

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	355.74
Volume	USD 475.9 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	LU0453818972
Valor	10553521
Bloomberg	BFLBBIU LX
WKN	AOYC2D

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
EU tax status	Out of scope

Key figures

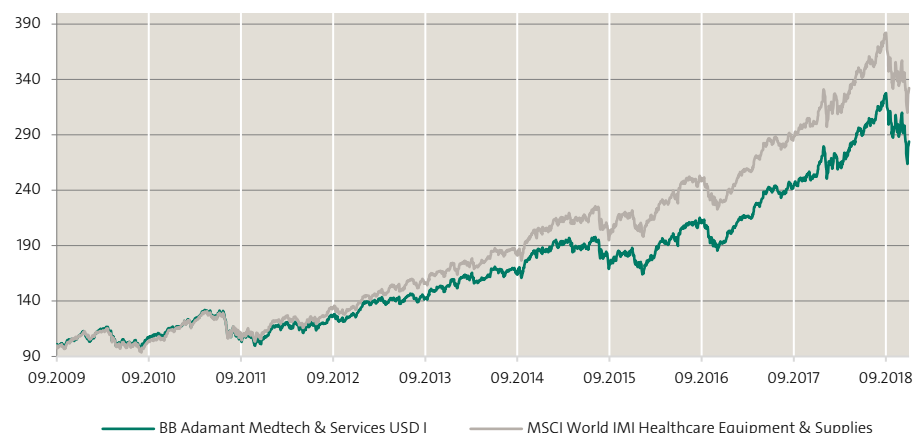
Beta	0.9
Correlation	0.86
Volatility	16.0%

Tracking Error	8.41
Active Share	n.a.

Sharpe Ratio	0.89
Information Ratio	-0.05
Jensen's Alpha	1.01

Source: Bellevue Asset Management, 31.12.2018;
Calculation over the last 3 years.

Indexed performance since launch



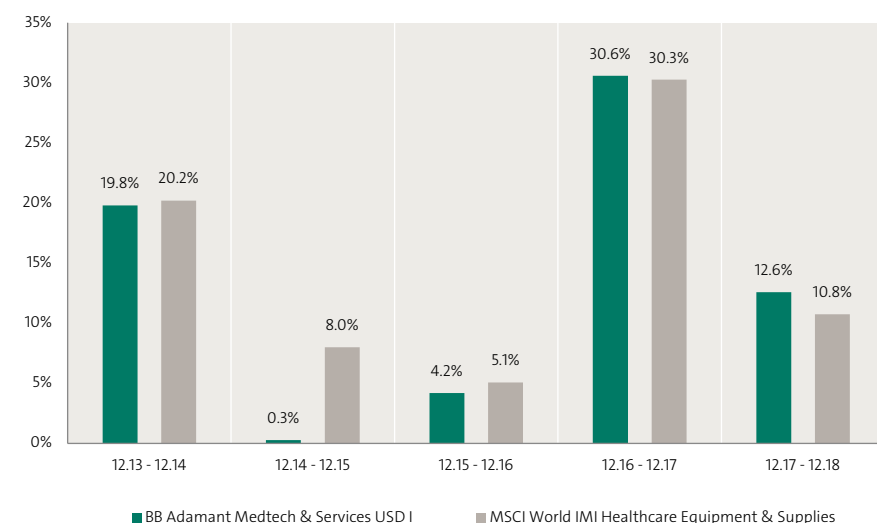
Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
I USD	-7.4%	12.6%	12.6%	53.2%	84.0%	184.0%	12.6%	15.3%	13.0%	11.9%
BM	-6.1%	10.8%	10.8%	51.6%	96.8%	232.3%	10.8%	14.9%	14.5%	13.9%

Annual performance

	2013	2014	2015	2016	2017	YTD
I USD	21.7%	19.8%	0.3%	4.2%	30.6%	12.6%
BM	26.6%	20.2%	8.0%	5.1%	30.3%	10.8%

Rolling 12-month-performance



Source: Bellevue Asset Management, 31.12.2018; 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

Abbott Laboratories		9.8%
Medtronic		8.4%
Boston Scientific		6.6%
Danaher		6.4%
Becton Dickinson		5.1%
Intuitive Surgical		4.6%
Stryker		4.3%
Edwards Lifesciences		4.0%
UnitedHealth		3.4%
Royal Philips		3.3%
Total top 10 positions		56.0%
Total positions		59

Sector breakdown

Cardiology		32.9%
Managed Care		14.5%
Orthopedics		6.8%
Life Science Supply		6.5%
Surgery		5.1%
Imaging/Radiotherapy		4.2%
Dialysis / Blood		3.1%
Diagnostics		2.9%
Healthcare IT		2.5%
Hearing		2.5%
Dental		2.2%
Others		16.5%
Cash		0.4%

Geographic breakdown

United States		89.8%
Netherlands		3.3%
Denmark		3.1%
Japan		1.7%
Australia		1.2%
Others		0.6%
Cash		0.4%

