

## 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.

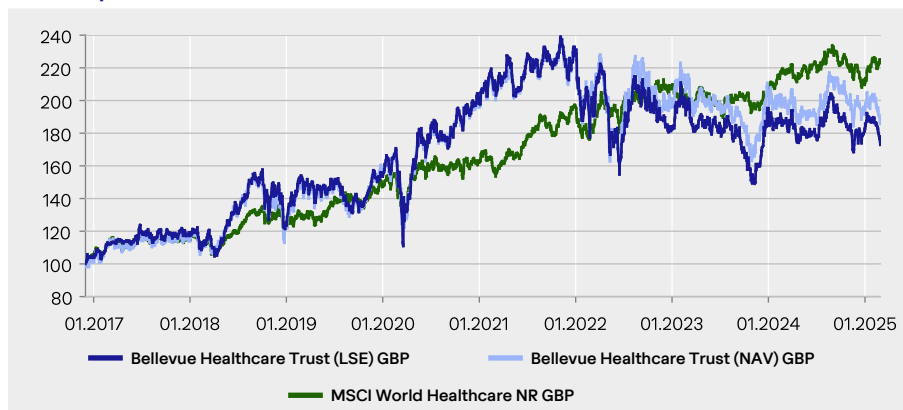
### Fund facts

Share price	134.20
Net Asset Value (NAV)	146.26
Market capitalisation	GBP 326.63 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	243,391,496
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	1.35
Correlation	0.63
Volatility	27.7%
Tracking Error	21.87
Active Share	74.18
Sharpe Ratio	-0.10
Information Ratio	-0.32
Jensen's Alpha	-9.18

### Indexed performance since launch



### Cumulative & annualised performance

#### Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
Share	-8.8%	-5.4%	-7.6%	-11.3%	17.2%	n.a.	72.9%
NAV	-7.4%	-2.0%	-5.3%	-9.3%	27.2%	n.a.	87.8%
BM	0.0%	7.0%	3.5%	23.2%	60.3%	n.a.	125.2%

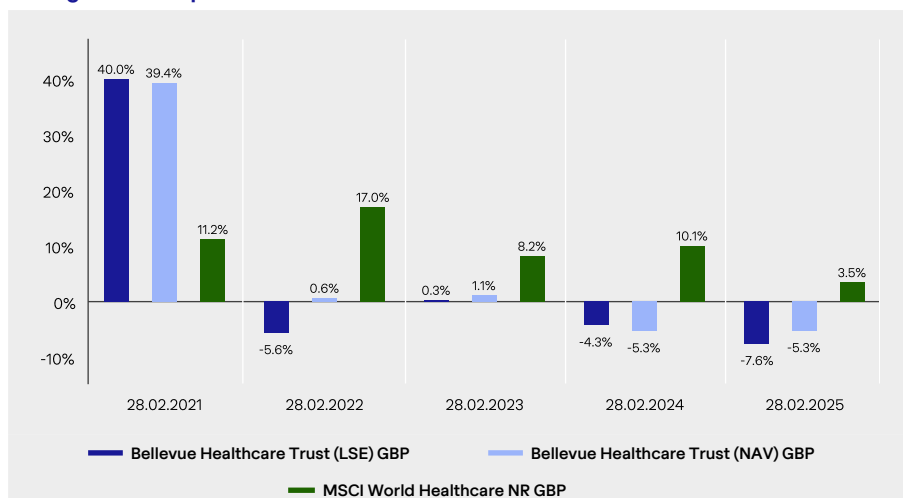
#### Annualised

	1Y	3Y	5Y	10Y	ITD
Share	-7.6%	-3.9%	3.2%	n.a.	6.9%
NAV	-5.3%	-3.2%	4.9%	n.a.	7.9%
BM	3.5%	7.2%	9.9%	n.a.	10.3%

### Annual performance

	2020	2021	2022	2023	2024	YTD
Share	29.1%	16.6%	-21.0%	7.0%	-6.5%	-5.4%
NAV	25.7%	15.2%	-11.1%	2.4%	-6.7%	-2.0%
BM	10.3%	20.8%	5.8%	-1.6%	3.1%	7.0%

### Rolling 12-month-performance



Source: Bellevue Asset Management, 28.02.2025; 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 February update. The sun is beginning to shine and the mornings are becoming lighter. However, ‘the Donald’ has cast a long orange shadow across the capital markets, as investors try to digest an enormous volume of profound and far-reaching executive actions. He has already issued half as many executive orders in two months as Biden did during his whole four-year term.

