



MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

HBM LUX FUNDS

As at end of September 2024

Marketing material

HBM UCITS (Lux) Funds-HBM Global Healthcare Fund-A Cap-USD

ISIN (LU1540960942)

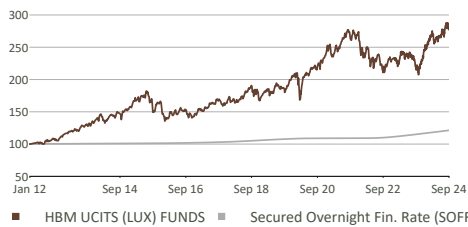
INVESTMENT OBJECTIVE

The investment objective of HBM Global Healthcare Fund (the "Sub-Fund") is to achieve long-term capital gains, by pursuing a long/short strategy in the "healthcare" market, and to generate a value trend that exceeds the performance of the SOFR.

To attain its investment objective, the Sub-Fund will mainly be exposed to equities and equity-related securities of small-cap, mid-cap, and blue chip companies worldwide in the fields of pharmaceutical, biotechnological, and medical technologies and of companies engaged in medical services, equipment, and accessories worldwide and/or of companies whose principal activity is to hold interest positions in or finance such companies. Traditional long positions are coupled with (synthetic) long and short positions achieved through the use of financial derivative instruments (such as contracts for difference).

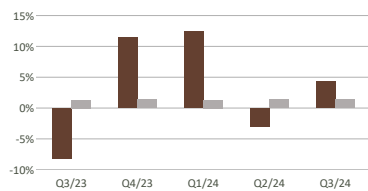
The Sub-Fund may also have an exposure to the healthcare equities via investments in UCIs (up to 10% of its net assets).

INDEXED PERFORMANCE



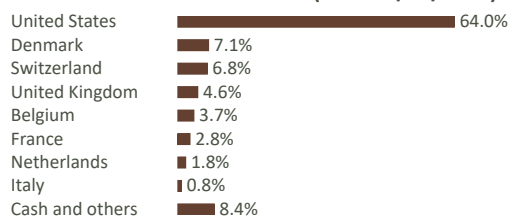
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

QUARTERLY PERFORMANCE



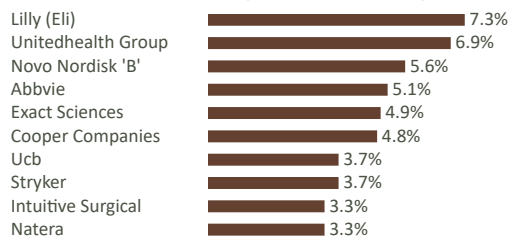
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

GEOGRAPHICAL BREAKDOWN (as at 30/09/2024)



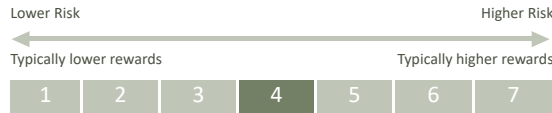
The above breakdown information is expected to fluctuate over time.
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

10 LARGEST HOLDINGS (as at 30/09/2024)



The above breakdown information is expected to fluctuate over time.
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

RISK LEVEL



The rating is based on historical data and may not be a reliable indication of the future risk profile. 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.

PERFORMANCE vs Secured Overnight Fin. Rate (SOFR)

	Fund		Index	
	Cumulative	Annualised	Fund	Index
YTD	13.68%	4.04%	-	-
1 month	-3.27%	0.43%	-	-
3 months	4.30%	1.35%	-	-
1 year	26.76%	5.41%	26.76%	5.41%
3 years	5.39%	11.15%	1.76%	3.58%
5 years	50.64%	12.58%	8.53%	2.40%
Since inception	178.26%	21.29%	8.35%	1.52%

	Fund		Index	
	Yearly	September to September	Fund	Index
2023	6.68%	5.06%	26.76%	5.41%
2022	-16.23%	1.65%	4.14%	4.62%
2021	14.68%	0.16%	-20.16%	0.78%
2020	16.99%	0.67%	20.07%	0.18%
2019	20.33%	2.36%	19.04%	1.10%

