



**MEDICAL  
STRATEGY**

# **MEDICAL BioHealth**

**Small and mid-cap orientated  
biotech fund**

**BIOTECHNOLOGY: THE INDUSTRY OF THE  
FUTURE: YOUR CONTRIBUTION TO  
INNOVATIVE PROGRESS**

STATUS: March 2025



# MEDICAL STRATEGY

company profile



- The company was founded in 1992
- Since 2000: Management of investment funds in the healthcare sector

- Staff: 13
- Total volume under management: approx. €1,3 billion

One of Europe's leading healthcare investment managers

Focus on equity portfolios in the biopharmaceutical sector

01

Biotech & innovative BioPharma stocks

02

Focus on **small and mid-cap** stocks

03

Focus on **innovative therapy** developers

04

Numerous **awards** honouring

05

Long-term **outperformance**

# MEDICAL STRATEGY

Our team – interdisciplinary team: scientists as portfolio managers

## MARIO LINIMEIER



**Managing Partner  
Head of Portfolio Management**  
Molecular biologist, business economist,  
2 years as transaction consultant at KPMG, > 10 years in portfolio management

## KRISTOFFER UNTERBRUNER



**Portfolio manager, authorised signatory**  
molecular biologist, gene therapy specialist

## DR. ALEXANDER JENKE



**Portfolio manager, authorised signatory**  
PhD in biology, business economist,  
many years of research experience

## DR. ANDREAS BUCHBENDER



**Portfolio manager**  
PhD in molecular biology

## STEFAN KRAFT



**Head of Transaction Management, Risk Controlling & Fund Reporting**  
graduate economist

## DR. DOMINIK LOSER



**Healthcare Analyst**  
PhD in Biology, B.Sc. Biomedical Engineering, M.Sc. Biomedical Sciences, Research Experience

## JULIAN NEHRIG



**Healthcare Analyst**  
Medical doctor, BSc in Psychology, experience as a clinical research physician

## KATRIN WINTERSTEIN



**Head of Trading and Back Office, Authorised Signatory,**  
Bank Officer, M.A.

## PETRA SCHAFFER



**Trading and market follow-up**  
Technical assistant, fund administration

## JÜRGEN HARTER



**Managing Partner,**  
banker, certified investment fund expert (ZfU), over 35 years of experience in the banking and investment sector

## THOMAS VORLICKY



**Managing director**  
business economist, many years of experience in a major bank

## MARTINA BERAN



**Head of Sales**  
Trade scientist, many years of experience in account management

## FRANK HANNSTEIN



**Relationship Management**  
Many years of experience in various positions in the asset management industry

## SCIENTIFIC ADVISORY BOARD

- **Prof. Dr Thomas Zeller:** Head of the Department of Angiology at the University Heart Centre Freiburg - Bad Krozingen
- **Prof. Dr Karl-Christian Bergmann:** Head of Practice-Based Research, Institute for Allergy Research - University Medicine Berlin
- **Prof. Dr Andreas Rank:** Senior Physician for Internal Medicine, Haematology and Oncology at the University Hospital Augsburg
- **Dr Stefan Meyer:** former Head Global Portfolio Management, Early Pipeline 'Oncology' & 'Neurology/Immunology' at Merck KGaA
- **Dr Alexander To:** US Healthcare Analyst

# BIOPHARMA NEWS

outlook

01

## Favourable valuations of biotech companies

- Many biotech companies are currently **valued at a median multiple of 5.7x EV/Revenue**, well below the peak of 17.5x in 2021 (as of 25 April 2024, Finerva).
- The **peak sales multiples are also below target**: PS multiples often fall short of 4x, signalling untapped growth potential. In the MEDICAL BioHealth, they are even largely below 2.5x!

02

## Better interest rate environment

- More favourable financing conditions: The first interest rate cuts by the FED in 4 years** (by 0.5% and twice by 0.25% to 4.25-4.50 %) make it easier for biotech companies access to capital for their research projects. **Currently two further reductions of 0.25 percentage points each. Historically, the biotech sector has benefited in phases of falling interest rates.**

03

## Current reasons for investor restraints

- Political uncertainties: The US government restructuring** is leading to a cautious investment climate, as further changes in health and pharmaceutical policy appear possible. For example, the already implemented Inflation Reduction Act (IRA) has an influence on pricing and possible reimbursement regulations for drugs. This is currently leading to delayed corporate takeovers.



## Conclusion: promising investment opportunities

In our view, the current **low valuations** offer an attractive opportunity to invest in undervalued companies in the biotech sector before a **possible market recovery** after the US election.

# BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

## Facts & Figures

Total annual return: over the last **16 years**, biotech has outperformed pharmaceuticals **nine times** and outperformed the S&P **10 times**.



# BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

## Conventional medicine vs biotechnology

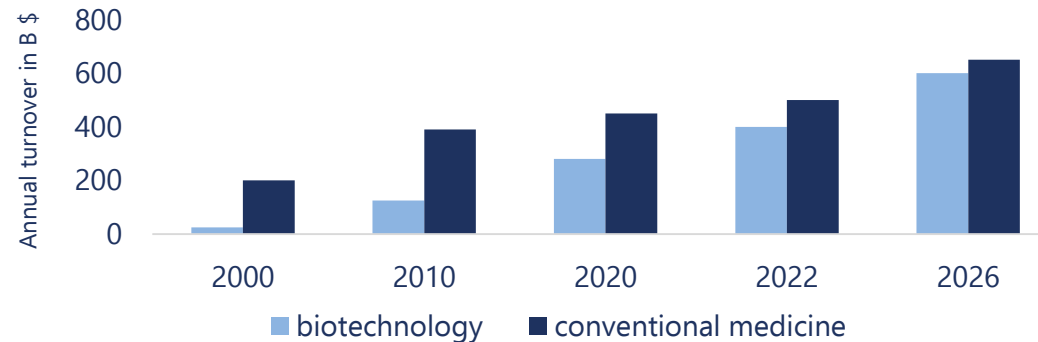
### DIFFERENCES BETWEEN CONVENTIONAL MEDICINE AND BIOTECHNOLOGY

Source: Evaluate Pharma (2022), own presentation

	conventional	biotechnology
chemical composition	Simple	complex
development process	empirical screening	biotechnology
research fundamentals	Plants, microorganisms, organisms	RNA, DNA, hormones
route of administration	Typically a pill	Typically a syringe or infusion set

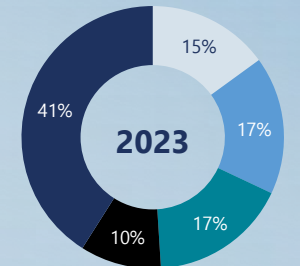
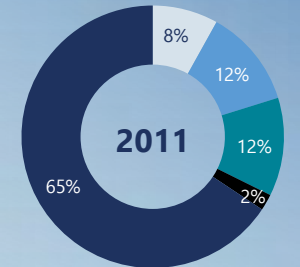
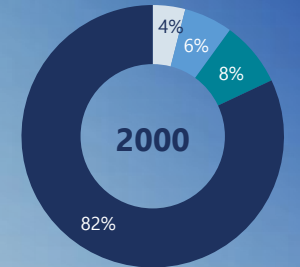
### SALES BY TECHNOLOGY

Source: Evaluate Pharma (2022), own presentation



### SHARE OF BIOTECH IN THE HEALTHCARE SECTOR

- Biotechnology
- Healthcare Equipment and Supplies
- Healthcare Providers and Services
- Healthcare Technology
- Life Sciences Tools and Services
- Pharmaceuticals

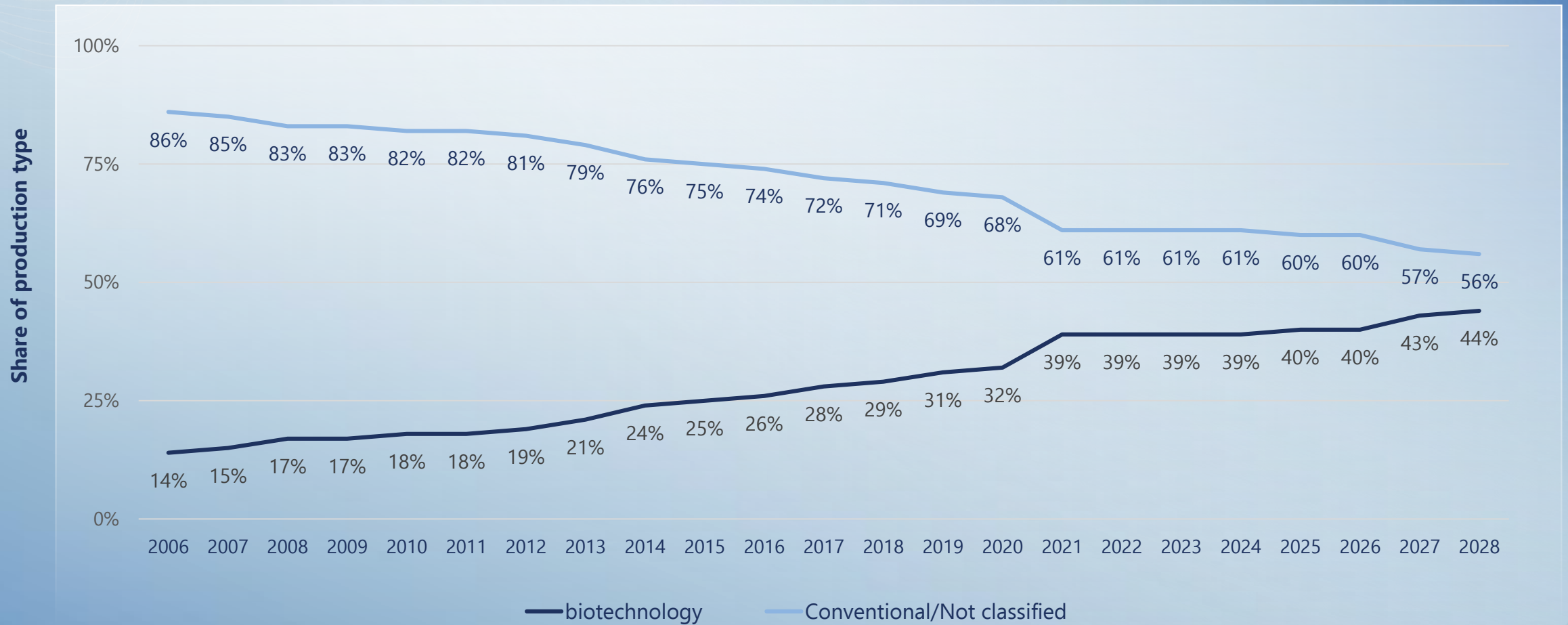


The proportion of therapies arising from biotechnological research is constantly increasing.

Source: MSCI and AllianceBernstein (AB)As of 31 December 2000, 31 December 2011, 30 September 2023Past performance is not a guide to future performance.Due to rounding, numbers may not add up precisely to the totals provided.

# BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

Share of biotechnology in global pharmaceutical sales



# QUANTUM LEAP SIN MEDICINE

promising innovations



## rare diseases

**Increasing number** of rare diseases treatable



## autoimmune diseases

Autoimmune diseases **are very common** and there is a need for new treatments.



## oncology

New **targeted therapies** increase the chances of recovery and prolong survival.



## cardiometabolic diseases

**Promising** new treatment options for the widespread diseases of diabetes and obesity



## CNS diseases

**New therapeutic options for CNS diseases** are highly promising for the future.



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# oncology

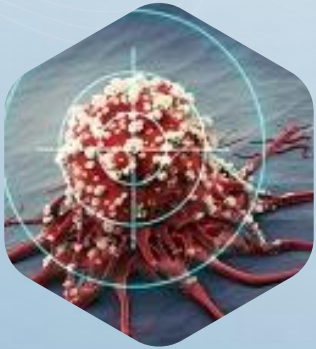
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# QUANTUM LEAPS IN MEDICINE

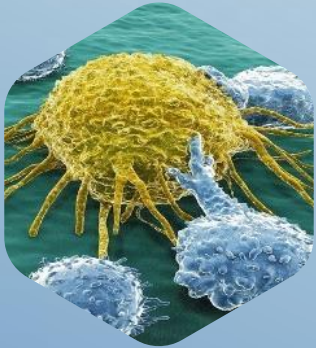
Oncology: major advances

## Cancer treatment: new innovative methods and approaches



### precision medicine

- Determining individual genetic information ('biological markers') to decode the mechanism of the tumour that drives cell growth
- Targeted therapy can be developed with the help of these analyses.
- Maximisation of therapeutic success through tailored treatment



### immunotherapy

- Harnessing the immune system to fight cancer
- Tumour cells use defence mechanisms to escape immune defence and ensure their survival
- Cancer immunotherapy: targeted deactivation of tumour defence mechanisms and activation of the immune system

VS

### chemotherapy

Medication has an **unselective** effect on the tumour

**Consequences:**  
Undifferentiated effect with sometimes considerable side effects



**'It is more important to know which person has an illness than to know which illness a person has.'** Hippocrates

# QUANTUM LEAPS IN MEDICINE

## ONCOLOGY

Above-average growth

> For >10 years in a row with double-digit growth

> Predictions:



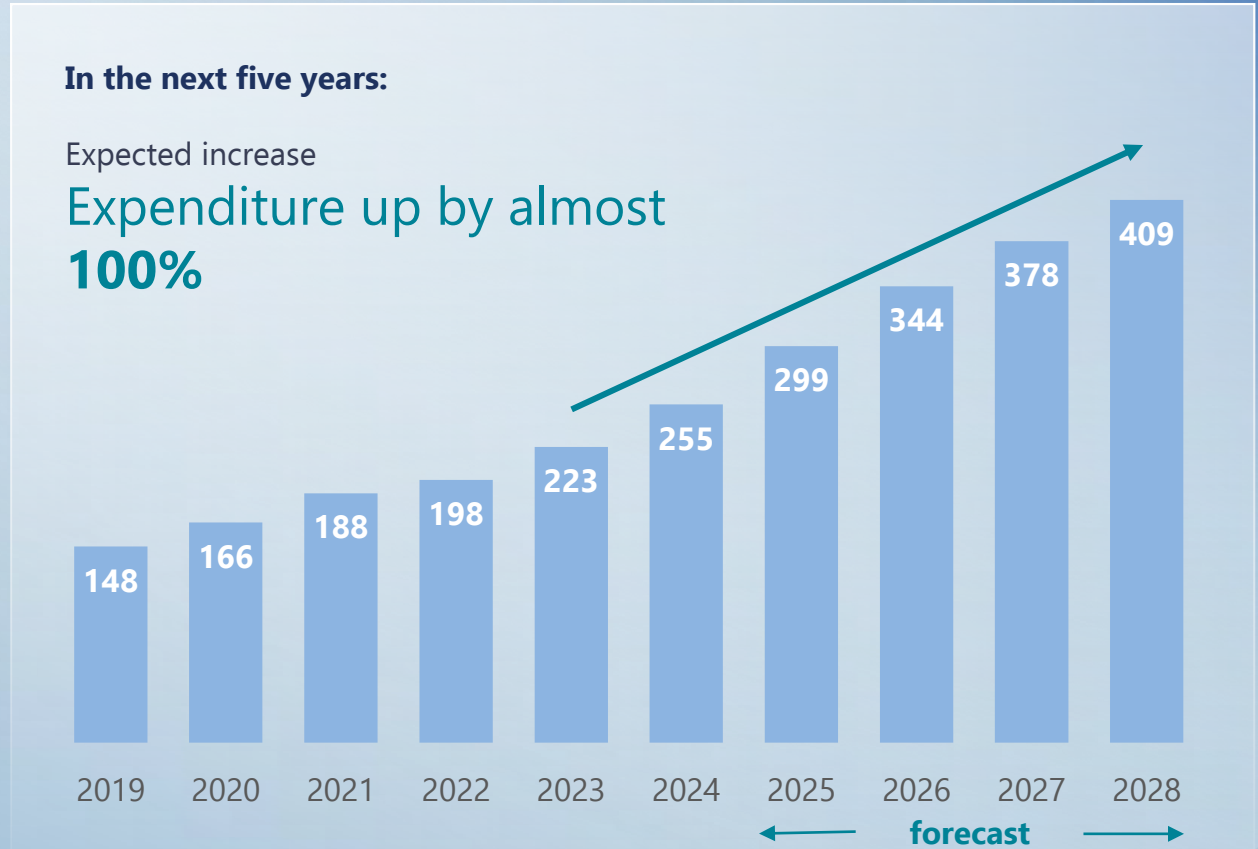
**~\$440 billion USD**  
will be the increase in global spending by 2028



**>100**  
new drugs

> According to the WHO, the number of cancer cases will increase **by more than 70 per cent by 2050.**

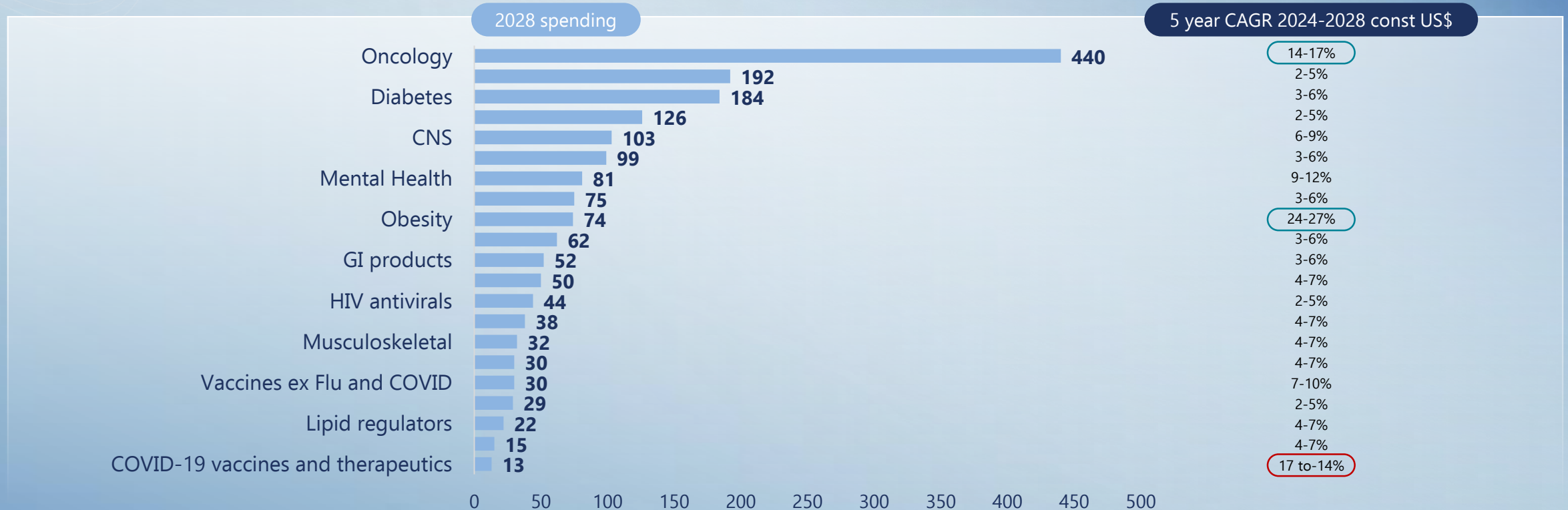
### Cancer treatment: Global spending in billions of US dollars



# QUANTUM LEAPS IN MEDICINE

Oncology and weight loss therapies in focus

> Global pharmaceutical expenditure: total growth through 2028. Forecasts by therapeutic area show differentiated developments.



> ... with the highest growth rates in terms of drug spending

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**rare diseases**

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# QUANTUM LEAPS IN MEDICINE

rare diseases

## When is it a rare disease?

A disease is considered rare if it affects fewer than **200,000 (US)** or fewer than **1:2,000 (EU) individuals**.

*'Rare diseases are rare, but there are a **large number of them.**'*

## Prevalence of rare diseases



Worldwide, approx. **300 million** affected (of which 50% are children)



**30%** die before reaching their **5th** birthday.



Approximately **7,000** rare diseases (only **5%** of which can be treated)



**In four of the last five years**, the FDA has approved more drugs for **rare diseases** than for their non-rare counterparts!



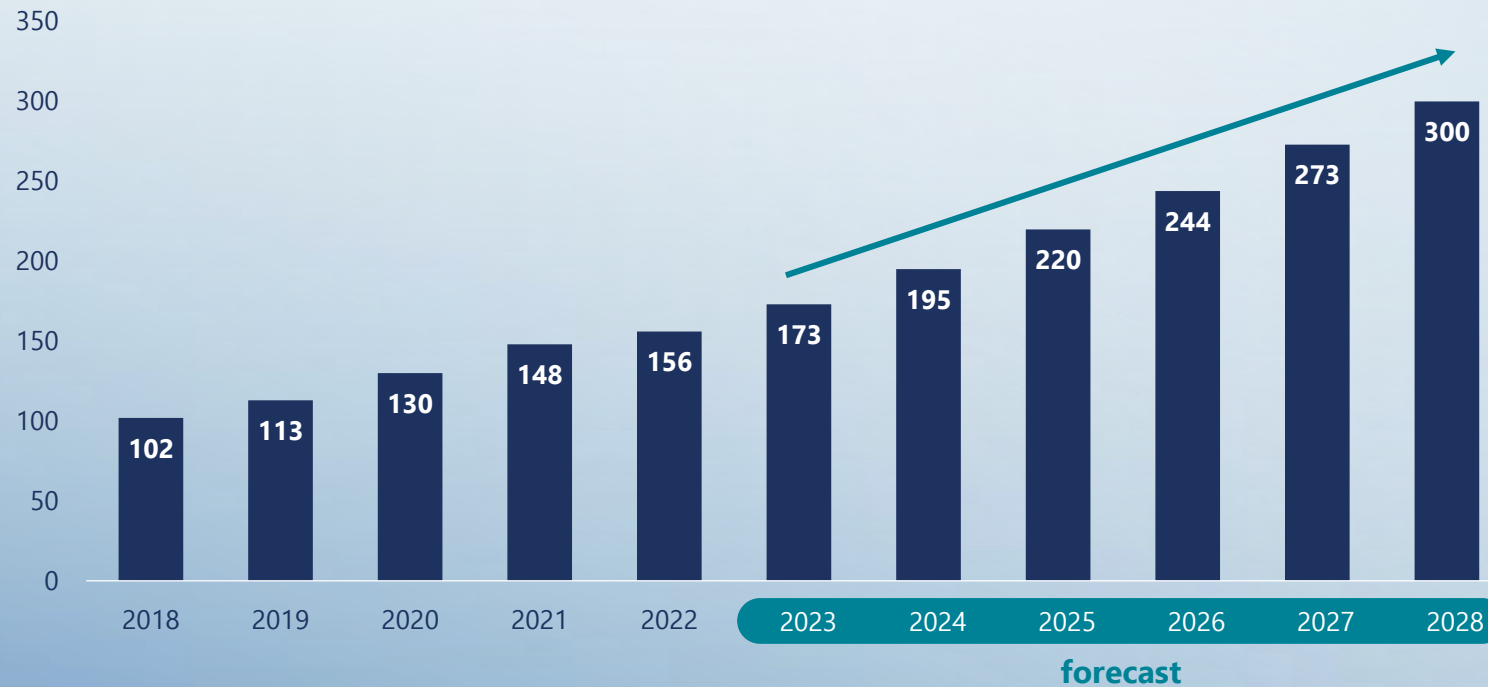
**Gene therapy approaches** as a great source of hope



# QUANTUM LEAPS IN MEDICINE

rare diseases

Worldwide drug sales for rare diseases in billions of USD (2018 – 2028E)




### Orphan drug sales growth

Annually **12%** vs. 7.0 per cent for other drugs



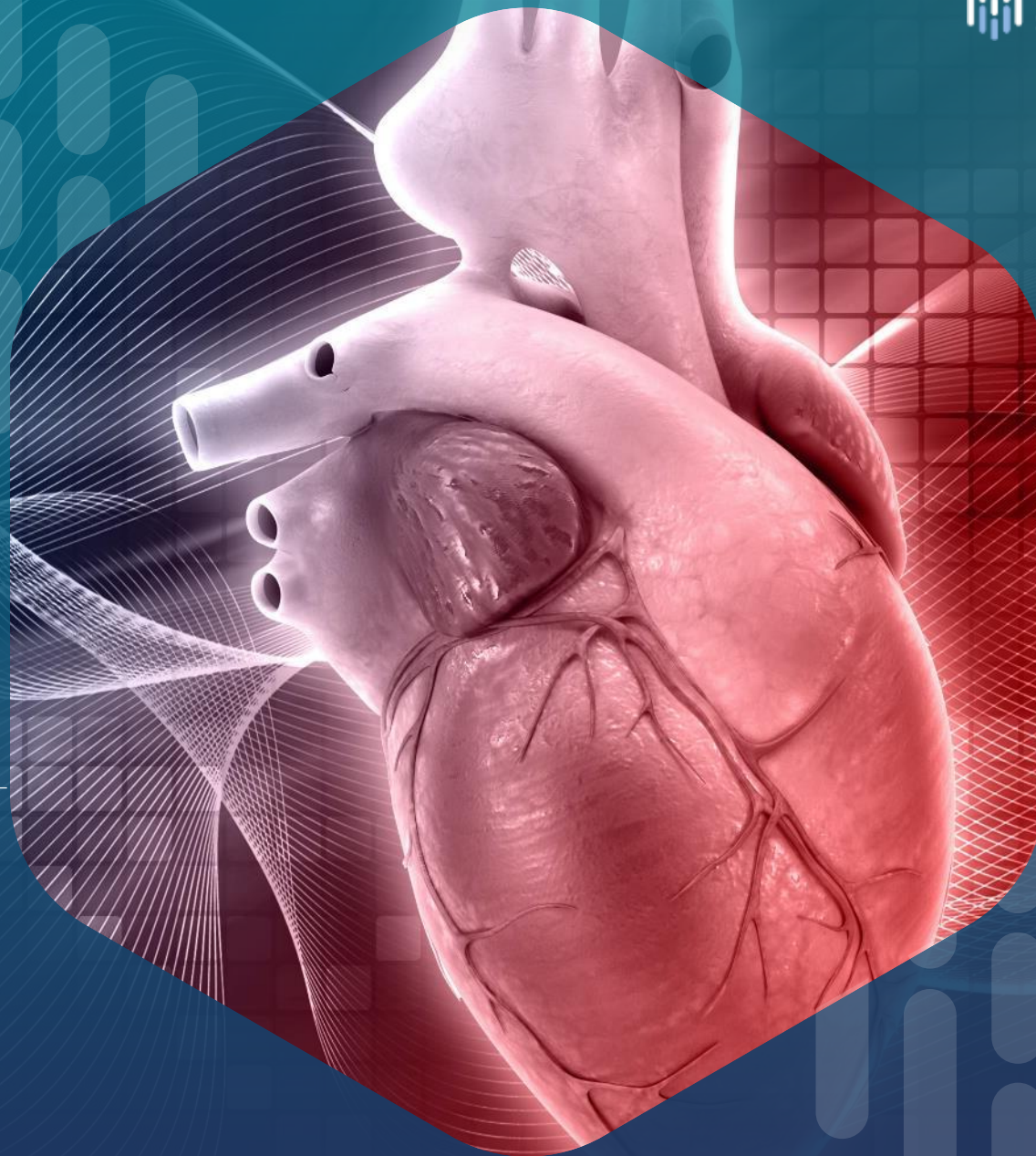
### Share of total sales:

From around 13% (2018) to around **20%** (2028) expected

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# cardiometabolic diseases

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# QUANTUM LEAPS IN MEDICINE

## cardiometabolic diseases

01

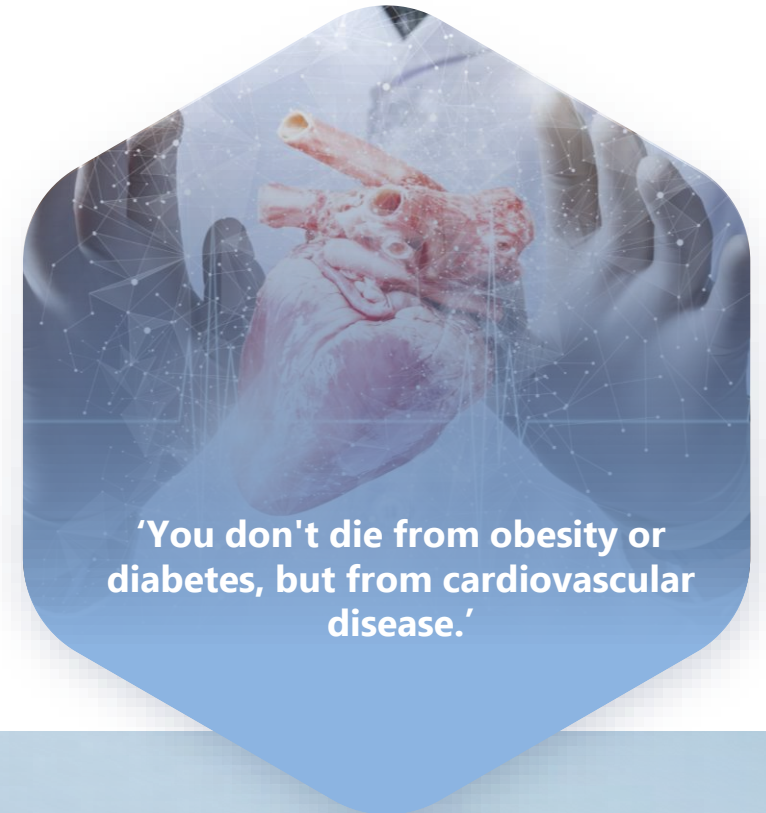
### What are cardiometabolic diseases?

- Heart disease, heart attack, stroke, etc.
- **Risk factors:** diabetes, obesity, high blood pressure, unhealthy diet, lack of physical activity, smoking, etc.

02

### Prävalenz kardiometabolischer Erkrankungen

- Cardiovascular diseases are among the **leading causes of death worldwide.**
- **Risk factors** can be influenced and offer great potential for prevention.



**'You don't die from obesity or diabetes, but from cardiovascular disease.'**

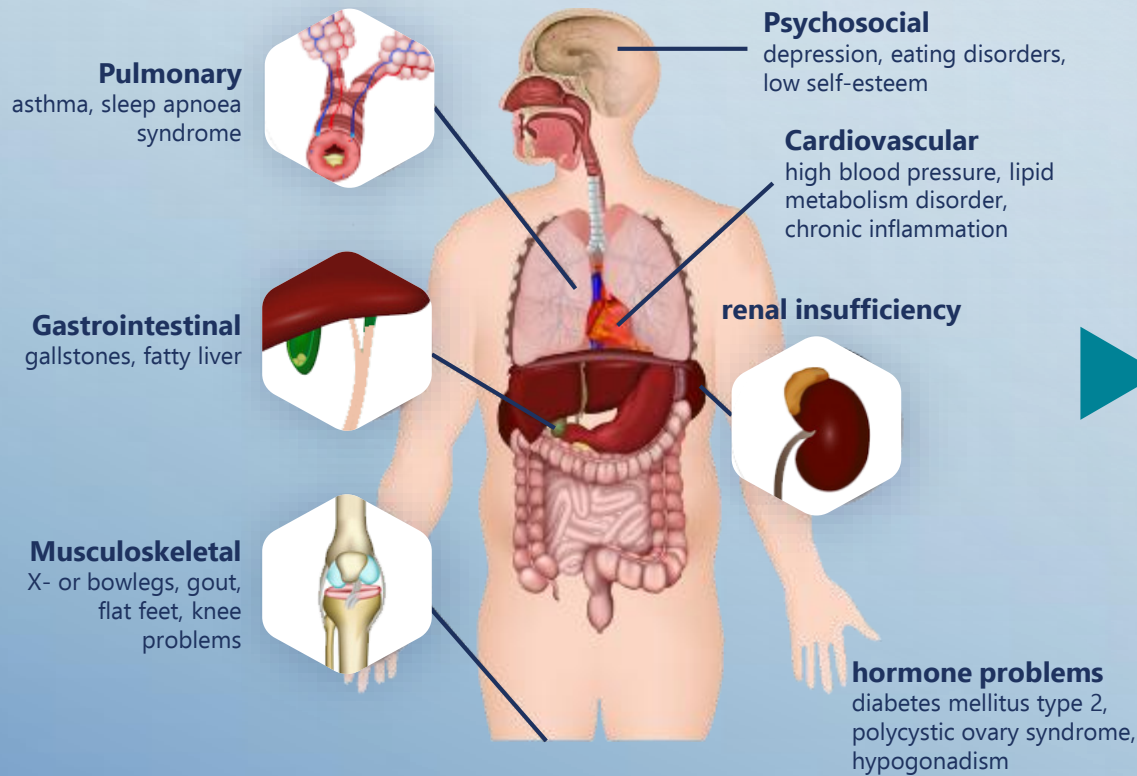


In addition to many existing therapeutic approaches and behavioural changes, **new drug treatments for obesity** are a source of hope.

# QUANTUM LEAPS IN MEDICINE

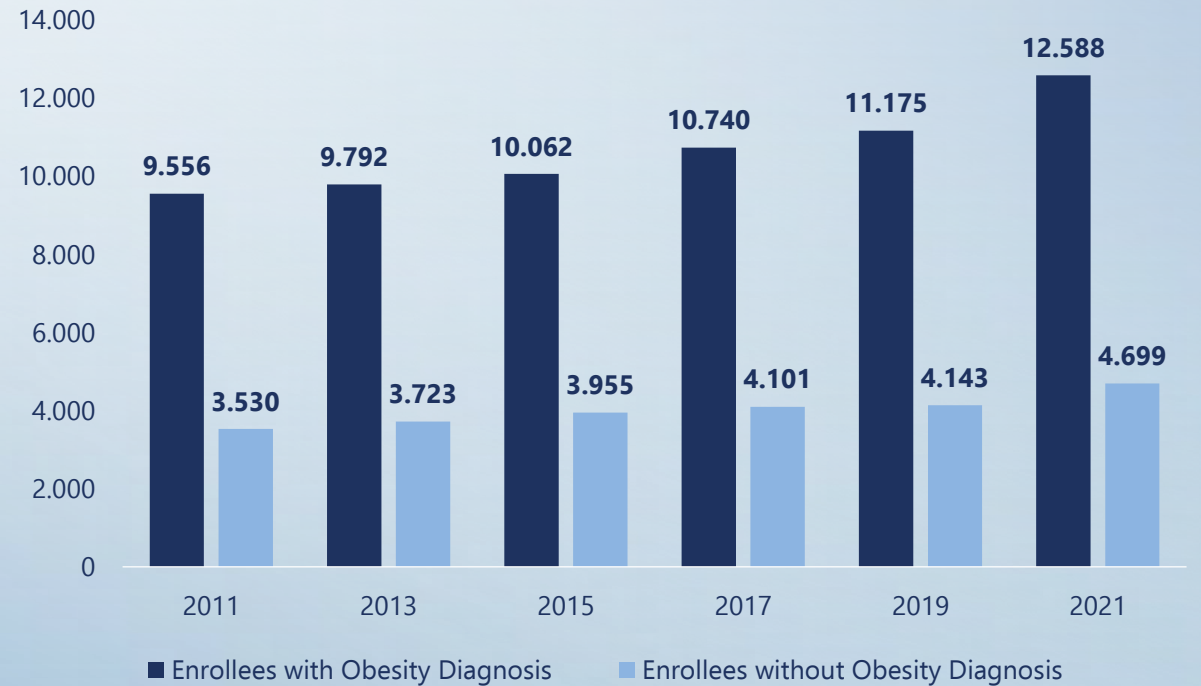
## Obesity: secondary diseases & costs

### Obesity-related illnesses



Source: <https://adipositas-muenchen.de>, accessed on: 19 October 2023

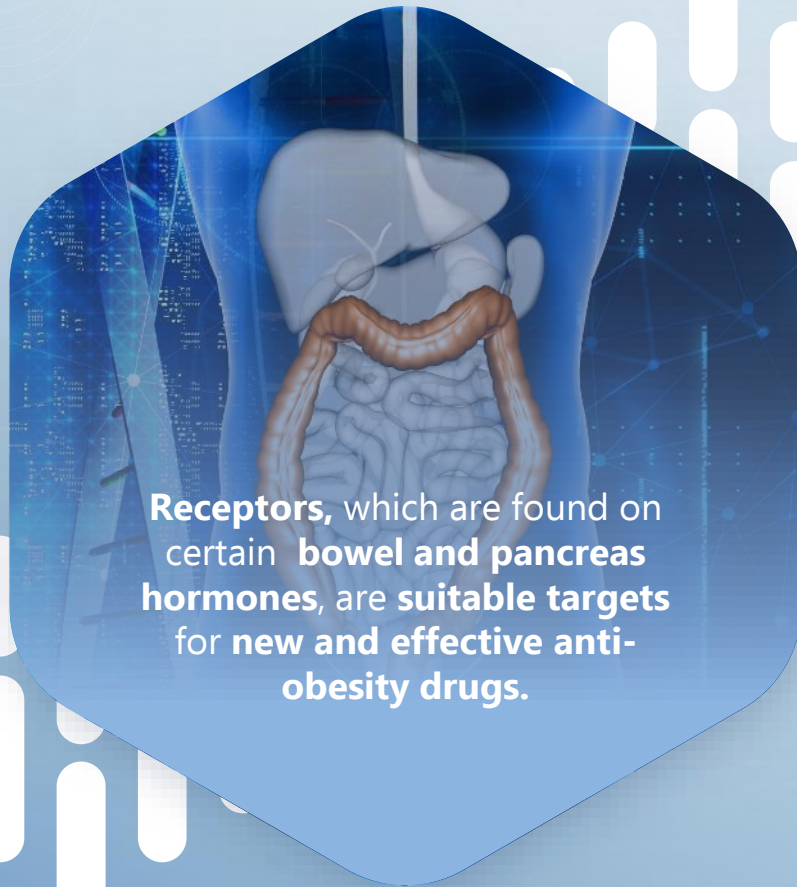
Average annual healthcare costs for US health insurance policyholders with and without obesity diagnosis, 2011-2021 (USD)



Quelle: Adipositas: Eine Übersicht über die Grundlagen, Goldman Sachs Investment Research 2023

# QUANTUM LEAPS IN MEDICINE

Obesity: new treatment options and targets



**Receptors**, which are found on certain **bowel and pancreas hormones**, are **suitable targets** for new and effective anti-obesity drugs.



## GLP-1 receptor

- Delayed gastric emptying
- Reduced appetite
- Increased insulin sensitivity



## Amylin receptor

- Delay in gastric emptying
- Increased satiety
- Increased leptin sensitivity



## GIP receptor

- Increase in saturation
- Increase in insulin secretion



## Glucagon-Rezeptor

- Increase in energy consumption
- Stimulation of lipolysis in adipose tissue
- Reduction in liver fat content

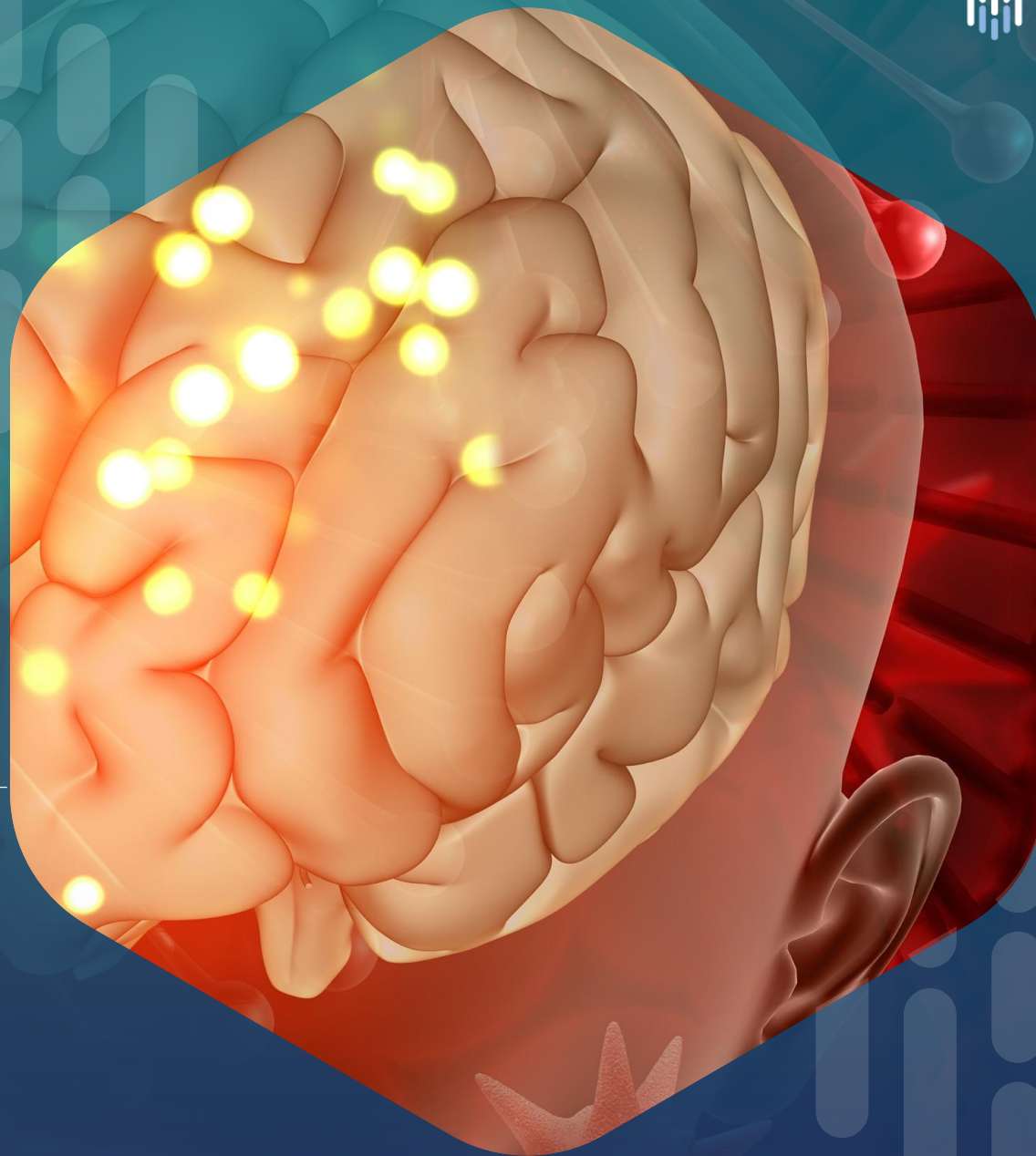
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# autoimmune disorders

