

Protea Fund - Sectoral Emerging Markets Healthcare Fund - Z USD

ISIN LU1231115673

As of 31/05/2024
Marketing material

Investment Objective

The Sub-Fund invests in healthcare companies domiciled in the emerging markets, across all market caps. Emerging markets are undergoing rapid population aging, leading to higher incidence of age-related disease and rising utilization of therapies and healthcare services. Alongside demographic shifts, rising discretionary income, a growing focus on innovation, favorable regulatory and drug approval trends, as well as increased government spending on healthcare are supporting strong growth for healthcare companies across emerging geographies. The Sub-Fund offers an investment opportunity that focuses on these growth drivers. Investments are focused on companies offering emerging therapies and services across all healthcare segments and addressing significant unmet medical need.

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 MSCI EM Health Care Index (USD) 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 Classification¹

Article 6

Article 8

Article 9

¹Information 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

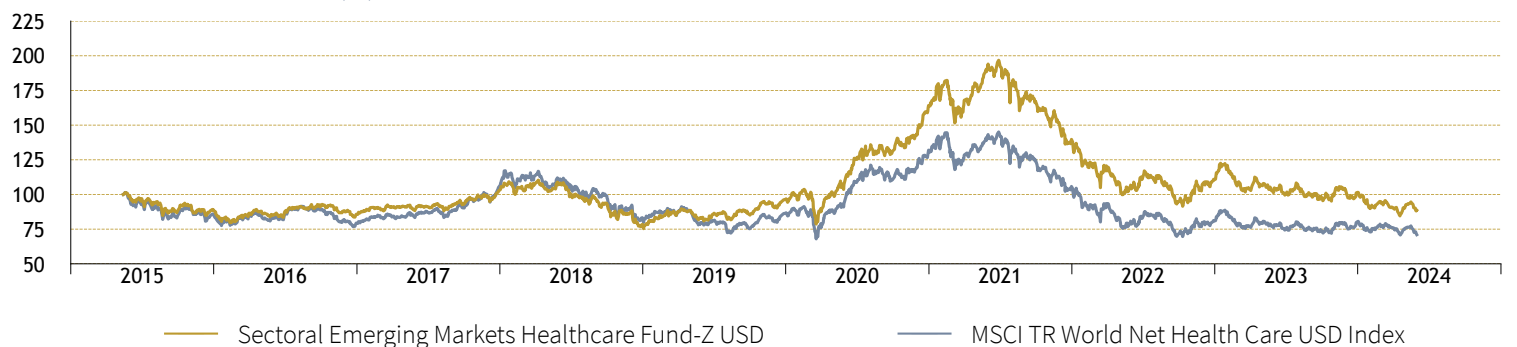
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

General Information

Custodian bank	Bank Pictet & Cie (Europe) AG, succursale de Luxembourg
Portfolio management	Sectoral Asset Management Limited
Fund domicile, legal structure, SFDR	Luxembourg, UCITS, Art. 8
Currency of the fund / shareclass	USD / USD
Fund size	USD 3.91 moi
Net asset value (NAV) / share	USD 9.06
Distribution policy	Reinvested
Launch date fund / shareclass	14.03.2014 / 13.05.2015
ISIN / WKN / VALOR	LU1231115673 / A14Y5Z / 28171735
Bloomberg	PRSEMZU
Management fee	0.00%
Ongoing charges (incl. Mgmt. fee) as of 31.12.2022	1.27%
Maximum entry / switching / exit fee ²	2.00%/1.50%/0.00%
Swing pricing	Yes
Minimum Investment	USD None
Benchmark	MSCI Emerging Markets Health Care Index

²Refer 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 (%)



