



Investing in Health Sciences Breakthrough Therapies

When Dr. Ziad Bakri is researching an investment idea within the biotech industry and the mounds of financial data on his desk don't reflect what he believes comprises the entire story, the portfolio manager of the T. Rowe Price Health Sciences Equity Strategy puts aside the spreadsheets and heads out of the office. He visits specific biotech companies and their research labs to learn about discoveries from the people who are making them. He also regularly attends medical conferences to gain insights about new therapies. The best insights, he says, have come from a variety of sources. "I love meeting with entrepreneurs and scientists who are experts in their field and developing the latest breakthroughs in medicine. And I'll fly wherever I need to get the complete investment picture."

Going beyond the numbers reveals the full story

At T. Rowe Price, our investment approach is to go beyond the numbers when evaluating which companies offer the best future investment potential. By meeting with executives and employees firsthand, we can ask the right questions to get a deeper understanding of where a company stands and where it could go in the future. This rigorous research strategy is integral to Ziad's investment process within the health sciences sector.

Field research helps to identify opportunities faster

Ziad, a former emergency room physician, and his investment team



Talking with

Dr. Ziad Bakri

Portfolio Manager, Health Sciences Equity Strategy, T. Rowe Price

travel regularly to medical research hubs, where, during a recent trip to Boston, they visited nearly a dozen companies. He met with senior executives, including chief scientific officers and chief medical officers, and toured research labs to get a sense for what is going on at the companies. Ziad also meets with others in the health care industry to find new investment ideas, validate assumptions, and compare what he's learning in site visits with the fundamental analyses that he conducts. "You can quickly tell if what you're hearing is real or if what the company is telling you is just on paper," he says.

Ziad believes that opportunity often comes from identifying trends early in the process. He aims to have a front-row seat and track developments as they happen. His strong research process helps him focus on the therapies that could offer the best potential for really good returns. He is particularly excited by immunotherapy companies that seek to use a patient's own immune cells to fight cancer. The process is a complicated one but essentially it works like this: A physician extracts a patient's

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own immune cells, ships those cells to a company's manufacturing facility where they are altered through genetic engineering, and then the physician places those cells back into the patient to attack the cancer.

Positioning for change

As the need for more innovative drug therapies grows, Ziad is keeping watch on the industry and key companies so he can respond quickly to take advantage of industry shifts and, when necessary, adjust his thinking to get ahead of change for his clients. Combining

fundamental analysis with his on-site research allows Ziad to gather deeper insight that can help him make better informed investment decisions. "It's like people who were looking for gold in 1800s. It's just a different type of gold. You've got to do a lot of sifting and figure out if you're looking at gold or lead," he says.

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