Bellevue Healthcare Trust plc

Annual Report and Accounts

For the year ended 30 November 2023

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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Overview

INVESTMENT OBJECTIVE

The investment objective of Bellevue Healthcare Trust plc ("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 (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 30 November 2023	As at 30 November 2022
Net asset value ("NAV") per Ordinary Share (cum income)	**143.87p**	171.16p
Ordinary Share price	**129.00p**	158.20p
Ordinary Share price discount to NAV[1]	**10.3%**	7.6%
Ongoing charges ratio ("OCR")[1]	**1.02%**	1.04%

PERFORMANCE SUMMARY

	% change[2] 30 November 2023	% change[3] 30 November 2022
Share price total return per Ordinary Share[1,4]	**-15.1%**	-11.9%
NAV total return per Ordinary Share[1,4]	**-12.7%**	-4.1%
MSCI World Healthcare Index total return (GBP)[4]	**-7.1%**	+14.1%

[1] These are Alternative Performance Measures.
[2] Total returns in sterling terms for the year ended 30 November 2023.
[3] Total returns in sterling terms for the year ended 30 November 2022.
[4] Including dividends reinvested in the year.
Source: Bellevue Healthcare Trust Factsheet November 2023.

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

The financial information and performance summary data highlighted in the footnote to the above tables represent APMs of the Company. In addition to these APMs other performance measures have been used by the Company to assess its performance; these can be found in the key performance indicators section of the Annual Report, on page 15. Definitions of these APMs together with how these measures have been calculated can be found on pages 83 and 84.

Chairman’s Statement

Randeep Grewal
Chairman

Dear Shareholders

This is the seventh annual report of your Company.

PERFORMANCE

Over the financial year, the share price (on a total return basis, i.e. including reinvestment of dividends) fell by 15.1%. The total NAV return (i.e. including reinvestment of dividends) over the last financial year was -12.7%. The comparator index (the MSCI World Healthcare total return index in Sterling) produced a total return of -7.1% over the same period; thus, we underperformed by -5.6% over the year.

The returns are summarised in the following table.

Cumulative & annualised performance

	Cumulative				Annualised			
	1 Year	3 Years	5 Years	Since inception	1 Year	3 Years	5 Years	Since inception
Share Price	-15.1%	-16.7%	9.2%	60.0%	-15.1%	-5.9%	1.8%	6.9%
NAV (inc.dividend reinvested)	-12.7%	-7.6%	22.7%	78.3%	-12.7%	-2.6%	4.2%	8.6%
MSCI World Healthcare Index (GBP)	-7.1%	22.8%	46.4%	97.7%	-7.1%	7.1%	7.9%	10.2%

This is the third year that the Company has failed to beat the comparator index and the second that we have failed to generate double digit total shareholder returns. We engage in regular dialogue with Bellevue and discuss performance.

Clearly, when the Company was founded, there was no expectations of Covid or the resultant impact on various subsectors of healthcare; and perhaps, as pertinent, the macro responses. Of course, I appreciate that all of these ‘headwinds’ have also applied to companies included in our comparator index and in the portfolios of our peers. Each portfolio however, is constructed for different ‘wind conditions’ and ours has clearly suffered.

The picture in the above table perhaps does not really show how performance progressed during the year; in the first half the portfolio was ahead of the comparator index.

It is also worth acknowledging that post year end there was some improvement in performance.

BOARD COMPOSITION AND EVALUATION

The current Board composition, which remains unchanged from last year complies with the recommendations of the Hampton-Alexander and Parker reviews. Succession planning, maintaining competencies and skills remain a priority and though there are no immediate plans to recruit new Board members we are clearly aware of the need for smooth transitions.

As per the AIC Code recommendations (external review every three years), we undertook an external Board review facilitated by Lintstock. This reviewed the overall performance of the Board, its committees, individual Directors and myself as Chair. Though the overall results were good, the point of such a process is often the discussions and insights it provides; and how the Board takes those on board. Next year the review will be internal.

FEES AND CHARGES

The Board undertook its annual review of fees and ongoing charges. The biggest single element of cost is our payment to Bellevue (0.95% (per annum) of market capitalisation, paid monthly).

As I have highlighted previously there are a number of costs that the manager has absorbed on behalf of the Company which helps improve our overall OCR. There is a second related point that is worth explicitly highlighting – the manager is paid based on *market capitalisation* (as opposed to Assets Under Management ('AUM')).

The link to market cap in our fee structure has a positive impact on our ongoing charge ratios in years that we trade at a discount to NAV. Nonetheless, I repeat my caution from last year, that a falling AUM may mean that the ongoing charge ratio overall might increase in the forthcoming year.

PORTFOLIO POSITIONING

The portfolio continues to be exposed to US stocks, particularly in the small / mid-cap area and has a high active share. As always, I will direct readers to the investment manager report for more details.

As touched on above, this year has not been smooth sailing. After a number of decades of falling interest rates, and low inflation expectations, the change in environment seen in the last year or so altered investor preferences and valuations for smaller companies and for those that have future promise or are waiting for inflexion points (whether they be a regulatory approval, widespread adoption, a move to profitability or another catalyst). Our portfolio companies often sit at the intersection of these different elements, so suffer disproportionately when there are headwinds – but hopefully benefit substantially with even a modest tailwind.

GEARING

The Company has access to a multi-currency revolving credit facility ("RCF") with The Bank of Nova Scotia, that allows it to borrow up to $280 million. The facility is 'committed' through to December 2024; i.e. the Investment Manager has guaranteed access to this borrowing (within limits agreed by the Board) should it see attractive opportunities. As of 30 November 2023, the Company's leverage ratio (under the "gross method") was 5% and our aim is to run a mid-single digit average over the lifetime of the product (the average gearing since inception is 6.96%).

RESPONSIBLE INVESTING

Both the Company and the Appointed Manager, Bellevue Asset Management (UK) Ltd are committed to reflecting Environmental, Social & Governance issues (ESG) within the capital allocation process. More details around this topic can be found on pages 26-32 of the Annual Report.

SHARE CAPITAL AND ISSUANCE

The Company's issued share capital (excluding treasury shares of 16.4 million) was 462.6 million Ordinary Shares (post redemptions) as of 30 November 2023; a decrease from 586.8 million as of the end of the previous financial year.

We did not issue any shares during the year via placements or 'tap' issuance. 0.2 million shares were issued under the scrip dividend programme. In November 2023 we received redemption notices for 77.4 million shares.

The Company has the authority to issue a further c.55 million Ordinary Shares ahead of the AGM on 26 April 2024. At the AGM, we will be seeking authority to issue 47,898,719 new Ordinary Shares to meet potential investor demands. Any new tap issuance can only be done at (or at a premium to) NAV.

REDEMPTIONS, BUYBACKS, DISCOUNT MANAGEMENT AND SHARE PREMIUM ACCOUNT

Redemption process

Since inception, we have offered an annual redemption option for shareholders.

This year we changed the record date (which had historically been 2 November) to 2 September: this was to allow the Company to undertake appropriate checks to ensure compliance with the UK sanctions regime.

Our shareholder register includes a number of nominee accounts and under the sanctions regime we are required to confirm that the 'underlying beneficial owners' (UBOs) are not subject to the sanctions regime. In some cases, the nominees or the UBOs are not in the UK which adds to the complexity as some are not familiar with UK regulations.

To complete this endeavour, we employed a specialist external agent and also benefitted from support from our Company Secretary and our broker in communicating with shareholders on our register. Despite this we only received confirmation of sanctions regime compliance from the final shareholder on the afternoon of 30 November – almost three months from the record date.

Hopefully going forward greater clarity on the extent of work required to ensure sanctions compliance, and greater familiarity with it by some nominees / UBOs should help make the process smoother. However, in the short term, at least, it is likely that we will continue to have a record date at some interval to the redemption election date to allow for the necessary checks.

I should however alert shareholders considering future redemptions that (a) the costs of any checks (for instance the cost of third party service providers) are offset against the redemption amount and that (b) if checks are not completed in time, the Board may have to decide whether to delay payments to some or *all* redeeming shareholders.

Redemptions scale

This year, 77,428,034 shares were redeemed – this represented 14.3% of the outstanding immediately prior to the redemption point of 30 November 2023.

Buybacks

The Company seeks authority at each Annual General Meeting to buyback 14.99% of its then outstanding shares. At the last AGM this represented an authority to purchase 82,516,203 shares. During the year we bought back 16.4 million shares which are now held in treasury and will be cancelled in due course.

It is perhaps worth reminding investors that we only buyback shares at a discount to net asset value – and as a result such purchases are accretive to continuing investors.

Discount management

Both redemptions and buybacks can be considered forms of 'discount management'. Clearly neither would be substantively utilised if we were not trading at a discount.

There are a number of elements that contribute to a discount some of which we might influence (e.g. performance) or impact at the margins (e.g. share buybacks and marketing impact the balance of buyers versus sellers) but there are many (e.g. interest rates, asset allocation decisions) that we have no influence over.

Share premium account

On 3rd November 2023, we also announced that the Company was calling a general meeting to seek shareholder approval for a special resolution to cancel the Company's share premium account.

UK companies have a nominal or par value for every share that is issued; this is usually a very low value (in the case of the Company it is one penny for ordinary shares). At IPO we issued shares at 100 pence, and subsequently even higher. The difference between par and issued value is assigned to a section of our accounts known as the 'share premium account'; technically this is a 'non-distributable reserve'.

Distributions (i.e. dividend payments, buybacks and redemptions) utilise our 'distributable reserves' – which generally comprise accumulated profits and losses. Thus, it is perhaps self-evident that poor performance might impact our distributable reserves.

Given the scale of the redemption requests, on 3rd November 2023 the Board was obliged to prepare for the worst, whilst clearly hoping for the best. Given that payments for redemptions were to be made in early December (and that the Board is also committed to our regular dividends) we had to ensure that there would be sufficient *distributable reserves* under all circumstances in the foreseeable future. I should emphasise that there were sufficient resources / liquidity within the balance sheet to fulfil our redemption obligations, but it was clear that access to the share premium account (i.e.a non-distributable reserve) mentioned earlier would provide extra certainty.

Hence your Board took the decision to seek shareholder permission to petition the High Court to transfer amounts from our share premium account into our special distributable reserves. This requirement to seek High Court permission is the result of the Company being a UK domiciled public listed company. Shareholders with particularly long memories will recall we undertook a similar exercise soon after IPO to ensure sufficient distributable reserves at that time.

I should emphasise that moving amounts between the share premium account and special distributable reserve on our balance sheet has no impact on NAV or performance.

The High Court hearing required preparation of witness statements including various statements of capital. During this time, in order to avoid ever changing numbers (which would require additional filings, delays and cost) the Board chose to suspend the buyback (as that might lead to a continuously changing share count). Inadvertently we created an experiment where we can see whether a pause on buybacks, albeit with better performance in the underlying portfolio, impacts the discount. I am sure this will lead to interesting conversations during forthcoming board meetings and also with investors.

I should emphasise that calling a general meeting, and seeking a court order to reduce the share premium account is not an unusual event – particularly for a UK company that pays regular dividends and undertakes regular capital reduction exercises (ie buybacks or redemptions); though due to the cost and effort required no board engages in this lightly.

The formal reduction of the share premium account (and matching increase in our special distributable reserve) occurred after our November year end BUT before we paid out the redemption funds in mid-December 2023. This move of amounts between the accounting entries on our balance sheet, though mentioned in the formal account section of this report, will be clearer in the next fiscal years accounts.

DIVIDEND

The Company targets an annual dividend of 3.5% of preceding year-end NAV, paid out in two equal instalments. The Company paid out a final dividend of 3.235p in respect of the year 2022, in May 2023 and an interim dividend of 2.995p in respect of the financial year 2023 in August 2023.

The Board has proposed a final dividend of 2.995p per Ordinary Share in respect of the financial year 2023 and, if approved at the forthcoming Annual General Meeting, this will be paid to Shareholders in May 2024.

For the financial year 2024, the Board is proposing a total dividend of 5.04p per Ordinary Share, composed of interim and final dividends of 2.52p per Ordinary Share, to be paid in August/September 2024 and April/May 2025 respectively, subject to shareholder approval. The lower dividend than last year reflects the fall in AUM.

The Company introduced a scrip dividend alternative in 2019, allowing Shareholders to elect for their cash dividend to be automatically subscribed on their behalf for new Ordinary Shares. I mentioned in the last annual report that the Board was monitoring the cost of the scrip dividend alternative.

Reluctantly in the interim accounts we announced the suspension of the scrip dividend. This was because the take-up had been falling, and the cost was hard to justify. Additionally, we were trading at a discount to NAV whilst scrip dividend shares are issued at NAV so economically it makes more sense for investors to receive a cash dividend and buy shares in the market.

Having made commentary on discount management earlier, I should point out that if the shares are trading below NAV then a dividend of 3.5% of NAV means that the dividend yield on the stock is actually higher – which may be attractive for some new investors. Of course, if the share price subsequently rises then though the absolute level of the dividend remains the same, and the shareholder benefits from capital appreciation.

ANNUAL GENERAL MEETING & SHAREHOLDER COMMUNICATION

The next AGM will be on 26 April 2024. There were a number of requests at the last AGM for the managers to make a short formal presentation on the sector and the portfolio before a question and answer session. We will endeavour to accommodate that this year.

We recognise it is not possible for everyone to attend an AGM hence may I remind readers that we have a dedicated email address for investors to submit any enquiries or feedback they might have: **info@bellevuehealthcaretrust.com**. I encourage you to make use of this facility. In the meantime, we will continue to post content from the Investment Manager onto the Company's website to keep you informed of the Company's progress.

On behalf of the Board, may I wish you a prosperous year ahead and thank you for your continued support of Bellevue Healthcare Trust Plc.

Randeep Grewal
Chairman of the Board of Directors

1 March 2024

Investment Manager's Report

PERFORMANCE SUMMARY – MACRO THOUGHTS

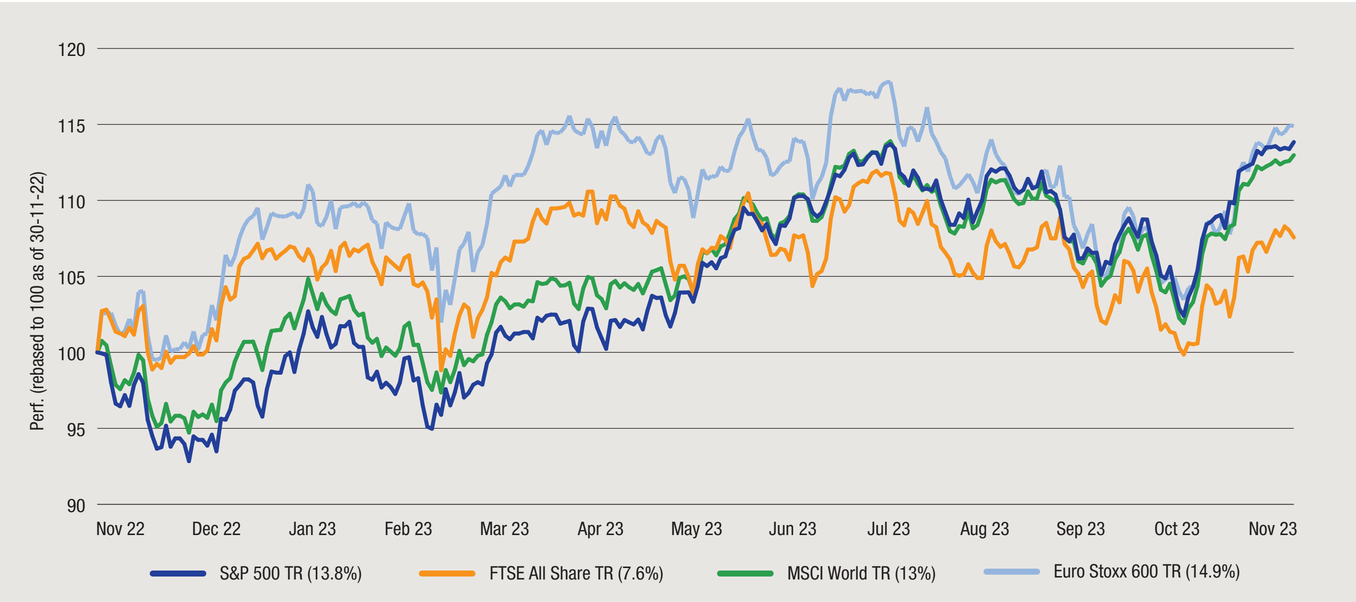
Anyone familiar with our factsheets will know that we find much joy in the boundless variety offered by the English language. However, the seeking of superlatives to describe the tendency of geopolitics and macroeconomics to throw obstacles into the path of investors lost its lustre long ago.

What we crave, more than anything else, is a bottom-up stock-driven market environment where operationally superior companies outperform poorer ones. Sadly, the prior fiscal year (30 November 2022 – 30 November 2023) will go down as yet another where external factors and extraneous information served to pressure sentiment toward our holdings for non-fundamental reasons.

If there is anything positive to say about the overall macro backdrop during this period, it would be that the year ended much more positively than it began sentiment-wise. We can but hope for a more rational and stock-driven performance during 2024, although geopolitical concerns still represent a Damoclean overhang, even as the economic picture looks to be stabilising somewhat.

Whilst interest rates, inflation and the attendant risks of waning consumer sentiment and thus recession remained the primary economic concerns, the dispersion of sector level performance and overall market returns was largely opposite to 2022, with most broad regional and global indices seeing positive returns in dollar terms (Figure 1). Also, in contrast to 2022, and more in line with recent history, growth led value.

Figure 1 FY2023 Total Return Data – Key Broad Indices



Within this, market leadership was notably narrow during the period, and performance was driven mainly by technology stocks (especially the US "magnificent seven" – Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA and Tesla), powered along by a frenzy for AI-related exposures.

As we have seen many times before, the emergence of new technologies tends to play out more slowly than people imagine, and in ways not initially foreseen. The healthcare industry was an early adopter and integrator of machine learning into all manner of products and processes, and we think it has much to offer in terms of real-world examples of implementing this technology.

As the year went on, we saw a sentiment tussle regarding expectations for a hard or soft landing (i.e. the fiscal tightening cycle will, or will not, result in a recession). As we moved into November 2023, expectations had pivoted back to where the year began; with a soft landing in the United States being the predominant view, one aided by an expectation of multiple interest rate cuts through 2024.

PERFORMANCE SUMMARY – HEALTHCARE HIGHLIGHTS

The US dollar total return of the MSCI World Healthcare Index during the fiscal year was -1.8%, which meant that it underperformed the parent MSCI World Index by 14.8%, which is again almost a mirror image of what happened in FY2022 and the worst relative annualised performance over this period in the 23 years for which comparable data is available.

Healthcare was very much out of favour amongst generalist investors, despite classical defensive attributes and a generally worrisome backdrop of economic news. We can think of several reasons why the sector may have fallen out of favour during this period.

Firstly, many larger companies did not act as defensively as hoped; we saw material cuts to earnings forecasts or the outlook from mega-cap "bellwethers" like Pfizer and Sanofi. Indeed, the dynamic of market leadership being narrow was equally true in the healthcare sector as for the wider market. This was the year of Novo Nordisk and Eli Lilly around the anti-obesity theme/meme.

Secondly, in a market where investor money was flowing out of equities and into bonds in the early part of the year, that incremental investment into Technology stocks had to be funded from somewhere and bond-like healthcare stocks (i.e. big pharma) seemed to be a source of funds.

Thirdly, there was a nebulous perception of R&D disappointments and lack of M&A, especially within therapeutics. As discussed in the factsheets, we would not agree with this perception from our own vantage point, but market sentiment is not what we think about.

Figure 2 illustrates the healthcare sector performance contribution by sub-sector. If we would make any observation about the table, it would be that the final figures belie many a twist and turn and much volatility during the period.

It speaks volumes that the best and second-best sub-sectors could not share less in common in terms of fundamental attributes and the worst performing sector is ironically the one that is most likely to benefit from the machine learning-based developments that so influenced the wider market's behaviour during the year.

Figure 2 FY2023 MSCI World Healthcare Index sub-sector performance data

	Weighting	Perf (USD)	Perf (GBP)
Distributors	1.6%	21.6%	15.1%
Dental	0.4%	15.0%	8.8%
Other Healthcare/Animal Health	1.3%	5.6%	4.9%
Medical Technology	12.6%	4.4%	-1.1%
Diversified Therapeutics	37.2%	4.4%	-1.2%
Facilities	1.0%	1.9%	-3.5%
Generics	0.4%	0.7%	-4.7%
Services	2.1%	-0.7%	-6.1%
Managed Care	12.0%	-3.7%	-8.8%
Focused Therapeutics	8.4%	-8.9%	-13.8%
Tools	8.3%	-11.8%	-16.5%
Healthcare Technology	0.9%	-12.0%	-16.7%
Conglomerate	11.9%	-12.7%	-17.4%
Diagnostics	1.5%	-16.1%	-20.6%
Healthcare IT	0.6%	-22.2%	-26.4%
Index performance		**-1.8%**	**-7.1%**

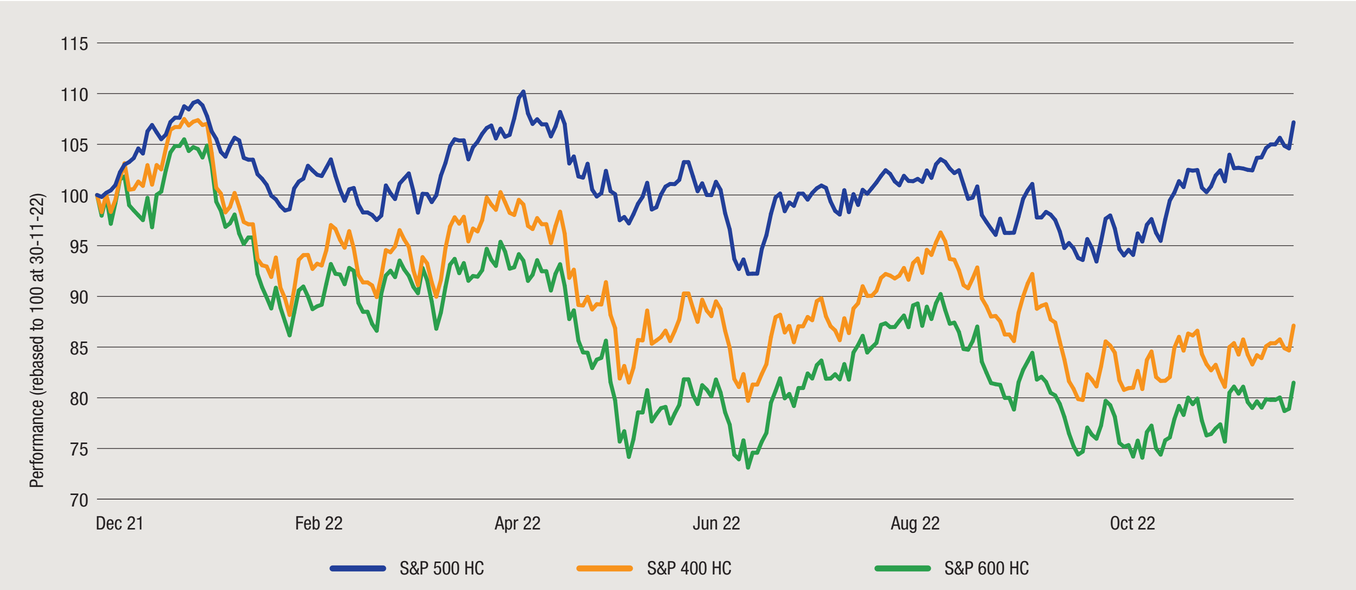
Regular followers will know that we have repeatedly mentioned the outsized impact of the size factor (i.e. relative outperformance or underperformance based on market capitalisation grouping). In summary, the past few years have seen investors hiding in the relative safe haven of larger, more liquid and typically more diversified companies.

