

**B|B Bellevue**  
Asset Management

**Bellevue Funds (Lux)**  
**BB Biotech**

**Simplified Prospectus**  
February 2011

# Bellevue Funds (Lux) - BB Biotech

## Simplified prospectus (February 2011)

This Annex (Special Section of the complete Prospectus) describes the individual Sub-funds and includes the pertinent applicable regulations for these Sub-funds. In the event of changes to the existing Sub-funds, or when setting up new Sub-funds, the Annex will be updated.

Information regarding the composition of the Company's assets can be retrieved from the Annual and the Semi-Annual Report of the Company. Investors may obtain these documents free of charge at any time either at the domicile of the Company and or at the domiciles of its various Distribution Partners, Paying Agents and local Representatives.

### 1. Organization

The company is a "*société d'investissement à capital variable*" (SICAV) established in accordance with the Luxembourg law of 10 August 1915 in its current version ("the 1915 Law") and is authorised as an undertaking for collective investments (UCITS) under Part I of the law dated 20 December 2002.

Date of incorporation	26. March 2009
Financial Regulator	Commission de Surveillance du Secteur Financier («CSSF»)
Financial Year	1. July – 30. June
Promoter	Bank am Bellevue AG
Management Company	MDO Management Company S.A., 19, rue de Bitbourg, L-1273 Luxembourg
Investor Manager	Bellevue Asset Management AG
Custodian, Central Administration, Principal Paying Agent, Transfer Agent, Domiciliary Agent and Listing Agent	RBC Dexia Investor Services Bank S.A., 14, Porte de France, L-4360 Esch-sur-Alzette
Auditor of the Company	PricewaterhouseCoopers S.à r.l., 400, Route d'Esch, L-1471 Luxembourg
Paying agent, information and sales office	<b>Switzerland:</b> Bank am Bellevue AG, Seestrasse 16, CH-8700 Küsnacht, Switzerland <b>Germany:</b> Bank Julius Bär Europa AG, An der Welle 1, Postfach 150252, D-60062 Frankfurt-am-Main, Germany <b>Austria:</b> Erste Bank der österreichischen Sparkassen AG, Graben 21, A-1010 Wien, Austria

## 2. Description of shares

After the launch of the Sub-funds, the Company may issue shares of the Company according to the following criteria and minimal subscription amount:

- “B” shares are accumulating and may be purchased by any investor without any minimum subscription amount. A subscription fee of max. 5% of the respective net asset value per share may be levied in favour of the distribution partner. Redemption fees are not foreseen.
- “I” shares are accumulating and are reserved for institutional investors only in accordance with Art. 129 of the Law of December 20<sup>th</sup>, 2002. The minimal subscription amount is EUR 500,000 (or the equivalent value in USD or CHF) per sub-fund. The Board of Directors of the Company may accept subscriptions in the I share class with a minimum amount lower than EUR 500,000 at its own discretion subject to the fact that similar requests at one calendar day must be treated equally. A subscription fee of max. 5% of the respective net asset value per share may be levied in favour of the distribution partner. Redemption fees are not foreseen.
- “E” shares are accumulating and may be purchased by any investor without any minimum subscription amount. They have a higher management fee, but no subscription fee is applicable. E shares may only be offered by distribution partners which have received a respective authorization by the Board of Directors. Other distribution partners may not purchase and/or offer any E shares. E shares are only offered as registered shares.
- „HB“ shares are accumulating. The currency risk of these shares will be hedged against a specific currency to the extent possible. These shares may be purchased by any investor without any minimum subscription amount. A subscription fee of max. 5% of the respective net asset value per share may be levied in favor of the distribution partner. Redemption fees are not foreseen.
- „HI“ shares are accumulating and are reserved for institutional investors only in accordance with Art. 129 of the Law of December 20<sup>th</sup>, 2002. The currency risk of these shares will be hedged against a specific currency to the extent possible. The minimal subscription amount is EUR 500,000 (or the equivalent value in USD or CHF) per sub-fund. The Board of Directors of the Company may accept subscriptions in the HI share class with a minimum amount lower than EUR 500,000 at its own discretion subject to the fact that similar requests at one calendar day must be treated equally. A subscription fee of max. 5% of the respective net asset value per share may be levied in favour of the distribution partner. Redemption fees are not foreseen.

All shares may be issued in USD, EUR, GBP and CHF.

