

Q1 2025



Sustainable Philosophy

Core Beliefs

Our active approach to the stewardship of investments ensures sustainability commitments

We emphasize active ownership to influence positive change and progress

The integration of sustainability factors is key to our long-term investment research process

Prioritising pro-active engagement rather than excluding and divesting

Investing responsibly is aligned with superior risk-adjusted long-term returns

Our actions

Engaging directly with and voting on investee companies

Researching sustainability factors is fully integrated into our overall investment approach

Materiality ensures that we prioritize what matters most

Extensive screening to ensure norm-based alignment

C WorldWide Healthcare Select

Quarterly Comments

It is striking how quickly the more established world order is being disrupted in 2025. Exactly three years ago, in Q1 2022, we wrote, similarly, that more events had taking place over the quarter than in decades. That is indeed the case once again.

Three years ago, Russia had just invaded Ukraine, energy prices were sky high and talks in the sustainable investment industry started to emerge on accepting weapon investments as a reasonable mean of supporting peace and justice.

The EU launched its REPowerEU to cut dependency on Russian fossil fuels with a focus on diversification of supply and a rapid renewable rollout. This was followed up in February 2025 by the Clean Industrial Deal that aims to boost industrial competitiveness while accelerating decarbonization with a focus on clean tech leadership, industrial innovation, and low-carbon manufacturing.

As for the weapons discussions, this has since only accelerated. Both in regard to that Europe should be ready to defend itself, as well as that more institutional investors are loosening restrictions on defence in investment guidelines. In March 2025, EU presented ReArm Europe, now known as Readiness 2030, a strategy to enhance the EU's military capabilities by mobilising up to EUR 800 bn in response to geopolitical threats, notably to reduce reliance on external allies and strengthen its defense infrastructure.

Another area of focus the last quarter has been financial institutions' commitment to global climate initiatives, specifically net zero initiatives such as Net Zero Asset Managers (NZAM) and Net Zero Banking Alliance (NZBA), or rather lack of commitment. We have witnessed a significant scaling back, in particular from US-based institutions, but also Japanese, that are leaving the initiatives with the reason of heavy administrative burdens, but is highly likely more a response to the new political environment in the US.

We do not foresee any update to the NZAM initiative until summer 2025, but thus far remain as signatories to support the necessary global decarbonization and remain pragmatic in our approach to engage and assess investee companies.

However, climate and sustainability matters are also moving within the EU. In February 2025, the EU announced its Simplification Omnibus Package to loosen the reporting and disclosure burden of the otherwise very ambitious requirements in the EU Green Deal, specifically elements within the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD), respectively, where the requirements are now changed to only include large corporates and direct suppliers, as well as postponing reporting deadlines by two years. Although we agree that revisions were required, they should have been implemented earlier on.

The most recent round of rising tariffs initiated by the US are not only disrupting global trade but could also slow the expansion of renewables. As protectionist policies and economic priorities shift, international cooperation on climate action could weaken.

In the EU specifically, there is now a significant political focus on industrialization through rearmament. The additional focus on deficit-financed defense spending will likely exert downward pressure on public spending on the green transition.

Nevertheless, despite all the geopolitical and financial initiatives taking place, we continue to view our active public equity investments in a sustainable, longer-term perspective and remain focused on companies with more structural thematic tailwinds.



Investment Screenings

Sanctions Screenings

All investments are screened against Refinitiv World-Check sanctions-screening covering all known sanction bodies

Norms-Based Global Standards Screenings

Convention Breach screenings, compliance with UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Investment Exclusions

None of the companies within the portfolio exceeds a certain level of involvement in the activities specified.

- 0% Controversial Weapons
- 5% Small Arms
- 0% Adult Entertainment
- 5% Alcoholic Beverages
- 5% Gambling
- 0% Tobacco Products
- 0% Oil & Gas
- 25 % Oil & Gas
- 0 % Thermal Coal
- 5 % Thermal Coal
- 0% Oil Sands
- 0% Shale Energy

Portfolio Changes

Three new holdings in the fund during the quarter: Asker Healthcare, Royalty Pharma and Vaxcyte. In March, Swedish-based Asker Healthcare was listed on the Stockholm Stock Exchange, and we invested in conjunction with the IPO. Asker is a leading consolidator in the European medtech distribution sector, providing medical devices, equipment, and related services to healthcare providers. The company's growth has been largely self-financed, and its leadership team has remained stable for over a decade. We view its acquisition-driven strategy as disciplined and well established.

Asker has worked actively with sustainability for many years and maintains transparent and credible ESG reporting. The company has adopted science-based climate targets approved by the Science Based Targets initiative (SBTi), including ambitious goals to reduce Scope 1, 2, and 3 emissions by 2030. Governance practices are solid, with clear and transparent reporting and a well-experienced management team with a proven track record. The board includes members with deep expertise across Asker's sectors, product areas, and geographic markets—an important foundation for overseeing sustainability matters, maintaining high governance standards, and supporting the company's long-term competitiveness. Social indicators are also strong, with low employee turnover and a balanced gender distribution across both board and executive levels. Asker has been awarded a Platinum rating by EcoVadis, placing it among the top 1% of over 100,000 companies globally, based on performance in areas including environment, labor and human rights, ethics, and sustainable procurement.

