

# Protea Fund - Sectoral Biotech Opportunities Fund - PF EUR

ISIN LU1176838347

As of 31/05/2024  
Marketing material

## Investment Objective

The Sub-Fund invests primarily in innovative biotech companies developing novel drugs in therapeutic areas with large unmet medical needs. Investments are made across all market caps, with significant exposure to mid- and small-cap biotech companies, due to their high degree of innovation. Novel and differentiated treatments benefit from a favorable regulatory and commercial environment, with the potential for shortened development timelines, rapid market adoption as well as strong pricing and operating margins. Innovation in biotech has created large new markets, and tremendous commercial potential remains in many diseases and novel therapeutic modalities, such as mRNA and gene therapy.

## Investment Policy

The manager specializes in the area of healthcare investments and employs a bottom-up, research-intensive investment approach. The security selection process is based on primary research, analysis of industry and company fundamentals, and in-depth due diligence on companies to assess their scientific, business, and financial aspects. ESG and sustainability criteria are integrated throughout the process. The Sub-Fund is actively managed. The benchmark index Nasdaq Biotech Index is mentioned for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from the benchmark index.

Sectoral Asset Management is a  
Signatory of:



## SFDR Classification<sup>1</sup>

Article 6

**Article 8**

Article 9

<sup>1</sup>Information on sustainability-related aspects can be found at the following link: <https://assetservices.group.pictet/asset-services/fund-library/ch/en/institutional/funds>.

When deciding to invest in the Fund being promoted, all of the features and objectives of the Fund being promoted as described in the Prospectus should be taken into account. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainability-related disclosures in the financial services sector (SFDR).

## Risk Category SRI

1

2

3

4

**5**

6

7

Lower risk

Higher risk

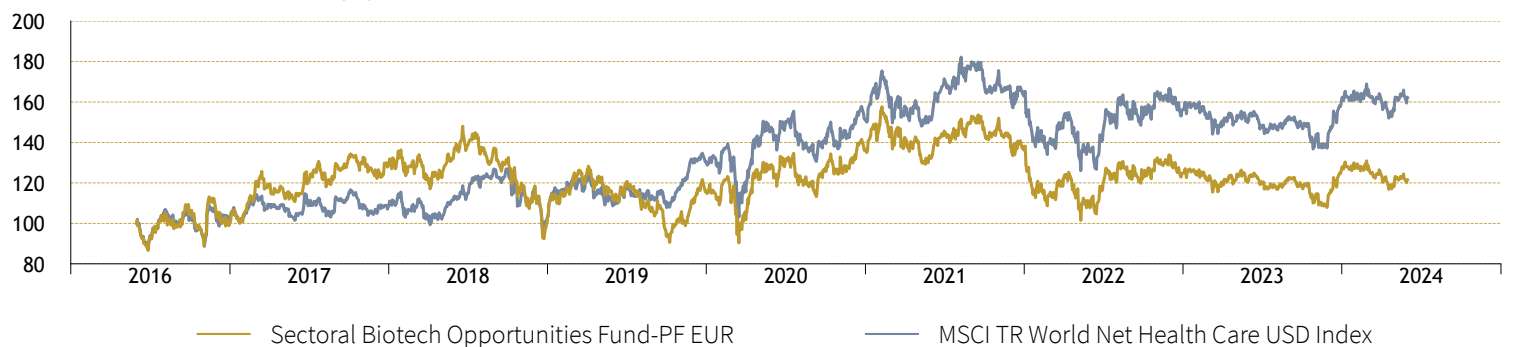
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

## General Information

|  |   |
|--|---|
| Custodian bank                                     | Bank Pictet & Cie (Europe) AG, succursale de Luxembourg |
| Portfolio management                               | Sectoral Asset Management Inc.                          |
| Fund domicile, legal structure, SFDR               | Luxembourg, UCITS, Art. 8                               |
| Currency of the fund / shareclass                  | USD / USD   |
| Fund size  | EUR 23.89 mio   |
| Net asset value (NAV) / share                      | EUR 8.81  |
| Distribution policy                                | Reinvested  |
| Launch date fund / shareclass                      | 27.02.2015 / 31.05.2016                                 |
| ISIN / WKN / VALOR                                 | LU1176838347 / A14NHE / 26967215                        |
| Bloomberg  | PRSBPFE   |
| Management fee                                     | 1.80%   |
| Ongoing charges (incl. Mgmt. fee) as of 31.12.2022 | 2.25%   |
| Maximum entry / switching / exit fee <sup>2</sup>  | 2.00%/1.50%/0.00%                                       |
| Swing pricing                                      | Yes   |
| Minimum Investment                                 | EUR None  |
| Benchmark  | Nasdaq Biotechnology                                    |

