to help households direct more of their savings towards higher-yielding capital market instruments.

Disposition of Assets %



See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
ASML Holding NV	Taiwan	Info Technology	4.8%
Barclays PLC	UK	Financials	4.6%
Banca Transilvania SA	Romania	Financials	4.5%
Foxtons Group PLC	UK	Real Estate	4.2%
London Stock Exchange Grp	UK	Financials	3.9%
Societe Generale S.A. Class A	France	Financials	3.8%
Cellnex Telecom SA	Spain	Comm Services	3.6%
Allfunds Group Plc	UK	Financials	3.5%
Flutter Entertainment PLC	UK	Cons Discretionary	3.4%
Jeronimo Martins SGPS SA	Portugal	Consumer Staples	3.3%

As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

One of the key pillars of the SIU is the securitisation market. The European Commission recently proposed measures to make the EU securitisation framework simpler and more fit for purpose. These proposals include tangible changes to operational hurdles for issuance and investment, such as due diligence and transparency requirements, as well as new prudential requirements for banks.

If adopted, these proposals would likely boost your Fund's banking holdings in two significant ways. Firstly, a deeper securitisation market would allow banks to turn over their balance sheets more quickly. This should, over time, increase profitability. Secondly, more securitisations should also enable banks to lend more when loan demand rises. This development is certainly one we will watch closely.

Insights from ground Europe

During the quarter, I spent three weeks visiting Germany, France, the UK and Romania. These visits were invaluable for uncovering new investment ideas, triangulating information across various sectors of interest and engaging with the management teams of our existing holdings. Here are the key takeaways:

- There's a gradual enthusiasm building around the German fiscal package for defence and infrastructure. However, the market is still looking for clarity on how the €500 billion infrastructure package will be allocated. Companies know there are numerous steps required before capital truly flows and are cautiously awaiting concrete plans before upgrading revenue and profit targets.

- Following President Trump's tariff announcements, most companies we met were cautious about capital expenditure as they adjust to new trade dynamics. The risk is that this tariff uncertainty leads to a growth slowdown in the US – and perhaps globally.
- There's an increasing risk that brittle global supply chains (which were only just beginning to mend, particularly in aerospace) will face further significant challenges. We remain vigilant, looking for early signs of stress in these critical areas.

Earning your Diploma

Early in the quarter, we initiated a position in **Diploma**, a UK-based distributor of specialised industrial products including controls, seals and life sciences equipment. Diploma had been on our watchlist for some time and our recent trip gave us the chance to meet the company again. The stock had derated due to broader recession fears, presenting an attractive entry point. Subsequently, the company delivered a strong quarterly result and upgraded its organic growth and margin targets for the year.

Diploma's products are essential to its customers yet represent a very small overall cost compared to the much larger cost of machinery downtime and other associated expenses. From a customer's perspective, these products are seen as an operating expense. This dynamic means customers prioritise service over price and this is reflected in Diploma's consistently high margins (19% adjusted operating margin) and strong returns on capital (18%) over the past five years.

Most of the end-markets Diploma operates in are niche enough that the company faces limited competition from large global distributors. The industry remains fragmented and Diploma's market share is still small. This creates M&A opportunities. Crucially, competition to acquire these niche private distributors is low. Diploma has a disciplined acquisition strategy, targeting companies with strong gross margins, entrepreneurial management and robust cash flows.

We believe Diploma's diversified business model, decentralised operations, strong cash flows, and its exposure to high-growth sectors like aerospace, healthcare and renewable energy make it a compelling addition to the portfolio.

Over and above solid organic growth (+7% p.a. over the past five years), Diploma can add a record of success in acquisition-driven growth, successfully integrating niche distributors into its business.

We regard Diploma's management team as top-tier. Johnny Thomson, who joined as CEO in 2019, was previously at Compass, another well-managed holding in our European fund. While not obviously cheap, we believe the current price is fair for a business likely to compound earnings at a mid-teen rate and invest capital at high-teen rates for a considerable period.

Outlook

Europe is at a pivotal juncture with multiple key positives lining up together.

- Backed by the intellectual underpinnings of the Draghi Report, we are seeing structural reforms like ongoing deregulation and the SIU. Europe's increased commitment to self-reliance is also welcome.
- There is a large flow of targeted fiscal stimulus and accommodative monetary policy.
- These factors, plus the return of lower interest rates and rising investor interest, should help unlock significant opportunities across technology, green energy and in the SME sector.

With Europe's markets currently undervalued the region offers a significant investment opportunity for patient capital. As a result, the Fund is currently around 90% net invested.

With European growth prospects slowly but surely improving, the main risks relate to a meaningful deceleration in the US and the global economy, primarily driven by uncertainty around tariffs. Within our bottom-up portfolio construction process we seek to own businesses with strong underlying fundamentals and a strategic exposure to Europe's transforming economic landscape.

Platinum Japan Fund

Leon Rapp
Portfolio Manager

Overview

- The Fund returned nearly 8% during the quarter – up over 1.5% on its benchmark. The 12-month return of 21.3% substantially beat the MSCI Japan benchmark of 16.1%.
- Defence oriented stocks such as **DMG Mori** and **Toho Titanium** were key performers this quarter while **Nintendo** is now the biggest position in the portfolio. Its new Switch 2 console is its fastest selling game console in history. The company has an almost invaluable library of game character IP.
- Many of the key holdings in our portfolio, companies like Nintendo, **Toyota**, **Sony** and **Fast Retailing**, are large super-competitive businesses with exceptional strategic execution. They become world class businesses by avoiding the cost-cutting and under-investment that plagued weaker Japanese counterparts.

