

### 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	420.14
Volume	USD 1'084.1 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	LU0453818899
Valor	10553544
Bloomberg	BFLBBBU LX
WKN	A0YC2C

Management fee	1.60%
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

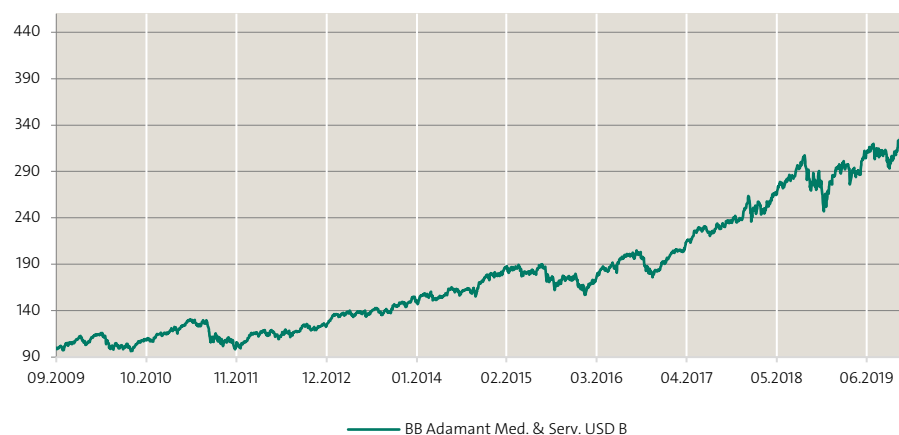
Beta	0.93
Correlation	0.87
Volatility	15.3%

Tracking Error	3.32
Active Share	36.27

Sharpe Ratio	1.41
Information Ratio	-0.18
Jensen's Alpha	-0.01

Source: Bellevue Asset Management, 31.12.2019;  
Calculation over 3 years.

### Indexed performance since launch



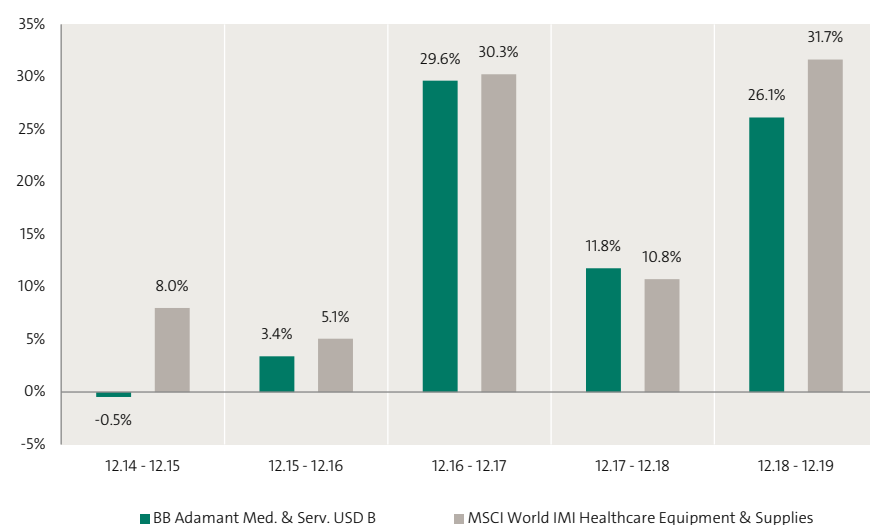
### Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
B USD	2.1%	26.1%	26.1%	82.8%	88.2%	235.4%	26.1%	22.3%	13.5%	12.5%
BM	2.2%	31.7%	31.7%	89.9%	115.5%	337.5%	31.7%	23.8%	16.6%	15.5%

### Annual performance

	2014	2015	2016	2017	2018	2019
B USD	18.9%	-0.5%	3.4%	29.6%	11.8%	26.1%
BM	20.2%	8.0%	5.1%	30.3%	10.8%	31.7%

### Rolling 12-month performance



Source: Bellevue Asset Management, 31.12.2019; 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. 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		9.4%
Medtronic		7.9%
Becton Dickinson		5.9%
Boston Scientific		5.7%
Danaher		4.5%
UnitedHealth		4.1%
Edwards Lifesciences		3.8%
Intuitive Surgical		3.7%
Baxter Intl.		3.7%
Cigna		3.5%
Total top 10 positions		52.3%
Total positions		58

### Sector breakdown

Cardiology		30.3%
Managed Care		18.2%
Life Science Supply		7.8%
Orthopedics		6.3%
Surgery		4.2%
Imaging/Radiotherapy		4.1%
Dialysis / Blood		3.7%
Wound Closure/Lasers		3.6%
Healthcare IT		2.4%
Ophthalmology		2.3%
Others		17.1%

### Geographic breakdown

United States		91.4%
Netherlands		2.8%
Japan		1.5%
Denmark		1.5%
Australia		1.0%
Others		1.9%

### Market cap breakdown

0 - 1 bn		0.9%
1 - 2 bn		2.7%
2 - 5 bn		4.6%
5 - 15 bn		9.7%
15 - 20 bn		6.3%
> 20 bn		73.5%
Others		2.2%

Source: Bellevue Asset Management, 31.12.2019;  
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

The BB Adamant Medtech & Services Fund edged 0.3% higher in December and ended the year with a strong performance of 28.4%. Looking at the full-year performance of relevant indices, the fund clearly beat the broader healthcare market (MSCI World Health Care Net 25.7%) but it lagged behind the world stock market (MSCI World Net +30.2%).

