

Key Investor Information HBM Healthcare Investments AG

HBM Healthcare
Investments

ISIN: CH0012627250 (with data as of 31 December 2021)

This document provides you with key investor information about this company. It is not marketing material, and the information is issued to help you understand the nature and the risks of investing in this company. You are advised to read it so you can make an informed decision about whether to invest.

Structure, Objectives, and Investment Policy

HBM Healthcare Investments AG (the "Company") is a closed-ended, listed investment company established under the laws of Switzerland.

The company was founded in 2001 and listed on the SIX Swiss Stock Exchange, Zurich, since 2008.

All investments in portfolio companies are held via HBM Healthcare Investments (Cayman) Ltd. HBM Healthcare Investments (Cayman) Ltd. is a wholly-owned subsidiary of the company and its board makes the investment decisions.

The company invests worldwide in human medicine, biotech, medical technology, diagnostics, health IT sectors, and related areas.

Its investment objective is to achieve long-term capital growth by holding a widely diversified portfolio of private and small-cap public companies.

The investment strategy typically focuses on companies with innovative platforms and drug candidates. Investments are typically first made in a venture round, when a company has a product in clinical development and has achieved "proof of concept" and may subsequently be increased in follow-on financings, thereby providing investors access to this investment segment. In addition, the company also holds investments made when the company was already publicly listed.

The company actively engages with companies to progress towards a trade sale or IPO. It has the flexibility to further increase investments at or after IPO as its permanent capital structure provides for such flexibility.

The company invests globally with a focus on North America, Asia and Europe.

The majority of the company's investments are denominated in USD, but the company also holds investments in CNY and EUR. The company's base currency is CHF, and it can hedge foreign currency risks in full or in part from time to time to reduce the impact on investments as a result of movements in the exchange rate between currencies.

The net asset value of the company is CHF 2.3 billion as of 31 December 2021. The market capitalization amounts to CHF 2.4 billion.

Shares of the company may be purchased and sold over the SIX Swiss Stock Exchange, Zurich. The average daily trading volume over 12 months is 5,200 shares.

The company does not offer shares for subscription and does not offer investors a right to redeem their shares.

The shares are entitled to receive a dividend, and the company has a dividend policy targeting a yield of 3-5% per annum (based on share price).

Risk and Reward Profile



Risk Disclaimer

- This current risk profile is based on historical data and may not be a reliable indication of the future risk profile of the company.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk-free'.

Why is this company in this category?

- The share price volatility is 21.7% per annum over five years (as of 31 December 2021). The company's main investment objective causes the company to present a risk/reward profile corresponding to the high level on the SRRI scale.

Other Particular Risks

Risks that could affect a company's performance are not necessarily fully reflected in the risk and reward rating include:

- **Liquidity risks:** The company invests a significant portion of its assets in securities of privately held companies which are less liquid and cannot easily be sold or exchanged for cash without a substantial loss in value in certain market conditions.

- **Emerging market risk:** While the company invests mainly in North America and Europe, the company also invests in emerging markets which at any given time could constitute a significant portion of the company's investments. This may expose the company to additional risks, such as an unstable political environment or insufficiently established or enforced legal and regulatory systems.

- **Credit risks:** The company may invest a portion of its assets in debt securities. The issuers of these securities may become insolvent, and their securities may lose some or all of their value.

- **Leverage:** The company may obtain debt financing totaling not more than 20% of the net assets at any time. Where possible, the repayment dates for this borrowed capital will be staggered over time.

- **Hedging:** The company may hedge all or part of its investment risk using derivatives or other appropriate financial instruments. The aim is to reduce the overall portfolio risk.

This company is a Swiss-listed investment company that does not need to be regulated by the Swiss Financial Markets Authority (FINMA). HBM Partners AG is authorised in Switzerland and regulated by FINMA. This key investor information is accurate as of 31 December 2021.

Charges for this company

The charges you pay are used to cover the costs of running the company, including marketing and distribution. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
Charges taken from the company over a year	
Ongoing charges	0.75% on net assets plus 0.75% on market capitalization
Charges taken from the company under certain specific conditions	
Performance fee	15% a year of any net asset value increase (per share) the company achieves above the high water mark.
High Water Mark	NAV of CHF 315.27 – March 31, 2021 (financial year end)

- As a listed closed-end investment company, the company is not subject to **entry** and **exit** charges. Investors may be subject to brokerage commissions charged by their financial institution – you can find this out from your financial adviser.
- The **ongoing charges** figure is based on net asset value and market capitalization. It is calculated and paid quarterly at the beginning of a quarter. It excludes:
 - Performance fees
 - Portfolio transaction costs
- The **performance fee** is calculated as an increase of the net asset value above the high water mark (adjusted for any dividend payments or capital repayments); calculated and paid annually based on the audited year-end net asset value (financial year-end as of 31 March), provided that value increase is more than 5%.
- **For more information about charges**, please refer to pages 80-81 of the company's 2020/2021 annual report, which is available at <https://www.hbmhealthcare.com/sites/default/files/downloads/gb/hbm-healthcare-investments-annual-report-2020-2021.pdf>

Past Performance

Past performance is no reliable indicator of future results

Source: Bloomberg, Data as of 31 Dec 2021, indexed performance since launch in CHF (12.7.2001 = 100), * total return, dividends reinvested



Practical Information

Registered Office: Bundesplatz 1, CH-6300 Zug, Switzerland

Investment Adviser: HBM Partners AG, Zug, Switzerland

Prime Broker / Custodian: Morgan Stanley & Co International plc, London (UK); Bank of America Merrill Lynch, San Francisco; Standard Chartered Bank, Mumbai; Citic Securities, Shanghai

ISIN Number: CH00112627250

Financial Year: 31 March

Ticker: HBMN

- **Auditor:** Ernst & Young Ltd., Zurich
- **Reporting Frequency / NAV Calculation:** Quarterly financial reporting; Monthly fact sheet; Bi-monthly NAV publication (mid- and end of month); Ad hoc media releases for prices sensitive information
- **Liability Statement:** The company may be held liable solely on the basis on any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of other financial or management reports of the Company.