

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.

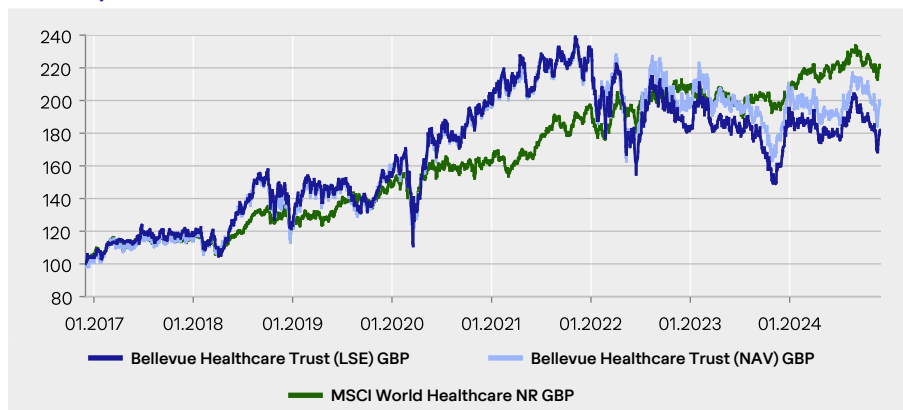
Fund facts

Share price	141.20
Net Asset Value (NAV)	154.33
Market capitalisation	GBP 631.6 mn
Investment manager	Bellevue Asset Management (UK) Ltd.
Administrator	NSM Funds (UK) Limited
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	283,369,891
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	0.64
Volatility	29.1%
Tracking Error	22.98
Active Share	77.98
Sharpe Ratio	-0.04
Information Ratio	-0.17
Jensen's Alpha	-5.59

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
Share	-0.6%	-6.9%	13.7%	-15.0%	16.1%	n.a.	81.9%
NAV	0.3%	-3.6%	11.1%	-7.0%	27.9%	n.a.	98.1%
BM	0.2%	8.0%	11.5%	18.3%	51.1%	n.a.	120.5%

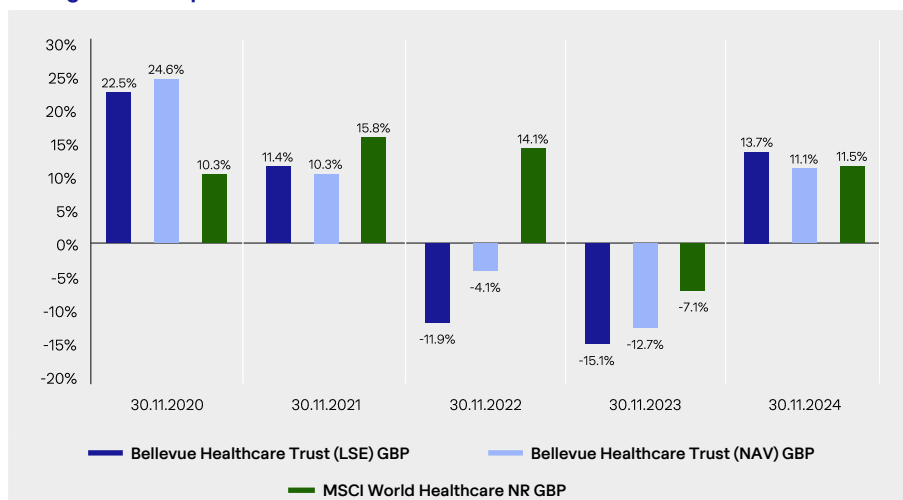
Annualised

	1Y	3Y	5Y	10Y	ITD
Share	13.7%	-5.3%	3.0%	n.a.	7.8%
NAV	11.1%	-2.4%	5.0%	n.a.	8.9%
BM	11.5%	5.8%	8.6%	n.a.	10.4%

Annual performance

	2019	2020	2021	2022	2023	YTD
Share	22.7%	29.1%	16.6%	-21.0%	7.0%	-6.9%
NAV	25.9%	25.7%	15.2%	-11.1%	2.4%	-3.6%
BM	18.4%	10.3%	20.8%	5.8%	-1.6%	8.0%

Rolling 12-month-performance



Source: Bellevue Asset Management, 30.11.2024; 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 November update, where the outcome of the US Presidential election feels like it is at the centre of everything that has transpired.

Healthcare continues to labour under a cloud, but once again, our feeling is that the level of concern is misplaced, and the regulatory environment is unlikely to change materially for the majority of companies into which we would consider investing.

