

# BlueBox Funds- BlueBox Precision Medicine Fund

## Investing in tomorrow's medicine, today



**This is a marketing communication.** Please refer to the Prospectus and KID of the Fund for more information on general terms, risks, and fees. Investors should only invest in the Fund once they have reviewed the Prospectus and KID before making any final investment decisions.

### Investment Theme—Precision Medicine

Precision Medicine is the fundamental revolution in drug discovery and patient treatment of the 21st century. Traditional medicine is being transformed into patient specific solutions that treat disease at its underlying cause. This intersection of a genomic and biotechnology revolution is changing lives, now.

### BlueBox Precision Medicine Fund Performance



Performance to 30.04.2024	1 month	3 months	YTD	ITD Ann	12M Rolling Performance to 30.04.2024	Apr 2024
BlueBox Precision Medicine Fund	-8.0 %	-0.9 %	0.7 %	13.8 %	BlueBox Precision Medicine Fund	13.6 %
S&P BMI Healthcare Index <sup>1</sup>	-4.1 %	0.5 %	2.1 %	8.8 %	S&P BMI Healthcare Index <sup>2</sup>	4.1 %

<sup>1</sup> Performance based on Share Class S since launch 28.02.2023 (ISIN LU2519375591)      <sup>2</sup> S&P BMI Healthcare INDEX is Net Total Return, calculated since launch of BBPM on 28.02.2023

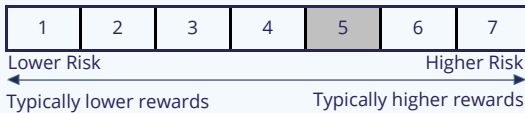
The fund performance is **not** measured against the benchmark. This is for information purposes only. Performance is of a USD share class, on net of fees basis, with gross income reinvested. Source: at 30/04/24. **Past performance does not predict future returns.** Performance related data will display only where relevant to the share class inception date. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

Equity Risk: The risk that investments depreciate because of stock market dynamics.

Market Risk: The Fund's assets may decrease because of sovereign acts and political transformation, which may also influence free trade of currency. In addition, risks may arise because of restricted information possibilities in addition to less stringent supervision and control of certain markets. The performance of these markets may be subject to significant volatility. The concentration of the Fund on a given country implies the risk that the events concerning the given country may significantly and negatively affect the value of the whole portfolio of the Fund\*.

### Risk Indicator\*

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.



\* PRIIPs SRI

Medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact our capacity to pay you.

**The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.**

**Be aware of currency risk. In some circumstances, you may receive payments in a different currency, so the final return you will get may depend on the exchange rate between the two currencies.** This risk is not considered in the indicator. A complete description of risk factors is set out in the Prospectus in the section entitled 'Risk Factors Annex'.

### What is Precision Medicine?

Precision Medicine is a transformational change in what humanity can do to improve people's lives. It is a more targeted approach to medicine than the one-size-fits-all methods of the last 100+ years. It exists at the intersection of major advances in genomics, biotechnology, chemistry, molecular biology and computing power. It enables scientists to understand the underlying biological drivers of an increasing number of diseases. Once the underlying cause of a disease is elucidated through molecular biology and genomics, much more effective medicines can be developed using the latest technology in biotechnology and chemistry. All of this is supported by ever increasing computing power.

Precision Medicines address the underlying driver of a disease and eligible patients may be selected using a diagnostic test. By targeting the specific driver, the benefit of precision medicine is much greater than traditional medicine. Furthermore, patients without the relevant driver are unlikely to benefit and can be treated with an alternative, avoiding unnecessary side effects and saving money.

Approvals of precision medicines started accelerating in 2010 and have continued to do so. Originally these started in rare genetic diseases and certain subsets of oncology. There is plenty of growth in these areas but it is also expanding into new, more common diseases. This underpins our belief that there are decades of growth ahead for the field.

