Bellevue Healthcare Trust

MARCH 2023

Factsheet

London Stock Exchange (LSE)

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 is no restrictions on the constituents of the fund's portfolio by index benchmark, geography, market capitalisation or healthcare industry sub-sector. Bellevue Healthcare 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

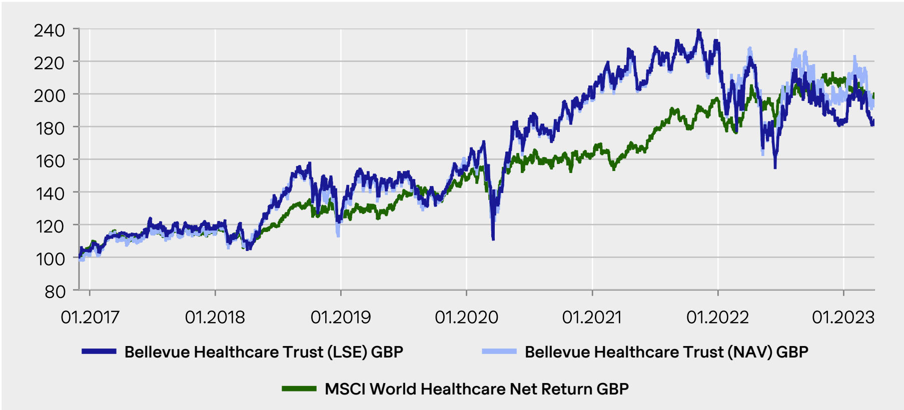
Share price	GBp 151.2
Net Asset Value (NAV)	GBp 159.22
Market capitalization	GBP 830.77 mn
Investment manager	Bellevue Asset Management (UK) Ltd.
Administrator	Apex Listed Companies Services (UK) Ltd.
Launch date	01.12.2016
Fiscal year end	Nov 30
Benchmark (BM)	MSCI World Healthcare Net Return
ISIN code	GB00BZCNLL95
Bloomberg	BBH LN Equity
Number of ordinary shares	549,452,487
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	1.39
Correlation	0.72
Volatility	29.3%
Tracking Error	21.07
Active Share	95.75
Sharpe Ratio	0.68
Information Ratio	0.25
Jensen's Alpha	0.80

Source: Bellevue Asset Management, 31.03.2023;
Calculation based on the Net Asset Value (NAV) over the last 3 years.

Indexed performance since launch



Cummulated & annualized performance

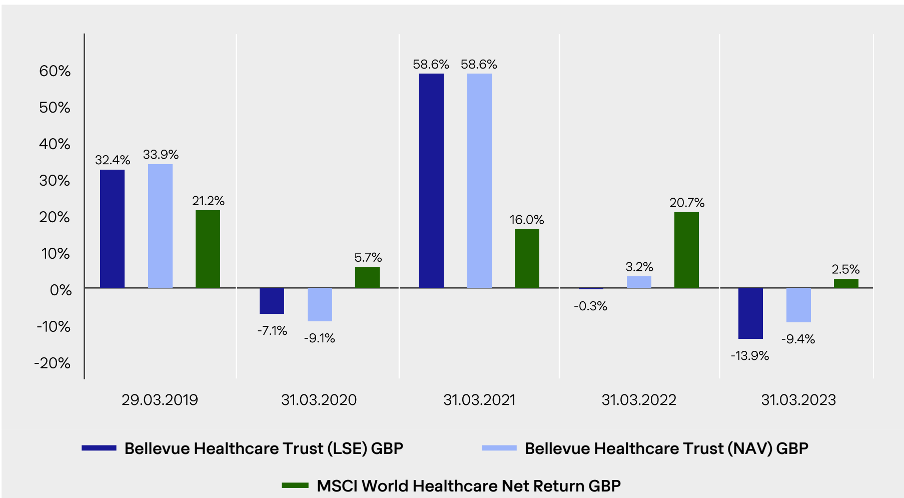
Cummulated / Annualized

	1M	YTD	1Y	3Y	5Y	10Y	ITD	1Y	3Y	5Y	10Y	ITD
Share	-5.9%	0.8%	-13.9%	36.1%	67.4%	n.a.	83.9%	-13.9%	10.8%	10.8%	n.a.	10.1%
NAV	-5.2%	-1.1%	-9.4%	48.3%	80.4%	n.a.	98.4%	-9.4%	14.0%	12.5%	n.a.	11.4%
BM	1.2%	-3.6%	2.5%	43.6%	84.0%	n.a.	100.1%	2.5%	12.8%	13.0%	n.a.	11.6%

