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XNCR - Xencor Inc Presents Preliminary Data from an Ongoing, Open-label, Phase 2 Study of XmAb®5871 in IgG4-Related Disease (IgG4-RD)

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PRESENTATION

Operator

Good evening, and welcome to the Xencor conference call to review the preliminary XmAb5871 IgG4-RD data presented at ACR.

(Operator Instructions)

Please be advised that this call is being recorded at the Company's request. I'd now like to turn it over to Hannah Deresiewicz of Stern Investor Relations. Please proceed.

Hannah Deresiewicz - *Stern Investor Relations - IR*

Thank you, Operator. Good evening, this is Hannah Deresiewicz with Stern Investor Relations, and welcome to Xencor's conference call to review the preliminary data for XmAb5871 and IgG4-RD, which was presented earlier today at the American College of Rheumatology, or ACR 2016 Annual Meeting. You can access the press release for this data and the slides that we will be reviewing this evening by going to the Investor section of Xencor's website at www.Xencor.com.

With me today on our call are Bassil Dahiyat, Ph.D., president and Chief Executive Officer, and Paul Foster, M.D., Chief Medical Officer. Following their prepared remarks, we will open the call up for your questions.

Before we begin, I would like to remind you that during the course of this conference call, Xencor management may make forward-looking statements, including statements regarding the Company's research and development, including its XmAb5871 program and ongoing clinical trials, future financial and operating results, future market conditions, the plans and objectives of Management for future operations, and the Company's future product offerings. These forward-looking statements are not historical facts but rather are based on Xencor's current expectations and beliefs and are based on information currently available to us. The outcome of the events described in these forward-looking statements, including final results from the complete XmAb5871 clinic trail and IgG4-RD is subject to known and unknown risks, uncertainties, and other factors that could cause actual results to different materially from the results anticipated by these forward-looking statements including but not limited to those factors contained in the risk factors section of its most recently filed annual report on Form 10-K and quarterly report on form 10-Q.

With that, let me pass the call over to Bassil.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Thank you Hannah, and good evening everyone. And thanks very much for joining us. Today we're going to provide an update on Xencor's lead pipeline program, XmAb5871, but first a little context. We spent the last several years building a diverse pipeline of antibodies in autoimmune

disease and cancer, all based on our XmAb-[FD] technology which customizes the immune functions of antibodies to create new antibody drugs with improved potency, improved half-life, and high stability.

Our goal is to have proof of concept clinical data for our four most advanced programs by the end of 2018 and then select the best program or programs to advance in to late-stage development ourselves. We currently have three of these four programs in clinical trials and expect to start the fourth by early 2017.

As an aside, there are seven more XmAb antibodies in clinical development by our partners. Now, on to the XmAb5871 data which were presented earlier today at ACR. As you know, 5871 is a non-depleting B cell inhibitor with potentially broad application in multiple indications. It uses our XmAb immune inhibitor Fc domain and its variable domain binds CD19 on B cells.

Last year at ACR, we presented Phase Two A rheumatoid arthritis data showing promising disease modifying activity. And this March, we started two Phase Two clinical trials, one in IgG4-Related Disease, or IgG4-RD, and the other in systemic lupus erythematosus, or SLE. We selected these indications because of their high unmet need, the competitive environment, and the strong rationale for B cell inhibition in those two. Today, the PI of our IgG4-RD trial, Dr. John Stone of Massachusetts General Hospital presented encouraging preliminary data from the ongoing Stage Two open-label pilot study in IgG4-RD.

I will now turn the call over to Paul who's going to review the data.

Paul Foster - *Xencor, Inc. - CMO*

Thanks, Bassil. IgG4-Related Disease is an immune-mediated chronic fibro inflammatory condition that can affect multiple organs and result in tissue-destructive lesions and organ failure. Involvement of nearly every anatomic site has been reported, and even sub-clinical disease can lead to severe and irreversible sequelae in many organs.

On this slide on the - I'll show you various examples of organs that are involved. The top panel shows a right orbital tumor in a CT scan. The middle picture's a patient with a left orbital tumor or pseudo tumor. The final one on that row has lacrimal glad involvement.

On the next row, there's an example of a CT scan showing retroperitoneal fibrosis encasing the aorta. That middle biopsy specimen is actually of a kidney, and all you see is fibrosis. We'll get onto histology later.

