ONELIFE FUND UPDATE

October 2026



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BLUESTAR
Investment Managers

The Fund

Onelife Fund is a long-only equity fund that invests in the biopharmaceutical sector. The target companies, mainly listed in the United States, research, develop, manufacture, and commercialize biotechnology drugs and treatments for the management and/or cure of various diseases. Companies are selected through a process of scientific analysis, assessment of therapeutic need, regulatory/competitive context, and financial sustainability.

Biotech Sector Update

October once again highlighted a sharp divergence within the biotech sector. The Nasdaq Biotechnology Index (NBI) gained 2.88%, supported primarily by the resilience and, in some cases, strong gains of larger-cap companies. Small- and mid-cap names remained more fragile: the SPDR S&P Biotech ETF (XBI), which provides a broadly equal-weighted exposure to the sector, declined approximately 1.08% during the month. The nearly four-percentage-point spread between the two benchmarks underscores how uneven the sector's recovery has been.

Interest-rate uncertainty, continued reductions in higher-risk positions and a highly polarized series of clinical readouts continued to weigh on earlier-stage companies. Nevertheless, the market remained willing to reward compelling data: sharp declines in names such as EyePoint and Corcept were accompanied by substantial gains in Vaxcyte, Kymera and Arcutis. Rather than indiscriminate weakness, October was characterized by pronounced selectivity.

Onelife Fund returned 2.54% in October, compared with 2.88% for the NBI, a modest 34-basis-point underperformance. Year to date, the Fund is up 20.00%, versus 28.25% for the index. The monthly result reflects the differing performance of our two portfolio sleeves: the resilience of the Core portfolio helped cushion the sharp losses in several holdings within the active R&D sleeve, although it did not fully offset their impact.

Peer performance underscores the strategy's competitiveness in the current environment. Onelife ranked third both for the month and year to date within our monitored biotech peer group, outperforming nine of the eleven competing funds in October. Despite finishing slightly behind the NBI, the Fund held up well relative to most peers, supported by diversification between the Core portfolio and targeted R&D opportunities. The result illustrates the strategy's ability to participate in sector advances without becoming overly dependent on small- and mid-cap performance.

Portfolio Activity and Company Developments

No portfolio purchases or sales were made during October. We maintained our portfolio positioning despite several important clinical catalysts. In particular, we held our Moderna position unchanged through the presentation of Phase 3 INTerpath-001 data at ESMO. Ahead of the event, our exposure was essentially benchmark-neutral, at 5.34% of the Fund versus 5.33% of the NBI. This reflected our intention to retain strategic exposure to the oncology mRNA platform without taking meaningful active directional risk on a single readout. Moderna had already delivered outstanding returns in prior months and added a further 18% in October, despite substantial volatility around the data release.

Moderna +18%. On October 24, full results from INTerpath-001 were presented at ESMO. The Phase 3 trial evaluated intismeran autogene, an individualized mRNA neoantigen therapy, in combination with pembrolizumab in patients with completely resected stage IIB–IV melanoma. The combination reduced the risk of recurrence or death by 42% (RFS; HR 0.58) and the risk of distant metastasis or death by 38% (DMFS; HR 0.62), with no new unexpected safety signals; overall survival data remain immature. Despite the strength of the results, the shares experienced a sharp sell-the-news reaction following the preceding rally. The move may have been exacerbated by a breach of the ESMO embargo on October 22, which prompted Moderna and Merck to release the data ahead of the scheduled scientific presentation and may have contributed to a rushed, disorderly initial interpretation of otherwise clinically positive results. The stock subsequently recovered part of its losses and still ended the month sharply higher.

Alnylam -32%. The shares corrected sharply following the October 29 quarterly earnings release. Net product revenues rose 52% year over year to $1.29 billion, but demand growth for AMVUTTRA in transthyretin amyloidosis with cardiomyopathy (ATTR-CM) was slower than expected. The company indicated that its 2026 commercial outlook was tracking toward the lower end of guidance. Investors consequently focused on reduced visibility into the trajectory of new prescriptions, despite continued robust growth in the underlying business.

Regeneron +24%. The shares benefited from strong commercial fundamentals. Third-quarter revenue rose 36% to $5.1 billion, supported primarily by Dupixent, EYLEA HD and Libtayo. Global Dupixent sales reached $6.5 billion (+35%), while EYLEA HD sales increased 62% in the United States. The share-price performance highlights investor preference for companies offering strong cash-flow visibility and the ability to fund innovation internally.

Halozyme +18%. The stock benefited from a favorable intellectual property development. On October 7, a Dutch court found that Merck had infringed an MDASE patent and imposed restrictions on the commercialization of subcutaneous Keytruda in several European markets. The ruling reinforced the perceived value and defensibility of Halozyme's subcutaneous drug-delivery platform, although the litigation remains subject to further developments.

