

	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	-0.4	-7.6	-10.2	3.8	12.2	12.1	6.8
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	-4.5	-5.5	-1.7	2.5	4.7	7.2	9.6
Value Added	+4.1	-2.1	-8.5	+1.3	+7.5	+4.9	-2.8

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 -0.4% for the month (Net of all Fees), while the MSCI World Healthcare Net Return Index Unhedged (in AUD) returned -4.5%.

Global markets (as measured by the MSCI World Index in USD) rose +0.9% during the month, outperforming the MSCI World Healthcare Total Net Return Index, which was dragged down by United Healthcare Group's earnings result and broader investor concerns.

The US 10-year Government Bond Yield was stable over the month while the Australian dollar appreciated to 0.64 AUD/USD from 0.625 AUD/USD.

The Russell 3000 Healthcare Value Index underperformed its growth counterpart by almost 8.0% during the month, largely due to a change in outlook for Providers and Services. Large healthcare companies underperformed smaller counterparts during April, with the MSCI World Healthcare Indices recording a 3.1% underperformance by the large caps.

Healthcare sub-industries delivered mixed returns in April, with Pharmaceuticals posting a modest +0.6% gain, benefiting from their defensive profile. Medtech and Supplies held steady (0.0%), while Biotechnology (-2.9%) and Life Sciences Tools (-4.5%) declined amid a shift away from risk and an outlook of tighter research budgets. Providers and Services saw the sharpest drop (-8.0%), driven largely by a steep decline in UnitedHealth Group, which cut its full-year guidance due to higher-than-expected medical costs and operational challenges in its Optum unit. The miss from this sector heavyweight weighed heavily on broader sentiment.

Tariffs remained a dominant theme throughout the month, driving both media headlines and internal portfolio discussions. For healthcare investors, additional concerns centered around a potential Most Favored Nation (MFN) pricing policy and regulatory developments involving the US FDA. While pharmaceuticals are largely exempt from current tariff measures, the sector is not insulated, with the potential for industry-specific tariffs still on the table. At the time of writing, the US President indicated that tariff-related announcements are expected in the coming weeks, with a focus on reshoring critical manufacturing capabilities. The proposed MFN policy, designed to align US drug prices with those in peer countries, could take multiple forms. While US prices may decline under this framework, prices in other markets may also rise. The policy could be broadly implemented or targeted toward specific payor groups, such as Medicaid. Meanwhile, most of the portfolio companies report FDA interactions as steady and unaffected, suggesting no major disruption.

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

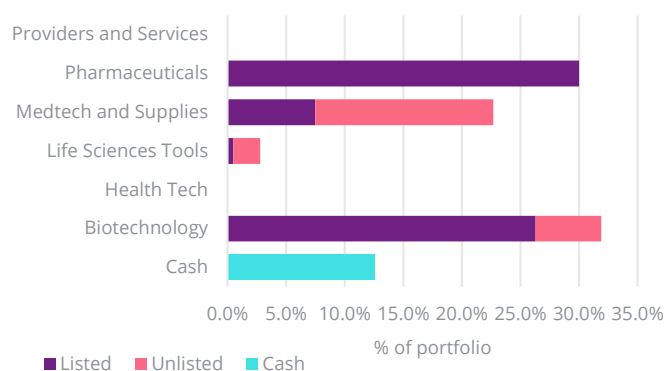
Inception Date

April 2021

Fees

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

Portfolio Allocation



Subsector Performance

Sector	Performance (1 Month USD)
Biotechnology	-2.9%
Health Tech	4.4%
Life Sciences Tools	-4.5%
Medtech and Supplies	0.0%
Pharmaceuticals	0.6%
Providers and Services	-8.0%

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

April was an eventful month for the healthcare sector, marked by encouraging clinical data, evolving competitive dynamics, and persistent macroeconomic concerns, particularly around tariffs. Amid this environment, the portfolio benefited from key stock-specific developments, reinforcing the importance of diversification and agility.

The American Association for Cancer Research (AACR) conference was a key highlight. **Verastem** surged +21.0% (AUD) following positive sentiment to its drug pipeline and the broader focus on the KRAS inhibitor drug class. **BioNTech** rose +11.4% (AUD) on encouraging updates in immuno-oncology, extending confidence in its platform beyond vaccines. **Eli Lilly** gained +6.0% (AUD) after a successful Phase III trial of Orforglipron, its oral GLP-1 receptor agonist for Type 2 diabetes. With the obesity indication expected soon, the drug could shift the landscape by offering an oral alternative with comparable efficacy to injectables like Ozempic, potentially improving access and margins.

Clarity Pharmaceuticals rebounded +4.3%, supported by confirmation of a strong cash position (over \$100 million) and a refined strategic focus. The update reassured investors of its capital runway and development priorities.

On the downside, **Amgen** fell -9.0% (AUD) amid concerns around tariff exposure and uncertainty surrounding its weight loss drug MariTide, which, while offering monthly dosing, has yet to show meaningful differentiation besides convenience. **Zealand Pharma** declined -8.5%, as the market recalibrated expectations of the obesity drug class with consideration to an oral GLP-1 likely to be approved in early 2026. In response to these shifts, the Fund exited **Novo Nordisk** (-10.0% in AUD), driven by increasing tariff risks and the intensifying competitive landscape, particularly with Orforglipron poised to enter the market.

These developments underscore the value of active portfolio management in a rapidly evolving sector. The Fund remains focused on balancing exposure between innovative growth opportunities and resilient, high-conviction positions across the healthcare spectrum.

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News from the Lab or Clinic

Several portfolio companies presented data at the 2025 American Association for Cancer Research conference, with KRAS inhibitors a focus. KRAS is among the most commonly mutated oncogenes in cancers such as pancreatic, colorectal, and NSCLC. These drugs aim to inactivate mutant KRAS proteins and halt tumor growth. While early inhibitors have shown promise, challenges remain due to compensatory signaling pathways that can limit long-term effectiveness. Next-generation approaches are increasingly focused on combination therapies to enhance durability and overcome resistance. Revolution Medicines reported an encouraging 61% overall response rate in heavily pretreated NSCLC patients, a strong early signal despite the small cohort. The data supports the growing potential of KRAS-targeted therapies in high unmet-need cancers. The Fund holds positions in several companies which are advancing innovative RAS pathway inhibition candidates.

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
Boston Scientific NYSE: BSX	Large leading medtech company
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.
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

Future of Healthcare Investment Team



Victor Windeyer
Portfolio Manager
E: vwindeyer@perennial.net.au
T: +61 409 808 110



Sam Walker
Assistant Portfolio Manager
E: swalker@perennial.net.au
T: +61 408 168 563

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

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