BB Biotech
Bellevue Investments

Factsheet
German stock exchange (Xetra)
July 2021
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. The Fund takes ESG factors into consideration while implementing the aforementioned investment objectives.

Facts

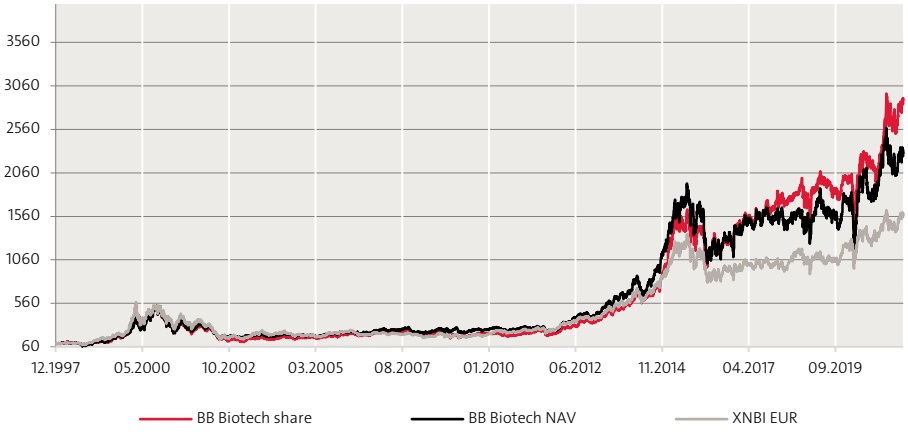
Share price	EUR 80.80
Net Asset Value (NAV)	EUR 65.80
Premium/(Discount)	22.8%
Market capitalisation	EUR 4'476.3 mn
Investment manager	Bellevue Asset Management AG
AIC sector	Biotechnology
Benchmark (BM)	Nasdaq Biotech Index TR
Foundation	09.11.1993
Fiscal year end	31.12.
Financial reports	Quarterly
Bloomberg	BBZA GY 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	1.18
Correlation	0.94
Volatility	34.8%
Tracking Error	13.23
Active Share	77.89
Sharpe Ratio	0.65
Information Ratio	0.35
Jensen's Alpha	2.19

Source: BB Biotech AG, 31.07.2021;
Calculation based on the Net Asset Value (NAV) over the last 3 years.

Indexed performance since launch



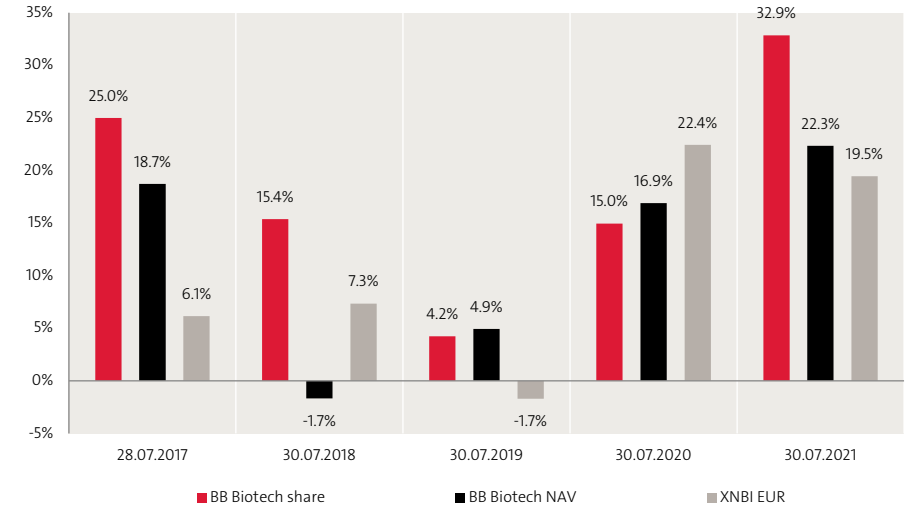
Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
Share	2.0%	23.7%	32.9%	59.2%	129.6%	2798.0%	32.9%	16.7%	18.1%	15.3%
NAV	-1.2%	6.0%	22.3%	50.1%	74.7%	2185.8%	22.3%	14.5%	11.8%	14.1%
BM	-0.3%	11.7%	19.5%	43.8%	63.9%	1476.6%	19.5%	12.8%	10.4%	12.4%

Annual performance

	2016	2017	2018	2019	2020	YTD
Share	1.7%	12.9%	-2.2%	23.4%	18.1%	23.7%
NAV	-17.8%	12.5%	-11.1%	28.1%	24.8%	6.0%
BM	-19.0%	6.7%	-4.3%	27.6%	16.1%	11.7%

Rolling 12-month-performance



Source: BB Biotech AG, 31.07.2021; all figures in EUR %, 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.

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Top 10 positions

Moderna	12.2%
Ionis Pharmaceuticals	7.7%
Argenx SE	6.1%
Neurocrine Biosciences	6.0%
Incyte	5.2%
Agios Pharmaceuticals	5.0%
Fate Therapeutics	4.7%
Vertex Pharmaceuticals	4.5%
Alnylam Pharmaceuticals	4.0%
Biogen	3.7%
Total top 10 positions	59.2%
Total positions	34

Sector breakdown

Small Molecule	42.0%
RNA	24.3%
Antibody	18.9%
Gene- and cell therapy	10.9%
Protein	3.9%

Currency breakdown

USD	100.0%

Source: BB Biotech AG, 30.06.2021;
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.

