

# BB Adamant Digital Health

## Bellevue Funds (Lux)

*Factsheet*

Share class B USD  
September 2020

Investment Company with Variable Capital (SICAV) according to Luxembourg Laws – UCITS  
Marketing document – for retail and professional investors in Austria, Germany, Luxembourg, United Kingdom, Singapore (Res), Spain and non-qualified investors in Switzerland

### Investment focus

The fund's aim is to achieve capital growth in the long term. The Fund invests globally at least two-thirds of the portfolio in companies whose business activities have a strong focus on the digitalization of the healthcare sector. A global network of experts spanning scientific and industrial fields support the Management Team in forming opinions. The selection of portfolio companies is bottom-up.

### Fund facts

NAV	230.23
Volume	USD 706.8 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	30.04.2018
Fiscal year end	30.06.
Benchmark	n.a.

ISIN code	LU1811047593
Valor	41450399
Bloomberg	BBDIGBU LX
WKN	A2JJA7

Management fee	1.60%
Performance fee	
Subscription fee	up to 5%
Min. investment	n.a.

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

### Key figures

Beta	n.a.
Correlation	n.a.
Volatility	25.2%

Tracking Error	n.a.
Active Share	n.a.

Sharpe Ratio	0.41
Information Ratio	0.33
Jensen's Alpha	n.a.

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

### Indexed performance since launch



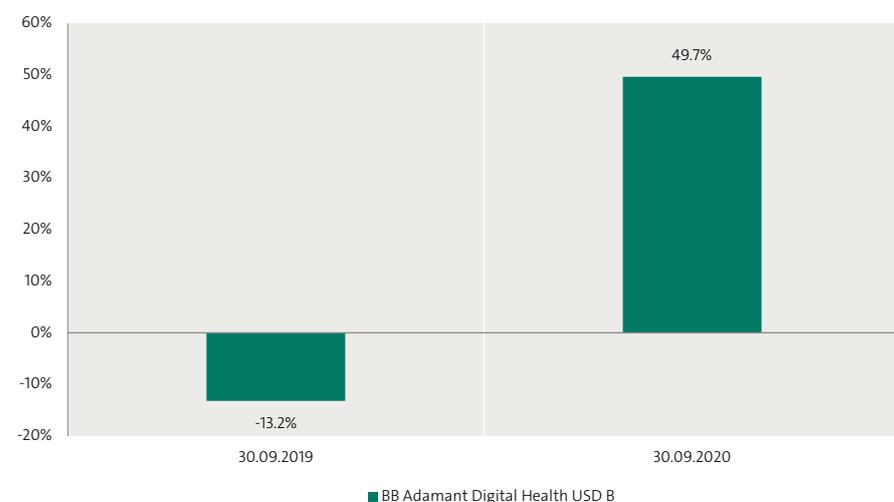
### Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
B USD	2.2%	36.1%	49.7%	n.a.	n.a.	84.2%	49.7%	n.a.	n.a.	28.7%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

### Annual performance

	2015	2016	2017	2018	2019	YTD
B USD	n.a.	n.a.	n.a.	n.a.	17.3%	36.1%
BM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

### Rolling 12-month-performance



Source: Bellevue Asset Management, 30.09.2020; all figures in USD %, total return / BVI-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. 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

Livongo Health		4.0%
Inspire Medical Sys.		3.7%
Shockwave Medical		3.6%
Tandem Diabetes Care		3.6%
Veeva Systems		3.6%
Ambu		3.5%
Intuitive Surgical		3.5%
Insulet		3.1%
Dexcom		3.1%
Pacific Biosciences of California		3.0%
Total top 10 positions		34.7%
Total positions		49

### Geographic breakdown

United States		88.8%
Denmark		6.3%
China		2.6%
Great Britain		1.3%
France		0.1%
Cash		0.8%

### Market cap breakdown

0 - 1 bn		6.6%
1 - 2 bn		14.1%
2 - 5 bn		28.0%
5 - 15 bn		31.2%
15 - 20 bn		5.7%
> 20 bn		13.6%
Others		0.8%

### Market review

The BB Adamant Digital Health Fund performed well in September (+2.2%), clearly outperforming the US tech sector (Nasdaq 100 -5.7%), the broad healthcare market (-1.4%) and the Russell 2000 index of US small caps (-3.3%). Investors realized profits in tech stocks last month after the sector advanced more than 11% in August. The world stock market (-3.4%) also lagged the fund's performance in September. The fund defied the adverse market environment thanks to positive news flow from its portfolio companies and it benefited from underlying strong non-cyclical demand and the general push to take healthcare into the digital age. All performance data is in USD / B shares.

