

# Kieger UCITS Fund – Kieger Impact Healthcare Fund

Solutions for global health challenges

EU SFDR  
Article 9

**KIEGER**  
*dare to care*

**Impact report 2023**



# 2023

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# Impact investing

Investors increasingly recognise the potential of impact investing to promote positive environmental and social developments that benefit the people and the planet, while also generating healthy returns.



## USD 1.164 trillion AuM

from 3,300 organisations invested for impact globally

Although this represents a significant achievement, the industry is still in its early innings and more needs to be done.



## USD 4.2 trillion annual financing gap

to achieve the Sustainable Development Goals (SDGs) by 2030

## Our vision of impact

We strive to contribute to sustainable positive change, improving access to healthcare, increasing prevention and fostering innovation to help address pressing global health challenges. Through our investments in innovative healthcare companies, we are committed to making a positive difference to patients and the well-being of our society.





# Our impact journey

## Looking ahead

More than ever, we need to support healthcare companies that strive to make a positive impact, especially on underserved populations. We will continue to invest further in the areas of mental health, generics & biosimilars, anti-infectives, early detection tools and value-based care.

## 2022

Strong proof of concept of our impact thesis, with healthcare gaps widening post COVID. We continued to build our mental health portfolio and increased exposure to infectious diseases diagnostics. Two of our holdings in the valued-based care space were acquired.

## 2020

Launch of the Kieger Impact Healthcare Fund. It seeks to contribute to the achievement of health-related UN SDGs, supporting innovative solutions that address global health challenges.

## 2021

Publication of the first Fund impact report.

## 2018 - 2020

Extensive research and development of the Fund's concept and its Theory of Change.

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# The challenge

## Huge persistent healthcare inequalities

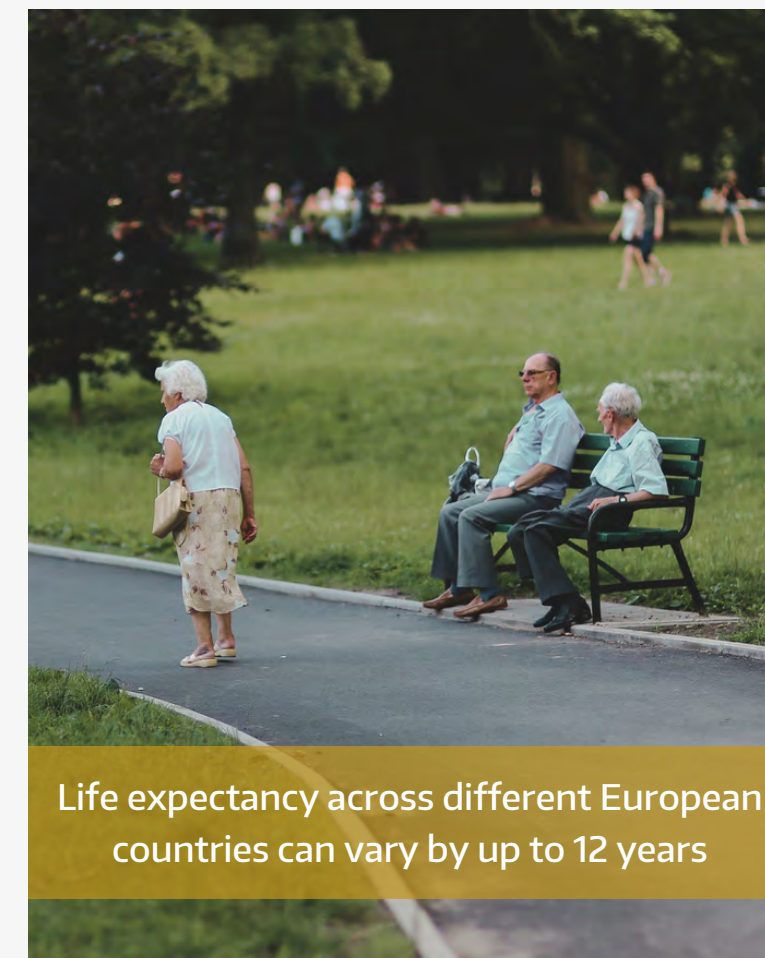
### Developing world:

Half the world still lacks access to essential health services



### Developed world:

Millions of people have low or no access to prevention and treatment



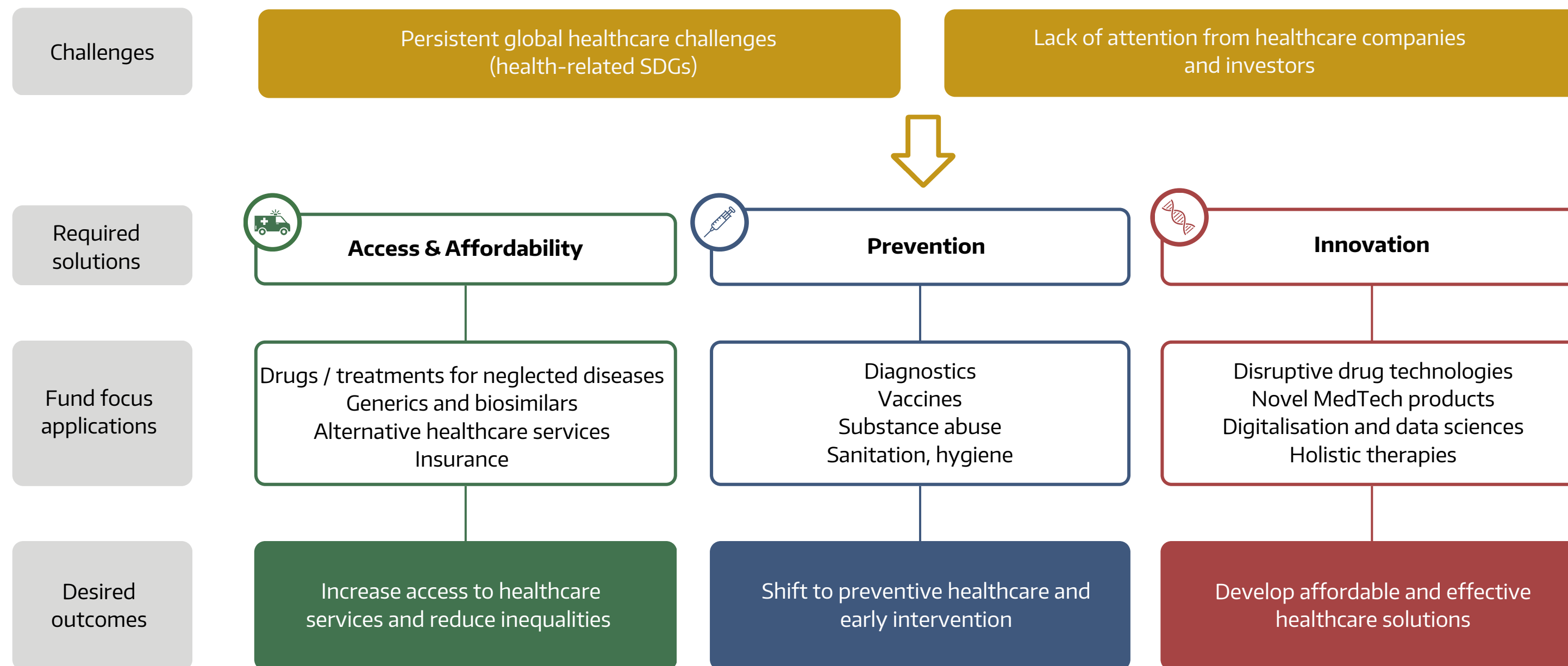
Addressing health inequalities appears less attractive to large healthcare companies and investors, focused on big markets, low-risk and fast-to-market opportunities. This results not only in skewed funding allocations and research & development decisions, but also untapped opportunities to drive the transformation of healthcare systems, as well as provide solutions to underserved populations.



# Our solution

Our goal is to contribute to the achievement of health-related UN Sustainable Development Goals (SDGs), supporting innovative solutions that address global health challenges, and help signal/highlight funding disparities.

The Fund's Theory of Change outlines its goals and the steps needed to achieve positive outcomes.





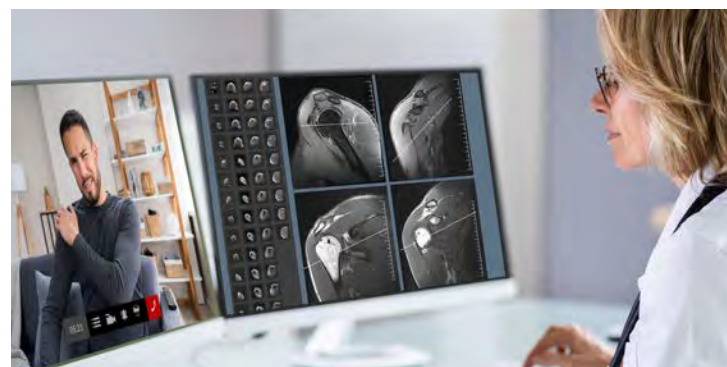


# 2022

## impact highlights

### 347 million

patients reached in relevant markets<sup>2</sup>



### 14 vaccines

for high-impact indications on the market<sup>1</sup>



### 10 therapies

in high-impact indications on the market<sup>1</sup>



### 76 pipeline projects

for high-impact indications<sup>1</sup> in clinical development

### 60 million

patients reached through early detection and prevention strategies



### 57 million

patients reached through specific access & affordability programmes



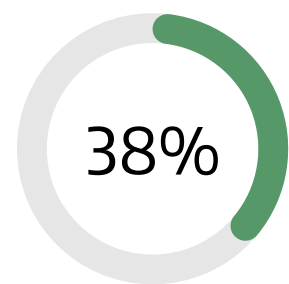
Sources: Company data, Kieger AG estimates, portfolio data as of December 2022

<sup>1</sup> Defined as indications set out as an area of focus in the UN SDG 3 targets

