

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.

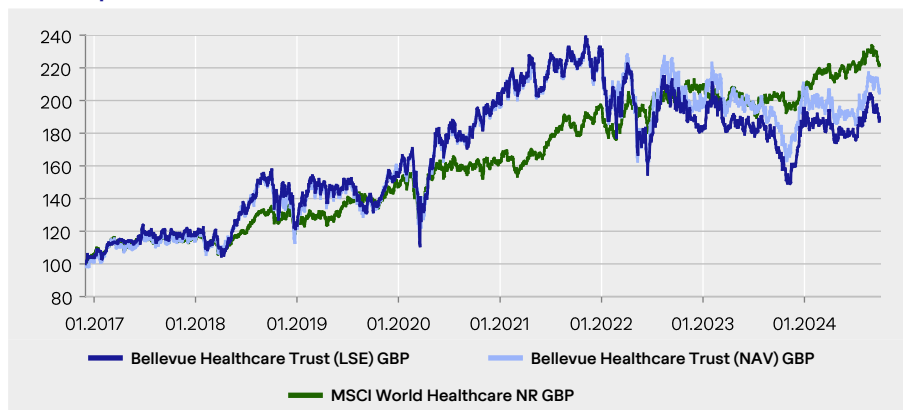
Fund facts

Share price	146.00
Net Asset Value (NAV)	161.21
Market capitalisation	GBP 660.51 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	452,403,541
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	29.0%
Tracking Error	22.81
Active Share	83.08
Sharpe Ratio	-0.03
Information Ratio	-0.23
Jensen's Alpha	-7.60

Indexed performance since launch



Cumulative & annualised performance

Cumulative

	1M	YTD	1Y	3Y	5Y	10Y	ITD
Share	-7.0%	-3.7%	10.0%	-15.6%	37.6%	n.a.	88.1%
NAV	-3.4%	0.8%	12.8%	-8.1%	51.8%	n.a.	107.0%
BM	-5.0%	8.7%	10.1%	21.4%	58.8%	n.a.	121.9%

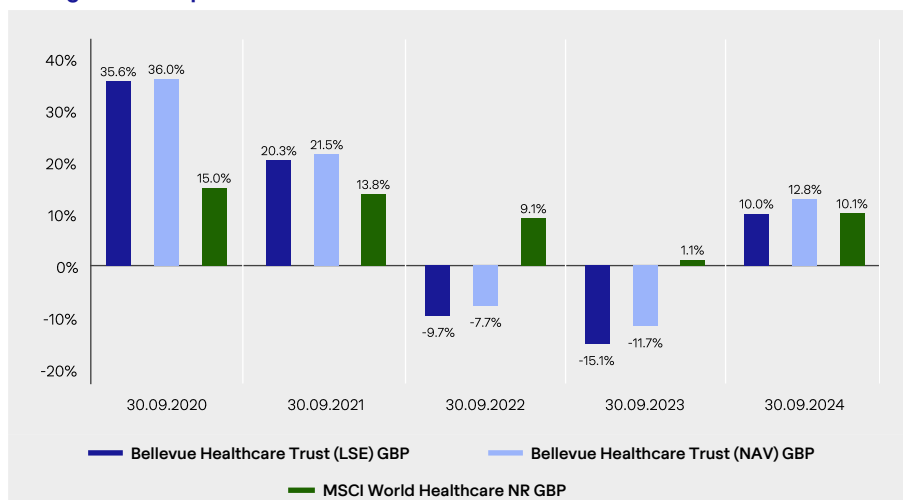
Annualised

	1Y	3Y	5Y	10Y	ITD
Share	10.0%	-5.5%	6.6%	n.a.	8.4%
NAV	12.8%	-2.8%	8.7%	n.a.	9.7%
BM	10.1%	6.7%	9.7%	n.a.	10.7%

Annual performance

	2019	2020	2021	2022	2023	YTD
Share	22.7%	29.1%	16.6%	-21.0%	7.0%	-3.7%
NAV	25.9%	25.7%	15.2%	-11.1%	2.4%	0.8%
BM	18.4%	10.3%	20.8%	5.8%	-1.6%	8.7%

Rolling 12-month-performance



Source: Bellevue Asset Management, 30.09.2024; 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 autumn update. Summer feels very much over, and the long run to Christmas is underway. Markets received an early, but unsurprising, gift from the US Federal Reserve, which has finally come off the fence and cut rates. Another cut is expected before the end of the year.