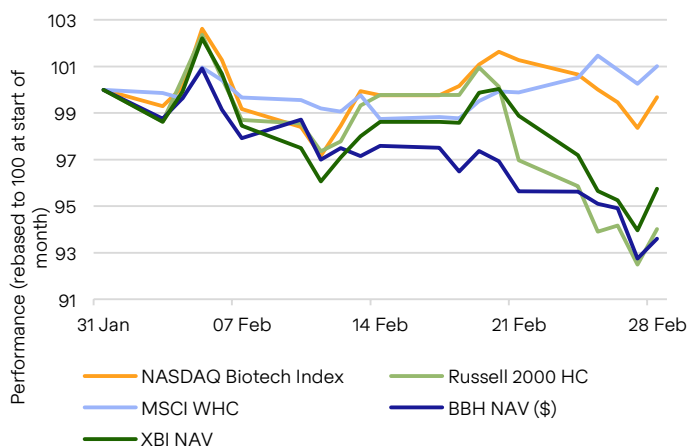
It is understandable that many investors are rotating away from exposure to uncertainties and pricing in a lower growth, higher inflation world before it materialises. On the positive side, healthcare is finally in the spotlight for its classical defensive characteristics but for now caution is leaving the growth and innovation names on the sidelines, despite their exposure to the same positive underlying fundamentals. This is a good long-term opportunity for the patient investor.

**Monthly review**

**The Trust**

February has been an exceptionally challenging month, at both a macro and a company level. The function of markets is to price risk/reward and, generally speaking, risks at the geopolitical, macroeconomic, industry and corporate levels unfold gradually and rarely coincide outside of major shocks. In contrast to these norms, the chaotic behaviour of the Trump administration is upending long-established conventions around trade, foreign policy and defence in ways that markets are clearly struggling to digest.

During the month, the Trust’s Net Asset Value declined 6.4% in US dollar terms (-7.4% in sterling) to 146.26p, underperforming the total return of the MSCI World Healthcare Index, which rose +1.1% (0.0% in sterling) by 753bp. The evolution of the NAV throughout the month is illustrated in Figure 1 below. This month, we have added the NASDAQ Biotechnology Index and XBI Biotech ETF to provide some additional context:



Source: Bellevue Asset Management, 28.02.2025

As the chart illustrates, when one compares the performance of the Russell 2000 HC to the MSCI World Healthcare and of the XBI Biotech ETF to the NBI Index, the second half of February essentially saw a mid-cap and growth meltdown across the market, after a generally benign start to the month and, in the wider sense for healthcare, a positive reporting season.

Somewhat paradoxically, the growth and risk heavy NBI Biotechnology index appeared to hold up well, but this was skewed due to the solid performance of some of the highest weighted mega-cap names within it (Gilead, Amgen, Vertex, Regeneron and AstraZeneca have a combined weighting of nearly 40% within it and were all up materially over the month).

In contrast, the XBI Biotech is equal-weighted, and excludes the shares of some of the large pharma companies that make it into the NBI Index, hence its inclusion this month as a yardstick for wider biotechnology sentiment.

The extent to which size factor was driving performance is illustrated further in Figure 5 in the Healthcare section, nor was this solely a healthcare sector phenomenon, as illustrated in Figure 6. We have witnessed a dramatic sentiment shift to “risk off” post Trump, and this gathered pace in late February as various policy initiatives took shape.

More challenging for us, is that defensive rotation by generalist investors away from Technology and toward Mega-Cap value within healthcare. This is not where our strategy leans toward, or indeed that of our actively managed healthcare peers – everyone struggled to deal with this unexpected situation.

In the latter part of the month, any perceived miss in reported results, even for companies who had pre-announced was punished very severely. There appears to be no appetite to buy incremental risk on any valuation weakness and little valuation support on fundamentals.

The portfolio saw three changes during the month – two exits from Focused Therapeutics swapped for holdings in Diversified Therapeutics (where we were previously zero weighted) and an exit from Services paired with the addition of another Medical Technology company. Although we have shifted up the market cap spectrum a little, we remain focused on innovation-led growth companies.

Focused Therapeutics and Medical Technology were the only sub-sectors making positive contributions during the month. Healthcare Technology (mainly Tandem Diabetes Care), Services and Diagnostics were the worst performing sectors. The portfolio remained at 34 active positions.

The evolution of the sub-sector weightings is summarised in Figure 2 below, and we would make the following comments:

The re-inclusion of holdings in Diversified Therapeutics effectively decreased the weightings of other sectors. All of those whose weighting did increase saw active allocations to them as well (and tangible relative outperformance in the case of Med-Tech.