Vaxcyte +10%. On October 5, the pivotal Phase 3 OPUS-1 study of VAX-31, a 31-valent pneumococcal conjugate vaccine designed to prevent pneumococcal pneumonia and invasive pneumococcal disease, met all prespecified primary immunogenicity and safety endpoints versus comparator vaccines. The shares initially surged before giving back part of those gains in subsequent weeks. Following the readout, Vaxcyte also completed $1.15 billion in financing transactions. The case demonstrates that the market continues to reward strong clinical results, even as valuation and dilution considerations remain relevant.

EyePoint -80%. This was the month's most significant negative event. On October 19, LUCIA, the second pivotal Phase 3 trial of DURAVYU in wet age-related macular degeneration (wet AMD), failed to meet its primary endpoint of non-inferiority to aflibercept on the change in visual acuity. Encouraging secondary-endpoint findings included a 38% reduction in injection burden and 52% of eyes requiring no supplemental treatment through Week 56. However, the primary-endpoint miss, following the less-than-convincing LUGANO outcome, materially increased uncertainty around the regulatory pathway in wet AMD. The decline was therefore not simply a technical market reaction: our investment thesis for this program must be reassessed in light of the now-evident clinical and regulatory risk. The diabetic macular edema program remains an asset, but its value needs to be assessed separately.

Corcept Therapeutics -30%. The shares sold off sharply after Genmab announced positive Phase 3 RAINFOL-02 results for rinatabart sesutecan in platinum-resistant ovarian cancer. The competing therapy demonstrated statistically significant benefits in both progression-free and overall survival (OS HR 0.43 in the intent-to-treat population), raising the competitive bar in the market where Corcept plans to position its relacorilant-based combination. The move reflects a negative competitive read-through rather than new adverse data from Corcept itself, but it changes the perceived future commercial opportunity.

Arcutis Biotherapeutics +20%. The stock extended its gains, supported by growing confidence in the commercial outlook for the ZORYVE franchise and the presentation of additional clinical and real-world dermatology data on October 9, including updates on pediatric use. The combination of innovation and improving commercial execution is strengthening visibility into the company's growth potential.

Kymera Therapeutics +12%. On October 29, the company reported encouraging results for KT-579, an investigational oral treatment for autoimmune diseases, initially targeting lupus. The drug is designed to degrade IRF5, a protein involved in inflammation. In healthy volunteers, it produced a marked reduction in IRF5 and inflammatory biomarkers, with favorable tolerability. Kymera plans to initiate a study in patients with lupus in early 2027. Meanwhile, its more advanced KT-621 program in atopic dermatitis is approaching a Phase 2b readout expected before year-end. Progress across both programs supports the pipeline's prospects and investor interest.

Performance

October's performance confirms Onelife Fund's strong relative positioning. With a 2.54% gain, the Fund ranked third for the month and maintained third place year to date. This is particularly noteworthy given the persistent weakness in small- and mid-cap biotech, which weighed on a number of sector funds.

Outlook

The NBI's resilience against a decline in XBI points to continued market selectivity, but also to investors' willingness to reward innovation and compelling commercial execution. In this environment, diversification remains a key source of balance for our strategy: the Core portfolio provides a more stable foundation, while active positions offer exposure to the re-rating potential of the most promising development programs.

We intend to maintain the balance between our Core portfolio and R&D/MACS positions, while remaining particularly disciplined in assessing exposure to binary events. The outcomes at EyePoint and Corcept call for careful analysis of company-specific and competitive risks, while developments at Moderna, Vaxcyte and Kymera underscore the value-creation potential of programs that deliver on their clinical objectives.

Among the most important upcoming catalysts are the FDA decision on Vertex's accelerated approval application for povetacicept in IgA nephropathy, expected on November 30, and Kymera's Phase 2b BROADEN2 results for KT-621 in atopic dermatitis, anticipated by year-end. Both could create opportunities for value recognition, which we will approach with rigorous risk/reward discipline.

The November 3 US midterm elections gave Democrats majorities in both chambers of Congress. When the new Congress convenes in January 2027, scrutiny of healthcare policy and oversight of the Department of Health and Human Services (HHS) and the FDA could intensify. Newly elected Michigan Senator Abdul El-Sayed, a physician and epidemiologist, has stated his intention to subject Health Secretary Robert F. Kennedy Jr.'s record to close scrutiny. For biotech investors, the key questions will be how the political debate affects regulatory predictability, support for research and drug-access policy, without assuming immediate changes to FDA decision-making.

We remain constructive on the sector's prospects. Wide dispersion in equity returns continues to create opportunities for a selective investment approach, while Onelife's diversified portfolio structure allows us to navigate volatility without sacrificing exposure to advances in biotechnology.

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