

McKinley Capital Management, LLC is a global growth asset manager with 30+ years' experience using the convergence of quantitative and qualitative investment methodologies to identify fast-growing opportunities in global equities. For more information see mckinleycapital.com or contact us at +1.907.563.4488.

INVESTMENT OBJECTIVE

Seeks to identify and target critical innovation healthcare themes we believe have the greatest potential to propel transformation and impact the industry. The portfolio provides a uniquely designed, differentiated, high-capacity public equity portfolio tailored to investors' appetite for risk, volatility and return.

MARKET OVERVIEW

Worldwide spending on healthcare is rising to unsustainable levels, driven in part by demographics (global aging trends), the rising incidence of chronic diseases, the COVID-19 global pandemic, and efforts to expand care in both the developed and developing world. Technology, innovation and "industrial redesign" of traditional clinical models are critical components for creating viable, sustainable solutions that address the global healthcare cost crisis. As healthcare systems around the world struggle for actionable approaches to controlling costs and driving better outcomes, the pace of adoption of innovative solutions is ramping up across the global healthcare ecosystem and is reaching a tipping point which is driving market penetration and value creation.

COVID-19: A GLOBAL HEALTHCARE TRANSFORMATION ACCELERANT

The global economic and viral pandemic stretched the U.S. and global healthcare system to a breaking point. It shed light on global vulnerabilities, dramatically raising the cost of being unhealthy, and quantifying the priceless benefits of health, diagnostics, and preventative care. Key themes driving the healthcare transformation investment thesis are to: keep high risk patients out of the hospital; deliver affordable, rapid, accessible diagnostics for all; diversify, control and localize the medical supply chain; leverage technology, automation, digital access and telemedicine alternatives; use real world evidence to inform decision making; and write and/or erase regulations and CPT codes based on what best serves the need and the demand today. Companies small and large are moving quickly to try to decode and solve problems and create solutions and deliver affordably at scale. Those best positioned to deliver innovative technologies, strong balance sheets, and/or access to capital will thrive and grow more quickly.

HEALTHCARE TRANSFORMATION DRIVERS AND CATALYSTS

PAYMENT REFORM



Shifting payment and incentive models – "fee-for-service" to "pay-for-performance" driving a need to reorient care management models.

DIGITAL HEALTH



Proliferation of wireless and mobile technology to improve accessibility, delivery, and early identification, monitoring and management of various disease conditions.

PERSONALIZED MEDICINE



Increasing consumer engagement in delivery and coverage, with a focus towards patient satisfaction / experience and provider and insurer quality / transparency.

HEALTHCARE DELIVERY REDESIGN



Transition from higher intensity / higher cost to lower intensity / lower cost, often in a more desired setting.

PATIENT CENTERED CARE



Harnessing the power of digital data and analytics to develop new capabilities in "connected" care, population health and clinical decision support.

WIRELESS & MOBILE HEALTH



Development of disruptive new medical technologies (e.g.: genomics, PCR diagnostics, bioinformatics) that enable personalized medicine and serve unmet / poorly met medical needs.

McKINLEY CAPITAL MANAGEMENT, LLC

Founded	1990
Firm AUM/AUA*	\$ 2.4B
Headquarters	Anchorage, AK

GLOBAL HEALTHCARE TRANSFORMATION

Inception	April 1, 2019
Benchmark	MSCI ACW Healthcare – Net Div MSCI ACWI – Net Div
Product AUM/AUA*	\$ 292M
Holding Count	59

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