

# Factsheet

Swiss stock exchange (SIX)

Marketing document

## Investment focus

BB Biotech invests worldwide in fast growing companies developing and marketing innovative biotech drugs. At least 90% of its shareholdings must be in listed companies, while always holding more than 50% of its assets in equity investments. The target portfolio of BB Biotech will generally consist of 20 to 35 participations. Large positions will be taken in five to eight companies, the top holdings. Together they will account for no more than two-thirds of the portfolio and no single position will have a weighting greater than 25% of portfolio investments. Due to their substantial portfolio weighting, the top holdings should be generating both revenues and income. The portfolio's smaller participations are companies with promising drug candidates in their R&D pipelines. Investments are selected according to a thorough, multi-level due diligence process, with a particular focus placed on the analysis of financial parameters, the respective competitive environment, the development pipeline, the patent portfolio, and end-client perception. ESG factors are taken into consideration while implementing the aforementioned investment objectives.

## Facts

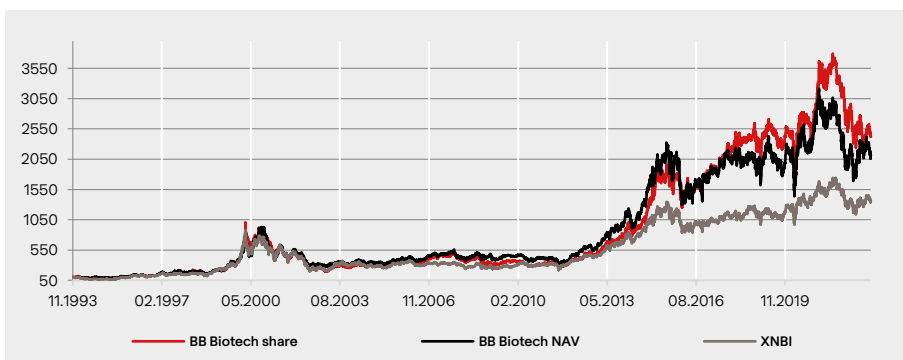
Share price	CHF 55.20
Net Asset Value (NAV)	CHF 49.00
Premium/(Discount)	12.7%
Market capitalization	CHF 3'058.1 mn
Investment manager	Bellevue Asset Management AG
AIC sector	Biotechnology
Benchmark (BM)	Nasdaq Biotech Index TR
Foundation	09.11.1993
Fiscal year end	31.12
Financial reports	Quarterly
Bloomberg	BION SW Equity
Valor	3838999
ISIN code	CH0038389992
WKN	A0NFN3
Legal structure	Incorporate company
Share type	Registered shares
Share structure	55.4 mn
Management fee	All-in 1.10%
EU SFDR 2019/2088	Article 8

## Key figures

Beta	1.24
Correlation	0.94
Volatility	37.2%
Tracking Error	14.18
Active Share	83.71
Sharpe Ratio	0.22
Information Ratio	0.04
Jensen's Alpha	-1.21

Source: BB Biotech AG, 31.12.2022;  
Calculation based on the Net Asset Value (NAV) over the last 3 years.

## Indexed performance since launch



## Cumulated & annualized performance

### Cumulated

	1 M	YTD	1 Y	3 Y	5 Y	10 Y	ITD
Share	-7.1%	-24.3%	-24.3%	-2.1%	10.0%	404.1%	2318.7%
NAV	-8.2%	-11.0%	-11.0%	-2.1%	3.3%	273.9%	2015.9%
BM	-5.9%	-9.1%	-9.1%	8.4%	22.7%	211.5%	1260.7%

