

# Factsheet

Bellevue Funds (Lux) | Share class U2 USD

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

## Investment focus

The fund's aim is to achieve capital growth in the long term. The fund invests globally at least two-thirds of the portfolio in companies whose business activities have a strong focus on the digitalization of the healthcare sector. A global network of experts spanning scientific and industrial fields support the Management Team in forming opinions. The selection of portfolio companies is bottom-up. The fund takes ESG factors into consideration while implementing the aforementioned investment objectives.

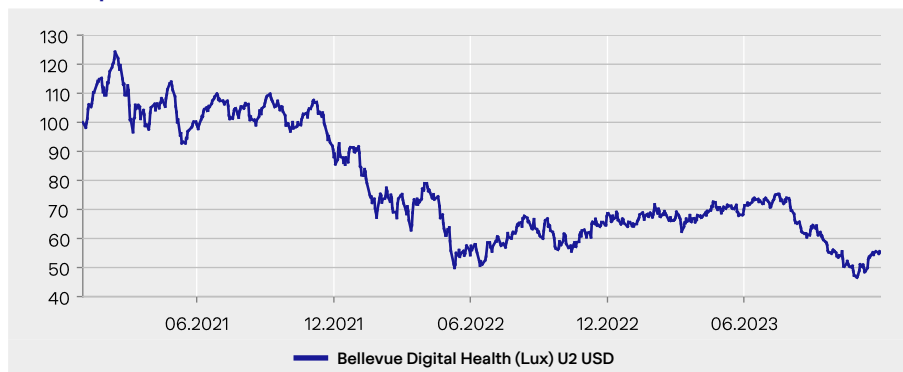
## Fund facts

NAV	69.10
Volume	USD 422.3 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	31.12.2020
Fiscal year end	30.06
Benchmark	n.a.
ISIN code	LU2275403207
Valor	58918496
Bloomberg	BBDHU2U LX
WKN	A2QK35
Management fee	0.70%
Performance fee	none
Subscription fee	up to 5%
Min. investment	USD 50.0 mn
Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, DK, ES, HK, IT, LU, NL, SG
EU SFDR 2019/2088	Article 8

## Key figures

Beta	n.a.
Correlation	n.a.
Volatility	32.7%
Tracking Error	n.a.
Active Share	n.a.
Sharpe Ratio	-0.43
Information Ratio	n.a.
Jensen's Alpha	n.a.

## Indexed performance since launch



## Cumulative & annualised performance

### Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
U2 USD	17.0%	-15.7%	-18.2%	n.a.	n.a.	n.a.	-44.7%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

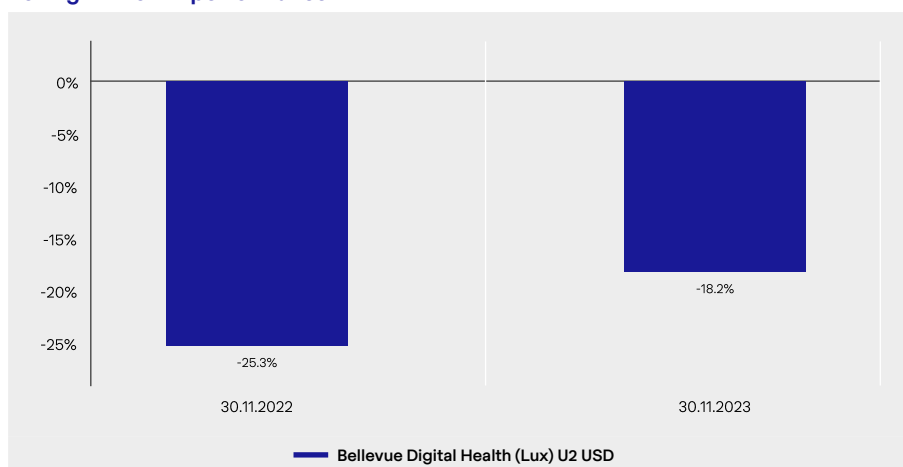
### Annualised

	1Y	3Y	5Y	10Y	ITD
U2 USD	-18.2%	n.a.	n.a.	n.a.	-18.4%
BM	n.a.	n.a.	n.a.	n.a.	n.a.

## Annual performance

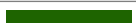









	2018	2019	2020	2021	2022	YTD
U2 USD	n.a.	n.a.	n.a.	-9.7%	-27.4%	-15.7%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

## Rolling 12-month-performance







Source: Bellevue Asset Management, 30.11.2023; all figures in USD %, 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 USD 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 USD 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

Intuitive Surgical		9.9%
Axonics		7.3%
TransMedics		7.1%
Penumbra		6.6%
Dexcom		5.6%
Procept BioRobotics		4.9%
Veeva Systems		4.7%
Insulet		4.5%
Pacific Biosciences of California		4.1%
Globus Medical		4.0%
Total top 10 positions		58.7%
Total positions		36

### Geographic breakdown

United States		92.4%
Denmark		4.5%
China		2.6%
Cash		0.4%

### Market cap breakdown

0 - 1 bn		4.5%
1 - 2 bn		6.9%
2 - 5 bn		33.3%
5 - 15 bn		28.8%
15 - 20 bn		5.8%
>20 bn		20.2%
Others		0.4%

