

Factsheet

Bellevue Funds (Lux) | Share class U2 CHF

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	139.44
Volume	CHF 1'402.6 mn
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Accumulating
Investment manager	Bellevue Asset Management AG
Custodian	RBC Investor Services, 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	LU2194372772
Valor	55589718
Bloomberg	BBAMU2C LX
WKN	A2P68L
Management fee	0.70%
Performance fee	none
Subscription fee	up to 5%
Min. investment	CHF 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	18.5%
Tracking Error	6.75
Active Share	35.85
Sharpe Ratio	0.30
Information Ratio	0.41
Jensen's Alpha	2.91

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
U2 CHF	-3.1%	-5.2%	0.4%	3.9%	n.a.	n.a.	11.6%
Medtech	-3.8%	-3.6%	2.1%	-7.3%	n.a.	n.a.	0.9%
H'care	0.2%	-2.8%	3.1%	17.8%	n.a.	n.a.	20.0%

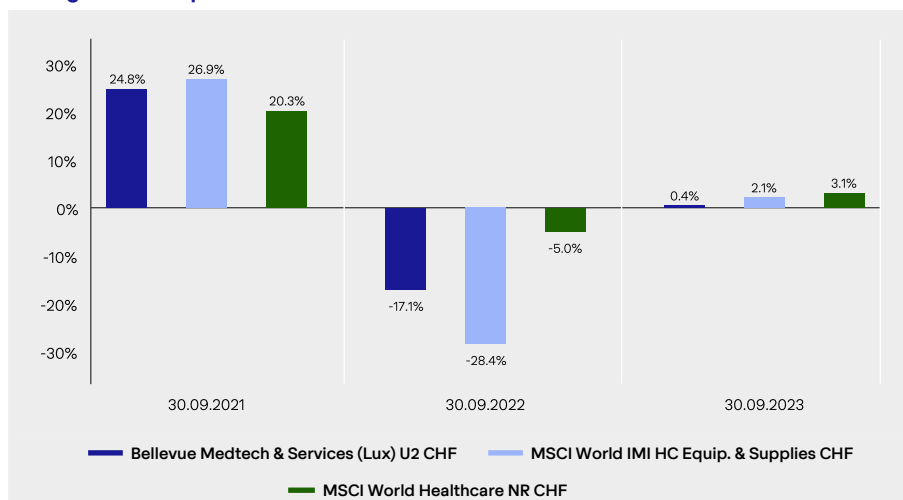
Annualised

	1Y	3Y	5Y	10Y	ITD
U2 CHF	0.4%	1.3%	n.a.	n.a.	3.4%
Medtech	2.1%	-2.5%	n.a.	n.a.	0.3%
H'care	3.1%	5.6%	n.a.	n.a.	5.8%

Annual performance

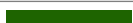









	2018	2019	2020	2021	2022	YTD
U2 CHF	n.a.	n.a.	n.a.	21.0%	-15.1%	-5.2%
Medtech	n.a.	n.a.	n.a.	18.5%	-23.6%	-3.6%
H'care	n.a.	n.a.	n.a.	23.3%	-4.3%	-2.8%

Rolling 12-month-performance













Source: Bellevue Asset Management, 30.09.2023; all figures in CHF %, 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 CHF 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 CHF 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		9.3%
Intuitive Surgical		9.2%
Boston Scientific		8.6%
Stryker		8.0%
Becton Dickinson		4.9%
Edwards Lifesciences		4.4%
UnitedHealth Group		3.8%
IDEXX		3.1%
Medtronic		3.1%
Alcon		3.1%
Total top 10 positions		57.5%
Total positions		43






Sector breakdown

Cardiology		26.2%
Surgery		12.7%
Managed Care		12.4%
Life Science Supply		12.1%
Orthopedics		10.6%
Ophthalmology		4.8%
Diabetes		4.6%
Hospital/Nursing H.		3.6%
Dental		3.0%
Imaging/Radiotherapy		2.8%
Others		7.3%
Cash		-0.1%

Geographic breakdown

United States		89.0%
Switzerland		5.8%
Denmark		2.0%
Germany		1.4%
France		1.1%
Others		0.8%
Cash		-0.1%