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# CNS diseases

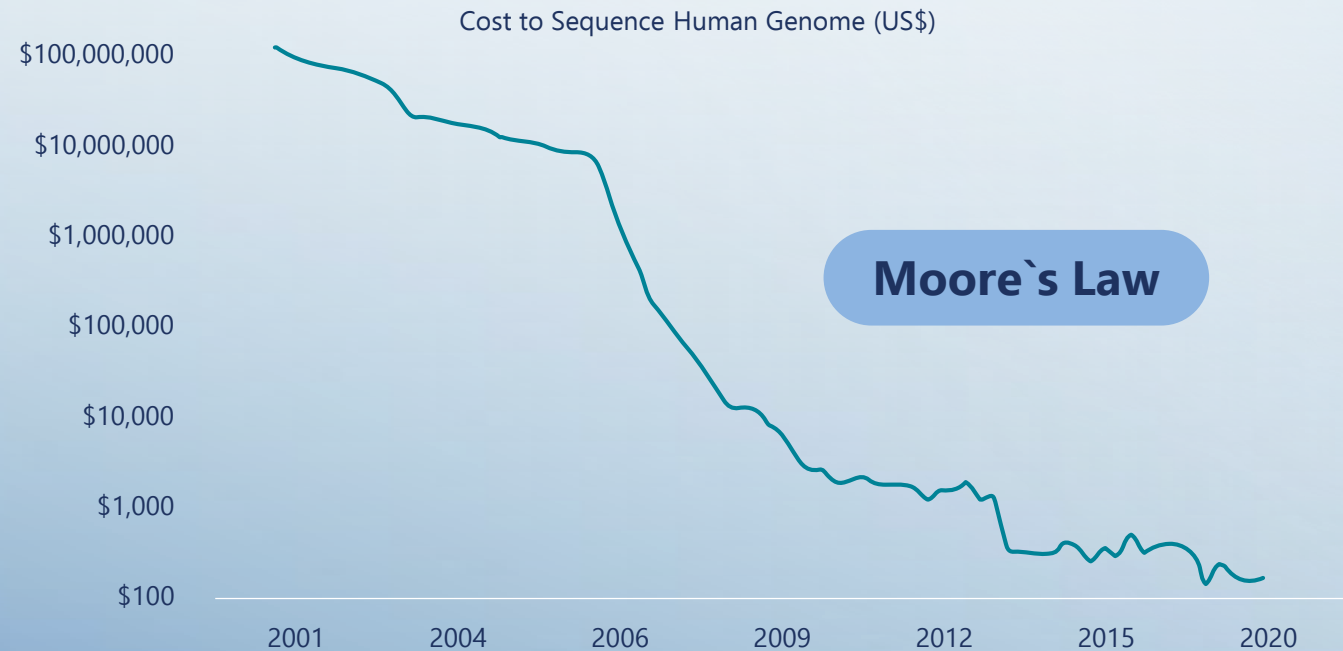


# QUANTUM LEAPS IN MEDICINE

## Catalyst I: gene sequencing

The potential of gene sequencing is unfolding NOW

### Sequencing the human genome costs have fallen 100,000x in just 20 years



Source: National Human Genome Research Institute | 2020 Singularity Education Group. All rights reserved. Do not reproduce without written permission. Past performance is no guarantee of, nor an indicator for, future performance.



# QUANTUM LEAPS IN MEDICINE

Catalyst II: Artificial Intelligence

> Drug development:

**2,300,000,000\$**  
Average development costs

**12-13 YEARS**  
Average development time

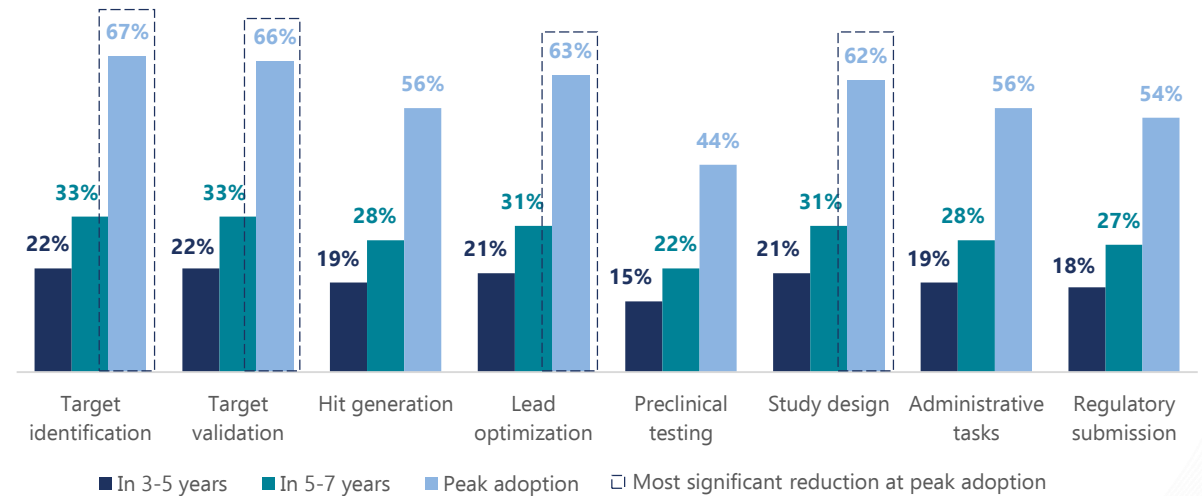
> Use of AI in drug development

at least

**25% TO >60%**

time and cost savings

Average % reduction of estimated cost for drug discovery & development for each step (N=15)



Source: [https://www.ey.com/en\\_us/life-sciences/how-pharma-can-benefit-from-using-genai-in-drug-discovery](https://www.ey.com/en_us/life-sciences/how-pharma-can-benefit-from-using-genai-in-drug-discovery); accessed on 07.03.2024. Past performance is not a guide to, nor an indicator of, future performance.



# BIOTECH OR TECHBIO?

## AI in drug discovery

### target identification

1

Identifying **disease-related molecules** or signalling pathways in the body that can be influenced by drugs requires the **processing of large amounts** of biomedical and research-related **data**.

### Prediction of protein structures

2

**3D protein structures** are crucial for **understanding** how a drug binds to a target protein. Despite the progress made by AlphaFold2, **predicting** protein ligands remains a **complex challenge**.

### virtual screening

3

The development of chemical **databases** containing billions of molecules offers opportunities, but requires more efficient virtual **screening methods**, since conventional approaches take a long time to find **suitable lead substances**.

### Chemical and functional properties

4

It is important to understand how **the body processes a drug**. Despite advances in neural networks based on QSARs, further efforts are needed to predict abnormal results **in different protein families**.

### De novo design

5

This is a **process in** drug development in which **new molecular structures** are designed from scratch using computer or **AI methods** to **specifically** target biological targets such as proteins or enzymes associated with diseases.

### Rededication/conversion of medicinal products

6

In this case, the abundance of **data** on a **already approved or tested drug** is used to repurpose it in new directions.

# BIOPHARMA IN FOCUS

How science is shaping our future

Where science comes from...

Where science is heading...



## stem cells

**Historical overview:** Discovery of stem cells in the 1960s, early research into cell generation

**Current topics:** regenerative medicine, tissue engineering

**Future potential:** organoids, personalised therapies

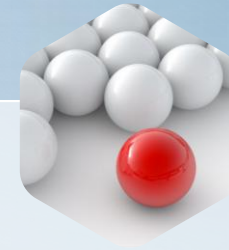


## modulation of the immune system

**Historical overview:** The first immunotherapy in the 1970s, research into the immune response to cancer

**Current:** checkpoint inhibitors, adoptive cell therapies

**Future potential:** combination therapies, improved targeting



## Personalised medicine

**Historical overview:** The first targeted therapy in the 1990s, advances in pharmacogenomics

**Current:** genome sequencing, biomarker testing

**Future potential:** personalised treatments, minimally invasive procedures



## gene therapy

**Historical overview:** The first gene therapy experiments were conducted in the 1980s, followed by early clinical trials.

**Current:** CRISPR/Cas9, viral vectors

**Future potential:** curing genetic diseases, long-term therapies

# BIOPHARMA IN FOCUS

drug development



**Basic research**  
search for therapeutic targets

1

**Preclinical research**  
efficacy and safety data in cell cultures and animal models

2

3

## Clinical trial phase

Phase I: tolerability, side effects, healthy subjects

Phase II: efficacy, small number of patients

Phase III: expansion of patient numbers, different groups

*probability of approval*



**Submission of authorisation data**

4

## Authorisation procedure

likelihood of approval



5

## Commercialisation

*market launch and start of sales; possibly through partners*

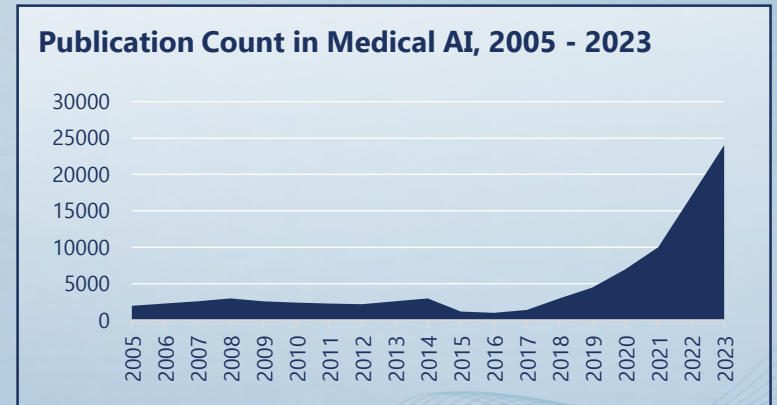
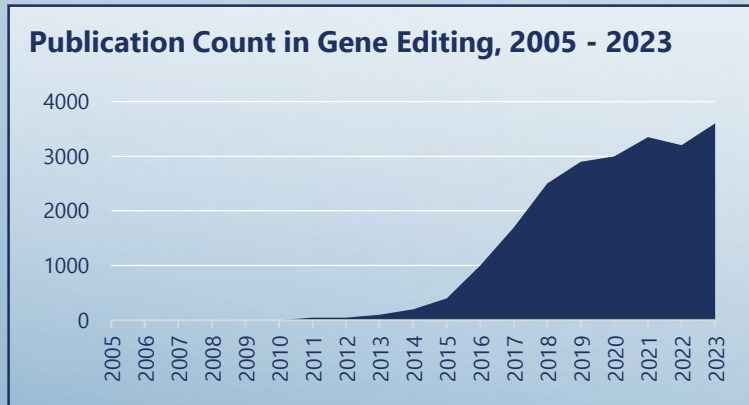
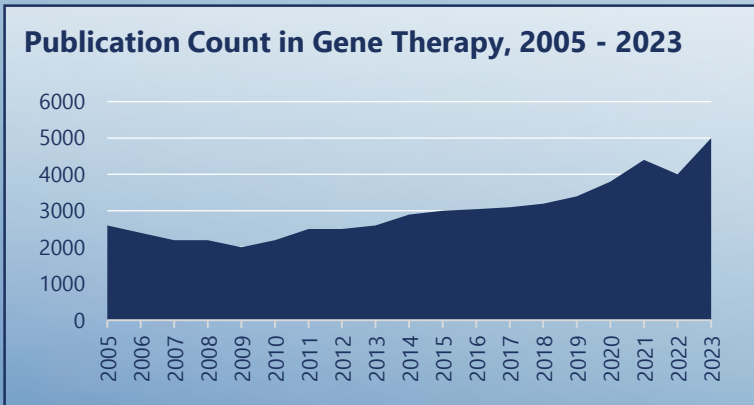
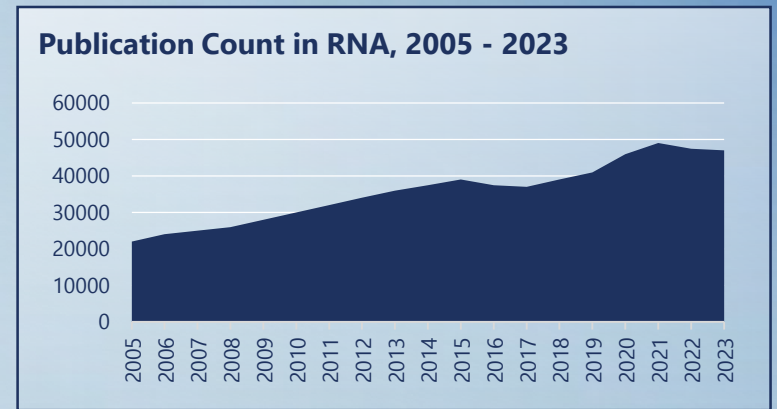
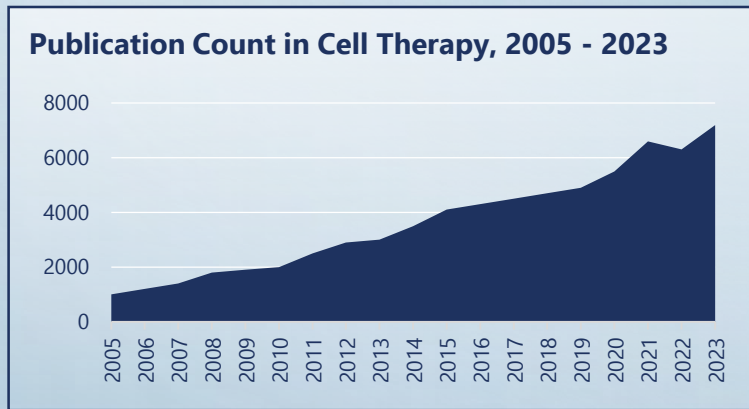
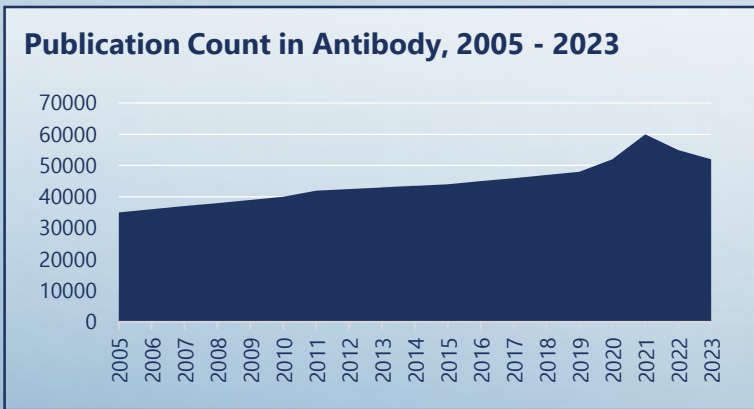
**patent expiry**

