

## Investment focus

The BB Adamant Sustainable Healthcare Fund invests in healthcare firms with strong sustainability credentials and innovative business models. Examples of sustainability in the healthcare industry are environmentally sound procurement policies for drug makers, high safety standards for medical products and services, and a commitment to ethics when conducting clinical trials. From the perspective of the patient, the early diagnosis of life-threatening diseases, personalized medicine enabling highly selective treatments and efficient treatment procedures are key sustainability indicators. A variety of high-growth themes, smart stock selection using our established investment process and the application of sustainability criteria are the fund's tools for achieving attractive returns.

## Fund facts

NAV	127.44
Volume	USD 37.7 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	29.06.2018
Fiscal year end	30.06.
Benchmark	MSCI World Health Care Net Return
ISIN code	LU1819585453
Valor	41670697
Bloomberg	BBSHI2U LX
WKN	A2JMRE
Management fee	0.80%
Performance fee	None
Subscription fee	up to 5 %
Min. investment	USD 5.0 million
Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, ES, LU
EU tax status	Out of scope

## Key figures

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











Source: Bellevue Asset Management, 31.03.2019;

## Indexed performance since launch














*As stipulated by Article 27 of the EU Directive 2006/73/EC implementing Directive 2004/39 / EC ("MiFID" - Markets in the Financial Instruments Directive) and by national laws incorporating the directive, information regarding past performance may be presented only if that performance information covers a complete 12-month period (or longer). The information regarding past performance will be presented here as soon as it covers a complete 12 month period (or longer).*

Source: Bellevue Asset Management, 31.03.2019; all figures in USD %, 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

Celgene		4.5%
Abbott Laboratories		3.7%
Intuitive Surgical		3.7%
Alexion Pharma.		3.6%
Wellcare		3.6%
Pra Health Sciences		3.6%
Vertex Pharmaceut.		3.3%
Ambu		3.2%
Straumann		3.1%
Jazz Pharmaceuticals		3.0%
Total top 10 positions		35.3%
Total positions		40

## Geographic breakdown

United States		37.0%
China		15.2%
Denmark		11.7%
Japan		9.8%
Switzerland		5.5%
Germany		2.8%
Italy		2.8%
Australia		2.7%
Malaysia		2.6%
Sweden		2.5%
South Korea		1.8%
UAE		1.5%
Cash		4.1%

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 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.

## Market commentary

Stock markets around the world added to their gains from the previous month and closed March on firm footing. Despite mixed signals on the economy and all the Brexit uncertainty, global stock markets were led higher by promises of accommodative monetary policies from the world's major central banks and progress in the ongoing trade negotiations between the US and China. Against this backdrop, the broad MSCI World Index advanced 1.1% (in CHF), while the defensive MSCI World Healthcare Index lagged behind with a gain of 0.7% (in CHF). Compared to its benchmark, the BB Adamant Sustainable Healthcare Fund performed quite well and ended the month 3.1% higher (CHF / I shares) and it has also beaten the benchmark performance on a YTD basis.

Scott Gottlieb abruptly submitted his resignation as the head of the US FDA. He is held in very high regard by the healthcare industry. Under his leadership, the approval process for gene therapy and other novel treatments was shortened and the affordability of generics were accelerated. News of his resignation sent a shudder through the biotech industry but the ensuing succession process and the likely continuation of Gottlieb's pro-innovation policies brightened investor sentiment. Ned Sharpless, the director of the NCI (National Cancer Institute) and a distinguished cancer specialist, has been named acting FDA Commissioner.

Celgene made a good contribution to portfolio performance last month. Influential proxy advisors ISS and Glass Lewis recommended Bristol-Myers shareholders vote in favor of the drug maker's proposed takeover of Celgene at the extraordinary general meeting in April. Celgene's share price jumped when that news came out. Investors also snapped up Evotec shares during the period under review. The German biotech firm reported a surge in earnings for the past fiscal year and guided for further growth in 2019. Consolidation is sweeping through the US health insurance industry and the fund has profited from it. Centene plans to acquire its smaller rival WellCare Health Plans for about USD 17 bn in cash and shares. The transaction could close in the first half of 2020, provided all antitrust and regulatory hurdles are cleared.

## Investment process

The fund's investment universe is derived from the proprietary Adamant Healthcare Index that has been successfully managed since 2007. This index filters out about 600 stocks from a global pool of more than 3000 listed healthcare stocks. Another filter based on ESG ratings is then applied to this initial universe of 600 investable stocks. Companies are thus screened according to environmental, social and corporate governance criteria. In this analysis we rely on the long-standing expertise of our research partner Sustainalytics.

To qualify for a spot in the fund's portfolio, a company must meet several ESG criteria: They must rank among the sustainability leaders in their industry (best-in-class approach), they cannot be involved in serious ESG-relevant controversies or in any controversial business activities, and they must comply with all 10 principles of the UN Global Compact. There are caps on the amount of sales a qualifying company can generate from controversial business activities and practices. After applying the ESG filter, about 40-50% of the stocks in the initial universe qualify for investment by the fund. The next step is a time-tested factor analysis based on four quantitative and four qualitative parameters. The objective here is to select companies that are inexpensive and generating fast growth and that have a robust competitive profile that will allow them to defend their leadership in years to come.

Ultimately a portfolio of 40 of the most sustainable companies in the healthcare industry, 10 from each of the 4 regions (Western Europe, North America, Japan/Oceania and Emerging Markets), is constructed. The application of the 8 factors has typically led to a focus on mid cap stocks and the underweighting of pharma stocks as well as the North America region relative to the MSCI World Healthcare Index. The composition of the portfolio is reviewed and rebalanced every six months.

## Risk and return profile

The aim of the fund is to achieve a good and competitive level of capital growth over the long term. It is especially suitable for investors who wish to focus on sustainability and have an investment horizon of at least five years. The fund exhibits the level of risk that is typical of equity investments.



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 professional investors in Austria, Germany, Luxembourg, Spain and Switzerland.

## Chances

- Investments in the 40 most attractive healthcare stocks worldwide with due account taken of current sustainability criteria.
- Many years of recognized bottom up expertise coupled with comprehensive sustainability research from Sustainalytics.
- The sustainability filter combines a best-in-class approach with the application of a strict exclusion procedure.
- Semi-active portfolio management: Half-yearly company evaluation and rebalancing.
- Underweighting of pharma and US stocks against the relevant healthcare indices, and a strong focus on mid caps.

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 strong price fluctuations and so are also exposed to the risk of price losses.
- 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.
- The fund invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- 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



### Zahide Donat

#### Portfolio Manager since inception of the fund

Joined Bellevue in 2015 as Portfolio Manager. Prior to joining Bellevue she spent two years at Credit Suisse as banking operations specialist in fixed income and from 2010 und 2013 as relationship manager at Migros Bank.



### Dr. Cyrill Zimmermann

#### Portfolio Manager since inception of the fund

Joined Bellevue in 2015 as Head Healthcare Funds & Mandates and member of the Executive Board. From 2001 to 2014 he was CEO and co-founder of Adamant Biomedical Investment.



### Samuel Stursberg

#### Portfolio Manager since inception of the fund

Joined Bellevue in 2015 as Head Research Healthcare Funds & Mandates. Prior to joining Bellevue he spent 7 years as Head Research at Adamant Biomedical Investments and 4 years as analyst in the healthcare sector at Sustainable AM.



## 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 Sustainable Healthcare 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](http://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](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 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](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.

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