

# Factsheet

Bellevue Funds (Lux) | Share class U2 EUR

Investment Company with Variable Capital (SICAV) according to Luxembourg Laws – UCITS  
Marketing document - For professional investors: AT, CH, DE, DK, ES, IT, LU, 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.

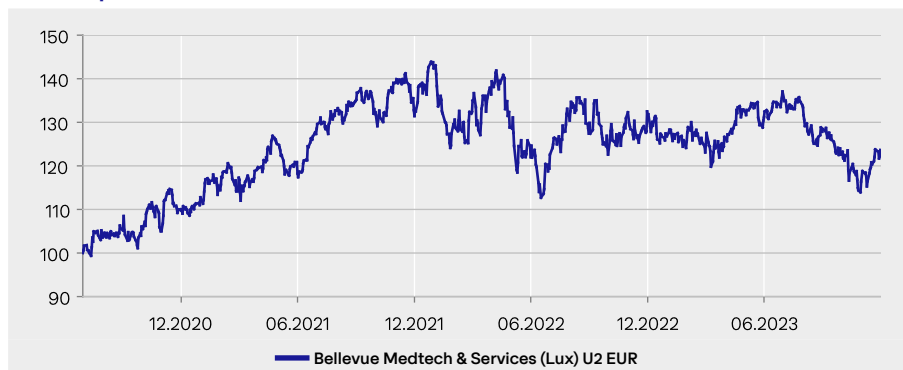
## Fund facts

NAV	154.57
Volume	EUR 1'408.4 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	30.06.2020
Fiscal year end	30.06
Benchmark (M)	MSCI World IMI HC Equip. & Supplies
Benchmark (HC)	MSCI World Healthcare NR
ISIN code	LU2194372426
Valor	55589713
Bloomberg	BBAMU2E LX
WKN	A2P68J
Management fee	0.70%
Performance fee	none
Subscription fee	up to 5%
Min. investment	EUR 50.0 mn
Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, DK, ES, IT, LU, SG
EU SFDR 2019/2088	Article 8

## Key figures

Beta	0.99
Correlation	0.93
Volatility	18.4%
Tracking Error	6.74
Active Share	34.86
Sharpe Ratio	0.20
Information Ratio	0.36
Jensen's Alpha	2.52

## Indexed performance since launch



## Cumulative & annualised performance

### Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
U2 EUR	6.2%	-2.5%	-6.7%	12.4%	n.a.	n.a.	23.7%
Medtech	7.4%	-0.8%	-5.0%	0.7%	n.a.	n.a.	11.9%
H'care	2.7%	-2.3%	-7.0%	27.4%	n.a.	n.a.	30.1%

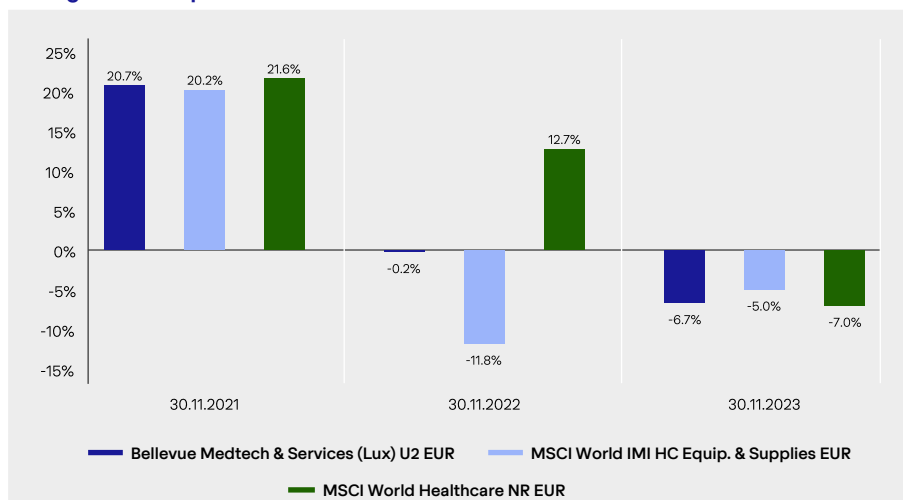
### Annualised

	1Y	3Y	5Y	10Y	ITD
U2 EUR	-6.7%	4.0%	n.a.	n.a.	6.4%
Medtech	-5.0%	0.2%	n.a.	n.a.	3.3%
H'care	-7.0%	8.4%	n.a.	n.a.	8.0%