# BIOPHARMA IN FOCUS: INNOVATION CYCLE

Rapid increase in research publications

## The pace of innovation is accelerating:

The number of publications of research into new innovative technologies is growing rapidly.



# BIOPHARMA IN FOCUS: INNOVATION CYCLE

Rapid increase in developments

**The pace of innovation is accelerating:**

The programmes in the pre-clinical and clinical development phases have been growing for years.

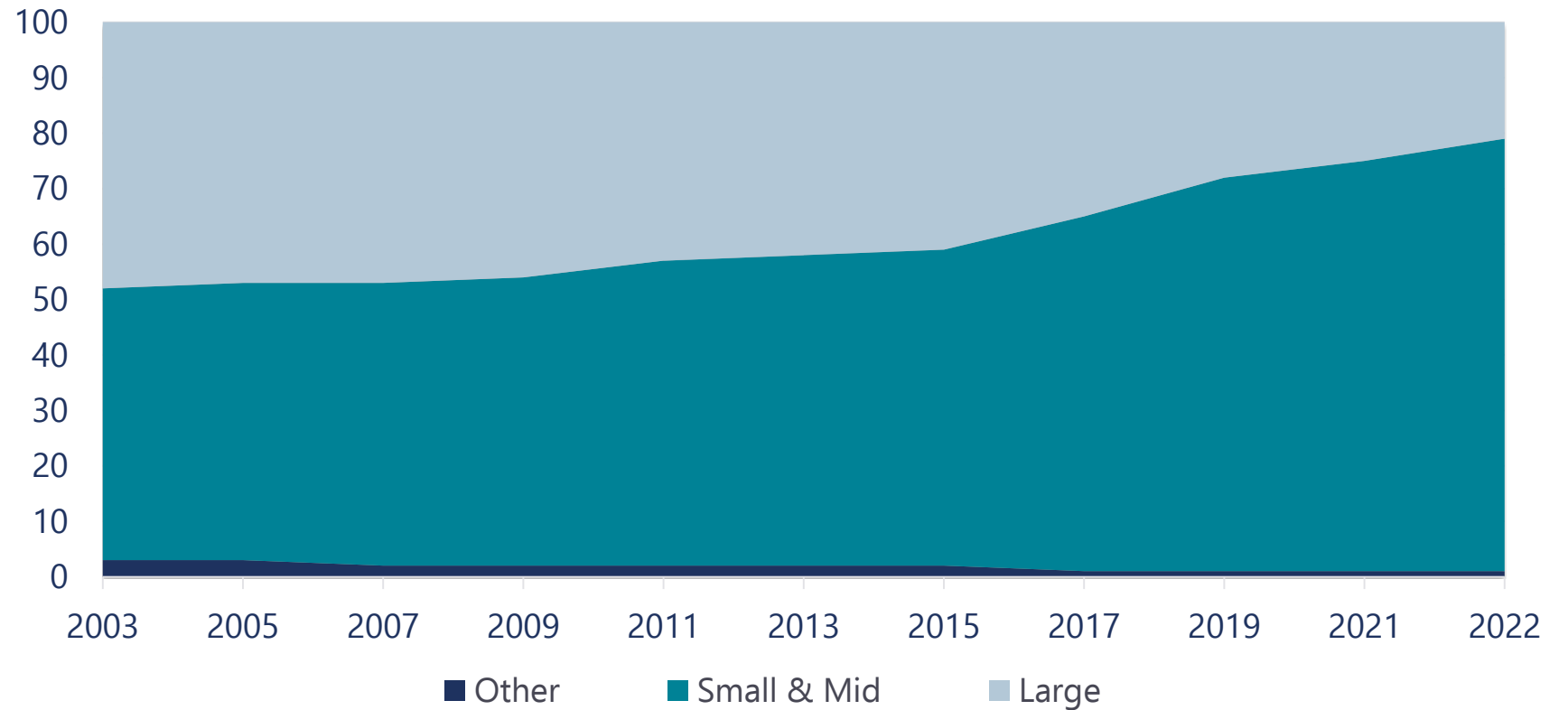


# BIOPHARMA IN FOCUS

Why small and mid caps?

## Small businesses are particularly innovative

Small and mid-caps account for > **70%** of the global clinical pipeline



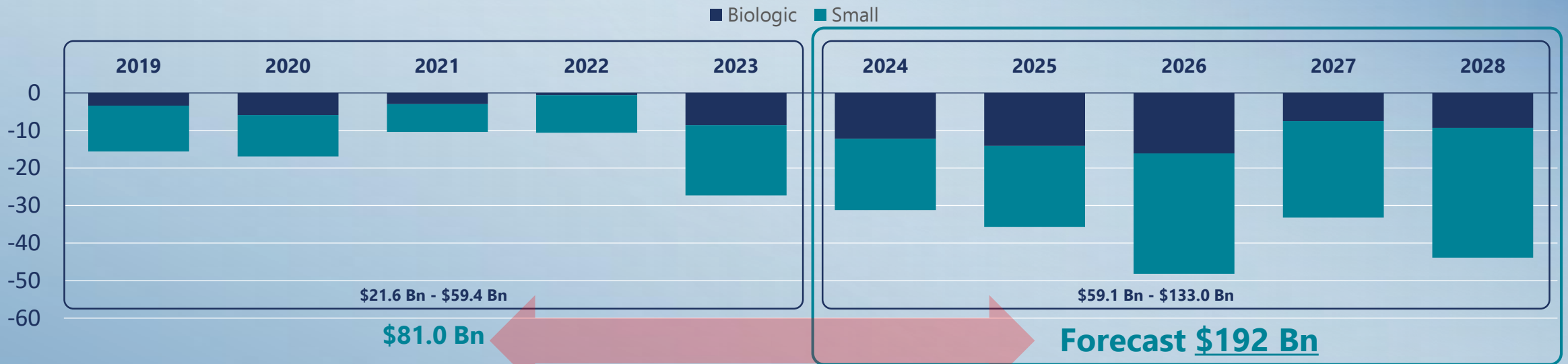
**Focus on young innovators with great growth potential**

# BIOPHARMA IN FOCUS: HISTORICALLY HIGH...

The pharmaceutical industry is facing patent expiries.

Annual sales threatened by patent expiries in the next five years at Big Pharma

**>\$190** billion in the top 10 industrial nations



**Explanation:** Most of the drugs on the market today are small molecules that are produced by chemical synthesis. With our increasing understanding of disease processes at the molecular level (biotechnology), the number of biological targets for combating disease (biologics) is also increasing.



The pharmaceutical industry has little choice but to increasingly take over biotech companies in order to replace products that it is unwilling or unable to produce itself.

# BIOPHARMA IN FOCUS

Big Pharma under pressure to innovate

'A storm is coming': major patents set to expire in the coming years (2022-2029)

\* 2021 Global Sales





# BIOPHARMA IN FOCUS

Big Pharma under pressure to innovate

## WHAT TO DO?



# BIOPHARMA IN FOCUS

Increasing takeover activities expected

**There are many reasons to support an increase in the number of acquisitions:**

**patent hurdle**

leads to a high demand for Big Pharma to refill the pipelines

**mandatory discount (IRA)**

also leads to a high demand for Big Pharma to refill the pipelines

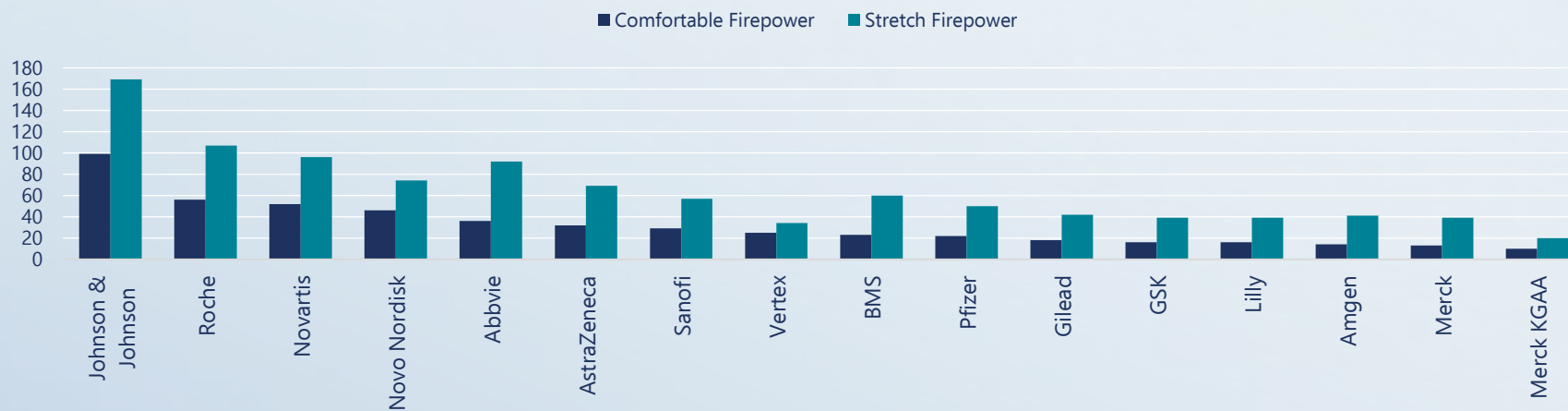
**low equity valuation levels**

of small and mid caps as innovative takeover targets

**Historically high liquidity reserves**

at a number of large cap companies

**> 500 billion USD 'Firepower' among the top 16 pharmaceutical companies**



**definition:**

- **Comfortable financial strength:**  
level of debt that a company can take on at current EBITDA to achieve a net debt/EBITDA ratio of 3x.
- **Stretched financial strength:**  
would a company take on a net debt/EBITDA ratio of 5x