Performance

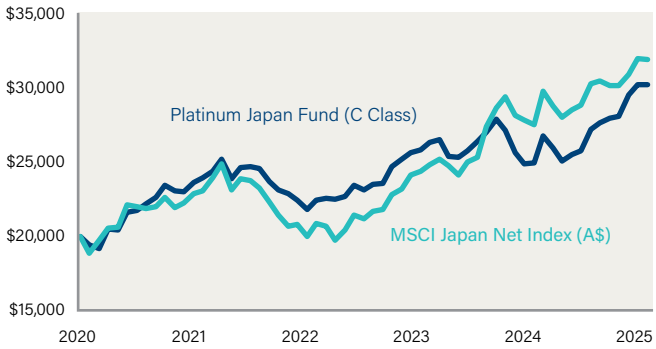
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Japan Fund*	8%	21%	12%	9%	12%
MSCI Japan Index^	6%	16%	17%	10%	4%

+ Excludes quarterly performance.
* 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 Japan 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 40. 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 40.

The Fund returned nearly 8% during the quarter. The 12-month return of 21.3% substantially beat the MSCI Japan benchmark of 16.1%.

Key contributors to performance were defence/industrials companies such as **DMG Mori** (+17%), **Toho Titanium** (+20%), and **Mitsubishi Electric** (+15%). Detractors were **DeNA** on slow sales and **Toyota** (down over 5%) on trade concerns – a US/Japan trade deal remains elusive.

We added two new stocks to the portfolio: semiconductor firm **Tokyo Electron (TEL)** and **Daiichi Sankyo**. We have not had exposure to Semiconductor Manufacturing Equipment (SME) makers as we believed these stocks were overvalued, having run up on the AI capex theme. However, we are impressed with TEL's execution (we have invested in TEL in the past) and critical global position in the SME space. Following a period of market underperformance which we think is undeserved, we believe it is the right time to reestablish a holding.

Similarly, we have previously held Daiichi Sankyo and its strength in oncology is widely acknowledged. However, the considerable uncertainty of US pharmaceutical pricing has kept us on the sidelines. Daiichi has been particularly weak following disappointment in its Datroway development, yet its unique ADC (Antibody-Drug Conjugate) technology has numerous positive treatments under development, notably Enhurtu, a cancer treatment which could become the standard of care for multiple cancer types and thus could lead to strong profit growth.

How we view Japan now

Our investment approach of selecting the best-of-breed Japanese blue chips has been rewarding for investors over the past 12 months. Though it may appear straightforward, it's important to understand why we think this approach makes sense.

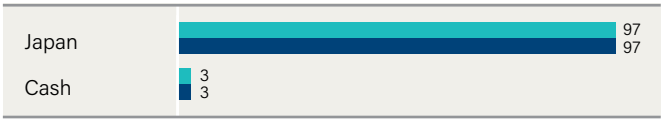
There has been a lot of focus on the Tokyo Stock Exchange (TSE) reforms that encourage Japanese companies to develop an awareness of their cost of capital, particularly relevant to those deep value stocks trading below a Price-to-Book ratio of 1x. This is an unquestionably positive development and addressing low Returns on Equity in Japan is something investors have been highlighting for years. These renewed efforts are already helping to raise the profile of Japanese stocks among global investors.

However, there is an overlooked structural schism between the strong and the weak that has been widening in corporate Japan over the past few decades. This looks set to widen further. In essence, the larger, industry-leading and globally facing firms now generate consistently better returns and commensurately carry higher valuations than their smaller, less capable peers. Optically, there are fewer ostensible "bargains" in large cap Japan, but we think they are more attractive as long-term investments.

We believe that years of corporate cost cutting is the Faustian bargain Japanese firms paid to maintain their social employment obligations. The opportunity cost was underinvestment in tangible capital (new capacity or machinery) and intangible capital (IT budgets, R&D, workforce upskilling). As with overzealous zero-based budgeting, the cumulative damage cost cutting does to long term competitiveness is sometimes only realised when it is too late.

Moreover, the built-in stabiliser of labour mobility across enterprises and industries was largely non-existent due to the unique Japanese fixation with corporate self-sufficiency where mid-career hiring was largely shunned. This meant many companies had little perception of their slipping competitiveness. Japanese companies rarely sought insight from external management consultants, thus preventing the adoption of new approaches that addressed lagging productivity.

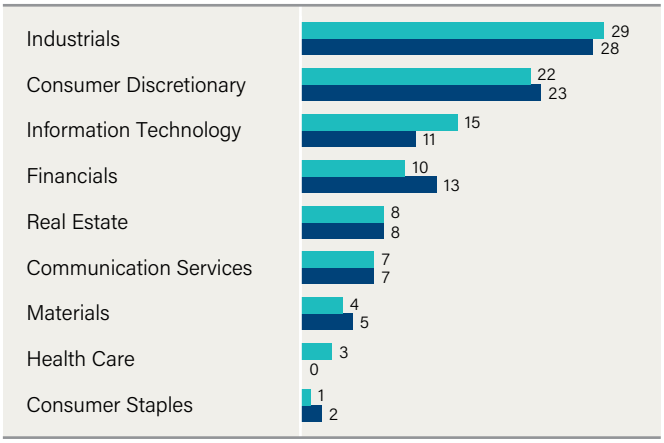
Disposition of Assets %



30 JUN 2025 31 MAR 2025

See note 3, page 40. 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 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Nintendo Co Ltd	Japan	Comm Services	5.7%
Taisei Corp	Japan	Industrials	5.1%
Mitsubishi Electric Corp	Japan	Industrials	5.0%
DMG Mori Co Ltd	Japan	Industrials	4.9%
Sony Corp	Japan	Cons Discretionary	4.8%
Toyota Motor Corp	Japan	Cons Discretionary	4.4%
Mitsubishi Estate Co Ltd	Japan	Real Estate	4.1%
Tokyo Electron Ltd	Japan	Info Technology	3.8%
MS&AD Insurance Group	Japan	Financials	3.8%
Keyence Corp	Japan	Info Technology	3.6%

As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

We think there is a large portion of corporate Japan still not fully aware of those outdated businesses practices. Though they are making up for lost time now, for many it may be too little, too late given chronic labor shortages are commonplace.

