Platinum
Part of L1 Group

Quarterly Investment Manager's Report

Platinum Investment Bond™ Platinum International Fund

SEPTEMBER 2026

Investment Update

"Platinum Investment Bond – Platinum International Fund (PIBPIF)

Overview

- Microsoft, Nvidia and Intercontinental Exchange (an exchange, data services and mortgage technology business) were amongst the best performers this quarter.
- Equity markets were choppy and the market is now more discriminating and nuanced in its approach to AI.
- During the quarter, portfolio activity mostly involved adjusting position sizes rather than initiating or exiting investments. We modestly increased positions in Alphabet, American Express, London Stock Exchange Group, Nvidia and Uber, while trimming HCA and Microsoft. These changes primarily reflected share price movements relative to our assessments of fair value, rather than fundamental changes in our investment views.

David Steinthal | 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 International Fund ("PIF"), an underlying investment option of the Bond. Please refer to page 8 for further disclosures.
The following is the 30 September 2026 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 tax treatment and therefore different returns.

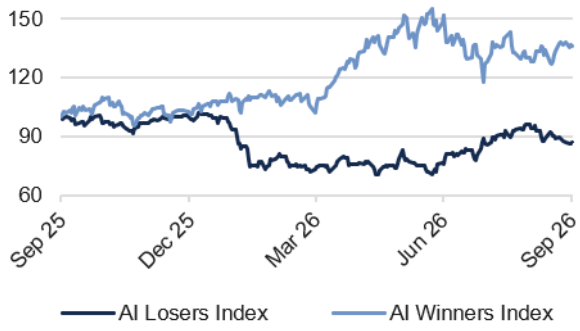
Platinum International Fund

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

This commentary relates to the underlying fund, the Platinum International Fund (PIF). References to individual securities are for illustrative purposes only and do not constitute a recommendation to buy, sell or hold any security. Investments can go up and down. Past performance is not predictive of future returns.

Equity markets were choppy this quarter, with the MSCI World Index ending modestly higher. So-called 'AI Losers' recovered strongly from their June lows, although the rebound faltered later in the quarter. Meanwhile, the 'AI Winner' trade became more nuanced: share prices diverged and some of the strongest performers retreated from recent highs. The market is now more discriminating – being an AI beneficiary is no longer enough to justify an investment.

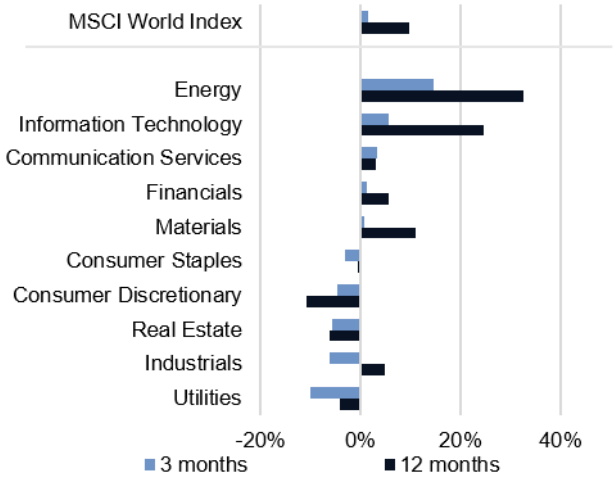
Figure 1: AI Winners Index vs AI Losers Index



Source: Bloomberg: GS Broad AI Basket Index and MS AI Disrupted Index

At a sector level, energy performed strongly, benefiting from the continuing Middle East conflict. Utilities, Industrials and Real Estate lagged, reflecting rising longer-term interest rates and pockets of economic weakness.

Figure 2: MSCI World Index (in A$) – Sector performance



Source: Bloomberg

At a company level, just three businesses – Apple, Microsoft and Nvidia – contributed 2.6 percentage points to the MSCI World Index's 1.8% quarterly return (in US$), while the remaining 1,300 or so companies detracted 0.8 percentage points. Tesla was the largest individual detractor, and 'AI Winners', like Applied Materials, Broadcom, Intel, KLA and Micron, also lagged.

At quarter-end, the Fund held 22 investments. The ten largest positions represent approximately 67% of the portfolio.

We deliberately invest in businesses with different earnings drivers rather than concentrating the portfolio in a single sector or investment theme, including AI. In a choppy market, some holdings will inevitably contribute while others detract, particularly over short periods.

During the quarter, 13 companies added to returns and 10 detracted. Danaher, Intercontinental Exchange (ICE), Microsoft and Nvidia each contributed more than 0.5 percentage points to returns. CRH was the only company to detract by more than 0.5 percentage points.

Danaher is a leading provider of equipment and consumables to the biotechnology, life sciences and diagnostics industries. It is a high-quality, relatively AI-insensitive business that had been trading below our assessment of fair value. After rising more than 30% in recent months, its share price is now within our base case fair value range.

Cash was 2% at quarter-end. We expect the Fund to hold 5% or less in cash in most market environments.