Royalty Pharma is the largest acquirer of biopharmaceutical royalties, providing funding to advance innovation across the life sciences sector. By partnering with innovators, from academic institutions to biotech and pharma companies, it helps finance late-stage clinical development and product launches in exchange for royalty rights. Its portfolio includes royalties on more than 35 commercial products and includes many leading therapies, including Trikafta, Trelegy, and Evrysdi.

Royalty Pharma has strong governance with an independent board and clear oversight structures, including a Corporate Responsibility Committee focused on ESG. The company recently integrated its external manager, simplifying its structure and improving shareholder alignment. It has robust ethical policies covering anti-bribery, human rights and whistleblower protections, with full employee compliance training. Ownership is well aligned, with no controlling shareholder and equal voting rights. On the environmental side, Royalty Pharma is transparent about its Scope 3 emissions and follows recognized frameworks like the GHG Protocol and TCFD. Environmental risks are integrated into investment decisions through a Responsible Investment Policy.

Vaxcyte is a clinical-stage U.S. biotechnology company focused on developing next-generation vaccines using a proprietary cell-free protein synthesis platform. Its lead candidates, VAX-24 and VAX-31, are novel pneumococcal conjugate vaccines designed to offer broader coverage than the current market leader, Pfizer's Prevnar 20.

As is common among early-stage biotechs, Vaxcyte's corporate sustainability reporting is currently limited. However, the company is led by an experienced management team, including a COO who formerly served as Vice President of Pfizer's vaccines division. Governance structures are well established, with a strong and independent Board of Directors. Key policies such as a Code of Conduct, anti-corruption guidelines, and whistleblower protections are in place, reflecting a foundational commitment to responsible business practices.



Direct Engagements

Outset Medical

We had a virtual meeting with the management team of Outset Medical where we discussed the recent capital raise, upcoming reverse stock split and path to profitability.

Novo Nordisk (7 februari)

We held a one-on-one meeting with CEO Lars Fruergaard Jørgensen in Copenhagen, where the discussion focused on the recent disappointing clinical data and the company's handling of communication leading up to and following the Cagrisema readout. We expressed concerns about the lack of clarity, which we believe contributed to the sharp market reaction. Our hope is that this experience has highlighted the importance of more transparent and consistent communication going forward.

Exact Sciences (12 mars)

We hosted a lunch meeting at our offices with CEO Kevin Conroy and the Head of Investor Relations. The discussion provided valuable insight into the company's various revenue streams, including new patient testing, re-screens, and opportunities within population screening. Significant focus was placed on the realignment and expansion of the sales force, and the expected timeline for when these efforts could begin to positively influence sales performance. On the corporate social responsibility front, the company appears to be moving in the right direction, and we look forward to reviewing the next CSR report for further progress and disclosure.

Novocure

We had the opportunity to meet with newly appointed CFO Christoph Brackmann for an update. The discussion focused on the expansion of Optune, the company's tumor treating fields (TTFields) device, into new indications from multiple positive phase 3 read-outs, as well as developments in the reimbursement landscape.

Proxy Voting

Karyopharm

We voted in accordance with GlassLewis to accept the reverse stock-split to make the company Nasdaq compliant.

Outset Medical

We voted in accordance with GlassLewis to accept the reverse stock-split and the issuance of common stock to improve the balance sheet.

Coherus

We voted in accordance with GlassLewis to accept the sale of Udenyca.

Novo Nordisk

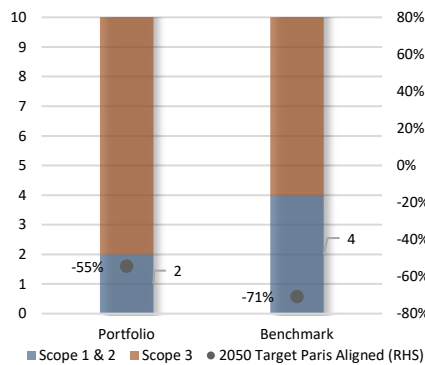
We made an exception to our policy by supporting the re-election of Henrik Poulsen as Vice Chair, despite him not being classified as independent. While our policy typically opposes non-independent chairs of key committees, the Danish Corporate Governance Code requires only a majority of independent members, which is met with 75% independence on the Audit Committee. We found no specific concerns regarding Poulsen's performance as Audit Committee Chair.

C WORLDWIDE HEALTHCARE EQUITIES

Sustainalytics Portfolio Risk Rating: **Medium**

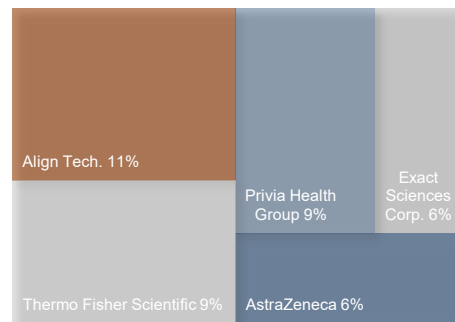
Benchmark: *MSCI Healthcare*

Emissions Exposure & SDS (tCO₂e)



The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot against the allocated carbon budget until 2050.