<sup>2</sup> i.e. with high-impact indications and/or in an underserved area

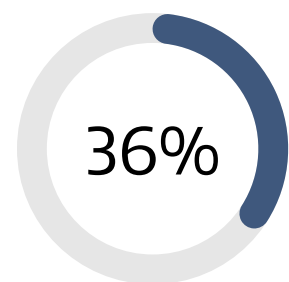


# Portfolio overview



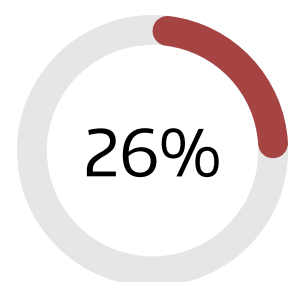
## Access & Affordability

Increase access to healthcare services and reduce inequalities



## Prevention

Shift to preventive healthcare and early intervention



## Innovation

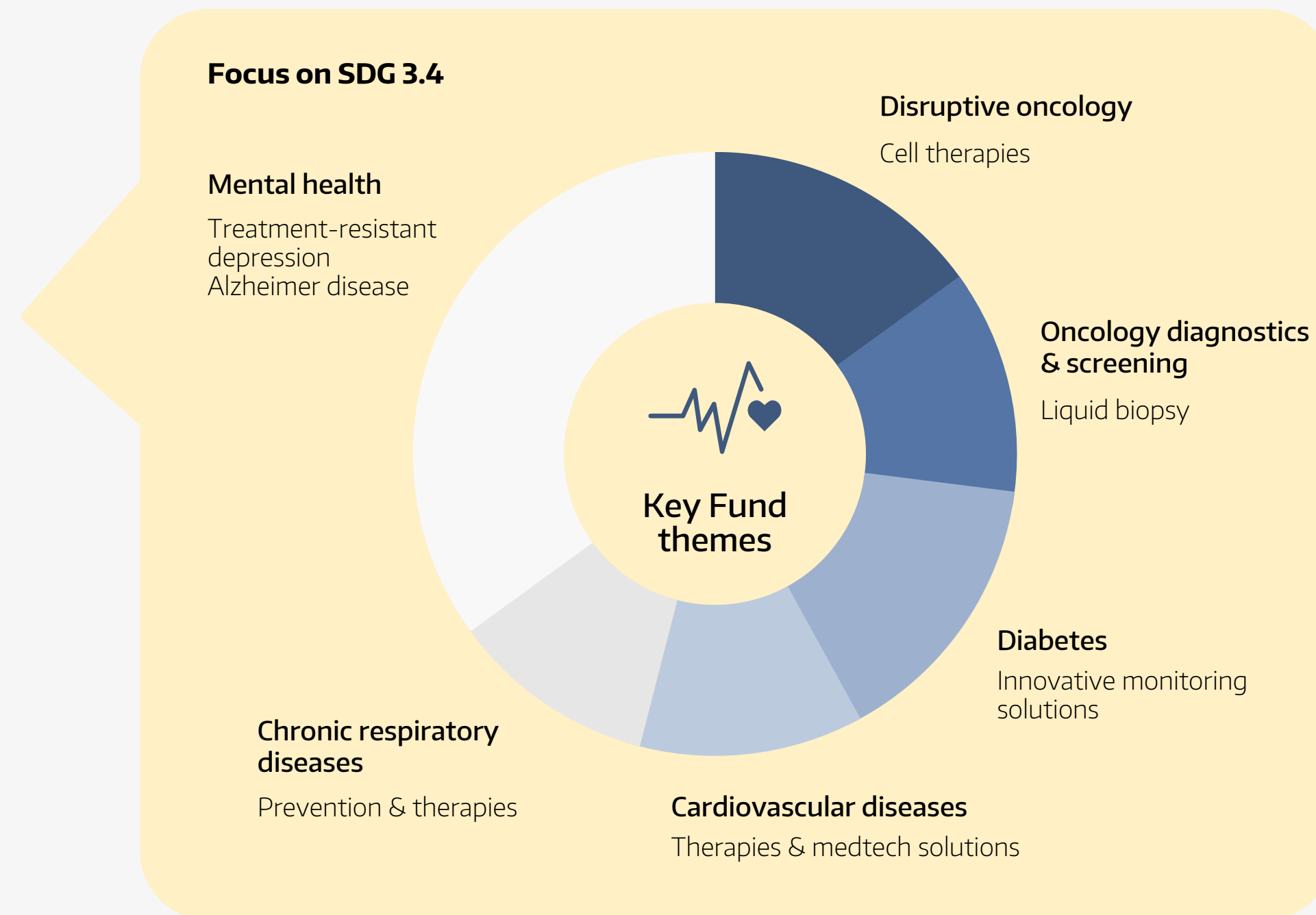
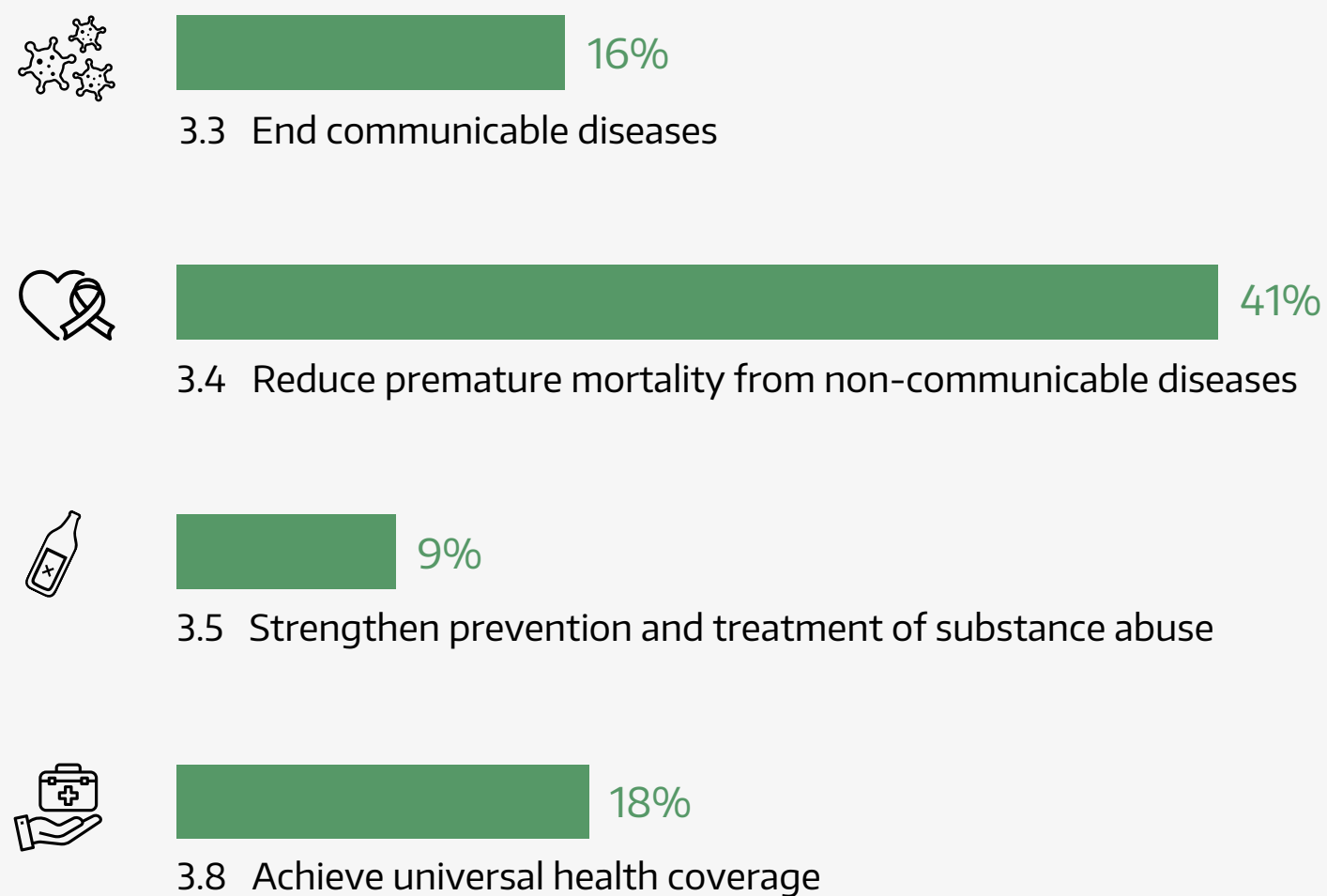
Develop affordable and effective healthcare solutions





