

## Investment focus

The Fund invests worldwide in companies active in the biotechnology sector. Experienced sector specialists focus on profitable mid and large cap companies with an established product portfolio. Stock selection is based on fundamental analysis, in particular of the medical indications addressed, the means of efficacy and the market potential. A global network of experts spanning scientific and industrial fields supports the Management Team in forming opinions and making investment decisions. The selection of portfolio companies is entirely bottom-up, independent of benchmark weightings.

## Fund facts

NAV	343.83
Volume	GBP 30.3 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	30.03.2012
Fiscal year end	30.06.
Benchmark	Nasdaq Biotech Index

ISIN code	LU0767968745
Valor	18316140
Bloomberg	BBBIOGI LX
WKN	A1JWD8

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

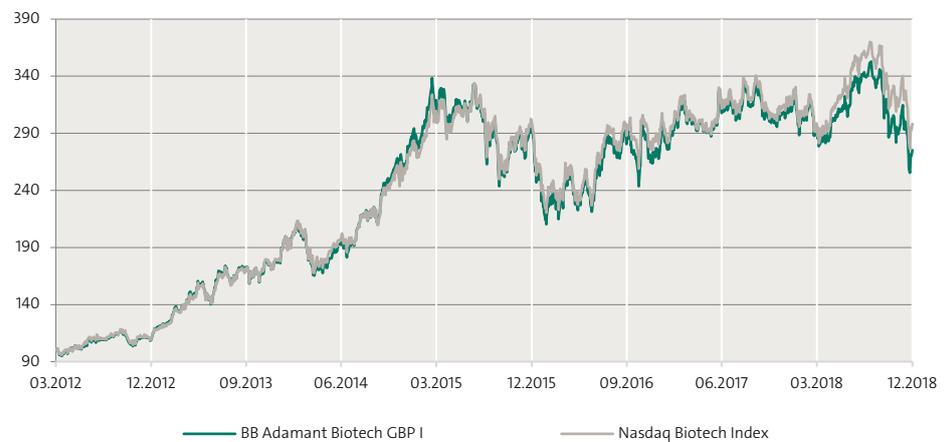
## Key figures

Beta	0.97
Correlation	0.94
Volatility	25.0%

Tracking Error	8.55
Active share	n.a.

Sharpe Ratio	-0.23
Information Ratio	-0.35
Jensen's Alpha	-3.09

## Indexed performance since launch



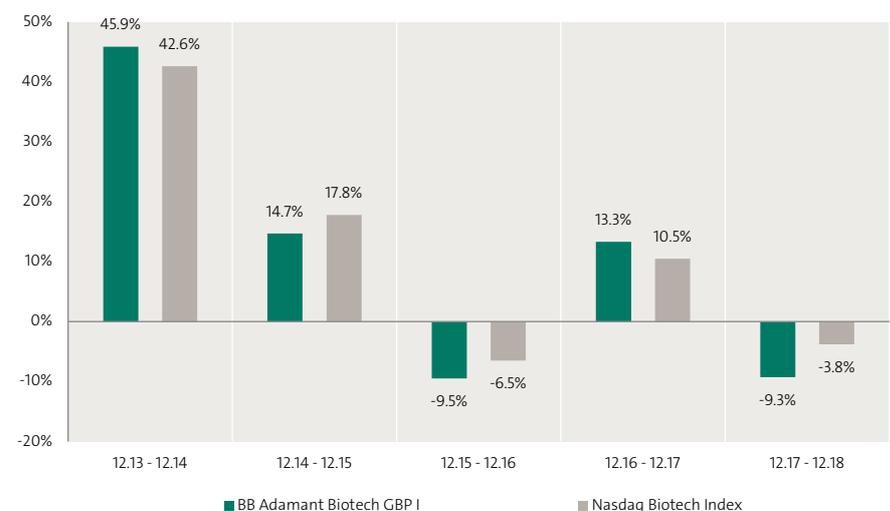
## Cumulated & annualized performance

	Cumulated					Annualized				
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
I GBP	-10.5%	-9.3%	-9.3%	-7.0%	55.7%	175.1%	-9.3%	-2.4%	9.3%	16.2%
BM	-11.2%	-3.8%	-3.8%	-0.6%	66.9%	198.1%	-3.8%	-0.2%	10.8%	17.5%

## Annual performance

	2013	2014	2015	2016	2017	YTD
I GBP	61.9%	45.9%	14.7%	-9.5%	13.3%	-9.3%
BM	62.4%	42.6%	17.8%	-6.5%	10.5%	-3.8%

## Rolling 12-month-performance



## Top 10 positions

Amgen		7.2%
Illumina		6.9%
Gilead Sciences		6.3%
Biogen Idec		6.2%
Regeneron Pharma.		4.6%
Vertex Pharmaceut.		4.6%
Celgene		4.0%
Alexion Pharma.		3.4%
Biomarin Pharmaceuticals		3.4%
Incyte		3.1%
Total top 10 positions		49.7%
Total positions		53

