

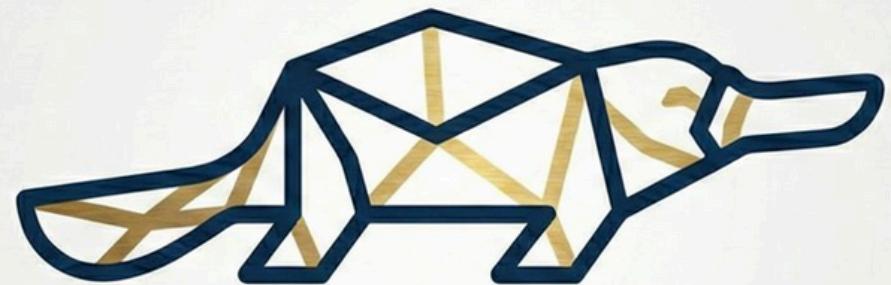
Portfolio Presentation

Platypus Partners

"Dual Engine Alpha: Biotech Catalysts and Industrial Compounding"

Imperial College London

Adam Hrehovcik & Joaquim Silva



PLATYPUS PARTNERS

Tear Sheet

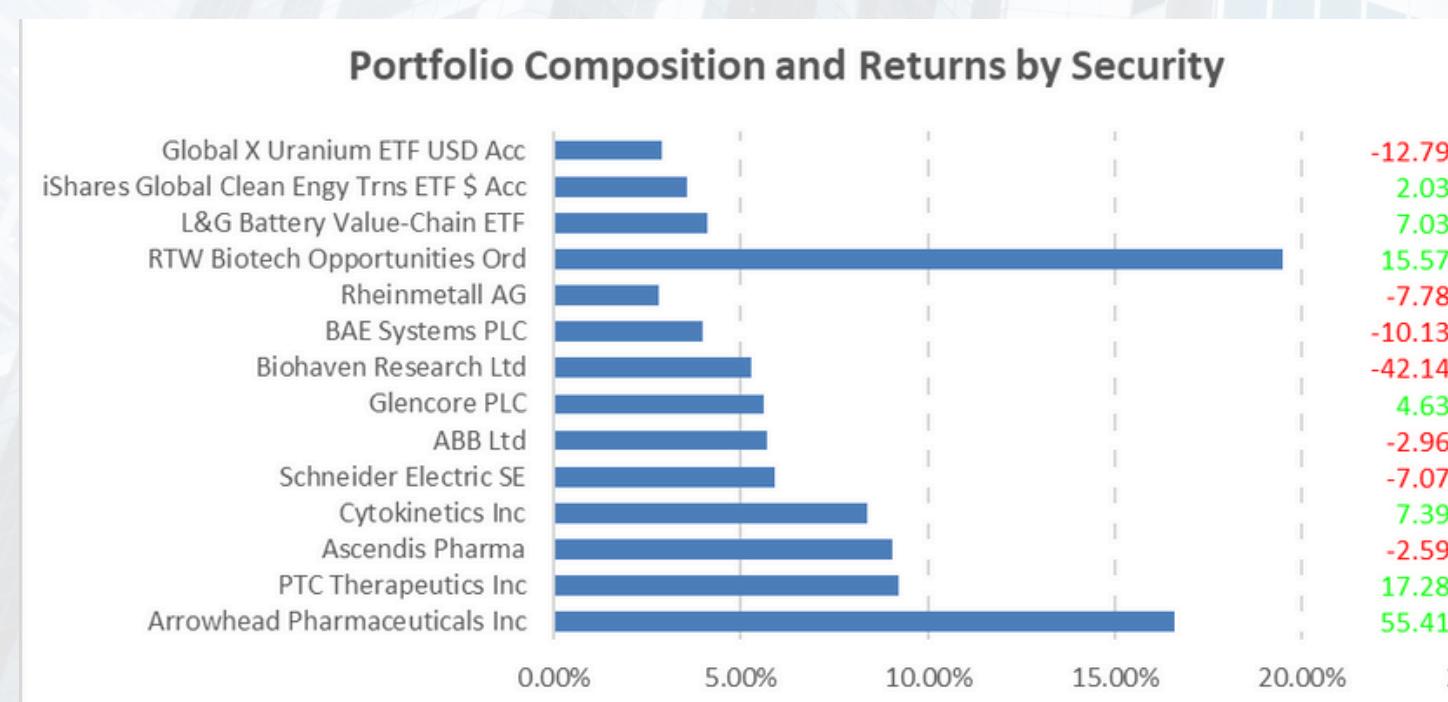
Dual Engine Alpha: Biotech Catalysts and Industrial Compounding

Key Portfolio Metrics:

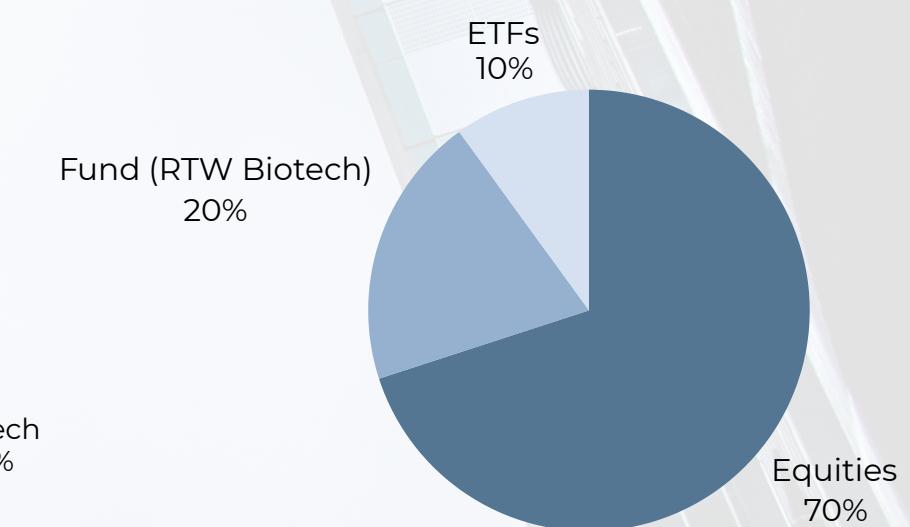
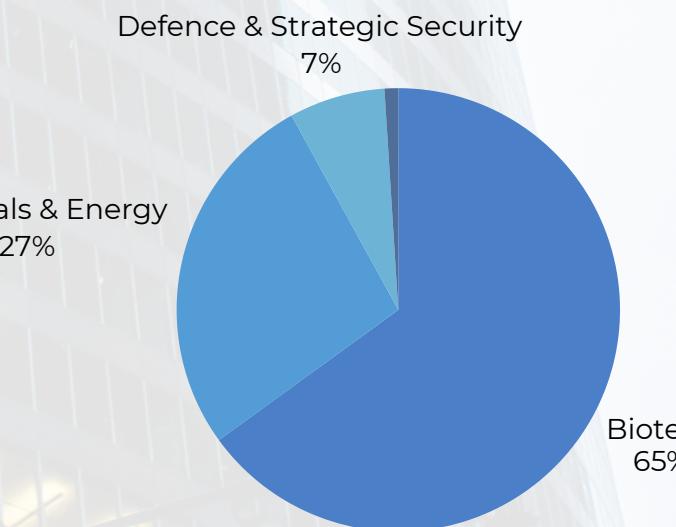
Annualized return	33.10%
Annualized Volatility	21.30%
Sharpe Ratio	1.46
Sortino Ratio	2.06
VaR 95% 1 day	2.08%
VaR 99% 1 day	3.65%
S&P 500 Beta	0.59

