

Riverfield Alpine Elica Equity Fund

Q1 2026 Report

3rd April 2026

Performance: +20.9% annualised

Elica's return in Q1 2026 was +4.2%. This brings the annualised performance since inception on 10th September 2024 to +20.9%.

Three portfolio acquisitions in Q1

Three portfolio companies were acquired this past quarter: **Ventyx** by Eli Lilly (investment return: +73%), **Day One** by Servier (+103%) and **Terns** by Merck (+45%). Since fund inception ~1.5 years ago, nine portfolio companies have been acquired, i.e. almost one third of the number of companies generally in the fund.



The acquisitions of Ventyx and Terns, two recent additions to the portfolio, show that pharma companies do not shy away from acquiring drugs that still need >4-5 years of clinical development before any monetisation.

Ventyx developed two potentially best-in-class oral drugs that tackle inflammation. An investment was made in late 2025 after Ventyx showed promising initial clinical results. Despite Ventyx's early stage of development Eli Lilly swooped in and bought it for ~\$1.2bn.

Day One sells an approved drug for patients with relapsed paediatric low-grade glioma. The drug is approved for use after other treatments have failed. Day One has been in the portfolio since fund inception. The investment thesis was centred on Day One successfully completing a trial by 2027 in the front-line setting of the same disease with the same drug. This would significantly expand the market potential.

Terns was added to the portfolio in January after the stock price fell ~25% from the highs it had reached immediately after publishing strong clinical results. The peak annual sales estimate for their drug for Chronic Myeloid Leukaemia TERN-701 is ~\$5bn.

9 acquisitions in ~1.5 years

Company	Acquirer	Disease Area
 SpringWorks™ THERAPEUTICS	 MERCK	Oncology
 Verona Pharma®	 MERCK	Pulmonology
 89bio	 Roche	Metabology
 akero	 novo nordisk®	Metabology
 AVIDITY™ BIOSCIENCES	 NOVARTIS	Myology
 CIDARA THERAPEUTICS	 MERCK	Virology
 ventyx BIOSCIENCES	 Lilly	Inflammation
 Day One BIOPHARMACEUTICALS	 SERVIER*	Oncology
 terns	 MERCK	Oncology

Approvals and trial results

Three portfolio companies received approvals from the FDA for drugs that could reach \geq \$1bn in annual sales. **Scholar Rock** announced that they submitted the documentation to the FDA for the approval of their drug for patients with Spinal Muscular Atrophy.

Viridian released disappointing clinical trial results on 30th March and the stock price fell ~33%. The initial investment was made because there was in our view a high probability that the company could disrupt the Thyroid Eye Disease market with a drug similar to the only one already approved, but whose mode of administration is substantially superior. The current treatment requires multiple intravenous infusions lasting 60-90mins, Viridian offers a simple self-administered auto-injection performed in seconds. The data that Viridian released was good, but not to the extent needed to warrant a high level of confidence in swift market share gains versus the incumbent. Despite this disappointment, thanks to the fact that a large part of the position was sold between November 2025 and March 2026, when the valuation was deemed too high, the investment in Viridian generated a 36% profit.

Resilient outlook

As written in the 2025 year-end report, the biotech arena is vibrant: the playing field is flourishing with new potentially life-changing

drugs, and the spectators are clamouring for more.

In light of recent world events, the biotech sector has held up well. At the end of the quarter Elica's YTD was 8.8% above the S&P 500 index (+4.2% vs. -4.6%). The impressive sequence of acquisitions in the sector has kept biotech investors up-beat. Despite the enthusiasm valuations are not high: the average ratio of Enterprise Value to cash for biotech companies remains at 2.6x, below the long-term average of 3.0x. Acquisitions look set to continue happening: between 2025 and 2030 it is estimated that drugs that generate annual sales of ~\$200bn for big pharma will lose exclusivity and a further ~\$200bn will do so between 2031 and 2033. Merck's "Keytruda" generates ~\$30bn in annual sales and will lose commercial exclusivity in 2028.

Elica's operations powered by AI

In the coming years it will become clear whether AI can further speed up drug development. In the meantime, the AI tools recently implemented in Elica's operations have sped up work by automating many repetitive and manual tasks. We strive to exploit the full potential of technologies that can enhance the speed and efficiency of our workflows.

Yearly Performance

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

%	2024 <i>from 10/9</i>	2025	2026 <i>to 31/3</i>	Since Inception
Elica	-5.9	37.1	4.2	34.4
<i>Nasdaq Biotech Index</i>	<i>-10.3</i>	<i>34.1</i>	<i>2.3</i>	<i>21.9</i>
<i>NYSE Biotech Index</i>	<i>-8.9</i>	<i>29.0</i>	<i>0.1</i>	<i>16.5</i>
<i>S&P Biotech Index</i>	<i>-8.3</i>	<i>36.4</i>	<i>4.7</i>	<i>31.0</i>

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										4.2
2025	6.0	-6.7	-13.7	5.5	-1.7	4.2	9.2	1.1	8.9	9.7	13.1	-0.5	37.1
2024									0.6	3.9	2.9	-12.5	-5.9

Source: IFM

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