RIVERFIELD

elica

Riverfield Alpine Elica Equity Fund

Q3 2026 Report

8th October 2026

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1. Performance & Outlook

Q3 2026: **-9.7%**
2026 YTD (to 30th September): **+9.7%**
Annualised since inception: **+18.4%**
Total since inception: **+41.4%**

Inception: 10th September 2024

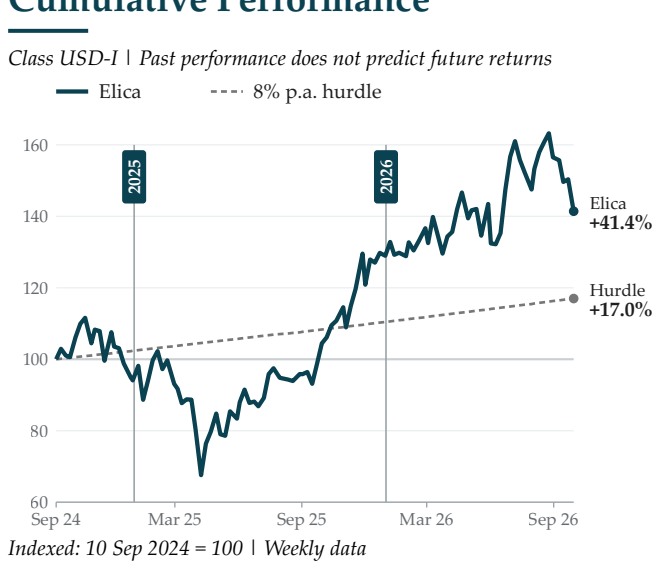
3rd Quarter Highlights

4 drug approvals

$2bn AstraZeneca–Summit deal

Cumulative Performance

Class USD-I | Past performance does not predict future returns



Indexed: 10 Sep 2024 = 100 | Weekly data

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Click here

Full call details (meeting ID and passcode) are at the bottom of this report.

Elica's portfolio companies released **overwhelmingly positive news** during the summer months: Revolution Medicines, Protagonist Therapeutics, NewAmsterdam (together with Menarini) and Scholar Rock received drug approvals; Summit Therapeutics signed a $2bn deal with AstraZeneca; and many companies reported positive clinical data. Despite these "de-risking" events, the Fund fell ~10% this quarter. We see this disconnect between positive announcements and valuations as an opportunity to increase exposure to many of our portfolio companies.

> *"We see this disconnect between positive announcements and valuations as an opportunity."*

All the specialised biotech funds we follow have had a similarly tough quarter. However, these struggles are not evident when looking at the performance of the main biotech indices: the S&P Biotech Index was flat for the quarter, while the Nasdaq and NYSE biotech indices were up 8% and 11% respectively.

We believe that the factors that have held back Elica's performance are transitory and open up opportunities. Apart from geopolitical events, these factors include: (1) the inclusion in the indices of companies that are out of scope for Elica, (2) the recent rise in interest rates, (3) capital flows into early-stage AI drug discovery companies and (possibly) (4) the rumoured significant forced portfolio liquidations by one or more large specialist investors.

For a detailed analysis of the factors which have led to this underperformance please turn to section *4. External Factors* below. We would in any case like to reiterate that the Fund follows a **fundamentals-driven proprietary strategy** and does not in any way track or base its positioning on any particular biotech benchmark. It is therefore to be expected that the Fund's performance may at times deviate substantially from that of the mainstream biotech benchmarks.

We are confident that the sector's long-term drivers remain firmly intact. The convergence of scientific knowledge and technology is producing a record number of new drugs and populations are showing no sign of rejuvenation. We will stay disciplined and keep investing in the companies we believe are developing the best new, potentially life-changing drugs. If we continue to do this consistently, the Fund will be rewarded when valuations will eventually follow.

> *"We are confident that the sector's long-term drivers remain firmly intact"*

2. Portfolio Updates

There have been **many positive portfolio company announcements** this past quarter, including drug approvals, deals with big pharma and clinical trial updates. These developments **significantly de-risk the companies concerned**.