Annual performance

	2018	2019	2020	2021	2022	YTD
Share	4.9%	22.7%	29.1%	16.6%	-21.0%	0.8%
NAV	8.6%	25.9%	25.7%	15.2%	-11.1%	-1.1%
BM	8.8%	18.4%	10.3%	20.8%	5.8%	-3.6%

Rolling 12-month-performance



Source: Bellevue Asset Management, 31.03.2023; 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.

March looked like a month to forget for many reasons. Markets remain febrile and sentiment friable. It is difficult to strategies one's way through such a mire, so the logical approach seems to be 'head down, push forward'.

On the positive front, the world now feels fully open and largely back to pre-COVID norms and we are pleased to be able to return to a predominantly face-to-face approach in respect of meeting with company management teams, both inside and outside of the Trust's portfolio.

Even amidst the gloomy sentiment and volatile markets, there is much to be optimistic about and we continue to expect healthcare to grow, to innovate and to deliver profits even if the wider economy continues to slow.

Monthly review

The wider market

What a bizarre month! Echoes of the 2008/9 financial crisis intermingled with the usual "will they/won't they" narrative around the Federal Reserve, every word being over-interpreted and analysed for hidden meaning, when there clearly isn't any. Never have central bankers seemed to be winging it as much as they are now; surely it is no surprise that they fomented a banking crisis.

Amidst this kerfuffle, everyone decided that it was okay to own "Big Tech" again. The dissonance of all of these concurrent narratives is somewhat unfathomable, but that is hardly new; this has long been a market dynamic where fakery is the only constant.

Despite the bank-related fears, the MSCI World Index appreciated by 2.8% in dollar terms (+0.8% in sterling). If one accepts the two narratives (Tech is back in favour and banks or financial entities forced to hold significant exposure to long-dated, high-grade debt securities are now much more risky than previously thought), then the sector performance dispersion (Figure 1) looks all too predictable (note – there are some changes to the classifications for real estate companies and some sectors have be renamed).

Sector	Monthly perf
Software & Services	+11.3%
Media & Entertainment	+11.3%
Technology Hardware & Equipment	+10.3%
Semiconductors & Semiconductor Equipment	+10.0%
Household & Personal Products	+6.5%
Utilities	+4.9%
Consumer Discretionary Distribution	+4.4%
Food, Beverage & Tobacco	+3.8%
Pharmaceuticals, Biotechnology	+3.8%
Commercial & Professional Services	+3.0%
Consumer Staples Distribution	+2.2%
Health Care Equipment & Services	+1.5%
Transportation	+1.4%
Telecommunication Services	+1.4%
Consumer Services	+1.1%
Automobiles & Components	+1.0%
Capital Goods	+0.6%
Consumer Durables & Apparel	+0.0%
Materials	-1.3%
Energy	-2.0%
Equity Real Estate Investment	-2.3%
Financial Services	-2.8%
Insurance	-5.0%
Real Estate Management & Development	-5.4%
Banks	-12.6%

Software, hardware and entertainment (Apps) led the charge, with Banks, Financial Services and those most exposed to long-dated credit (as holder or customer, namely insurers and real-estate companies), lagging. If only one could foretell what selection of incongruous macro concerns the market was going to fixate on or ignore, it would be easy to make money…

More broadly, it feels as if wider sentiment is tilting bearishly once more. As discussed in the Musings section, central bank action feels like it has gained a momentum of its own that stands aside from various warning signals that the global economy is slowing. As with all these things, one can only see in hindsight how quickly things slowed, how far (too far) rates rose and whether or not the combination of the two was enough to trigger an otherwise avoidable recession. The market's ongoing vacillations reflect the tension between the "bulls" (i.e. those who think the outlook is negative, but not too negative) and the bears, who fear another material leg down for asset prices.

