

## WHAT IS TIMESQUARE'S PERSPECTIVE ON THE GLP-1 PHENOMENON?

TimesSquare's coverage of the biotechnology, pharmaceuticals and medical devices industries is led by our own Global Health Care Portfolio Manager, **David Ferreiro, Ph.D.** (Ph.D. in Microbiology and Immunology from the Albert Einstein College of Medicine). David has summarized TimesSquare's position as follows:

Glucagon-like peptide -1 (GLP-1) agonists have been used successfully to treat Type 2 diabetes (T2D) since the first approval of Byetta in 2005. Recent entrants in the GLP-1 class have improved potency and extended the dosing interval. Beyond regulation of blood glucose and accompanying control of T2D; more potent GLP-1 drugs such as Semaglutide (Ozempic/Wegovy) have revealed additional beneficial properties, most notably, significant weight loss. Recently, Novo Nordisk announced positive top-line results from the SELECT trial, which was a landmark study examining the impact of Semaglutide on cardiac outcomes in overweight or obese adults. These results should lead to broad coverage by payors, which have been reluctant to cover GLP-1 therapies in non-diabetics without evidence of benefit on morbidity and mortality. Not surprisingly, interest in GLP-1 therapy in the broader population has exploded. Thus, investors have been quick to rush to judgment on the winners and the losers.

As a small and mid-cap quality growth manager, TSCM is constantly on the pursuit to identify and explore technologic advancement in Health Care. Accordingly, we have been searching beyond the obvious large pharma GLP-1 developers for sources of alpha, as well as ways to immunize our portfolios from

potential fallout from broader GLP-1 usage in the population. To that end, we have identified numerous contract manufacturers involved in the GLP-1 supply chain that we believe stand to benefit greatly from the GLP-1 boom. Conversely, we have also been quick to avoid exposure to certain fields despite recent breakthroughs, if significant weight loss is tightly correlated with reduction in disease burden.

While we understand the surge and interest in GLP-1 headline news, we take a distinct approach to differentiating between recent sentiment and a true investment thesis. For example, as GLP-1's have been available for nearly two decades, we are not of the belief that type 2 diabetes is going to cease existing as a serious medical condition.

Conversely, we have also been quick to avoid exposure to certain fields despite recent breakthroughs, such as sleep apnea, as significant weight loss is tightly correlated with reduction in disease burden.

**To read more about TimesSquare's investments in Health Care, please visit our website.**

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