# UN SDG 3 - Ensure healthy lives and promote well-being for all ages

The Fund mainly contributed to four UN SDG 3 targets, which accounted for 84% of the portfolio<sup>1</sup>



Source: Kieger AG, portfolio data as of December 2022

<sup>1</sup>One company can address multiple targets



# Access & Affordability



**347 million**

patients reached in relevant markets<sup>1</sup>

**57 million**

patients reached through specific access & affordability programmes<sup>2</sup>

**1,265**

generics and biosimilars in drug portfolio

**29 million**

people insured in relevant markets<sup>1</sup>

**18 million**

virtual visits

Source: Kieger AG, portfolio data as of December 2022

<sup>1</sup> i.e. with high-impact indications and/or in an underserved area

<sup>2</sup> e.g. voluntary licensing agreements



# Aspen



South African pharmaceutical company that manufactures a broad range of affordable post-patent, branded medicines and domestic brands for developing as well as developed markets.



SDG 3.8 – Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

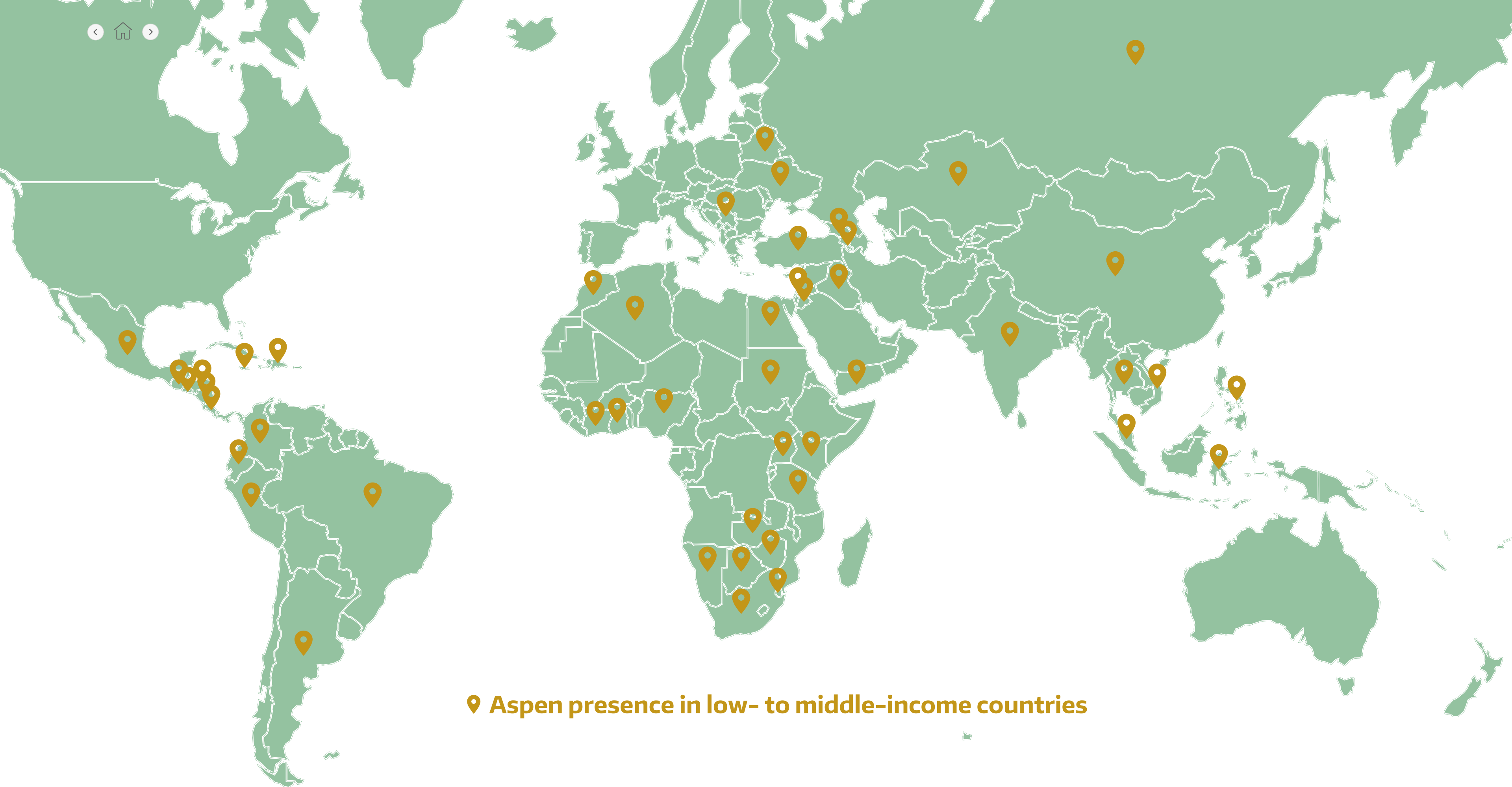
## Impact thesis

Low-cost off-patent medicines are an important contributor to managing rising global healthcare costs for governments and individuals. Without them, many people, especially in low- and middle-income countries, would not have access to life-saving medications and treatments. Aspen operates in many emerging markets, where availability of alternatives to expensive branded medicines is critical to ensure broader population access.

