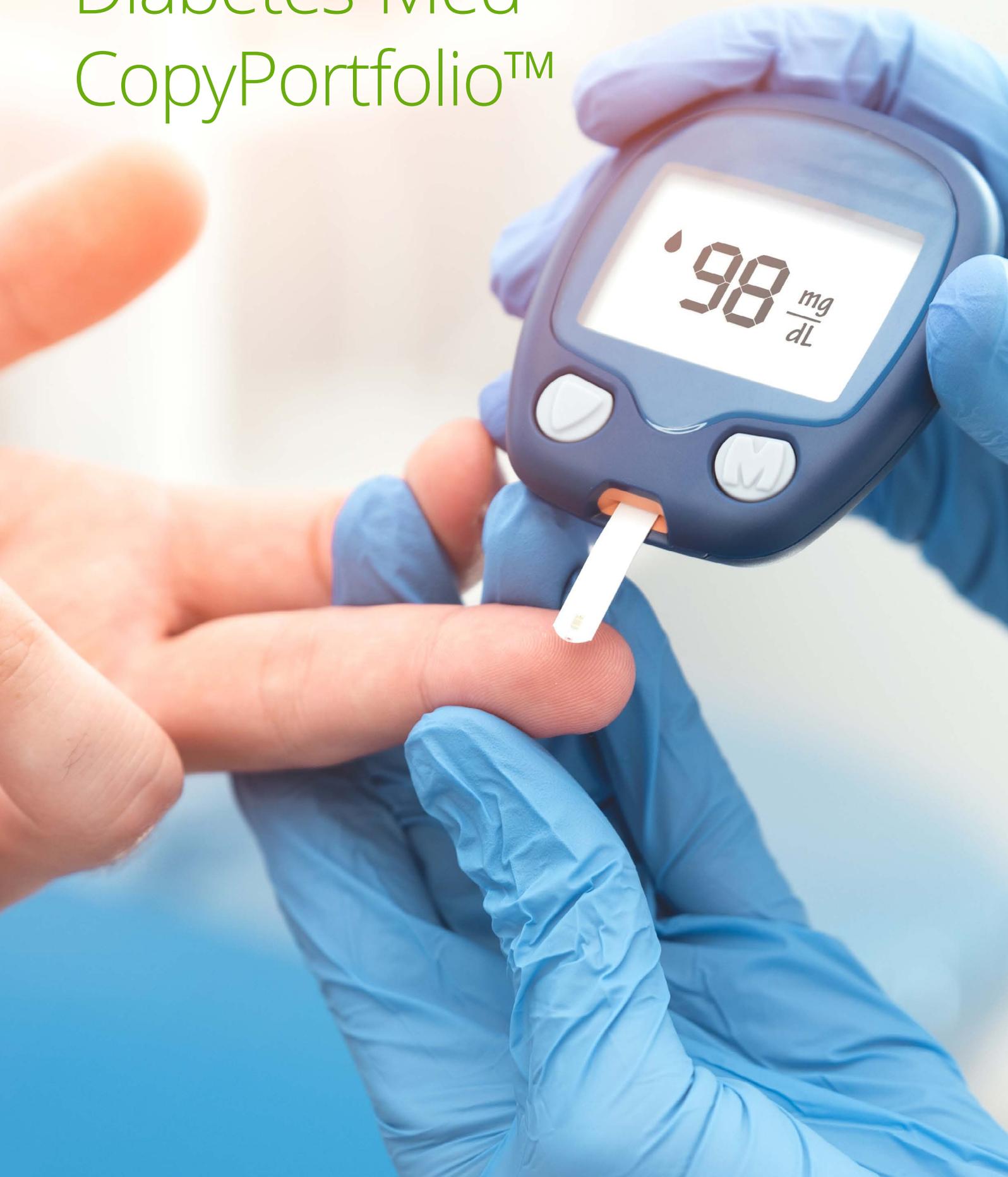
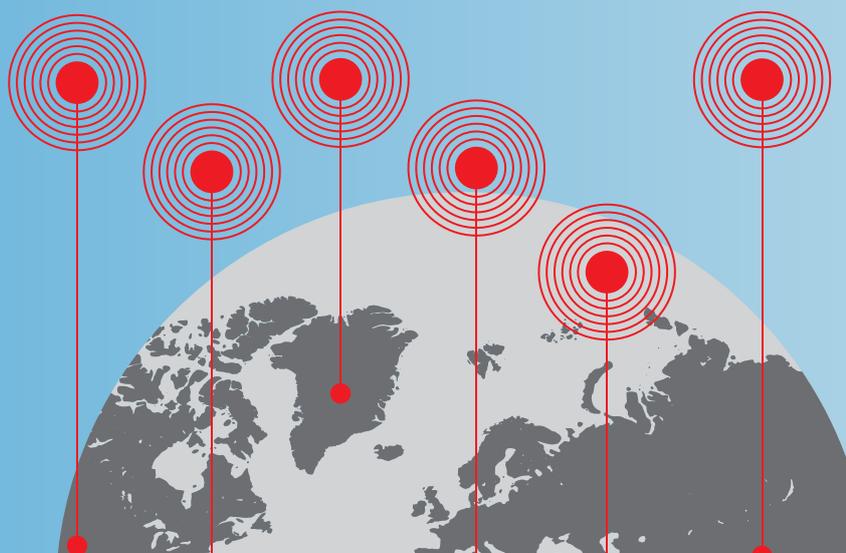


