

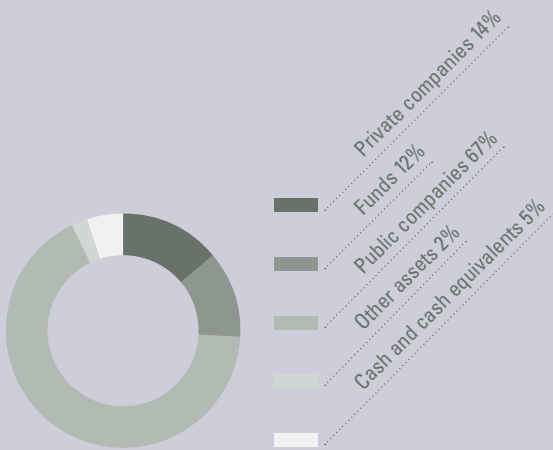
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# At a Glance

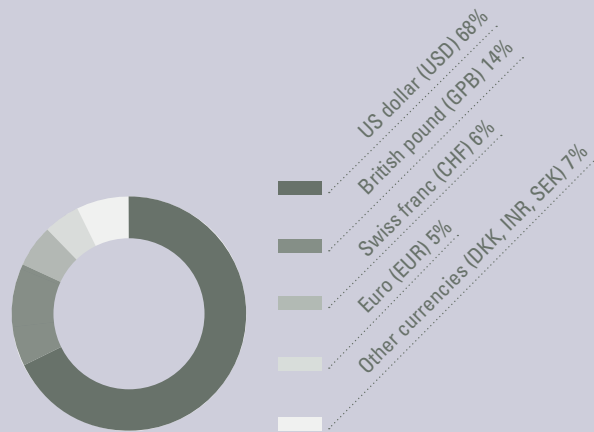
**Profile** HBM Healthcare Investments actively invests in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas. The company holds and manages an international portfolio of some twenty-five promising companies. Many of these companies have their lead products at an advanced stage of development or already available on

the market. The portfolio companies are closely tracked and actively guided in their strategic directions. This is what makes HBM Healthcare Investments an interesting alternative to investing in big pharma and biotech companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).



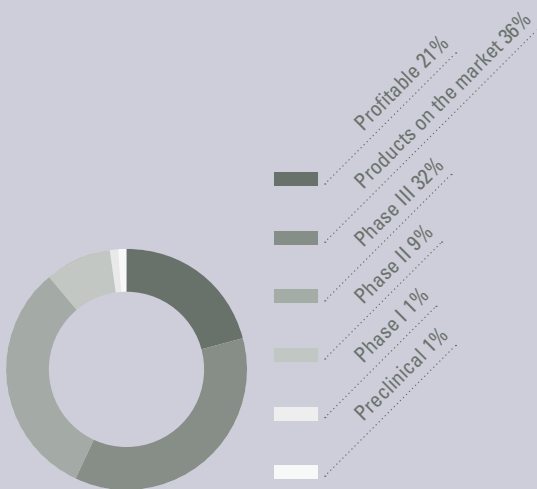
**Allocation of assets<sup>1)</sup>**

Mainly invested in private companies or in companies originating from the private companies portfolio.



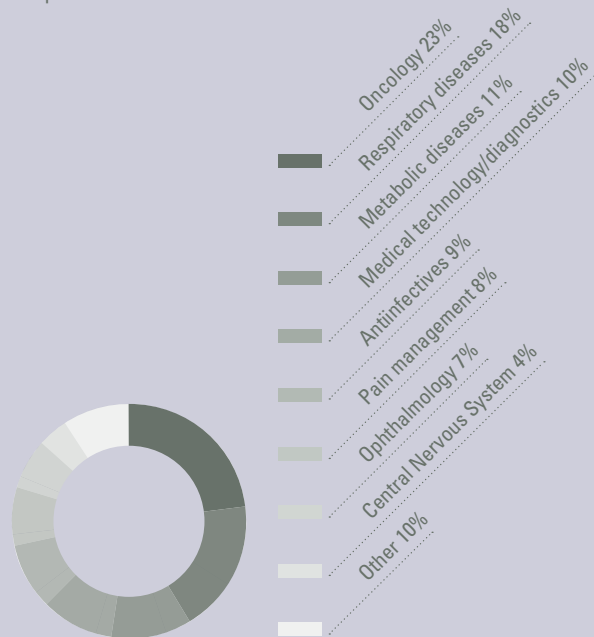
**Currency allocation of assets<sup>1)</sup>**

Emphasis on US dollar investments.



