



**MEDICAL
STRATEGY**

MEDICAL BIOHEALTH

Small and mid cap orientated
biotech fund

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

STATUS: April 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

HEALTHCARE IN THE LAST TWO YEARS

Significant underperformance



Conclusion: despite obesity-hype significant underperformance

The good fundamental outlook was not reflected in share price performance.
The broad market was largely driven by a few tech stocks.

SMALL VS. LARGE CAP HEALTHCARE

5-year-development of the relevant healthcare-indices



Conclusion: High catch-up potential after the slump in 2021 & 2022

TRUMP & BIOTECH

Turbo or stumbling block?



Pros

- **Deregulation & FDA acceleration:**
Faster approval procedures through deregulation
- **Tax policy & capital market friendliness:**
Good conditions for investments in biotech

Cons

- **Price pressure on medicines:**
Accelerated reduction in drug prices could reduce profits
- **Trade wars & uncertainty:**
Protectionist policies could disrupt global supply chains



Conclusion: acceleration with risks

A second Trump term could accelerate the biotech sector - through faster FDA approvals and investor-friendly tax policies. At the same time, however, there is the threat of price pressure on drugs and trade conflicts that bring uncertainty.

HEALTHCARE DURING TRUMP'S FIRST TERM

Stock market developments between inaugurations



Conclusion: A Trump administration is potentially better for the healthcare sector

Less regulation / bureaucracy, potential resurgence of M&A activity good for smaller companies

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 cut by the Fed in four years** (by 0.5% to 4.75-5.00%) makes it easier for biotech companies to access capital for their research projects. Further interest rate cuts **are expected in the US over the next 12 months** (by around 0.5-1.00%). **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** following the settlement of post-election uncertainty in the US.

BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

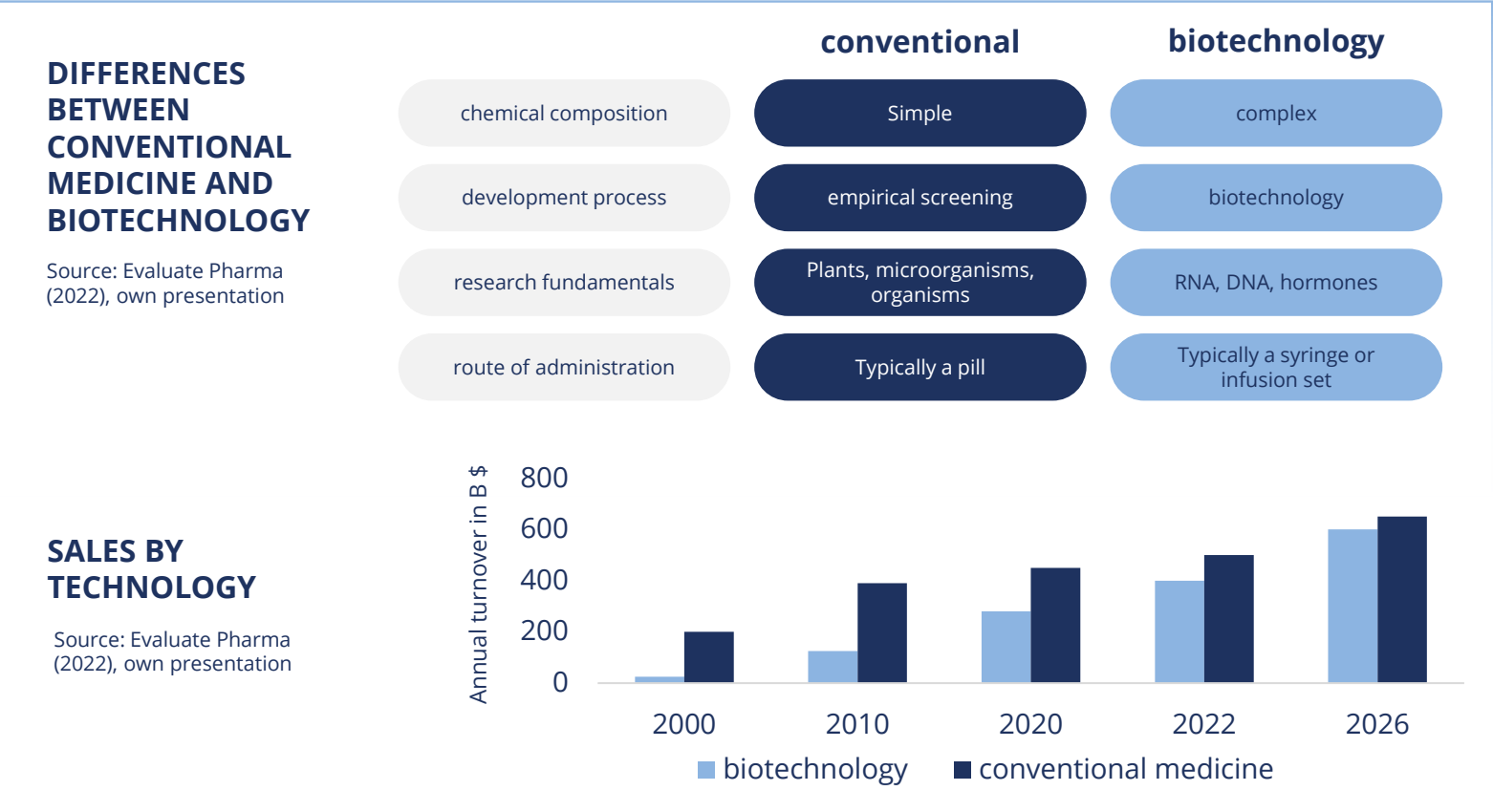
Facts & figures

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



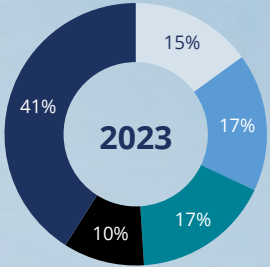
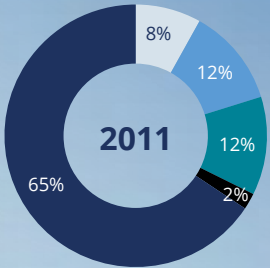
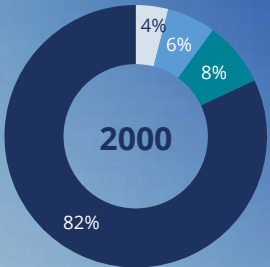
BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

Conventional medicine vs biotechnology



SHARE OF BIOTECHIN THE HEALTHCARE SECTOR

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



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.



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

BIOTECHNOLOGY: THE INDUSTRY OF THE FUTURE

Share of biotechnology in global pharmaceutical sales



QUANTUM LEAPS IN 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



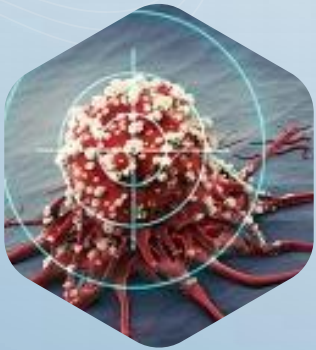
CNS diseases

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

QUANTUM LEAPS IN MEDICINE

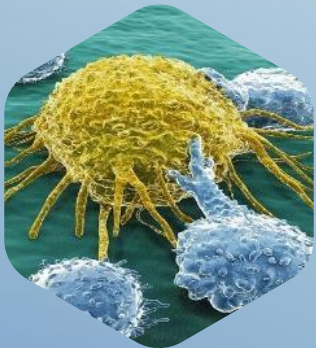
Oncology: major advances

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:

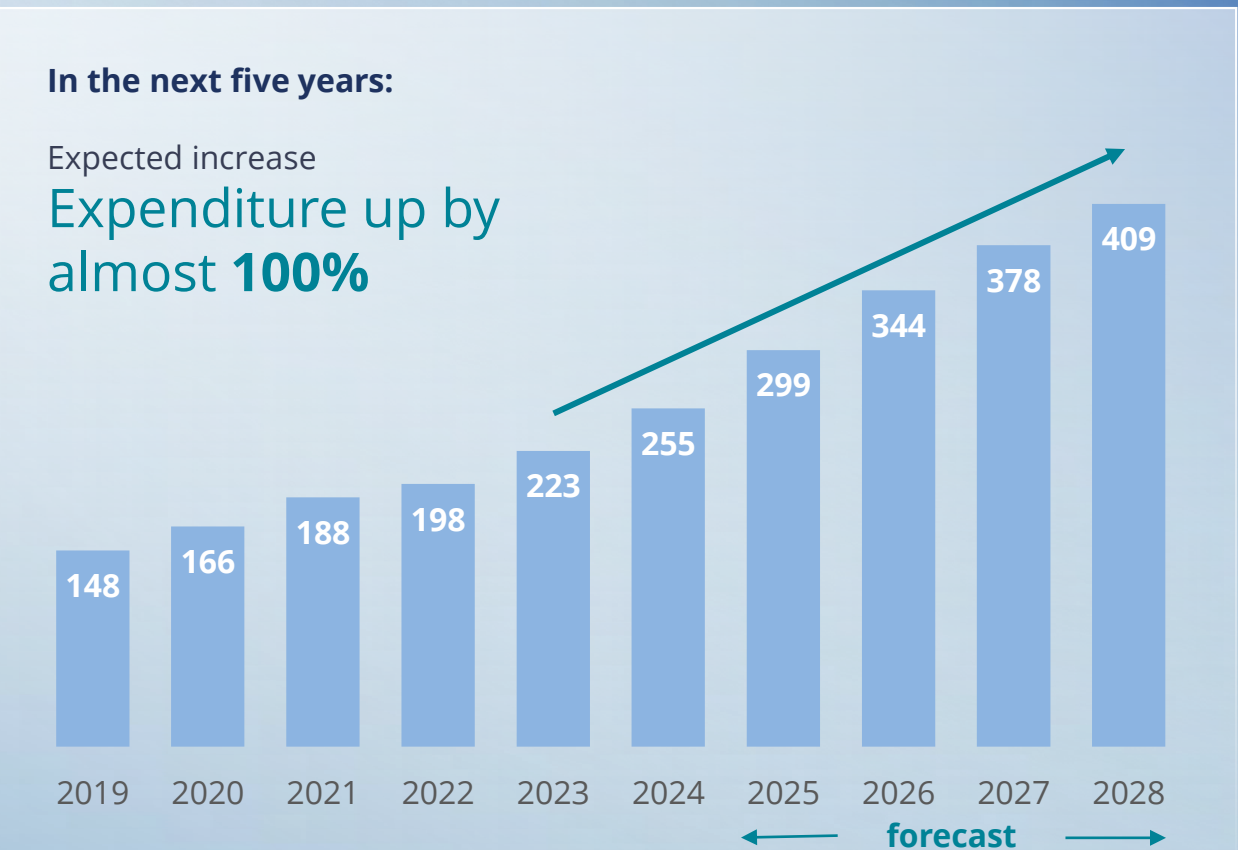


~\$440 billion USD
will be the increase in global spending by 2028



>100
new drugs
- > According to the WHO, the number of cancer cases will increase **by more than 70 per cent by 2050.**

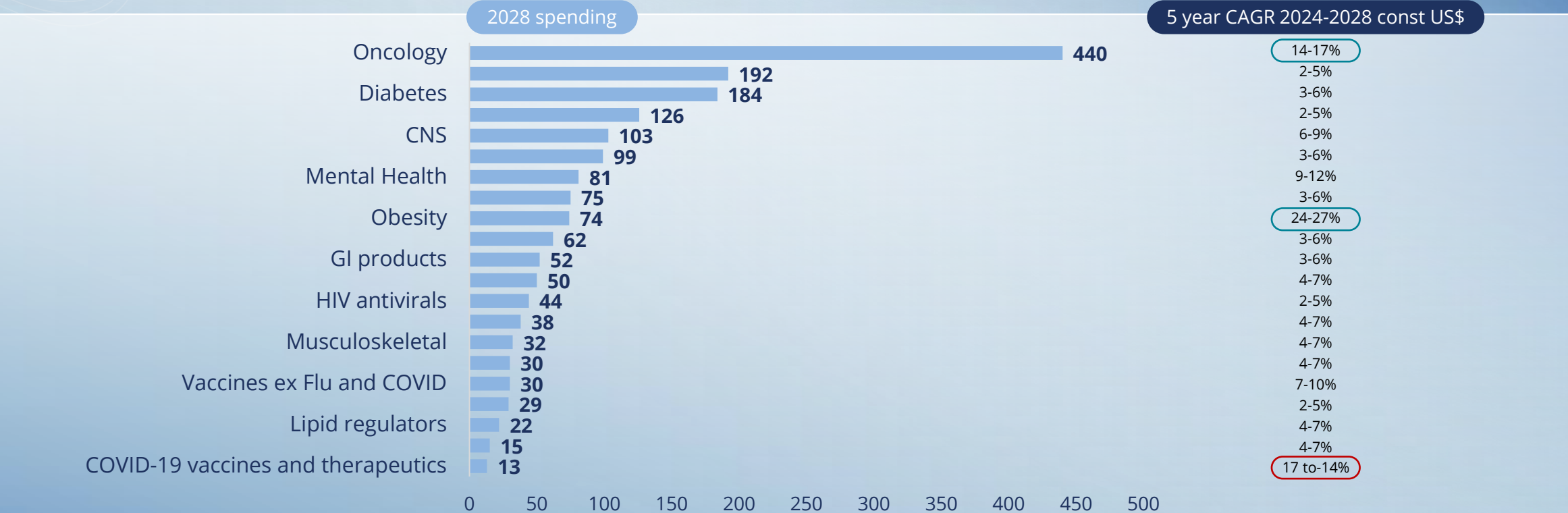
Cancer treatment: Global spending in billions of US dollar



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**

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



QUANTUM LEAPS IN MEDICINE

Cardiometabolic diseases

01

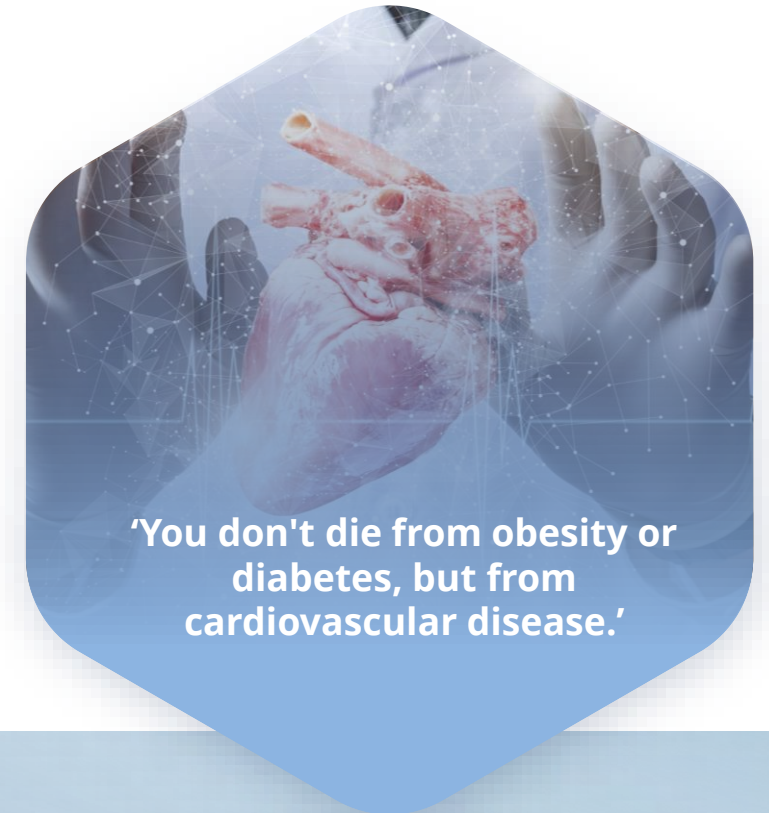
What are cardiometabolic diseases?

- > 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.'

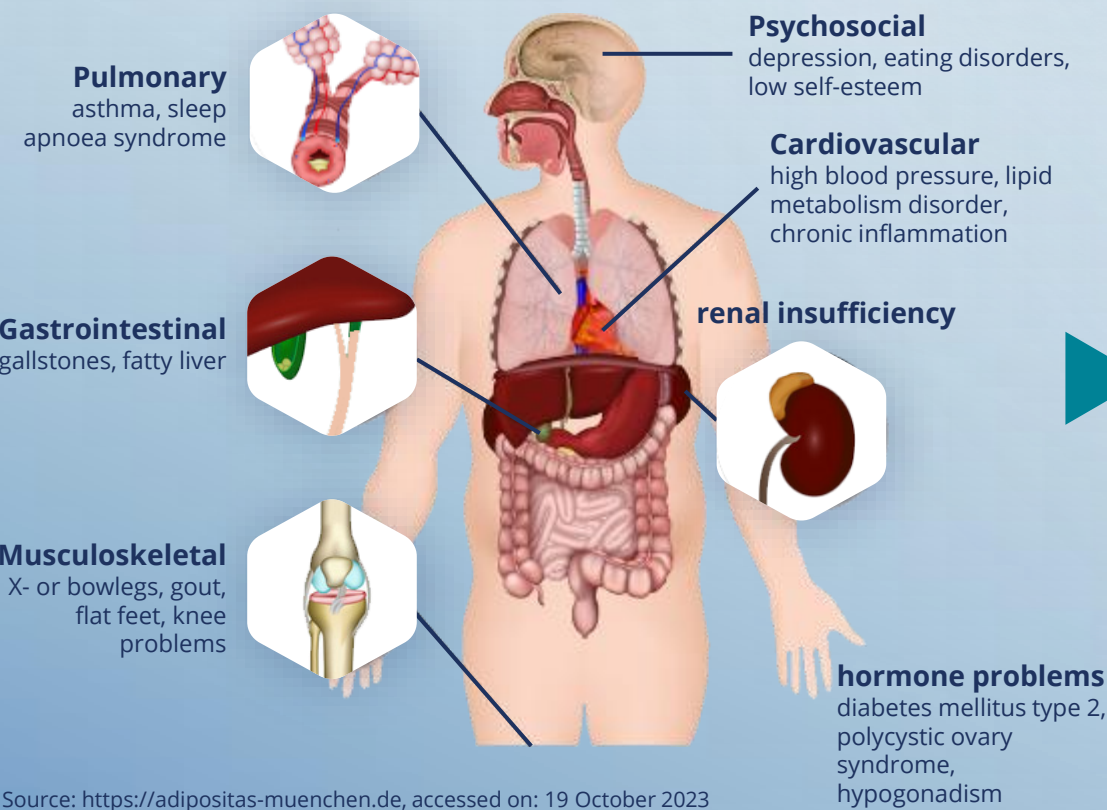


In addition to many existing therapeutic approaches and behavioural changes, **new drug treatments for obesity** are a source of hope.