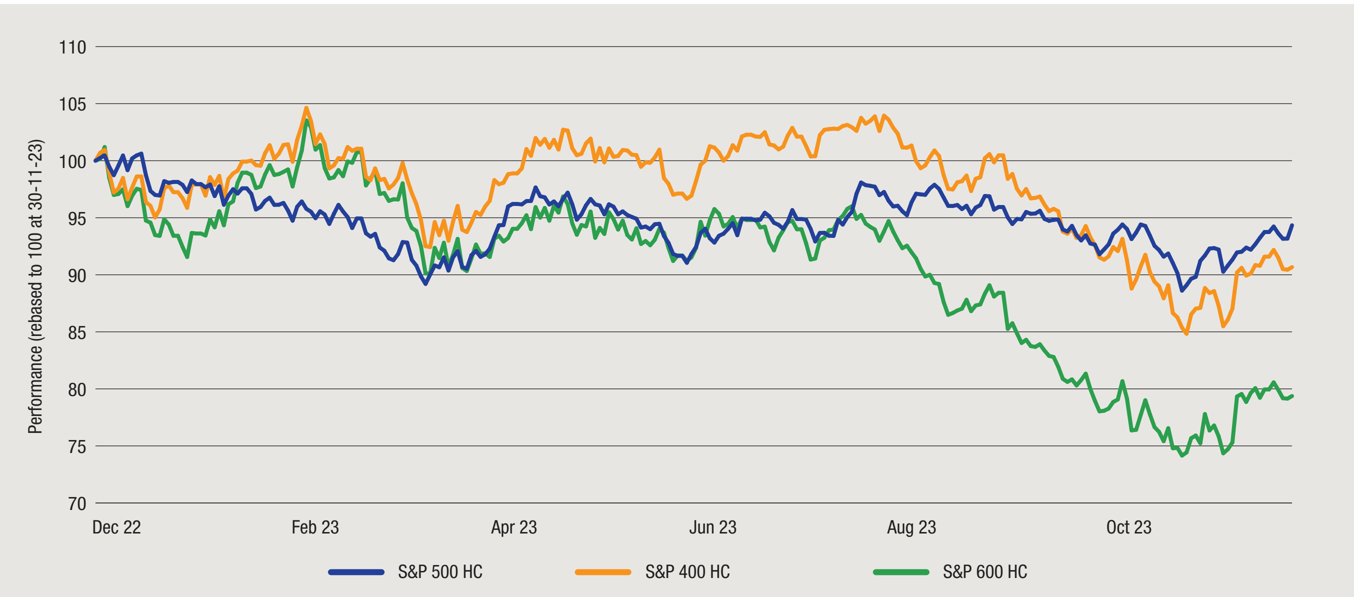
Such companies tend to be older and more mature, so less at the mercy of debt and equity markets for additional funding and thus less sensitive to interest rates. They are also easier to exit if the market does look like it is going down and investors wish to reduce equity exposures.

Figure 3 illustrates the impact of size factor within US healthcare, by comparing returns over the past two fiscal years from the healthcare series of the S&P 500 (mega-cap dominated, $5.2trn value), S&P 400 (mid-cap focused, $212bn value) and S&P 600 (small-cap dominated, $130bn value).

As the charts show, size factor dispersion was less pronounced in FY2023 than it was in FY2022, but there was still a material performance lag for smaller-capitalisation stocks within the healthcare universe, again illustrating the inherent conservatism of investors during this period of macroeconomic uncertainty. Most of this relative underperformance occurred in the late summer months (when sentiment around a soft landing receded somewhat, before reversing again into the calendar year-end).

Figure 3 FY2022 and FY2023 Total Return Data – Selected Healthcare Indices





Source: Bloomberg

Healthcare remains a stable sector from a regulatory perspective, with very visible long-term demand growth drivers and, whilst we all recognise that the cost of equity has risen due to higher risk-free rates, it remains our view that the multiple compression seen in small and mid-cap healthcare equities went far beyond anything that could be justified by the application of higher discount rates.

Neither could it be rationalised by taking earnings downgrades or changes to the healthcare industry's regulatory or operating environment into account, since in both cases the impact has been limited (downgrades have been more at the upper end of the market cap scale). The positive behaviour of these same SMID-focused indices in December 2023 and January 2024 surely attests to the arbitrary and egregious nature of the devaluation that investors have witnessed over the past two years.

PERFORMANCE SUMMARY – BELLEVUE HEALTHCARE TRUST

We would reiterate that the investment strategy we are following leads to a portfolio with certain inherent characteristics and factor exposures: dollar dominance, mid-cap focus and low benchmark correlation. As was the case in FY2022, these factor characteristics have been negatively correlated with wider market performance over the past year, leading again to an underperformance versus our key comparator index, the MSCI World Healthcare Index (Figure 4).

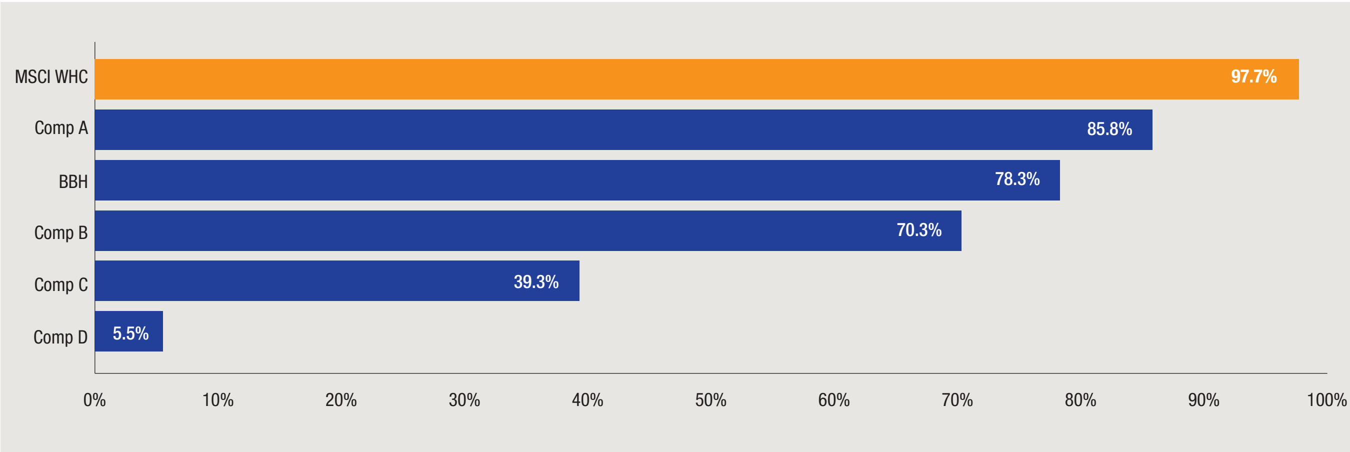
Figure 4 Bellevue Healthcare Trust – FY2023 Financial Performance Summary

Total Return (GBP)	Fiscal 2023	Rolling 3 Year	Rolling 3 Year (annual eq.)	Since Inception (1-Dec-16)
BBH Share Price	-15.1%	-16.7%	-5.9%	+60.0%
BBH NAV	-12.7%	-7.6%	-2.6%	+78.3%
MSCI World Healthcare Index	-7.1%	+22.8%	+7.1%	+97.7%
Relative to MSCI World Healthcare Index				
BBH Share Price	-8.0%	-39.5%	-13.0%	-37.7%
BBH NAV	-5.6%	-30.4%	-9.7%	-19.4%
Performance of other comparator indices				
MSCI World Total Return Index	+7.5%	+30.9%	+8.1%	+106.1%
FTSE All Share Total Return Index	+1.8%	+24.8%	+2.0%	+42.2%

Source: Bloomberg. All performance figures are calculated as total return with dividends being reinvested in the relevant security, calculated in GBP and with the relevant period ending on 30 November 2023.

The poor investment return performance during FY2023 pushed the Trust into underperformance since inception when measured to the end of the fiscal year (Figure 5). When considering the total shareholder return, the widening of the discount rating on the Company's share price from -7.5% at the end of FY2022 to -10.3% at the end of FY2023 further eroded the performance.

Figure 5 Total Return (NAV) since inception of Bellevue Healthcare Trust vs. UK listed comparables



Source: Bloomberg. All performance figures are calculated as total return with dividends being reinvested in the relevant security, calculated in GBP and with the relevant period ending on 30 November 2023. UK listed comparables are (in no particular order) BIOG, IBT, PCGH and WWH.

PORTFOLIO SUMMARY

During fiscal 2023, the Company held positions in 34 companies (compared to 37 in FY2021), beginning the year with 29 positions and ending the year with 27 (five additions and seven exits). In keeping with FY2022, this was again a lower turnover year than the previous one; excluding redemption-related selling, overall trading activity more than halved.

Two of the seven additions during the year were reinvestments in companies that had been in the portfolio previously (Dexcom and Centene). Of the seven exits, two were due to M&A (Amedisys and Point Therapeutics).

Of the remaining five exits, two were due to the companies reaching our fair values, resulting in insufficient further upside to justify continued ownership. The remainder were cases where the investment thesis failed, or the company changed its strategic direction in a manner that we did not find compelling.

The evolution of the portfolio at a sub-sector level is illustrated in Figure 6. Investors can find detailed commentary on the month-by-month evolution of the sub-sector exposure in the monthly factsheets and these should be investors' primary source of information on the portfolio and the strategy.

Figure 6 Portfolio sub-sector evolution

Subsector Allocation (month end)	November 2022	May 2023	November 2023	Change (y-o-y, %)
Conglomerates	0.0%	0.0%	0.0%	n/a
Dental	1.2%	0.9%	0.0%	-1.2%
Diagnostics	10.5%	11.4%	13.3%	+2.8%
Distributors	0.0%	0.0%	0.0%	n/a
Diversified Therapeutics	6.4%	4.0%	0.0%	-6.4%
Facilities	0.0%	0.0%	0.0%	n/a
Focused Therapeutics	24.3%	21.3%	22.2	-2.1%
Generics	0.0%	0.0%	0.0%	n/a
Healthcare IT	5.4%	8.8%	10.4%	+5.0%
Healthcare Technology	3.9%	3.0%	5.7%	+1.8%
Managed Care	7.0%	7.2%	7.8%	+0.8%
Medical Technology	19.3%	18.8%	19.1%	-0.2%
Services	15.3%	14.9%	11.7%	-3.6%
Tools	6.5%	9.6%	9.9%	+3.4%
Other Healthcare	0.0%	0.0%	0.0%	n/a
Total	**100.0%**	**100.0%**	**100.0%**	

As noted previously, we feel that the predominant driver of performance during the period in review was sub-sector allocation or thematic exposure, rather than individual stock selection. In the early part of the year, size bias toward SMID healthcare was a positive attribute, until the collapse of Silicon Valley Bank ('SVB') on 7th March 2023.

Few public companies had material exposure to this entity and, in any event, the Federal Reserve stepped in to guarantee deposits within days of its collapse. Nonetheless, the Trust's NAV fell 7.5% in dollar terms over that period, despite de minimis SVB exposure for portfolio companies. From April to July, the sector broadly went sideways as the wider market climbed higher on the rotation toward mega-cap technology stocks around AI-related excitement.

In the later summer months, another meme frenzy around the impact of widespread use of GLP-1 obesity drugs gripped the market, dividing healthcare into a perceived binary grouping of obesity "winners and losers".

We have devoted many pages in the factsheets to debunking the ludicrous implications of the stock moves that followed around these so-called "losers". We reiterate again that we have not seen anything quite so kneejerk since the tail end of the 1990s, and the similarly ludicrous 'old versus new economy' debate over emerging tech companies. Change takes time and is seldom so clear cut as Wall Street would have investors believe.

Broadly speaking, we would characterise our activity during the year as seeking to take advantage of these repeated mispricing events to position the portfolio as best we could to benefit from a recovery in sentiment, which we felt was inevitably coming (and duly did in the last two months of 2023 and into January 2024). This is most evident in our increased allocations to Tools, Healthcare IT and Healthcare Technology and the reduced exposure to Diversified Therapeutics.

With regard to the portfolio breakdown by market capitalisation, this activity saw a further downward drift in the median company size. We had ~300bp less exposure to Mega-Cap and Large-Cap companies, with offsetting increases in both the Small-Cap and Mid-Cap categories. Despite this shift, the Company's portfolio liquidity parameters are unchanged. The portfolio remained highly liquid; we estimate 100% of the portfolio could be liquidated within nine trading days at a participation rate of 20%.

The already material geographic bias to the United States increased, as we exited our exposures to Europe and Rest of World and valuations in China continued to experience significant pressure due to a lacklustre post-COVID recovery and an overhang from an anti-corruption drive that has caused physicians and hospital managers to somewhat shy away from undertaking costly procedures or ordering expensive equipment.

Figure 7 Market capitalisation breakdown

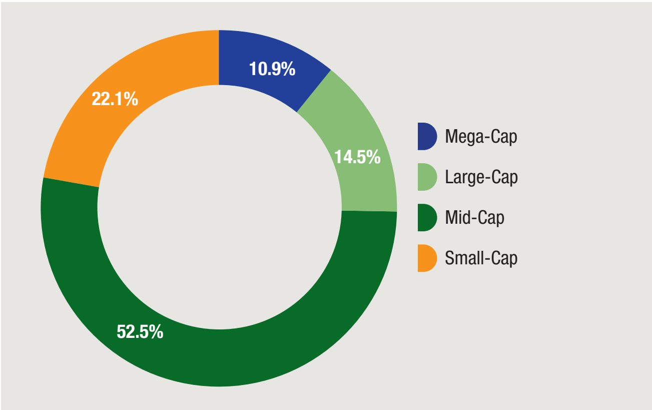
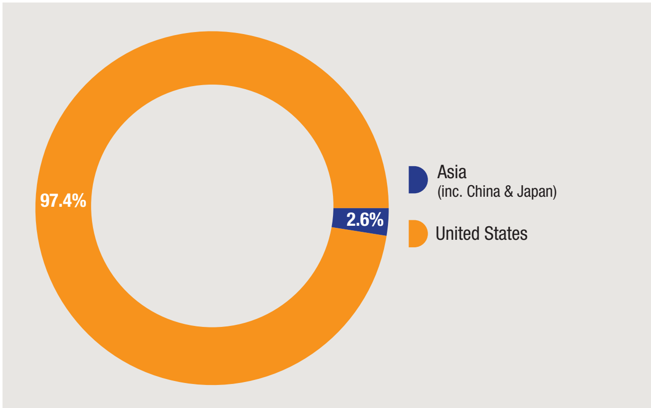


Figure 8 Geographical breakdown (operational HQ)



Our top five and bottom five contributors to the evolution of the NAV are summarised in Figure 9, along with their share price development in sterling over the fiscal year (which does not necessarily correspond to their performance for the Company, since the size and duration of our holdings varies over the year).

Figure 9 FY2023 Top and Bottom performers

Top 5 Performers (total return)		
Company	**Sub-sector**	**Performance (GBP)**
Exact Sciences	Diagnostics	+34.7%
Apellis Pharmaceuticals	Focused Therapeutics	+2.1%
Insmed	Focused Therapeutics	+28.1%
Hutchmed	Focused Therapeutics	+50.4%
Point Therapeutics	Focused Therapeutics	+88.9%

Bottom 5 Performers (total return)		
Company	**Sub-sector**	**Performance (GBP)**
Silk Road Medical	Medical-Technology	-83.4%
Tandem Diabetes Care	Healthcare Technology	-54.5%
Outset Medical	Medical-Technology	-76.5%
Charles River	Services	-18.4%
Bio-Rad Laboratories	Tools	-30.4%

We would make the following comments regarding the companies in Figure 9: only one of the top performers (Point Therapeutics) was an M&A target; it was acquired by Eli Lilly. As we go to press, we still have exposure to all of the worst performers and see four of the five as materially undervalued holdings that we expect to perform well in the future.

The standard 'boiler plate' comment around performance not corresponding to the data in the table feels particularly apposite in respect of Apellis Pharmaceuticals. The shares reached our fair value and we materially reduced our holdings mid-year. Shortly after, the stock fell >70% in July 2023 on concerns about side effects for their key drug Syfovre. We felt this was an overreaction, so we scaled up the position and rode the recovery to considerable profit. We have since been taking profits again.

Hopefully this example serves as a useful illustration of how the valuation discipline around share price maximums works within the strategy. We are happy to exit even good companies if the price is full and have no qualms about going back into stocks again when circumstances are more propitious and also demonstrates how the market is prone to overreactions on the downside, something that we have seen a lot over the past two years. For us, it has always been a question of the longer-term fundamental outlook that drives decision-making, rather than short-term market sentiment.

Full investment portfolio as of 30 November 2023

	Company	Sub-sector classification	% Portfolio
1	OPTION CARE HEALTH	Services	6.9
2	INSMED	Focused Therapeutics	6.8
3	AXONICS	Medical Technology	6.8
4	EVOLENT HEALTH	Healthcare IT	6.6
5	EXACT SCIENCES	Diagnostics	6.4
6	INTUITIVE SURGICAL	Medical Technology	5.2
7	PACIFIC BIOSCIENCES	Tools	5.1
8	APELLIS PHARMACEUTICALS	Focused Therapeutics	4.8
9	BIO-RAD LABORATORIES	Tools	4.8
10	CHARLES RIVER	Services	4.8
Total Top 10			**58.2**
11	AXSOME THERAPEUTICS	Focused Therapeutics	4.7
12	TANDEM DIABETES CARE	Health Technology	4.5
13	CAREDX	Diagnostics	4.2
14	ACCOLADE	Healthcare IT	3.8
15	ATRICURE	Medical Technology	3.1
16	UNITEDHEALTH GROUP	Managed Care	3.1
17	CASTLE BIOSCIENCES	Diagnostics	2.7
18	ELEVANCE HEALTH	Managed Care	2.6
19	HUTCHMED	Focused Therapeutics	2.4
20	CENTENE	Managed Care	2.1
21	SAREPTA THERAPEUTICS	Focused Therapeutics	2.1
22	SILK ROAD MEDICAL	Medical Technology	1.5
23	INSPIRE MEDICAL	Medical Technology	1.5
24	VERONA PHARMACEUTICALS	Focused Therapeutics	1.4
25	DEXCOM	Health Technology	1.2
26	OUTSET MEDICAL	Medical Technology	0.7
27	VENUS MEDTECH	Medical Technology	0.2
Total portfolio			**100.0**
Gross exposure			**£697.0 million**
Net value of assets			**£665.5 million**

Recent trading and outlook

In these fast moving and macro-oriented times, we continue to recommend that investors rely upon the detailed and discursive monthly factsheets for an up-to-date view of the outlook. These can be found on the Company's website[1]. We are pleased to report that the Company's performance in the three months to the end of February 2024 has been positive on a relative and absolute basis and the macroeconomic situation is coalescing around a more constructive, narrower range of outcomes, even if the geopolitical circumstances remain febrile.

It bears repeating that our strategy of investing in `healthcare change' remains a powerful and compelling one. Healthcare continues to be the secular growth story of our age. Recession or not, there are ever more people and they are ageing. More and more countries are becoming developed economies and scientific progress continues to open up new avenues to relieve the burden of human suffering, raising expectations of what products and services will be available to this ever-greater number of people.

[1] https://www.bellevuehealthcaretrust.com/uk-en/private/insights/

However, society needs to pay for all of this and the current model is neither easily scalable nor financially sound. If we cannot bend the cost curve and change the delivery paradigm, the services will need to be cut or the system will go bankrupt. Ergo, healthcare must change. There is no alternative. We have already seen profound changes implemented since the pandemic. The tools, products and services that are enabling the re-imagining of healthcare can be accessed through the public equity realm, creating a persuasive investment opportunity. The past few years may have been very challenging, but the fundamentals remain very attractive.

Paul Major and **Brett Darke**
Bellevue Asset Management (UK) Ltd
1 March 2024

Investment Policy, Results and Key Performance Indicators

INVESTMENT POLICY

The Company invests in a concentrated portfolio of listed or quoted equities in the global healthcare industry. The Company may also invest in 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. Any use of derivatives for investment purposes is made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below, and such use is not expected in the normal course to form a material part of the Gross Assets.

The investable universe for the Company is the global healthcare industry including companies within industries such as pharmaceuticals, biotechnology, medical devices and equipment, healthcare insurers and facility operators, information technology (where the product or service supports, supplies or services the delivery of healthcare), drug retail, consumer healthcare and distribution.

No single holding will represent more than 10 per cent. of Gross Assets at the time of investment and, when fully invested, the portfolio will have no more than 35 holdings. The Company will typically seek to maintain a high degree of liquidity in its portfolio holdings (such that 90 per cent of the portfolio may be liquidated in a reasonable number of trading days) and as a consequence of the concentrated approach, it is unlikely that a position will be taken in a company unless a minimum holding of 1.0 per cent. of Gross Assets at the time of investment can be achieved within an acceptable level of liquidity.

There are no restrictions on the constituents of the Company's portfolio by index benchmark, geography, market capitalisation or healthcare industry sub-sector. Whilst the MSCI World Healthcare Index (in sterling) will be used to measure the performance of the Company, the Company does not seek to replicate the index in constructing its portfolio. The portfolio may, therefore, diverge substantially from the constituents of this index (and, indeed, it is expected to do so). However, the portfolio is expected to be well diversified in terms of industry sub-sector exposures. Given the nature of the wider healthcare industry and the geographic location of the investable universe, it is expected that the portfolio will have a majority of its exposure to stocks with their primary listing in the United States and with a significant exposure to the US dollar in terms of their revenues and profits. Although the base currency of the Company is sterling which creates a potential currency exposure, this will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.

The Company will not invest in any companies which are, at the time of investment, unquoted or untraded companies and has no intention of investing in other investment funds.

BORROWING POLICY

The Company may deploy borrowing to enhance long-term capital growth. Gearing will be deployed flexibly up to 20 per cent. of the Net Asset Value, at the time of borrowing, although the Investment Manager expects that gearing will, over the longer term, average between 5 and 10 per cent. of Net Asset Value. In the event that the 20 per cent limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Investment Manager shall be permitted to realise investments in an orderly manner so as not to prejudice shareholders.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

DIVIDEND POLICY

The Company will set a target dividend each financial year equal to 3.5% of Net Asset Value as at the last day of the Company's preceding financial year. The target dividend will be announced at the start of each financial year. This is a target only and not a profit forecast and there can be no assurance that it will be met.

Dividends will be financed through distributable reserves. In order to increase the distributable reserves available to facilitate the payment of dividends, the Company cancelled the amount of £146,412,136 standing to the credit of its share premium account immediately following first admission of its Ordinary Shares to trading on the London Stock Exchange in order to create a special distributable reserve. With effect from 14 December 2023, a further amount of £617,709,517 standing to the credit of the Company's share premium account was cancelled in order to increase the special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of the special distributable reserve, taking into account the Company's investment objective.

The Company intends to pay dividends on a semi-annual basis, by way of two equal dividends, with dividends declared in July and February/March and paid in August and March/April in each year.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

RESULTS AND DIVIDEND

The Company's revenue return after tax for the year amounted to a loss of £1,147,000 (2022: loss of £1,655,000). The Company's capital return after tax for the year amounted to a loss of £119,891,000 (2022: loss of £36,769,000). Therefore, the total return after tax for the Company was a loss of £121,038,000 (2022: loss of £41,424,000).

The Company targeted a total dividend for the year ended 30 November 2023 of 5.99p per Ordinary Share.

- Interim dividend of 2.995p paid on 25 August 2023
- Final dividend of 2.995p to be paid on 31 May 2024 (to Shareholders on the register at the close of business on 10 May 2024), subject to Shareholder approval at the AGM to be held on 26 April 2024.

TARGET TOTAL DIVIDEND FOR THE YEAR ENDING 30 NOVEMBER 2024

As announced by the Company on 12 January 2024, for the financial year ending 30 November 2024, the target total dividend will be 5.04p per Ordinary Share, this being 3.5% of the audited net asset value per Ordinary Share of 143.87p (including current financial year revenue items) as at 30 November 2023. The Board intends to declare an interim dividend of 2.52p per Ordinary Share, being half of the target total dividend for the financial year ending 30 November 2024, in July 2024 and intends to pay this dividend in August/September 2024. The Board intends to propose a final dividend of 2.52p per Ordinary Share for the financial year ending 30 November 2024, in February/March 2025 and intends to pay this dividend in March/April 2025.

FIVE YEAR DIVIDEND PERFORMANCE

	Interim dividend	Final dividend	Total dividend
Dividends paid/payable			
Year ended 30 Nov 2019	2.425p	2.425p	4.85p
Year ended 30 Nov 2020	2.500p	2.500p	5.00p
Year ended 30 Nov 2021	3.015p	3.015p	6.03p
Year ended 30 Nov 2022	3.235p	3.235p	6.47p
Year ending 30 Nov 2023	2.995p	2.995p	5.99p
Target dividend*			
Year ending 30 Nov 2024	2.520p	2.520p	5.04p

* This is a target and should not be taken to imply a profit forecast.