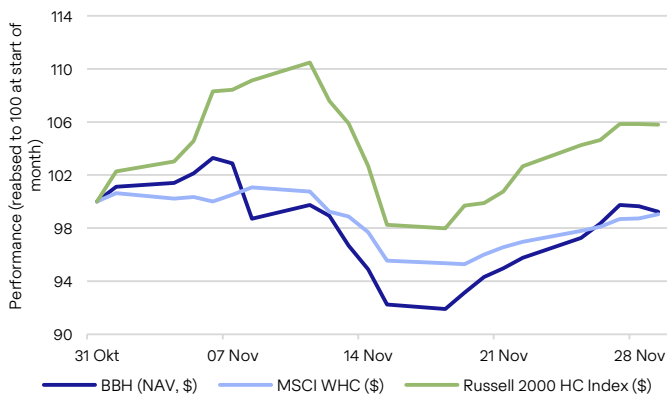
As the year draws to a close, there is much to look forward to in 2025 and, as ever, the year will start with a bang at the JP Morgan healthcare conference in early January, where we expect a slew of trading and strategic updates.

Monthly review

The Trust

During November, the Trust's Net Asset Value declined 0.8% in US dollar terms (+0.3% in sterling) to 154.33p, outperforming the total return of the MSCI World Healthcare Index, which declined 0.9%.

The evolution of the NAV across the month is illustrated in Figure 1 below, and largely tracks that of the healthcare benchmarks. The notable post-election sell-off of the healthcare sector mid-month is discussed in the following section.



Source: Bellevue Asset Management, 30.11.2024

Given how strongly mid-caps outperformed wider healthcare over the month, one might have expected a better relative performance. The NAV was adversely impacted by an unexpected profit warning from one of our largest positions, Evolent Health (in the Healthcare IT sub-sector), relating to claims trends in oncology coming in higher than planned in Q3. The stock declined 46% on the back of this warning, costing us around 300bp of absolute performance.

We believe this is an over-reaction to the fundamental news; Evolent has price escalators in its contracts that are linked to claims trends, and thus has many levers that it can pull to re-establish profits on contracts that are under-performing. We saw a similar cycle earlier in the year, when pricing was successfully raised in Q2 24 on the back of elevated cost trend in prior quarters.

Moreover, the company is nonetheless demonstrating absolute dollar savings for its clients compared to contracts not run on a 'VBC' basis. Thus, the current surge in claim costs is good promotion for the value proposition of its business, and may help accelerate new business wins.

Focused Therapeutics was the best performing sub-sector, followed by Medical Technology and Managed Care. Healthcare IT was the standout negative performer, accounting for the vast majority of the negative sub-sector performance during the month. Diagnostics and Tools were the only other sub-sectors marginally in the red for the month.

The portfolio remained at 34 positions, with one addition in Diagnostics and one exit in Services. The evolution of the sub-sector weightings is summarised in Figure 2 below, and we would make the following comments:

The decline in Services reflects the position exit described previously and the decline in Healthcare IT is due mainly to Evolent. Diagnostics fell through a combination of active reallocation and performance. Healthcare Technology declined due to active reallocation.

Focused Therapeutics and Managed Care increased due to performance and Tools increased due to active reallocation. Medical Technology saw a combination of performance and active reallocation. Overall, we are continuing with our plan to 'flatten' the overall profile of the book, and the Top 10 is now below 50% of the total gross exposure.

	Subsectors end Oct 24	Subsectors end Nov 24	Change
Diagnostics	17.4%	17.3%	Decreased
Focused Therapeutics	25.8%	27.8%	Increased
Healthcare IT	7.2%	3.4%	Decreased
Healthcare Technology	9.7%	9.2%	Decreased
Managed Care	8.1%	8.9%	Increased
Med-Tech	16.8%	17.8%	Increased
Services	10.1%	9.1%	Decreased
Tools	5.0%	5.4%	Increased
Diagnostics	17.4%	17.3%	Decreased
	100.0%	100.0%	

Source: Bellevue Asset Management, 30.11.2024

Following these changes, the cash balance decreased from 7.4% of gross assets to 4.6%. The share buyback programme was again active during the month, and c1.2m shares were repurchased. Despite this, the average share price discount to NAV expanded slightly to 8.9%, as compared to 7.2% during October.