Currently, only accumulating shares are issued.

Shares	ISIN-Code	Minimal initial investment	Currency of the shares	Administration fee	Performance fee
I	LU0415392751	500,000	USD	0.9% p.a.	--
B	LU0415392322	--	USD	1.6% p.a.	--
E	Not activated	--	EUR	2.35% p.a.	--
I CHF	LU0415392835	500,000	CHF	0.9% p.a.	--
B CHF	LU0415392595	--	CHF	1.6% p.a.	--
I EUR	LU0415392678	500,000	EUR	0.9% p.a.	--
B EUR	LU0415392249	--	EUR	1.6% p.a.	--
HI-CHF	Not activated	500'000	CHF	0.9% p.a.	--
HB-CHF	Not activated	--	CHF	1.6% p.a.	--
HI-USD	Not activated	500'000	USD	0.9% p.a.	--
HB-USD	Not activated	--	USD	1.6% p.a.	--
HI-EUR	Not activated	500'000	EUR	0.9% p.a.	--
HB-EUR	Not activated	--	EUR	1.6% p.a.	--

### 3. General Notes on the Subscription, Redemption and Switching of shares

#### Subscription of shares

The Shares are offered for sale on each Dealing Day following the initial issue (as described in the complete version of the current prospectus). All subscriptions received by RBC Dexia prior to 15.00 local Luxembourg time (Cut-Off time) at any Dealing Day will be treated at the at the issue price determined at the following valuation day. Subscriptions received by RBC Dexia after this time are covered by the issue price of the valuation day after the following valuation day. To ensure punctual transmission to RBC Dexia, applications places with distribution partners in Luxembourg or abroad may be subject to earlier cut-off times for the delivery of subscription applications. These times can be obtained from the distribution partners concerned.

The total subscription amount must be booked in Luxembourg in the currency and in the share class of the respective Sub-fund within 4 Luxembourg banking days or according to national regulations after a certain time period after the valuation day.

#### Redemption of shares

Investors may redeem their shares on each Dealing Day at net asset value (as described in the complete version of the current prospectus).

The application for redemption of shares must be made by the investor in writing, directly or via a distribution partner to the Company (to the att. of RBC Dexia) no later than 15.00 local Luxembourg time (the Cut-Off time) at the day before the valuation day, at which the shares shall be redeemed. Applications for redemptions received after the time specified above are processed one valuation day.

Payments are normally made in the currency of the relevant Sub-fund or Share class on or before five (5) bank business days in Luxembourg after the later of the Dealing Day concerned or the date on which the Share certificates are returned to the Company.

### **Switching of shares**

Every investor may request to switch some or all of its shares in shares of another Sub-fund on a valuation day which can be used for both Sub-funds, as well as within one Sub-fund from one share class into another share class, in accordance with the Switching rules as defined hereinafter and in accordance with the principles as outlined by the Board of Directors for each Sub-fund.

A switch in another share class may only be executed if the investor complies with requirements for that specific share class.

Shares may be switched at each valuation day in accordance with the valid share price at this respective day, subject to the Company (to the attention of RBC Dexia) receiving such switch request by prior to 15.00 Luxembourg time before the valuation day.

- 4. Initial issue of shares** The Class "B" and "I" shares in the Bellevue Funds (Lux) - BB Biotech were offered for the first time from 26 March until 27 March 2009 at an initial issue price of USD 125 per share, plus a sales fee for the marketing centre of up to a maximum 5% of the issue price. No redemption fees are charged.

Since then, the net asset value of the sub-fund as calculated on each calculation day is relevant.

The initial issuance date of the shares classes, which have not yet been launched, will be decided by the Board of Directors.

- 5. Valuation Date** The valuation date for each Sub-fund is that bank working day in Luxembourg which is not at the same time a normal holiday for the banks or other markets that constitute a valuation basis for a substantial portion of the net asset value of the relevant Sub-fund, as determined by the company.

**6. Fees and Costs** **Fees payable by the Investors**

- Subscription fee:  
A subscription fee of max. 5% of the respective net asset value per share may be levied in favour of the distribution partner.
- Redemption fee:  
No redemption fees are foreseen.
- Switching fee:  
A Switching fee may amount to max. 1% of the net asset value of any Sub-fund.

### **Fees payable by the Sub-fund**

- Management fee:

The Management fee for each share class is described above in the table under point 2 “Description of shares”.