KEY PERFORMANCE INDICATORS ("KPIs")

The Board measures the Company's success in attaining its investment objective by reference to the following KPIs:

(i) To beat the total return of the MSCI World Healthcare Index (in Sterling) on a rolling three year period

The NAV total return from 1 December 2020 to 30 November 2023 was -7.6%. The total return of the MSCI World Healthcare Index (in sterling terms) over the same period was +22.8%.

The Investment Manager's report on pages 6 to 14 incorporates a review of the highlights during the financial year ended 30 November 2023. The Investment Manager's report on pages 6 to 14 gives details on investments made during the year and how performance has been achieved.

(ii) To seek to generate a double-digit total Shareholder return per annum over a rolling three year period

The NAV total returns from 1 December 2020 to 30 November 2023 was -7.6%.

(iii) To meet its target total dividend in each financial year

The Company targeted a total dividend of 5.99p per Ordinary Share for the year ended 30 November 2023. The Company paid an interim dividend of 2.995p per Ordinary Share in August 2023 and proposes a final dividend in respect of the year to 30 November 2023 of 2.995p per Ordinary Share.

(iv) Discount/premium to NAV

The discount/premium relative to the NAV per Ordinary Share represented by the share price is monitored by the Board. The share price closed at a 10.3% discount to the NAV as at 30 November 2023 (2022: 7.6% discount).

(v) Maintenance of reasonable level of ongoing charges

The Board monitors the Company's operating costs. Based on the Company's average net assets during the year ended 30 November 2023 the Company's ongoing charges figure calculated in accordance with the Association of Investment Companies ("AIC") methodology was 1.02% (2022: 1.04%).

Risk and Risk Management

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Board is responsible for the management of risks faced by the Company and delegates the review process of this to the Audit and Risk Committee (the "Committee"). The Committee carries out, at least annually, a robust assessment of principal and emerging risks and uncertainties and monitors the risks on an ongoing basis. The Committee has a dynamic risk assessment programme in place to help identify key risks in the business and oversee the effectiveness of internal controls and processes, providing a visual reflection of the Company's identified principal and emerging risks. The Committee considers both the impact and the probability of each risk occurring and ensures appropriate controls are in place to reduce risk to an acceptable level.

During the year under review, the Committee considered the continued weak investment performance from the perspective of risk management. In that review, it considered whether the investment process adopted at the prospectus to achieve the Company's return objective had been consistently applied. The conclusion was there has been consistency of approach which had been very adversely affected by macro-economic reaction to geopolitical uncertainties that have arisen. The concentrated high conviction portfolio selected from bottom-up research results in a tendency to a selection of smaller mid-sized companies which has adversely impacted the resulting performance. The inability to mitigate for market risk led the committee, from a risk perspective conclude that the investment Manager is "doing what it says on the tin" and so from a risk perspective, ensure the key risks are communicated well to Shareholders.

The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined below.

(I) MARKET RISKS

Economic conditions

Changes in general economic and market conditions including, for example, impact of pandemics on global economies and national responses to ameliorate such challenges, interest rates, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company's prospects and thereby the performance of its Ordinary Shares.

Healthcare companies

The Company invests in global healthcare equities. This sector may be affected by a number of particular risks including changes in government regulations and government healthcare programs, increases or decreases in the cost of medical products and services and product liability claims. Healthcare companies in particular, have patent protection, very competitive forces on pricing and susceptibility to product obsolescence. In addition, successful development of healthcare products may be highly uncertain. The market prices for securities of companies in the healthcare sector can reflect this by being highly volatile.

Sub-sectoral diversification

The Company has no limits on the amount it may invest in the healthcare sector and is not subject to any sub-sector investment restrictions. Although the portfolio is expected to be well diversified in terms of industry sub-sector exposures, the Company may have significant exposure to portfolio companies from certain sub-sectors from time-to-time.

Concentrated Portfolio

One of the key aspects to the investment proposition is selection of core high conviction portfolio driven by the Investment manager's fundamental analysis. The maximum number of stocks being held at any one time will be 35. This Investment approach does not propose to follow a benchmark and as such cannot be expected to reflect the benchmark performance.

Changes of Risk during the year

The particular investment approach has not been altered during the year though the market risk headwinds have continued to adversely affect performance.

Management of risk

The Directors acknowledge that market risk is inherent in the investment process. The Company is invested in a concentrated, sector specific portfolio of investments and has a well-defined investment policy that states that no single holding will represent more than 10 per cent. of gross assets at the time of investment.

The Investment Manager also has a well-defined investment objective and process which is regularly and rigorously reviewed by the independent Board of Directors and performance is reviewed at quarterly Board meetings. The Investment Manager is experienced and employs its expertise in selecting the stocks in which the Company invests.

The Board closely monitors the Company's share price relative to NAV and the Company's discount / premium relative to their peer group. A discount management policy including buy backs and redemption facility is operated. Extensive marketing is carried out by the Company's Investment Manager, Broker and a specialist PR company and regular communication via the Company's factsheets aims to inform shareholders. An investment research consultant is engaged to provide independent research for retail shareholders.

In addition to regular market updates from the Investment Manager and reports at Board meetings, the Board convenes more often as required.

(II) FINANCIAL RISKS

The Company's investment activities expose it to a variety of financial risks which include liquidity, currency, leverage, interest rate and credit risks.

The Company invests in equities, with equities subject to strong price fluctuations and specifically healthcare equities, which can be subject to sudden substantial price movements owing to market, sector or company factors. There is therefore a risk that the Company's holdings may not be able to be realised at reasonable prices in a reasonable timeframe. Although the Company's performance is measured in sterling, a high proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure. The Company pays interest on its borrowings and as such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. The Company may take on leverage, which may lead to higher price movements compared to the underlying market.

Financial risks in the year under review

Significantly, the $/£ movement negatively impacted the results. The Board policy is not to hedge currencies as that is not within the remit of an equity proposition however some mitigation comes from the utilisation of multi-currency debt to recognise the underlying investment currency.

Management of risk

The Company typically maintains a high degree of liquidity in its portfolio holdings.

Further details on the management of financial risks can be found in note 19 to the financial statements.

(III) CORPORATE GOVERNANCE AND INTERNAL CONTROL RISKS

The Board has contractually delegated to external service providers the management of the investment portfolio, custodial services (which include the safeguarding of the assets), registration services, and accounting and company secretarial requirements. The major external service providers are outlined on page 35 and 36 of the Directors' Report.

The main risk areas arising from the above contracts relate to allocation of the Company's assets by the Investment Manager, and the professional execution of their duties of performance of administrative, registration and custodial services. These could lead to various consequences including the loss of the Company's assets, inadequate returns to Shareholders and loss of investment trust status. Cyber security risks could lead to breaches of confidentiality, loss of data records and inability to make investment decisions.

Management of risk

The Board has appointed experienced service providers. Each of the contracts were entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company.

All of the above services are subject to ongoing oversight of the Board and the performance of the principal service providers is reviewed on a regular basis. During the year, there have been significant changes to senior management of a number of service providers including at the Bellevue Asset Management Board level in Switzerland and in the UK within the management of the Administrator. The latter has been undergoing a series of changes as consolidation in that industry is apparent. The Board ensure that all these factors are considered in ensuring service provision is maintained at the highest level.

All key service providers produce annual internal control reports for review by the Audit and Risk Committee. These reviews include consideration of their business continuity plans and the associated cyber security risks. The Company's key service providers report on cyber risk mitigation and management on a quarterly basis. This includes confirmation of business continuity capability in the event of a cyber-attack and each service provider is reminded of their duty to disclose any cyber security breaches to the Company Secretary at least annually.

(IV) REGULATORY RISKS

Breaches of Section 1158 of the Corporation Tax Act could result in loss of investment trust status. Loss of investment trust status would lead to the Company being subject to tax on any gains on the disposal of its investments. Breaches of the FCA's rules applicable to listed entities could result in financial penalties or suspension of trading of the Company's shares on the London Stock Exchange. Breaches of the Companies Act 2006, The Alternative Investment Fund Managers' Directive, accounting standards, the Listing Rules, Disclosure Guidance and Transparency Rules, and Prospectus Rules could result in financial penalties or legal proceedings against the Company or its Directors.

Management of risk

The Company has contracted out relevant services to appropriately qualified professionals. The Investment Manager, Depositary and Administrator provide regular reports to the Audit and Risk Committee on their monitoring programmes. The Investment Manager monitors investment positions and the Investment Manager and Administrator monitor the level of forecast income and expenditure. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representations would be made to seek to ensure that the special circumstances of investment trusts are recognised.

During the year there were no material changes to the risk level.

(V) KEY PERSON RISK

The Company depends on the diligence, skill and judgement of the Investment Manager's investment professionals and the information and ideas they generate during the normal course of their activities. The Company's future success depends on the continued service of key personnel. The departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.

Management of risk

The strength and depth of the investment management team provides comfort that there is not over-reliance on one person with alternative investment managers available to act if needed. The Board meets regularly with other members of the wider team employed by the Investment Manager.

(VI) BUSINESS INTERRUPTION

Failure in services provided by key service providers, meaning information is not processed correctly or in a timely manner, resulting in regulatory investigation or financial loss, failure of trade settlement, or potential loss of investment trust status.

The failure or breach of information security could potentially lead to breaches of confidentiality, data records being compromised and the inability to make investment decisions. The failure or breach of physical security could lead to damage or loss of equipment, with consequential negative results.

Management of risk

Each service provider has comprehensive business continuity policies and procedures in place which facilitate continued operation of the business in the event of a service disruption or a major disruption event. Breaches of any nature are reported to the Board.

The Committee receives the Administrator's report on internal controls and the reports by other key third-party providers are reviewed by the Investment Manager and Company Secretary on behalf of the Committee. The Depositary reports on custody matters, including the continued safe custody of the Company's assets.

Cyber security risks are considered and continually monitored by the Investment Manager as these threats evolve and become increasingly sophisticated. The integrity of the Company's information security is closely monitored by the Board, with each of the key service providers providing a regular report through its internal audit function which covers information technology security and provides comfort to the Board that appropriate safeguards are in place.

The failure or breach of information security could potentially lead to breaches of confidentiality, data records being compromised and the inability to make investment decisions. The failure or breach of physical security could lead to damage or loss of equipment, with consequential negative results.

(VII) ESG AND CLIMATE CHANGE RISK

The financial risks from climate change are typically classified as physical or transitional risks. Physical risks are those arising from specific weather events and transitional risks are those arising from the changes to regulations, such as the move to net-zero carbon. The Company could suffer potential reputational damage from non-compliance with regulations or incorrect disclosures or as a result of increased investor demand for products which promote ESG investments. The impact of climate change could affect the Company's investments and their valuations and potentially shareholder returns. Further information on this can be found in the principal and emerging risks and uncertainties section and Note 2 of this report.

Management of risk

The portfolio is well diversified to mitigate against physical risks. Changes in climate change focused regulation, governing both the Company and investee companies, will create some uncertainty. In comparison to the broader economy, the portfolio has a relatively low carbon footprint and the Investment Manager's parent company is currently deploying a CO_2 reduction strategy. This strategy encompasses measures such as an independent audit of its CO_2 footprint according to ISO14064-1 and GHG protocols, implementation of corporate CO_2 reduction and offsetting of excess emissions with high-quality climate projects. Bellevue Group is targeting a reduction in CO_2 emissions per FTE of at least 30% by 2030. Moreover, the Bellevue Group was certified as carbon neutral by Swiss Climate in late 2021.

The Board encourages the Investment Manager to consider ESG factors when selecting and retaining investments and this has been a major topic of discussion in the past year. The Investment Manager's formal ESG guidelines cover areas such as compliance with global norms (UN Global Compact, Guiding Principles for Business and Human Rights, ILO standards), value-based exclusions, controversies, climate change factors and active ownership (management engagement, voting policies, etc.).

The Company's ESG statement is updated annually and is available on the AIC website and on pages 26 to 32 of this report. Investment trusts are currently exempt from TCFD disclosure, but the Board will continue to monitor the situation.

Viability Statement

The Directors have assessed the viability of the Company for the five years to 30 November 2028 (the "Period"), which the Directors consider to be an appropriate time horizon, taking into account the long-term nature of the Company's investment objective and recommendation by the Financial Reporting Council.

In reaching this conclusion, the Directors have considered each of the principal and emerging risks, including climate change and the liquidity and solvency of the Company over the next five years. The Directors have considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities, which could, if necessary, be sold to meet the Company's funding requirements. Portfolio changes and market developments are discussed at quarterly Board meetings. The internal control framework of the Company is subject to a formal review on at least an annual basis.

The Directors do not expect there to be a material increase in the annual ongoing charges ratio of the Company over the Period. The Company's income from investments and cash realisable from the sale of its investments provide substantial cover to the Company's operating expenses under all stress test scenarios reviewed by the Directors.

The Company has a redemption facility through which Shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The redemption point is the last business day of November. The Directors' assessment assumes that the number of shares redeemed will not affect the Company's ability to continue in operational existence. At the last redemption point of 30 November 2023, redemption requests in respect of 77,428,034 Ordinary Shares were received, all of the Ordinary Shares were redeemed and cancelled by the Company. All shareholders who validly applied to have shares redeemed received a Redemption Price of 142.07718 pence per share. The Company's redemption facility is subject to approval by the Board.

Based on their assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due in the Period.

Stakeholder Engagement

This section of the Annual Report covers the Board's considerations and activities in discharging their duties under s.172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole.

This statement includes consideration of the likely consequences of the decisions of the Board in the longer term, how the Board has taken wider stakeholders' needs into account and the impact of the Company's operations on the environment.

The Board is ultimately responsible for all stakeholder engagement. As an externally managed investment company, the Company does not have any employees; rather it employs external suppliers to fulfil a range of functions, including investment management, secretarial, administration, public relations, corporate brokering, depositary and banking services. All of these service providers who are stakeholders in the Company themselves help the Board to fulfil its responsibility to engage with the Shareholders and other stakeholders.

The Board has identified the major stakeholders in the Company's business. On an ongoing basis the Board monitors both potential and actual impacts of the decisions it makes in respect of the Company upon those major stakeholders identified.

Importance of Engagement	Examples of Engagement and Key Decisions
Shareholders	
The Board's principal concern is the interests of the Company's Shareholders and potential investors. As a public company listed on the London Stock Exchange, the Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all Shareholders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. 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 Board maintains open dialogue between Shareholders, the Investment Manager and other service providers. The Investment Manager and Chairman, along with the Company's corporate broker meets regularly with the Company's Shareholders to provide Company updates and to foster regular dialogue. Feedback from meetings between the Investment Manager and Shareholders is communicated with the Board.	With the assistance of regular discussions with and the formal advice of the Company's legal counsel, secretary and corporate broker; the Board abides by the Listing Rules at all times. The Board recently announced that for the financial year ending 30 November 2024, the target total dividend will be 5.04p per Ordinary Share, this being 3.5% of the audited net asset value per Ordinary Share of 143.87p (including current financial year revenue items) as at 30 November 2023. The Board encourages Shareholders to attend and participate in the Company's AGM and the Investment Manager attends to answer any questions Shareholders may have. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM. The Board recognises that it is not possible for everyone to attend the AGM and therefore encourage Shareholders to submit any enquiries or feedback to the dedicated email address: **info@bellevuehealthcaretrust.com**. The Company's Annual and Interim Reports are made available on the Company's website and are also circulated to Shareholders as requested. This information is supplemented by the daily calculation and publication of the NAV per Ordinary Share and a monthly factsheet, which are announced via a Regulatory Information Service feed and are also available on the Company's website. The Board has appointed an independent research consultancy, Kepler, to ensure that information and news about the Company is regularly available for existing and potential Shareholders. On a number of occasions during the year the Board wrote to the Company's larger Shareholders offering meetings or calls with the Chairman or other members of the Board. The Board appreciate that Shareholders vary by size and resources but the Company's investor relations team, Investment Manager and Board of Directors are pleased to engage with Shareholders, whatever their size.

Importance of Engagement	Examples of Engagement and Key Decisions
Investment Manager	
The most significant service provider for the Company's long-term success is Bellevue Asset Management (UK) Limited, who have been engaged as the Company's Investment Manager. The Investment Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Investment Management Agreement. The Investment Manager has also been appointed as the Company's AIFM in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), for the purpose of providing investment advisory services to the Company. The Investment Manager has placed trust in the investee companies to respond appropriately to operational challenges and to ensure that high standards of corporate governance and regard for Shareholders are at the forefront of managerial decision-making.	The Board monitors the Company's investment performance in relation to its objectives and investment policy and strategy. The Board regularly assesses the experience and resources of the Investment Management team and the commitment of the Investment Manager; to promote the Company and foster Shareholder relations and to ensure that the Company's objective of providing capital growth combined with dividend income for its investors are met. During the volatile market environment caused by war in Ukraine and the Middle East, increasing energy prices and rising global inflation, the Board held a number of additional ad hoc meetings. The Board receives and reviews regular reports and presentations from the Investment Manager. An open and active relationship is maintained with the Investment Manager at Board meetings and additional meetings when needed. The Management Engagement Committee met during the year and unanimously endorsed the continued appointment of the Company's Investment Manager.
Service Providers	
As an externally managed investment trust, the Company conducts all its business through its key service providers. Before the engagement of a service provider, the Board ensures that the Company's business outlook as well as its values are similar to those of the service provider. A list of the Company's key service providers can be found on page 35 and 36 of this Report. On an annual basis, the Board reviews the continuing appointment of each service provider to ensure reappointment is in the best interests of the Company's Shareholders. The Board has strong working relationships with the Investment Manager, Broker, Company Secretary, Administrator and Depositary and receives reports on the performance of the key service providers by the Investment Manager and Company Secretary.	The Board has strong working relationships with the Investment Manager, Broker, Company Secretary, Administrator and Depositary. The Board receives internal control reports from the service providers and the Investment Manager. During the year under review, the Board sought and received reassurance that all key service providers had appropriate business continuity plans in place. All key service providers have maintained a high standard of service and demonstrate operational resilience. The Auditor is invited to attend the Audit and Risk Committee meeting twice a year. The Audit and Risk Committee Chair maintains regular contact with the Audit partner to ensure the audit process is undertaken effectively.

Importance of Engagement	Examples of Engagement and Key Decisions
Wider community and environment	
The Company and its appointed professional suppliers keep abreast of the rules and regulations affecting the investment company sector. The Investment Manager, as steward of the Company's assets engages with the investee companies to ensure high standards of governance. The Board, Company Secretary and AIFM are responsible for ensuring that various regulatory and statutory obligations are met.	In making investment decisions, the Investment Manager takes into account qualitative measures such as the environmental and social impact of a company as well as financial and operational measures. The Company Secretary and AIFM regularly report to the Board any changes in the regulatory environment and as AIC members, the Board can draw on the resources available detailing any regulatory changes. The Company has articulated its ESG policy on pages 26 to 32. The ESG policy is also available on the AIC website.

In summary, the Directors are cognisant of their duties enshrined in Section 172 of the Companies Act 2006 to make decisions taking into account the long-term consequences of all the Company's key stakeholders and reflect the Board's belief that the long-term sustainable success of the Company is linked directly to its key stakeholders.

Environmental, Social and Governance ("ESG") Policy

OVERVIEW

This section summarises the incorporation of ESG factors from both a company perspective at the Bellevue Healthcare Trust level ('the Company' or 'the Trust') and from the Bellevue Asset Management (UK) Ltd ('Bellevue') perspective, as the appointed investment manager of the Trust. 'We' and 'Our' refer to Bellevue Asset Management (UK) Ltd. and its staff.

At the portfolio management level, Bellevue continues to refine and adapt its approach to ESG integration and reporting. ESG considerations are integrated into the core investment process for all products. Bellevue has been a signatory to the United Nations Principles of Responsible Investment (UN PRI) since 2019. The latest PRI update can be found on the Bellevue Group website.

Bellevue Group has a CO_2 reduction strategy, including an independent audit of its CO_2 footprint according to ISO14064-1 and GHG protocols, the implementation of corporate CO_2 reduction and offsetting excess emissions with high-quality climate projects. Bellevue Group is certified as carbon neutral by Swiss Climate.

THE SUSTAINABLE FINANCE DISCLOSURE REGULATION (`SFDR')

The SFDR is an EU law which aims to standardise disclosure requirements on how financial market participants integrate environmental, social and governance factors in their investment decision-making and risk processes. With respect to SFDR, the Trust is an Article 8 product and promotes environmental and social characteristics in accordance with Article 8 of the SFDR. Further information is provided within the "ESG Disclosure" on the Trust's website. Additional information regarding the Trust's environmental or social characteristics can also be found in the periodic disclosures in Annex I – Article 8 Periodic Disclosures of this Annual Report and Accounts.

The Trust remains out of the current scope for both the UK climate-related reporting requirements and the EU Corporate Sustainability Reporting Directive.

MANAGEMENT OF ESG FACTORS WITHIN THE BELLEVUE HEALTHCARE TRUST INVESTMENT PORTFOLIO

The consideration of ESG factors is part of the initial stages of the investment process to screen out companies that would not meet Bellevue's criteria as early as possible. These formal ESG guidelines cover areas such as compliance with global norms (UN Global Compact, Guiding Principles for Business and Human Rights, ILO standards), value-based exclusions, controversies, climate change factors and active ownership (management engagement, voting policies, etc.). Bellevue's high-level exclusion criteria can be summarised in two guiding principles:

- Companies that are involved in serious violations of internationally recognised norms regarding the environment, human rights and business ethics are excluded from all portfolios.
- Companies with controversial business activities that exceed Bellevue's stated revenue thresholds as set forth by norms-based criteria are excluded from all portfolios.

Generally speaking, the Trust's healthcare focus makes it very unlikely that any excluded companies would ever fall into our screening processes in the first place. However, there have been a number of investment opportunities since the inception of the Trust where we have decided not to progress into detailed due diligence because they have failed to meet our broader ESG principles. The most common reasons for negative screen-outs continue to be governance structure and/or reporting quality.

The assessment of ESG considerations is often over-simplified to the level of significant controversies or an aggregated ESG score provided by third party agencies. We remain firmly of the view that the process must reflect the pitfalls of an over-simplified "one size fits all" approach, especially in an industry as diverse and complex as human healthcare. Bellevue continues to use MSCI ESG reports for qualitative and quantitative external data.

The scope and quality of external ESG assessments remain variable, although the situation continues to improve year-on-year. Where the available MSCI data is not comprehensive, we rely on other third-party data providers and internal evaluations. In FY2023, 100% of the companies that we were invested in received a detailed rating from MSCI during the period. Although coverage has improved, it was still not the case that MSCI met with the management team of all of the companies reviewed during the period, relying instead on public data.

Investors, including us, are encouraging companies to engage with these third party agencies to address misunderstandings within third party reports and we note some further progress in this regard, with some of the portfolio companies previously rated as laggards (often unfairly in our view) on ESG metrics seeing marked improvements in their ratings.

MSCI reports are only part of the process; we have our own internally-generated qualitative criteria that form the basis of decision-making, so we are not solely reliant on third-party data or adherence to a singular industry standard. We do not apply specific scoring criteria for exclusion from our portfolio because we feel that an external rating or scoring approach has significant limitations. Rather, we see these more as tools to consider within a much more comprehensive and holistic approach.

THIRD PARTY DATA METRICS

As noted previously, assessments of quantitative ESG parameters must be considered carefully, since there are all manner of numerator and denominator issues in the third party data that confound comparisons, and the tendency of larger companies to comply by default becomes more relevant when compared to a benchmark that is dominated by some of the world's largest and most valuable companies.

Portfolio-level data and comparables for the reference Index are summarised in Figure 1 below. The portfolio's ESG Quality Score and the overall sustainable impact (which is driven largely by the social impact score on major diseases) have declined. As outlined in the Investment Manager's report, the median market capitalisation of the portfolio has declined and this is typically correlated with lower overall scores in all three categories of Environmental, Social and Governance. This also resulted in the inclusion of one company that is not rated (note: the proportion not rated relates to the weighting, not the number of companies).

It is notable that the ESG Rating and Quality Score for the reference index have declined compared to November 2022. To our minds, this is a positive development for all investors interested in consistent and balanced ESG ratings. We note that MSCI altered its ESG rating methodology in May 2023 by removing the so-called adjustment factors from the calculation of the ESG Quality Score. These changes were made after a consultation with clients who noticed an upward shift in ESG fund ratings.