The significant reduction in Healthcare Technology reflects the performance of Tandem Diabetes Care following its disappointing results, and our decision to dramatically reduce our exposure due to a growing lack of confidence in management on the back of this.

Of the 37 active positions held during the month, we added to 15, reduced 15 and left two unchanged.

	Subsectors end Jan 25	Subsectors end Feb 25	Change
Diagnostics	17.9%	15.3%	Decreased
Distributors	2.1%	3.3%	Increased
Diversified Therapeutics	0.0%	4.6%	Increased
Focused Therapeutics	23.7%	21.4%	Decreased
Healthcare IT	0.9%	1.3%	Increased
Healthcare Technology	13.4%	9.1%	Decreased
Managed Care	5.7%	5.5%	Decreased
Med-Tech	17.8%	25.3%	Increased
Services	10.0%	7.5%	Decreased
	<b>100.0%</b>	<b>100.0%</b>	

Source: Bellevue Asset Management, 28.02.2025

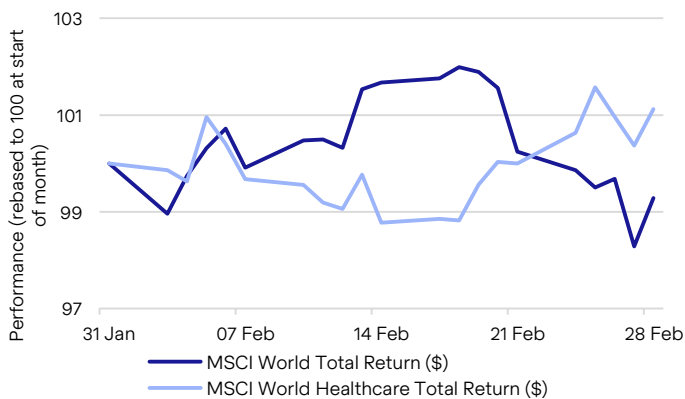
The share buyback programme was active again during the month, and ~3.9m shares were repurchased.

Following these portfolio changes and share repurchases, the cash balance decreased slightly from 4.0% of gross assets to 2.2%. During February, the average share price discount to NAV declined further to 6.6%, as compared to 6.1% during January 2025.

## The Healthcare Sector

As noted previously, the dollar total return of the MSCI World Healthcare Index during February was rose +1.1% (0.0% in sterling). Nonetheless, this lacklustre return was enough to outperform the wider MSCI World Index; which declined 0.7% (-1.8% in sterling), due principally to the sell-off in the heavyweight technology names.

The evolution across the month is as shown in Figure 3 below, and illustrates the significant impact of the aforementioned late February 'growth into value/defensives' switch. To contextualise the severity of this move, the MSCI World Index had outperformed Healthcare up to the 18<sup>th</sup> of the month by 317bp, but finished the month 10 days later 396bp behind, making the relative swing over those 10 days 713bp!



Source: Bellevue Asset Management, 28.02.2025

The same behavioural pattern is evident when one looks across the sub-sector performance table (Figure 4 below); it resembles a ranking of sub-sectors in ascending order by a matrix economic sensitivity, volatility and EPS surprise, with the most predictable companies atop.

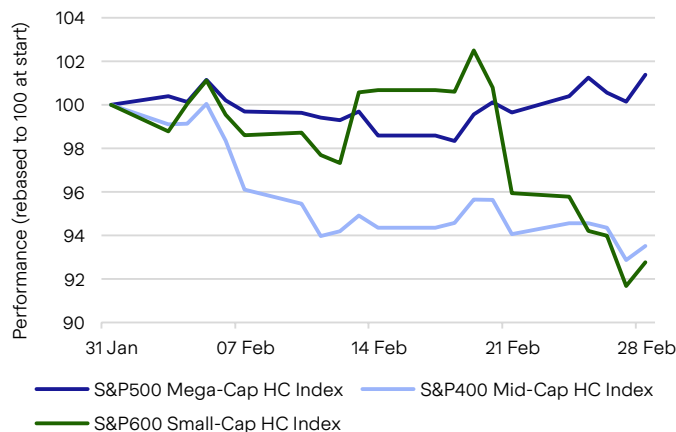
	Weighting	Perf (USD)	Perf (GBP)
Conglomerate	9.3%	8.9%	7.7%
Diversified Therapeutics	39.2%	6.1%	4.9%
Distributors	2.1%	3.9%	2.8%
Focused Therapeutics	7.7%	1.9%	0.8%
Healthcare Technology	0.7%	0.3%	-0.7%
Other HC	1.3%	-0.8%	-1.9%
Med-Tech	16.3%	-1.7%	-2.7%
Healthcare IT	0.6%	-2.5%	-3.5%
Facilities	1.0%	-6.7%	-7.7%
Managed Care	9.9%	-8.4%	-9.4%
Services	2.0%	-9.0%	-10.0%
Diagnostics	1.3%	-9.7%	-10.7%
Tools	7.4%	-10.0%	-11.0%
Generics	0.8%	-10.1%	-11.0%
Dental	0.4%	-10.1%	-11.1%
<b>Index perf</b>		<b>1.1%</b>	<b>0.0%</b>