And finally, an example of Riedel's thyroiditis. The diagnosis of IgG4-Related Disease links many conditions that once were regarded as isolated single organ diseases without any known underlying systemic condition. Examples include autoimmune pancreatitis, retroperitoneal fibrosis, Mikulicz Syndrome which is lacrimal gland and salivary gland involvement, and Reidel's thyroiditis.

This condition can mimic many malignant, and infectious, and inflammatory diseases, some of which we have listed here in this slide. So awareness and accurate diagnosis of IgG4-RD is essential as the treatment approach may contrast drastically with some of these mimicking disorders, particularly with malignancy.

Tissue biopsy is the gold standard for the diagnosis in most settings. Three central hallmark pathologic features of IgG4-RD are lymphoplasmacytic infiltrate, storiform fibrosis, and obliterative phlebitis. And histologic appearance is similar for all affected organs.

The incidence and prevalence of IgG4-RD has not been established comprehensively due to the relatively recent awareness of this disorder. However, prevalence is estimated to be approximately 40,000 in the United States. There are currently no approved therapies for this newly recognized disorder.

Glucocorticosteroids are the front-line agent for remission induction; however responses to low-dose steroid treatment are variable and steroid tapering and discontinuation are both associated with a high risk of relapse. As Bassil's already noted, XmAb5871 is a non-depleting B cell inhibitor that binds CD19 on B cells and has been engineered to have enhanced binding to the inhibitory Fc receptor, FcgammaRIIb.

XmAb5871 mimics the actions of antigen antibody complexes and down regulates B cell activity. And the next slide, XmAb5871-03 is an ongoing open-label pilot Phase Two study on patients with active IgG4-Related Disease. Go to the next slide, please.

Patients must have active histologically proven disease with disease activity in at least one organ and with an IgG4-RD responder index of greater than or equal to three. The IgG4-RD Responder Index is a score of disease activity and is based on an instrument developed to assess disease activity in another multi-organ inflammatory condition, granulomatosis with polyangiitis, formerly known as Wegner's Granulomatosis. This instrument has been used in multiple international vasculitis clinical trials to access disease activity.

The IgG4-RD Responder Index used in this study has been optimized from the prototypical instrument previously published and used in an open-label Rituximab trial in IgG4-RD. The serum IgG4 concentration was removed from the Response Index because many patients in remission never achieve a normal concentration.

Also, one disease activity scoring level was deleted from the initial Responder Index because inclusion had the potential to indicate falsely that disease activity had improved over baseline assessments, regardless of whether or not true clinical improvement had actually occurred.

This study will enroll approximately 15 patients and patients will be administered XmAb5871 at five milligrams per kilogram for a total of 12 doses. The primary objective of this study is to evaluate the effect of XmAb5871 on the IgG4-RD Responder Index with a primary endpoint defined as the proportion of patients on Day 169 with a decrease in IgG4-RD RI of greater than or equal to two points from the Day One pre-dose disease activity score.

Note that since the endpoint, is the disease activity score on a pre-specified time point, it will only be applied to the complete trial population. Secondary exploratory endpoints include safety, tolerability, immunogenicity, mechanistic studies and PET scans. As of a data cutoff of October 31, 2016, 12 patients have been enrolled and dosed in this study. The median age is 58 with a range of 43 to 78. And the population is 67% male. The median number of infusions is seven, with a range of one to 12 infusions.

At least 17 different organs or anatomic sites are involved with disease in this patient population, with the most common sites being lymph nodes, submandibular glands, parotid glands, and lacrimal glands. The median number of organs involved at baseline was four, with a range of one to 10. The median IgG4-RD Responder Index was 10, with a range of two to 30.

Now, going on to the preliminary safety data, XmAb5871 has been well tolerated. There've been no serious adverse events reported. Treatment emergent adverse events have occurred in 58% of the patients and these were all Grade 1 to Grade 2, mild to moderate in severity.

There have only been two adverse events that have occurred in more than one patient on the trial. Abdominal pain or discomfort has occurred in four in total, three that were felt related to drug by the investigator and these all occurred as part of a GI symptom complex that also included nausea, and or vomiting, and or diarrhea, which occurred during the first infusion. This is an observation we have seen before in the previous RA trial, rheumatoid arthritis trial, at about the same frequency.

In addition, the other adverse event that occurred in more than one patient, were two patients who got headaches. There was one patient that did develop a rash and arthritis after their fifth infusion on Day 57 of the trial. Anti-drug antibodies were positive. And this self-limiting event was consistent with a diagnosis of serum sickness. And she was discontinued for this.