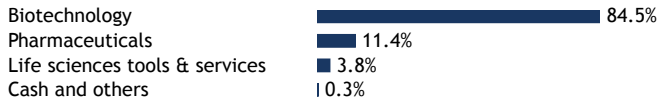
<sup>2</sup>Refer to fund distributor for actual applicable fees, if any. Not all costs are displayed. Please refer to the prospectus and PRIIPS KID for further details.

## Indexed Performances (%)



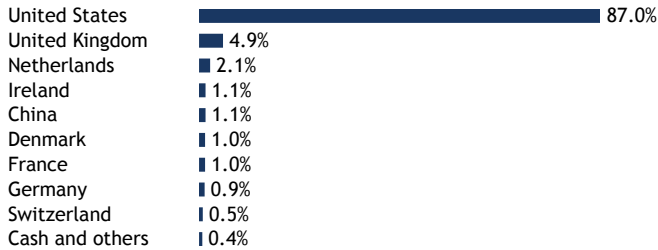
Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group  
Past performance before 26.01.2024 are referring to the fund Variopartner SICAV which has been merged into Protea Fund as of the 29.01.2024. Please note that neither the investment policy, the benchmark, or the investment manager changed, only the name of the fund, management company and custodian changed.  
Past performance must not be considered an indicator or guarantee of future performance. Any tables, graphs, or charts relating to past performance included are used only to illustrate the performance of indices, strategies, or specific funds for the historical periods shown and should not be used as a basis for making any investment decision. All performance data are based on net performance and take no account of commissions, fees or other costs charged when units are issued and redeemed. The return of the Fund may go down as well as up due to changes in rates of exchange between currencies. Future performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

## Sector Breakdown



Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

## Geographical Breakdown



Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

## Risk Metrics/Risk Information<sup>3</sup>

|                        |        |                         |        |
|------------------------|--------|-------------------------|--------|
| Volatility, annualized | 16.30% | Jensen's alpha          | -5.12% |
| Sharpe ratio           | -0.28  | Beta                    | 0.98   |
| Information ratio      | -1.26  | Tracking error, ex-post | 4.07%  |

<sup>3</sup>Calculated over 3 years

Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

## Market Commentary

In May, the MSCI World Index was up 4.5%. The Nasdaq Biotech Index was up 5.9%, outperforming large cap healthcare at +2.7% (as measured by the MSCI World Healthcare Index). Positive clinical updates included those from Insmed (bronchiectasis), Summit (lung cancer) and Merus (head and neck cancer). Negative or mixed reports included those from Eyepoint (non-proliferative diabetic retinopathy), Macrogenics (prostate cancer) and Verastem (ovarian cancer). In regulatory news, the FDA approved Moderna's mRESVIA RSV vaccine. European authorities asked the CHMP to review the prior negative opinion for PTC Therapeutic's Translarna, with the drug remaining available in the EU. On the corporate front, M&A activity included the acquisitions of multiple private companies: ophthalmology company EyeBio by Merck (USD1.3bn), immunology plays Numab by Johnson & Johnson (J&J, USD1.25bn), Hi-Bio by Biogen (USD1.2bn) and Proteologix by J&J (USD850m), and radiopharmaceuticals play Mariana by Novartis (USD1bn); as well as one publicly traded nephrology company, Calliditas by Asahi Kasei (USD1.1bn, 83% premium).

Top contributors: Moderna +29% on talks with the US government regarding bird flu vaccines; Vertex +16% on strong earnings and improving sentiment for the pipeline in pain and for the Alpine acquisition; Insmed +122% on positive phase III data in bronchiectasis.

Top detractors: Illumina -15% on outlook for sequencing market; Macrogenics -56% on poor safety profile in prostate cancer; Eyepoint -39% on failed phase II trial in non-proliferative diabetic retinopathy.