Market cap breakdown

1 - 2 bn		1.4%
2 - 5 bn		2.2%
5 - 15 bn		8.7%
15 - 20 bn		4.5%
>20 bn		83.2%
Others		0.0%

Market review

Global stock markets (MSCI World Net Index -2.0%), European stock markets (Euro Stoxx 50 -2.8%) and Germany's DAX (-3.5%) all headed south in September. The broad healthcare sector (MSCI World Healthcare Net -0.9%) also retreated and high-growth pockets within the healthcare industry represented by the Russell 2000 Healthcare (-6.8%) and the S&P Biotechnology Index (-5.5%) ended the month sharply lower. The medtech sector (MSCI World Healthcare Equipment & Supplies -4.8%) also came under selling pressure, as did the Bellevue Medtech & Services Fund (-4.2%), which performed better than its benchmark.

The significant performance divergence in the healthcare sector can be traced to the renewed uptrend in US Treasury yields, which climbed to new highs in September. Rising bond yields hit small-cap growth stocks in the medtech and in the drug-making space the hardest. 10-year US government bond yields ended the month 46 basis points higher at 4.57%. Steep corrections were seen in high-growth companies such as Align (-15.5%), Insulet (-14.8%), Straumann (-13.5%), Idexx (-12.4%), Cooper Companies (-11.9%), Penumbra (-6.3%) and Dexcom (-5.3%), and Intuitive Surgical (-4.2%).

Large-cap medtech stocks Siemens Healthineers (+4.1%), Boston Scientific (+0.3%), Medtronic (-0.6%) and Stryker (-1.0%) showed resilience in the face of the market turmoil. Boston Scientific surprised investors at its biennial investor day by guiding for annual organic sales growth of 8-10% for 2024 to 2026.

Stocks of US health insurance companies delivered pleasing returns. UnitedHealth (+8.8%), Humana (+8.2%), Molina (+8.3%), Centene (+14.5%), Cigna (+6.6%) and Elevance (+1.3%) made positive contributions to portfolio performance. We had already begun to add to the fund's shareholdings in US health insurers early in the month, so its overall exposure to healthcare services at the end of the month (16.2%) was significantly higher compared to the end of August. Rising bond yields translate into higher investment income from financial assets (reserves) for US health insurers. Furthermore, visibility regarding their operating performance has improved significantly over the course of the year. Many insurers reiterated their guidance for the year during the past month, and both pricing and coverage developments for the coming year appear to be positive for the industry. That and the currently low valuation levels – health insurer stocks are trading at a significant discount to the broader US stock market – as well as above-average revenue and earnings growth prospects give the industry more outperformance potential. All performance data is in EUR / B shares).

Positioning & outlook

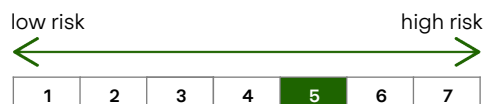
Our projection that medical procedures would bounce back strongly in 2023 after 2 years of a severe corona-related slump appears to be correct. We additionally expect numerous important products for diabetes and structural heart disease to be approved and launched.

The sector's risk-return profile is enticing for many investors. Moderate sector valuations spell opportunities, and not only for investors. We anticipate an upturn in M&A activity because the valuations of many promising, fast-growing companies have declined to much lower levels. If the recession fears do prove to be accurate, historical data show that the fund's strategy has delivered a good relative return even when markets are difficult.

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. In contrast to pharmaceutical companies, medtech companies were challenged by the capacity bottlenecks at hospitals during the corona crisis. We expect procedure volumes will continue to grow in 2023 and 2024 and believe sector stocks still have bounce-back potential, which makes now a good opportunity to buy the sector.

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 ₂ -intensity (t CO ₂ /mn USD sales):	14.0 (Very low)	Coverage:	100%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	100%

Based on portfolio data as per 30.09.2023; – 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 CO₂-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO₂ 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 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. 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, 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 SouthPoint, Herbert House, Harmony Row, Grand Canal Dock Dublin 2, 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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