Bellevue Healthcare Trust

APRIL 2024

Factsheet

Marketing document

Investment focus

Bellevue Healthcare Trust intends to invest in a concentrated portfolio of listed or quoted equities in the global healthcare industry. The investable universe for the fund is the global healthcare industry including companies within industries such as pharmaceuticals, biotechnology, medical devices and equipment, healthcare insurers and facility operators, information technology (where the product or service supports, supplies or services the delivery of healthcare), drug retail, consumer healthcare and distribution. There are no restrictions on the constituents of the funds portfolio by index benchmark, geography, market capitalisation or healthcare industry sub-sector. Bellevue Healthcare Trust will not seek to replicate the benchmark index in constructing its portfolio. The fund takes ESG factors into consideration while implementing the aforementioned investment objectives.

Fund facts

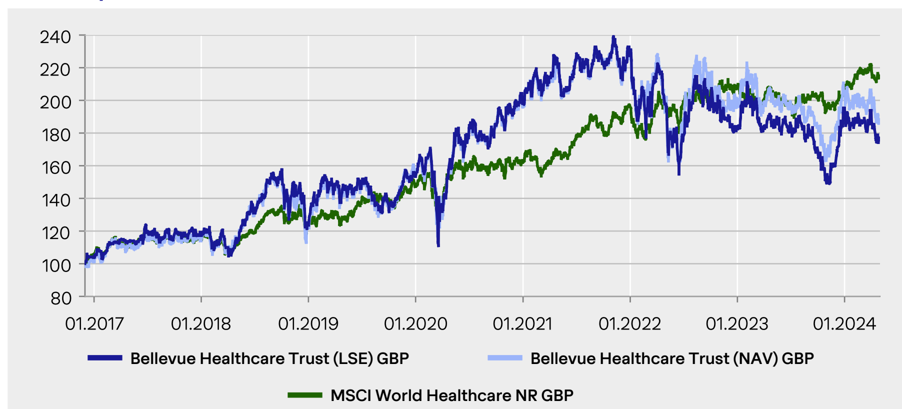
Share price	141.60
Net Asset Value (NAV)	150.50
Market capitalisation	GBP 654.60 mn
Investment manager	Bellevue Asset Management (UK) Ltd.
Administrator	Apex Listed Companies Services (UK) Ltd.
Launch date	01.12.2016
Fiscal year end	Nov 30
Benchmark (BM)	MSCI World Healthcare NR
ISIN code	GB00BZCNLL95
Bloomberg	BBH LN Equity
Number of ordinary shares	462,288,550
Management fee	0.95%
Performance fee	none
Min. investment	n.a.
Legal entity	UK Investment Trust (plc)
EU SFDR 2019/2088	Article 8

Key figures

Beta	1.42
Correlation	0.65
Volatility	28.6%
Tracking Error	22.34
Active Share	89.82
Sharpe Ratio	-0.10
Information Ratio	-0.42
Jensen's Alpha	-13.39

Source: Bellevue Asset Management, 30.04.2024;
Calculation based on the Net Asset Value (NAV) over the last 3 years to 30 April 2024.

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
Share	-9.3%	-10.0%	-5.1%	-21.0%	19.5%	n.a.	75.7%
NAV	-9.7%	-9.2%	-7.1%	-14.7%	30.1%	n.a.	86.5%
BM	-3.1%	5.3%	5.7%	28.3%	68.1%	n.a.	115.0%