Serum sickness falls into a spectrum of immunogenicity reactions against exogenous proteins that can range from the development of antidrug antibodies that have no pharmacokinetic or clinical effect to antibodies that neutralize the pharmacodynamic effect of the therapeutic to hypersensitivity reactions that result in clinical symptoms. To date, with approximately 160 subjects exposed to XmAb5871, this event represents only the second case of the development of an antidrug antibody that resulted in any clinical symptoms.

So, moving on to preliminary efficacy, 11 of the 12 patients dosed with XmAb5871 have had at least one IgG4-RD responder index performed following dosing as of the data cutoff period. Nine of 11 patients, 82%, had an initial response to XmAb5871 therapy of at least a three point

reduction in IgG4-RD Responder Index within two weeks of the first dose. Now this response of greater than or equal to three point reduction exceeds the trial definition of a response of greater than or equal to a two point reduction.

Of the two patients that did not respond within the first two weeks, one had a one point drop and has not had a subsequent four-week assessment yet as of the day of the cutoff, and the other was an atypical presentation that we'll discuss in a moment. Five patients have attained disease remission, or an IgG4-RD Responder Index of zero during the study. Two patients entering the study on glucocorticosteroids have been able to taper and discontinue their steroid during this study.

Two additional patients entered the study on steroids, however their time on trial was not sufficient yet to assess that steroids can be tapered and successfully discontinued. So, in addition to the one patient with the early study termination due to the adverse event, there have been two other patients that have discontinued treatment prior to receipt of all 12 planned infusions.

One patient had a response to therapy with an IgG4-RD Responder Index reduction of six points, but lost that response following the sixth infusion. The additional patient had no response to therapy as defined by a greater than or equal to two point decrease in the IgG4 -RD Responder Index. This patient had an atypical presentation, both in terms of the organ, which was just the larynx, as well as that being the only organ involved. This patient discontinued the study after six infusions because of no clinical response. Neither of these two patients have responded to subsequent Rituximab therapy.

So, preliminary conclusions then, XmAb5871 in active IgG4-RD is well tolerated.

Treatment responses, which were defined as a decrease of IgG4-RD of greater than or equal to two were observed in nine of the 11 patients. And in fact, they all had at least a three point reduction within the first two weeks. Initial response to therapy occurred quickly after the first dose. And remission was obtained in five patients. Steroids tapered and discontinued in two of those patients that were on steroids at entry. And our enrollment continues.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Thanks, Paul. We are very encouraged by the preliminary data reported today, particularly XmAb5871's rapid and deepening effect on IgG4-RD disease activity. As Paul described, IgG4-Related Disease is a newly defined disease and we believe we can be at the forefront of providing a treatment option to patients.

To that end, we will continue to work hard and progress our ongoing clinical trial, and expect to report full data from this trial in 2017. We also plan to engage with the FDA next year to discuss the development plans for 5871, including future trials and potential registration requirements. Then we look forward to sharing the detailed development and regulatory path with you after those conversations.

Now, in addition to our IgG4-Related Disease trial, we are advancing all of our other 5871 clinical trials. We plan to report data from our subcutaneous administration trial in 2017, which if successful will enable a simpler and more flexible delivery route for patients and doctors. And we expect to announce data from our other ongoing Phase Two study of 5871, our study in SLE in 2018.

Like IgG4-RD, SLE is a disease with a strong rationale for B cell inhibition and substantial need. Our trial will enable us to assess the effect of 5871 on SLE disease activity in a shorter time, and with fewer patients compared to standard SLE trials.

Now before we open the call for questions, I just want to thank Dr. Stone and his team at MGH who are conducting the study, and most of all the patients and families battling IgG4-Related Disease who have volunteered for our clinical trial.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

And most of all, the patients and families battling IgG4-Related Disease who have volunteered for our clinical trial. I also want to thank all of the Xencor employees who have worked so diligently to progress our broad portfolio to this point and who are committed to developing differentiated therapeutics for patients.

With that, I'd like to open the call to questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Michael Schmidt, with Leerink Partners.