QUANTUM LEAPS IN MEDICINE

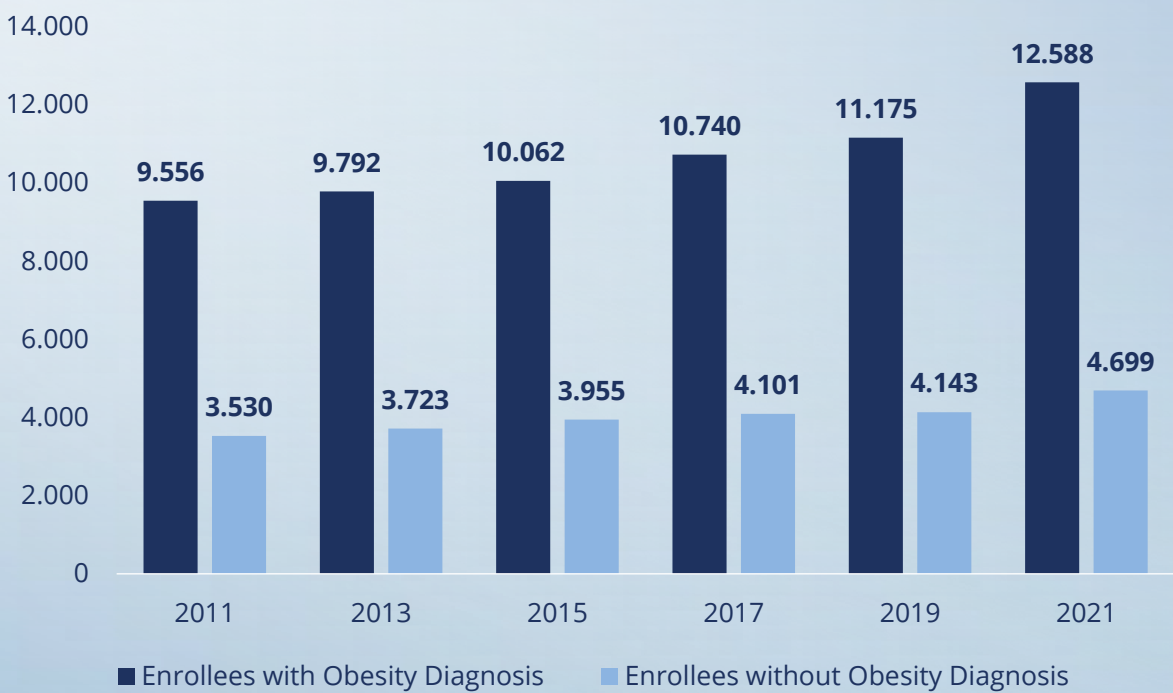
Obesity: secondary diseases & costs

Obesity-related illnesses



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

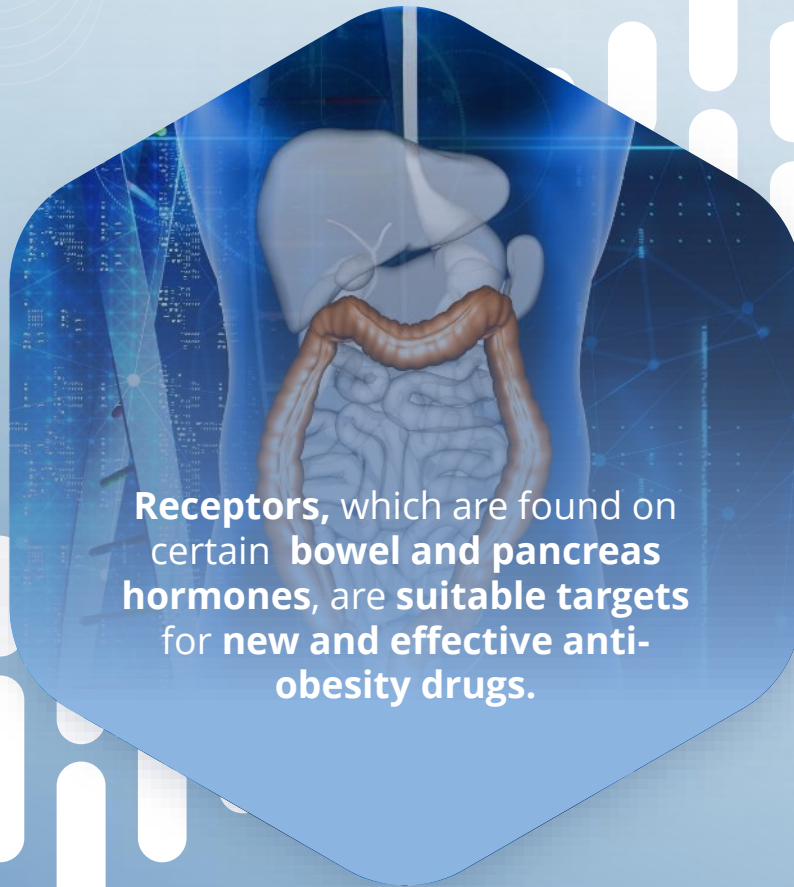
Average annual healthcare costs for US health insurance policyholders with and without obesity diagnosis, 2011-2021 (USD)



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

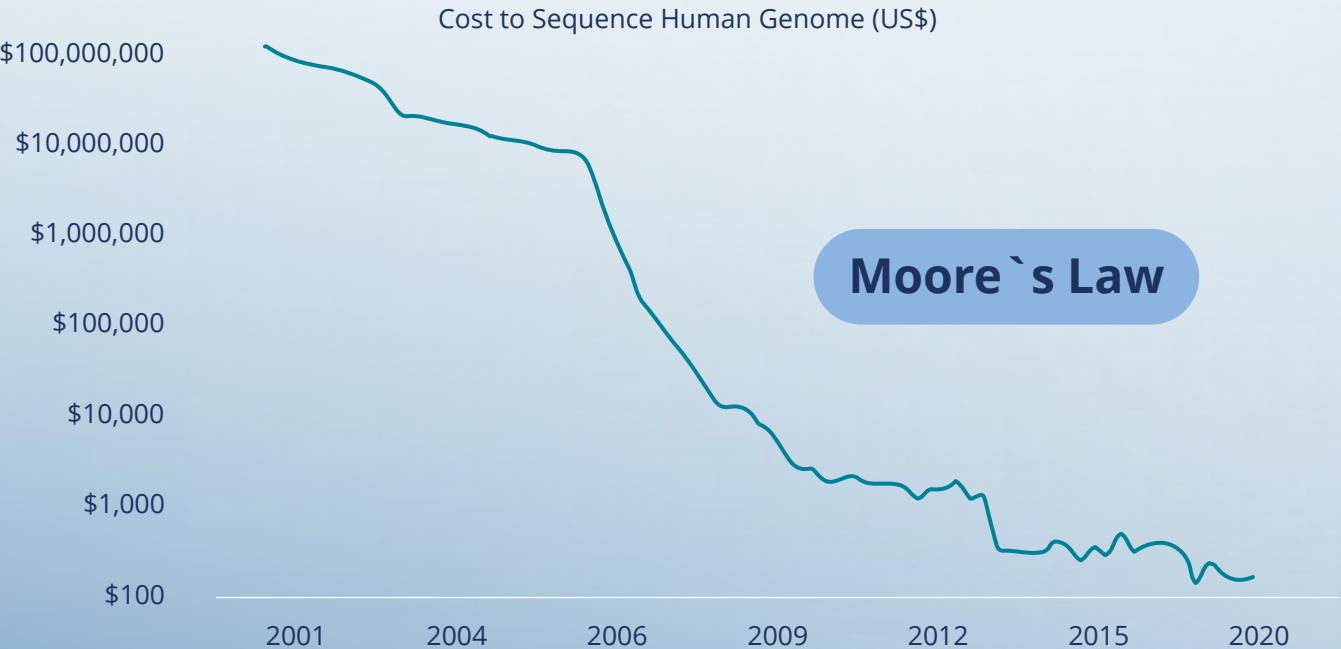
- Increase in energy consumption
- Stimulation of lipolysis in adipose tissue
- Reduction in liver fat content

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

McKinsey
& Company

> **The economic potential of generative A.I. Report**
June 2023



In which industry does McKinsey expect **artificial intelligence** to have the greatest impact in the area of '**research and development**'?