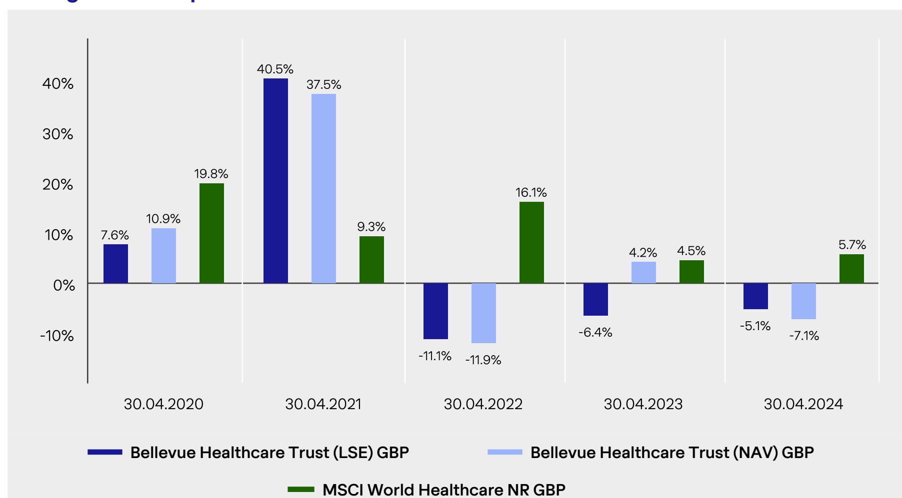
Annualised

	1Y	3Y	5Y	10Y	ITD
Share	-5.1%	-7.6%	3.6%	n.a.	7.9%
NAV	-7.1%	-5.1%	5.4%	n.a.	8.8%
BM	5.7%	8.7%	10.9%	n.a.	10.9%

Annual performance

	2019	2020	2021	2022	2023	YTD
Share	22.7%	29.1%	16.6%	-21.0%	7.0%	-10.0%
NAV	25.9%	25.7%	15.2%	-11.1%	2.4%	-9.2%
BM	18.4%	10.3%	20.8%	5.8%	-1.6%	5.3%

Rolling 12-month-performance



Source: Bellevue Asset Management, 30.04.2024; all figures in GBP %, total return / BVI-methodology

Past performance is not a reliable indicator of future results and can be misleading. Changes in the rate of exchange may have an adverse effect on prices and incomes. 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. The reference benchmark is used for performance comparison purposes only (dividend reinvested). No benchmark is directly identical to the fund, thus the performance of a benchmark is not a reliable indicator of future performance of the Bellevue Healthcare Trust to which it is compared. There can be no assurance that a return will be achieved or that a substantial loss of capital will not be incurred.

Welcome to our April update. The market macro remains extremely challenging. Even when our investee companies are continuing to deliver, we are not seeing the expected rewards in terms of share price follow-through and April, like January has been very challenging.

It sounds like a broken record to say once again that such a market dynamic cannot continue forever. Nonetheless, this does behove repeating. 2023 bears out how quickly things can change and the potential ratings leverage in the portfolio given its low relative valuation.

As much as we are largely dismissive of any potential incremental negative impact on healthcare from the outcome of this year's US presidential election, it feels increasingly desperate here in the UK on the political front when it comes to healthcare policy. The paucity of ideas and deafening silence on sustainable funding to support long-term planning is incredibly disappointing, even if it is not surprising.

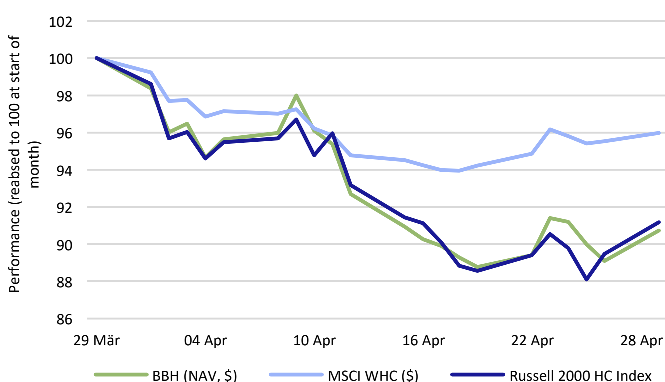
Monthly review

We have received feedback from a number of holders that they would prefer the factsheet to be re-ordered, with the Trust information upfront so have adjusted the format accordingly. We have also shortened the 'wider market'/macro section. We are always happy to receive feedback on the content via the usual email address.

The Trust

April was an extremely challenging month for us performance-wise. Over the month, the Trust's Net Asset Value declined 10.5% (-9.7% in sterling) to 150.50p, significantly underperforming the Healthcare sector and the wider market. The evolution of the NAV over the course of the month is illustrated in Figure 1 below.

As the chart illustrates, most of this underperformance was experienced between the 9th and 19th of April, coinciding with the US Federal Reserve meeting minutes coming out on 10th April (note- we have changed this regular chart to include the Russell 2000 Healthcare Index, which is a good proxy for the inherent factor exposure of the BBH portfolio, so hopefully provides some useful market context):

