Platinum
Part of L1 Group

Quarterly Investment Manager's Report

Platinum Investment Bond™
Platinum Asia Fund

SEPTEMBER 2026

Investment Update

Platinum Investment Bond - Platinum Asia Fund (PIBPAF)

Overview

- The Platinum Asia team did research trips to Taiwan, Korea and India during the quarter. AI dominated conversations in Taiwan and Korea while infrastructure and manufacturing were key topics in India. The Asian region is highly diverse - a fact reflected in a range of return results over the quarter.
- Korean semiconductor giant SK hynix was caught up in margin-loan related selling and fell sharply. In our view this reflects investor speculation rather than the quality of the business. Our semiconductor stocks - particularly SK hynix and Samsung - continued to churn out profits and announced increased dividend payouts.
- In our assessment the outlook for the region is positive. Many quality stocks are undervalued and waiting for a catalyst at the stock-specific level to re-rate upwards.

Cameron Robertson | Portfolio Manager



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 Asia Fund ("PAF"), an underlying investment option of the Bond. Please refer to page 7 for further disclosures.
The following is the 30 September 2026 Quarterly Investment Manager's Report prepared for PAF by its Portfolio Managers. Please note that in this report, the "Fund" refers to PAF and portfolio details, such as portfolio disposition and top 10 holdings, pertain to PAF's portfolio. Please be aware that PIBPAF and PAF (C Class - standard fee option) have different fee structures and tax treatment and therefore different returns.

Platinum Asia Fund

Performance

See www.australianunity.com.au/wealth/platinum **for the latest performance information.**

This commentary relates to the underlying fund, the Platinum Asia Fund (PAF). References to specific securities are for illustrative purposes only and are not intended to be recommendations to buy, sell or hold any security. Investments can go up and down. Past performance is not predictive of future returns.

The Fund declined slightly in the quarter. Underlying this topline number, Asian markets delivered widely differing returns, making for a turbulent quarter. Korea fell 19%, while Taiwan gained 4%. Mainland Chinese shares declined 11%, whereas Hong Kong-listed Chinese shares rose 7%. India fell 5%. The Asian region is a diverse one.

Turning to specific stocks that drove performance, Korean chip specialist SK hynix – which had roughly tripled in the three months to the end of June – then fell 33% in the September quarter and was a meaningful detractor from Fund returns. The other Korean chip giant, Samsung Electronics, also weakened. Interestingly, smaller holdings in the semiconductor manufacturing ecosystem, including HPSP, Soulbrain and EO Technics, made positive contributions, despite initially selling off in July.

Our Chinese holdings featured on both sides of the ledger. Event lighting manufacturer Guangzhou Haoyang Electronic staged a solid rally as its customers adjusted to tariff changes and resumed spending. Its French lighting brand, Ayrton, delivered strong growth.

Conversely, heavyweight battery manufacturer CATL was a notable detractor this quarter. Customers' efforts to diversify suppliers and the market's concerns about excess capacity in China's energy-storage industry weighed on sentiment around the stock. We maintain our holding and remain positive about CATL's competitive position but are watching those customer decisions closely.

Commentary – managing the speculation

In our June quarterly, we noted increasingly speculative behaviour around AI and our view that this created the potential for a sharp market adjustment. July proved our view to be prescient.

In Korea, the "fear of missing out" on the AI boom gave way to a rush for the exits. Korean investors were so over-enthusiastic about AI stocks that when the market turned, at least 1.2 million retail investors' accounts faced margin calls. Debt-driven selling is forced selling and that creates disorderly markets. In these situations, your long-term view can be correct. But that is of little use if it's your lender who decides when you must sell!

We had steadily trimmed our large semiconductor holdings leading into the turmoil we saw in Korean semiconductor stocks.

Nevertheless, we still held meaningful positions, so the Korean sell-off during the quarter did drag on performance – most notably during July. Risk management does not mean avoiding every loss; it means keeping losses from overwhelming the portfolio. Towards the end of July, as the sell-off in the Korean market reached a crescendo, we took the opportunity to add modestly to a couple of our holdings there, buying shares in the engine servicing business, HD Hyundai Marine Solution, and the specialty chemicals company, Soulbrain.

July's share-price fall should not be confused with weakness in the underlying businesses. The sharp Korean sell-off reflected the actions of over-geared investors underpinned by borrowed money. It did not reflect any fundamental business deterioration. The Korean market remains firmly ahead over 12 months, and semiconductor earnings continue to be robust.

During the quarter Samsung and SK hynix announced substantial increases in shareholder distributions. The returns coming from dividends and share buybacks means the Fund, as a minority shareholder, gets to benefit from the boom these companies are enjoying.

While the quarter was a volatile one for technology-oriented investors, September saw renewed enthusiasm for AI-exposed companies. This enthusiasm was helped by the launch of Meta's Muse – a personal AI assistant that can pay bills and book travel rather than simply answering questions. The app shot to the top of the US App Store charts – though it's not yet available in Australia.

