

# PPF - PMG Global Biotech Fund (R)

September 2024

## Investment Style

The fund - with daily liquidity - invests worldwide in biotechnology companies with the aim of achieving medium to long-term capital appreciation. Innovation in biotechnology is the basis for the development of best-in-class / first-in-class drugs with direct benefits for patients. Firms with an innovative drug pipeline generally experience an increase in value and attractiveness to be acquired by larger pharmaceutical companies who want to expand their own pipeline. The investment approach focuses on the mapping of the universe of small and medium-sized biotech companies. Stock selection is based on a bottom-up approach. Depending on market assessments, the fund also invests in established, higher-capitalized biotechnology and pharmaceutical companies. Performance is benchmarked against the NASDAQ Biotechnology Index (NBI).

## Performance



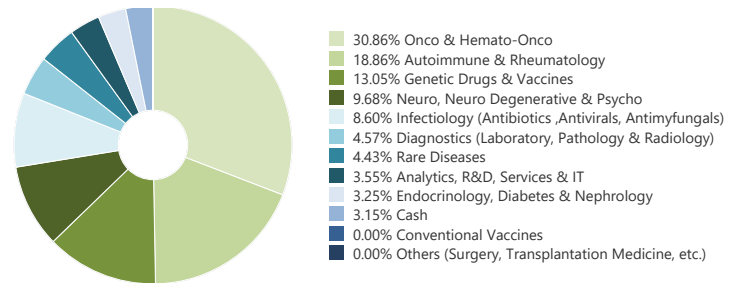
## Current Data (30.09.2024)

NAV per Unit	USD 96.50
Fund Assets	USD 17.88 Mio.

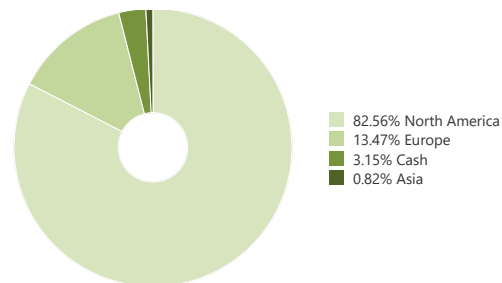
## Risk/Reward Profile



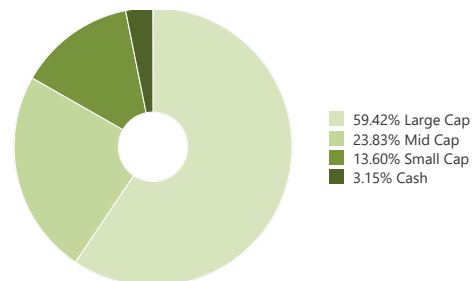
## Allocation by Sector



## Allocation by Region



## Allocation by Market Capitalization



## Top 5 Large Caps

Amgen	8.12%
Gilead Sciences	8.02%
Regeneron Pharmaceuticals	7.88%
Vertex Pharmaceuticals	7.87%
Alnylam Pharma	3.49%

## Top 5 Small and Mid Caps

Formycon AG	3.54%
Adma Biologics	1.84%
Intra-Cellular Therapies	1.47%
Exelixis	1.39%
Evolus	1.38%

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## Report of the Investment Manager

The month of September was dominated by the US Federal Reserve, which began its cycle of interest rate cuts with a first rate cut of -50 bps, driving US stock markets in particular to new highs. The Fed does not fear an imminent recession, whereas geopolitical tensions are increasing (NBI Sept -2.34%, YTD +9.09%, XBI Sept -2.43%, YTD +10.65%, S&P 500 Sept +2.02%, YTD +20.81%, NASDAQ Sept +2.68%, YTD +21.17%). Attention deserves **Summit Therapeutics** (Sept +68.7%, YTD +739.1% not yet in our portfolio), which apparently demonstrated a differentiating advantage over **Mercks** blockbuster **Keytruda** with its bispecific PD-1/VEGF antibody **Ivonescimab** according to a study population conducted exclusively in China.

### Portfolio news:

At this year's **ESMO** in Barcelona (European Society for Medical Oncology), several abstracts from ongoing clinical programmes caused a buzz: **Nuvalent** (Sept +20.17%, YTD +39.01%) presented update results for **NVL-655** and **Zidesamtinib**. **NVL-655** blocks the growth of cancer cells and targets tumours caused by a 'malfunction' of a gene called **ALK** (common in non-small cell lung cancer), while **Zidesamtinib** targets another gene (**ROS1**). A billion-dollar sales potential is possible. The already impressive valuation was followed by a capital increase of USD 575m after the share price jump. **Incyte's** (Sept +0.67%, YTD +5.27%) presentation for its **Retifanlimab** in ovarian and endometrial cancer show potential, but need much more time than the upcoming patent loss of its blockbuster **Jakafi** in 2028.

**Moderna** (Sept -13.66%, YTD -32.8%) remained in the (negative) headlines: By cutting its R&D budget by 20% over the next three years, it intends to focus on existing critical mRNA therapeutics. Treatments for COVID continue to take a back seat and the focus is on new mRNA treatments, such as those for black skin cancer or malignant melanoma. The pipeline of competitor **BionTech** (Sept +34.63%, YTD +12.54%) includes almost 10 programmes in advanced phase 2, including for metastatic breast cancer, advanced inoperable metastatic non-small cell lung cancer and 'individualised' immunotherapy for pancreatic cancer.

**Biomarin Pharmaceutical** (Sept -22.94%, YTD -27.10%) lost over USD 3 bn market capitalisation after **Ascendis Pharma** presented data for a competing drug to **Biomarin's** **Voxzogo**, which was approved in October last year for a similar indication and for which analysts predict blockbuster potential. We regard the fall in the share price to the 2019 level as unjustified, especially as it is not yet clear whether the FDA would request additional 2-year data for the approval of **TransCon/Infigratinib**.

**Roche** received FDA approval for the subcutaneous injectable version of **Tecentriq**, which reduces the administration time from 30-60 minutes to 7 minutes. The technology for this is supplied by **Halozyne Therapeutics** (Sept -10.35%, YTD +54.87%).

Negative headlines hit **Apellis Pharmaceuticals** (Sept -25.86%, YTD -51.82%), which received a negative opinion from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) on its application for **Pegcetacoplan** for the treatment of geographic atrophy (GA), while **Regeneron Pharmaceuticals** (Sept -11.26%, YTD +19.69%) was denied a preliminary injunction against **Amgen** (Sept -3.48%, YTD +11.87%) for copying its blockbuster eye drug **Eylea**.

## Fund Characteristics

Fund Domicile	Luxembourg
Fund Category	UCITS V (FCP)
Legal Registration	CH, DE, LX
Launch Date Share Class	30.09.2015
Fiscal Year End	31.12.
Official Publication	www.swissfunddata.ch
Share Class Distribution Policy	Accumulating
Trading Frequency	daily, till 17:00 (CET)
Settlement	T+1
Subscription Commission	0% (max. 1%)
Redemption Fee	0.25% (in favour of the fund)
Management Fee	1.35%
Performance Fee	20% (subject to High Water Mark and Hurdle Rate)
Benchmark / Hurdle Rate	NASDAQ Biotechnology Index (NBI)
Total Expense Ratio (TER) (2023)	2.29% incl. Performance Fee
Minimum Initial Subscription	none
Valor	28164379
ISIN	LU1230343250
WKN	A14YF3
Bloomberg Code	PPFCGRU LX

## Fund Manager, Swiss Representative

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