

BELLEVUE HEALTHCARE UCITS ETF

SUPPLEMENT DATED 11 AUGUST 2025

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 15 July 2024 (the "Prospectus").

Important Information

This Supplement contains information relating specifically to Bellevue Healthcare UCITS ETF (the "**Fund**"), a sub-fund of Waystone ETF ICAV (the "**ICAV**"), an open-ended umbrella Irish collective asset-management vehicle with segregated liability between sub-funds registered in Ireland under the Irish Collective Asset-management Vehicles Act 2015, as amended and as may be further amended, consolidated or substituted from time to time, and authorised by the Central Bank as a UCITS pursuant to the Regulations.

The ICAV has additional Funds in existence, details of which are set out in Annex A to the Prospectus. Additional Funds of the ICAV may be added in the future with the prior approval of the Central Bank. The Directors of the ICAV, whose names appear in the "Management of the ICAV – Directors" section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus and this Supplement is in accordance with the facts and does not in the Directors' judgment omit anything likely to materially affect the import of such information. The Directors accept responsibility accordingly.

The Fund has been classified under Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("**SFDR**"). As such, the Fund promotes the environmental and / or social characteristics of: promoting increased investment in companies within the investable universe that exhibit a minimum level of resilience to sustainability risks and opportunities (environmental and social), measured by a minimum MSCI ESG rating of "BB"; promoting the reduction of investment in companies which seriously violate UN global norms (environmental and social); and promoting the reduction of investment in companies that are operating in controversial industries (the "**Characteristics**"). The Characteristics are further described in the SFDR Appendix appended to this Supplement.

As the price of Shares in the Fund may fall as well as rise, the Fund shall not be a suitable investment for an investor who cannot sustain a loss on their investment.

This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID for the most up-to-date SRRM measurement or the key information document, as relevant.

Investors should read and consider Appendix III to the Prospectus (entitled "**Risk Factors**") before investing in the Fund.

Shares purchased on the Secondary Market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

Profile of a Typical Investor

Investment in the Fund may be appropriate for seeking an actively managed investment vehicle and who have a medium- to long-term investment horizon of between 5 and 10 years. The Fund is designed for investors who are willing to accept a medium to high amount of volatility, including the possibility of a decline in the value of their investment and/or who are not seeking to invest to meet shorter-term goals of less than 5 years. It's important to note that even periods of low volatility can shift quickly, and past volatility levels are not a guarantee of future market behavior. This is not a guide to the future volatility of the Fund and may move over time.

1 Definitions

Unless otherwise stated below, all defined terms used in this Supplement shall have the same meaning as in the Prospectus.

Base Currency	means USD					
Business Day	means any day (other than a Saturday or Sunday) on which commercial banks are open for business in London, Zurich and Dublin or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders.					
Dealing Day	means each Business Day, excluding any day on which markets on which securities included in the Benchmark are listed or traded is closed and as a result of which 25% or more of the Benchmark may not be traded, provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale and/or redemption of Shares in the ICAV or any Fund in accordance with the provisions of the Prospectus and the Instrument of Incorporation. The dealing calendar for each Fund (and each Share Class within a Fund) is available from the Investment Manager.					
Dealing Deadline	means 15:00 (Irish time) on the Business Day prior to the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors (or their duly appointed delegates) and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.					
Distributor	means the Manager.					
Share Class Features[^]	ISIN	Currency	Name	Dividend Policy	Max. TER	Initial Offer Price
	IE000R6TN604	USD	USD Acc	Accumulating	60 bps	\$10
Initial Offer Period	the Initial Offer Period for all launched Shares shall commence at 9.00 a.m. on 12 August 2025 and end at the earlier of either 3.00 p.m. on 11 February 2026, the date of the first subscription therein, or such other date and/or time as the Directors may determine and notify to the Central Bank.					
Investment Management Agreement	means the agreement made between the ICAV, the Manager and the Investment Manager dated 11 August 2025 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed investment manager of the Fund.					
Investment Manager	Bellevue Asset Management AG, Theaterstrasse 12, 8001 Zürich					
Minimum Redemption Amount	\$500,000					
Minimum Subscription Amount	\$500,000					
Settlement Date	In the case of subscription(s), within 1 Business Day after the relevant Dealing Day or as otherwise determined by the Manager. In the case of redemptions, within 2 Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate) and in any event will occur within a maximum of ten Business Days of the Dealing Deadline.					
Valuation Point	means 11pm Irish time on the relevant Dealing Day.					