Diabetes-Med CopyPortfolio™



Diabetes is one of the most significant health challenges that society is facing today.



Affecting nearly one in ten people all over the world, the disease is exacting a huge strain on healthcare systems and costing the global economy a colossal amount of money.

What's most worrying, however, is that its prevalence is increasing at an alarming rate. Since 1980, the number of people with diabetes has nearly quadrupled, and experts predict that by 2045, over 600 million people will be affected by the disease.

Of course, where there are challenges, there are also opportunities and with the demand for diabetes drugs and medical devices rising rapidly, there are opportunities for astute investors.

In this guide, we take a closer look at diabetes and explain how investors can gain exposure to diabetes-related stocks through eToro's **Diabetes-Med CopyPortfolio**.



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What Is Diabetes?

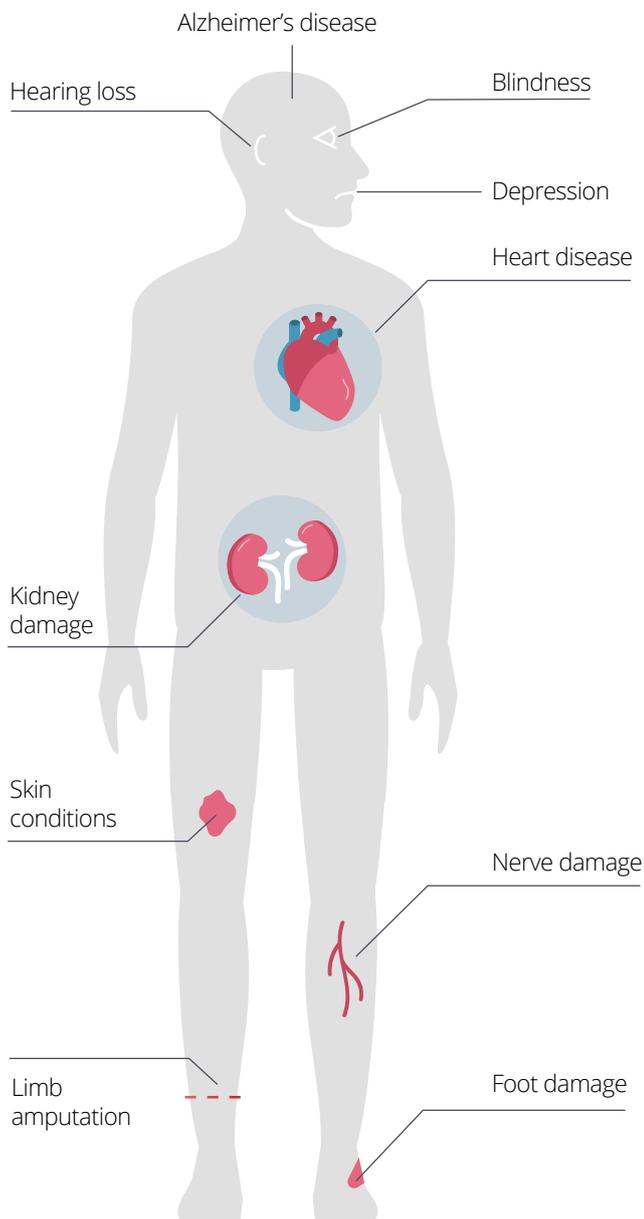
Diabetes is a chronic condition that results in high levels of glucose in your blood. It occurs when your pancreas is not able to produce insulin, or when your body cannot effectively utilise the insulin it produces.