## Annual performance

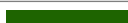









	2018	2019	2020	2021	2022	YTD
U2 EUR	n.a.	n.a.	n.a.	26.3%	-10.9%	-2.5%
Medtech	n.a.	n.a.	n.a.	23.7%	-19.8%	-0.8%
H'care	n.a.	n.a.	n.a.	28.6%	0.5%	-2.3%

## Rolling 12-month-performance













Source: Bellevue Asset Management, 30.11.2023; 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		9.9%
Boston Scientific		9.2%
Intuitive Surgical		9.2%
Stryker		8.5%
Edwards Lifesciences		4.3%
Becton Dickinson		4.3%
Dexcom		3.8%
Medtronic		3.7%
UnitedHealth Group		3.7%
Alcon		3.0%
Total top 10 positions		59.5%
Total positions		42






### Sector breakdown

Cardiology		28.1%
Managed Care		12.2%
Surgery		12.2%
Orthopedics		11.1%
Life Science Supply		9.0%
Diabetes		5.7%
Ophthalmology		4.8%
Hospital/Nursing H.		3.1%
Imaging/Radiotherapy		3.0%
Dental		2.7%
Others		7.8%
Cash		0.2%

### Geographic breakdown

United States		87.6%
Switzerland		6.0%
Denmark		2.4%
Germany		1.6%
France		1.2%
Japan		0.9%
Cash		0.2%

### Market cap breakdown

1 - 2 bn		0.8%
2 - 5 bn		3.4%
5 - 15 bn		4.8%
15 - 20 bn		6.8%
>20 bn		84.0%
Others		0.1%

### Market review

Global stocks performed very well in November (MSCI World Net Index +6.2%), as did European stocks (Euro Stoxx 50 +8.1%) and Germany's DAX (+9.5%). The medtech sector (MSCI World Healthcare Equipment & Supplies +7.4%) and the Bellevue Medtech & Services Fund (+6.1%) also made good gains, but the broader healthcare sector (MSCI World Healthcare Net +2.7%) was a laggard. November's good performance was driven by the biggest one-month drop in bond yields since the financial crisis. 10-year Treasury yields slumped about 70 basis points from their intra-month peak and closed at 4.33%. Falling bond yields benefited growth stocks the most, also in the medtech sector.

Medtech stocks also gained after Novo Nordisk published detailed data from its "SELECT" trial. In August 2023, the publication of initial data (headline results) from the "SELECT" trial had led to considerable uncertainty for medtech investors and steep losses as well. The detailed results that were published last month showed that GLP-1 treatment was indeed very effective in patients with pre-existing cardiovascular disease, but they also revealed that GLP-1 therapy might have an only marginal impact on business in the medical technology market in the mid to long term, and maybe even a positive impact in the short term. For example, patients with morbid obesity in need of orthopedic care might have to lose weight before hip or knee replacement surgery is performed. What's more, tailwinds from demographic aging (e.g. in cardiovascular disease) will have a greater impact on market growth and on markets where (digital) technology penetration rates are still very low (e.g. insulin pumps in the Type 2 diabetes market), so potentially slower market growth momentum years from now shouldn't be a problem for the medtech industry either.

