

Investment focus

The fund's aim is to achieve capital growth in the long term. The BB Adamant Emerging Markets Healthcare fund invests in companies that have their registered office or carry out the majority of their economic activity in the healthcare markets of emerging countries. Its investment universe consists of generics producers, pharma and biotechnology companies, medical technology and services firms. Experienced sector specialists focus on profitable companies that have a well-established product portfolio. Investments are made based on fundamental research analysis. Stock selection is exclusively bottom-up, independent of benchmark weightings.

Fund facts

NAV	201.71
Volume	USD 87.0 Mio.
NAV-calculation	Daily "Forward Pricing"
Cut off time	9:00 CET
Distribution policy	Accumulating
Investment manager	Bellevue Asset Management AG
Custodian	RBC Investor Services, Luxembourg
Launch date	31.05.2017
Fiscal year end	30.06.
Benchmark	MSCI Emerging Markets HC NetTR

ISIN code	LU1585228452
Valor	36153232
Bloomberg	BBAEMBU LX
WKN	A2DPAU

Management fee	1.60%
Performance fee	10% above Benchmark*
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	0.71
Correlation	0.86
Volatility	17.7%
Tracking Error	11.06
Active Share	58.1
Sharpe Ratio	0.85
Information Ratio	0.56
Jensen's Alpha	9.23

Source: Bellevue Asset Management, 30.09.2020;
Calculation over 3 years.
* With high watermark

Indexed performance since launch



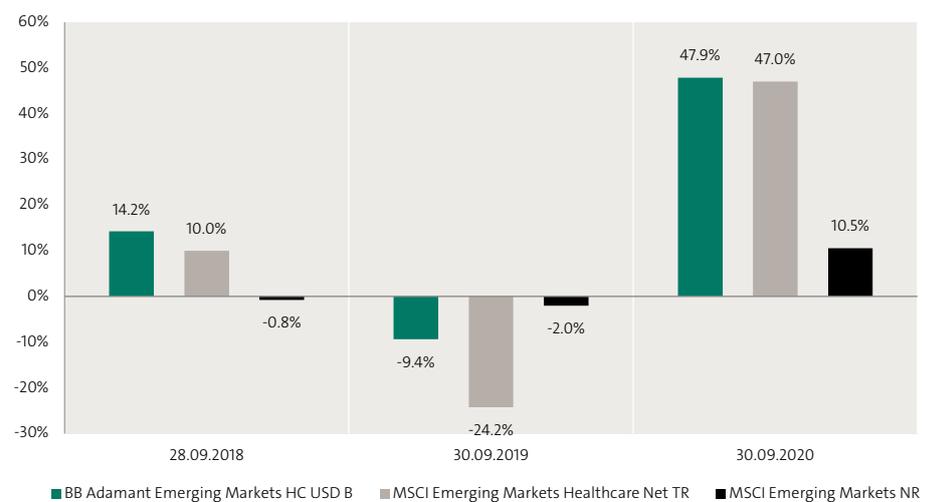
Cumulated & annualized performance

	Cumulated						Annualized			
	1 month	YTD	1 year	3 years	5 years	since launch	1 year	3 years	5 years	since launch
B USD	-1.1%	35.7%	47.9%	53.0%	n.a.	61.4%	47.9%	15.2%	n.a.	15.4%
BM	-5.7%	28.2%	47.0%	22.6%	n.a.	30.5%	47.0%	7.0%	n.a.	8.3%
MSCI EM	-1.6%	-1.2%	10.5%	7.4%	n.a.	17.1%	10.5%	2.4%	n.a.	4.8%

Annual performance

	2015	2016	2017	2018	2019	YTD
B USD	n.a.	n.a.	n.a.	-14.0%	15.3%	35.7%
BM	n.a.	n.a.	n.a.	-20.9%	3.7%	28.2%
MSCI EM	n.a.	n.a.	n.a.	-14.6%	18.4%	-1.2%

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. 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

Alibaba Health		4.2%
Top Clove		4.2%
Lupin Limited		4.1%
Hikma Pharmaceuticals		4.1%
Sino Biopharmaceutical		4.0%
Cipla		4.0%
Ping An Healthcare		3.8%
Qualicorp		3.7%
Apollo		3.5%
Hapvida Participacoes e Investimentos		3.3%

Total top 10 positions	38.8%
Total positions	35

Geographic breakdown

China		42.8%
India		21.7%
Brazil		11.0%
Malaysia		4.2%
Jordan		4.1%
South Korea		3.3%
Hungary		2.3%
South Africa		2.1%
Cash		8.6%

Market cap breakdown

1 - 2 bn		5.6%
2 - 5 bn		16.1%
5 - 15 bn		40.6%
15 - 20 bn		8.3%
> 20 bn		20.2%
Others		9.2%

Market review

Global stock markets gave up some ground in September. The upcoming US presidential election, an ongoing spike in new coronavirus cases and a slower pace of economic recovery led to profit-taking. The MSCI World Index backtracked about 3.5% in USD over the past month. Tech stocks were particularly weak after having made strong gains in previous months. Emerging-market stock markets performed slightly better due to the relatively lower weighting of the tech sector in this universe. Profit-taking was also observed in the healthcare sector, particularly in China. However, they are still in positive territory year-to-date with a gain of some 28%, which translates into an outperformance of almost 30% versus the MSCI Emerging Markets Index.