Drug Approvals

In addition to the approvals secured by Revolution Medicines (pancreatic cancer) and Protagonist (rare blood disorder), which we announced in our end-of-August update, two more companies received approvals:

NewAmsterdam Pharma | MENARINI group

EU approval for Ubeslo and Evlarco

The European Commission granted marketing authorisation to NewAmsterdam and Menarini (*a leading Italian private pharma company, not in the portfolio*) for Ubeslo and Evlarco. Both drugs share the same main active ingredient and the latter is combined with a generic drug. These approvals provide European doctors with novel, easy-to-administer **medicines to tackle high cholesterol**, still a key concern for cardiologists despite the therapies already available. NewAmsterdam is expected to publish data in the coming months that should **pave the way for an approval in the US as well**.

Scholar Rock.

FDA approval for Islemblyd

The FDA approved Islemblyd, the **first and only muscle-targeted treatment** for children and adults with **spinal muscular atrophy (SMA)**. SMA is a rare, severe neuromuscular disease that results in nerve loss and muscle wasting. The market opportunity here has become even larger than the estimated $1–1.5bn because key competitors have failed clinical trials. Islemblyd will hopefully allow many children with SMA to lead a less burdensome life.

Deals

Summit therapeutics | AstraZeneca

AstraZeneca invests $2bn in Summit

AstraZeneca completed a **$2bn equity investment** in Summit Therapeutics in exchange for about 12% of the company. AstraZeneca will accelerate the development of ivonescimab, a first-in-class antibody, in combination with proprietary antibody drug conjugates (ADCs) across tumour types. Summit is currently testing ivonescimab in multiple late-stage clinical trials. A positive read-out from the key trial in the next few months could set Summit up to **become a key player in the immune checkpoint blockade market**, which is currently Merck's crown jewel (~$30bn in annual sales). Elica holds a prudently sized position ahead of this upcoming binary event. The deal with AstraZeneca and the additional data published from earlier-stage trials in the past few months make us cautiously optimistic.

Clinical Data

PHARVARIS

Positive data for oral deucrictibant

Pharvaris published very positive data from its trial exploring the prophylactic use of deucrictibant in Hereditary Angioedema patients. The study shows that Pharvaris' convenient oral molecule is **as effective as (or even better than) existing injected drugs** used for the same disease. Once Pharvaris receives approval for its therapy, it will access a **growing multi-billion dollar market** with an easily administered, convenient and safe medicine.

Upcoming Catalysts

The portfolio is now in its **most catalyst-rich period of the year**. Catalysts include **six companies with FDA approval deadlines** and **eleven companies that should publish new data** by the end of the year. We look forward to updating you on these read-outs.

3. China Trip





Damian and Niccolò will spend **two weeks in China** in mid-November **visiting biotech companies**. We will be visiting Hong Kong, Shenzhen, Guangzhou, Chengdu, Shanghai, Suzhou and Beijing.

The **growth of the Chinese biotech industry is unprecedented**, and it is set to provide patients all around the world with many new treatments. On 18th September, China's Ministry of Industry and Information Technology announced that it targets a 25% share of first-in-class innovative drugs by 2030! Chinese biotechs have signed **>115 licensing deals** with foreign companies so far this year. This already tops the 92 deals completed in 2025 and the average value of the 2026 deals is triple that of 2022 [WSJ].

Elica's mandate is to invest in the **best development stage drugs worldwide**. To meet this goal, it is of critical importance that Chinese companies are included in the set of companies that we analyse. The Fund already has an indirect exposure to Chinese companies via licensing deals. Following this trip, we expect to **increase the direct exposure to Chinese companies**.

Insilico Medicine

One of the companies that we will be visiting is Insilico Medicine. We are delighted to have been invited to visit their **automated lab in Shanghai**. Insilico is **leading the way in AI developed drugs** and has a promising drug candidate with a new target for Idiopathic Pulmonary Fibrosis, a disease for which currently only weak therapies are available.

We look forward to reporting back to you about our trip.

4. External Factors

External factors that have impacted Elica during the quarter:

① Non-drug-discovery companies in the indices

The performance of the S&P Biotech Index has been driven largely by companies that do not develop new drugs. For example, three of the top five contributors to the index in September are companies that develop diagnostics or tools & services for the biotech industry.