Pacific Biosciences (+49.5%) contributed more than one percentage point to the fund's performance last month. After Illumina's proposed takeover of the "long-read" DNA sequencing specialist was blocked on antitrust concerns, Pacific Biosciences hit the reset button. Its new CEO Christian Henry, who had previously held important executive roles at Illumina for ten years and contributed significantly to that company's success, outlined his vision of Pacific Biosciences' future development. It was very well received by investors.

Shockwave Medical (+19.3%) has developed an innovative and disruptive method for treating calcified coronary stenosis by means of intravascular lithotripsy. In September, it announced that clinical data from its US pivotal "Disrupt CAD III" trial would be presented at the TCT (Transcatheter Cardiovascular Therapeutics), the largest virtual congress for interventional cardiology, on October 15.

In September, we took part in the two "Digital Health" IPOs – American Well (+64.7%) and Outset Medical (+85.2%). American Well has a comprehensive technology platform that connects insurers, hospitals, physicians and patients through virtual care platforms. Outset Medical has developed a very intuitive hemodialysis system with integrated water purification, which reduces the complexity and costs of dialysis across all care settings. The machine should eventually be used within patients' homes. American Well raised more than USD 850 mn and Outset Medical more than USD 275 mn through their IPOs.

Evolent Health (-13.4%), HMS Holdings (-14.1%), Tabula Rasa (-19.4%) and Globus Medical (-12.4%) had an overall negative impact of 1.3% on portfolio performance.

### Positioning & outlook

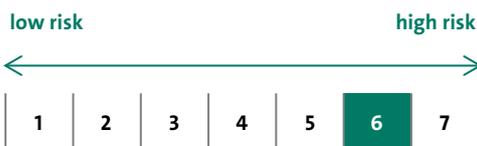
We expect the digital health sector to prosper thanks to the non-cyclical demand for these products and services. Growing acceptance of digital solutions and the additional growth that be generated as all the non-urgent treatments and surgeries that were delayed during the corona crisis are resumed should also help "digital health" to perform better than the broader market in the coming year.

On November 3, 2020, Americans will elect their president and a third of the Senate. The outcome of the presidential election should not affect the digital health sector: Both the current US President Donald Trump and his challenger Joe Biden are calling for more digitization of the healthcare system. If Democrats win a majority in the Senate as well as the White House – which we do not expect at the moment – corporate tax rates might be increased. An increase in corporate taxes would have a negative impact on only a few "Digital Health" companies. Although 56% of the companies in the fund's portfolio are making a profit, most of them can claim large loss carryforwards.

New technologies that make use of digitalization are conquering healthcare systems around the world. Companies with disruptive technologies involving sensors, wireless connectivity or cloud-computing are bringing new or improved products and services to the marketplace. This is having a positive effect on treatment quality and on overall costs. The BB Adamant Digital Health (Lux) Fund offers investors access to a global portfolio of fast-growing tech-heavy stocks that are additionally benefiting from the healthcare sector's attractive fundamental drivers, such as demographic aging and the spread of lifestyle-related diseases. Digital health is subject to stricter regulatory regimes, which wards off potential new competitors, makes the related technology risk more predictable and gives the fund a distinctive profile. Venture capital funds have already invested about USD 40 bn in 2500 privately held digital health firms over the past 9 years, so we expect a steady stream of attractive IPOs in the coming years – another reason for investing in this 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 companies whose business activities have a strong focus on the digitalization of the healthcare sector and who are willing to accept the equity risk typical of this sector.



This fund is assigned to category 6, as its share price fluctuates severely and both the risk of loss and the opportunities for profit can therefore be 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 retail and professional investors in Austria, Germany, Luxembourg, Spain and Switzerland.

### Chances

- Demographic changes and an aging general population demand greater efficiency and cost-effectiveness.
- New technologies conquer the healthcare sector.
- Portfolio consisting of high-quality growth stocks showing double-digit revenue growth.
- Regulation and stringent quality requirements limit the technological risk.
- 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 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.
- Equities linked to technology and/or digitization can be subject to higher-than-average fluctuations in value.
- The fund may engage in derivatives transactions. The increased opportunities gained come with an increased risk of losses.

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 Digital Health 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, United Kingdom, Singapore (Res), 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

#### UK

The Bellevue Funds (Lux) SICAV is recognised for public offering and distribution in the United Kingdom. Facilities agent: Financial Express Limited, 3rd Floor, Hollywood House, Church Street East, Woking, Surrey GU21 6HJ

#### 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](http://www.bellevue.ch).

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