Source: Bellevue Asset Management, 31.12.2018;

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

2018 was quite a good year for the BB Adamant Medtech & Services (Lux) Fund. Its annual performance of +17.4% lies within the historical range of its average annual gain (2013-18: +16.4% p.a.), and it clearly beats the performance of the global stock market (MSCI World Net -4.2%), the Swiss stock market (SPI -5.0%) and Germany's bellwether index (DAX -18.3%). So the Medtech & Services sector once again lived up to its reputation of being a "safe haven" when stock markets get stormy (all performance data in EUR / B shares). The sector's strong fundamentals – above-average sales and earnings growth plus the extra stability of structural, non-cyclical demand – actually got stronger during the course of 2018. Sales growth of medtech firms clearly accelerated as the year progressed, thanks to innovation, examples of which are novel products and services in the areas of diabetes treatment (continuous glucose monitoring systems) and cardiology (minimally invasive catheter-based heart valves and pacemaker implants). An acceleration in growth was also observed at private-sector health insurers that specialize in government-subsidized or government-provided healthcare plans.

The sector's full-year performance could have even been better but even the medtech & services sector wasn't immune to the sell-off that swept over stock markets in the fourth quarter despite its growing fundamental strength. Therefore the BB Adamant Medtech & Services (Lux) Fund performed only slightly better than the broader market in the fourth quarter, which it closed with a negative performance of 11.9%. The sector's stellar absolute performance at the 9-month mark prompted some investors to take profits and it was that profit-taking that neutralized the usually defensive qualities of the sector. Portfolio "winners" were generally sold and liquidity was reinvested in "laggards"; a tactic that was also reflected in the general sector rotation from growth to value. We take a different investment approach, mainly because there are often good reasons why a company is a poor performer and lagging the leaders. We continue to invest in innovation (that delivers significant clinical benefits while lowering costs) and quality (in terms of both management and financials) and see the "value" such companies offer in the form of their sustained market success.

The sector's innovative strength is stronger than ever, so more milestones and breakthroughs can be expected in 2019: Miniaturization and digitization are spreading to if not creating entirely new markets and making healthcare systems more efficient. On the clinical front, the release of trial data on the widespread use of transcatheter aortic valves (patients with low surgical risks) could lead to a significant enlargement of this market, as could transcatheter implants of prosthetic mitral valve repair devices and the launch of robotic systems for lung biopsy procedures. Overall market growth should remain at a high level.

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 becoming less optimistic about the overall macroeconomic outlook. 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 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. 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.

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.



Target market

The fund is suitable for retail and professional investors in Austria, Germany, Luxembourg, Spain and Switzerland.

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.

This document is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. It is particularly not intended for US persons, as defined under Regulation S of the U.S. Securities Act of 1933, as amended. The information and data presented in this document are not to be considered as an offer to buy, sell or subscribe to any securities or financial instruments. The information, opinions and estimates contained in this document reflect a judgment at the original date of release and are subject to change without notice. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient and in particular tax treatment depends on individual circumstances and may be subject to change.

This document is not to be relied upon in substitution for the exercise of independent judgment. Before making any investment decision, investors are recommended to ascertain if this investment is suitable for them in the light of their financial knowledge and experience, investment goals and financial situation, or to obtain specific advice from an industry professional. The details and opinions contained in this document are not to be considered as recommendation or investment advice. Every investment involves risk, especially with regard to fluctuations in value and return, and investors’ capital may be at risk. If the currency of a financial product is different from your reference currency, the return can increase or decrease as a result of currency fluctuations. Past performance is no indicator for the current or future performance. The performance data are calculated without taking account of commissions and costs that result from subscriptions and redemptions. Commissions and costs have a negative impact on performance. For more information about the associated costs, please refer to the related costs and fees section of the prospectus. Any benchmarks/indices cited herein are provided for information purposes only. No benchmark/index is directly comparable to the investment objectives, strategy or universe of the subfund. The performance of a benchmark shall not be indicative of past or future performance of the subfund. Financial transactions should only be undertaken after having carefully studied the current valid prospectus and are only valid on the basis of the latest version of the prospectus and available annual and half-yearly reports. Please take note of the risk factors.

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, Graben 21, A-1010 Vienna

Germany

Paying and information agent: Bank Julius Bär Europe AG, An der Welle 1, P.O. Box, D-60062 Frankfurt a.M.

Spain

Representative: ATL Capital, 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, Affolternstrasse 56, 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.

Copyright©2018 Bellevue Asset Management, Inc. All rights reserved. Copyright©2018 Morningstar, Inc. All rights reserved.

Citywire information is proprietary and confidential to Citywire Financial Publishers Ltd (“Citywire”), may not be copied and Citywire excludes any liability arising out its use.

The most important terms are explained in the glossary at www.bellevue.ch/en/glossary