

Monthly Healthcare Megatrend Market Report

September 2021

HANetf & GinsGlobal
 HAN-GINS Indxx Healthcare Megatrend Equal Weight UCITS ETF
 WELL
 59bps
 IE00BJQTJ848
 Product Inception Date: 04/04/2019

For Professional Clients Only. Capital at risk.

All data as of 31.08.2021

This report was written by, and is the opinion of, the WELL Fund Partner, GinsGlobal

Key Takeaways

- Big Tech increasingly actively in Healthcare space, seeking disruption opportunities.
- Healthcare ripe for Tech upgrades, given inefficiencies and representing massive 21% of US GDP.
- Healthcare data companies' key targets, with the Google and Microsoft deals being just the beginning (HCA & Nuance).
- Gene Sequencing/Therapies increasingly being adopted within mainstream medicine.
- COVID remains huge gamechanger, Wearables, Gene Sequencing and Telemedicine fast tracked by 5 years.
- Cloud-based hospital spending is amongst fastest growing IT space.

Healthcare Megatrend ETF (WELL) Returns

August	12 Month*
3.32%	16.61%

Past performance is no guarantee of future performance.

Source: Solactive, HANetf

* 12 Month figures based on 01.09.20 - 31.08.21.

Performance Review

HAN-GINS Indxx Healthcare Megatrend UCITS ETF (WELL) posted good gains in August, up 3.3%. It is up 16.6% over 12 months.

Standout subthemes for the month: Gene Sequencing up 10%, Neuroscience 7%, Robotics 4% and Biotech 2%. For 2021 to date, Medical Devices up 21%, Healthcare Analytics 13% & Neuroscience 56% - represent WELL's top subthemes. (Table below).

For 2021 a key theme is the merging of Big Tech and Healthcare.

Top contributing holdings are spread across multiple themes, with Neuroscience and genome Sequencing dominating the Top 10 best performers in August.

Large recent deals by Google, Amazon and Apple shows the digital revolution is impacting the healthcare space.

We expect further acquisitions in this space from Big Tech who are driving up valuations across healthcare, particularly in the genomics, biotech, trackers/wearables and telemedicine space.¹

Cloud computing is facilitating Telemedicine, Wearables and Healthcare Data services. Even Genetic Sequencing is benefiting from the global use of Cloud and uploading phased trial data. Please note that all performance figures are showing net data.

¹ <https://www.healthcarelive.com/news/3-big-predictions-for-digital-health-in-2021/593691/>

Company Name	Sub-Themes	August Return Contribution
JMDC INC	Healthcare Analytics	4.93%
ARCTURUS THERAPEUTICS HOLDINGS INC	Genome sequencing	3.41%
PROTHENA CORP PLC	Neuroscience	3.40%
INTUITIVE SURGICAL INC	Robotics	3.13%
OPTIMIZERX CORP	Telemedicine	2.47%
TRANSLATE BIO INC	Genome Sequencing	1.61%
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	Bioinformatics	1.39%
PRECISION BIOSCIENCES INC	Genome Sequencing	1.25%
ALECTOR INC	Neuroscience	1.25%
OMEROS CORP	Neuroscience	1.24%

Past performance is no guarantee of future performance. Source: INDXX. Data as of 31.08.2021

HAN-GINS Indxx Healthcare Innovation UCITS ETF – Performance

As of 31.08.21

	1M	3M	6M	YTD	12M	SI
HAN-GINS Indxx Healthcare Megatrend	3.32%	7.06%	5.92%	6.33%	16.61%	51.05%
<i>Indxx Global NextGen Healthcare Index (NTR)</i>	3.25%	7.07%	6.02%	6.45%	16.94%	53.21%

Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer (“Prospectus”) before investing and should refer to the section of the Prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in this product. Source: Bloomberg / HANetf. Data as of 31/08/2021. Please note that all performance figures are showing net data.