### Market review

Global stocks (MSCI World Net Index +9.4%) and the US tech sector (Nasdaq 100 +10.8%) delivered very pleasing returns in November. The broader healthcare sector (MSCI World Healthcare Net +5.7%) also delivered a positive return but was not quite as strong, while the Bellevue Digital Health Fund (+16.9%) ended the month with a stellar performance. Stock market gains were fueled by the largest 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 digital health 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 led to considerable uncertainty for digital health investors and steep losses as well. The detailed results that were published last month showed that GLP-1 treatment was indeed 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 digital medtech market in the mid to long term, and maybe even a positive impact in the short term. A graying population is accelerating sector growth far more than the projected temporary effect GLP-1 medications might have in reducing the prevalence of certain diseases. Consequently, the lower mortality rate shown in the SELECT trial should actually have a positive effect on underlying market growth. Furthermore, in market segments where technology penetration rates are still very low (e.g. 5% market penetration of insulin pumps in type 2 diabetes), the digital health industry should be able to take potentially slower market growth years from now in stride.

Among the portfolio holdings that delivered a very good performance against this backdrop were Insulet (+42.6%), Natera (+41.8%), Pacific Biosciences (+37.2%), Dexcom (+30.0%), Intuitive Surgical (+18.5%), Penumbra (+16.2%) und Axonics (+9.3%). The third-quarter results and full-year outlooks presented by TransMedics (+101.9%) and Procept BioRobotics (+34.4%) were much better than expected. Sales from TransMedics' new, transplant-related aviation activities that became operational at mid-year and the initial acquisition of customers for its comprehensive transplant offerings including air logistics led to a seismic shift in the previously highly negative sentiment toward the company's new business model. Many investors now acknowledge the company's unique competitive advantage. Procept BioRobotics shares surged after the company reported higher-than-expected average selling prices and launched a clinical trial for resection/removal of prostate tissue in patients with localized prostate cancer using the company's AquaBeam Robotic System. If the trial demonstrates that aquablation therapy is safe and effective for removing prostate tissue in patients diagnosed with localized prostate cancer, the company's addressable market could more than double in very little time. Since the procedure is the same used in the current therapy to treat benign prostate tumors, we believe the probability of a successful trial outcome is very high.

Shockwave (-17.8%) hurt portfolio performance after the US health insurer Aetna said it was now requiring prior authorization for interventions using Shockwave's IVL catheter balloon systems. Veeva (-12.2%) traded lower due to budget cuts at biopharmaceutical companies and at Omnicell (-6.1%) sales growth was hurt as hospitals held back on modernizing existing drug management systems. All performance data is in USD / B shares.

### Positioning & outlook

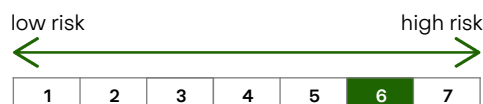
Many digital health companies are anticipating strong sales growth for the fourth quarter of 2023. We were able to verify this assessment in our talks with executives from 7 of our top 10 portfolio holdings at an investor conference in New York in November. A few companies have already made positive comments about 2024, thanks in large part to the expected approval and launch of major new products. Examples here are Insulet's Omnipod 5 patch insulin pump, Dexcom's G7 continuous glucose monitor, and the expected launch of Intuitive Surgical's next generation Da Vinci robot.

As the 2023 investment year has clearly shown, outstanding sector-specific fundamentals can be overridden by macroeconomic developments and shifting investor tastes. Unlike in 2023, we are anticipating tailwinds for our investment solution in 2024: Lower interest rates in the US (which will clearly benefit growth stocks), attractive valuation levels (price/sales close to historical lows), a projected upturn in M&A and IPO activity, a general shift from high-flying stocks ("Magnificent 7") towards quality stocks, and a soft outlook for the world economy (which in the past has been a relatively good environment for non-cyclical sectors such as the digital health sector).

Our investment strategy is focused on innovative market leaders and companies with solid finances. More than 95% of the companies in the portfolio have no immediate funding needs. Companies in the highly regulated and non-cyclical healthcare market also benefit from the industry's high entry barriers. The portfolio consists of fast-growing companies that are using digital technology to improve healthcare delivery and outcomes and make healthcare systems more cost-effective. Average sales growth for the digital health portfolio over the coming years is in the high double-digits and visibility is good.

### 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 companies whose business activities have a strong focus on the digitalization of the healthcare sector and who are willing to accept the equity risk typical of this sector.



We have rated this product as risk class 6 on a scale of 1 to 7, with 6 being the second highest risk class. The risk of potential losses from future performance is considered high. In the event of very adverse market conditions, it is very 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

- Demographic changes and an aging general population demand greater efficiency and cost-effectiveness.
- New technologies conquer the healthcare sector.
- Portfolio consisting of high-quality growth stocks showing double-digit revenue growth.
- Regulation and stringent quality requirements limit the technological risk.
- 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.
- Equities linked to technology and/or digitization can be subject to higher-than-average fluctuations in value.
- 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:

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):	15.7 (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 Digital Health 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, LU, NL, SG, DK and IT. For HK the subfund has been notified to the Luxembourg Regulator.

#### **Austria, Germany, Denmark, Netherlands:**

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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