- Custodian bank, Central Management and Registration together:

In average 0.40% p.a. of the Company's net assets. The aforementioned figure may however be higher or lower according to the Company's net assets.

- Other costs:

Furthermore, the Company may pay out of its net assets all costs and expenses that arise out of the ordinary business of the Company. For more details, it is referred to the prospectus.

## **7. Investment objectives and policy**

The investment objective of BB Biotech is the achievement of long-term capital growth by investing at least two thirds of the net assets of BB Biotech in a portfolio of carefully chosen shares and other equities of companies in the biotechnology industry, or companies whose main activity consists of holding shares in such companies or financing such companies and who have their registered office or carry out the majority of their economic activity in established countries. Without restricting the scope of the term “biotechnology”, the companies within the entire value chain in the biotechnology sector consist especially of companies that prepare, develop, utilise, market and/or sell processes, methods, technologies and products in which organisms, cells or cell constituents are used.

In addition, the Company can invest a maximum of one third of the net assets of BB Biotech in carefully selected shares and other equities from other companies, who have their registered office or carry out the majority of their economic activity in established countries, or in fixed or variable interest bearing securities, convertible and warrant-linked bonds from issuers from established countries.

Up to a maximum 15% of the net assets of BB Biotech can be invested in warrants on shares or other securities. Purchases of warrants involve higher risks due to the increased volatility of these investments.

BB Biotech is issued in US dollars.

In addition, the Company can maintain appropriate liquid assets for BB Biotech.

Whilst complying with the specified conditions and limits according to the law and as laid down by the CSSF, the Sub-fund is permitted to use techniques and instruments with a view to efficiently administer the investment portfolio, in particular also for hedging purposes.

## **8. General and special risks**

Investments may be done in USD or in other currencies. Foreign currency risks may be – fully or partially – hedged. A negative performance due to currency fluctuations cannot be excluded.

BB Biotech can purchase investments that are issued either by issuers from so-called emerging markets and/or denominated in currencies from emerging markets or are economically linked to currencies from emerging markets. Emerging markets are generally taken to imply those markets of countries that are developing into a modern

industrialized country and consequently have a high growth potential as well as increased risks. In particular these include the countries listed on the International Finance Corporation Global Composite Index or the MSCI Emerging Markets Index.

Whilst complying with the specified conditions and limits according to the law and as laid down by the CSSF, the Sub-fund is permitted to use techniques and instruments with a view to efficiently administer the investment portfolio, in particular also for hedging purposes.

The Sub-fund can also invest up to a maximum of 10% of its net assets in UCITS and in other UCIs.

In accordance with Article 41 (2) a) of the law of 20 December 2002, the Sub-fund can invest a maximum 10% of its net assets in securities, and/or in other unlisted securities so as to generate additional value from especially innovative projects in the biotechnology sector.

The assets of BB Biotech are subject to daily price fluctuations; as a result the value of the fund depends on the daily market value and consequently can rise or fall. Consequently, there is a risk that an investor may not receive back the amount initially invested. The value of the assets depends mainly on the general economic development as well as on company specific factors. It also depends on the supply and demand situation at the exchange, which in turn is considerably influenced by the expectations of the market participants.

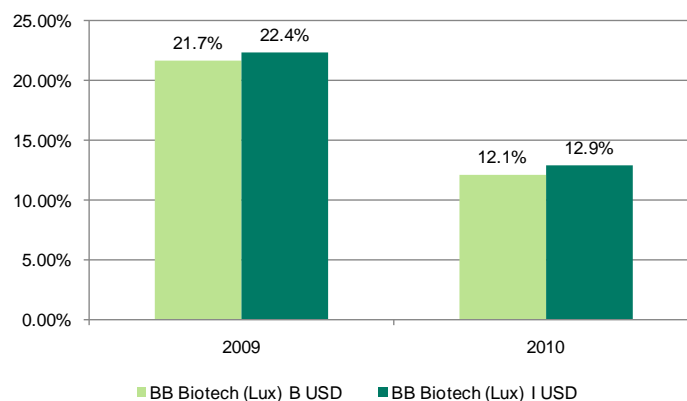
With regard to the general and the special risks relating to this particular Sub-Fund, investors shall consult the legal prospectus. These risks should be extensively evaluated by the investors before considering an investment.

