

Factsheet

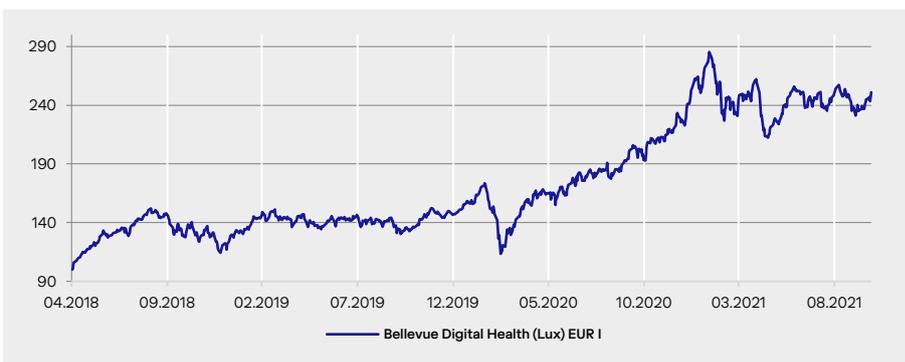
Bellevue Funds (Lux) | Share class | EUR

Investment Company with Variable Capital (SICAV) according to Luxembourg Laws – UCITS
Marketing document – for retail and professional investors in AT, DE, LU, UK, ES, BE, IT (Inst.) and non-qualified investors in CH

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.

Indexed performance since launch



Fund facts

NAV	313.67
Volume	EUR 1'261.5 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	30.04.2018
Fiscal year end	30.06
Benchmark	n.a.

ISIN code	LU1811047916
Valor	41450812
Bloomberg	BBDIGIE LX
WKN	A2JJBB
Management fee	0.90%
Performance fee	none
Subscription fee	up to 5%
Min. investment	n.a.
Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, LU, UK, ES, NL, BE, SG (Res.), IT
EU SFDR 2019/2088	Article 8

Key figures

Beta	n.a.
Correlation	n.a.
Volatility	26.9%
Tracking Error	n.a.
Active Share	n.a.
Sharpe Ratio	1
Information Ratio	n.a.
Jensen's Alpha	n.a.

Cumulated & annualized performance

Cumulated

	1 month	YTD	1 year	3 years	5 years	Since launch
I EUR	5.2%	10.3%	26.6%	96.5%	n.a.	150.9%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

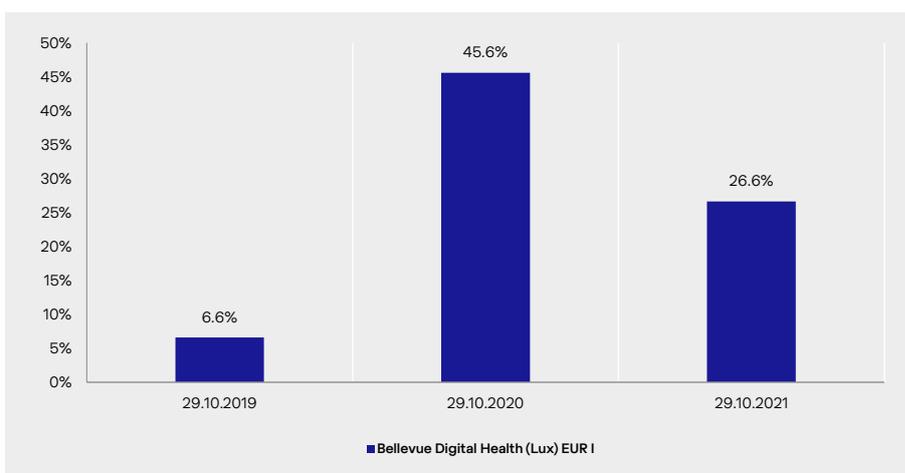
Annualized

	1 year	3 years	5 years	Since launch
I EUR	26.6%	25.2%	n.a.	30.1%
BM	n.a.	n.a.	n.a.	n.a.