Rates, oil and debt

Away from AI, the Iran ceasefire fell apart in early July. This brought renewed energy-market disruptions which continued to pressure consumers and corporate margins in Asia where a lot of fuel is imported. Higher interest rates and bond yields also added to Asian companies' financing costs.

I would note our portfolio companies generally have very healthy balance sheets, so should be relatively well placed to navigate this.

All this served to keep the US dollar firm, despite the country's rapidly growing debt load. Meanwhile, another Trump-Xi meeting brought a two-month extension to the trade truce: tensions have been managed, at least in the short term, but underlying issues still simmer.

On the road – beyond the AI story

Platinum's Asia team visited companies in Taiwan, Korea and India during the quarter. In Taiwan and Korea, AI dominated our taxi-driver conversations. We met manufacturers who complained that investors no longer have time for profitable traditional businesses delivering steady, measured growth. One curtain manufacturer demonstrated its response to these pressures in a sales presentation. The lights dimmed, music swelled, and curtains and blinds danced back and forth in time. Quite why someone might need this remains an open question, but apparently even curtains now need a tech angle.

In India, by contrast, the AI boom felt a world away. Discussions focused on infrastructure, domestic supply chains, manufacturing and the needs of the emerging consumer. There was plenty happening without an AI label attached.

Portfolio activity – room to grow in India

We initiated our first new Indian position in some time: Yatharth, a hospital operator based around Delhi. The opportunity is straightforward. More families can afford better healthcare, while access to timely diagnosis and advanced treatment remains far from universal. Yatharth is expanding its footprint and clinical capabilities to help meet that need.

Opening a hospital is only the start. It takes time to assemble medical teams, build a reputation and attract patients. As that happens, expensive buildings and equipment are used more productively. Adding specialist services also allows more complex conditions to be treated. We see considerable scope for Yatharth to grow through opening new hospitals and by generating more growth from those it has already built.

At our purchase price, Yatharth traded at a meaningful discount to other listed Indian hospital operators, despite what we see as above-average growth prospects.

Holding Yatharth has already been eventful. Shortly after purchasing our shares, a private equity firm announced it had agreed to invest fresh capital for roughly 25% of the company. Days later, reports of Indian Supreme Court scrutiny of hospitals' pharmaceutical mark-ups weighed on the overall Indian hospital sector. We are watching that debate closely. So far, however, our investment has made a profitable start and we continue to see a long runway ahead.

Back in Korea, we bought a small position in Eugene Technology. It makes equipment that deposits the ultra-thin layers of material used to build semiconductors. As manufacturers squeeze more into each chip, increasingly intricate, three-dimensional designs and new materials create fresh challenges. Eugene is well placed to help solve them. Its customers' plans to increase factory investment provide a supportive near-term backdrop and there are potentially greater opportunities as manufacturing techniques evolve.

Beyond the portfolio moves discussed above, we made a handful of small adjustments, trimming our holding in Chinese logistics company ZTO and exiting our position in the Indian procurement platform operator Indiamart. We added to our positions in Chinese technology conglomerate Tencent and to a couple of our Indonesian holdings.

Outlook

The near-term outlook is complicated by energy costs, rising interest rates, and a degree of lopsidedness to markets. Questions about the financing of the enormous AI build-out have not disappeared.

All that said, we continue to find good businesses at prices that leave room for attractive longer-term returns. Valuations remain attractive – perhaps in part because of a lack of obvious catalysts at the individual stock level. In our view, when a catalyst emerges – whether it's an acquisition, an upbeat sales or profit release or a product launch – market sentiment can change quickly.

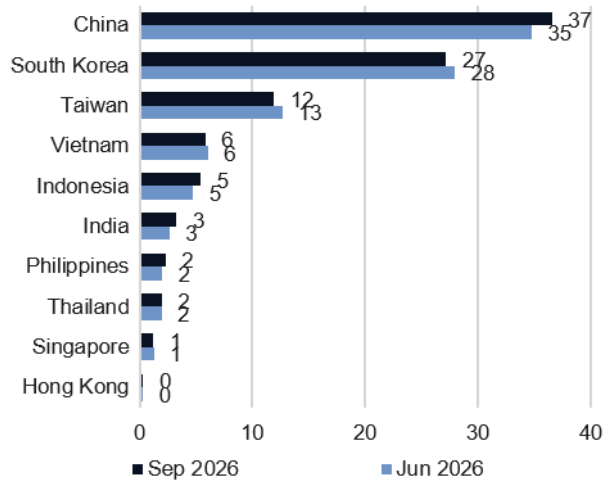
Today we see opportunities in companies supplying technologies to the AI boom but also in companies that meet long-run consumer needs regardless of the latest market fashion. Our job is to be selective about the businesses we own, the prices we pay, and the risks we take.

We believe the opportunity set in front of us in Asia is attractive at current valuations for patient investors. So, we are close to fully invested.

