Bellevue Healthcare Trust plc

Half-yearly report

for the six months ended 31 May 2022

Bellevue Healthcare Trust plc

Excellence in Specialty Investments

Bellevue – one of the largest healthcare investors

INDEPENDENT - ENTREPRENEURIAL - COMMITTED

Bellevue Healthcare Trust plc is a high conviction, long-only investment trust invested in listed or quoted global healthcare equities. It is unconstrained and able to invest regardless of market cap, sub sector or region, and the portfolio is concentrated with a maximum of 35 holdings. Bellevue Healthcare Trust is managed by Bellevue Asset Management (UK) Ltd, regulated by the FCA, who have built a successful track record in this sector.

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Highlights

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide Shareholders with capital growth and income over the long term, through investment in listed or quoted global healthcare companies. The Company's specific return objectives are: (i) to beat the total return of the MSCI World Healthcare Index ("Index") (in sterling) on a rolling 3 year period (the index total return including dividends reinvested on a net basis); and (ii) to seek to generate a double-digit total shareholder return per annum over a rolling 3 year period.

FINANCIAL INFORMATION

	As at 31 May 2022	As at 30 November 2021
Net asset value ("NAV") per Ordinary Share (cum income)	**150.41p**	184.91p
Ordinary Share price	**153.60p**	186.20p
Ordinary Share price premium to NAV[1]	**2.1%**	0.7%
Ongoing charges ratio ("OCR")[1]	**1.06%**	1.08%

PERFORMANCE SUMMARY

For the six months ended 31 May	% change[2,3] 2022	% change[2,3] 2021
Share price total return per Ordinary Share[1]	**-16.1%**	+8.3%
NAV total return per Ordinary Share[1]	**-17.3%**	+7.1%
MSCI World Healthcare Index total return (GBP)	**+4.5%**	+3.9%

[1] These are Alternative Performance Measures.
[2] Total returns in sterling for the six months period, including dividends reinvested.
[3] Source: Bloomberg.

ALTERNATIVE PERFORMANCE MEASURES ('APMS')

The financial information and performance summary data highlighted in the footnote to the above tables represent APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on pages 25 and 26.

Chairman's Statement

Randeep Grewal
Chairman

INTRODUCTION

We live in serious and sombre times.

In previous statements I have referred to 'truly historic' and 'extraordinary'.

Although the pandemic is easing off, there are still excess deaths and various countries continue to live under restrictions.

However, the invasion of Ukraine by Russia has made the environment profoundly worse - bringing unnecessary death and wanton destruction to the European landmass on a scale unseen since the Balkan Wars in the 1990s.

THE CONSEQUENCES OF GEOPOLITICAL UPHEAVAL AND ECONOMIC UNCERTAINTY

There was an inevitability that the tail-end of the pandemic would see a tapering of fiscal support and monetary accommodation. The invasion has exacerbated a supply side shock impacting both the energy markets, food and energy dense products (e.g. fertilisers, steel, building products) with consequences for consumer disposal income and corporate profit margins.

Occasionally I am invited to lecture university students on valuation. During one such lecture, I pointed out how relatively small changes in discount rates and growth assumptions can have dramatic effects on the presumptive valuation of a company.

For example: an innocuous sounding move in the growth rate from 3% to 2% and a 'small' increase in the discount rate from 5% to 6% leads to a halving of the valuation of a hypothetical company (using the Gordon Growth Model).

(Our astute readers will, no doubt, observe that 'r-g' (discount rate minus growth rate) doubled in my example from 2% to 4% so a halving of valuation is not unexpected. It is remarkable, nevertheless, how even experienced fund managers have, over the years, been surprised by the results of such a simple model.)

There is an implicit risk in modelling – the assumption that different parameters move independently. In the present environment, we have had an effective increase in discount rates (both the 'risk free rate' and the 'equity risk premium') together with a fall in growth expectations. Furthermore, it is likely that corporates will not be able to pass through all their increases in input costs (energy and wage pressures), precipitating a fall in the margins within many industries (i.e. a small decline in sales expectations leads to a large fall in profit expectations).

In such an environment, it is to be expected that many equity sectors, including healthcare, suffer downward price moves. When there are dramatic changes in the overall climate, there are usually second and third order effects that are not fundamentally driven. For instance, equity and bonds can decline in lockstep during a market downturn, rather than the usual expectation that bonds provide a 'hedge' when equities drop.

Amidst uncertainty and falling asset prices, some investors will withdraw capital from funds. These outflows lead to 'forced' selling of underlying holdings, exacerbating the sell-off. And of course, one needs to also consider the impact of 'market rotation' as some investors switch from yesterday's 'hot sectors' to the 'next big thing'

Although the markets are rational weighing machines in the long term, in the short term 'votes' are often driven by flow. Inevitably, smaller companies suffer disproportionately in such a situation as 'rotation' often also involves moving into larger 'more liquid' names.

There is one 'derivative' order effect that I find hard to explain in any valuation lecture – sentiment. Over the years I have observed that when a company, a sector or market index is going up, sentiment is often shaped by the price performance and the equity premium narrows; when price is falling – sentiment moves in the same direction leading to a self-fulfilling spiral of despair (poor sentiment leading to higher equity premium leading to lower valuation leading to falling prices impacting sentiment….)

Rather than a missive of despondency however, this is a message of hope. All the disruption discussed above leads to pockets of opportunity as stocks are 'dumped' often not due to their intrinsic worth but rather the forces unleashed by geo-politics and macro-economics.

There are a number of characteristics of certain healthcare stocks that make them particularly interesting at the current time. For most healthcare companies, energy is not a significant cost. Labour too is typically a relatively small percentage of the end product sales price. Furthermore, the pandemic has led to a backlog of demand in many specialities.

Finally, the characteristics of healthcare (seldom a discretionary purchase) makes the growth rate (for many, but not all, healthcare companies) less sensitive to macro-economics (growth is often more dependent on achieving FDA approval or roll-out of innovative solutions). An increase in the discount rate can also be considered to be an increase in the long term investor return expectations (as long as the company performs).

The last few years are also likely to drive innovation in healthcare – due to the simple fact that many Western economies are facing shortages of doctors and nurses. In previous missives, I have discussed telemedicine. I suspect going forward there will be multiple innovations across healthcare to improve efficiency – another area of opportunity for the fund.

PERFORMANCE REVIEW

During the period under review (1 December 2021 to 31 May 2022), the Company's share price and NAV decreased 17.5% and 18.7% respectively. Including the final dividend for the financial year ended 2021, the Company's shares delivered a total return of -16.1%. In comparison, the MSCI World Healthcare Index delivered a total return in sterling of +4.5% over the same period.

The period in review saw an elevated level of volatility in the relationship between the share price and the NAV. From inception to the end of fiscal 2021 (November), the shares had mainly traded at a modest premium to NAV, averaging 0.7%. However, the premium began to fall away in late January and the Company spent most of the period at a slight discount. As a consequence, the average discount over fiscal H1 2022 was 0.1%, which obviously impacted the Company's ability to raise additional capital through share issuance.