For pharmaceutical and medical products

More specifically: drug development

'Accelerating the selection of proteins and molecules that are suitable candidates for new drug formulations'

Generative AI use cases will have different impacts on business functions across industries.

Generative AI productivity impact by business functions¹



Note: Figures may not sum to 100%, because of rounding.

¹Excludes implementation costs (e.g., training, licenses).

²Excluding software engineering.

³Includes aerospace, defense, and auto manufacturing.

⁴Including auto retail.

Source: Comparative Industry Service (CIS), IHS Markit; Oxford Economics; McKinsey Corporate and Business Functions database; McKinsey Manufacturing and Supply Chain 360; McKinsey Sales Navigator; Ignite, a McKinsey database; McKinsey analysis

QUANTUM LEAPS IN MEDICINE

Catalyst II: artificial intelligence

> Drug development:

2,300,000,000\$

Average development costs

12-13 YEARS

Average development time



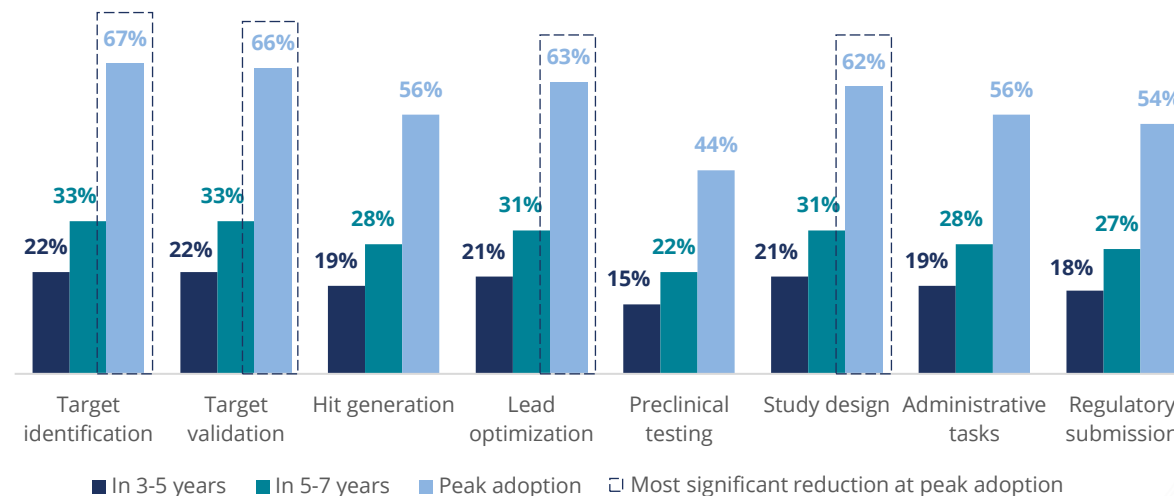
Use of AI in drug development

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; accessed on 07.03.2024. Past performance is not a guide to, nor an indicator of, future performance.

QUANTUM LEAPS IN MEDICINE

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

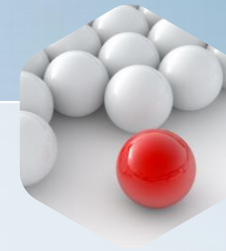


Modulation of the immune system

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

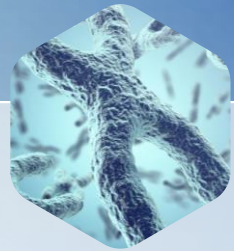


Personalised medicine

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

93% authorisation

5

Commercialisation
market launch and start of sales; possibly through partners

patent expiry

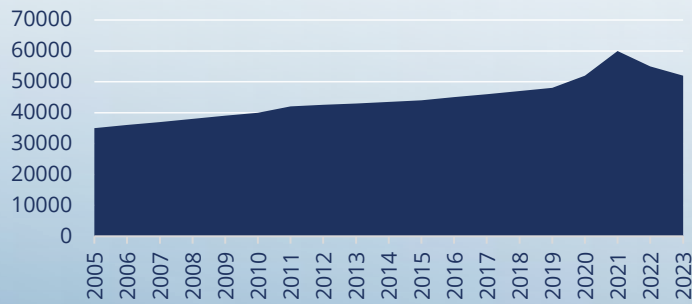
BIOPHARMA IN FOCUS: INNOVATION CYCLE

Rapid increase in research publications

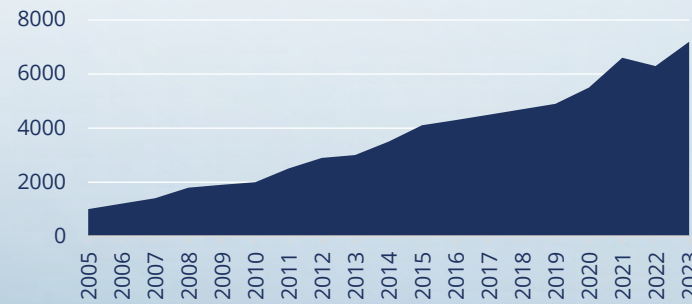
The pace of innovation is accelerating:

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

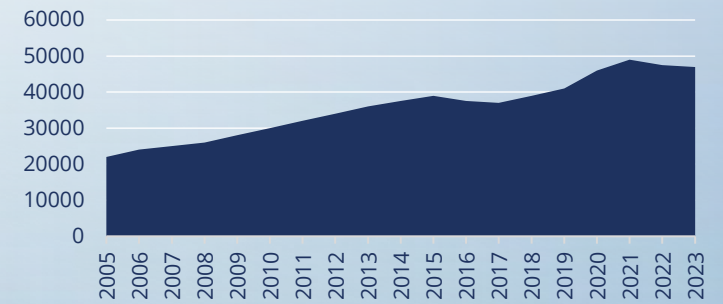
Publication Count in Antibody, 2005 - 2023



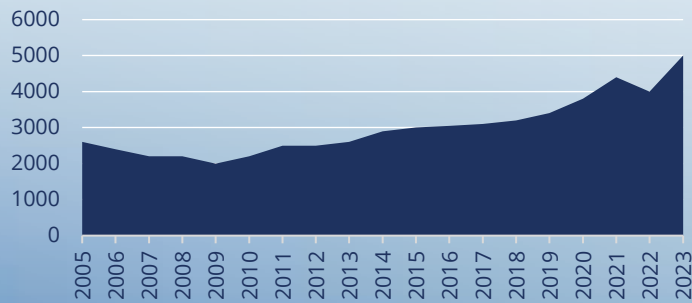
Publication Count in Cell Therapy, 2005 - 2023



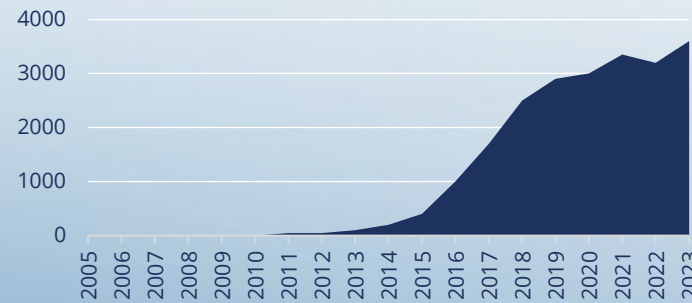
Publication Count in RNA, 2005 - 2023



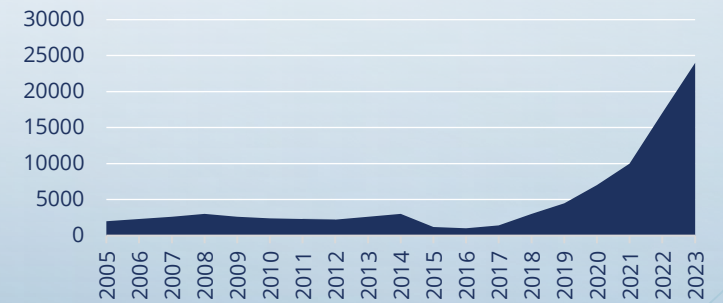
Publication Count in Gene Therapy, 2005 - 2023