Of more interest though is the outsized impact of fundamental downgrades to some of the largest stocks in the benchmark. The median change in rating by company was positive during the year (33 upgrades, 15 downgrades) but the impact of the downgrades on a weighted basis were negative. We have been saying for years that we want to see a more consistent approach across the market cap spectrum and these movements leave us more optimistic that such changes are underway.

The Governance Score of the portfolio having risen over 2021-2022, remained very high in 2023. We would note that the individual outputs in the table are outputs from MSCI and we do not target any specific thresholds for these individual items in our ESG assessment process.

Figure 1	November 30, 2021		November 30, 2022		November 30, 2023	
	Portfolio	MSCI WHC	Portfolio	MSCI WHC	Portfolio	MSCI WHC
ESG Rating	**A**	**A**	**A**	**AAA**	**BBB**	**A**
Proportion not rated	0%	0%	0%	0%	1%	0%
ESG Quality Score	**6.4**	**6.2**	**6.5**	**10.0**	**5.5**	**7.1**
Environmental Score	5.3	7.1	5.4	7.1	5.3	7.0
Social Score	4.9	5.0	4.5	5.2	4.4	5.0
Governance Score	5.6	5.2	6.1	5.8	6.1	6.0
Overall Sustainable Impact	**37.0%**	**16.0%**	**34.1%**	**17.3%**	**29.3%**	**16.4%**

We reiterate the view that reducing these complex issues to single level datapoints is unhelpful and confusing, and it remains that the larger companies that dominate benchmark indices are able to devote more resources to providing data or simply score better since some of the measurement approaches display an inherent size bias (which is acknowledged by the rating agencies) and we are hopeful that scoring methodologies will ultimately be adjusted to better aid comparability across the company size spectrum.

SFDR REPORTING

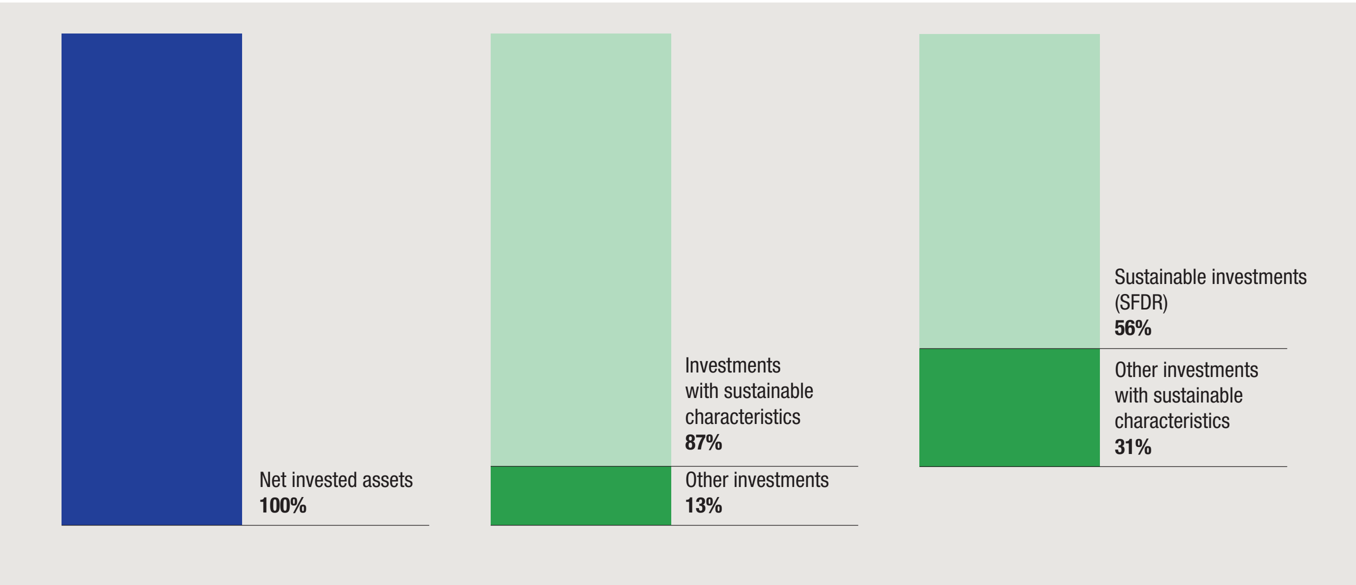
In 2022, Bellevue introduced a minimum threshold of 50% "Investments with Sustainable Characteristics" for the Trust portfolio. This is defined by sufficient ESG research coverage, a minimum ESG Rating of BB or higher, and compliance with global norms.

In addition, the Trust must have a minimum of 25% of the portfolio qualifying as "Sustainable investments". SFDR defines a "Sustainable Investment" as an investment in an economic activity that contributes to the achievement of an environmental and/or social objective while not significantly harming any of these objectives. Furthermore, the invested companies must apply practices of good corporate governance.

For an investment to qualify as a "Sustainable Investment", Bellevue applies the 17 UN Sustainable Development Goals (SDGs).

MSCI measures the target contribution of companies to each of the SDGs and categorizes them as "strongly aligned", "aligned", "neutral", "misaligned" and "strongly misaligned". As of 30 November 2023, 56% of the investment portfolio met the definition of "Sustainable investments", which is well above the 25% minimum threshold. However, these numbers have declined since the prior year, again reflecting the move down the market capitalisation curve (we now have three companies that are not rated for these characteristics, versus two in FY2022 and the combined weighting of the 'not rated' companies is higher than was the case last year.

Figure 2



More detailed information on the approach and methodology applied can be found on our website.[2]

RESPONSIBLE STEWARDSHIP

Responsible investing does not end with the due diligence process; the importance of ongoing engagement with management teams cannot be overstated. Active fund management arguably derives a material proportion of its longer-term alpha generation opportunities through the ability to proactively consider, debate and influence (via the exercising of voting powers) potential issues at investee companies.

Bellevue takes voting obligations seriously and there are multiple structures in place to ensure that we vote in all shareholder meetings. While we evaluate external reports when considering how we might vote, we do not outsource our voting to a proxy agency and are happy to go against both their recommendations and the wishes of management, when we consider it important to do so. Over the period in review, we took part at 34 votable meetings (covering 292 resolutions) and Figures 1 & 2 below summarise how we voted in these meetings:

[2] https://www.bellevuehealthcaretrust.com/uk-en/private/investor-relations/legal-documents "ESG Disclosure"

Meeting Overview

Category	Number	Percentage
Number of votable meetings	34	
Number of meetings voted	32	94.12%
Number of meetings with at least 1 vote Against, Withhold or Abstain	14	41.18%

Ballot Overview

Category	Number	Percentage
Number of votable ballots	68	
Number of ballots voted	64	94.12%

Proposal Overview

Category	Number	Percentage
Number of votable items	292	
Number of items voted	251	85.96%
Number of votes FOR	211	84.06%
Number of votes AGAINST	18	7.17%
Number of votes ABSTAIN	0	0.00%
Number of votes WITHHOLD	10	3.98%
Number of votes on MSOP Frequency 1 Year	12	4.78%
Number of votes on MSOP Frequency 2 Years	0	0.00%
Number of votes on MSOP Frequency 3 Years	0	0.00%
Number of votes With Policy	250	99.60%
Number of votes Against Policy	1	0.40%
Number of votes With Management	218	86.85%
Number of votes Against Management	33	13.15%
Number of votes on MSOP (exclude frequency)	25	9.96%
Number of votes on Shareholder Proposals	8	3.19%

Engagement with voting is only part of the process. Pragmatically, we are but one of many voices and it may be the case that even after a multi-year engagement with management and exercising our voting power we have not been able to elicit change. In such a situation, we would consider divesting our holding, depending on the materiality of the issues.

We have yet to divest a holding due to ESG considerations, which attests to the robustness of the initial screening approach in helping us to avoid potential controversies. We are quite happy to exit positions when we lose confidence in management or strategy and several historical examples of such situations can be found in our monthly factsheets.

TRUST-SPECIFIC EXCLUSION CRITERIA AND TOLERANCE THRESHOLDS

It would be very easy to claim that one has a blanket ban on investing in everything that's bad or that all one's investments are sustainable. However, some points of view are subjective and some things are what they are: every human healthcare company is involved in supporting animal testing to some degree and you cannot rationally penalise an industry for a regulatory requirement that is designed to save human lives.

Finally, one must recognise that rarely are matters so clear cut as to be able to definitively state a company has zero involvement or exposure to a controversial area; one can easily take exposures off the balance sheet via outsourcing (animal testing is often outsourced, for example).

With these realities in mind, it makes more sense to operate by a set of guiding principles based on data that can be simply ascertained from management and that are realistically achievable for the portfolio overall.

Bellevue agreed an expansive list of thresholds with the Board of the Company that came into effect from 1 January 2022. These are aligned with, or go further than, the criteria enshrined by Bellevue Asset Management (UK) Ltd's group-wide policies.

The table below serves as much as a documentary 'terms of reference' for analysts compiling such reports on behalf of underlying investors as it does to inform shareholders about what we are doing in respect of running the portfolio. The list is unchanged from last year.

Potential Issue/controversy	Comment	Exclusion Criteria (max % revenues)
Environmental considerations		
Thermal coal	The company would not knowingly invest in a holding involved in the production of any fossil fuels.	2%
Other fossil fuels	The company would not knowingly invest in a holding involved in the exploration for, or production of, any fossil fuels, including fracking and other unconventional oil sources.	2%
Nuclear power	The company would not knowingly invest in a holding involved in the production of nuclear energy.	2%
Palm oil	Palm oil and derivatives such as tocopherol are widely used excipients in biomedical preparations and unlikely to be avoidable within the investment mandate. We try to ensure that investee companies are committed to sustainable sourcing of such products and are thus not promoting deforestation.	5%
Responsible mineral sourcing	To the extent that it is relevant, we aim to ensure that investee companies source raw materials such as minerals from responsible suppliers who comply with relevant global standards around the environmental and social impact (e.g. no forced labour, conflict minerals etc.) of mining activities.	2%
Environmentally damaging agricultural chemicals (insecticides, herbicides etc.)	The investment focus of the Company is on human healthcare and so we would not intentionally invest into companies manufacturing or supplying agricultural products that may have an environmental impact. However, there is a long-standing historical linkage between the chemical, pharmaceutical and agrochemical industries and it is possible that such legacy business tie-ups do persist, therefore we apply a higher threshold.	10%
Social considerations		
Alcohol production (beverages)	The Company would not knowingly invest in a holding involved in the production of alcoholic beverages, but alcohol is a common constituent of medicinal products and sterilisation solutions.	2%
Tobacco production	The Company would not knowingly invest in a holding involved in the production of tobacco products.	2%
Tobacco sales	Indirect exposure to tobacco sales through retail outlets or peripheral activities is hard to fully discount, hence we allow for a higher threshold versus other considerations.	10%

Potential Issue/controversy	Comment	Exclusion Criteria (max % revenues)
Cannabis-based products	The Company can invest, and has invested, into holdings that offer therapeutic products derived from, or containing cannabinoids. However, the Company would not knowingly invest into a holding involved in the production or supply of recreational cannabis products.	n/a
Pornography	The Company would not knowingly invest in a holding involved in the production or sale of pornographic material/content.	2%
Gambling	The Company would not knowingly invest in a holding involved in the provision of gambling services or the operation of gambling venues.	2%
Predatory lending practices and price gouging	We seek to ensure that, where applicable, investee companies do not supply products under terms that would constitute unfair, deceptive or predatory terms to customers or engage intentionally in price gouging during periods of tight supply.	2%
Animal testing and related animal welfare issues	The use of animal disease models in pharmaceutical R&D and the undertaking of pre-clinical testing in animal species are integral parts of the regulatory pathway for approving new medicines. Given the risks involved in unproven medicines and the human suffering such products alleviate, we agree such testing is morally and ethically justified at the current time due to the absence of credible alternatives. We therefore limit our focus to ensuring that investee companies adhere to the highest standards of welfare in respect of the animals that are used for such purposes.	n/a
Genetic research	Whilst we appreciate that some investors find the manipulation of genetic material in animals or human cell lines to be controversial, it has the potential to greatly enhance our understanding of human disease and, via gene therapy, gene editing and gene silencing to be directly deployed as a therapeutic intervention, particularly in areas of high unmet need. As such, we do not consider this to be controversial, as long as research follows accepted ethical guidelines and is appropriately supervised.	n/a
Use of embryonic stem cells	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.	n/a
Conventional weapons & military contracts	The Company would not knowingly invest in a holding involved primarily in the provision of armaments. We would note that, as large employers in many countries with their own dedicated healthcare infrastructure, many investee companies will have contracts to supply the military forces of a country with healthcare products and/or services. Military personnel are just as entitled to good healthcare as anyone else, so we do not see this as an issue.	2%
Unconventional weapons	Bellevue Group maintains a list of companies connected with the supply of unconventional weapons and investment into such companies is prohibited.	0%

Potential Issue/controversy	Comment	Exclusion Criteria (max % revenues)
Governance considerations		
Dealing with oppressive regimes	Whilst it may be unpalatable to deal with corrupt or oppressive regimes, it would only compound the misery and suffering of the oppressed people if they were also denied access to healthcare products and services. As such, we do not judge our companies on who they chose to supply life-saving products and services to.	n/a
Bribery & Corruption	The managers are committed to investigating serious allegations of bribery or corruption made against investee companies and discussing these with management.	n/a
Equitable access to products for developing countries	Within the healthcare sector, affordable access to products for less developed countries is rightly highlighted as a controversial area and an important topic. We do engage with management teams around this topic. However, you cannot supply regulated products into markets where those products have not yet been approved. This point is often misunderstood in the media and certain external ESG ratings, with smaller companies unfairly penalised when they only have approvals in a handful of developed countries.	n/a
Human capital development and diversity	It is laudable that external rating agencies focus on human capital development and diversity. However, one must be pragmatic and take into account the size and geographic focus of a company. A small, research stage entity based in one location is simply not going to be able to match the diversity of a broad-based multi-national, nor will it be at a stage where it is hiring inexperienced people with a view to training them up. We see inappropriate comparisons being made in these areas all too frequently.	n/a

Other Information

ENVIRONMENTAL MATTERS

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Investment trusts are currently exempt from TCFD disclosure, but the Board will continue to monitor the situation.

EMPLOYEES

The Company has no employees. As at 30 November 2023 the Company had five Directors, three of whom were male (60%) and two of whom were female (40%). The Board's policy on diversity is contained in the Corporate Governance Report (on page 43).

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

Having no employees, the Company, as an investment company, has no direct impact on social, community, environmental or human rights matters.

MODERN SLAVERY DISCLOSURE

Due to the nature of the Company's business, being a company that does not offer goods or services to consumers, the Board considers that it is not within the scope of modern slavery. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial service industry, to be low risk in relation to this matter.

CONSUMER DUTY

The Company and Investment Manager are fully cognisant of the rules which came into force on 31 July 2023 and have taken the necessary steps to ensure compliance.

OUTLOOK

The outlook for the Company is discussed in the Investment Manager's Report on pages 13 and 14.

STRATEGIC REPORT

The Strategic Report set out on pages 1 to 33 of this Annual Report was approved by the Board of Directors on 1 March 2024.

For and on behalf of the Board

Randeep Grewal
Chairman

1 March 2024

Governance

Directors' Report

The Directors present their annual report and accounts for the year ended 30 November 2023.

STRATEGIC REPORT

The Directors' Report should be read in conjunction with the Strategic Report on pages 1 to 33.

LEGAL AND TAXATION STATUS

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs in order to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received initial approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements in order for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 30 November 2023.

ALTERNATIVE FUND INVESTMENT MANAGERS ("AIFM")

Bellevue Asset Management (UK) Ltd ("Bellevue") is authorised and regulated by the Financial Conduct Authority ("FCA") to undertake the regulated activities as defined in the Alternative Investment Fund Managers Directive (2011/611/EU) ("AIFMD").

On 1 April 2020, it was announced that Bellevue had been appointed as AIFM to the Company, subject to the overall control and supervision of the Board. Under the terms of the AIFM agreement, Bellevue performs the activity of investment management in accordance with the investment policy of the Company and has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company.

The Investment Manager is entitled to receive a management fee payable monthly in arrears and calculated at the rate of one-twelfth of 0.95% per calendar month of market capitalisation. Market capitalisation means the average of the mid-market prices for an ordinary share, respectively, as derived from the daily official list of the London Stock Exchange on each business day in the relevant calendar month multiplied by the number of Ordinary Shares, respectively, in issue on the last business day of the relevant calendar month excluding any Ordinary Shares held in treasury. There is no performance fee payable.

As allowed under the AIFMD, Bellevue has delegated the activity of Risk Management to Bellevue Asset Management AG (the "Delegated Risk Manager").

The AIFM agreement may be terminated on 12 months' written notice and may be terminated with immediate effect on the occurrence of certain events, including insolvency, on a change of control of the Investment Manager or in the event of a material breach which fails to be remedied within 30 days of receipt of notice.

As an AIFM, Bellevue must ensure that it, together with the Company, is fully compliant with the terms of the AIFMD. In order to accomplish this, the required regulatory obligations are met through the cooperation of both parties as well as with significant input from the Delegated Risk Manager.

Bellevue has agreed with the Delegated Risk Manager, and in full compliance with the AIFMD, a Risk Framework in respect of the Company. The Risk Framework seeks to govern the investment and operational risks as well as ensuring that all risk limits are complied with. All required risk reporting is completed by the Delegated Risk Manager.

The Delegated Risk Manager monitors the Company on a daily basis in order to ensure that Bellevue is operating within the risk limits contained in the risk policy and seeks to identify breaches. If Bellevue breaches a risk management limit, then it is required to notify the Delegated Risk Manager of the breach as soon as possible, and by the day after the infraction occurred at the latest. In addition to providing details of the breach, Bellevue confirms how and when the breach was resolved or when and how it is intended that the breach will be resolved.

The AIFMD Annex IV reporting requirements are undertaken by the AIFM, Administrator and other selected service providers.

BROKER

The Company's sole broker is J.P. Morgan Cazenove. The Company ceased to use Alvarium Securities Limited as its joint broker in February 2023.

DEPOSITARY

CACEIS Bank, UK Branch has been appointed as the Company's depositary.

COMPANY SECRETARY AND ADMINISTRATOR

Apex Listed Companies Services (UK) Limited provide company secretarial and administration services to the Company, including calculation of its daily Net Asset Value.

The Board has had continuous direct access to the advice and services of the Company Secretary who is responsible for ensuring that the Board and Committee procedures are followed, and that applicable rules and regulations are complied with.

The Company Secretary provides full company secretarial services to the Company, ensuring that it complies with all legal, regulatory, and corporate governance requirements and officiating at Board meetings and Shareholders' meetings. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. Finally, the Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

MANAGEMENT ENGAGEMENT

The Directors are satisfied that the AIFM has the suitable skills and experience to manage the Company's investments and believe that the continuing appointment of the AIFM is in the interests of Shareholders as a whole.

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE ("AIFMD")

In accordance with the AIFMD, the AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year. The investment funds sourcebook of the FCA (the "Sourcebook") details the requirements of the annual report. All the information required by those rules are included in this Annual Report or is or will be made available on the Company's website, **https://www.bellevuehealthcaretrust.com**.

The AIFM is required to make certain disclosures on its remuneration in respect of the AIFM's relevant reporting period. These disclosures are available on request from the AIFM.

LEVERAGE (UNDER AIFMD)

The AIFM is required to set leverage limits as a percentage of net assets for the Company utilising methods prescribed under AIFMD. These methods are known as the gross method and the commitment method.

Under both methods the AIFM has set current maximum limits of leverage for the Company of 120%.

A leverage percentage of 100% equates to nil leverage. The Company's leverage under each of these methods at its year end is shown below:

	Gross method	Commitment method
Maximum leverage limit	120%	120%
Actual leverage at 30 November 2023*	105%	105%

* Definitions of this APM together with how these measures have been calculated can be found on pages 83 and 84.

SHARE ISSUES

During the year ended 30 November 2023, the Company issued 209,697 Ordinary Shares, through the ongoing share issuance programme. The number of Ordinary Shares in issue at 30 November 2023 was 478,987,196 Ordinary Shares, of which 16,398,646 Ordinary Shares are held in Treasury. Therefore, the total number of voting rights in the Company is 462,588,550.

The authority to issue new shares pursuant to the placing programme, detailed in the Company's prospectus dated

10 November 2016, expired on 9 November 2017. The Company published a new prospectus on 5 November 2018, for the issuance of up to 345 million Ordinary Shares by way of an Initial Placing, Offer for Subscription and Intermediaries Offer, and pursuant to a new share issuance programme. A supplementary prospectus was issued on 20 February 2019.

At the AGM of the Company held on 28 April 2023, the Directors were granted authority to allot up to 55,047,500 Ordinary Shares on a non-pre-emptive basis. This authority will expire at the conclusion of the forthcoming AGM.

The authorities have the following benefits for Shareholders:

- Enable the Company to continue to take advantage of opportunities to make further investments in accordance with its investment objective and policy;
- Increase the market capitalisation of the Company, helping to make the Company attractive to a wider investor base;
- A greater number of Ordinary Shares in issue should improve liquidity in the secondary market for the Ordinary Shares and make the Ordinary Shares more attractive to a wider range of investors; and
- Grow the Company, thereby spreading the Company's fixed running costs across a larger equity capital base which should reduce the level of ongoing expenses per Ordinary Share.

It must be noted that the price at which any new Ordinary Shares are issued to satisfy market demand is never less than the prevailing Net Asset Value (cum-income) per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue, therefore Shareholders will not suffer any dilution to the Net Asset Value (cum-income) per Ordinary Share as a result of any such issue.

The Board recommends that the Company is granted a new authority to issue up to a maximum of 47,898,719 Ordinary Shares (representing 10% of the shares in issue at the date of this document) and to disapply pre-emption rights when issuing those Ordinary Shares. Resolutions to this effect will be put to Shareholders at the AGM to be held on 26 April 2024.

This authority would be used to carry out a series of placings or tap issues, providing the Company with the ability to issue new Ordinary Shares over a period of time to meet investor demand and help with managing the premium that the shares typically trade at.

SCRIP DIVIDEND

As reported in the Company half-yearly report to 31 May 2023, the Board reluctantly decided to suspend the scrip dividend option for the time being.

On 6 March 2023, the Board declared an interim dividend for the year ended 30 November 2022 of 3.235p per Ordinary Share and offered Shareholders the opportunity to participate in the Scrip Dividend Scheme. Accordingly, the Company posted to Shareholders a Circular setting out details of the Scrip Dividend Scheme.

On 3 April 2023, the Company announced a scrip dividend reference price of 163.10p for the interim dividend, payable on 5 May 2023. The scrip dividend reference price was the unaudited net asset value per Ordinary Share as at close of business on 31 March 2023.

On 5 May 2023, in line with the Company's Scrip Dividend Scheme, 209,697 Ordinary Shares were allotted and issued to Shareholders who elected for their interim dividend to be automatically subscribed on their behalf for new Ordinary Shares. Any Ordinary Shares issued for cash were issued at a premium to (cum income) net asset value.

Shareholders who did not elect to participate in the Scrip Dividend Scheme received their dividends in cash.

TREASURY SHARES

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. Ordinary Shares will not be sold from treasury at a price less than the (cum income) NAV per existing Ordinary Share at the time of their sale. The Company bought back 16,398,646 during the year ended 30 November 2023. The Company has not bought back any Ordinary Shares to be held in treasury since the year end.

DISCOUNT MANAGEMENT

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis. As outlined above, 16,398,646 Ordinary Shares have been bought back by the Company during the year to 30 November 2023.

The Directors currently have the authority to make market purchases of up to 82,516,203 Ordinary Shares. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5% above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each AGM of the Company and authority for the Company to purchase up to 63,342,023 Ordinary Shares (subject to a maximum of 14.99% of the Ordinary Shares in issue at the date of the AGM) will be sought at the forthcoming AGM. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Purchases of Ordinary Shares may be made only in accordance with the Companies Act, the Listing Rules, and the Disclosure Guidance and Transparency Rules.

Investors should note that the repurchase of Ordinary Shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be repurchased.

REDEMPTION FACILITY

The Company has a redemption facility through which Shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The redemption facility is entirely at the discretion of the Directors.