② Higher interest rates

The recent interest rate hike enacted by the US Federal Reserve has a greater impact on the (less certain) present value of the future cash flows of development stage companies and hence favours large commercial biotech companies, which dominate the Nasdaq and NYSE biotech indices. About half of Elica's portfolio is invested in companies that already have a commercial asset (~30%) or are seeking approval (~20%). These companies were expected to provide support to the Fund in turbulent periods but instead lost significant ground. Many are down ~20% for no company-specific reason. We expect these companies to lead the recovery. Elica's strategy has historically fared well in periods with high-interest rates: in 2023 (*pre-Fund start*) the invested strategy was up 20% while US Federal Funds Effective Rates rose from 4.3% to 5.3% (they are currently 3.9%).

③ Excessive premiums for AI drug discovery companies

Elica does not invest blindly in companies that have an AI platform for drug discovery. We wait for successful Phase 1 toxicology trials to start evaluating drug candidates. The stock prices of some companies with barely any clinical data have risen significantly in the past few months simply because they use AI. AI tools can substantially speed up the initial stages of drug discovery, and we think this will bring many new drug candidates to the clinical stage. Once these "AI drugs" reach the clinical stage, there is currently no strong evidence that these drugs have a meaningfully higher success rate than drugs developed with other methods. The brutal 90% failure rate for clinical stage drugs is likely to remain broadly unchanged. Unfortunately, we are nowhere near being able to simulate a human body for use in a clinical trial. While we are excited to see many new AI drugs reach the clinical stage, we do not believe that a company that uses AI to develop drugs should trade at a premium to companies at a similar stage that do not.

④ Specialist fund/s in disarray?

It is unprecedented for so many high-quality stocks in biotech to lose so much ground in a short period. There have been suggestions that one or more large specialist investors may be liquidating large positions and causing stock prices to tumble. This may have been triggered by losses on short positions (*N.B. Elica does not short stocks*). For example, it is rumoured that Moderna was heavily shorted and its >500% stock price rise may have caused heavy losses. (*Elica does not own Moderna and we believe that its current valuation is not supported by fundamentals*). If there is any truth to this fourth factor, the evidence should surface in the next few months when large US-based investors disclose their positions.

5. Performance Detail

Annual Performance

Class USD-I | Past performance does not predict future returns

%	2024 *from 10/9*	2025	2026 *to 30/9*	Since Inception
Elica	**-5.9**	**37.1**	**9.7**	**41.4**
Nasdaq Biotech Index	-10.5	34.1	24.7	48.5
NYSE Biotech Index	-9.1	29.0	24.7	45.3
S&P Biotech Index	-8.4	36.4	29.7	62.1

N.B. Elica does not have a benchmark | *Source: IFM, Google Finance*

Monthly Performance

Class USD-I | Past performance does not predict future returns

%	J	F	M	A	M	J	J	A	S	O	N	D	Year
2026	-0.1	5.8	-1.5	3.8	2.9	9.2	-5.8	6.1	-9.6				**9.7**
2025	6.0	-6.7	-13.7	5.5	-1.7	4.2	9.2	1.1	9.7	13.1	-0.5	[illegible]	**37.1**
2024									0.6	3.9	3.0	-12.5	**-5.9**

Source: IFM

6. Top Positions

Company	Focus	%
Company 1	Rare endocrine disorders	6.0
Company 2	Rare metabolic disorders	5.8
Company 3	Psychiatric disorders	5.6
Company 4	Bacterial vaccines	5.5
Company 5	Genetic disorders	4.9

Source: IFM

Riverfield Partners LLP
Niccolò Pignatelli & Damian Severgnini
+39 366 982 1011 | +39 351 302 2825
np@riverfieldpartners.co.uk | ds@riverfieldpartners.co.uk
Milan & London

Webinar and Q&A – Microsoft Teams

Wednesday 14th October 2026 at 11:30 CET
Join the meeting here: Click here
Meeting ID: 342 949 368 063 449 6
Passcode: 5hv3yo3D

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