Strategy summary:

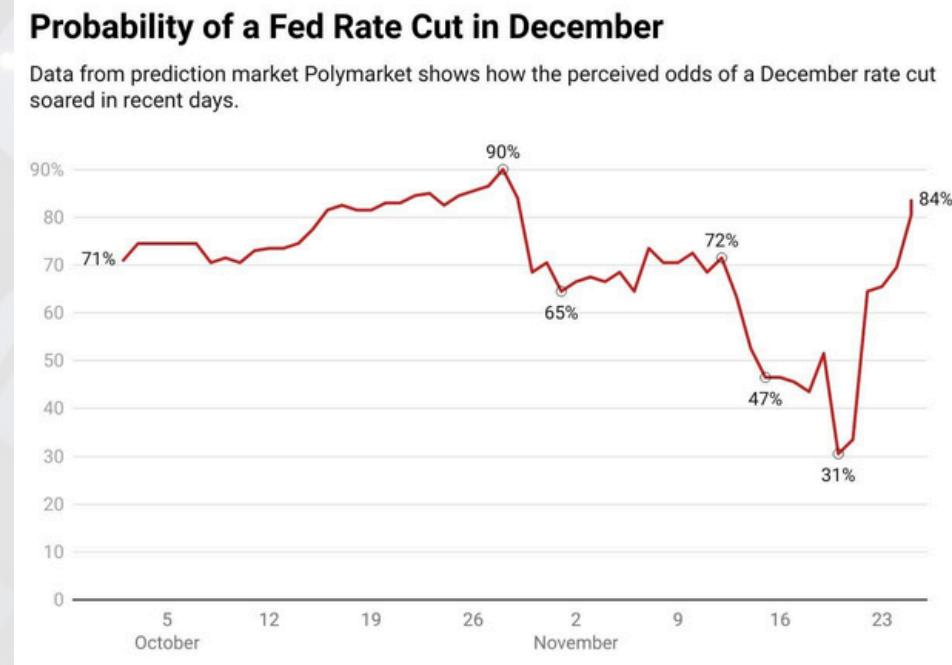
- Dual engine barbell combining near term **rare disease biotech catalysts** with **policy anchored energy and industrial names**, designed for uncorrelated alpha
- A **catalyst-driven sleeve** built around high-need therapies with dated **FDA/EMA events**, sized using **binomial probability gaps** (Arrowhead, Ascendis, Cytokinetics, PTC, Biohaven)
- A **structural sleeve** anchored in **Europe's re-industrialisation, electrification, and nuclear cycles**, through **long-duration policy-backed capex** (ABB, Schneider, Rheinmetall, Glencore, BAE Systems and thematic ETFs)



Allocation



Macro Deep-Dive



Rates

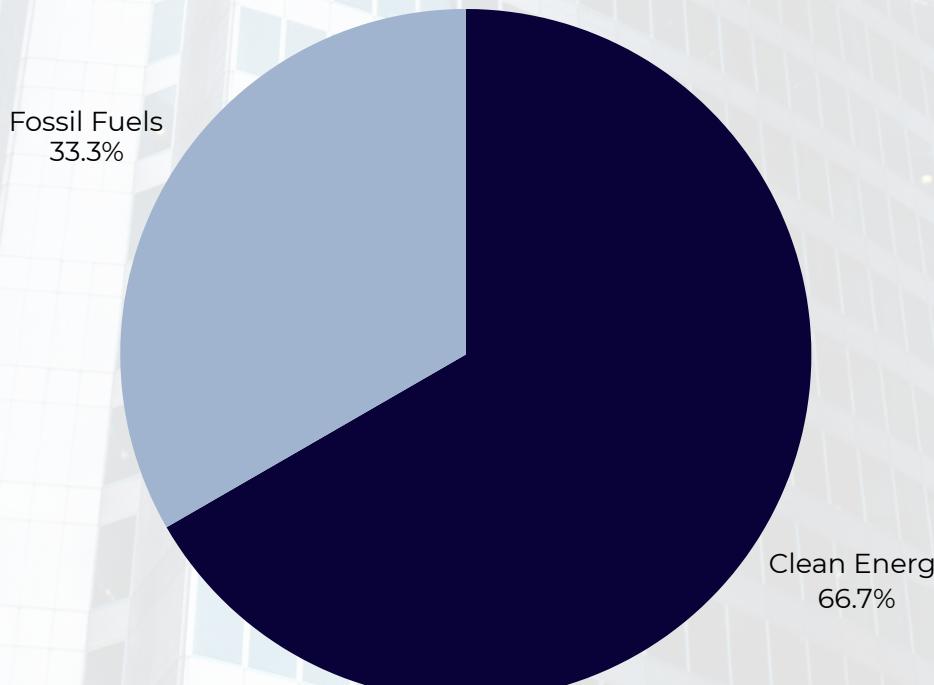
October cut ~98% priced, December ~90%, but the **US shutdown** meant **no fresh inflation or jobs data**, so we saw the **December cut** as much **less likely**. Thus, **multiple expansion** was **unlikely** to drive returns in six weeks – we **needed catalysts**.

