

Key Information Document

Purpose This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name of Product: HBM Healthcare Investments AG (the "Company")

Name of Manufacturer: HBM Healthcare Investments AG
ISIN: CH0012627250

Website: <https://www.hbmhealthcare.com/en>

Contact details: info@hbmhealthcare.com or
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Date of the document: This key investor information is accurate as of 30 September 2024.

What is this product?

Type The Product is an ordinary share in a closed-ended, listed investment company established under the laws of Switzerland, whose shares are listed on the SIX Swiss Stock Exchange.

Objectives 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 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.

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

The Company's 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 EUR, CNY, INR, CHF, HDK, SEK, DKK, CAD and GBP. 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 1.7 billion as of 30 September 2024. The market capitalization amounts to CHF 1.3 billion.

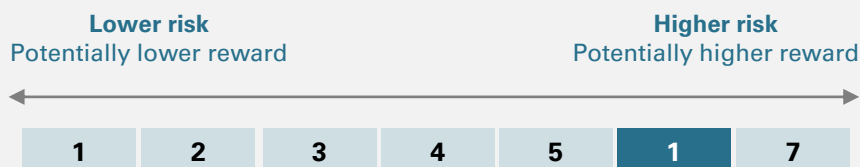
Shares in the Company may be purchased and sold over the SIX Swiss Stock Exchange, Zurich. The average daily trading volume over 12 months is 5,500 shares.

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).

Intended retail investor The Product is suitable for all investors seeking shares that aim to deliver total returns, driven by capital growth, over a long-term investment horizon. The investor should be prepared to bear losses. The Product may not be suitable for investors who are concerned about short-term volatility and performance, who are seeking regular source of income or who may be investing for less than 5 years. The Company does not offer capital protection.

What are the risks and what could I get in return?

Risk Indicator The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely the product will lose money because of movements in the market.



- The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.
- We have classified this product as 6 out of 7, which is the second-highest risk class.
- 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 share price volatility is 32.1% per annum over five years (as of 30 September 2024). The Company's main investment objective causes the Company to present a risk/reward profile corresponding to the high level on the SRRI scale.
- You may not be able to sell your product easily and you may have to sell at a price that significantly impacts on how much you get back.
- This product does not include any protection from future market performance so you could lose some or all of your investment.
- The shares are denominated in Swiss francs.
- Beware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

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 invest 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 totalling 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.

Performance Information The Company is a listed Swiss company. The value of its shares and any income from those shares can fall as well as rise and investors may not get back the amount invested. The main factors likely to affect returns for the investors include (and in no particular order): (a) investment strategy including portfolio concentration (b) broader economic and market conditions (c) fluctuations in currency exchange rates and (d) regulatory changes, which investors should review when considering the purchase of shares.

The Company is actively managed and no index is used for the purposes of determining or constraining the composition of the Company, but for comparative purposes the Company is measured against the MSCI World Health Care Index ("Index"). The Company invests primarily in equities for the long term with the aim of providing a total return in excess of the Index. The Company does not set out to reproduce the index and there may be periods when the performance and volatility diverges significantly from the Index.

What could affect my return positively? The Company's objective is to achieve long-term capital growth by holding a widely diversified portfolio of private and small-cap public companies. The Company invests with a long-term perspective and has a strong preference for growth. The Company's 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's ability to invest in private companies provides investors with the opportunity to benefit from a broader range of growth businesses which would be much harder to access directly. The Company believes that these investment decisions will ultimately lead to returns for long-term growth investors. The Company may hedge all or part of its investment risks using derivatives or other appropriate financial instruments, reducing overall portfolio risk. Such hedging can present opportunities for increasing total returns.

What could affect my return negatively?

The functional currency of the Company is the Swiss franc (CHF). Transactions in foreign currencies are booked at the exchange rate on the date of the transaction, resulting in the Company being exposed to currency movements that could affect your return negatively. The Company's performance may be negatively affected by unfavourable regulatory changes within the human medicine, biotech, medical technology, diagnostics, health IT sectors, and related areas. Risks of a negative return may be increased if the underlying private and small-cap public companies do not have successful financial rounds or suffer from disappointing operating performance.

