

## 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.

## Facts

|                       |                     |
|-----------------------|---------------------|
| Share price           | EUR 58.00           |
| Net Asset Value (NAV) | EUR 51.50           |
| Premium/(Discount)    | 12.6%               |
| Market capitalisation | EUR 3'213.3 million |

|                    |                              |
|--------------------|------------------------------|
| Investment manager | Bellevue Asset Management AG |
| AIC sector         | Biotechnology                |
| Benchmark (BM)     | Nasdaq Biotech Index         |
| Foundation         | 09.11.1993                   |
| Fiscal year end    | 31.12.                       |
| Financial reports  | Quarterly                    |

|           |              |
|-----------|--------------|
| Bloomberg | BB IM Equity |
| Valor     | 3838999      |
| ISIN code | CH0038389992 |
| WKN       | AONFN3       |

|                 |                     |
|-----------------|---------------------|
| Legal structure | Incorporate company |
| Share type      | Registered shares   |
| Share structure | 55.4 mn             |
| Management fee  | All-in 1.10%        |

## Key figures

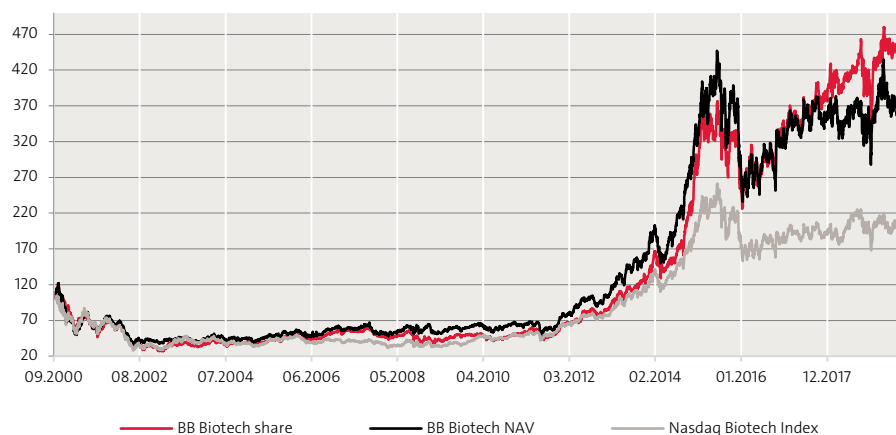
|             |       |
|-------------|-------|
| Beta        | 1.19  |
| Correlation | 0.94  |
| Volatility  | 29.2% |

|                |       |
|----------------|-------|
| Tracking Error | 11.12 |
| Active Share   | 81.73 |

|                   |      |
|-------------------|------|
| Sharpe Ratio      | 0.71 |
| Information Ratio | 0.64 |
| Jensen's Alpha    | 5.67 |

Source: BB Biotech AG, 31.08.2019;  
Calculation based on the Net Asset Value (NAV) over the last 3 years.