Healthcare

During March, the MSCI World Healthcare Index rose 3.0% in dollars (+0.9% in sterling), outperforming the parent MSCI World Index by 0.2%. The sub-sector picture in some ways also mirrors the wider market dynamic. Health "Tech", in the form of software (Healthcare IT) and wearable devices (Healthcare Technology) performed well.

Dental also showed strongly, which we continue to struggle with given it represents the apotheosis of consumer discretionary spending within healthcare (you don't "need" to have teeth like Tom Cruise unless you are, well – a movie star). There were other signs of a more 'risk-on' mindset creeping back in with some of the more classically defensive areas lagging (Distributors, Conglomerates and Managed Care).

Managed Care companies are bond holders by necessity and the sector has long been a generalist safe haven. The money to invest into Alphabet, Apple and Meta had to come from somewhere. There is no fundamental reason why these companies are underperforming; Elevance's comments about rising costs from GLP-1 obesity drugs feels like a canard so early on in the year and utilisation trends are normalising; this is as expected and factored into all the MCOs guidance for 2023.

	Weighting	Perf (USD)	Perf (GBP)
Dental	0.5%	9.6%	7.4%
Healthcare IT	0.5%	8.7%	6.5%
Healthcare Technology	0.9%	7.9%	5.8%
Diagnostics	1.6%	5.8%	3.7%
Facilities	1.1%	5.5%	3.4%
Med-Tech	13.4%	5.3%	3.2%
Diversified Therapeutics	37.0%	4.9%	2.7%
Focused Therapeutics	8.4%	3.6%	1.6%
Tools	8.6%	3.0%	1.0%
Distributors	1.5%	1.9%	-0.2%
Services	2.3%	0.0%	-2.0%
Conglomerate	11.3%	-0.6%	-2.6%
Other HC	1.4%	-1.1%	-3.0%
Managed Care	11.0%	-2.8%	-4.7%
Generics	0.4%	-12.0%	-13.71%
Index perf		**3.0%**	**0.9%**

The Trust

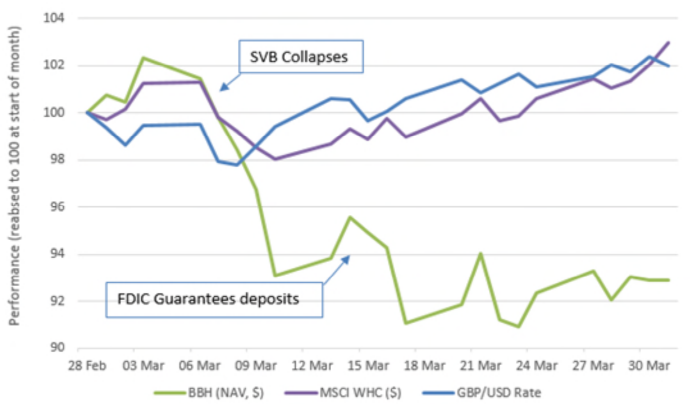
During March, the Trust's Net Asset Value declined by 7.0% in sterling (-5.1% in dollars) to 163.10p, materially underperforming the comparator index by 7.9%. This was a deeply disappointing performance and one that was primarily due to macro-led volatility, rather than company-specific negative newsflow, although we saw some of that as well and not what we expected given the wider sector dynamic outlined in the previous section. FX was a negative contributor to the development of the NAV (~1.9%), below that seen for the comparator MSCI World Healthcare Index.

The evolution of the NAV over the course of the month is illustrated in Figure 3 below and we have annotated this with the key newsflow events around the collapse of Silicon Valley Bank (SVB) and subsequently Signature Bank on the chart. This unexpected development had a chilling impact on valuations for mid-cap US healthcare stocks, where we are overweight versus the comparator index. None of the portfolio companies have been directly adversely impacted by the collapse of SVB.

The reasons for its disproportionate impact at the time are largely obvious: contagion risks, direct exposure risk (several portfolio companies had modest deposits with the lender) and difficulties around potential future funding (several venture capital and crossover funds had lending facilities with SVB) and there is the perception that any credit squeeze closes the "funding window". The market abhors uncertainty.