Healthcare

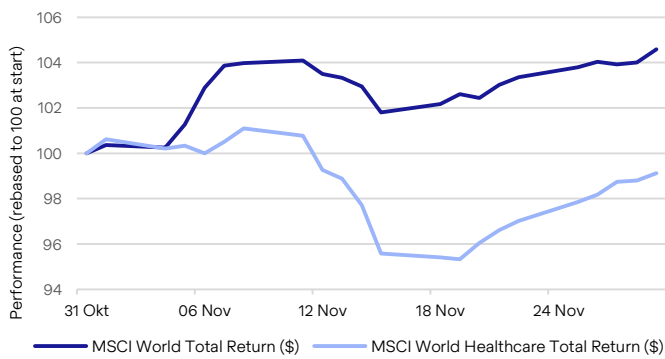
As noted previously, the dollar total return of the MSCI World Healthcare Index during November was negative: -0.9% in dollars (+0.2% in sterling), and it again significantly underperformed the wider MSCI World Index, which rose 4.6% over the month (+5.7% in sterling), as illustrated in Figure 3 overleaf.

This sector-level performance reflects sentiment around the outcome of the 2024 Presidential election. The initial stock market reaction to a resounding Trump victory was positive overall, albeit more muted for Healthcare. The MSCI World Healthcare Index climbed 0.8% from November 5th to November 8th, whereas the broader MSCI World Index climbed 2.7%.

Overall sentiment could be summarised as follows: the risk of tariffs, which might yet be a classic Trumpian negotiating tactic that never comes to pass, is offset by the far more likely positives of lower taxes and lighter regulation.

In the days that followed, the rally faded somewhat, with the MSCI World Index declining 2.1% by the end of last week. However, the MSCI World Healthcare Index declined 5.5% over the same period, ending lower than it was pre-election. The MSCI is a global series and the US healthcare sell-off looks more pronounced when examined in detail.

Over the week beginning November 8th, the US-only S&P500 Healthcare Index declined 5.5%, the NASDAQ Biotech Index (NBI) was down 10.2% and the Russell 2000 Healthcare index fell 10.0%. The small-cap and mid-cap S&P 400 and 600 indices lagged the S&P500 by 150-175bp. Whilst there was a subsequent recovery, it is prudent to ask what ailed investors.



Source: Bellevue Asset Management, 30.11.2024

The source of this consternation seems obvious: even before the election, Trump suggested that he might “shake things up” by appointing Robert Kennedy (“RFK”) as Health and Human Services (HHS) Secretary. Let us not forget, even Trump 1.0 was not shy in his initial comments about the contempt he had for the pharmaceutical industry, and this is a position that has only been strengthened by what he perceives as ingratitude over “operation warp speed” during the pandemic, for which Trump feels he should get more credit.

RFK has noted what he considers to be a conflict of interest in the FDA primarily being funded by user fees. The legislation around this (“PDUFA VII”) is due to expire in 2027, so there is a risk that the agency suffers material budget cuts in the future.

Trump is said to be considering Johns Hopkins surgeon Dr Marty Makary for head of the FDA. He is a GI surgeon and public health policy lecturer at the institution with an impressive resume of publications. He is probably a less controversial figure than RFK and has relevant experience, but again has been a noted critic of current US healthcare policies and bodies.

This raises the spectre of changes and this is what weighed on the sector, especially the NASDAQ biotech and Russell 2000 Healthcare indices, which are laden with smaller biotechnology and speciality pharma companies, perhaps explaining the extent of their underperformance.

Whilst RFK is more widely known for controversial views on vaccines, he has some arguably less contentious thoughts on the quality of American food and agricultural practices. As we all know well in the UK, one of the main obstacles to a post-Brexit UK-US trade deal was American insistence on parity on “non-trade barriers” such as food standards.

According to the campaign group Sustain, the US allows the use of 70-80 pesticides that are not licensed in the UK, allows higher residual levels of such chemicals in human food, has far lower animal welfare standards, allows routine usage of high dose antibiotics and hormones in livestock and requires very limited labelling of food products in respect of additives, etc.

Someone out there may well agree with the US on these topics, but somehow we doubt they will be anything other than a small minority, especially in the face of the growing evidence of the role played by “ultra processed” food products in cardiometabolic diseases and cancer. RFK surely made a valid point when he said it would be better and cheaper for the US to ensure people did not become obese through a good diet than to treat them with obesity drugs.

Our personal view is that the Food and Drug Administration is going to be directed to spend more resources on the Food side of the ledger over the coming four years and this is where the industry risk is greatest, rather than on the drugs side, where it cannot be argued that approvals come on the back of weighty empirical evidence from robust and

independently adjudicated clinical studies. The FDA is widely admired for the quality of its regulatory decisions. We think sentiment will improve over the coming months as nominees are confirmed and then set out their legislative policies.

The Index’s sub-sector performance breakdown is summarised in Figure 4 below and we would make the following observations:

Given the previous commentary, it is little surprise to see the Therapeutics companies toward the bottom of the list. Hospitals (Facilities) were also sold off on post-election sentiment. This sub-sector has fared very well through COVID and latterly under Biden via government assistance, and there is a widely-held (and not unreasonable) opinion that Republicans are likely to be less generous on subsidies going forward.