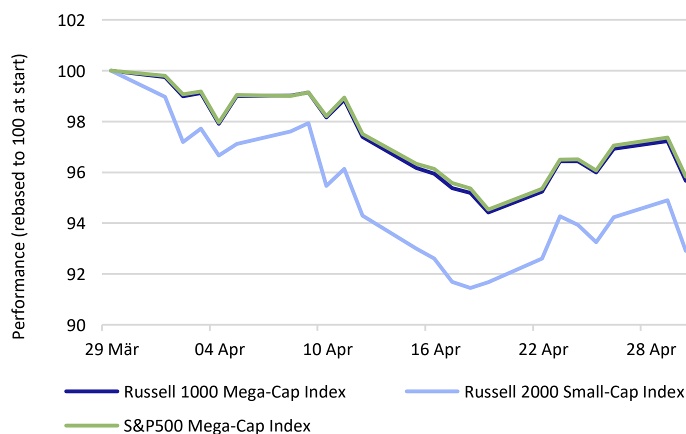


Source: Bellevue Asset Management, 30.04.2024

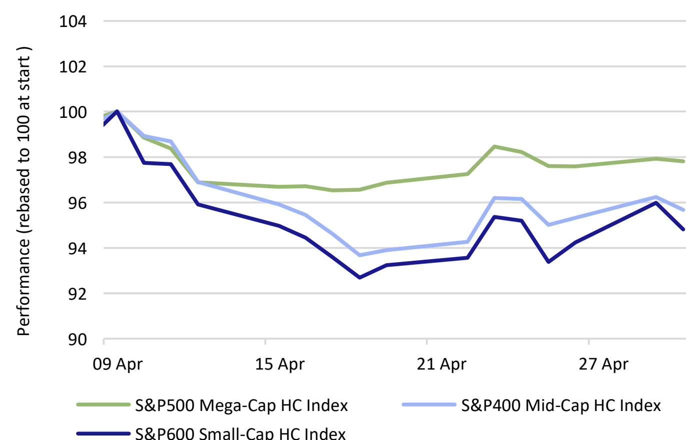
The tone of these minutes was negative for wider equity sentiment, because it suggested that estimates for both the frequency and magnitude of US interest rate cuts over the course of 2024 would need further moderation. The chilling impact of this on wider market sentiment and to the small and mid-cap stocks that predominate in our portfolio is illustrated by the two charts in Figure 2 and 3 opposite.

In the first chart below, we show the relative performance over the month of the Russell 1000 and 2000 series (and the S&P500 is included to illustrate how correlated the lesser-known Russell 1000 is to this more widely used benchmark). In the second chart, we illustrate the relative underperformance within healthcare of the S&P400 and S&P600 series following the Fed update.

SMID under-performance – wider market



SMID under-perfromance – healthcare



Source: Bloomberg, 30.04.2024

We believe the single largest contributor to the underperformance of the Trust during the month was factor exposure to size (i.e. small cap bias) and duration (i.e., higher exposure to companies with low or negative near-term free cashflows, which makes the valuation of such companies more sensitive to interest rate expectations).

As discussed in the Healthcare section that follows, the Healthcare sector went down with the wider market, showing little defensive attribution despite the primary macro concern being economic slowdown/stagflation. Across the portfolio, two thirds of the holdings declined over the month; ten were down double digits and four were down >20%, only one of which even reported during the month. Our current portfolio is mostly composed of later-cycle reporters and only eight portfolio companies reported during April.

Generally speaking, the vast majority of operational updates from portfolio companies have been positive; with better than expected sales or profit outcomes. However, current market dynamics prompt us to make a few frustrating observations: generally speaking, the market is not rewarding positive operational updates if there is no follow-through in terms of a full-year guidance update; instead we have typically seen such companies share prices down on the day.

Furthermore, there seems to be a disproportionate focus on shorter-term issues (e.g. a company has a good Q1, increases FY guidance but then suggests Q2 might be soft due to a specific issue and sees a significant negative reaction, with the short-term "issue" outweighing the longer-term positives. This type of behaviour is further compounding volatility.

Healthcare Technology was the only sub-sector that generated an overall positive return for us during the month. Medical Technology and Managed Care were modest detractors and delivered an overall return above the average for the sector over the month. The main detractors were Diagnostics, Services and Healthcare IT. The evolution of the sub-sector weightings is summarised in Figure 4 below, and we would make the following comments:

Our holdings in Diagnostics and Healthcare Technology were unchanged. We were net sellers of Focused Therapeutics, Tools and Medical Technology and we added to Managed Care, Healthcare IT, Services and Healthcare IT.

