

## Returns

As at 31 March 2025	1m %	3m %	1y %	3y % pa	5y % pa	Since inception % pa (Nov 13)
<b>Gross</b>	-6.6	-4.9	-8.2	-4	7.6	10.4
<b>Net of Fees</b>	-6.6	-4.9	-8.2	-4	7.2	9.6
<b>S&amp;P Biotechnology Select Industry Index (converted to AUD)</b>	-9.7	-10.9	-11.4	2.6	0.6	11.7

## Portfolio Composition

NAV per share	% in cash	% shares in USD	% shares in AUD
1.56*	20.5	52	27.5

## Commentary

Money continues to flow out of the biotech sector. The last day of trading in March witnessed a daily decline approaching 5%, capping off a near record breaking 10% decline for the month of March. The sector benchmark is now at multiyear lows. The CE portfolio is down nearly 7% for the month of March.

The causes of this malaise are manifold. I have mentioned some of them previously- namely funding drought, receding Covid demand, destocking, interest rates, Inflation Reduction Act and Biosecure Act. Added to this mix is the recent turmoil surrounding RFK and the Health Services, the resignation of a key FDA officials, and cost cutting measures impacting the NIH. As at the time of writing, the market is bracing for further announcements of tariffs on pharmaceuticals.

All this will pass. None will materially impact the main drivers underpinning our investments, namely aging demographics and chronic disease. With that in mind, I continued to build out the portfolio with best in class and first in class businesses.

Towards the end of the month, Novartis announced a decision by the FDA to expand the usage of Pluvicto, which is a targeted radioactive medicine to treat prostate cancer. Overnight, the eligible patients for Pluvicto has increased nearly 3-fold. This will have corresponding positive effects for Lantheus (LNTH) and Telix Pharmaceuticals (TLX), suppliers of the imaging diagnostic agent required before using Pluvicto.

For the month of March, I added more TLX, MXCT and SDGR to the CE portfolio. We still have 20% of the portfolio in cash ready to deploy.

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
<b>2022</b>	-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
<b>2023</b>	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
<b>2024</b>	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
<b>2025</b>	4.8	-2.5	-6.6										-4.9	-10.9

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

## Appendix 2: Portfolio Composition

Functional Sub-Sectors*	% of portfolio
Cash	20.5%
Software/Data	23.4%
Tools and Devices	14.1%
Bioprocessing	18.6%
Genomics	3.2%
Radiopharma	9.9%
Drug Discovery	2.3%
Legacy- Financial Industry	8.1%

Industry Sectors*	% of portfolio
Cash	20.5%
Life Sciences	34.8%
Healthcare	37.2%
Legacy- Financial Industry	8.1%

Business Model Categories*	% of portfolio
Cash	20.5%
Picks and Shovels	65.3%
Services	6.7%
Infrastructure	0%
Legacy- Financial Industry	8.1%

## 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