Exclusions+ Voting
ESG Integration Target Universe

SECTORAL ASSET MANAGEMENT

Protea Fund - Sectoral Healthcare Opportunities Fund - N EUR

ISIN LU1886620050

As of 31/05/2024
Marketing material

Investment Objective

The Sub-Fund invests primarily in innovative healthcare companies developing differentiated drugs, services, life science tools and devices in therapeutic areas with large unmet medical needs. Investments are made across all market caps and geographies, including the emerging markets, with significant exposure to mid- and small-cap companies, due to their high degree of innovation. Novel and differentiated treatments, devices, and services 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 healthcare delivery and novel therapeutic modalities has created new business models and markets with tremendous commercial potential.

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 TR World Net Health Care USD 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:
PRI Principles for Responsible Investment

SFDR Classification[1]

Article 6 | **Article 8** | Article 9

[1]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

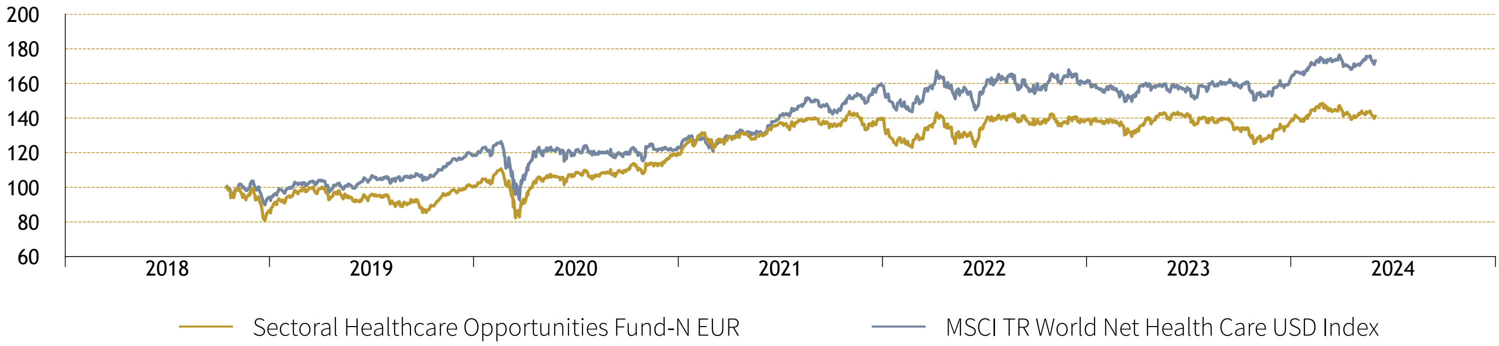
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

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 96.17 mio
Net asset value (NAV) / share	EUR 14.50
Distribution policy	Reinvested
Launch date fund / shareclass	23.11.1993 / 15.10.2018
ISIN / WKN / VALOR	LU1886620050 / A2N7D8 / 43874099
Bloomberg	PRSHONE
Management fee	0.60%
Ongoing charges (incl. Mgmt. fee) as of 31.12.2022	0.98%
Maximum entry / switching / exit fee[2]	2.00%/1.50%/0.00%
Swing pricing	Yes
Minimum Investment	EUR None
Benchmark	MSCI TR World Net Health Care USD Index

[2]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 (%)



	1 m	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	3 yrs p.a.	5 yrs p.a.	Since Inception
Portfolio	-0.41	3.13	-1.26	-0.63	16.31	19.38	16.09	-11.10	-	-	-	-	2.48	8.88	45.00
Benchmark	1.12	7.84	0.24	0.79	28.90	4.14	25.51	-3.38	-	-	-	-	9.36	11.70	77.37

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

Pharmaceuticals	39.0%
Health Care Equipment & Supplies	19.2%
Biotechnology	16.8%
Health Care Providers & Services	12.5%
Life sciences tools & services	8.7%
Health Care Technology	1.9%
Cash and others	1.9%

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

Geographical Breakdown

United States	73.4%
Denmark	7.0%
United Kingdom	6.0%
Switzerland	3.7%
France	1.6%
China	1.5%
South Korea	1.1%
Netherlands	1.1%
Malaysia	1.0%
Cash and others	3.6%

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

Risk Metrics/Risk Information[3]

Volatility, annualized	11.51%	**Jensen's alpha**	-5.11%
Sharpe ratio	0.09	**Beta**	0.81
Information ratio	-0.95	**Tracking error, ex-post**	6.84%

