Platinum
Part of L1 Group

Quarterly Investment Manager's Report

30 JUNE 2026

Platinum Investment Bond™ - Platinum International Fund

Investment Update

Platinum Investment Bond - Platinum International Fund (PIBPIF)

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Portfolio Manager

Overview

- It was the stocks the Fund **didn't** hold that drove relative underperformance this quarter with the semiconductor and semiconductor equipment sub-segment accounting for around 45% of the MSCI World Index return. In our view, momentum chasing has overtaken valuation discipline in some instances.
- **TSMC** and **Amazon** contributed significantly to returns while **AerCap**, **Alphabet**, and **Visa** also performed well.

The Platinum Investment Bond ("Bond") is an investment bond issued by Lifeplan Australia Friendly Society Limited ABN 78 087 649 492 AFSL 237989. Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935 ("Platinum"), is the responsible entity of the Platinum International Fund ("PIF"), an underlying investment option of the Bond. Please refer to page 7 for further disclosures.

The following is the 30 June 2026 Quarterly Investment Manager's Report prepared for PIF by its Portfolio Manager. Please note that in this report, the "Fund" refers to PIF and portfolio details, such as portfolio disposition and top 10 holdings, pertain to PIF's portfolio. Please be aware that PIBPIF and PIF (C Class - standard fee option) have different fee structures and therefore different returns.

Please refer to www.australianunity.com.au/wealth/platinum for the latest performance information.

This commentary relates to the underlying fund, the Platinum International Fund (PIF).

Market environment

It was very much a **'risk on' quarter**. At a broad sector level Information Technology delivered returns of more than 33% during the quarter. Industrials and Financials both returned around 12%, in line with the overall MSCI World Index return.

It was AI capex beneficiaries which predominantly drove market returns. The semiconductor and semiconductor equipment sub-segment accounted for around 45% of the MSCI World Index's quarterly returns.

Performance

During the quarter, the Australian dollar appreciated modestly, up 0.3% versus the US dollar and 1.4% against the Euro, slightly detracting from reported returns. While the Fund's relative underperformance is disappointing, it was driven more by the investments **not held** in the Fund, than by which investments were held.

Individual company contributions to global market returns were highly concentrated in the quarter. Ten companies accounted for close to half of the MSCI World Index quarterly returns, with the remainder of the 1,300 plus companies accounting for the rest of the Index returns.

Some company share price movements were exceptional, with **AMD**, **Intel** and **Micron** each broadly tripling or more over three months. These companies accounted for just over 2% of the Index by market capitalisation yet accounted for 17% of quarterly returns. Not investing in these companies detracted from the Fund's relative performance. In our view, momentum chasing has overtaken valuation discipline in some instances.

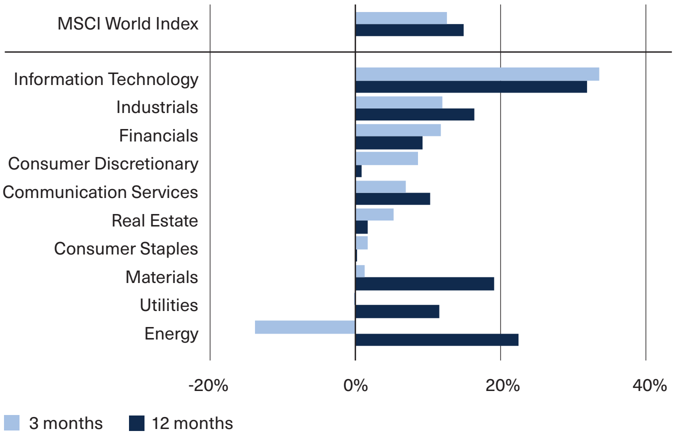
Cash at the end of the quarter was around 3%. **We expect the Fund to hold 5% or less cash in most market environments.**

Key contributors and detractors

At the end of quarter, the Fund held 21 investments, with the top 10 positions accounting for around 65% of the Portfolio. **TSMC** contributed more than 2.0% to the Fund's returns, while **Amazon.com** contributed around 1.0%. **AerCap**, **Alphabet** and **Visa** each contributed around 0.5% or greater. **Intercontinental Exchange** and **Intuit** detracted from Fund performance.