Website	means www.bellevue.ch
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^ The Directors of the ICAV may create new Share Classes from time to time, provided that the creation of any such new Share Classes is notified in advance to and cleared by the Central Bank. A separate pool of assets will not be maintained for each of the Share Classes.

2 Information on the Fund

2.1 Investment Objective and Investment Policy

Investment Objective

The investment objective of the Fund is to provide long-term capital growth from an actively managed portfolio comprising listed equity and equity-related securities of companies in the healthcare sector or companies which primarily invest in or finance such companies.

Investment Policy

The healthcare sector includes companies from the pharmaceutical, medical technology, biotechnology and related sectors. This includes in particular companies that create, develop, utilise, market and/or sell processes, methods, technologies, products or services used for diagnostic and therapeutic purposes in humans and animals, as well as entities primarily engaged in investing in or financing such companies.

The Fund is actively managed.

Investors should note that the Fund will not seek to track the performance of or replicate the MSCI World Healthcare Index (the “**Benchmark**”), rather the Fund will hold a portfolio of listed equity and equity-related securities of companies (which include but will not be limited to directly investing in Benchmark securities, American depositary receipts and convertible securities (other than contingent convertible securities)) which is actively selected and managed with the aim of delivering an investment performance which exceeds that of the Benchmark over the long-term. In order to seek to achieve this, the Investment Manager selects securities using a proprietary, bottom-up investment process driven by fundamental research and a conviction approach as follows: conviction is determined through a comprehensive analysis of a company’s 1) relative strength of fundamentals, 2) valuation, 3) research depth and differentiation and 4) potential stock catalysts. The Investment Manager may overweight positions in high-conviction securities while underweighting or excluding those with low conviction. Equity-related instruments, such as American depositary receipts, may in some cases be preferred over direct equity investments in the same issuer for liquidity purposes. The Benchmark tracks the performance of healthcare sector companies across developed markets globally. It includes large- and mid-cap stocks from industries such as pharmaceuticals, biotechnology, medical equipment, and healthcare services. The Benchmark rebalances quarterly and further information on the Benchmark can be found here: <https://www.msci.com/documents>. Furthermore, the Fund promotes Characteristics as part of its implementation of the aforementioned investment policies. The methods used to reflect these Characteristics in investment decisions are defined in the environmental, social and governance (ESG) investment guidelines of Bellevue Asset Management AG. The ESG guidelines define the ESG framework of the Investment Manager regarding the implementation of sustainability factors into the investment process. The ESG framework encompasses four key pillars including 1) ESG integration (consideration of ESG factors within the fundamental company analysis described above), 2) norms-based exclusions (exclusion of companies that seriously violate UN global norms), 3) value-based exclusions (exclusion of companies that operate in controversial industries), 4) ESG stewardship (execution of proxy voting and company engagement activities). Further information on the Investment Manager’s ESG investment guidelines is available at www.bellevue.ch.

All securities will be listed or traded on permitted markets as set out in Appendix II of the Prospectus.

Cash Management

The Fund may hold ancillary liquid assets such as cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds, commercial paper, short term Money Market Instruments and certificates of deposit). The Investment Manager may also engage in additional cash management strategies, pending

investment, or if this is considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents and Money Market Instruments (including, but not limited to, U.S. treasury bills, investment grade corporate bonds, cash deposits, commercial paper, short term money market deposits and certificates of deposit), fixed rate or floating rate and will be issued or guaranteed by member states of the EEA and its local authorities or the U.S. government, and supranational bonds issued by public international bodies (of which one or more of the EEA member states are members), exchange traded funds or other collective investment schemes. The Fund may also invest up to 10% of the Net Asset Value of the Fund in aggregate in UCITS eligible collective investment schemes and exchanged traded funds ("ETFs"). The Fund will only invest in AIFs that satisfy the conditions applied from time to time by the Central Bank.

