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Tareno Healthcare Funds

Monthly Report September 2026

Conference Signals, AI Fears & Rates Discussion: September in Review.

Market review

Healthcare returned -1.8% in September, while global equities fell 1.2%. Ongoing brokerage conferences remained the primary source of updates, with broader end-market demand commentary generally viewed as stable-to-improving. Across subsectors, Life Sciences Tools & Services saw some of the more constructive commentary, while MedTech trends remained broadly stable despite continued softness in certain higher-acuity areas. Biotech commentary was more mixed, with recent clinical setbacks raising questions around the strength of the positive momentum seen earlier in the year. Within Managed Care, uncertainty around Medicare Advantage Stars and emerging cost pressures left investors somewhat more cautious ahead of upcoming ratings and earnings updates. Sector performance was also influenced by healthcare's growing role as a hedge against AI/Tech, as renewed concerns around the pace of AI development prompted some rotation into more defensive and less Tech-correlated areas. From an M&A perspective, AstraZeneca invested USD 2.0bn in Summit Therapeutics, while Telix agreed to acquire ITM Isotope Technologies for up to USD 2.4bn. J&J is reportedly in talks to sell its orthopedics business to Apollo for ~USD 20bn, while Waystar has hired bankers to explore a potential sale.

Life Sciences Tools & Services gained 7.3% in September, extending the strong momentum seen over the summer. Strength across Tools & Diagnostics was supported by positive

conference commentary from various companies, with investors taking comfort from continued strength in early third-quarter trends and the absence of any indication of slowing demand. Grail and many peers gained after an FDA advisory committee voted in support of the Galleri multi-cancer early detection test, although the committee subsequently raised questions about efficacy.

Biotechnology gained 0.9% during a volatile month. Early in the period, several high-profile clinical setbacks weighed on sentiment and raised concerns about whether large pharmaceutical companies would remain willing to pursue higher-risk biotech acquisitions. Market sentiment was also influenced by ongoing discussions around interest rates. On a more positive note, regulatory developments provided some support for the potential development of psychedelic-based therapies for central nervous system disorders.

Pharma declined 2.3%, with the group pressured by clinical setbacks. The month opened with Novartis' Phase 3 failure of pelacarsen in the HORIZON cardiovascular outcomes trial, followed by the failure of del-desiran. These setbacks weighed not only on Novartis but also on broader sentiment around clinical risk across the sector. The EASD (European Association for the Study of Diabetes) meeting at the end of the month also drove further price action across the space.

Providers & Services fell 4.2%, with performance mixed across the subsectors. Drug Distributors declined 5.0%, while Facilities gained 1.4%, supported by hospital commentary



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highlighting relatively resilient earnings despite HIX-rate headwinds. Healthcare Services fell 5.6%, with laboratories facing the long-awaited implementation of PAMA (Protecting Access to Medicare Act). CMS published preliminary 2027 laboratory payment rates, indicating that Medicare rates are 16% higher than private rates. Managed Care declined 3.9%. The group initially benefited from reaffirmed guidance from Elevance and Humana but later declined as investors remained cautious around Medicare Advantage ratings and the outlook heading into the election.

MedTech fell 6.25% in September, with weakness broad-based across the group. Additionally, cybersecurity incidents, operational issues and softer demand provided further headwinds across individual names. Boston Scientific said its previously disclosed cyberattack would have a material impact on third-quarter and full-year financial results, while Stryker highlighted manufacturing constraints and weaker hip demand. Cooper also reported a disappointing quarter and outlook, with continued weakness in contact lenses. Mid-month, the group received some support from reports of private-equity interest in Johnson & Johnson's orthopedics business.

Review Tareno Sustainable Healthcare Fund

In the last month, no new position was initiated, and we exited EssilorLuxottica and Quest. In September, the fund returned -1.8% while the reference index returned -1.8%.

The largest attributors vs. the index were:

- **Thermo Fisher** (+18 bps): Major broker upgrade and positive tone during a conference

- **Natera** (+15 bps): Overall strength across the oncology diagnostics space, supported by positive broker initiations and the approval of Signatera as a companion diagnostic for muscle-invasive bladder cancer in Japan
- **Biogen** (+14 bps): No major news, the stock rose 4.3% in September

The largest detractors vs the index were:

- **Abbvie** (-17 bps): Not invested
- **Biomarin** (-16 bps): Discontinuation of Voxzogo development in Noonan syndrome, with elevated yields also weighing on SMID-cap biotechs
- **Stryker** (-15 bps): Stryker provided an update at a conference, highlighting ongoing vascular supply constraints and softer large-joint demand in Europe, including a seasonal slowdown in July and August. Capital remained resilient, while Trauma & Extremities continued to outperform.

Review Tareno Impact Healthcare Fund

In the last month, we initiated a position in Veracyte, and no position was exited. In September, the fund returned -1.3%.

The largest positive contributors were:

- **Natera** (+94 bps): Overall strength across the oncology diagnostics space, supported by positive broker initiations and the approval of Signatera as a companion diagnostic for muscle-invasive bladder cancer in Japan
- **Revvity** (+59 bps): Revvity shares rose following positive conference commentary, with management citing an inflection in demand for its new high-end instrument, alongside continued recovery in pharma/biotech spending.
- **Hypera** (+45 bps): Hypera launched its proprietary semaglutide injection pen,



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Semavy, in Brazilian pharmacies, entering the metabolic drugs market and competing with Novo Nordisk's Ozempic.

The largest negative contributors were:

- **Tandem** (-93 bps): No company-specific news; broader MedTech weakness
- **Novo Nordisk** (-52 bps): Major broker downgrade. Shares later dipped following a subdued Capital Markets Day.
- **Abbott** (-34 bps): No company-specific news; broader MedTech weakness

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.

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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.

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