**Development phase of portfolio companies<sup>2)</sup>**

Mainly invested in revenue generating companies or in companies with products at an advanced stage of development.



**Therapeutic area of the lead product of portfolio companies<sup>2)</sup>**

Broadly diversified areas of activity.

1) Total assets as at 31.12.2015: CHF 1,228.0 million.

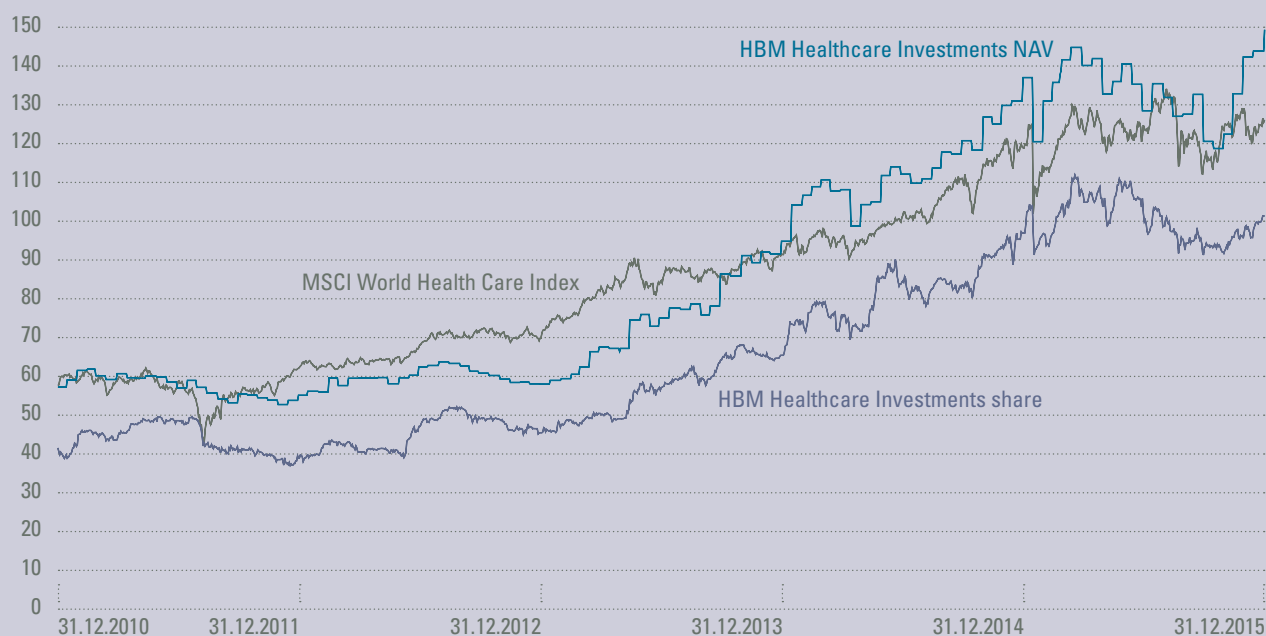
2) Total investments as at 31.12.2015: CHF 1,139.3 million.

# Key Figures and Performance

Key Figures		31.12.2015	31.3.2015	31.3.2014	31.3.2013	restated 31.3.2012
<b>Net assets</b>	CHF million	<b>1114.9</b>	<b>1074.2</b>	<b>920.3</b>	<b>601.0</b>	<b>546.4</b>
Investments in private companies and funds		316.5	273.4	218.8	233.4	276.3
Investments in public companies		822.8	748.1	630.5	278.9	196.7
Cash and cash equivalents		58.8	140.4	46.5	51.7	41.2
<b>Net cash flow from investing activities</b>	CHF million	<b>-54.9</b>	<b>207.5</b>	<b>42.8</b>	<b>33.2</b>	<b>-39.9</b>
<b>Net result for the period</b>	CHF million	<b>101.0</b>	<b>257.5</b>	<b>353.5</b>	<b>67.0</b>	<b>-22.2</b>
Basic earnings per share	CHF	13.21	32.47	40.98	7.52	-2.35
Net asset value (NAV) per share	CHF	149.76	140.60	108.76	68.35	60.40
Share price	CHF	102.00	108.00	75.50	51.35	41.50
<b>Discount</b>		<b>-31.9%</b>	<b>-23.2%</b>	<b>-30.6%</b>	<b>-24.9%</b>	<b>-31.3%</b>
Distribution per share	CHF		5.50	3.00	1.50	
Distribution yield			5.1%	4.0%	2.9%	
Shares issued	Registered shares (m)	7.7	8.0	8.9	9.2	9.8
Shares outstanding	Registered shares (m)	7.4	7.6	8.5	8.8	9.0

