

Returns

As at 31 August 2025	1m %	3m %	1y %	3y % pa	5y % pa	Since inception % pa (Nov 13)
Gross	-3.0	0.6	-1.2	0.2	1.7	10.4
Net of Fees	-3.0	0.6	-1.2	0.2	1.7	9.6
S&P Biotechnology Select Industry Index (converted to AUD)	3.5	11.9	-7.8	4.1	-1.8	10.0

Portfolio Composition

NAV per share	% in cash	% shares in USD	% shares in AUD
1.62*	26	59	15

Commentary

The CE portfolio performed poorly for the month of August. After getting off to a good start in reporting season, business results were disappointing for a number of our stocks. Continued budget tightness within big pharma and R&D weighted on the tools sector, recovery continues in bioprocessing, and software was flattish. Gains from good results were not sufficient to overcome the drag from poor results.

The CE portfolio continues to fluctuate within a very tight range despite the volatility and bearish biotech sector over this extended period of time. I continue to preserve precious capital via a combination of stockpicking (best-in-class, first-in-class), portfolio management and trade management.

I have reduced CE exposure to genomics and radiopharma. Similar to industrialised drug discovery, we waded in too early in these areas. In investing, being early is no different to being wrong. My error was further compounded by the actions of the US Trump administration, which has seen capital leaving the sector in fear. Research and development in critical areas such as mRNA has certainly been set back by many years, amidst a comedic litany of half-baked ideas and policies, revolving chairs, and funding uncertainty.

Thank you for your continued 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	-6.6	2.5	2.0	1.0	1.8	-3.0					-1.2	-5.1

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

Appendix 2: Portfolio Composition

Functional Sub-Sectors*	% of portfolio
Cash	26%
Software/Data	20.3%
Tools and Devices	15.1%
Bioprocessing	16.4%
Genomics	2.0%
Radiopharma	6.0%
Drug Discovery	3.8%
Legacy- Financial Industry	10.4%

Industry Sectors*	% of portfolio
Cash	26%
Life Sciences	31.5%
Healthcare	32.1%
Legacy- Financial Industry	10.4%

Business Model Categories*	% of portfolio
Cash	26%
Picks and Shovels	56.3%
Services	7.3%
Infrastructure	0%
Legacy- Financial Industry	10.4%

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

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