[3]Calculated over 3 years
Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

Currency Breakdown

USD	75.1%
DKK	7.0%
GBP	6.0%
EUR	3.5%
CHF	3.0%
CNY	1.5%
KRW	1.1%
MYR	1.0%
BRL	1.0%
Others	0.8%

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

Top Holdings

Lilly (Eli)	9.7%
Novo Nordisk 'B'	7.0%
Unitedhealth Group	6.1%
Astrazeneca	6.0%
Merck & Co	4.9%
Abbvie	3.6%
Abbott Laboratories	3.6%
Johnson & Johnson	3.4%
Boston Scientific	2.6%
Thermo Fisher Scientific	2.6%

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

Market Commentary

In May, large-cap healthcare (as measured by the MSCI World Healthcare Index) gained 2.7% and underperformed the MSCI AC World (+4.5%). Among industries, biotech (+5.5%) and pharma (+3.6%) led while medtech (+1.6%), services (+1.1%) and life sciences (+0.1%) lagged. Small- and mid-cap healthcare (as measured by the Russell 2000 Healthcare Index) gained 5.0% in line with the Russell 2000 Index (+5.0%). The MSCI Emerging Markets Healthcare Index (-5.2%) underperformed the broad MSCI Emerging Markets Index (+0.6%).

In biopharma, clinical updates included Novo Nordisk's phase 3 success with Mim8 FVIII mimetic in hemophilia A, Roche's positive phase 1 results for CT-388 (Carmot's weekly GLP-1/GIP) in obesity, Olema's favorable phase 2 results for palazestrant and Arvinas promising phase 1b results for vepdegestrant (both in ER+/HER2- metastatic breast cancer), while EyePoint (non-proliferative diabetic retinopathy) and Macrogenics (metastatic castration-resistant prostate cancer) faced setbacks. In regulatory news, FDA approved Moderna's RSV vaccine while requesting additional data for Sanofi/Regeneron's Dupixent sBLA. M&A activity included Novartis acquiring Mariana Oncology for USD1bn, Asahi Kasei buying Calliditas for USD1.1bn (83% premium), Johnson & Johnson (J&J) acquiring Numab for USD1.3bn and Proteologix for USD850m, Merck acquiring EyeBio for USD1.3bn, and Biogen acquiring Hi-Bio for USD1.2bn.

In medtech, recent clinical developments included Medtronic reporting topline data at HRS comparing PFA vs. radiofrequency in persistent atrial fibrillation (AFib), nearly achieving superiority in freedom from AFib at 12 months. J&J also reported pivotal trial data in paroxysmal AFib, with FDA approval expected within six months. Corporate updates included ZimmerBiomet's 2027 plan aligning with investor expectations. In diabetes, DexCom was pressured due to communication issues about tougher comparisons and salesforce expansion, while Insulet retraced lower despite strong growth and raised guidance, due to concerns over the Q2 growth cadence and competitive pressures.

In healthcare services, GoodRx reported 1Q revenue ahead of expectations and raised its 2024 guidance, while announcing a new savings agreement with Kroger. Progyny posted weaker revenues but slightly better EBITDA, cutting FY24 revenue guidance while raising EPS guidance. Evolent increased its FY24 revenue guidance, maintaining a conservative outlook on EBITDA. IQVIA revenues and EPS were slightly ahead, with guidance adjusted lower due to FX impacts. Cigna raised its FY24 EPS guidance, while CVS reported lower than expected EPS due to increased utilization pressure and higher costs, leading to a reduced FY24 outlook.

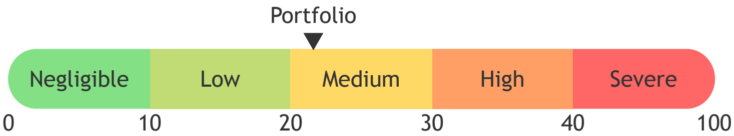
In emerging markets, IHH's 1Q revenues grew 16% YoY with adjusted EBITDA up 19% YoY, driven by improved growth across all regions except Malaysia. Rede D'Or's 1Q24 results showed adjusted EPS more than doubling YoY, driven by strong trends in medical insurance and hospitals, with a 34% YoY rise in adjusted EBITDA. On the policy front, the Chinese government aims to increase ICU capacity, targeting 15 ICU beds per 100,000 people by 2025 and 18 by 2027.

Top contributors: Iteos (biotech) +56% on positive commentary, raised USD120m; Inari (medtech) +34% on strong results; CVS (services) +16% relative on neutralizing post weak results and reduced guidance.

Top detractors: ADC (biotech) -30% post follow-on offering on positive data; Macrogenics (biotech) -56% on poor safety profile of prostate cancer drug; Amgen (biotech, underweight) +11% on qualitative commentary on obesity program.