Performance (including distributions) HBM Healthcare Investments Ltd		2015/2016 (9 months)	2014/2015	2013/2014	2012/2013	2011/2012
Net asset value (NAV)		10.4%	32.0%	61.3%	13.2%	-1.9%
Registered share HBMN		-0.5%	47.0%	50.0%	23.7%	-7.0%

**Net asset value (NAV) and share price of HBM Healthcare Investments versus MSCI World Health Care Index**  
in CHF, indexed (12.7.2001 = 100)



# Management Report

## Dear Shareholders

During the quarter just ended, from the beginning of October to the end of December, net asset value (NAV) per HBM Healthcare Investments' share recovered strongly, rising 23.6 percent to end 2015 at a new high of CHF 149.76. The share price climbed by 10.9 percent to CHF 102.00 in the same period.

HBM Healthcare made a profit of CHF 208 million in the third quarter of the current financial year. This pleasing quarterly result took profit for the first nine months of the financial year to CHF 101 million.

## Successful IPO in the portfolio of private companies

Activity in the portfolio of private companies centred around the successful IPO of Advanced Accelerator Applications (AAA). The French company brought in USD 75 million in new capital. The share price has rocketed by 95 percent, resulting in a book profit of CHF 62 million. During the present quarter, AAA will submit applications for regulatory approval for its Lutathera cancer drug in Europe and the USA.

Meanwhile, Cathay Industrial Biotech closed a USD 135 million equity financing deal with the Chinese Lu'an Group. An assessment of the deal enabled us to revalue our holding upwards by CHF 30 million. The investment of CHF 8 million in Medimpulse Holding has been written off in full.

## High book profits at public companies

Among the companies in our portfolio of public companies, Pacira Pharmaceuticals (CHF +41 million, share price +86.8% over the quarter) settled out of court with the US FDA, which confirmed the broad approval for the analgesic Exparel® that Pacira had requested. Pacira also reported rising sales revenues of USD 69.4 million for the fourth quarter and USD 249 million for the whole of 2015 – a rise of 26 percent compared with 2014.

Further sizeable book profits were recorded during the quarter under review from our holdings in Ophthotech (CHF +27m / +93.8%), Skyepharma (CHF +20m / +12.5%) and Genmab (CHF +13m / +50.0%).

During the third quarter we cut our holding in Basilea Pharmaceutica by more than 80 percent. We then sold the remaining shares in January 2016. HBM Healthcare Investments thus closes out its first-ever investment in a private company, made 15 years ago, with a profit totalling CHF 156 million, and a capital-weighted annualised rate of return (IRR) of more than 15 percent.

### New investments

Four new investments in private companies were made during the quarter just ended. Eiger BioPharmaceuticals received a capital commitment of USD 10 million. The US company has a diversified portfolio of compounds in clinical development to treat four rare diseases.

As part of a syndicate, HBM Healthcare also invested CHF 10 million in Swiss company ObsEva, which has a clinical pipeline in the female reproductive health segment.

A further USD 7.5 million was committed to San Francisco-based Iconic Therapeutics. Iconic is conducting a Phase 2a study on a promising molecule for the treatment of age-related macular degeneration.

USD 4 million was invested in the profitable company SAI Life Sciences in Hyderabad, India. SAI is active internationally in the synthesis of complex pharmaceutical compounds and in medicinal chemistry.

### Outlook

The fourth quarter of the 2015/2016 financial year got off to an excellent start with the acquisition of the private company Ellipse Technologies by NuVasive in January 2016. This transaction generated a profit of over USD 100 million and an eightfold return on invested capital. Net asset value per share rose by CHF 9.70 (+6.5%) to illustrate once more the enormous value potential of our portfolio of private companies.

The financial markets started calendar 2016 in volatile mood. We must continue to expect fluctuations in the value of the public companies in our portfolio. From the operational perspective, our portfolio companies are developing successfully, which makes them candidates for takeover. In addition, several companies are awaiting clinical data (Paratek, Ophthotech) or approval decisions (AAA, PTC Therapeutics) which will have a bearing on their value.