Many companies are now likely to find themselves in a difficult position. They can raise payouts – diverting capital to placate shareholders' demands for more balance sheet efficiency. Or they can raise investment to ensure long-term competitiveness. For many, other alternatives – such as seeking strategic options through M&A – are unpalatable.

Our point is that the best companies, the ones we prefer to invest in, have secured a strong position. A combination of strong product competitiveness, skilled workforces and self-awareness amongst their leadership created a corporate culture of excellence that benchmarks not domestic peers but the most competitive franchises globally. These top companies include **Toyota**, **Sony**, **Nintendo**, **Keyence** and **Fast Retailing**, all of which we regard as core holdings.

In short, the TSE reforms has broken through a level of complacency in deep value Japan, but it also catalysed large cap Japan to undertake overdue business reforms, accelerate the unwinding of cross shareholdings and raise shareholder returns. There's an additional layer of comfort in that the underlying businesses are healthy with high growth prospects. To put it simply, with Japan's large caps, you can have your cake and eat it.

Mythbusting Japan narratives

After three decades dedicated solely to Japanese equities it can be exasperating reading the conventional bearish narratives about Japan – its declining relative economic power, high debt, ageing society, collapsing birthrates or imminent bond market crisis. None of these scare stories have come to pass, nor are they likely to in our view. We remain steadfastly optimistic. Japan is a major economic and cultural power, an ageing heavyweight but in remarkably good health that punches well above its weight.

One of the most enduring myths is of a Japan stuck in the "lost decades", where a moribund Japanese economy was unable to shake-off asset price deflation and overshadowed by the rise in Asian economies.

This is a convenient but misguided narrative. Rather than lost, we see this as an adjustment to a post-industrial economic model, where new growth opportunities were discovered. Most prominent is of course, tourism, where Japan has moved from being a relative backwater to a global destination of choice. Japan's soft cultural power mirrors this rise. Gaming is an obvious example.

Nintendo rules OK

No stock underscores this rise more than Nintendo, which became our largest holding in the quarter. A decade ago, Nintendo was struggling to remain relevant with gamers. Following the success of the Wii console, its successor, the Wii U, was selling poorly and the common view was that Nintendo couldn't maintain competitiveness under the twin onslaught of mobile and tablet gaming.

Throughout this period, Nintendo steadfastly refused to compromise the user gaming experience by offering its games on these new platforms they believed would undermine their loyal customer base. The market disagreed and assigned little value to one of the world's greatest libraries of character IP.

Yet while markets were willing to overlook Nintendo, their fanbase remained, ensuring a pool of millions of eager users that fuel demand for new releases of existing franchises such as Mario, Pokémon, Pikmin, Zelda and Splatoon.

Since 1983 Nintendo has sold more than 5.9bn video games and 860 million hardware units globally.[1] The launch of the Switch in 2017 saw them hit upon the right combination of gameplay and hardware interaction. The Switch was wildly successful, to-date selling some 152m units, reestablishing Nintendo's credentials among gamers, and reminding the market of the true value of Nintendo's entertainment IP.

Fast forward to 2025 and the launch of the Switch 2, which sold 3.5m units within four days of its June 5th launch – its fastest selling console launch ever.

We expect global console shortages to remain commonplace given the sustained levels of demand. More importantly, Nintendo's ability to execute and protect and sustainably grow their IP makes them the type of business we like to own. We can think of few companies anywhere that would be more rewarding stewards of our investors' capital.

In the past decade Nintendo's stock price rose 500%.

1 www.nintendo.co.jp/corporate/release/en/2025/250611.html

Platinum International Brands Fund

Nik Dvornak
Portfolio Manager

Overview

- The Platinum International Brands Fund generated a return of over 6% for the June 2025 quarter with good stock selection as the major driver of returns. Over the full year returns were up over 22%.
- **Galderma**, founded in the early 1980s as a joint venture between L'Oreal and Nestlé, was a key contributor this quarter. We took advantage of a large price fall to add to our position in the company, a leading player in dermatology. That decision was rewarded as the stock price bounced back toward record highs.
- A surface read on global economics and equity markets looks positive and AI offers the potential of generational productivity gain. However, we are moving cautiously, with trade policy volatility and US debt both major concerns. That said, any market volatility may give us an opportunity to add to our holding in high-quality brand businesses at reasonable prices.

Performance

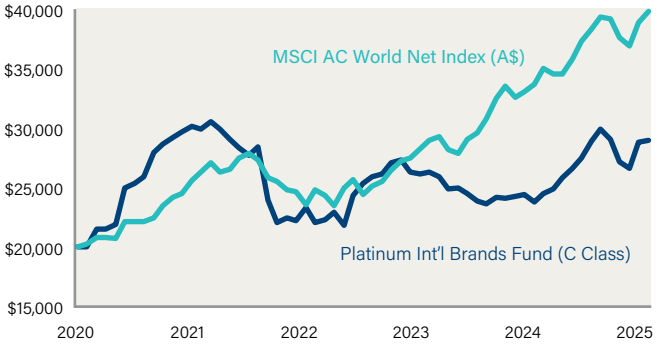
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Brands Fund*	7%	22%	8%	8%	11%
MSCI AC World Index^	6%	18%	19%	15%	6%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 18 May 2000.
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 40. 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 40.