In addition, the hospital sector responds to the proportion of Americans with good healthcare coverage, so they have a reduced risk of being left on the hook for uncompensated care. Enrolment into ACA Exchange policies (“Obamacare”) has swelled under Biden, whereas it fell under Trump for various reasons that made Exchanges less attractive. There is a logical fear that history will repeat itself.

Healthcare IT and Healthcare Technology are both tiny sub-sectors within the MSCI World Healthcare Index (three and two companies, respectively), and both saw strong performance on the back of better-than-expected Q3 updates from companies within them. The same is true for Distributors (four stocks), where one company (McKesson) accounts for 46% of the sub-sector weighting and rose 25% on a post Q3 relief rally.

Finally Managed Care also rose on post-election sentiment. Whilst the sector has continued to wrestle with above trend claims evolution, it has also had to contend with the typical ‘fiscal drag’ effect of less generous price increases for Medicare Advantage policies that seems to happen under every Democratic executive. These stocks rose on the logical expectation that the Republicans will favour privately managed Medicare Advantage over public Medicare A&B, helping Managed Care companies offset some of the recent margin pressure.

	Weighting	Perf (USD)	Perf (GBP)
Distributors	1.8%	17.8%	19.0%
Healthcare Technology	0.6%	12.3%	13.5%
Healthcare IT	0.6%	10.6%	11.8%
Managed Care	10.1%	6.5%	7.6%
Dental	0.4%	6.1%	7.3%
Med-Tech	15.0%	2.4%	3.5%
Services	2.0%	2.3%	3.4%
Diagnostics	1.3%	2.1%	3.2%
Generics	0.7%	0.3%	1.4%
Conglomerate	9.2%	-0.5%	0.5%
Other HC	1.3%	-1.1%	-0.1%
Tools	7.1%	-1.2%	-0.1%
Focused Therapeutics	7.8%	-4.3%	-3.3%
Diversified Therapeutics	41.1%	-4.8%	-3.7%
Facilities	1.1%	-7.1%	-6.2%
Index perf		-0.9%	0.2%

Source: Bloomberg/MSCI and Bellevue Asset Management, Weightings as of 31.10.2024, Performance to 30.11.2024

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

UnitedHealth Group		7.8%
CareDx		6.8%
Exact Sciences		4.8%
Sarepta Therapeutics		4.7%
Intuitive Surgical		4.6%
Tandem Diabetes Care		4.5%
Castle Biosciences		4.2%
Inspire Medical Systems		4.2%
Axsome Therapeutics		4.2%
Verona Pharma		4.1%
Total top 10 positions		49.9%
Total positions		34

Sector breakdown

Focused Therapeutics		27.8%
Med-Tech		17.8%
Diagnostics		17.3%
Health Tech		9.2%
Services		9.1%
Managed Care		8.9%
Tools		5.4%
Healthcare IT		3.4%
Distributors		1.0%

Geographic breakdown

United States		98.0%
China		1.4%
Europe		0.6%

Market cap breakdown

Small-Cap		22.4%
Mid-Cap		26.7%
Large-Cap		29.7%
Mega-Cap		21.2%

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 owing 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:

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):	21.5 (Low)	Coverage:	93%
MSCI ESG Rating (AAA - CCC):	BBB	Coverage:	93%

Based on portfolio data as per 30.11.2024; – 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 CO₂-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO₂ per USD 1 million sales. The decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in the prospectus. For further information c.f. www.bellevue.ch/sustainability-at-portfolio-level.

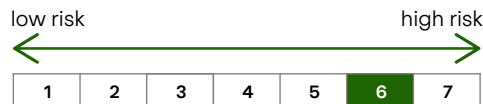
Source: Bellevue Asset Management, 30.11.2024;
Due to rounding, figures may not add up to 100.0%. Figures are shown as a percentage of gross assets.

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.

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 rated this product as risk class 6 on a scale of 1 to 7, with 6 being the second highest risk class. The risk of potential losses from future performance is considered high. In the event of very adverse market conditions, it is very 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.

Objective

The Bellevue Healthcare Trust invests in a concentrated portfolio of listed equities in the global healthcare industry (maximum of 35 holdings). The overall objective for the Bellevue Healthcare Trust is to provide shareholders with capital growth and income over the long term. The Company's specific return objectives are: (i) to beat the total net return of the MSCI World Healthcare Index (in GBP) on a rolling 3 year period and (ii) to seek to generate a total shareholder return 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 the specific, or any, time period.

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 makers 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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