Every November, we give the opportunity for shareholders to redeem through the Company – thereby hopefully ensuring that the share price and NAV remain closely aligned. Furthermore, we recently reviewed our buyback policy and have established processes to purchase shares should they trade at a consistent and significant discount to NAV.

As usual, I refer readers to the Investment Manager's report and the monthly factsheets for more detailed analysis of the performance. I strongly recommend reading the monthly fund manager missives. The factsheets are available on our website.

DIVIDENDS, GEARING AND ISSUANCE

As announced on 3 December 2021, the target dividend for the 2022 financial year is 6.47p. The Directors are pleased to declare an interim dividend for the 2022 financial year of 3.235p per Ordinary share which will again be funded from the Company's distributable reserves. As usual, a scrip dividend option will be available.

As of 31 May 2022, the Company had borrowings totalling £118.9m, equivalent to 11.5% of the gross exposure. As announced on 17 December 2021, the Company renewed and amended its loan facility with Bank of Nova Scotia – extending the duration to December 2024 and increasing the aggregate capacity to $235m. Since the period end, the Company has increased its loan facility to an aggregate value of $280m. At launch, the Company committed to being fully invested, but the Board recognises that the portfolio managers must have some flexibility around market timing, particularly in the current environment, and it has set a soft ceiling of 10% for the maximum net cash position. Maximum gearing remains at 20% of NAV and the Managers still expect the long-term average gearing position to be mid-to-high single-digit percentage.

During the first half of 2022, the Company issued 27.1 million new shares, thus increasing the total number of shares outstanding as at 1 June 2022 to 586.1 million, giving the Company a market capitalisation of £902.5m at the end of the period.

CHANGES IN THE PERIOD

During the period, the Board resolved to change the Company name from 'BB Healthcare Trust plc' to 'Bellevue Healthcare Trust plc'. The name change was to ensure consistency between the name of the Company and the Investment Manager, Bellevue Asset Management (UK) Limited. The change of Company name was made by the Registrar of Companies on 1 March 2022.

As mentioned in the Annual Report, Professor Justin Stebbing stepped down from the Board on 21 December 2021, the Board thanks Justin for his contribution to the success of the Company.

OUTLOOK

Readers of my letters will be aware of my predilection to use quotes. I was particularly struck by a comment I read from Matthew McConaughey during the pandemic:

> "Every red light eventually turns green."

I cannot say when the traffic lights will change colour. But at some point, market sentiment will improve, equity risk premiums will fall, and flows will stabilise. Meanwhile, it is incumbent upon us to prepare diligently and carefully – whether it be by ensuring the Company has sufficient debt capacity to provide additional firepower when opportunities rise, or the team has interacted with, modelled and analysed sufficient companies to find the 'inevitables': those companies that will grow revenues, margins and profits (or achieve critical milestones for pre-revenue companies) in spite of any ongoing geo-political and macro-economic uncertainties.

On behalf of the Board, I wish you and your families good health and thank you for your continued support of the Company.

Randeep Grewal
Chairman of the Board of Directors
6 July 2022

Investment Manager's Report

MACRO ENVIRONMENT

Let us begin with some positives. The COVID-19 pandemic is no longer the predominant macro-economic driver of economies, markets and societal behaviour; the pandemic is firmly in the rear-view mirror. However, society continues to wrestle with the supply-side shock and consequential inflation that a rapid recovery in demand has unleashed, especially as the Chinese government clings to unworkable COVID policies that impact the supply side. These negative forces are further compounded by the unprovoked invasion of one of the most economically under-appreciated countries in Europe.

Whilst these travails cast a long shadow over the 'return to normal', we should not ignore the progress: all-cause mortality is back to pre-pandemic norms and most Western countries have returned to full employment. Both of these outcomes seemed unimaginable in the spring of 2020, as we watched the COVID crisis unfolding in Italy. China aside, the re-imposition of lockdowns seems a remote risk and all of this is due to the appliance of bio-science.

With the positives out of the way, we can consider the current situation and outlook. Over the six months to 31 May 2022, the MSCI World Total Return Index declined 4.6% in sterling terms (-9.3% in dollars). There are many cogent reasons why broad equity gauges have fallen: economic and geo-political uncertainty makes future demand harder to predict.

Furthermore, rapidly rising inflation also weighs on demand and potentially erodes corporate profit margins as input costs rise and they may not be able to pass all of this through to consumers in the form of higher prices. In this scenario, it is understandable and rational investors would want to pay a lower price for a share of those future profits than previously.

To the logician (or finance student lectured by our Chairman), a share price encapsulates the net present value of an enterprise's future cashflows adjusted for liabilities; many a tome has extolled the wondrous wisdom of markets and crowds as a value discovery tool. Such comments hold up over long periods of time, during which the participants have the opportunity to assimilate large amounts of data.

Humans though are not dispassionate calculating machines. Amidst fast changing macro conditions, markets become insensible, and liquidity dries up. Price 'discovery' can become a race to the bottom as flighty investors withdraw capital and hedge funds pile on the pressure.

This can exacerbate share price movements at the company-specific level far beyond what is implied by any changes to the long-term revenue and profit outlook.

Indeed, we can see this made manifest in the huge intra-sector moves over the period-in-review, belied by the relatively modest change in the dollar value of the Index as a whole: Energy up 44%, Retail -58%, Automotive -25%, Consumer Durables -24% and both Software and Semiconductors -23%. Correlates to economic growth and consumer spending are out, input costs are all the rage.

Any attempt at a quantitative analysis of such moves presumes the starting point for share prices was rational; let us not forget that the MSCI World Index made an all-time high in early January 2022 as Russia began its war against Ukraine. What we are seeing is in an inculcation of uncertainty being discounted in the form of structurally lower return assumptions allied to a long-overdue correction of irrationally high ratings for some technology and media related companies that gained halo status during the pandemic. For companies whose end customers are either the consumer or linked to consumption patterns, all of this makes sense.

HEALTHCARE PERFORMANCE REVIEW

If consumer affordability and consequential demand reduction, allied to rising energy and input prices (predominantly raw materials, labour and manufacturing equipment) is ultimately what bedevils the market, then one would expect defensive (i.e. non-cyclical, non-discretionary) sectors with high gross margins (which indicates lower profit margin sensitivity to price inputs) to outperform during this period and, broadly speaking, this is what we have seen for healthcare; the total return of the MSCI World Healthcare Index was +4.5% in the six months to May 2022 (-0.6% in dollars), outperforming the wider market by 9.1%.

Within the broader healthcare sector, the sub-sector performance dispersion reflects the broad 'risk aversion, theme, with the best performers being Distributors (+42%), Managed Care (+22%) and Diversified Therapeutics (predominantly Large/Mega-Cap Pharma, +17%). Distributors have arguably the lowest revenue cyclicality of any of the sub-sectors and have also benefitted from resolving long-standing opioid litigation overhangs.

