

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 28.02.2025 | 1 month | 3 months | YTD | ITD Ann | 12M Rolling Performance to 28 Feb. | 2025 | 2024 |
|---------------------------------------|---------|----------|-------|---------|---------------------------------------|-------|-------|
| BlueBox Precision Medicine Fund | -5.0% | -10.1% | -1.3% | 9.8% | BlueBox Precision Medicine Fund | -3.8% | 25.3% |
| S&P BMI Healthcare Index ¹ | 0.5% | -0.1% | 6.3% | 7.8% | S&P BMI Healthcare Index ² | 2.2% | 13.7% |

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

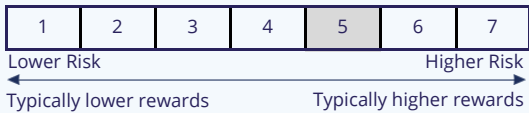
The fund performance is **not** measured against the benchmark. This is for information purposes only. Performance is of a USD share class, on net of fees basis, with gross income reinvested. Source: at 28/02/2025. **Past performance does not predict future returns.** Performance related data will display 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 Fund³.

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 | |
|--------------------------|--------------|--------------------|-------|--------------------------------------|-------|--------------------|-------|
| Anylam Pharma | 6.1% | United States | 73.8% | Mega cap (>\$100bn) | 13.2% | Biotechnology | 72.1% |
| Lonza Group | 6.0% | Switzerland | 8.9% | Large cap – upper (\$50bn - \$100bn) | 3.6% | | |
| Argenx | 5.9% | Belgium | 5.9% | Large cap – lower (\$10bn - \$50bn) | 36.2% | Life Sciences | 25.9% |
| Vertex Pharma | 5.5% | United Kingdom | 5.1% | Mid cap (\$1bn - \$10bn) | 36.1% | | |
| Sartorius Stedim | 5.0% | France | 5.0% | Small cap (<\$1bn) | 9.6% | Pharmaceuticals | 0.7% |
| BioMarin Pharma | 4.6% | Cash & equivalents | 1.3% | Cash & equivalents | 1.3% | Cash & equivalents | 1.3% |
| Springworks Therapeu- | 4.4% | | | | | | |
| Blueprint Medicines | 4.3% | | | | | | |
| Nuvalent Inc | 4.1% | | | | | | |
| Thermo Fisher Scientific | 4.1% | | | | | | |
| Total | 50.0% | | | | | | |

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

| | |
|--------------|-------------|
| Firm: | USD 2,178 m |
| Fund: | USD 23.6 m |

Key Facts

| | |
|---------------------------|------------------|
| Fund Base Currency | USD |
| Liquidity | Daily |
| Fund Type | UCITS |
| Legal Status | SICAV |
| SFDR | Article 8 |
| Domicile | Luxembourg |
| Auditor | PwC |
| Custodian | Northern Trust |
| Launch Date | 28 February 2023 |

Portfolio Construction

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

Fund Characteristics

| | |
|------------------------------------|-----------|
| Number of holdings | 31 |
| Weighted average market cap | USD 35 bn |

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Precision
Medicine
Fund

bluebox

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Share Classes

Registration Countries:
LU, CH, DE, ES

C Acc. Retail

| | |
|--------------------------|-----------------|
| Min. Initial Investment: | \$1,000.- |
| Annual Management Fee: | 2.20 % |
| Total Ongoing Charges: | 3.49 % |
| Launch Date: | 23 October 2024 |
| | ISIN |
| USD | LU2519374511 |
| EUR | LU2519374354 |
| CHF | LU2519374271 |

A Acc. Retail

| | |
|--------------------------|--------------|
| Min. Initial Investment: | \$10,000.- |
| Annual Management Fee: | 1.50 % |
| Total Ongoing Charges: | 2.79 % |
| Launch Date: | 14 June 2023 |
| | ISIN |
| USD | LU2519372499 |
| EUR | LU2519375161 |
| CHF | LU2519375088 |

I Acc. Institutional

| | |
|--------------------------|-------------------|
| Min. Initial Investment: | \$150,000.- |
| Annual Management Fee: | 1.00 % |
| Total Ongoing Charges: | 2.25 % |
| Launch Date: | 24 September 2024 |
| | ISIN |
| USD | LU2519373547 |
| EUR | LU2519373380 |
| CHF | LU2519373208 |

Share Classes

For UK Investors Only

R-UK Acc. Retail

| | |
|--------------------------|---------------|
| Min. Initial Investment: | \$150,000.- |
| Annual Management Fee: | 1.00 % |
| Total Ongoing Charges: | 2.29 % |
| Launch Date: | 10 March 2025 |
| | ISIN |
| USD | LU2992394465 |
| EUR | LU2992394200 |
| GBP | LU2992394382 |

I-UK Acc. Institutional

| | |
|--------------------------|-----------------|
| Min. Initial Investment: | \$150,000.- |
| Annual Management Fee: | 1.00 % |
| Total Ongoing Charges: | 2.25 % |
| Launch Date: | Offering Period |
| | ISIN |
| USD | LU2992394036 |
| EUR | LU2992393731 |
| GBP | LU2992393905 |

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.

