

What Companies Will Do Better for You than Amazon or Netflix?

As an overpriced market shows signs of a correction where can you put your money next? What companies will do better for you than Amazon or Netflix? We recently wrote about if there are any investment bargains these days and looked at small cap stocks, offshore investing and little-followed stocks where you can be ahead of the pack. *CNBC* looks at life sciences stocks that could make Amazon and Netflix look dull.

The obscure S&P life sciences subsector is up 41 percent this year compared to the less than 36 percent gain in Facebook, Amazon, Netflix and Alphabet, on an equal-weighted basis.

These companies profit from the volume of new-drug investigations and lab tests and favorable demographics without the direct risk of drug-price controls or an Obamacare repeal.

It's a dream growth-investor sector but valuations are at the very high end of the stocks' own historical range.

While high tech has the FANG stocks the life sciences sector has TAMP which stands for Thermo Fisher Scientific, Agilent, Mettler-Toledo and PerkinElmer. These stocks as a group have a lot going for them.

More drug investigations and approved treatments, of increasing complexity, are expected. The booming field of immunotherapy development is a growth engine in itself, requiring complex material-handling and storage processes.

It all nets out to a dream growth-investor arrangement: Long-lived demographic forces, resistance to the economic cycle, stable business-to-business supply relationships, global distribution, and a "razors and blades" recurring-sales model.

The Street lists its top 10 life sciences stocks.

- Thermo Fisher Scientific Inc
- Waters Corp
- Charles River Labs Intl Inc

- Icon PLC
- VWR Corp
- Agilent Technologies Inc
- Mettler-Toledo Intl Inc
- Cambrex Corp
- Quintiles IMS Holdings Inc

Life sciences are the sciences concerned with the study of living organisms, including biology, botany, zoology, microbiology, physiology, biochemistry, and related subjects. The field is more than pharmacology and new drugs and includes things like stem cell cloning for organ repair and replacement and the testing and delivery systems needed to make these new technologies work. This branch of science may deliver a way to replace damaged insulin secreting cells of the pancreas and thus cure diabetes or repair damaged heart muscle after heart attacks. Joint replacement could become a thing of the past as stem cell injection causes hips and knees to repair themselves back to the state of a young person.

How Do You Invest in These Companies?

The problem for an investor in the life sciences is that no one knows which discovery will turn into a successful and profitable treatment. To the extent that you possess unique knowledge in this area you may wish to pick and choose individual stocks. The alternative is to invest in an ETF that tracks [S&P 500's life sciences tools & services subsector](#).

S&P 500 - Life Sciences Tools & Services (Industry) (INDEXSP:SP500-352030)

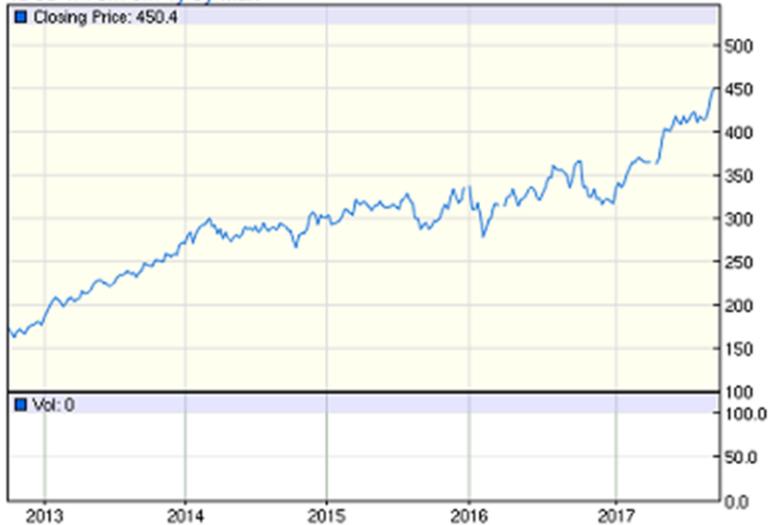
443.53 -3.90 (-0.87%)

Range 442.47 - 447.94
52 week 311.07 - 456.65
Open 447.23
Vol. 0.00



Real-time: 2:57PM EDT
INDEXSP real-time data - Disclaimer

1d 5d 1m 3m 6m 1y 5y Max



As the 5 year graph of this sector in Google Finance shows these stocks as a group have tripled in value over the last five years. Considering the virtually unlimited promise of new scientific discovery there is no reason to doubt a similar growth in the next five years.