



Platinum  
Investment Bond™  
- Platinum  
International Fund  
Quarterly Investment  
Manager's Report

31 December 2025

# Investment Update

## Platinum Investment Bond - Platinum International Fund (PIBPIF)



**David Steinthal**  
Portfolio Manager

### Overview

- Throughout 2025, the global economic environment continued to develop in line with our base case – slowing growth, but not a recession. The economy is 'K-shaped'. More affluent people continue to do well, while lower socio-economic consumers remain under intense pressure.
- Markets had to deal with geopolitical instability, including ongoing uncertainty from 'Liberation Day' tariff policy and also tried to come to terms with the potential of AI. That said, it was another good year for global equity investors.
- The December Quarter saw David Steinthal of L1 Capital International become the portfolio manager for the Platinum International Fund.
- Over the final quarter of 2025, Fund performance was boosted by good results from aircraft leasing business **AerCap**, tech giant **Alphabet**, healthcare stock **Danaher** and semiconductor chip manufacturer **TSMC**.

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 31 December 2025 Quarterly Investment Manager's Report prepared for PIF by its Portfolio Managers. 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.

## Performance

Please refer to [www.australianunity.com.au/wealth/platinum](http://www.australianunity.com.au/wealth/platinum) for the latest performance information.

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

The market in 2025 was 'risk-on', with defensive sectors like Real Estate and Consumer Staples lagging, while the environment for more discretionary consumer businesses was patchy.

As Figure 1 shows, in the December quarter Real Estate was the only sector to deliver negative returns whilst Materials performed the best on the back of a very strong performance by gold company shares.

Communication Services, Financials, Materials, Industrials, Utilities and Information Technology sectors outperformed the broad Index over the whole of 2025.

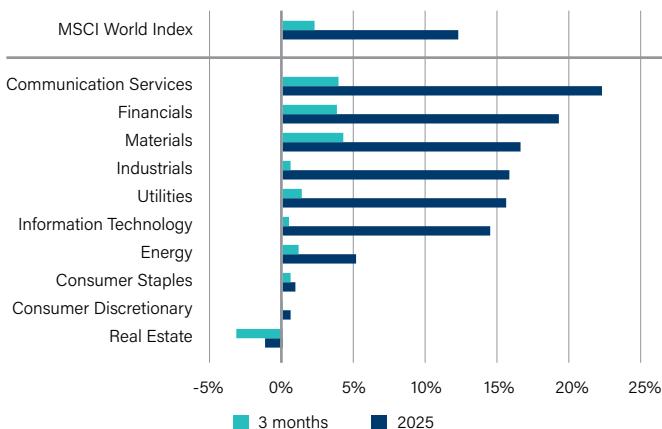
Within industries, company performance and stock market returns varied widely.

### Key contributors and detractors – December quarter

Airline leasing business **AerCap** contributed 1.4% to the Fund's returns, while **Alphabet** added 1.0% and **TSMC** contributed 0.7% to Fund performance during the quarter.

**Jacobs Solutions, Microsoft** and **Uber** detracted from the Fund's quarterly returns by between 0.5% and 0.8% each but we take a longer-term view and continue to view these businesses as well-placed.

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



Source: Bloomberg

### Jacobs Solutions is building for the future

Jacobs Solutions is a global leader in engineering services. Whilst the company continues to perform in line with our expectations, during the quarter a competitor held an investor event and suggested AI would disrupt the engineering services industry. We are in an environment where every industry and company is dubbed either an 'AI Winner' or 'AI Loser'. We believe this is a shallow distinction.

Almost every industry will need to incorporate and adapt AI. We think Jacobs Solutions will be a net beneficiary of the AI revolution. Management is actively investing in AI to deliver efficiencies and the company also benefits from providing engineering services to meet the massive growth in AI-centric infrastructure.

We have discussed AI opportunities and threats with Jacobs' management, with their competitor and with other industry participants. We view recent share price weakness in Jacobs as unjustified, so we moderately increased our position. Post quarter end the company acquired the minority interests in a subsidiary, PA Consulting. This transaction was well signalled, strategically sound and the agreed acquisition price was modestly below our expectations. So it was a small additional positive to our base case valuation.

### Where to for Uber?

We would call Uber a 'battleground' company. It's clearly the leader in ridesharing and meal delivery in the U.S. and many international markets. Autonomous vehicles continue to gain traction, with Waymo (Alphabet), Tesla and Zoox (Amazon.com) at the forefront and many other companies developing autonomous vehicle strategies.

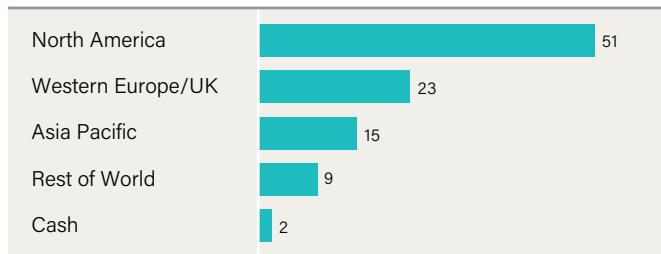
Uber is working with many of these companies and is well placed to maintain its central network role in a hybrid world of human-driven and autonomous vehicles. That said, we recognise the inherent uncertainties and view Uber as a higher-risk, higher-return investment opportunity. Accordingly, Uber is a smaller position in the Fund and is not a top 10 holding.