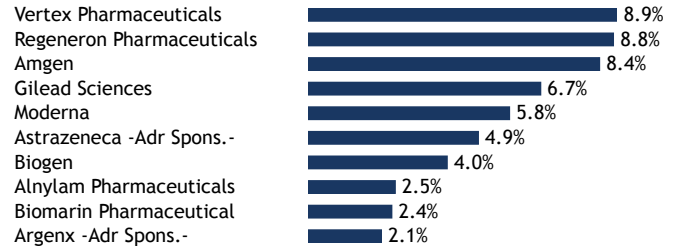
Notable transactions: none

## Currency Breakdown



Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

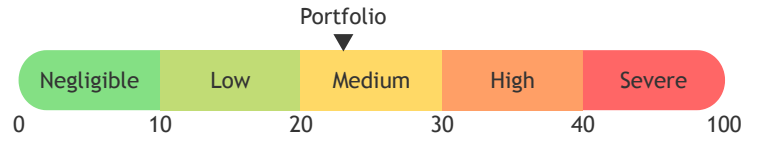
## Top Holdings



Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

## ESG Risk Rating

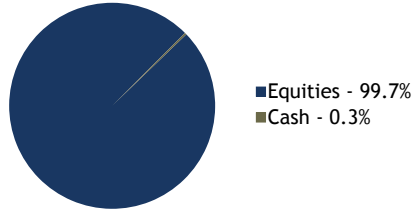
|           | Rating | Coverage | Category |
|-----------|--------|----------|----------|
| Portfolio | 23.0   | 96%      | Medium   |



Categories for ESG Risk: Negligible (0-9.99), Low (10-19.99), Medium (20-29.99), High (30-39.99), Severe (40 and higher)

## Portfolio

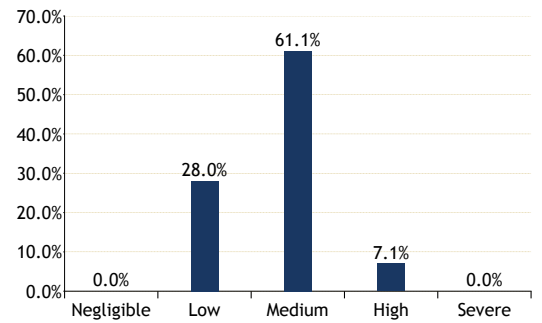
### Breakdown (by Asset Type)



### Coverage (by Asset Type)

| Asset type   | Eligible | Covered      | Not Covered |
|--------------|----------|--------------|-------------|
| Equities     | Yes      | 96.1%        | 3.6%        |
| Cash         | No       | -            | 0.3%        |
| <b>Total</b> |          | <b>96.1%</b> | <b>3.9%</b> |

### Distribution (Portfolio, weight in %)



Source : Sustainalytics

## Corporate Governance

|           | Rating |
|-----------|--------|
| Portfolio | 55     |

### 6 Pillars of Corporate Governance



Level of risk is distributed from 0 to 100, 0 being the highest and 100 the lowest.  
Source : Sustainalytics

## Physical Climate Risk

|           | Rating |
|-----------|--------|
| Portfolio | 63     |

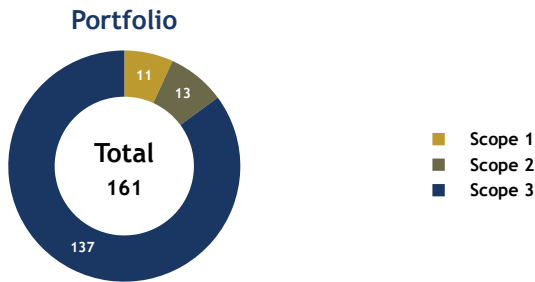
### 3 Pillars of Physical Climate Risk



Level of risk is distributed from 0 to 100, 0 being the lowest and 100 the highest.  
Source: 427