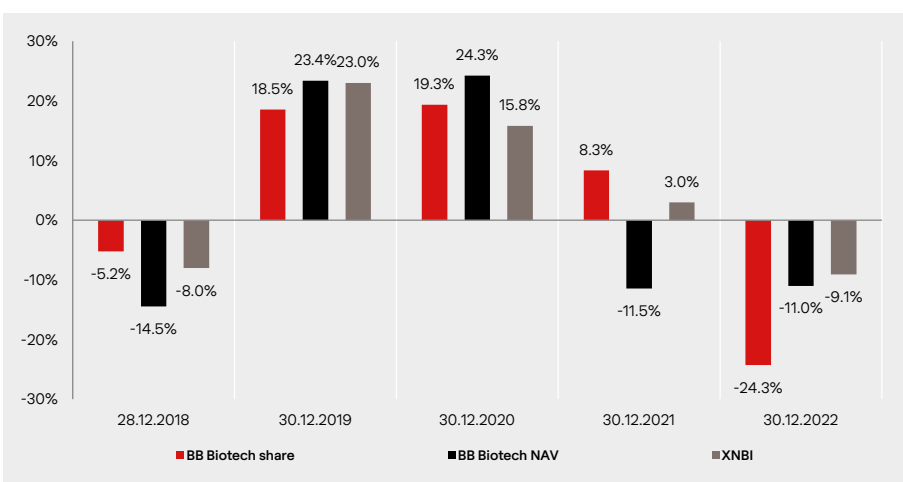
### Annualized

	1 Y	3 Y	5 Y	10 Y	ITD
Share	-24.3%	-0.7%	1.9%	17.5%	11.6%
NAV	-11.0%	-0.7%	0.7%	14.1%	11.0%
BM	-9.1%	2.7%	4.2%	12.0%	9.4%

## Annual performance

	2017	2018	2019	2020	2021	YTD
Share	22.9%	-5.2%	18.5%	19.3%	8.3%	-24.3%
NAV	23.4%	-14.5%	23.4%	24.3%	-11.5%	-11.0%
BM	16.4%	-8.0%	23.0%	15.8%	3.0%	-9.1%

## Rolling 12-month-performance



Source: BB Biotech AG, 31.12.2022; all figures in CHF %, total return-methodology  
Past performance is not a reliable indicator of future results and can be misleading. Changes in the rate of exchange may have an adverse effect on prices and incomes. All performance figures reflect the reinvestment of dividends and do not take into account the commissions and costs incurred on the issue and redemption of shares, if any. The reference benchmark is used for performance comparison purposes only (dividend reinvested). No benchmark is directly identical to the investment company, thus the performance of a benchmark is not a reliable indicator of future performance of BB Biotech it is compared to. There can be no assurance that a return will be achieved or that a substantial loss of capital will not be incurred.

### Top 10 positions

Ionis Pharmaceuticals		13.3%
Argenx SE		10.3%
Neurocrine Biosciences		9.7%
Vertex Pharmaceuticals		9.0%
Alnylam Pharmaceuticals		6.0%
Incyte		5.9%
Moderna		5.8%
Intra-Cellular Therapies		5.0%
Sage Therapeutics		3.8%
Agios Pharmaceuticals		3.7%
Total top 10 positions		72.5%
Total positions		31

### Sector breakdown

Small Molecule		53.8%
RNA		25.6%
Antibody		14.4%
Gene- and cell therapy		6.2%

### Currency breakdown

USD		100.0%
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### Market commentary

December was a negative month for the biotech sector. The Nasdaq Biotech Index was down by 2.9% (in USD) in December, BB Biotech's share price was negative by 7.1% (in CHF) and Net Asset Value was negative by 6% (in USD) during the same period. This is a reversal of the positive trend seen in October and November.

2022 has been a turbulent year on a macro level directly affected by the war in Ukraine, growing inflation, interest rates as well as a number of other negative contributors. The broader stock market had a rough year in 2022 with European and US stock indices down by double-digit percentage points. The biotech sector was no exception to the negative performance in 2022 and especially small and mid cap stocks were hit hard whereas some of the large cap companies have held up better in a turbulent macro environment. Fundamentals in the biotech sector remain strong and we are seeing many positive developments across our portfolio of companies.

We remain optimistic that growth equities will come into favor again and that we will continue to see fundamental progress in the innovative companies that occupy our portfolio.

We have highlighted some of the news from December from our portfolio companies below.

**Wave Life Sciences (+65.1%, in USD)** and GSK announced on December 13 a strategic collaboration to advance oligonucleotide therapeutics, including Wave's preclinical RNA editing program targeting alpha-1 antitrypsin deficiency (AATD), WVE-006. Under the terms of the agreement, Wave will receive an upfront payment of USD 170 mn, which includes a cash payment of USD 120 mn and a USD 50 mn equity investment. For the WVE-006 program, Wave is eligible to receive up to USD 225 mn in development and launch milestone payments and up to USD 300 mn in sales-related milestone payments, as well as tiered sales royalties. Development and commercialization responsibilities will transfer to GSK after Wave completes the first-in-patient study. For each of GSK's eight collaboration programs, Wave will be eligible to receive up to USD 130 - USD 175 mn in development and launch milestones and USD 200 mn in sales-related milestones, along with tiered sales royalties.

**Moderna (+2.1%, in USD)** and its partner Merck announced on December 13 that the Phase IIb trial of mRNA-4157/V940, in combination with KEYTRUDA® demonstrated a statistically significant and clinically meaningful improvement in the primary endpoint of recurrence-free survival (RFS) versus KEYTRUDA alone for the adjuvant treatment of patients with stage III/IV melanoma following complete resection. The companies plan to discuss the results with regulatory authorities and initiate a Phase III study in melanoma patients in 2023. In October 2022, the companies announced that Merck had exercised its option to jointly develop and commercialize mRNA-4157/V940. Merck and Moderna will share costs and any profits equally under this worldwide collaboration.

**Neurocrine (-6.0%, in USD)** announced on December 6 that NBI-827104 did not meet its primary endpoint in the phase II STEAMBOAT study evaluating the efficacy, safety, tolerability and pharmacokinetics of NBI-827104 compared to placebo in pediatric patients with epileptic encephalopathy with continuous spike-and-wave during sleep (EE-CSWS). NBI-827104 was generally well tolerated.