2.2 Investment Restrictions

The ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Appendix I to the Prospectus.

In addition, the Fund shall not invest more than 10% in aggregate of its net assets in other UCITS or other collective investment schemes which meet with the criteria outlined in Regulation 68(e) of the Regulations.

2.3 Use of Derivatives and Efficient Portfolio Management Techniques

The Fund may use the following FDIs for efficient portfolio management and/or investment purposes: futures contracts, swaps, forward settled transactions, share purchased rights and exchange traded options.

Where FDIs are used for investment purposes, such use will be for the purposes of achieving the investment objective of the Fund.

The purpose of efficient portfolio management should be in line with the best interests of Shareholders and is to achieve one or more of the following: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk. Further information on the Fund's use of FDIs is set out in the "*Efficient Portfolio Management and Financial Derivative Instruments*" section of the Prospectus.

The Fund may also engage in Securities Lending and reverse repurchase agreements as set out in the Prospectus.

2.4 Borrowing

In accordance with the general provisions set out in the Prospectus under the heading "Borrowing Powers", the ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares.

2.5 Leverage and Risk Management

Global exposure and leverage as a result of its investment in FDI as described above shall not exceed 100% of the Net Asset Value of the Fund. Global exposure will be measured using the commitment approach. The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the

quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

2.6 Key Information for Buying and Selling Shares

Shares may be subscribed for during the Initial Offer Period at the Initial Offer Price.

Shares may be subscribed for and redeemed on each Dealing Day by making an application (in accordance with the general provisions as set out in the Prospectus under the heading "Applications for Shares") before the Dealing Deadline. Such Shares will be issued or redeemed at the Net Asset Value per Share plus (in the case of subscriptions) or less (in the case of redemptions) an amount in respect of Duties and Charges, where applicable, on each Dealing Day, as disclosed below.

2.7 Listing

Application will be made to such exchanges as the Directors may determine from time to time, in consultation with the Investment Manager, (the "**Relevant Stock Exchanges**") for the listing of the Shares issued and available to be issued and to be admitted to listing on the official list and trading on each of the Relevant Stock Exchanges. This Supplement and the Prospectus together comprise listing particulars for the purposes of listing the Shares on the official list and trading on the main market of each of the Relevant Stock Exchanges.

2.8 Dividend Policy

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "Accumulating" classes in this Supplement. The net income attributable to the relevant "Accumulating" Classes shall be retained within the Fund and the value of the relevant accumulating share class shall rise accordingly.

2.9 Fees and Expenses

Total Expense Ratio

Fees and expenses will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class. Such fees and expenses will be the total expense ratio ("**TER**") as set out in Section 1 above in the section entitled "Share Class Features". The TER, which is expressed as a percentage of the Net Asset Value of the relevant Share Class, represents the maximum fees and expenses payable by the ICAV on behalf of the relevant Share Class (other than any Extraordinary Expenses and Duties and Charges), including any VAT if applicable, as further detailed in the Prospectus.

Any Extraordinary Expenses will be charged to the Fund in addition and will reduce the Net Asset Value of the relevant Share Class accordingly.

During the life of the Fund, the maximum TER may need to be increased from time to time. Any such increase will be subject to the prior approval of Shareholders in accordance with the provision of the Instrument of Incorporation.

Duties and Charges

Separate to and distinct from the TER, a fee may be charged by the ICAV on the issue and/or redemption of Shares to cover the dealing costs relating to such issue and/or redemption.

For the avoidance of any doubt, the above Duties and Charges shall be in addition to the Subscription Price or shall be deducted from the Redemption Price payable to the investor or used to purchase the Shares of the New Class, in the case of a conversion (as

appropriate).

2.10 Other Fees and Expenses

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

Establishment Expenses

As detailed in the section of the Prospectus entitled "Establishment Expenses", all fees and expenses relating to the establishment and organisation of the Fund shall be borne by the Investment Manager.