Publication Count in Gene Editing, 2005 - 2023



Publication Count in Medical AI, 2005 - 2023

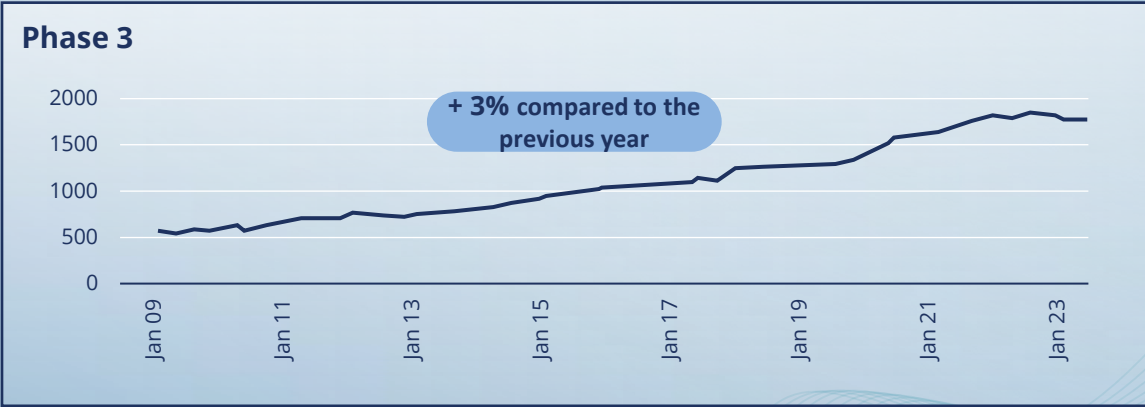
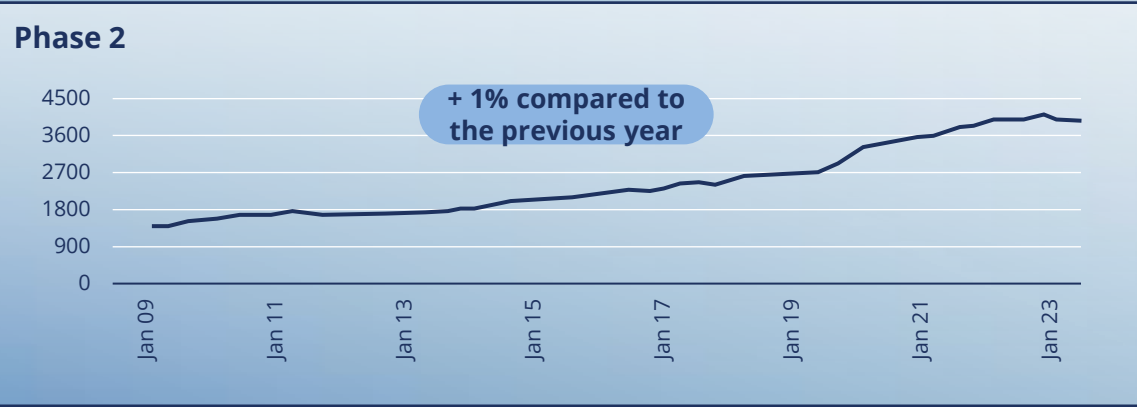
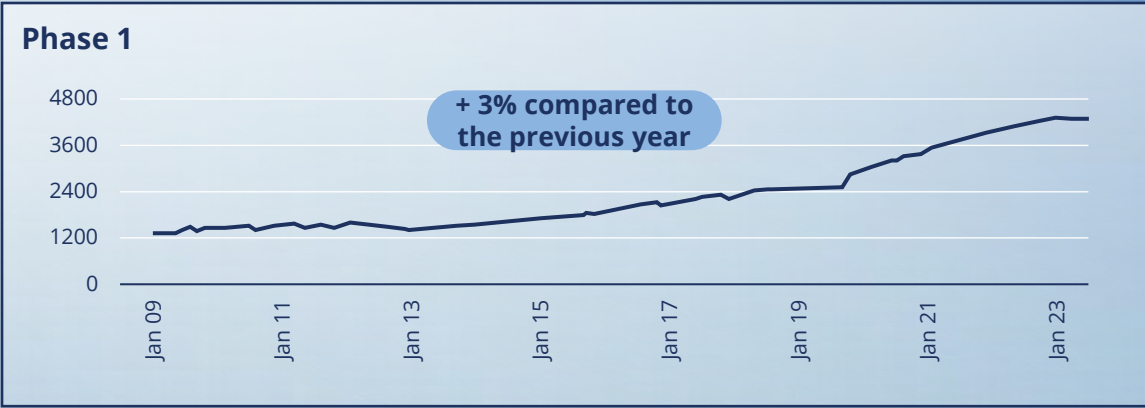


BIOPHARMA IN FOCUS: INNOVATION CYCLE

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.

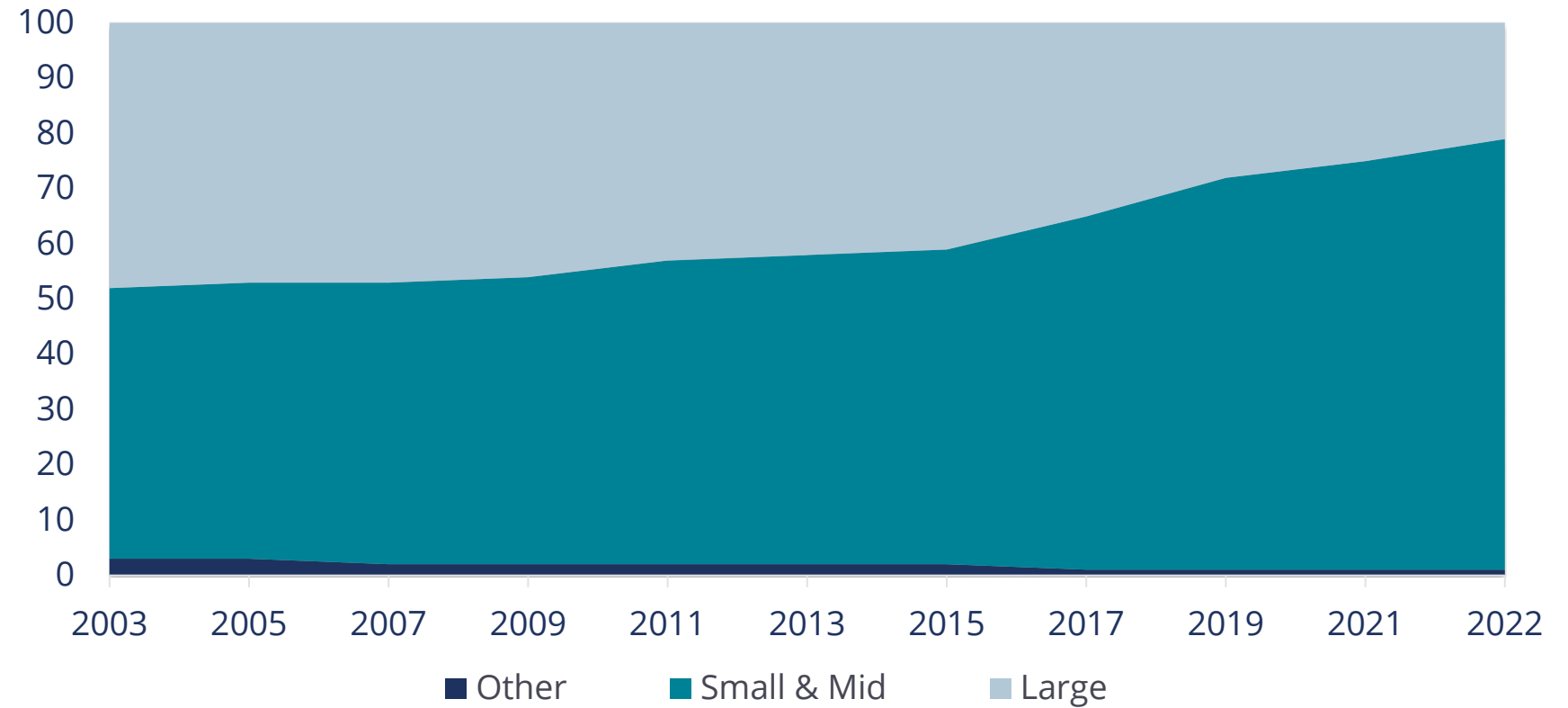


BIOPHARMA IN FOCUS

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:

The pharmaceutical industry is facing historically high 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