Managed Care's performance partly reflects a slower-than-feared normalisation of elective procedure volumes (abetted by the Omicron wave around the New Year) but also its general earnings dependability. There can be some late-cycle earnings slowdown if there are signs of weakening employment trends, but this is not a factor in the US market at the moment. Large-Cap pharma revenue streams are both highly diversified and highly predictable and it is these perceived virtues that investors currently flock to. The fundamentals for the industry around pricing and poor R&D productivity remain as intractable as ever.

On the other side, it was Dental, the most discretionary area, that capped the underperformers (-65%), followed by highly-rated Healthcare Technology (-39%) and Diagnostics (-30%). The Dental sub-sector's biggest virtues are also its biggest vice. Everyone has teeth and almost everyone's teeth come out wonky. We all know too well that, as much as one might try to avoid it, eventually we all end up in the dentist's chair for some treatment or other. However, oral health is rarely a matter of life and death and the work can be finished to varying degrees of visual perfection. One can readily trade down to cheaper treatments and it is this concern that has driven negative investor sentiment.

Healthcare Technology is somewhat discretionary in nature; you do not need to upgrade to a clever pump or continuous glucose monitoring system if you do not wish to. These are very much premium products in the current marketplace. Like Dental, the ratings of these companies got pretty silly in the latter part of the 2021 and a correction was overdue.

Diagnostics is a harder one to rationalise. Coming into 2021, there were some pockets of over-valuation driven by COVID-related excitement about the wider industry, but many of the most egregious over-valuations seemed to have normalised by late 2021. What has followed since has been rather indiscriminate and less obviously fundamental to our minds. It is undeniable that the shift toward 'point of care' diagnostics is an inevitable and necessary part of the ongoing care paradigm transformation and genetics-based molecular diagnostics are an increasingly essential part of population health and preventative healthcare programmes.

Our final observation on the healthcare sector performance would be the continued influence of the 'size factor'; namely small and mid-sized companies have materially underperformed their large and mega-cap brethren. This is partly a function of generalists seeking havens in defensives. In such scenarios, large liquid names are preferred and this helps to drive the dispersion in performance between the two groups.

One could also make arguments for companies in need of short-term equity funding struggling more in a falling market and also for more highly rated stocks to fall further as implied discount rates rise (since a premium rating is the manifestation of a lower implied discount rate or higher terminal growth rate, or both), having a premium rating or needing cash are not directly linked to company size. The key point to our minds is that whilst we are experiencing a divergence in share price behaviour, we are not seeing a commensurate divergence in operating performance; the fundamentals do not support the pattern.

COMPANY PERFORMANCE REVIEW

The Company's strategy is centered around owning companies that are operationally geared into the adoption of a selected group of products, technologies and services that we believe are critical to the evolution of the healthcare delivery paradigm. Because our approach is 'bottom up' and focused around this theme of healthcare change, it was never intended to deliver correlated returns to the wider healthcare sector or the wider equity market.

By virtue of their focused and innovative nature, the holdings in the Company's portfolio tend to be more Small/Mid-cap than Large/Mega-cap. This gives us a size factor profile that is the polar opposite of the MSCI World Healthcare Index. At of 31 May 2022, the Company's portfolio consisted of 15.1% Mega-Cap companies and 8.5% Large-Cap companies. In contrast, the MSCI World Healthcare Index consisted of 76.2% Mega-Cap and 21.7% Large-Cap. Our unchanged approach has left us with a portfolio that has been very much out of favour over much of the past twelve months from a share price development perspective.

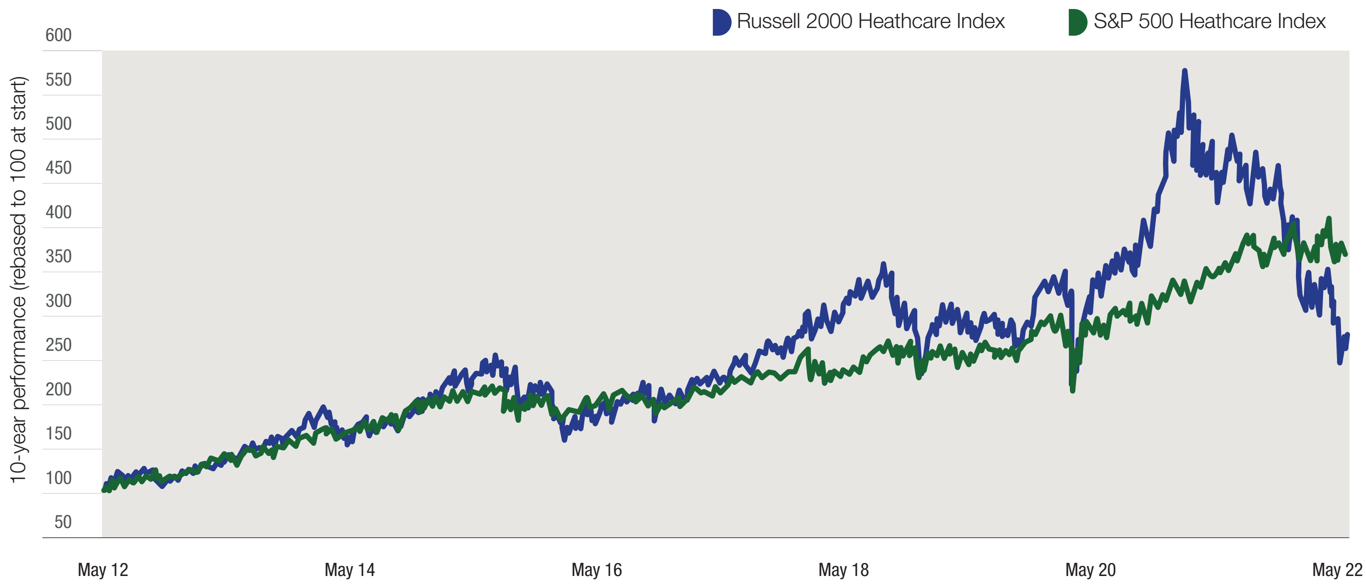
Over H1 2022, the Company's cum income net asset value ("NAV") declined 18.7% to 150.41p. The table below highlights the Company's performance during the period in review and since inception in absolute terms and relative to key benchmark indices. Although our strategy is unconstrained, we utilise the MSCI World Healthcare Index in sterling as an internal comparator and external reference point; its parent index is the MSCI World Index and our preferred internal metric is rolling three-year annualised performance, which is also presented:

(All figures in GBP, to 31 May 2022)	Six months		Rolling three year (ann.)		Since Inception	
	Return[1]	Diff. vs. Benchmark	Return[1]	Diff. vs. Benchmark	Return[1]	Diff. vs. Benchmark
Bellevue Healthcare Trust NAV (inc. dividends from capital)	-17.3%	-21.8%	+7.8%	-6.9%	+79.3%	-15.5%
Bellevue Healthcare Trust Total Shareholder return	-16.1%	-20.6%	+7.9%	-6.8%	+79.6%	-15.2%
MSCI World Healthcare (GBP) - Comparator	+4.5%	n/a	+14.7%	n/a	+94.8%	n/a
MSCI World Index (GBP)	-4.6%	-9.1%	+12.7%	-2.0%	+79.3%	-15.5%
FTSE All Share Index	+6.2%	1.7%	+5.8%	-8.9%	+39.2%	-55.6%

[1] The stated total shareholder return assumes the reinvestment of dividends.