Thematics

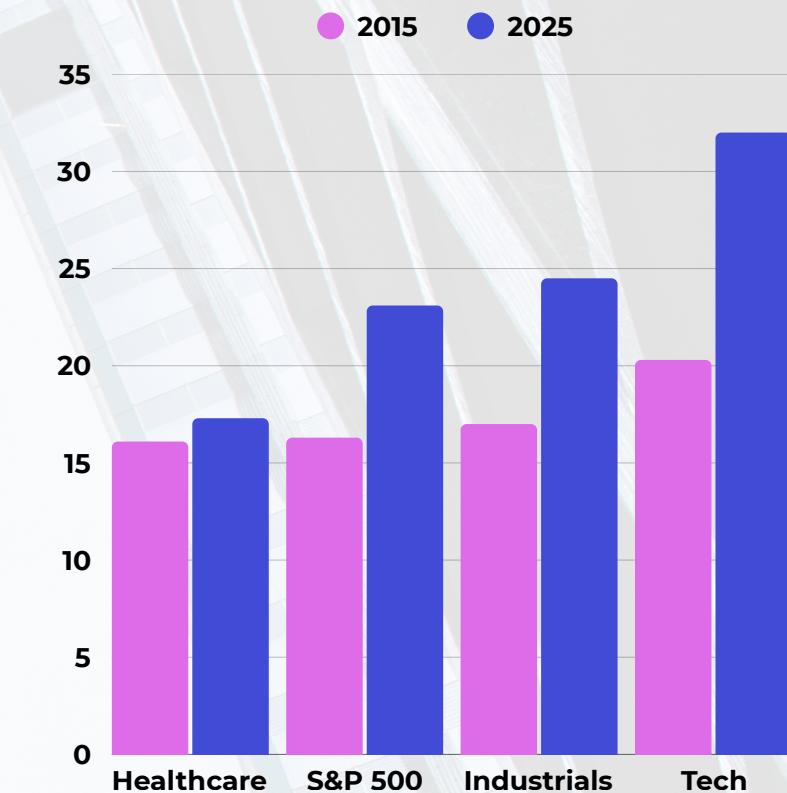
Re-shoring, net-zero and defence programmes underwriting **multi-year capex** in **electrification, automation & grid upgrades**.

Copper near **cycle highs** → **reinforced our electrification view**. Reactor “life-extension” plans → kept the **uranium thesis strong** despite volatility.

Q4 biotech: Orphan-drug launches, small populations, **high unmet need** + clear **PDUFA calendar** → perfect for **time-boxed, idiosyncratic returns** inside the competition window.



12-month Forward P/E ratios



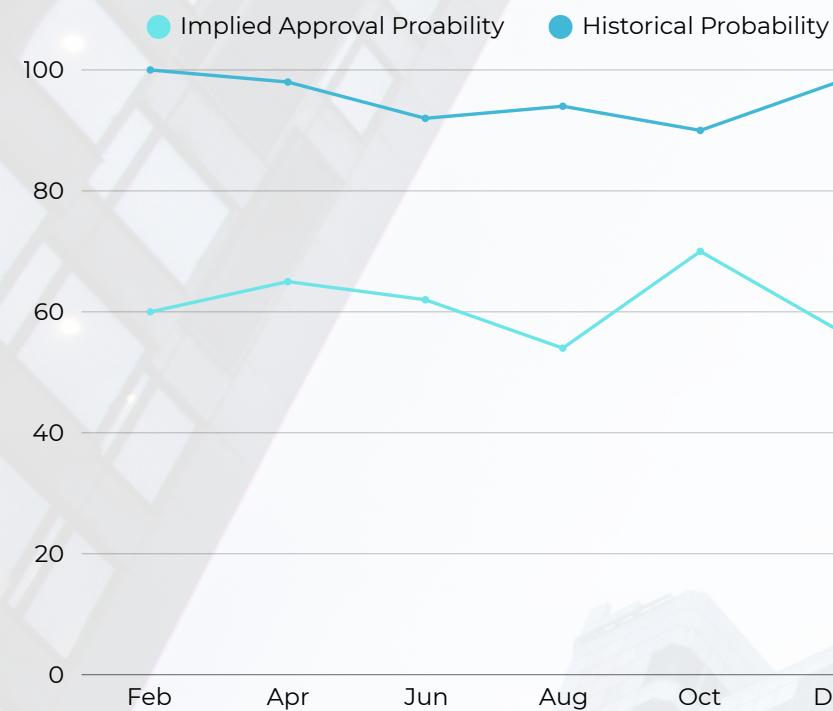
AI / High-Growth Tech

Mega-cap AI + adjacents trading well above market **12-month forward P/E ratios** with **compressed FCF yields**.

With **October cuts already priced** and us being **more hawkish on December**, we didn't see “**cheap cash**” as the same **tailwind** it was post-COVID.

We **expected most teams** to **crowd into AI/growth**. Not owning it was a **contrarian bet** that made our **return path more unique**.

Strategy Rationale



Biotech

Edge:

Treated each **stock** as a **probability mispricing problem**.

