TARENO
INDEPENDENT WEALTH & ASSET MANAGER

Tareno Healthcare Funds
Monthly Report August 2026

Three for Three: Healthcare Extends Its Outperformance Streak

Market review

Healthcare returned 3.71% in August, extending the good momentum seen in July and marking the sector's third consecutive month of outperformance. Returns were supported by a key clinical catalyst, a generally strong Q2 earnings season, solid M&A activity and continued rotation into healthcare. The standout catalyst was positive Phase 3 melanoma data from Moderna and Merck, which drove the strongest day for healthcare equities in 16 months. With the Q2 reporting season largely concluded, August results broadly confirmed the positive trends seen in July. Approximately 78% of companies beat sales expectations and 88% beat EPS expectations, with the magnitude of earnings surprises above the average of the past eight quarters. M&A activity remained elevated across healthcare in August, with several sizeable transactions spanning pharma, medtech and healthcare services. The largest announced deal was Curium's acquisition of Lantheus for up to USD 8.0 billion, followed by KKR's USD 5.7 billion acquisition of Integer. Eli Lilly agreed to acquire Merida for up to USD 2.9 billion, while McKesson announced the USD 2.25 billion acquisition of Precision Medicine. Other notable transactions included Jazz' acquisition of Actio Biosciences for up to USD 1.3 billion and Varex' USD 1.1 billion deal. Supernus and Indivior also agreed to an all-stock merger, creating a new CNS-focused biopharma with approximately USD 2.2 billion in annual revenue.

Biotechnology gained 9.38% in August, marking one of its strongest months in recent years. The sector was driven by major clinical milestones and supportive earnings updates. The key catalyst was Moderna/Merck's Phase 3 success for their personalised mRNA cancer vaccine in melanoma on 19 August. Moderna surged 177% on the day, while the Nasdaq Biotechnology Index gained as much as 5.9%. Earlier in the month, Argenx rose sharply following positive Phase 3 results for efgartigimod in immune-mediated necrotizing myopathy (IMNM). Prior to these clinical catalysts, the sub-sector was supported by several positive stock reactions to Q2 earnings updates, including CSL, Amgen and Genmab.

Life Sciences Tools & Services returned 7.41% in August. Positive momentum from July, driven by a strong earnings season, continued into the month. August results from index constituents Waters and Agilent echoed the strength seen across the broader July reporting season. However, the most important catalyst was the positive Moderna and Merck mRNA vaccine trial. Companies exposed to mRNA processing benefited strongly, with particularly strong gains among bioprocessing names as investors reassessed the potential for increased demand across the mRNA manufacturing ecosystem.

MedTech gained 4.08% in August, building on the positive momentum from July. The sector backdrop remained supportive, with most companies exceeding expectations for organic sales growth and several raising top- and/or bottom-line guidance. Within orthopedics, despite ongoing insurance and reimbursement concerns, underlying demand remained resilient, with procedure volumes and capital

spending proving more robust than anticipated. Dental care remained a challenging end market, while eye care and hearing care continued to show signs of improvement from Q1 through Q2.

Pharma rose 2.34% in August, driven by a combination of M&A speculation, earnings updates, clinical catalysts and regulatory developments. The month opened with renewed M&A focus following reports that AstraZeneca and Bristol Myers Squibb had discussed a potential combination, which would have created a company valued at around USD 400bn and represented one of the largest pharma mergers on record. The reports were subsequently denied. Earnings remained an important driver, with positive reactions to results from Eli Lilly, Pfizer and Bayer, while Novo Nordisk came under pressure following disappointment around its Wegovy pill rollout. Clinical developments were the standout catalyst during the month, led by positive Phase 3 melanoma data for Moderna and Merck's personalised mRNA cancer vaccine. Merck gained 12.6% on the news. In the final week, however, Pharma gave back much of its mid-month gains amid renewed US drug-pricing concerns. The Trump administration announced Medicaid drug-pricing agreements with nine pharma and biotech companies.

Providers & Services returned -1.78%. Drug Distributors gained 2.8%, supported by solid Q2 results, while Facilities also rose 2.8%. Managed Care declined 2.94%, weighed down by UnitedHealth despite no specific company news. Healthcare Services fell 4.74%, as continued solid performance from US laboratories was unable to offset weakness in CVS and Fresenius Medical Care.

Review Tareno Sustainable Healthcare Fund

In the last month, we initiated a position in Caris, and no positions were exited. In August, the fund returned 3.97% while the reference index returned 3.71%.

The largest attributors vs. the index were:

- **Veeva** (+56 bps): Several major new Vault CRM clients were announced over the month. Veeva also reported a beat-and-raise quarter.
- **Vertex** (+32 bps): Reported a beat-and-raise quarter. Subsequently, Sionna Therapeutics announced that its Phase 2a trial of SION-719 in combination with Trikafta failed to meet its primary endpoint, removing a competitive overhang on Vertex's Cystic Fibrosis franchise.
- **CVS** (+23 bps): Not invested

The largest detractors vs the index were:

- **Amgen** (-22 bps): Not invested
- **CSL** (-20 bps): Not invested
- **Pfizer** (-18 bps): Not invested

Review Tareno Impact Healthcare Fund

In the last month, no new position was initiated, and we exited ZaiLab. In August, the fund returned 6.64%.

The largest positive contributors were:

- **Natera** (+69 bps): Reported a beat-and-raise quarter driven by record QoQ clinical MRD volumes
- **RadNet** (+60 bps): Reported a beat-and-raise quarter driven by strong advanced imaging growth
- **Tandem** (+54 bps): Reported an in-line quarter. Positively, PayGo subscription adoption reached 10% of U.S. sales in its first full quarter, with formulary coverage at 45%,

TARENO
INDEPENDENT WEALTH & ASSET MANAGER

approaching the high end of Tandem's full-year target

The largest negative contributors were:

- **Axsome** (-26 bps): Reported solid Q2 results, although shares declined 8.9% over the month amid a lack of company-specific news.
- **Teladoc** (-10 bps): No company-specific news; negative momentum from July carried into August.
- **Novo Nordisk** (-9 bps): Reported a messy Q2 print, with a headline beat overshadowed by a miss on the Wegovy pill. Separately, the REIMAGINE-4 head-to-head trial versus Eli Lilly's Mounjaro showed CagriSema achieved non-inferiority on weight loss but was inferior on HbA1c reduction in T2D.

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

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