Mark Dainty's Monthly Comment

A near-perfect storm started to emerge in February with headwinds to life sciences and mid-cap biotech (>50% of AUM), which explains the unsatisfactory performance this month. In general our larger revenue generating biotech & pharma companies performed relatively well, but smaller ones less so. In total, the enablers (c.25% of the portfolio) detracted 2.6% for the month, more than half of the total decline. Furthermore, the broad healthcare sector has benefited from Mega-cap pharma and biotech rising YTD due to defensive macro positioning and we own few of these stocks. The fund ended February -5% vs S&P BMI Healthcare flat and S&P Select Biotechnology index -4.3%.

The ongoing worries about the impact of RFK Jr. as Sec. Health & Human Services were compounded by news reports of targeted layoffs at the FDA and NIH. At present, we don't believe FDA layoffs will materially affect drug reviews, which is cause for some optimism, in our view.

However, one of President Trump's January executive orders sought to reduce the indirect (admin and infrastructure) costs of NIH research grants down from 30-60% of a total grant, to 15%. NIH disbursements were also frozen. A temporary restraining order blocking this action was granted in February and to us it seems likely the order won't stand as Congress, not the President, determines spending. However, it had a chilling effect on academic labs' budgeting for 2025 with cautious commentary at the AGBT genomics conference in late February.

Illumina was down 33% and has the largest NIH exposure at teens percentage of revenue. It was also added to China's Unreliable Entity List in February (7% of revenue). Lastly Roche's announcement of a new genetic sequencer does look like it has the potential to be a meaningful long-term competitor, raising the risk of lower growth for Illumina after 2026/7. We reduced Illumina to <1.5% from 4.5% in anticipation of Roche's announcement, so the negative impact was limited. We are assessing whether the stock is worth continuing to own, having de-rated significantly.

Maravai (-35%), also a small position, was down partly due to sector sentiment but primarily because it delayed its FY24 reporting due to deficiencies in financial reporting controls. The issues themselves don't seem too severe, but we have held on to this stock for too long through earnings downgrades, so are re-considering our position.

The diversified life science companies, Thermo Fisher and Danaher (8% of AUM) were down 12% and 6% respectively. They have limited exposure to NIH funding (low single digit percentage of revenue). Our largest position, Lonza performed well (-2%) as bioprocessing is not affected by NIH issues,

but Sartorius Stedim (-11%) which is also in the bioprocessing group, performed worse than expected possibly due to tariff concerns as it is an equipment supplier.

Within biotech and pharma our small and mid-cap biotech holdings declined by 5-18%, with Denali (-28%) being especially affected, presumably because it is due to submit and gain accelerated approval for its first drug this year and FDA delays are front of mind. In this group, a step up in volatility towards the end of the month began to feel like capitulation, possibly hinting at forced selling/de-grossing.

On the plus side, our commercial and profitable companies rose on solid earnings and more defensive macro positioning by investors (BioMarin +12%, Vertex +4%, Regeneron +4%). Confirmed takeover discussions between Springworks Therapeutics (+54%) and Merck KGaA were also a bright spot, we think a deal is more likely than not, so held our target weight in Springworks.

Mega-cap pharma CEOs met President Trump this month. Shortly afterwards Lilly announced an intention to double its US manufacturing commitment for this decade to >\$50bn. We suspect we will see more of these announcements as part of a deal to support on-shoring of manufacturing, in return for some of Pharma's asks on regulation/pricing etc.

We added a new position in BeiGene ADRs (+24% in February). BeiGene is a global oncology company with a strong R&D base in China. Commercial revenues are anchored in a best-in-class BTK inhibitor for various blood cancers, a market worth \$12bn+ in which it is gaining share. The company is turning GAAP profitable in 2025 and has been accelerating its pipeline of Precision Medicines, little of which is in the share price and provides multiple routes to upside over time.

Against consensus, our conviction is increasing that this administration will not want to destroy an American industry which leads the world and we note that the US sees biotechnology as strategically important. We expect that to be recognised in NIH research budgets, regulation and other supportive measures over time.

Despite the significant volatility and awful sentiment, we have not made major changes to our positioning. We believe the current issues will prove to be temporary and prefer to take the longer term view. Our belief in the growth of Precision Medicine remains steadfast and the fund aims to capture this through both drug developers and the 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, or obtained free of charge from Carne Global Financial Services, Luxembourg S.à r.l. 3 Rue Jean Piret, 2350 Gasperich, Luxembourg, and from all distributors.

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