What is more difficult to explain is why the resolution of the issue though an effective Federal backstop for regional lenders did not have a more significant impact in terms of providing relief, as was the case for the comparator index.

These discussions about the "funding window" often take place during tempestuous macro-economic periods, especially in reference to Biotechnology companies, but reiterate our previously stated view: if you are a quality company looking to raise additional monies to further your business and hitting your planned objectives then you will likely find the window remains open. Q1 2023 saw two of the portfolio companies execute over-subscribed raises that resulted in an increased post-raise share price.



18 of the 28 companies in the portfolio saw declines in their shares price over the month and three declined more than 20% (none of these three had any negative company-specific newsflow during the month and two were not even domiciled in the US, never mind potential or actual clients of SVB and the Index performance for their home market was positive during the month; go figure).

The Dental, Diversified Therapeutics and Tools sub-sectors delivered very modest positive absolute returns during the month. All other sub-sectors contributed to the negative overall return and the distribution was in line with their relative size; i.e. Focused Therapeutics was the worst performer, followed by Med-Tech and then Services.

If the reader had not already noticed, we are frankly bereft of any rational explanation for these out-sized moves. The key point for us is surely that a lack of negative fundamental news leaves us with little reason to change our views on the longer-term outlook.

In light of the above comments, it will probably also come as no surprise that we were very quiet on the trading front during this period; adding a little to some of the most over-sold names. The evolution of the sub-sector weightings is summarised in Figure 4 below. All of the decreases reflect relative performance; we were not net sellers of any of our holdings during the month. The Healthcare IT sub-sector saw the largest absolute percentage increase in holdings, followed by Tools.

	Subsectors end Feb 23	**Subsectors end Mar 23**	**Change**
Dental	1.4%	1.6%	Increased
Diagnostics	11.4%	10.0%	Decreased
Diversified Therapeutics	3.5%	3.7%	Increased
Focused Therapeutics	26.5%	27.1%	Increased
Healthcare IT	7.4%	8.5%	Increased
Healthcare Technology	3.5%	4.0%	Increased
Managed Care	5.3%	5.2%	Decreased
Med-Tech	18.0%	16.4%	Decreased
Services	15.3%	14.5%	Decreased
Tools	7.6%	8.9%	Increased
	100.0%	**100.0%**	

The investment portfolio is now comprised of 28 companies, following the addition of a new holding to the Focused Therapeutics category. The combination of declining valuations, additions to the portfolio and provision for the forthcoming dividend took the leverage ratio from 2.9% at the end of February to 5.7% at the end of March.

The Trust's shares continue to trade at a discount to NAV. The average discount again improved slightly during the month, from 6.2% in February to 5.9% in March. The share buyback programme was active during part of the month and a further 1.17m shares were repurchased.

Managers' musings

Staying the course

These are challenging times for investors. The market has seldom felt so reactionary and unpredictable. Even as one tries to parse through the rate cycle, credit availability and inflation, a maelstrom of additional macro-economic and geopolitical risks swirls in the background, ever-ready to fan the flames of uncertainty.

However much you know, or think that you know, it does not feel like enough and it can become overwhelming if not managed correctly. We understand the temptation for underlying investors to sit this one out, holding cash or shorter-dated government securities. If nothing else, there is a novelty in receiving a monthly account statement where the interest income is actually a useful amount of money.

As April began, OPEC announced a production cut, reversing the downward move in crude oil prices during March that finally saw prices return to levels enjoyed prior to Russia's war against Ukraine. Despite widespread agreement that the regional banking situation in the US would tighten credit availability in a manner that would be comparable to a material increase in the Federal Funds rate, the Fed chose to raise rates again anyway.

Shoot first, reason later; every time you think we are getting somewhere, another gale blows the markets off course. This reminds us of COVID, where collective group-think and the need for governments to be seen to 'be doing something' led to some ill-judged policy decisions, many of which are still reverberating through society today.

How is the fund manager's time best spent in these circumstances? Should one be stuck to the screens watching every tick up and down and trading around the margin, or should one be deep in the weeds of the macro, trying to work out how much market risk to take on? Alternatively, should one minimise the market screens and get stuck into some reading and meeting companies, looking for the next wave of interesting fundamental ideas?