The past quarter saw a sharp rally in US markets, which recovered from a weaker prior period. However, the quarter was not without its challenges. It began with the announcement of the 'Liberation Day' tariffs, which were broader and more severe than market participants had anticipated. The chaotic manner of their initiation and shambolic management risks undermining business and market confidence. This, combined with an expansion of hostilities in the Middle East and persistent questions over the sustainability of the US federal deficit, created significant headwinds. Nevertheless, markets rallied on the working assumption that trade deals would ultimately be hammered out and on growing optimism over the productivity-enhancing potential of rapidly evolving Artificial Intelligence models.

European equities ended the quarter essentially flat. While monetary policy remains supportive, a renewed sense of optimism is emerging that fiscal expansion and further capital market integration might boost equity market performance. The strength of the Euro and Swiss Franc, however, represents an earnings headwind for many of our European holdings.

In Asia, the possibility of a full-blown trade war between the United States and China continued to weigh on markets. While a détente appears to have been reached, it is unclear if it can hold, as the underlying sources of tension remain. China's domestic economy shows signs of stabilising, but a significant stimulus-fuelled recovery has not materialised. Instead, China appears to be doubling down on a long-held strategy of manufacturing and export-led growth that is meeting increasing resistance from Western trading partners.

The Fund's performance this quarter was once again primarily driven by stock-specific factors. In our last report, we discussed our thesis for **Galderma**, noting that its 25% price fall represented a significant divergence between market sentiment and what we saw as the company's strong underlying fundamentals. We used that period of weakness to add to our position. This quarter, our thesis was affirmed as Galderma became the largest contributor to Fund performance. Its stock was up 20% in the quarter and is now back near its all-time high.[1]

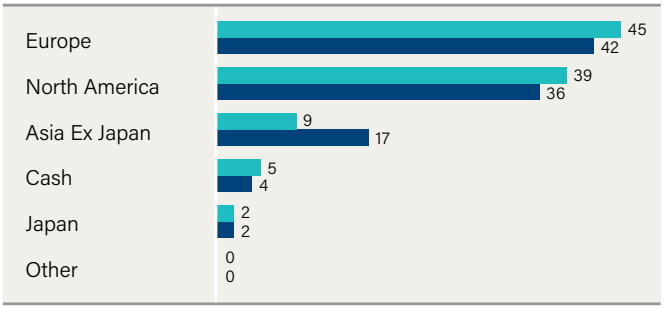
Other significant contributors included US cosmetics company **e.l.f. Beauty** (+90%), **Amer Sport**, owner of the Arc'teryx and Salomon brands and up 40% for the quarter. UK financial advisory network **St James's Place** returned 20% for the quarter.[2]

The main detractors from performance were some of our Chinese holdings: **Meituan**, **JD.com**, and **Trip.com**. Their share prices were affected by an intensifying competitive environment, specifically a costly campaign by JD.com to challenge Meituan and Trip.com in their core businesses of food delivery and travel distribution. This is obviously very frustrating and we are carefully considering how this dynamic affects the long-term value of our positions.

1 For a deeper look at Galderma see Nik's video: www.platinum.com.au/the-journal/the-business-of-looking-good

2 For more on Amer Sports watch Nik's video: www.platinum.com.au/the-journal/hiking-margins

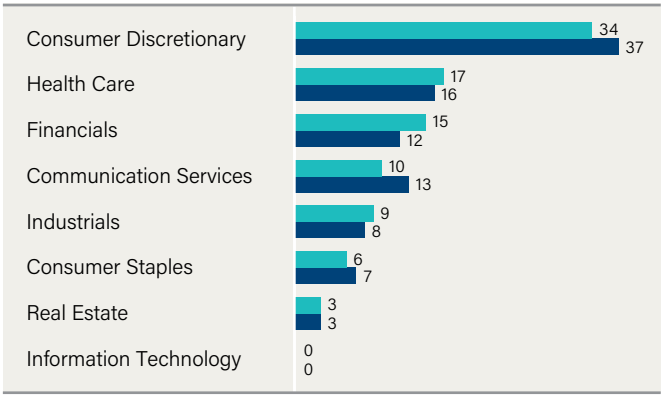
Disposition of Assets %



30 JUN 2025 31 MAR 2025

See note 3, page 40. 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 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Galderma Group AG	Switzerland	Health Care	4.9%
St James's Place PLC	UK	Financials	4.7%
Meta Platforms Inc	US	Comm Services	4.5%
Amer Sports Inc	Finland	Cons Discretionary	4.5%
Uber Technologies Inc	US	Industrials	4.3%
Amazon.com Inc	US	Cons Discretionary	4.0%
Industria de Diseno Texti	Spain	Cons Discretionary	4.0%
Visa Inc	US	Financials	3.9%
Flutter Entertainment PLC	UK	Cons Discretionary	3.8%
Zoetis Inc	US	Health Care	3.8%

As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

Commentary – of chicken wings and healthy pets

Following the announcement of the new US tariffs in early April, markets experienced a sharp but brief sell-off. The administration's subsequent messaging about negotiating trade deals to wind back these tariffs quickly calmed markets. We used the narrow window of opportunity opened by this disruption to initiate two new positions: **Wingstop** and **IDEXX Laboratories**.

Wingstop is a fast-casual restaurant chain that has carved a niche for itself by focusing squarely on flavourful chicken wings. The core of their concept revolves around a simple menu: cooked-to-order classic and boneless wings which can be tossed in a variety of about a dozen distinct sauces. The menu was recently expanded to include chicken tenders and burgers. For those in or visiting Sydney, their first Australian store recently opened in Kings Cross.