Michael Schmidt - *Leerink Partners - Analyst*

I had one question regarding the Responder Index or rather your definition of a responding patient of a decline of the Responder Index by at least two points that most of the patients met in the trial, and I was wondering if you could help us -- provide a bit more qualitative information on that magnitude of efficacy. What does it mean, just some more data maybe illustrating how meaningful this response is for these patients?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

So I guess before I turn it over to Paul, I guess the Responder Index is a summation of all the different organs involved where each organ is scored on a scale of zero to three, right? And so you just add those up. And now, you could also double that zero to three score if there is some urgent requirement for therapy; so if there's an organ threatening event happening, if somebody's kidneys are in very severe danger or their vision or a major artery, or something like that. So it sort of depends on each organ in each case what you mean by clinically significant, but a two point reduction means you've gone from either recurrent disease or persistent disease down to improved but still there or just resolved.

Paul Foster - *Xencor, Inc. - CMO*

Right. So at a minimum, it would be in two organs it went from being persistent to improved or one organ going from persistent down to zero, unaffected or resolved. It's the same level of response that has been used before in the prior trial that was published with Rituximab.

Michael Schmidt - *Leerink Partners - Analyst*

I guess regarding the remission rate, what you said the remission was, it's currently five patients. If that's just a matter of follow-up, would you expect the numbers increases with additional follow-up?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Well, I think we have very few patients that had actually received the planned number of infusions so far; there's still a number ongoing. And the trend across that response slide in the lines is that the responses are deepening with time. So certainly at the end of the trial we would hope that we're going to see more remissions, but this is just a snapshot in time. So all we can say is at this time, there were five patients on trial that reached IgG4-RD responder index zero total score.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Yes. I mean, we can end up seeing more responses or responses that failed. We can end up seeing more remissions or some of those remissions go. It's a snapshot in time, but I would say we are very encouraged by the activity to date from this one look.

Michael Schmidt - *Leerink Partners - Analyst*

You mentioned you published Rituximab data, so how does this data compare to maybe some of the data that was generated previously in terms of the activity level?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

I think we think very favorably, Paul, do you want to sort of go the qualitative numbers? Because it's a qualitative study that was done with Rituximab and that's the best we can do at this point.

Paul Foster - *Xencor, Inc. - CMO*

Of course, it's really not valid to compare two studies that haven't been done head to head for a number of reasons. Patient populations could be different; standard of care could be different. I think here in particular, we know the Responder Index has changed. But in general, I think we compare favorably. The things that we might consider comparing would be number of remissions so we have five so far. They had 20 at the end of the study; we don't know if we're going to see yet. They did have three relapses in six months, we had one subject so far who's lost response. Overall, their response rate was anywhere from 60% to 80% and we're about 80%. So again, given that that's the completed trial, this is a single snapshot in time, they look fairly comparable.

Michael Schmidt - *Leerink Partners - Analyst*

Just on the patient baseline selection criteria, you use sort of the selection metrics there. So to include patients in the trial, would that type of patient -- would that reflect potential treatment candidates down the road should a drug like this be approved? And if so, what percentage of IgG4-Related Disease patients sort of fall into that category? Thanks.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

So I'm not sure I follow you, Michael. Are you asking are there particular organ manifestations that we are treating here and we're not looking at others? I wasn't quite clear, I'm sorry, could you repeat?

Michael Schmidt - *Leerink Partners - Analyst*

I guess my question, the patients in the study, do they fall into a I would say maybe a more severe disease phenotype category and would those be likely treatment candidates should the drug be approved?

Paul Foster - *Xencor, Inc. - CMO*

Yes. I think this is pretty representative of the severity in a number of organs that have been involved in case series that have been published. We do try to -- one thing we did do in this trial is we excluded retroperitoneal fibrosis if that was the only organ involved. And that's because if you get to end stage disease and there's fibrosis and there's no inflammatory component, there's no reason to believe that any therapeutic would work. But outside of that, we're not looking at enriching populations going forward by any particular disease characteristic.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Yes, we think because the disease does manifest in many different organs. And one thing that's been becoming clearer and clearer from the physician community who treats it is that almost all patients have multiple organs and a growing number of organs that eventually starts overlapping more and more. So I think trying to segment by organ type is not the right way to go because you might have a cryptic organ that's going to pop up later. So again, it's fairly representative. These people do have active disease; it's bad enough that they're trying the experimental treatment, I think. That said, from what we know that would be representative to who your treatment population might be in the future. I think one numerical correction I think it was.

Paul Foster - *Xencor, Inc. - CMO*

Yes so I think I said there were 20 remissions, the Rituximab trial was 10. So 10 out of 30 had a remission, and we've had five so far.

Operator

Ted Tenthoff with Piper Jaffray.