TSMC, and to a lesser extent **Nvidia**, benefitted from the market favouring AI capex winners. Our valuation of both businesses continues to increase. They are both currently top five holdings.

Figure 1: MSCI World Index (in A$) – Sector performance



Source: Bloomberg

We remain excited by the outlook for Amazon.com, both for the ecommerce business and Amazon Web Services (AWS).

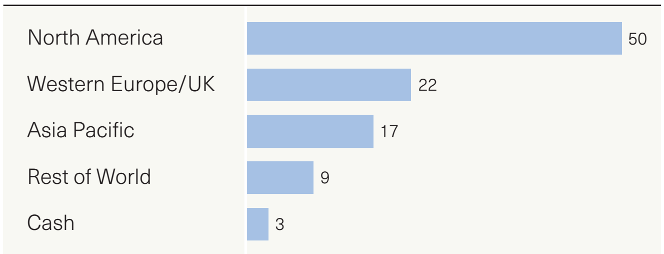
On the ecommerce side, operational execution is consistently improving. Further increases in AWS's capital expenditure will see Amazon.com generating negative free cash flow. We believe the market is overly focused on near-term free cash flow and continues to underappreciate the longer-term structural opportunity for the hyperscalers and the potential returns on their AI-related capital investment.

Amazon CEO Andy Jassy's April 2026 Letter to Shareholders[1] explored his perspectives on AI and how Amazon is positioned for a 'seminal shift'. Jassy shed some light on AWS's internal chip capabilities – we believe they are under-appreciated – as is the nearer term ramp in AWS capacity. In our view, both the ecommerce flywheel and AWS remain underappreciated and undervalued.

AerCap, the world's largest aircraft and aircraft engine lessor, continues to benefit from **strong demand and constrained supply across both aircraft and engines**. Higher fuel prices associated with the Middle East conflict have contributed to some adjustment in airline capacity and increased pressure on weaker carriers, but we do not expect this to affect AerCap. It may present opportunities for AerCap's nimble management team. We expect another quarter of strong financial results and elevated buyback activity. Although the upside is more modest following recent share price appreciation, AerCap remains a high-quality compounder capable of creating significant shareholder value through sustained financial performance and disciplined capital allocation.

1 To read Andy Jassy's letter see www.aboutamazon.com/news/company-news/amazon-ceo-andy-jassy-2025-letter-to-shareholders.

Revenue Exposure by Region %



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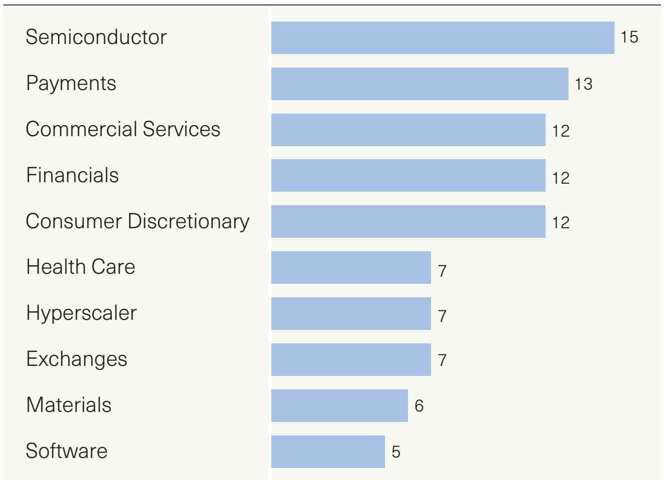
Revenue by region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Industry Breakdown %



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See note 2, page 7. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Positions

COMPANY	INDUSTRY
AerCap	Financials
Alphabet	Commercial Services/Hyperscaler
Amazon.com	Consumer Discretionary/Hyperscaler
Booking Holdings	Consumer Discretionary
CRH	Materials
Danaher	Commercial Services
Mastercard	Payments
Nvidia	Semiconductor
TSMC	Semiconductor
Visa	Payments

As at 30 June 2026.
Source: Platinum Investment Management Limited.

