

# Markedsobservationer maj 2022

*Er vi der snart?*

Onsdag d. 1. juni 2022

V/Steen Albrechtsen, Redaktør og Porteføljemanager

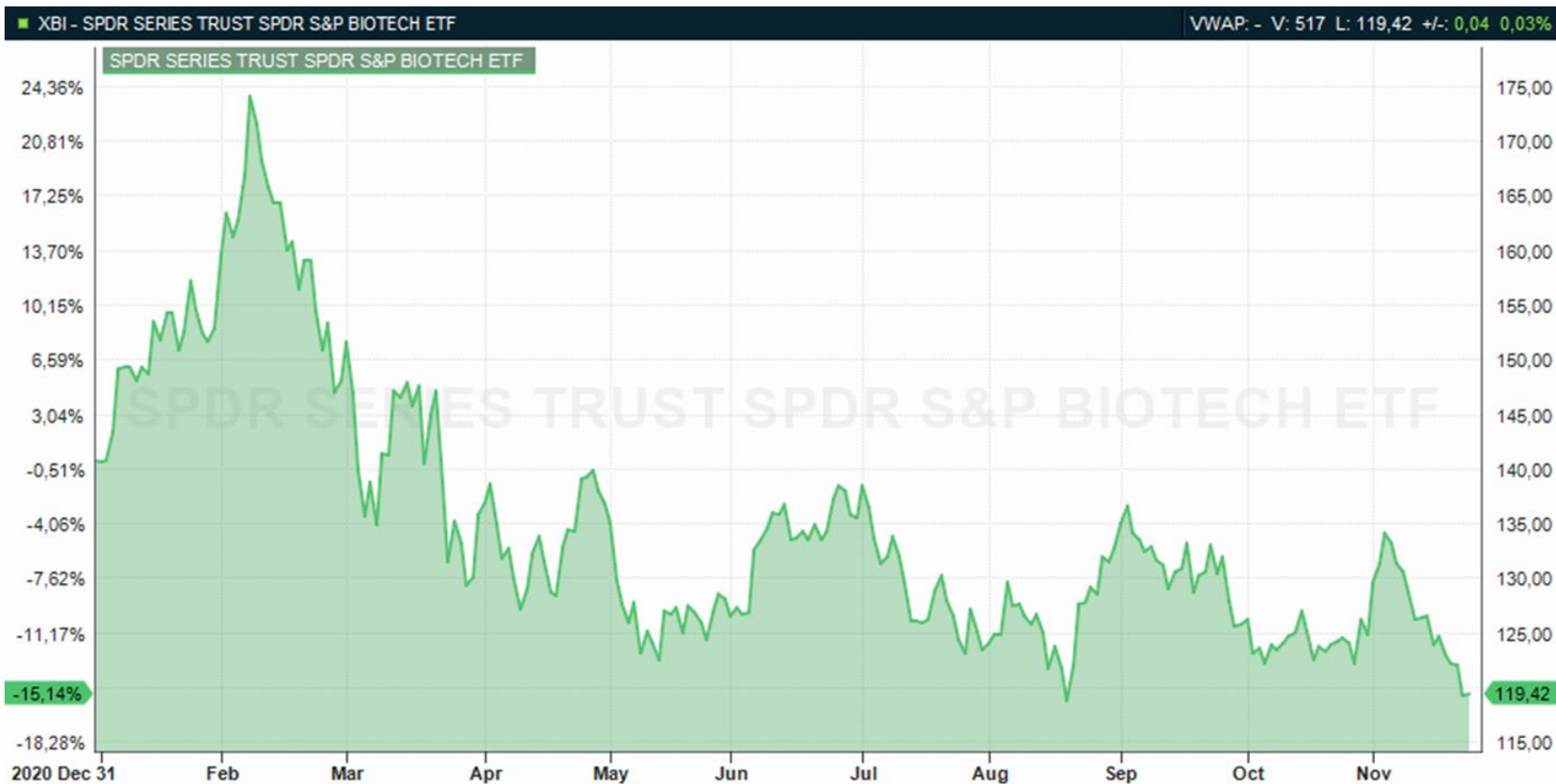


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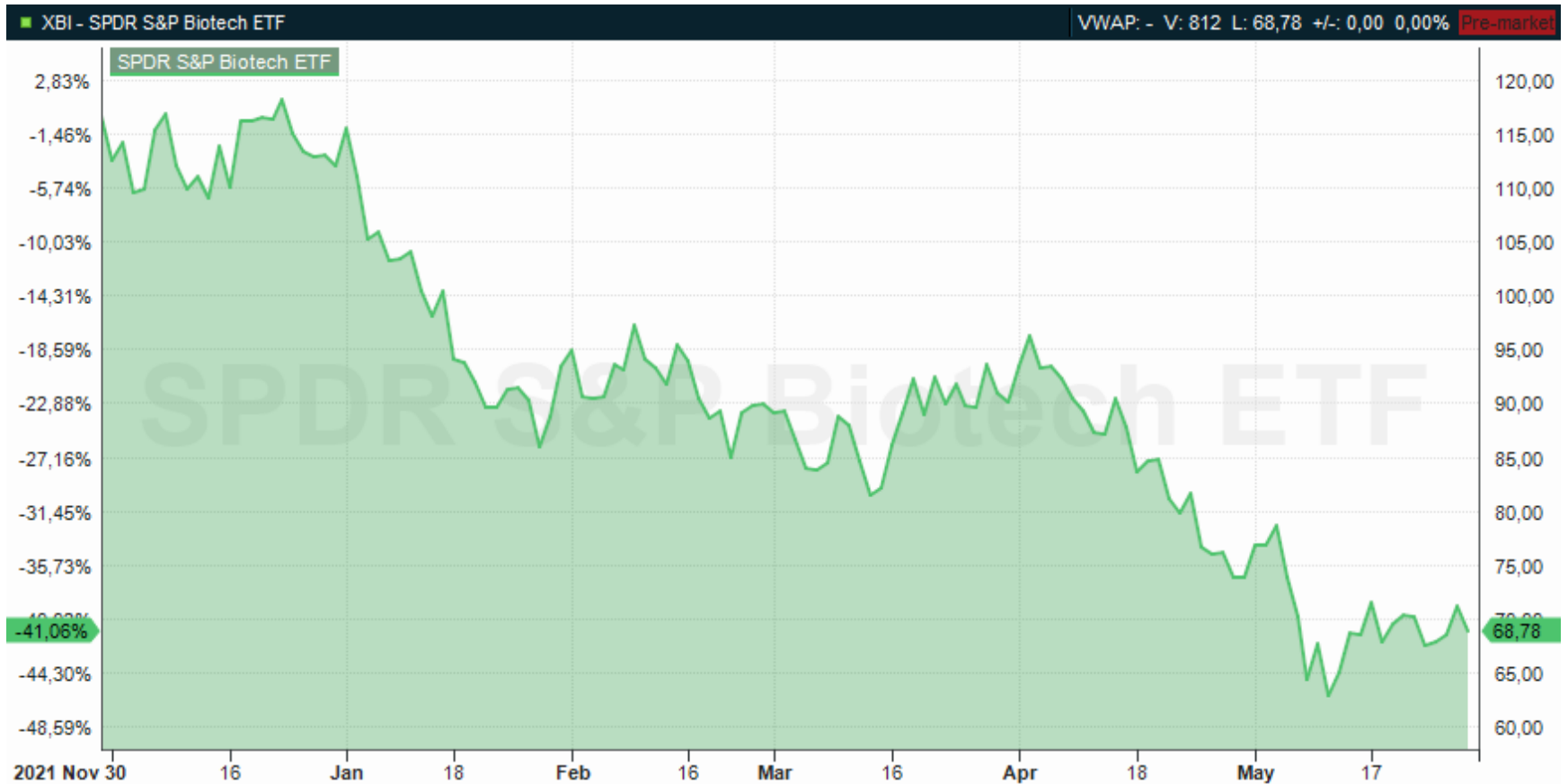
Økonomisk Ugebrev

Fra nov.  
2021

# XBI (S&P Biotech ETF) (Primo 2021 til idag)

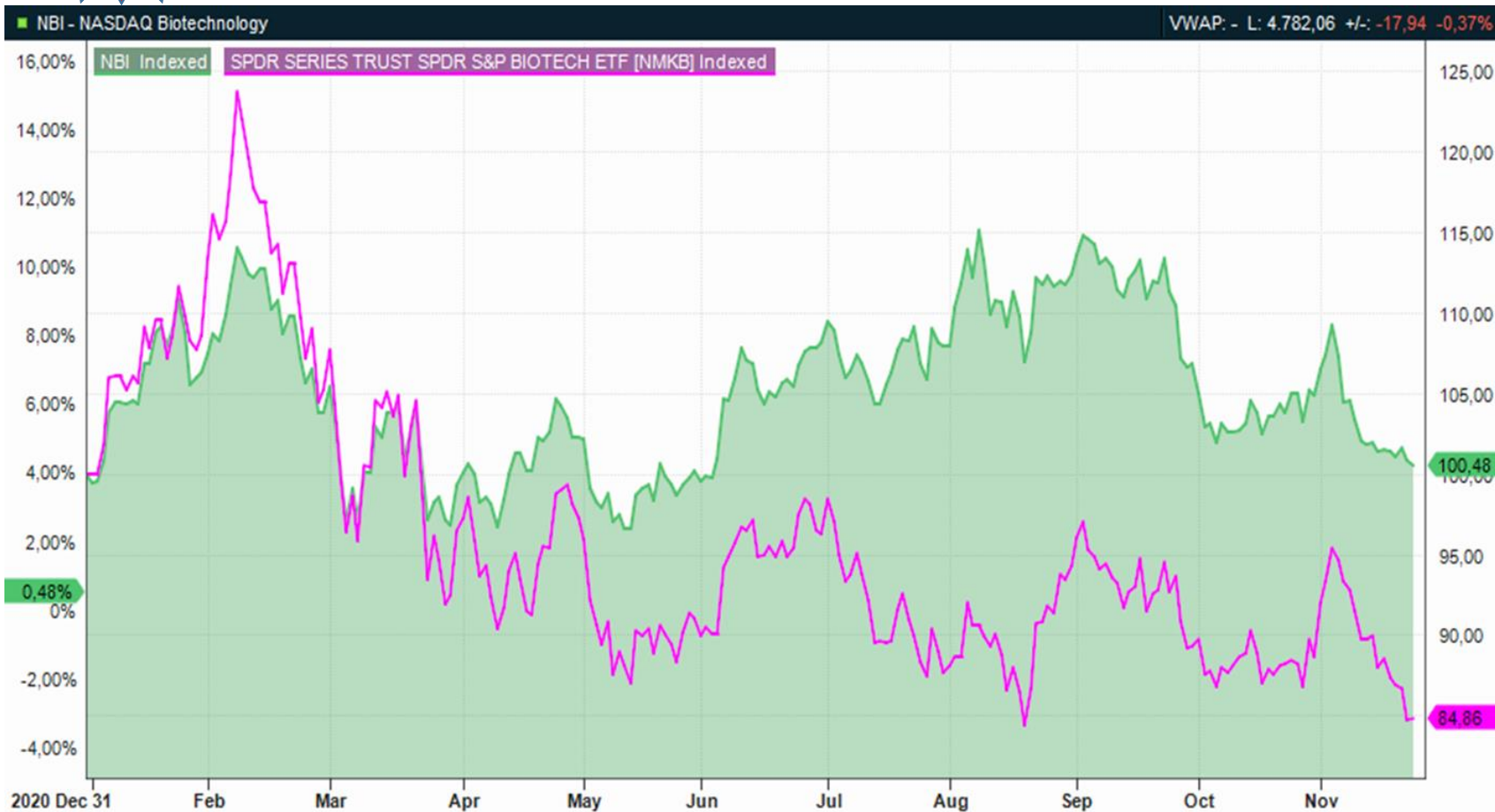


# XBI (S&P Biotech ETF) (Seneste 6 mdr.)



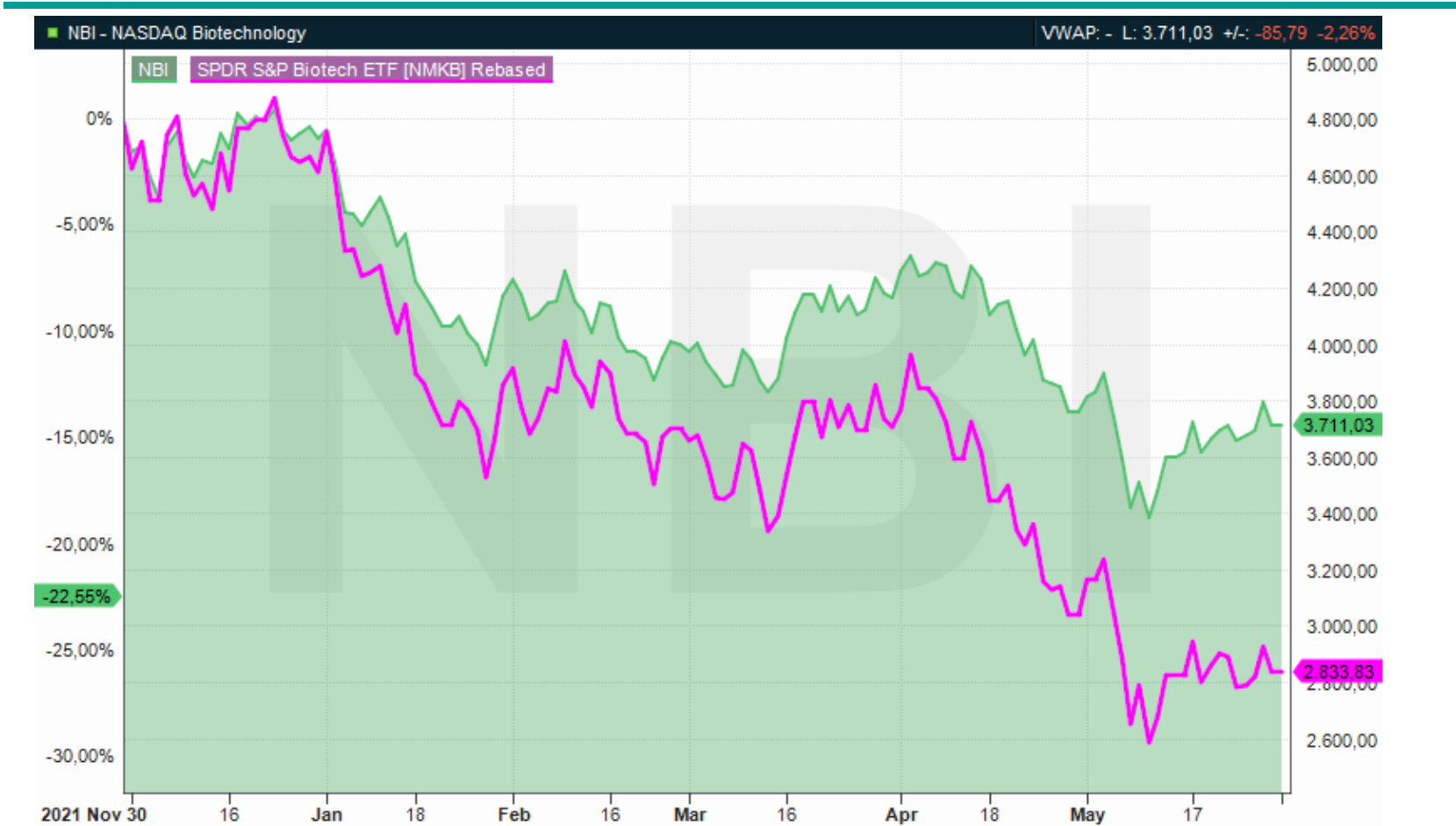
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# Nasdaq