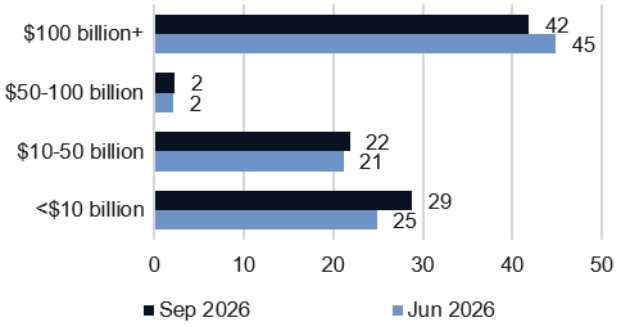
Platinum Asia Fund

Fund information | 30 September 2026

Geographical exposure (%)[1]



Market capitalisation exposure (% in US$)



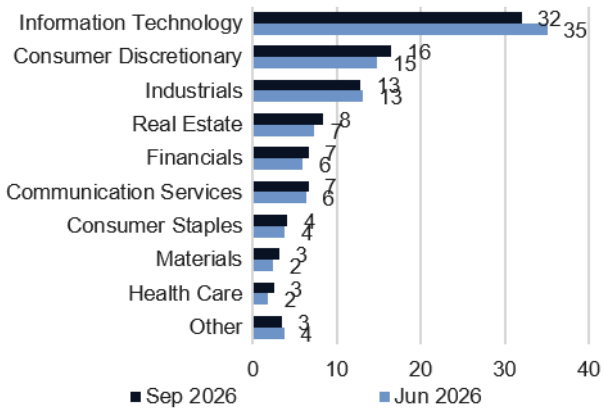
Portfolio positions

Number of total positions	57
Number of long positions	57
Number of short positions	0

Top 10 holdings[2]

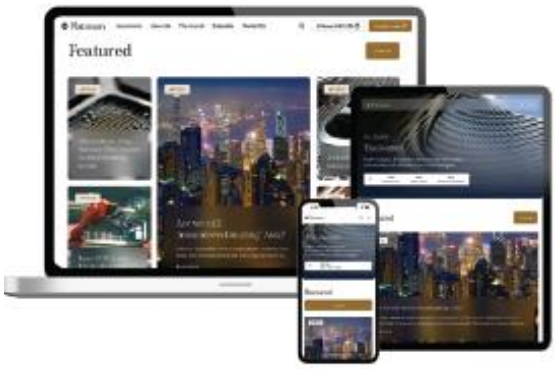
Company	Country	Industry	Weight (%)
Taiwan Semiconductor	Taiwan	Information Technology	11
Samsung Electronics Co Ltd	South Korea	Information Technology	10
SK hynix Inc	South Korea	Information Technology	7
Tencent Holdings Ltd	China	Communication Services	4
Vietnam Enterprise Investments Ltd	Vietnam	Other	3
JD.com Inc	China	Consumer Discretionary	3
China Resources Land Ltd	China	Real Estate	3
Ping An Insurance Group	China	Financials	3
ZTO Express Cayman Inc	China	Industrials	3
Midea Group Co Ltd	China	Consumer Discretionary	2

Sector exposure (%)[3]



Highlights from the Journal

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



WATCH VIDEO

VIDEO 46 MINS

The Next Asian Winners May Not Be AI

Cameron Robertson, Manager of the Platinum Asia Fund, joins the Equity Mates team to talk about Asian opportunities that aren't driven by AI – including Indian healthcare and the growth of the middle-class in Vietnam and Indonesia.

WATCH VIDEO

VIDEO 7 MINS

September 2026 Investor Update Platinum International Fund

David Steinthal, Portfolio Manager of the Platinum International Fund, discusses the implications of rising long-term rates, the valuation debate about AI – and its increasing capability.

READ ARTICLE

ARTICLE 4 MINS

When a good idea meets borrowed money

Cameron Robertson explains why timeless concepts like scarcity, valuation and leverage play such an important part in the AI boom.

WATCH VIDEO

VIDEO 12 MINS

Platinum Japan Fund Video Update

Portfolio Manager Leon Rapp says Japanese companies are benefiting from re-industrialisation in the US and leading in 'physical AI'. That's why he is investing in robotics firms like FANUC.

Disclaimer

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. "PIBPAF" refers to the Platinum Investment Bond - Platinum Asia Fund (APIR code: LIF7284AU), one of the underlying investment options of the Platinum Investment Bond. "PAF" refers to the Platinum Asia Fund (ARSN 104 043 110), the underlying fund into which the PIBPAF 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 Geographical Exposure (i.e. other than "cash" and "shorts") shows PAF'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 PAF's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value.
2. The table shows PAF's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.
3. The table shows PAF'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".

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You can obtain a copy of the PDS and Target Market Determination from Australian Unity's website at www.australianunity.com.au/wealth/platinum, or by contacting their Investor Services team on 1800 670.

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