

Health Care Infrastructure — Opportunities Abound!

Total reading time = 3 minutes



The COVID-19 pandemic exposed major flaws in the public health infrastructure in the US and abroad. Across the board, countries were faced with the realization they lacked adequate supplies, personnel, and processes essential to respond to a large-scale public health emergency. In hindsight, it is clear the lack of preparation deserves significant blame for the speed and scale of socioeconomic devastation that has been caused by the novel coronavirus.

As the world's leaders have begun to reflect on the past 18 months and plan for the future, big money is being put aside to address gaps that COVID-19 has exposed.

The US recently unveiled a five-pillar plan focused on modernizing public health infrastructure to effectively prevent, respond to, and contain future biological threats. Preliminary budgets call for \$65B in investments to be made over a seven- to 10-year period. Within weeks of the US announcement, the European Commission laid out its own roadmap for building a stronger more connected ecosystem for responding to public health crises.

The JAG research team believes that government initiatives of this kind with both widespread support and significant funding often present attractive investment opportunities. Of particular interest are situations where pro-business policies overlap with independent but related trends that are already providing tailwinds to a particular segment of the market. When applying this framework to recently announced public health initiatives, parallels emerge between the priorities of regulators and the problems that health care companies are working to solve.

Exciting health care trends the JAG team are watching include:

- Strengthening of supply chains for vaccines, diagnostics, and personal protective equipment (PPE)
- Establishing surveillance capabilities to more effectively identify threats and respond accordingly
- Promoting cutting-edge research focused on monoclonal antibodies, mRNA, and other next generation medicines
- Streamlining and simplifying the regulatory framework that guides the health care system
- Creating incentives that promote health equity and reduce disproportionate burdens on under-served populations
- Adopting modern technologies and standards that simplify data collection, accessibility, and sharing of critical data among stakeholders

As multiple organizations put these priorities in the forefront of governmental and public thought, there's an impact on for-profit health care companies. For example, as biopharmaceutical companies continue to develop more complex treatments such as cell and gene therapies there has been increased demand for full-service suppliers. Companies supporting the entire lifecycle from drug development through commercialization have become ideal partners. This backdrop sets up extremely well for companies like Thermo Fischer Scientific with broad scale and who are constantly expanding their offering to better support their customers.

JAG's investment approach helps us identify great companies that can capitalize on durable sector and industry-specific trends and opportunities. We welcome your comments and questions any time!

– Tucker O'Neil, JAG Investment Team

Investment Team



Norm Conley
CEO & Chief Investment Officer



Mike Kimbarovsky
Managing Director &
Portfolio Manager



Mike Buck, CFA®
AVP, Quantitative Analyst



Tucker O'Neil
Junior Equity Research Analyst



Joe Kinnison, CFA®
Senior Equity Research Analyst



Roberta Maue
SVP, Director of Equity Trading &
Portfolio Operations



Nico Falkinhoff
Associate Portfolio Manager &
Equity Research Analyst

Disclosures

These comments were prepared by the staff of JAG Capital Management, LLC, an SEC-registered investment adviser. The information herein was obtained from various sources believed to be reliable; however, we do not guarantee its accuracy or completeness. The information in this report is given as of the date indicated. We assume no obligation to update this information, or to advise on further developments relating to securities discussed in this report. The opinions expressed are those of the adviser listed above as of the date of this report and are subject to change without notice. The opinions of individual representatives may not be those of the Firm. Additional information is available upon request.

The information contained in this document is prepared and circulated for general information only. It does not address specific investment objectives, or the financial situation and the particular needs of any recipient. Investors should not attempt to make investment decisions solely based on the information contained in this

communication as it does not offer enough information to make such decisions and may not be suitable for your personal financial circumstances. You should consult with your financial professional prior to making such decisions. For institutional investors: JAG Capital Management, LLC, has a reasonable basis to believe that you are capable of evaluating investment risks independently, both in general and with regard to particular transactions or strategies. For institutions who disagree with this statement, please contact us immediately. **Past performance should not be considered indicative of future performance. Any investment contains risk including the risk of total loss.**

This document does not constitute an offer, or an invitation to make an offer, to buy or sell any securities discussed herein. J.A. Glynn & Co., JAG Capital Management, LLC, and its affiliates, directors, officers, employees, employee benefit programs and discretionary client accounts may have a position in any securities listed herein.

About JAG

JAG Capital Management (JAG) actively invests for institutions and individuals in highly selective, customizable, and nimble equity and fixed income strategies. JAG is a boutique, independent, employee-owned investment management firm with offices in St. Louis and Chicago.



9841 Clayton Rd
St. Louis, MO 63124

The Wrigley Building
400 North Michigan Ave

Suite 1680
Chicago, IL 60611

