

Investment focus

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.

Fund facts

NAV	129.74
Volume	USD 287.3 million
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Distributing

Investment manager	Bellevue Asset Management
Custodian	RBC Investor Services, Luxembourg
Launch date	30.11.2018
Fiscal year end	30.06.
Benchmark	n.a.

ISIN code	LU1916264945
Valor	45074611
Bloomberg	BBDHA2U LX
WKN	A2N92T

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, SG, UK
EU tax status	Out of scope

Key figures

Beta	n.a.
Correlation	n.a.
Volatility	25.2%

Tracking Error	n.a.
Active Share	n.a.

Sharpe Ratio	0.41
Information Ratio	0.33
Jensen's Alpha	n.a.











Source: Bellevue Asset Management, 31.08.2019;

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, 31.08.2019; 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. 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. 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		4.6%
Inspire Medical Sys.		4.5%
Glaukos		4.3%
Tandem Diabetes Care		3.6%
GN Store Nord		3.6%
iRhythm Technologies		3.5%
Globus Medical		3.4%
Intuitive Surgical		3.3%
HMS Holding		3.2%
Ambu		3.2%

Total top 10 positions	37.1%
Total positions	43

Geographic breakdown

United States		85.6%
Denmark		6.8%
Great Britain		2.7%
China		1.1%
France		0.4%
Norway		0.2%
Cash		3.2%

Market cap breakdown

0 - 1 bn		16.7%
1 - 2 bn		18.6%
2 - 5 bn		23.7%
5 - 15 bn		25.2%
15 - 20 bn		4.8%
> 20 bn		8.0%
Others		3.0%

Market review

The BB Adamant Digital Health (Lux) Fund August traded lower (-2.7%) in August but performed better than the Russell 2000 (-4.9%), which comprises 2 000 of the smallest cap companies in the US. However, the fund was unable to beat the global healthcare sector (+0.0%) and the Nasdaq 100 (-1.9%), two indexes that mainly consist of large cap stocks. All performance data is in USD / B shares.

Numerous portfolio positions made a positive contribution to performance in August. Nevro (+25.2%), which has been under excellent management since March 2019, reported some initial progress and topped sales expectations for the second quarter. It also raised its sales guidance for 2019 and gave a positive update on many of the products in its R&D pipeline.

Avedro (+26.7%), a specialist for keratoconus therapy, was the target of a takeover bid from Glaukos (-21.3%), in a deal that would be financed entirely with Glaukos shares. We switched our Avedro shares into Glaukos shares to maintain our exposure to this attractive investment case.

Companies such as Insulet (+25.4%), Tandem (+14.2%) and Dexcom (+9.4%), all active in the fast-growing diabetes market, also made a positive performance to contribution. Insulet, a successful manufacturer of “Omnipod”, the only insulin patch pump in the market, Tandem, the manufacturer of the “t:slim X2” insulin pump with ACE designation ensuring standardized interoperability with continuous glucose sensors, and Dexcom, the quality leader for continuous glucose monitoring sensors, all beat investor expectations for the second quarter of 2019. We calculate that the approx. USD 3 bn dollar market for glucose monitoring sensors will more than double by 2023. That also applies to the market for insulin pumps, which has a volume of about USD 1.3 bn today.

Abiomed (-30.7%), the only company that offers products that provide heart support and help the heart to recover its native function after a heart attack and cardiogenic shock, disappointed investors when it released its second-quarter results and lowered its guidance. Most of the blame was placed on its sales force, which had not been able to keep up with the company's strong growth. After a long talk with management, we concluded that the investment case is still intact. Resolving this problem will take several quarters, however, and we will be closely tracking this process.

Positioning & outlook

New technologies that make use of digitalization are conquering healthcare systems around the world. Value is being created in myriad ways, by providing more advanced treatment options for example, or delivering direly needed efficiency gains or cost savings. Companies with disruptive technologies involving sensors, wireless connectivity or cloud computing are bringing new or improved products and services to the marketplace. This is having a positive effect on treatment quality and on overall costs.

The BB Adamant Digital Health (Lux) Fund offers investors access to a global portfolio of fast-growing technology stocks that are additionally benefiting from the healthcare sector's attractive fundamental drivers, such as demographic aging and the spread of lifestyle-related diseases. Digital health is subject to stricter regulations than the typical tech sector: Safety and clinical benefit must be verified in rigorous, painstaking clinical trials. Such requirements pose entry barriers to potential new rivals, make the related technology risk more predictable and give the fund a distinctive profile.

The main focus is on fast growing small and mid cap companies in North America, Europe and Asia. The fund aims to maintain a high double-digit revenue growth rate in its portfolio. Key criteria for inclusion in the fund's portfolio, besides attractive top-line growth and gross profit margins, are a solid financial base and sound company management. The value of the stocks in the fund's portfolio in the near to mid-term future will largely be determined by top-line growth, the achievement of clearly defined milestones and M&A activity. Venture capital funds have already invested about USD 32 bn in 2100 privately held digital health firms over the past eight years and we expect scores of attractive IPOs in the coming years. Which is another argument to invest in this field.

Source: BelleVue Asset Management, 31.08.2019;
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.

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.

low risk

high risk



1 | 2 | 3 | 4 | 5 | 6 | 7

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

- 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

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.



Multimedia

Interview with the Portfolio Manager



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 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 (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.

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