The fund's performance for 2019 is all the more remarkable considering its positive performance of 17.4% in the preceding, very challenging year that was 2018, a year when most stock indices were deep in the red (e.g. Germany's Dax -18.3%). One of the reasons for the fund's renewed stellar performance in 2019 is the tremendous innovation of the medtech sector (MSCI World Healthcare Equipment & Supplies +34.1%). Market growth and earnings growth within the medtech industry showed another acceleration and a slew of new products and services in the biggest pockets of growth – diabetes, structural heart disease and robotic surgery – are about to be launched or have just been launched.

The fund's performance in 2019 would have been even better were it not for the weaker relative performance of US health insurance stocks (S&P Managed Care +22.6%). Looking ahead towards the new investment year, though, we are confident that managed care could be one of the winning sub-sectors in 2020 for a number of reasons. Despite their above-average, predictable earnings growth of well over 10%, managed care stocks are not trading at a premium to the total stock market. An even more relevant factor, however, is the recent action taken by the US Congress just before Christmas: It surprisingly voted to permanently repeal the health insurance fee (HIF) effective January 1, 2021. The positive impact of the permanent repeal of the HIF will be most noticeable on margins in the Medicare Advantage business, which is an important market for Humana and UnitedHealth. The so-called Cadillac tax was also permanently repealed in the same spending bill. The Cadillac tax refers to a tax on particularly generous and therefore pricey private employer-provided health coverage plans. That move will clearly benefit Anthem.

Congress also voted to permanently repeal the medical device excise tax introduced under Obamacare, which will benefit medtech companies. This very positive news for the medtech sector is clear evidence that medtech manufacturers are not entangled in the same kind of the controversy over pricing that has enveloped drug developers. All data is in EUR / B shares.

### Positioning & outlook

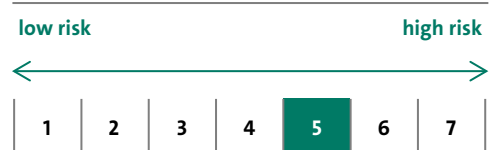
The Medtech & Services Fund invests in the entire healthcare market except for the drug developers. As a fully adequate healthcare investment vehicle, the fund aims to generate a significantly higher return than a traditional healthcare fund but with a comparable risk profile. The medtech & services sector is one of the stock market's most defensive sectors with sustainable outperformance potential and that is one reason for the unqualified success of our investment strategy. While other healthcare sub-sectors have retreated on investor fears of negative pricing developments, the medtech sector has maintained its status as a safe haven.

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 BB Adamant Medtech & Services Fund is a sound alternative for investors who want to profit from the solid fundamental factors the healthcare market has to offer but want to avoid all the price-related, R&D and patent-cliff risks associated with the drug manufacturers or who want to round out their existing pharma allocation.

Medtech innovation remains intact and the sweeping change within the medtech industry that is transforming it into an integrated provider of healthcare services is progressing steadily. The utilization of cutting-edge information technology portends huge market potential in the area of digital health. In the medtech space, we see attractive upside potential in the fields of diabetes therapy, robotic surgery and minimally invasive heart valve replacement and repair. In the healthcare services segment, we believe US health insurers (managed care) offer the most upside potential. Major value drivers in managed care are the progressive privatization of the US health insurance industry (Medicare Advantage and Managed Medicaid) and reduced treatment and administration costs in the wake of efficiency gains. We are more selective regarding hospitals (high levels of debt, upward pressure on wages and excess capacity) and pharmaceutical distributors and pharmacies (drug pricing reform and the potential arrival of new competitors from unrelated sectors). The BB Adamant Medtech & Services strategy is a promising investment opportunity for investors that captures a combination of innovation, market expansion spearheaded by new services, and steady demand.

### 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.belvue.ch](http://www.belvue.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, Am Belvedere 1, A-1100 Vienna

#### Germany

Information agent: ACOLIN Europe GmbH, Reichenaustrasse 11a-c, D-78467 Konstanz

#### Spain

Representative: atI 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.belvue.ch](http://www.belvue.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©2020 Bellevue Asset Management, Inc. All rights reserved. Copyright©2020 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.

Lipper Awards 2020 ©, All rights reserved. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

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