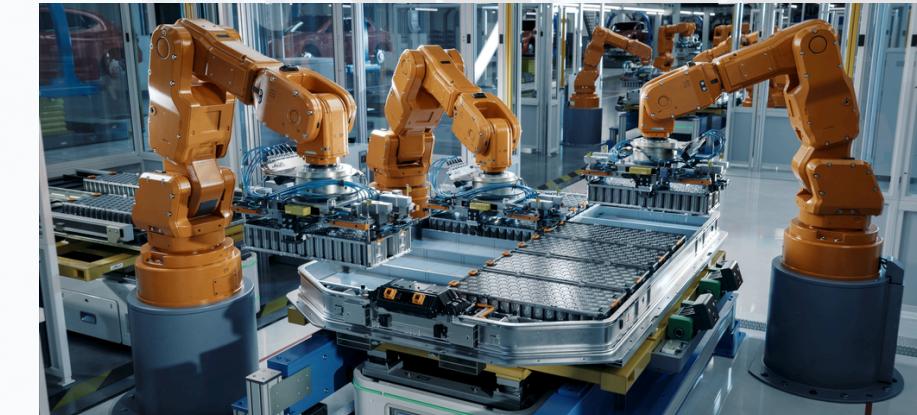
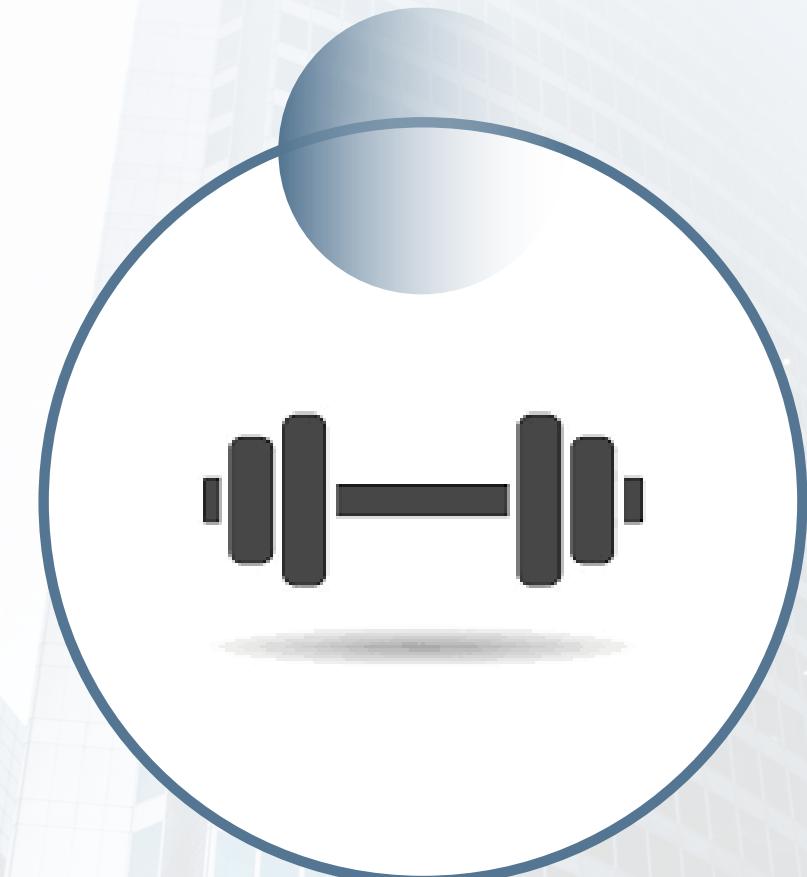
Targeted high-need indications with Q4 PDUFAs that could re-rate instantly

Process:

Built **approval vs failure scenarios** to extract **market-implied probabilities** and challenge them with our own analysis

Risk & Construction:

Single-name exposure **capped at 10%** before events



Industrials

Edge:

Used **biotech catalysts** to **pull forward returns** and support **longer-duration** industrial theses

Process:

Map companies with:
policy-anchored demand visibility
high-value IP and engineering depth
proven execution on long-duration programmes
Strong liquidity and globally integrated brand

Risk & Construction:

3–6 % position sizes given slower catalyst timelines

Valuation

Biotech Sleeve

Ascendis (TransCon)	Weekly dosing, strong growth data vs daily incumbent
Cytokinetics (Aficamten)	Better hemodynamics vs existing myosin inhibitor.
Arrowhead (FCS)	First RNAi for ultra-rare, strong TG reduction
PTCT (multiple decisions)	Diversified pipeline + revenue base.
Biohaven (Troriluzole)	First potential therapy, high unmet need

Catalyst valuation

Two outcomes: **approval** vs. **failure** → set **A** and **F** (event-day prices).

Market-implied approval probability:

$$P = \frac{S - F}{A - F}$$

Our own p^* based on **trial data, designations** and recent **FDA behaviour**.

Action rule: only add when $p^* - p$ is **clearly positive**; stay within position caps.

We believe **this works** given **political noise** around the **FDA (RFK)** made the market **over-discount approvals (representativeness bias)**.

RESULTS

At baseline, the median triglyceride level was 2044 mg per deciliter. At 10 months, the median change from baseline in the fasting triglyceride level (the primary end point) was -80% in the 25-mg plozasiran group, -78% in the 50-mg plozasiran group, and -17% in the placebo group.



Plozasiran for Managing Persistent Chylomicronemia

Findings

Forty-two participants received TransCon CNP at doses of 6 µg (n = 10; 7 female), 20 µg (n = 11; 3 female), 50 µg (n = 10; 3 female), or 100 µg (n = 11; 6 female) CNP/kg/week, with 15 receiving placebo (5 female). Treatment-emergent adverse events (TEAEs) were mild or moderate with no grade 3/4 events reported. There were 2 serious TEAEs that were assessed as not related to TransCon CNP. Eleven injection site reactions occurred in 8 participants receiving TransCon CNP and no symptomatic hypotension occurred. TransCon CNP demonstrated a dose-dependent improvement in AGV. At 52 weeks, TransCon CNP 100 µg CNP/kg/week significantly improved AGV vs placebo (least squares mean [95% CI] 5.42 [4.74–6.11] vs 4.35 [3.75–4.94] cm/year; p = 0.0218), and improved achondroplasia-specific height SDS from baseline (least squares mean [95% CI] 0.22 [0.02–0.41] vs -0.08 [-0.25 to 0.10]; p = 0.0283). All participants completed the randomised period and continued