ESG Risk Rating

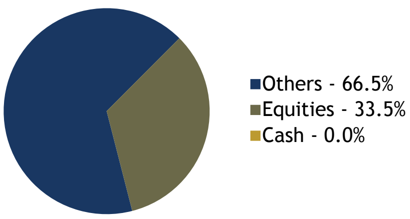
	Rating	Coverage	Category
Portfolio	21.6	34%	Medium



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

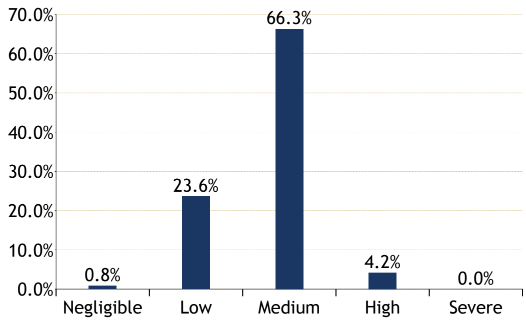
Breakdown *(by Asset Type)*



Coverage *(by Asset Type)*

Asset type	Eligible	Covered	Not Covered
Equities	Yes	33.5%	0.0%
Cash	No	-	0.0%
Others	No	-	66.5%
Total		33.5%	66.5%

Distribution *(Portfolio, weight in %)*

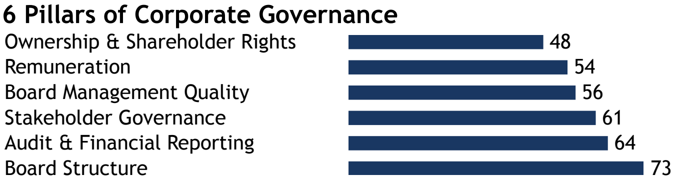


Source : Sustainalytics

Corporate Governance

	Rating
Portfolio	58

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

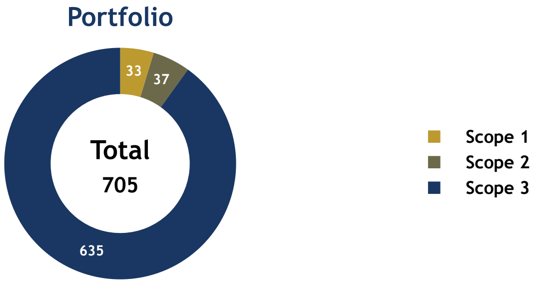
	Rating
Portfolio	60

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

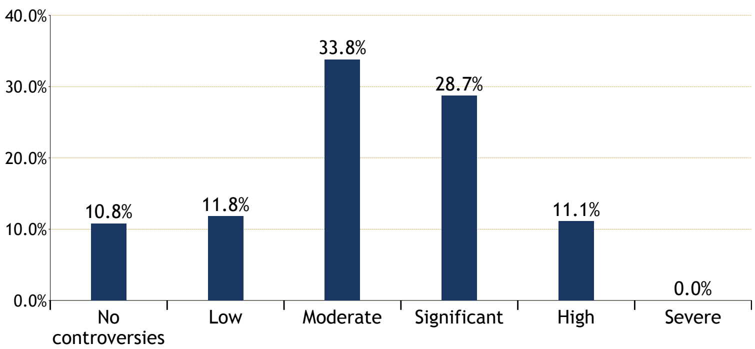


Carbon emission in tonnes of CO_2 (Scope 1, 2 & 3)
Carbon footprint and carbon intensitiy in tonnes of CO_2 per million CHF (Scope 1, 2 & 3)
Source : Sustainalytics

	Carbon emissions*	Carbon footprint	Carbon intensity
Portfolio	705	22	106

* GHG emission per EVIC

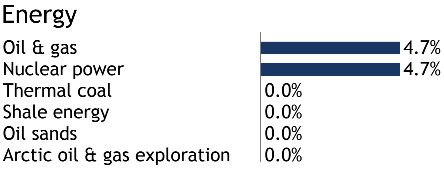
Controversy Exposure *(Portfolio, weight in %)*



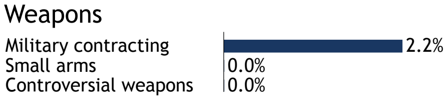
Source : Sustainalytics

Product Involvement *(Portfolio, weight in %)*

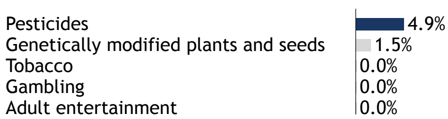
Energy



Weapons



Other Activities



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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