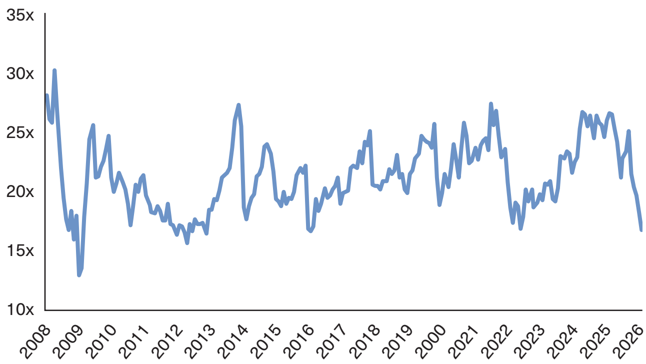
Market Capitalisation Exposure (in US$)

MARKET CAP	TOTAL WEIGHT
$100 billion+	57%
$50-100 billion	22%
$10-50 billion	14%
<$10 billion	4%
Cash	3%

As at 30 June 2026.
Source: Platinum Investment Management Limited.

Intercontinental Exchange (ICE) is a high-quality business that is not particularly AI-sensitive and that we see trading at a compelling valuation. ICE is trading on a forward price to earnings ratio of around 17x, a level we have not seen since the GFC.

Figure 2: ICE 12-month forward P/E ratio



Source: FactSet

There are some market concerns around the impact AI may have on the number of people using ICE's proprietary data and analytics. We think this is a peripheral issue and unlikely to materially impact ICE. The larger market concern is that the Commodity Futures Trading Commission, which regulates many of ICE's markets, may authorise 'perpetual' derivatives and encourage competition in products such as crypto that could compete with established regulated exchanges.

These issues are complex and technical so this is an area where **detailed industry knowledge is critical**. We ***do*** expect pro- competition regulatory developments and, in some areas, increased competition for retail customers. Nevertheless, we view ICE's core franchises as well positioned for a range of legal, regulatory and commercial reasons. ICE management is also actively partnering with and investing in participants across crypto and prediction markets, positioning the company to adapt as the regulatory framework evolves. We modestly added to the ICE position at a price **well below our assessment of fair value**.

Portfolio adjustments during the quarter accounted for just under 10% of the Fund's investments.

The Fund increased its investment in **Nvidia**. This reflects our view that AI is rapidly becoming more capable and that AI capital expenditure will be 'stronger for longer.' We have followed Nvidia for years, but our first investment in the company was slightly less than 12 months ago. We had materially underestimated the growth in AI, the size of the addressable market and Nvidia's associated growth and profitability.

Since then, our earnings and cash flow expectations for Nvidia for the next few years have almost doubled. Yet the share price has 'only' increased around 15% since our initial investment. This has been reflected in a material derating of Nvidia's near term trading multiples. Market commentators are generally not concerned about Nvidia's short term earnings prospects. Their key concern is longer term loss of market share, and questions over management's allocation of Nvidia's immense free cash flow. We expect Nvidia will lose share within the entire 'AI compute pie,' but the rapid growth in the whole pie will mean Nvidia's smaller share still corresponds to very strong growth and financial performance. We are comfortable with Nvidia's overall capital allocation strategy. We consider Nvidia to be trading well below fair value today – an example of value to be found amongst all this AI exuberance.

> **"...the enterprise landscape has changed... The bar is now higher when it comes to all enterprise software."**
>
> Jacob Andreou, Executive Vice President Copilot – Microsoft, July 2026

In response to our concern that AI is potentially more disruptive to some established businesses and industries, several portfolio adjustments were made.

Salesforce is the clear leader in its software sub-segment, is well-managed and its business economics and financial position are strong. However, we think AI has significant implications for Salesforce. We sold into a bounce in their share price and used the proceeds to fund increased investment in Nvidia.

CDW is a leading provider in the information technology (IT) industry in North America and the UK. It is a value-added reseller for many of the leading IT businesses. Management is executing solidly in subdued market conditions. Most of the AI implications for CDW are second-order – for example, clients may spend less on the products and solutions sold by CDW and more on AI-centric solutions.

We divested CDW to fund larger investments in several high-quality businesses that are not AI sensitive and trading below our assessed fair value. They therefore offer a compelling investment opportunity for investors who are driven less by short-term momentum and have a longer-term investment horizon. Examples include **American Express**, **Apollo Group**, **Danaher**, **HCA** and **ICE**.