2.11 German Taxation

The Fund will invest and be managed such that it qualifies as an Equity Fund as further defined in the Prospectus.

2.12 Risk Factors

Certain risks relating to the Shares are set out under the heading "Risk Factors" in the Prospectus. In addition, Shareholders must also note that:

- (a) The Funds are segregated as a matter of Irish law and as such, in Ireland, the assets of one Fund will not be available to satisfy the liabilities of another Fund. However, it should be noted that the ICAV is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (b) Upon the occurrence of a Disruption Event (and without limitation to the Directors' personal powers as further described in the Prospectus); (i) adjustments may be made to account for any such event which may have a significant impact on the Net Asset Value of the Fund; (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of Redemption Proceeds in accordance with the provisions of the Prospectus under the section "Suspension of Calculation of Net Asset Value"; and/or (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.
- (c) The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested.

Investors should also refer to the Prospectus for additional disclosure of risks.

2.13 The Investment Manager

The ICAV and the Manager have appointed Bellevue Asset Management AG as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors and the Manager, for managing the assets and investments of the Fund in accordance with the investment objective and policies of the Fund.

The Investment Manager is a private limited company organised under the laws of Switzerland having its registered office at Theaterstrasse 12, 8001 Zürich. The principal activity of the Investment Manager is in providing investment management services. The Investment Manager is authorised to carry on regulated activities in Switzerland and is

authorised and regulated by the Swiss Financial Market Supervisory Authority in the conduct of its investment business.

The Investment Manager may delegate the discretionary investment management functions in respect of the assets of the Fund to a sub-investment manager in accordance with the Central Bank Rules. Where a sub-investment manager is appointed but not paid directly out of the assets of the Fund, disclosure of such entity will be provided to the Shareholders on request and details thereof will be disclosed in the ICAV's periodic reports. Where a sub-investment manager is appointed and paid directly out of the assets of the Fund, this will be set out in the Supplement.

The Investment Manager may also appoint non-discretionary investment advisers, in each case in accordance with the Central Bank Rules. Where such an investment adviser is appointed, the Supplement will be updated accordingly.

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Name of product: **Bellevue Healthcare UCITS ETF** Legal entity identifier: **635400JMDXEGYGNOKT65**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and/or social characteristics (ESG) as part of the implementation of its investment objectives, in accordance with the provisions of Article 8 of the EU Disclosure Regulation 2019/2088 (EU SFDR). These characteristics are as follows:

- 1) promoting increased investment in companies within the investable universe that exhibit a minimum level of resilience to sustainability risks and opportunities (environmental and social). Sustainability risks means a company's exposure to potentially material ESG risks and the quality of management systems and structures to mitigate potential ESG risks (i.e. how well is a company prepared for and able to manage ESG risks), while sustainability opportunities means a company's positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution (i.e. how well can a company capitalize on ESG-related opportunities);
- 2) promoting the reduction of investment in companies which seriously violate the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the UN Guiding Principles on Business and Human Rights Compliance and standards and rights of the International Labor Organisation (environmental and social) (the "UN Global Norms"). Companies that breach UN Global Norms may face significant legal, regulatory, operational and reputational risks, which can lead to long-term financial underperformance. Investing in alignment with the UN Global Norms aims to support companies that uphold fundamental standards in human rights, labour, environment and anti-corruption; and
- 3) promoting the reduction of investment in companies that are operating in controversial industries due to their elevated sustainability and reputational risks. Controversial industries mean companies involved in: controversial weapons, tobacco production, distribution of tobacco, thermal coal, fracking/oil sands, pornography, gambling and palm oil. These industries are frequently linked to significant negative impact on society and the environment, and are increasingly subject to regulatory pressure and public scrutiny.

