Bellevue Medtech & Services (LUX)

OCTOBER 2023

Factsheet

Bellevue Funds (Lux) | Share class B EUR

Investment Company with Variable Capital (SICAV) according to Luxembourg Laws – UCITS
Marketing document - For retail/non-qualfied investors: AT, CH, DE, DK, ES, IT, LU, PT and professional investors: HK, SG(res)

Investment focus

The fund's aim is to achieve capital growth in the long term. The fund invests worldwide in companies active in the medical technology and healthcare services sector. Aim is to provide investors an attractive healthcare fund solution by investing in the entire healthcare universe with the exclusion of drug makers. Experienced sector specialists focus on profitable, liquid mid and large cap companies with an established product portfolio as well as fast growing small cap companies with leading-edge technology offering. Stock selection is based on fundamental company analysis, focusing in particular on the medical benefits and the potential savings for the healthcare system as well as the expected market potential of a company's products and services.The selection of the portfolio companies is entirely bottom up, independent of benchmark weightings. The fund takes ESG factors into consideration while implementing the aforementioned investment objectives.

Fund facts

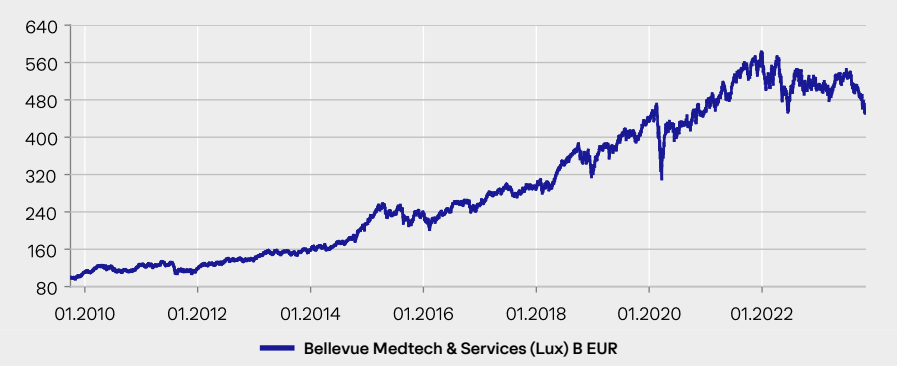
NAV	574.90
Volume	EUR 1'349.0 mn
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Accumulating
Investment manager	Bellevue Asset Management AG
Custodian	CACEIS Investor Services Bank, Luxembourg
Launch date	30.09.2009
Fiscal year end	30.06
Benchmark (M)	MSCI World IMI HC Equip. & Supplies
Benchmark (HC)	MSCI World Healthcare NR
ISIN code	LU0415391431
Valor	3882623
Bloomberg	BFLBBBE LX
WKN	A0RP23
Management fee	1.60%
Performance fee	none
Subscription fee	up to 5%
Min. investment	n.a.
Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, DK, ES, HK, IT, LU, PT, SG
EU SFDR 2019/2088	Article 8

Key figures

Beta	0.98
Correlation	0.93
Volatility	18.5%
Tracking Error	6.82
Active Share	35.46
Sharpe Ratio	0.14
Information Ratio	0.33
Jensen's Alpha	2.30

Source: Bellevue Asset Management, 31.10.2023;
Calculation over 3 years.

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
B EUR	-5.2%	-9.1%	-13.1%	7.0%	30.6%	197.6%	361.1%
Medtech	-6.0%	-7.6%	-10.3%	-2.2%	35.5%	237.0%	492.9%
H'care	-4.1%	-4.8%	-8.3%	31.7%	54.4%	189.5%	473.1%