Industry News

Telemedicine subtheme surpassed \$60.9bn in 2020 and is estimated to grow at 18.2% between 2021 and 2027. Increasing prevalence of chronic disease and growing need for patient management will potentially influence the market revenue. Also, growing telecommunications network and reduction in healthcare cost will potentially drive the industry growth. (Source: [Telemedicine Market Size & Share, Growth Outlook 2021-2027 \(gminsights.com\)](https://www.gminsights.com/insights/telemedicine-market-size-share-growth-outlook-2021-2027))



Annualized growth in telemedicine is predicted at 18%+ between 2021-2027. With the market growing to \$187bn North America currently dominates global telemedicine – at approximately double the size of Europe and 6 times larger than Asia-Pacific. (Source: [Telemedicine Market Size & Share, Growth Outlook 2021-2027 \(gminsights.com\)](https://www.gminsights.com))

The global DNA sequencing market size was valued at USD 4.7 billion in 2019 and is expected to expand at a compound annual growth rate (CAGR) of 11.4% from 2020 to 2027. Rapid advancements in sequencing technology and bioinformatics have enabled the identification of DNA variations. (Source: <https://www.grandviewresearch.com/industry-analysis/dna-sequencing-market>)

Large players are collaborating to diversify their product offerings. Prior to COVID in October 2019, Illumina and QIAGEN announced a 15-year partnership re providing in-vitro diagnostics test kits more broadly. <https://www.medgadget.com/2020/02/next-generation-sequencing-ngs-market-2020-size-estimation-company-share-growth-rate-industry-trends-competitive-analysis-regional-insights-with-global-forecast-to-2026.html>

Cancer is considered a genomic disease and next-generation sequencing techniques are expected to play a key role in providing timely and accurate diagnosis of the disease in its early stages.

Upward reratings across the Gene Sequencing and Biotech space continue due to the success of COVID vaccine and the continued digitalization of healthcare. Since COVID and the WFH phenomenon, the industry has raised record amounts of new capital. New CRISPR technology is fuelling the race for more precision or customised medicine.

CRISPR is making it easier to determine the genes and proteins that cause/prevent disease. It helps identify new targets for potential drugs.

Hospitals are now amongst the fastest adopters of cloud technology, boosting their commitment to Telemedicine and Wearables.

Wearable devices that provide real-time tracking of various aspects of health, including sleep and physical activity, are seeing a surge of investment. The global wearable medical devices market is growing fast (see below).

WEARABLE MEDICAL DEVICES MARKET

Global Wearable Medical Devices Market Size (US\$ Mn), 2018 to 2026



Global Wearable Medical Devices Market Share, By Product, 2018



North America Wearable Medical Devices Market Size (US\$ Mn), 2018



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Source: [Wearable-Medical-Devices-Market.png \(1000x600\) \(medgadget.com\)](#)

Constituent News

The top 6 contributors to returns were widespread across various subthemes: JMDC INC (Healthcare Analytics), ARCTURUS THERAPEUTICS (Genome Sequencing), PROTHENA CORP (Neuroscience), INTUITIVE SURGICAL (Robotics), OPTIMIZERX CORP (Telemedicine) and TRANSLATE BIO (Genome Sequencing).

WELL has expanded its underlying themes to include standalone themes Telemedicine and Healthcare Analytics. At least 100 holdings will always comprise WELL. Gene Sequencing and Biotech's weightings have risen, while Medical Devices saw its weighting decline.

Key changes include the following:

- Holdings now all equally weighted - emerging healthcare well represented.
- Biotech, Genomics, Healthcare Analytics & Telemedicine - larger now
- Good exposure to Large, Small- and Mid Cap stocks.
- Increasingly global – with the US at 71%. Japan 7.4%, China 4.3% and Europe 12%.
- Benchmark holds minimum 100 companies, plus an ESG screen.