## Greenhouse Gas Emission

### Carbon emission

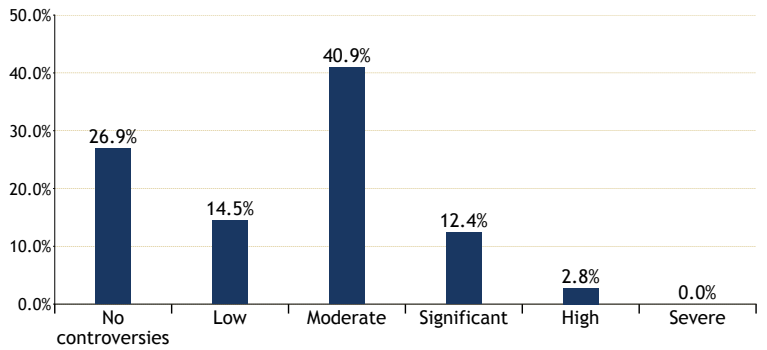


Carbon emission in tonnes of CO<sub>2</sub> (Scope 1, 2 & 3)  
Carbon footprint and carbon intensity in tonnes of CO<sub>2</sub> per million CHF (Scope 1, 2 & 3)  
Source : Sustainalytics

|           | Carbon emissions* | Carbon footprint | Carbon intensity |
|-----------|-------------------|------------------|------------------|
| Portfolio | 161               | 8                | 51               |

\* GHG emission per EVIC

## Controversy Exposure (Portfolio, weight in %)



Source : Sustainalytics

## Product Involvement (Portfolio, weight in %)

### Energy

|                              |      |
|------------------------------|------|
| Thermal coal                 | 0.0% |
| Shale energy                 | 0.0% |
| Oil sands                    | 0.0% |
| Oil & gas                    | 0.0% |
| Nuclear power                | 0.0% |
| Arctic oil & gas exploration | 0.0% |

### Weapons

|                       |      |
|-----------------------|------|
| Small arms            | 0.0% |
| Military contracting  | 0.0% |
| Controversial weapons | 0.0% |

### Other Activities

|                                       |      |
|---------------------------------------|------|
| Tobacco                               | 0.0% |
| Pesticides                            | 0.0% |
| Genetically modified plants and seeds | 0.0% |
| Gambling                              | 0.0% |
| Adult entertainment                   | 0.0% |

### Revenues from Involvement

|          |        |        |          |          |         |
|----------|--------|--------|----------|----------|---------|
| Not Rep. | 0-4.9% | 5-9.9% | 10-24.9% | 25-49.9% | 50-100% |
|----------|--------|--------|----------|----------|---------|

Source : Sustainalytics

## Methodologies

### ESG Risk Rating

ESG Risk Rating measures the degree to which a company's economic value is at risk driven by ESG factors or, more technically speaking, the magnitude of a company's unmanaged material ESG risks.

### Corporate Governance

Corporate Governance evaluates the governance structures, practices and behaviors of companies and their ability to build sustainable long-term value that can be delivered to stakeholders and shareholders in a fair and transparent manner.

### GHG (Greenhouse Gas) Emissions

Scope 1 Emissions: Direct Greenhouse emissions that are generated from production processes which are owned and/or controlled by the company (ie: fuel combustion, company vehicles, fugitive emissions...).

Scope 2 Emissions: Indirect Greenhouse emissions associated with the purchase of energy (ie: electricity, heat or steam...).

Scope 3 Emissions: All indirect emissions arising from the activities of an organisation. This includes emissions from both suppliers and/or consumers (ie: purchased goods/services, travel, waste disposal, transportation and distributions, leased assets, investments...).

Carbon footprint: Aggregation of Scope 1, 2 and 3 GHG emissions of a company relative to its enterprise value.

Carbon intensity: Aggregation of Scope 1, 2 and 3 GHG emissions of a company relative to its sales or revenues.

### Physical Climate Risk

Physical Climate Risk assesses the exposure of companies that may potentially be negatively affected by the physical impacts of climate change.

### Controversies

ESG Controversies analysis of underlying companies is based on incidents and events that may pose a business or reputational risk due to the potential impact on stakeholders, the environment, or the company's operations.

### Product Involvement

Product involvement provides research on companies' involvement in certain types of products and services. This enables screening approaches according to specific criteria such as ethical, impact, compliance or ESG risk considerations.

This research tracks both direct involvement in a product in one or more ways such as production, distribution or related services and indirect involvement in a product through ownership in an involved company.

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## Disclaimer

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