For the purpose of attaining the environmental and/or social characteristics promoted by the Fund, no reference benchmark is designated.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- 1) The characteristic "Minimum level of resilience to sustainability risks and opportunities" is attained, if a company **achieves a minimum MSCI ESG rating of "BB" or above** as measured by the MSCI ESG rating methodology. The MSCI ESG rating methodology considers over 35 ESG criteria across three core pillars (environmental, social, governance), with 6–10 key issues typically evaluated per company based on relevance. Environmental key issues encompass e.g. carbon emissions, water stress, toxic emissions & waste. Social key issues focus amongst others on product safety&quality, labor management, privacy & data security and governance key issues contain e.g. corporate governance, business ethics, tax transparency. The MSCI ESG rating scale ranges from AAA ("leader") to CCC ("laggard") and the detailed MSCI ESG rating methodology can be found under

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

<https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology.pdf>.

- 2) The characteristic “reduction of investment in companies which seriously violate UN global norms “ is attained, if a company is **rated with a “pass” or “watchlist”** status according to the MSCI ESG Controversies and Global Norms methodology. The Fund must not invest in companies that exhibit serious controversies regarding the UN Guiding Principles on Business and Human Rights Compliance and standards and rights of the International Labor Organisation according the MSCI ESG Controversies and Global Norms methodology (as measured by a “fail” status under MSCI’s ESG methodology and described below). An ESG controversy case arises when reported negative environmental or social impacts are allegedly caused or contributed to by a company, or are otherwise linked to the company’s operations, value chain, products, or services. It can also occur when the company is allegedly involved in misconduct that is seen as enabling adverse impacts. For each controversy case, MSCI ESG determines a) the severity of the case based on the alleged nature of harm and scale of impact, and application of specific exacerbating or extenuating circumstances: very severe, severe, moderate or minor, b) the role of the company implicated in the case: direct or indirect and c) the status of the case: ongoing, partially concluded, concluded, archived or historical concern. Based on these three inputs, an overall score and a corresponding flag are determined. A red flag (“fail”) indicates, that a company is directly involved in one or more very severe ongoing ESG controversy cases. The detailed methodology can be found under <https://www.msci.com/documents/1296102/14524248/ESG-Research-Controversies-Methodology.pdf>
- 3) The characteristic “reduction of investment in companies that are operating in controversial industries” is attained, if a company is not involved in following controversial industries **OR** it is involved but with a lower revenue exposure compared to the revenue thresholds mentioned below. Controversial industries are defined and measured as follows: Controversial weapons (revenue threshold 0%), tobacco production (revenue threshold 5%), distribution of tobacco (revenue threshold 20%), thermal coal (revenue threshold 5%), fracking/oil sands (revenue threshold 5%), pornography (revenue threshold 5%), gambling (revenue threshold 5%), palm oil (revenue threshold 5%). The involvement in a controversial industry and respective revenues are measured by MSCI ESG data.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments are to positively contribute to at least one of the United Nations Sustainable Development Goals (UN SDGs) with a social objective. The

MSCI UN SDG Alignment Score methodology allows an investment to qualify as sustainable under the provisions of Article 2(17) of the EU SFDR.

The socially sustainable investments that the Fund makes will be in companies that make positive contributions, amongst other, to one or more of the following social objectives of the UN SDG’:

1. UN SDG No 3 (Good Health and Well Being)
2. UN SDG No 1 (No Poverty)
3. UN SDG No 5 (Gender Equality)
4. UN SDG No 8 (Decent Work and Economic Growth)
5. UN SDG No 10 (Reduced Inequalities)

These objectives consider elements of the social objectives according to Art 2 (17) of SFDR such as promotion of social cohesion, inclusion and equality and access to essential services (such as healthcare).

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

As set out below, the Fund uses MSCI’s exclusionary screens to identify investee companies that do not cause significant harm (“DNSH”) to any environmental or social sustainable investment objective listed in Article 2(17) of SFDR, subject to periodic quality checks based upon the Investment Manager’s portfolio company research and internal risk management process. Moreover, the Investment Manager uses the UN SDG Alignment Score methodology provided by MSCI ESG. The scale for the SDG Alignment Score ranges from -10.0 to +10.0. A company that shows a positive contribution to at least one of the UN SDGs with a social objective (i.e. MSCI ESG UN SDG Net Alignment Score ≥ 2.0) must not show a negative contribution to any other UN SDG (i.e. MSCI ESG UN SDG Net Alignment Score < -2.0). Furthermore, the issuers must exhibit at least an MSCI ESG rating of BB (“Good Governance”).