This ensures more innovative smaller players receive a slightly larger weighting than before. An ESG screen has also been added. A total of 10 subthemes are now covered by WELL:

- | | |
|------------------------------------|-------------------------|
| • Robotics | • Bioinformatics |
| • Nanotechnology | • Neuroscience |
| • Genome Sequencing | • Medical Devices |
| • Healthcare Trackers | • Telemedicine |
| • Biological Engineering (Biotech) | • Healthcare Analytics. |

These subthemes are expected to benefit from significant increased US government healthcare spending under Biden. Fast tracked adoption rates of digital healthcare, due to COVID, continues to boost WELL's holdings in the medical device and biotech areas.

Top Subtheme Contributors

Sub-Themes	Contribution to Return	
	YTD	August
Telemedicine	-24.99%	-11.28%
Genome Sequencing	7.72%	9.79%
Medical Devices	20.68%	1.27%
Neuroscience	55.70%	6.98%
Bioinformatics	-5.42%	-3.10%
Biological Engineering	4.46%	1.87%
Healthcare Analytics	13.01%	1.05%
Robotics	-6.74%	3.76%
Healthcare Trackers	-44.02%	-4.41%

Past performance is no guarantee of future performance. Source: INDXX. Data as of 31.08.2021. Please note that all performance figures are showing net data.

Outlook

WELL's benchmark continues to benefit from large holdings across three key subthemes which are all above 20% weightings. These include Genome Sequencing, Medical Devices and Biological Engineering (Biotech).

In August, Genome Sequencing was a standout as the best performing subtheme, alone contributing 9.8% gain. This was followed by Neuroscience 7.0% and Robotics.

The Cloud Healthcare market is expanding rapidly across hospitals and is likely to dominate IT spending in this space for the next few years.² Cybersecurity spending is also likely to see a big increase in the healthcare space as privacy concerns and potential hacks, increasingly concern most hospital groups.

Product Details

HAN-GINS Indxx Healthcare Megatrend UCITS ETF (WELL) is a UCITS compliant Exchange Traded Fund domiciled in Ireland.

WELL tracks the Indxx Global NextGen Healthcare Index (Net Total Return), an index designed to measure the performance of large, mid and small-capitalisation companies primarily listed on an exchange in Developed and Emerging Markets that are involved in the Advanced Life Sciences & Smart Healthcare sector.

Please remember that the value of your investment may go down as well as up and past performance is no indication of future performance.

Visit the [WELL Fund Page](#) for more information.

² <https://www.businesswire.com/news/home/20200130005458/en/Global-Healthcare-Cloud-Computing-Market-2020-2024-Introduction-of-Blockchain-in-Cloud-Computing-to-Boost-the-Market-Growth-Technavio>

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	WELL LN	HAWELL.L	IE00BJQTJ848	-	BJVBGL7	USD	0.59%
London Stock Exchange	WELP LN	WELP.L	IE00BJQTJ848	-	BJVBGM8	GBP	0.59%
Borsa Italiana	WELL IM	WELL.MI	IE00BJQTJ848	-	BHRWXD1	EUR	0.59%
Deutsche Boerse Xetra	W311 GY	W311.DE	IE00BJQTJ848	-	BJ02354	EUR	0.59%
SIX Swiss Exchange	WELL SW	WELL.S	IE00BJQTJ848	47284465	BMYC3R3	CHF	0.59%



Anthony Ginsberg, GinsGlobal Index Funds

Anthony Ginsberg is the co-creator of the HAN-GINS Healthcare Megatrend UCITS ETF (WELL), enabling investors to gain exposure to over 100 leading healthcare companies across eight subthemes at the forefront of medical innovation. WELL tracks a rules-based index to identify and select companies involved in the field of innovative healthcare.

Anthony Ginsberg is the Managing Director of GinsGlobal Investment Management, a global asset management company offering a broad range of innovative index-linked products, for both retail and institutional investors. GinsGlobal designs index products for a number of leading financial institutions, including global insurers, banks and asset managers. GinsGlobal was founded in 2000 and has operations in North America, Africa, Middle East and Asia-Pacific.

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