The Company announced on 3 November 2023 that valid redemption requests in respect of 77,428,034 Ordinary Shares were received for the 30 November 2023 redemption point, all of the Ordinary Shares were redeemed and cancelled by the Company. All shareholders who validly applied to have shares redeemed received a Redemption Price of 142.07718 pence per share. The Company's redemption facility is subject to approval by the Board. The process for the redemption of Ordinary Shares, including the calculation of redemption price, is set out in Part 3 of the Securities Note as part of the prospectus published by the Company on 5 November 2018.

LIFE OF THE COMPANY

The Company has no fixed life.

MARKET INFORMATION

The Company's share capital is admitted to the Premium Segment of the Official List of the FCA and is admitted to trading on the London Stock Exchange. The NAV per share is calculated in sterling for each business day that the London Stock Exchange is open for business. The daily NAV per Share is published through a regulatory information service.

REVOLVING CREDIT FACILITY ("RCF")

The Company has a multi-currency revolving credit facility RCF with The Bank of Nova Scotia, London Branch. On 16 June 2022, the Company renewed and amended its RCF. Under the terms of the amended RCF, the Company may draw down loans up to an aggregate value of USD 280 million. The increased facility will expire in December 2024. The Company's borrowing policy and the terms of the facility are unchanged.

As at 30 November 2023, the aggregate of loans draw down was £31.7 million (2022: £83.7 million).

CAPITAL STRUCTURE AND VOTING RIGHTS

As at 30 November 2023, the Company's issued share capital comprised 50,001 Management Shares and 478,987,196 Ordinary Shares of 1p nominal value, of which 16,398,646 Ordinary Shares are held in Treasury. Therefore, the total number of voting rights in the Company is 462,588,550. Each Ordinary Share held entitles the holder to one vote and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006. Management Shares shall not carry any right to receive notice of, nor to attend or vote at any general meeting of the Company.

There are no restrictions on the transfer of Ordinary Shares, nor are there any limitations or special rights associated with Ordinary Shares.

SIGNIFICANT SHAREHOLDERS

As at 30 November 2023, the Company had been formally notified of the following shareholdings comprising 3% or more of the issued share capital of the Company.

Name	Number of Ordinary Shares held	% of voting rights*
Brewin Dolphin Wealth Management	27,259,652	4.97
Tilney Smith & Williamson Limited	27,767,503	5.01
Handelsbanken Wealth & Asset Management Limited	27,609,17	4.97
Quilter plc	20,671,091	4.23
Schroders plc	20,671,091	3.17

* Based on Ordinary Shares in issue as at 30 November 2023.

SETTLEMENT OF ORDINARY SHARE TRANSACTIONS

Ordinary Share transactions in the Company are settled by the CREST share settlement system.

ANTI-BRIBERY CORRUPTION

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company's policy and the procedures that implement it are designed to support that commitment.

NOTICE OF GENERAL MEETINGS

At least twenty-one days' notice shall be given to all the members and to the auditors of an Annual General Meeting. All other general meetings shall also be convened by not less than twenty-one days' notice to all those members and to the auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than fourteen days has been passed, in which case a general meeting may be convened by not less than fourteen days' notice in writing. A special resolution will be proposed at the Annual General Meeting to reduce the period of notice for general meetings other than the Annual General Meeting to not less than fourteen days.

GOING CONCERN

The Directors have adopted the going concern basis in preparing the accounts. The following is a summary of the Directors' assessment of the going concern status of the Company.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this document. 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 at 30 November 2023 were £665.5 million (2022: £1,004.3 million).

As at 30 November 2023, the Company held £696.9 million (2022: £1,043.3 million) in investments, cash of £111.0 million, which includes £110 million payable to redeeming Shareholders (2022: £46.4 million) and bank loans of £31.7 million (2022: £83.7million). Further details on the Company's Bank loans are detailed in note 12. The total expenses (excluding finance costs and taxation) for the year ended 30 November 2023 were £8.9 million (2022: £10.5 million), which represented approximately 1.02% (2022: 1.04%) of average net assets during the year. The Company also incurred finance costs of £4.1 million (2022: £3.1 million).

At the date of approval of this report, based on the aggregate of investments and cash held, the Company has substantial asset cover against its loan facility and also substantial operating expenses cover.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having considered and assessed the adequacy of the Company's operational resources, liquidity of the investment portfolio, debt covenants and any potential impact of the ongoing war in Ukraine, that the Company will continue in operational existence for a period of at least 18 months from the date the financial statements were authorised for issue.

AUDITOR INFORMATION

Each of the Directors at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the Director has taken all steps that he or she ought to have taken as Director to make himself/ herself aware of any relevant information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 489 of the Companies Act 2006, a resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put forward at the forthcoming AGM.

By order of the Board

Sinead van Duuren
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary
1 March 2024

Corporate Governance

INTRODUCTION

The Board of the Company has considered the Principles and Provisions of the 2019 Association of Investment Companies Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code 2018 (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company, as an investment trust. The AIC Code is available on the AIC website, **www.theaic.co.uk**.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council ("FRC"), provides more relevant information to Shareholders. AIC members who report against the AIC Code and the AIC Guide fully meet their obligations under The UK Code and the related disclosure requirements contained in the Listing Rules.

The Company has complied with the Principles and Provisions of the AIC Code.

During the financial year ended 30 November 2023, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive Directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to this externally managed investment company. The Company has no employees and the day-to-day management and administrative functions are outsourced to third parties.

THE BOARD COMPOSITION, INDEPENDENCE AND SUCCESSION PLANNING

As at 30 November 2023, the Board consisted of five non-executive Directors, including the Chairman. All Directors have served since the Company's inception, with the exception of Professor Tony Young and Ms Kate Bolsover, who were appointed to the Board on 23 September 2020 and 2 July 2021 respectively.

The Board's current composition comprises 40% female members, 60% male members and 20% ethnic minority member. Hence, the Board is compliant with the recommendations of the Hampton-Alexander review and the Parker review.

All of the Directors are independent of the Investment Manager. All of the Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Board believes that during the year ended 30 November 2023 its composition was appropriate for an investment company of the Company's nature and size. The Board's policy for the appointment of Non-Executive Directors is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including but not limited to gender diversity.

The Directors have a broad range of relevant experience to meet the Company's requirements and their biographies are given below.

RANDEEP GREWAL (CHAIRMAN AND CHAIR OF THE MANAGEMENT ENGAGEMENT COMMITTEE)

Randeep is an ex-Fund Manager, with over 19 years of Healthcare investment experience, including Trium Capital, F&C Asset Management, ICAP Equities, Hox Therapeutics, Tissue Regenix and Tudor. Randeep is a current non-executive director of The Global Smaller Companies Trust plc† and of Monks Investment Trust Plc. Randeep trained as a Vascular and General Surgeon and read both Medicine and Computer Science at Cambridge University.

JOSEPHINE DIXON (CHAIR OF THE AUDIT AND RISK COMMITTEE AND SENIOR INDEPENDENT DIRECTOR)

Josephine is a chartered accountant who sits on the boards of Ventus VCT plc, Strategic Equity Capital plc, Alliance Trust plc and The Global Smaller Companies Trust plc^. Her executive experience includes finance, governance and general commercial roles in a number of sectors.

† Randeep Grewal joined Global Smaller Companies Trust plc on 1st December 2023. He and Josephine Dixon will overlap on the board of Global Smaller Companies Trust plc for a limited period (see next footnote).

^ Josephine Dixon will be retiring from the board of Global Smaller Companies Trust, at the next AGM, in July 2024.

PAUL SOUTHGATE (NON-EXECUTIVE DIRECTOR)

Paul is a London-based Portfolio Manager at Pictet Asset Management, with over 23 years' investment experience. Before joining Pictet, he was a Managing Partner at Eisenstat Capital Partners (ECAP) and managed European Equities for both Deephaven Capital and Fortress Investments Group. He began his career with UBS Asset Management.

PROFESSOR TONY YOUNG OBE (NON-EXECUTIVE DIRECTOR)

Tony is a practicing frontline NHS Consultant Urological Surgeon, Director of Medical Innovation at Anglia Ruskin University, President of the Institute of Decontamination Sciences, and National Clinical Director for Innovation for the NHS. He has founded four Med-Tech start-ups and also co-founded the £500 million Anglia Ruskin Med-Tech Campus. Tony was previously a member of the Royal College of Surgeon's Commission on the Future of Surgery (2017 – 2018). In the 2019 New Year's Honours list, Professor Young was awarded the OBE for services to clinical leadership.

KATE BOLSOVER (NON-EXECUTIVE DIRECTOR)

Kate Bolsover worked in the City of London for over 25 years, initially as an analyst and thereafter running the mutual fund businesses of both Baring Asset Management and Cazenove Fund Management. Latterly, she was appointed Director of Corporate Communications for JPMorgan Cazenove. Kate is Chairman of Fidelity Asian Values and is an independent director at Invesco Bond Income Plus, TR Property Investment Trust and Baillie Gifford & Co.

RESPONSIBILITIES OF THE CHAIRMAN, THE BOARD, AND ITS COMMITTEES

The Chairman leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The Company has adopted a document setting out the responsibilities of the Chairman, which is available on the website: **https://www.bellevuehealthcaretrust.com**.

DIRECTOR TENURE

The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board. The Board does not believe that length of service necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the AIC Code. The Board has adopted corporate governance best practice and has a succession plan in place. No Director of the Company has served for nine years or more and all Directors remain independent of the Company's Investment Manager.

In line with corporate governance best practice, all of the Directors will offer themselves for election/re-election at the AGM of the Company to be held on 26 April 2024. The Board recommends all the Directors stand for re-election for the reasons highlighted above and in the performance appraisal section of this report.

The Directors have appointment letters which do not provide for any specific term. They are subject to re-election by Shareholders at a maximum interval of three years. Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Directors receive an induction and relevant training is available to Directors on an ongoing basis.

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

A policy of insurance against Directors' and officers' liabilities is maintained by the Company.

BOARD COMMITTEES

The Company has established an Audit and Risk Committee which is chaired by Josephine Dixon and consists of all the Directors.

A report of the Audit and Risk Committee is included in this Annual Report. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee examines the effectiveness of the Company's risk management and internal control systems. It reviews the half-yearly and annual reports and other financial information. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The Company has established a Management Engagement Committee which is chaired by Randeep Grewal and consists of all the Directors. The Management Engagement Committee's principal duties are to consider the terms of appointment of the AIFM and other service providers, and it annually reviews those appointments and the main terms of the AIFM Agreement and agreements with other service providers.

The Board as a whole fulfils the function of the Remuneration Committee and Nomination Committee.

BOARD DIVERSITY

The Company's policy is that the Board should have an appropriate level of diversity in the boardroom, taking into account relevant skills, experience, gender, social and ethnic backgrounds, cognitive and personal strengths. Brief biographies of the Directors are shown on pages 41 and 42. The policy is to ensure that the Company's Directors bring a wide range of knowledge, experience, skills, backgrounds and perspectives to the Board. There will be no discrimination on the grounds of gender, religion, race, ethnicity, sexual orientation, age or physical ability. The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring effective oversight of the Company and constructive support and challenge to the Investment Manager. Consideration is given to the recommendations of the AIC Code and the Board supports the recommendations of the Hampton Alexander Review.

The Board appraises its collective set of cognitive and personal strengths, independence and diversity on an annual basis, and especially during the recruitment process, so as to ensure it is aligned with the Company's strategic priorities. The performance appraisal process is described below. The Board believes its composition is appropriate for the Company's circumstances. However, in line with the Board's succession planning and tenure policy, or should strategic priorities change, the Board will review and, if required, adjust its composition.

As at date of this Report, the Board comprises two female and three male Board members.

The Board takes account of the targets set out in the FCA's Listing Rules, which are set out below. The Board discloses the following information in relation to its diversity. As an externally managed investment company, the Board employs no executive staff, and therefore does not have a chief executive officer (CEO) or a chief financial officer (CFO) – both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit and Risk Committee and Senior Independent Director (SID) to be senior board positions and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are Chair of the Board. In addition, the Board has resolved that the Company's year end date is the most appropriate date for disclosure purposes. The following information has been provided by each Director. There have been no changes since 30 November 2023.

BOARD AS AT 30 NOVEMBER 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	60%	1
Women	2	40%	1
Prefer not to say	-	-	-

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or Other White (including minority-white groups)	4	80%	1
Asian/Asian British	1	20%	1
Prefer not to say	-	-	-

MEETING ATTENDANCE

The actual number of formal meetings of the Board and Committees during the year under review is given below, together with individual Director's attendance at those meetings. The first number in the table is the meetings attended by the individual Director.

	Quarterly Board	Audit and Risk Committee	Management Engagement Committee
Number held	**4**	**3**	**1**
Randeep Grewal	4/4	3/3	1/1
Josephine Dixon	4/4	3/3	1/1
Paul Southgate	4/4	3/3	1/1
Tony Young	4/4	3/3	1/1
Kate Bolsover	4/4	3/3	1/1

There were several other ad hoc Board and Committee meetings to deal with administrative matters, board selection, market updates and approving documentation.

PERFORMANCE APPRAISAL

The Board recognises the importance of the AIC Code's recommendation in respect of evaluating the performance of the Board as a whole, the Committees of the Board and individual Directors.

In 2023, the Board appointed Lintstock Limited, an external consultant, to undertake a review of the Board and its Committees. The Company and the individual Directors have no other connection with Lintstock Limited. A partner of Lintstock Limited presented its Board effectiveness review report and recommendations to the Board in November 2023. The review was positive, and no critical issues were identified. The recommendations from the report were agreed by the Board. Key priorities identified for the year ahead by the Board.

A formal annual performance appraisal process was performed on the Company's main service providers. The results were reviewed by the Chairman of the Management Engagement Committee and discussed with the Board. The results of the service provider performance evaluation were positive and demonstrated that the service providers were fulfilling their duties effectively.

INTERNAL CONTROL

The AIC Code requires the Board to review the effectiveness of the Company's system of internal controls. The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. By these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.

FINANCIAL ASPECTS OF INTERNAL CONTROL

The Directors are responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires. The Board receives and reviews reports on the internal control environments of key suppliers, in order to provide reasonable assurance on the effectiveness of internal financial controls.

The key procedures include review of management accounts and net asset value and monitoring of performance at quarterly Board meetings, segregation of the administrative function from that of securities and cash custody and from investment management, maintenance of appropriate insurance, and adherence to physical and computer security procedures. In addition, procedures have been put in place for authorisation of all expense payments.

The Statement of Directors' Responsibilities in respect of the accounts is on page 55 and a Statement of Going Concern is on page 39. The Report of the Independent Auditor is on pages 56 to 62.

OTHER ASPECTS OF INTERNAL CONTROL

The Board holds quarterly meetings, plus additional meetings as required. Between these meetings there is regular contact with the Investment Manager, the Company Secretary and the Administrator.

The Board has agreed policies with the Investment Manager on key operational issues. The Investment Manager and/or the AIFM reports in writing to the Board on operational and compliance issues. The Investment Manager reports directly to the Audit and Risk Committee concerning the internal controls.

The Directors review detailed management accounts from the Administrator, including holdings in the portfolio, transactions and other aspects of the financial position of the Company. The Depositary provides oversight reports for the quarterly Board meetings. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

This contact with the AIFM, Administrator and the other key service providers enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved. The effectiveness of the Company's risk management and internal controls systems is monitored and a formal review, utilising a detailed risk assessment programme has been completed. This included consideration of the Administrator's, the Depositary and the Registrar's internal controls report. There are no significant findings to report from the review.

PRINCIPAL RISKS

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed are set out in the Strategic Report on pages 18 to 21.

RELATIONS WITH SHAREHOLDERS

The Board places great importance on communication with Shareholders. The Company's Investment Manager meets with larger Shareholders and reports to the Board. The Chairman also meets with Shareholders both with the Investment Manager and on his own. Shareholders wishing to communicate with the Chairman or any other Director may do so by writing to the Company Secretary at the registered office of the Company which is shown on page 105 or sending an email to **info@bellevuehealthcaretrust.com**.

Information is provided to all Shareholders via the annual and half-yearly accounts and also by the publication of daily NAVs and monthly factsheets.

The Company's Annual General Meeting provides a forum for communication with all Shareholders. The level of proxies lodged for each resolution is announced at the meeting and is published on the Company website, **https://www.bellevuehealthcaretrust.com**, subsequent to the meeting. Shareholders and potential investors may obtain up-to-date information on the Company from the website.

In line with governance recommendations, if 20% or more of votes cast are against any resolution, the Company would announce what action it intended to take to consult Shareholders views and would provide a summary of the outcome and actions it intended to take within six months of the date at which the vote was held. The Board confirms that none of the resolutions put to Shareholders at the AGM in 2023 received 20% or more of the votes cast against.

ANNUAL GENERAL MEETING

The Company seeks to provide a minimum of twenty-one days' notice of the AGM and in normal circumstances the Company would encourage all Shareholders to attend the AGM.

In line with the requirements of the Companies Act 2006, the Company will hold an Annual General Meeting ("AGM") of Shareholders to consider the resolutions laid out in the Notice of Meeting on page 97 and 98. The Board encourages Shareholders to attend and participate in the Company's forthcoming AGM on 26 April 2024 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH.

We recognise it is not possible for everyone to attend the AGM and I would remind Shareholders that any questions relating to the business of the AGM can be sent by email to **info@bellevuehealthcaretrust.com**.

If Shareholders are unable to attend the meeting in person, they are strongly encouraged to vote by proxy and to appoint the "Chairman of the AGM" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM on pages 99 to 102. The lodging of a form of proxy (or an appointment of a proxy through CREST) will not however, prevent a Shareholder from attending the AGM and voting in person if they so wish.

The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue.

All other general meetings shall be convened by not less than twenty-one days' notice to all those members and to the auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than fourteen days prior to the general meeting, in which case a general meeting may be convened by not less than fourteen days' notice in writing. A special resolution will be proposed at the AGM to reduce the period of notice for general meetings, other than the AGM, to not less than fourteen days.

EXERCISE OF VOTING POWERS AND STEWARDSHIP CODE

The Company and the Investment Manager support the UK Stewardship Code issued by the Financial Reporting Council.

Directors' Remuneration Policy and Implementation Report

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution for the approval of this report will be put forward at the forthcoming AGM.

The Directors' Remuneration Implementation Report is put forward for approval by Shareholders on an annual basis. The result of the Shareholder resolution on the Implementation Report is non-binding on the Company, although it gives Shareholders an opportunity to express their views, which will be taken into account by the Board. An Ordinary Resolution to approve the Directors' Remuneration Implementation Report will be put forward for approval at the Company's AGM to be held on 26 April 2024.

The Directors' Remuneration Policy was approved by Shareholders at the 2021 AGM. In accordance with statute, the policy must be put to Shareholders for approval at least every three years, as a binding vote. Accordingly, an Ordinary Resolution will be proposed at the forthcoming AGM to be held on 26 April 2024 to re-approve the Remuneration Policy. The provisions set out in this policy apply until they are next put forward for Shareholder approval. In the event of any proposed variation to the policy, Shareholder approval will be sought for the proposed new policy prior to its implementation. It is the Board's intention that the proposed Remuneration Policy continue for three years following the forthcoming AGM to the financial year ending 30 November 2027. The below stated Remuneration Policy remains unchanged from the Remuneration Policy last presented to the Shareholders at the Company's AGM in 2021.

The Board has complied with the policy during the year ended 30 November 2023.

The law requires the Company's auditor to audit certain disclosures provided in this section of the report. Where disclosures are audited, they are indicated as such. The auditor's opinion is on page 56.

REMUNERATION POLICY

Current and future policy

Component	Director	Annual fee	Purpose of reward	Operation
Annual fee	Chairman of the Board	See note 1 below	For services as Chairman of a plc	Determined by the Board
Annual fee	Other Directors	See note 1 below	For services as non-executive Directors of a plc	Determined by the Board
Additional fee	Chairman of the Audit and Risk Committee	See note 1 below	For additional responsibility and time commitment	Determined by the Board
Additional fee	Chairman of the Management Engagement Committee	See note 1 below	For additional responsibility and time commitment	Determined by the Board
Additional fee	Senior Independent Director	See note 1 below	For additional responsibility and time commitment	Determined by the Board
Expenses	All Directors	Not Applicable	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate supporting documentation

1 Annual rates are determined by the Board subject to the limit set out in the Company's Articles of Association.

All the Directors are non-executive directors, and the Company has no employees.

SERVICE CONTRACTS

The Directors do not have service contracts with the Company. The Directors have appointment letters and, following initial election by shareholders, are subject to re-election by shareholders at a maximum interval of three years.

FEES

The Directors' fees are determined within the limits set out in the Company's Articles of Association and they are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits. The Directors' fees will be paid at fixed annual rates and do not have any variable elements. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

The non-executive Directors shall be entitled to fees at such rates as determined by the Board.

The Directors shall also be entitled to be reimbursed for all expenses incurred in performance of their duties. These expenses are unlikely to be of a significant amount.

Fees are payable from the date of appointment as a Director of the Company and cease on date of termination of appointment. The Directors are not entitled to compensation for loss of office.

The Board will not pay any incentive fees to any person to encourage them to become a Director of the Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors.

REMUNERATION IMPLEMENTATION

The Company currently has five Non-Executive Directors.

Directors' fees with effect from 1 December 2022, were payable at the rate of £67,000 per annum for the Chairman of the Board; £49,550 per annum for the Chair of the Audit and Risk Committee and £39,250 per annum for the other Board members. An additional £1,000 per annum was payable to the Senior Independent Director and an additional £1,000 per annum was payable to the Chair of the Management Engagement Committee.

The Board reviews the fees payable to the Directors on an annual basis and has agreed to align the review of Board fees to the Company's year end, as opposed to reviewing them after the year has already commenced. Following the Board's review during the year, no increase has been applied/proposed with effect from 1 December 2023 for the year ending 30 November 2024.

Since the Company's IPO in 2016, net fees payable to the Directors have been satisfied in Ordinary Shares acquired in the market. Given the significant growth of the Company since its IPO and in order to continually attract high quality and diverse candidates as non-executive Directors, the Company has reviewed the Directors' remuneration arrangements and determined that, with effect from 1 April 2024, the Directors' fees will be paid to the Directors in cash.

The Board believes that the fees appropriately reflect the level of demands on the individual Directors, prevailing market rates for an investment trust of the Company's size and complexity, the complexity of regulation and resultant time spent by the Directors on matters, and it will also enable the Company to continue to attract appropriately experienced Directors in the future. The Board also takes into consideration RPI, CPI and other inflationary measures and the impact to the Company's ongoing charges following a rise in fees. Board fees are not considered against any performance measure. The Board agreed Directors' fees would only increase by the level of inflation over the next two years.

Due to the size and nature of the Company, it was not deemed necessary to use a remuneration consultant although the Board did take into consideration views from external search consultants on the level of the Company's fees against prevailing market rates and took these into account in its deliberations.

The current aggregate remuneration that can be paid to Directors under the Company's Articles of Association is £500,000 per annum.

In accordance with the Shareholder Rights Directive. The Board confirms there were no variable pay awards made to the Directors and there were no deferral periods. The annual percentage change in remuneration in respect of the financial years prior to the current year in respect of each Director role is as follows:

Financial year to	30 Nov 2019	30 Nov 2020*	30 Nov 2021	30 Nov 2022**	30 Nov 2023
Chair	3.1%	3.0%	4.5%	48.2%	3.1%
Non-executive Director	4.5%	3.0%	4.7%	24.4%	2.2%
Chair of the Audit and Risk Committee Supplement	3.8%	3.0%	5.8%	85.2%	3.3%
Chair of the Management Engagement Committee Supplement	4.1%	3.0%	Nil	-60.0%	Nil
Senior Independent Director ("SID") Supplement**	-	100.0%	Nil	-33.3%	Nil

* The Company appointed a Senior Independent Director in 2020.

** The Company reviewed and refreshed the Committee supplement fees for the year ended 30 November 2022.

DIRECTOR SERVICE CONTRACTS

The Directors do not have service contracts with the Company. The Directors are not entitled to compensation on loss of office. The Directors have appointment letters which do not provide for any specific term. However, they are subject to re-election by Shareholders at a maximum interval of three years. There are no restrictions on transfers of the Company's shares held by the Directors, or any special rights attached to such shares.

