

Monthly Healthcare Innovation Market Report

August 2020

HANETF & GinsGlobal

HAN-GINS Indxx Healthcare Innovation UCITS ETF

WELL

59bps

IE00BJQTJ848

Fund Inception Date: 04/04/2019

For Professional Clients Only. Capital at risk.

This report was written by, and is the opinion of, the ITEK fund partners GinsGlobal.

Key Takeaways

- A large number of our Healthcare ETF's constituents are directly benefiting from COVID-19 requirements and healthcare changes.
- WELL's biotech holdings are at the forefront of vaccine research.
- Medical device makers are amongst the biggest suppliers of PPE materials, ventilators and other respiratory equipment.
- Biological Engineering (Biotech), Robotics and Healthcare Trackers are key contributors to the July performance of our wellness ETF

Wellness ETF (WELL) Returns

July	YTD*	12 Month**
7.33%	15.39%	27.51%

Past performance is no guarantee of future performance.

Source: Bloomberg/HANETF

*YTD figures based on 01.01.20 - 31.07.20

** 12 Month figures based on 01.08.19 – 31.07.20

Performance Review

HAN-GINS Indxx Healthcare Innovation UCITS ETF (WELL) continued its strong recent growth, gaining 7.33% in July. For the year 2020, WELL is up 15.39%, while over the past 12 months it has returned 27.51%.

During July, the leading subtheme contributors to the gains have been in Medical Devices, Biological Engineering (Biotech), Robotics and Healthcare Trackers.

Biological Engineering which includes Biotech players such as Edwards Life Sciences, Regeneron, Boston Scientific, Biogen and ResMed – remain amongst the Top 10 holdings. The largest contributors to performance this month included Intuitive Surgical, a leading robotic surgery player and Livongo Health. Intuitive now has the largest weighting in WELL at 4.91%.

For the month of July, medical devices remained the largest subtheme weighting in WELL. Consequently, it is not surprising it has contributed most of the subthemes to WELL's returns in July. However, Robotics, Biological Engineering and Healthcare Trackers have all shown solid performance – contributing significantly too. These areas have all benefited from the COVID-19 tailwinds as a number of our holdings are at the forefront of vaccine research in this area.

By the end of July, WELL had hit a new all-time high above \$10 per share*.

The standout July constituent performers include:

- Seegene, Inc. (Medical Devices) 133.07%
- Livongo Health, Inc. (Healthcare Tracker) 69.24%
- Hansa Biopharma (Biological Engineering) 53.53%

See detailed report below on page 5.

Past performance is no guarantee of future performance

Source of constituent data: INDXX. Data as of 31/07/20

*Source: HANETF, Bloomberg. Data as of 19.08.2020

HAN-GINS Indxx Healthcare Innovation UCITS ETF – 12 Month Performance (01.08.19 - 31.07.20)



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: INDXX. Data as of 31/07/20

Healthcare Innovation – Industry News

The healthcare industry is increasingly using remote technology such as telemedicine, tracking devices, the cloud and robotics. Medical devices that can enhance such needs are increasingly in demand. Most recently, Google Cloud invested \$100mn in Amwell, one of the largest telehealth providers. This follows news that its largest competitor, Teladoc, merged with Livongo, one of our holding, for \$18.5 billion¹. As patients increasingly seek to avoid in-person medical help at hospitals and clinics, such remote tools facilitating virtual visits has skyrocketed in recent months.

COVID-19 supply constraints are providing a boom to medical device and product manufacturers, particularly those focused on PPE & devices related to the pandemic (e.g. gloves, masks, respirators, ventilators).

With the US Government’s Medicare insurance programme now reimbursing most telehealth services - this ensures remote/virtual medical care will become increasingly the norm for those preferring the convenience of home visits for regular check-ups where possible.

Post-COVID, analysts expect hospitals to shift a larger volume of patient care to telehealth. We expect digital health technologies to see accelerated adoption. Digital pharmacies should deliver opportunities for investors, and major e-commerce companies will likely speed up entry into the health-care marketplace.

In the U.S., the telehealth market now has an anticipated five-year compound annual growth rate of 38.2 percent². This equates to a staggering seven-fold increase by 2025. Furthermore, Telehealth, is anticipated to rise 64.3% in 2020, according to a recent Frost & Sullivan report³.

¹ Source: Factset, data as of 31/07/20

² Source: www.itnonline.com/content/telehealth-experience-massive-growth-due-covid-19

³ ibid

Constituent News

WELL has 107 constituents, with the US country weighting dominating at 82.13%. It is followed by Japan (4.39%), Switzerland (3.01%), China (2.65%) and the UK (2.36%)⁴.

WELL recently underwent a re-balance on 30th June with 10 new additions and 5 deletions. The new additions represent a diverse group covering the following subthemes: Genome Sequencing, Biological Engineering, Robotics, Healthcare Trackers, Medical Devices, Neuroscience and Bioinformatics.

Medical devices remain the largest subtheme in the WELL ETF with a 42.93% weighting – see full weightings on page 6.

The most notable contributors to WELL's performance in July include the following holdings. This is based on their weightings during the month:

Constituent Contribution

Company Name	Sub-Themes	July Contribution
Intuitive Surgical, Inc.	Robotics	0.89%
Edwards Lifesciences Corporation	Medical Devices	0.59%
Livongo Health, Inc.	Healthcare Tracker	0.55%
Boston Scientific Corporation	Medical Devices	0.43%
Hologic, Inc.	Medical Devices	0.39%
Zimmer Biomet Holdings, Inc.	Medical Devices	0.38%
West Pharmaceutical Services, Inc.	Biological Engineering	0.36%
DexCom, Inc.	Medical Devices	0.33%
ABIOMED, Inc.	Medical Devices	0.31%
Agilent Technologies, Inc.	Medical Devices	0.29%

It is clear the largest contributors are mostly Medical Device companies. Due to COVID-19 this is expected to continue as the market's focus remains on finding a vaccine, plus areas such as testing and tracking.

Sub-theme Contribution

Sub-theme	July Contribution
Medical Devices	5.01%
Biological Engineering	0.91%
Robotics	0.92%
Neuroscience	-0.01%
Genome Sequencing	0.02%
Healthcare Tracker	0.55%
Bioinformatics	-0.06%
Healthcare Trackers	0.03%

Past performance is no guarantee of future performance

Source of data: INDXX. Data as of 31/07/20

⁴Bloomberg/ HANetf. Data as of 01/07/2020-31/07/2020

The healthcare ETF is positioned to benefit from a number of technological trends spurred on by COVID. The adoption rates seen over the last 5 months would typically take place over a number of years. Public and private hospitals are experiencing a transformation that will last well beyond COVID as behaviours are changed for good due to technological advances in the following areas:

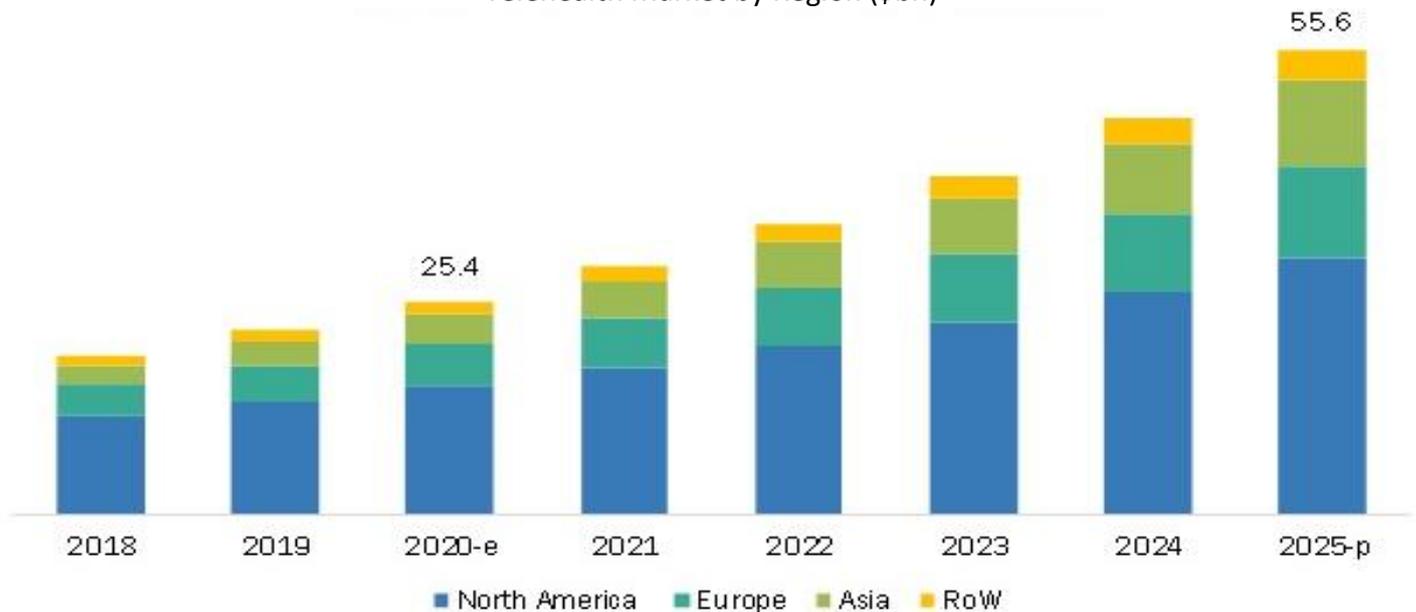
Telehealth innovations include:

- User-friendly sensors and remote diagnostic equipment - yielding a high rate of successful patient outcomes.
- Practical applications of artificial intelligence (AI), Interactive Virtual Assistants (IVAs), and robotics.
- Big data analytics - helps researchers learn more about the way COVID-19 advances across diverse patient populations.
- Conforming to cyber security and privacy regulations - avoiding data breaches.

Additional conveniences and cost savings will be found in these related areas:

- Huge increase in remote inpatient consultations and family visits.
- Online scheduling and the automation of patient triage.
- Artificial intelligence to allocate resources and make clinical decisions.
- Supporting remote work and communication for team members.
- Mobilising teams to create PPE (equipment).
- Ensuring connectivity at remote COVID-19 testing sites and expanding capacity.

Telehealth Market by Region (\$bn)



For illustrative purposes only

Source: <https://www.marketsandmarkets.com/Market-Reports/telehealth-market-201868927.html>

Constituent Performance

Company	Sub-theme	July Performance
Seegene, Inc.	Medical Devices	133.07%
Livongo Health, Inc.	Healthcare Tracker	69.24%
Hansa Biopharma AB	Biological Engineering	53.53%
Quidel Corporation	Biological Engineering	26.25%
ABIOMED, Inc.	Medical Devices	24.17%
Penumbra, Inc.	Medical Devices	24.10%
Twist Bioscience Corp.	Biological Engineering	23.71%
Hologic, Inc.	Medical Devices	22.42%
Axonics Modulation Technologies, Inc.	Medical Devices	20.65%
MicroPort Scientific Corp.	Medical Devices	20.52%
Intuitive Surgical, Inc.	Robotics	20.29%
Health Catalyst, Inc.	Bioinformatics	19.64%
bioMerieux SA	Biological Engineering	18.37%
West Pharmaceutical Services, Inc.	Biological Engineering	18.36%
Demant A/S	Medical Devices	17.70%

Past performance is no guarantee of future performance

Source: INDXX. Data as of 31/07/20

Regional Breakdown

Country Breakdown	Weights
United States	82.13%
Japan	4.39%
Switzerland	3.01%
China	2.65%
United Kingdom	2.36%
Other	5.46%

Sector Breakdown

Sub-theme	Weight
Medical Devices	42.93%
Biological engineering	0.00%
Neuroscience	28.84%
Healthcare tracker	4.95%
Genome sequencing	6.10%
Robotics	11.16%
Bioinformatics	0.52%
Nanotechnology	0.05%

Constituent Breakdown

Top 15 Holdings	Industry	Weights
Intuitive Surgical, Inc.	Robotics	4.91%
Edwards Lifesciences Corporation	Medical Devices	4.67%
Boston Scientific Corporation	Medical Devices	4.48%
DexCom, Inc.	Medical Devices	4.43%
Illumina, Inc.	Genome Sequencing	4.38%
Medtronic Plc	Medical Devices	4.35%
Biogen Inc.	Neuroscience	4.31%
Regeneron Pharmaceuticals, Inc.	Biological Engineering	4.23%
Agilent Technologies, Inc.	Medical Devices	3.29%
ResMed Inc.	Medical Devices	3.23%
Zimmer Biomet Holdings, Inc.	Medical Devices	3.09%
BioMarin Pharmaceutical Inc.	Biological Engineering	2.39%
Align Technology, Inc.	Medical Devices	2.36%
West Pharmaceutical Services, Inc.	Biological Engineering	2.18%
Hologic, Inc.	Medical Devices	1.99%

Fund Details

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

WELL tracks the Indxx Advanced Life Sciences & Smart Healthcare Thematic 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.

- [WELL Factsheet](#)
- [WELL Video](#)
- [WELL Whitepaper](#)
- [WELL Fund Page](#)

EXCHANGE	BB CODE	RIC	ISIN	CURRENCY	INCOME
London Stock Exchange	WELL LN	HAWELL.L	IE00BJQTJ848	USD	Acc
London Stock Exchange	WELP LN	WELP.L	IE00BJQTJ848	GBP	Acc
Borsa Italiana	WELL IM	WELL.MI	IE00BJQTJ848	EUR	Acc
XETRA	W311 GY	W311.DE	DE00A2PE7K4	EUR	Acc
SIX	WELL SW	WELL.S	IE00BJQTJ848	CHF	Acc

Webinars

Please see our previous webinars at www.hanetf.com/webinars

WELL Fund News

A recent re-balance has taken place on 30th June 2020

WELL was listed on **SIX Swiss Exchange** on 2nd June 2020

WELL passported in **Austria** on 28th April 2020.

Press

Recent Press Releases

- [SIX Swiss Listing](#)
- [Austria Passporting](#)

For more press www.hanetf.com/press-releases

For article and insights please visit www.hanetf.com/news-and-insights

Also available on www.ginsglobal.com

About HANetf

HANetf is an independent ETF specialist working with third-party asset managers to bring differentiated, modern and innovative ETF exposures to European investors via unique white-label ETF/ETC platform.

Founded by two of Europe's leading ETF entrepreneurs, Hector McNeil and Nik Bienkowski, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers who want to successfully launch and manage UCITS ETFs.

HANetf's full products list includes:

Name	TER	Bloomberg Codes				
		LSE \$	LSE £	Borsa €	XETRA €	SIX
The Emerging Markets Internet & Ecommerce UCITS ETF	0.86%	EMQQ LN	EMQP LN	EMQQ IM	EMQQ GY	EMQQ SW
HAN-GINS Tech Megatrend Equal Weight UCITS ETF	0.59%	ITEK LN	ITEP LN	ITEK IM	T3KE GY	ITEK SW
HAN-GINS Cloud Technology UCITS ETF	0.59%	SKYY LN	SKYP LN	SKYY IM	5XYE GY	SKYY SW
HAN-GINS Indxx Medical Innovation UCITS ETF	0.59%	WELL LN	WELP LN	WELL IM	W311 GY	WELL SW
KMEFIC FTSE Kuwait UCITS ETF	0.80%	KUW8 LN	KUWP LN	KUW8 IM	KUW8 GY	-
The Medical Cannabis & Wellness UCITS ETF	0.80%	CBDX LN	CBDP LN	-	CDSX GY	CBDX SW
The Royal Mint Physical Gold ETC	0.22%	RMAU LN	RMAP LN	RMAU IM	RM8U GY	-
BTCetc Bitcoin Exchange Traded Crypto*	2.00%	-	-	-	BTCE GY	-

*Marketed and Distributed by HANetf

For further information, please visit www.hanetf.com.



Anthony Ginsberg, GinsGlobal

Anthony Ginsberg is the co-creator of The HAN-GINS Cloud Technology UCITS ETF (SKYY), enabling investors to gain exposure to the top 50 cloud companies across Developed and Emerging markets. SKYY tracks a rules-based index that uses artificial intelligence to identify and select companies involved in the field of cloud computing.

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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3. ETC Issuance GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, issuing under the terms in the Prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) and the final terms (“Bitcoin Prospectus”) is the issuer of the Bitcoin ETCs. Investors should read the latest version of the Bitcoin Prospectus before investing and should refer to the section of the Bitcoin Prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the Bitcoin ETCs. Any decision to invest should be based on the information contained in the Bitcoin Prospectus.

The Issue Documentation, ETF Prospectus and Bitcoin Prospectus can all be downloaded from www.hanetf.com.

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