

KEY FEATURES

BALANCING RISKS



In seeking to optimize returns based on a client's varying risk tolerance & time horizon, Bill Cara developed a model portfolio for active investment in Biotech stocks, balancing risk across numerous companies with development & operations in many areas of medicine.

STRUCTURED APPROACH



The portfolio of ten top-quality Biotech companies targets diversified research, development and manufacturing companies that cover an array of therapies and vaccines that can potentially have a material beneficial impact on society.

CHARACTERISTICS OF THE MODEL



This actively managed portfolio aims to reduce equity concentration risk using a balanced investment allocation of 5% to 15% weighting with an average of ten percent. When selling positions, we switch to cash.

BILL CARA MODEL PORTFOLIOS

DESCRIPTION

Each Bill Cara portfolio is an attempt to invest in top-quality companies or ETFs. Within our choices of company, we look for expert management and excellent opportunity to develop world class assets. The company should have a strong balance sheet and minimal debt. The company should have a business model that reflects its drive for profitability and become cash flow positive. Investors are seeking future earnings and cash flow growth.

STRUCTURE AND PERFORMANCE DISCLOSURE

The Model performance as shown does not represent actual investment performance of any specific portfolio. Actual performance will reflect the timing of funds invested, and fees and costs, and the reinvestment of dividends. Performance of any account or portfolio derived from this presentation may vary materially from performance shown herein. Actual performance may be higher or lower. Investment returns and principal value of an investment will fluctuate so that a client's investment, when sold, may be worth more or less than the original cost..

TICKERS	DESCRIPTIONS AND ALLOCATIONS	MODEL	CURRENT
BLUE	bluebird bio is a clinical-stage biotechnology that develops transformative gene therapies for severe genetic diseases and cancer, and may be a take-over candidate to a company like SanofiVIR	10%	10%
BNTX	BioNTech SE is the Moderna of Germany & Europe. The company is a well-financed immunotherapy pioneer of novel therapies for cancer with 4 COVID-19 clinical trial candidates	10%	10%
CRMD	CorMedix Inc develops products to prevent & treat infectious and inflammatory diseases. Its lead product Neutrolin is for catheter-related infections in patients requiring central venous catheters	10%	10%
CRSP	CRISPR Therapeutics AG biotech uses gene-editing technology that allows for precise directed changes to genomic DNA. Its transfusion-dependent beta thalassemia (TDT) trial results for in vivo and ex vivo indications are notable	10%	10%
EDIT	Editas Medicine is a clinical-stage biotech co. that is developing a proprietary genome editing platform based on CRISPR technology going into both in vivo and ex vivo clinical trials using their advanced pluripotent cell line	10%	10%
FATE	FATE Therapeutics is a clinical-stage biotech. Has own pluripotent stem cell line with many partnerships to discover immunotherapies for cancer and immune disorders. Potential buy-out candidate	10%	10%
MRNA	Moderna is pioneering messenger RNA, a new class of drugs. This biotech is self controlled with very favorable partnerships. Their mRNA-1273 is a leading COVID-19 vaccine candidate	10%	10%
TBIO	Translate Bio is a messenger RNA (mRNA) therapeutics co. that has a collaboration and license agreement with Sanofi to develop vaccines for up to 5 infectious disease pathogens plus COVID-19	10%	10%
VIR	Vir Biotech products prevent & treat virus diseases like hepatitis B, influenza A, human immunodeficiency, & TB. They hope their SARS-COV-2 antibody product may even become a COVID-19 vaccine	10%	10%
VXRT	Vaxart Inc seeks to make disruptive pill-form vaccines to protect against norovirus, seasonal flu, respiratory syncytial virus, and potentially therapeutic immune-oncology vaccines for cervical cancer	10%	10%

PORTFOLIO RETURN

MAY +20.21%

PERFORMANCE & ALLOCATION CHANGE

We started the 10-stock Biotech Portfolio at the beginning of May, May ended with a superlative performance, up +20.21%. The S&P 500 (SPY) gained +4.30% for the month, which for the S&P 500 is one for the history books.

Over the course of the month, the individual Biotech stock performances were volatile with wide price swings that resulted in gains in 9 of the ten, including contributory portfolio gains of +6.14% for TBIO, +3.37% for MRNA, and +3.13% for CRSP. The only loser was VXRT which had a minor loss of just -0.74%.

With so much interest in the search for therapies and vaccines that might prevent or treat Covid-19, we believe the portfolio has room to run much higher. However, we are prepared to make changes in stock selection and portfolio weighting going forward as we anticipate further volatility and the need to trade into and out of positions as part of our active tactical methodology.

MAY 2020 REPORT

PORTFOLIO COMMENTARY

The Biotech Portfolio well outperformed the S&P 500 (SPY) by an impressive 1591 basis points in May due to increasing investor interest in potential solutions to sickness and death caused by the coronavirus pandemic. Moreover, we know that most stocks during May benefitted from Federal Reserve monetary expansion as well as from other central banks of the world. We believe that money printing will continue and that equity prices will go higher as a direct result. The prospects for portfolio appreciation of the Growth model portfolio are excellent.

U.S. MARKET COMMENTARY

COVID-19 and the market panic that ensued were the driving forces of the worst first quarter in history. In what was the fastest move from bull to bear territory, the S&P 500 Index went from setting new all-time highs on Feb. 19th, to being 33.8% lower a month later. After much needed relief provided by both fiscal and monetary stimulus to combat the current economic and social disruption, the likes of which have never been seen, the S&P started Q2 on the upswing. On account of money supply growth, equity prices have soared.