Two key questions for Microsoft

Microsoft has been a core Fund holding. Two developments are central to our assessment of its future earnings power and valuation.

The first is adoption of Microsoft 365 Copilot. In its latest quarterly update, management disclosed that paid seats had reached 30 million, with net seat additions more than doubling quarter-on-quarter. After a slow start, Copilot's capabilities have improved materially, as both independent assessments and our own experience confirm. Microsoft's competitive advantages in trust, distribution and security are increasingly valuable as enterprises focus on the governance, integration and cost of deploying AI at scale.

The second is Azure, Microsoft's cloud computing and AI infrastructure platform. The question is not simply revenue growth, but whether Microsoft can generate attractive returns on hundreds of billions in capital expenditure while broadening its product offering and reducing its dependence on OpenAI. So far, the indicators are encouraging.

Microsoft's share price has been volatile, rising over 30% during the quarter – a remarkable move for the world's fourth-largest company. We think the recovery largely reflects a reversal of excessive investor pessimism. Today's share price better balances the potential risks and returns.

Assessing the world's largest company

Nvidia is the world's largest company by market capitalisation, now approaching US$6 trillion. We first invested a year ago, having analysed the business closely for years. The obvious question was why we were investing after such an extraordinary increase in its share price and market capitalisation.

We had materially underestimated AI's growth, the addressable market and Nvidia's associated earnings potential. Subsequent industry developments led us to conclude that AI adoption and investment spending were likely to be even greater and more rapid than anticipated.

Nvidia offered sufficiently attractive prospective returns at our entry price to justify an initial investment. Our confidence in the scale of AI adoption has strengthened further over the past year. However, having conviction in AI does not automatically translate into conviction in Nvidia.

There are important questions about Nvidia's competitive position, market share, pricing power, margins and capital allocation, including its increasing involvement in financing customers and supporting AI infrastructure development. These issues require continuous reassessment in such a rapidly evolving industry.

Nvidia's earnings have grown faster than its share price, compressing its forward P/E ratio to around 15x. On balance, we continue to find the valuation attractive. However, this is certainly not a 'set and forget' investment. In today's rapidly changing world, and particularly during a genuine technological revolution, we are not sure 'set and forget' can be applied literally to any business.

CRH – staying grounded

We have followed CRH and the building materials industry closely for 25.

Its share price has fallen approximately 35% from its early-2026 peak. What has gone wrong? Much depends on your investment horizon. We consider CRH's competitive position, management and longer-term earnings power to be fundamentally unchanged.

CRH owns the world's largest reserves of construction aggregates – or rocks, in less technical terms. At the end of 2025, its reserves totalled approximately 24 billion tons. The proposed acquisition of Arcosa will add approximately 1.3 billion tons of reserves and 35 million tons of annual production in North America.

Rock crushing is rather less glamorous than artificial intelligence. People have been constructing things with rocks for quite some time, and we see little risk of technological obsolescence. CRH is currently benefiting from data centre construction, while investment in transport and water infrastructure, together with re-industrialisation, provides attractive longer-term growth drivers.

Compared with AI-centric businesses, CRH is relatively straightforward. Compared with other building materials companies, however, its business model is unusually sophisticated.

Around 95% of revenues are connected to aggregates. At its core, CRH seeks to maximise the value of its aggregates reserves through integrated building materials operations and associated services, including road resurfacing.

Over many decades, CRH has assembled a unique collection of businesses and strategically located reserves across approximately 4,000 sites in North America, Europe and Australia. However, even high-quality businesses are not immune to the economic cycle.

Current operating conditions are challenging. Higher mortgage rates are weakening housing affordability and pressuring residential construction, while the Middle East conflict has increased energy, transport and other input costs, squeezing margins. The industry is seeking to recover these costs through pricing, but this takes time and is harder when demand is mixed.

Large, strategically attractive acquisitions are rare in this industry. Arcosa was available and CRH was prepared to pay. We consider the acquisition sound, particularly given CRH's outstanding integration record, but the price paid was full.

These challenges were not unforeseeable, although they were not our base case. We have previously

highlighted the risks of a prolonged Middle East conflict and rising longer-term interest rates and had deliberately reduced portfolio exposure to them through earlier adjustments.

We no longer expect CRH to meet its previous 2026 earnings guidance and have reduced our earnings and fair value estimates accordingly. However, the share price decline has been substantially greater than the reduction in our assessment of CRH's underlying business value.

In our view, this is an opportunity to invest in a high-quality, albeit cyclical, industrial business with irreplaceable strategic assets and an integrated operating network that would be difficult to replicate.

The critical distinction is between a cyclical decline in earnings and a permanent impairment of business value. Lower demand will mean some of CRH's aggregates reserves remain in the ground for longer. But they are not going anywhere. They will not go out of fashion, become stale or be rendered obsolete by technological change. They will simply be extracted, processed and sold later.

Portfolio adjustments

Geopolitical instability, higher interest rates and rapid technological change have created an unusually complex investment environment. Our response is to consider a range of possible scenarios rather than position the Fund for a single anticipated outcome, while remaining disciplined on valuation and portfolio risk.