## Impact assessment – Impact Management Project five-dimension framework

<b>What</b>	Contributes to reducing the global healthcare burden and provides patients in low- and middle-income countries with access to high-quality medicines	64% of sales in emerging markets
<b>How much</b>	Important manufacturer of affordable medicines with a large global footprint	Presence in over 150 countries
<b>Who</b>	Affordable pharmaceuticals benefit patients across the globe, but are especially critical in low- and middle-income countries	Supplies medicines to 60 low- and middle-income countries
<b>Contribution</b>	There are other producers of low-cost, off-patent pharmaceuticals, but few manufacture in Africa	Medium contribution Aspen is an important player
<b>Risk</b>	Clear focus on off-patent pharmaceuticals as the company core business. A deviation from this strategy is very unlikely	Low risk to impact thesis





**📍 Aspen presence in low- to middle-income countries**



# Prevention

**60 million**

patients reached through early detection and prevention strategies of which:

↳ **54 million**

patients benefited from screening and diagnostic tests

↳ **1 million+**

patients reached with alternatives to opioids

↳ **2 million**

patients empowered to better manage diabetes

**1 million+**

devices / instruments out in the market helping to prevent cross contamination

**14 vaccines**

for high-impact indications<sup>1</sup> on the market

Source: Kieger AG, portfolio data as of December 2022

<sup>1</sup> Defined as indications set out as an area of focus in the UN SDG 3 targets



# Guardant Health



Leader in precision oncology (personalised therapy). Its goal is to detect and manage cancer through all the stages of the disease by providing blood-based tests, data sets and advanced analytics.



SDG 3.4 – Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

## Impact thesis

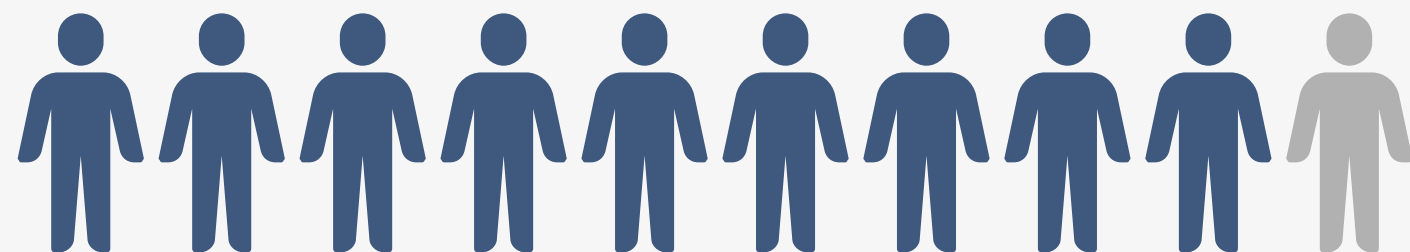
Cancer is a leading cause of death. In most cases, physicians need to do a tissue biopsy to confirm a cancer diagnosis. However, tissue tests require access to a tumour tissue, and are often invasive, time-consuming and costly. In addition, they are not feasible for early cancer detection. With its products, Guardant is looking to address some of the challenges of tissue biopsy, improve the cancer patient care continuum and help reduce mortality.

## Impact assessment – Impact Management Project five-dimension framework

<b>What</b>	Liquid biopsy tests (blood-based) to address shortcomings of traditional tissue biopsies	Provides therapy selection, recurrence monitoring and screening tests
<b>How much</b>	Better-informed treatment decisions Higher survival rates through early diagnosis	124,800 clinical tests performed
<b>Who</b>	Cancer patients in the US as well as Spain and Japan as the company expands internationally	Targeting 700,000 advanced cancer patients, 15m early-stage cancer survivors and 100m in early cancer screening in the US
<b>Contribution</b>	There are a number of players in advanced cancer patients care, but Guardant is one of the few leading the pack in early cancer detection	Medium contribution Guardant is a key player
<b>Risk</b>	Limited risk of impact drift due to strong focus on precision oncology. Still early stage for multi-cancer screening	Medium risk to impact thesis



## Detecting cancer early is critical

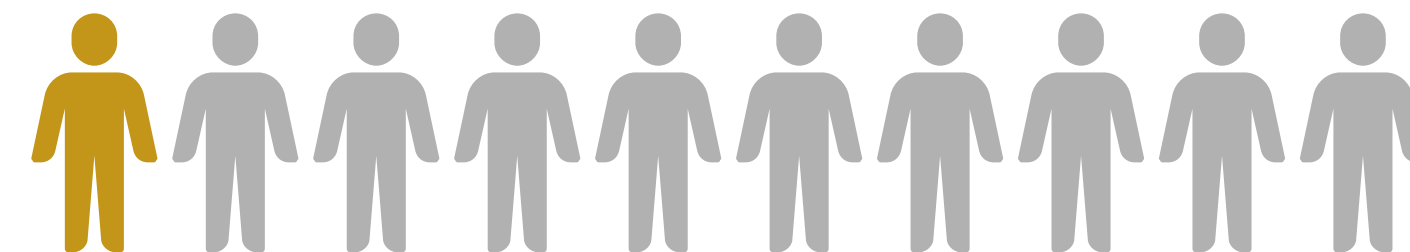


approximately

# 9 out of 10

individuals diagnosed with early stage colorectal cancer (localised - stage I & II)

survive 5 years  
(and many live much longer)



more than

# 1 out of 10

individuals diagnosed with advanced stage colorectal cancer (metastatised - stage IV)

