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By e-Lodgement

## **Platinum Asset Management Limited (“Company”) - investment leadership changes and turnaround progress**

In February 2024, Platinum announced a comprehensive turnaround program under the leadership of Chief Executive Officer (“**CEO**”), Jeff Peters. Management continues to take decisive action on this program which is taking effect, with the rate of outflows moderating, continued cost discipline and the early stages of improvement in investment performance across a number of our strategies. We note the termination of discussions with Regal Partners Limited in December last year has since allowed for a complete focus on the turnaround.

### **Investment leadership changes**

The Board previously highlighted that revitalising the investment area was a key priority of the next phase of the turnaround. Accordingly, the Board is pleased to announce an important leadership transition within Platinum Investment Management Limited’s (“**Platinum**”) investment team, to take effect from 3 March 2025.

Firstly, Ted Alexander, an experienced long-short global equity manager with a track record of strong risk adjusted performance (see background in Note 1 below), will be joining Platinum as the Portfolio Manager for the Platinum International Fund and Platinum’s other global strategies.

Ted has a stock-focused style that looks for upside opportunities outside of market consensus, aiming to deliver capital growth over the long-term. He has developed proprietary portfolio management technology to identify and control risk factors, and brings a systematic approach to idea generation and valuation. The outcome is a highly differentiated portfolio from an index tracking ETF, consistent with Platinum’s traditional bottom-up approach.

In November 2024, Jim Simpson, a founder and ex-Portfolio Manager of Platinum, joined the Board following the annual general meeting (“**AGM**”). As noted at the AGM, Jim has the experience and desire to make a contribution to the investment area and has agreed to take up an executive role with Platinum as Chair of the recently formed Investment Oversight Group (“**IOG**”). Jim will also provide guidance and mentoring to the investment team. He will remain on the Board of the Company and there will be no changes to his remuneration. As part of this transition, Andrew Clifford will step down from his global portfolio management responsibilities and Co-Chief Investment Officer role, and assume an investment mentorship role as a member of the IOG, alongside Jim.

Andrew Clifford stated:

*“This refreshed structure harnesses our highly experienced team, while introducing fresh talent that will bring new ideas and approaches. I’m confident the team can produce quality returns for our clients.”*

Clay Smolinski has made the decision to step away from his role as Portfolio Manager of the Platinum International Fund (and global strategies) and Co-Chief Investment Officer role to take a leave of absence for six months. At the end of this period, Clay, in consultation with Platinum management, will determine whether he returns in an alternative role within the investment team.

The continuity of Platinum's investment philosophy therefore remains but with a focus on enhancing the portfolio management and stock selection processes. Commenting on these changes, Kerr Neilson, Platinum's founder, and former CEO and Portfolio Manager of the global strategies, stated:

*"The essential elements of performance are in place; determined investment leadership, a greater emphasis on the investment process and contemporary use of data, accompanied by the team's traditional strength of deep company analysis."*

CEO, Jeff Peters welcomed Ted's appointment and enhancements to the investment process, stating:

*"Ted was the standout candidate in a robust selection process, with an excellent track record of performance across several managers. He is also a strong leader and shares the values and investment philosophy that have been the bedrock of Platinum's offering to clients."*

*In conjunction with the Investment Oversight Group, he will have a mandate to improve the investment process with the clear objective of revitalising the investment performance of the Platinum International Fund.*

*We thank Andrew and Clay for their significant contributions and Andrew for his ongoing commitment during this transition period."*

**Note 1. Ted Alexander** BEco, MEco, Rhodes Scholar

*Ted has 17 years' experience in the investment industry having worked as portfolio manager of global long-short equities. He has held the positions of CIO at BML Funds; Head of Investments at Orca; Portfolio Manager and Head of Healthcare at Magellan Financial Group; and Head of Alternative Investments, Technology and Telecom at Neptune Investment Management.*

### **Update on other areas of the turnaround**

With respect to cost control, the Company remains on track to deliver its \$25 million in target expense reductions, with adjusted expenses for the December 2024 half year down 18% from the December 2023 half, and profit margin holding at 43%.