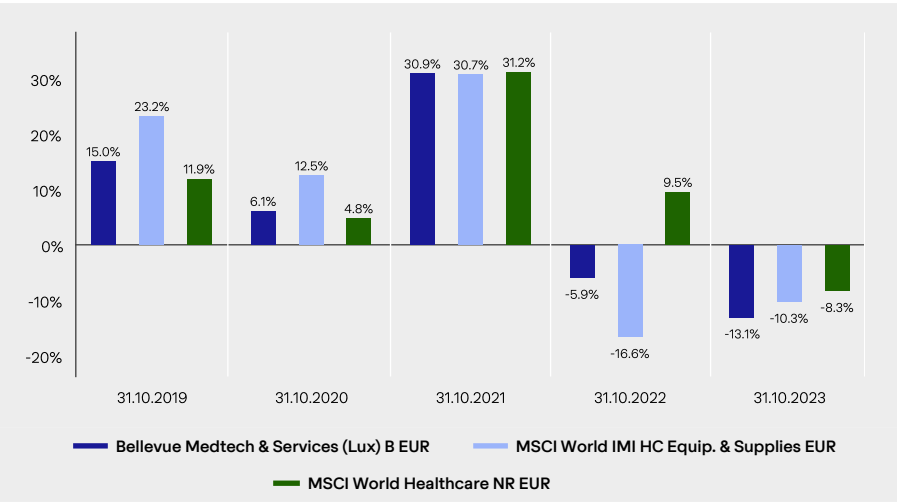
Annualised

	1Y	3Y	5Y	10Y	ITD
B EUR	-13.1%	2.3%	5.5%	11.5%	11.5%
Medtech	-10.3%	-0.7%	6.3%	12.9%	13.5%
H'care	-8.3%	9.6%	9.1%	11.2%	13.2%

Annual performance

	2018	2019	2020	2021	2022	YTD
B EUR	17.4%	28.4%	6.2%	24.8%	-12.0%	-9.1%
Medtech	16.3%	34.1%	13.6%	23.7%	-19.8%	-7.6%
H'care	7.6%	25.7%	4.3%	28.6%	0.5%	-4.8%

Rolling 12-month-performance



Source: Bellevue Asset Management, 31.10.2023; all figures in EUR %, total return / BVI-methodology
Past performance is not a reliable indicator of future results and can be misleading. As the fund is denominated in a currency that may differ than an investor's base currency, changes in the rate of exchange may have an adverse effect on prices and incomes. Performance is shown net of fees and expenses for the relevant share class over the reference period. 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. Individual costs are not taken into account and would have a negative impact on the performance. With an investment amount of EUR 1,000 over an investment period of five years, the investment result in the first year would be reduced by the front-end load of up to EUR 50 (5%) as well as by additional individual custody charges. In subsequent years, the investment result would also be reduced by the individual custody account costs incurred. The reference benchmark of this class is used for performance comparison purposes only (dividend reinvested). No benchmark is directly identical to a fund, thus the performance of a benchmark is not a reliable indicator of future performance of the fund to which it is compared. 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

Abbott Laboratories	9.7%
Boston Scientific	8.8%
Intuitive Surgical	8.4%
Stryker	8.3%
Becton Dickinson	5.1%
UnitedHealth Group	4.6%
Edwards Lifesciences	4.4%
Humana	3.7%
Medtronic	3.5%
Alcon	3.0%
Total top 10 positions	59.6%
Total positions	42

Sector breakdown

Cardiology	27.3%
Managed Care	15.6%
Surgery	11.7%
Orthopedics	11.0%
Life Science Supply	9.5%
Ophthalmology	4.9%
Diabetes	3.9%
Hospital/Nursing H.	3.3%
Imaging/Radiotherapy	2.8%
Dental	2.5%
Others	7.3%
Cash	0.2%

Geographic breakdown

United States	88.3%
Switzerland	5.8%
Denmark	2.1%
Germany	1.5%
France	1.2%
Others	0.9%
Cash	0.2%

Market cap breakdown

1 - 2 bn	0.9%
2 - 5 bn	2.6%
5 - 15 bn	8.6%
15 - 20 bn	5.6%
>20 bn	81.9%
Others	0.3%

Source: Bellevue Asset Management, 31.10.2023;
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 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 review

The global stock index (MSCI World Net Index -2.9%), European stock markets (Euro Stoxx 50 -2.6%) and Germany's Dax (-3.7%) corrected in October. The broad healthcare sector (MSCI World Healthcare Net -4.1%) also closed in negative territory and high-growth pockets within the healthcare industry, the Russell 2000 Healthcare (-9.9%) and the S&P Biotechnology Index (-9.3%) for instance, sold off even more. The medtech sector (MSCI World Healthcare Equipment & Supplies -6.0%) retreated as well, but the Bellevue Medtech & Services Fund (-5.2%) was not as weak as its benchmark.