survive 5 years



# Spotlight on liquid biopsy







## A new dawn in the fight against cancer

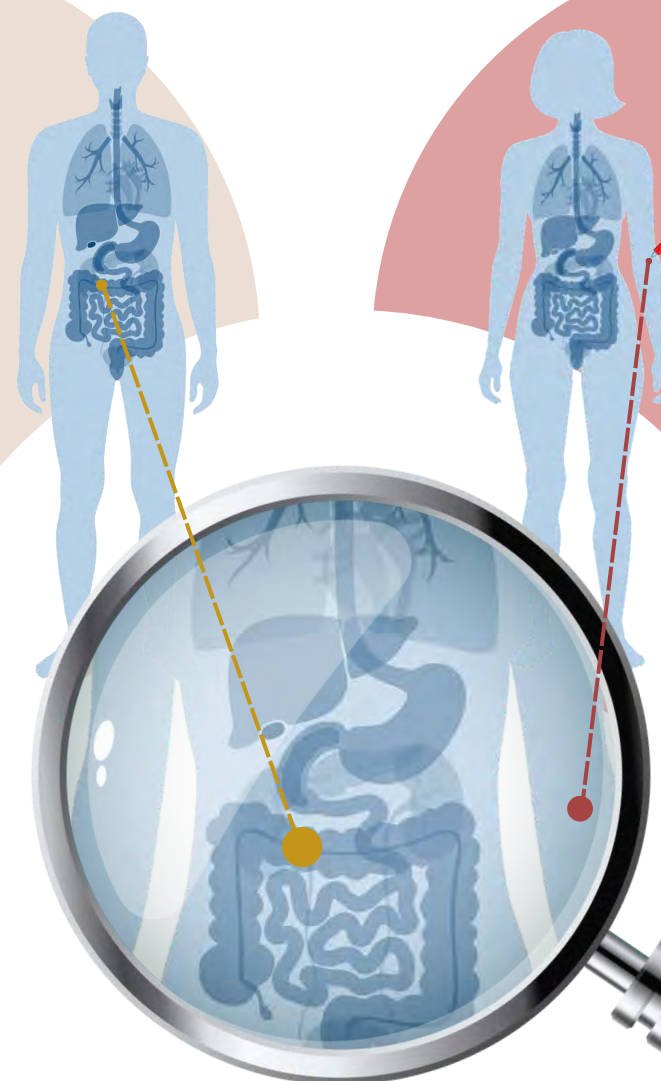
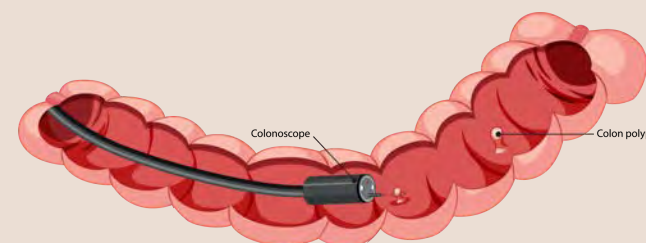
Prevention is the most effective way to reduce the burden of disease and ever-increasing healthcare costs.

What if we could detect cancer early with a simple blood draw?






There lies the promise of liquid biopsy. This test detects DNA material shed by a tumour in the blood called circulating tumour DNA or ctDNA. It has already revolutionised the field of clinical oncology, offering many advantages over traditional tissue biopsy.

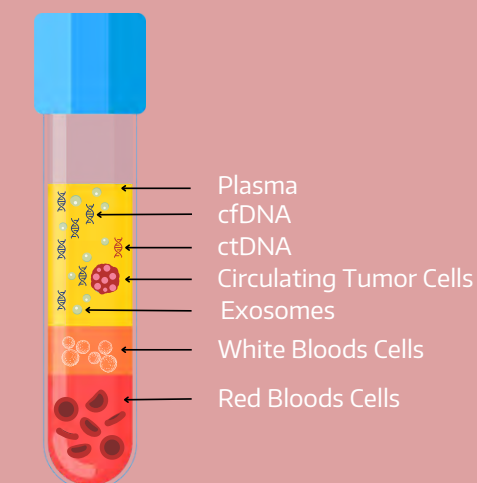
### Traditional method - Tissue biopsy

-  Invasive
-  High cost
-  Slower results: 2-3 weeks
-  Not easily repeatable
-  Time-point monitoring
-  No early detection



### Innovation - Liquid biopsy

-  Non-invasive
-  Cost effective
-  Faster results: < 1 week
-  Easily repeatable
-  Real-time monitoring
-  Early detection





# Innovation



**10 product therapies**

in high-impact indications<sup>1</sup> on the market

**67 pipeline projects**

for high-impact indications in clinical development

Source: Kieger AG, portfolio data as of December 2022

<sup>1</sup> Defined as indications set out as an area of focus in the UN SDG 3 targets



# Compass Pathways



Mental health company dedicated to accelerating patient access to evidence-based innovation.



SDG 3.4 – Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

SDG 3.5 – Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol

## Impact thesis

Mental health disorders such as depression, substance abuse disorder and anxiety, are highly prevalent globally with costs, including non-medical, that are significant for society.

Compass is currently developing psilocybin therapy for people with treatment-resistant depression, post-traumatic stress disorder and anorexia nervosa (self-starvation).