Dr. Reddy's announced an agreement with Celgene on Revlimid in which Celgene agreed to provide Dr. Reddy's with a license to sell "volume-limited" amounts of generic Revlimid in the US beginning on a confidential date after March 2022, subject to regulatory approval. Revlimid generates annual sales of USD 8 bn in the US alone and is used to treat patients with multiple myeloma and myelodysplastic syndromes.

Hugel, a South Korean manufacturer of Botox, made big gains during the month under review. It widened its share of its domestic market at the expense of its main rival Medy Tox, which plunged after Korean authorities revoked the marketing license of its Botox product. Another reason for Hugel's strong performance is the anticipation that the company's product will soon be granted marketing approval in China. Potential market growth there is 20-30%, compared with 10% in other countries. To date, only two Botox products have received marketing approval in the world's second largest market for Botox for cosmetic use. In view of the now lofty expectations and the significant jump in the stock's valuation multiples, we realized our profits and sold all Hugel shares in the portfolio.

After a very pleasing performance in preceding months, the shares of Hikma headed south over the past month. US FDA approval for the generic version of Advair, a drug for treating asthma and chronic lung diseases, is still outstanding. Hikma received a so-called Complete Response Letter from the FDA and must therefore submit additional data to supplement its original application. Approval of Hikma's generic product has now been pushed back to Q1 2021. Its shares lost about 5% on the day of this announcement. We took advantage of the weakness and added to our position in the stock.

Last month, Fosun, Top Glove, Zhifei, Junshi, Raia Drogasil and Apollo Hospitals were added to the portfolio and shareholdings of Lupine and Zai Lab were increased. Positions in Notre Dame, Aurobindo, Celltrion, Legend Bio and Wuxi AppTec were closed and positions in Sun Pharmaceutical, Dr. Reddy's, Innovent and Biocon were reduced.

Positioning & outlook

The fastest growing countries in the world can be found in emerging markets and they contain more than half of the world's population. Asian emerging markets are also forecast to account for more than 50% of global GDP by 2050. It is known that the economic growth model of countries shifts from manufacturing to the services sector as household incomes rise. A growing middle class fuels demand for modern medicine. Healthcare ranks increasingly high on their wish list. Billions are being invested in infrastructure, technology and research to modernize the healthcare systems in emerging market countries. This is giving a broader access to better healthcare. Meanwhile rapid population aging is also increasing demand for healthcare. In 30 years' time there will be 400 to 500 million people over 60 in China alone, and they will have a growing need for modern health services and medicines.

Outside Asia, Brazil's rapidly expanding private-sector healthcare market offers a range of interesting investment opportunities. The quality and long waiting times of the country's public health system are no longer acceptable to many higher-income Brazilian households and they are increasingly embracing these new services offered by private-sector healthcare providers. Hospital chains embedded in a fully-integrated ecosystem are but one example of the beneficiaries of this structural change. The fund serves as a defensive vehicle for capturing the above-average growth potential emerging markets offer. It invests in the entire healthcare system value chain, from hospital chains, drug developers and device manufacturers to medical research specialists and digital health companies.

Source: Bellevue Asset Management, 30.09.2020;

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 subfund 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.

Risk and return profile

The fund's objective is to generate an attractive return over a long-term horizon. It is therefore particularly suited to investors with an investment horizon of at least 5 years who want to diversify their portfolio with selective exposure to the healthcare sector in Emerging Markets and who are willing to accept the risks typically associated with stocks in this sector

low risk

high risk



1 | 2 | 3 | 4 | 5 | 6 | 7

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

- Access to defensive growth – emerging countries are facing aging populations and changing lifestyles.
- Development of healthcare infrastructure combined with a growing middle class is an additional growth driver.
- High growth potential of Emerging Markets.
- Attractive valuations compared with the projected medium to long-term growth.
- BB Adamant Team – top-performing pioneer in the management of healthcare portfolios in Emerging Markets.

Inherent risks

- The fund invests in equities. Equities are subject to price fluctuations and so are also exposed to the risk of price losses.
- Investing in Emerging Markets entails the additional risk of political and social instability.
- The fund invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- The subfund may invest in China A equities. This entails the risk of supervisory changes, volume caps and operating restrictions which may lead to a higher counterparty risk.
- 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



Oliver Kubli, CFA

Portfolio Manager since inception of the fund

Joined Bellevue in 2015 as Head Portfolio Management Healthcare Funds & Mandates. Prior to that he was from 2008 to 2014 Member of the Management Board and Head Portfolio Management at Adamant Biomedical Investments.



Remo Krauer, CIIA

Portfolio Manager of the fund since 2018

Joined Bellevue in 2018 as Senior Portfolio Manager. Prior to that, he was Head Portfolio Construction from 2016 to 2018 and Senior Portfolio Manager from 2005 to 2016 at Zürcher Kantonalbank.



Dr. Cyrill Zimmermann

Portfolio Manager since inception of the fund

Joined Bellevue in 2015 as Head Healthcare Funds & Mandates and member of the Executive Board. From 2001 to 2014 he was CEO and co-founder of Adamant Biomedical Investment.



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 Emerging Markets Healthcare 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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