

Investment focus

The fund's aim is to achieve capital growth in the long term. 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	157.46
Volume	EUR 56.1 Mio.
NAV-calculation	Daily "Forward Pricing"
Cut off time	15:00 CET
Distribution policy	Accumulating

Investment Manager	Bellevue Asset Management AG
Custodian	RBC Investor Services, Luxembourg
Launch date	30.11.2017
Fiscal year end	30.06.
Benchmark	Nasdaq Biotech Index

ISIN code	LU1725387622
Valor	39331631
Bloomberg	BBBII2E LX
WKN	A2H8LU

Management fee	0.80%
Performance fee	None
Subscription fee	up to 5 %
Min. Investment	EUR 5.0 Mio.

Legal entity	Luxembourg UCITS V SICAV
Countries of distribution	AT, CH, DE, ES, LU
EU tax status	Out of scope

Key figures

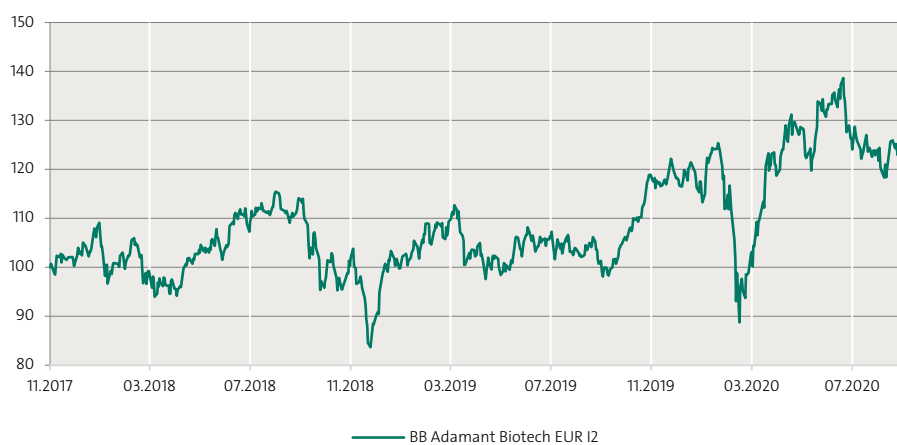
Beta	0.91
Correlation	0.93
Volatility	25.4%

Tracking Error	9.6
Active share	43.79

Sharpe Ratio	0.26
Information Ratio	-0.27
Jensen's Alpha	-2.01

Source: Bellevue Asset Management, 30.09.2020;
Calculation over 1 year.

Indexed performance since launch



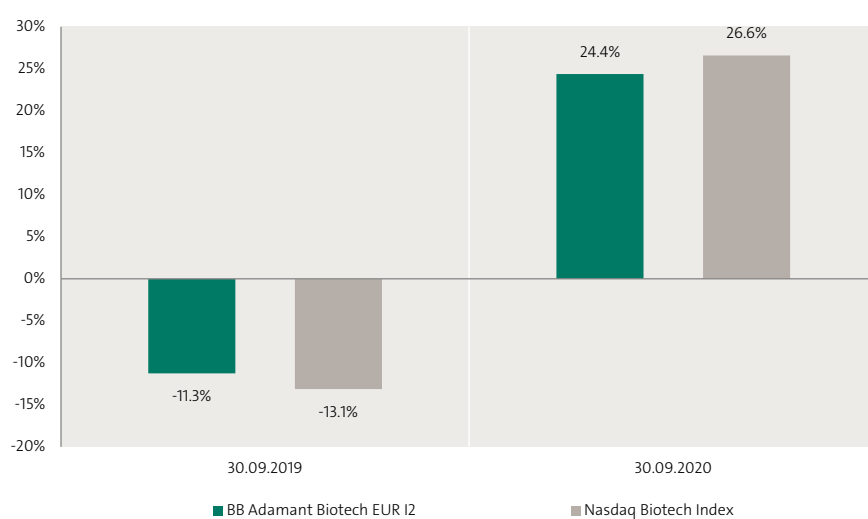
Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
I2 EUR	1.5%	6.4%	24.4%	n.a.	n.a.	26.0%	24.4%	n.a.	n.a.	8.5%
BM	1.8%	7.7%	26.6%	n.a.	n.a.	30.5%	26.6%	n.a.	n.a.	9.9%

Annual performance

	2015	2016	2017	2018	2019	YTD
I2 EUR	n.a.	n.a.	n.a.	-10.1%	31.3%	6.4%
BM	n.a.	n.a.	n.a.	-4.8%	26.9%	7.7%

Rolling 12-month-performance



Source: Bellevue Asset Management, 30.09.2020; all figures in EUR %, total return / BVI-methodology
Past performance is not a reliable indicator of future results and can be misleading. As the Sub-fund 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 sub-fund, thus the performance of a benchmark is not a reliable indicator of future performance of the sub-fund 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

Vertex Pharmaceut.		6.6%
Amgen		6.1%
Regeneron Pharma.		4.3%
Illumina		4.0%
Genmab		3.9%
Gilead Sciences		3.4%
Seattle Genetics		3.1%
Incyte		2.9%
Alexion Pharma.		2.8%
Beigene		2.6%
Total top 10 positions		39.5%
Total positions		48

