

Investment focus

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.

Fund facts

NAV	381.36
Volume	CHF 605.5 million
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Accumulating

Investment manager	Bellevue Asset Management
Custodian	RBC Investor Services, Luxembourg
Launch date	30.09.2009
Fiscal year end	30.06.
Benchmark	MSCI World IMI Healthcare Equipment & Supplies

ISIN code	LU0415391787
Valor	3882714
Bloomberg	BFLBBIC LX
WKN	AORP26

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, ES, LU, SG
EU tax status	Out of scope

Key figures

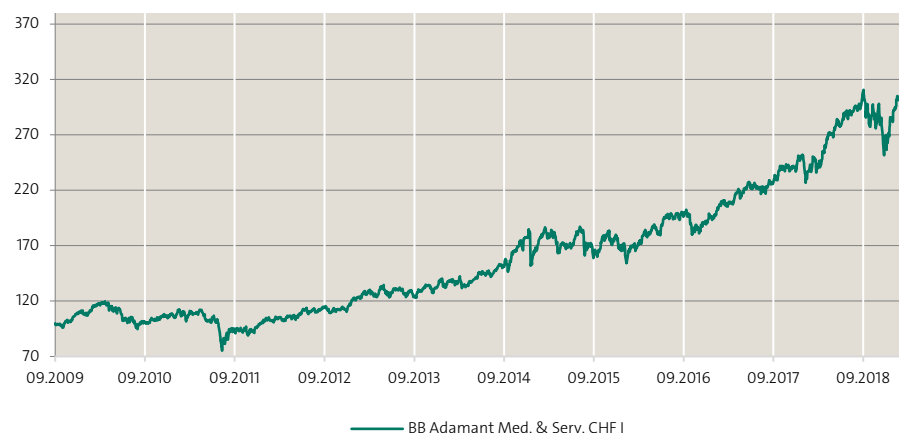
Beta	0.88
Correlation	0.85
Volatility	15.2%

Tracking Error	3.1
Active Share	33.62

Sharpe Ratio	1.4
Information Ratio	-0.14
Jensen's Alpha	1.39

Source: Bellevue Asset Management, 31.03.2019;
Calculation over 3 years.

Indexed performance since launch



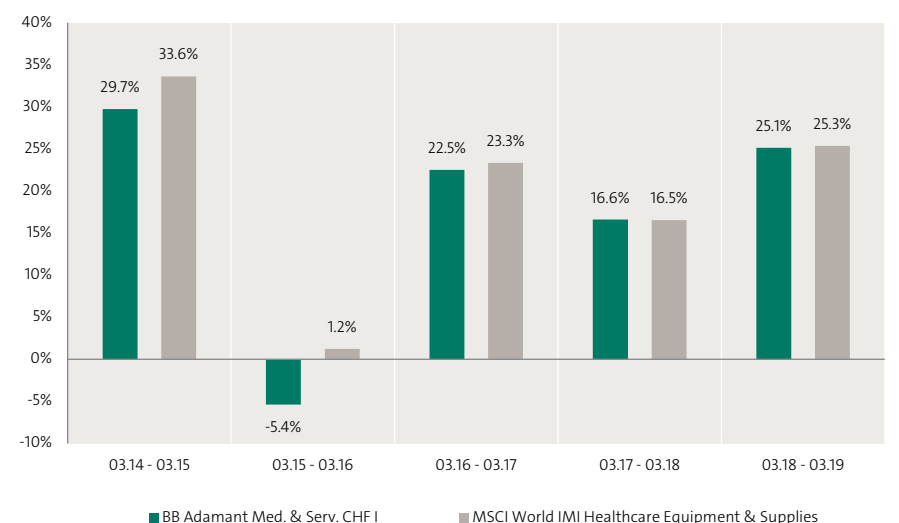
Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
I CHF	1.4%	13.0%	25.1%	78.7%	119.4%	204.9%	25.1%	21.4%	17.0%	12.5%
BM	2.7%	15.6%	25.4%	80.2%	143.6%	264.9%	25.4%	21.7%	19.5%	14.6%

Annual performance

	2014	2015	2016	2017	2018	YTD
I CHF	33.9%	1.0%	5.8%	25.2%	13.9%	13.0%
BM	34.3%	8.8%	6.7%	24.9%	12.0%	15.6%

Rolling 12-month-performance



Source: Bellevue Asset Management, 31.03.2019; all figures in CHF %, total return-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. 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

Abbott Laboratories	9.4%
Danaher	6.7%
Medtronic	6.6%
Boston Scientific	6.3%
Becton Dickinson	4.7%
Intuitive Surgical	4.5%
Stryker	4.3%
Edwards Lifesciences	4.2%
Baxter Intl.	3.6%
Royal Philips	3.0%

Total top 10 positions	53.3%
Total positions	61

Sector breakdown

Cardiology	30.5%
Managed Care	12.6%
Orthopedics	7.0%
Life Science Supply	6.3%
Surgery	4.9%
Imaging/Radiotherapy	3.7%
Diagnostics	3.6%
Dialysis / Blood	3.6%
Dental	2.5%
Ophthalmology	2.5%
Hearing	2.4%
Wound Closure/Lasers	2.0%
Others	15.4%
Cash	3.0%

Geographic breakdown

United States	88.4%
Netherlands	3.0%
Denmark	3.0%
Japan	1.5%
Others	1.2%
Cash	3.0%

Source: Bellevue Asset Management, 31.03.2019;

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 Sub-Fund 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.