	Subsectors end Mar 24	Subsectors end Apr 24	Change
Diagnostics	13.3%	12.8%	Decreased
Focused Therapeutics	22.8%	21.5%	Decreased
Healthcare IT	8.3%	7.5%	Decreased
Healthcare Technology	13.0%	14.7%	Increased
Managed Care	8.1%	8.8%	Increased
Med-Tech	13.8%	15.0%	Increased
Services	14.2%	14.8%	Increased
Tools	6.5%	4.9%	Decreased
Diagnostics	13.3%	12.8%	Decreased
	100.0%	**100.0%**	

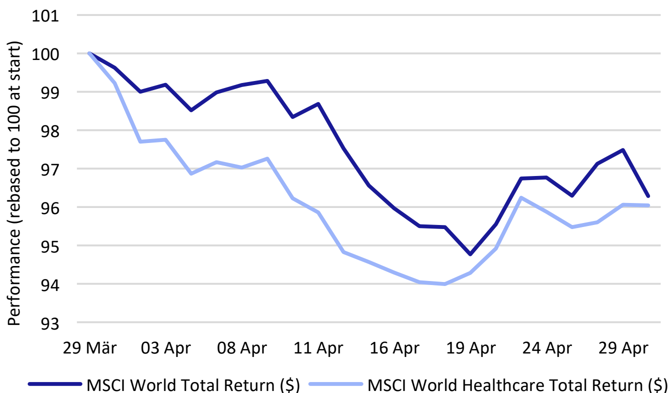
Source: Bellevue Asset Management, 31.03.2024

The average discount to NAV increased slightly to 6.6%, compared to 6.3% during March; the company did not repurchase any shares during the month.

The leverage ratio declined further from a -0.2% (i.e. net cash) position to -3.1% at the end of the month. While we planned to run a lower level of gearing into the forthcoming divided payment outflow (c.£13m), the volatile market conditions and unexpected follow-on from results led to an abundance of caution around the deployment of cash during the reporting season.

Healthcare

The dollar total return of the MSCI World Healthcare Index during April was -4.0% (-3.1% in sterling), generally bleeding downward over the course of the month, in line with the wider market macro (Figure 5).



Source: Bloomberg, 30.04.2024

The sub-sector performance breakdown is summarised in Figure 6 below and we would make the following observations: Generics was the only positive performing sub-sector during the month and this can be largely attributed to the strongly positive performance of Sandoz over the month, seemingly on the back of growing share for biosimilars, especially bHumira.

Given the wider macro-economic backdrop, it makes some sense to see the sub-sectors with the most defensive characteristics (i.e. Diversified Therapeutics, Distributers, Managed Care, Generics) at the top of the charts. Although both generated small positive absolute returns, Novo Nordisk and Eli Lilly were not outsized drivers of the relative performance of the Diversified Therapeutics sub-sector; it would still have been a top four subsector if these stocks had gone down in line with the peer group average.

	Weighting	Perf (USD)	Perf (GBP)
Generics	0.6%	2.2%	1.5%
Diversified Therapeutics	40.5%	-1.9%	-1.1%
Distributors	2.0%	-2.2%	-1.4%
Managed Care	10.2%	-2.8%	-1.9%
Tools	7.9%	-4.4%	-3.2%
Med-Tech	14.3%	-5.0%	-4.1%
Other HC	1.1%	-6.0%	-4.3%
Focused Therapeutics	7.4%	-5.5%	-4.5%
Diagnostics	1.2%	-6.3%	-5.4%
Healthcare Technology	0.8%	-6.6%	-5.7%
Services	2.3%	-7.0%	-6.2%
Conglomerate	9.6%	-8.3%	-7.4%
Facilities	1.1%	-8.7%	-7.7%
Dental	0.5%	-14.6%	-13.8%
Healthcare IT	0.5%	-15.7%	-14.9%
Index perf		**-4.0%**	**-3.1%**

Source: Bloomberg/MSCI and Bellevue Asset Management, Weightings as of 31.03.2024, Performance to 30.04.2024

Given the apparent desire for defensive attributes, one might be rather surprised to see Conglomerates performing so poorly, but several key stocks saw company-specific negative updates at Q1 and, as noted previously, this is a punishing tape for even the most trifling indiscretion or misfortune.

Healthcare IT and Dental were the negative stand-outs. On the latter, it seems that macro/consumer sentiment regarding the outlook was the issue. Align Technology beat for Q1 and Straumann met expectations, but only due to unexpected strength in Asia-Pacific. The issue here for both sub-sectors is visibility on future earnings.

Most healthcare IT stocks have an element of being a 'black box' and investor appetite for uncertainties in an already confusing world seems to shrink by the day.