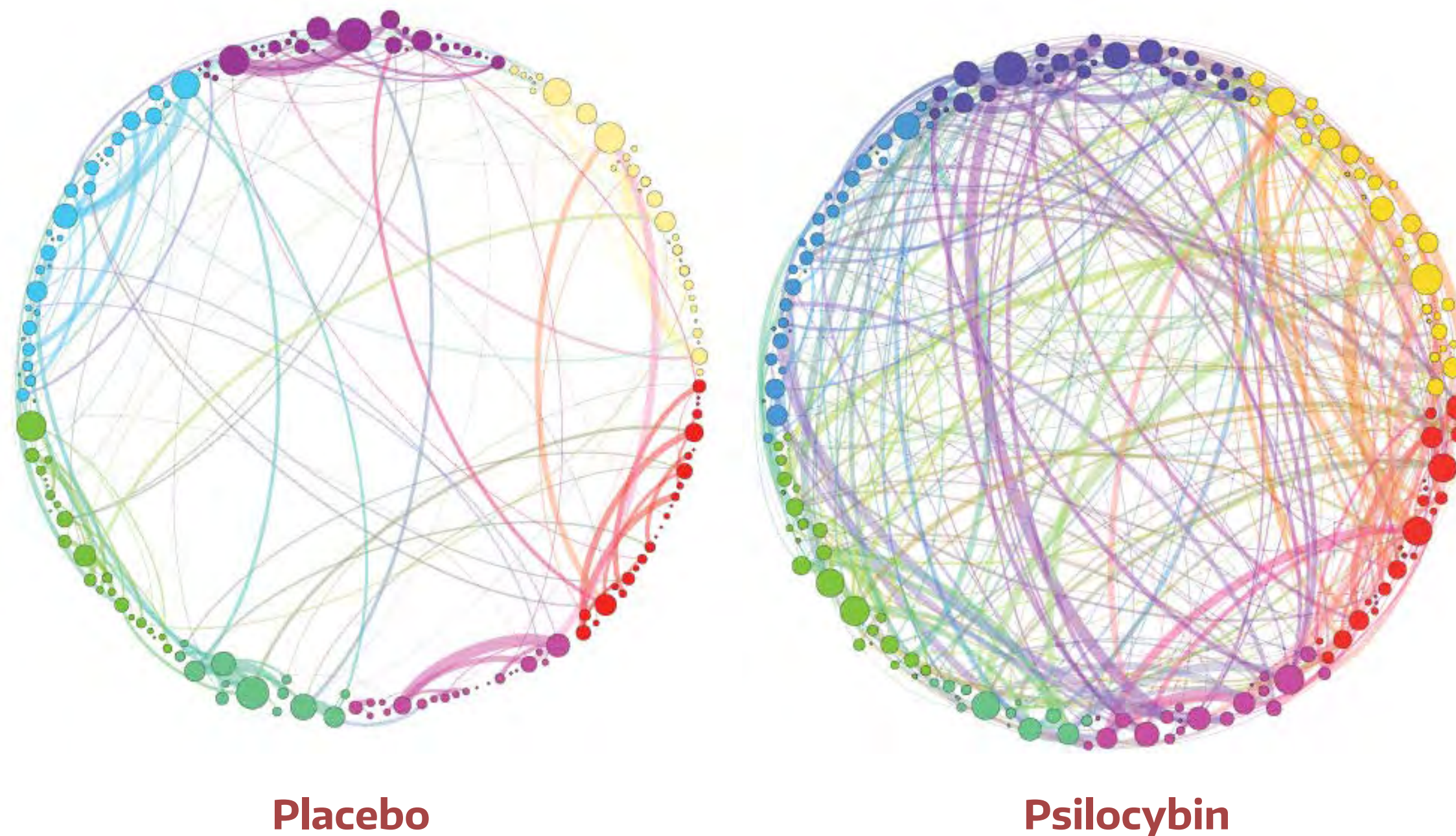
## Impact assessment – Impact Management Project five-dimension framework

<b>What</b>	Mental health disorders are a leading cause of the overall disease burden worldwide. Compass is developing new therapies for depression patients refractory to treatments	Psilocybin therapy as a holistic new therapy treatment
<b>How much</b>	New treatment development for one third of depression and other mental health patients who lack options	3 pipeline projects in clinical development
<b>Who</b>	Mental health patients refractory to treatments or that stop their treatment due to side effects	Target 2.5m treatment resistant depression patients in the US
<b>Contribution</b>	Very few companies work on new mechanisms of action for mental health indications	Medium contribution Compass is a critical player
<b>Risk</b>	Psychoactive substance. High risk of clinical trial failure due to high placebo rates, some commercialisation risks	High risk to impact thesis



# Psychedelics can change the organisation of the brain

## New connections in the brain on psilocybin





# Stewardship



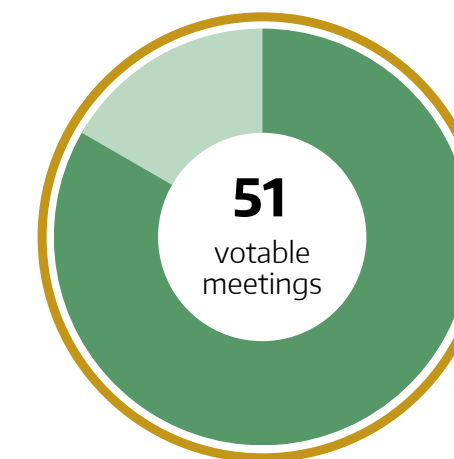
Since the beginning of 2020, we have been exercising our voting rights for all our investee companies, via the ISS proxy voting platform.

We use the stringent ISS sustainability voting policy, which refers to its framework of reference internationally-recognised sustainability initiatives such as the UN PRI, as our voting guideline.

Voting at AGMs and the outcome thereof is an integral part of the overall sustainability assessment of the companies held in our portfolio.

## Proxy voting

This chart summarises the Kieger Impact Healthcare Fund's voting activity in 2022. These data are collated and analysed throughout the year.

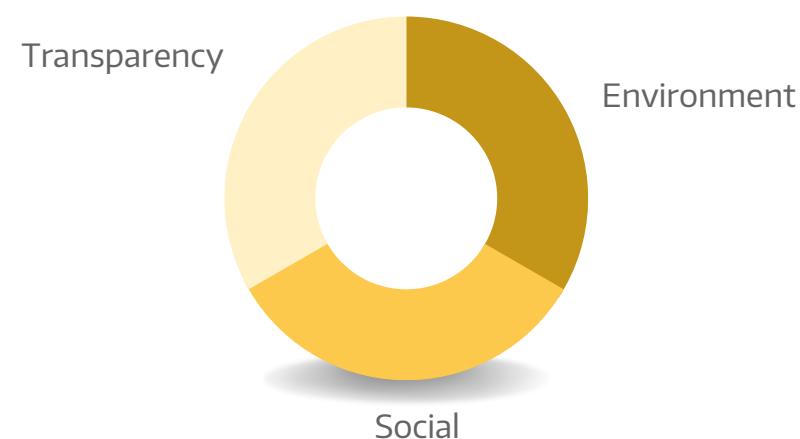


- No. of meetings voted 51
- No. of meetings where we voted against management on at least one voting point 30
- No. of meetings where we voted against ISS on at least one voting point 6

## Engagement

Engaging on impact-related topics is an important aspect of our investment strategy.