Annual performance

	2016	2017	2018	2019	2020	YTD
I EUR	n.a.	n.a.	n.a.	20.3%	54.5%	10.3%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Rolling 12-month-performance



Source: Bellevue Asset Management, 31.10.2021; all figures in EUR %, total return / BVI-methodology
Past performance is not a reliable indicator of future results and can be misleading. As the subfund 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 subfund, thus the performance of a benchmark is not a reliable indicator of future performance of the subfund it is compared to. 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

Dexcom		5.7%
Shockwave Medical		5.4%
Inspire Medical Sys.		4.9%
Insulet		4.9%
Intuitive Surgical		4.5%
Omnicell		3.8%
Axonics Modulation		3.8%
Teladoc		3.7%
Veeva Systems		3.6%
Tandem Diabetes Care		3.6%
Total top 10 positions		44.0%
Total positions		50

Geographic breakdown

United States		92.0%
China		3.2%
Denmark		3.1%
Japan		0.8%
France		0.1%
Cash		0.8%

Market cap breakdown

0 - 1 bn		2.2%
1 - 2 bn		5.8%
2 - 5 bn		22.2%
5 - 15 bn		33.2%
15 - 20 bn		7.4%
> 20 bn		28.4%
Others		0.8%

Market review

The Bellevue Digital Health Fund (+5.0%) made strong gains in October and followed global stock markets higher. US tech stocks (Nasdaq 100 +7.9%), the broad healthcare market (MSCI World Healthcare Net +4.2%) and the Russell 2000 small cap index (+4.3%) all ended the month deep in the green. The fund's performance was primarily driven by the ongoing third-quarter reporting season. This confirmed our earlier conclusion that the subsector's strong fundamental growth observed over the course of the year had pushed valuations to an even lower level so that even "neutral" third-quarter earnings announcements would probably trigger price mark-ups. These earnings announcements have also revealed that rising input costs, supply chain challenges or a shortage of labor are less relevant to the digital health sector, since such circumstances can actually encourage the adoption of efficiency-enhancing digital health solutions.

29 of the 50 stocks in the fund's portfolio ended the past month in positive territory. Intuitive Surgical (+9.0%), Dexcom (+14.0%) and Vocera (+23.6%) had no problems beating investors' expectations. Teladoc Health (+18.0%) also delivered on its targets at group level, but its solutions for patients with chronic conditions (formerly Livongo, acquired in the summer of 2020) did not grow as fast as expected. Meanwhile its virtual health services for employers, hospitals and insurance companies are growing at faster-than-expected rates. The stock's positive reaction (+7.9%) on the day the third-quarter results were published shows, however, that investors are beginning to grasp the rationale behind Teladoc Health's strategy of "Whole Person Care", which is not based on individual products and sales channels, but rather driven by the unique depth and breadth of the company's solutions. We therefore consider Teladoc's investment case with long-term estimated sales growth of 25-35% and growing profits to be extremely attractive as its shares are still trading at less than 6 times estimated 2024 sales. Teladoc Health is just one of several digital health companies that are attractively valued. Many of these companies have sustained their strong fundamental growth over the course of the year, but their stocks have barely moved, or are even showing a negative return for 2021, so they are now trading on significantly lower, attractive valuations. Performance drivers in October were Omnicell (+20.0%), Inspire Medical (+15.8%), Phreesia (+14.3%), Tandem Diabetes (+14.2%), Axonics (+12.7%), 10X Genomics (+10.8%) and Veeva (+10.0%).

Performance detractors were Ping An Healthcare and Technology (-25.1%), TransMedics (-17.1%), GN Store Nord (-12.5%), Guardant Health (-6.6%), Align (-6.2%) and Evolent Health (-5.6%). After racking up a good year-to-date performance, Align and Evolent were hit by profit-taking ahead of their third-quarterly results and Align's annual investor day. Investors played it safe and sold Guardant Health and TransMedics shares before the two published important clinical trial results. GN Store Nord reported that its non-medical, consumer-oriented audio business was experiencing shortages of electronic components for headsets, which pushed its shares lower.

