

As at 08/31/2018	Share price	1 month (August)	YTD	NAV
Switzerland: BION SW	CHF 67.35	-0.9%	+9.4%	CHF 63.60
Germany: BBZA GY	EUR 59.75	+1.4%	+12.6%	EUR 56.55
Italy: BB IM	EUR 59.70	+2.4%	+13.5%	EUR 56.55

MARKET REVIEW

The Nasdaq Biotech Index (NBI) ended the month of August up 4.9% in USD. BB Biotech's NAV was up 6.4% in USD, 4.3% in CHF and up 7.3% in EUR. BB Biotech's share price was up 1.1% in USD, down 0.9% in CHF and up 1.4% in EUR.

In August, BB Biotech's Net Asset Value (NAV) outperformed the share price, leading to a significant closure of the premium from roughly 12% at the end of July to approximately 6% at the end of August.

Alnylam (+29.8%, in USD) profited from competitive news flow: Pfizer presented Phase III data for their drug candidate Tafamidis that were on par with expectations. Tafamidis data demonstrated that the drug is beneficial, but as expected, there are some weaknesses – ultimately this should enhance the commercial opportunities of Alnylam's Onpattro that was recently approved for treatment of polyneuropathy caused by hATTR (hereditary transthyretin-mediated amyloidosis).

Akcea (-17.1%, in USD) has seen pressure on its shares following the receipt of a complete response letter (CRL) by the FDA for Akcea's drug candidate Waylivra (volanesorsen) for the treatment of FCS (familial chylomicronemia syndrome). This came as a surprise, after an FDA advisory committee voted 12-8 in favour of approval in May.

Ionis (+6.0%, in USD) has likewise profited from Pfizer's newsflow for Tafamidis. However, Ionis shares have also suffered from the fact that Akcea has received a CRL for Waylivra, as Ionis is a majority shareholder in the company.

Intercept (+21.8%, in USD) has posted solid Q2 2018 results with a slight beat on Ocaliva sales. While Intercept was upgraded by two notches at Goldman Sachs from sell to buy, a NASH competitor was downgraded.

Radius Health (-10.4%, in USD) share price dropped significantly after one of the major shareholders sold its stake.

OUTLOOK

BB Biotech's ongoing investment strategy mitigates potential changes in US healthcare policy. Our focus on innovative therapeutics addressing substantial unmet medical needs continues to be the basis for pricing power in a more complex reimbursement environment. Most of our portfolio companies are expected to make announcements on clinical trials in 2018 and 2019 that should move their stock prices and hence drive BB Biotech's stock performance.

SHARE PRICE TREND SINCE FOUNDATION (IN CHF)



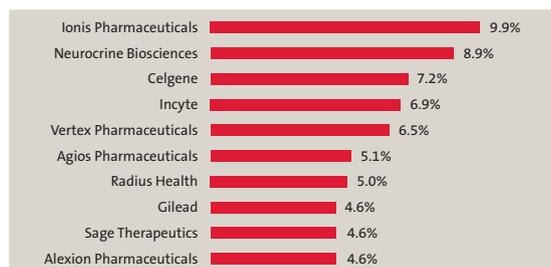
■ BB Biotech Share price ■ BB Biotech Net Asset Value
■ Nasdaq Biotech Index

Source: Bloomberg, 08/31/2018

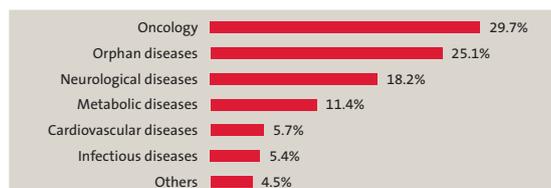
PERFORMANCE AS OF AUGUST 31, 2018 (adjusted for dividends)

	Currency	1 month	YTD	3 years	11/15/93
BION SW	CHF	-0.9%	+9.4%	+39.6%	+2325%
BBZA GY	EUR	+1.4%	+12.6%	+35.4%	n.a.
BB IM	EUR	+2.4%	+13.5%	+34.1%	n.a.

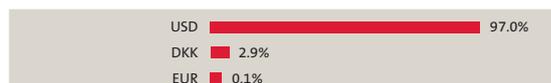
TOP 10 POSITIONS AS AT JUNE 30, 2018



BREAKDOWN BY SECTOR AS AT JUNE 30, 2018



BREAKDOWN BY CURRENCY AS AT JUNE 30, 2018



Weight in % of securities

INVESTMENT FOCUS

BB Biotech aims to achieve an average annual double-digit return over the long term, thus outperforming the broad market indices by a significant margin.

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. Positions in emerging-market biotech companies will be taken on a selective basis.

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.

During the investment selection process BB Biotech relies on the well established experience of its Board of Directors and the fundamental analyses by the experienced management team of Bellevue Asset Management Group, with access to a network of physicians and specialists for the sectors in question. In doing so, a detailed financial model is created for each holding, which guarantees a compelling illustration of the potential for doubling asset values in a period of four years. This potential is based on the power for innovation, new products for serious or significant illnesses and outstanding management.

INVESTMENT SUITABILITY

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.

LISTING

Stock exchange	Segment	Ticker	Market capitalization
Swiss	SIX Swiss Exchange	BION SW	CHF 3'731 mn
German	Prime Standard Segment, TecDax	BBZA GY	EUR 3'319 mn
Italian	Star Segment	BB IM	EUR 3'319 mn

DISCLAIMER

This material is not intended as an offer or solicitation for the purchase or sale of shares of BB Biotech. Opinions and estimates constitute the judgement of Bellevue Asset Management and BB Biotech and are subject to change without notice. Past performance is not indicative of future results. This material may not be distributed within the United States or any other country where it may violate applicable law. Information herein is believed to be reliable, but Bellevue Asset Management and BB Biotech do not guarantee its completeness or accuracy.

FIVE GOOD REASONS

- Strong growth driven by innovative, high-margin new therapies
- Attractive valuations for fast-growing companies
- Long-term track record of 25 years with above average performance
- Long-term outperformance to industry benchmarks
- Experienced management with strong Board of Directors

MANAGEMENT TEAM



Dr. Daniel Koller



Dallas Webb



Felicia Flanigan



Dr. Stephen Taubenfeld



Dr. Christian Koch



Dr. Maurizio Bernasconi

GENERAL INFORMATION

Board of Directors	Dr. Erich Hunziker (Chairman) Dr. Clive A. Meanwell Prof. Dr. Dr. Klaus Strein
Portfolio management	Jan Bootsma Nathalie Isidora-Kwidama Hugo van Neutegem
Legal structure	Incorporated company
Foundation	November 9, 1993
Share type	Registered shares
Share structure	55.4 mn registered shares
ISIN	CH0038389992
Security number (CH)	3838999
Security number (G/I)	AoNFN3
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