This “Fed put” is helping to keep market sentiment buoyant in the face of slowing economic data and rising geopolitical tensions, but as yet these factors have not obviously pushed classical defensive growth sectors such as Large-Cap pharma back into the spotlight, nor have we seen as much of a positive reaction amongst the longer duration cash burning companies as we expected.

What we can say with confidence is that the fundamentals of healthcare remain very strong and are not changing, which feels in stark contrast to so many other sectors and end markets, where uncertainty seems to be the only thing that is definitively growing.

Monthly review

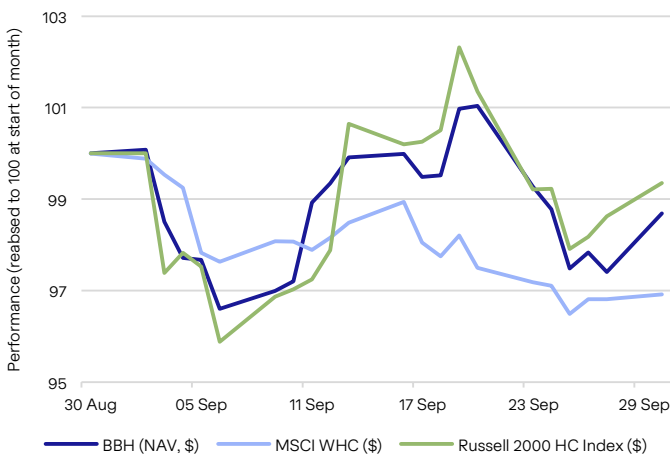
The Trust

During September, the Trust’s Net Asset Value declined 1.3% in US dollar terms (-3.4% in sterling) to 161.21p. This represented a pleasing outperformance versus the MSCI World Healthcare Index of 163bp given that we would describe the month as more frustrating than positive overall.

In terms of the broader market narrative, the Federal Reserve’s 50bp rate cut on 18 September was something of a damp squib, perhaps because it was so widely telegraphed (and thus arguably priced in) well ahead of time.

Even so, it was somewhat surprising then, per Figure 1 below, to see SMID healthcare selling off in the initial weeks of the month that preceded the announcement (which came on 18 September). Subsequently, the evolution of the NAV tracked the brief recovery in SMID healthcare sentiment, which we did think would be longer-lasting in an unarguably more supportive financial environment for duration assets and companies needing future funding.

Given that SMID healthcare meaningfully lagged Mega-Cap healthcare in August as well (i.e., when commentary implying that a September cut was a virtual certainty first emerged at Jackson Hole). This negative relative size factor performance was not how we expected the month to unfold.



Source: Bellevue Asset Management, 30.09.2024

Diagnostics was again the best performing sub-sector in the portfolio, followed by Medical Technology as the other positive performer across the month. Healthcare IT was the primary detractor, as a small degree of M&A speculation slowly bled out of Top 5 holding Evolent Health. We

continue to see a positive outlook for this business absent a take-out and added back to our holdings as the bid-spec faded away.

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

Over the month, we added to our overall holdings in Diagnostics, Focused Therapeutics, Healthcare IT, Managed Care and Med-Tech, and actively reduced exposure to Managed Care, Tools, Services and Healthcare Technology. On the latter, we would note that our thematic exposure to diabetes devices has not really declined very much; rather, we broadened out our exposure to wearables via the addition of a position that is classified in Medical Technology.