CONCLUSIONS

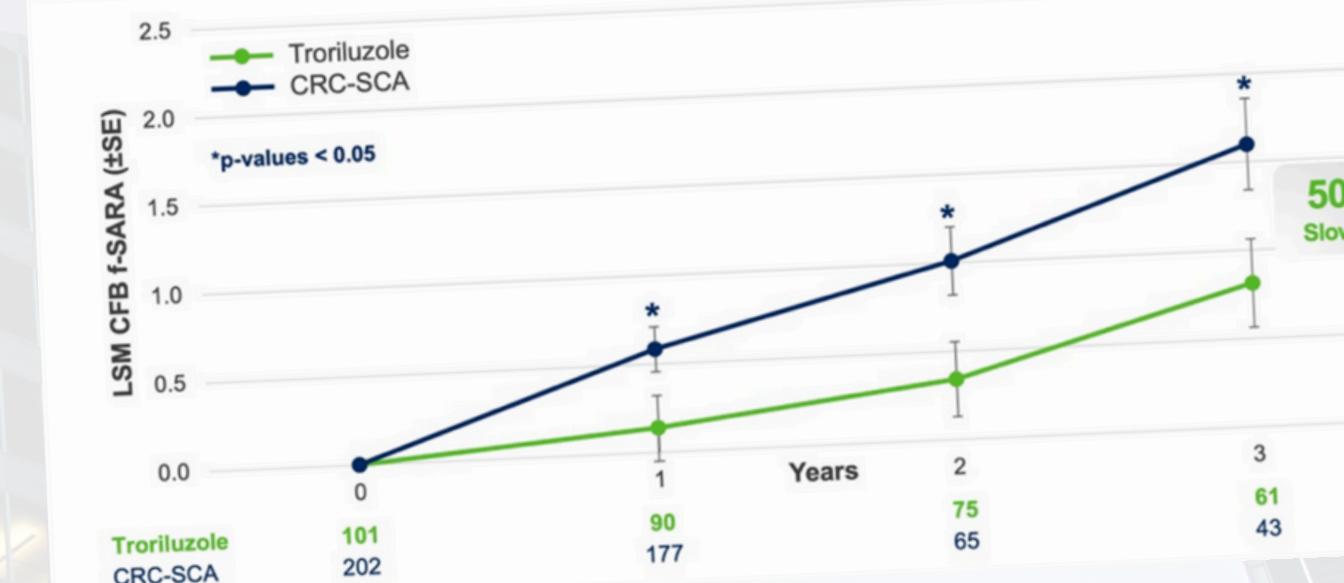
Patients with persistent chylomicronemia had lower triglyceride levels and a lower incidence of adverse events compared to those in the ongoing open-label extension period receiving TransCon CNP 100 µg CNP/kg/week. (Funded by Arrowhead Research Foundation; NCT05089084.)

Results

In aficamten-treated patients, change at Week 24 was not different between moderate to severe (1.8 mL/kg/min; n = 71) and mild (1.6 mL/kg/min; n = 62) symptom groups (P = .8). Likewise, the change in secondary endpoints (NYHA class, resting or Valsalva gradients, and NT-proBNP) did not differ significantly between the two symptom groups. Both groups experienced statistically significant improvements in KCCQ-CSS, but the extent of improvement was greater in the advanced symptom group (P = .02 for interaction). Treatment-emergent serious adverse events were infrequent in both groups.

Conclusions

Patients with oHCM and mild symptoms treated with aficamten had similar improvements in a range of clinically relevant outcomes as those with severely symptomatic oHCM. f-SARA Change From Baseline: Troriluzole vs US Natural History External Control



Valuation Industrial Sleeve

Valuation drivers

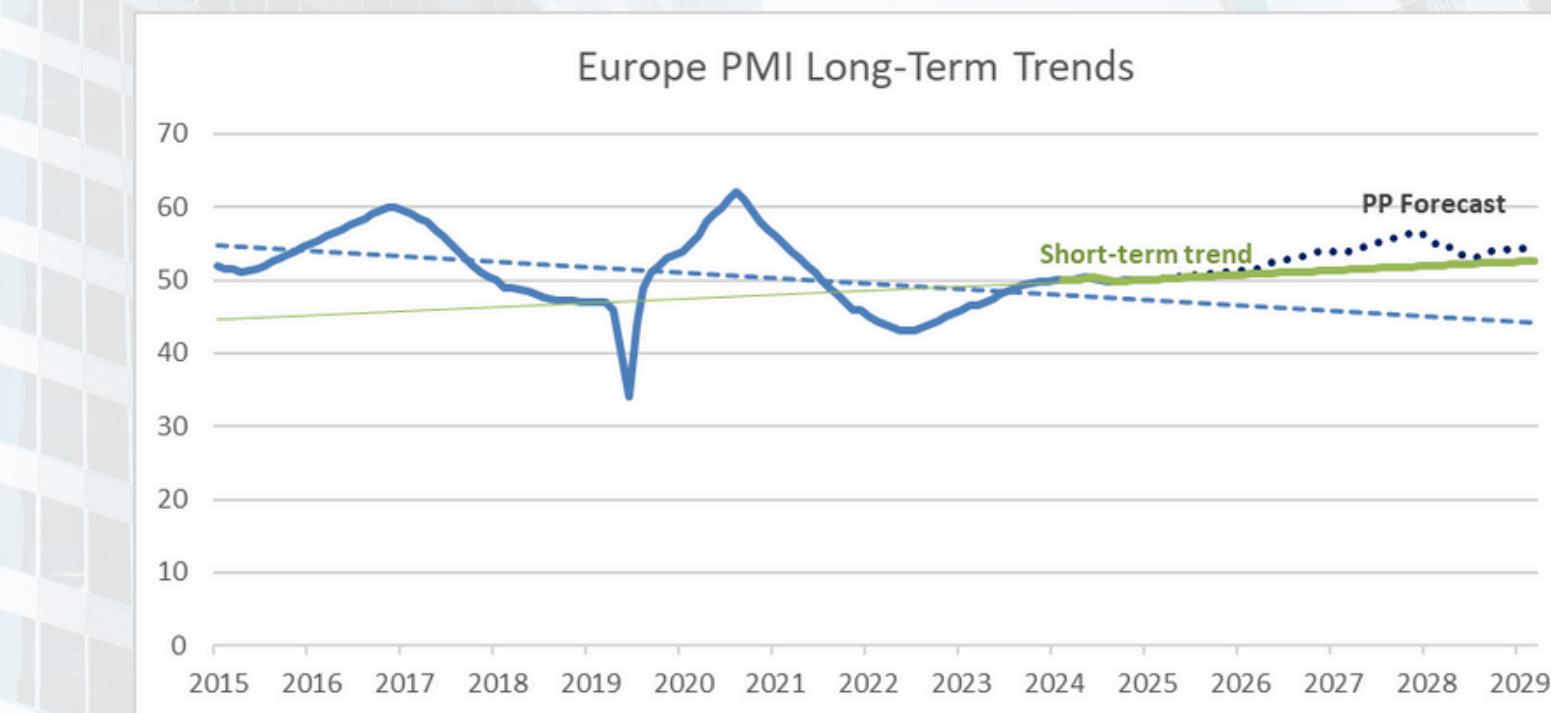
- Europe is entering a **3–5 year capex supercycle** in electrification, grid, defense, and raw materials.
- **Policy mandates** (EU Green Deal, NZIA, rearmament) underwrite multi-year demand, removing uncertainty.
- Europe's **high-end industrial base** (ABB/Schneider/Rheinmetall) is perfectly aligned to capture this spend.