Market review

Stock markets continued to march higher last month. The broad stock market (MSCI World Net +2.8%), Germany's Dax (+0.1%) and Switzerland's all-share index (SPI +4.2%) ended the month higher. Medtech (MSCI World Healthcare Equipment & Supplies) beat the total market with a solid gain of 4.2% and the BB Adamant Medtech & Services Fund also delivered a positive performance of 2.8% but trailed its benchmark.

The BB Adamant Medtech & Services Fund had a pleasing start in the new year and advanced 13.7% in the first quarter, easily outperforming the broader healthcare sector (MSCI World Healthcare Net +10.4%) and only slightly behind the total market (MSCI World Net +14.8%) – all data in EUR / B shares.

Data readouts from two clinical trials of transcatheter aortic valves for low-risk patients were the highlight of last month. Edwards Lifesciences (+13.0%) unveiled the strongest data. It showed a statistically significantly better safety profile for its minimally invasive Sapien 3 heart valves compared to open-heart aortic valve replacement surgery at one year. New pacemakers had to be implanted in roughly the same percentage of patients in both groups, but the number of Sapien 3 patients who experienced atrial fibrillation (adverse side effects) was statistically significantly lower. The prospects of a rapid market uptake of Sapien 3 are therefore very good and the investment case risks associated with Edwards Lifesciences have fallen considerably: We expect the FDA to approve Sapien 3 for low-risk patients already in 2019 and the product should then capture a considerable share of the market thanks to this excellent trial data.

Politically motivated manoeuvring in Washington last month over healthcare reform kept volatility at high levels for health insurance stocks (managed care organizations). Centene (-12.8%) surprised the market with its deal to take over WellCare (+6.4%) for USD 17.3 bn. Both companies are focused on government-backed health insurance plans, mostly Medicaid and additional benefits provided through Medicare Advantage plans. The new company will cover about 22 million people in all 50 US states. We believe the acquisition makes strategic sense because it speeds up Centene's geographic expansion and will probably be earnings accretive sooner than expected. Molina (+5.4%), the one remaining independent Medicaid-focused insurer, also gained on the news and made a positive contribution to portfolio performance.

Positioning & outlook

The Medtech & Services sector is one of the most defensive market sectors offering sustained outperformance potential. Although some healthcare sub-sectors have retreated on fears of negative pricing developments, the medtech sector has maintained its status as a safe haven. These positive qualities are particularly attractive in a market environment where investors are uncertain about the future path of the economy. Medtech innovation is as strong as it ever was and the transformative forces that are turning the medtech industry into an integrated provider of healthcare services are steadily gaining momentum. The utilization of cutting-edge data technology portends huge market potential in the area of digital health. The sector's special mix of innovation, a growing market with new services and products, and steady demand is a compelling investment argument for investors. In the insurance space (managed care organizations), we see, apart from the rock-solid fundamental factors, further upside potential since health insurers belong to the few industries that stand to benefit from rising interest rates.

The fund's portfolio is geared to generate attractive returns with as much stability as possible, even when markets falter. Liquid large cap stocks therefore account for about 75% of portfolio assets and these core shareholdings are complemented with positions in rapidly growing, highly innovative small and mid-cap stocks. The Medtech & Services Fund, which covers the entire healthcare universe except for the drug manufacturers, is a sound alternative for investors who are looking for an attractive alternative to pharma investments, want to profit from the solid fundamental factors the healthcare market has to offer, but would rather not be exposed to all the price-related, R&D and patent-cliff risks associated with the drug manufacturers. The sector is trading at a premium valuation compared to other sectors, but it also offers bottom-line growth (EPS growth) that is twice as high as the total market's. We believe the valuation-related risks would mostly come into play in the event of a significant sector rotation. This potential scenario is unlikely to unfold without a more optimistic market view of the world economy and a generally northbound stock market, so we consider this more of a relative risk rather than an absolute performance risk.

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 the medical technology and healthcare services sector and who are willing to accept the equity risk typical of this sector.

low risk

high risk



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 and Switzerland.

Chances

- 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.

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.
- Investing in emerging markets entails the additional risk of political and social instability.
- The fund may engage in derivatives transactions. The increased opportunities gained come with an increased risk of losses.

Management Team



Stefan Blum

Lead Portfolio Manager since inception of the fund

Joined Bellevue in 2008 as portfolio manager. Prior to joining Bellevue, he spent 4 years as head of investor relations at Sonova and as a financial analyst at Bank Sarasin from 1996 to 2000.



Marcel Fritsch

Portfolio Manager since inception of the fund

Joined Bellevue in 2008 as portfolio manager. Prior to that, he spent more than 3 years as a consultant with Deloitte & Touche, where he advised multinational companies in the healthcare industry on strategic issues.



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). BB Adamant 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 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 (German for Germany, Austria and Switzerland, Spanish in Spain and English and German in Luxembourg) 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 Austria, Germany, Luxembourg, Spain and Switzerland.

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

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: ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich

Paying agent in Switzerland: Bank am Bellevue AG, Seestrasse 16, P.O.Box, CH-8700 Küsnacht

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