From our perspective, Wingstop's simple, appealing menu allows for both operational simplicity and modest upfront investment. That in turn is yielding fantastic store productivity and a very high return on investment. Our view is that the concept has plenty of room to grow both geographically and through menu expansion. While the 70x earnings we paid may appear high on a trailing basis, we believe it should compress quickly as the company executes its expansion plans.

IDEXX is a global leader in veterinary diagnostics and software, providing veterinarians with the tools and data they need to keep pets healthy. Their business primarily revolves around selling a range of in-clinic diagnostic instruments – think blood and urine analysers – and the consumable reagents needed to run them. That consumables element creates a valuable continuous revenue stream.

IDEXX's development of equipment that allowed a migration of testing from centralised laboratories to in-practice settings was a game changer. It allowed vets to provide rapid results for anxious pet owners while shifting costs like rent and technicians' wages from IDEXX to the vet. More importantly, it allowed IDEXX to develop a classic "razor and blade" model, selling machines on multi-year contracts that require a minimum annual purchase of high-margin reagents.

We see a series of durable growth drivers within this business:

- Consumers' propensity to spend on pet health is rising
- Most of that spending is out-of-pocket
- The penetration of diagnostic testing continues to increase.

We acquired our IDEXX position at 30 times earnings. While not cheap, we believe this is a fair price for an outstanding business with the ability to reinvest capital at a 40% return and with a long runway for growth.

Outlook

On the surface, the outlook for global economies and equity markets appears favourable. In developed economies unemployment is low, inflation is slowing and real income growth is strong.

Europe is benefitting from a significant loosening of monetary policy and optimism around future fiscal stimulus. China's domestic economy finally appears to have stabilised. The rapid evolution of Artificial Intelligence also adds the prospect of a generational technological leap to the mix; one that could dramatically improve economic productivity.

Below the surface several factors warrant a more measured approach. The recent – and multiple – US tariff policy announcements and chaotic trade negotiations have shaken business confidence and could lead to deferred investment or a sub-optimal preference for flexibility over efficiency.

The subsequent erosion of confidence in US institutions and governance is already reflected in rising long-dated treasury yields and a depreciating US Dollar – but not yet in equity prices. A key concern is the proposed budget reconciliation bill, which highlights an apparent inability by the US government to behave responsibly and rein in spending or increase taxation. This has significant implications for both economic and social outcomes.

We remain confident in the portfolio's current positioning. We hold high-quality businesses with strong brands that continue to generate meaningful earnings growth and high or improving returns on capital. While valuations across the market remain demanding, we have observed that markets can be collectively neurotic and panic at the first whiff of trouble. This can create episodic windows of opportunity – as we saw in April – to add exceptional businesses to the portfolio at reasonable valuations.

Platinum International Health Sciences Fund

Dr Bianca Ogden
Portfolio Manager

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

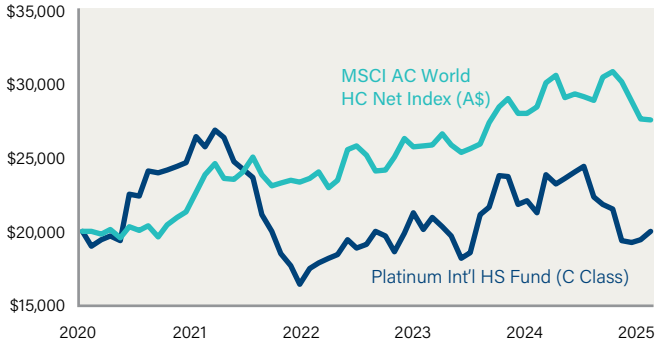
compound p.a.+, to 30 June 2025

	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 40. 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 40.

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.

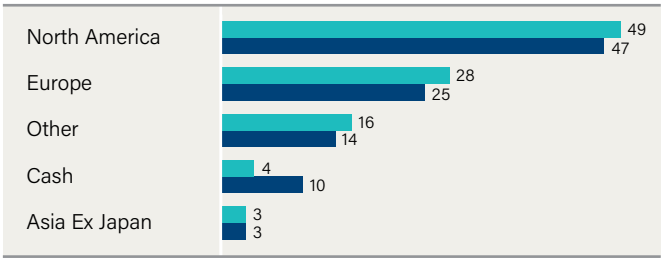
Reading through M&A activity

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 %



See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %

See note 4, page 40. 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 40.
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.

Platinum International Technology Fund

Jimmy Su
Portfolio Manager

Overview

- Technology stocks were up this quarter, shrugging off geopolitical and tariff concerns. Our AI-oriented holdings in companies like **Broadcom**, **Nvidia** and **Amphenol** did every well.
- In this quarter's report we assess Apple as it grapples with the potential risk of being disintermediated by AI.

Performance

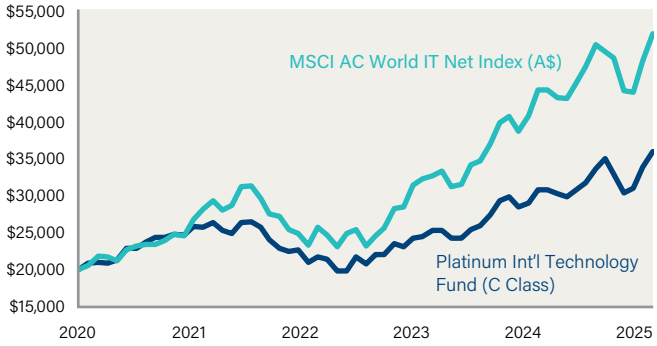
compound p.a.+, to 30 June 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Int'l Tech Fund*	18%	17%	20%	12%	10%
MSCI AC World IT Index^	17%	17%	31%	21%	6%

+ Excludes quarterly returns.
* C Class – standard fee option. Inception date: 18 May 2000.
After fees and costs, before tax, and assuming reinvestment of distributions.
^ Index returns are those of the MSCI All Country World IT 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 40. 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 40.

