

## THE AUSTRALIAN

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# Coronavirus here to stay, we need new tests, vaccination: Platinum Asset Management's Bianca Ogden

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### EXCLUSIVE

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If Bianca Ogden, head of Platinum Asset's \$260m healthcare fund, had her way she would have everyone in Australia tested for the coronavirus.

German-born Ogden, who is a trained virologist, has a passion for viruses going back to the HIV/AIDS crisis when she was a biology student in Frankfurt.

Ogden, who made the jump from scientist to fund manager when she joined Platinum in 2003 after following her Australian boyfriend in Sydney, says her big concern with the coronavirus, is "spreaders" — the people who are walking around with it but have no symptoms.

"The biggest problem with coronavirus is that people who don't have any symptoms can carry it," she says in an interview in Platinum's offices in Sydney, half empty with many of its staff working from home.

"I call them spreaders. These asymptomatic people who can pass on the virus unknowingly.

"The best thing would be if we could test everyone — where there are tents, where everyone could get tested, or some sort of test kit that could be sent out in the mail like tests for bowel cancer.

"That's what South Korea has done quite well and I think Germany is trying to do."

But Ogden realises that mass testing in Australia is not possible at the moment, so says drastic measures to contain the spread is the next best thing.

Her background in virology has made her views on the crisis sought after by Platinum clients and staff as investors and the public scramble to understand the virus and its implications.

“I was fascinated by viruses because their structure is so simple but they can cause so much havoc,” she says. “They have learned the way to get through doors. They can mutate and change.

“Some are ‘silly’ viruses that kill their host and then kill themselves,” she says. “But this one (the coronavirus) is smart. It has worked out that if it just causes a mild infection in most people it can hang out for quite a while.”

Her early work was in researching the HIV/AIDS virus.

She worked for Novartis in Switzerland, analysing HIV protease inhibitors, before doing a PhD in virology at University College, London.

Meeting her Australian boyfriend in London, she moved to Sydney in 2001 working as a scientist for Johnson & Johnson.

Working in a health products company, she became interested on how companies made the decisions on which drugs to invest in.

A chance meeting at a conference led her to join Platinum as a fund manager specialising in healthcare and biotech stocks.

She initially asked to spend a day at the fund manager to see what the work was like, but was surprised when she was refused by Platinum founder South African born Kerr Neilson, who argued that just turning up for a day would only discourage her from making the move.

Deciding to accept the job offer anyway, she initially found herself in a confusing world where Platinum's investment managers were talking about strange things, like subprime mortgages and US government-backed mortgage companies Fannie Mae and Freddie Mac.

“They were talking about subprime mortgages and I was talking about genomes. “They were like — you are weird — and I was thinking ‘you guys are weird’.

“It took an adjustment but, to this day, what is fascinating to me is how companies decide to do investments in things which no one else is doing.”

Ogden became interested in a Boston-based biotech drug company called Moderna. It specialised in developing messenger RNA medicines, which can instruct a person's DNA to produce proteins which can prevent, treat or cure a disease.

Investors were interested in the company but criticised it for being too secretive.

Ogden got to know its French-born chief executive, Stephane Bancel, and they kept talking for about 18 months until it listed on NASDAQ when Platinum invested in the company.

Once the coronavirus was detected last December, the company immediately mobilised its resources to use its technology to see if they could develop a vaccine against it.

It has produced a candidate drug, which they showed to the US National Institutes of Health and begun the first testing of it on humans this week.

"The chemical they make is the same for every vaccine. It is like a platform," she said.

The Moderna approach involves giving a chemical to a human being who then reacts to it, developing the viral particle inside the body which then develops its resistance to the virus.

Most other drugs have involved making the viral particle outside the body.

"Because it knew that the chemical molecule that they were making is OK, the NIH gave the approval for the test (in humans).

"That's why it's so exciting," she said. "Initially, I worried that maybe everyone else was right about the company, but now it's like, yes, they are actually producing (a vaccine)."

At the time they started talking to Moderna, Platinum had a policy of not investing in any unlisted companies, despite the fact that many emerging biotechs are private companies.

But the experience prompted Platinum to invest in a German private company that is doing similar things to Moderna before it also listed on Nasdaq. That company too is working on its own vaccine for the virus using a slightly different technology.

Ogden says the Platinum health fund has no investments in Australian's biotech darling, plasma company CSL, largely because of its high price.

But it has taken an interest in a Japanese company, Takeda, which is also working with blood plasma.

“One of the keys things for us is valuation,” she says. “We feel with CSL pretty much everyone knows it is a good company,” she said.

But she feels with the fall in the Japanese stockmarket Takeda is much cheaper priced. She believes that Takeda is interesting as it is investing heavily in research and development and has the potential to become another CSL over time.

Ogden has also been a fan of British-Swedish pharmaceutical company AstraZeneca that was out of favour with investors for many years as many of their drug testing failed. “It was relatively cheap because everyone hated it,” she recalls.

But Platinum invested in AstraZeneca after getting to know its new chief executive who revamped the company, giving more room for its scientists to take risks on working on new products, turning the company around.

“We bought it across all of our funds and it did very well for us.”

Ogden says the coronavirus crisis has also shone a spotlight in the potential of companies involved in developing diagnostic technologies in the future. Platinum has invested in companies in this sector including Roche and a Dutch/German company called Qiagen which has just been bought by Thermo Fisher in a \$US11.5bn (\$19.4bn) deal.

Ogden also likes a small Sydney based biotech SpeedX, which is involved in diagnostics and is also working on its own coronavirus test.

She knew some of the people involved through her past links with Johnson & Johnson. “It was one of our first big investments in a private company,” she says.

“Diagnostics is the key,” she says. “There was definitely an underfunded infectious disease biotech environment around the world.”

It is an environment now getting a lot more attention from investors.

Ogden sees the future as involving new tests for the coronavirus and then vaccines against it.

She sees the future as potentially involving a situation where people are routinely vaccinated against the coronavirus as they are against the conventional flu.

“The corona family of viruses is here to stay,” she says. “We have to get used to them and will have an annual vaccination against COVID-19 like we do with the flu.”

Ogden is also seeing the fall in the market producing attractive situations for other investments in biotech and life science companies.

“I am seeing a lot of biotechs trading below their cash balances at the moment.

“We have been increasing our exposure to them.

“In the US there was a lot of negative talk about drug companies,” she says.

“Now they are looking at these companies and saying ‘save us.’”

She argues that virus has highlighted the importance in future of companies developing diagnostic tools for a whole variety of diseases.

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