

Business Markets

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Buy, sell or hold: today's best share tips



BB HEALTHCARE

Market value £429m	Dividend yield 2.6%
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BB Healthcare Trust reckons last month's market sell-off is too much of an opportunity to miss. The investment trust pressed ahead with a share issue programme yesterday that could mean it raises more than its current market value over the next 12 months. It argued that the October fall in prices had a disproportionately high effect on the kinds of smaller, high-growth companies it invests in and there are stockpicking deals to be had.

BB Healthcare may actually be

one itself. Its shares have lost 9 per cent since the beginning of October, against a drop of 4.5 per cent in the wider MSCI Healthcare index that it benchmarks itself against. The company is worth a closer look.

BB Healthcare was listed in December 2016 and is managed by Bellevue Asset Management, a Swiss-based group that came up with the idea of a specialist healthcare investment trust after it encountered investment constraints with an existing, much larger biotech fund.

Its brief is to invest in listed healthcare companies worldwide based on no criteria other than potential future value. It has limited itself to a maximum of 35 holdings

and in practice 94 per cent of its portfolio is with American companies, hardly surprising given the entrepreneurial role of the private sector in healthcare provision with a regulator that is keen to foster innovation in treatments.

Among its largest investments is Anthem, a health insurance company formerly known as Wellpoint; Teladoc, a phone-based healthcare provider; and Illumina, a technology-driven group whose products are used in genetic analysis.

The fund tries to ensure all of its funds are invested at any one time but regularly issues new stock to fund growth, unafraid to quadruple its size in the coming years from its

current £430 million. Its facility yesterday authorised it to issue as many as 345 million new shares over the next 12 months, worth a little more than £470 million, based on yesterday's price, up 1p to 135½p.

Its strategy of investing in huge structural changes in worldwide health provision against the backdrop of our longer lives, better treatments for chronic diseases and the rise of private care is interesting.

ADVICE Buy for the long term
WHY Proven in profiting from healthcare's structural changes