

	1 Month (%)	Quarter ¹ (%)	FYTD ² (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	Since inception ³ (% p.a.)
Perennial Future of Health Care Fund	-8.2	-5.8	-6.2	3.2	14.3	11.5	7.1
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	-2.5	4.4	5.5	3.5	9.8	9.2	11.0
Value Added	-5.6	-10.2	-11.7	-0.3	4.6	2.4	-4.0

¹ Quarter refers to the 3 months ending the month of the report.

² Financial Year to Date refers to the period commencing the prior 1st July and ending on the month of the report.

³ The inception date for performance calculations is 8 April 2021.

Returns are calculated after fees and expenses and assumes the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

⁴ The benchmark was introduced to the strategy on 1 November 2023, it has been used retrospectively for comparative performance.

Overview

The Fund returned -8.2% for the month (Net of all Fees), while the MSCI World Healthcare Net Return Index Unhedged (in AUD) which returned -2.5%.

Global markets (as measured by the MSCI World Index in USD) declined during the month, underperforming the MSCI World Healthcare Total Net Return Index, which was seemingly better protected from the decline (albeit also negative over the month). The sector continued to demonstrate its resilience in times of uncertainty.

The US 10-year Government Bond Yield was stable over the month along with the Australian dollar which has been hovering around 0.62 AUD/USD.

The Russell 3000 Healthcare Value Index outperformed its growth counterpart by 5.6% during the month, reversing the move to growth in the prior month. Large healthcare companies continued to outperform their smaller counterparts, with the MSCI World Healthcare Indices recording a 4.3% outperformance.

Providers and services produced a 7.8% return in USD for the month, a traditional outcome in market volatility and a return to the norm from the prior month which saw outperformance in Biotechnology and Pharmaceutical sectors.

Political uncertainty has edged into the sector, largely with uncertainty surrounding Tariffs. Trump, in his speech to a joint session of congress on the 5 March 2025, only mentioned healthcare in passing with reference to Robert F Kennedy Junior's (RFK) Make America Healthy Again (MAHA). Vaccines, gene therapy and drug pricing were not mentioned in his speech. Towards the end of the month, trimming of staff at the FDA and the resignation of widely respected Peter Marks, who led the FDA's Centre for Biologics Evaluation and Research contributed to volatility.

Biotechs are now trading at lower cash backed valuations with 104 companies in global developed markets (with a market cap over US\$50m) trading below the value of their cash and marketable securities. This is slightly higher than the same cohort in June 2022. Whilst there are several reasons that a company may trade below their bank balance, it is a relatively good indicator of biotech sentiment and an opportunity for astute investing in the sector.

Perennial Future of Healthcare Fund

The Fund's primary goal is to drive enduring capital growth by deploying investment capital to tackle critical challenges stemming from an ageing populace, escalating chronic and communicable diseases, disabilities, and mental health concerns.

Portfolio Managers

Victor Windeyer & Sam Walker

APIR Code

AUS9268AU

Distribution Assessment Frequency

Annual

Minimum Initial Investment

\$20,000

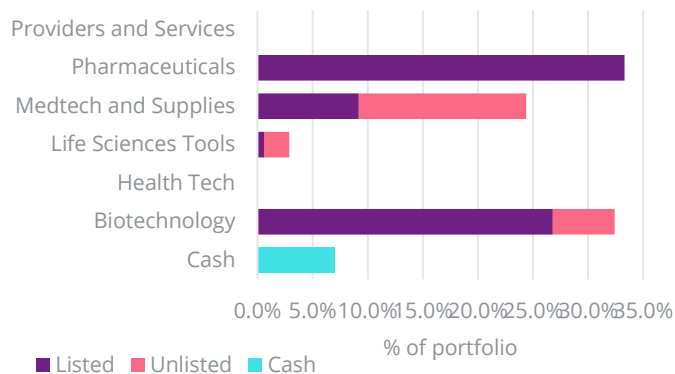
Inception Date

April 2021

Fees

0.95% p.a. + recoverable expenses + performance fee

Portfolio Allocation



Subsector Performance

Sector	Performance (1 Month USD)
Biotechnology	-1.5%
Health Tech	-1.8%
Life Sciences Tools	-4.5%
Medtech and Supplies	-4.4%
Pharmaceuticals	-4.3%
Providers and Services	7.8%

Past performance is not a reliable indicator of future performance. Returns are based on GICS Level 3 (Industry Level) of the MSCI World Healthcare Index. Returns are provided as USD returns to better reflect industry level sentiment with less impact from currency fluctuations.