The significant divergence within the healthcare sector can be traced to the renewed uptrend in US Treasury yields, which climbed to new highs in September. Rising bond yields are particularly negative for small-cap growth stocks in the medtech and in the drug-making space. 10-year US Treasury yields closed the month 36 basis points higher at 4.93%.

Stocks of US health insurance companies delivered pleasing returns. Cigna (+8.1%), Humana (+7.7%), UnitedHealth (+6.3%), Elevance (+3.4%), Molina (+1.6%) and Centene (+0.2%) made positive contributions to the fund's performance in October. Rising bond yields translate into higher investment income from financial assets (reserves) for US health insurers. UnitedHealth, Elevance and Molina surprised investors with better-than-expected earnings, a guidance upgrade for the current year and positive remarks regarding next year. Profit growth was mostly attributed to lower-than-expected medical cost ratios, and higher net interest income also had a positive impact. Centene expressed a bit more caution in its outlook for 2024. US hospital giant HCA (-8.0%) reported a disappointing profit margin due to unexpected losses from a joint venture. HCA's core business, on the other hand, showed above-average growth.

In the medtech sector, Shockwave (+3.0%) was a performance driver. It specializes in intravascular lithotripsy systems for the treatment of cardiovascular disease. Shockwave announced new groundbreaking products at its investor day and its 2026 sales forecast and its addressable market projection, which it almost doubled from USD 8.5 to USD 15 bn, were also positive surprises.

Novo Nordisk decided to stop its clinical trial of semaglutide (GLP-1) in kidney disease ahead of schedule based on the strong outcomes of an interim analysis of trial data. This news triggered heavy selling in dialysis stocks and in other stocks across the broader medtech sector.

Boston Scientific (-3.6%) and Abbott (-2.3%), for example, were also marked down even though both companies reported solid third-quarter results, as was Medtronic (-9.9%). Stocks of fast-growing companies such as Penumbra (-21.0%), Intuitive Surgical (-10.3%) and Edwards Lifesciences (-8.0%) sold off even more. Rising bond yields fueled the selling, and even a minor blemish in an earnings announcement added to the downward pressure. Align Technology (-39.5%) plunged after missing Q3 consensus expectations by a wide margin. Its management blamed the miss on a dip in consumer confidence in the US, which also dragged Idexx into the red (-9.1%).

Life sciences tools companies Danaher (-12.6%) and Thermo Fisher (-12.1%) corrected after they mentioned in their Q3 earnings reports that inventory destocking at customers would remain a headwind for their bioprocessing businesses. All performance data is in EUR / B shares.

Positioning & outlook

The pandemic hobbled industry growth for 2 years, but the medtech market has now shifted into a higher gear and we expect the faster pace of growth to continue well into 2024. We also expect numerous important products for diabetes and structural heart disease to be approved and launched.

We think the broad correction in the medtech sector triggered by GLP-1 trial readouts is an overreaction and will be short-lived. The low valuations give the sector considerable upside potential and offer investors attractive entry points.

The current stock-market situation is enticing not only for investors. We anticipate an upturn in M&A activity because the valuations of many promising, fast-growing companies have declined to such low levels. Should a recession actually materialize as some fear, the fund has delivered good relative returns in the past even during tough economic periods.

The Medtech & Services Fund invests in the entire healthcare market except for the drug developers. The medtech & services sector is one of the stock market's most defensive sectors with sustainable outperformance potential and that is one reason for the unqualified success of our investment strategy. We also expect procedure volume growth to remain high during the 2024 investment year.