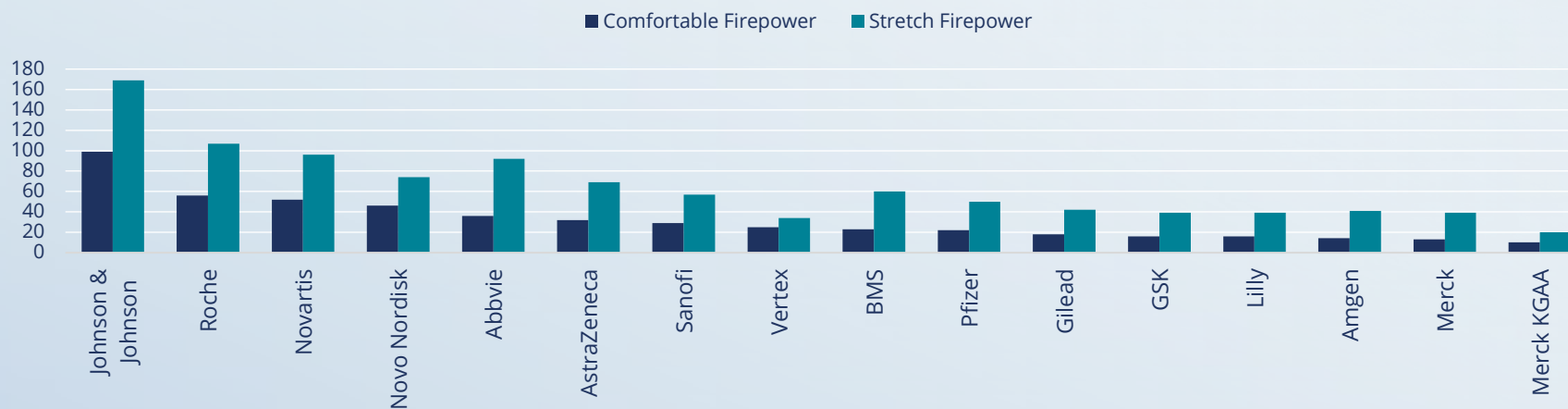
low equity valuation levels

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



Research & Development

New technologies, innovative
therapies



Mergers & Acquisitions

Big Pharma needs Biotech

OUR FUND: MEDICAL BioHealth

Acquisitions of portfolio companies

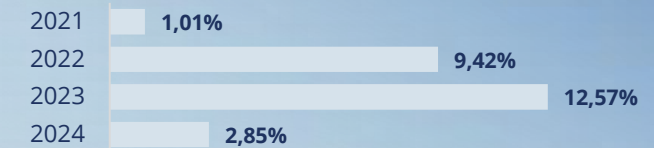
Year	Date	Share/Name	Buyer	Premium	Weighting	Area
2022	19/01/2022	Zogenix	UCB	66% ¹	1.00%	rare disease
	13/04/2022	Sierra Oncology	GlaxoSmithKline	39%	0.84%	oncology
	13/04/2022	Antares Pharma	Halozyme Therapeutics	49%	0.65%	administration
	10/05/2022	Biohaven Pharma	Pfizer	79%	1.71%	migraine
	03/06/2022	Turning Point	Bristol-Myers Squibb	122%	0.90%	oncology
	11/07/2022	La Jolla Pharma	Innoviva	70% ³	0.07%	cardiovascular
	04/08/2022	ChemoCentryx	Amgen	116%	0.79%	rare disease
	08/08/2022	Global Blood Therapeutics	Pfizer	90% ⁴	0.92% ⁴	rare disease
	22/08/2022	Aerie Pharmaceuticals	Alcon	37%	1.24%	eyes
	24/10/2022	Myovant Sciences	Sumitovant Biopharma	50% ⁵	1.36% ⁵	oncology
	07/11/2022	Oyster Point Pharma	Viartis	31% ¹	0.30%	eyes
2023	09/01/2023	Albireo Pharma	Ipsen	84% ¹	1.80%	rare disease
	19/01/2023	Concert	Sun Pharma	16% ¹	0.68%	autoimmune
	13/03/2023	Provention Bio	Sanofi	273%	0.42%	autoimmune
	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% ^{1/4}	0.26% ⁴	antibiotics
	12/06/2023	Chinook	Novartis	67% ¹	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
2024	30/11/2023	ImmunoGen	AbbVie	95%	2.72%	oncology
	08/01/2024	Ambrx BioPharma	Johnson & Johnson	105%	0.50%	oncology
	12/02/2024	CymaBay	Gilead	27%	3.86%	rare disease
	19/03/2024	Fusion Pharma	AstraZeneca	97% ¹	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

¹ plus right to rectify in the event of product success (CVR)

² offer in cash and shares

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

⁴ price increase since the beginning of the takeover rumours; weighting before the beginning of the takeover rumours

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

FIRST-IN-CLASS-POTENTIAL

Efgartigimod is the **first approved** FcRn inhibitor for generalised myasthenia gravis (gMG), a rare, chronic neuromuscular disease characterised by muscle weakness.

DISEASE

Autoimmune diseases

WEIGHT

6.6%

As of: 28.03.2025

MARKET CAPITALISATION

**32.9 bn.
EUR**

As of: 28.03.2025

argenx



Argenx is a global biopharmaceutical company specialising in innovative therapies for **autoimmune diseases**. It uses proprietary antibody technology to develop drugs such as *Efgartigimod* (VYVGART). Founded in 2008, the company is headquartered in the Netherlands and is listed on Nasdaq and Euronext Brussels. Argenx combines scientific expertise and innovation to improve the lives of patients worldwide.

Description of the medicine:

Efgartigimod is a new type of medication that has been specially developed for people with severe autoimmune diseases. It helps to reduce the antibodies in the blood that cause the disease - without weakening the entire immune system. This makes the treatment effective and well tolerated.

Innovation potential and special features:

Efgartigimod is also being investigated in studies for other autoimmune diseases, for example:

- Immune thrombocytopenia (ITP), a disease in which there are too few blood platelets, which can easily lead to haemorrhages.
- Chronic inflammatory demyelinating polyneuropathy (CIDP), a nerve disease in which the ability to move gradually decreases.
- Pemphigus vulgaris, a rare, severe skin disease with painful blisters.

Strengths and positioning:

Argenx is characterised by its proprietary antibody technology and its innovative approach to immunology. The combination of scientific excellence, strategic partnerships and a pipeline of first-in-class autoimmune therapies makes the company a leading player in this field.

FIRST-IN-CLASS-POTENTIAL

Nulibr (Fosdenopterin) was approved by the FDA in 2021 as **the first and only approved therapeutic** to reduce the risk of mortality in patients with molybdenum cofactor deficiency type A (MoCD type A).

DISEASE

Rare diseases

WEIGHT

3.6%

As of: 28.03.2025

MARKET CAPITALISATION

**7.0 bn.
USD**

As of: 28.03.2025

bridgebio



BridgeBio Pharma takes a unique approach to drug development by focussing on **genetic diseases**. The company identifies and develops targeted therapies for these diseases, often with a focus on rare diseases with high unmet medical need.

Description of the medicine:

BridgeBio Pharma's best-selling product is Nulibr (fosdenopterin). A syringe for the treatment of a rare and severe metabolic disorder in babies in which an important substance in the body is missing (MoCD type A).

Innovation potential and special features:

The company is working on over 30 drugs that are in various stages of development. These include Acoramidis - an already approved drug for a rare heart disease - and Infigratinib, a drug for the treatment of growth disorders such as achondroplasia (a form of short stature) and other rare bone diseases.

Strengths and positioning:

BridgeBio Pharma is characterised by its clear focus on genetic diseases and rare diseases. The large number of development programmes and targeted research in this area make the company an innovative and future-oriented market player.

BEST-IN-CLASS-POTENTIAL

Ohtuvayr is Verona Pharma's **first commercial** product and the **first new inhaled therapy** for the maintenance treatment of COPD in **over 20 years**.

DISEASE

COPD

WEIGHT

4.0%

As of: 28.03.2025

MARKET CAPITALISATION

**5.6 bn.
USD**

As of: 28.03.2025



Verona Pharma is a biopharmaceutical company focused on the development and commercialisation of innovative therapies for the treatment of **chronic respiratory diseases** with high unmet medical need. The company's vision is to become a leader in respiratory medicine, developing innovative medicines that transform the treatment of COPD, asthma, bronchiectasis and other respiratory diseases.

Description of the medicine:

Its first approved product is *Ohtuvayre*, a prescription medicine for the treatment of chronic obstructive pulmonary disease (COPD) in adults. COPD stands for Chronic Obstructive Pulmonary Disease and is a progressive, incurable lung disease characterised by narrowing of the airways. The main cause is long-term smoking, but air pollution, occupational pollutants or genetic factors (e.g. alpha-1-antitrypsin deficiency) can also play a role. Almost 400 million people worldwide are affected by COPD (widespread disease).

Innovation potential and special features:

Ohtuvayr is expected to achieve a turnover of USD 1 billion ('blockbuster') by 2029.

Strengths and positioning:

Verona Pharma specialises in respiratory diseases with a high medical need. Many years of research and development of innovative inhaled therapies, combined with promising market potential, give the company a strong position in the field of respiratory medicine.