We initiated a position in LPL Financial (LPL) during the quarter. LPL provides a wealth management platform and associated services to more than 32,000 financial advisers, with over US$2.6 trillion of client assets on its platform.

The business benefits from several long-term structural tailwinds, including wealth accumulation, increasing demand for financial advice and advisers' desire for greater independence and control over their businesses.

LPL's share price weakened during the quarter amid concerns about potential AI-driven disruption to financial advice and pressure on interest-related income. While these are legitimate considerations, we believe the market has become overly pessimistic.

We also initiated a small investment in Netflix, a business that needs little introduction. Its share price has fallen more than 45% since mid-2025, reflecting concerns about subscriber engagement and growth amid increasing pressure on consumer discretionary spending. However, Netflix remains the clear industry leader, with significant structural competitive advantages. We believe its potential longer-term returns justify an initial investment.

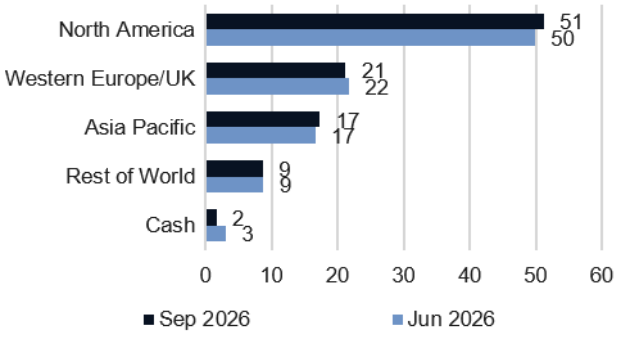
Much of our portfolio activity involves adjusting position sizes rather than initiating or exiting investments. We reduced our Danaher position in late September. For a relatively steady business, a share price increase of approximately 25% over five months, without a material change in our fundamental assessment, warranted a smaller position.

We modestly increased positions in Alphabet, American Express, London Stock Exchange Group, Nvidia and Uber, while trimming HCA and Microsoft. These changes primarily reflected share price movements relative to our assessments of fair value, rather than fundamental changes in our investment views.

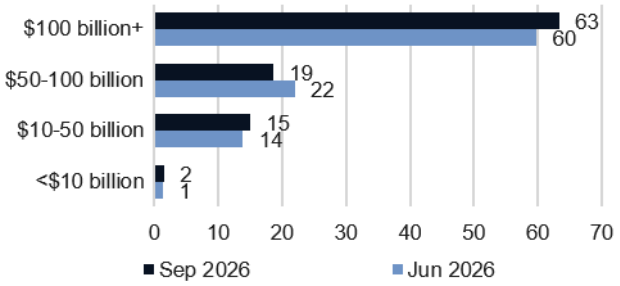
Platinum International Fund

Fund information | 30 September 2026

Revenue exposure by region (%)[1]



Market capitalisation exposure (% in US$)



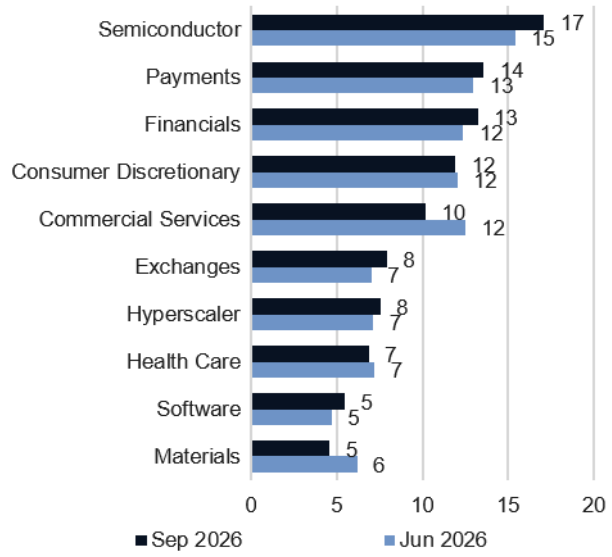
Portfolio positions

Number of total positions	22
Top 10 positions (% of portfolio)	67

Top 10 holdings[2]

Company	Industry
AerCap	Financials
Alphabet	Commercial Services/ Hyperscaler
Amazon.com	Consumer Discretionary/ Hyperscaler
Danaher	Health Care
Intercontinental Exchange	Exchanges
Mastercard	Payments
Microsoft	Software/Hyperscaler
Nvidia	Semiconductor
TSMC	Semiconductor
Visa	Payments

Sector exposure (%)



Highlights from the Journal

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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.

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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.

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L1 Capital International became investment manager of the Fund on 1 October 2025 and the portfolio changed from a diversified long short style to a concentrated long only style. Returns before that date reflect the previous manager and strategy.

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. Revenue Exposure by Region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio. Sector exposure is defined by L1 Capital International to best describe the nature of the underlying businesses.
2. 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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