Against this backdrop, the fund's investments in Insulet (+38.5%), Dexcom (+26.3%), Intuitive Surgical (+15.1%), Penumbra (+12.8%), Procept Biorobotics (+34.4%) and TransMedics (+96.1%) delivered handsome returns. Large-cap stocks in the portfolio such as Medtronic (+4.5%), Abbott (+4.5%), Stryker (+6.5%) and Boston Scientific (+6.0%) also performed well. Becton Dickinson (-9.3%), Veeva (-12.2%) and Shockwave (-17.8%) detracted from portfolio performance.

US health insurers weren't among the stocks that benefited from the falling bond yields and they ended the month mixed, although Molina (+6.6%), Centene (+3.7%), Elevance (+3.5%) and UnitedHealth (+0.3%) did make positive contributions to performance. Cigna (-17.4%) and Humana (-10.1%) came under pressure after the Wall Street Journal reported on rumors that Cigna was considering a bid for Humana, which rattled their shareholders. An official bid would likely lead to a lengthy review by antitrust authorities at the US Department of Justice along with political pressure during a presidential election year, placing a big question mark over the deal's outcome. UnitedHealth's earnings forecast for 2024, given at the company's annual Investor Conference, met investor expectations and confirmed the company's targeted long-term growth range of 13-16%. Management also forecast a temporarily higher medical loss ratio in 2024 due to changes to the Medicare Advantage risk adjustment model but said this should be offset by higher profits from Optum Health, the insurer's health services network. All performance data is in EUR / B shares.

### Positioning & outlook

Many medtech companies are anticipating high surgical procedure growth for the final quarter of 2023. A few have already made positive comments about 2024, which supports our thesis of a continued recovery in procedure volumes in 2024. Fast sector sales growth will be sustained by the approval and launch of relevant new products. Examples here are Abbott's TriClip, AVEIR and Libre products, Boston Scientific's Farapulse PFA system and the next generation Da Vinci robotic surgery system from Intuitive Surgical. Medtech's renewed pricing power, in the low single-digit percentage range, appears to be intact going forward while the negative effects of supply chain disruptions are petering out, creating additional margin improvement potential.

We expect hospitals operators to benefit from the ongoing recovery of surgical procedure volumes and slower wage growth in the nursing field. As for the health insurers, we expect premium volumes to show very good growth, fueled by a steady increase in the number of insured people and above-average premium growth in 2024. Furthermore, continued high government bond yields on a yearly comparison basis could have an accretive effect on earnings. Political risks remain low. We presume Joe Biden will be re-elected and that no party will have a solid majority in either chamber of Congress.

As the 2023 investment year has clearly shown, outstanding sector fundamentals can be overridden by macroeconomic developments and shifting investor tastes. Unlike in 2023, we are anticipating tailwinds for our investment vehicle in 2024: Rate cuts by the Fed (with a 12-month time lag), attractive valuation levels (valued at a discount despite above-average earnings growth), a general repositioning as investors turn away from high-flying stocks ("Magnificent 7") and buy up quality stocks, and a ho-hum outlook for global economic growth (which in the past has been kind to 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.



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 impaired. 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



### 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.

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:

Compliance UNGC, HR, ILO	✓
Norms-based exclusions	✓
Controversial weapons	✓

#### ESG Risk Analysis:

ESG-Integration	✓
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#### Stewardship:

Engagement	✓
Proxy Voting	✓

#### Key Figures:

CO <sub>2</sub> -intensity (t CO <sub>2</sub> /mn USD sales):	13.6 (Very low)	Coverage:	100%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	100%

Based on portfolio data as per 30.11.2023; – 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<sub>2</sub>-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO<sub>2</sub> per USD 1 million sales; for further information c.f. [www.bellevue.ch/sustainability-at-portfolio-level](http://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 Prospectus, 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](http://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](http://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, SG, DK, IT and LU. For HK the subfund has been notified to the Luxembourg Regulator.

#### Austria, Germany, Denmark:

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](mailto: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](http://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](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](http://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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