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: MSCI



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

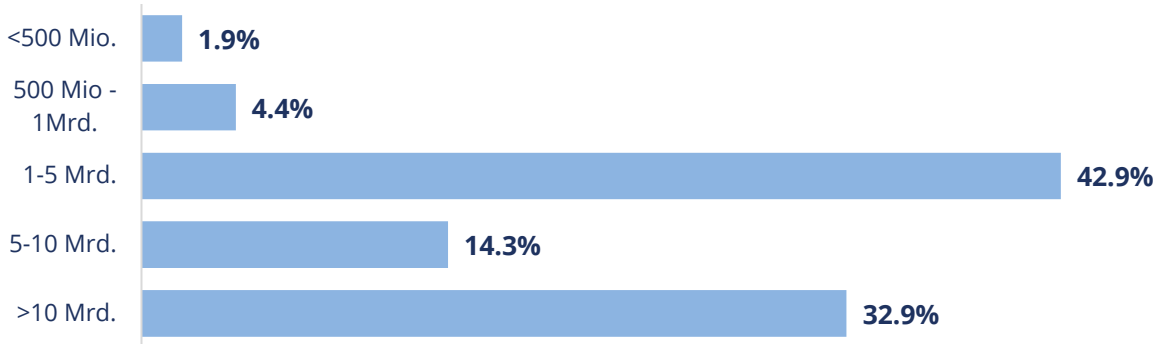
The gist of it



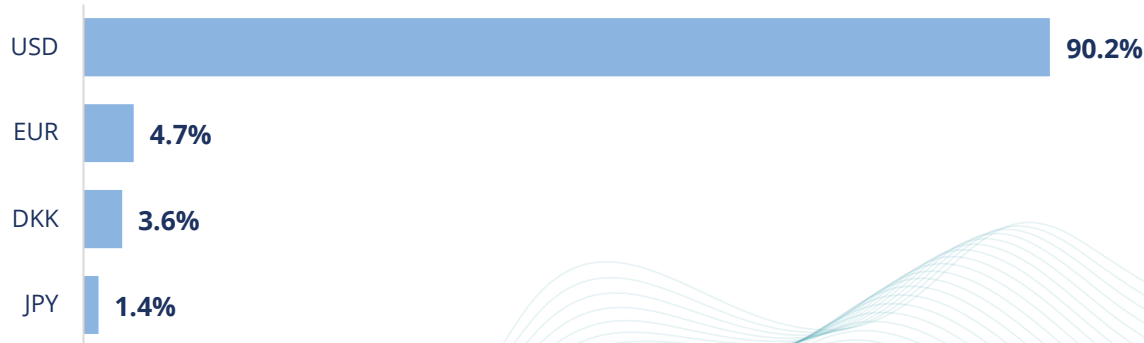
sector allocation



Allocation based on company size



currency allocation



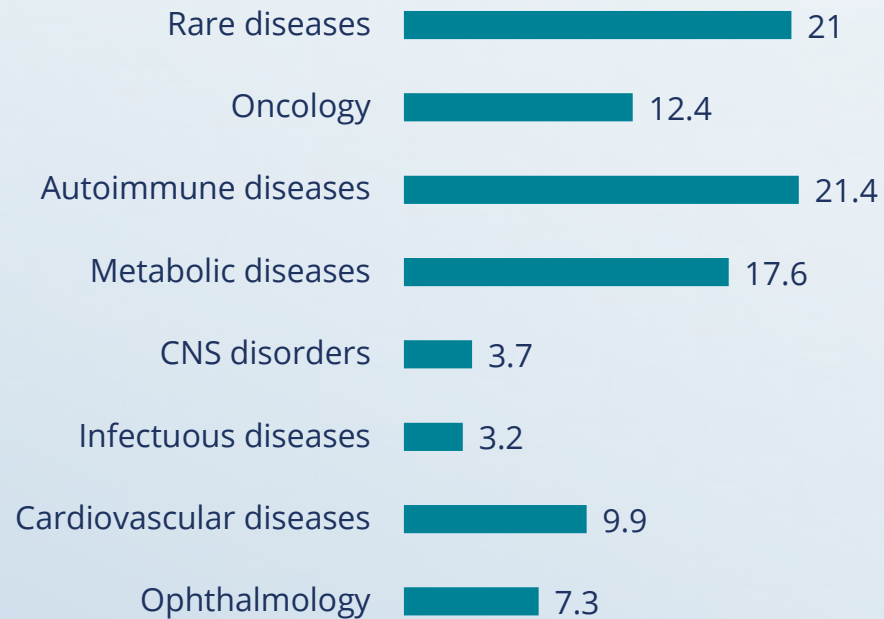
Source and status: anevis solutions GmbH, 31 March 2025

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

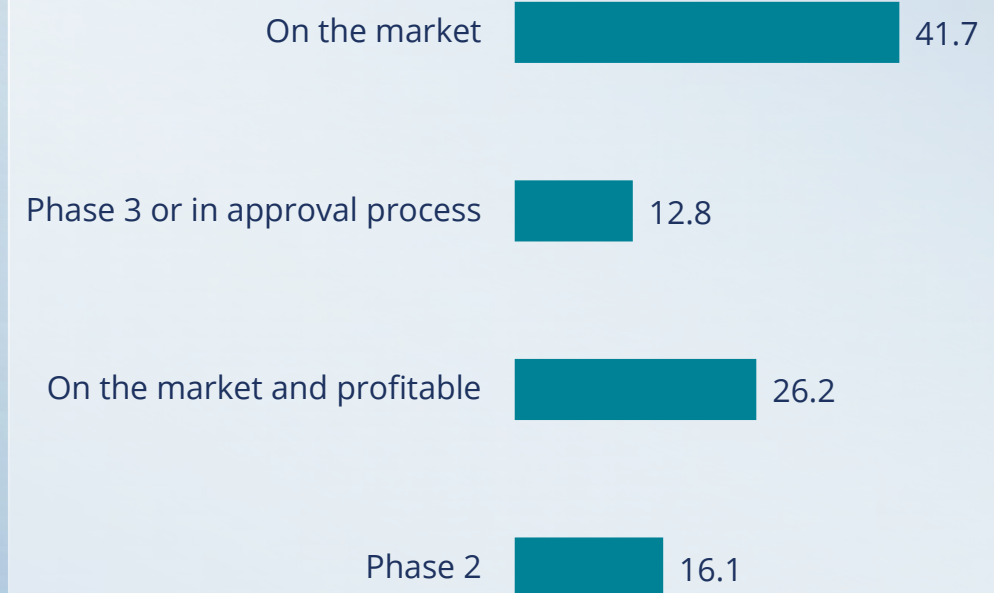
OUR FUND: MEDICAL BioHEALTH

Allocation by therapeutic area & development status

Overview by therapeutic area (in %)



Overview by 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, 31 March 2025

	YTD	1 year	3 years	3 years p.a.	5 years	5 years p.a.	10 years	10 years p.a.
Cumulative performance (gross, in %)	-9.7 %	-11.7 %	16.3 %	5.2 %	39.7 %	6.9 %	87.4 %	6.5 %
volatility	23.0 %	19.8 %	26.3 %	-	25.9 %	-	24.5 %	-

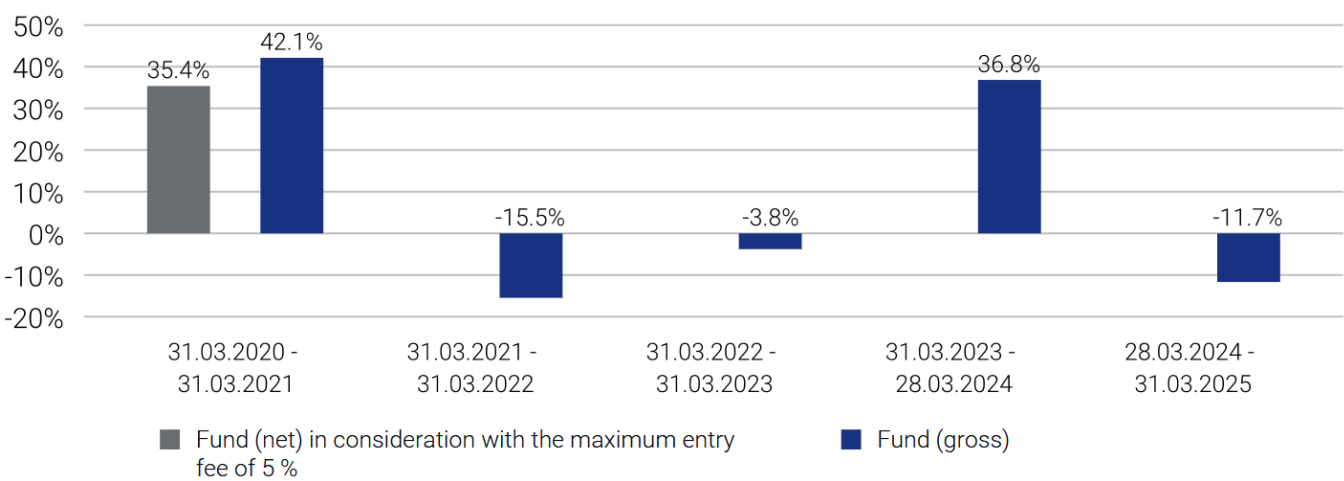
Source and status: anevis solutions GmbH, 31 March 2025