A comparison to last year's interim report, where the Company's share price remained well ahead of the MSCI World Healthcare comparator clearly shows the extent to which our approach has struggled in recent months. The same data though would also highlight the extent of the cumulative outperformance of the strategy over its initial five years.

The chart below, which compares the Large/Mega-Cap dominated US S&P500 Healthcare Index with the Small/Mid-cap focused US Russell 2000 Healthcare Index. Hopefully, this illustrates two points; firstly, that Small/Mid-cap generally delivers better cumulative returns than a more Large/Mega-Cap approach and, secondly, that it is rare for this trend to diverge in a meaningful way for any protracted period. With these points having been made, the stark divergence between the two in recent months clearly stands out.



We firmly agree with Buffet: 'be greedy when others are fearful and be fearful when others are greedy', with the caveat that dip-buying should be on a case-by-case basis when company fundamentals strongly suggest that you are getting a bargain. With this in mind, we have been gradually 'buying the dip' and increasing the gross exposure of the Company by increasing the gearing. The leverage ratio stood at 11.5% as of May 2022, as compared to 4.9% at the end of November 2021 and 1.4% gearing at the end of May 2021.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") CRITERIA

The field of ESG reporting continues to evolve and we have been keen to lead from the front on this discussion, in terms of tracking metrics relevant to a plurality of investors and in terms of being candid with investors on our opinion of the available data to assess companies on broad ESG measures. As part of our commitment to lead from the front, the Company's Annual Report for the year ended 30 November 2021 included an expansive ESG section and the Board approved an expanded set of ESG exclusion criteria and limits to be tracked on a regular basis, as part of the AIFM's ongoing risk monitoring.

We have been tracking the expanded ESG criteria and limits for two quarters and it is clear that the area "use of embryonic stem cells" is not amenable to being assessed in terms of a measurable threshold. There is simply no way we can measure the impact on a quantitative basis, although two companies confirm that they use such cells in research. Since this area is not amenable to being tracked and is inconsistent with our broader approach, it has been excluded from quantitative monitoring. The Company's Annual Report for the year ended 30 November 2021 (page 37) outlined that: "Whilst the utilisation of embryonic stem cells (gathered historically from aborted foetuses, more commonly today from unwanted IVF embryos that are donated with informed consent or taken from similarly donated umbilical cord material) is undoubtedly controversial, it also has the potential to greatly enhance our understanding of human disease and there are not currently viable alternatives in many cases. There are ethics guidelines (most notably those of the US National Institutes of Health, 2009) and our focus is to ensure that, where such research is undertaken, it is performed in line with these guidelines."

PORTFOLIO EVOLUTION

The evolution of the portfolio over the period-in-review is summarised below and reflects the impact of two major considerations; firstly, the post-pandemic normalisation trend within the wider healthcare industry and, secondly, the risks and opportunities created by the accelerating inflation and decelerating economic momentum described previously.

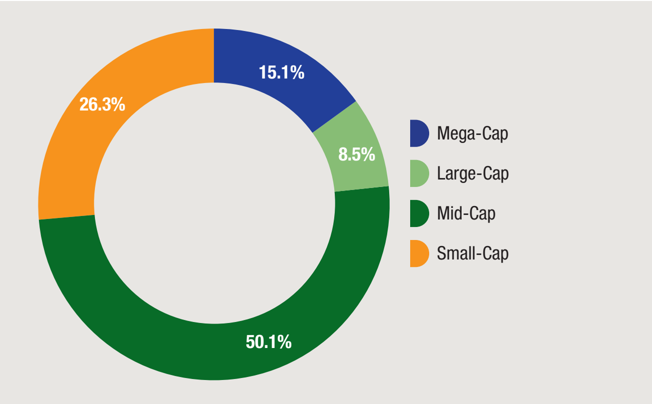
For example, we have been taking advantage of the current weakness to re-establish some exposure to the Dental sector; albeit with different exposures to those we have had previously in order to accommodate the risk of patients trading down from premium options.

We have also added to our holdings in the Diagnostics, Healthcare Technology, Tools and Services holdings on weakness and have utilised Managed Care and Diversified Therapeutics, which have held up well on a relative basis, as a source of funds for these increased holdings elsewhere. The total number of holdings has declined from 32 positions to 29.

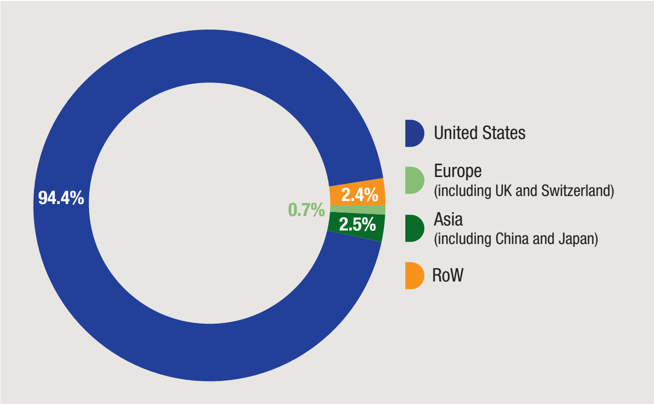
	Subsectors end May 21*	Subsectors end May 22*	Change
Dental	0.0%	0.7%	Increased
Diagnostics	5.5%	11.9%	Increased
Diversified Therapeutics	14.5%	8.1%	Decreased
Focused Therapeutics	26.1%	24.5%	Decreased
Healthcare IT	6.5%	4.9%	Decreased
Healthcare Technology	2.9%	3.5%	Increased
Managed Care	13.3%	9.8%	Decreased
Medical Technology	18.0%	15.2%	Decreased
Services	9.3%	15.8%	Increased
Tools	3.9%	5.6%	Increased
	100.0%	**100.0%**	

* Based on % of gross portfolio

Market capitalisation breakdown*



Geographical breakdown*



* Based on % of gross portfolio
Source: Bellevue Asset Management.
Data as of 31 May 2022
Mega Cap >$50bn, Large Cap >$10bn, Small-Cap <$2bn