Risk and return profile acc. to SRI

The Fund's investment 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 medical technology sector and who are willing to accept the equity risks typical of this sector.

low risk — high risk

1	2	3	4	**5**	6	7

We have classified this product as risk class 5 on a scale of 1 to 7, where 5 corresponds to a medium-high risk class. The risk of potential losses from future performance is classified as medium-high. In the event of very adverse market conditions, it is likely that the ability to execute your redemption request will be im-paired. The calculation of the risk and earnings profile is based on simulated/historical data, which cannot be used as a reliable indication of the future risk profile. The classification of the fund may change in future and does not constitute a guarantee. Even a fund classed in category 1 does not constitute a completely risk-free investment. There can be no guarantee that a return will be achieved or that a substantial loss of capital will not be incurred. The overall risk exposure may have a strong impact on any return achieved by the fund or subfund. For further information please refer to the fund prospectus or PRIIP-KID.

Liquidity risk

The fund may invest some of its assets in financial instruments that may in certain circumstances reach a relatively low level of liquidity, which can have an impact on the fund's liquidity.

Risk arising from the use of derivatives

The fund may conclude derivatives transactions. This increases opportunities, but also involves an increased risk of loss.

Currency risks

The fund may invest in assets denominated in a foreign currency. Changes in the rate of exchange may have an adverse effect on prices and incomes.

Operational risks and custody risks

The fund is subject to risks due to operational or human errors, which can arise at the investment company, the custodian bank, a custodian or other third parties.

Awards

REFINITIV LIPPER FUND AWARDS 2020 WINNER EUROPE

REFINITIV LIPPER FUND AWARDS 2021 WINNER EUROPE

LIPPER FUND AWARDS FROM REFINITIV 2019 WINNER SWITZERLAND

REFINITIV LIPPER FUND AWARDS 2022 WINNER UNITED KINGDOM

FUND AWARD 2018 Euro Euro BÖRSE ONLINE

FUND AWARD 2019 Euro Euro BÖRSE ONLINE

FUND AWARD 2020 Euro Euro BÖRSE ONLINE

FUND AWARD 2021 Euro Euro BÖRSE ONLINE

FUND AWARD 2022 Euro Euro BÖRSE ONLINE

Benefits

- Digitalization of the healthcare sector is boosting medtech companies' growth and earnings.
- Focusing on profitable, liquid mid and large cap companies with an established product portfolio as well as on rapidly growing small cap businesses delivering cutting-edge technology.
- Managed care profits from the privatization of the health insurance sector and lower treatment costs.
- Minimally invasive techniques gaining ground – shorter treatment times reduce healthcare costs.
- Bellevue – Healthcare pioneer since 1993 and today one of the biggest independent investors in the sector in Europe.

Inherent risks

- The fund invests in equities. Equities are subject to price fluctuations and so are also exposed to the risk of price losses.
- The fund invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- The fund may invest a proportion of its assets in financial instruments that might under certain circumstances have a relatively low level of liquidity, which can in turn affect the fund's liquidity.
- Investing in emerging markets entails the additional risk of political and social instability.
- The fund may engage in derivatives transactions. The increased opportunities gained come with an increased risk of losses.

You can find a detailed presentation of the risks faced by this fund in the "Special Investment Risks" section of the sales prospectus.

Management Team



Stefan Blum
Lead Portfolio Manager since inception of the fund



Marcel Fritsch
Lead Portfolio Manager since inception of the fund



Dr. Teresa Vilanova
Equity Analyst of the fund since 2022

Sustainability Profile – ESG

EU SFDR 2019/2088 product category: Article 8

Exclusions:		ESG Risk Analysis:		Stewardship:	
Compliance UNGC, HR, ILO	✓	ESG-Integration	✓	Engagement	✓
Norms-based exclusions	✓			Proxy Voting	✓
Controversial weapons	✓				

Key Figures:

CO_2-intensity (t CO_2/mn USD sales):	13.8 (Very low)	Coverage:	100%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	100%

Based on portfolio data as per 31.10.2023; – ESG data base on MSCI ESG Research and are for information purposes only; compliance with global norms according to the principles of UN Global Compact (UNGC), UN Guiding Principles for Business and Human Rights (HR) and standards of International Labor Organisation (ILO); no involvement in controversial weapons; norms-based exclusions based on annual revenue thresholds; ESG Integration: Sustainability risks are considered while performing stock research and portfolio construction; Stewardship: Engagement in an active and constructive dialogue with company representatives on ESG aspects as well as exercising voting rights at general meetings of shareholders.MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). The CO_2-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO_2 per USD 1 million sales; for further information c.f. www.bellevue.ch/sustainability-at-portfolio-level.

