

The Examiner

<http://www.theexaminernews.com/investment-in-biotech-can-reap-rewards-personally-and-monetarily/>

*Examiner News, Armonk, NY
White Plains Examiner
Northern Westchester Examiner
Putnam Examiner*

Investment in Biotech Can Reap Rewards – Personally and Monetarily

Examiner Media | Jun 14, 2016 |

By Peter Chieco



We've heard about the risks associated with investing in biotechnology. The investments can be volatile; many startups may go bankrupt; the lag time of the research and development phase can be a decade or more; trials of new drugs or products can fail; obtaining regulatory approval can be arduous; the introduction of a new product to market can be costly and protracted.

But there are upsides, too, that span beyond the potential profits associated with a successful product: an investment into a biotechnology company can mean that one day, you not only could generate a return on your investment, but can contribute to the development and success of a product with the potential to save a life.

Biotechnology, or biotech, companies are those that use technology to develop new products through biological processes. Some products are for healthcare: think disease-fighting drugs or medical devices. Some safeguard the environment, like biodegradable plastics. Some produce food or augment agriculture. Take hybrids, for instance. One California genetics company has crossed the plum and the cherry for a juicier, sweeter new fruit.

Biotech companies have great potential for profit, especially as technology advances at a rapid-fire rate and science continues to yield startlingly new and innovative products.

For me, I am drawn to investments in the biotech sector for their potential impact on the human condition. We have all been impacted directly or indirectly by a disease in our lives. My family and I are no different. One of my children suffers from Cooley's anemia, an inherited blood disorder characterized by the inability to produce normal red blood cells. It is caused by a variant gene that affects an individual's production of hemoglobin (the protein in red blood cells that carries oxygen). Patients with Cooley's anemia are severely anemic.

My child receives regular blood transfusions, usually every two weeks. These frequent transfusions raise her hemoglobin to near normal levels, but repeated lifelong transfusions can be deadly, as they lead to iron overload, which can cause multi-organ failure. The excess iron must be removed by chelating agents. The gold standard drug, though, is difficult to administer: it must be attached over eight to 12 hours via a subcutaneous injection pump and a needle in the stomach.

As devastating a condition as it is now, Cooley's anemia patients are far better off than a few decades ago, when the disease meant death in early childhood.

The advancements in technology for transfusions, the chelating agents, the bone marrow transplants came from the realm of biotechnology.

Even more exciting for the Cooley's anemia community, which spans the globe, is the future: right now, scientists are on the brink of breakthroughs in cell and gene research that could potentially lead to a cure. And a cure for Cooley's could signify a cure for other, equally catastrophic related conditions, such as sickle cell.

Right now, the Cooley's Anemia Foundation (of which I am a former national president and a current chapter president) is helping to fund research in globin gene regulation, fetal hemoglobin production, stem cell research, bone marrow transplantation, iron chelation and iron overload, endocrine and cardiac disorders in thalassemia and transfusion therapy and its complications.

Breakthroughs in any of these areas could greatly improve the lives of Cooley's sufferers, my child included. And all of this research falls under the general category of biotech.

Investors should discuss the sector with their financial advisers and consider it as part of a well-diversified portfolio. As with any other investment, of course, there are inherent risks involved. One way to mitigate risk is for investors to consider investment options that help diversify his or her holdings in the sector.

Just imagine the rewards.

Peter Chieco is a financial adviser with the Global Wealth Management Division of Morgan Stanley in Greenwich, Conn. He can be reached at 203-625-4897.

The information contained in this column is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored investment

advice. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Investing involves risks and there is always the potential of losing money when you invest. Diversification does not guarantee a profit or protect against a loss. The views expressed herein are those of the author and may not necessarily reflect the views of Morgan Stanley Wealth Management, or its affiliates. Morgan Stanley Smith Barney, LLC, member SIPC.