Full investment portfolio as of 31 May 2022

	Company	Sub-sector classification	% of gross portfolio
1	Jazz pharmaceuticals	Diversified Therapeutics	8.0%
2	Option care health	Services	6.9%
3	Sarepta therapeutics	Focused Therapeutics	6.6%
4	Insmed	Focused Therapeutics	5.3%
5	Unitedhealth group	Managed Care	5.3%
6	Caredx	Diagnostics	5.0%
7	Amedisys	Services	4.7%
8	Axonics modulation tech.	Medical Technology	4.6%
9	Anthem	Managed Care	4.5%
10	Charles river	Services	4.1%
Total Top 10			**55.0%**
11	Apellis pharmaceuticals	Focused Therapeutics	3.9%
12	Bio-rad laboratories	Tools	3.6%
13	Tandem diabetes care	Health Technology	3.6%
14	Evolent health	Healthcare IT	3.4%
15	Vertex pharmaceuticals	Focused Therapeutics	3.2%
16	Exact sciences	Diagnostics	3.0%
17	Outset medical	Medical Technology	2.8%
18	Silk road medical	Medical Technology	2.8%
19	Aurinia pharmaceuticals	Focused Therapeutics	2.4%
20	Intuitive surgical	Medical Technology	2.2%
21	Adaptive biotechnologies	Diagnostics	2.2%
22	Atricure	Medical Technology	2.1%
23	Pacific biosciences	Tools	1.9%
24	Castle biosciences	Diagnostics	1.7%
25	Axsome therapeutics	Focused Therapeutics	1.5%
26	Accolade	Healthcare IT	1.5%
27	Hutchmed	Focused Therapeutics	1.5%
28	Venus medtech	Medical Technology	1.0%
29	Straumann holdings	Dental	0.7%
Total gross portfolio			**100.0%**
Gross exposure			**£982.5m**
Net value of investments			**£881.5m**

Paul Major and **Brett Darke**
Bellevue Asset Management (UK) Ltd
6 July 2022

Portfolio

Top Ten Holdings

As at 31 May 2022	% of net asset value
Jazz Pharmaceuticals	9.0
Option Care Health	7.8
Sarepta Therapeutics	7.4
Insmed	6.0
United Health Group	5.9
Caredx	5.7
Amedisys	5.2
Axonics Modulation Technologies	5.2
Anthem	5.0
Charles River	4.6
Top ten holdings	**61.8**
Other holdings	50.2
Other net liabilities	(12.0)
Total	**100.0**

Sub Sector Exposure

Allocation as at 31 May 2022	% of net asset value
Focused Therapeutics	27.2
Services	17.6
Medical Technology	17.3
Diagnostics	13.3
Managed Care	10.9
Diversified Therapeutics	9.0
Tools	6.3
Healthcare IT	5.5
Health Technology	4.1
Dental	0.8
Other net liabilities	(12.0)
Total	**100.0%**

Interim management report

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Chairman's Statement and the Investment Manager's Report in this half-yearly report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on related party transactions, going concern and the Directors' Responsibility Statement, together constitute the Interim Management Report of the Company for the six months ended 31 May 2022. The outlook for the Company for the remaining six months of the year ending 30 November 2022 is discussed in the Chairman's Statement and the Investment Manager's Report.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

A detailed explanation of the principal and emerging risks and uncertainties facing the Company are detailed in the Company's most recent Annual Report for the year ended 30 November 2021, which can be found on the Company's website at www.bellevuehealthcaretrust.com

Since the publication of the 2021 Annual Report and Accounts on 28 February 2022, there continues to be increased risk levels within the global economy due to the disruptive impact and continued uncertainty caused by the Covid-19 pandemic. The Russian invasion of Ukraine and the subsequent impact on global economies and international relations combined with increasing levels of inflation worldwide and the potential for rising interest rates has raised investment risk. The Board has considered the impact of the continued uncertainty on the Company's investment objectives, portfolio and stakeholders and, continues to monitor the situation closely to both assess and mitigate any impact.

The Board has a dynamic risk assessment programme in |place to help the principal and emerging risks in the business and oversee the effectiveness of internal controls and processes.

The principal risks and uncertainties facing the Company are as follows:

- Market risks, including risks associated with the economy, healthcare companies and sectoral diversification
- Corporate governance and internal control risks, including business interruption due to Covid-19
- Regulatory and compliance risks; and
- Financial risks.

RELATED PARTY TRANSACTIONS

The Company's Investment Manager is Bellevue Asset Management (UK) Ltd ('Bellevue UK'). In its role as Alternative Investment Fund Manager ('AIFM') of the Company, Bellevue UK carry out portfolio management services and risk management services are delegated to Bellevue Asset Management AG.

Bellevue is considered a related party under the FCA's Listing Rules. Bellevue is entitled to receive management fees payable monthly in arrears calculated at the rate of one-twelfth of 0.95% (excluding VAT) per calendar month of the market capitalisation of the Company. There is no performance fee payable to Bellevue. Details of the Investment Manager's fees during the six months ended 31 May 2022 can be found in Note 11. There have been no changes to the related party transactions that could have a material effect on the financial position or performance of the Company since the year ended 30 November 2021.

GOING CONCERN

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the following twelve-month period from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. The Company's net assets as at 31 May 2022 were £881.5 million (31 May 2021: £973.8 million). As at 31 May 2022, the Company held £987.3 million (31 May 2021: £980.6 million) in quoted investments and had cash of £15.7 million (31 May 2021: £25.7 million). The total expenses (excluding finance costs and taxation) for the six months ended 31 May 2022 were £5.4 million (31 May 2021: £5.1 million).

As part of their assessment, the Board have fully considered and assessed the Company's portfolio of investments, giving careful consideration to the consequences for the Company of continuing uncertainties in the global economy. The Russian invasion of Ukraine and the ongoing Covid-19 pandemic have created significant supply chain disruption, exacerbating inflationary pressures worldwide. A prolonged and deep stock market decline would lead to falling values in the Company's investments or interruptions to cash flow. However, the Company currently has more than sufficient liquidity available to meet any future obligations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE HALF-YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of interim financial statements contained within the Half-yearly report has been prepared in accordance with IAS 34 Interim Financial Reporting.
- The interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's DTR.