The wider market

The dollar total return of the MSCI World Healthcare Index during April was -3.7% (-2.8% in sterling), driven down by the macro factors described previously. The sector return breakdown is summarised in Figure 7 below and one can again see a similar pattern of more defensive sectors performing better than those more sensitive to interest rates/duration and consumer sentiment.

Sector	Monthly perf
Household & Personal Products	+1.1%
Utilities	+0.8%
Energy	+0.3%
Consumer Durables & Apparel	+0.0%
Food, Beverage & Tobacco	-1.1%
Banks	-1.2%
Capital Goods	-1.6%
Technology Hardware & Equipment	-1.9%
Media & Entertainment	-2.0%
Materials	-2.5%
Pharmaceuticals, Biotechnology	-3.4%
Telecommunication Services	-3.9%
Insurance	-4.0%
Consumer Staples Distribution	-4.0%
Consumer Discretionary Distributors	-4.1%
Consumer Services	-4.2%
Commercial & Professional Services	-4.3%
Real Estate Management & Development	-4.5%
Automobiles & Components	-4.5%
Health Care Equipment & Services	-4.9%
Financial Services	-5.0%
Semiconductors & Semiconductor Equipment	-5.7%
Transportation	-7.5%
Software & Services	-7.7%
Equity Real Estate Investment	-7.9%

Source: Bellevue Asset Management, 30.04.2024

We very much enjoy the creative writing element of our investor communications. Sometimes though, you have to acknowledge that someone else has already done the job well enough. We end this month's macro section with the following excerpt from the excellent 'Ruminations' newsletter by Bobby Molavi at Goldman Sachs (well worth reading if you are a GS client) on the challenges of current market behaviour (some punctuation has been changed):

"Investors used to make money by seeing something earlier than everyone else and then buying it waiting for others to see the same thing. Buying cheap stocks at a low value and then as the company keeps delivering, time should deliver what the current market isn't reflecting in share price or multiple.

The problem is the audience of those people you're waiting to see the same thing shrunk dramatically. No new money, no positive inflows, no capital to crystalise the idea, less immediate impact from research calls and less capital following this recommendations. All of this in a world of more relative value mindset of "what should I sell to buy this new idea" and so the time drag on implementation to pay off has gone from one month to multiple months and in some cases years.

On top of this, the path to alpha might be muddied by – retail, factor, systematic…you might be right on your fundamental read but not get the opportunity to carry your risk to the pay off.

So this all leads to a so what? Well, it points at a structural bifurcation, momentum for things that perform and negative momentum for the things that don't. Buying of 'overvalued' things and selling of 'undervalued' things. Money out of active, and money into passive.

All of this leading to a divergence from fair value, at least in the short term, rather than a convergence to fair value. A daily vicious cycle of certain names and segments of the market underperforming and then that triggering redemptions, which results in more underperformance and therefor more redemptions.

All these redemptions then rotate into passive and indexation, which has an increasingly power law dynamic to it, with fewer and fewer 'winners' driving the performance of the index. So inflows by definition always go to the top of the market and the best stocks, which creates more performance and more momentum for the winners. The asset manager and allocator world looking at history and back tests and, mimicking what has worked and where money follows performance and, in recent years, passive has won. That is….until things revert"

This is a very challenging market dynamic for any kind of fundamental, buy and hold, relative value, long-term strategy. Like ours, for instance. However, this does not mean that the analysis behind it is flawed, or that it won't work in the longterm.

Managers' musings

The burden of caring

As our regular readers and investors will be aware, the goal of the Trust's strategy is to invest behind those companies delivering what we see as an essential and thus inevitable transformation of the healthcare delivery paradigm. Since we are long-term, fundamental investors looking to pursue a low turnover strategy, we spend as much time trying to understand the future of the industry as we do about how to play those future trends through companies that offer operationally geared exposure to them.

Breaking this problem down further, much of it centres around gaining an understanding of where the key issues lie. In the field of industrial process optimisation, the term 'debottlenecking' refers to the process of improving efficiency by finding the rate-limiting steps in a facility and correcting them. Addressing those steps will improve performance, whereas changes to non–rate-limiting steps will not affect performance (although they may lower cost). We try to apply this approach to healthcare, considering the patient journey (which runs from cradle to grave) rather like a sausage machine.

Sometimes, one can find evident problems and interesting solutions, without them having an investable angle to them (so far, at least). One of these is an oft-recurring issue that may seem peripheral but in fact lies at the heart of the healthcare dilemma: social care provision.