Top 10 Holdings		Country Allocation		Market Capitalisation		Sector Allocation	
Argenx	6.0 %	United States	72.7 %	Mega cap (>\$100bn)	14.8 %	Biotechnology	64.8 %
BioMarin Pharma	5.8 %	United Kingdom	6.3 %	Large cap – upper (\$50bn - \$100bn)	4.0 %		
Vertex Pharmaceuticals	4.9 %	Belgium	6.0 %	Large cap – lower (\$10bn - \$50bn)	37.0 %	Life Sciences	30.8 %
Sartorius Stedim	4.9 %	France	4.9 %	Mid cap (\$1bn - \$10bn)	37.4 %	Pharmaceuticals	3.1 %
Springworks	4.1 %	Switzerland	3.4 %	Small cap (<\$1bn)	5.5 %		
Natera Inc	4.0 %	Italy	3.0 %	Cash & equivalents	1.3 %	Cash & equivalents	1.3 %
Regeneron Phama	4.0 %	Denmark	2.4 %				
Alnylam Pharma	4.0 %						
Blueprint Medicines	3.9 %						
illumina	3.9 %						
<b>Total</b>	<b>45.5 %</b>	<b>Cash &amp; equivalents</b>	<b>1.3 %</b>				

### Investment Manager

Lead Portfolio Manager

Mark Dainty,  
MPharm, FCA



### Investment Manager Biography

Mark joined BlueBox in 2022 to launch the BlueBox Precision Medicine Fund. He has been researching and investing in the Healthcare sector since 2006. Prior to BlueBox he was the Lead Portfolio Manager of a pharmaceuticals and biotechnology fund at Norges Bank Investment Management for 6 years. He also spent 3 years at Blackrock as a global healthcare analyst and 6 years at Citi in a leading equity research team covering European pharmaceuticals. He holds a Masters in Pharmacy and became a Chartered Accountant (FCA) with KPMG.

This combination is critical for evaluating businesses that create lasting value through innovation in the biopharmaceutical sector.

### Fund Objective

The main objective of the Fund is to seek long-term capital growth by investing mainly in shares of companies that have their principle business in the pharmaceuticals, biotechnology and life science sectors, or profiting from them. The Fund invests globally, is actively managed and is not benchmark constrained.

### Assets Under Management

<b>Firm:</b>	USD 1,329 M
<b>Strategy:</b>	USD 15.4 M
<b>Fund:</b>	USD 15.4 M

### Key Facts

<b>Fund Base Currency</b>	USD
<b>Liquidity</b>	Daily
<b>Fund Type</b>	UCITS
<b>Legal Status</b>	SICAV
<b>SFDR</b>	Article 6
<b>Domicile</b>	Luxembourg
<b>Auditor</b>	PwC
<b>Custodian</b>	Northern Trust
<b>Launch Date</b>	28 February 2018

### Portfolio Construction

<b>Asset Class</b>	Equity
<b>Number of Securities</b>	25-45
<b>Weight</b>	10% maximum
<b>Turnover</b>	Low (typically 30 - 40%)
<b>Market Cap</b>	Mainly Targeting \$1 bn - \$80 bn
<b>Geographic</b>	Global
<b>Cash</b>	Minimal cash, always below 10%
<b>Benchmark</b>	Flexible, not benchmark oriented

### Fund Characteristics

<b>Number of holdings</b>	32
<b>Weighted average market cap</b>	USD 45 B

# BlueBox Funds- BlueBox Precision Medicine Fund

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Precision  
Medicine  
Fund

bluebox

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### Mark Dainty's Monthly Comment

April saw the fund decline by 8.0%, with the S&P Select Biotechnology Index down 11.1% and the S&P BMI Healthcare Index down 4.2%. YTD return has been 0.7% with the S&P Biotechnology Index down 5.3% and S&P BMI Healthcare Index +2.1%.

The market spent most of the month waiting for first quarter earnings to start. Therefore stocks were moved more by shifting perceptions over the scale and depth of interest rate cuts for 2024. We will leave others to attempt to predict the nuances of the Fed. Our perspective is that if rates stay in a reasonable band and don't get forced upwards rapidly to very high levels, biotechnology stocks can perform, through time, if the fundamentals continue to progress. We made no change to the portfolio based on the macro environment.

Bioprocessing companies reported at the end of the month and provided some drama. Our largest detractor was Sartorius Stedim, the first to report, with 1Q24 results that missed consensus. Commentary earlier in the year indicated a gradually improving environment and a return towards normal after de-stocking for 12-18m. Despite orders growing by 14% y/y they fell vs. 4Q23. Some equipment sales also didn't materialise, driving a 5% miss on sales vs. consensus, with sales down 7% y/y. This drove Sartorius and the rest of the group down. When Danaher & Thermo Fisher subsequently reported it turned out that their performance was slightly better than expected, with sequential growth in orders, albeit a higher level of y/y sales decline compared to Sartorius. Danaher & Thermo Fisher ended the month barely changed while Sartorius was down 23%, detracting more than 1% from the fund. We believe this primarily reflects higher expectations for Sartorius and investor frustration with another miss after several

consecutive quarterly misses. Since our long-term view is unchanged, we took the stock back to target weight.