Fund Review

Alnylam Pharmaceuticals contributed positively to the portfolio over the period boosted by the recent approval Amvuttra, an RNAi therapeutic. This event reinforces Alnylam's platform validation and is expected to be the first blockbuster drug (with anticipated sales reaching almost US\$5bn per annum by 2030).

Novartis also provided a positive contribution, driven in part by its FDA approval for Pluvicto, a radiopharmaceutical therapeutic. The approval allows the treatment of PSMA-positive metastatic castration resistant prostate cancer (mCRPC) prior to the use of taxane-based chemotherapy and triples the patient population for this drug.

Clarity Pharmaceuticals declined over the month, some observers believe that Pluvicto and leading diagnostic therapies are too entrenched to permit space for other players. However, with a market size anticipated to be between \$10bn to \$15bn per annum, there is likely space for competition. Furthermore, the company produced an update for their SECURE trial in which they have decided to take the 8GBq dose forward for their therapeutic drug. The three cases treated with this dose so far has seen a PSA level response drop of 80% or more from baseline. There has also been debate in the market around the utility of the diagnostic. These concerns will only be alleviated with clinical data which requires patience.

Overall sentiment in the weight loss drug space turned during the month. Attributed to several dynamics including; increasing competition via partnership deals, progress of early-stage assets, market discussions around pricing and concerns regarding the potential impacts of Tariffs. **Eli Lilly** pulled back some 10.5% in AUD terms while **Novo Nordisk** and **Zealand Pharma** were harder hit due to Tariff uncertainties. Deal making kicked up during the month, Novo Nordisk acquired the rights to a developmental weight-loss and obesity drug from United Bio-Technology (Hengqin) Co which has an oral triple agonist of GLP-1/GIP/GLG. Roche did a deal with Zealand during the month with up to US\$5.3bn in milestone payments with a mix of upfront, developmental and sales target hurdles.

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News from the Lab or Clinic

This month the FDA approved Alnylam's drug, vutrisiran (Amvuttra) which represents a notable advancement in the therapeutic management of ATTR-CM. This quarterly administered RNA interference therapy targets the underlying cause of the disease by significantly lowering a particular protein. Clinical trial data has demonstrated a statistically significant reduction in cardiovascular mortality and hospitalisations, indicating a potential for improved patient prognosis.

The introduction of vutrisiran is anticipated to positively impact the natural history of ATTR-CM, offering patients a valuable treatment modality aimed at slowing disease progression and enhancing overall quality of life. ATTR-CM is widely undiagnosed with around 80% of this population unaware they have the condition. This provides a good growth driver as communities become better educated and diagnoses increase.

Top 10 Positions (A - Z)	Description
Alnylam NASDAQ: ALNY	RNA interference pioneer, presently cardiovascular treatments
Amgen NASDAQ: AMGN	Large diversified biotech including cardiology / weight loss medications
Clarity Pharmaceuticals ASX: CU6	Radiopharmaceutical company
Eli Lilly & Co NYSE: LLY	Large pharma with weight loss drugs as a focus
ImmVirX Unlisted	Biotech targeting difficult cancer indications.
Novo Nordisk CPH: NOVOB	A leader in weight loss and diabetes markets
OncoRes Medical Unlisted	Intra-operable tumour margin detection device
Sanofi EPA: SAN	Large pharma with very diverse business
Venstra Medical Unlisted	Temporary heart pump (pVAD)
Vertex Pharmaceuticals NASDAQ: VRTX	Large biotech, leader in cystic fibrosis

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