

This particular rec was part of a larger series, thus the short word count. Copy and analysis are mine, built around insights from the investing team.

Centessa Pharmaceuticals

Centessa is an *asset-centric* holding company — a mash-up of smaller biotechs that combines the laser-like focus of a single-asset venture with the financial diversity and muscle of a larger enterprise. Centessa's 10 founding companies use shared resources and insight to oversee multiple drug programs simultaneously while collectively employing a “fail fast, fail early” philosophy to weed out the projects that aren't working.

We're adding more of this company to our portfolio for a few reasons.

First and foremost, we're still really enamored with this approach. The company's strategy of investing broadly to find your (few) winners just screams Motley Fool philosophy (i.e., history shows that only 3.4% of all IPOs drive economic gains), and we also like the progress it has made so far. Its drug lixivaptan, for instance, has been in a late-stage phase 3 clinical trial as a potential treatment for autosomal dominant polycystic kidney disease (ADPKD). Centessa recently announced positive initial results from its open-label Alert study and will now move into a global phase 3 Action study. The company has also announced a Notice of Allowance from the U.S. Patent and Trademark Office for a patent that is expected to cover use of lixivaptan in ADPKD through at least 2038.