There is no right or wrong answer to the question posed above, there are merely preferences. Perhaps the first two options could help manage performance or curtail volatility in the short-term.

Ultimately though, there is an investment mandate in place for the funds that we manage and investors rightly expect us to focus on the objectives of that mandate. As a reminder, our mandate includes the following:

> *"Provide Shareholders with capital growth and income over the long term... to (i) beat the total return of the MSCI World Healthcare Index (in sterling) on a rolling 3 year period; and (ii) to seek to generate a double-digit total Shareholder return per annum over a rolling 3 year period"*

It does not seem unreasonable then to conclude that a long discourse on how we are focusing on market-timing and short term trades would not meet with widespread approval, and rightly so.

Even if one were to leave the mandate aside, trying to time this market seems a very futile exercise, as it does not appear to be following any historical patterns very well. This is amply evidenced by the poor performance (relative to history) of many leading global equity single-manager hedge funds during 2022 and so far this year.

Scylla and Charybdis

When sailing in dangerous waters, one must be careful to avoid a route that forces one to choose between bad options – a rock and a hard place if you will. We do spend a lot of time thinking about the macro-economic outlook and our view on this is probably evident from our previous prognostications. We think the Fed has got this wrong and had said so long before SVB illustrated the dangers of rapid rate rises.

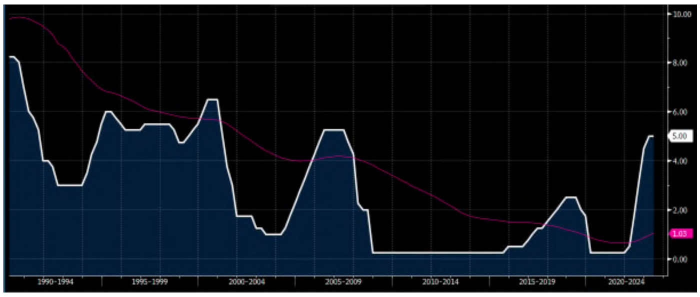
We are in the second year of an aggressive tightening cycle and still the end (i.e. inflation pegged back to a level that allows manageable economic growth, whatever that means) is not in sight. We understand the central banker's compulsion to try to 'do something', but the drivers of inflation in the current environment feel immutable.

There are no short-term fixes to our energy supply concentration, nor any amount of rate rises that will end the war in Ukraine and return it and Russia to their previous positions in the global food supply network. Meanwhile, there are ever more people chasing scant natural resources and yet the Western nations must contend with an ageing population.

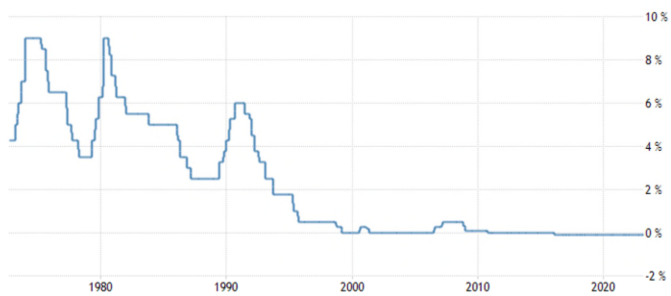
And this is where we feel that the rate cycle may become a significant problem. As we have noted in a previous missive, an ageing population will consume less resources per capita over time, all other factors being equal. This is a structural drag on growth and one that is surely evident in the long-term interest rate trend (Figure 5), and thus the economy requires gentle but continuous stimulation.

Japan has the world's lowest interest rates (-0.1% since 2016, and an average of zero since the financial crisis) and has done so for many decades – an average of 2.3% over the past FIFTY years (Figure 6). Surely it cannot be a coincidence that it also has the world's oldest population (for an industrialised nation, we ignore the billionaire's Disneyland that is Monaco).

US Federal Funds Target Rate – Upper Bound, 1990-Date



Source: Bloomberg



Source: Bank of Japan via Trading Economics

As the trend line in both countries show, the natural course of peak rates at each cycle is for it to be lower over time. We are close to breaking that trend in the current upswing. This may be looked upon in due course as a mistake, engineering a 'hard landing' recessionary scenario, that is in nobody's interest.