With regard to Tools and Services, we (and many others) continue to struggle to get a read on the all-important Chinese end market for these two sectors. For example, Tools behemoth Thermo Fisher reiterated its longstanding medium-term guidance for 7-9% organic revenue growth based on 4-6% “normalised” end-market growth at its mid-September capital markets day.

It then rather tied itself in knots as to when a ‘normal’ market would be seen given various issues, one of which being China, where it does expect growth to be slower in the future than it has been historically (but still above the global average). As before, its long-term outlook does not have any specific time period associated with it, and the company declined to be drawn on the outlook for 2025.

Confused? Everyone is. China growth has slowed markedly, most likely due to central government capital preservation and reallocation towards and prioritisation of “favoured industries” (i.e EVs, microchips, green tech etc.), but it is hard to be certain because the government does not telegraph its actions with any real clarity. Regardless, if the leading companies operating in the marketplace are struggling to map it all out, investors will likely get caught on the wrong side of it.

We have been running conservative (i.e. below consensus) assumptions on the medium-term outlook for our Tools and Services names all year and, on such numbers, the valuation argument stacks up. Even so, the trend in revisions to those numbers continues to be negative, and valuation is seldom enough in end markets where investors typically pay up for growth rather than seek value. We have thus scaled back holdings yet further.

	Subsectors end Aug 24	Subsectors end Sep 24	Change
Diagnostics	19.7%	22.1%	Increased
Focused Therapeutics	21.0%	24.0%	Increased
Healthcare IT	7.3%	7.1%	Decreased
Healthcare Technology	11.2%	9.8%	Decreased
Managed Care	10.9%	8.5%	Decreased
Med-Tech	11.7%	13.5%	Increased
Services	13.4%	12.1%	Decreased
Tools	4.8%	3.0%	Decreased
Diagnostics	19.7%	22.1%	Increased
	100.0%	100.0%	

Source: Bellevue Asset Management, 30.09.2024

In terms of the overall portfolio, it remains at 32 companies, with the exit of one holding from the Managed Care sector being offset by the addition of the previously mentioned Medical Technology company that plays into our themes in diabetes and interventional cardiology.

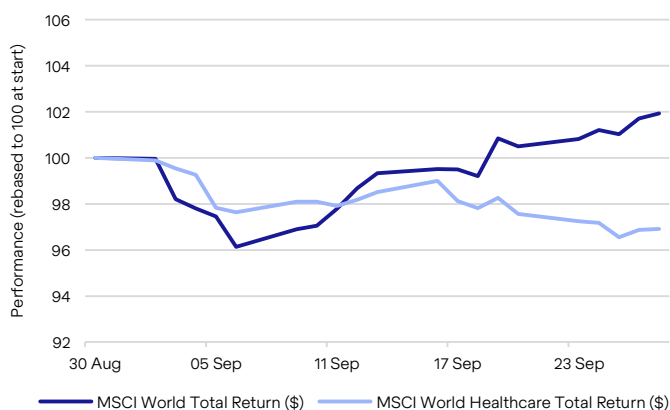
The timing of various portfolio changes, along with continued caution on the wider macroeconomic and geopolitical outlook, left us with a slightly higher cash balance at the end of September versus the prior month. Consequently, the leverage ratio declined further to -3.1%, as compared to -1.3% at the end of August.

The share buyback programme was active during the month, and 4.0m shares were repurchased. Despite this, the average share price discount to NAV expanded slightly to 7.0%, as compared to 6.0% during August.

Many UK brokers have noted increased selling by retail investors across the Investment Trust space ahead of the Autumn budget on 30 October, where it is widely expected that capital gains tax rates and allowances will be adversely altered.