### Outlook

We are looking forward to an interesting year ahead with several key milestone events including new drug approvals and launches from a number of BB Biotech's portfolio companies. We remain optimistic that growth stocks will come back in favour and that BB Biotech's portfolio of biotech companies will continue to show fundamental progress on various fronts.

Source: BB Biotech AG, 30.09.2022;

For illustrative purposes only. Holdings and allocations are subject to change. Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or securities. Where the Sub-Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income.

**Risk and return profile**

The investment company's objective is to generate attractive and competitive capital growth in the long term. It is therefore particularly suited to investors with an investment horizon of at least 5 years who want to selectively diversify their portfolio with investments in the biotechnology sector and who are willing to accept the equity risks typical of this sector.

**Target market**

The investment company is suitable for retail and professional investors in Switzerland as well as for professional and semi-professional investors in Germany and professional investors in the UK.

**Board of Directors**

- Dr. Erich Hunziker (Chairman)
- Dr. Clive Meanwell
- Dr. Thomas von Planta
- Prof. Dr. Mads Krogsgaard Thomsen
- Dr. Pearl Huang
- Laura Hamill

**Chances**

- Unique opportunity for European investors to access the global biotech sector, a non-cyclical growth industry that is strongly supported by increasing demand, driven by demographic trends and life style changes.
- New innovative drugs and technologies are powering sustainable momentum in the biotech sector.
- Focus on a diversified portfolio of profitable companies as well as small and midcap companies with strong pipelines.
- Management Team with strong scientific and medical expertise. Renowned Board of Directors.
- Attractive dividend policy; Dividend payment of 5% p.a.

**Inherent risks**

- BB Biotech invests in equities. Equities are subject to strong price fluctuations and so are also exposed to the risk of price losses.
- Biotech equities can be subject to sudden substantial price movements owing to market, sector or company factors.
- BB Biotech invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- The price investors pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company.
- BB Biotech may take a leverage of up to 15%, which may lead to even higher price movements compared to the underlying market.

**Sustainability Profile – ESG**

<b>Exclusions:</b>	<input checked="" type="checkbox"/> Compliance UNGC, HR, ILO	<input checked="" type="checkbox"/> Controversial weapons
	<input checked="" type="checkbox"/> Norms-based exclusions	
<b>ESG Risk Analysis:</b>	<input checked="" type="checkbox"/> ESG Integration	<input type="checkbox"/> Best-in-Class
<b>Stewardship:</b>	<input checked="" type="checkbox"/> Engagement	<input checked="" type="checkbox"/> Proxy Voting

<b>CO2 intensity (T CO2/mn USD sales):</b>	28.3 t (low)	MSCI ESG coverage: 99%
<b>MSCI ESG Rating (AAA - CCC):</b>	BB	MSCI ESG coverage: 97%
<b>EU SFDR 2019/2088 product category:</b>	Article 8	

Based on portfolio data as per 30.12.2022 (quarterly updates) – ESG data base on MSCI ESG Research and are for information purposes only; compliance with global norms according to the principles of UN Global Compact (UNGC), UN Guiding Principles for Business and Human Rights (HR) and standards of International Labor Organisation (ILO); no involvement in controversial weapons; norms-based exclusions based on annual revenue thresholds; ESG Integration: Sustainability risks are considered while performing stock research and portfolio construction; Best-in-class: systematic exclusion of "ESG laggards"; MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). Note: in certain cases the ESG rating methodology may lead to a systematic discrimination of companies or industries, the manager may have good reasons to invest in supposed "laggards". The CO2 intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO2 per USD 1 million sales; for further information c.f. [www.bellevue.ch/sustainability-at-portfolio-level](http://www.bellevue.ch/sustainability-at-portfolio-level)

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Bellevue Asset Management AG is responsible for portfolio management, finance, marketing, sales and administration of BB Biotech AG.



### Important information

This marketing document relates to BB Biotech AG (hereinafter the "Company"). As defined under Swiss law, the Company is structured as an holding company with fixed capital (SICAF, cf. Art. 110 ff. of the Swiss Collective Investment Schemes Act, "CISA"), but it is not subject to the CISA due to its listing on the SIX Swiss Exchange, the German Stock Exchange and the Italian Stock Exchange (Art. 2 para. 3 and Art. 110 para. 1c CISA); instead the Company is subject to the supervision of the respective stock exchange authorities. This marketing document is issued by Bellevue Asset Management AG, which is an authorized asset manager subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA) and which acts as the Investment Manager of the Company.

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The prospectus, statutes, the annual and half-yearly reports, share price information and other data about the Company can be obtained free of charge in English and German from the Company, BB Biotech AG, Schwertstrasse 6, CH-8200 Schaffhausen, from the Investment Manager of the Company, Bellevue Asset Management AG, Seestrasse 16, CH-8700 Küsnacht, or online at [www.bbbiotech.ch](http://www.bbbiotech.ch).

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