Those of a Monetarist bent have even more reasons to fear the Central bankers have gone too far. Broad money supply measures much as M4 are showing rapid contraction in the US and the UK and money velocity (a measure of transactional frequency in the real economy, as opposed to simply measuring the amount of money, which could be sat idle in deposit accounts) is also slowing rapidly. Monetarists argue these are reliable portents of recessionary economic contraction. You can reduce money supply or raise rates, but seldom has anyone tried to do both at the same time to the extent currently under way.

Our voice in this discussion is a moot one though. Central banks will do as they please and by acting together they all provide cover; no-one stands out and it's a consensus call, just like COVID (Japan is not raising rates despite inflationary pressures but is using unconventional approaches to shape the yield curve in other ways and widely is criticised for its inaction on the core interest rate).

You can understand the market's painful spasms though, the volatility is surely telling you that something isn't right. You can perhaps also understand why we are so exasperated by the so-called global political elite and their antediluvian approaches to managing the complex system that is the global economy.

Where does this leave us? March was a painful month, but it was also a very productive one and we would rather focus on the forward-looking positives than the short-term negatives brought about by market vacillations.

Misguided?

Whilst pontifications on the far future as the market whipsaws might sound like 'fiddling while Rome burns', the undeniable reality is that we are living in a period of very significant scientific progress. The treatment modalities of today will seem antiquated in a few decades time and the future is unfolding now. Given the longer-term nature of the investment mandate, surely that is where our attentions should remain focused?

The cultural persistence of idioms is a fascinating aside. Whilst Rome did burn in AD64, Nero's role in this and his alleged 'amore' for the 'amati' is much debated. The more important point is that the city was rapidly rebuilt and came back stronger than before.

Much of what we now know as ancient Rome stems from the post-fire period. Rome remained the pre-eminent capital of Europe for another 700+ years. When viewed in the context of Rome's broader 1,100 year central role in European history and culture since 350BC (you could argue longer if you subsume the later Vatican period and ongoing influence of the Catholic Church into the mix), the great fire of Rome is an irrelevant blip in the annals of history.

Even in the Trust's short history, there have been many learnings along the way. For those who love science, there is a beguiling appeal in "cool" innovations that offer the promise of revolutionising medical practice. However, this does not need to have anything to do with being a good investment.

We have put in place an investment process that involve many steps and a degree of a 'cooling off period', to avoid the siren call of seductive science. We also limit ourselves to companies at a development stage where clinical data beyond 'proof of concept' is available; data that allows us to assess the potential economic as well as medical impact.

Per last month's missive; Google did not invent the web, or the internet browser. However, they did destroy (in an unintentional and valid way) the business models for the early innovators who paved the way for their existence. Being first is not always the same as finishing first and thus not a guarantee of investment success.

By the same token, one can look at an area of medicine or an approach through the lenses outlined above and easily conclude that it is not (yet) aligned with our objectives and investment approach. However, that cannot ever be a fixed view. Every assumption one makes, be it a positive or negative one, needs to be regularly challenged. Do we have the right thematic exposures? Are we playing these via the best companies with the highest operationally geared exposure to those themes? Has the competitive landscape evolved?

Trade routes re-open

The reason for the welcome increase in productivity mentioned above is the normalisation of our routine back toward pre-COVID norms which allows more effective use of our time. The calendar is once again full of travel to the US and also full of meetings in London where people are coming to see us. Whilst we have made as best use of virtual meetings as we could, there is nothing to beat the immersion of back-to-back meetings, where you can see a number of key players or emerging disrupters in a given field over a short period of time.

Since the end of February, your managers have seen c40 senior management teams (mostly companies that are not in the portfolio) and a similar number of "key opinion leader" (KOL) physicians across various areas of healthcare in-and-around five investor events in the US, plus meetings here in London.

The value of such broad and deep research with the ability to prepare for it all in advance cannot be over-stated, and has been sorely missed on our side. We have enjoyed a combination of contiguous meetings with multiple companies and relevant KOLs over a compressed timeframe and immersed ourselves in the latest issues around cell therapy, gene therapy, gene editing, synthetic T-Cell receptors, home haemodialysis, fibrotic diseases, chronic kidney and end-stage renal disease management and the hospital capex cycle.