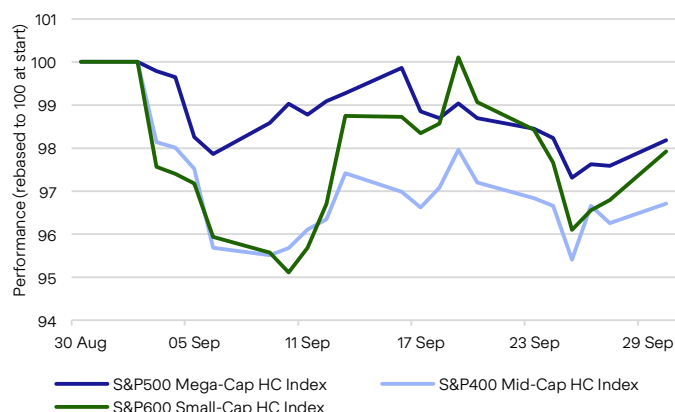
Healthcare

The dollar total return of the MSCI World Healthcare Index during the month was -3.0% (-5.0% in sterling), a meaningful underperformance versus the parent MSCI World Index's total return of +1.8% (-0.3% in sterling), and the first time the sector has lagged the wider market since April 2024 and, at a macro level, would seem to be more a story of the sector missing out on the positive momentum in the wider market over the second half of the month than anything else (Figure 3).



Source: Bellevue Asset Management, 30.09.2024

As noted previously, size factor has a clear negative impact in the early part of the month, with small-cap and mid-cap healthcare lagging their mega-cap brethren (Figure 4).



Source: Bellevue Asset Management, 30.09.2024

The Index's sub-sector performance breakdown is summarised in Figure 5 below and we would make the following observations:

The strength in Dental was not obviously fundamental. Perhaps investors think that the China stimulus measures that began to be announced toward the end of the month will help the sector, but the outlook in the all-important US market remains subdued.

Healthcare Technology was driven by pump manufacturer Insulet, which received FDA clearance for its Ominpod 5 device in Type 2 diabetes patients in late August, several months earlier than the market

anticipated. The shares rose >30% to the end of September on the back of this.

At an Index level, in of detractors, >2/3 of the decline in Diversified Therapeutics was due to Novo Nordisk and, to a lesser extent, Eli Lilly, declining over obesity-market jitters. Whilst the market continues to develop apace in terms of prescription volumes and outcomes data, there seems to be a growing school of opinion that next-generation competitors are beginning to catch up to the current market leaders (this, as regular readers will know, is our core thesis on this marketplace; we have >4% of the portfolio in next-generation obesity players). Focused Therapeutics (i.e., Biotechnology) saw broad-based weakness on the back of various business, pipeline, and corporate updates during the month.

The very weak performance of Distributors is largely a stock specific matter. McKesson, which has a 48% weighting in this sub-sector, fell almost 14% over the month on the back of a weaker-than-expected outlook for fiscal Q2 (the mid-point came in ~8% below consensus for FQ2, but FY guidance was maintained).

	Weighting	Perf (USD)	Perf (GBP)
Dental	0.4%	9.1%	6.8%
Other HC	1.1%	5.4%	3.6%
Healthcare Technology	0.5%	3.0%	0.8%
Tools	7.4%	2.4%	0.3%
Facilities	1.2%	2.7%	0.2%
Med-Tech	14.1%	1.0%	-1.1%
Diagnostics	1.1%	0.7%	-1.5%
Healthcare IT	0.5%	0.0%	-2.0%
Conglomerate	8.7%	0.1%	-2.1%
Services	2.0%	-1.5%	-3.6%
Managed Care	10.4%	-2.5%	-4.6%
Generics	0.7%	-4.2%	-5.4%
Focused Therapeutics	7.8%	-4.3%	-6.2%
Diversified Therapeutics	42.2%	-6.1%	-8.1%
Distributors	1.8%	-7.0%	-9.0%
Index perf		-3.0%	-5.0%

Source: Bloomberg/MSCI and Bellevue Asset Management, Weightings as of 31.08.2024, Performance to 30.09.2024

As an aside, one might reasonably think that the recent relative weakness of healthcare could be driven by commentary relating to the US Presidential election campaign, which is entering its final furlong. However, we do not believe this is the case. Indeed, a very interesting poll result was published by the analytics firm Gallup on 1 October, ahead of the Vice Presidential candidates' debate (the data was collected in mid-September).

