

	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	1.8	-3.6	14.2	-3.5	4.5	12.3	6.7
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	1.1	-5.0	9.0	-3.1	2.5	7.6	8.7
Value Added	+0.7	+1.4	+5.2	-0.4	+1.9	+4.7	-2.0

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.

Fund Review

The Fund returned 1.8% in February, compared with 1.1% for the MSCI World Healthcare NR Index (AUD). Relative results were primarily shaped by stock-specific moves across select biotech and medtech positions, alongside a stronger Australian dollar, which moderated translated returns from offshore holdings.

Clarity Pharmaceuticals contributed +1.3%. Clarity outperformed following the release of an abstract from the Co-PSMA investigator-initiated head-to-head study, accepted for oral presentation at EAU 2026. The abstract highlighted materially higher detection performance for 64Cu-SAR-bisPSMA versus 68Ga-PSMA-11, including higher lesions detected (mean lesions per patient 1.26 vs 0.48, $p < 0.0001$) and higher patient-level positivity (78% vs 36%), with management changes in 44% of participants.

Erasca added +0.5%. Erasca gained support after announcing issuance of a U.S. composition-of-matter patent for its pan-KRAS inhibitor ERAS-4001, extending protection to at least 2043. The company also reiterated expected timelines for initial Phase 1 readouts across its RAS franchise, which helped reinforce confidence in pipeline momentum.

Novartis (+0.4%) benefited from a constructive flow of immunology and renal updates. In immunology, the company reported positive topline Phase III RemIND results for oral remibrutinib in chronic inducible urticaria, meeting the primary endpoint across multiple CINDU subtypes. Novartis also highlighted progress in IgA nephropathy with Vanrafia (atrasentan), supporting the investment narrative around differentiated, scalable cardiometabolic/renal franchises.

Argenx (-0.4%) shares were modestly softer as investors balanced strong pipeline progress with broader positioning around results season. During the month, argenx reported positive topline Phase III ADAPT OCULUS data for VVGART in ocular myasthenia gravis ($p = 0.012$) and outlined plans to submit an sBLA to expand the label into oMG. The company also released its FY25 results and business update, emphasizing commercial scale and continued lifecycle expansion.

Boston Scientific (-0.4%) reflecting a typical post-results recalibration. The company delivered strong FY25 performance and provided FY26 growth and earnings guidance. Market attention centered on segment-level cadence (notably electrophysiology and Watchman) and the shape of the FY26 outlook.

Zealand Pharmaceuticals (-0.3%) posted encouraging early-stage platform progress, announcing positive Phase 1a SAD topline results for ZP9830 (Kv1.3 channel blocker), with favorable tolerability and dose-dependent biomarker activity consistent with target engagement. Shares were soft as investors balanced near-term financial guidance and broader volatility across metabolic developers.

We remain optimistic about the portfolio's opportunity set. February reinforced the value of differentiated clinical data (Clarity), durability of platform optionality, and the compounding potential of established innovators with multiple shots on goal. The Fund is positioned to benefit from an active 2026 catalyst calendar across oncology, immunology, and metabolic disease.

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

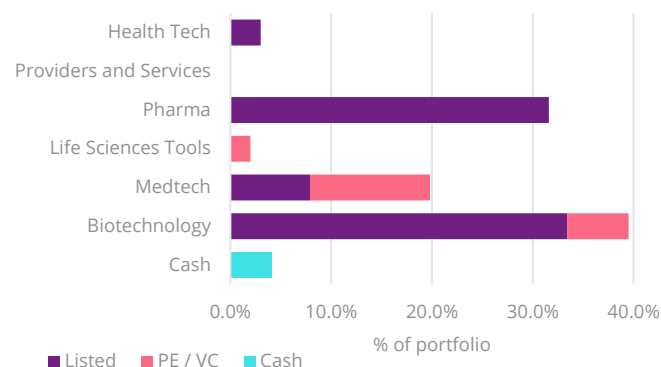
Inception Date

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	+2.8
Health Tech	-12.6
Life Sciences Tools	-7.6
Medtech and Supplies	0.1
Pharmaceuticals	+4.3
Providers and Services	+5.0

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.

Market Commentary

Global equities advanced in February, with the MSCI World Index up 0.5%, while healthcare in Australian dollars was broadly flat-to-slightly lower (MSCI World Healthcare NR Index AUD -0.3%). In U.S. dollar terms, however, global healthcare rose (+2.1%), highlighting the influence of currency translation as the AUD strengthened from 0.696 to 0.712 over the month.

Rates were supportive: the U.S. 10-year Treasury yield fell to 3.94% from 4.24% (down ~30 bps), which generally helps longer-duration growth assets. Even so, market leadership within healthcare skewed toward cash-generative franchises and clearer near-term visibility, with the Russell 3000 Healthcare Value Index up 2.7%, ahead of Healthcare Growth (+0.9%).

Small caps were essentially unchanged (MSCI World Healthcare Small Cap Index ~0.0%), reflecting selective risk appetite rather than a broad beta rally.

Subsector performance diverged meaningfully. Pharmaceuticals (+4.3%) led as investors leaned into scale, pricing power, and ongoing pipeline productivity—supported by steady regulatory and clinical newsflow. Biotech (+2.8%) was also positive, helped by conference updates and idiosyncratic data releases. Healthcare Providers & Services (+5.0%) outperformed, consistent with improved sentiment toward operational execution and utilisation normalizing. By contrast, Healthcare Technology (-12.6%) and Life Sciences & Tools (-7.6%) were the notable laggards. The month's tone underscored that investors continue to reward earnings quality and near-term demand visibility, while pushing for clearer proof points across earlier-cycle tools and higher-multiple health tech.

Generate Biomedicines (not held) served as a bellweather for the IPO market appetite towards the end of the month being the largest biotech IPO since January 2024. While the company slipped some 20.9% on day 1, the company raised US\$400m which will enable it to progress its pipeline towards commercialisation. More broadly, about half of the names (with an IPO raise over US\$100m) are trading at a premium to the IPO price with three showing substantial gains.

On the policy front, Washington's evolving drug-cost agenda remained in focus, including the launch of TrumpRx.gov, a government-run portal directing patients to cash-pay options for selected branded drugs—an initiative that kept price and access dynamics front-of-mind for large-cap pharma. Around 8% of Americans are estimated to be uninsured and are likely the primary users of TrumpRx.gov. Other Americans who are under-covered by their insurance are also likely to use the discounted drugs from time to time. There are 43 medications listed at the time of launch.

Overall, February's dispersion reinforced a healthy market: clinical innovation continues to be funded, differentiated assets continue to be recognized, and the industry's long runway of unmet need remains a durable foundation for long-term value creation.

News from the Lab or Clinic

Grail reported topline results from the randomised NHS-Galleri trial (142,000 participants aged 50–77) evaluating annual Galleri multi-cancer early detection screening alongside standard NHS screening.

The study did not observe a statistically significant reduction in combined Stage III–IV diagnoses for its primary endpoint; however, it showed a clinically meaningful reduction in Stage IV diagnoses, with sequential screening rounds delivering >20.0% fewer Stage IV cases in a pre-specified set of 12 high-mortality cancers, alongside increased Stage I–II detection and a four-fold improvement in overall cancer detection versus standard screening alone.

While disappointing, there are potential avenues forward for Grail which remains a small position in the Fund. We consider the multi-cancer early detection test market to be an important path forward for the treatment of cancer. The earlier cancer is found, the better the prognosis for patients.

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

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