It is well understood that the burden of healthcare, both financially and societally lies overwhelmingly with the chronic disease burden of decrepitude. Poor lifestyle choices can exacerbate this burden, increasing symptom severity and speeding the age of onset. In the end though, we will all die because our bodies fail us. The societal success that developed nations have achieved in limiting the mortality impact of external factors (e.g. infectious disease and acute trauma) has led to a widening gap between health span and life span.

Nietzsche's aphorism "what does not kill me makes me stronger" probably had some value in the late 19th century: the survival of infectious disease typically conveyed immunity that would help to protect the patient against recurrence. Chicken pox is largely harmless to a child, but could be dangerous for an adult. Thus, in the pre-vaccine age, parents would throw 'chicken pox parties' to get their kids exposed and infected at an early age. To our minds, this is a classic example of what Nietzsche was referring to.

However, in today's world, where Toblerone rather than Typhus is more likely to contribute to your demise, this aphorism feels far less appropriate. Today, what does not kill you takes you one step closer to the nursing home (aka "gods waiting room"), where you may experience a deeply unsatisfying, hugely expensive and drawn-out twilight. No-one

wants to go out this way, nor do they want to see it inflicted on their elderly loved ones.

As well as consuming huge amounts of money (the funded aspect of adult social care costs the UK £28bn and rising, on top of the £180bn spent by the NHS on overall service provision – we'll come to the unfunded element later), the system is largely failing to keep people out of hospitals or reduce the burden on the NHS.

As outlined in the April 23 missive, at any given time, a teens percentage of NHS beds are filled with people who should not be there, but cannot be safely discharged. As discussed, we think the concept of virtual wards can go long way to reducing the impact of bed blocking on operating wait lists but this can only go so far in that it is unsuitable for any one with complex care needs or who is frail.

We have looked time and again at advanced home medical care companies and still cannot find a robust investment case. Technology can allow the delivery of many complex services in the home setting (physiotherapy, dialysis, infusion, wound management, phlebotomy, etc. etc.) but as yet the payment models everywhere are too archaic to comprehend much more complexity than meals on meals and the odd sponge bath delivered by unskilled human labour paid minimum wage.

This is despite the innumerable data from those schemes that are running which show, time and again, people do better and cost less when cared for at home. The pandemic has also done nothing positive for the perception of institutional elderly care.

Independent living keeps people engaged and purposeful; it gives them hope for the future as well as dignity and agency. With this being the case, why are such models not widely prevalent? Our UK-based readers might struggle to believe this, but the problem seems to be a lack of leadership and vision (competence?) at the governmental level. The US is similarly struggling conceptually.

An aggravating adjacency

The vicious circle is arising now. If you cannot afford costly institutional or home care assistance, or do not wish for yourself or your loved one to go into such care, what options are left? In many families, the only option available is for relatives to care for one another. According to the charity Carers UK, as many as 10 million people in the UK are involved in providing care for a relative.

There are only 41m people of working age in the country and 80% of the caring community do not work full-time, presumably because they cannot do so; 60% of respondents to the Carers UK survey in 2022 were providing 50+ hours of care per week, making work impossible. The same data said around a quarter of these carers could not afford private care and around one third did not want their loved one receiving private care, which is fair enough. The UK Government's own census in 2021 reported 5m UK adults providing unpaid care in the UK and those numbers have surely risen post pandemic.

The economic impact of all of this is hard to quantify, but the value to society of all of this care is massive, even if one were to apply minimum wages to it: 5m people offering 50 hours per week at the living wage of £11.44 per hour is £2.8bn per week; almost as much again in value terms as the current NHS annual budget. Because it is "free" (more like invisible), there isn't a focus on it, but that does not diminish its societal value.

Better than a sticking plaster

Fascinating as these facts are, they are not the point of this month's missive. If you look into NHS support for carers (there is a web "page" on the topic that is easy enough to find), the information is scant. It basically amounts to guidance for obtaining respite care and financial assistance. What it does not offer is any medical training in managing the care needs of those vulnerable receiving whatever care is required.

This is despite the fact that the Carers UK survey reported that 45% of respondents said they would like more support from the NHS.

There are NICE guidelines on care provision (from 2020), the supervision of which is devolved to local authorities under the Care Act of 2014. As readers will know all too well, many UK local authorities are financially imperilled and cutting back on services. Nonetheless, they are supposed to *"offer training to enable carers to provide care safely. Training could include structured programmes or one-to-one guidance from a practitioner"*.

