

|                                                                          | 1 Month<br>(%) | Quarter <sup>1</sup><br>(%) | FYTD <sup>2</sup><br>(%) | 1 year<br>(%) | 2 years<br>(% p.a.) | 3 years<br>(% p.a.) | Since<br>inception <sup>3</sup><br>(% p.a.) |
|--------------------------------------------------------------------------|----------------|-----------------------------|--------------------------|---------------|---------------------|---------------------|---------------------------------------------|
| Perennial Future of Health Care Fund                                     | -1.5           | -1.8                        | 12.1                     | -4.2          | 5.6                 | 11.8                | 6.5                                         |
| MSCI World Healthcare Net Return Index Unhedged<br>(in AUD) <sup>4</sup> | -3.8           | 1.3                         | 7.7                      | -2.9          | 3.9                 | 7.2                 | 8.6                                         |
| <b>Value Added</b>                                                       | <b>+2.3</b>    | <b>-3.1</b>                 | <b>+4.4</b>              | <b>-1.3</b>   | <b>+1.7</b>         | <b>+4.6</b>         | <b>-2.1</b>                                 |

<sup>1</sup> Quarter refers to the 3 months ending the month of the report.

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

<sup>3</sup> 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.

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

## Fund Review

The Fund returned -1.5% in January, ahead of the MSCI World Health Care Index, which declined -3.8% in AUD terms (0.6% in USD). This strong relative result was driven by our overweight to innovative biotech.

Erasca added 2.4%. Shares reacted very positively to early AURORAS-1 data for ERAS-0015, where Erasca reported confirmed partial responses across multiple RAS-mutant solid tumours with a clean safety profile, and outlined an ambitious 2026–27 milestone roadmap. Given RAS mutations are implicated in around 20–25% of human cancers, investor enthusiasm for a potentially best-in-class pan-RAS “molecular glue” remains high as is the corporate interest in the sector.

Revolution Medicines contributed 0.3%. The key driver of returns was press reports that Merck & Co. is in advanced talks to acquire the company for up to \$32bn, highlighting the strategic value of its pipeline. Towards the end of the month it was reported that talks had ceased but interest in the company's RAS(ON) platform remains high.

BioNTech added 0.2%. At the J.P. Morgan Healthcare Conference, BioNTech laid out a clear pathway to become a multi-product oncology company, with more than 25 phase 2/3 trials and plans for several new phase 3 starts in 2026. This reinforced the market's confidence that Covid vaccine cash flows are being redeployed into a diversified cancer pipeline.

Eli Lilly detracted 0.9% after a strong prior year. Investors consolidated positions following extensive late-2025 phase 3 data for oral GLP-1 agent orforglipron, which showed data that we view as highly supportive of the franchise. Clarivate's “Drugs to Watch 2026” list, which highlights orforglipron as one of the year's most anticipated launches, underscores the long-term earnings potential despite near-term share price pauses.

Clarity Pharmaceuticals detracted 0.7%. The stock consolidated after a very strong 2025, even as new data from the Co-PSMA phase 2 trial confirmed that 64Cu-SAR-bisPSMA detects significantly more prostate cancer lesions than standard 68Ga-PSMA-11 in patients with very low PSA levels and met its primary endpoint. We see this as further validation of Clarity's copper theranostic platform and supportive of its two ongoing registrational imaging trials.

Alnylam Pharmaceuticals detracted 0.6%. The shares drifted as the market digested a very rapid launch of RNAi therapy Amvuttra in ATTR-cardiomyopathy and debated competitive dynamics versus tafamidis and emerging agents. Amvuttra's recent outlook for 2026 was ahead of expectations, with analysts forecasting a multi-billion-dollar opportunity in a market that could exceed \$11bn by 2032. We remain constructive on Alnylam's leadership in RNAi and the durability of this franchise.

We believe the portfolio is well positioned to benefit from an improving backdrop for healthcare M&A, accelerating obesity and cardiovascular innovation, and a strong pipeline.

## 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

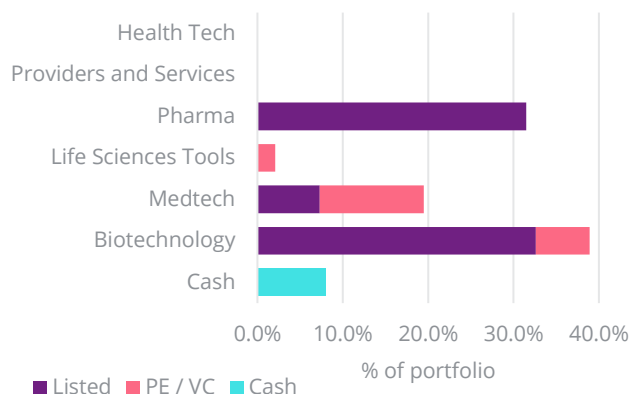
### Inception Date

April 2021

### Fees

1.35% p.a. + recoverable expenses (capped at 0.25%) + performance fee

## Portfolio Allocation



## Subsector Performance

| Sector                 | Performance (1 Month USD) |
|------------------------|---------------------------|
| Biotechnology          | +1.6                      |
| Health Tech            | -9.2                      |
| Life Sciences Tools    | -1.0                      |
| Medtech and Supplies   | -2.0                      |
| Pharmaceuticals        | +4.2                      |
| Providers and Services | -9.2                      |

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.

