



TARENO
INDEPENDENT WEALTH &
ASSET MANAGER



Tareno Healthcare Funds

Monthly Report March 2026

Muddling Through the Macro Morass

Market review

In March, global equities fell 6.4%, while the healthcare sector declined 8.3%. Market performance was largely driven by macroeconomic and geopolitical developments rather than sector-specific fundamentals. Escalating tensions around the Iran conflict heightened volatility and triggered risk-on/risk-off dynamics, pushing healthcare-specific news to the background.

The bright spot in March was M&A activity, with several notable transactions. In biopharma, Eli Lilly agreed to acquire Centessa for up to USD 7.8 billion, the largest deal of the month. Merck & Co. acquired Tern for USD 6.7 billion, and Biogen bought Apellis for USD 5.6 billion. Novartis committed up to USD 3 billion for a PI3K α inhibitor and up to USD 2 billion for Excellergy, while Servier acquired Day One Biopharmaceuticals for USD 2.5 billion. Gilead announced the acquisition of Ouro for USD 1.7 billion plus milestones. M&A activity also extended beyond biopharma into healthcare services, MedTech, and tools. Universal Health acquired Talkspace for USD 835 million, Cencora bought EyeSouth Partners' retina business for USD 1.1 billion, and Amplifon agreed to acquire GN Store Nord's hearing business for EUR 2.3 billion. Agilent also acquired Biocare for USD 950 million.

Regulatory uncertainty remained a key overhang. The Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices (ACIP) faced an uncertain future after a federal judge ruled in favor of the American Academy of Pediatrics, halting the reconstituted committee—a setback to Robert F. Kennedy Jr.'s efforts to reshape U.S. vaccine policy. In another development,

Vinay Prasad left the FDA for the second time in a year following controversy over the agency's handling of uniQure's Huntington's disease treatment, highlighting ongoing scrutiny of regulatory decisions.

In Biotechnology (-5.8%), many large-cap names lagged. AbbVie fell amid rising competitive pressures, as Johnson & Johnson and Protagonist continued to challenge the Skyrizi franchise. Amgen, Gilead, and Vertex also moved lower in the absence of material newsflow. In contrast, smaller-cap biotechnology companies showed relative resilience throughout the month. Despite elevated volatility across the sector, sentiment was supported by ongoing high-premium deals, M&A speculation, and regulatory developments. The departure of Vinay Prasad from the U.S. FDA was initially seen as a positive catalyst, removing a perceived regulatory overhang.

Within Pharma (-7.4%), weakness across several large-cap names weighed on overall sub-sector performance. Eli Lilly declined following a broker downgrade, while Roche came under pressure after setbacks in two clinical readouts. AstraZeneca and Novartis also moved lower despite a lack of company-specific catalysts, reflecting broader market-driven selling. In the obesity space, Hims & Hers Health reached an agreement with Novo Nordisk to distribute branded obesity therapies while limiting compounding activities.

In Life Science Tools & Services (-7.6%), performance was weighed by ongoing sub-sector rotation and AI disruption fears, with no company-specific updates to provide support.



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Within Providers & Services (-9.9%), performance was influenced by ongoing rotation, with drug distributors, hospitals, and laboratories seeing profit-taking after recent gains. Managed Care remained under pressure from both sector-wide and idiosyncratic factors. Elevance Health led declines after revealing that the Centers for Medicare & Medicaid Services plans to impose sanctions related to non-compliance with Medicare Advantage risk adjustment data spanning 2015–2023. Centene Corporation also weighed on the group, with shares dropping 16% following marketplace membership and risk updates presented at a broker conference, which in turn pressured other Managed Medicaid peers. Overall, Medicare Advantage–exposed names trended lower into late March as investors awaited the final 2027 rate announcements expected in early April.

