

### 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	555.62
Volume	EUR 727.5 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	LU0415391514
Valor	3882709
Bloomberg	BFLBBIE LX
WKN	AORP25

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

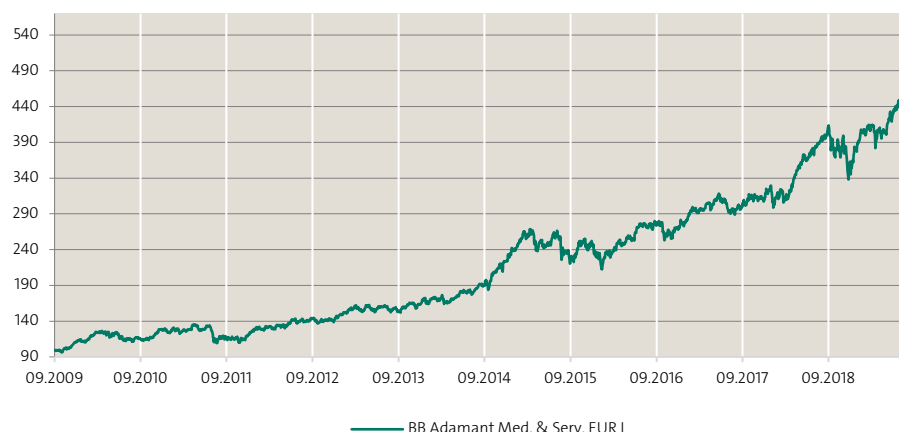
Beta	0.92
Correlation	0.87
Volatility	15.7%

Tracking Error	3.25
Active Share	30.93

Sharpe Ratio	1.14
Information Ratio	-0.24
Jensen's Alpha	-0.73

Source: Bellevue Asset Management, 31.08.2019;  
Calculation over 3 years.

### Indexed performance since launch



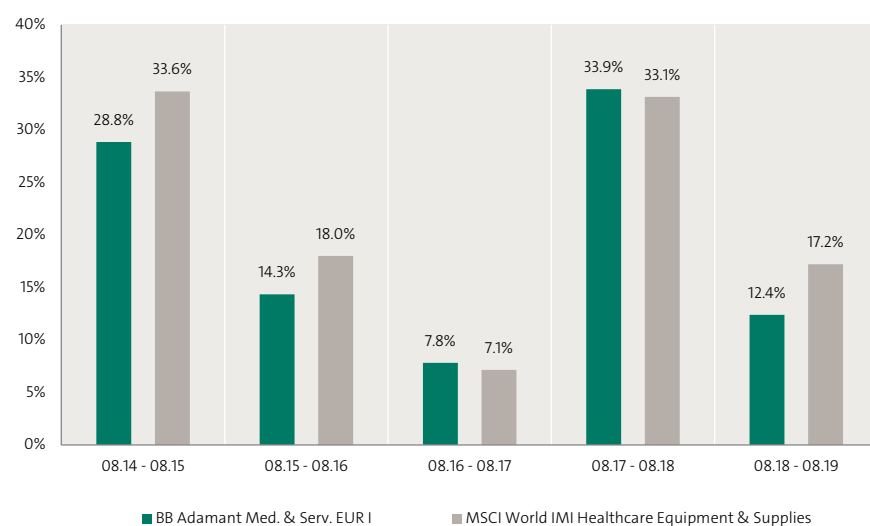
### Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
I EUR	0.3%	22.8%	12.4%	62.2%	139.0%	345.7%	12.4%	17.5%	19.0%	16.3%
BM	1.6%	28.1%	17.2%	67.2%	163.7%	444.3%	17.2%	18.7%	21.4%	18.6%

### Annual performance

	2014	2015	2016	2017	2018	YTD
I EUR	36.4%	11.7%	7.3%	14.7%	18.3%	22.8%
BM	36.9%	20.3%	8.2%	14.4%	16.3%	28.1%

### Rolling 12-month-performance



Source: Bellevue Asset Management, 31.08.2019; all figures in EUR %, 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. 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		9.7%
Medtronic		9.6%
Boston Scientific		6.0%
Danaher		5.4%
Stryker		4.5%
Becton Dickinson		4.3%
Edwards Lifesciences		4.0%
Intuitive Surgical		3.7%
Royal Philips		3.5%
Baxter Intl.		3.2%
Total top 10 positions		53.8%
Total positions		60