## Indexed performance since launch



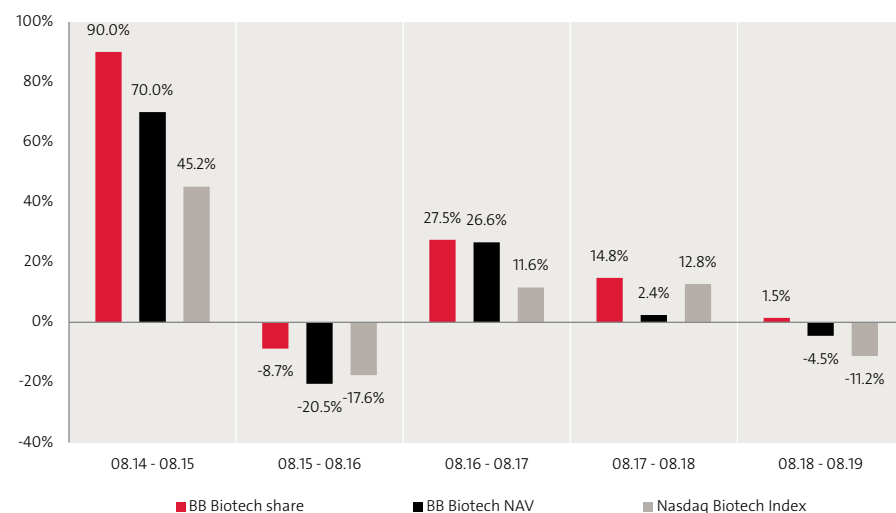
## Cumulated & annualized performance

|       | Cumulated |       |        |         |         |              | Annualized |         |         |              |
|-------|-----------|-------|--------|---------|---------|--------------|------------|---------|---------|--------------|
|       | 1 month   | YTD   | 1 year | 3 years | 5 years | since launch | 1 year     | 3 years | 5 years | since launch |
| Share | -2.2%     | 16.6% | 1.5%   | 48.5%   | 157.5%  | 333.0%       | 1.5%       | 14.1%   | 20.8%   | 8.1%         |
| NAV   | -1.0%     | 16.9% | -4.5%  | 23.8%   | 67.2%   | 264.0%       | -4.5%      | 7.4%    | 10.8%   | 7.1%         |
| BM    | -1.4%     | 10.8% | -11.2% | 11.8%   | 33.8%   | 100.0%       | -11.2%     | 3.8%    | 6.0%    | 3.7%         |

## Annual performance

|       | 2014  | 2015  | 2016   | 2017  | 2018   | YTD   |
|-------|-------|-------|--------|-------|--------|-------|
| Share | 78.0% | 42.6% | 1.2%   | 12.2% | -1.3%  | 16.6% |
| NAV   | 75.9% | 31.7% | -17.8% | 12.5% | -11.1% | 16.9% |
| BM    | 52.8% | 24.1% | -19.3% | 6.2%  | -4.8%  | 10.8% |

## Rolling 12-month-performance



Source: BB Biotech AG, 31.08.2019; 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.

## Top 10 positions

|                         |  |       |
|-------------------------|--|-------|
| Ionis Pharmaceuticals   |  | 13.2% |
| Incyte                  |  | 8.2%  |
| Neurocrine Biosciences  |  | 7.9%  |
| Sage Therapeutics       |  | 6.4%  |
| Vertex Pharmaceuticals  |  | 6.3%  |
| Alexion Pharmaceuticals |  | 4.6%  |
| Celgene                 |  | 4.6%  |
| Radius Health           |  | 4.4%  |
| Esperion Therapeutics   |  | 4.4%  |
| Agios Pharmaceuticals   |  | 4.2%  |
| Total top 10 positions  |  | 64.3% |
| Total positions         |  | 35    |

## Sector breakdown

|                         |  |       |
|-------------------------|--|-------|
| Orphan Diseases         |  | 37.6% |
| Oncology                |  | 26.6% |
| Neurological Diseases   |  | 18.9% |
| Metabolic Diseases      |  | 6.9%  |
| Cardiovascular Diseases |  | 6.1%  |
| Others                  |  | 2.1%  |
| Infectious Diseases     |  | 1.8%  |

## Currency breakdown

|     |  |        |
|-----|--|--------|
| USD |  | 100.0% |
|-----|--|--------|

Source: BB Biotech AG, 30.06.2019;

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

The month of August was a difficult one for all equity markets. While the S&P 500 was down 1.6% (in USD), our benchmark Nasdaq Biotech Index (NBI) was down 2.6% (in USD). BB Biotech AG closed the month down 3.3% (in USD) on its share price and 1.9% (in USD) on its Net Asset Value.

**Radius Health (+31.9%, in USD)** has initiated enrollment for a phase III clinical trial to assess the safety and efficacy of a wearable abaloparatide-transdermal patch for the treatment of postmenopausal women with osteoporosis at high risk for fracture. This study is the first registrational study to evaluate treatment of a novel, non-injectable delivery of an anabolic therapy. Radius' share price rose significantly, also based on an upgrade to buy, as a closer look at clinical trials for its patch indicated a reasonable likelihood of approval.