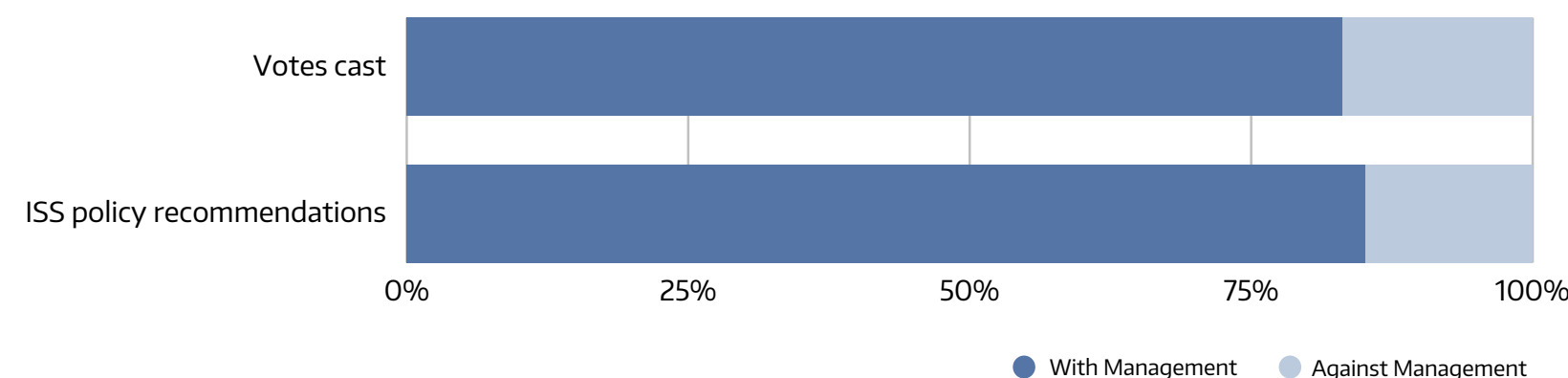
### Meeting topics



In the course of 2022, the team engaged in deep discussions with four companies as regards impact considerations.

The team continues to develop its stewardship methodology in order to focus on accelerating the company's contribution to the fund's social objectives

The votes cast on Kieger ballots during the reporting period are aligned with management recommendations in 83% of the cases, while the ISS Benchmark Policy recommendations are aligned at 85% with management recommendations.





# More about Kieger

## Helping purposeful clients make a positive difference

Launched over two decades ago to advise entrepreneurial investors with deep roots in the pharmaceutical industry, Kieger is an established and time-tested organisation which has successfully navigated multiple market cycles.

At Kieger, our ambition is to help you make a positive difference for future generations through excellence in the management of your assets. Sustainability is central to everything we do. It is a primary decision-making criterion for investment, never an afterthought.

- **Reliability:** As a focused, independent organisation, our ESG analysis is pure, not conflicted with any other business nor challenged by size and capacity.
- **Independence and quality:** We conduct our own thoughtful ESG assessment and do not rely purely on external research.
- **Robustness:** We use several data sources as a basis for analysis. Each decision is assessed at multiple levels (analysts, sustainability & impact committee).
- **Impact:** We evaluate both the ESG factors and their real-world impacts.

**Kieger is the asset manager designing solutions for caring and purposeful investors, dedicated to creating a sustainable future.**



Multi-billion asset manager with 20+ years of experience in helping investors address complex situations



Deep roots in healthcare, dedicated to sustainable and impact investing



Specialised in listed equity healthcare, private equity and multi-asset investments



38 people  
16 nationalities



Based in Zurich, Switzerland, regulated by FINMA and Luxembourg, regulated by CSSF





# Our commitments

Dedication towards sustainable investing is important for building a more environmentally and socially responsible future

We have integrated sustainability into our strategic vision and made a commitment to external charters and initiatives.

Dedicated to responsible investment and acting in the best long-term interest of our beneficiaries



Principles for Responsible Investment (PRI)

Seeking to better understand and manage risks related to climate-change in our PE portfolios

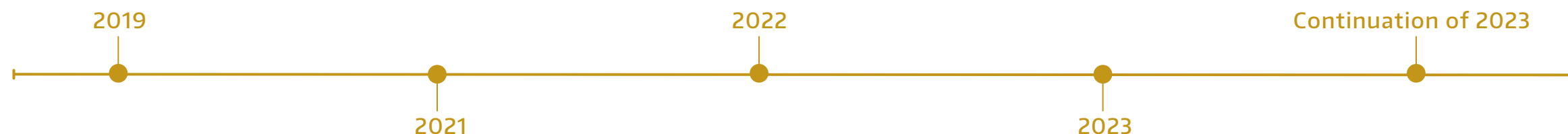


Initiative climate international (ic)

Supporting a long-term perspective that values sustainability and achieving a just transition to a low-carbon economy



World Benchmarking Alliance (WBA) - Just Transition Investor Statement



Commitment to investing in and for the transition towards a world with net-zero greenhouse gas emissions.



Net Zero Asset Management initiative (NZAM)

Commitment to investor collaboration on climate change, driving real change towards a net-zero and resilient future.



Institutional Investors Group on Climate Change (IIGCC)

Kieger is also a proud member / signatory of:



Regulated as manager of collective assets by:





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Please refer to and read carefully the Prospectus of Kieger UCITS Fund (the "Fund") and the Key Investor Information Document ("KIID") of the Kieger UCITS Fund in their latest versions before making any final investment decisions. These documents can be obtained from the website [www.kieger.com/UCITS](http://www.kieger.com/UCITS) or any agents as further described below.

A summary of the investor rights is available in English from <https://kieger.com/wp-content/uploads/2021/11/Summary-investor-rights-Kieger-UCITS-Fund.pdf>

### Information for Swiss Investors:

This is an advertising document. The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, Quai de l'Île, CH-1204 Geneva. The prospectus, the key information documents or the key investor information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

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### Information for Austrian Investors:

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