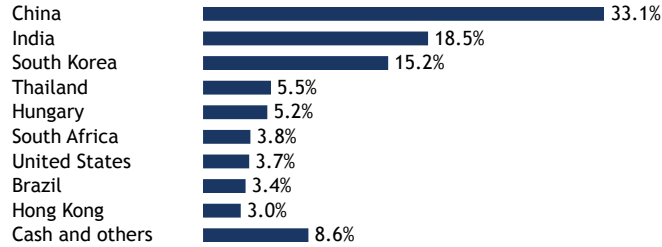
Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group
Past performance before 26.01.2024 are referring to the fund Variopartner SICAV which has been merged into Protea Fund as of the 29.01.2024. Please note that neither the investment policy, the benchmark, or the investment manager changed, 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 Information³

Volatility, annualized	19.77%	Jensen's alpha	-3.50%
Sharpe ratio	-1.47	Beta	0.97
Information ratio	-0.47	Tracking error, ex-post	5.70%

³Calculated over 3 years

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

Market Commentary

During the month, the MSCI Emerging Markets Health Care Index (-5.2%) underperformed both the MSCI Emerging Markets Index (+0.6%) and the MSCI World Health Care Index (+2.7%).

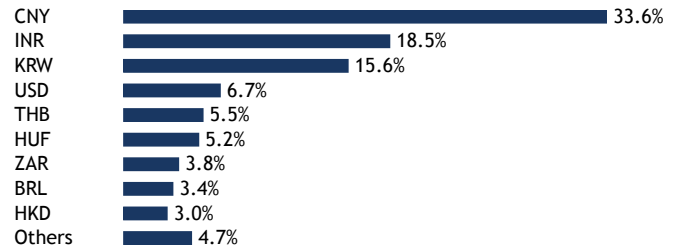
China healthcare equities continued the strength in late April at the start of the month but reversed much of gains towards the end of the month. There were many clinical updates from the American Society of Clinical Oncology (ASCO) that were relevant to Chinese innovative drug makers. Distributors such as China Resources Pharma had a good month thanks to its defensive nature while Zai Lab also posted gains after very depressed year to date performance in a catch-up trade. Wuxi Biologics continued to slump thanks to communication around potential weaker margins at a conference. Indian healthcare companies continued to hover around peak levels in May while quarterly results came out for most companies during the month. Divi's Lab had a good month thanks to better-than-expected earnings while Max Healthcare was weaker as earnings did not meet elevated expectations. Korea healthcare stocks had a tough month in general. Notably, biotech name HLB, experienced large drawdowns thanks to adverse FDA action. Medical aesthetics device name Classys outperformed due to strong earnings update.

Top contributors: Underweight HLB -45%; Overweight Kangji +17% on special dividend payout; Underweight Dr Sulaiman -13%.

Top detractors: Underweight Pharma Essentia +43%; Overweight Dr Reddy's Lab -7%; Overweight Samsung Biologics -6% on Korean healthcare weakness.

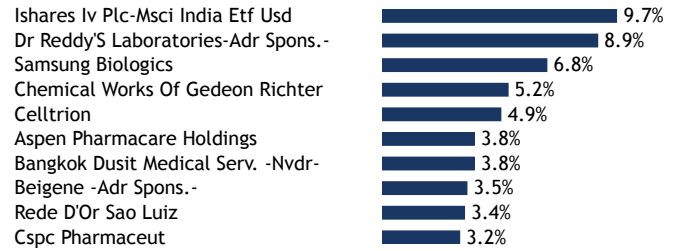
Notable transactions: increased weight in Shenzhen Mindray and decreased Medicover.

Currency Breakdown



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

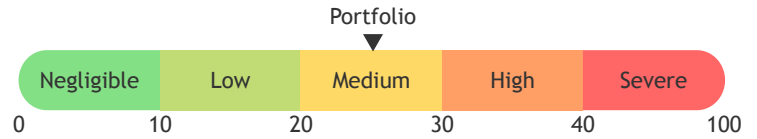
Top Holdings



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

ESG Risk Rating

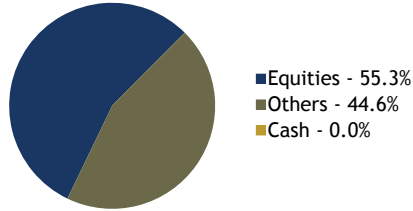
	Rating	Coverage	Category
Portfolio	25.1	55%	Medium