Capital management was a key focus during the period, with approximately \$124 million returned to shareholders by way of a 20 cent per share fully franked special dividend and an interim dividend of 1.5 cents per share. The balance sheet remains strong and retains capacity to invest further in the business, with cash and seed investments totalling \$204 million as at 31 December 2024.

From a product diversification perspective, Platinum is scheduled to launch its new global equity small cap offering in April this year, the first of our offerings under our new Platinum Partners Series. This strategy will be managed by GW&K Investment Management, LLC, a leading Boston based firm founded in 1974, and an affiliate of AMG since 2008. Our internally incubated "Arrow Trust", an active long/short high conviction global equity strategy, is also on target for an external launch in the second quarter of this calendar year. In the meantime, we have been taking active steps to bolster our distribution capability to support these new initiatives.

With better alignment of remuneration with financial outcomes, being a key pillar of the turnaround, we have finalised the design principles of our new long-term incentive plan which will be in place for financial year 2024/2025. Performance rights issued under the plan will be hurdled and subject to two measures specifically linked to turnaround objectives, namely, a cumulative profit measure and an investment performance measure, as well as a third shareholder-alignment measure being relative total shareholder return. These hurdles will be measured over a three-year period. Further details in relation to the plan will be included in this year's remuneration report.

Recognising that Jeff Peters, as the Company's CEO and Managing Director, is critical to the successful delivery of the turnaround, the Board has made changes to Mr Peters' remuneration arrangements to ensure that he is appropriately incentivised to drive and deliver on the three year turnaround plan. His revised total remuneration package has been structured to retain him until at least 30 June 2028. A summary of the material variations to the terms of Mr Peter's employment agreement ("**Agreement**") is annexed to this announcement. In addition, recognising the extra work arising out of the significant deal activity, work payments were put in place by the Board for members of a dedicated deal team due to the lack of an existing long-term incentive program. Mr Peters, as the leader of the deal team, is eligible to receive a payment of \$330,000 on 30 June 2025.

In summary, the turnaround at Platinum is progressing, with refreshed leadership and new product offerings focused on enhancing investment performance and expanding access to innovative opportunities for our clients. While there is still progress to be made, these developments mark a positive step forward, laying solid foundations for the next phase of growth.

Authorised by

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## Annexure – Material variations to the terms of the Agreement

Key Term	Details
Fixed remuneration	<p>\$1,100,000, with retrospective effect from 1 March 2025.</p> <p><i>No superannuation is payable on this amount under the superannuation guarantee exemption for “prescribed employees” under section 27(d) of the Superannuation Guarantee (Administration) Act 1992.</i></p>
Short-term incentive	<p>In respect of each financial year, with retrospective effect from 1 July 2024, Mr Peters may be eligible to receive short-term incentives up to a maximum of \$1,320,000 (120% of fixed remuneration), comprised of a 50% cash payment and 50% equivalent award of PTM deferred rights with a third of the award vesting each year over three years, subject to continuous service at the relevant vesting date. Good leaver provisions will also apply.</p>
Long-term incentive	<p>In respect of each financial year, with retrospective effect from 1 July 2024, the maximum value of any award received by Mr Peters under the Company’s new long-term incentive plan will be \$600,000 (55% of fixed remuneration), issued as hurdled PTM performance rights measured over a three year period, subject to continuous service at the vesting date. Good leaver provisions will also apply.</p>
One-off retention award	<p>Mr Peters will receive a one-off retention award, to be made in March 2025, of PTM deferred rights (face value of \$1,000,000) and rights linked to the performance of units in the Platinum Trust Funds (face value \$750,000). Vesting of these rights will be subject to a continuous service condition to 30 June 2028 and meeting a profit margin hurdle.</p>

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