

# Protea Fund - Sectoral Emerging Markets Healthcare Fund - Z USD

ISIN LU1231115673

As of 31/03/2024  
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.

Sectoral Asset Management is a  
Signatory of:



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

Article 6	<b>Article 8</b>	Article 9
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<sup>1</sup>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

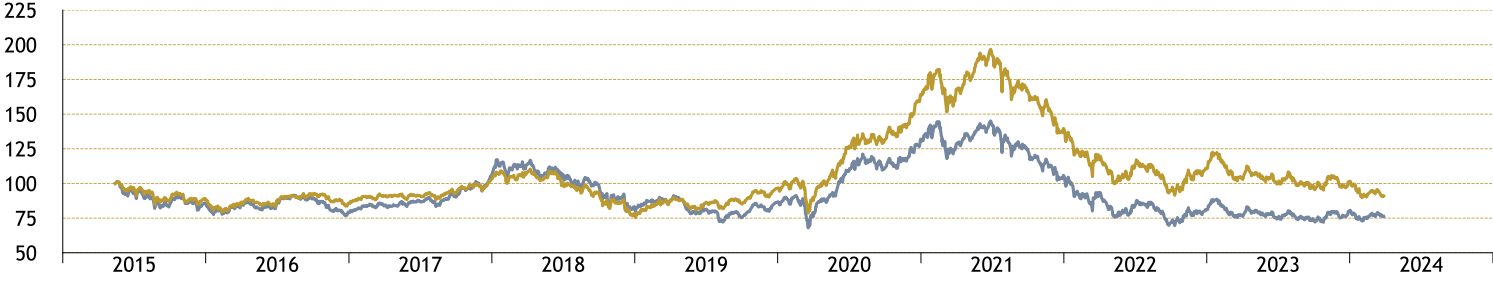


## General Information

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 5.29 mio
Net asset value (NAV) / share	USD 9.30
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	0.91%
Maximum entry / switching / exit fee <sup>2</sup>	2.00%/1.50%/0.00%
Swing pricing	Yes
Minimum Investment	USD 0
Benchmark	MSCI Emerging Markets Health Care Index
Benchmark ESG	MSCI Emerging Markets Health Care Index

<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.

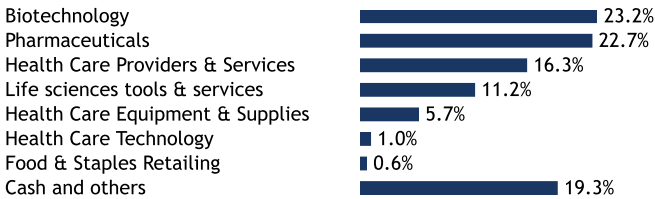
## Indexed Performances (%)



	1 m	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	3 yrs p.a.	5 yrs p.a.	Since Inception
Portfolio	-2.92	-10.14	-8.33	-20.94	-14.90	70.36	22.82	-23.55	19.75	-3.74	-9.00	-	-17.92	0.88	-7.00
Benchmark	-1.86	-4.70	-1.29	-23.50	-19.82	52.82	3.67	-20.89	32.66	-7.53	-12.61	-	-15.47	-2.48	-22.48

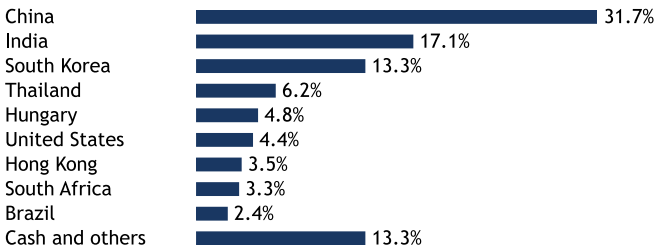
Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group  
Past performance before 26.01.2024 are referring to the fund Variopartner SICAV which has been merged into Protea Fund as of the 29.01.2024. Please note that neither the investment policy, the benchmark, or the investment manager changed, 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	21.36%	Jensen's alpha	-2.71%
Sharpe ratio	-1.05	Beta	1.01
Information ratio	-0.54	Tracking error, ex-post	5.45%

<sup>3</sup>Calculated 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 (-1.7%) underperformed the MSCI Emerging Markets Index (+2.5%) and the MSCI World Health Care Index (2.5%).