Ted Tenthoff - *Piper Jaffray - Analyst*

I guess my questions are a little bit higher level. With this kind of magnitude of response, obviously it'll be very interesting to see the full dataset and what the FDA will have to say. But maybe you can lay out what the potential discussion points will be with FDA. I mean, understanding that the first data look. And then secondly, if I may, again with this kind of activity obviously with in the sub-Q data, is there any desire to maybe more rapidly expand exploration of 5871 in other immune mediated diseases?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Yes those are good questions. So our goal is of course to advance the molecules as rapidly as we can while still doing everything correctly. And that those tough points for the FDA at a very high level are going to be one; that demonstrating to the FDA that we have been supporting and working with the KOLs who are driving this disease, John Stone and many others, who are working hard on this Responder Index because I think the quantitative endpoint is a critical element for the FDA.

And I think in this case, we're ahead of the game relative to say where ANCA positive vasculitis was several years ago, when Dr. Stone was working on that for Rituximab and they took that to the FDA and it got approved. So I think they've spent a lot of great work there, that's obviously going to be a touch point with the FDA for discussion. In fact, just today there was a -- the optimized Responder Index was presented at the American College of Rheumatology meeting by Dr. Wallace from Massachusetts General.

It's great progress and I think we're going to discuss -- and the validation study of the responder next by a large, multinational, multi-physician validation study. So that was great progress and I think we're very encouraged by that. I think of course, we're going to discuss with the FDA the magnitude of efficacy, the severity of the disease, make sure they understand how the disease has been really recognized by the American College of Rheumatology as part of their training. That awareness is growing, there's a classification effort which is sort of the detailed medical textbook level definition of this disease that will be agreed upon by an international consortium of physicians.

That's underway; all that groundwork and we want to make sure we educate them on that. And then we'll of course, talk about magnitude of effect, we'll talk about the requirements for pivotal trials and what would be needed in terms of dose ranging, what would be needed in terms of comparative arms. We think comparison against standard of care will be there and that will include, in some way, looking at how steroids are used.

How exactly that is the case, I don't think we're prepared to fully comment, but we've certainly thought very hard about this because as a disease with no other investigational therapies -- with no approved therapies other than fairly toxic steroids where there's a very keen desire to find other alternatives, I think there'll be a meaningful discussion that we can have to try to find common ground.

And we hope to be able to guide on that whole set of discussions next year. As you pointed out, we have a subcutaneous trial that's going. We hope to report results from that next year. We would obviously like to continue further development with this agent with that subcutaneous formulation. I think that would be a substantial differentiator over the experimental work that's been done with Rituximab. Sub-Q chronic therapy is very attractive. And we've certainly had a lot of precedent in autoimmune disease for those kinds of therapies, like Humira in RA. So going to your next point, could you just reiterate it to make sure we answer accurately?

Ted Tenthoff - *Piper Jaffray - Analyst*

Yes, absolutely. So just, again, I mean with such a profound and rapid response, this is pretty exciting. Is there a view to maybe accelerate once we have this sub-Q data potential utilization in other immune mediated and in other related diseases?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

You mean aside from our work in lupus?

Ted Tenthoff - *Piper Jaffray - Analyst*

Correct, yes.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

I think that we did a very thorough exercise looking at potential indications when we chose IgG4-RD as the first one to go after, really, obviously there's always resource constraints in any company. And to really understand better how this disease behaves in a new disorder -- how this drug behaves in a new disorder. So we're all -- we're constantly evaluating those kinds of opportunities and engaging with physicians.

And as the awareness grows around IgG4-RD data, we think that those discussions are going to be facilitated. We're not really ready to comment, now. I think there's a range of disorders where B-cells have shown a profound impact on disease course and we'll certainly be able to discuss some of that later on. We're of course looking to get the whole program of 5871 working where IgG4-RD is kind of the tip of the spear.

Ted Tenthoff - *Piper Jaffray - Analyst*

We saw some negative data out of anti-BAFF, antibody, again, similar mechanism to Benlysta. Obviously, a different approach here but any learnings from that? Any surprises from that? Anything that sort of changes your view on how you're looking at lupus?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Nothing really. One of the things that we studied very carefully in the preclinical development of 5871 was exactly how many different B-cell pathways it inhibits and how profoundly it blocks B-cells from actually budging off of that sort of quiescent state. The BAFF pathway which sort of drives up proliferation is very profoundly inhibited by XmAb5871's presence.