### TSMC – tiny chips, huge business

Taiwan's TSMC is the leading manufacturer of semiconductor chips used in AI, mobile phone and other applications. It benefits from extremely strong demand and has industry-leading manufacturing capabilities. It is expanding in Taiwan and making large manufacturing investments in the U.S. and other international markets. Financial performance continues to exceed our expectations and we believe the business has a long runway for future growth.

<sup>1</sup> All performance numbers are net of fees in Australian dollars unless otherwise noted

## Revenue Exposure by Region %

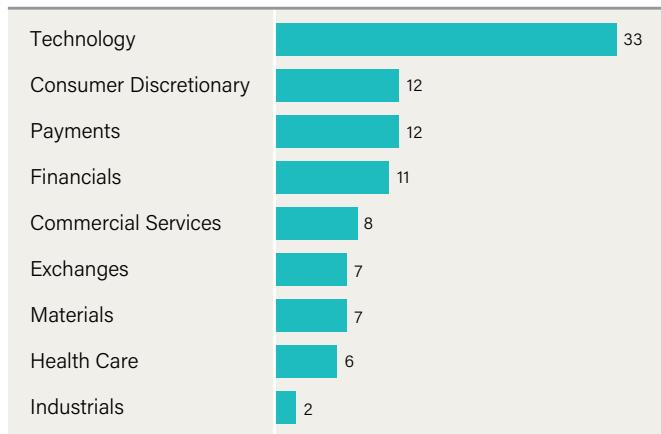


31 DEC 2025

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 %



31 DEC 2025

See note 4, page 40. Numerical figures have been subject to rounding.

Source: Platinum Investment Management Limited.

## Top 10 Positions

COMPANY	INDUSTRY
AerCap	Financials
Amazon.com	Consumer Discretionary/Technology
Booking Holdings	Consumer Discretionary
CRH	Materials
Intercontinental Exchange	Exchanges
Intuit	Technology
Mastercard	Payments
Microsoft	Technology
TSMC	Technology
Visa	Payments

As at 31 December 2025.

Source: Platinum Investment Management Limited.

## Market Capitalisation Exposure (in US\$)

MARKET CAP	TOTAL WEIGHT
\$100 billion+	63%
\$50-100 billion	17%
\$10-50 billion	16%
<\$10 billion	2%
Cash	2%

As at 31 December 2025.

Source: Platinum Investment Management Limited.

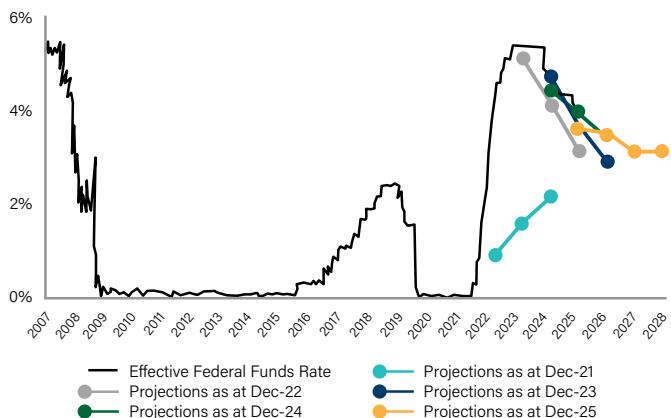
At the end of the December 2025 quarter our cash holding was 2%. The Fund remains close to fully invested and we expect this to continue under most conditions. Our Bench of potential investments has never been stronger, with several companies actively challenging for inclusion in our high-quality portfolio.

## Outlook – more of the same?

Our base case is that the 2026 investment environment will be broadly consistent with that of 2025 (and 2024), albeit hopefully without the added excitement of another Liberation Day type event. We expect recent macroeconomic trends and the market's focus on AI to persist, while remaining mindful that adverse outcomes typically come from unexpected areas.

Figure 2 compares the Federal Reserve's Fund Rate against market projections. Since 2022, the market has consistently anticipated more rate cuts than have actually materialised. We will see if there are any changes when Jay Powell's term as Fed Chair ends in May 2026.

Figure 2: Federal Reserve Funds Rate vs. expectations



Source: St Louis Federal Reserve, Federal Open Market Committee

The market is assessing an 80% probability the U.S. Federal Reserve Rate will be reduced by between 0.25% and 0.75% by December 2026, although more cuts and no cuts are not zero percent probabilities. President Trump emphatically believes the Federal Fund rate should be materially lower. From an investment perspective, the independence of a country's central bank is far more important than the precise level of short-term interest rates. The reported criminal inquiry into Federal Reserve Chair Powell does not reflect well in this respect.

We continue to focus on longer term interest rates. As you can see from Figure 3, those interest rates in key economies have been broadly stable. We consider long-term rate settings to be supportive of economic activity and asset valuations. If longer-term interest rates were to go materially higher it would likely be in response to inflation concerns. Materially lower longer-term interest rates would likely signal recessionary conditions. Neither would be positive for stock markets.