There is no right of redemption or encashment attached to the shares and if the Company is wound up, following a default or otherwise, shareholders will be paid any surplus assets after meeting the Company's liabilities in proportion to their shareholdings. There is no fixed maturity date. Market conditions can change rapidly, for example through developments such as military conflict, changes in government policy, or for any other global factors like natural disasters or pandemics. This may lead to securities being difficult to trade and a widening of any discount particularly when there are severely adverse market conditions.

What happens if HBM Healthcare Investments AG is unable to pay out?

Any default by the Company would have a material impact on the value of your shares. As the shares are listed on the SIX Swiss Stock Exchange, any direct holding of these shares is not covered by any investor compensation schemes in relation to either the Company or HBM Healthcare Investments (Cayman) Ltd. A default by the Company or any of the underlying holdings could affect the value of your investment.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay have on the investment return you may get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest CHF 10,000. The figures are estimates and may change in the future.

Costs over time The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment CHF 10'000*

| Scenarios | If you cash in after 1year | If you cash in after 3 years | If you cash in at 5 years |
|---------------------------------|----------------------------|------------------------------|---------------------------|
| Total costs | CHF 150 | CHF 50 | CHF 750 |
| Impact on return (RIY) per year | 1.50% | 1.50% | 1.50% |

*) These scenarios do not include performance fees (referred to below).

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year

| | | | |
|------------------|-----------------------------|--|--|
| One-off costs | Entry costs | 0.00% | The impact of the costs you pay when entering your investment. The Company does not charge an entry cost, but investors may be subject to brokerage commissions charged by their financial institution – you can find this out from your financial adviser. |
| | Exit costs | 0.00% | The impact of the costs of exiting your investment when it matures. The Company does not charge an exit cost, but investors may be subject to brokerage commissions charged by their financial institution – you can find this out from your financial adviser. |
| Ongoing costs | Portfolio transaction costs | 0.00% | The impact of the costs of us buying and selling underlying investments for the product. The Company does not charge transaction costs. |
| | Other ongoing costs | 0.75% on net assets plus 0.75% on market capitalization | The impact of the costs that we take each year for managing your investment. This 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 and portfolio transaction costs. |
| Incidental costs | Performance fees | 15% a year of any net asset value increase (per share) the company achieves above the high-water mark. | The impact of the performance fee. 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%. |
| | High Water Mark | NAV of CHF 290.57 – September 30, 2024 | Please refer to the above row regarding “Performance fees” for further information. |
| | Carried interests | 0.00% | The impact of carried interests. |

For more information about charges, please refer to page 84 of the Company’s 2023/2024 annual report, which is available at https://www.hbmhealthcare.com/sites/default/files/downloads/gb/hbm-healthcare-annual-report-2023-2024_0.pdf.

How long should I hold it and can I take money out early?

Recommended holding period: 5 years The recommended holding period of 5 years has been selected. Equity investments should be seen as long-term investments however there is no minimum (or maximum) holding period for the shares. The shares can be sold when the market on which they trade are open, in this instance the SIX Swiss Stock Exchange. At any time, the value of your investment is based on the market value of the shares (the share price) multiplied by the number of shares you own. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You should ensure that your attitude to risk aligns with the risk profile of this investment company before investing.

How can I complain?

If you have a complaint about the product or the person advising on or selling the product you will need to provide the details to the person who advised you or sold you the product. Complaints about the Company or the Key Information Document should be sent to Dr Dominique Küttel, Head of Business Development & Distribution at HBM Healthcare Investments AG, Bundesplatz 1, CH-6300 Zug, Switzerland, by emailing info@hbmhealthcare.com or by calling +41 41 710 75 77. You can also visit <https://www.hbmhealthcare.com/en> for more information.

Other relevant information

This Key Information Document has been produced by the Company. Information on the risks associated with the Company can be found in its most recent Annual Report and Financial Statements. The person advising on or selling the product may have to provide you with additional information as required by their financial regulator or national law. You can access additional information about the Company, including at <https://www.hbmhealthcare.com/en>. If you are in any doubt about the action you should take, you should seek independent financial advice.