## Sector breakdown

Oncology		30.7%
Orphan Drugs		16.0%
Neurolog. Disorders		11.0%
Life Science Supply		6.9%
Infectious disease		6.3%
Respiratory Diseases		5.7%
Speciality Pharma		4.4%
Central Nervous Syst.		2.4%
Cardiovascular		2.3%
Others		10.1%
Cash		4.3%

## Geographic breakdown

United States		88.7%
Denmark		2.1%
Germany		1.7%
China		1.7%
Netherlands		1.6%
Cash		4.3%

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

December was a bad month for stocks. The S&P 500 Index lost 9.9% and the Nasdaq Biotech Index (NBI) was even weaker, tumbling 12.9% over the month (both in USD), while the BB Adamant Biotech (Lux) Fund retreated 12.5% (USD / B shares).

Stock markets were weak throughout the month and did not stage a recovery, and a tepid one at that, until the very end. So Christmas came and went without any signs of a broad market rally. Economic data was robust, although there were some initial indications of a slowdown in growth. Nevertheless, the US central bank raised the target range for the federal funds rate by another 25 basis points to 2.25% - 2.5%, but noted that inflationary pressure had eased and it might tap the brakes on interest rate hikes in 2019. News from the biotech sector was generally positive. For example, the news flow from medical conferences such as the ASH (American Society of Hematology) or the San Antonio Breast Cancer Symposium was good, as had been expected. The hoped-for positive surprises did not materialize. Glaxo, however, did surprise the market last month when it issued a USD 5.1 bn takeover bid for Tesaro, valuing the company at a hefty premium. This sent a wave of takeover speculation across the sector but that didn't last long amid the widespread sell-off. Biotech funding activity continued to subside over the month.

December's best performers were mostly companies that presented convincing data at medical conferences. Tesaro soared higher after Glaxo issued its takeover bid for the company; Genmab rose on renewed investor trust after presenting details on Darzalex as a first-line treatment of patients with multiple myeloma (MM) and Regeneron was marked up after publishing initial data on its bispecific antibody REGN1979 for the treatment of patients with relapsed or refractory follicular lymphoma (r/rFL). All patients treated with REGN1979 displayed a positive response and Regeneron is now considering starting a pivotal Phase II trial already in 2019.

Performance detractors were Supernus, although its SPN-812 non-stimulant for the treatment of ADHD (attention-deficit hyperactivity disorder) achieved its primary endpoint with robust statistical significance; Neurocrine corrected after Ingrezza flopped in a Tourette syndrom clinical trial; and Regenex was weak due to overblown fears concerning its patent portfolio for its gene therapy product candidates.

## Positioning & outlook

Our stance towards the biotech sector remains positive in view of its strong fundamentals and attractive valuations (average 2019 P/E of 13x and PEG of 0.7 for the large cap segment). The companies in our portfolio are working on technologies or products for novel treatment solutions. The BB Adamant Biotech (Lux) Fund is well-positioned to profit from the milestones that are expected to be reached in 2019. The regulatory environment continues to favor the innovation biotech companies are known for, although worries about pricing are still weighing on investor sentiment. After our portfolio holding Tesaro was taken over by GSK on Dec. 3, more M&A activity is expected in the months to come.

## 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 biotechnology sector and who are willing to accept the equity risks 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

- New innovative drugs are powering sustainable momentum in the biotech sector.
- Attractively valued large cap biotechs.
- Expiring pharmaceutical patents trigger a rise in M&A activity.
- Focus on US biotech companies with strong growth potential.
- 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 strong price fluctuations and so are also exposed to the risk of price losses.
- Biotech equities can be subject to sudden substantial price movements owing to market, sector or company factors.
- 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 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.

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



**Dr. Christian Lach**

**Portfolio Manager of the fund since 2015**

Joined Bellevue in 2015 as Senior Portfolio Manager Healthcare Funds & Mandates. Prior to that he was from 2008 to 2014 Senior Portfolio Manager Biotech at Adamant Biomedical Investment.



**Dr. Hanns Frohnmeyer**

**Portfolio Manager of the fund since 2017**

Joined Bellevue in 2017 as Senior Portfolio Manager Healthcare Funds and Mandates. Prior to that he spent 4 years at Aeris Capital as Executive Director and Portfolio Manager Life Science and 10 years at LBBW as Biotech Analyst and Head Life Science Team.



**Samuel Stursberg, CFA**

**Portfolio Manager of the fund since 2015**

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 Asset Management.



## 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 Biotech 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).

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](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.

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

Copyright ©2018 Morningstar, Inc. All rights reserved.

The most important terms are explained in the glossary at [www.bellevue.ch/en/glossary](http://www.bellevue.ch/en/glossary)