We will continue along our chosen value-generating path with new investments in private companies and an active approach to portfolio management. A considerable proportion of the funds we earn will be returned to you, our valued shareholders, in the form of share buy-backs and cash dividends.



Dr Andreas Wicki  
CEO



Erwin Troxler  
CFO

# Consolidated Interim Financial Statements

## Consolidated balance sheet

	Notes	31.12.2015	31.3.2015
<b>Assets (CHF 000)</b>			
Current assets			
Cash and cash equivalents		58,752	140,381
Receivables		244	186
<b>Total current assets</b>		<b>58,996</b>	<b>140,567</b>
Non-current assets			
Financial instruments	(3)	10,005	15,840
Investments	(4)	1,139,247	1,021,529
Other financial assets	(5)	19,748	13,244
<b>Total non-current assets</b>		<b>1,169,000</b>	<b>1,050,613</b>
<b>Total assets</b>		<b>1,227,996</b>	<b>1,191,180</b>
<b>Liabilities (CHF 000)</b>			
Short-term liabilities			
Financial instruments	(3)	1,202	63,470
Provisions	(9)	10,586	50,414
Other short-term liabilities		2,487	3,107
<b>Total short-term liabilities</b>		<b>14,275</b>	<b>116,991</b>
Long-term liabilities			
Long-term financial liabilities	(6)	98,867	0
<b>Total long-term liabilities</b>		<b>98,867</b>	<b>0</b>
Shareholders' equity			
Share capital	(7)	450,450	468,029
Treasury shares	(7)	-24,652	-33,744
Capital reserve	(7)	293,696	345,570
Accumulated income/loss		395,360	294,334
<b>Total shareholders' equity</b>		<b>1,114,854</b>	<b>1,074,189</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,227,996</b>	<b>1,191,180</b>
Number of outstanding shares (in 000)		7,444	7,640
Net asset value (NAV) per share (CHF)		149.76	140.60

# Consolidated Interim Financial Statements

## Consolidated statement of comprehensive income for the period 1 April to 31 December

(CHF 000)	Notes	Quarter ended 31.12.2015	Quarter ended 31.12.2014	9-month period ended 31.12.2015	9-month period ended 31.12.2014
Gains on investments	(4)	256,325	160,971	280,823	336,583
Losses on investments	(4)	-31,586	-20,705	-147,789	-50,479
Dividend income		9	31	23	64
Result from currency hedging transactions	(3)	-1,813	0	-14,592	0
Result from market hedging transactions	(3)	0	-8,016	1,232	-8,016
Gains from other financial instruments		459	5,772	2,358	10,038
Losses from other financial instruments		-479	0	-1,485	0
Gains on other financial assets		-842	8,342	6,335	6,633
Losses on other financial assets		1,078	0	-1,843	-3,057
<b>Result from investment activities</b>		<b>223,151</b>	<b>146,395</b>	<b>125,062</b>	<b>291,766</b>
Management fee	(9)	-3,074	-3,074	-10,081	-8,987
Performance fee	(9)	-10,586	-21,629	-10,586	-42,955
Personnel expenses		-376	-428	-1,160	-1,286
Other operating expenses		-192	-371	-760	-1,357
<b>Result before interest and taxes</b>		<b>208,923</b>	<b>120,893</b>	<b>102,475</b>	<b>237,181</b>
Financial expenses	(9)	-731	-33	-1,450	-149
Financial income		0	2	1	3
Income taxes		0	0	0	0
<b>Net result for the period</b>		<b>208,192</b>	<b>120,862</b>	<b>101,026</b>	<b>237,035</b>
<b>Comprehensive result</b>		<b>208,192</b>	<b>120,862</b>	<b>101,026</b>	<b>237,035</b>
Number of outstanding shares, time-weighted (in 000)		7,662	7,797	7,645	8,008
Basic earnings per share (CHF)		27.17	15.50	13.21	29.60

As the Company does not have options or similar instruments outstanding, diluted earnings per share are identical to basic earnings per share.