Randeep Grewal
Chairman
6 July 2022

Financial Statements

Condensed Unaudited Statement of Comprehensive Income

for the six months ended 31 May 2022

		Six months ended 31 May 2022			Six months ended 31 May 2021			Year ended 30 November 2021*		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(171,500)	(171,500)	-	63,759	63,759	-	98,796	98,796
Losses on currency movements		-	(5,493)	(5,493)	-	(1,365)	(1,365)	-	(3,805)	(3,805)
Net investment (losses)/ gains		**-**	**(176,993)**	**(176,993)**	**-**	**62,394**	**62,394**	**-**	**94,991**	**94,991**
Income	4	1,328	-	1,328	2,349	-	2,349	4,265	-	4,265
Total income		**1,328**	**(176,993)**	**(175,663)**	**2,349**	**62,394**	**64,743**	**4,265**	**94,991**	**99,256**
Investment management fees		(961)	(3,845)	(4,806)	(902)	(3,610)	(4,512)	(1,923)	(7,691)	(9,614)
Other expenses		(553)	-	(553)	(571)	-	(571)	(1,224)	-	(1,224)
(Loss)/profit before finance costs and taxation		**(186)**	**(180,838)**	**(181,024)**	**876**	**58,784**	**59,660**	**1,118**	**87,300**	**88,418**
Finance costs	5	(179)	(717)	(896)	(37)	(149)	(186)	(102)	(407)	(509)
Operating (loss)/profit before taxation		**(365)**	**(181,555)**	**(181,920)**	**839**	**58,635**	**59,474**	**1,016**	**86,893**	**87,909**
Taxation	6	(199)	-	(199)	(380)	-	(380)	(659)	-	(659)
(Loss)/profit for the period/ year		**(564)**	**(181,555)**	**(182,119)**	**459**	**58,635**	**59,094**	**357**	**86,893**	**87,250**
Return per Ordinary Share	7	**(0.10)p**	**(31.52)p**	**(31.62)p**	**0.09p**	**11.51p**	**11.60p**	**0.07p**	**16.44p**	**16.51p**

*Audited.

There is no other comprehensive income and therefore the '(Loss)/profit for the period/year' is the total comprehensive income for the period.

The total column of the above statement is the statement of comprehensive income of the Company. The supplementary revenue and capital columns, including the earnings per Ordinary Shares, are prepared under guidance from the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 19 to 24 form and integral part of these financial statements.

Condensed Unaudited Statement of Financial Position

as at 31 May 2022

	Note	31 May 2022 £'000	31 May 2021 £'000	30 November 2021* £'000
Non-current assets				
Investments held at fair value through profit or loss	3	987,306	980,570	1,083,590
Current assets				
Cash and cash equivalents		15,651	25,754	27,994
Sales for future settlement		3,882	-	-
Dividend receivable		-	107	-
Other receivables		314	233	167
		19,847	**26,094**	**28,161**
Total assets		**1,007,153**	**1,006,664**	**1,111,751**
Current liabilities				
Purchases for future settlement		(5,680)	(7,310)	(9,326)
Bank loans payable	5	(118,864)	(24,638)	(67,850)
Other payables		(1,130)	(921)	(1,108)
Total liabilities		**(125,674)**	**(32,869)**	**(78,284)**
Net assets		**881,479**	**973,795**	**1,033,467**
Equity				
Share capital	8	5,873	5,356	5,602
Share premium account		616,249	521,244	568,910
Special distributable reserve		46,913	81,200	64,392
Capital reserve		212,231	365,528	393,786
Revenue reserve		213	467	777
Total equity		**881,479**	**973,795**	**1,033,467**
Net asset value per Ordinary Share	9	**150.41p**	**182.26p**	**184.91p**

*Audited.

Approved by the Board of Directors on and authorised for issue on 6 July 2022 and signed on their behalf by:

Randeep Grewal
Chairman

Registered in England and Wales with registered number 10415235.

The notes on pages 19 to 24 form and integral part of these financial statements.

Condensed Unaudited Statement of Changes in Equity

for the six months ended 31 May 2022

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 December 2021		5,602	568,910	64,392	393,786	777	**1,033,467**
Loss for the period		-	-	-	(181,555)	(564)	**(182,119)**
Issue of Ordinary Shares	8	271	47,720	-	-	-	**47,991**
Ordinary Share issue costs		-	(381)	-	-	-	**(381)**
Dividend paid		-	-	(17,479)	-		**(17,479)**
Closing balance as at 31 May 2022		**5,873**	**616,249**	**46,913**	**212,231**	**213**	**881,479**

for the six months ended 31 May 2021

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 December 2020		4,900	437,213	93,676	306,893	420	**843,102**
Profit for the period		-	-	-	58,635	459	**59,094**
Issue of Ordinary Shares	8	456	84,614	-	-	-	**85,070**
Ordinary Share issue costs		-	(583)	-	-	-	**(583)**
Dividend paid		-	-	(12,476)	-	(412)	**(12,888)**
Closing balance as at 31 May 2021		**5,356**	**521,244**	**81,200**	**365,528**	**467**	**973,795**

for the year ended 30 November 2021 (Audited)

	Note	Share Capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 01 December 2020		4,900	437,213	93,676	306,893	420	**843,102**
Profit for the year		-	-	-	86,893	357	**87,250**
Issue of Ordinary Shares	8	702	132,562	-	-	-	**133,264**
Ordinary Share issue costs		-	(865)	-	-	-	**(865)**
Dividend paid		-	-	(29,284)	-	-	**(29,284)**
Closing balance as at 30 November 2021		**5,602**	**568,910**	**64,392**	**393,786**	**777**	**1,033,467**

The Company's distributable reserves consist of the special distributable reserve, capital reserve attributable to realised profit and revenue reserve. The Company may use its distributable reserves to fund dividends, redemptions of Ordinary Shares and share buy backs.

The notes on pages 19 to 24 form and integral part of these financial statements.

Condensed Unaudited Statement of Cash Flows

for the six months ended 31 May 2022

	Six months ended 31 May 2022 £'000	Six months ended 31 May 2021 £'000	Year ended 30 November 2021* £'000
Operating activities Cash flows			
Income**	1,328	2,401	4,425
Management expenses	(5,742)	(5,116)	(10,649)
Foreign exchange gain/(losses)	283	(1,624)	(1,617)
Taxation	(199)	(380)	(659)
Net cash flow used in operating activities	**(4,340)**	**(4,719)**	**(8,500)**
Investing activities Cash flows			
Purchase of investments	(469,855)	(437,680)	(864,728)
Sale of investments	387,110	279,038	640,120
Net cash flow used in investing activities	**(82,745)**	**(158,642)**	**(224,608)**
Financing activities Cash flows			
Bank loans drawn	45,238	24,898	65,663
Finance costs paid	(628)	(171)	(465)
Dividend paid	(17,479)	(12,888)	(29,284)
Proceeds from issue of Ordinary Shares	47,991	85,070	133,264
Ordinary Share issue costs	(381)	(583)	(865)
Net cash flow from financing activities	**74,741**	**96,326**	**168,313**
Decrease in cash and cash equivalents	**(12,344)**	**(67,035)**	**(64,795)**
Cash and cash equivalents at start of period	27,994	92,789	92,789
Cash and cash equivalents at end of period	**15,651**	**25,754**	**27,994**

*Audited.

** Cash inflow from dividends for the financial period was £1,126,000 (31 May 2021: £2,020,000 and 30 November 2021: £3,764,000)).

The notes on pages 19 to 24 form and integral part of these financial statements.

