

Magna Biopharma Income Fund



The Magna Biopharma Income Fund seeks growing income distributions with capital appreciation potential in the long term by investing in a diversified portfolio of Biopharma Sector Securities.

The Magna Biopharma Income Fund is a sub-fund of the Magna Umbrella Fund plc.

Key Characteristics

20 ~ 40 Holdings
Concentrated stockpicking focus
Blend of Pharmaceutical and Biotechnology stocks
Valuation driven
Innovation with income

Fund Facts

Structure	UCITS
Domicile	Ireland
Registrations	AT CH DE ES FI GB IE IT LU NL SE
Launch Date	05 Dec 2013
Income	Accumulated or distributed
Daily Dealing	12 noon (Dublin time)
Dealing Cut-off	T - 1
Number of Holdings	24
Cash Weight	4.9%
Benchmark	MSCI World Health Care Index
Investment Advisor	Mann Bioinvest Limited

NAV Data

	AUD	EUR	GBP	USD
B Acc Shares	19.320	13.017	11.057	14.520
B Dist Shares	18.049	12.161	10.330	13.565
C Acc Shares	12.102	8.154	6.926	9.095
R Acc Shares		11.367	9.656	12.679
R Dist Shares		11.403		12.719

Source: Charlemagne Capital, MSCI
All data as at 31 Aug 2016

Commentary

August 2016

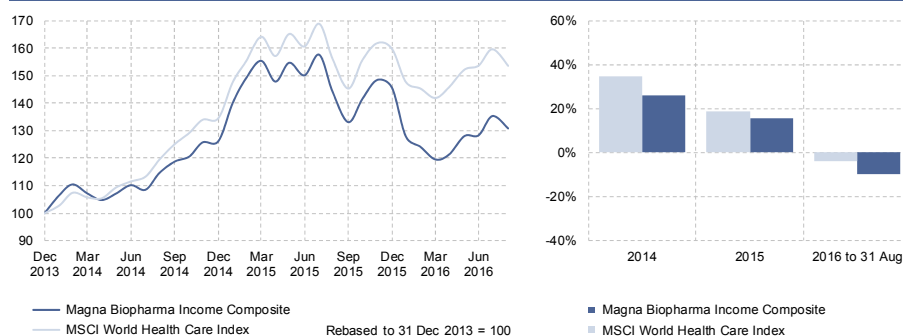
August was not a good month for equities. The broad S&P 500 and FTSE 100 indices were little changed, up 0.3% and down 0.1% respectively, but life science investments were hit hard with the NASDAQ Biotechnology Index down 2.6% and the NYSE ARCA Pharmaceutical Index down 5.6% over the month. It is unusual for pharmaceuticals to underperform biotech in a down month, with a clinical trial failure at portfolio holding Bristol-Myers Squibb (BMS), largely responsible. The Fund's MSCI World Health Care Index benchmark finished August down 3.8%, with the Fund generating a small outperformance.

The Fund's outperformance despite the BMS headwind was explained by its holding in Medivation, whose acquisition by Pfizer (also a portfolio holding) was announced in August. Unusually, and despite paying a hefty and competitive premium, Pfizer's share price finished up on the day of the announcement. Next to Medivation, positive contributors to performance in August included the specialty pharmaceutical companies Lannett and Amphastar; both reporting good second-quarter financial results.

Detractors in August were led by Impax Laboratories, whose generic exposure in the US dragged down its quarterly performance for a second quarter in a row, marking a turning point for our holding in the stock. Pure-play generic companies are experiencing significant price deflation and we have become more cautious for such companies. Some of the biggest - Teva and Mylan - have continued to post robust earnings, but the reason for this was revealed with the Epigate scandal where "excessive pricing" for branded products which should be generic has become a focus for media scrutiny. We hold neither Teva or Mylan for this reason and in addition, three of the patents protecting Teva's largest (branded) product have recently been invalidated.

Back to BMS and the failed Checkmate study which, together with no holding in competitor Merck, were significant detractors in August. The anticancer monoclonal antibodies from both companies are essentially the same and the mistake BMS made was to try and capture the broadest patient population by including patients where the antibody, in retrospect, did not provide a significant benefit. While the balance of power in this space may now shift to Merck, honours are likely to be even in the medium-term. We have however now hedged our position in BMS with a holding in Merck.