# OUR FUND: MEDICAL BioHealth

Two pillars



# OUR FUND: MEDICAL BioHealth

## acquisitions of portfolio companies

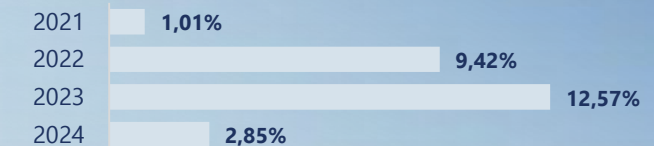
Year	Date	Share/Name	Buyer	Premium	Weighting	Area
2022	19/01/2022	Zogenix	UCB	66% <sup>1</sup>	1.00%	rare disease
	13/04/2022	Sierra Oncology	GlaxoSmithKline	39%	0.84%	oncology
	13/04/2022	Antares Pharma	Halozyme Therapeutics	49%	0.65%	administration
	10/05/2022	Biohaven Pharma	Pfizer	79%	1.71%	migraine
	03/06/2022	Turning Point	Bristol-Myers Squibb	122%	0.90%	oncology
	11/07/2022	La Jolla Pharma	Innoviva	70% <sup>3</sup>	0.07%	cardiovascular
	04/08/2022	ChemoCentryx	Amgen	116%	0.79%	rare disease
	08/08/2022	Global Blood Therapeutics	Pfizer	90% <sup>4</sup>	0.92% <sup>4</sup>	rare disease
	22/08/2022	Aerie Pharmaceuticals	Alcon	37%	1.24%	eyes
	24/10/2022	Myovant Sciences	Sumitovant Biopharma	50% <sup>5</sup>	1.36% <sup>5</sup>	oncology
	07/11/2022	Oyster Point Pharma	Viartis	31% <sup>1</sup>	0.30%	eyes
	09/01/2023	Albireo Pharma	Ipsen	84% <sup>1</sup>	1.80%	rare disease
	19/01/2023	Concert	Sun Pharma	16% <sup>1</sup>	0.68%	autoimmune
	13/03/2023	Provention Bio	Sanofi	273%	0.42%	autoimmune
2023	13/03/2023	Seagen	Pfizer	33%	3.04%	oncology
	18/04/2023	Bellus Health	GlaxoSmithKline	103%	1.00%	respiratory dis.
	01/05/2023	Iveric Pharma	Astellas Pharma	22%	1.07%	eyes
	10/05/2023	CTI BioPharma	Sobi	98%	0.95%	oncology
	06/06/2023	Paratek Pharmaceuticals	Gurnet Point Capital & Novo Holdings	41% <sup>1/4</sup>	0.26% <sup>4</sup>	antibiotics
	12/06/2023	Chinook	Novartis	67% <sup>1</sup>	0.69%	rare disease
	28/07/2023	Reata Pharmaceuticals	Biogen	58%	2.34%	CNS
	03/10/2023	Point BioPharma	Eli Lilly	87%	0.41%	oncology
	30/11/2023	ImmunoGen	AbbVie	95%	2.72%	oncology
	08/01/2024	Ambrx BioPharma	Johnson & Johnson	105%	0.50%	oncology
2024	12/02/2024	CymaBay	Gilead	27%	3.86%	rare disease
	19/03/2024	Fusion Pharma	AstraZeneca	97% <sup>1</sup>	0.36%	oncology
	29/04/2024	Deciphera Pharmaceuticals	ONO Pharmaceuticals	74,7%	0.79%	oncology

In the last 3.5 years, **33 takeovers** of portfolio companies

Young **innovative leaders** in the focus of M&A deals

Continued **high funds in large caps**

Takeovers create **added value** in the fund, performance contribution:



### Interdisciplinary team made possible by:

- **Biotech:** recognising 'genuine' innovation
- **Pharma:** recognising which companies need to 'buy in' innovation in which therapeutic areas

<sup>1</sup> plus right to rectify in the event of product success (CVR)

<sup>2</sup> offer in cash and shares

<sup>3</sup> based on the volume-weighted average price of the last 30 days before the takeover was announced

<sup>4</sup> price increase since the beginning of the takeover rumours; weighting before the beginning of the takeover rumours

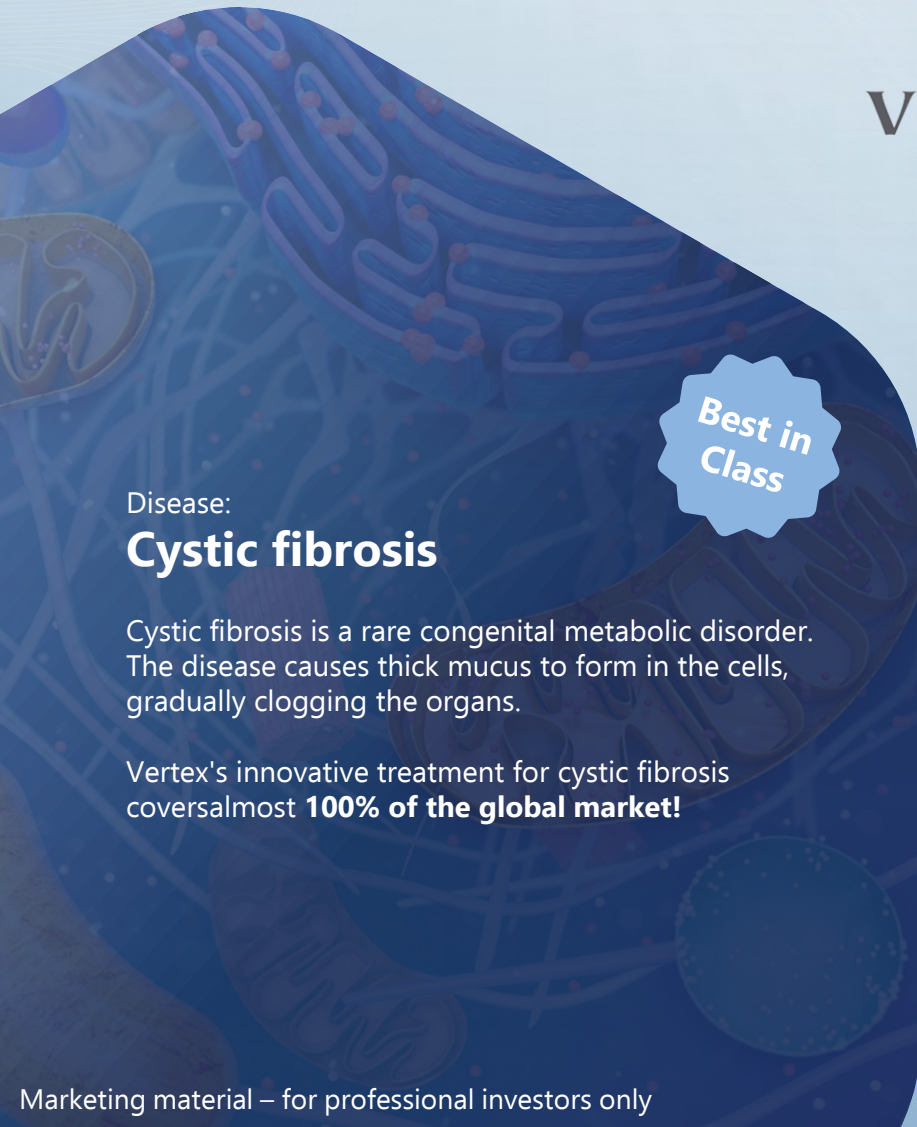
<sup>5</sup> price increase/weighting since the last trading day before the first non-binding takeover bid

# OUR FUND: MEDICAL BioHealth

Example investment: Vertex



'**Big Biotech**' Vertex (founded in 1989)  
 Pure innovation: undisputed world market leader in cystic fibrosis drugs

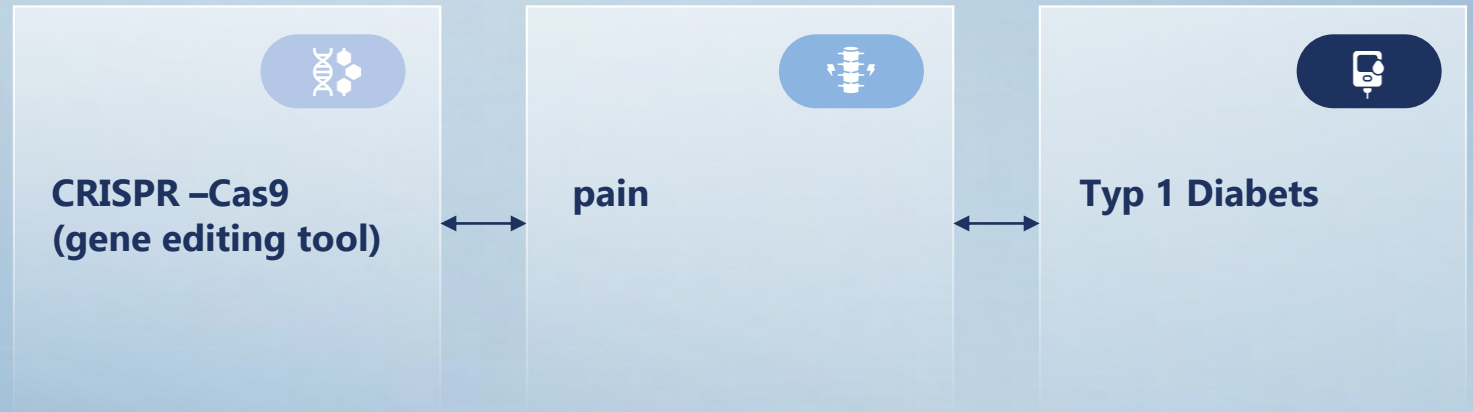


Disease:  
**Cystic fibrosis**

Cystic fibrosis is a rare congenital metabolic disorder. The disease causes thick mucus to form in the cells, gradually clogging the organs.

Vertex's innovative treatment for cystic fibrosis covers almost **100% of the global market!**

**Vertex is also applying its expertise and financial resources to various other indications and technologies:**



# OUR FUND: MEDICAL BioHealth

Example investment: Crinetics



> Focus on endocrinological (hormonal) diseases!

> Innovations in the field of rare diseases

disease

## Acromegaly

Acromegaly occurs when a benign tumour grows on the pituitary gland (part of the brain) and secretes increased amounts of growth hormone in adulthood.

### Current treatment:

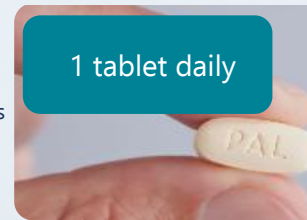
Mostly through painful, monthly, intramuscular injections

> **Innovation:**  
just 1 tablet of Paltusotine a day

**Innovation:** better method of administration



vs



### Paltusotine

- Acromegaly
- Carcinoid syndrome  
(symptom complex caused by various tumours)

> **Innovation:**  
application benefit for patients

*Market launch; acromegaly 2025 / carcinoid syndrome 2027 Peak sales 2034 (Consensus, visible alpha): 700 million US\$ / 1.35 billion US\$*

**Best in Class**

**Innovation:** improved effectiveness



### Atumelnant

- Adrenal hyperplasia (adrenal insufficiency)
- Cushing's syndrome  
(excessive cortisol production can lead to health problems such as anxiety or depression, high blood pressure, insomnia, diabetes, etc.)

> **Innovation:**  
potentially greater efficacy

*Market entry: adrenal hyperplasia 2028 / Cushing's syndrome 2028/29 Peak sales 2034 (Consensus, visible alpha): 950 million US\$ / 600 million US\$*

# OUR FUND: MEDICAL BioHealth

Example investment: Crinetics



➤ Emerging leader in chronic lung disease

➤ **Innovation through** inhaled reformulations of established active ingredients



## MAC lung disease

- Arikayce® / liposomal amikacin (aminoglycoside antibiotic)
- first and only approved medication (since 09/18)
- Peak Sales-Potential ≥ 1.5 billion USD

October 1, 2018 10:18 AM EDT Updated 10:52 AM PT

### Insmmed follows a new pathway at the FDA for antibacterials, winning quick OK for Arikayce

Val Kennedy

The FDA granted accelerated approval for Insmmed's drug Arikayce for the treatment of a lung disease caused by the bacteria group Mycobacterium avium complex, or MAC, in certain patients who have not responded to conventional treatment. And regulators used the moment to flag a new pathway opened at the FDA that is intended to speed up the arrival of a new generation of badly needed antibacterials.

Arikayce is the first drug to be approved under the new Limited Pathway for Antibacterial and Antifungal Drugs, or LPAD, which allows for more streamlined clinical trials involving smaller patient populations.

Difficult-to-treat bacterial lung infections. Particularly dangerous for patients with lung cavities, COPD or immune deficiencies.

**Symptoms:** chronic coughing, tiredness, weight loss, fever.

## bronchiectasis

- Brensocatib (DPP1 inhibitor)
- Presentation of extremely strong PIII efficacy data on 05/23 -> possible approval as the first drug in Q2/2
- Peak Sales-Potential ≥ 3 billion USD

### Insmmed stock skyrockets on Phase 3 lung disease data

Max Gelman  
Senior Editor

Shares of Insmmed \$INSM more than doubled Tuesday morning after the company released Phase 3 data in a respiratory disease called bronchiectasis.

The company's drug, known as brensocatib, reduced patients' pulmonary exacerbations by about 20% in both the low- and high-dose arms compared to placebo, Insmmed said Tuesday. The biotech expects to file for FDA approval by the end of 2024, with a potential decision expected in "mid-2025," according to a [press release](#).

Irreversible bronchial dilation or bulging, usually accompanied by persistent inflammation and bacterial infections.

