

	1 Month (%)	Quarter ¹ (%)	FYTD ² (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	Since inception ³ (% p.a.)
Perennial Future of Healthcare Fund	-7.0	-6.7	6.2	-2.3	0.4	8.5	5.1
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	-4.6	-7.1	4.0	-5.2	-0.9	4.5	7.6
Value Added	-2.4	+0.4	+2.2	+2.9	+1.3	+4.0	-2.5

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

March proved to be a challenging month for global equity markets. The Fund returned -7.0%, with performance impacted by two stock-specific events that detracted from returns. For context, the MSCI World Healthcare Index returned -4.6% in AUD terms and -6.8% in USD terms over the period. The weakening Australian dollar provided a meaningful natural buffer for unhedged international returns.

The largest contributor for the month was Erasca (+0.5%), which benefited from a sequence of positive corporate catalysts. In early March, the company exercised its option to secure worldwide rights for its pan-RAS molecular glue ERAS-0015, including expansion into China, Hong Kong, and Macau, positioning the program for a unified global development strategy. Shortly after, Erasca reported full year 2025 results, highlighting encouraging early clinical activity for ERAS-0015 during dose escalation — with confirmed partial responses across multiple RAS-mutant tumour types, a clean safety profile, and no dose-limiting toxicities. This pipeline momentum, underpinned by a robust balance sheet extended into the second half of 2028, supported investor confidence in what remains one of the fund's more differentiated precision oncology holdings.

Apogee Therapeutics (+0.1%) return was driven by the release of positive 52-week Phase 2 APEX Part A data for its lead candidate, zumilokibart (APG777), in moderate-to-severe atopic dermatitis. At the 3- and 6-month maintenance dosing intervals, there was meaningful demonstration of durable efficacy on an infrequent dosing schedule that compares favourably to current standard of care. The company capitalised on this positive data readout by pricing an upsized public offering at US\$70 per share, raising approximately US\$403 million, further strengthening a balance sheet well positioned to fund Phase 3 initiation in the second half of 2026.

Alnylam Pharmaceuticals (+0.1%) rounded out the top three contributors, supported by management's high-profile TTR Investor Webinar marking one year since the US FDA approval of AMVUTTRA for ATTR-CM. Management highlighted strong commercial momentum — over 12,000 patients treated globally, broad prescriber uptake, and 2026 TTR revenue guidance of US\$4.4–4.7 billion, implying approximately 83% growth at the midpoint.

On the detractor side, an unlisted holding (-1.8%) was the largest drag. The valuation was reduced in light of risk aversion in private markets.

Immutep (-1.3%) weighed meaningfully following the discontinuation of its TACTI-004 Phase 3 trial in first-line non-small cell lung cancer after an independent data monitoring committee recommended halting the study on futility grounds — a disappointing outcome for a program that had been a key part of the company's LAG-3 immunotherapy narrative. We exited this position.

Clarity Pharmaceuticals (-1.3%) experienced share price weakness, likely driven by broader small-cap healthcare pressure during the month, notwithstanding a series of positive scientific announcements including AMPLIFY Phase 3 enrolment completion and data presented at the European Association of Urology Congress.

Looking ahead, the fund remains well positioned across a portfolio of high-quality healthcare businesses with differentiated clinical pipelines, strong balance sheets, and catalysts that are largely independent of macroeconomic and trade policy uncertainties. Near-term pipeline readouts across oncology, immunology, and rare disease are expected to provide company-specific opportunities for value creation in the months ahead.

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

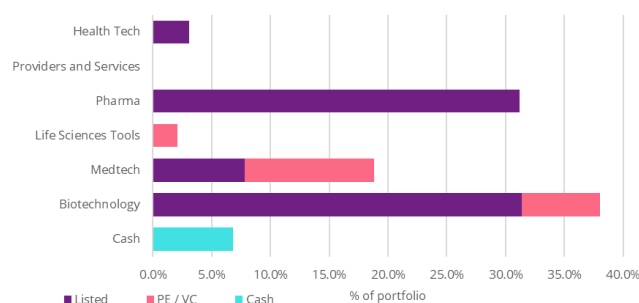
Inception Date

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	-5.6
Health Tech	-4.2
Life Sciences Tools	-5.2
Medtech and Supplies	-10.8
Pharmaceuticals	-5.3
Providers and Services	-9.6

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

The MSCI World Index declined 5.8% in USD terms over the month. The healthcare sector was not immune to this broader weakness, with the MSCI World Healthcare Index (USD) falling 6.8% — marginally underperforming the broader market. In AUD terms, however, the healthcare benchmark fell only 4.6%, as the Australian dollar weakened from US\$0.71 to US\$0.69 over the month, providing a significant translation tailwind to Australian investors holding unhedged positions.

While pharmaceutical tariffs are somewhat clearer, companies that haven't struck a deal guaranteeing low prices in the US are set to incur tariffs in coming weeks. It is however unknown the scope of the deal and some key ingredients may be caught under the proposed tariffs, even if a deal has been struck. A survey by the Biotechnology Innovation Organization highlighted that nearly 90% of US biotech companies rely on imported components for at least half of their FDA-approved products, underscoring the industry's genuine vulnerability to tariff escalation.

US 10-year Treasury yields also moved materially higher during the month, rising from 3.9% to 4.3%, reflecting a shift in rate expectations and contributing to a headwind for longer-duration growth assets across healthcare.

Subsector performance diverged considerably. Healthcare technology (-4.2%) and life sciences and tools (-5.2%) were relative outperformers within the healthcare universe. Biotechnology (-5.6%) broadly tracked global healthcare, though individual stock dispersion was high as investors differentiated sharply between companies with near-term clinical catalysts and those with more distant timelines. The cashflow generating Pharmaceuticals (-5.3%) subsector wasn't immune to the sell off. Medical technology (-10.8%) and healthcare providers and services (-9.6%) were the most significant underperformers — medtech exposed to supply chain and reimbursement pressure, and providers facing a more challenging operating environment as uncertainty around Medicaid funding and government healthcare expenditure weighed on valuations.

Within the growth versus value dynamic, the Russell 3000 Healthcare Growth Index (-7.3%) underperformed the Russell 3000 Healthcare Value Index (-5.5%), consistent with the broader market pattern of rising bond yields compressing multiples for longer-duration growth assets. Small-cap healthcare (-5.1%, MSCI World Healthcare Small Cap) outperformed large-cap healthcare (-8.1%) on a USD basis, an unusual reversal that reflected as stock-specific positive catalysts in the clinical-stage space.

Despite near-term uncertainty, the healthcare sector's fundamental outlook remains compelling. The combination of ageing demographics, technological innovation in precision medicine and RNA therapeutics, an active M&A pipeline supported by patent-cliff urgency from large-cap pharma, and the structural beneficiaries of AI-driven drug discovery all point to a sector with durable long-term growth potential.

News from the Lab or Clinic

In a significant clinical milestone during March, Apogee Therapeutics reported positive 52-week Phase 2 Part A data for zumilokibart, its extended half-life anti-IL-13 antibody, in moderate-to-severe atopic dermatitis.

At the every-3-month maintenance dosing interval, 75% of patients maintained EASI-75 and 86% maintained vIGA 0/1; at every-6-month dosing, 85% and 78% respectively met those same endpoints. Deepening of responses across lesional and itch endpoints was also observed, supporting a differentiated dosing profile versus current biologic standards.

The global atopic dermatitis market is estimated at approximately US\$50 billion, with commercial potential underpinned by the disease's large unmet need and high burden of chronic relapsing disease. Phase 3 initiation is planned for the second half of 2026, targeting a potential 2029 commercial launch.

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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