Notes to the Condensed Unaudited Financial Statements

1. REPORTING ENTITY

Bellevue Healthcare Trust plc (the "Company"), formerly BB Healthcare Trust plc, is a closed-ended investment company, registered in England and Wales on 7 October 2016. The Company's registered office is 6th Floor, 125 London Wall, London, EC2Y 5AS. Business operations commenced on 2 December 2016 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange. The financial statements of the Company are presented for the period from 1 December 2021 to 31 May 2022.

The Company invests in a concentrated portfolio of listed or quoted equities in the global healthcare industry. The Company may also invest in American Depositary Receipts (ADRs), or convertible instruments issued by such companies and may invest in, or underwrite, future equity issues by such companies. The Company may utilise contracts for differences for investment purposes in certain jurisdictions where taxation or other issues in those jurisdictions may render direct investment in listed or quoted equities less effective.

2. BASIS OF PREPARATION

Statement of compliance

The condensed unaudited interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Financial Conduct Authority. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 November 2021. The financial statements of the Company for the year ended 30 November 2021 were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies used by the Company are the same as those applied by the Company in its financial statements for the year ended 30 November 2021. The financial information for the year ended 30 November 2021 in the condensed interim unaudited financial statements has been extracted from the audited Annual Report and Accounts.

When presentational guidance set out in the Statement of Recommended Practice ('SORP') for Investment Companies issued by the Association of Investment Companies ('the AIC') in April 2021 is consistent with the requirements of UK-adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements.

The Directors have a reasonable expectation that the Company has adequate operational resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Use of estimates, assumptions and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There have been no estimates, judgements or assumptions, which have had a significant impact on the financial statements for the period.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

Functional and presentation currency

The financial statements are presented in sterling, which is the Company's functional currency. The Company's investments are denominated in multiple currencies. However, the Company's shares are issued in sterling and the majority of its investors are UK based. In addition all expenses are paid in GBP as are dividends. All financial information presented in sterling has been rounded to the nearest thousand pounds.

Investments

Upon initial recognition investments are designated by the Company "at fair value through profit or loss". They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently quoted investments are valued at fair value, which is the bid market price, or if bid price is unavailable, last traded price on the relevant exchange. Unquoted investments are valued at fair value by the Board which is established with regard to the International Private Equity and Venture Capital Valuation Guidelines by using, where appropriate, latest dealing prices, valuations from reliable sources and other relevant factors.

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Statement of Comprehensive Income within "gains on investments".

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset.

Adoption of new and revised standards

At the date of approval of these financial statements, there were no new or revised standards or interpretations relevant to the Company which came into effect.

3. INVESTMENT HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

As at	31 May 2022 £'000	31 May 2021 £'000	30 November 2021 £'000
Investments held at fair value through profit or loss			
– Quoted overseas	987,306	980,570	1,083,590
Closing valuation	**987,306**	**980,570**	**1,083,590**

Under IFRS 13 'Fair Value Measurement', an entity is required to classify investments using a fair value hierarchy that reflects the significance of the inputs used in making the measurement decision.

The following shows the analysis of financial assets recognised at fair value based on:

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The classification of the Company's investments held at fair value is detailed in the table below:

	As at 31 May 2022				As at 31 May 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss – Quoted	987,306	-	-	**987,306**	980,011	-	559	**980,570**

	As at 30 November 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss – Quoted	1,082,991	-	599	**1,083,590**

Fair values of financial assets and financial liabilities

All financial assets and liabilities are recognised in the financial statements at fair value, with the exception of short-term assets and liabilities, which are held at nominal value that approximates to fair value, and loans that are initially recognised at the fair value of the consideration received, less directly attributable costs, and subsequently recognised at amortised cost. The carrying value of the loans approximates to the fair value of the loans.

4. INCOME

	Six months ended 31 May 2022 £'000	Six months ended 31 May 2021 £'000	Year ended 30 November 2021 £'000
Income from investments			
Overseas dividends	1,325	2,349	4,265
Bank interest on deposits	3	-	-
Total income	**1,328**	**2,349**	**4,265**

5. BANK LOANS AND FINANCE COSTS

The Company agreed a multi-currency revolving credit facility ("RCF") with Scotiabank (Ireland) Designated Activity Company on 23 February 2017.

On 17 December 2021, the Company announced that it has renewed and amended its RCF. The lender was novated from Scotiabank (Ireland) Designated Activity Company to The Bank of Nova Scotia, London Branch. Under the terms of the amended RCF, the Company could draw down loans up to an aggregate value of USD 150 million. The facility expired in January 2022.

On the 16 June 2022, the Company announced that it had increased its RCF with The Bank of Nova Scotia, London Branch. The Company's borrowing policy remains unchanged. Under the terms of the amended RCF, the Company may draw down loans up to an aggregate value of USD 280 million (increased from the previous limit of USD 235 million). The increased facility will expire in December 2024.

As at 31 May 2022, the aggregate of loans draw down was USD 150,000,000 equivalent of £118,864,000.

The table below shows the finance costs in relation to the Company's loans draw down.

	Six months ended 31 May 2022			Six months ended 31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loan interest	172	689	**861**	36	145	**181**
Other finance costs	7	28	**35**	1	4	**5**
Total	**179**	**717**	**896**	**37**	**149**	**186**

	Year ended 30 November 2021		
	Revenue £'000	Capital £'000	Total £'000
Loan interest	98	391	**489**
Other finance costs	4	16	**20**
Total	**102**	**407**	**509**

6. TAXATION

(a) Analysis of charge period:

	Six months ended 31 May 2022			Six months ended 31 May 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Withholding tax expense	199	-	**199**	380	-	**380**
Total tax charge for the period	**199**	**-**	**199**	**380**	**-**	**380**

	Year ended 30 November 2021		
	Revenue £'000	Capital £'000	Total £'000
Withholding tax expense	659	-	**659**
Total tax charge for the year	**659**	**-**	**659**

7. RETURN PER ORDINARY SHARE

Return per Ordinary Share is based on the weighted average number of Ordinary Shares in issue during the six months ending 31 May 2022 of 576,006,437 (31 May 2021: 509,593,031 and 30 November 2021: 528,407,975).

	As at 31 May 2022			As at 31 May 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit for the period (£'000)	(564)	(181,555)	**(182,119)**	459	58,635	**59,094**
Return per Ordinary Share	(0.10)p	(31.52)p	**(31.62)p**	0.09p	11.51p	**11.60p**

	As at 30 November 2021		
	Revenue	Capital	Total
Profit for the period (£'000)	357	86,893	**87,250**
Return per Ordinary Share	0.07p	16.44p	**16.51p**

8. SHARE CAPITAL

	As at 31 May 2022		As at 31 May 2021	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	586,057,380	5,860	534,284,803	5,343
Management Shares of £1 each	50,001	13	50,001	13
Total	**586,107,381**	**5,873**	**534,334,804**	**5,356**

	As at 30 November 2021	
	No. of shares	£'000
Allotted, issued and fully paid:		
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	558,910,904	5,589
Management Shares of £1 each	50,001	13
Total	**558,960,905**	**5,602**

Share Movement

27,146,476 Ordinary Shares were issued during the period to 31 May 2022 (31 May 2021: 45,565,114 and 30 November 2021: 70,191,215) with aggregate proceeds of £47,991,000 (31 May 2021: £85,070,000 and 30 November 2021: £133,264,000)

Since 31 May 2022, a further 566,809 Ordinary Shares have been issued with aggregate proceeds of £883,000.