Source: Bloomberg/MSCI and Bellevue Asset Management, Weightings as of 31.01.2025, Performance to 28.02.2025

Put simply, investors are hiding in liquid bond proxies as they wait for some kind of pattern to emerge in the Trump-induced madness. Focused Therapeutics (i.e. Biotechnology and Specialty Pharma) may seem a surprising entry at #4, but we would again highlight the extent

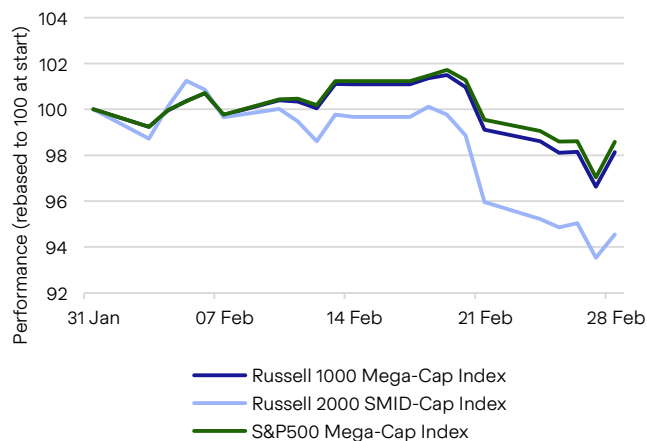
to which this grouping is dominated by a small number of actually well diversified and profitable Mega-caps.

Again, we can see something similar when comparing the performance of healthcare across various indices (Figure 5 overleaf) with differing market capitalisation characteristics. This has been a flight to safety, and thus a very challenging environment for any growth-oriented strategy, where one typically skews lower down the market cap spectrum:



Source: Bellevue Asset Management, 28.02.2025

Nor was this phenomenon limited only to healthcare; it was also visible in the broader market indices as well (Figure 6 below), with Small/Mid-cap underperforming Mega-cap in the US:



Source: Bellevue Asset Management, 28.02.2025

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

Biomarin Pharmaceuticals		5.9%
CareDx		5.8%
UnitedHealth Group		5.5%
Abbott Laboratories		5.0%
Exact Sciences		4.8%
Sarepta Therapeutics		4.2%
Dexcom		4.1%
Baxter International		4.0%
Insulet		3.9%
SI-Bone		3.8%
Total top 10 positions		46.9%
Total positions		34

## Sector breakdown

Med-Tech		25.3%
Focused Therapeutics		21.4%
Diagnostics		15.3%
Health Tech		9.1%
Services		7.6%
Tools		6.6%
Managed Care		5.5%
Diversified Therapeutics		4.6%
Distributors		3.3%
Healthcare IT		1.3%

## Geographic breakdown

United States		98.5%
Europe (inc. UK)		1.5%

## Market cap breakdown

Small-Cap		21.2%
Mid-Cap		15.6%
Large-Cap		33.4%
Mega-Cap		29.8%

## 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 <sub>2</sub> -intensity (t CO <sub>2</sub> /mn USD sales):	20.9 (Low)	Coverage:	97%
MSCI ESG Rating (AAA - CCC):	A	Coverage:	97%

Based on portfolio data as per 28.02.2025; – 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<sub>2</sub>-intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO<sub>2</sub> 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](http://www.bellevue.ch/sustainability-at-portfolio-level).

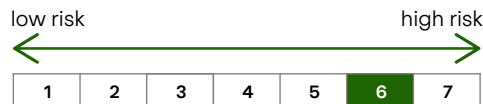
Source: Bellevue Asset Management, 28.02.2025;  
Due to rounding, figures may not add up to 100.0%. Figures are shown as a percentage of gross assets.

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](http://www.bellevue.ch/en/glossary).

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