We have been able to meet with companies from China and Australia as well as from the US and Europe and challenged a great many of our working hypotheses. Some have stood up to this test and some need to be revisited in more detail.

Content aside, the most interesting element of our travel schedule has been its loneliness. Analysts and investors are pack animals; we seem to pop up in the same places at the same times and there is normally a familiarity to the audience for these events and a good degree of bonhomie and discussion about the state of the world. Our adventures since Q4 2022 have so far felt very different; we have often been the lone European investor on a trip or at a meeting and even within the US environment, some of the familiar faces have been notably absent, and not because they have left the industry.

There could be many reasons for this; some people may feel that the virtual approach is more than good enough. Some people may not want to travel anymore now they have enjoyed a break from it. As we all know, business travel is far from glamourous, it's an exhausting schlep of endless meetings and bad food. Nevertheless, we would argue that it is still far more effective than chatting over Zoom or Teams.

Perhaps some fund management companies have enjoyed the absence of the travel costs from their P&Ls and are now less willing to open the purse. Perhaps it is just too early in this 'normalisation' cycle post-COVID. Time will tell. If we were underlying investors, these are certainly questions that we would be asking fund managers, such is our view on the value of these trips.

We can at least be thankful that no such restrictions apply at Bellevue Towers; there is always a flexible budget for travel and research. We expect that the fruits of these labours will become more visible as 2023 unfolds and we can share these developments with you in future missives (once we have deployed capital accordingly).

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

Sarepta Therapeutics	7.0%
Option Care Health	6.4%
Apellis Pharmaceuticals	5.8%
Exact Sciences	5.7%
Vertex Pharmaceuticals	5.2%
Axonics	5.0%
Charles River Laboratories	4.9%
Evolent Health	4.8%
Insmed	4.6%
Bio-Rad Laboratories	4.5%
Total top 10 positions	53.7%
Total positions	29

Sector breakdown

Focused Therapeutics	27.1%
Med-Tech	16.4%
Services	14.5%
Diagnostics	10.0%
Tools	8.9%
Healthcare IT	8.5%
Managed Care	5.2%
Health Tech	4.0%
Diversified Therapeutics	3.7%
Dental	1.6%

Geographic breakdown

United States	95.6%
China	2.7%
Switzerland	1.6%

Market cap breakdown

Mega-Cap	12.5%
Large-Cap	23.6%
Mid-Cap	46.1%
Small-Cap	17.8%

Source: Bellevue Asset Management, 31.03.2023;
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.
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.

Chances

- 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 3.5% dividend yield.
- Bellevue Healthcare Trust has an experienced management team and strong board of directors.

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.
- 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
Portfolio Manager since inception of the fund

Brett Darke
Portfolio Manager of the fund since 2017

Sustainability Profile – ESG

EU SFDR 2019/2088 product category: Article 8

Exclusions:

Compliance UNGC, HR, ILO	✓
Norms-based exclusions	✓
Controversial weapons	✓

ESG Risk Analysis:

ESG-Integration	✓

Stewardship:

Engagement	✓
Proxy Voting	✓

Key Figures:

CO_2 intensity (t CO_2/mn USD sales):	28.3 (low)	Coverage:	98%
MSCI ESG Rating (AAA - CCC):	BBB	Coverage:	98%

Based on portfolio data as per 31.03.2023; – 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; Best-in-class: systematic exclusion of "ESG laggards"; MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). Note: in certain cases the ESG rating methodology may lead to a systematic discrimination of companies or industries, the manager may have good reasons to invest in supposed "laggards". 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

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.

low risk ← → high risk

1	2	3	4	**5**	6	7

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the fund is not able to pay you.

This fund is classified as 6 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact the capacity to pay you.

The portfolio is likely to have exposure to stocks with their primary listing in the US, with significant exposure to the US dollar. The value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

This fund does not include any protection from future market performance so you could lose some or all of your investment.

If the fund is not able to pay you what is owed, you could lose your entire investment.

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 Company's 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. ©

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

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