



Covid-19 Reality Check: How long will Pfizer vaccine last?

By **Gavin Lumsden** / 10 Nov, 2020



Pfizer and BioNTech's successful phase three trials of their Covid-19 vaccine are highly significant but will not lead to a quick end to the global pandemic, Paul Major, fund manager of **BB Healthcare** ([BBH](#)) investment trust, has warned.

Major, who invests the £850m London-listed closed-end fund in a concentrated list of drugs companies and medical providers, said yesterday's [market boosting announcement](#) would not see coronavirus tamed in six months but could see the world return to some form of normality in the next 18 months.

'The question for investors is which cyclical and consumer discretionary businesses weathering the Covid downturn in demand can survive that long without asking the market for a cash injection,' he cautioned.

Major, a former healthcare analyst before joining Switzerland's Bellevue Asset Management for the launch of BBH four years ago, said the 90%+ efficacy rate Pfizer announced yesterday in the trials involving around 40,000 volunteers showed that nearly all those who fell ill had received the placebo.

'So far so good,' said Major in a statement. 'But no vaccine will be approved for widespread use based on such a narrow sample size. There are plenty of questions still to be answered, not least how long the protective effect will last, and how well it works in the most vulnerable individuals?'

'Then we have the problem of shipping this particular vaccine at -80c,' he added in reference to its need to be super-cooled to work.

There were also the huge logistic hurdles to overcome in undertaking an international inoculation process, particularly as it was uncertain how long the treatment would last.

'Pfizer has enough material to vaccinate around 25m people this year and maybe 700m in 2021. If the resistance it imparts only lasts say eight months then breaking the train of infection in a population the size of the US (350m) means those inoculated at the start of the process may need to be re-inoculated before all Americans have received their first dose.

'Duration of effect will be key to defeating Covid,' Major said.

Echoing prime minister Boris Johnson's comment that the news represented the 'distant bugle of the scientific cavalry coming over the hill', Major described the announcement as offering a small chink of light at the end of the very long and dark tunnel.

'Pfizer's isn't the only vaccine that may prove effective. Moderna's similar vaccine is but weeks behind and doesn't need super-cooling. And there are others that will show their mettle mere months from now,' he said.

Like most healthcare and life sciences funds, BBH has had a good year with its shares delivering a total return of nearly 28%, ahead of the 11% rise in the trust's MSCI World Healthcare index benchmark and in sharp contrast to the 15% decline in the UK's FTSE All-Share.

The search for a Covid-19 vaccine has underlined the attractions of a healthcare sector underpinned by ageing populations and scientific developments.

However, like its rivals, BBH shares looked fully valued on a 2% premium to their underlying net asset value at yesterday's close, which may be why they are down 2% or 3.5p at 172p this morning as investors continue to [seek out the beaten-up stocks and funds](#) that may feel the full benefit of a recovery.

Comments

Peter in Cornwall

Yesterday

Funny this. I did get a whiff yesterday of Pfizer rushing out what is a highly complex offering, and not doable in many markets, just to be ahead of the game.

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