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Bellevue Asset Management launches Obesity Solutions Fund

Overweight and obesity are more prevalent than ever and rates are trending even higher worldwide. Compared to earlier years, though, awareness of this issue has clearly increased. Government campaigns targeting obesity reflect the heavy economic burden of this disease, in particular the indirect costs. Thanks to medical advances, such as the GLP-1 drug class, new solutions and opportunities are emerging for patients, doctors, and investors.

«As a House of Healthcare Investment Ideas with more than 20 dedicated healthcare investment experts, we can offer our clients efficient access to mega trends early on. Treatments for excess weight and obesity currently benefit from strong political support, more so than in any other treatment area, and they offer attractive growth potential at the same time. The Bellevue Obesity Solutions Fund opens a completely new avenue for healthcare investors,» says Christian Lach, the fund's lead portfolio manager. The fund will be launched on November 30, 2023.

New solutions for tackling the obesity pandemic

About 40% of the world's population is overweight or obese. The WHO estimates that this figure will rise above the 50% threshold by 2035. Global costs related to obesity are forecast to rise to more than USD 4 trillion a year, which would be comparable to the impact of the COVID-19 pandemic in 2020. Solutions that reduce the prevalence of excess weight and obesity are therefore an effective means of reducing costs in healthcare systems, considering the more than 200 associated comorbidities and complications. Despite the scale and scope of this challenge, only about 2% of all affected people are receiving professional medical treatment.

The numbers are alarming, but in contrast to the preceding decades, greater effort is now being made to address the issue of obesity. Organizations such as the WHO and UNICEF are calling for concerted and urgent action. Many countries have already drawn up ambitious plans to tackle this health crisis.

«Medical progress has finally given us better solutions,» says co-manager Lukas Leu. «Innovative breakthroughs are largely to credit. GLP-1 drugs that help to control blood glucose levels, for example, are setting new standards for treating obesity. A holistic approach is nevertheless crucial for lasting success on this front.» The value chain is therefore much broader than one might presume. It ranges from obesity prevention, diagnostics, and treatment of obesity to the treatment of myriad related health conditions. From an investment standpoint, then, a broad-based investment vehicle for this highly compelling growth story is likely to produce the best returns.

An expert portfolio built across the entire value chain

Bellevue Obesity Solutions, an actively managed and global equity fund, is exclusively focused on this mega trend. Its novel investment approach comprises healthcare sector investments (approx. 80% portfolio weighting) rounded out with investments in companies active in the fields of nutrition and physical activity (max. weighting 20%). Target companies have high sales growth, high gross margins, attractive product pipelines and a solid balance sheet. The portfolio will be constructed across the entire obesity value chain, covering the following three areas:

Diagnostics and treatment: Biopharmaceutical companies focused on treating obesity and related diseases; medtech companies offering diagnostic, surgical, or monitoring and management solutions; production or distribution companies.

Obesity-related diseases: Biopharma and medtech companies active in the diagnosis and treatment of obesity-related diseases, as well as healthcare services providers such as hospitals that offer a holistic approach for diabetes management, rehabilitation centers or dialysis facilities.

Nutrition and physical activity: Companies active in the nutrition, fitness or sports business that are clearly relevant for obesity prevention and treatment purposes.

Diversified portfolio based on bottom-up stock analysis

The portfolio management team of the Bellevue Obesity Solutions (Lux) Fund consists of Christian Lach, Lukas Leu and Oliver Kubli, all healthcare investment specialists with many years of experience. They build and manage a well-diversified but focused portfolio of 40 to 60 stocks taken from a broad universe using a fundamental bottom-up investment process.

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Bellevue – Excellence in Specialty Investments

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