**Symptoms:** chronic cough, chest pain, shortness of breath, repeated pneumonia.

# OUR FUND: MEDICAL BioHealth

Our investment process



**The right company (stock picking)**  
**at the right price (valuation)**  
**at the right time (taking advantage of volatility)**



## internal research

- Company contacts
- Annual reports
- Investment conferences
- Scientific congresses & publications
- Expert opinion\*



## external research

Specialised Brokers



## internal database

- ~900 companies
- development status, patents, competition, financial parameters



## Sustainability

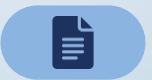
- Consistent exclusion of companies with severe violations against the environment, human rights and business ethics
- Screening with leading ESG data providers: MSC



## proprietary valuation model

### Revenue multiple valuation:

- Based on revenue and price estimates from database
- Inclusion of degree of innovation (multiples of 3x-6x)



## portfolio construction

70-100 companies  
 Weighting (from 0.25% to 5%) according to risk profile, liquidity, company size



# OUR FUND: MEDICAL BioHealth

Our key investment criteria

## level of innovation

New standard

*First in Class,  
Best in Class*

## development status

Product close to the market

*Proof of Concept*

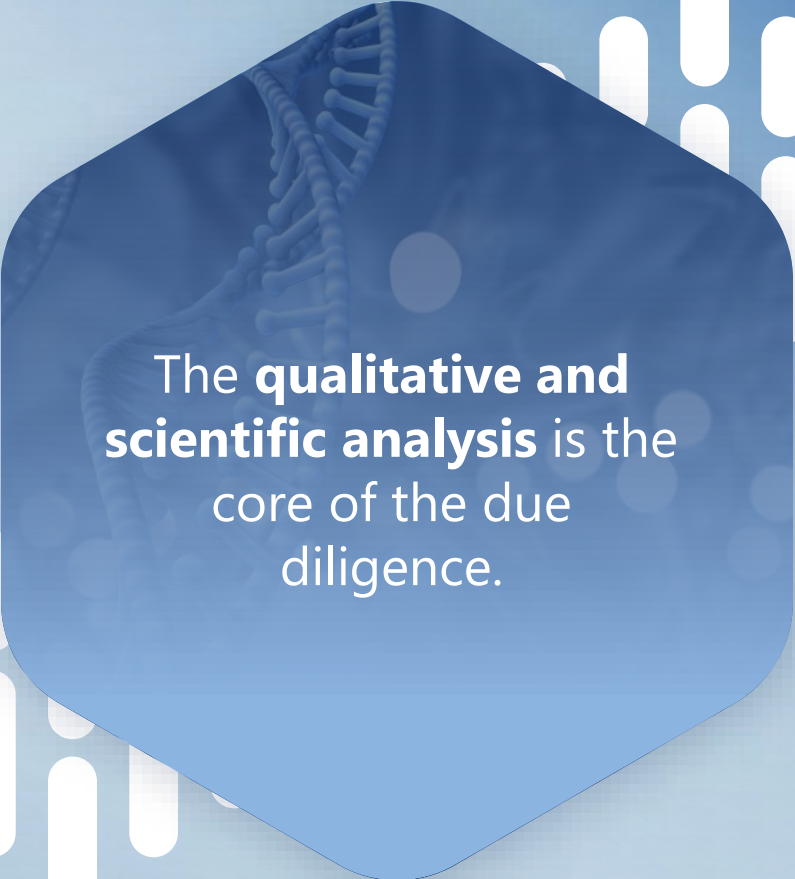
## Management & Financing

Experience and sufficient cash for development

*Biotech companies are largely financed by equity.*

## Assessment

Above-average growth potential through successful product development



The **qualitative and scientific analysis** is the core of the due diligence.

# OUR FUND: MEDICAL BioHealth

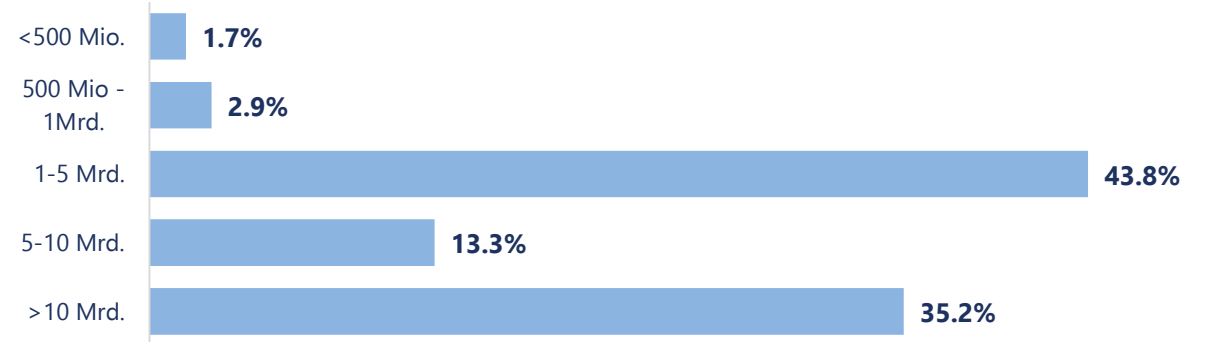
The gist of it



## sector allocation



## Allocation based on company size



## currency allocation



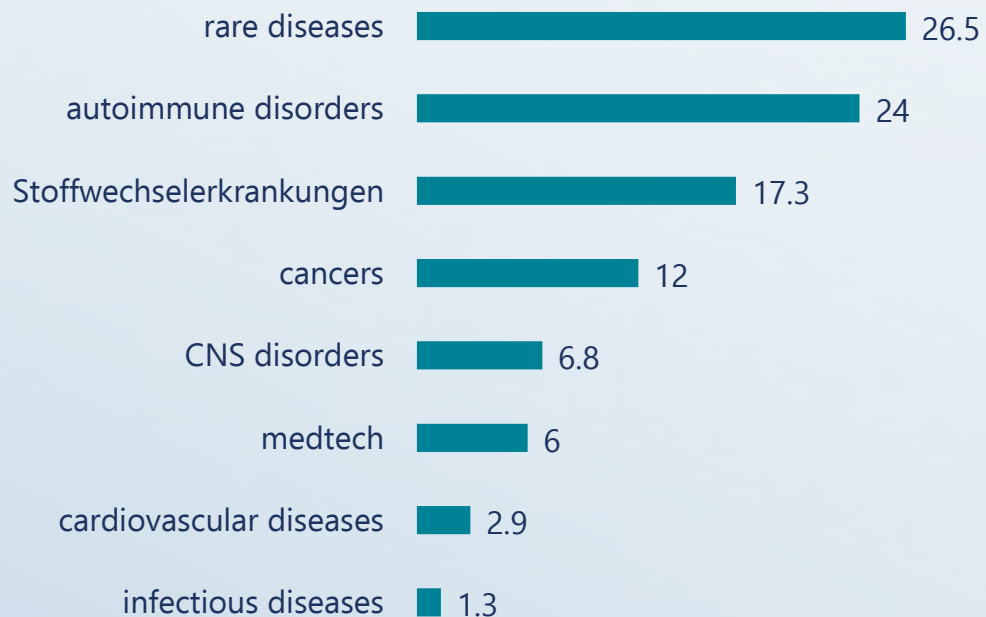
Source and status: anevis solutions GmbH, 31 January 2025

Past performance is no guarantee and no indicator of future performance. Caution: the distribution may vary over time

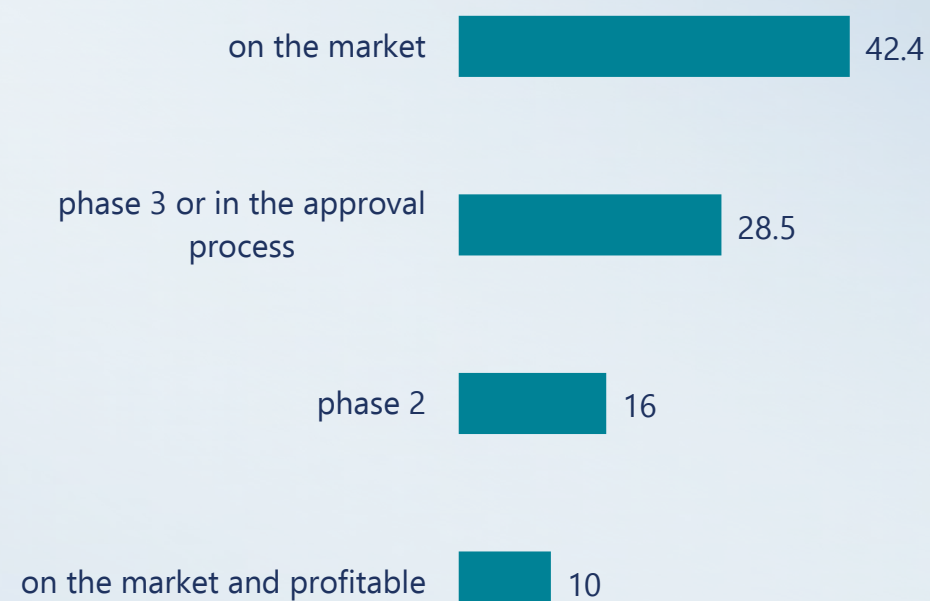
# OUR FUND: MEDICAL BioHEALTH

Allocation by therapeutic area & development

## Overview by therapeutic area (in %)



## Overview of the development status of the companies (in %)



# OUR FUND: MEDICAL BioHealth

performance overview

Indexed performance over the last 10 years (in %)



Source and status: anevis solutions GmbH, 28 February 2025

	YTD	1 year	3 years	3 years p.a.	5 years	5 years p.a.	10 years	10 years p.a.
<b>Cumulative performance (gross, in %)</b>	-4.5 %	-11.0 %	27.3 %	8.4 %	29.8 %	5.4 %	107.6 %	7.6 %
<b>volatility</b>	20.2 %	19.0 %	26.3 %	-	27.6 %	-	24.4 %	-

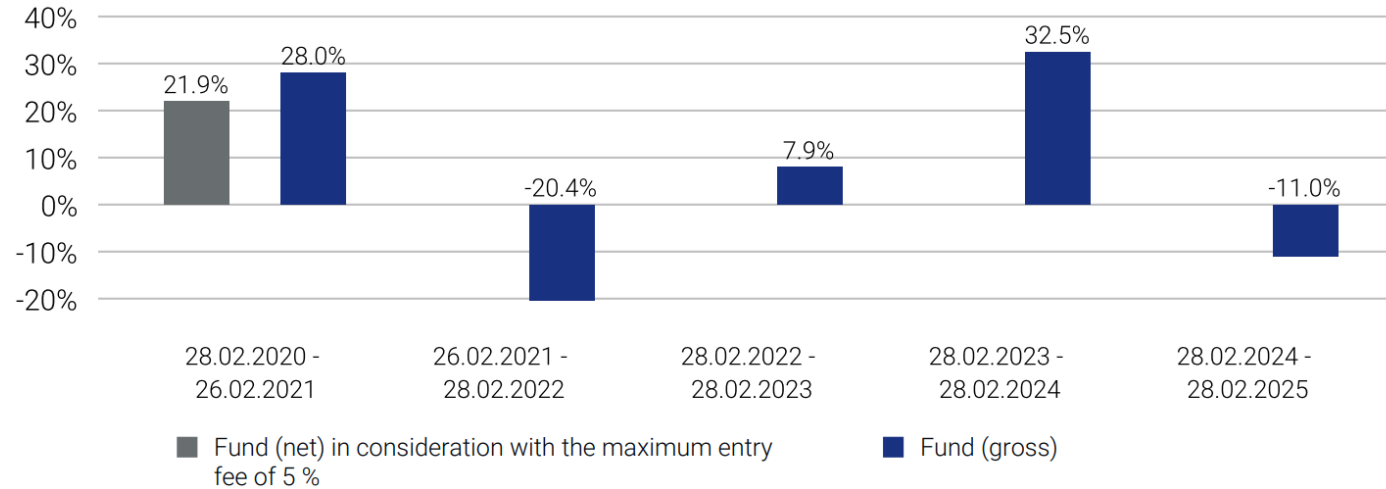
Source and status: anevis solutions GmbH, 28 February 2025

Source: anevis solutions GmbH / Hauck Aufhäuser Lampe; Performance calculation based on gross performance (BVI method) The issue premium (for investment and reinvestment) was not taken into account and individual costs such as custodian fees were not included. If the issue premium and custodian fees are included, the performance would be lower. Past performance is no guarantee and no indicator of future performance. Note: The distribution may vary over time.

# OUR FUND: MEDICAL BioHealth

performance overview

## Annual performance over the last 5 years, rolling, as a bar chart, gross and net (in %)



Source and status: anevis solutions GmbH, 28 February 2025

## Monthly performance overview

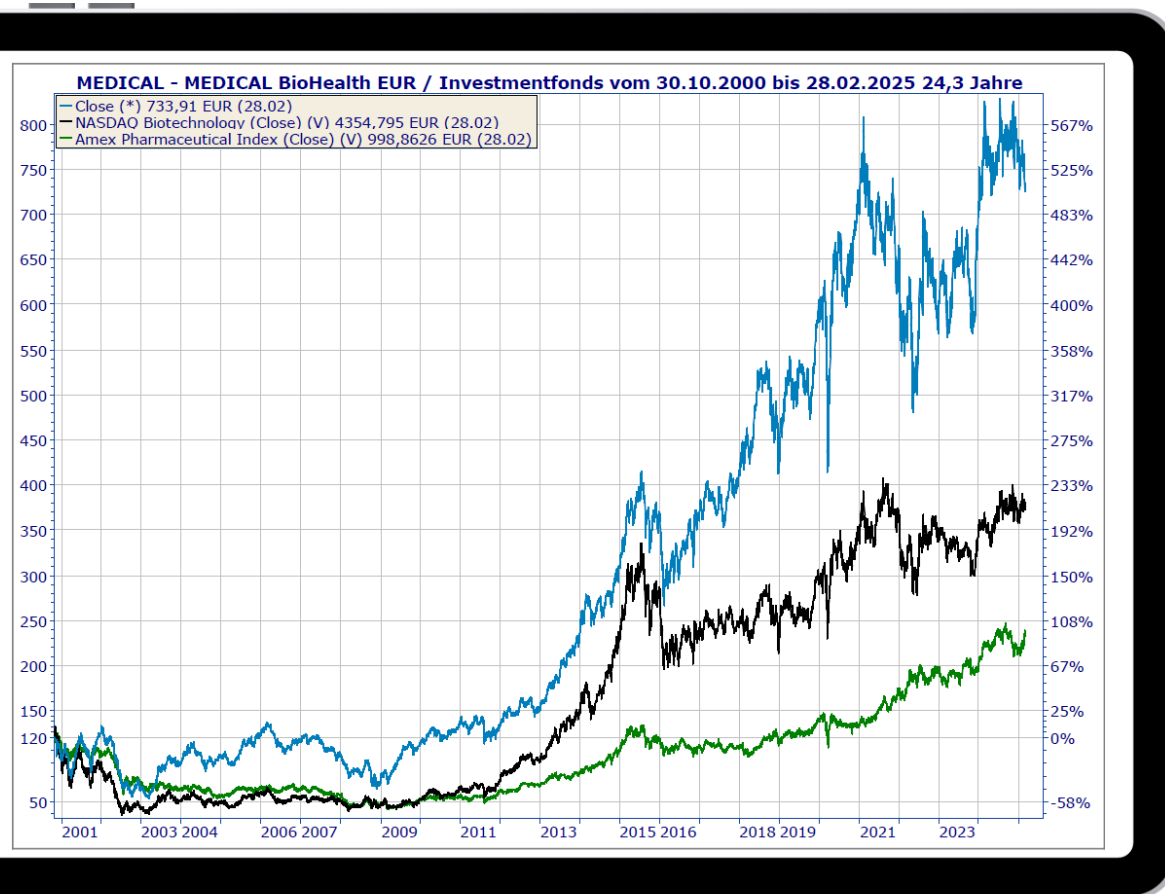
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
<b>2019</b>	11.9 %	8.7 %	2.5 %	0.2 %	-2.5 %	2.7 %	3.0 %	-3.9 %	-3.1 %	2.6 %	11.9 %	4.8 %	44.1 %
<b>2020</b>	-2.4 %	-3.0 %	-12.1 %	24.2 %	5.6 %	1.0%	-5.1 %	-2.5 %	3.3 %	2.3 %	7.7 %	1.4 %	17.5 %
<b>2021</b>	5.6 %	-2.3 %	-2.4 %	-0.3 %	-4.2 %	4.9 %	- 5.4 %	4.3 %	-1.4 %	0.9 %	- 7.4 %	0.1 %	-8.3 %
<b>2022</b>	-12.4 %	2.3 %	3.6 %	-5.7 %	-8.3 %	9.3 %	8.6 %	6.9 %	-2.7 %	1.7 %	-6.9 %	-1.0 %	-7.2 %
<b>2023</b>	4.6 %	-0.3 %	-7.7 %	2.3 %	7.2 %	2.8 %	5.3 %	-3.5 %	-3.1 %	-9.7 %	2.2 %	20.9 %	19.3 %
<b>2024</b>	2.7 %	11.2%	-3.3 %	-5.4 %	-0.2 %	3.7 %	2.8 %	0.2%	-3.1 %	0.7 %	4.4 %	-4.8 %	7.9 %
<b>2025</b>	0.0 %	-4.5%											-4.5%

