



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

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.

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.

INVEST WITH CONFIDENCE®

T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term. To learn more, please visit troweprice.com.

Important Information

This material is being furnished for general informational purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, and prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date written and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request.

It is not intended for distribution to retail investors in any jurisdiction.

Australia—Issued in Australia by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 50, Governor Phillip Tower, 1 Farrer Place, Suite 50B, Sydney, NSW 2000, Australia. For Wholesale Clients only.

Canada—Issued in Canada by T. Rowe Price (Canada), Inc. T. Rowe Price (Canada), Inc.'s investment management services are only available to Accredited Investors as defined under National Instrument 45-106. T. Rowe Price (Canada), Inc. enters into written delegation agreements with affiliates to provide investment management services.

DIFC—Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd. by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

EEA—Issued in the European Economic Area by T. Rowe Price International Ltd, 60 Queen Victoria Street, London EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

Hong Kong—Issued in Hong Kong by T. Rowe Price Hong Kong Limited, 21/F, Jardine House, 1 Connaught Place, Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

New Zealand—Issued in New Zealand by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 50, Governor Phillip Tower, 1 Farrer Place, Suite 50B, Sydney, NSW 2000, Australia. No Interests are offered to the public. Accordingly, the Interests may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the Interests be distributed in New Zealand, other than in circumstances where there is no contravention of the Financial Markets Conduct Act 2013.

Singapore—Issued in Singapore by T. Rowe Price Singapore Private Ltd., No. 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

Switzerland—Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

USA—Issued in the USA by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD, 21202, which is regulated by the U.S. Securities and Exchange Commission. For Institutional Investors only.

T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc. © 2018 T. Rowe Price. All rights reserved.