Past performance up to 16/08/2017 is that of the HBM Global Healthcare Fund, of which the HBM UCITS (LUX) Funds - Healthcare is an identical successor. Performance is based on the closing prices of the Index and Fund. 30 Dec 2011 to 31 Dec 2021, 3-months LIBOR USD

Past performance must not be considered an indicator or guarantee of future performance. 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
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

TECHNICAL INFORMATION* (as at 30/09/2024)

NAV	USD 278.26	Dividend	Reinvested
AuM (in mio.)	USD 19.38	Number of positions	36
Max. drawup	38.85%	Max. drawdown	-24.97%
Volatility	15.90%	Tracking error	15.77%
Sharpe ratio	-0.11	Information ratio	-0.11
Jensen alpha	-11.20%	Beta	-56.44
Correlation	-0.22	R-square	0.05
Net Exposure**	91.70%		

* Historical statistics are calculated over 3 years.

** Source: figures calculated from Bloomberg.

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

HBM UCITS (Lux) Funds-HBM Global Healthcare Fund-A Cap-USD

ISIN (LU1540960942)

Overview

While September has historically been the worst month for stocks, the major indexes bucked the trend this year, with the MSCI World Index (+1.7%) pushing through to new highs at the end of the month - to finish the quarter with a gain of 6.5%. September started no different to August, with some notable selling early on then giving way to a rally later in the month. The negative stock price reaction during the early days was driven by concerns over economic growth after a slew of soft data, especially on the employment market, which showed smaller-than-expected jobs creation, and a continued contraction in manufacturing activity. Overall, investors gained confidence on the US Fed's recent pivot on interest rates and on the belief that the Central Bank might remain quite dovish over the remaining months of 2024 and next year. In a bold move, the US Fed lowered rates by half a percentage point mid-month, a decrease that exceeded earlier expectations. Chair Powell characterised the substantial rate cut as a "recalibration" rather than a hasty response to an emergency. Investors interpreted this as a sign that the Fed is committed to establishing a new "neutral" stance without necessarily being compelled by a weakening economy. Sector performance diverged in the month: Consumer discretionary and utilities led the market sectors, while real estate, energy and healthcare stocks (MSCI World Health Care Index: -3.1%) posted losses in September. The macro backdrop and re-emerging risk-on sentiment last month benefitted growth sectors at the expense of the more defensive segments of the market such as healthcare. Similar dynamic was also present within the healthcare sector: Cyclical and higher-beta segments (medical equipment & suppliers, elective procedures, life sciences & tools) led in performance while more defensive sleeves like pharma and managed care/insurers lagged. The biotechnology sector was not (yet) a beneficiary of the Fed's pivot on interest rates. Clinical and regulatory developments were rather disappointing (e.g. Novo, Regeneron, Biomarin) and larger M&A activities remained absent, although confidence in the sector is returning, as reflected in higher levels of financing and tentative signs that the IPO window is re-opening.