Your managers looked for such courses in their local authority area and couldn't even get the website to work, never mind find a course and access it. The system is broken. Do most carers even know that their local authority is supposed to be helping them?

Why might this matter, you may ask. In the United States, where Medicaid provision is managed at the State level, you will find a patchwork of various services and ideas across the states. There, the magnitude of the carer "problem" is much larger, as you would expect, with some 50m Americans believed to be involved in caring for a relative.

However, the disjointed nature of the services does offer opportunities for alternative care models to be developed and the notion of training carers has caught on to some extent and this enables some comparisons to be made within the country as a whole. So, what can we learn from our cousins across the pond?

What the US data tends to show is the impact of the "social determinants of care". We do not live in an equal society; education and wealth play an enormous role in health outcomes and, not surprisingly, they also play a role in the quality of care offered by well-meaning family members, not least in being able to navigate the labyrinthine bureaucracy that is the health service in any country. In these 'PC' times, it may be unpalatable to discuss such things, but that does not diminish their relevance in the real world.

If someone is being looked after by a care giver, surely it is logical to educate and support that care giver beyond financial assistance, as they themselves are inevitably one of the biggest determinants of care quality? For instance, the US data shows that carers often overuse ambulance services: they see an issue with their charge, they do not know what to do, so they call 911 and get the paramedics in; no-one is going to stand by and see a family member suffer.

Many become frequent callers for simple, recurring issues that are easily managed on site by the paramedics (e.g. a mild hypo for a Type 1 diabetic). They could be trained to manage such episodes and trained on medication management to potentially avoid a lot of side effect issues arising in the first place.

Why does this matter? Anything that relieves stress on unpaid carers (agency and empowerment) and stress on precious health resources is surely worth trying in and of itself. More to the point though, the medium-term data from pilot projects suggests overall savings of 15-20% (after the cost of the training) from reduced demand for healthcare services. Now that makes a lot of sense.

This may not represent an 'investable idea' for the Trust, but that does not negate its potential value to society. We cannot afford a world where unpaid carers opt out; their replacement with paid services (which anyway do not exist) would be unaffordable. Even if you are the most hardened of uncaring capitalists, basic economics argues that they deserve more support.

Fixing social care could go a long way to alleviating pressure on core health services. The fact these services are still not managed together feels almost incomprehensible. Sadly, there has been no progress on advancing a plan for social care since the Dilnot report more than 10 years ago now. Dilnot commented only a few weeks ago that that there

was “no serious addressing” of the social care system by Labour or the Conservatives heading inevitably into an election campaign.

We can only hope things will change at some point. After all, hope is all we have left. We will all get old and frail, and we all hope the services that we will inevitably need will be there when we reach that point.

We always appreciate the opportunity to interact with our investors directly and you can submit questions regarding the Trust at any time via:

shareholder_questions@bellevuehealthcaretrust.com

As ever, we will endeavour to respond in a timely fashion and we thank you for your continued support during these volatile months.

Paul Major and Brett Darke

Top 10 positions

Position	Weight
Tandem Diabetes Care	8.6%
Option Care Health	6.5%
Exact Sciences	6.2%
Charles River Laboratories	6.1%
Dexcom	6.0%
Axsome Therapeutics	5.8%
Bio-Rad Laboratories	4.9%
Evolent Health	3.7%
Accolade	3.7%
Sarepta Therapeutics	3.6%
Total top 10 positions	55.2%
Total positions	29

Sector breakdown

Sector	Weight
Focused Therapeutics	21.5%
Med-Tech	15.2%
Services	14.8%
Health Tech	14.6%
Diagnostics	12.8%
Managed Care	8.9%
Healthcare IT	7.4%
Tools	4.9%

Geographic breakdown

Region	Weight
United States	97.3%
China	2.7%

Market cap breakdown

Market cap	Weight
Mega-Cap	16.6%
Large-Cap	19.3%
Mid-Cap	41.9%
Small-Cap	22.2%

Source: Bellevue Asset Management, 30.04.2024;
Due to rounding, figures may not add up to 100.0%. Figures are shown as a percentage of gross assets.
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 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 Cap Breakdown defined as: Mega Cap >$50bn, Large Cap >$10bn, Mid-Cap $2-10bn, Small-Cap $2bn. Geographical breakdown is on the basis of operational HQ location.