What is the market missing?

- **Europe priced as cyclical** despite policy guaranteed multi-year industrial demand.
- **Earnings models stop too early** and miss the capex surge peaking in 2027–2028.
- **Structural shortages misread as cyclical**, keeping copper, battery metals, and uranium undervalued.
- **Execution skepticism persists**, funded EU programs aren't fully priced in.

Our Positioning

- **Electrification & Automation:** ABB, Schneider (core beneficiaries of grid and industrial upgrades).
- **Defense & Security:** Rheinmetall, BAE Systems (record multi-year backlog driven by NATO commitments).
- **Critical Materials:** Glencore + battery & uranium ETFs (exposure to copper, lithium, uranium deficits).
- **Thematic ETFs:** Capture full energy-transition value chain without project-specific risk.



Risk & Sensitivity Management via Allocation

1. Monte Carlo sampling

- Randomly generated thousands of portfolios from our selected assets.

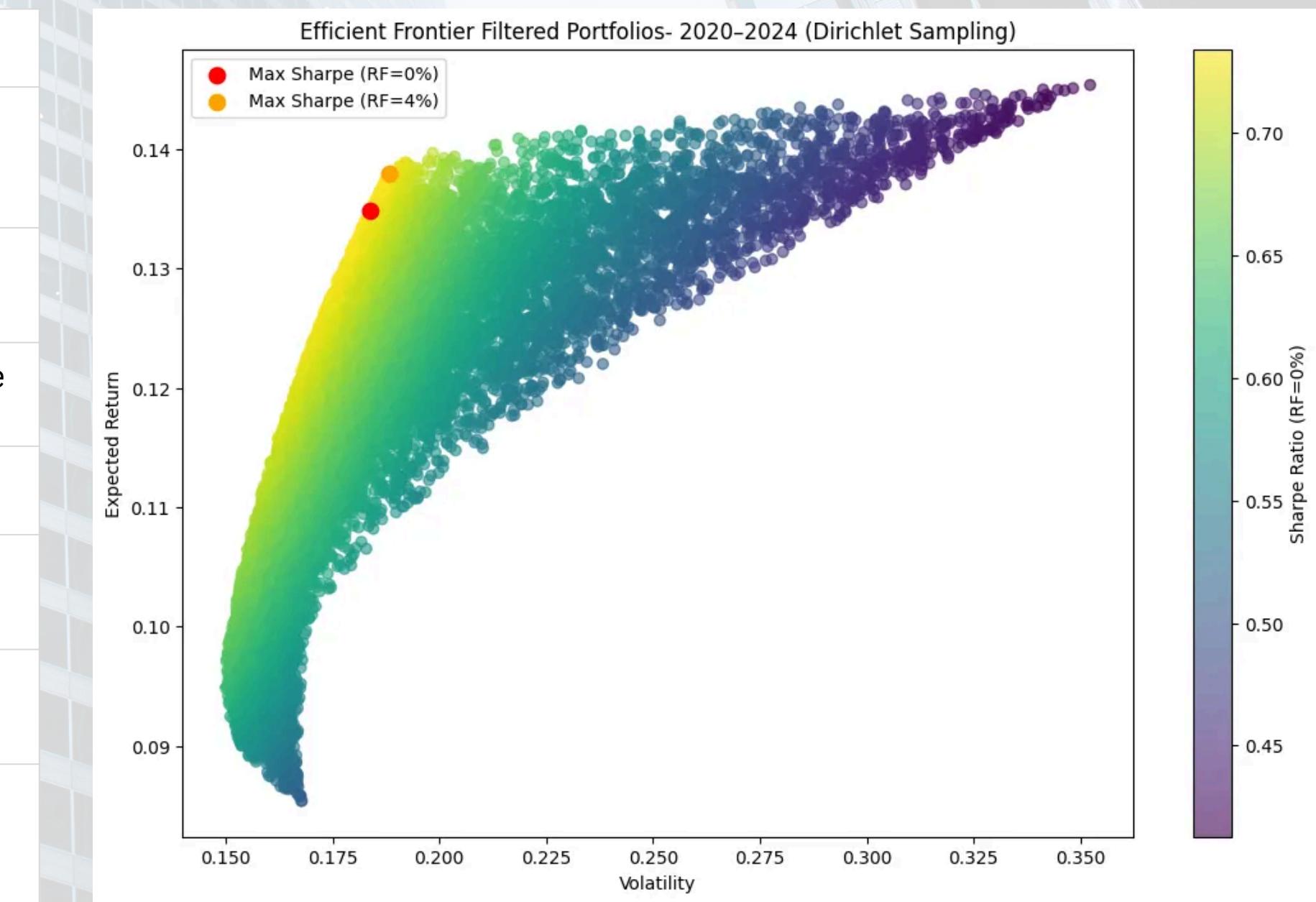
2. Sharpe filtering

- Identified the region with consistently highest risk-adjusted return (frontier cluster).