Insulin helps glucose from food enter your cells to be used for energy. If your body doesn't make

enough insulin or doesn't use it well, glucose stays in your bloodstream and doesn't reach your cells. Over time, this can cause a number of serious health problems, including heart and kidney disease, blindness, and strokes.

Currently, there is no cure for diabetes, however, with the right healthcare treatment, those with diabetes can live a healthy life.

Diabetes can lead to:



Types of diabetes

There are two main types of diabetes, Type 1 and Type 2.

Type 1 diabetes is where your body does not make any insulin because your immune system attacks and destroys the cells that produce it. With this type of diabetes, you need to take insulin on a daily basis to maintain blood glucose levels and stay alive. Type 1 diabetes is usually diagnosed in children and adolescents.

With **Type 2 diabetes**, your body does not make good use of the insulin that it produces. This type of diabetes – which in the past was more associated with older people, but is now becoming more common in children, adolescents, and young adults – tends to be associated with unhealthy lifestyles and poor nutrition. **Type 2 diabetes is the most common form of diabetes and accounts for around 90% of all diabetes cases.**

Both Type 1 and Type 2 diabetes are serious conditions. If glucose can't get into your cells, it begins to build up in your blood, which can damage your vital organs and lead to life-threatening complications.

Diabetes — The Numbers Behind The Disease

“Diabetes threatens to overwhelm healthcare systems and hinder economic growth in many countries” The International Diabetes Foundation

Diabetes: key facts

Over the last few decades, the number of people with diabetes has increased at an alarming rate and this is a trend that looks set to continue in the years ahead.

According to the International Diabetes Foundation (IDF), in 2017 there were around 425 million people all over the world living with diabetes, up from just 108 million in 1980. Looking ahead, the IDF believes that by 2045, the number of people with diabetes will have risen to 629 million – a near 50% increase in the number today.

Overall, the IDF says that the scale of the global diabetes issue is reaching ‘epidemic’ proportions.



In 2017, **425 million** people had diabetes, up from 108 million in 1980. By 2045, **629 million** people are expected to have diabetes



Diabetes was the **seventh-leading cause of death** in 2016 according to the World Health Organisation (WHO)



Diabetes accounts for over 12% of global healthcare expenditure.

Diabetes costs the **US \$327 billion per year**. In England, diabetes costs the National Health Service (NHS) **£1 million per hour**. The total annual global direct and indirect cost of diabetes **by 2030 is expected to be USD \$2.5 trillion**

Drivers

There are a number of reasons that the prevalence of diabetes is increasing dramatically. In general, they tend to revolve around inactive lifestyles and unhealthy diets.

One key driver is the world’s ageing population. As people age, they generally tend to exercise less which can result in added weight – both of which are key diabetes risk factors.

Another reason that diabetes is on the rise is that children and adolescents are less physically active

today than they were in the past. For example, according to the US Department of Health and Human Services, in the US, only a third of children are physically active every day. As a result, more and more children and adolescents are being diagnosed with Type 2 diabetes.

Finally, as lifestyles in developing countries have become more westernised in recent years, diets have become more unhealthy in these regions. This has increased the prevalence of obesity, and in turn, the prevalence of diabetes.

Costs

Given the scale of the problem, the cost of treating diabetes is enormous.

According to a recent study led by scientists from Imperial College London and published in the medical journal, *The Lancet*, the global cost of diabetes treatment has surged to USD \$825 billion per year.

However, looking ahead, researchers at King's College London believe that the total annual global direct and indirect cost of diabetes could soar to a staggering USD \$2.5 trillion by 2030.

Ultimately, these figures suggest that diabetes is likely to place a huge strain on healthcare systems around the world in the years ahead. All things considered, the disease is fast becoming a major public health concern.

Diabetes Treatment



While there is currently no cure for diabetes, it can be treated effectively. The objective of diabetes treatment is to control blood sugar levels so that they stay within a normal range. The exact treatment for a person suffering from the disease, however, will depend on whether they have Type 1 or Type 2 diabetes. Below, we provide a brief overview of the four main components of the treatment process.

Glucose monitoring

Glucose monitoring is an essential part of the treatment process for both Type 1 and Type 2 diabetes patients. This enables those with the condition to manage it more effectively. Glucose monitoring can be done with a glucometer – a portable blood glucose meter.

Those with Type 1 diabetes typically need to check their glucose levels between four and 10 times per day. This is generally done before eating, before going to sleep, and before and

after exercise. Some people with Type 1 diabetes use continuous glucose monitors (CGMs) to help with blood glucose monitoring. These medical devices, which have sensors beneath the skin, are a great example of how technology can be used in healthcare.

