

Returns

| As at 30 September 2024 | 1m % | 3m % | 1y % | 3y % pa | 5y % pa | Since inception % pa (Nov 13) |
|---|------|------|------|---------|---------|-------------------------------|
| Gross | 0.0 | 3.1 | 3.1 | -4.5 | 6.2 | 10.4 |
| Net of Fees | 0.0 | 3.1 | 3.1 | -4.5 | 6.0 | 9.6 |
| S&P Biotechnology Select Industry Index (converted to AUD) | -4.1 | 2.5 | 25.9 | -6.5 | 4.9 | 11.2 |

Portfolio Composition

| NAV per share | % in cash | % shares in USD | % shares in AUD |
|---------------|-----------|-----------------|-----------------|
| 1.64* | 36 | 36 | 28 |

Commentary

Month of September was relatively uneventful. At the end of the month, markets in China rallied spectacularly on the announcements of economic stimulus measures. Apart from a small holding in Wuxi Biologics, there was no direct impact on the CE portfolio. The indirect effects are a bit more unclear though. If the Chinese economy recovers, companies such as Illumina, 10x Genomics, Oxford Nanopore and other medical tools and equipment suppliers may benefit from higher revenues.

The biotech industry continued to lag. Reduction in official interest rates only had a minor impact (quite likely already priced in) whereas macro events such as the election uncertainty and Middle East tensions weighted heavily. Big pharma layoffs continued albeit in smaller numbers. Companies reporting in September by and large confirmed a steady recovery in orders and business inquiries. Funding also appears to be on the mend with several raisings and IPOs. All current data appears to point to a trough earnings environment poised for recovery. However, given the protracted nature of this biotech bear market, caution remains and this is reflected in poor price performance.

CE portfolio continues to weather the storm. I did not start any new positions, but added to our current holdings in Transmedics and Sophia Genetics towards the end of the month. Investor partners should note that we will be increasingly exposed to the USD as we continue to build out the portfolio.

Thank you for your trust and confidence in us.

Regards

Peter Phan

Portfolio Manager

Appendix 1: Gross Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | SPSIBI |
|-------------|------|-----|------|------|------|------|-----|------|------|------|-----|------|------|--------|
| 2022 | -5.5 | 0 | 0.5 | -4.5 | 1.0 | -0.5 | 2.0 | -1.0 | -5.0 | 2.0 | 4.0 | -0.5 | -7.5 | -20.4 |
| 2023 | 2.0 | 2.0 | -1.2 | 1.8 | -2.3 | 0.0 | 5.4 | -5.7 | -3.0 | -7.5 | 6.1 | 6.4 | 2.9 | 6.9 |
| 2024 | 1.2 | 1.0 | 0.5 | -7 | 2.5 | -1.8 | 0.0 | 3.1 | 0.0 | | | | -0.6 | 9.1 |

SPSIBI = S&P Biotechnology Select Industry Index (converted to AUD)

Appendix 2: Top 6 Holdings = 47% of total portfolio

| Company/Sector* |
|---------------------------|
| Beamtree |
| Bioprocessing |
| Software/Data |
| Genomics |
| Structural Heart Diseases |
| Radiopharma |

*note: holdings not ranked in any particular order

Appendix 3: CE NAV

CE commenced on 1 November 2013 with shares issued at \$1 per share, backed by \$1 of cash per share.

CE NAV is after payment of dividend and director fees in calendar month February of each year. These payments “reset” the NAV as follows:

- (a) 1.52 to 1.34 in Feb 2017,
- (b) 1.46 to 1.39 in Feb 2018,
- (c) 1.39 to 1.39 in Feb 2019,
- (d) 2.29 to 2.10 in Feb 2020,
- (e) 2.53 to 2.25 in Feb 2021,
- (f) 2.03 to 1.77 in Feb 2022,
- (g) 1.77 to 1.65 in Feb 2023.
- (h) 1.65 to 1.65 in Feb 2024.