Source and status: anevis solutions GmbH, 28 February 2025

Source: anevis solutions GmbH / Hauck Aufhäuser Lampe; Performance calculation based on gross performance (BVI method). The front-end load (on investment and reinvestment) was not taken into account, nor were individual costs such as custodian fees. If the front-end load and custodian fees are included, the performance would be lower. Past performance is no guarantee and no indicator of future performance. Note: The allocation may vary over time.

# OUR FUND: MEDICAL BIOHEALTH

Outperformance of the EUR/retail tranche



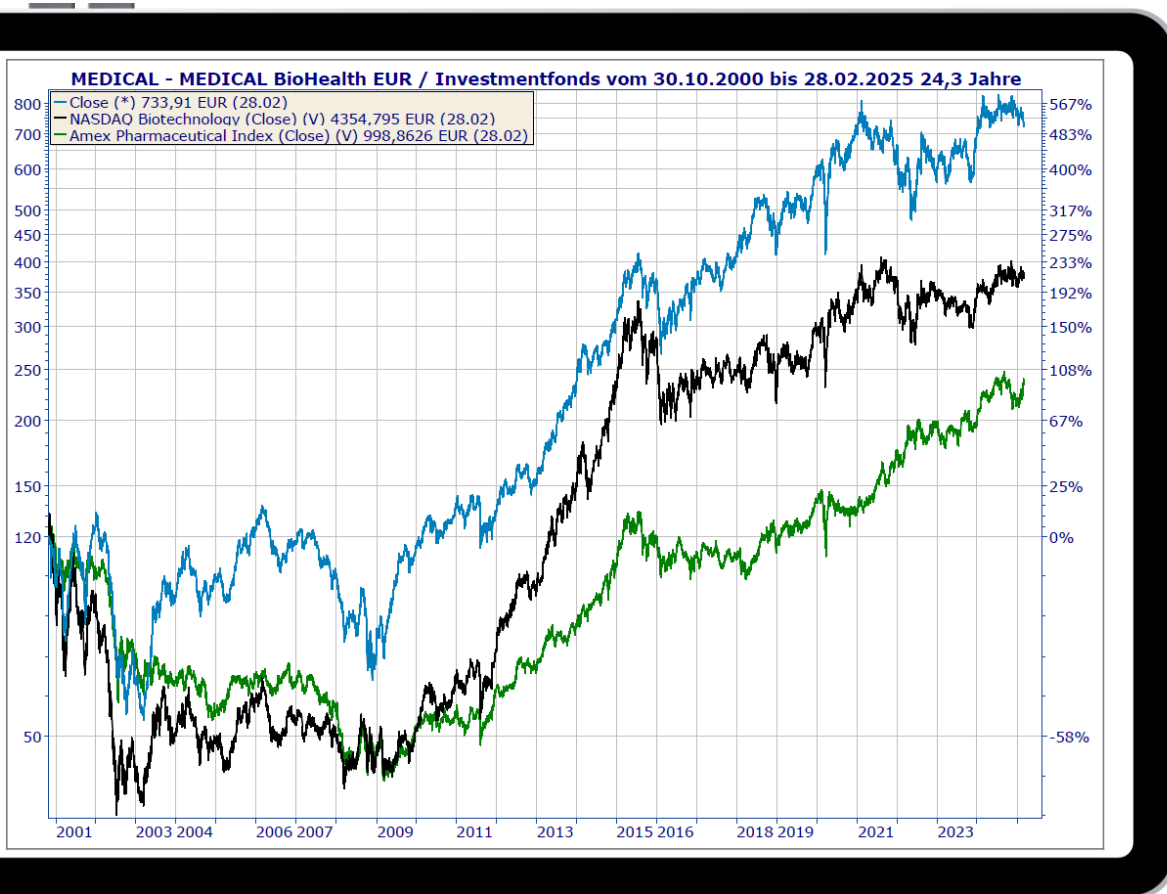
Performance since launch 30 October 2000	in EUR, in %	Outperformance in EUR in %
MEDICAL BioHealth EUR	511.59 %	
NASDAQ Biotechnology	200.18 %	<b>311.41 %</b>
Amex Pharmaceutical	96.24 %	<b>415.35 %</b>

As at 28 February 2025; Source: vwd; Price indices in EUR; For the calculation of the index performance and the exchange rate conversion, the previous day's closing prices were used. Since the fund is mainly invested in North America, the time difference was taken into account

Performance is calculated according to gross performance (BVI method). The front-end load (on investment and reinvestment) was not taken into account, nor were individual costs such as custody fees. If the front-end load and custody fees are included, performance would be lower. Past performance is no guarantee and no indicator of future performance.

# OUR FUND: MEDICAL BioHealth

Outperformance of the EUR/retail tranche



Performance since  
launch 30 October 2000

in EUR,  
in %

Outperformance  
in EUR in %

MEDICAL BioHealth EUR	511.59 %	
NASDAQ Biotechnology	200.18 %	<b>311.41 %</b>
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# OUR FUND: MEDICAL BioHEALTH

## Facts & Figures

unit classes	EUR	EUR H	I (institutional)	S (institutional)	I X (institutional)	EUR E (institutional)	CHF
Share class currency	Euro	Euro (USD is hedged)	Euro	Euro (USD is hedged)	Euro	Euro	CHF
ISIN	LU0119891520	LU0228344361	LU0294851513	LU0295354772	LU1152054125	LU1783158469	LU2890439347
WKN	941135	A0F69B	A0MNRQ	A0MQG5	A12GCR	A2JEMC	A40MUU
Bloomberg	OPMEDIC LX	OPJZ GR	OPMEDEI LX	OPMDEIH LX	OPMDEIX LX	OPMEDEE LX	MEDBICH LX
launch date	30. October 2000	30. September 2005	02. May 2007		04. July 2016	03. April 2018	25. September 2024
minimum investment	keine		100.000 EUR (für Stiftungen keine)		10 Mio. EUR	20 Mio. EUR	100.000 CHF
issue surcharge	up to 5% of the investment amount						
portfolio commission	up to 0.6% for distribution		None		None	None	None
ongoing costs*	1.82%	1.83%	1.32%	1.33%	1.03%	0.96%	1.33%
plus any performance-related remuneration*	15.0% of the increase in value in excess of 5.0% (hurdle rate) in relation to the NAV per share in the financial year (high water mark)		10.0% of the increase in value in excess of the hurdle rate of 5.0% in the financial year (high water mark)		10.0% of the excess of growth over the hurdle rate, based on the NAV per share in the financial year (high water mark)	None	10% of the outperformance in excess of the 5.0% hurdle rate based on the NAV per share in the financial year (high water mark)
appropriation of earnings	Accumulation			Target distribution 5% p.a.(28 March 2024: €28.74 per unit)	Accumulation		
total volume	approx. €662 million (as at 28 February 2025)						
financial year	31. December						
ESG	Art. 8 in accordance with the Disclosure Regulation (SFDR) Sustainable Investment in accordance with MiFID II guideline Art.2 point 7C						

Further information can be found in the currently valid sales prospectus dated 01/01/2024

\* ongoing charges according to the key information document (KID) dated 03/15/2024, source: Hauck & Aufhäuser Fund Services S. A..

\*\* further information on the calculation can be found in the currently valid sales prospectus dated 01/01/2024.



# BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

## 6 reasons to invest in biotech now

### reason #1

#### Valuation historically attractive

As a segment of the stock market that is highly sensitive to interest rates, biotech stocks have suffered particularly from the rapid rise in interest rates. The phase of irrational undervaluation of biotech companies is coming to an end. This is a promising prospect for investors.

### reason #2

#### Improved macro environment

The trend towards falling interest rates supports capital-intensive research, meaning that fundamental aspects are likely to be given more weight again in the valuation of biotech companies. This will turn the headwind for biotech companies into a tailwind.

### reason #3

#### Big Pharma needs biotech

The pharmaceutical industry is threatened by patent expiries on an unprecedented scale. To compensate for this competitive disadvantage, it has to buy in innovations. This makes many biotech companies takeover candidates, for which lucrative premiums are paid.

### reason #4

#### Increasing innovative strength

The number of research publications on new, innovative technologies is rapidly increasing, as is the number of programmes in preclinical and clinical development. Artificial intelligence will revolutionise basic research.

### reason #5

#### Demographics and civilization

By 2060, there will be 1.7 billion people over the age of 65 worldwide. In addition, increasing prosperity is contributing to lifestyle diseases such as obesity.

### reason #6

#### Putting the Tech in BioTECH

Disruptive technologies and technological progress are increasingly permeating research, accelerating processes and bringing humanity a step closer to a complete understanding of nature. Will BioTECHNOLOGY replace two purely technology-driven decades?



# WHY INVEST IN MEDICAL BioHEALTH?

reason #1

**Focus on young innovation leaders with significant potential for value appreciation**

reason #2

**In-depth biomedical expertise**

reason #3

**Long-standing track record with significant outperformance vs. benchmark**

reason #4

**Disciplined, structured analysis and investment process**



# BIOPHARMA NEWS

## Conclusion



**Macroeconomic** disruptions (fears of inflation, interest rates and recession, geopolitics) weigh on share prices at times



**Continued low valuation** levels in the small/mid cap biotech segment, with some companies valued below cash

- Numerous **investment opportunities** for stock pickers with a long-term horizon
- Basis for possible **future outperformance**



Special feature of the biopharmaceutical market: product advances are **completely uncorrelated** with macro factors + largely **cyclically independent** demand for essential medications/therapies



Impending **patent cliff** and **rebate requirement (IRA)** leads to licensing and takeover pressure among **large caps**, which have to reach for innovative players: increasing **M&A** activities – but fewer megamergers (FTC)



**In the current market environment: focus on biotech companies with...**

- clinically validated products and technologies
- solid capital resources

# ESG

## Sustainability profile – Article 8 Disclosure Ordinance



- > **Exclusions** of violations, including\* the following:
- UN Global Compact
  - Controversial weapons

- > **ESG integration** in the investment processes•
- Cooperation with ESG researchers Sustainalytics / MSCI \*\*

**MEDICAL BioHealth** is categorised as:

**Sustainable investment in accordance with MiFID II Art. 2 No. 7C:** complies with the sustainability-related investment objectives in accordance with the new MiFID requirements

**Art. 8 (Plus)** according to the EU Disclosure Regulation

**Products from innovative biopharmaceutical companies can make a positive contribution to achieving the UN Sustainable Development Goal #3.**

Further information on sustainability-related aspects can be found at:  
<https://medicalstrategy.de/fonds/gesundheit/medical-biohealth-eur#fondDownloads01>

\* see the MEDICAL BioHealth sales prospectus, page 50, dated 01/01/2024

\*\* see the MEDICAL BioHealth sales prospectus, page 51, dated 01/01/2024.

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## 'IT meets medicine'

### apo Digital Health Aktien-Fonds

The first digital health equity fund – already a multiple award winner.



### apo Medical Opportunities Aktien-Fonds


Utilisation of the entire investment spectrum of the healthcare market and with by combining two managers with the relevant expertise.





**BIOTECH**

**FACTS**

Der Newsletter von  **MEDICAL STRATEGY**



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Past performance is no guarantee of future results.

Further detailed information on the opportunities and risks can be found in the sales prospectus and the key information document. The sales prospectus, the key information document and the associated semi-annual and annual reports are the sole binding basis for the purchase of fund units. They are available from the management company Hauck & Aufhäuser Fund Services S.A., 1c, rue Gabriel Lippmann, 5365 Munsbach, Luxembourg and at <https://medicalstrategy.de/fonds/medical-bio-health>

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As of 02/2023

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**1c, rue Gabriel Lippmann**

**L-5365 Munsbach**

## **VERWAHRSTELLE:**

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**L-5365 Munsbach**

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