Bellevue Medtech & Services (LUX)

FEBRUARY 2024

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

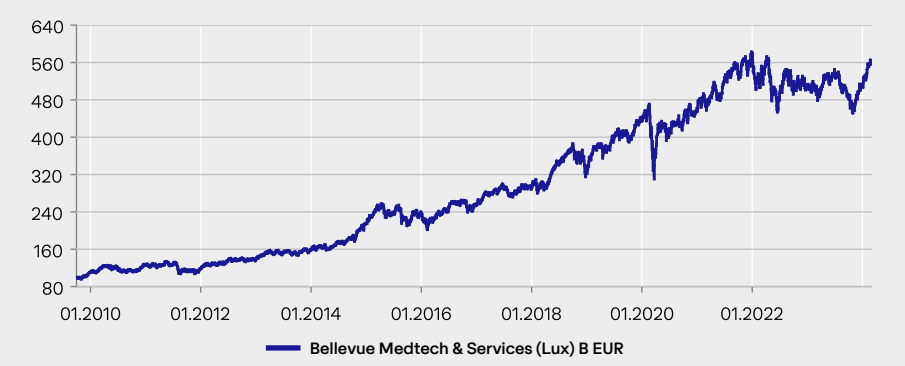
NAV	693.04
Volume	EUR 1'593.1 mn
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Accumulating
Investment manager	Bellevue Asset Management AG
Custodian	CACEIS Investor Services Bank, Luxembourg
Launch date	30.09.2009
Fiscal year end	30.06
Benchmark (M)	MSCI World IMI 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	18.4%
Tracking Error	6.61
Active Share	28.49
Sharpe Ratio	0.37
Information Ratio	0.36
Jensen's Alpha	2.59

Source: Bellevue Asset Management, 29.02.2024;
Calculation over 3 years.

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
B EUR	3.5%	8.6%	11.8%	19.1%	48.4%	234.3%	455.9%
Medtech	3.0%	7.5%	11.4%	11.0%	52.5%	290.4%	624.6%
H'care	2.7%	7.6%	12.3%	40.4%	69.8%	195.5%	550.5%

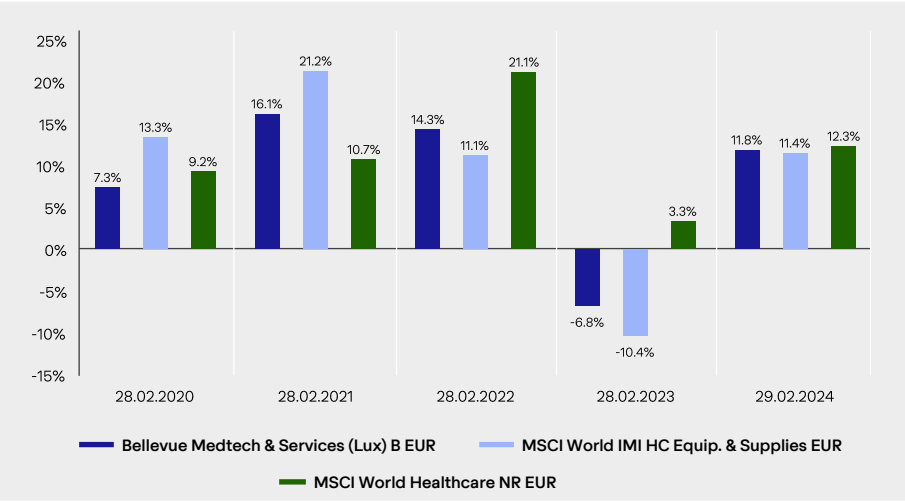
Annualised

	1Y	3Y	5Y	10Y	ITD
B EUR	11.8%	6.0%	8.2%	12.8%	12.6%
Medtech	11.4%	3.5%	8.8%	14.6%	14.7%
H'care	12.3%	12.0%	11.2%	11.4%	13.9%

Annual performance

	2019	2020	2021	2022	2023	YTD
B EUR	28.4%	6.2%	24.8%	-12.0%	0.9%	8.6%
Medtech	34.1%	13.6%	23.7%	-19.8%	5.1%	7.5%
H'care	25.7%	4.3%	28.6%	0.5%	0.4%	7.6%

Rolling 12-month-performance



Source: Bellevue Asset Management, 29.02.2024; 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	10.0%
Boston Scientific	9.6%
Intuitive Surgical	9.2%
Stryker	8.6%
Edwards Lifesciences	4.6%
Medtronic	4.6%
Becton Dickinson	4.2%
Dexcom	4.0%
Alcon	3.4%
IDEXX	3.0%
Total top 10 positions	61.1%
Total positions	44

Sector breakdown

Cardiology	29.8%
Surgery	12.1%
Orthopedics	11.2%
Life Science Supply	9.3%
Ophthalmology	7.0%
Diabetes	5.7%
Imaging/Radiotherapy	5.5%
Managed Care	5.4%
Hospital/Nursing H.	3.4%
Dental	3.0%
Wound Closure/Lasers /OBGY	2.5%
Others	4.4%
Cash	0.8%