How have the indicators for adverse impacts on sustainability factors been taken into account?

The mandatory indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 of SFDR and certain relevant indicators, as determined by the Investment Manager, in Tables 2 and 3 of Annex 1 of SFDR (the “PAI”) have been taken into account as further described below.

The Investment Manager’s approach includes quantitative and qualitative aspects to take the indicators into account. The Investment Manager either uses the metrics in Annex 1 of SFDR, or where this is not possible due to data limitations, it uses a

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

representative proxy. For example, emissions to water (PAI No. 8) and hazardous waste and radioactive waste ratio (No. 9) are currently taken into account with a qualitative proxy value, which indicates whether an issue is involved in a very serious water or waste controversy.

The Investment Manager considers all mandatory PAI and two additional PAI as follows:

PAI No. 1 and 2 from Table 1 are part of the MSCI ESG Rating with different weightings depending on the industry relevance and are thus implicitly taken into account via the MSCI ESG minimum rating of “BB” per issuer, which is required in order to qualify as a Sustainable Investment.

For PAI No. 3, 5, 6, 7, 8, 9 and 13 from Table 1 and the additional climate-related PAI No. 4 from Table 2 (Investments in companies without carbon emission reduction initiatives) as well as the additional PAI for social and employee matters No. 1 from Table 3 (Investments in companies without workplace accident prevention policies), indicator-specific thresholds are set that define when a particular PAI has a material adverse impact on a sustainability factor. If such a material negative impact is measured, the issuer in question cannot be classified as a sustainable investment. The threshold values are formally approved by the ESG Working Group of the Investment Manager.

PAI No. 4, 10 and 14 from Table 1 are considered within the minimum exclusion criteria of the Investment Manager (no very severe violations of UN Global Compact, UN Guiding Principles on Business and Human Rights Compliance and standards and rights of the International Labor Organisation).

The Fund will provide information on the PAI considered by the Investment Manager with the Fund’s annual report.

— — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (together, the “Guidelines”) are taken into account as part of the minimum exclusion criteria (no serious violations of Guidelines). The Investment Manager applies the MSCI ESG methodology when assessing whether a company is aligned with the Guidelines whereby companies are rated as either “fail”, “watch list” or “pass”. Any sustainable investments held by the Fund must receive either a “pass” or “watch list” rating in respect of the Guidelines and companies rated as “fail” shall not be regarded as sustainable investments.



Does this

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

financial product consider principal adverse impacts on sustainability factors?

Yes

No

What investment strategy does this financial product follow?

The investment objective of the Fund is to provide long-term capital growth from an actively managed portfolio comprising listed equity and equity-related securities of companies in the healthcare sector or companies whose main activity involves holding investments in such companies or financing such companies.

The healthcare sector includes companies from the pharmaceutical, medical technology, biotechnology and related sectors. This includes in particular companies that create, develop, utilise, market and/or sell processes, methods, technologies, products or services used for diagnostic and therapeutic purposes in humans and animals, as well as entities primarily engaged in investing in or financing such companies.

The Fund is actively managed.

Investors should note that the Fund will not seek to track the performance of or replicate the MSCI World Healthcare Index (the “Benchmark”), rather the Fund will hold a portfolio of listed equity and equity-related securities of companies (which include but will not be limited to directly investing in Benchmark securities, American depositary receipts and convertible securities (other than contingent convertible securities)) which is actively selected and managed with the aim of delivering an investment performance which exceeds that of the



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Benchmark over the long-term. In order to seek to achieve this, the Investment Manager may overweight the securities which it considers to most attractive and underweight or not invest at all in securities which the Investment Manager considers not attractive based on its fundamental research, including analysis on financials, management, product offering/pipeline and valuation.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund implements the following binding elements of its investment strategy in order to select investments attain to attain the environmental and/or social characteristics promoted by the Fund as described above:

- 1) At least 75% of the Fund's assets must be invested in companies which achieve an ESG rating according to MSCI ESG Rating \geq "BB" as exhibiting a minimum level of resilience to sustainability risks and opportunities (environmental and social).
- 2) Companies that seriously violate UN Global Norms (as measured by a "fail" rating under MSCI's ESG methodology <https://www.msci.com/documents/1296102/14524248/ESG-Research-Controversies-Methodology.pdf>) are excluded from the Fund's portfolio.
- 3) Companies with the following involvements in controversial industries are excluded from the Fund's portfolio: Weapons (revenue threshold 10%), controversial weapons (revenue threshold 0%), tobacco production (revenue threshold 5%), distribution of tobacco (revenue threshold 20%), thermal coal (revenue threshold 5%), fracking/oil sands (revenue threshold 5%), pornography (revenue threshold 5%), gambling (revenue threshold 5%), palm oil (revenue threshold 5%).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not undertake to reduce the investment universe by a certain minimum rate.

● ***What is the policy to assess good governance practices of the investee companies?*** SFDR requires products that promote environmental and/or social characteristics to take into account good governance practices. In order to assess whether investments meet the governance standards set out within this regulation, the Investment Manager assesses companies for compliance with:

1. an MSCI ESG rating of at least "BB" (which generally indicates a company's ability to manage resources, mitigate key potentially financially-relevant ESG risks and opportunities, and baseline corporate governance expectations). This assessment reflects the four elements of good governance mentioned in Article 2(17) of SFDR: sound management structures, employee relations, reumuneration of staff and tax compliance; and

- no serious violations of UN Global Compact, UN Guiding Principles on Business and Human Rights Compliance and standards and rights of the International Labor Organisation (as measured by a “fail” rating under MSCI’s ESG methodology). The detailed methodology can be found under <https://www.msci.com/documents/1296102/14524248/ESG-Research-Controversies-Methodology.pdf>.

Irrespective of the a company’s underlying industry sub-group within the healthcare sector, governance is a fundamental rating component of MSCI ESG. The Investment Manager relies on MSCI ESG’s dataset and the criteria described above when assessing a companies good governance which encompasses all four of aspects of the good governance practices identified by Article 2(17) of SFDR.



What is the asset allocation planned for this financial product?

The asset allocation is that the Fund invest a minimum of 75% of its assets in investments aligned with the promoted environmental and/or social characteristics (Category #1, below).

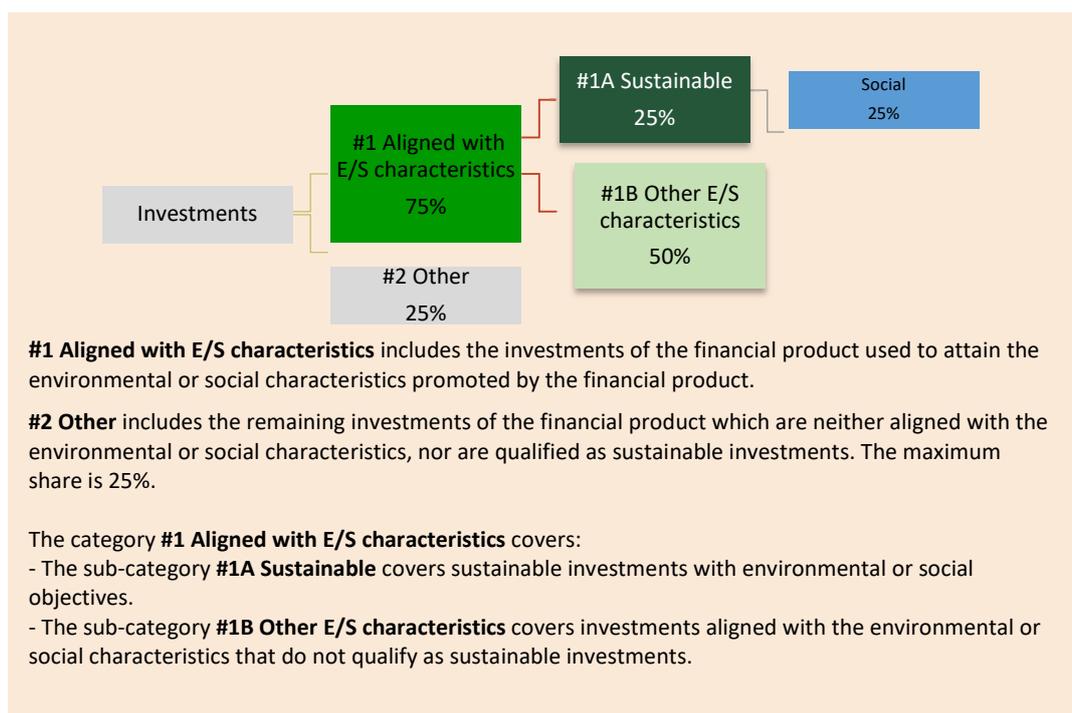
The remaining proportion of the investments (Category #2, below), approximately 25% of the Fund’s assets, are intended to be held in hedging instruments, investments for diversification purposes, or cash for liquidity management, as discussed further below.