MedTech (-12.1%) underperformed in March, despite its typically defensive characteristics, as ongoing sub-sector rotation weighed on the group. In addition, several idiosyncratic factors impacted large-cap quality names during the month. Boston Scientific presented results from the CHAMPION-AF trial for its WATCHMAN device at the ACC 2026 Scientific Sessions. While the data were broadly solid, it left a number of key questions unresolved. Operational challenges also weighed on sentiment. Stryker and Intuitive Surgical were both affected by cyberattacks, while Insulet issued a recall for certain lots of its Omnipod 5 pods. Finally, capital markets activity resumed with the first MedTech IPO of 2026, as MiniMed—the diabetes technology spin-off from Medtronic—came to market.

Overall, March underscored how geopolitical and macroeconomic forces can overshadow sector-specific fundamentals in the near term. Even healthcare's traditionally defensive characteristics offered limited protection, with MedTech and Managed Care among the more challenged segments. However, valuations for

some high-quality names in MedTech and Tools & Services have now reached historically attractive levels, suggesting potential opportunities once uncertainty eases. Looking ahead to April, the combination of imminent 2027 Medicare Advantage rate announcements and ongoing Middle East tensions points to continued near-term volatility. Nevertheless, underlying industry trends—robust M&A activity, innovation, and structural demand drivers—remain supportive of longer-term growth across the healthcare sector.

Portfolio review Tareno Sustainable Healthcare Fund

In the last month, we initiated positions in Adaptive, Biogen, GSK, Guardant, Lonza and Natera, and we exited Ambu, Globus and Ypsomed. In March, the Tareno Sustainable Healthcare Fund returned -9.8% while the reference index returned -8.3%. The largest attributors vs. the index were:

- **Roche Genusschein** (+23 bps): Not invested
- **Eli Lilly** (+14 bps): Shares lost 13% in March, and we are underweight vs the index
- **Bachem** (+12 bps): Reported solid full-year results

The largest detractors vs the index were

- **Roche Holding** (-41 bps): Zealand and Roche reported Phase II ZUPREME-1 data for amylin petrelintide in obesity. The trial showed 10.7% weight loss at 42 weeks, below expectations and less than Lilly's eloralintide (~20% at 48 weeks). Petrelintide demonstrated a favorable tolerability profile, supporting a planned Phase II CT-388 combination trial later in 2026. Subsequently, Roche presented Phase III persevERA study results in ER-positive advanced breast cancer that did not meet its primary endpoint
- **Centene** (-25 bps): Shares fell after management highlighted that elevated

specialty pharmacy utilization in silver-tier plans is pressuring costs

- **Cencora** (-18 bps): Announced CFO's retirement

Portfolio review Tareno Impact Healthcare Fund

In the last month, we initiated positions in Biogen and Caris and we exited Amplifon. In March, the Tareno Impact Healthcare Fund returned -9.9%. The largest positive contributors were:

- **Axsome** (+11 bps): No specific news
- **Teladoc** (+6 bps): Positive broker updates
- **Caris** (+6 bps): No specific news

The largest negative contributors were:

- **Centene** (-95 bps): Shares fell after management highlighted that elevated specialty pharmacy utilization in silver-tier plans is pressuring costs.
- **Amplifon** (-90 bps): Reported weak Q4 results and announced the EUR 2.3 billion acquisition of GN's Hearing Aid business, a major strategic shift that adds execution risk, with a potential equity raise later this year as an overhang.
- **Tandem** (-83 bps): No specific news

Learn more: [Tareno Healthcare Funds](#)



Raphael Oesch, CFA

Raphael Oesch has been the fund manager of the Tareno Healthcare Funds since January 2026. He has more than 15 years of experience in the investment sector and has been part of the fund team for over 11 years.

Dr. Maria Specogna

Dr. Maria Specogna has been the fund manager of the Tareno Healthcare Funds since February 2026. She has 20 years of experience in the healthcare sector and has been part of the fund team for over 9 years.

Flavio Mancino, CFA

Flavio Mancino has been an analyst for Tareno's healthcare funds since January 2026. He has over six years of experience in the healthcare sector and has been part of the fund team for over six years.

Disclaimer

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