Gross EUR Performance



Period to 31 Aug 2016	Composite	Index
1 Month	-3.3%	-3.8%
3 Months	2.2%	1.0%
From 31 Dec 2015	-10.1%	-3.8%
1 Year	-9.3%	-1.6%
Annualized data:		
Since inception (31 Dec 2013)	10.6%	17.4%

Calendar Year	Composite	Index
2016 to 31 Aug	-10.1%	-3.8%
2015	15.4%	18.7%
2014	26.1%	34.5%

The Magna Biopharma Income Composite is based on all share classes of the Magna Biopharma Income Fund. Composite performance figures are shown gross, ie before fees, in EUR. The Index is the MSCI World Health Care Index. Performance figures are annualized for periods in excess of one year. Charlemagne Capital claims compliance with the Global Investment Performance Standards (GIPS®), as verified for the period 1 Jun 2000 through 31 Dec 2015 by Ashland Partners. A copy of the verification report and a presentation that adheres to GIPS standards are available upon request to the Marketing Department.

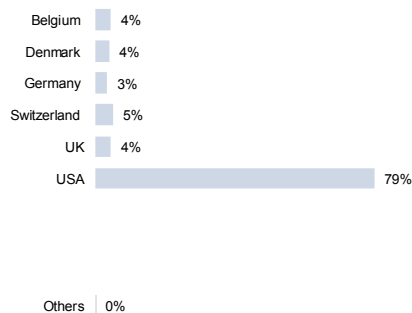
Magna Biopharma Income Fund

Portfolio Data as at 31 Aug 2016

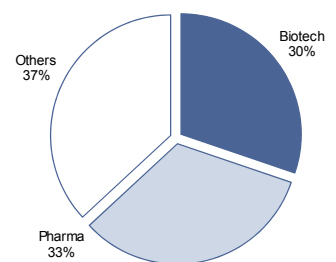
Top 10 Holdings

Company Name	Country	Industry
Abiomed	USA	Health Care Equipment & Supplies
Allergan	USA	Pharmaceuticals
DexCom	USA	Health Care Equipment & Supplies
Edwards Lifesciences	USA	Health Care Equipment & Supplies
Galapagos	Belgium	Biotechnology
Gilead	USA	Biotechnology
Pfizer	USA	Pharmaceuticals
Roche	Switzerland	Pharmaceuticals
Thermo Fisher Scientific	USA	Life Sciences Tools & Services
Vectura	UK	Pharmaceuticals
In alphabetical order		
Combined weight of top 10 holdings:		51%

Country Exposure



Industry Exposure



Subscription Information

	B Acc Shares	B Dist Shares	C Acc Shares	R Acc Shares	R Dist Shares
Minimum Subscription	EUR 1,000,000	EUR 1,000,000	EUR 5,000	EUR 5,000	EUR 5,000
Additional Subscriptions	EUR 1,000	EUR 1,000	EUR 100	EUR 100	EUR 100
Annual Management Fee	1.00%	1.00%	2.75%	1.75%	1.75%
Performance Fee	Relative	Relative	Relative	Relative	Relative
Front-end Load	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%
WPKN Code	A1W8AX	A1W8AY		A1W8AQ	A1W8AT
ISIN Code	AUD IE00BKJ8RK39	IE00BKJ8RJ24	IE00BXQ9TC67	IE00BKJ8RR08	IE00BKJ8RH00
	EUR IE00B8BFJQ84	IE00B8HQFS95	IE00BXQ9DQ85	IE00B7QK5G30	IE00B8XZDC03
	GBP IE00BGH1KD00	IE00BGH1KG31	IE00BXQ9T713	IE00BDZTDX65	IE00BDZTDZ89
	USD IE00BGH1KF24	IE00BGH1KH48	IE00BXQ9T937	IE00BDZTDY72	IE00BDZTF071
Bloomberg Code	MBIBAAE	MBIIBIE	MBICACE	MABIRAE	MUFRDUS
Valor Number EUR	20909203	20909363		20909369	20909377

Performance Fees B and R Shares: 10% over MSCI World Health Care Index

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To receive a list of Charlemagne Capital's composite descriptions and/or a presentation that complies with GIPS standards, as well as any other information, please contact the Marketing Department.

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