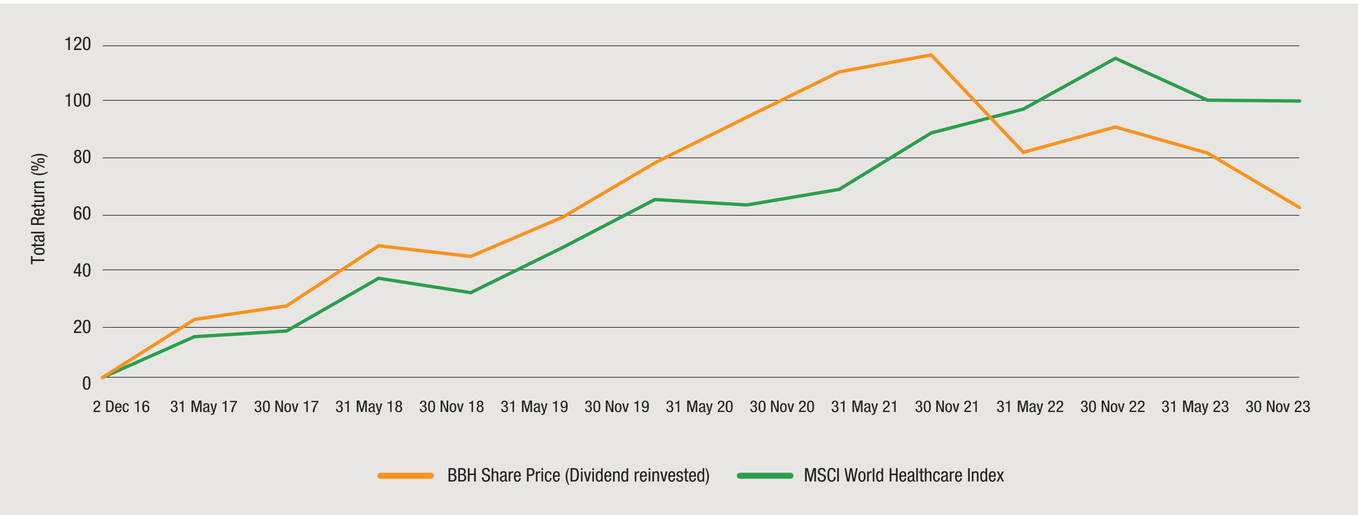
DIRECTORS' INDEMNITIES

Subject to the provisions of the Companies Act 2006, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/ or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

A policy of insurance against Directors' and officers' liabilities is maintained by the Company.

PERFORMANCE

The following chart shows the performance of the Company's share price by comparison to the MSCI World Healthcare Index (GBP), on a total return basis.



DIRECTORS' EMOLUMENTS FOR THE YEAR ENDED 30 NOVEMBER 2023

	Fees and taxable benefits to 30 November 2023 £'000	Fees and taxable benefits to 30 November 2022 £'000
Randeep Grewal	68.0	66.0
Josephine Dixon	51.0	49.0
Paul Southgate	39.0	38.0
Tony Young	39.0	38.0
Kate Bolsover	39.0	38.0
Justin Stebbing*	-	2.0
Total	**236.0**	**231.0**

*resigned on 21 December 2021.

There are no other taxable benefits payable by the Company other than certain expenses which may be deemed to be taxable. None of the above fees were paid to third parties.

A non-binding ordinary resolution to approve the Directors' Remuneration Implementation Report contained in the Annual Report for the year ended 30 November 2022 was put forward at the AGM held on 28 April 2023. The resolution was passed with 99.90% of the proxy votes cast (including discretionary votes) being in favour of the resolution.

A non-binding ordinary resolution to approve the Directors' Remuneration Policy contained in the Annual Report for the year ended 30 November 2021 was put forward for approval at the Company's AGM held on 22 April 2022. The resolution was passed with 99.91% of the proxy votes cast (including discretionary votes) being in favour of the resolution.

The Directors' Remuneration Policy will be put forward for approval at the AGM to be held on 26 April 2024.

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table sets out the total level of Directors' remuneration compared to the distributions to Shareholders by way of dividends and share buybacks, and the management fees and other expenses incurred by the Company.

Year ended 30 November 2023	2023 £'000	2022 £'000
Income	2,469	2,186
Directors' fees	236	231
Management fees and other operating expenses	8,885	10,456
Dividends paid and payable to Shareholders	30,290	36,780

DIRECTORS' HOLDINGS (AUDITED)

The Directors held the following shareholdings at 30 November 2023 and as at the date of this report. Net fees payable to the Directors, are settled in Ordinary Shares quarterly.

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

	Ordinary Shares as at 30 November 2023	Ordinary Shares as at date of this report	Ordinary Shares as at 30 November 2022
Randeep Grewal	149,552	156,592	119,693
Josephine Dixon	119,473	125,109	98,466
Paul Southgate	95,226	97,880	83,084
Tony Young	32,084	34,738	20,018
Kate Bolsover	26,335	28,989	14,232

STATEMENT

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the financial year to 30 November 2023;

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the financial year to 30 November 2023; and
- the context in which the changes occurred and decisions have been taken.

Randeep Grewal
Chairman
1 March 2024

Report of the Audit and Risk Committee

ROLE OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and objectivity, and remuneration of the auditor and to review the annual accounts and half-yearly financial report. The Audit and Risk Committee also reviews the Company's internal financial controls and its internal control and risk management systems. Where non-audit services are provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding.

COMPOSITION

All of the Directors of the Company are members of the Audit and Risk Committee. The Audit and Risk Committee has formal written terms of reference and copies of these are available on the Company's website or on request from the Company Secretary. The Audit and Risk Committee as a whole has recent and relevant financial experience. The UK Code recommends that the Chairman of the Board should not be a member of the Audit and Risk Committee. However, as permitted by the AIC Code, the Directors believe that membership of the Audit and Risk Committee of the independent Chair of the Board, Randeep Grewal is appropriate, and welcome his contribution.

INTERNAL AUDIT

The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company. The Audit and Risk Committee keeps the needs for an internal audit function under periodic review.

MEETINGS

There have been three Audit and Risk Committee meetings in the year to 30 November 2023. Meeting attendance is shown on page 44 of this Annual Report. Meetings held during the year have been held in-person. Committee members have operated effectively and there has been no break in service from the Company's service providers.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Directors have a dynamic risk register in place to help identify key risks and ensure there are measures in place to manage and mitigate risk; and oversee the effectiveness of internal controls and processes. The risk assessment programme provides a visual reflection of the Company's identified principal and emerging risks, including climate change and the war in Ukraine and their potential impact on the Company's future development and prospects. The risk assessment programme also provides the mitigation measures which key service providers, including the Investment Manager, have in place to maintain operational resilience and business continuity. The Audit and Risk Committee carries out, at least annually, a robust assessment of the principal and emerging risks and uncertainties and monitors the risks on an ongoing basis.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. As is the case with most investment trusts, the investment management, accounting, company secretarial, registrar and depositary services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis and the Committee receives regular reports. The Committee is satisfied that internal controls and processes remained satisfactory, and that appropriate systems are in place.

FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING MATTERS

The Audit and Risk Committee reviewed the financial statements and considered the following significant accounting issues in relation to the Company's financial statements for the year ended 30 November 2023.

VALUATION AND EXISTENCE OF INVESTMENTS

The Company holds the majority of its assets in quoted investments. The valuation and existence of these investments is the most material matter in the production of the financial statements. Investments are valued using independent pricing sources and the holding quantities at the year end were agreed to the Depositary's records. The Audit and Risk Committee has reviewed the Administrator's procedures in place for ensuring accurate valuation and existence of investments and is comfortable that these are appropriate.

RECOGNITION OF INCOME

The Audit and Risk Committee has reviewed the Administrator's procedures for recognition of income and is comfortable that these are appropriate. The Audit and Risk Committee reviews the treatment of any special dividends receivable in the period to ensure that these have been treated appropriately as revenue or capital. During the year no special dividends were received by the Company. Revenue recognition accounting policy are disclosed on page 69 of this Annual Report.

COVID-19 AND GEO-POLITICS

The Russian invasion of Ukraine, and the subsequent hike in global energy prices has further shaken a fragile investment environment. During the year, the Board has paid particular attention to the sensitivity of income received from investee companies to volatility in the Sterling/ USD foreign exchange rate. Committee members have also sought reassurance that external providers were not in breach of sanctions implemented against Russia following the invasion of Ukraine.

EUROPEAN SINGLE ELECTRONIC FORMAT ("ESEF")

The ESEF regulations which require the Company to publish their annual financial statements in a common electronic format apply to the Company for this accounting year ended 30 November 2023.

MATTERS CONSIDERED IN THE YEAR

The UK Corporate Governance Code requires the Company to describe any significant issues considered in relation to the financial statements and how those issues were addressed. While there were no significant issues, three matters of particular focus at the balance sheet date were the Company's Annual Redemption facility, the implementation of the Company's share buyback programme and application of the appropriate valuation methodology for unlisted holdings in accordance with relevant guideline/standards. Both events were discussed in detail by the Committee, with support from the Company's service providers and reporting included in the year end auditor's report. No issues were discovered.

GOING CONCERN AND VIABILITY STATEMENTS

Having reviewed the Company's financial position, liabilities, principal/emerging risks and uncertainties, the Committee recommended to the Directors that it was appropriate for the Directors to prepare the financial statements on the going concern basis. The viability and going concern statements can be found on pages 22 and 39 respectively.

AUDIT TENURE

Ernst & Young LLP has been appointed as the Company's auditor since the Company's launch in October 2016 following a competitive process and review of the auditor's credentials. The re-appointment of the external auditor will be reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC guidance, the audit will be put out to tender within ten years of the initial appointment of Ernst & Young LLP.

In accordance with auditor rotation best practice, Ahmer Huda (in second year of tenure) is appointed as Audit Partner for the year ending 30 November 2023 audit. The appointment of the auditor is reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by Shareholders.

PROVISION OF NON-AUDIT SERVICES

The Audit and Risk Committee has put a policy in place on the supply of any non-audit services provided by the external auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the auditor from remaining objective and independent.

No non-audit fees were payable to the Auditor in the year ended 30 November 2023 (2022: Nil).

The audit fees (excluding VAT) incurred during the year amounted to £53,025 (2022: £50,500). These fees represent an increase over the prior year. The Committee reviewed the audit fees being paid by similar comparative companies and concluded that the increase is in line with audit fee rises experienced across the investment trust sector. Audit firms generally have increased the fees that they charge to investment trusts in order to reflect the increased level of work that they have been required to perform, in the context of more rigorous levels of audit scrutiny and regulation.

AUDITOR INDEPENDENCE

The Audit and Risk Committee considered the independence of the auditor and the objectivity of the audit process and is satisfied that Ernst & Young LLP has fulfilled its obligations to Shareholders and as independent auditor to the Company for the year.

After due consideration, the Audit and Risk Committee recommends the re-appointment of Ernst & Young LLP and their re-appointment will be put forward to the Company's Shareholders at the 2024 AGM.

CONCLUSION WITH RESPECT TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Audit and Risk Committee has concluded that the Annual Report for the year ended 30 November 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's business model, strategy and performance. The Audit and Risk Committee has reported its conclusions to the Board of Directors. The Audit and Risk Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the annual report.

Josephine Dixon
Audit and Risk Committee Chair
1 March 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the financial statements under UK adopted International Accounting Standards ("IAS"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of the year and of the net return for the year. In preparing these accounts, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates which are reasonable and prudent;
- state whether UK adopted IAS have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the Company's website at **www.bellevuehealthcaretrust.com**, which is maintained by the Company's Investment Manager. The work carried out by the auditor does not involve consideration of the maintenance and integrity of these websites and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since being initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATION STATEMENT

The Directors each confirm to the best of their knowledge that:

- the accounts, prepared in accordance with UK adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- this Annual Report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit and Risk Committee, the Directors consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy. For and on behalf of the Board.

Randeep Grewal
Chairman
1 March 2024

Independent Auditor's Report

OPINION

We have audited the financial statements of Bellevue Healthcare Trust PLC (the 'Company') for the year ended 30 November 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 19, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 November 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment. We considered whether the factors taken account of in the Directors' assessment addressed those matters which we considered important.
- Inspection of the Directors' assessment of going concern, including the revenue and expense cash flow forecast, for the period to 30 November 2025 which is at least eighteen months from the date these financial statements were authorised for issue. In preparing the revenue and expense forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Reviewing of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue and expense forecast. We considered the appropriateness of the methods used to calculate the forecast and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment of going concern for the Company.
- Consideration of the mitigating factors included in the revenue and expense forecast that are within the control of the Company, including a review of the Company's assessment of the liquidity of investments held and evaluating the Company's ability to sell investments in order to cover the working capital requirements should its revenue decline significantly. Reviewing of the Directors' assessment of the impact on going concern in respect of the annual redemption facility.
- In relation to the Company's borrowing arrangements, assessing the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We calculated the Company's compliance with debt covenants and reviewed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants. Reviewing the Company's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 30 November 2025, which is at least eighteen months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income • Risk of incorrect valuation or ownership of the investment portfolio
Materiality	• Overall materiality of £ 6.65m which represents 1% of the Company's Net Asset Value.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the impact of climate change could affect the Company's investments and their valuations and potentially shareholder returns. These are explained on pages 20 and 21 in the principal and emerging risks and uncertainties section, which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information". In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the Financial Statements as set out in Note 2 and the conclusion that there was no further impact of climate change to be taken into account. In line with UK adopted International Accounting Standards investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the balance sheet date. All investments therefore, except for one investment in level 3, reflect the market participants view of climate change risk on the investments held by the Company. We also challenged the Directors' considerations of climate change in their assessment of viability and going concern and associated disclosures. Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above. Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income *Refer to the Report of the Audit and Risk Committee (page 52); Accounting policies (page 69); and note 5 of the Financial Statements* The Company has reported investment income for the year ended 30 November 2023 of £0.92m (2022: £1.90m), consisting of dividend income from listed equity investments. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income. The Company did not receive any special dividends during the year (2022: none).	**We performed the following procedures:** • Walked through the revenue recognition and classification of special dividends processes and obtained an understanding of the design and implementation of the controls. • For all dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend rate per share, which was agreed to an independent data vendor. We agreed amounts received to bank statements and where applicable, agreed the exchange rates to an external source. • We reviewed the investee company announcement to assess whether the dividend obligation arose prior to 30 November 2023. We did not identify any dividends which needed to be accrued as at the year-end. • To test completeness of recorded income, for a sample of investee companies, we verified that expected dividends during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor. • For a sample of investments held during the year, we reviewed the type of dividends paid with reference to an external data source to identify those which were special. • We evaluated the time period between each dividend payment to assess whether the dividend payment appears out of the ordinary, as well as reviewing external data sources to identify whether any companies the Company has invested in declared special dividends. Our procedures did not identify any special dividends.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
	• Through enquiry we confirmed with management that no special dividends had been received during the year. Our procedures did not identify any special dividends.	
Risk of incorrect valuation or ownership of the investment portfolio *Refer to the Report of the Audit and Risk Committee (page 52); Accounting policies (page 69); and note 4 of the Financial Statements.* The Company's investment portfolio consists of listed equity investments valued at £694.9m at 30 November 2023 (2022: £1,043.3m). As at the year-end the Company holds one investment, which was suspended from trading amounting to £2.03m. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date. Unquoted investments are valued with reference to the International Private Equity and Venture Capital Valuation Guidelines ('IPEV').	We performed the following procedures: • Walked through the investment valuation and legal title process to obtain an understanding of the design and implementation of the controls. • For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. For the investment, which was suspended from trading, we challenged the valuation approach by obtaining supporting evidence and assessing the methodology applied. • We inspected the stale pricing report produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value through review of trading activity. • We compared the Company's investment holdings at 30 November 2023 to independent confirmation received directly from the Company's Custodian.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

- We determined materiality for the Company to be £6.65m (2022: £10.04m), which is 1% (2022: 1%) of the Company's Net Asset Value. We believe that Net Asset Value provides us with the most important financial metric on which shareholders would judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £4.99m (2022: £7.53m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.33m (2022: £0.50m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 33 and 34 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 39;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 22;
- Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 39;
- Directors' statement on fair, balanced and understandable set out on page 55;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 22 and;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 42 and 43;
- The section describing the work of the Audit and Risk Committee set out on page 52.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 55, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK adopted International Accounting Standards, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary and review of Board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud

might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items. Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **https://www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the Audit and Risk Committee, we were appointed by the Company on 27 November 2017 to audit the financial statements for the period ended 30 November 2017 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 7 years, covering the years ending 30 November 2017 to 30 November 2023.

- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ahmer Huda (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
1 March 2024

Financial Statements

Statement of Comprehensive Income

for the year ended 30 November 2023

	Note	Year ended 30 November 2023 Revenue £'000	Capital £'000	Total £'000	Year ended 30 November 2022 Revenue £'000	Capital £'000	Total £'000
Losses on investments	4	-	(109,626)	(109,626)	-	(19,980)	(19,980)
Losses on currency movements		-	(789)	(789)	-	(9,839)	(9,839)
Net investment losses		**-**	**(110,415)**	**(110,415)**	**-**	**(29,819)**	**(29,819)**
Income	5	2,469	-	2,469	2,186	-	2,186
Total income		**2,469**	**(110,415)**	**(107,946)**	**2,186**	**(29,819)**	**(27,633)**
Investment management fees	6	(1,559)	(6,236)	(7,795)	(1,877)	(7,510)	(9,387)
Other operating expenses	7	(1,090)	-	(1,090)	(1,069)	-	(1,069)
Loss before finance costs and taxation		**(180)**	**(116,651)**	**(116,831)**	**(760)**	**(37,329)**	**(38,089)**
Finance costs	8	(810)	(3,240)	(4,050)	(610)	(2,440)	(3,050)
Operating loss before taxation		**(990)**	**(119,891)**	**(120,881)**	**(1,370)**	**(39,769)**	**(41,139)**
Taxation	9	(157)	-	(157)	(285)	-	(285)
Loss for the year		**(1,147)**	**(119,891)**	**(121,038)**	**(1,655)**	**(39,769)**	**(41,424)**
Return per Ordinary Share	10	**(0.21)p**	**(21.85)p**	**(22.06)p**	**(0.28)p**	**(6.84)p**	**(7.12)p**

There is no other comprehensive income and therefore the 'Loss for the year' is the total comprehensive income for the year.

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 68 to 81 form and integral part of these financial statements.

Statement of Financial Position

as at 30 November 2023

	Note	30 November 2023 £'000	30 November 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	4	696,916	1,043,349
Current assets			
Cash and cash equivalents		110,954	46,368
Sales for future settlement		22	855
Other receivables	11	111	392
		111,087	**47,615**
Total assets		**808,003**	**1,090,964**
Current liabilities			
Purchases for future settlement		-	(1,395)
Bank loans payable	12	(31,696)	(83,731)
Other payables	13	(110,770)	(1,512)
Total liabilities		**(142,466)**	**(86,638)**
Net assets		**665,537**	**1,004,326**
Equity			
Share capital	14	4,803	5,881
Share premium account		617,709	617,371
Special distributable reserve		-	28,347
Capital reserve		45,462	354,017
Revenue reserve		(2,437)	(1,290)
Total equity		**665,537**	**1,004,326**
Net asset value per Ordinary Share	16	**143.87p**	**171.16p**

Approved by the Board of Directors and authorised for issue on 1 March 2024 and signed on their behalf by:

Randeep Grewal
Chairman

Registered in England and Wales with registered number 10415235.

The notes on pages 68 to 81 form and integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 November 2023

	Notes	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 2022		5,881	617,371	28,347	354,017	(1,290)	**1,004,326**
Loss for the year		-	-	-	(119,891)	(1,147)	**(121,038)**
Issue of Ordinary Shares	14	2	340	-	-	-	**342**
Redemption of Ordinary Shares	14	(1,080)	-	(10,491)	(148,688)	-	**(160,259)**
Buybacks of Ordinary Shares		-	-	-	(23,439)	-	**(23,439)**
Ordinary Share issues, Buybacks and Redemption costs		-	(2)	(81)	(102)	-	**(185)**
Dividends paid	15	-	-	(17,775)	(16,435)	-	**(34,210)**
Closing balance as at 30 November 2023		**4,803**	**617,709**	**-**	**45,462**	**(2,437)**	**665,537**

for the year ended 30 November 2022

	Notes	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 2021		5,602	568,910	64,804	393,786	365	**1,033,467**
Loss for the year		-	-	-	(39,769)	(1,655)	**(41,424)**
Issue of Ordinary Shares	14	279	48,887	-	-	-	**49,166**
Ordinary Share issue costs		-	(426)	-	-	-	**(426)**
Dividends paid	15	-	-	(36,457)	-	-	**(36,457)**
Closing balance as at 30 November 2022		**5,881**	**617,371**	**28,347**	**354,017**	**(1,290)**	**1,004,326**

The Company's distributable reserves consist of the special distributable reserve and revenue reserve as disclosed above; and capital reserve attributable to realised profit of £45,462,000 (30 November 2022: £354,017,000).

The Company can use its distributable reserves to fund dividends, redemptions of Ordinary Shares and share buy backs.

The notes on pages 68 to 81 form and integral part of these financial statements.

Statement of Cash Flows

for the year ending 30 November 2023

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Operating activities Cash flows		
Income*	2,469	2,186
Operating expenses	(8,852)	(10,794)
Taxation	(157)	(285)
Net cash flow used in operating activities	**(6,540)**	**(8,893)**
Investing activities Cash flows		
Purchase of investments	(303,144)	(599,039)
Sale of investments	533,774	610,527
Net cash flow from investing activities	**230,630**	**11,488**
Financing activities Cash flows		
Bank loans drawn	15,722	45,174
Bank loans repaid	(63,121)	(44,885)
Loan interest and other charges paid	(4,552)	(2,546)
Dividends paid	(34,210)	(36,457)
Proceeds from issue of Ordinary Shares	342	49,166
Annual Redemption of Ordinary Shares	(50,251)	-
Buybacks of ordinary shares held in treasury	(23,439)	-
Ordinary Share issues, Buybacks and Redemption costs	(185)	(426)
Net cash flow (used in)/from financing activities	**(159,694)**	**10,026**
Increase in cash and cash equivalents	**64,396**	**12,621**
Cash and cash equivalents at start of year	46,368	27,994
Effect of foreign currency revaluations	190	5,753
Cash and cash equivalents at end of year	**110,954**	**46,368**

* Cash inflow from dividends for the financial year was £765,000 (2022: £1,618,000). Bank deposits interest income received during the year was £1,547,000 (2022: £283,000).

The table below shows the movement in financing activities during the year.

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Opening balance	**83,731**	**67,850**
Repayment of bank loans	(63,121)	(44,885)
Proceeds from bank loans	15,722	45,174
Foreign exchange movements	(4,636)	15,592
Closing balance	**31,696**	**83,731**

The notes on pages 68 to 81 form and integral part of these financial statements.

Notes to the Financial Statements

1. REPORTING ENTITY

Bellevue 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 year from 1 December 2022 to 30 November 2023.

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

These financial statements have been prepared in accordance with UK adopted International Accounting Standards ("IAS").

In preparing these financial statements the directors have considered the impact of climate change as a risk as set out on pages 20 and 21, and have concluded that there was no further impact of climate change to be taken into account. In line with IAS investments are valued at fair value, which for the Company is quoted bid prices for investments in active markets at the Statement of Financial Position date and therefore reflect market participants' view of climate change risk on the investments we hold.

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 July 2022 is consistent with the requirements of UK adopted IAS, 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.

In forming this opinion, the Directors have considered the adequacy of the Company's operational resources, liquidity of the investment portfolio, debt covenants and any potential impact of the ongoing war in Ukraine may have on the going concern and viability of the Company. In making their assessment, the Directors have reviewed income and expense projections and the liquidity of the investment portfolio, and considered the mitigation measures which key service providers, including the Investment Manager, have in place to maintain operational resilience.

The Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 30 November 2025, which is at least 18 months from the date the financial statements were authorised for issue.

Significant accounting estimates, judgements and assumptions

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 year in which the estimates are revised and in any future periods affected. There have been no material estimates, judgements or assumptions, which have had a significant impact on the financial statements for the year.

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 have been rounded to the nearest thousand pounds.

3. ACCOUNTING POLICIES

(a) Investments

Upon initial recognition investments are classified 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, the 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/(losses) 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.

(b) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities, and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling using London closing foreign exchange rates at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate.

(c) Income from investments

Dividend income from shares is recognised on ex-dividend dates. Overseas income is grossed up at the appropriate rate of tax.

