



Pittsburgh Pharmacy Investment Portfolio

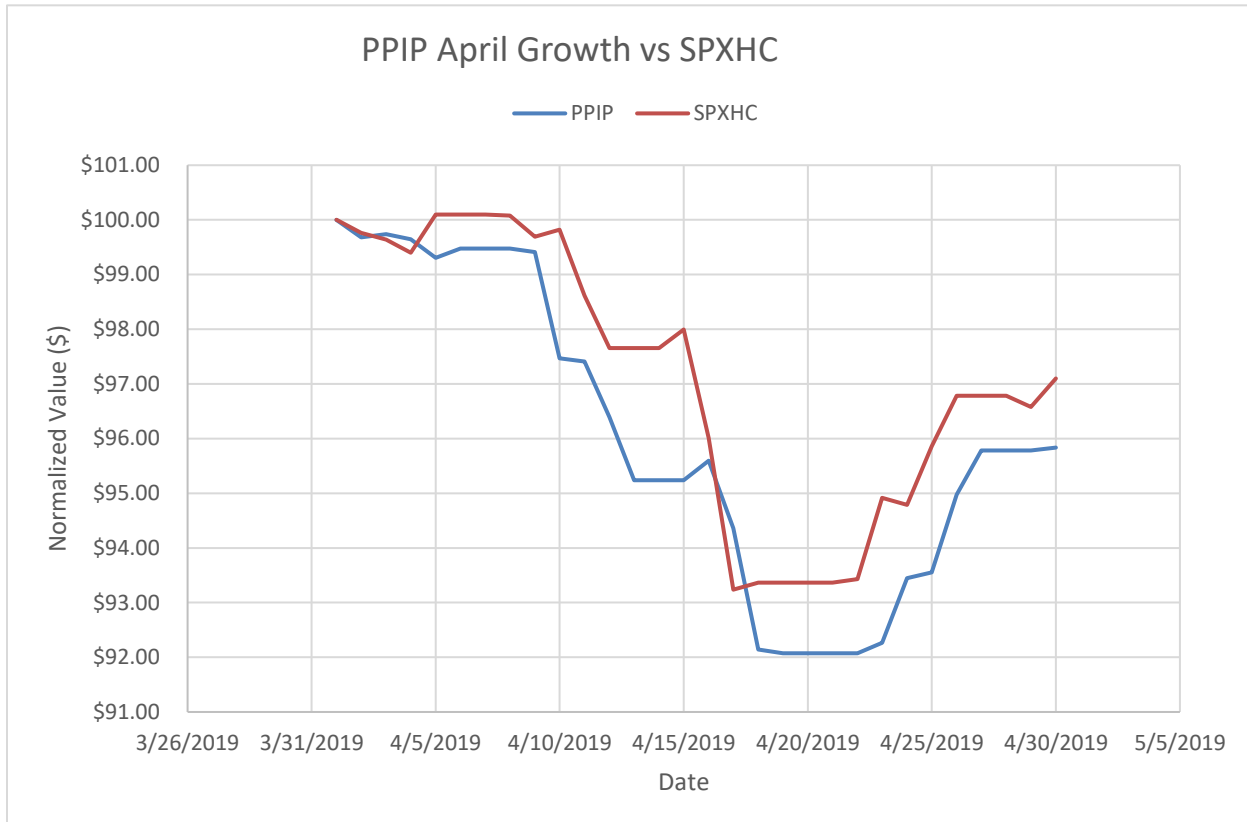
Monthly Report: April 2019

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## Market Comparison

From the period of April 1<sup>st</sup> through April 30<sup>th</sup>, the PPIP achieved an overall 4.16% loss. During this same period, the SPXHC decreased in value by 2.90%. In the context of a hypothetical initial \$50,000 investment, the PPIP would have achieved a value of \$47,930 during April while investing in the comparator SPXHC would have yielded \$48,550. Therefore, the PPIP was outperformed by the SPXHC by 1.26% during this period.



## Top Performers

**Gilead (GILD): 0.05%**

Although the stock did not move as much as anyone would have liked, Gilead did bolster some promising data regarding their JAK-1 inhibitor, filgotinib. Their product posted promising efficacy data in two late-phase trials and boasts a more acceptable safety repertoire than competitors from Pfizer, Lilly, and Abbvie<sup>1</sup>. In a market that estimates sales up to \$3billion, this could be a big, and much needed, win for Gilead if the data holds up to the FDA.

**Johnson and Johnson (JNJ): 1.01%**

Johnson and Johnson recently saw all but one of the opioid-epidemic related lawsuits dropped by the Oklahoma attorney general.<sup>2</sup> The company also impressed shareholders by increasing their dividend 5.6% from \$0.90 to \$0.95 cents per share.<sup>3</sup> The company continues to



fight legal troubles over talc-based baby powder, but recent approvals such as Spravato (esketamine) may be able to keep their stock in the green.

*Idexx Labs (IDXX): 3.75%*

The company announced that it will release its 2019 Q1 financial results on the 1<sup>st</sup> of May. News was quiet for the month of April for the leading veterinary diagnostic company. There has been some recent buzz around the potential of this company, often citing the belief that millennials are taking their pets to the vet more often which may drive the sales of new diagnostic technologies.

## **Bottom Performers**

*United (UNH): -5.73%*

United faced a rough month after news broke that they were backing out of Medicaid programs in Iowa. The story was not clean, as the insurance company and the leaders of Iowa blamed each other for the company deciding to withdraw. UNH stated that the state was not willing to spend enough money to provide appropriate service. The Iowa government blamed the insurer for not wanting to be held accountable. Regardless of who to blame, the battle led to UNH backing out of Iowa's private Medicaid, forcing 420,000 patients to find alternative coverage.<sup>4</sup> The company has also been recently involved in litigations over denying proton radiation therapy coverage for cancer patients.

*Concert (CNCE): -14.83%*

Concert suffered additional setbacks this month regarding its lead compound CTP-543. On April 8<sup>th</sup>, the company announced that the Patent Trial and appeal Board found that the claims of their patent are not patentable.<sup>5</sup> The problems with this compound continue to fight against Incyte's Jakafi, which concert simply deuterated to form their compound. Concert plans to appeal this decision, but even if an appeal rules in favor of Concert, they still may have to wait until the Jakafi patent loses expiration in 2026 in order to market their drug in the US<sup>6</sup>.

*AGIOS (AGIO): -18.42%*

On March 26, Agios announced a breakthrough designation for the combination of TIBSOVO and Azacitidine for patients with newly diagnosed AML and an IDH-1 mutation. This resulted in the market overreacting. Despite an exceptionally poor performing month, the company was not involved in any shortcomings. News included a minor corporate restructure to help with the commercialization of products in the US and EU. The company is set to announce 2019 Q1 financial results on May 2.



Sources:

1. <https://www.stockinvestor.com/40605/gilead-sciences-moves-closer-to-new-drug-approval-gild/>
2. <https://www.cNBC.com/2019/04/05/oklahoma-drops-several-claims-in-its-opioid-case-against-johnson-johnson-and-teva.html>
3. <https://seekingalpha.com/news/3454283-johnson-and-johnson-declares-0.95-dividend>
4. <https://www.desmoinesregister.com/story/news/politics/2019/04/01/health-care-iowa-medicaid-privatization-unitedhealthcare-disabled-kim-reynolds-providers-insurance/3332973002/>
5. <https://www.marketwatch.com/press-release/concert-pharmaceuticals-announces-decision-from-patent-trial-and-appeal-board-in-ipr-proceeding-2019-04-08>
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