Geographic breakdown

United States	86.6%
Switzerland	6.4%
Denmark	2.4%
Germany	1.5%
France	1.2%
Japan	1.0%
Cash	0.8%

Market cap breakdown

2 - 5 bn	3.7%
5 - 15 bn	4.5%
15 - 20 bn	4.8%
>20 bn	86.2%
Others	0.8%

Source: Bellevue Asset Management, 29.02.2024;
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

Global stocks marched higher in February (MSCI World Net Index +4.7%), as did European stocks (Euro Stoxx 50 +5.1%) and Germany's bellwether index (DAX +4.6%). The broad healthcare index (MSCI World Healthcare Net +2.7%) and the medtech sector (MSCI World Healthcare Equipment & Supplies +3.0%) also closed the month in clearly positive territory, as did the Bellevue Medtech & Services Fund (+3.5%), and ahead of its benchmark as well.

The relevant medtech markets have shown very pleasing growth. Besides the numerous new or recently launched market-expanding products with blockbuster potential, all the procedures that had to be postponed during the pandemic will give volume growth in 2024 an additional boost. Medtech companies are therefore expected to report a big acceleration in growth this year. Excellent fourth-quarter results and optimistic outlooks for 2024 underpin that assessment. Not only that, the large medtech players have rock-solid balance sheets and sector valuations are still modest, so we expect M&A activity to pick up. Given the typically substantial takeover synergies in this sector, the stock prices of acquiring companies should trade higher, too.

Large-cap medtech stocks were conspicuous performance drivers for the fund in February: GE Healthcare (+25.0%), Alcon (+12.3%), Idexx Laboratories (+12.2%), Edwards Lifesciences (+8.7%), Abbott (+5.3%), Boston Scientific (+5.1%) and Stryker (+4.5%). GE Healthcare beat consensus sales and profit estimates. The company is a leader in integrating artificial intelligence (AI) into medical technology systems and it has accumulated the most FDA approvals for AI-powered medtech products (58). Alcon's fourth-quarter results were better than expected. Reported growth for both sales, fueled by new, innovative contact lenses, and profits surprised to the upside. Edwards Lifesciences received FDA approval for its Evoque heart valve replacement system much sooner than expected. Evoque is the first transcatheter therapy to receive approval for the treatment of tricuspid regurgitation. Insulet (-13.7%) and Penumbra (-6.4%) did not quite meet high investor expectations and had a negative impact on portfolio performance.

Most of the healthcare services providers traded higher in February. For instance HCA Healthcare (+2.7%), the largest US hospital chain, and Privia (+11.2%), which has developed a physician-focused platform that improves healthcare delivery for care providers and patients. The performance of US health insurers was mixed. Cigna (+12.2%), Molina (+11.0%), Centene (+4.6%) and Elevance (+2.1%) made positive contributions to performance, while Humana (-6.9%) and UnitedHealth (-3.1%) were performance detractors. Cigna, a US health insurer focused on employer-sponsored plans, beat consensus earnings estimates by a mile thanks to a drop in medical costs and raised its earnings guidance for 2024. Shares of the largest US health insurer UnitedHealth came under pressure in late February after the Wall Street Journal wrote that the Department of Justice (DOJ) had launched an antitrust investigation into the company. The DOJ has allegedly inquired about relationships between UnitedHealth Group's subsidiaries UnitedHealthcare (health insurer) and Optum Health (services provider) and is probing past acquisitions of doctor groups and how they have affected competition. The Biden administration's aggressive stance towards market leaders in various industries does not come as a surprise to us during this presidential election year, and we assume this will be an only temporary phenomenon. All performance data is in EUR / B shares.

Positioning & outlook

From a fundamental standpoint, medtech companies and hospital operators have been on a stable, above-average growth trajectory since the summer of 2023 and this trend should continue in 2024. The medtech sector's good sales growth will also be fueled by the approval and launch of relevant new products.

We expect hospitals operators to benefit from the ongoing recovery of surgical procedure volumes and from slower wage growth in the nursing field. In the health insurance space, we expect premium volumes to show very good growth, fueled by a steady increase in membership numbers and higher-than-average rate increases. We expect another significant increase in premium rates for 2025, which should have a positive impact on insurers' sales and earnings growth. Political risks remain low. Either Biden or Trump will win the White House and we assume that no party will have a solid majority in either chamber of Congress after the elections.

Unlike in 2023, we are anticipating tailwinds for our investment solution in 2024: Rate cuts by the Fed, attractive valuation levels (valued at a discount despite above-average earnings growth), a general repositioning as investors drop last year's outperformers and move into high-quality stocks, and a meager outlook for global economic growth (which in the past has been good for non-cyclical sectors). All of these factors argue for an investment in the Bellevue Medtech & Services (Lux) Fund.

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

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):	15.0 (Low)	Coverage:	99%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	99%

Based on portfolio data as per 29.02.2024; – 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. with address at 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

WARNING: THE CONTENTS OF THIS PROSPECTUS HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

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