

Returns

As at 28 February 2025	1m %	3m %	1y %	3y % pa	5y % pa	Since inception % pa (Nov 13)
Gross	-2.5	3.1	-1.2	1.3	4.0	10.4
Net of Fees	-2.5	3.1	-1.2	1.3	4.0	9.6
S&P Biotechnology Select Industry Index (converted to AUD)	-4.2	-6.7	-5.6	4.6	1.1	11.7

Portfolio Composition

NAV per share	% in cash	% shares in USD	% shares in AUD
1.67*	22	52	26

Commentary

The unpredictability of the Trump administration came roaring back during the last week of trading for February and into early March, with markets on a steep slide. We continue to live in interesting times and very volatile markets. As I said in my last memorandum, caution and prudence continue to be warranted in the current environment.

For CE portfolio, we continue to focus on the trends of aging demographics and chronic diseases. None of the recent events are likely to alter the trajectory of these trends. Once again, our heavy cash buffer and adequate diversification continues to buffer the portfolio against major losses.

I increased CE's exposure to bioprocessing with the purchase of a position in Maravai Lifesciences (MRVI). MRVI is a picks and shovels play, supplying an essential component for the manufacture of mRNA. Falling revenues from COVID is masking an increasing exposure and optionality in mRNA as a modality, not just for therapeutics such as vaccines, but also as intermediate components of manufacturing for gene editing, stem cells and CART cell therapy.

On the other side of the ledger, I sold ILMN and reduced our exposure to genomics sequencing. Short sequencing is no longer an attractive sector for investment (relatively speaking, compared to alternatives). Increasing competition is putting pressure on price and margins. The sector is still in search of a killer application to drive the next stage of growth. In the meantime, value in the chain has shifted downstream to diagnostics and analysis. CE's exposure in this area is Sophia Genetics (SOPH).

In our legacy holdings, both FID and UOS reported excellent results, thus justifying their reason to remain on the CE 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	-3.5	2.5	1.2	-1.2	10.6
2025	4.8	-2.5											2.0	-1.4

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

Appendix 2: Portfolio Composition

Functional Sub-Sectors*	% of portfolio
Cash	22%
Software/Data	21%
Tools and Devices	15%
Bioprocessing	19%
Genomics	3%
Radiopharma	9%
Drug Discovery	3%
Legacy- Financial Industry	8%

Industry Sectors*	% of portfolio
Cash	22%
Life Sciences	35%
Healthcare	35%
Legacy- Financial Industry	8%

Business Model Categories*	% of portfolio
Cash	22%
Picks and Shovels	62%
Services	8%
Infrastructure	0%
Legacy- Financial Industry	8%

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
- (i) 1.72 to 1.72 in Feb 2025