Ping An Healthcare and Technology presented its new business strategy at its investor day. The company will focus primarily on membership service packages that are distributed via business-to-business channels going forward. It is also upgrading its medical consultation solutions and stepping up the seamless integration of online and offline service capabilities. We welcome this new strategy, which should lead to more sustainable business results. We are confident about the company's prospects in view of its parent, the Ping An Group, which runs the largest private health insurance program in China, and its large in-house team of medical experts, its wide range of services and its well-networked position within the Chinese health system. However, in the short term, we expect revenues per customer to decline and group-level growth to slow down. We are therefore still staying on the sidelines and won't add to this position until we see the first signs of a positive turnaround.

Positioning & outlook

We don't rule out short-term market fluctuations, especially in reaction to news about the vaccination rates and the effectiveness of vaccines against coronavirus variants, or as a result of short-term tactical shifts in the flow of investment capital (sector rotation). However, we believe that a highly selective portfolio of fast-growing, transformative and disruptive companies offering digital technologies that improve healthcare services and systems while lowering costs can quickly bounce back from short-term stock market trends. In addition, the Digital Health Fund's portfolio, with its estimated average multi-year sales growth of 35%-plus and good visibility, can experience a very quick re-rating.

Companies with disruptive solutions based on sensors, connectivity, cloud computing and other technologies are bringing new or improved products and services to the marketplace. This is having a positive effect on treatment quality and on overall costs. Digital Health is subject to stricter regulatory regimes, which wards off potential new competitors, makes the related technology risk more predictable and gives the fund a distinctive profile. Equity capital investors have already invested about USD 77 bn in 3 500 privately held digital health firms since 2011, so we expect a steady stream of attractive IPOs in the coming years – another reason, and an important one, for investing in this sector.

Source: Bellevue Asset Management, 31.10.2021;
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 subfund 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.

Risk and return profile

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.



This fund is assigned to this category, as its share price fluctuates severely and both the risk of loss and the opportunities for profit can therefore be high. 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 KIID.

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 user 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.

Target market

The fund is suitable for retail and professional investors in Austria, Germany, Luxembourg, Spain, United Kingdom, Netherlands, Belgium, Singapore (Res.), Italy (Insti.) and Switzerland.

Chances

- 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
Portfolio Manager
since inception of the fund



Mateusz Niedzwiecki
Equity Analyst
of the fund since 2021

Awards



Sustainability Profile – ESG

Norms-based exclusions: Compliance UNGC, HR, ILO
ESG Risk Analysis: ESG Integration
Stewardship: Engagement

Controversial weapons
 Best-in-Class
 Proxy Voting

CO2 intensity (t CO2/mn USD sales): 17.9 t (low)
MSCI ESG Rating (AAA - CCC): A
EU SFDR 2019/2088 product category: Article 8

MSCI ESG coverage: 97%
MSCI ESG coverage: 96%

Based on portfolio data as per 30.09.2021 (quarterly updates) – 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; ESG Integration: Sustainability risks are considered while performing stock research and portfolio construction; Best-in-class: systematic exclusion of "ESG laggards"; MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). Note: in certain cases the ESG rating methodology may lead to a systematic discrimination of companies or industries, the manager may have good reasons to invest in supposed "laggards". 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/en/corporate-information/sustainability

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 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 Investor Information documents are available free of charge in the languages of the countries of distribution at 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, DE, LU, UK, ES, NL, BE (Res.), IT (Inst.) and CH.

Austria: Paying and information agent: ERSTE BANK der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna

Germany: Information agent: ACOLIN Europe GmbH, Reichenaustrasse 11a-c, D-78467 Konstanz

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

Spain: The Bellevue Funds (Lux) SICAV is recognised for public offering and distribution in the United Kingdom. Facilities agent: Financial Express Limited, 3rd Floor, Hollywood House, Church Street East, Woking, Surrey GU216HJ

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 Investor Information Document (“KIID”), 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.

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