Special dividends are assessed on their individual merits and may be credited to the Statement of Comprehensive Income as a capital item if considered to be closely linked to reconstructions of the investee company or other capital transactions. All other investment income is credited to the Statement of Comprehensive Income as a revenue item. Interest receivable is accrued on a time apportionment basis.

(d) Reserves

Capital reserves

Profits achieved in cash by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to the capital column of the Statement of Comprehensive Income and allocated to the capital reserve.

Special distributable reserve

Following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court to cancel the share premium account at the time to create a special distributable reserve which may be treated as distributable reserves and out of which redemptions, tender offers and share buybacks may be funded. This reserve may also be used to fund dividend payments.

The Company's distributable reserves consist of the special distributable reserve, revenue reserve and capital reserve attributable to realised profit.

Share premium

The share premium account arose from the net proceeds of issuing new shares. The excess of the issue price of a share over its nominal value is the share premium.

The Board seeks Shareholder approval to petition the High Court to transfer amounts standing to the credit of the share premium account into the Company's distributable reserves, whenever it seems appropriate to do so.

Revenue reserves

The revenue reserve reflects all income and expenditure recognised in the revenue column of the income statement and is distributable by way of dividends.

(e) Expenses

All expenses are accounted for on an accrual basis. Expenses directly related to the acquisition or disposal of an investment (transaction costs) are taken to the income statement as a capital item.

Expenses are recognised through the Statement of Comprehensive Income as revenue items except as follows:

Investment management fees

In accordance with the Company's stated policy and the Directors expectation of the split of future returns, 80% of investment management fees are charged as a capital item in the Statement of Comprehensive Income.

Finance costs

Finance costs include interest payable and direct loan costs. In accordance with Directors' expectation of the split of future returns, 80% of finance costs are charged as capital items in the Statement of Comprehensive Income. Loan arrangement costs are amortised over the term of the loan.

(f) Cash and cash equivalents

Cash comprises cash at hand and on-demand deposits. Cash equivalents are short term (three months or less), highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Taxation

Irrecoverable taxation on dividends is recognised on an accrual basis in the Statement of Comprehensive Income.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains in UK.

(h) Financial liabilities

Bank loans and overdrafts are classified as financial liabilities at amortised cost. They are initially measured at the proceeds received, net of direct issue costs, and subsequently measured at amortised cost using the effective interest method.

(i) Future Developments in IFRS standards

A number of new standards and/or amendments to standards are effective for the annual periods beginning after 1 January 2023. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

(j) Equity shares

The Company has treated the Ordinary Shares and Management Shares as equity in accordance with IAS 32 Financial Instruments: Presentation, which classifies financial instruments into financial assets, financial liabilities and equity instruments. Both share classes have an entitlement to the residual interest in the assets of the Company after deducting liabilities, suffice that the Management Shares have no participation in any surplus beyond their paid-up capital. The Management Shares are not redeemable, but the Ordinary Shares are subject to an annual redemption option at the discretion of the Directors. Redemption requests are matched with buyers in the market or cancelled by the Company. Ordinary Shares participate in dividends and any other profits of the Company.

Segmental reporting

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Company has entered into an Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for the management of the Company's investment portfolio, subject to the overall supervision of the Board of Directors. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

The Directors are of the opinion that the Company is engaged in a single segment of business being that of an investment trust, as disclosed in note 1.

4. INVESTMENT HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Summary of valuation

As at	30 November 2023 £'000	30 November 2022 £'000
Investments held at fair value through profit or loss		
– Overseas	696,916	1,043,349
Closing valuation	**696,916**	**1,043,349**

(b) Movements in valuation

	£'000	£'000
Opening valuation	1,043,349	1,083,590
Opening unrealised gains on investments	131,376	7,839
Opening book cost	1,174,725	1,091,429
Additions, at cost	301,659	590,922
Disposals, at cost	(491,871)	(507,626)
Closing book cost	984,513	1,174,725
Revaluation of investments	(287,597)	(131,376)
Closing valuation	**696,916**	**1,043,349**

In respect of the investments sold during the year, they have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs on investment purchases for the year ended 30 November 2023 amounted to £90,000 (30 November 2022: £186,000) and on investment sales for the financial year to 30 November 2023 amounted to £167,000 (30 November 2022: £198,000).

(c) Gains on investments

	£'000	£'000
Realised gains on disposal of investments	40,980	103,557
Movement in unrealised gains/(losses) on investments held	(150,606)	(123,537)
Total losses on investments	**(109,626)**	**(19,980)**

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:

	30 November 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss	694,884	-	2,032	**696,916**

	30 November 2022			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss	1,043,349	-	-	**1,043,349**

The level 3 investment comprises the Company's holding in Venus MedTech, which was suspended from trading during the year. As a result of the suspension, the Board, in consultation with the AIFM's Valuation Committee decided to apply a discount to the price of the holding with the effect of its reclassification from level 1 to level 3 (2022: No level 3 investment). The discount applied took into account the projected impact of the suspension on the price movement of Venus MedTech, as well as that of its peers in the sector. Other factors directly related to Venus MedTech were also taken into consideration when deciding on the appropriate discount to be applied.

The movement in the Level 3 unquoted investments during the year is shown below:

As at	30 November 2023 £'000	30 November 2022 £'000
Opening balance	-	599
Transfers to level 3 during the year	9,724	-
Disposals during the year	-	(1,305)
Foreign exchange gains on disposals	-	66
Realised gains on disposal	-	640
Revaluation losses on level 3 investment held	(7,692)	-
Closing valuation	**2,032**	**-**

There was one transfer between levels during the year ended 30 November 2023 (30 November 2022: nil). The Board approves and determines the effective date of transfers between levels.

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 cost 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.

5. INCOME

	Year ended 30 November 2023 £'000	Year ended 30 November 2022 £'000
Income from investments:		
Overseas dividends	922	1,903
Other income:		
Bank interest on deposits	1,547	283
Total income	**2,469**	**2,186**

6. INVESTMENT MANAGEMENT FEE

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	1,559	6,236	**7,795**	1,877	7,510	**9,387**

The Company's Investment Manager is Bellevue Asset Management (UK) Ltd (the 'Investment Manager'). The Investment Manager is entitled to receive a management fee payable monthly in arrears and calculated at the rate of one-twelfth of 0.95% per calendar month of market capitalisation. Market capitalisation means the average of the mid-market prices for an Ordinary Share, as derived from the daily official list of the London Stock Exchange on each business day in the relevant calendar month multiplied by the number of Ordinary Shares, in issue on the last business day of the relevant calendar month excluding any Ordinary Shares held in treasury.

There is no performance fee payable to the Investment Manager.

7. OTHER EXPENSES

	2023 £'000	2022 £'000
Administration & secretarial fees	259	257
Auditor's remuneration – statutory audit	53	50
Broker fees	6	4
Consultancy fees	-	26
Custody services	202	203
Directors' fees	236	231
Printing	23	28
Public relations	-	2
Registrar fees	85	72
Other operating expenses	226	196
Total	**1,090**	**1,069**

8. FINANCE COSTS

	Year ended 30 November 2023		
	Revenue £'000	Capital £'000	Total £'000
Loan interest	703	2,810	**3,513**
Other finance costs	107	430	**537**
Total	**810**	**3,240**	**4,050**

	Year ended 30 November 2022		
	Revenue £'000	Capital £'000	Total £'000
Loan interest	597	2,389	**2,986**
Other finance costs	13	51	**64**
Total	**610**	**2,440**	**3,050**

9. TAXATION

(a) Analysis of charge:

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Withholding tax expense	157	-	**157**	285	-	**285**
Total tax charge for the year	**157**	**-**	**157**	**285**	**-**	**285**

(b) Factors affecting the tax charge for the year:

The effective UK corporation tax rate for the year is 23% (2022: 19%). The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	2023 Total £'000	2022 Total £'000
Operating loss before taxation	(120,881)	(41,139)
Effective UK Corporation tax at 23% (2022: 19%)	(27,803)	(7,816)
Effects of:		
Losses on investments not taxable	25,395	5,666
Overseas dividends not taxable	(212)	(362)
Withholding tax expense	157	285
Unutilised excess expenses	2,620	2,512
Total tax charge for the year	**157**	**285**

The Company is not liable to tax on capital gains due to its status as an investment trust. The Company has an unrecognised deferred tax asset of £13,350,000 (2022: £11,190,000) based on the prospective UK corporation tax rate of 25%. This asset has accumulated because deductible expenses exceeded taxable income for the year ended 30 November 2023. No asset has been recognised in the accounts because, given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future.

10. RETURN PER SHARE

Return per share is based on the weighted average number of Ordinary Shares in issue during the year ended 30 November 2023 of 548,691,353 (30 November 2022: 581,357,335). Management Shares do not participate in the profit or loss of the Company, hence they are not included in the calculation below.

	Year ended 30 November 2023		
	Revenue	Capital	Total
Loss for the year (£'000)	(1,147)	(119,891)	**(121,038)**
Loss per Ordinary Share (basic & diluted)	(0.21)p	(21.85)p	**(22.06)p**

	Year ended 30 November 2022		
	Revenue	Capital	Total
Loss for the year (£'000)	(1,655)	(39,769)	**(41,424)**
Loss per Ordinary Share (basic & diluted)	(0.28)p	(6.84)p	**(7.12)p**

11. OTHER RECEIVABLES

	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Prepayments	46	124
VAT recoverable	28	231
Recoverable tax on dividend	37	37
Total	**111**	**392**

12. BANK LOANS

The Company has a multi-currency revolving credit facility RCF with The Bank of Nova Scotia, London Branch. On 16 June 2022, the Company renewed and amended its RCF. Under the terms of the amended RCF, the Company may draw down loans up to an aggregate value of USD 280 million. The increased facility will expire in December 2024.

As at 30 November 2023, the aggregate of loans draw down was £31,696,000 (2022: £83,731,000).

The table below shows the breakdown of the loans.

As at 30 November 2023

Currency of loans	Local currency amount	GBP equivalent £'000	Interest rate per annum (%)	Maturity date
USD loan	$20,000,000	15,848	Daily SOFR + 1.31%	26 Feb. 2024
USD loan	$20,000,000	15,848	Daily SOFR + 1.31%	29 Feb. 2024
Total loans in GBP		**31,696**		

As at 30 November 2022

Currency of loans	Local currency amount	GBP equivalent £'000	Interest rate per annum (%)	Maturity date
USD loan	$20,000,000	16,746	3.8	28 Dec. 2022
USD loan	$20,000,000	16,746	2.26	27 Jan. 2023
USD loan	$20,000,000	16,746	2.26	27 Mar. 2023
USD loan	$20,000,000	16,746	2.26	30 May. 2023
USD loan	$20,000,000	16,747	2.26	27 Jul. 2023
Total loans in GBP		**83,731**		

A commitment fee is calculated at 0.35 per cent per annum, if the unutilised amount equals or exceeds 50 per cent of the total commitment; or 0.45 per cent per annum if the unutilised amount is less than 50 per cent of the total commitment.

In the opinion of the Directors, the fair value of the bank loans is not materially different to their amortised costs.

13. OTHER PAYABLES

	As at 30 November 2023 £'000	As at 30 November 2022 £'000
Loan interest payable	26	528
Accrued expenses	736	984
2023 Annual Redemption payable*	110,008	-
Total	**110,770**	**1,512**

* This is in relation to the Company's announcement on 3 November 2023 that valid redemption requests in respect of 77,428,034 Ordinary Shares had been received for the 30 November 2023 redemption point. All of these shares were redeemed and cancelled by the Company. The calculated redemption price is 142.07718 pence per share.

14. SHARE CAPITAL

	As at 30 November 2023		As at 30 November 2022	
	No. of shares	£'000	No. of shares	£'000
Allotted, issued and fully paid:				
Redeemable Ordinary Shares of 1p each ('Ordinary Shares')	462,588,550	4,626	586,783,083	5,868
Shares held in treasury	16,398,646	164	-	-
Management Shares of £1 each	50,001	13	50,001	13
Total	**479,037,197**	**4,803**	**586,833,084**	**5,881**

Share Movement

During the year ended 30 November 2023, 16,398,646 Ordinary Shares (30 November 2022: Nil) were bought back into treasury through the Company's share buyback programme.

The annual redemption point is the last business day of November and redemption price is announced the following day. For the 2023 annual redemption, 77,428,034 (30 November 2022: 30,577,550) Ordinary Shares were redeemed and cancelled by the Company, in line with the Company's annual redemption programme.

On 5 May 2023, in line with the Company's Scrip Dividend Scheme, 209,697 Ordinary Shares were allotted and issued to Shareholders who elected for their final dividend to be automatically subscribed on their behalf for new Ordinary Shares.

Since 30 November 2023, no Ordinary Shares were bought back into treasury through the Company's share buyback programme.

15. DIVIDEND

	Year ended 30 November 2023				Year ended 30 November 2022			
	Pence per Ordinary Share	Special reserve £'000	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Special reserve £'000	Revenue reserve £'000	Total £'000
Final dividend - 2021	–	-	-	**-**	3.015p	17,480	-	**17,480**
Interim dividend - 2022	–	-	-	**-**	3.235p	18,977	-	**18,977**
Final dividend - 2022	3.235p	17,775	-	**17,775**	-	-	-	**-**
Interim dividend - 2023	2.995p	16,435	-	**16,435**	-	-	-	**-**
Total	**6.230p**	**34,210**	**-**	**34,210**	**6.250p**	**36,457**	**-**	**36,457**

The dividend relating to the year ended 30 November 2023, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	Year ended 30 November 2023				Year ended 30 November 2022			
	Pence per Ordinary Share	Special reserve £'000	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Special reserve £'000	Revenue reserve £'000	Total £'000
Interim dividend – paid	2.995p	16,435	-	**16,435**	3.235p	18,977	-	**18,977**
Final dividend – payable/paid	2.995p	13,855	-	**13,855**	3.235p	17,803	-	**17,803**
Total	**5.990p**	**30,290**	**-**	**30,290**	**6.470p**	**36,780**	**-**	**36,780**

The Directors recommend the payment of a final dividend for the year of 2.995p per share. Subject to approval at the Company's Annual General Meeting, the dividend will have an ex-dividend date of 09 May 2024 and will be paid on 31 May 2024 to shareholders on the register at 10 May 2024. The dividend will be funded from the Company's distributable reserves as per the table above.

16. NET ASSETS PER ORDINARY SHARE

Net assets per Ordinary Share as at 30 November 2023 is based on £665,537,000 of net assets of the Company attributable to the 462,588,550 Ordinary Shares in issue (excluding treasury shares) as at 30 November 2023. £12,500 of net assets as at 30 November 2023 is attributable to the Management Shares.

17. RELATED PARTY TRANSACTIONS

Fees payable to the Investment Manager are shown in the Statement of Comprehensive Income. As at 30 November 2023, the fee outstanding to the Investment Manager was £461,000 (2022: £744,000).

Directors' fees paid during the year are disclosed within the Directors' Remuneration Report on page 50. Fees payable as at 30 November 2023 were £39,383 (2022: £37,667). The Directors' shareholdings are disclosed in the Directors' Remuneration Implementation Report on page 51 in this Annual Report.

18. POST BALANCE SHEET EVENTS

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

On 1 December 2023, the Company announced that 77,428,034 Ordinary Shares would be redeemed and Shareholders receiving a Redemption Price of 142.07718 pence per share for the 30 November 2023 Redemption Point. As at 30 November 2023, the Company had an accrual of £110million payable to redeeming Shareholders on the 14 December 2023.

With effect from 14 December 2023, an amount of £617,709,517 standing to the credit of the Company's share premium account was cancelled in order to increase the special distributable reserve.

19. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURE

(i) Market risks

The Company is subject to a number of market risks in relation to economic conditions and healthcare companies. Further details on these risks and the management of these risks are included in the Directors' report.

The Company's financial assets and liabilities at 30 November 2023 comprised:

	2023			2022		
Investments	Interest bearing £'000	Non-interest bearing £'000	Total £'000	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Swiss franc	-	-	**-**	-	12,269	**12,269**
Hong Kong	-	2,032	**2,032**	-	9,724	**9,724**
US dollar	-	694,884	**694,884**	-	1,021,356	**1,021,356**
Total investment	**-**	**696,916**	**696,916**	**-**	**1,043,349**	**1,043,349**
Cash at bank	110,954	-	**110,954**	46,368	-	**46,368**
Short term debtors	-	133	**133**	-	1,247	**1,247**
Bank loans payable-US dollar	(31,696)	**–**	**(31,696)**	(83,731)	-	**(83,731)**
Short term creditors	-	(110,770)	**(110,770)**	-	(2,907)	**(2,907)**
Total	**79,258**	**(110,637)**	**(31,379)**	**(37,363)**	**(1,660)**	**(39,023)**

Market price risk sensitivity

The effect on the portfolio of a 10.0% increase or decrease in market prices would have resulted in an increase or decrease of £69,692,000 (2022: £104,335,000) in the investments held at fair value through profit or loss at the period end, which is equivalent to 10.5% (2022: 10.4%) in the net assets attributable to equity holders. This analysis assumes that all other variables remain constant.

(ii) Liquidity risks

Liquidity risk is the risk that the Company will not be able to meet its obligations when due. There is a risk that the Company's holdings may not be able to be realised at reasonable prices in a reasonable timeframe.

Financial liabilities by maturity at the year-end are shown below:

	30 November 2023 £'000	30 November 2022 £'000
Within one month-purchases due for settlement and other payables	(110,770)	(2,907)
Between one and three months – Bank loans payable	(31,696)	(83,731)
Total	**(142,466)**	**(86,638)**

Management of liquidity risks

The Company will typically seek to maintain a high degree of liquidity in its portfolio holdings, which mainly consist of securities that are listed on a recognised exchange (such that a position could typically be exited within 1 to 5 trading days, with minimal price impact) and as a consequence of the concentrated approach, it is unlikely that a position will be taken in a company unless a minimum holding of 1.0 per cent of gross assets at the time of investment can be achieved within an acceptable level of liquidity.

The Company's Investment Manager monitors the liquidity of the Company's portfolio on a regular basis. See note 12 for the maturity profiles of the loans. Other payables are typically settled within a month.

(iii) Currency risks

Although the Company's performance is measured in sterling, a high proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure.

Currency sensitivity

The below table shows the strengthening/(weakening) of sterling against the local currencies over the financial year for the Company's financial assets and liabilities held at 30 November 2023.

	30 November 2023 % change	30 November 2022 % change
Danish kroner	-0.93	-0.07
Euro	-1.20	-0.03
Swiss franc	-2.84	-7.00
Hong Kong Dollar	+5.67	-9.84
US dollar	+5.67	-10.20

Foreign currency risk profile

	30 November 2023			30 November 2022		
	Investment exposure £'000	Net monetary exposure £'000	Total currency exposure £'000	Investment exposure £'000	Net monetary exposure £'000	Total currency exposure £'000
Swiss franc	-	6	**6**	12,269	-	**12,269**
Hong Kong Dollar	2,032	-	**2,032**	9,724	-	**9,724**
US dollar	694,884	35,888	**730,772**	1,021,356	35,637	**1,056,993**
Total	**696,916**	**35,894**	**732,810**	**1,043,349**	**35,637**	**1,078,986**

Based on the financial assets and liabilities at 30 November 2023 and all other things being equal, if sterling had weakened against the local currencies by 10%, the impact on the Company's net assets at 30 November 2023 would have been as follows:

	30 November 2023 £'000	30 November 2022 £'000
Swiss franc	1	1,227
Hong Kong Dollar	203	972
US dollar	73,077	105,699

Management of currency risks

The Company's Investment Manager monitors the currency risk of the Company's portfolio on a regular basis. Foreign currency exposure is regularly reported to the Board by the Investment Manager.

Currency risk will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.

(iv) Leverage risks

The Company may use borrowings to seek to enhance investment returns. While the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, as a result of buy backs or redemptions) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

As at the year end, the Company's gearing ratio was 4.7% (2022: 4.0%), based on the drawn down loans as a percentage of gross asset value.

As at the year end, the Company did not hold any derivative instruments.

Management of leverage risks

Gearing will be deployed flexibly up to 20% of the Net Asset Value, at the time of borrowing, although the Investment Manager expects that gearing will, over the longer term, average between 5 and 10 per cent of the Net Asset Value. In the event the 20 per cent limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Investment Manager shall be permitted to realise investments in an orderly manner so as not to prejudice Shareholders.

Further details of the Company's bank loans is disclosed in note 12.

(v) Interest rate risks

The Company pays interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

As at 30 November 2023, the Company held cash balance of £111million of which £110million were payable to Redeeming Shareholders on or around 14 December 2023, consequently the Company considers it to bear no significant interest rate risk exposure.

Management of interest rate risks

Prevailing interest rates are taken into account when deciding on borrowings.

The Company had bank loans denominated in GBP and USD in place during the year. The loan interest is based on a variable rate. Based on the loans outstanding at the year end a change of 1.00% (2022: 1.00%) in interest rates would increase/(decrease) annual profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant:

	Loans at 30 November 2023 £'000	Profit or loss 1.00% decrease £'000	Profit or loss 1.00% increase £'000	Loans at 30 November 2022 £'000	Profit or loss 1.00% decrease £'000	Profit or loss 1.00% increase £'000
USD loan	31,696	317	**(317)**	83,731	837	**(837)**
Total	**31,696**	**317**	**(317)**	**83,731**	**837**	**(837)**

(vi) Credit risks

Credit risk is the potential of a counterparty failing to meet its obligations in accordance with the agreed terms. Cash and other assets that are required to be held in custody will be held by the depositary or its sub-custodians. Where the Company utilises derivative instruments, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default.

Management of credit risks

The Company has appointed CACEIS Bank as its depositary. The Standard & Poor's credit rating of CACEIS is A+ (2022: A+). The credit rating of CACEIS was reviewed at the time of appointment and is reviewed on a regular basis by the Investment Manager and/or the Board.

The Investment Manager monitors the Company's exposure to its counterparties on a regular basis and trades in equities are performed on a delivery versus payment basis.

The Company's assets are segregated from those of the Depositary or any of its sub-custodians.

At 30 November 2023, the Depository held £696,916,000 (2022: £1,043,349,000) in respect of investments and £110,954,000 (2022: £46,368,000) in respect of cash on behalf of the Company.

(vii) Capital management policies and procedures

The Company considers its capital to consist of its share capital of Ordinary Shares of 1p each, Management Shares of £1 each, and reserves totalling £665,537,000 (2022: £1,004,326,000) and bank loans payable £31,696,000 (2022: £83,731,000).

The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The redemption point for the Ordinary Shares was 30 November 2023 and will be annual thereafter. The Redemption facility is entirely at the discretion of the Directors.

The Investment Manager and the Company's broker monitor the demand for the Company's shares and the Directors review the position at Board meetings.

Use of distributable reserves is disclosed in the footnote on the Statement of changes in equity on page 66.

The principal compliance required by the loan convenants are:

1. the borrower will not permit the adjusted asset coverage to be less than 3.50 to 1.00; and
2. the borrower will not permit the net asset value to be less than GBP 400,000,000 at any time.

Alternative Performance Measures

DISCOUNT

The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per Ordinary Share.

As at 30 November 2023		Page	£'000
NAV per Ordinary Share (pence)	**a**	65	143.87
Share price (pence)	**b**	1	129.00
Discount	**(b÷a)-1**		**-10.3%**

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 30 November 2023		Page	£'000
Total assets less cash/cash equivalents	**a**	65	697,049
Net assets	**b**	65	665,537
Gearing (net)	**(a÷b)-1**		**4.7%**

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.

Year ended 30 November 2023		Page	£
Average NAV	**a**	n/a	870,662,248
Annualised expenses	**b**	n/a	8,885,000
Ongoing charges	**(b÷a)**		**1.02%**

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.

Year ended 30 November 2023		Page	Share price	NAV
Opening at 1 December 2022 (p)	**a**	n/a	158.20	171.16
Closing at 30 November 2023 (p)	**b**	1	129.00	143.87
Price movement (b÷a)-1	**c**	n/a	-18.5%	-15.9%
Dividend reinvestment	**d**	n/a	3.4%	3.3%
Total return	**(c+d)**		**-15.1%**	**-12.7%**

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.
CFD or Contract for Difference	A financial 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.
ESG	Environmental, social and governance
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.

Annex I – Article 8 Periodic Disclosures

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Pursuant to the Regulation (EU) 2019/2088 Sustainable Finance Disclosure Regulation (the "SFDR"), the Company has set out below the periodic disclosures based on the criteria and definitions set out in the SFDR relating to sustainability risks in respect of the Company.