# Consolidated Interim Financial Statements

## Consolidated statement of cash flows for the period 1 April to 31 December

(CHF 000)	9-month period ended 31.12.2015	9-month period ended 31.12.2014
Management fee paid	-10,081	-8,987
Performance fee for previous year paid	-50,414	0
Other expenses paid (personnel and other operating expenses)	-2,402	-2,985
<b>Net cash flow from operating activities</b>	<b>-62,897</b>	<b>-11,972</b>
Interest payments received	1	3
Dividend payments received	23	64
Purchase of investments	-332,176	-244,825
Sale of investments	346,142	395,454
Payments received from escrow amounts and milestones	0	3,569
Cash flow from financial instruments to hedge currency and market risks	-70,995	-12,595
Cash flow from other financial instruments	2,061	10,469
<b>Net cash flow from investing activities</b>	<b>-54,944</b>	<b>152,139</b>
Interest payments paid	-310	-149
Cash distribution from capital reserve	-42,273	-23,588
Issuance of financial liabilities	98,790	0
Purchase of treasury shares	-41,558	-77,738
Sale of treasury shares	22,213	7,410
Sale of put-options from share buy-back programme	0	148
<b>Net cash flow from financing activities</b>	<b>36,862</b>	<b>-93,917</b>
<b>Currency translation differences</b>	<b>-650</b>	<b>5,416</b>
<b>Net change in cash and cash equivalents</b>	<b>-81,629</b>	<b>51,666</b>
Cash and cash equivalents at beginning of period	140,381	46,490
Cash and cash equivalents at end of period	58,752	98,156



# Consolidated Interim Financial Statements

## Consolidated statement of changes in equity

(CHF 000)	Share capital	Treasury shares	Capital reserve	Accumulated income/loss	Total shareholders' equity
<b>Balance as at 31 March 2014</b>	<b>520,650</b>	<b>-27,934</b>	<b>390,797</b>	<b>36,823</b>	<b>920,336</b>
Comprehensive result				237,035	237,035
Purchase of treasury shares		-78,709			-78,709
Sale of treasury shares		5,511	2,047		7,558
Distribution from capital reserve (27.6.2014)			-23,588		-23,588
Capital reduction (26.8.2014)	-52,621	78,986	-26,365		0
<b>Balance as at 31 December 2014</b>	<b>468,029</b>	<b>-22,146</b>	<b>342,891</b>	<b>273,858</b>	<b>1,062,632</b>
Comprehensive result				20,476	20,476
Purchase of treasury shares		-18,906			-18,906
Sale of treasury shares		7,308	2,679		9,987
<b>Balance as at 31 March 2015</b>	<b>468,029</b>	<b>-33,744</b>	<b>345,570</b>	<b>294,334</b>	<b>1,074,189</b>
Comprehensive result				101,026	101,026
Purchase of treasury shares		-40,301			-40,301
Sale of treasury shares		19,250	2,963		22,213
Distribution from capital reserve (6.7.2015)			-42,273		-42,273
Capital reduction (9.9.2015)	-17,579	30,143	-12,564		0
<b>Balance as at 31 December 2015</b>	<b>450,450</b>	<b>-24,652</b>	<b>293,696</b>	<b>395,360</b>	<b>1,114,854</b>

# Consolidated Interim Financial Statements

## Notes

### 1. Information about the Company and its business

HBM Healthcare Investments Ltd (HBM Healthcare or Company) is a SIX Swiss Exchange listed holding company domiciled in Zug, Switzerland. The purpose of the Company is the acquisition, holding and sale of positions in other companies as well as the management and financing of such positions in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas.

### 2. Accounting policies

The consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34 on Interim Financial Reporting, and the provisions of the SIX Swiss Exchange Additional Rules on the Listing of Investment Companies. These interim financial statements should be read in conjunction with the Consolidated Financial Statements for the financial year ended 31 March 2015, as they provide an update to the latest full financial report. In preparing the interim financial statements, the same accounting policies and methods of computation have been applied as in the preparation of the annual financial statements. A summary of the new and revised IFRS/IAS standards and

interpretations effective in the year under review is provided on page 60 of the Consolidated Financial Statements of the 2014/2015 Annual Report.

The use of these standards and interpretations had no significant impact on the financial condition and the earnings situation of the Company, and on its accounting policies. The following exchange rates were used in the preparation of the financial statements:

(CHF)	31.12.2015	31.3.2015
DKK	0.1459	0.1397
EUR	1.0876	1.0438
GBP	1.4767	1.4413
SEK	0.1187	0.1127
USD	1.0021	0.9727

### 3. Financial instruments

The hedging of the Euro- and the British pound-currency risk as well as of the general market risk (through short selling of units of the ETF iShares NASDAQ Biotechnology Index) has been closed out in the reporting period. The value of the balance sheet position results from the closed hedging of the Euro-currency risk, which will be settled on 11 July 2016.