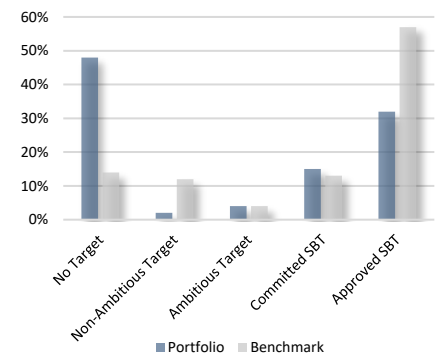
Top 5 Contributors to Portfolio Emissions



Carbon Intensity (tCO₂e/mill. USD revenue)



Climate Target Assessment

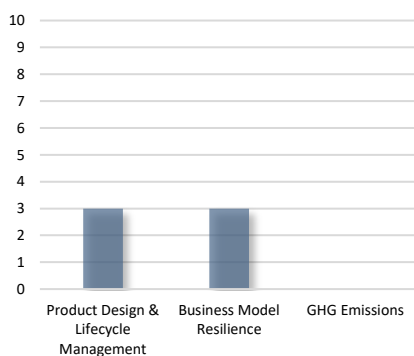


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

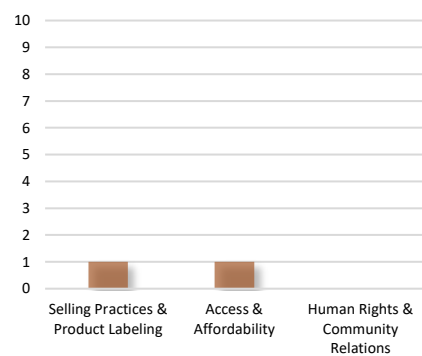
Källa: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 SEK. Portfolio as of 31st of March 2025.

Direct Engagement Topics

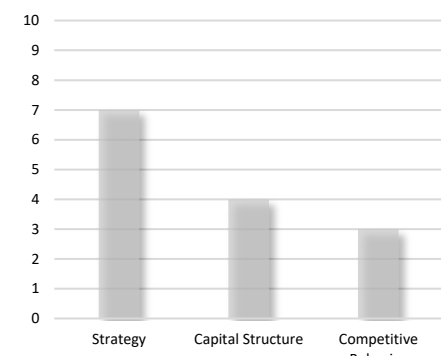
Environment



Social



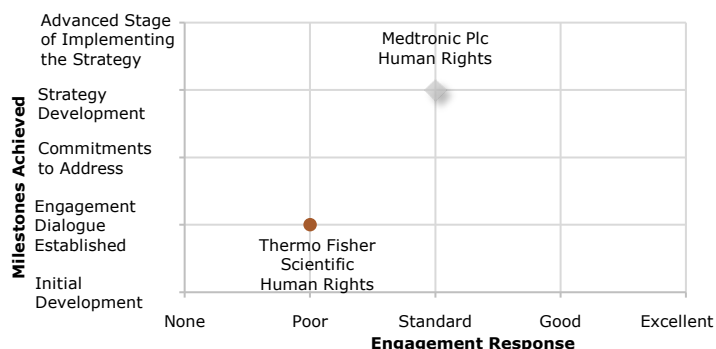
Governance



Total direct company engagements for the portfolio: 9

Throughout the quarter, we conducted several direct engagements with the portfolio companies. Our ESG engagements have most often incorporated an aspect of each subject E, S, and G. The above graphs show the top three engagement topics within environmental, social and governance aspects. There are several sub-topics within each category that can overlap within one engagement.

Collective Engagement



The above graph illustrates our collective engagements with Sustainalytics. The companies are shown within what milestone they have reached thus far and rated according to their communication in relation to the specific engagement topic.

Källa: Sustainalytics. Portfolio as of 31st of March 2025.

Proxy Voting

Meetings Voted	100%	5
Proposals Voted	100%	41
Meetings with at least one vote against management	0%	0
	34%	Board Related
Proposal Categories (Top 3)	24%	Capital Management
	15%	Audit/Financials

We utilise proxy voting to emphasise the topics discussed with the investee companies in our ongoing engagement with them and to vote on key issues important to the governance of the investee companies. The table above shows key topics and how votes have been cast during the quarter.

Källa: Glass Lewis. Portfolio as of 31st of March 2025.

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Active Investments

C WorldWide Asset Management Fondsmæglerselskab A/S is a focused asset manager. Our objective is to deliver consistent, long term capital growth for clients through active investments in listed equities on global stock exchanges.

Our clients are primarily institutional investors and external distribution channels. Our product range includes discretionary asset management services and commingled fund products.

The combination of a unique investment philosophy based on careful stock picking and long-term global trends coupled with a stable team of experienced portfolio managers, has since 1986 resulted in world-class investment performance.

Please find more of our Sustainability Reports on cworldwide.se.

**C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S
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