## 9. Investor profile

The Sub-fund is only suitable for experienced investors who have experience with volatile investments, in-depth knowledge of capital markets and intend to profit specifically from market trends in specialized markets and are familiar with the specific opportunities and risks of these market segments. Investors need to expect fluctuations in value, which can also lead temporarily to very high losses in value. In a widely diversified entire portfolio, the Sub-fund can be employed as a supplementary investment.

## 10. Historical performance

The following table shows the annual performance figures of the two main share classes "B" and "I" in USD:



For the year 2009, the performance is shown since inception of the Sub-fund (31.03.2009).

## 11. Legal situation

### The Company

The Company is subject to Luxembourg taxing power. According to Luxembourg law and standard practice the Company is not subject to any income-tax, nor is it subject to any tax on capital appreciation with reference to realised or unrealised valuation gains. No tax is applied in Luxembourg for issuing shares.

The Company is subject to a tax of 0.05% annually on the net asset value, which is declared at the end of the quarter and payable quarterly. Where however portions of the Company's assets are invested in other Luxembourg UCITS, which are taxed, no tax is payable in the Company on these portions.

The net asset value, which constitutes a share category for "institutional investors" pursuant to Luxembourg tax legislation, as defined in the Special Section, is charged a reduced tax of 0.01% per annum, based on the classification of the investors by the Company as institutional investors as defined in the tax legislation. This arrangement is based on the Company's understanding of the current legal position, which can also be subject to retroactive changes and can also give rise to a retrospective tax charge of 0.05%. The reduced tax may possibly also apply to other share categories, as noted in the Special Section for the Sub-fund in question.

Capital gains on earnings from dividends, interest and interest payments, which originate in other countries, may also be subject to non-refundable withholding tax or capital gains tax in those countries. Kapitalgewinne und Erträge aus Dividenden, Zinsen und Zinszahlungen, die ihren Ursprung in anderen Ländern haben, können dort jeweils einer nicht rückerstattbaren Quellen- oder Kapitalgewinnsteuer unterstehen.

### Investors

According to the current legal situation investors in Luxembourg are not subject to any income tax, investment income tax or withholding tax with the exception (a) of investors whose usual residence or abode is not in Luxembourg and who do not have a branch there, (b) certain persons not resident in Luxembourg, who hold 10% or more of the capital of the company and who transfer all or a part of their holdings in the 6 months following purchase and (c) in some cases former Luxembourg taxpayers who hold 10% or more of the company capital.

In line with the provisions of Directive 2003/48/EC of 3 June 2003 relating to the taxation of interest income ("Directive 2003/48"), which came into force on 1 July 2005, – provided the beneficial owner does not opt for the reporting procedure – withholding tax is charged on interest payments, which are covered by Directive 2003/48 as part of distributions by organisms pursuant to Directive 2003/48 or as part of the transfer, repayment or redemption of shares of organisms pursuant to Directive 2003/48, where a paying agent pursuant to Directive 2003/48 in an EU member state or a paying agent from a third country based on treaties with the EU (such as Switzerland since 01.07.2005) makes such interest payments to or collects in favour of beneficial owners, who are resident as individuals in another EU member state. From the time Directive 2003/48 came into force, withholding tax on interest payments is 15% for the first three years, 20% in the following three (3) years and subsequently 35%.

It is incumbent on investors to seek advice on taxation and other consequences brought about by the purchase, ownership, return (redemption), exchange and transfer of shares, including any regulations relating to the monitoring of capital movements.

## Information for investors from Switzerland

### **Main sales office, representative and paying agent for Switzerland**

Bank am Bellevue Ltd., Seestrasse 16, CH-8700 Küsnacht, Switzerland

The place of fulfilment and jurisdiction for the sub-funds marketed in Switzerland is Küsnacht. For agents in Switzerland, copies of the memorandum of association, the prospectus, the simplified prospectus as well as the annual and mid-year reports can be obtained, free-of-charge from the main sales office and from all distributors. Orders for the purchase, sale and exchange of shares are to be sent to the following correspondence address:

Bank am Bellevue, Seestrasse 16, CH-8700 Küsnacht, Switzerland.

Publications by the company in Switzerland appear in the Schweizerischen Handelsamtsblatt and on the internet platform of fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)). The net asset value of the various Sub-funds is published daily on the latter with the remark "excluding commission". Information about additional price publications is provided in the simplified prospectus of the relevant Sub-fund.

