

Monthly Healthcare Megatrend Market Report

November 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 30.09.2021

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

Key Takeaways

- Digital Health revolution in full swing due to COVID fast-tracking.¹
- Big Tech deals more active in Healthcare - acquisitions and disruptive opportunities.²
- US Healthcare huge inefficiencies - almost 20% of US GDP. Current lack of Tech integration³
- Expect higher valuations particularly in the Genomics, Biotech, Wearables, Analytics and Telemedicine space.⁴
- Cloud computing is facilitating Telemedicine, Wearables, Healthcare Data and Genetic Sequencing - benefiting from the global use of Cloud and uploading phased trial data.⁵
- Hospitals amongst the fastest adopters of Cloud technology, boosting their commitment to Telemedicine and Wearables.⁵
- Standout subthemes for 2021 returns: Neuroscience up 39.3%, Medical Devices 17.4% and Healthcare Analytics 10.8%.⁶
- Top monthly contributors across multiple themes – Healthcare Trackers up 9.9% (IRhythm), Telemedicine (Optimizerx 1.6%, Teledocs 2.3%), Bioinformatics (Veeva 2.5%, Health Catalyst 1.3%), Neuroscience (Xenon Pharma 10.4%) and Healthcare Analytics (Phreesia 2.1%, JMDC 1.2%)⁶
- Ten subthemes, with Equal Weight across all 105 current holdings.⁶
- Healthcare sector increasingly global – with the US at 70.4%, Japan 7.4%, China 4.0% and Europe 14.1%.⁷

Please note that all performance figures are showing net data.

¹<https://www.mckinsey.com/~media/mckinsey/business%20functions/mckinsey%20digital/our%20insights/how%20six%20companies%20are%20using%20technology%20and%20data%20to%20transform%20themselves/the-next-normal-the-recovery-will-be-digital.pdf>

² https://techcrunch.com/sponsor/shearman-sterling/technology-deals-are-bigger-faster-and-more-complex-in-2021/?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAANtla8sqgLXaRMehb87akU5fESJitx-vNuggeo4hsCQb1fm6zIMHIn8aYgCT3kDBQjU3tT5FmR6fG6mBsIpf3jdKmcNwkKyzELPj7eKC_v895dimoaBL-NJ4cJIS7SMm-3IKwO6zvMhGv_fyl4DIJQgWlvekuBJnhx0IIPA8h3Sw

³<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical>

⁴ <https://www.prnewswire.com/news-releases/global-digital-health-market-to-reach-456-9-billion-by-2026--301323925.html>

⁵<https://www.adlittle.com/en/insights/report/hospital-information-systems-digitally-enabled-era>

⁶ Source: INDXX. Data as of 31.10.2021

⁷ Source; HANetf October Fact Sheet - WELL)

Macro Outlook

- Digital Healthcare space is experiencing an influx of Big Tech deals. The US Healthcare industry is ripe for Tech upgrades, with healthcare representing almost 20% of US GDP⁸. We predict 30% annual growth in digital health to 2025. Digital adoption rates across Telemedicine, Data/Analytics, Wearables, Biotech and Gene Editing continue to spike as these areas become part of mainstream medicine.⁹
- Digital Health estimated at \$152.5bn in 2020, projected to reach a revised size of US\$456.9bn by 2026 - CAGR of 18.8% annually¹⁰
- Telemedicine continues fast uptake and favourable consumer perception – telehealth uses up 38 fold from pre COVID levels.¹¹
- In US ~\$250bn or 20% of all health spend could be virtualised.⁹
- North America dominates Telemedicine – at approximately double the size of Europe and 6 times larger than Asia-Pacific.¹²
- Global DNA sequencing market size to hit ~\$40bn by 2030 * just \$8.4bn currently.¹³
- Rapid advancements in sequencing technology and bioinformatics – enabling the identification of DNA variations.¹⁴
- Cancer (oncology) 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.¹⁵
- 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.¹⁶
- CRISPR makes it easier to determine the genes and proteins that cause/prevent disease. It helps identify new targets for potential drugs.¹³

⁸ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical>

⁹ [Telemedicine Market Size & Share, Growth Outlook 2021-2027 \(gminsights.com\)](https://www.gminsights.com/industry-analysis/telemedicine-market-size-share-growth-outlook-2021-2027)

¹⁰ <https://www.prnewswire.com/news-releases/global-digital-health-market-to-reach-456-9-billion-by-2026--301323925.html>

¹¹ <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

¹² [Telemedicine Market Size & Share, Growth Outlook 2021-2027 \(gminsights.com\)](https://www.gminsights.com/industry-analysis/telemedicine-market-size-share-growth-outlook-2021-2027)

¹³ <https://www.globenewswire.com/en/news-release/2021/02/24/2181661/0/en/DNA-Sequencing-Market-Size-to-Hit-Around-US-40-64-Bn-by-2030.html>

¹⁴ <https://www.grandviewresearch.com/industry-analysis/dna-sequencing-market>

¹⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5343844/>

¹⁶ <https://www.nature.com/articles/d41586-018-02477-1>

Top Subtheme Contributors	Contribution to Return	
	YTD	October
Telemedicine	-17.51%	-0.17%
Genome Sequencing	-7.13%	-0.05%
Medical Devices	17.40%	1.22%
Neuroscience	39.33%	3.35%
Bioinformatics	-12.73%	0.73%
Biological Engineering	1.95%	-1.95%
Healthcare Analytics	10.78%	3.05%
Robotics	-53.17%	-37.39%
Healthcare Trackers	-50.57%	11.01%

For illustrative purposes only. Past performance is no guarantee of future performance. Please note that all performance figures are showing net data. Source: INDXX. Data as of 31.10.2021

- 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).
- Cloud Healthcare market is expanding rapidly across hospitals and is likely to dominate IT spending in this space for the next few years.¹⁷
- 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.

HAN-GINS Indxx Healthcare Innovation UCITS ETF – Performance

As of 30.09.21

	1M	3M	6M	YTD	12M	2y	3Y	SI
HAN-GINS Indxx Healthcare Megatrend	0.82	-1.08%	-1.02%	1.81%	15.20%	43.10%	NA	44.62%
<i>Indxx Global NextGen Healthcare Index (NTR)</i>	0.64%	-1.32%	-1.19%	1.73%	15.22%	44.20%	56.15%	46.43%

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 31/10/2021. Please note that all performance figures are showing net data.

¹⁷ <https://www.prnewswire.com/news-releases/healthcare-cloud-computing-market-expected-to-surge-6x-over-the-next-ten-years-to-reach-a-valuation-of-90-billion-in-2031-301430611.html>

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.

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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Please note that all performance figures are showing net data.

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