3. Beta sensitivity constraints

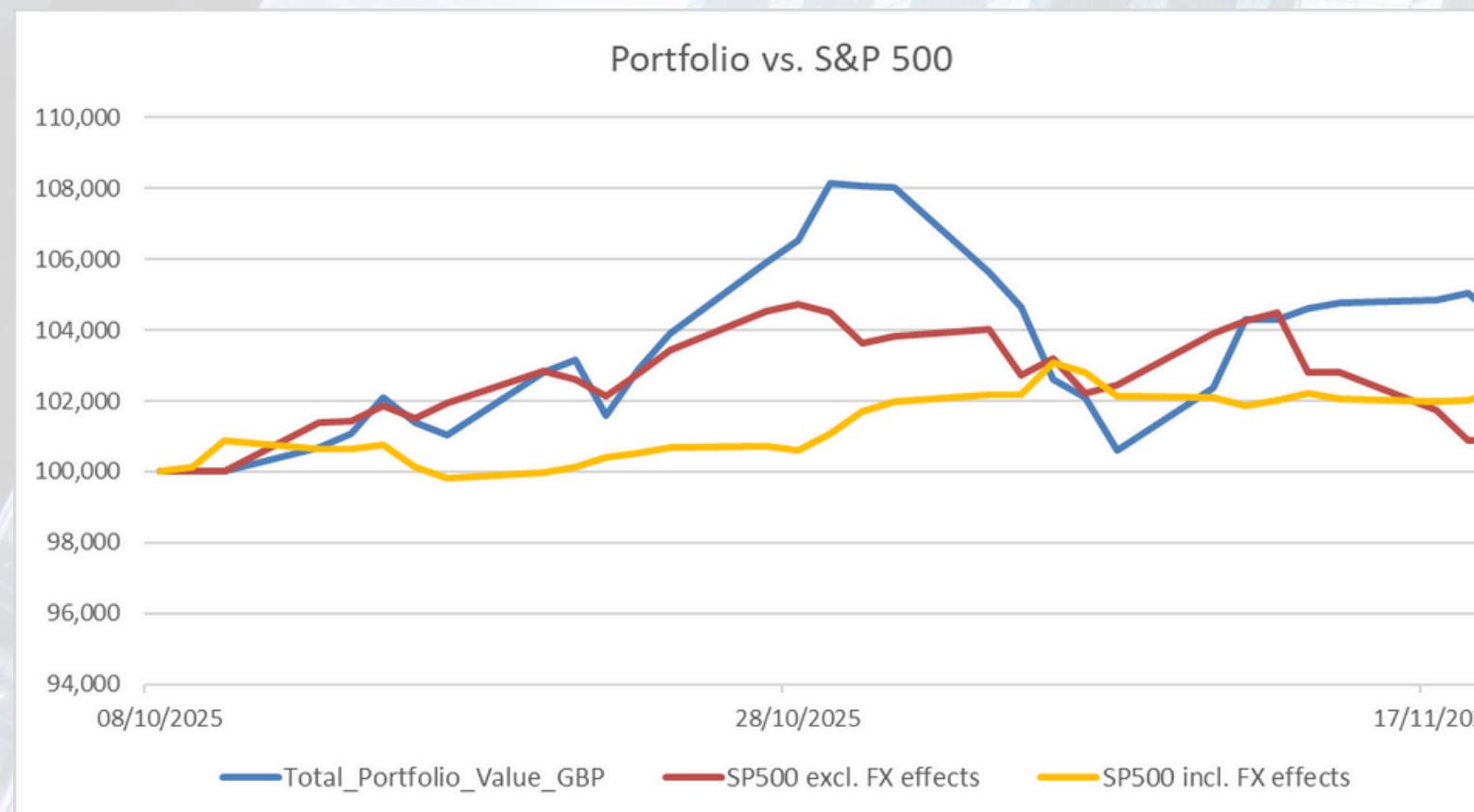
- Modelled factor betas to ensure exposures balanced across biotech, industrials, commodities, and macro factors.

Factor	Beta	Rationale
S&P 500	0.59	Moderate market sensitivity driven by diversification and idiosyncratic biotech returns.
MSCI World	0.66	Consistent with global equity exposure but below market-level beta.
Biotech Index	0.76	Primary driver of directional PnL and risk in the portfolio.
Oil	0.08	Very low linkage to energy price cycles.
Industrial Metals	0.41	Partial exposure through Glencore and industrials, but not dominant.
VIX	-0.07	Mild convexity and shock protection during volatility spikes.
NASDAQ-100	0.46	Decoupled from tech megacaps; deliberate avoidance of crowded AI/growth trades.



Performance & Benchmarking

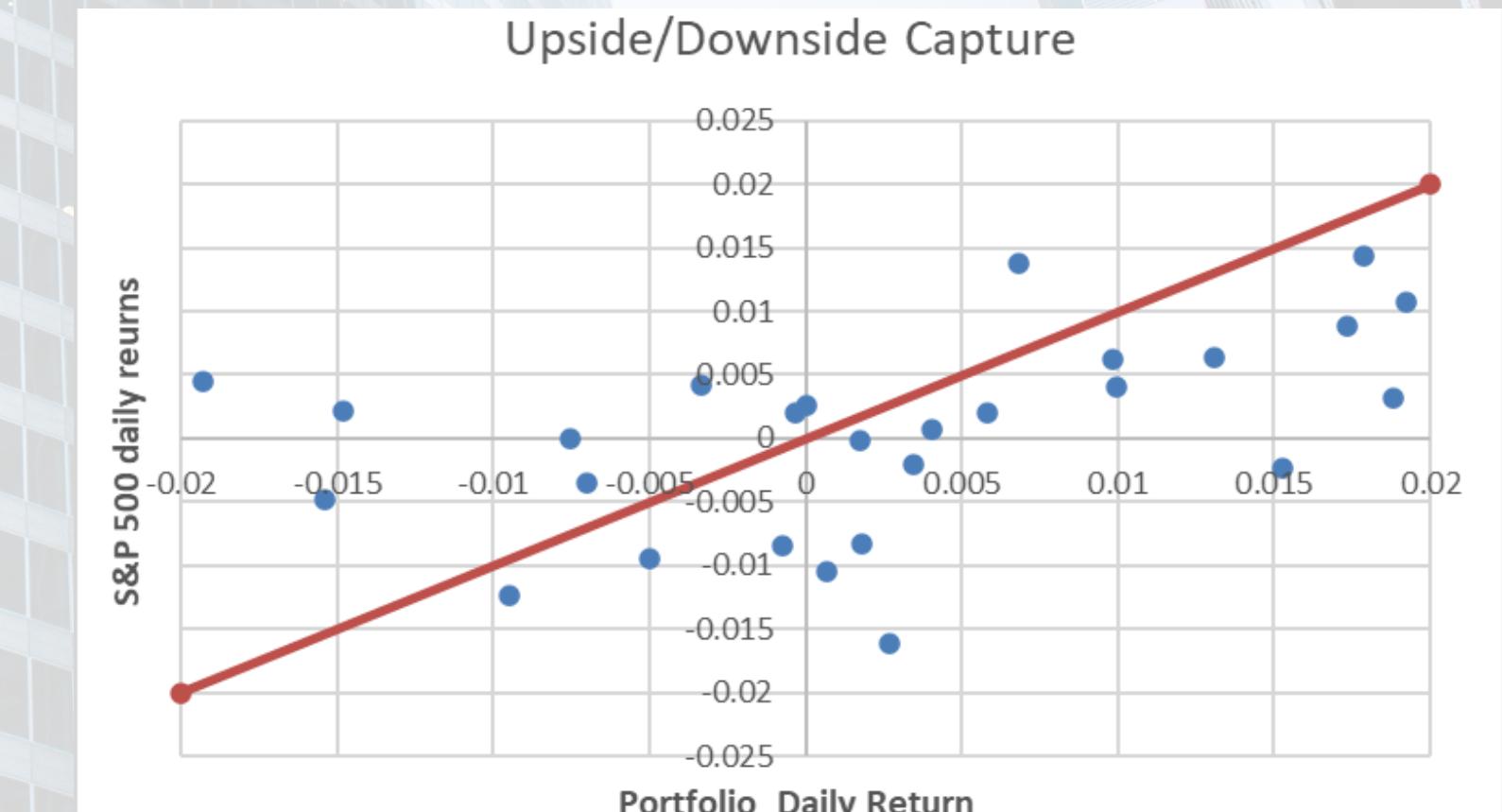
- **Regression vs S&P:**
 - **Beta ≈ 0.60**, indicating moderate market sensitivity
 - **R² ≈ 0.16** shows returns were mostly idiosyncratic.
 - Regression intercept was **positive and statistically significant**, reinforcing genuine alpha.
 - CAPM-implied return (using 3.75 percent T-bill) was well below our actual 6-week performance, implying a strong positive annualised alpha.
- **Core Insights:**
 - That excess return came from stock-specific catalysts and structural themes, not from general market beta or crowded AI exposure