In addition to the pathways that are driven by B-cell receptor activation, by the class switching pathway, by toll-like receptor ligands that drive B-cell activation, sort of more broad immune activations. So a very broad set of pathways are blocked. Of course, a BAFF inhibitor like Benlysta only

blocks exactly that one pathway. The whole thesis for this agent is it's a very potent inhibitor and I think we're not shaken from that at this point, by anything.

Operator

(Operator Instructions) Arlinda Lee with Canaccord.

Arlinda Lee - *Canaccord - Analyst*

Maybe just a follow-up on some of the B-cells that was mentioned. Of the eight patients that were previously treated, can you provide additional color on how many of these were previously with Rituxan and what their Rituxan history was?

And then maybe just briefly clarification. You mentioned that the retroperitoneal fibrosis was something that was excluded just because they were fibrous and there wasn't an inflammatory part of it. The single organ presentation that was a little bit odd, was that a fibrosis situation also?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

So maybe we'll tackle the Rituxan prior treatment question first then go to that atypical presentation. Paul, do you want to go on the Rituximab?

Paul Foster - *Xencor, Inc. - CMO*

Yes so we know we've had a least a couple patients on trial who have had Rituximab in the past. We haven't at this point delved into the details of that history as to how far out or what the response was. We do know that both, at least these two that were on Rituximab prior to the trial did have a response to 5871. And of course, we know that the two patients, the one patient that didn't respond to 5871 and one who saw a loss of response, neither of them had response to Rituximab when they were treated afterwards.

In terms of the atypical presentation, that was a subject who had a histologic diagnosis of IgG4-RD just in the larynx. It was not pure fibrosis or she wouldn't have come on trial. She actually made it on trial because of the old Responder Index, she had a score of three. As you can see from our chart, with the optimized Responder Index with the change in those scores, she only had a baseline of two. So under the current Responder Index, she wouldn't have been entered into the trial.

Again, the other thing that's atypical about her is she didn't have a response to Rituximab afterwards, as well. She's never been on a steroid that we're aware of. And I think there was another question in there?

Arlinda Lee - *Canaccord - Analyst*

Yes so maybe about the five patients who had achieved a Responder Index of zero. Can you maybe provide additional color on how long these patients had -- sort of take them to get there and what maybe their median Responder Index was at baseline?

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Well, it's all embedded of course in that Responder Index over time plot, as you can see. I think for three of them, they're not even done getting their treatment and so we're just still following them and we'll see, right? There was a deepening response over time, right, it wasn't like everybody instantly drops down and goes. There's time of resolution, that initial response is very fast, in two weeks.

But it's a snapshot in time, we're not quite there yet. I mean Paul, do you want to add any color on that, or?

Paul Foster - *Xencor, Inc. - CMO*

Not really, I mean we did range from day 85 to day 197 when these individuals get their Responder Index to zero.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Yes we do know that the two folks who are off study now, those with a Responder Index at zero remain in remission now. But it's only been several months since then, I think that was a point that was addressed in the talk that was given at ACR by Dr. Stone. So early days, but those remissions seem to be holding for now for the short time frame we've got.

Arlinda Lee - *Canaccord - Analyst*

OK. And then maybe just as a follow-up, how long will you be following these patients and then if they do relapse, what are the treatment options and how would they be counted in your trial, thanks?

Paul Foster - *Xencor, Inc. - CMO*

Well, the trial's designed that we're only following them for six weeks following the last treatment but Dr. Stone obviously, is following at longer time course in his practice.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

And the other treatment options I guess would probably be steroid rescue or Rituximab.

Paul Foster - *Xencor, Inc. - CMO*

Rituximab, yes.

Operator

At this time, showing no further questions. I would like to turn the call back over to Bassil Dahiyat for any closing remarks.

Bassil Dahiyat - *Xencor, Inc. - President, CEO*

Thanks very much. As we stated before, we're very encouraged by these preliminary data from the ongoing Phase 2 study of XmAb5871 and IgG4-Related Disease. And I want to thank you all for joining us today on a Sunday evening. We are positioning -- positioned, I should say, for a data-rich 2017, not just for 5871 but for the breadth of our portfolio of XmAb drug candidates and we continue to explore the potential of this whole pipeline in a variety of diseases.

We do look forward to updating you on our continued progress and thank you very much for joining us.

Operator

Ladies and gentleman, thank you for participating in today's conference. This does conclude the program, you may all disconnect.