ANNEX IV – periodic report as per November 30, 2023

Name of product: Bellevue Healthcare Trust
Corporate identifier (LEI): 213800HQ3J3H9YF2UI82

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 51.9 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The investment strategy takes into account social, environmental as well as governance-related 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 mainly include the following elements: Exclusion of serious violations of global norms, value-based exclusions based on revenue thresholds, ESG integration into fundamental company analysis, ESG stewardship through constructive company dialogue (engagement), and exercise of voting rights (proxy voting).

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

How did the sustainability indicators perform?

The sustainability indicators are represented by the minimum exclusion criteria, by ESG integration and by Stewardship (engagement and proxy voting) activities specified in the mandatory elements of the investment strategy. The mandatory exclusion criteria applied were checked by the investment monitoring system/portfolio management system and were complied with at all times.

A Global Norms: none of the portfolio companies exhibited very severe controversies (MSCI ESG Fail status) against UN Global Compact, UN Guiding Principles on Business and Human Rights and Standards and Rights of the International Labour Organization (ILO 1 + 2).

B Value-based exclusions: all portfolio companies were within the permissible revenue tolerances. Find below the value-based exclusions overview as per November 30, 2023:

Value based exclusions

Criteria	Revenue tolerance	Number of companies involved (within tolerance)	Aggr. weight of companies involved (within tolerance) in %
Controversial weapons	0.0%	0	0.0%
Conventional weapons	2.0%	0	0.0%
Thermal coal	2.0%	0	0.0%
Other fossil fuels	2.0%	0	0.0%
Nuclear power	2.0%	0	0.0%
Palm oil	5.0%	0	0.0%
Responsible mineral sourcing	2.0%	0	0.0%
Environmentally damaging agricultural chemicals	10.0%	0	0.0%
Alcohol production (beverages)	2.0%	0	0.0%
Production of tobacco	2.0%	0	0.0%
Sale of tobacco	10.0%	0	0.0%
Cannabis-based products[1])	n/a	0	0.0%
Pornography	2.0%	0	0.0%
Gambling	2.0%	0	0.0%
Predatory lending practices	2.0%	0	0.0%
Animal testing and welfare[2])	n/a	0	0.0%
Genetic research[3])	n/a	0	0.0%
Use of embryonic stem cells	n/a	0	0.0%

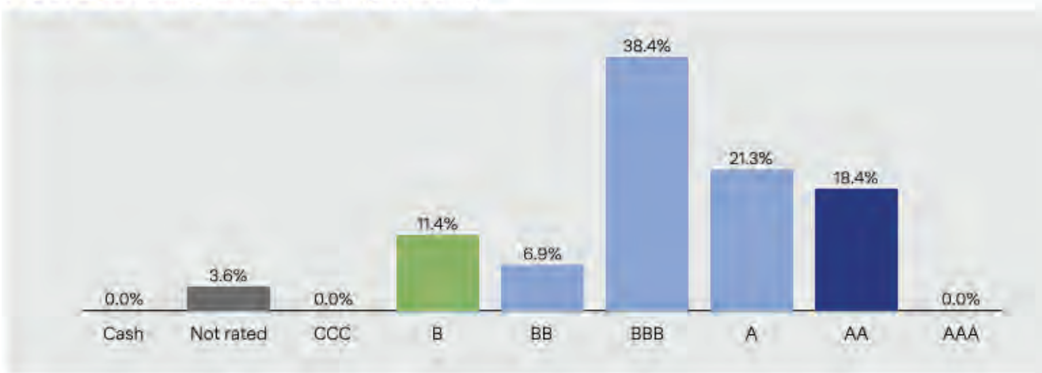
1) We may invest in holdings that offer therapeutic products derived from, or containing cannabinoids. However, the investment manager would not knowingly invest into production or supply of recreational cannabis products.

2) Pre-clinical testing in animals are. integral and legally required for approving medicines. We limit our focus to ensuring that inv estee companies adhere to the highest standards of welfare in respect of the animals.

3) We do not consider this to be controversial, as long as research follows accepted ethical guidelines and is appropriately supervised.

C ESG integration: Based on the premise that sustainability risks can have a negative impact on returns, the aim of ESG integration is to identify and address such risks within the scope of the investment process. The data gained through ESG screening is also used by the asset manager to anticipate new developments with respect to sustainability and to incorporate these findings into its investment decisions. As per November 30, 2023, the fund exhibited following ESG rating profile:

MSCI ESG rating distribution (portfolio)



ESG research coverage

ESG Rating	96.4%
ESG Carbon Data	96.4%
ESG Net Alignment Scores (SDG)	96.4%
UN Global Compact	96.4%
UNGPs (Humgan Rights)	96.4%
ILO Set of Standards	96.4%

D Stewardship: For the year from November 30, 2022 until November 30, 2023, the fund executed its voting rights for 32 companies or 94% of the portfolio holdings and formally engaged with selected companies on ESG.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The goals of sustainable investments are to positively contribute to at least one of the 17 United Nations Sustainable Development Goals (UN SDGs). The MSCI ESG Rating and MSCI UN SDG Alignment Score methodologies allow an investment to qualify as sustainable under the provisions of Article 2(17) of the EU SFDR.

As per end of the reporting period, the fund's holdings exhibited on aggregate a positive alignment to following UN SDGs (highlighted in color):

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.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments must not significantly harm (DNSH) any of the 17 United Nations Sustainable Development Goals (UN SDGs). Therefore we currently use the so-called 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 17 UN SDGs (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”). All holdings that contribute positively to UN SDGs are simultaneously tested on DNSH and good governance. BAM Risk Management and BAM Product Management perform regular portfolio checks (at least quarterly) to ensure that sustainable investments comply with DNSH and Good Governance.

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

The adverse impact indicators were considered within the minimum exclusion criteria (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). This was implicitly accompanied by consideration of PAIs No.4 (investment in fossil fuel companies), No.10 (violations of the UNGC Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises), and No.14 (engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons). Furthermore, No.3 (GHG intensity), No.8 (water emissions) and No.9 (hazardous waste) were explicitly considered as separate criteria. PAI No. 1 (GHG emissions) and No. 2 (GHG footprint) are included in the MSCI ESG overall rating with different weightings depending on the industry relevance and were thus implicitly taken into account via the MSCI ESG minimum rating of “BB” per issuer.

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

The OECD Guidelines were taken into account as part of the minimum exclusion criteria (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). In addition to data from MSCI ESG Research, public company data, broker research and specific exchanges with companies were also used to assess sustainability.

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 Union 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.

How did this financial product consider principal adverse impacts on sustainability factors?

The main adverse impacts of investment decisions on sustainability factors (PAIs) were taken into account in the "minimum exclusion criteria" mentioned in the context of the mandatory elements of the investment strategy and at least for the proportion of the fund assets categorized as "investments with sustainable characteristics" and as "sustainable investments". This was implicitly accompanied by the consideration of PAIs No.4 (investment in fossil fuel companies), No.10 (violations of UNGC principles and of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises) and No.14 (engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons). Furthermore, No.3 (GHG intensity), No.8 (water emissions) and No.9 (hazardous waste) were explicitly considered as separate criteria. PAI No. 1 (GHG emissions) and No. 2 (GHG footprint) were included in the MSCI ESG overall rating with different weightings depending on the industry relevance and were thus implicitly taken into account via the MSCI ESG minimum rating of BB per issuer.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is from November 30, 2022 until November 30, 2023

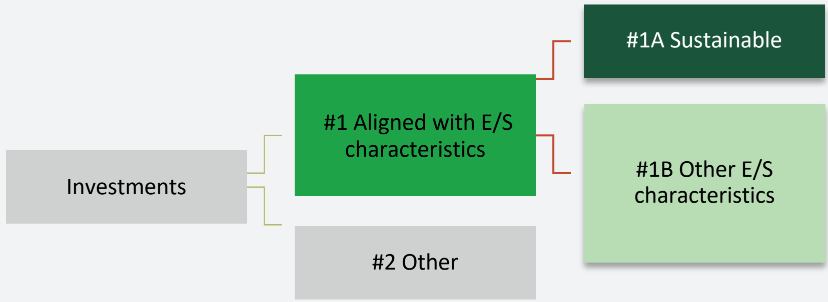
NAME	AVG WEIGHT IN %	COUNTRY	SECTOR
OPTION CARE HEALTH INC	6.57	UNITED STATES	Health Care
AXONICS INC	6.40	UNITED STATES	Health Care
INSMED INC	6.01	UNITED STATES	Health Care
EXACT SCIENCES CORP	5.76	UNITED STATES	Health Care
EVOLENT HEALTH INC-A	5.26	UNITED STATES	Health Care
CHARLES RIVER LABORATORIES	5.00	UNITED STATES	Health Care
BIO-RAD LABORATORIES-A	4.42	UNITED STATES	Health Care
PACIFIC BIOSCIENCES OF CALIF	4.35	UNITED STATES	Health Care
APELLIS PHARMACEUTICALS INC	4.34	UNITED STATES	Health Care
SAREPTA THERAPEUTICS INC	4.27	UNITED STATES	Health Care
UNITED HEALTH GROUP INC	3.93	UNITED STATES	Health Care
TANDEM DIABETES CARE INC	3.87	UNITED STATES	Health Care
ACCOLADE INC	3.50	UNITED STATES	Health Care
VERTEX PHARMACEUTICALS INC	3.31	UNITED STATES	Health Care
AXSOME THERAPEUTICS INC	3.29	UNITED STATES	Health Care

Asset allocation describes the share of investments in specific assets.

Above data has been compiled based on daily closing prices and averaged for the reference period. Classification of securities including Sector and Country are determined as at the last day of the reference period.

What was the proportion of sustainability-related investments?

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

– The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

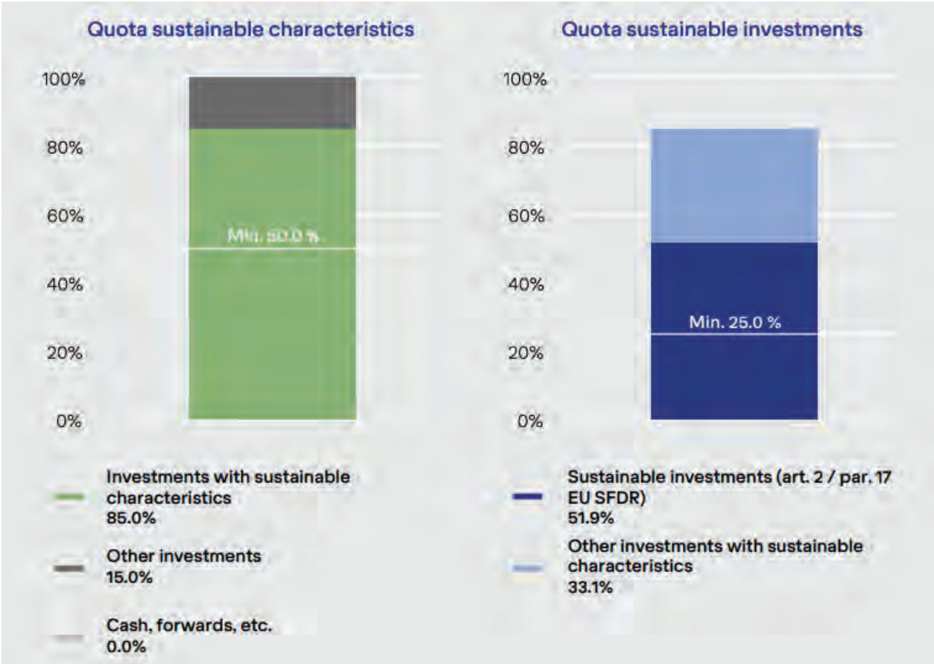
– The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

As per end of the reporting period, the fund exhibited following asset allocation according to EU SFDR:

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.



In which economic sectors were the investments made?

During the reporting period, the fund was invested in following economic sectors:

SECTOR	SUB-SECTOR	SUM OF AVG WEIGHT IN %
Health Care		
	Biotechnology	26.7%
	Health Care Equipment & Supplies	23.5%
	Health Care Providers & Services	21.8%
	Health Care Technology	5.2%
	Life Sciences Tools & Services	13.9%
	Pharmaceuticals	8.9%
Total		100.0%

Above data has been calculated based on daily closing prices and averaged for the reference period. Classification of securities including Sector and Country are determined as at the last day of the reference period.

During the period under review, the fund was not investing in companies, that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.

To what extent were the 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, this sub-fund does not currently commit to invest a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). 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).

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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

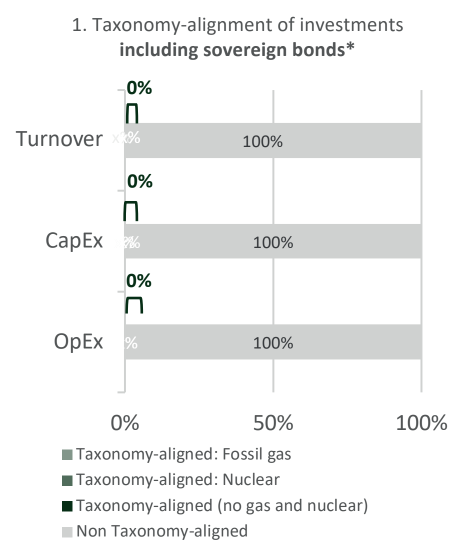
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

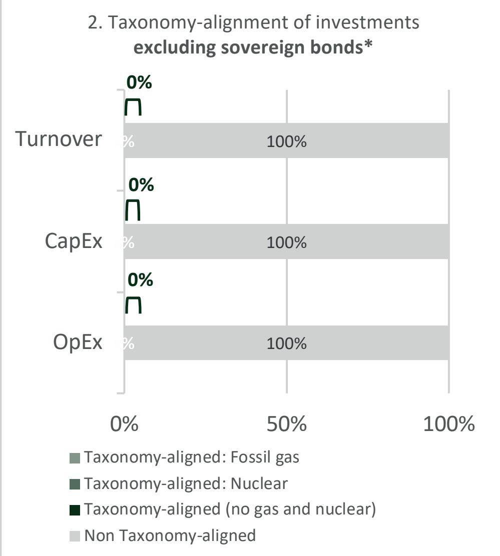
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

The graphs below show in green the percentage of investments that were 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.





This graph represents 100% of the total investments.

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

What was the share of investments made in transitional and enabling activities?

Transitional activities 0%; enabling activities 0%

[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.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Sustainable investments are assessed on the basis of their contributions to the 17 United Nations Sustainable Development Goals (SDGs). As those encompass environmental as well as social objectives, a separate minimum quota for E and S cannot be set. Per end of the period under review the fund held 51,9% sustainable investments whereas the total share of sustainable investments in relation to environmental goals of the fund was at least 1%.

What was the share of socially sustainable investments?

Sustainable investments are assessed on the basis of their contributions to the 17 United Nations Sustainable Development Goals (SDGs). As those encompass environmental as well as social objectives, a separate minimum quota for E and S cannot be set. Per end of the period under review the fund held 51,9% sustainable investments whereas the total share of sustainable investments in relation to social goals of the fund was at least 1%.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Hedging instruments, investments for diversification purposes, investments for which no data are available, or cash for liquidity management.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

BAM Risk Management and BAM Product Management was periodically checking the portfolios against compliance with our BAM Exclusion list which considers global norms and value-based norms compliance. Moreover, the fund was investing at least 75% of its portfolio in stocks with MSCI ESG rating of at least BB or higher in order to be qualified as an investment with ESG characteristics. With regards to its positive contributions to UN SDGs the fund was investing at least 25% of its portfolio in stocks with a positive alignment to at least one UN SDG (inlc. DNSH and good governance). As mentioned above, selected companies were subject of an engagement process and the fund voted for 94% of its holdings.

How did this financial product perform compared to the reference benchmark?

No reference benchmark is defined for the measurement of its ESG characteristics.

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

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Bellevue Healthcare Trust plc will be held on 26 April 2024 at 12 noon at the offices of Stephenson Harwood LLP, at 1 Finsbury Circus, London EC2M 7SH, United Kingdom or the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 15 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's Annual Report and Accounts for the year ended 30 November 2023, with the reports of the Directors and auditors thereon.
2. To approve the Directors' Remuneration Policy included in the Annual Report for the year ended 30 November 2023.
3. To approve the Directors' Remuneration Implementation Report included in the Annual Report for the year ended 30 November 2023.
4. To re-elect Randeep Grewal as a Director of the Company.
5. To re-elect Josephine Dixon as a Director of the Company.
6. To re-elect Paul Southgate as a Director of the Company.
7. To re-elect Tony Young as a Director of the Company.
8. To re-elect Kate Bolsover as a Director of the Company.
9. To reappoint Ernst & Young LLP as auditors to the Company.
10. To authorise the Directors to fix the remuneration of the auditors until the conclusion of the next Annual General Meeting of the Company.
11. To approve a final dividend of 2.995p per Ordinary Share of the Company in respect of the year ended 30 November 2023.
12. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (in substitution for all subsisting authorities to the extent unused) to exercise all the powers of the Company to allot up to 47,898,719 Ordinary Shares of 1p each in the capital of the Company ("Ordinary Shares"), such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2025 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

SPECIAL RESOLUTIONS

13. That, subject to the passing of resolution 12, in substitution for any existing power under sections 570 and 573 of the Companies Act 2006 but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered (pursuant to sections 570 and 573 of the Companies Act 2006) to allot Ordinary Shares of 1p each and to sell Ordinary Shares of 1p each from treasury for cash pursuant to the authority referred to in Resolution 12 above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2025 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
14. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 69,342,023 (representing 14.99% of the Company's issued Ordinary Share capital (excluding shares held in Treasury) at the date of the notice of this meeting);

(b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1p;

(c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2025 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

15. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

Registered office:
6th Floor, 125 London Wall,
Barbican,
London
EC2Y 5AS

By order of the Board
Sinead van Duuren
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary

1 March 2024

Notes to Notice of Annual General Meeting

WEBSITE ADDRESS

1. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from **https://www.bellevuehealthcaretrust.com**.

ENTITLEMENT TO ATTEND AND VOTE

2. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 24 April 2024 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the meeting.

   Should a shareholder have a question that they would like to raise at the AGM, either of the Board or the Investment Manager, the Board would ask that they either ask the question in advance of the AGM by sending it by email to **info@bellevuehealthcaretrust.com** or attend the AGM and asking the question at the meeting at the appropriate time. Answers to all questions will be published on the Company's website after the AGM.

   In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

APPOINTMENT OF PROXIES

3. Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

   If Shareholders are not attending the AGM, Shareholders are strongly urged to appoint the Chairman as their proxy to vote on their behalf.

   Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

   Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

PROXIES' RIGHTS TO VOTE

4. On a vote on a show of hands, each proxy has one vote.

   If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

VOTING BY CORPORATE REPRESENTATIVES

5. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act provided they do not do so in relation to the same shares.

RECEIPT AND TERMINATION OF PROXIES

6. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Link Group at 12 noon on 24 April 2024 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Link Group no later than 48 hours before the rescheduled meeting. On completing the Form of Proxy, sign it and return it to Link Group at the address shown on the Form of Proxy in the envelope provided. As postage has been prepaid no stamp is required.

   A member may terminate a proxy's authority at any time before the commencement of the AGM.

   Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the

Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, you may appoint a proxy or proxies electronically by visiting **https://www.signalshares.com/**.

You will need to register using your investor code and follow the instructions on how to vote. Proxies submitted via **www.signalshares.com** for the AGM must be transmitted so as to be received by the Company's Registrar, Link Group, no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by 12 noon on 24 April 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

APPOINTMENT OF PROXY THROUGH CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications sand must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified din the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy's appointee through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

   All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 12 noon on 24 April 2024 in respect of the meeting. Any such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Link Group no later than 48 hours before the rescheduled meeting.

NOMINATED PERSONS

8. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:
   - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting.
   - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
   - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

   If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the notes to the form of proxy.

QUESTIONS AT THE MEETING

9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:
   - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   - the answer has already been given on a website in the form of an answer to a question; or
   - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

   If Shareholders would like to ask any questions prior to the meeting, Shareholders are invited to submit their questions by email to **info@bellevuehealthcaretrust.com** or attend the AGM virtually and ask the question at the meeting at the appropriate time. Answers to all questions will be published on the Company's website after the AGM. Please note all questions should be submitted by close of business on 22 April 2024.

ISSUED SHARES AND TOTAL VOTING RIGHTS

10. As at 1 March 2024, the total number of shares in the Company in respect of which members are entitled to exercise voting rights is 462,588,550 Ordinary Shares of £0.01 each, additionally the Company holds 16,398,646 of its ordinary shares in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company is 462,588,550.

COMMUNICATION

11. Members who have general queries about the meeting should use the following means of communication:
    - calling Link Group's Shareholder helpline (lines are open from 9:00 a.m. to 5:30 p.m. Monday to Friday, excluding public holidays) +44 371 664 0300 (calls cost 12p per minute plus network extras); or
    - in writing to Link Group. You may not use any electronic address provided either in this notice of meeting or in any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

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Bellevue Healthcare Trust plc Form of Proxy

I/We ....

of..

....

(BLOCK CAPITALS PLEASE)

being (a) member(s) of Bellevue Healthcare Trust plc appoint the Chairman of the meeting, or ....

(see note 1) ....

of ....

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 26 April 2024 at 12.00 noon and any adjournment thereof.

Please indicate with an 'X' in the spaces provided how you wish your votes to be cast on the resolutions specified.

Resolution	For	Against	Withheld	Discretionary
1. To receive and adopt the Annual Report and Accounts for the year ended 30 November 2023.				
2. To approve the Directors' remuneration policy.				
3. To approve the Directors' remuneration implementation report.				
4. To re-elect Randeep Grewal as a Director.				
5. To re-elect Josephine Dixon as a Director.				
6. To re-elect Paul Southgate as a Director.				
7. To re-elect Tony Young as a Director.				
8. To re-elect Kate Bolsover as a Director.				
9. To re-appoint Ernst & Young LLP as auditors to the Company.				
10. To authorise the Directors to fix the remuneration of the auditors.				
11. To approve a final dividend of 2.995 pence per Ordinary Share.				
12. To give authority to allot new shares.				
13. To give authority to allot new shares free from pre emption rights.				
14. To give authority for the Company to purchase its own shares.				
15. To authorise calling general meetings (other than Annual General Meetings) on 14 clear days' notice.				

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he may think fit.

Signature .... Dated this..................... day of 2024

NOTES

1. If any other proxy is preferred, strike out the words “Chairman of the Meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
2. If the appointer is a corporation this form must be completed under its common seal or under the hand of some officer or attorney duly authorised in writing.
3. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for or against a resolution.
4. The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
5. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder’s name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
6. To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company, Link Group not less than forty-eight hours before the time appointed for holding the Annual General Meeting or adjournment as the case may be.
7. The completion of this form will not preclude a member from attending the Meeting and voting in person.
8. Any alteration of this form must be initialled. Your completed and signed proxy form should be posted, in the enclosed reply paid envelope, to the Company’s Registrars, Link Group, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive before 12 noon on 24 April 2024.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

DIRECTORS
Randeep Grewal (Chairman)
Josephine Dixon
Paul Southgate
Professor Tony Young OBE
Kate Bolsover

CORPORATE BROKER
J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
E14 5JP

DEPOSITARY
CACEIS Bank, UK Branch
Broadwalk House
5 Appold Street
London
EC2A 2DA

REGISTRAR
Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

INVESTMENT MANAGER (“AIFM”)
Bellevue Asset Management (UK) Ltd
32 London Bridge Street
24th Floor London
SE1 9SG

SECRETARY & ADMINISTRATOR
Apex Listed Companies Services (UK) Limited
6th Floor
125 London Wall
London
EC2Y 5AS

AUDITORS
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

REGISTERED OFFICE
6th Floor
125 London Wall
London
EC2Y 5AS

LEGAL ADVISER
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

COMPANY SECURITY INFORMATION AND IDENTIFICATION CODES

WEBSITE	www.bellevuehealthcaretrust.com
ISIN	GB00BZCNLL95
SEDOL	BZCNLL9
BLOOMBERG TICKER	BBH LDN
LEGAL ENTITY IDENTIFIER (LEI)	213800HQ3J3H9YF2UI82
GLOBAL INTERMEDIARY IDENTIFICATION NUMBER (GIIN)	VL68MY.99999.SL.826

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