Fund performance was strong as tech stocks rebounded to all-time highs. Concerns around tariffs and geo-political risks were ultimately short lived. AI names **Broadcom** (+60%), **Nvidia** (+40%) and **Amphenol** (+45%) posted strong results over the quarter as concerns over a slowdown in AI capex eased. **Netflix** (+40%) and **Veeva** (+26%) reported strong 1Q results.

Disappointingly, the final two weeks saw a performance setback from idiosyncratic sources. **Cadence** and **Synopsys** (~8% of the Fund) declined ~10% after the US administration banned EDA software sales to China as a bargaining chip in trade negotiations. The ban was lifted in the first week of July and both stocks rebounded accordingly.

Visa and **Mastercard** (~7% of the Fund) both fell ~5% amid renewed concerns that stablecoins could disrupt traditional card networks. We think this unlikely. There were similar narratives about crypto and BNPL during the last bubble. Payment networks are demand side aggregation businesses where consumers decide how they will pay.

The average consumer chooses card networks for their awards, convenience, wide acceptance and fraud protection. Stablecoins are an inferior alternative given added friction, limited acceptance and regulatory uncertainty.

Please note that we had to raise cash at the end of the quarter to fund our annual distributions. As such, our net exposure as at 30 June 2025 was in the high eighty percent range. Our net exposure will revert to the low ninety percent range once the distribution is paid in early July.

Key portfolio changes

We made the following changes to the portfolio:

- We bought a ~1.5% position in **KLA Corp** (a supply side oligopolies business). KLAC holds a dominant position in inspection and metrology in leading edge semi manufacturing. It will likely benefit from growth driven by increasingly complex transistor architecture at the leading edge. KLAC tools are crucial in improving yields on ever more expensive wafers.
- We added to our analog semi positions – **Texas Instruments** and **Analog Devices** – and initiated a 1% position in **Microchip** (entrenched hardware business). It's likely the analog cycle has finally bottomed after a ~3-year downturn and we expect an earnings rebound.
- We funded these positions by trimming **SAP** and exiting **PTC**, **Siemens** and **Tokyo Electron**.

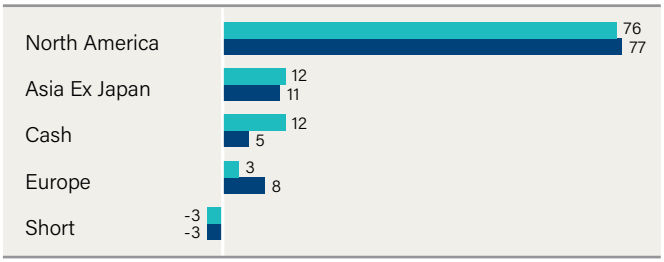
Portfolio exposure based on the Quality / Growth matrix is as below:

Key portfolio holdings

BUSINESS QUALITY	GROWTH POTENTIAL: LOW POTENTIAL	AVERAGE POTENTIAL	HIGH POTENTIAL
BEST IN CLASS	Visa	Meta, Microsoft, ASML, Cadence, Synopsys, Mastercard, Broadcom	Intuitive Surgical, Nvidia, SAP
ABOVE AVERAGE	Analog Devices, Texas Instruments, Microchip	Netflix, TSMC, Google, Lam Research, Constellation, KLAC, Amphenol	Amazon, Veeva, Uber, Coupang, ServiceNow, Arista, Vertiv, BESI
AVERAGE	–	–	–
BELOW AVERAGE	–	–	–

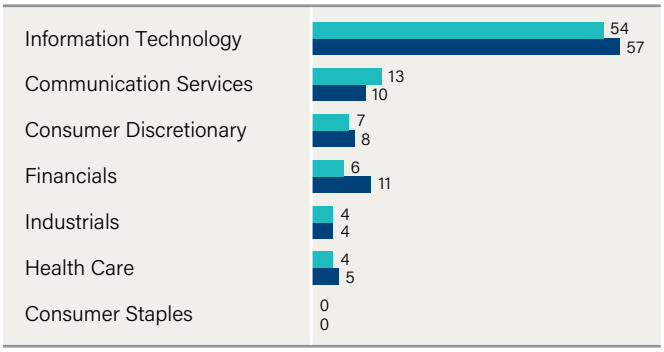
Source: Platinum

Disposition of Assets %



See note 3, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



See note 4, page 40. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Broadcom Inc	US	Info Technology	7.1%
NVIDIA Corp	US	Info Technology	6.2%
Microsoft Corp	US	Info Technology	6.2%
Taiwan Semiconductor	Taiwan	Info Technology	5.5%
Netflix Inc	US	Comm Services	5.1%
Amazon.com Inc	US	Cons Discretionary	5.1%
Meta Platforms Inc	US	Comm Services	5.0%
Veeva Systems Inc	US	Health Care	4.4%
ASML Holding NV	Taiwan	Info Technology	4.1%
Lam Research Corp	US	Info Technology	3.9%

As at 30 June 2025. See note 5, page 40.
Source: Platinum Investment Management Limited.

Portfolio exposure

BUSINESS QUALITY	GROWTH POTENTIAL: LOW POTENTIAL	AVERAGE POTENTIAL	HIGH POTENTIAL
BEST IN CLASS	3%	30%	8%
ABOVE AVERAGE	5%	25%	19%
AVERAGE	–	–	–
BELOW AVERAGE	–	–	–

Source: Platinum

Apple and the next platform shift

The Platinum International Technology Fund does not currently have a long or short position in Apple.

