

# THE TIMES

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## Business Markets

### BELLEVUE HEALTHCARE TRUST

**Market cap**  
£687m

**Discount to net asset value** 8.2%

For investors looking for broader access to developments in the global healthcare industry, Bellevue Healthcare Trust could be a good pick.

The £687 million fund invests across all facets of healthcare, from biotechnology to healthcare insurers and drug retailers. Its single biggest holding is CareDx, an organ transplant specialist that provides pharmaceutical, administrative and lab product support. The company made up 9 per cent of the fund's total

assets as of the end of August. That was followed by the medical device manufacturer Tandem Diabetes Care at 7.8 per cent, and Evolent Health, a software provider, at 7.3 per cent.

Investing in young healthcare companies can be risky, but the potential for reward is considerable, as proven by the makers of weight-loss drugs. But investors entering this space for the first time are likely to benefit from a more experienced hand — the fund is managed by Bellevue Asset Management, a Swiss-listed investment manager that specialises in healthcare. The trust's managers, Paul Major and Brett Darke, also have scientific

academic backgrounds. This trust is not for the faint-hearted: it is highly concentrated at a maximum of 35 different holdings and just over half its assets are invested in small to mid-sized businesses. The growth style of the fund is balanced slightly by its income policy, with a targeted 3.5 per cent dividend yield.

Nevertheless, Bellevue's focus on smaller companies has hindered its performance, especially against its preferred benchmark, the MSCI World Healthcare index, which has benefited from the rise of the likes of Novo Nordisk and Eli Lilly.

In the five years to the end of August, the fund delivered a net asset value return of 60 per cent,

compared with 65 per cent by the index. Still, shares in the trust have bounced 10 per cent in the past year, partly thanks to expectations of lower rates in the United States, which have now come to fruition. This should work in favour of the smaller companies in Bellevue's portfolio, who now have more flexibility on their balance sheet to invest in new growth projects.

**ADVICE Buy**  
**WHY High-risk strategy for ambitious investors with potentially high reward**