### The politics

Political developments remain a wildcard. Liberation Day tariff policy created massive market uncertainty. Subsequently, policies have been watered down, deals done, exceptions made and timeframes extended. We continue to view U.S. tariff policy as moderately inflationary in the U.S. and net negative for economic growth in the U.S. and globally. However, the economic implications of the current effective level of tariffs appears manageable.

It may not look like it right now, but U.S. domestic policy may be heading more centrist. Mid-term elections may further temper U.S. fiscal policy as betting markets suggest there's a 77% probability of a Democrat House. However political uncertainty in the U.S. and internationally is likely to continue.

**Figure 3: 10-year bond rates (%)**

	U.S.	ECB	U.K.	AUSTRALIA	CANADA	N.Z.	CHINA	JAPAN
31 December 2024	4.57	2.36	4.57	4.36	3.23	4.41	1.67	1.09
31 December 2025	4.17	2.85	4.48	4.74	3.43	4.40	1.84	2.06
Change in 2025	(0.40)	+0.49	(0.09)	+0.38	+0.20	(0.01)	+0.17	+0.97

Source: Bloomberg

### Market dispersion demands discipline

Our base case is for patchy, moderate economic growth. More affluent consumers continue to be much better placed than people with lower incomes and financial wealth. We are steering clear of businesses overly exposed to less affluent consumers.

The choppy investment environment makes industry and business selection critical. 2025 saw significant investment return divergence, both at the global market level and even within our highly concentrated portfolio of high conviction investments. Many high-quality businesses underperformed market returns, while we are also identifying pockets of froth and exuberance. We expect volatility and performance divergence to continue. That makes careful industry and business selection, valuation discipline, a clear investment process and thoughtful position-sizing essential.

We are avoiding market fads and speculation and consistently applying our 'bottom-up' investment philosophy. We seek high-quality businesses led by experienced and aligned management teams that benefit from favourable long-term business drivers in a diverse range of well-structured industries. We believe this approach can deliver strong long-term, risk-adjusted returns across a range of economic conditions.

# Highlights from The Journal

Visit [www.platinum.com.au/platinum-investment-bonds](http://www.platinum.com.au/platinum-investment-bonds) to access information about the Platinum Investment Bond – Platinum International Fund including:

- Weekly unit prices
- Monthly updates on performance, portfolio positioning and top 10 holdings
- Announcements.

The Journal section of the Platinum website features articles and videos covering global market moves and how we're investing.

## VIDEO

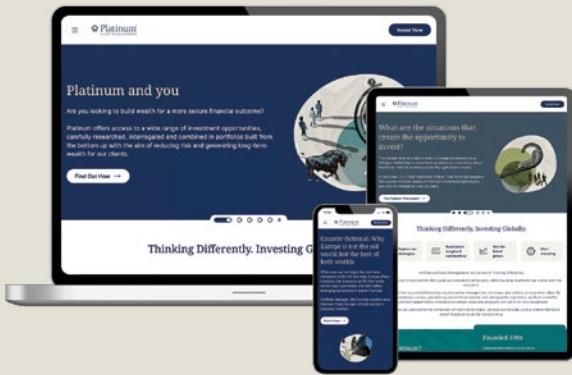
### Platinum International Fund November 2025<sup>1</sup>

Portfolio Manager David Steinhalt discusses the K-shaped economy and the AI-boom, then outlines the investment case for Amazon and for Intercontinental Exchange, a business with a long history of consistent performance.

## VIDEO

### The 2025 Platinum Roadshow<sup>2</sup>

David Steinhalt and Cameron Robertson talk tariffs, the AI revolution and the trends they're watching as we move into 2026.



## ARTICLE

### Asia today – AI winners and better mousetraps<sup>3</sup>

Cameron Robertson explores the themes that could influence Asian shares in 2026 – including battery tech, the US dollar and management teams that are both creative and disciplined.

## ARTICLE

### AI capex – short term upside, long term questions<sup>4</sup>

Jimmy Su explores what the AI capex boom means for the big tech companies spending the money. Can they make a return on that huge investment – and which of the Magnificent Seven are most threatened by AI disruption?

<sup>1</sup> [www.platinum.com.au/the-journal/platinum-international-fund-video-20251](http://www.platinum.com.au/the-journal/platinum-international-fund-video-20251)

<sup>2</sup> [www.platinum.com.au/the-journal/the-2025-platinum-roadshow-video](http://www.platinum.com.au/the-journal/the-2025-platinum-roadshow-video)

<sup>3</sup> [www.platinum.com.au/the-journal/asia-2025-ai-winners-and-better-mousetraps](http://www.platinum.com.au/the-journal/asia-2025-ai-winners-and-better-mousetraps)

<sup>4</sup> [www.platinum.com.au/the-journal/ai-capex---short-term-upside,-long-term-questions](http://www.platinum.com.au/the-journal/ai-capex---short-term-upside,-long-term-questions)

**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 geographic 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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