The maximum total risk for each Sub-fund mentioned in Chapter 5.5 when using derivative financial instruments is equivalent to a leverage factor of 2.00. Consequently, when including a possible temporary loan, a maximum leverage effect of 210% on the net assets is possible. The risks in connection with the use of derivative financial instruments are stated in Chapter 5.5.

All Sub-funds of the Bellevue Funds (Lux) are classified in accordance with the legislation of Luxembourg and the practice of the CSSF by the Board of Directors as "non-sophisticated UCITS".

The thus applicable exposure benchmark is equivalent to the so-called commitment approach for this Sub-fund.

Refunds can be paid by the administrative commission to the following institutional investors which, when viewed economically, can hold fund units for third parties:

- Life assurance companies
- Pension funds and other social security institutions
- Investment trusts
- Swiss fund managers
- Foreign fund managers and companies
- Investment companies

The administrating commission can also pay remuneration for sales to the following distributors and partners:

- Approved distributors
- Fund managers
- Banks
- Securities brokers
- Swiss Post
- Insurance companies
- Sales partners that place the fund units exclusively with institutional investors with a professional accounts department
- Portfolio managers

Cost sharing agreements and non-cash benefits ("soft commissions")

There are no cost sharing agreements. The Company has not concluded any agreements regarding retrocessions consisting of so-called soft commissions.

## Information for investors from Germany

The following information is intended for potential purchasers of shares of Bellevue Funds (Lux) in the Federal Republic of Germany. This information specifies and completes the prospectus as far as sales activities in the Federal Republic of Germany are concerned:

### **Paying agent, information and distribution centres in Germany**

Bank Julius Bär Europa AG, An der Welle 1, Postfach 150252, D-60062 Frankfurt-am-Main, Germany

The paying agents, respectively the (handling) agents required for sales in Germany, may not charge any additional costs and fees to the investor, in particular transaction costs associated with client instructions.

### **Publications**

The issue and redemption prices of the Sub-funds and the classes of shares will be published on the internet platform of fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)).

All other possible notifications for investors (shareholders) are published in the Bundesanzeiger.

### **Redemption and exchange of units**

Investors can submit their units at any time to Bank Julius Bär (Deutschland) AG, for redemption and exchange. Redemption proceeds, dividends and other possible payments can be dealt with and paid out through the German paying agent.

### **Information and documents**

Printed copies of the comprehensive prospectus and the short prospectus, the memorandum of association of the Bellevue Funds (Lux) as well as the annual and mid-year reports can be obtained free-of-charge from the above-mentioned information centre. The issue and redemption prices are also available there. In addition, the documents mentioned in Chapter 6.4 of this prospectus as being available "for inspection" can also be seen there.

### **Particular risks due to the obligation to provide supporting documents for tax purposes in Germany**

Upon demand by the German fiscal authority, Bellevue Funds (Lux) must verify the correct nature of the publicized basis of taxation. If errors in the past become evident, the correction will not be carried out for the past, but will be taken into account within the notification for the current financial year. The correction can result in a charge or a credit for those investors who receive a dividend or are subject to a retention sum during the current financial year.

### **Miscellaneous**

The sale of the units in the Bellevue Funds (Lux) has been notified to the Federal Financial Supervisory Authority (BaFin) in accordance with Article 132 German Investment Law.

## Information for investors from Austria

### **Paying agent in Austria**

ERSTE BANK der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, Austria

Units to be returned can be handled by ERSTE BANK der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, Austria. The paying agent ensures that it is possible for Austrian investors to make payments when subscribing for units as well as to receive payments when returning units and in connection with dividends.

### **Tax representative in Austria**

The tax representative in Austria is ERSTE BANK der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, Austria.

### **Information centre**

The offering prospectus, the short prospectus, the memorandum of association, the latest annual accounts and where subsequently published the latest mid-year report as well as notifications to the shareholders can be obtained free-of-charge from ERSTE BANK der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, Austria.

### **Publication of the net asset value**

The net asset values of the fund can be obtained from ERSTE BANK der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, Austria. The net asset values of the Sub-funds will be published daily in Austria in the "Der Standard" newspaper.

### **Taxation**

Investors in the sub-funds are asked to revert to their tax consultant in order to receive the relevant information of their investments in their respective countries or in any other relevant country.

For more information please contact:



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