Market commentary

In July, companies began reporting second quarter 2021 earnings. BB Biotech´s share price was slightly positive for the month of July whereas the Net Asset Value and the Nasdaq Biotech Index was slightly negative for the same period. Moderna, a core holding in BB Biotech´s portfolio, was once again in focus in the investor community and the company was added to the prestigious S&P 500 stock index. Moderna replaced Alexion, another BB Biotech portfolio company, that was acquired by pharmaceutical company AstraZeneca.

Moderna underwent an incredible transformation into a global commercial biotech company during the pandemic when its vaccine became instrumental in the fight against COVID-19. With no drugs on the market a year ago, they now have billions of revenue and hundreds of millions of people have received injections with their mRNA-based COVID-19 vaccine.

Below we have highlighted some of the recent developments in a few of our portfolio companies:

Moderna (+50.5%, in USD) announced on July 23rd that the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion recommending marketing authorization for Moderna's COVID-19 vaccine (Spikevax) to include adolescents 12 years of age and older. Spikevax is the trade name authorized by the European Medicines Agency (EMA) for the Moderna COVID-19 vaccine. Following the CHMP's positive opinion, the European Commission will consider authorizing the use of the Moderna COVID-19 Vaccine in adolescents ages 12 years of age and older.

Myovant (-9.9%, in USD) announced on July 20th that the European Commission (EC) has approved RYEQO (relugolix 40 mg, estradiol 1.0 mg, and norethindrone acetate 0.5 mg) for the treatment of moderate to severe symptoms of uterine fibroids in adult women of reproductive age, with no limitation for duration of use. The EC decision is valid in all 27 member states of the European Union, as well as Iceland, Norway, and Liechtenstein. The approval is based on safety and efficacy data from the Phase III LIBERTY program, which consisted of two replicate, 24-week, multinational clinical studies (LIBERTY 1 and LIBERTY 2), a one-year extension study, and supportive bone mineral density data from a randomized withdrawal study.

Arvinas (+31.3%, in USD) and Pfizer announced on July 22nd a global collaboration to develop and commercialize ARV-471, an investigational oral PROTAC® (PROteolysis TArgeting Chimera) estrogen receptor protein degrader. The estrogen receptor is a well-known disease driver in most breast cancers. ARV-471 is currently in a Phase II dose expansion clinical trial for the treatment of patients with estrogen receptor (ER) positive / human epidermal growth factor receptor 2 (HER2) negative (ER+/HER2-) locally advanced or metastatic breast cancer. Under the terms of the agreement, Pfizer will pay Arvinas USD 650 mn upfront. Separately, Pfizer will make a USD 350 mn equity investment in Arvinas. The companies will equally share worldwide development costs, commercialization expenses, and profits.

Outlook

We continue to see positive developments in most of our portfolio companies and we believe that this will continue in the coming months and years. We remain optimistic about the future of the biotech industry in general and our portfolio companies in particular.

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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 the UK.

Board of Directors

Dr. Erich Hunziker (Chairman)
Dr. Clive Meanwell
Dr. Thomas von Planta
Prof. Dr. Mads Krogsgaard Thomsen

Team Curaçao

Rudy LeBlanc
Hugo van Neutegem
Jan Bootsma
Nathalie Isidora-Kwidama

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 owning 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.

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Portfolio Manager
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Dr. Christian Koch
Portfolio Manager
Expertise: Metabolic and cardiovascular diseases and Genetic Medicines

Dr. Stephen Taubenfeld
Portfolio Manager
Expertise: Neurology, Psychiatry

Dr. Maurizio Bernasconi
Portfolio Manager
Expertise: Inflammatory and autoimmune diseases

Dr. Samuel Croset
Portfolio Manager
Expertise: Data science, machine learning

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

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Sustainability Profile – ESG

Norms-based exclusions:	[X]	Compliance UNGC, HR, ILO	[X]	Controversial weapons
ESG Risk Analysis:	[X]	ESG Integration	[ ]	Best-in-Class
Stewardship:	[X]	Engagement	[X]	Proxy Voting

CO2 intensity (t CO2/mn USD sales):	22.3 t (low)	MSCI ESG coverage: 99%
MSCI ESG Rating (AAA - CCC):	BBB	MSCI ESG coverage: 99%
EU SFDR 2019/2088 product category:	Article 8	

Based on portfolio data as per 30.06.2021 (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; ESG Integration: Sustainabiltiy 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/en/corporate-information/sustainability

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.

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.

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Every investment involves risk, especially with regard to fluctuations in value and return, and investors' capital may be at risk. If the currency of a financial product is different from your reference currency, the return can increase or decrease as a result of currency fluctuations. Past performance is not an indicator of the current or future performance. The performance data are calculated without taking account of commissions and costs that result from subscriptions and redemptions. Commissions and costs have a negative impact on performance.

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