

# BB Biotech

Trading update

## Positive trial news lifts two portfolio holdings

Investment trusts  
Biotechnology equities

26 June 2024

In our last BB Biotech (BION) review note, [published in May 2024](#), we noted that the biotech sector was eagerly awaiting some key milestones, the most important being Alnylam Pharmaceuticals' late-stage clinical trial of vutrisiran for patients with ATTR cardiomyopathy, a deadly heart disease. Alnylam, which comprised 4.3% of BION's portfolio at end March 2024, released very positive, statistically significant, Phase III trial results this week. Assuming regulatory clearance, Alnylam expects that vutrisiran has the potential to become the new standard of care for the treatment of this disease, driving substantial future growth for the company. These results may have favourable implications for sentiment across the broader global biotech sector, and for Ionis Pharmaceuticals, BION's largest portfolio position, which is also developing gene-silencing technology.

Alnylam reported that vutrisiran improved cardiovascular outcomes, including survival, function and quality of life for all patients with ATTR cardiomyopathy. Specifically, for those patients not using the only other available drug for the condition, Pfizer's tafamidis, at the start of the trial, vutrisiran lowered the risk of death from any cause or recurrent cardiovascular event by 33% versus a placebo. For all trial participants, including those already using tafamidis, the risk of death was 28% lower. Alnylam reported that the benefits of treatment were consistent across major sub-groups of trial participants, with adverse events and side-effects leading to study discontinuation similar for those given the drug and those given a placebo.

Alnylam will provide full trial details at the European Society of Cardiology meeting at the end of August 2024 and plans to submit its results to US regulators using a priority review voucher to accelerate the process. Success with this drug is expected to significantly change Alnylam's financial prospects. While the company already sells vutrisiran for the treatment of a rarer polyneuropathy disease, which affects the nerves, the disease that causes heart damage is much more prevalent. Alnylam estimates that more than 250,000 people worldwide have ATTR cardiomyopathy, compared to 30,000 to 50,000 Americans and Europeans suffering from polyneuropathy. As an indication of the value of this potential market, tafamidis, the only available alternative, generated US\$3.3bn in revenues last year, making it one of Pfizer's top-selling drugs.

Alnylam's share price has risen 45% since the trial results were announced. In addition, the results should also benefit Ionis Pharmaceuticals, BION's largest portfolio holding, which constituted 11.4% of the portfolio at end March 2024, as Ionis is also developing a gene-silencing drug (eplontersen) for ATTR cardiomyopathy. Ionis stock has increased 12% since Alnylam's announcement.

There has been further positive news for another of BION's portfolio holdings recently. Argenx, BION's second largest holding, comprising 9.7% of the portfolio at end March 2024, announced last week that its drug, Vyvgart, has been approved by US regulators for the treatment of chronic inflammatory demyelinating polyneuropathy. Argenx's stock increased by 9.1% on Monday 24 June and has held these gains since. See our recent [review note](#) for more information on this trust.

<b>Price</b>	<b>CHF40.15</b>
<b>Market cap</b>	<b>CHF2,224.3m</b>
<b>AUM</b>	<b>CHF2,307.4m</b>
NAV/share*	41.65p
Discount to NAV*	3.6%
*At 24 June 2024.	
Shares in issue	55.4m
Yield	5.0%
Code/SIN	BION/CH0038389992
Primary exchange	SIX
AIC sector	N/A

### Fund objective

BB Biotech, a Switzerland-based investment company, targets long-term capital growth from biotechnology companies developing and marketing innovative drugs. At least 90% of the portfolio is held in listed companies, primarily those that already have products on the market or promising drug candidates in advanced stages of development. BION is benchmarked against the Nasdaq Biotech Index (in CHF) but is managed on a bottom-up basis, with a focused c 20–35 stock portfolio.

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