By contrast, those with Type 2 diabetes generally only need to monitor their glucose levels around twice a day.

Insulin therapy

Insulin therapy is the next major component of the diabetes treatment process, particularly for those with Type 1 diabetes. Here, insulin is taken in order to control blood glucose levels.

There are currently 3 main ways to take insulin:

- **Insulin pens** – insulin is injected into the fatty tissue underneath the skin with a syringe and a needle

- **Insulin pumps** – small doses of rapid-acting insulin are administered via a thin tube that is inserted underneath the skin and controlled by a small electronic device
- **Insulin inhalers** – insulin is taken at the beginning of each meal via an oral inhaler

Medication

Medication can be another key part of the treatment process, especially for those with Type 2 diabetes. Medications for Type 2 diabetes may be prescribed when other measures such as lifestyle and diet changes fail to bring down elevated blood sugar levels.

Some of the main diabetes medications include:

- **Metformin** – this works to lower the amount of sugar in the blood by reducing the amount of sugar produced in the liver

- **Sulphonylureas** – this stimulates cells in the pancreas to make more insulin
- **Acarbose** – this slows down the intestine's absorption of starch and sugar which, in turn, slows down any rise in blood sugar levels after meals
- **Meglitinides** – these work like Sulphonylureas by stimulating the pancreas to produce more insulin

Lifestyle and diet

Finally, those with diabetes are encouraged to maintain a healthy lifestyle that includes plenty of physical activity and a nutritious diet. This can help them keep their blood glucose levels within a normal range. In some cases, Type 2 diabetes can be managed entirely through diet and exercise.



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Investing in The Diabetes Sector

With thousands of people across the world being diagnosed with diabetes every single day, demand for diabetes drugs and medical devices is booming right now. This is creating opportunities for investors.

That said, there are challenges to investing in diabetes. For a start, there are a number of sub-sectors to the theme. Is it best to invest in the pharmaceutical giants that are developing new diabetes drugs, the medical device makers that are manufacturing glucose monitors and insulin pumps, or the medical supplies companies that are manufacturing essential healthcare items such as needles and syringes?

Furthermore, within each sub-sector there are many companies. Not every company will be successful in the long run. Regulators have to approve drugs and medical devices before they can be marketed, and approvals aren't always guaranteed. The drug development process, in particular, is notoriously risky.

Given these challenges, it's sensible to spread your exposure to the theme over a number of different companies across multiple sub-sectors. That way, you'll minimise stock-specific risk. With thousands of people around the world being diagnosed with diabetes every single day, demand for diabetes drugs and medical devices is booming right now. This is creating opportunities for investors.

eToro's Diabetes-Med CopyPortfolio

To help investors gain exposure to the theme, eToro has created a **Diabetes-Med CopyPortfolio** – a fully allocated thematic investment portfolio focused specifically on diabetes-related stocks.

Designed to help long-term investors capitalise on the investment opportunities created by the growing diabetes problem, this investment strategy offers exposure to a broad range of

diabetes-related stocks, including publicly-listed insulin manufacturers, diabetes drug developers, medical device makers, and research companies.

For those looking to gain exposure to the diabetes theme, eToro's **Diabetes-Med CopyPortfolio** offers an innovative and cost-effective way to invest.

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Resources:

<https://www.who.int/news-room/fact-sheets/detail/diabetes>
<https://www.idf.org/aboutdiabetes/what-is-diabetes/facts-figures.html>
<https://www.diabetes.co.uk/type2-diabetes.html>
<https://www.idf.org/aboutdiabetes/what-is-diabetes/facts-figures.html>
<https://www.who.int/news-room/fact-sheets/detail/diabetes>
<https://www.idf.org/aboutdiabetes/what-is-diabetes/facts-figures.html>
<https://www.who.int/news-room/fact-sheets/detail/diabetes>
<https://www.idf.org/aboutdiabetes/what-is-diabetes/facts-figures.html>
<https://www.diabetes.org/resources/statistics/cost-diabetes>
<https://www.openaccessgovernment.org/technology-diabetes-challenge/59130/>
<https://www.kcl.ac.uk/news/spotlight-article?id=6f27187e-a44d-4213-a8ad-5dccc5f2de2>
<https://www.hhs.gov/fitness/resource-center/facts-and-statistics/index.html>
<https://www.hsph.harvard.edu/news/press-releases/diabetes-cost-825-billion-a-year/>

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