### 4. Investments

Investments developed as follows during the reporting period:

	Private companies	Funds	Public companies	Total investments
<b>Development of investments (CHF 000)</b>				
<b>Fair value as at 31 March 2015</b>	<b>127,460</b>	<b>145,987</b>	<b>748,082</b>	<b>1,021,529</b>
Reclassification owing to IPO (Nabriva Therapeutics)	-8,406		8,406	0
Reclassification owing to IPO (AAA)	-26,095		26,095	0
<b>Fair value as at 31 March 2015 (after reclassification)</b>	<b>92,959</b>	<b>145,987</b>	<b>782,583</b>	<b>1,021,529</b>
Purchases	42,626	14,823	274,727	332,176
Sales	-371	-9,383	-337,738	-347,492
Realised gains	0	282	146,518	146,800
Realised losses	-69	-90	-7,341	-7,500
Changes in unrealised gains/losses	35,744	-6,036	-35,974	-6,266
<b>Fair value as at 31 December 2015</b>	<b>170,889</b>	<b>145,583</b>	<b>822,775</b>	<b>1,139,247</b>

Further details on investments can be found on pages 11 and 12.

## 5. Other financial assets

Other financial assets consist primarily of contractual claims to purchase price payments from earlier trade sales that are contingent on the achievement of defined targets (milestone payments). These claims are recorded at fair value through profit and loss in the interim financial statements by applying a probability-weighted valuation approach based

on the assessment of the likelihood of occurrence of certain future events. These claims are discounted over time with a discount rate of 11 percent (previous year: discount rate of 11 percent). The valuation measures applied refer to commonly used industry statistics as well as own guidelines and estimates. The following summary shows the value carried in the balance sheet compared with the potential cash flows:

(CHF million)	Book value as at 31.12.2015	Range of possible cash flows, minimum	Range of possible cash flows, maximum	Expected period of payment
ESBATech	4.2	0.0	47.1	2016–2020
Tripex (former Mpex) <sup>1)</sup>	5.5	3.9	>37.3	from 2015 onwards
mtm laboratories	12.5	0.8	25.0	2016–2018
Other companies	2.2	0.1	29.1	2015–2020
<b>Total</b>	<b>24.4</b>	<b>4.8</b>	<b>&gt;138.5</b>	

1) Possible royalties are not factored in. Therefore, possible cash flow might be higher.

Of the total book value as at 31 December 2015, CHF 19.7 million is carried under other financial assets (claims from investments held by HBM Healthcare directly). A further CHF 4.7 million is reported under investments, other private companies (claims from investments held indirectly via HBM BioCapital I). If the companies concerned are successful, these contractual claims could result in future payments which are many times the reported book value.

## 6. Long-term financial liabilities

HBM Healthcare Investments Ltd as issuer had the following long-term financial liabilities outstanding as at the balance sheet date:

Two straight bond tranches of CHF 50 million par value each, with coupon of 2.0 and 2.5 percent and due for payment on 10 July 2021 and 10 July 2023 respectively, redemption at 100 percent of par value.

The straight bonds are carried at their amortised cost value, subject to the effective interest method. The difference between the net proceeds (after the deduction of transaction costs) and the amount repayable when the bonds fall due for redemption is amortised over the term of the bonds and charged to financial expenses along with the interest that has been paid. The effective interest rates applied are 2.22 and 2.67 percent respectively.

## 7. Shareholders' equity

### 7.1 Share capital and capital reserve

As at the balance sheet date, the Company's share capital amounts to CHF 450.5 million (previous year: CHF 468.0 million), divided into 7,700,000 registered shares (previous year: 8,000,503 shares) at a par value of CHF 58.50 each (previous year: CHF 58.50). The Shareholders' Meeting of 26 June 2015 decided to cancel 300,503 of the Company's own shares. This capital reduction was entered in the Commercial Register of the Canton Zug on 9 September 2015. In addition to this capital reduction, the Shareholders' Meeting approved a withholding tax-exempt distribution to shareholders of CHF 5.50 per registered share drawn from the reserves from capital brought in. The payment was made on 6 July 2015.