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, 31 March 2025

Monthly performance overview

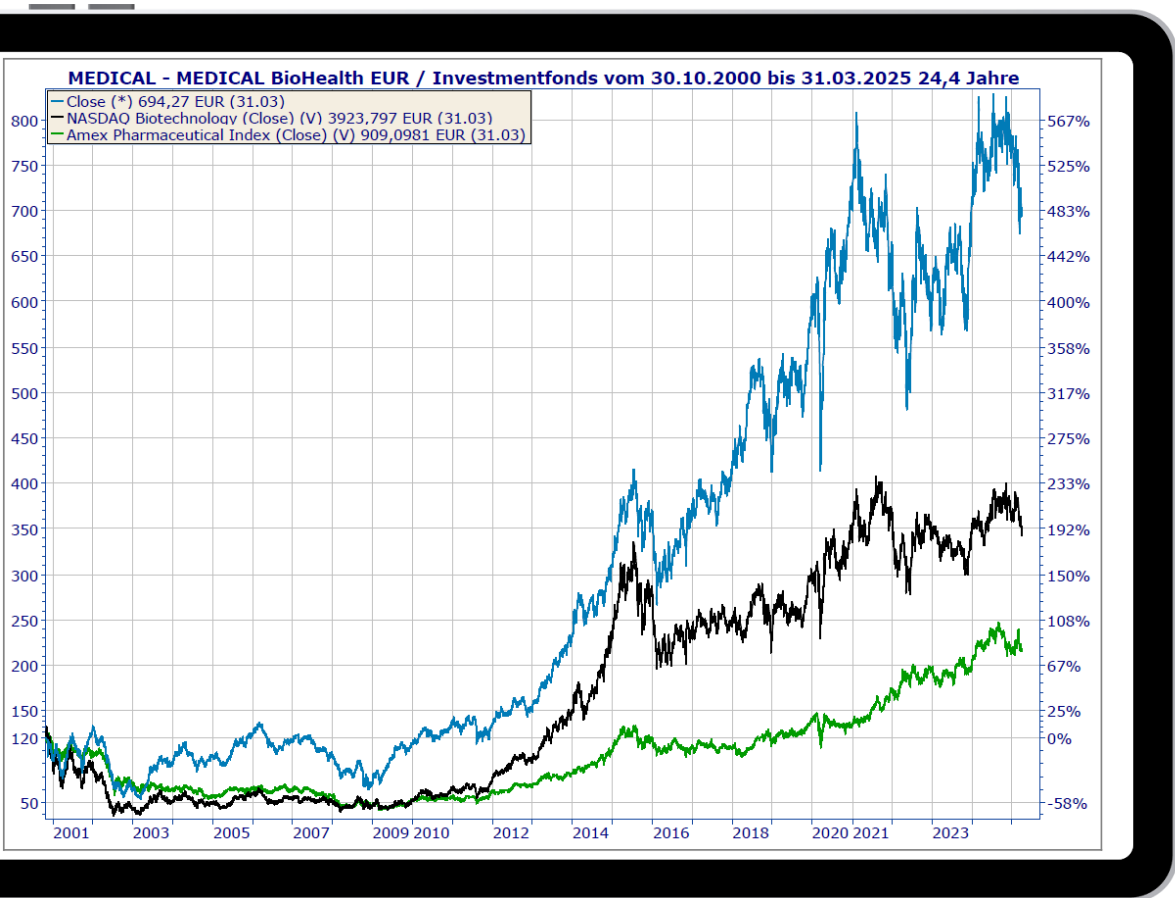
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2019	11.9 %	8.7 %	2.5 %	0.2 %	-2.5 %	2.7 %	3.0 %	-3.9 %	-3.1 %	2.6 %	11.9 %	4.8 %	44.1 %
2020	-2.4 %	-3.0 %	-12.1 %	24.2 %	5.6 %	1.0%	-5.1 %	-2.5 %	3.3 %	2.3 %	7.7 %	1.4 %	17.5 %
2021	5.6 %	-2.3 %	-2.4 %	-0.3 %	-4.2 %	4.9 %	- 5.4 %	4.3 %	-1.4 %	0.9 %	- 7.4 %	0.1 %	-8.3 %
2022	-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 %
2023	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 %
2024	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 %
2025	0.0 %	-4.5%	-5.4										-4.5%

Source and status: anevis solutions GmbH, 31 March 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

478.84 %



NASDAQ Biotechnology

179.81 %

299.03 %



Amex Pharmaceutical

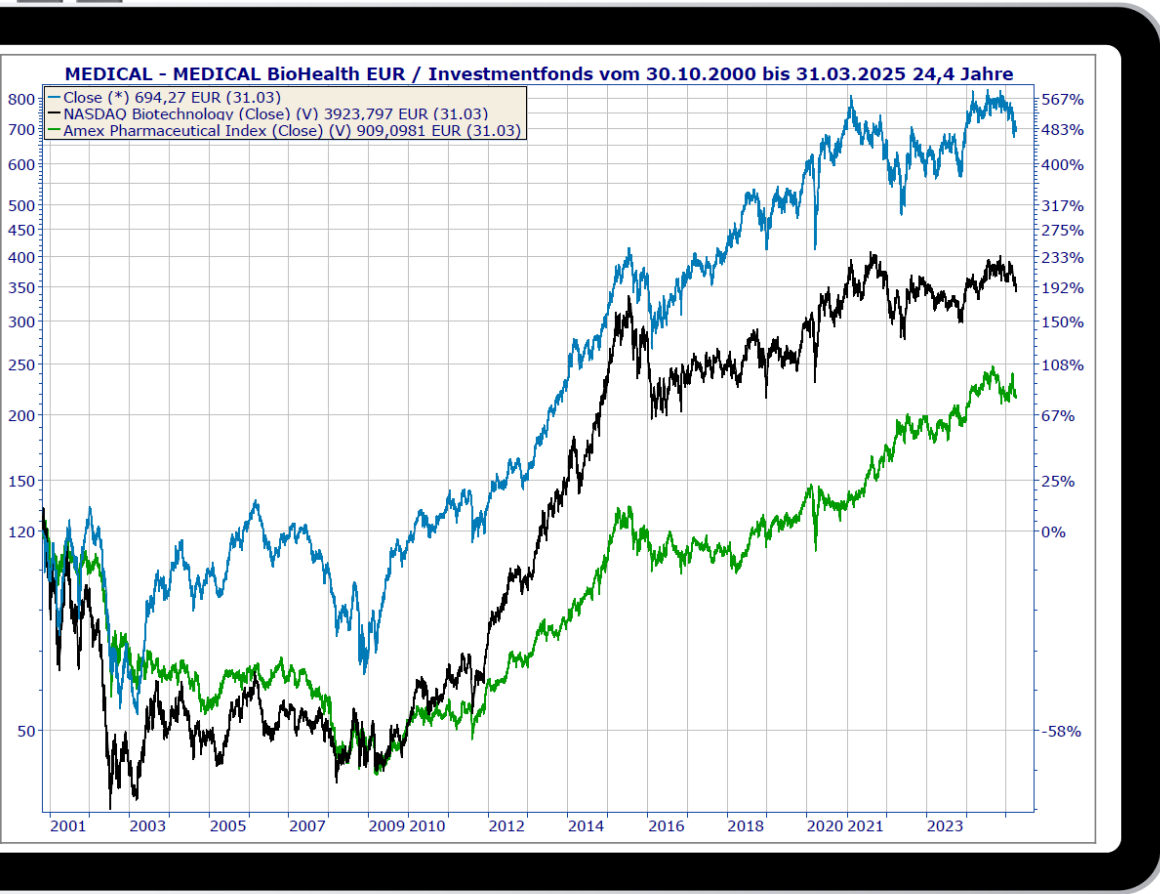
80.13 %

398.71 %

As at 31 March 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	478.84 %	
NASDAQ Biotechnology	179.81 %	299.03 %
Amex Pharmaceutical	80.13 %	398.71 %

As at 31 March 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

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	Accumulation	Accumulation	Target distribution 5% p.a. (26 March 2025: €27.52 per unit)	Accumulation	Accumulation	Accumulation
total volume	approx. €600 million (as at 31 March 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 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 Regulation



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

- > **ESG integration** in the investment process:
- 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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'Apo Asset Management GmbH (apoAsset) is one of the leading providers of investment products with a health profile. For over 20 years, we have been developing and managing investment funds for private and institutional investors. Other long-standing areas of focus are multi-asset funds with over 130 asset classes and bond funds. The company has received numerous awards, including being named one of Germany's best fund investment companies by the investor magazine Focus Money.'



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apo Digital Health Aktien-Fonds

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



**STAY IN
TOUCH**



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 03/2025

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TRANSFERSTELLE:****Hauck & Aufhäuser Fund Services S.A.****1c, rue Gabriel Lippmann****L-5365 Munsbach****VERWAHRSTELLE:****Hauck Aufhäuser Lampe Privatbankiers AG,****Niederlassung Luxemburg****1c, rue Gabriel Lippmann****L-5365 Munsbach****ZAHLSTELLEN****Luxemburg****Hauck Aufhäuser Lampe Privatbankiers AG,****Niederlassung Luxemburg****1c, rue Gabriel Lippman****Deutschland****Hauck Aufhäuser Lampe Privatbankiers AG****Kaiserstr. 24****60311 Frankfurt am Main****Schweiz****1741 Fund Solutions AG****Burggraben 16****9000 St. Gallen****© Copyright**

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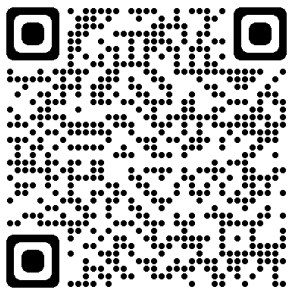


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