Apple was a winner over the past 15 years as personal computing transitioned from desktops to smartphones. In the 2010s, the iPhone built a large user base through the seamless integration of iOS with great hardware design to offer users unique, intuitive and arguably superior computing experiences. Examples included:

- first to market with multi-touch input on large capacitive touch screens
- in-sourcing chip design to deliver best-in-class performance and battery life
- seamless cross device compatibility through features such as Handoff and Airplay and peripherals like the Watch and Airpods.

For much of the past decade, the iPhone was synonymous with the marketing tagline "it just works".

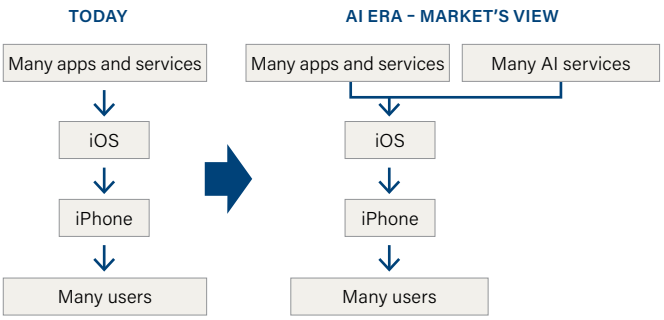
In the past five years the smartphone market matured, phone designs converged and competitors arguably surpassed the iPhone's hardware. As these dynamics changed, Apple increasingly relied on the iOS platform to extract value from their business in a similar fashion to many of our demand side aggregation businesses.

On the users' side, iOS is the main way Apple lock in their 1bn+ user base. Users are reluctant to switch due to inertia, the need to repurchase apps and port across contacts, photos and personal data. Apple monetises these high value users by being the 'toll road' for apps and service providers (see Figure 1). Google paying Apple $20bn a year to be the default search engine exemplified Apple's market power.

With the rise of ChatGPT and other AI services, the prevailing market narrative assumes the status quo – AI will be another category of apps and services. Apple will be an

"AI winner" as the iOS platform remain the primary toll road for AI services to access high value users (see Figure 1). This view is likely Apple's own internal narrative. Apple has underinvested in Apple Intelligence and is increasingly reliant on external partnerships like ChatGPT for AI functionality.

Figure 1: Apple's place in the value chain – today and the market view in the AI era



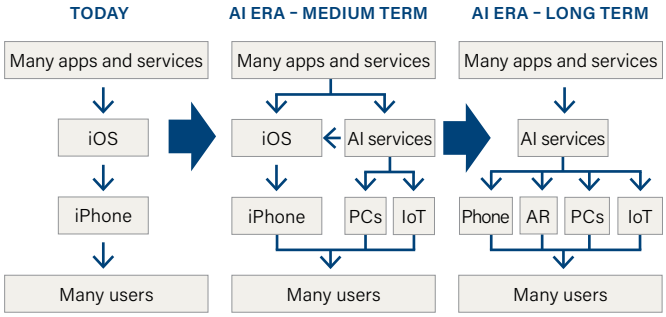
Source: Platinum

Although we remain cautious about the AI promise, "AI agents" – where AI interprets and execute tasks autonomously for a user – could be the next evolution in device interactions. Rather than relying on touchscreen inputs, the interactions happen through the AI agent autonomously or via voice. Today, this could be simple tasks such as drafting emails or scheduling meetings. But in five years' time, AI agents could book our hotel or buy toilet paper every two weeks.

In this scenario Apple's market power could weaken materially over the medium term. On the users' side, iOS' lock-in effects could weaken as agentic AI interactions increase and touchscreen inputs decrease. There will be a tipping point. Users will accept high operating system switching costs in pursuit of a superior and capable agentic AI experience as the value of the latter meaningfully outweigh the costs of the former. On the apps and services side, it's likely native integration between them and AI services is on the roadmap. There's strong incentive to do so, firstly, to create a seamless and integrated agentic AI experience for users, and secondly, to create new hardware-agnostic distribution channels, bypassing the iOS toll road (see middle column in Figure 2).

The existential risk for Apple is that agentic AI evolves into the new operating system for the next generation of hardware which do not require touchscreens (e.g. Meta's Orion or Xiaomi's AI glasses). If this happens, the iOS and iPhone will be obsolete and Apple another commoditised hardware OEM. One only needs to remember Blackberry clinging on to the superiority of their keyboards at the beginning of the touchscreen era to see the disintermediating effects of interface changes. The right column in Figure 2 shows how the value chain could evolve long term.

Figure 2: Our views on the evolution of the value chain



Source: Platinum

Given these potential outcomes, Apple's relationship with ChatGPT could be them welcoming a large wooden horse through the gates of Troy. We think Apple must develop and control their own leading edge agentic AI models, deploy it in iOS and natively integrate with apps and services providers as quickly as possible. Whilst doing so is expensive (xAI is reportedly burning $1bn a month, Meta is spending $72bn this year on capex), Apple, generating ~$100bn+ annually in free cash flow, is one of the few companies with the resources to do so. This investment is not in consensus estimates and could potentially benefit our AI capex holdings like **Broadcom**, **Nvidia**, **Amphenol**, **Arista** and **Vertiv**.

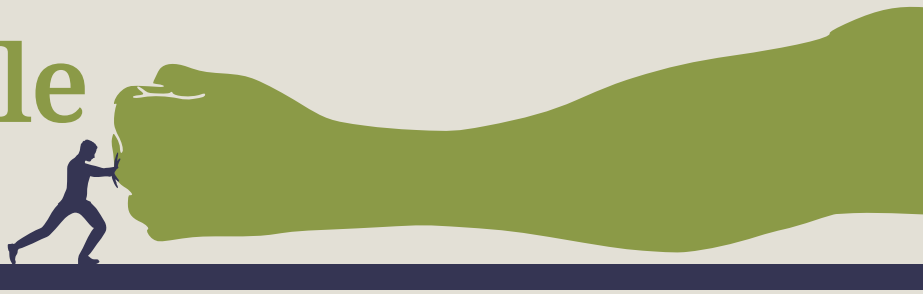
Computing witnessed three major platform shifts. In the 1980s from mainframes to desktop PCs. In the 2000s from desktop PCs to desktop internet. And in the 2010s from desktop internet to smartphones. Each transition reshaped the industry and redistributed profit pools. Sector leadership changed as incumbents were slow to adapt. Is Apple ready for the next platform shift?