## Market Commentary

Global equities started 2026 on a strong footing, with the MSCI World Index gaining 2.3% in USD as investors focused on resilient earnings and a soft-landing narrative. Healthcare delivered positive absolute returns but lagged this broader strength: the MSCI World Health Care (net) Index advanced 0.6% in USD and fell 3.8% in AUD as a stronger Australian dollar weighed on offshore assets. Within healthcare, performance was notably varied.

Pharmaceuticals led with a 4.2% gain, buoyed by continued excitement around obesity and cardiometabolic drugs. Late-stage data for Roche's dual GLP-1/GIP agonist CT-388, showing over 22% weight loss in a phase 2 trial, reinforced expectations that GLP-1-based therapies will remain a major multi-year growth engine. Biotech rose 1.6%, helped by high-profile oncology updates and renewed deal chatter, including potential large-cap acquisitions of RAS-focused. In contrast, medtech slipped -2.0% and life science tools -1.0%, as investors balanced solid fundamentals against full valuations, validation of some valuations were seen with Penumbra receiving a takeover offer. Healthcare technology was the clear laggard, down -9.2%, largely due to the concentrated makeup of this sub-sector. Providers and services fell -3.8% as markets were caught off guard by the minute 0.09% increase in 2027 Medicare Advantage payments which renewed concerns around financial recovery, the increase is significantly below expectations of 4% to 6%.

Style and size effects were also evident. The Russell 3000 Healthcare Value Index gained 1.2%, while the Russell 3000 Healthcare Growth Index declined -2.0%, reflecting a rotation toward cash-generative, dividend-paying franchises. Small-cap healthcare, as measured by the MSCI World Healthcare Small Cap Index, rose 1.2%, benefiting from improving risk appetite and supportive biotech funding trends, including nearly \$1bn of new life-science-focused venture funds announced recently. Macro conditions remained broadly constructive for risk assets. The AUD appreciated from 0.667 to 0.696 versus the USD (a 4.3% move), tempering offshore returns for Australian investors. The US 10-year Treasury yield edged up from roughly 4.17% to 4.24%, a modest move that left real yields still supportive for quality growth companies.

Overall, January reinforced our constructive view: while dispersion within healthcare remains high, the combination of robust innovation, a healthier funding and M&A environment and normalising policy risk provides a supportive backdrop for active stock selection.

## News from the Lab or Clinic

January saw an encouraging clinical update from Erasca's experimental pan-RAS "molecular glue" ERAS-0015. In the ongoing AURORAS-1 phase 1 trial, ERAS-0015 delivered multiple confirmed and unconfirmed partial responses across different RAS-mutant solid tumours at low oral doses, with no dose-limiting toxicities and a favourable safety profile reported to date.

RAS mutations are present in roughly 20–25% of human cancers, representing millions of patients globally. If subsequent expansion cohorts confirm durable responses, ERAS-0015 could address a very large, genomically-defined market and become a backbone therapy for RAS-driven tumours, providing significant upside optionality for both patients and investors.

During January, corporate interest was highlighted as first mover in the space, Revolution Medicines was reported to be in takeover talks.

| Top 10 Positions (A – Z)               | Description                                                                            |
|----------------------------------------|----------------------------------------------------------------------------------------|
| Alnylam<br>NASDAQ: ALNY                | RNA interference pioneer, presently cardiovascular treatments                          |
| Argenx<br>NASDAQ: ARGX                 | Immunology company with first in class drugs targeting the Neonatal Fc Receptor (FcRn) |
| AstraZeneca<br>LSE: AZN                | Large pharmaceutical company with a leading oncology platform                          |
| Clarity Pharmaceuticals<br>ASX: CU6    | Radiopharmaceutical company                                                            |
| Eli Lilly & Co<br>NYSE: LLY            | Large pharma with weight loss drugs as a focus                                         |
| ImmvrX<br>Unlisted                     | Biotech targeting difficult cancer indications.                                        |
| Novartis<br>CHF: NOV                   | Large Swiss pharma company exposed to Lp(a) and radiopharmaceuticals                   |
| OncoRes Medical<br>Unlisted            | Intra-operable tumour margin detection device                                          |
| Venstra Medical<br>Unlisted            | Temporary heart pump (pVAD)                                                            |
| Vertex Pharmaceuticals<br>NASDAQ: VRTX | Large biotech, leader in cystic fibrosis                                               |

## Invest Online Now

## Future of Healthcare Investment Team



**Victor Windeyer**  
Portfolio Manager  
E: [vwindeyer@perennial.net.au](mailto:vwindeyer@perennial.net.au)  
T: +61 409 808 110



**Sam Walker**  
Assistant Portfolio Manager  
E: [swalker@perennial.net.au](mailto: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](mailto:invest@perennial.net.au)



[www.perennial.net.au](http://www.perennial.net.au)

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Issued by Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) as the Investment Manager. The Trustee is Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101). Perennial Partners Limited (ABN 90 612 829 160) is a Corporate Authorised Representative (1293138) of Perennial Value Management Limited. Both the Investment Manager and Trustee form part of Perennial Partners. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.

Signatory of:

