

Thematic Investing | Biotechnology

Overview

Biotechnology uses living organisms to create products or solve problems in various fields like medicine and agriculture. Investing in biotechnology over the coming decades is crucial due to its transformative potential in addressing global challenges in healthcare, agriculture, and sustainability. Biotechnology advancements hold the promise of innovative medical treatments, personalised therapies, and disease prevention, significantly improving human health and longevity.

In agriculture, biotechnology can enhance crop yields, develop drought-resistant plants, and foster sustainable farming practices to meet the increasing food demands of a growing population. Furthermore, biotechnology plays a vital role in environmental conservation by enabling bio-based alternatives, biofuels, and bioremediation solutions to combat climate change.

The biotechnology sector offers interesting investment opportunities. Biopharmaceutical companies focused on drug development, gene editing firms, agricultural biotech pioneers, and sustainable bio-based companies are poised for potential growth. However, the sector is challenged with regulatory hurdles and ethical considerations inherent in biotech investments.

Benefits

- **Medical advancements:** Biotechnology investments contribute to the development of innovative therapies, diagnostic tools and medical breakthroughs, improving patient outcomes and addressing unmet medical needs.
- **Economic growth and job creation:** Biotechnology investments drive economic growth, foster entrepreneurship, and create high-skilled job opportunities in research, development, manufacturing, and related industries.
- **Sustainable solutions:** Biotechnology innovations enable environmentally friendly solutions such as biofuels, sustainable agriculture, and biodegradable materials, promoting a more sustainable and eco-conscious future.

Challenges

- **Regulatory hurdles:** Navigating complex regulatory frameworks and obtaining necessary approvals for biotechnological products can be time-consuming and costly.
- **Research and development risks:** Biotechnology investments carry inherent risks associated with scientific discovery, clinical trials, and potential product failures.
- **Market competition:** The biotechnology industry is highly competitive, with the need for continuous innovation, patent protection, and market differentiation to succeed.

Shortlist of ETFs to gain exposure to this theme

Ticker	Name	Net Assets (US\$)*	Holdings	Fee*	Link To Factsheet	Comments
CURE AU	Global X S&P Biotech ETF	A\$26.6m	138	0.45%	CURE AU	Aims to track the S&P Biotechnology Select industry Index
XBI US	SPDR S&P BIOTECH ETF	US\$6,570m	143	0.35%	XBI US	Small- and mid-cap focus
IBB US	iShares Biotechnology ETF	US\$7,600m	271	0.44%	IBB US	Focusing on large Biotechnology companies

*Data as at 1 August 2023



1300 988 878 | wealth@masonstevens.com.au | masonstevens.com.au

Mason Stevens is a specialist wealth platform provider that focuses on Managed Account (MA) solutions. The company offers Outsourced CIO (Chief Investment Office) services that complement the platform and MA solutions.

This document is issued by Mason Stevens Asset Management Pty Limited, ABN 92 141 447 654 (MSAM). MSAM is a corporate authorised representative (CAR 461312) of Mason Stevens Limited, ABN 91 141 447 207, AFSL 351578.

The information provided is of a general nature only and does not have regard to any individual's personal objectives, financial situation, or needs. You should consider this information, along with all your other investments and strategies when assessing the appropriateness of the information to your individual circumstances. MasonStevens encourages seeking specific professional advice from a licensed financial adviser before making a decision to transact in relation to any investment, security, or strategy. Investment in securities including derivatives involves risks. Securities by nature will rise and fall and therefore past performance is not a reliable indicator of future performance.

MSAM and its associates and their respective directors and other staff each declare that they may hold interests in securities and/or earn fees or other benefits from transactions arising as a result of information contained in this communication.

MSAM ensures that the information provided in this brochure is as accurate and complete as possible but does not warrant its accuracy or reliability. References made to any third party or their data is based on information that MSAM believes to be true and accurate as at the date of this brochure but are without independent verification.

Opinions and or information may change without notice and Mason Stevens is not obliged to update you if the information changes. Mason Stevens and its associated companies, authorised representatives, agents, and employees exclude to the full extent by law, liability of whatever kind, including negligence, contract, fiduciary duties or otherwise, to investors or anyone else in respect of any loss or damage, including indirect or consequential loss or damage, foreseeable or not, arising from or in connection with this information. All information provided in this document is correct as at August 1 2023.