Important information

This marketing communication relates to Bellevue Funds (Lux) (hereinafter the "Fund"), an investment company with variable capital "société à capital variable" (SICAV) under the current version of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies ("Law of 1915") and is authorized under Part I of the Law of 17 December 2010 relating to undertakings for collective investment ("Law of 2010") as an undertaking for collective investment (UCITS). Bellevue Medtech & Services is a subfund of Bellevue Funds (Lux).

This marketing communication 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 acts as an Investment Manager of the Fund. The Prospecturs, statutes, the annual and half-yearly report, the share prices as well as the Key Information Document (PRIIP-KID) and further information about the Fund can be obtained free of charge in English and German from the management company of the Fund, Bellevue Asset Management AG, Seestrasse 16, CH-8700 Küsnacht, from the representative, paying, facilities and information agents mentioned below or online at www.bellevue.ch. The Key Information Document (PRIIP-KID) is available free of charge in the languages of the countries of distribution www.fundinfo.com.

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Countries of distribution and local representatives

The Bellevue Funds (Lux) is registered and admitted for public distribution in AT, CH, DE, ES, LU, SG, DK, IT and PT. For HK the subfund has been notified to the Luxembourg Regulator.

Austria, **Germany**, **Denmark**, **Portugal**:
Facilities Agent: Zeidler Legal Process Outsourcing Ltd with address at 19-22 Lower Baggot Street, Dublin 2, D02 X658, Ireland, email: facilities_agent@zeidlerlegalservices.com ("Zeidler") and CACEIS Investor Services Bank S.A. mit der Adresse bei 14, Porte de France, L-4360 Esch-sur-Alzette, Luxembourg.

Spain: Representative: Atl Capital, Calle de Montalbán 9, ES-28014 Madrid - CNMV under the number 938

Switzerland: The Bellevue Funds (Lux) SICAV is registered for public offering and distribution in Switzerland with the Swiss Financial Market Supervisory Authority. Representative agent in Switzerland: Waystone Fund Services (Switzerland) SA, Avenue Villamont 17, CH-1005 Lausanne. Paying agent in Switzerland: DZ PRIVATBANK (Schweiz) AG, Münsterhof 12, P.O. Box, CH-8022 Zürich. You can obtain the sales prospectus, Key Information Document ("PRIIP-KID"), statutes and the current annual and half-yearly reports, the current share prices and further information about the fund free of charge in German from the management company Bellevue Asset Management AG, Seestrasse 16, CH-8700 Küsnacht, the representative agent in Switzerland or online at www.bellevue.ch. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative agent.

The Summary of Investor Rights is available under: https://www.waystone.com/wp-content/uploads/2021/08/Waystone_Management_Company_Lux_S.A_Summary_of_Investor_Rights_-_August_2021.pdf

The management company may decide to withdraw the arrangements it has made for the distribution of the units of its collective investment undertakings in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

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The most important terms are explained in the glossary at www.bellevue.ch/en/glossary.

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Important information

BELLEVUE FUNDS (LUX)
PROSPECTUS SUPPLEMENT – ADDITIONAL INFORMATION FOR INVESTORS IN HONG KONG
DATED NOVEMBER 2021

This section has been prepared solely for Hong Kong investors who invest or propose to invest in Shares of Bellevue Funds (Lux) (the "Company") in Hong Kong. Investors in Hong Kong should read this supplement in conjunction with the Prospectus for the Company (the "Prospectus"). References to the Prospectus are to be taken as references to that document as supplemented hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

FOR RESIDENTS OF HONG KONG

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