BioMarin (-7%) was a notable disappointment at 1Q24 earnings. Its gene therapy for Haemophilia A is having a very slow launch, which was expected, but it seems to be missing even low expectations. Overall company guidance wasn't changed for 2024 but the stock was marked down for the month. The market is awaiting results of a comprehensive strategy review from the new CEO, expected in September. We think the stock is valued with limited downside and that management, with the encouragement of activist, Elliot Investment Management, will improve profitability and focus the pipeline, while the growing top line will continue to be attractive.

Revolution Medicines (+16%) was the only meaningful positive contributor. Its drugs for KRAS mutated cancer hold significant promise. KRAS mutations make up >90% of pancreatic cancer, 29% of lung cancer and 49% of colorectal cancer, with limited precision medicines approved to date. A meaningful clinical data release is expected for 2H24. However, at the AACR cancer conference the company provided commentary and individual patient examples that are incrementally encouraging. We eagerly await the more comprehensive data later this year.

We believe the environment for biotech funding has taken a meaningful step forward during 2024 and expect this to continue, which, with good fundamentals should reward our investors. Our conviction that we are at the beginning of a multi-decade growth trend of more targeted Precision Medicines is unchanged. The fund aims to capture this growth through both drug developers and enablers of Precision Medicine.

### Important Information

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Information about the risk involved in the fund, including Risk Category, Equity Risk, and Market Risk can be found within the Prospectus of BlueBox Funds, in the 'Risk Factors Annex'. The base currency of the fund is USD, therefore returns on non-USD share classes will be affected by exchange rate movement. Fees and charges will reduce the return on your investment and will be affected by exchange rate fluctuations for USD against EUR, GBP and CHF. The Prospectus and the appropriate KID / KIID for the share class should be consulted to obtain further details on risk, fees, and general terms before making any final investment decisions, which should take into account all the characteristics or objectives of the Fund as described. The Prospectus and KIDs / KIIDs, as well as the latest annual and semi-annual reports, can be found at [www.blueboxfunds.com](http://www.blueboxfunds.com), or obtained free of charge from Funds Avenue S.A. 49, boulevard Prince Henri, Luxembourg, and from all distributors.

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The representative in Switzerland is REYL & Cie Ltd, Rue du Rhône 4, CH-1204 Geneva. The prospectus, the Key Information Document, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Current share prices are available on [www.fundinfo.com](http://www.fundinfo.com). The paying agent in Switzerland is REYL & Cie Ltd, Rue du Rhône 4, CH-1204 Geneva.

### Share Classes

#### S Acc. Retail

Min. Initial Investment:	\$10,000.-
Annual Management Fee:	1.0 % AUM \$100m - \$150m: 0.5% AUM >\$150m: 0%
Total Ongoing Charges:	2.28 %
Launch Date:	28 February 2023
ISIN	
USD	LU2519375591

#### C Acc. Retail

Min. Initial Investment:	\$1,000.-
Annual Management Fee:	2.20 %
Total Ongoing Charges:	3.48 %
Launch Date:	Offering Period
ISIN	
USD	LU2519374511
EUR	LU2519374354
GBP	LU2519374438
CHF	LU2519374271

#### A Acc. Retail

Min. Initial Investment:	\$10,000.-
Annual Management Fee:	1.50 %
Total Ongoing Charges:	2.78 %
Launch Date:	14 June 2023
ISIN	
USD	LU2519372499
EUR	LU2519375161
GBP	LU2519375245
CHF	LU2519375088

#### I Acc. Institutional

Min. Initial Investment:	\$150,000.-
Annual Management Fee:	1.00 %
Total Ongoing Charges:	2.24 %
Launch Date:	Offering Period
ISIN	
USD	LU2519373547
EUR	LU2519373380
GBP	LU2519373463
CHF	LU2519373208

Registration Countries:  
**LU, CH, UK, DE, ES**

The charges are the fees the Fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, will also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund. Fund charges will be incurred in multiple currencies, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

The Ongoing Charges Figure (OCF) is an amount representing all operating charges and expenses of the Fund in the prior 12 months as a percentage of the Fund's average net assets for the period. Where that figure would not be a fair representation of future costs or if 12 months data is not available, an estimated figure will be shown.