**Nektar Therapeutics (-38.3%, in USD)** dropped following the company's disclosure that it administered inactive doses of its experimental drug bempegaldesleukin in clinical trials due to manufacturing issues. Skin, kidney and bladder cancer patients in a combination trial with Bristol-Myers Squibb's (BMS) Opdivo progressed more quickly after receiving the suboptimal doses than those treated with active drug. BMS has cut back its commitment to the bempegaldesleukin partnership to just 5-6 trials aimed at regulatory approval, from 18 previously.

**G1 Therapeutics (+46.3%, in USD)** received breakthrough therapy designation (BTD) from the US FDA for their drug candidate trilaciclib based on positive myelopreservation data in small cell lung cancer patients from three randomized phase 2 clinical trials. The company expects to submit marketing applications in the US and Europe in 2020.

**Celgene (+5.4%, in USD)** announced that in connection with its merger agreement with Bristol-Myers Squibb it has entered into an agreement with Amgen under which Amgen would acquire the global rights to Otezla for USD 13.4 bn in cash. BMS had previously announced the decision to divest Otezla in connection with the ongoing regulatory approval process for the company's pending merger with Celgene. The closing of the acquisition covered by the agreement with Amgen is contingent on BMS and Celgene entering into a consent decree with the Federal Trade Commission (FTC).

## Outlook

While the summer months were generally quiet for BB Biotech AG, the fall months promise to be once again busy and exciting. Our team will be attending numerous international medical and broker conferences, screening new investment ideas and discussing the latest scientific and medical topics with physician and investor communities.

## Multimedia

### In Brief: 30 Years of Biotechnology - Development of a Growth Industry

The infographics show you how biotechnology has become a billion-dollar industry and what the future growth potential looks like.



## *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 (President)  
Dr. Clive Meanwell  
Prof. Dr. Dr. Klaus Strein  
Dr. Thomas von Planta

## *Team Curaçao*

Rudy LeBlanc  
Hugo van Neutegem  
Jan Bootsma  
Nathalie Isidora-Kwidama

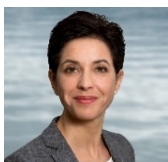
## *Investor & Media Relations*



**Dr. Silvia Siegfried-Schanz**  
Investor Relations  
+41 44 267 72 66  
ssc@bellevue.ch



**Claude Mikkelsen**  
Investor Relations  
+44 203 770 67 85  
cmi@bellevue.ch



**Maria-Grazia Iten-Alderuccio**  
Investor Relations  
+41 44 267 67 14  
mga@bellevue.ch



**Tanja Chicherio**  
Media Relations  
+41 44 267 67 07  
tch@bellevue.ch

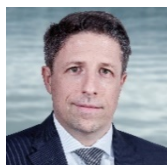
## *Chances*

- 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 three-member 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.

## *Investment Management*



**Dr. Daniel Koller**  
Head Investment Management Team since 2010 (since 2004 at BB Biotech)  
Expertise: Hematology



**Dallas Webb**  
Portfolio Manager at BB Biotech since 2006.  
Expertise: Oncology, antibiotics, Women's Health



**Felicia Flanigan**  
Portfolio Manager at BB Biotech since 2004.  
Expertise: Immune Oncology, infectious diseases



**Dr. Christian Koch**  
Portfolio Manager at BB Biotech since 2014.  
Expertise: Metabolic and cardiovascular diseases and Genetic Medicines



**Dr. Stephen Taubenfeld**  
Portfolio Manager at BB Biotech since 2013.  
Expertise: Neurology, Psychiatry



**Dr. Maurizio Bernasconi**  
Portfolio Manager at BB Biotech since 2016.  
Expertise: Inflammatory and autoimmune diseases

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



### *Important information*

This information document relates to BB Biotech AG (hereinafter the "Company"). As defined under Swiss law, the Company is structured as an investment 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 information 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](http://www.bbbiotech.ch).

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