

Returns

As at 30 September 2022	1m %	3m %	1y %	3y %pa	5y %pa	Inception %pa (Nov13)
Castlereagh Equity	-5	-5	-19	8.7	12	11
All Ordinaries	-8	-1	-13	-0.7	3	NA
XBI	-6	6	-37	1.3	-3.5	NA

Portfolio Composition

NAV per share	% in Cash	% shares in USD	% shares in AUD
1.64	50	25	25

Commentary

Markets continue to be unstable in the month of September, lurching wildly between bullishness and bearishness. Sentiment is dominated by major macroenvironment events and inflation expectations. Idiosyncratic business developments and country policies (eg Biden’s biotechnology initiatives) are generally overshadowed.

In this environment, it is not the time to be a hero making drastic moves. I continue to liquidate CE’s non-biotech ASX holdings wherever possible at reasonable prices. The proceeds were reallocated gradually into life science technology companies in the US and the UK. The long term outlook for this sector continues to be very positive.

In recent days, Illumina announced a significant reduction in the price of sequencing, bringing the benchmark cost of WGS (whole genome sequencing) down to \$200 from the previous \$700 figure. This came on the back of increasing competitive pressures from other participants. The nature of a competitive market makes it inevitable that other players such as Element, Oxford Nanopore, BGI and PacBio will be announcing improvements in the near future.

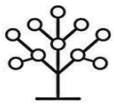
As explained in earlier memorandums, reduction in sequencing costs will result in an increase in volumes. This will benefit some of our holdings such as Twist Bioscience, 10X Genomics, and our basket of industrialised drug discoverers with significant sequencing input costs. We also hold a small position in Oxford Nanopore as our exposure to the sequencing market.

Despite topsy turvy markets, it is business as usual for our portfolio of companies. Allocation of capital remains at a slow cautious pace, and this is likely to continue into the near future if current conditions persist.

Thank you for your trust and confidence in us.

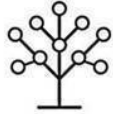
Regards
Peter Phan

Portfolio Manager



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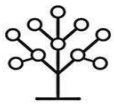
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Appendix 1: Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	XAO	XBI
2022	-5.5	0	0.5	-4.5	1	-0.5	2	-1	-5				-14	-15	-29

XAO= All Ordinaries Index

XBI= S&P Biotech ETF

Appendix 2: Top 5 Holdings= 36% of total portfolio

Company
Beamtree
Smartpay
Industrialised Drug Discovery Basket
Fiducian
Suppliers of Genomic Tools Basket

*note: holdings not ranked in any order