Two findings struck us. The first was that two thirds of Americans, irrespective of political affiliation, feel that healthcare has not received sufficient attention during the presidential campaign thus far. The second (which makes the first even more surprising) was that more than half of respondents felt that protecting Medicare and reducing health care costs were among the most important issues influencing their ultimate choice at the ballot box. There was again not that much of a skew in the data by political affiliation (Democrats care slightly more than independents, who care slightly more than Republicans). Unsurprisingly, the importance of healthcare rises with age, just like morbidity.

The wider market

As noted previously, the dollar total return of the MSCI World Index during August was +1.8% (-0.3% in sterling). The sector level performances are summarised in Figure 6 below.

September was notable to our minds for not being driven by a narrow suite of Tech-laden behemoths. It is notable that Pharma/Biotech is the worst performer, and one can see the reaction of consumer

discretionary sectors to lower funding costs after the Fed cut rates. It is our sense that market leadership continues to broaden out, even as some economic data is weakening. It will be interesting to see if this trend holds through the upcoming Q3 reporting season.

Sector	Monthly perf
Automobiles & Components	+6.8%
Consumer Services	+6.5%
Utilities	+5.5%
Materials	+5.1%
Consumer Discretionary Distributors	+5.0%
Media & Entertainment	+4.3%
Capital Goods	+4.1%
Equity Real Estate Investment	+3.7%
Software & Services	+3.5%
Real Estate Management & Development	+3.0%
Telecommunication Services	+2.9%
Insurance	+2.6%
Household & Personal Products	+2.0%
Technology Hardware & Equipment	+1.9%
Financial Services	+1.7%
Transportation	+1.6%
Consumer Staples Distribution	+1.4%
Semiconductors & Semiconductor Equipment	+1.1%
Food, Beverage & Tobacco	+0.5%
Health Care Equipment & Services	+0.2%
Commercial & Professional Services	+0.1%
Banks	+0.0%
Consumer Durables & Apparel	+0.0%
Energy	-3.1%
Pharmaceuticals, Biotechnology	-4.3%

Source: Bellevue Asset Management, 30.09.2024

We are particularly busy over the next few months with various projects, and so the factsheet's 'Musings' section will take a pause over the summer, potentially returning in the Autumn.











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


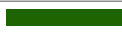






As ever, we will endeavour to respond in a timely fashion and we thank you for your continued support during these volatile months.

Paul Major and Brett Darke




Top 10 positions

CareDx		10.3%
Tandem Diabetes Care		8.3%
Exact Sciences		8.0%
Evolent Health		7.1%
UnitedHealth Group		6.4%
Option Care Health		5.5%
Sarepta Therapeutics		4.5%
Insmed		4.0%
Castle Biosciences		3.8%
Inspire Medical Systems		3.7%
Total top 10 positions		61.6%
Total positions		32





Sector breakdown

Focused Therapeutics		24.0%
Diagnostics		22.1%
Med-Tech		13.4%
Services		12.2%
Health Tech		9.8%
Managed Care		8.5%
Healthcare IT		7.1%
Tools		3.0%

Geographic breakdown

United States		97.9%
China		1.6%
Europe		0.5%

Market cap breakdown

Small-Cap		20.3%
Mid-Cap		39.6%
Large-Cap		24.9%
Mega-Cap		15.2%

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):	22.2 (Low)	Coverage:	94%
MSCI ESG Rating (AAA - CCC):	BBB	Coverage:	94%

Based on portfolio data as per 30.09.2024; – 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.

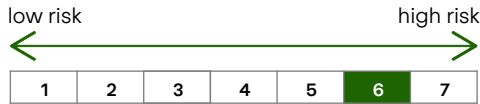
Source: Bellevue Asset Management, 30.09.2024;
Due to rounding, figures may not add up to 100.0%. Figures are shown as a percentage of gross assets.

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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