### Sector breakdown

Cardiology		32.3%
Managed Care		13.1%
Orthopedics		7.2%
Life Science Supply		6.0%
Imaging/Radiotherapy		4.4%
Surgery		4.0%
Wound Closure/Lasers		3.4%
Dialysis / Blood		3.2%
Ophthalmology		2.9%
Healthcare IT		2.6%
Diabetes		2.3%
Others		14.0%
Cash		4.5%

### Geographic breakdown

United States		88.4%
Netherlands		3.5%
Denmark		1.6%
Japan		1.2%
Others		0.8%
Cash		4.5%

### Market cap breakdown

0 - 1 bn		0.8%
1 - 2 bn		2.8%
2 - 5 bn		6.1%
5 - 15 bn		11.4%
15 - 20 bn		5.7%
> 20 bn		66.7%
Others		6.6%

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 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 in August were volatile but ended the month only slightly in the red. The global equity market (MSCI World Net -0.7%) and Germany's blue-chip DAX index (-2.0%) headed south but the Swiss SPI gained 1.2%. Medtech stocks (MSCI World Healthcare Equipment & Supplies (+1.6%) and the BB Adamant Medtech & Services Fund (+0.2%)) showed a strong performance. Drug makers were marked down on investor worries about future drug prices, but the medtech segment maintained its status as a safe haven. Its inherent strengths are particularly attractive in a market environment of growing uncertainty about the future direction of the economy. All performance data is in EUR / B shares.

Medtronic published very solid quarterly results in August, which indicated that end demand in medtech markets continued to grow in July. Dexcom (+10.8%), Edwards Lifesciences (+5.6%) and Ambu (+17.6%), all fast growing medtech companies, made a positive contribution to portfolio performance. Dexcom, the quality leader in the field of continuous glucose sensors, announced very good second-quarter results and raised its guidance for 2019 as a whole. Dexcom's management was also brimming with optimism at recent investor meetings.

In mid-August, the FDA approved Edwards Lifesciences' "Sapien 3" and Medtronic's "Evolut" transcatheter aortic heart valves for implantation in low-risk patients in the USA. Quarterly results from Edwards and Medtronic also showed that growth rates were not negatively impacted by the new entrant to the US market – Boston Scientific. With the recent label extension, we expect the global market for transcatheter aortic heart valves to double in size and be worth USD 7 bn by 2023. Ambu's new CEO is continuing to execute on Ambu's revised strategy by fully selling and marketing its single-use pulmonary endoscopes through its own sales force in the US market. This move can significantly increase Ambu's profit margins over the mid to long term.

The performance of healthcare services was affected by the weakness of managed care. Anthem (-10.1%), Cigna (-8.2%) and UnitedHealth (-4.8%) surrendered considerable ground. There are two main reasons for the underperformance by US health insurers in August. First, Joe Biden's poll numbers declined a bit. The moderate presidential candidate is still 12 percentage points ahead of the progressive Bernie Sanders though. We continue to believe that the idea of switching to a single-payer system and paying twice as much in taxes will fail to get a majority backing in the US. Second, various surveys of hospitals indicated rising patient volumes, albeit slight, in July. We assume that the increase in medical cost ratios will only be temporary, and that health insurers will more than compensate for this increase during the current year by lowering their admin costs. In view of the substantial valuation discount of more than 25% vs the S&P 500, managed care companies have an attractive risk/reward profile that could yield some handsome returns before the year is out.

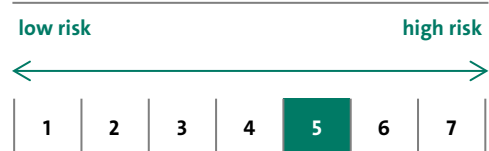
### Positioning & outlook

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. Its defensive qualities are particularly attractive in a market environment of growing uncertainty about the future direction 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 account for about 75% of portfolio assets and these core shareholdings are complemented with positions in fast-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 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 now trading at a small premium after the April sell-off but its estimated profit growth (earnings per share) is twice the market growth rate. This has created attractive entry points for investors in the Medtech & Services sector.

### 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.



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.

### 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](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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