

# HTEC Q4 Index Commentary

*As of December 31, 2024*

The ROBO Global Healthcare Technology and Innovation Index (HTEC) returned -2.9% during the quarter, closing the year with an annual gain of 3.5%, outperforming the MSCI World Health Care Sector, which posted returns of -10.98% for the quarter and -4.29% for the year. Four out of the nine subsectors posted positive performance.

The earnings season delivered encouraging results, with 66% of companies in the index reporting positive year-over-year EPS growth and 84% achieving positive sales growth. These results are particularly encouraging given the expectations at the start of 2024, when the focus was on regrouping, de-risking, and laying the groundwork for accelerated growth in 2025.

This quarter brought robust performance from liquid biopsy companies (cancer detection via blood draw) and heightened volatility following the U.S. presidential election. The appointment of Robert F. Kennedy Jr. as head of the Department of Health and Human Services raised policy uncertainty, particularly for those linked to vaccine development.

**Genomics** led the index with a 8.9% return, driven by Guardant Health, Grail, and Natera. Guardant's colorectal screening test, Shield, was named to TIME's Best Inventions of 2024, highlighting the transformative potential of liquid biopsy technology, a market valued at over \$50 billion.

**Regenerative Medicine** gained 8.9%, driven by Axogen's strong performance and the FDA's approval of its Advance Nerve Graft biologic license application and its expected high probability of success. Artivion sustained positive momentum, with its aortic stent grafts and On-X valve propelling global growth, supported by portfolio differentiation and positive trial outcomes. This resulted in a quarterly return of 8.9%.

**Medical Instruments** ended the year strongly, with NovoCure achieving a Q4 return of 90.7% and a YTD return of 110.2%, driven by positive data from a pancreatic cancer study. Dexcom also showed recovery, posting a 16.0% return as it rebounded from a challenging sales force restructuring last quarter.

**Precision Medicine** faced challenges, down 12.3%, with Regeneron underperforming despite exceeding top- and bottom-line estimates due to concerns over Eylea HD adoption and biosimilar competition. Moderna also struggled, reflecting uncertainties regarding vaccine policies under the new administration.

Tempus IA, from the **Data Analytics** subsegment, experienced heightened volatility following its recent IPO and the expiration of its lock-up period, which enabled early investors to capture profits. This happened despite positive developments announced during its earnings call, including securing Medicare coverage for their cardiac dysfunction algorithms and achieving in-network provider status with Blue Cross Blue Shield of California and Illinois.

Looking ahead, annual reports are expected to provide greater clarity on 2025 forecasts. The easing of monetary policy and budgetary constraints could accelerate drug development and unlock delayed orders. While regulatory challenges in China persist, a focus on reshoring by the U.S. administration may benefit segments such as Process Automation and Medical Instruments. Current valuations (NTM EV:sales) remain below pre-pandemic lows, presenting a potentially attractive entry point amid anticipated tailwinds for 2025.

## About VettaFi

VettaFi is a provider of indexing, data & analytics, industry leading conferences, and digital distribution services to ETF issuers and fund managers. It operates the ETFdb, Advisor Perspectives, and ETF Trends websites and the LOGICLY portfolio analytics platform—engaging millions of investors annually—empowering and educating the modern financial advisor and institutional investor. VettaFi owns and administers the ROBO Global Index Series. For more information, please visit: [www.vettafi.com](http://www.vettafi.com).

VettaFi LLC, is a wholly owned subsidiary of TMX Group Limited (TMX Group). For more information about TMX Group, please visit: [www.tmx.com](http://www.tmx.com).

[vettafi.com](http://vettafi.com) | 1330 Avenue of the Americas, New York, NY 10019

---

### VettaFi Disclaimer

**This Document Is Impersonal and Not a Solicitation.** ROBO Global, LLC is a wholly owned subsidiary of VettaFi LLC. VettaFi LLC, collectively with its affiliates and subsidiaries, is referred to herein as (“VettaFi”). This document does not constitute an offering of any security, product, or service. All information provided by VettaFi in this document is impersonal and not customized to the specific needs of any entity, person, or group of persons.

**About the Index.** The ROBO Global® Healthcare Technology and Innovation Index Series’ objective is to provide investors with comprehensive, transparent and diversified benchmarks representing the global value chain of disruptive and emerging technologies in the healthcare sector. The index series benchmark companies that have a distinct portion of their business and revenue derived from the field of healthcare technologies, and the potential to grow within this space through innovation and/or market adoption of their products and/or services. The Index and its trademarked name are the exclusive property of VettaFi.

**No Advisory Relationship.** VettaFi is not a fiduciary or an investment advisor, and VettaFi makes no representation regarding the advisability of investing in any investment fund or other vehicle. This document should not be construed to provide advice of any kind, including, but not limited to, investment, tax or legal.

**You Must Make Your Own Investment Decision.** It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. You should not make a decision to invest in any investment fund or other vehicle based on the statements set forth in this document. You should only make an investment in an investment fund or

other vehicle after carefully evaluating the risks associated with such an investment in the investment fund, as detailed in the offering memorandum or similar document prepared by or on behalf of the issuer. This document does not contain, and does not purport to contain, the level of detail necessary to give sufficient basis to an investment decision. VettaFi does not sponsor, endorse, sell, promote, or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index.

**No Warranties; Limitation of Liability.** While VettaFi believes that the information contained in this document (collectively, the “Content”) is reliable, VettaFi does not guarantee the accuracy, completeness, timeliness, or availability of the Content in whole or in part. VettaFi is not responsible for any errors or omissions, regardless of the cause, in the Content which may change without notice. VettaFi makes no warranties, express or implied, as to results to be obtained from use of the Content, and VettaFi expressly disclaims all warranties of suitability with respect thereto. VettaFi shall not be liable for any claims or losses of any nature in connection with the use of the Content, including but not limited to, lost profits or punitive or consequential damages, even if VettaFi has been advised of the possibility of same.

**Research May Not Be Current.** This document has been prepared solely for informational purposes based on information generally available to the public from sources believed to be reliable. VettaFi does not assume any obligation to update the Content following publication in any form or format.