Benefits

- Healthcare has a strong, fundamental demographic-driven growth outlook.
- The fund has a global and unconstrained investment remit.
- It is a concentrated high conviction portfolio.
- The fund offers a combination of high quality healthcare exposure and a targeted 3.5% dividend yield.
- Bellevue Healthcare Trust has a strong board of directors and relies on the experienced management team of Bellevue Asset Management (UK) Ltd

Inherent risks

- The fund actively invests in equities. Equities are subject to strong price fluctuations and so are also exposed to the risk of price losses.
- Healthcare equities can be subject to sudden substantial price movements owning to market, sector or company factors.
- The fund invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- The price investors pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company.
- The fund may take a leverage, which may lead to even higher price movements compared to the underlying market.

You can find a detailed presentation of the risks faced by this fund in the "Risk factors" section of the sales prospectus.

Management Team

Paul Major
Co-Portfolio Manager

Brett Darke
Co-Portfolio Manager

Sustainability Profile – ESG

EU SFDR 2019/2088 product category: Article 8

Exclusions:		ESG Risk Analysis:		Stewardship:	
Compliance UNGC, HR, ILO	✓	ESG-Integration	✓	Engagement	✓
Norms-based exclusions	✓			Proxy Voting	✓
Controversial weapons	✓				

Key Figures:

CO_2-intensity (t CO_2/mn USD sales):	23.9 (Low)	Coverage:	96%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	96%

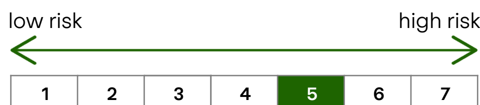
Based on portfolio data as per 30.04.2024; – ESG data base on MSCI ESG Research and are for information purposes only; compliance with global norms according to the principles of UN Global Compact (UNGC), UN Guiding Principles for Business and Human Rights (HR) and standards of International Labor Organisation (ILO); no involvement in controversial weapons; norms-based exclusions based on annual revenue thresholds; ESG Integration: Sustainability risks are considered while performing stock research and portfolio construction; Stewardship: Engagement in an active and constructive dialogue with company representatives on ESG aspects as well as exercising voting rights at general meetings of shareholders.MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). The CO_2-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO_2 per USD 1 million sales; for further information c.f. www.bellevue.ch/sustainability-at-portfolio-level.

Objective

The fund's investment objective is to achieve capital growth of at least 10% p.a., net of fees, over a rolling three-year period. Capital is at risk and there is no guarantee that the positive return will be achieved over that specific, or any, time period.

Risk Return Profile acc. to SRI

This product should form part of an investor's overall portfolio. It will be managed with a view to the holding period being not less than three years given the volatility and investment returns that are not correlated to the wider healthcare sector and so may not be suitable for investors unwilling to tolerate higher levels of volatility or uncorrelated returns.



We have classified this product as risk class 5 on a scale of 1 to 7, where 5 corresponds to a medium-high risk class. The risk of potential losses from future performance is classified as medium-high. In the event of very adverse market conditions, it is likely that the ability to execute your redemption request will be impaired. 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 PRIIP-KID.

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 use 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 available for retail and professional investors in the UK who understand and accept its Risk Return Profile.

Important information

This document is only made available to professional clients and eligible counterparties as defined by the Financial Conduct Authority. The rules made under the Financial Services and Markets Act 2000 for the protection of retail clients may not apply and they are advised to speak with their independent financial advisers. The Financial Services Compensation Scheme is unlikely to be available.

Bellevue Healthcare Trust PLC (the "Company") is a UK investment trust premium listed on the London Stock Exchange and is a member of the Association of Investment Companies. As this Company may implement a gearing policy investors should be aware that the share price movement may be more volatile than movements in the price of the underlying investments. **Past performance is not a guide to future performance. The value of an investment and the income from it may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested.** Changes in the rates of exchange between currencies may cause the value of investment to fluctuate. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Investment trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as the "bid-offer" or "dealing" spread. This is set by the market markers and varies from share to share. This net asset value per share is calculated in accordance with the guidelines of the Association of Investment Companies. The net asset value is stated inclusive of income received. Any opinions on individual stocks are those of the Portfolio Manager and no reliance should be given on such views. This communication has been prepared by Bellevue Asset Management (UK) Ltd., which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Any research in this document has been procured and may not have been acted upon by Bellevue Asset Management (UK) Ltd. for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the view of Bellevue Asset Management (UK) Ltd. and no assurances are made as to their accuracy.

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

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