CAPM-implied return	-5.92%
Actual Return	33.10%
CAPM-adjusted alpha	39.02%

Model: $R_p = \alpha + \beta r_m + \varepsilon$

CAPM adjustment: $\alpha_{CAPM} = \alpha - R_f (1 - \beta)$



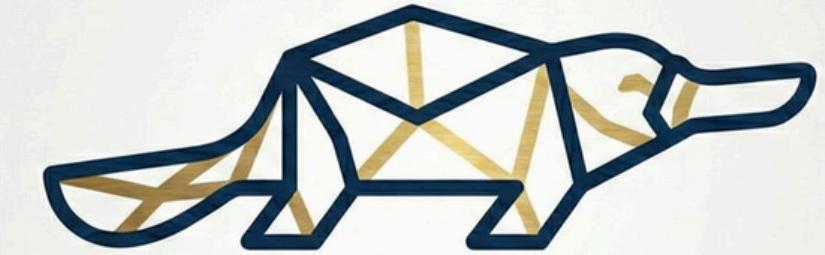
We're happy to take your questions.

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Appendix A: Securities Returns Correlation Table

	ARWR	BHVN	PTCT	CYTK	ASND	SU.PA	RHM.DE	ABBN.SW	IGF	GLEN.L	RTW.L	BATT.L	BA.L	INRA.AS	URNU.L
ARWR	1	0.283498	0.343132	0.292576	0.240144	0.145663	-0.00078	0.114827	0.28908	0.122169	0.046131	0.158373	0.019228	0.192414	0.155629
BHVN	0.283498	1	0.299238	0.226134	0.203634	0.119209	-0.01276	0.109994	0.24004	0.099071	-0.01468	0.15416	-0.01637	0.087692	0.181076
PTCT	0.343132	0.299238	1	0.232937	0.177326	0.095648	0.01151	0.084186	0.242824	0.058071	0.004206	0.09648	0.027575	0.164695	0.12349
CYTK	0.292576	0.226134	0.232937	1	0.175274	0.042631	0.01695	0.022212	0.212636	0.044039	0.037457	0.066299	-0.00774	0.120826	0.095566
ASND	0.240144	0.203634	0.177326	0.175274	1	0.107086	0.028722	0.131197	0.225219	0.071526	0.070766	0.106797	0.0347	0.158638	0.086144
SU.PA	0.145663	0.119209	0.095648	0.042631	0.107086	1	0.172265	0.761632	0.224406	0.305897	0.099744	0.547766	0.085493	0.346898	0.391834
RHM.DE	-0.00078	-0.01276	0.01151	0.01695	0.028722	0.172265	1	0.177782	0.093969	0.081523	-0.01285	0.16089	0.621146	0.104597	0.184056
ABBN.SW	0.114827	0.109994	0.084186	0.022212	0.131197	0.761632	0.177782	1	0.215977	0.295732	0.105528	0.524431	0.145835	0.348196	0.381299
IGF	0.28908	0.24004	0.242824	0.212636	0.225219	0.224406	0.093969	0.215977	1	0.261731	0.017547	0.257356	0.093603	0.396377	0.331364
GLEN.L	0.122169	0.099071	0.058071	0.044039	0.071526	0.305897	0.081523	0.295732	0.261731	1	0.072502	0.534056	0.089906	0.359225	0.421226
RTW.L	0.046131	-0.01468	0.004206	0.037457	0.070766	0.099744	-0.01285	0.105528	0.017547	0.072502	1	0.142786	0.005935	0.137282	0.088185
BATT.L	0.158373	0.15416	0.09648	0.066299	0.106797	0.547766	0.16089	0.524431	0.257356	0.534056	0.142786	1	0.082893	0.649311	0.53239
BA.L	0.019228	-0.01637	0.027575	-0.00774	0.0347	0.085493	0.621146	0.145835	0.093603	0.089906	0.005935	0.082893	1	-0.01207	0.127759
INRA.AS	0.192414	0.087692	0.164695	0.120826	0.158638	0.346898	0.104597	0.348196	0.396377	0.359225	0.137282	0.649311	-0.01207	1	0.405504
URNU.L	0.155629	0.181076	0.12349	0.095566	0.086144	0.391834	0.184056	0.381299	0.331364	0.421226	0.088185	0.53239	0.127759	0.405504	1