

Returns

As at 30 November 2025	1m %	3m %	1y %	3y % pa	5y % pa	Since inception % pa (Nov 13)
Gross	-2.7	9.2	9.2	2.8	1.0	10.4
Net of Fees	-2.7	9.2	9.2	2.8	1.0	9.6
S&P Biotechnology Select Industry Index (converted to AUD)	9.5	36.9	23.0	14.6	1.0	10.0

Portfolio Composition

NAV per share	% in cash	% shares in USD	% shares in AUD
1.77*	27	53	20

Commentary

The biotech sector continues to thump the CE portfolio in November. The rally in the sector has been driven by movements in drug developers, whereas CE portfolio is concentrated in picks/shovels and services play in support of the sector, which is lagging.

Major idiosyncratic detractors for the month contributing significantly to underperformance were Surgical Science Sweden (SUS) down 60%, Clearpoint Neuro (CLPT) down 50%, and Abcellera (ABCL) down 40%.

Towards the end of November, SUS announced that their major customer, Intuitive Surgical (ISRG- the world's largest supplier of surgical robotics systems) has terminated a major agreement with them, and robotics systems being sold by ISRG will be installed with software developed internally by ISRG. Customer concentration was always a major risk with SUS, and I sized this position at roughly 2.5% of portfolio to account for this risk. In hindsight (always clear and beautiful), I should have been more alerted to this possibility due to ISRG's developments with the latest robotics model (Da Vinci 5) with its advanced data processing capabilities. It is rather rare for an equipment manufacturer and supplier such as ISRG to internalise software development capabilities. However, as Druckenmiller said, "all standard models will break, it is your job to know when they do."

Clearpoint Neuro (CLPT) was a case of "the Market giveth, the Market taketh." As mentioned last memorandum, CLPT shares surged by over 100% on news of good data from QURE's AMT-130 treatment for Huntington's Disease. However, it appeared in early November that the data was not quite good enough to satisfy the FDA yet. This resulted in CLPT retracing its entire share price gain on the news, notwithstanding that there was no issue with CLPT's delivery component of the treatment. In the meantime, good news of funding being secured by other CLPT partners to continue trials on Parkinson's and Alzheimers were ignored.

As for Abcellera, there were really no news or developments that I am aware of to warrant the share price drop.

Rapid Micro Biosystems (RPID), Repligen (RGEN), Transmedics (TMDX) and Sophia Genetics (SOPH) put in good performances over the month, in line with improving business conditions.

Towards the end of the month, I initiated a new position in Delcath (DCTH), another medtech with a device for treatment of liver cancers. I will talk more about this business in the next memorandum. There were no other major transactions in the CE portfolio.

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	7.4	4.6	-2.7		7.9	29.9

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

Appendix 2: Portfolio Composition

Functional Sub-Sectors*	% of portfolio
Cash	27%
Software/Data	17.3%
Tools and Devices	16.3%
Bioprocessing	20.2%
Genomics	2.4%
Radiopharma	6.2%
Drug Discovery	3.1%
Legacy- Financial Industry	7.5%

Industry Sectors*	% of portfolio
Cash	27%
Life Sciences	35%
Healthcare	30.5%
Legacy- Financial Industry	7.5%

Business Model Categories*	% of portfolio
Cash	27%
Picks and Shovels	58.5%
Services	7%
Infrastructure	0%
Legacy- Financial Industry	7.5%

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