Portfolio performance

The NAV of the main share class (A Cap USD) decreased by 3.3%, marginally underperforming the broader sector index MSCI World Health Care Sector (-3.1%). Exact Sciences (+10.4%) and Natera (+7.3%) were among the most positive contributors to NAV. Shares in the cancer-screening and diagnostic testing company firm Exact moved higher post quarterly results, encouraging data in blood-based colorectal cancer screening at ESMO 2024 (European Society for Medical Oncology) and ahead of a regulatory catalyst. Natera, a leading player in the diagnostics industry with a core focus on the field of cell-free DNA testing, saw a continuation of the rally in its share price. In strong contrast, shares of NeoGenomics (-11.7%) suffered from a legal setback following its competitor Natera won a permanent injunction that will prevent NeoGenomics from selling its RaDaR assay in the US. The company said it is developing a new assay that will not infringe Natera's IP (intellectual property). Shares of companies exposed to the obesity space had a challenging month: Larger caps Novo (-16.1%), Eli Lilly (-7.7%), Roche (-5.8%) plunged in sympathy with smaller cap companies Corbus (-66.3%) and Gubra (-9.9%). Novo Nordisk announced that CB1 drug (monlunabant), in phase IIa clinical testing, showed weight loss at the lower-end of expectations of 6%. More concerning was the disclosure of mild to moderate neuropsychiatric side effects, primarily anxiety, irritability, and sleep disturbances, that were more frequent and dose dependent with monlunabant compared to placebo. Shares of Corbus, which has a pipeline consist of a potential CB1 drug in pre-clinical testing, lost two-thirds of their value. Analysts believe the safety profile for Corbus and Novo second generation peripherally restricted CB1s must be clean given prior market withdrawal of first generation CB1 Rimonabant. Further, Novo was under pressure after comments that diabetes and obesity flagship Ozempic could be targeted for next round of IRA (Inflation Reduction Act) related price controls. Roche traded lower amid gastrointestinal side effects from its obesity drug CT-388, raising concerns among investors about the drug's future market potential. AstraZeneca (-12.7%) was the largest negative contributor to NAV, among large pharma positions in the portfolio. Astra and Daiichi Sankyo's investigational antibody-drug conjugate (ADC) datopotamab deruxtecan suffered a double blow in late-stage trials. It first failed to significantly outperform the standard-of-care chemotherapy docetaxel in treating NSCLC (non-small-cell lung cancer). And then it failed to show notable improvement in overall survival compared to chemotherapy in breast cancer. Analysts had expected datopotamab deruxtecan to potentially become one of Astra's best-selling drugs.

Portfolio changes

We made some incremental changes to the portfolio in September, mainly focused on profit-taking in certain high performing names, managing the risk profile of the portfolio and adding exposure to some specific biopharma stocks where we see attractive risk/return potential.

Fund Outlook

Equity markets delivered an impressive comeback in the second-half of last month. The prospect of lower short-term borrowing rates has lent support to stock valuations. Interestingly, the recently closed third quarter 2024 saw a shift in market leadership. Value stocks and small to mid-cap companies outperformed their growth and large-cap counterparts, potentially signalling a broadening of the market rally beyond the dominant tech sector. A "soft landing" for the US economy, where inflation has largely been tamed from highs without triggering a recession is widely considered the base case scenario. This optimism was bolstered by a healthy growth of the gross domestic product number (GDP). The latest September Job's report showed the labor market remains robust, even amid signs it has cooled. Market participants anticipate further easing, with expectations of another 50 basis point cut before the year's end. However, these expectations may be more aggressive than a "soft landing" scenario typically warrants. We should be aware that this divergence between market expectations and economic realities could potentially lead to volatility if the Fed's actual policy path deviates from these optimistic projections. It does also mean that investors will be paying even closer attention to upcoming economic data and focus much of their attention on the Fed's monetary policy path forward. Regardless of the direction of travel for the broader economy, we continue to believe that the economic sensitivity of the healthcare sector remains low relative to other sectors, while the innovation and growth potential remains high.

GENERAL INFORMATION

Fund manager	HBM Partners AG
Custodian Bank	Bank Pictet & Cie (Europe) AG, Succursale de Luxembourg
Legal status	UCITS V Luxembourg Sicav
Country of registration	AT, CH, DE, FR, GB, LI, LU
Inception Date	30 December 2011
Multiclass	A Cap-USD, A Cap-EUR, P Cap-USD
NAV valuation	Daily, "forward pricing"
Order Deadline	T-1 day / 16:00 CET
Management fee	1.60% p.a.
TER	2.67% p.a.
Max. subscription fee	3.00% to the benefit of the intermediaries
Max. redemption fee	0.00% to the benefit of the intermediaries
ISIN	LU1540960942
Bloomberg	HBMHACU LX
Publication media	www.fundinfo.com
Management Company	FundPartner Solutions (Europe) S.A. – Part of Pictet Group
Domicile	Luxembourg
Base Currency	USD

Not all costs are displayed. For further information, please refer to the prospectus
Data Source: FundPartner Solutions (Europe) S.A. – Part of Pictet Group

HBM UCITS (Lux) Funds-HBM Global Healthcare Fund-A Cap-USD

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MSCI:

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