Sector breakdown

Oncology		32.7%
Orphan Drugs		11.5%
Infectious disease		8.4%
Neurolog. Disorders		7.4%
Respiratory Diseases		6.6%
Life Science Supply		4.0%
Central Nervous Syst.		3.3%
Speciality Pharma		3.2%
Cardiovascular		2.6%
Others		15.0%
Cash		5.4%

Geographic breakdown

United States		72.5%
Denmark		6.9%
China		6.4%
Germany		3.3%
Japan		2.5%
Sweden		1.3%
Others		1.6%
Cash		5.4%

Market cap breakdown

0 - 1 bn		1.0%
1 - 2 bn		4.6%
2 - 5 bn		8.1%
5 - 15 bn		23.2%
15 - 20 bn		8.3%
> 20 bn		49.4%
Others		5.4%

Market review

Stock markets ended September slightly lower. An upturn in new COVID-19 cases, a less dynamic economic recovery, and the final stretch of the 2020 presidential election in the US have stoked uncertainty. The S&P Index retreated 3.9%, the Nasdaq Biotech Index was flat at -0.1% in USD and the BB Adamant Biotech (Lux) Fund ended the month 0.5% lower (USD / B shares).

The more lasting damage that the Corona pandemic is causing has become increasingly clear. Hopes of a quick V-shaped economic rebound are increasingly being tempered by the reality of a slower U-shaped recovery. Among the major industrial countries, it appears that only China will be able to end 2020 with a positive rate of GDP growth. COVID-19 case numbers have stabilized in the US, but at the cost of human mobility and thus overall economic activity. That is why the major central banks and government leaders are reviewing further ways of supporting the economy until a COVID-19 vaccine and more effective treatment options come to the rescue. COVID-19 cases are spiking again in Europe; worldwide more than 32 million people have come down with the virus and 1 million people have died as a result. Although the race to produce a COVID-19 vaccine is moving forward at a record pace, accurate predictions are still hard to make. AstraZeneca suffered a temporary setback. After a participant displayed symptoms of spinal cord inflammation, the company halted its vaccine trial while it evaluated the adverse event. The trial has since been resumed in the UK and the European Medicine Agency announced that it would start a “rolling review” process for AstraZeneca’s vaccine, in response to the public health emergency caused by the virus. Biontech/Pfizer announced that no adverse reactions had been observed in the first 12000 participants in their trial who had received a second dose of their vaccine candidate. In other positive news, Regeneron published encouraging early-stage data on its therapeutic REGN-COV2 antibody cocktail for treating non-hospitalized COVID-19 patients, which indicated a reduced viral load and alleviated symptoms. ESMO held its European cancer conference in the virtual format. Following Gilead’s USD 21 bn acquisition of Immunomedics, a whopping 110% mark-up from the pre-announcement closing share price, antibody-drug conjugates (ADCs) clearly attracted more attention and further impressive data was presented in breast cancer (TNBC) and bladder cancer (mUC).

The following stocks were the fund’s top performers in September: Intracellular Therapeutics was strong after Caplypta (lumateperone) displayed highly significant activity as an adjunctive therapy in patients with bipolar depression; Beigene was marked up after presenting clinical data on its PD-1 antibody Tislelizumab and its PARP1/2 inhibitor pamiparib at the ESMO; Argenx rose after data on a competing product from UCB showed that it posed little threat to the company; and Biontech advanced on progress with its COVID-19 vaccine candidate and the acquisition of a GMP manufacturing facility from Novartis, where it will be able to produce an additional 750 million doses of its vaccine in 2021.

Performance detractors in September were Neurocrine, due to news that the Corona pandemic has put the brakes on market growth for both Ingrezza and Ongentys; Ionis was weak but for no apparent reason; and CureVac traded slightly lower despite progress in its COVID-19 vaccine trial, having initiated a Phase IIa study investigating low dose levels of 6ug and 8ug to determine the optimal dose. The fund was unable to keep pace with its sector because it was not invested in Immunomedics.

Our stance towards the biotech sector remains positive in view of its strong fundamentals and very attractive valuations (average 2021 P/E of 15x and PEG of 1.1 for large caps). These are very attractive multiples compared to historical averages and especially compared to pharma sector ratios (P/E 13x, PEG 1.9).

Positioning & outlook

The companies in our portfolio are working on technologies or products for novel treatment solutions. We are also invested in selected specialty pharma companies that offer high growth rates and moderate valuations. The BB Adamant Biotech (Lux) Fund is well-positioned to profit from the milestones that are expected to be reached in 2020 and 2021. The regulatory environment favors the innovation coming out of the biotech sector and discussions about drug prices are starting to subside. After our portfolio holdings Celgene, Loxo, Array and The Medicines Company were taken over by pharma multinationals, we expect more M&A deals to come as time goes by.

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.



This fund is assigned to category 7, as its share price fluctuates very severely and both the risk of loss and the opportunities for profit can therefore be very high. 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 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.



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. 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.

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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: DZ PRIVATBANK (Schweiz) AG, Münsterhof 12, P.O. Box, CH-8022 Zürich

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.

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