

THOUGHTS FROM THE STREET



Simplicity is complexity resolved

The 36th ECNP Congress confirmed that on the one hand mental health disorders are **complex, systemic diseases** which are difficult to treat. But on the other hand, it is a very important field as depression is expected to have the highest disease burden of all diseases by 2030. Current depression medications do not work in roughly 1/3 of the patients, while the other 2/3, or the so called responders, are often far from being cured or satisfied. However, **nature might offer a solution** to deal with this complexity. One of the most promising fields for new mental health therapies are psychedelic substances found in nature (Psilocybin from mushrooms, DMT from Ayahuasca) or inspired by nature (LSD). These substances are known and have been used by humans for thousand years often in religious or health related ceremonies or for lifestyle purposes like in the 70's. Many open questions remain,

but clinical research indicates that psychedelic drugs could offer hope for many mental health disorders. There are already positive results in depression, alcohol abuse, eating disorders, post-traumatic stress, bipolar disorder and others. The drugs have shown to enable neuroplasticity, the brain's ability to change, reorganize and grow neural networks and to function in some way that differs from how it previously functioned.

About the congress

The 36th annual ECNP (European College of Neuropsychopharmacology) Congress took place in Barcelona. With 6000+ participants the conference was very well attended. ECNP is committed to ensuring that advances in the understanding of brain function and human behaviour are translated into better treatments and enhanced public health.

Mental health disorders are complex: Diving into depression

According to the WHO, depression will be the leading cause of disease burden by 2030 (currently no. 13). It is estimated that currently around 300 million people worldwide are suffering from depression, with COVID-19 having added another 50 million cases. Causes of depression are diverse, and include genetic, epigenetic, traumatic or environmental factors. Lifestyle also contributes to how the brain and body regulate mental health stress: food, microbiome, sport, substance abuse, sleep, art consumption, etc. - all play important roles.

Treatment of depression is as complex as the disease

Unsurprisingly, treating such a complex disease like depression comes with many challenges. Newly diagnosed patients are usually offered SSRIs (Selective Serotonin Reuptake Inhibitors) as first and second treatment options. After that, combinations are possible but there are no clear guidelines; trial and error on physician-based experience and patient characterization is often the way forward. With only half of the depression patients being diagnosed, half of these being treated and one third getting adequate follow-up, the unmet need is very high on top of the poor response rates. A lot of research is being done to characterize the drivers of poor or short-duration response. These can include the severity of the disease (e.g. measured by depression scores), genetic and epigenetic drivers (e.g. age of first depression symptoms) and very diverse comorbidities (e.g. schizophrenia, bipolar disorder, dementia, post-traumatic stress, etc.). Describing these risk factors is very important, but it is a long and tedious process. We believe that artificial intelligence will play an important role here, but it will all depend on data collection, quality and availability, as presented also during the conference.

Simplicity is complexity resolved – at the verge of disruption.

Despite the high burden, there has been very little innovation in therapeutic options for the past 30 years (apart from Spravato (S-Ketamin) from JnJ). Tweaking approved drugs in different combinations for specific subpopulations or finding fixed dose combinations are current strategies. **But there is hope:** Psychedelic drugs, mostly developed by small biotechs, are on the verge of disrupting mental health treatment. These molecules have shown unprecedented, long lasting effects. The neuroplasticity they induce gives patients a chance to drastically improve their quality of life, maybe even to get cured. Many questions remain: what are the side effects? how should the drug be delivered, to which patients? how can trials be blinded? how to avoid abuse? The list is never ending, but the effects are so promising that answers will get generated. A better understanding of psychedelic effects will also lead to new drug targets. We think that a cycle has been started.

Bottom-line

Mental health disorders are a huge burden to society. The field was stuck for many years due to the complexity of the diseases. We sense that the fields get moving, especially with psychedelic drugs, offering better options for patients and great investment opportunities with big impact for patients.

Should you want to know more about this conference, please contact us

Yours sincerely,

Urban Fritsche

Urban Fritsche

Author



Urban Fritsche
Lead Manager Impact Healthcare Fund
+41 44 444 1858
urban.fritsche@kieger.com

Kieger Healthcare Team



Dr. Maria Specogna
Lead Manager Sustainable Healthcare Fund
+41 44 444 1828
maria.specogna@kieger.com



Raphael Oesch, CFA
Lead Manager Healthcare Blue Chip Fund
+41 44 444 1849
raphael.oesch@kieger.com



Camille Rigaud, CFA
Research Analyst
+41 44 444 1857
camille.rigaud@kieger.com



Flavio Mancino, CFA
Research Analyst
+41 44 444 1626
flavio.mancino@kieger.com



Guy Bettschart, CFA, CAIA
Research Analyst
+41 44 444 1829
guy.bettschart@kieger.com

For a comprehensive overview of our investment strategies please contact us:

Kieger AG

+41 44 444 1844
Dianastrasse 5, 8002 Zurich
info@kieger.com
www.kieger.com

Kieger is a proud member/signatory of



This document has been issued through Kieger AG and is for distribution only under such circumstances as may be permitted by applicable law. This document is for information purposes only and does not constitute an offer. Past performance is not a reliable indicator of future results. The details and opinions contained in this document are provided by Kieger without any guarantee or warranty and are for the recipient's personal use only. All information and opinions contained in this document are subject to change without notice. This document may contain statements that constitute "forward looking statements". A number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. Data source: Northern Trust