The Fund intends to invest a minimum of 25% of its assets in socially sustainable investments with 50% of the Fund’s portfolio comprising investments that promote the Fund’s environmental and/or social characteristics but need not qualify as sustainable investments.

The Fund does not commit to a minimum investment in environmentally sustainable investments that are aligned with the Taxonomy Regulation.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivative financial instruments for investment and hedging purposes. Derivatives are not used to achieve the environmental or social characteristics promoted by the financial product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The main objective of this Fund is to achieve long-term capital growth by considering E/S characteristics. Therefore, the minimum proportion of the Fund’s total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852) is zero. This also concerns information on investments in economic activities that are classified as enabling or transitional activities pursuant to Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

Yes:

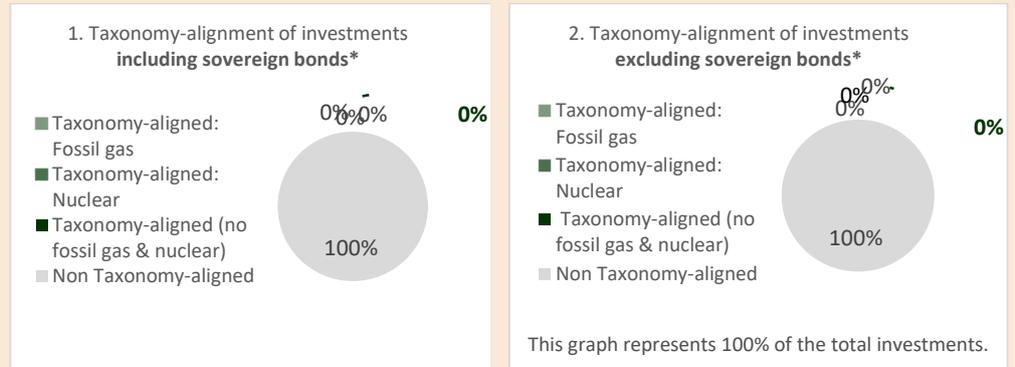
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

Transitional activities: 0%

Enabling activities: 0%



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective in the Fund's portfolio is zero.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments in the Fund's portfolio is 25%.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Hedging instruments, investments for diversification purposes, investments used to achieve the investment objective of the Fund, or cash for liquidity management. Up to 25% of the Fund's assets may be invested in companies which do not achieve an MSCI ESG Rating >= “BB” but comply with the following minimum environmental or social safeguards:

1. companies that seriously violate UN Global Norms (as measured by a “fail” rating under MSCI's ESG methodology)

<https://www.msci.com/documents/1296102/14524248/ESG-Research-Controversies-Methodology.pdf>) are excluded from the Fund's portfolio; and

2. companies with the following involvements in controversial industries are excluded from the Fund's portfolio: Weapons (revenue threshold 10%), controversial weapons (revenue threshold 0%), tobacco production (revenue threshold 5%), distribution of tobacco (revenue threshold 20%), thermal coal (revenue threshold 5%), fracking/oil sands (revenue threshold 5%), pornography (revenue threshold 5%), gambling (revenue threshold 5%), palm oil (revenue threshold 5%).

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

NO

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.bellevue.ch/ch-en/private/esg/sustainability/sustainability-portfolio>