Microsoft is no longer among our top 10 holdings. We have rebalanced the portfolio weights between Alphabet and Microsoft. We remain comfortable with the Azure hyperscaler business although we believe it may be less well positioned than Alphabet's GCP and Amazon's AWS hyperscaler businesses:

- Microsoft is behind in developing its own chips to support AI workloads at lower cost and to reduce reliance on Nvidia.
- Azure had pulled back on some data centre investments. It is now capacity constrained and more dependent on neocloud capacity for immediate needs.
- Azure is more OpenAI-centric and less Anthropic-centric and recently Anthropic has been out-executing OpenAI. We still expect Azure to deliver strong growth and sound returns on its massive capital expenditure.

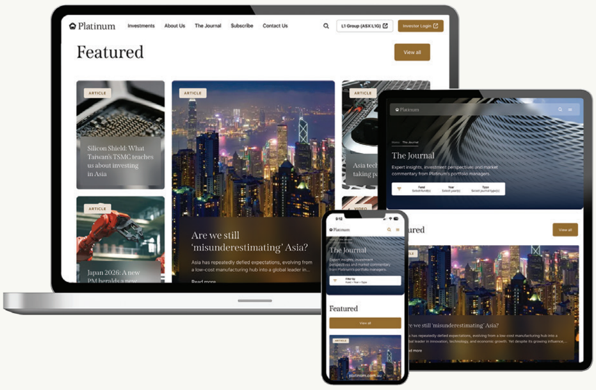
Of course, Microsoft is considerably more than Azure. Some of its businesses, such as Xbox, are struggling, while others, such as the Windows operating system franchise, face cyclical challenges. Microsoft 365 is of critical importance – especially the ongoing development of Copilot. Management changes have been made to improve performance.

Conclusion

Today's market is characterised by **both frothy exuberance and over-pessimism**. We see stretched valuations and considerable hype, but also compelling opportunities in high-quality businesses whose long-term prospects are not reflected in their share prices. The businesses in the portfolio are generally performing strongly, while their management teams continue to respond thoughtfully to changing opportunities and risks. **We are focused on quality, valuation and the avoidance of permanent capital loss**, and we believe the portfolio is well positioned to deliver attractive risk-adjusted returns for patient investors.

Highlights from The Journal

Stay up to date with global sharemarkets thanks to the latest investment insights from Platinum and L1 Capital.



VIDEO 7 MINS

Platinum Asia Fund Video Update

Cameron Robertson, Portfolio Manager of the Platinum Asia Fund, discusses the forces shaping Asian markets, including the AI boom and the effects of the conflict in Iran.

www.platinum.com.au/the-journal/platinum-asia-fund-june-2026/

VIDEO 25 MINS

June 2026 Investor Update Platinum International Fund

David Steinthal, Portfolio Manager of the Platinum International Fund, discusses the current investment environment, the impact of artificial intelligence on markets and company fundamentals and why Platinum sees compelling long-term opportunities in its portfolio.

www.platinum.com.au/the-journal/june-2026-investor-update-platinum-international-fund/

ARTICLE 4 MINS

Patience Pays: Romania's Banking Champion Emerges

Romania's Banca Transilvania is one of Europe's banking success stories – combining strong management, disciplined growth and exposure to one of the continent's fastest-growing economies.

www.platinum.com.au/the-journal/patience-pays-romanias-banking-champion-emerges/

ARTICLE 3 MINS

SK hynix: When the Chips Are Up

In the past year Korea's SK hynix has ridden the global semiconductor cycle to deliver some extraordinary share price growth. But our interest in the stock is a long-term one. We look at why we were buying the stock as far back as 2013.

www.platinum.com.au/the-journal/sk-hynix-when-the-chips-are-up/

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).

The Platinum Investment Bond ("PIB") is an investment bond issued and administered by Lifeplan Australia Friendly Society Limited ABN 78 087 649 492 AFSL 237989. "PIBPIF" refers to the Platinum Investment Bond - Platinum International Fund (APIR code: LIF2561AU), one of the underlying investment options of the Platinum Investment Bond. "PIF" refers to the Platinum International Fund (ARSN 089 528 307), the underlying fund into which the PIBPIF invests.

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. The disposition of assets (i.e. other than "cash" and "shorts") shows PIF'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. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through long derivative transactions.
2. The table shows PIF's net exposures to the relevant sectors through its long positions and long 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".
3. The table shows PIF's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

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