Outlook

Tech indices and many stocks in our portfolio are back to highs in price and valuations. Navigating the current environment is tricky. We can feel the market enthusiasm for risk as low quality and stock promotion businesses are rallying 5 – 10% a day and as our inbox is inundated with science projects and (sometimes literal) moonshots looking to IPO to raise capital.

We continue to fulfill our promise to investors. We remain disciplined, seeking opportunities in high quality businesses with good growth prospects trading at acceptable valuations and risk. New areas of research for us includes defence companies and emerging market eCommerce platforms.

Unstoppable Forces



What will really drive long-term returns?

By Jim Simpson

Investing is information processing. The trick is finding the information that really matters and framing your investment position around that.

Looking back over my career it's clear I spent a lot of energy chasing things that didn't really matter or were unknowable. On the other hand, I saw some themes emerge which really were Decision One themes.

I remember being at Platinum in 1994 when the US was going through another bond conniption and Asia was eating its lunch in manufacturing. Yet less than a decade later, the US had turned the internet into a tool to re-create the world.

So, you can chase all today's debates, whether that's tariffs, President Trump or US debt. Or you can look for what I call Unstoppable Forces – trends almost certain to drive long-term returns.

1. China and the US

Today people see US/China as a winner-takes-all geoeconomic competition. The real question is: will the Chinese manufacturing giant - which is gaining across so many future-facing fields – capture the rewards from US-centric capital markets?

Getting that question right could dominate global return factors for years to come.

I see China as an unstoppable force. The West will eventually accept that and China will find its way back into global capital markets. In the meantime, ignoring Chinese companies (which many are suggesting) is an abrogation of responsibility.

2. Artificial intelligence gets real

In less than 100 years since the first computer chip we have now crossed the threshold where artificial intelligence becomes a viable replacement for human intelligence. The trend is accelerating and it is the US and China that will dominate. They will reap a disproportionate share of the benefits of this technology shift and in a geostrategic sense it could be quite disruptive as they rely less on other countries.

Follow the forces

There is always plenty to think about in markets. Tariffs, US debt, war in Eastern Europe and turmoil in the Middle East are occupying investors' minds right now.

Yet if you focus on the China/US relationship and AI – and get very good at investing around those themes – you could be a long way towards success. ■

JIM SIMPSON WAS A CO-FOUNDER OF PLATINUM
AND IS CHAIR OF ITS INVESTMENT OVERSIGHT GROUP

Highlights from The Journal

The articles and video in the Journal section of the Platinum website help explain market moves and update you on investment decisions within our Funds. Here's some recent highlights.

ARTICLE

Scottie Scheffler and the 'happy amateur' investor[1]

What can investors learn from the distinction between amateur and professional sport?

VIDEO

From cheap trinkets to the DeepSeek moment[2]

DeepSeek is another symbol of Asia's capacity for change. But what does it mean for investors?

VIDEO

Europe: why President Trump's tough love is a catalyst for change[3]

Europe is adapting to new geopolitical realities. Which companies could benefit?

ARTICLE

Investment lessons with a pro – the front nine[4]

Douglas Isles draws on 18 years' experience to talk cliches, hype and the perils of past performance.

ARTICLE

Lessons with an investment professional – nine more tips[5]

Douglas Isles returns with nine more investment tips – exploring the hidden dangers of a headline and the power of quality.

1 www.platinum.com.au/the-journal/scottie-scheffler-and-'happy-amateur'-investors
2 www.platinum.com.au/the-journal/from-cheap-trinkets-to-the-deepseek-moment
3 www.platinum.com.au/the-journal/europe-tough-love-and-a-catalyst-for-change
4 www.platinum.com.au/the-journal/investment-lessons-with-a-pro-the-front-nine
5 www.platinum.com.au/the-journal/lessons-with-an-investment-pro-the-back-nine

Some light relief

"All these books on debt management are overdue..."

CartoonStock.com

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 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 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".

   The Platinum Global Fund (Long Only) does not undertake any short-selling of stocks or indices. As a result, its net sector exposures through its securities positions and securities/index derivatives positions are its sector exposures through its long securities and long securities/index derivatives positions.
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.

About us

Platinum Asset Management is a Sydney-based manager founded in 1994 and specialising in international equities.

The investment team uses a thematic stock-picking approach that concentrates on identifying out-of-favour stocks with the objective of achieving superior returns for our clients. We pay no heed to recognised indices. We aim to protect against loss and will hedge stocks, indices and currencies in our endeavours to do so.

Platinum now manages around A$8 billion on behalf of its investors. Platinum's ultimate holding company, Platinum Asset Management Limited (ASX code: PTM), listed on the ASX in May 2007.

Investor services numbers

Monday to Friday, 8.30am – 5.30pm AEST

1300 726 700

0800 700 726 New Zealand only

Or visit us at our office

Level 8, 7 Macquarie Place, Sydney

Level 8, 7 Macquarie Place
Sydney NSW 2000

GPO Box 2724
Sydney NSW 2001

Telephone
1300 726 700 or +61 2 9255 7500
0800 700 726 (New Zealand only)

Facsimile
+61 2 9254 5590

Email
invest@platinum.com.au

Website
www.platinum.com.au