9. NET ASSETS PER ORDINARY SHARE

Net assets per Ordinary Share as at 31 May 2022 is based on £881,479,000 of net assets of the Company attributable to the 586,057,380 Ordinary Shares in issue (excluding treasury shares) as at 31 May 2022. £12,500 of net assets as at 31 May 2022 is attributable to the Management Shares.

10. DIVIDEND

During the six months ended 31 May 2022, the Company paid a dividend of 3.015p per Ordinary Share in respect of the year ended 30 November 2021.

The Directors have declared an interim dividend for the six-month period ended 31 May 2022 of 3.235p per Ordinary Share. The dividend will have an ex-dividend date of 21 July 2022 and will be paid on 2 September 2022 to shareholders on the register at 22 July 2022. The dividend will be funded from the Company's distributable reserves.

11. RELATED PARTY TRANSACTIONS

Fees payable to the Investment Manager are shown in the Statement of Comprehensive Income. As at 31 May 2022, the fee outstanding to the Investment Manager was £714,000.

With effect from 1 December 2021, the Board approved an increase to annual Directors' fees, which have been payable at an annual rate of £65,000 to the Chairman, who is also the Chair of the Management Engagement Committee, £48,000 to the Chair of the Audit Committee, who is also the Senior Independent Director and £38,000 to the other Directors. An additional £1,000 per annum is payable to the Senior Independent Director and an additional £1,000 per annum is payable to the Chair of the Management Engagement Committee. Net fees payable to the Directors are settled in the Company's Ordinary Shares quarterly, using the prevailing market price per share at the relevant quarter end.

The Directors had the following shareholdings in the Company, all of which are beneficially owned.

	As at 6 July 2022	As at 31 May 2022	As at 31 May 2021	As at 30 November 2021
Randeep Grewal	113,851	106,776	89,183	97,247
Josephine Dixon	94,833	90,170	79,326	84,489
Paul Southgate	80,492	77,034	69,118	73,041
Justin Stebbing*	-	-	61,164	65,781
Tony Young	17,426	13,968	5,192	9,507
Kate Bolsover	11,351	7,577	-	3,116

*resigned on 21 December 2021

12. POST BALANCE SHEET EVENTS

There are no post balance sheet events, other than those disclosed in this report.

13. STATUS OF THIS REPORT

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The unaudited Half-yearly report will be made available to the public at the registered office of the Company. The report will also be available in electronic format on the Company's website, https://www.bellevuehealthcaretrust.com. The information for the year ended 30 November 2021 has been extracted from the last published audited financial statements, unless otherwise stated. The audited financial statement has been delivered to the Registrar of Companies. The Company's auditor reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The Half-yearly report was approved by the Board of Directors on 6 July 2022.

Alternative Performance Measures ('APMs')

GEARING

A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.

As at 31 May 2022		Page	£'000
Total assets less cash/cash equivalents	**a**	16	991,502
Net assets	**b**	16	881,479
Gearing (net)*	**(a÷b)-1**		**12.5%**

LEVERAGE

An alternative word for "Gearing" (See gearing for calculations).

Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.

Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

ONGOING CHARGES

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Six months ended 31 May 2022		Page	£'000
Average NAV	**a**	n/a	1,017,013,126
Annualised expenses	**b**	n/a	10,800,773
Ongoing charges	**(b÷a)**		**1.06%**

PREMIUM

The amount, expressed as a percentage, by which the share price is higher than the NAV per Ordinary Share.

As at 31 May 2022		Page	£'000
NAV per Ordinary Share (pence)	**a**	1	150.41
Share price (pence)	**b**	1	153.60
Premium	**(b÷a)-1**		**2.1%**

TOTAL RETURN

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

Six months ended 31 May 2022		Page	Share price	NAV
Opening at 1 December 2021 (p)	**a**	n/a	186.20	184.91
Closing at 31 May 2022 (p)	**b**	1	153.60	150.41
Price movement (b÷a)-1	**c**	n/a	-17.5%	-18.7%
Dividend reinvestment	**d**	n/a	1.4%	1.4%
Total return	**(c+d)**		**-16.1%**	**-17.3%**

n/a = not applicable.

Glossary

American Depositary Receipt or "ADR"	A negotiable certificate issued by a U.S. bank representing a specified number of shares in a foreign stock traded on a U.S. exchange.
AIC	Association of Investment Companies.
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
Alternative Investment Fund Managers Directive or "AIFMD"	A European Union directive which came into force on 22 July 2013 and has been implemented in the UK and remains in force post BREXIT.
Annual General Meeting or "AGM"	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask Directors questions about the company in which they are invested. COVID-19 restrictions are temporarily removing the ability to attend meetings in person.
CFD or Contract for Difference	A financial l instrument, which provides exposure to an underlying equity with the provider financing the cost to the buyer with the buyer receiving the difference of any gain or paying for any loss.
Custodian	An entity that is appointed to safeguard a company's assets.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share. The discount is calculated on the closing share price.
Depositary	Under AIFMD the depositary is appointed under a strict liability regime to oversee *inter alia*, those charged with safekeeping of the Company's assets and cash monitoring.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Gearing	A term used to describe the extent that a portfolio has increased in size as a way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
Gross assets	The Company's total assets adjusted for any leverage amount (outstanding bank loan).
Index	An independent Market tool which is used to compare performance across different investment companies and funds. It quantifies performance of a basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.
Large-Cap	A Company with a market capitalisation above $10 billion.

Leverage	An alternative word for "Gearing". Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.
Liquidity	The extent to which investments can be sold at short notice.
Management Shares	Non-redeemable preference shares of £1.00 each in the capital of the Company.
Mega-Cap	A Company with a market capitalisation above $50 billion.
Mid-Cap	A Company with a market capitalisation between $2 and $10 billion.
Net assets	An investment company's assets less its liabilities.
Net asset value (NAV) per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).
Ongoing charges ratio	A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.
Ordinary Shares	The Company's redeemable Ordinary Shares of 1p each.
Portfolio	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
Premium	The amount, expressed as a percentage, by which the share price is more than the net asset value per share.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.
Small-Cap	A Company with a market capitalisation less than $2 billion.
Total return	A measure of performance that takes into account both income and capital returns. This may take into account capital gains, dividends, interests and other realised variables over a given period of time.
Treasury shares	A company's own shares which are available to be sold by a company to raise funds.
Volatility	A measure of how much a share moves up and down in price over a period of time.

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