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

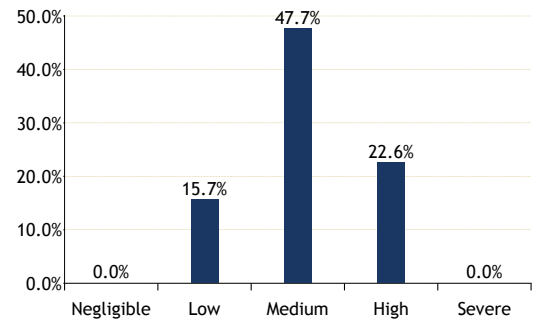
Breakdown (by Asset Type)



Coverage (by Asset Type)

Asset type	Eligible	Covered	Not Covered
Equities	Yes	55.3%	0.0%
Cash	No	-	0.0%
Others	No	-	44.6%
Total		55.3%	44.6%

Distribution (Portfolio, weight in %)



Source : Sustainalytics

Corporate Governance

	Rating
Portfolio	48

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	56

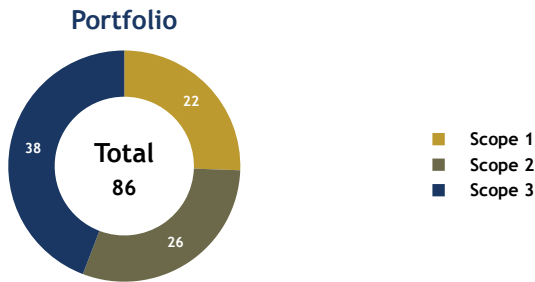
3 Pillars of Physical Climate Risk



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

Greenhouse Gas Emission

Carbon emission

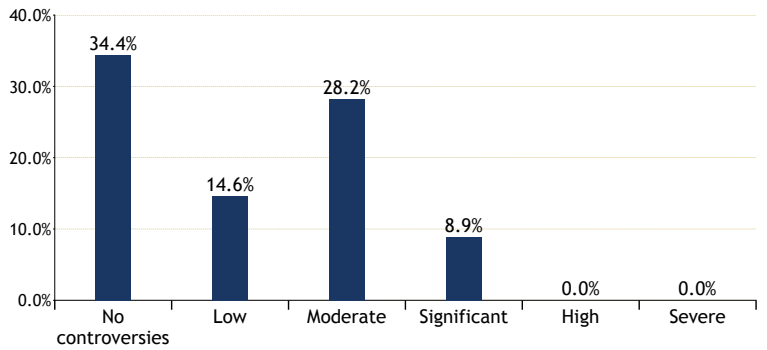


Carbon emission in tonnes of CO₂ (Scope 1, 2 & 3)
Carbon footprint and carbon intensity in tonnes of CO₂ per million CHF (Scope 1, 2 & 3)
Source : Sustainalytics

	Carbon emissions*	Carbon footprint	Carbon intensity
Portfolio	86	44	159

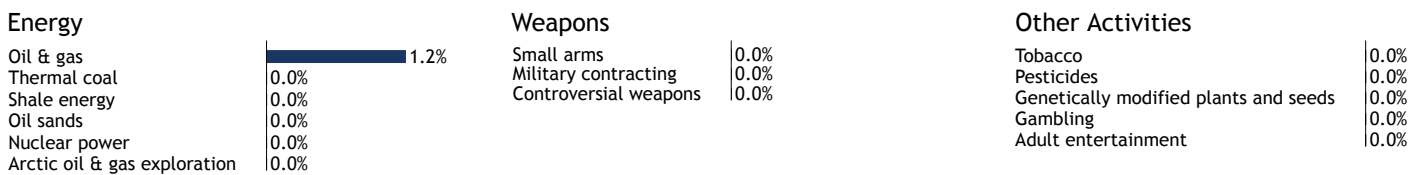
* GHG emission per EVIC

Controversy Exposure (Portfolio, weight in %)



Source : Sustainalytics

Product Involvement (Portfolio, weight in %)



Revenues from Involvement

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