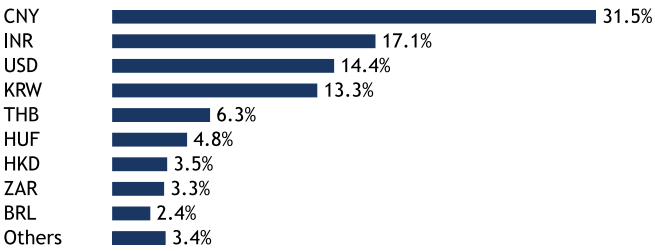
China healthcare equities resumed their slump in March after a brief recovery last month. Geopolitical headlines continued to plague leading Chinese CXO groups Wuxi Aptec and Wuxi Biologics while a leaked document around full-scale policy support from the Chinese government for innovative drug development drove rallies in selected beneficiaries such as Hansoh Pharma. Healthcare services names such as Hygeia and Imeik held up thanks to strong earnings. Indian healthcare stocks were flat in March with Indian hospital players such as Apollo Hospital recovering, to some extent, from a pricing regulation scare. Large cap stocks fared better relative to small- and mid-caps in India as valuation concerns became more pronounced for the latter. Korea healthcare stocks rallied in March. HLB continued its speculative momentum into March. Yuhan and Samsung Biologics also contributed to the positive performance.

Top contributors: Underweight China Medical System -36% on earnings disappointment; Underweight Wuxi Biologics -25% on geopolitical concerns; Overweight Aspen Pharmacare +13% on positive clinical and commercial updates.

Top detractors: Underweight HLB +28% with Korea short sale ban speculations; Overweight New Horizon Health -29% with delayed annual report issuance; Overweight Dr Reddy's -5%.

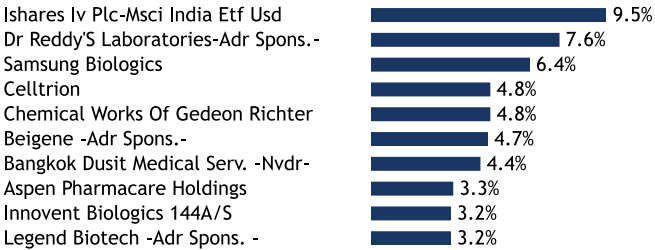
Notable transactions: no notable transactions in the month.

## Currency Breakdown



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

## Top Holdings

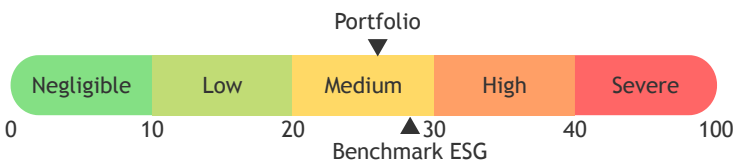


Source: FundPartner Solutions (Europe) S.A. - Part of Pictet Group

ESG Risk Rating

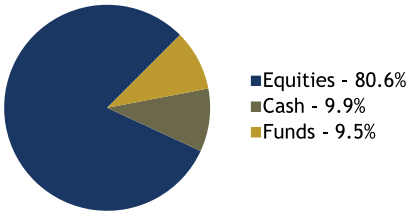
	Rating	Coverage	Category
Portfolio	26.0	78%	Medium
Benchmark ESG	28.3	100%	Medium

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

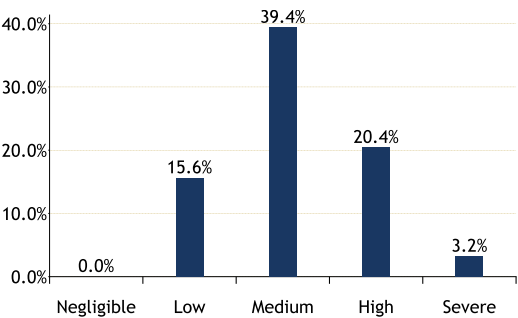
Breakdown (by Asset Type)



Coverage (by Asset Type)

Asset type	Eligible	Covered	Not Covered
Equities	Yes	78.5%	2.1%
Funds	No	-	9.5%
Cash	No	-	9.9%
Total		78.5%	21.5%

Distribution (Portfolio, weight in %)



Source : Sustainalytics

Corporate Governance

	Rating
Portfolio	47
Benchmark ESG	46

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	61
Benchmark ESG	62

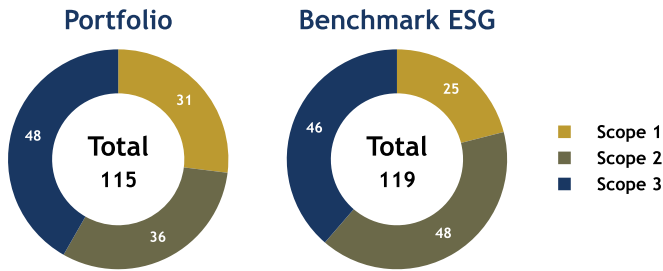
3 Pillars of Physical Climate Risk



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	116	31	133
Benchmark ESG	118	31	160

\* GHG emission per EVIC

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%

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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