Bio vs. XBI (S&P Biotech ETF) (Primo 2021 til idag)

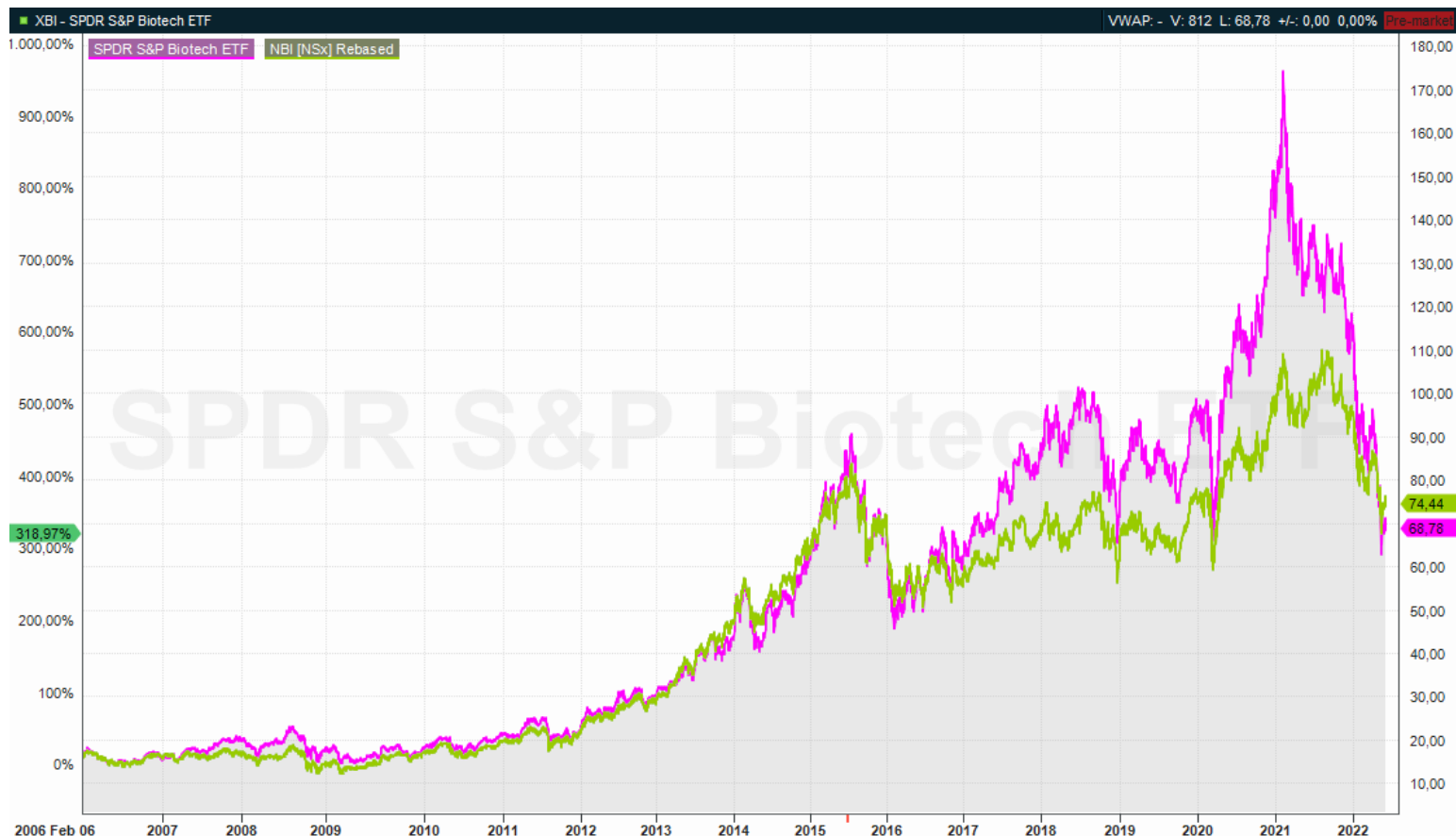


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# Nasdaq Bio vs. XBI (S&P Biotech ETF) (Seneste 6 mdr.)



# Nasdaq Bio og XBI (S&P Biotech ETF) (Det lange perspektiv)



Fra nov.  
2021

# Nasdaq Bio vs. XBI (S&P Biotech ETF)

## TOP 10 SECURITIES BY WEIGHT

TICKER	SECURITY	WEIGHT
MRNA	MODERNA INC CS	8.65%
AMGN	AMGEN	7.98%
GILD	GILEAD SCIENCES INC	7.48%
REGN	REGENERON PHARMACEUT	5.43%
ILMN	ILLUMINA INC.	5.42%
VRTX	VERTEX PHARMACEUTIC	3.83%
BIIB	BIOGEN INC CMN	3.53%
SGEN	SEAGEN INC. CMN STK	2.65%
HZNP	HORIZON THRPT PB OS	2.12%
ALNY	ALNYLAM PHARMACEUT	1.93%

All Information as of 09/30/2021.

## TOP 25 HOLDINGS

COMPANY	SYMBOL	TOTAL NET ASSETS
<a href="#">Dynavax Technologies Corp.</a>	DVAX	1.36%
<a href="#">Intellia Therapeutics Inc.</a>	NTLA	1.21%
<a href="#">Translate Bio Inc ORD</a>	TBIO	1.13%
<a href="#">Moderna Inc.</a>	MRNA	1.11%
<a href="#">Editas Medicine Inc.</a>	EDIT	1.09%
<a href="#">Arcturus Therapeutics Holdings Inc.</a>	ARCT	1.03%
<a href="#">Celldex Therapeutics Inc.</a>	CLDX	1.02%
<a href="#">Cytokinetics Inc.</a>	CYTK	1.01%
<a href="#">Veracyte Inc.</a>	VCYT	0.86%
<a href="#">Cortexyme Inc.</a>	CRTX	0.86%
<a href="#">ChemoCentryx Inc.</a>	CCXI	0.84%
<a href="#">Regeneron Pharmaceuticals Inc.</a>	REGN	0.83%
<a href="#">Anavex Life Sciences Corp.</a>	AVXL	0.81%
<a href="#">Biohaven Pharmaceutical Holding Co. Ltd.</a>	BHVN	0.80%
<a href="#">Beam Therapeutics Inc.</a>	BEAM	0.80%
<a href="#">Alkermes PLC</a>	ALKS	0.80%



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# Nasdaq Bio vs. XBI (S&P Biotech ETF)

Figure 2: Weekly ETF (IBB) fund flows in biotech

	Week Ending	IBB (\$ M)		Week Ending	IBB (\$ M)
1Q22	6-Jan-22	(720.3)	2Q22	7-Apr-22	272.1
	13-Jan-22	(134.6)		14-Apr-22	(339.8)
	20-Jan-22	(454.0)		21-Apr-22	(433.3)
	27-Jan-22	(509.9)		28-Apr-22	(468.8)
	3-Feb-22	350.3		5-May-22	(173.0)
	10-Feb-22	98.3		12-May-22	(383.1)
	17-Feb-22	(476.7)		19-May-22	407.3
	24-Feb-22	(191.5)		26-May-22	(59.8)
	3-Mar-22	(15.9)		2-Jun-22	
	10-Mar-22	(68.0)		9-Jun-22	
	17-Mar-22	504.0		16-Jun-22	
	24-Mar-22	372.1		23-Jun-22	
	31-Mar-22	(196.7)		30-Jun-22	
<b>Q1 flows</b>		<b>(1,443.1)</b>	<b>Q2 flows</b>		<b>(1,178.5)</b>
			<b>Total YTD</b>		<b>(2,621.5)</b>

Source: Bloomberg Finance L.P.

Figure 3: iShares Biotechnology ETF (IBB) Holdings

Top 10 Holdings (54.26% of Total Assets)	Weight (%)
Amgen	9.83%
Gilead Sciences	8.57%
Regeneron Pharmaceuticals	7.54%
Vertex Pharmaceuticals	7.22%
Moderna	4.79%
IQVIA Holdings	3.89%
Illumina	3.27%
BioNTech	3.12%
Biogen	3.12%
Mettler-Toledo International	2.91%

Source: Bloomberg Finance L.P. as of 26-May-2022



# Nasdaq Bio vs. XBI (S&P Biotech ETF)

## XBI witnesses inflows of \$6.8M this week

Figure 4: Weekly ETF (XBI) fund flows in biotech

	Week Ending	XBI (\$ M)		Week Ending	XBI (\$ M)
1Q22	6-Jan-22	(928.9)	2Q22	7-Apr-22	(93.9)
	13-Jan-22	(413.0)		14-Apr-22	(421.9)
	20-Jan-22	(105.8)		21-Apr-22	(385.3)
	27-Jan-22	301.9		28-Apr-22	(290.9)
	3-Feb-22	273.5		5-May-22	(283.4)
	10-Feb-22	430.3		12-May-22	(231.4)
	17-Feb-22	(340.8)		19-May-22	214.4
	24-Feb-22	217.6		26-May-22	6.8
	3-Mar-22	(107.9)		2-Jun-22	
	10-Mar-22	260.6		9-Jun-22	
	17-Mar-22	(12.6)		16-Jun-22	
	24-Mar-22	676.3		23-Jun-22	
	31-Mar-22	(330.8)		30-Jun-22	
<b>Q1 flows</b>		<b>(79.6)</b>	<b>Q2 flows</b>		<b>(1,485.8)</b>
			<b>Total YTD</b>		<b>(1,565.3)</b>

Source: Bloomberg Finance L.P.

Figure 5: SPDR S&P Biotech ETF (XBI) Holdings

Top 10 Holdings (13.60% of Total Assets)	Weight (%)
Halozyne Therapeutics	1.52%
United Therapeutics	1.51%
Dynavax Technologies	1.38%
Biohaven Pharmaceutical	1.38%
Alkermes	1.35%
Vertex Pharmaceuticals	1.31%
Ionis Pharmaceuticals	1.31%
Turning Point Therapeutics	1.30%
Iovance Biotherapeutics	1.28%
Gilead Sciences	1.28%

Source: Bloomberg Finance L.P. as of 26-May-2022

# Pharma vs Biotech



# Småt er ikke godt

Biotech Universe Performance Since XBI High by Market Cap

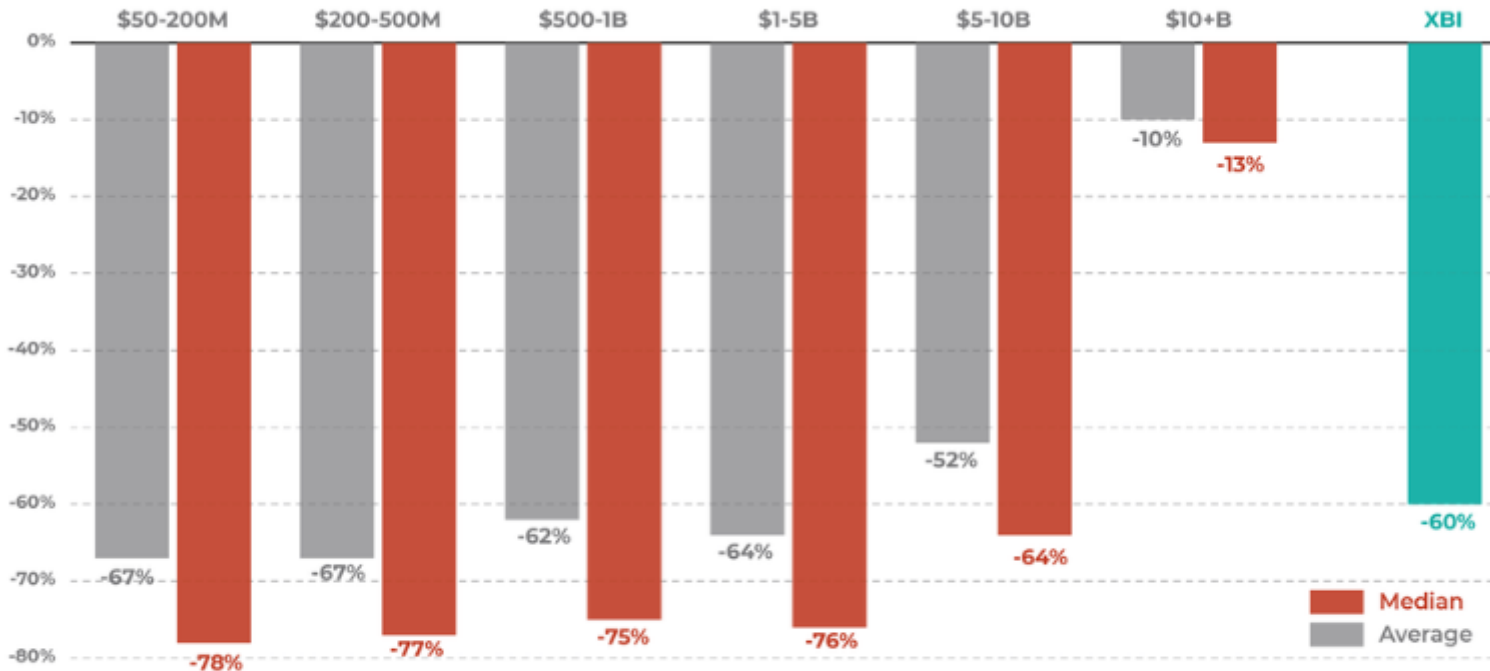


Figure 1: Biotech performance (XBI) by market capitalization since Feb 2021 peak through May 24th, 2022.

# Ingen er gået ram forbi

<u>ETF – navn/focus</u>	<u>År-til-dato afkast (20/5)</u>
ARK Genomic Revolution ETF	-46,74%
Virtus <u>LifeSci</u> Biotech Clinical Trials ETF	-49,72%
VanEck Biotech ETF	-23,00%
Virtus <u>LifeSci</u> Biotech Products ETF (min. 1 <u>godkendt</u> )	-26,00%
Loncar Cancer Immunotherapy ET	-38,61%
First Trust NYSE Arca Biotechnology Index Fund	-17,56%
iShares Biotechnology ETF	-24,25%
iShares Genomics Immunology and Healthcare ETF	-33,82%
SPDR S&P <u>Biotech</u> ETF (XBI)	-37,13%

# Ingen er gået ram forbi

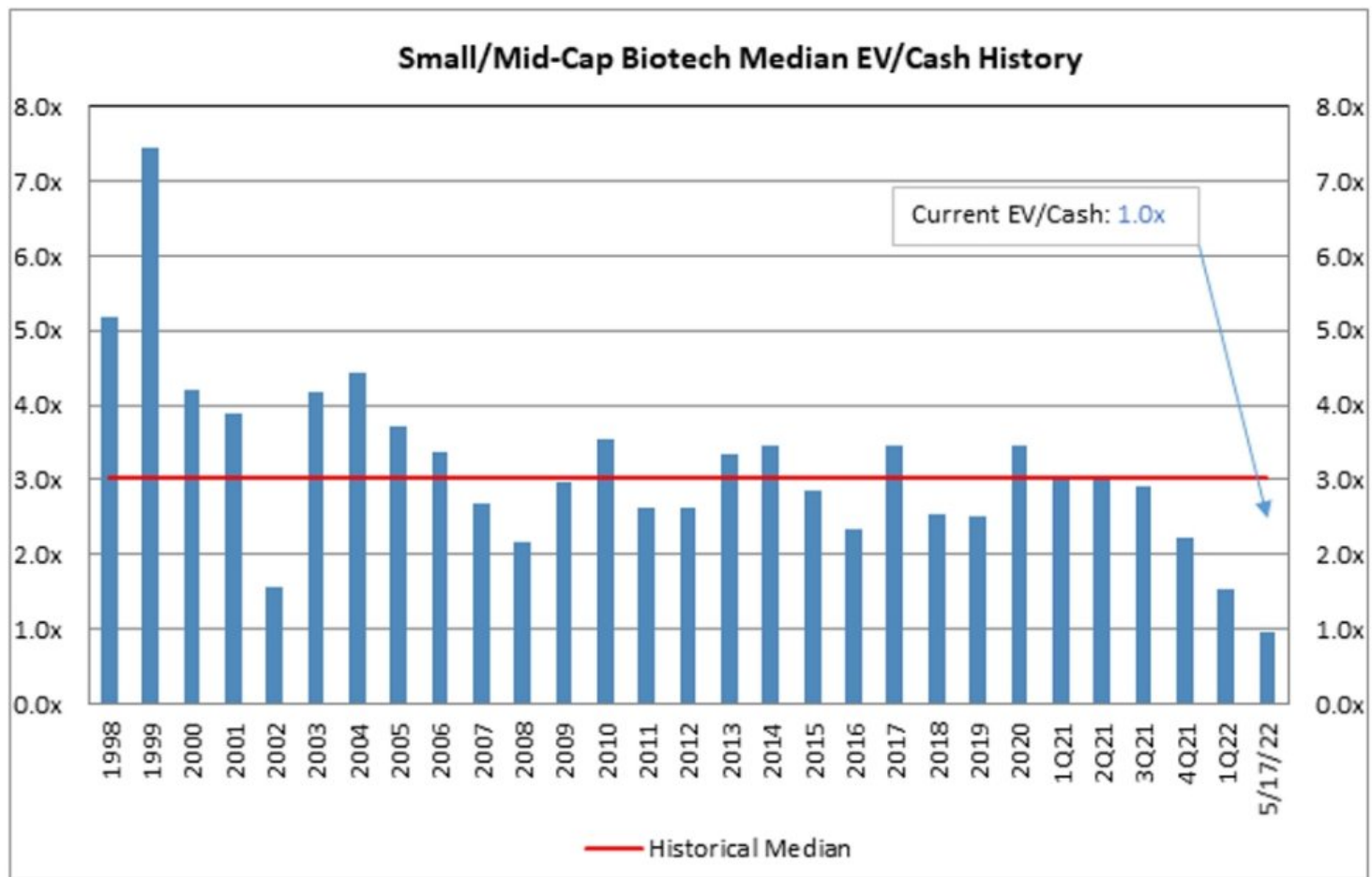
<u>Andre Biotech fonde - unoterede</u>	Jan-april 2022	apr-22 isoleret
RTW	-27%	-13%
Casdin	-53%	-28%
Avoro	-25%	-14%
RA	-18%	-7%
Perceptive	-27%	-11%

# Ingen er gået ram forbi

Kilde: Baird

IPO Recap	# of Deals	Amount Raised (\$M)	Raise/Deal (\$M)
2011	1	\$139	\$139
2012	9	\$636	\$71
2013	48	\$6,266	\$131
2014	83	\$7,216	\$87
2015	61	\$5,557	\$91
2016	34	\$3,015	\$89
2017	40	\$3,826	\$96
2018	70	\$7,289	\$104
2019	54	\$6,901	\$128
2020	94	\$17,073	\$182
2021	119	\$16,232	\$136
2022	8	\$599	\$75

# SMID EV/Cash is at All Time Low Now, Even Below 2008 Levels

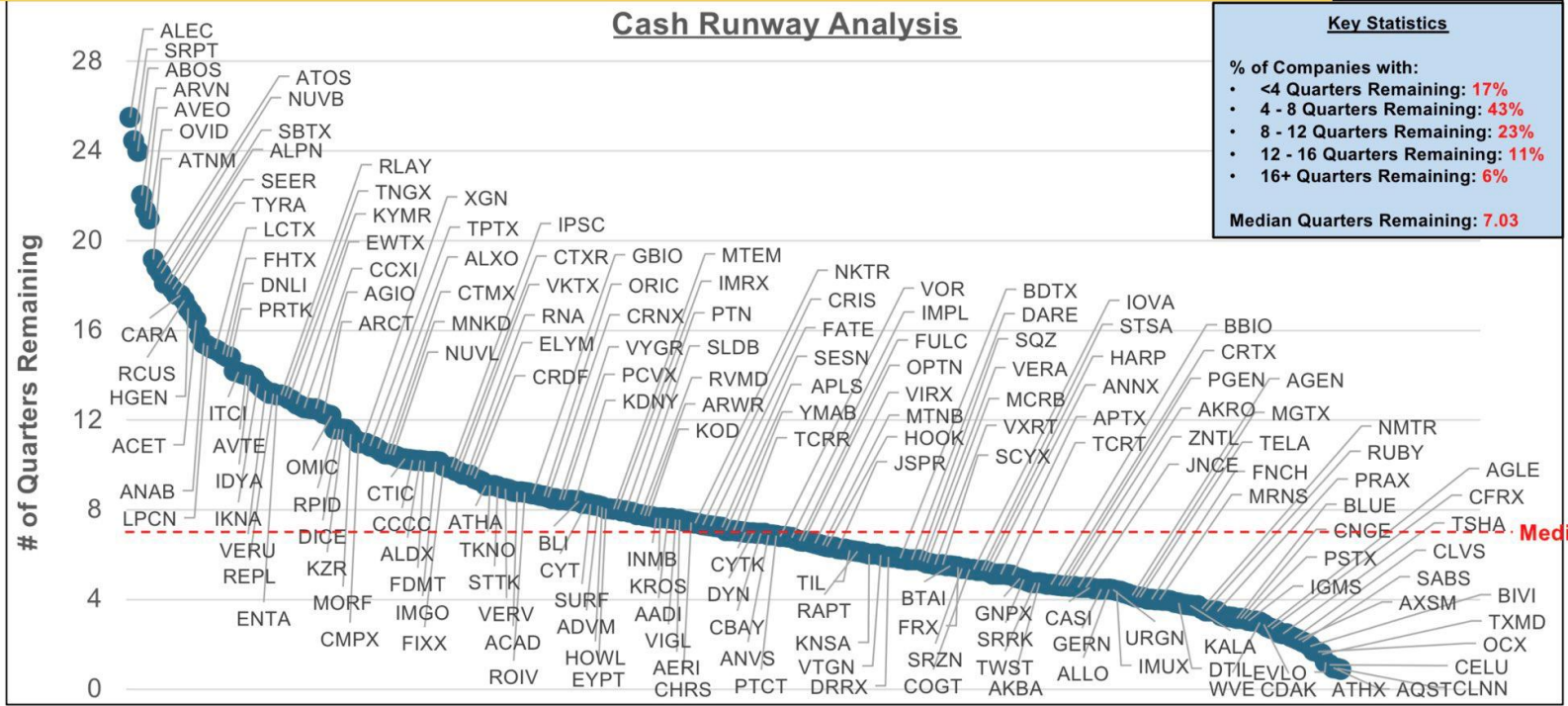


Source: Wells Fargo Securities, LLC, Bloomberg

# Cash is king

Tracked Companies

## Cash Runway 1Q22 – Majority of Companies have Cash for >1 Year



For this group of companies (development stage companies with negative net income at 1Q22 and a minimum market cap of \$100 mln):

- 83% of these companies have a cash runway of four or more quarters with a median 7.0 quarters remaining
- 17% of the companies appear to require access to capital within one year
- Companies with 16+ quarters of cash runway have either generated cash from partnerships (RCUS, ATNM etc.), have raised capital (TVST etc.), have recently IPO'd (TYRA etc.), or a combination of these and other factors
- Oncology companies continue to be amongst the most well capitalized holding 13 of the top 20 positions with the longest runways in our sample size of ~320 emerging biotech companies
- For biotechs with less than 1 year of runway (n=49), an additional \$1.71 bln is needed to lengthen the combined runway to 1 year

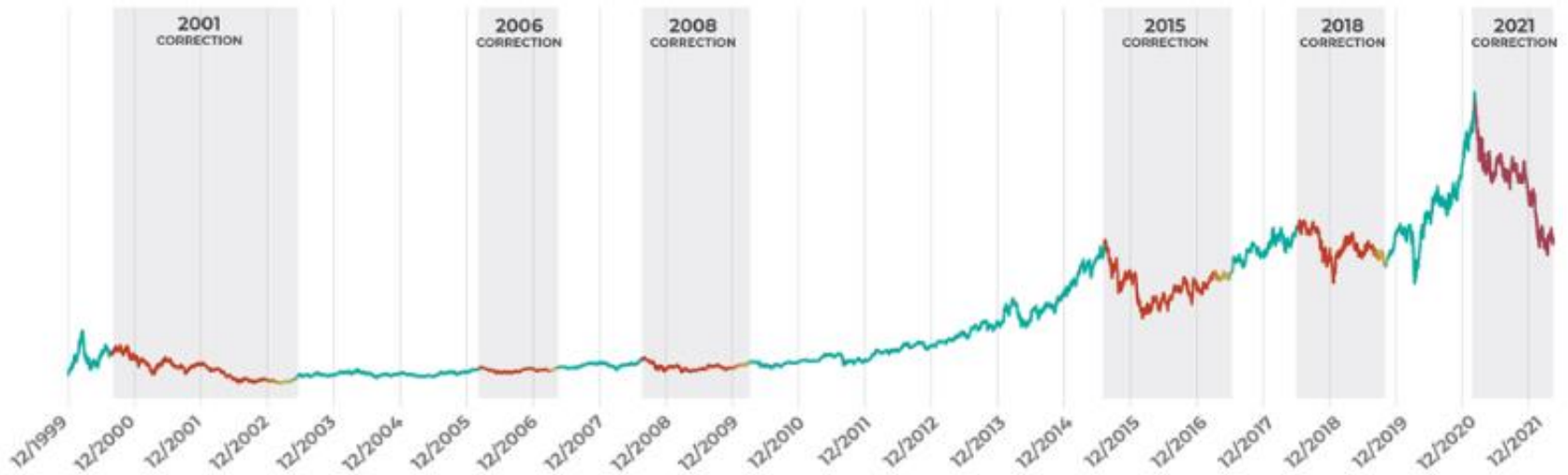
Source: Bloomberg, MSUSA



# Er vi der smart?

Kilde: RA Capital

Normalized Performance of Drawdowns from Prior Peaks



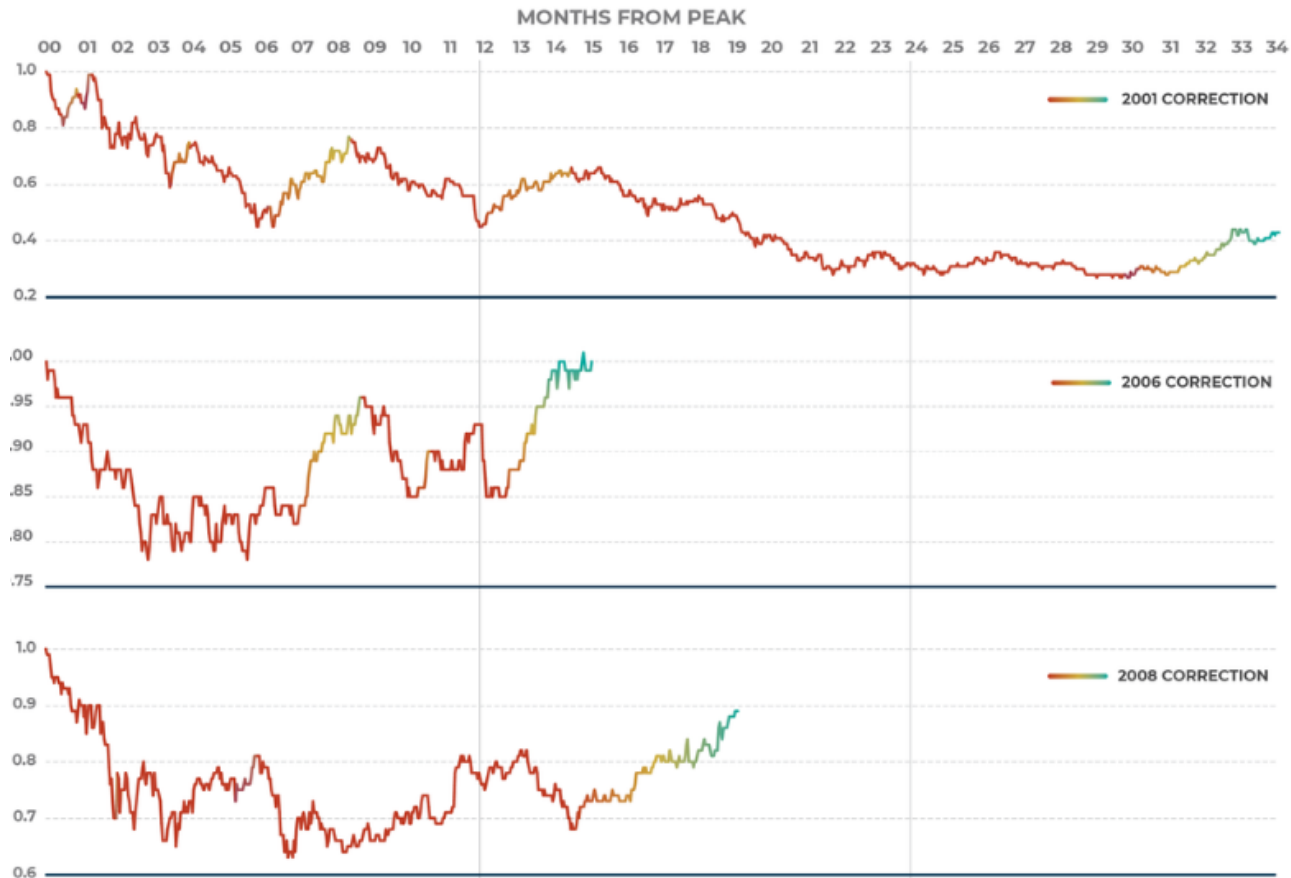
# Er vi der snart?

Kilde: RA Capital



# Er vi der snart?

Kilde: RA Capital



# Seneste M&A

- Pfizer køber sin partner Biohaven
- Forskellige Partnerships
- Eksempler på store præmier i small- og nano-cap

## GSK to acquire clinical-stage bio company Affinivax, Inc.

For investors and media only

Issued: 31 May 2022, London UK - LSE announcement

- GSK to pay \$2.1 billion upfront and up to \$1.2 billion milestones



# Redningskransene

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- Ny patentkløft på vej i 2025-2030 (200 mia. USD / 46%)
- Big Pharma har masser af cash (kan købe hele XBI)
- Platform-selskaber og/eller "ny" teknologi/MOA
- Udskilningsløb i gang mellem lav- og høj kvalitet
- Kig på kassebeholdningen
- Emissioner → temperaturmåler på markedet
- Generalist-fonde på vej ind?
  
- **Rente/Inflation/Risk bestemmer dog i lang tid alt**

# Ekstern ekspertgruppe

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- Stadig åben for medlemmer
- Nøgleord er viden, interesse og investeringserfaring
- Stor frihed ift. dækning/frekvens (160 selskaber)
- Ansvar for 1-10 selskaber
- Nyhedskommentar
- Honorar, men det er ikke lønnen der driver værket
  
- Skriv til [sa@ugebrev.dk](mailto:sa@ugebrev.dk)

# Advice Capital Breakthrough Biotech

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## Børsnotering 2. halvår 2022

- Specialistfond designet til at finde de mest lovende lægemidler med regulatorisk medvind. Derefter høste værditilvæksten ved at lade kommercialiseringen udfolde sig i 4 år.
- Primært cancer og sjældne sygdomme
- Overvægt af kommercielle biotekselskaber

Porteføljemanagere: Peter Hildebrandt og Steen Albrechtsen

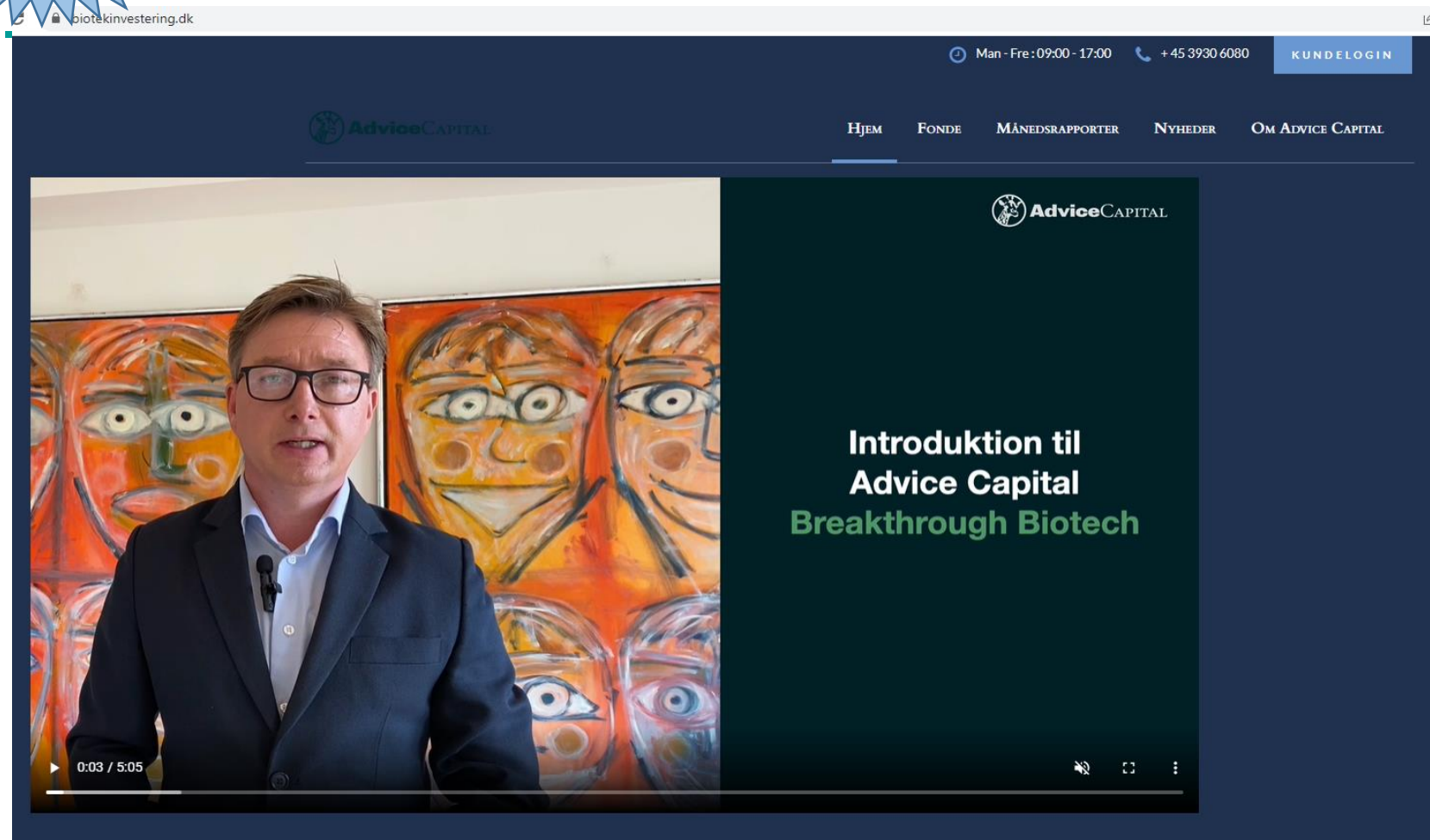
Rådgiver:

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Tlf.: (+45) 3930 6080

[www.advicecapital.eu](http://www.advicecapital.eu) / [www.biotekinvestering.dk](http://www.biotekinvestering.dk)

Annonce

[www.biotekinvestering.dk](http://www.biotekinvestering.dk) – se intro



The screenshot shows the website [www.biotekinvestering.dk](http://www.biotekinvestering.dk). The top navigation bar includes the Advice Capital logo, a home button, and links for 'FONDE', 'MÅNEDSRAPPORTER', 'NYHEDER', and 'OM ADVICE CAPITAL'. Contact information for 'Man - Fre: 09:00 - 17:00' and '+45 3930 6080' is displayed, along with a 'KUNDELOGIN' button. The main content area features a video player with a man in a suit and glasses speaking. The video title is 'Introduktion til Advice Capital Breakthrough Biotech'. The video progress bar shows 0:03 / 5:05.

01-06-2022

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