### 7.2 Treasury shares

The Shareholders' Meeting of 20 June 2014 authorised the Board of Directors to repurchase up to a maximum of 800,000 of the Company's own shares via a second trading line. The share buy-back programme is intended for the purpose of cancellation as part of a capital reduction and will be completed no later than 19 June 2017 ("2014 share buy-back programme"). The programme started on 3 November 2014. Under this share buy-back programme a total of 377,503 of the Company's own shares have been repurchased to date and thereof 300,503 have been cancelled on 9 September 2015.

The Company holds 77,000 of its own shares (previous year: 125,000 of its own shares) as at the balance sheet date of 31 December 2015. In the 9-month period of the current financial year, a total of 132,003 of the Company's own shares were acquired at an average price of CHF 102.24 per share (previous year: 720,497 of its own shares at an average price of CHF 97.90 per share).

	2015/2016	2014/2015
(Number of own shares)		
<b>Own shares (second trading line) at the beginning of the financial year</b>	<b>245,500</b>	<b>304,000</b>
Purchase of shares within share buy-back programme via second trading line	132,003	155,600
Purchase of shares via buy-back through the issue of put-options	0	564,897
Share capital reduction by means of cancellation of own shares	-300,503	-899,497
<b>Own shares (second trading line) at the end of the reporting period</b>	<b>77,000</b>	<b>125,000</b>

In addition, as at the balance sheet date, the Company holds via its subsidiary HBM Healthcare Investments (Cayman) Ltd 178,572 treasury shares (previous year: 147,239 treasury shares), acquired via the regular trading line. During the 9-month period up to the end of December 2015, a total of 276,540 treasury shares were acquired via the regular trading line at an average price of CHF 96.93 per share (previous year: 97,026 shares at CHF 84.25), while 212,864 treasury shares were sold at an average price of CHF 104.36 per share (previous year: 83,452 shares at CHF 88.80). The gain of CHF 3.0 million (previous year: gain of CHF 2.0 million) from trading in treasury shares, which is reported in shareholders' equity, is based on the proceeds of shares sold, minus the pro-rata average acquisition price of all shares purchased via the regular trading line.

## 8. Off-balance-sheet commitments

HBM Healthcare has the following investment commitments as at 31 December 2015:

	31.12.2015	31.3.2015
(CHF 000)		
HBM BioCapital I	340	327
HBM BioCapital II	14,389	19,090
Private companies	8,017	29,786
Funds	35,970	21,212
<b>Total investment commitments</b>	<b>58,716</b>	<b>70,415</b>

## 9. Management fee and performance fee

The management fee due to HBM Partners amounts to 0.75 percent per year of the Company's assets plus 0.75 percent per year of its market capitalisation, payable quarterly at the beginning of a quarter. In the 9-month period up to the end of December 2015, HBM Partners was paid CHF 10.1 million (previous year: CHF 9.0 million).

A performance fee provision of CHF 10.6 million (previous year: CHF 43.0 million) was made during the reporting period because net assets as at the balance sheet date of 31 December 2015 exceeded the highest net assets (high water mark) used as

the calculation basis for the last performance fee payment. The high water mark for all outstanding shares is CHF 141.70. The cut-off date for the payment of any performance fee is 31 March of a financial year.

## 10. Transactions with related parties

HBM Healthcare holds an investment in the Hatteras Venture Partners III fund, where Board member Robert A. Ingram serves as General Partner. For details on the investment commitment, paid-in capital and valuation of this investment, please refer to the overview of funds on page 12.

## Investments

	Domicile	Investment currency (C)	Amount disbursed as at 31.3.2015 (fC m)	Changes in the reporting period (fC m)	Amount disbursed as at 31.12.2015 (fC m)	Fair value as at 31.12.2015 (fC m)	Ownership as % of portfolio company	Fair value as at 31.12.2015 (CHF 000)	Fair value as at 31.3.2015 (CHF 000)
<b>Private companies</b>									
Cathay Industrial Biotech	China	USD	28.0		28.0	43.9	12.6	43,943	13,618
Ellipse Technologies <sup>1)</sup>	USA	USD	8.6	4.9	13.5	33.7	25.8	33,766	17,642
Tensys Medical <sup>2)</sup>	USA	USD	15.7	2.5	18.2	18.2	99.6	18,188	15,223
ObsEva	Switzerland	CHF	0.0	10.0	10.0	10.0	8.0	10,000	0
Westmed Holding	USA	USD	7.0		7.0	9.0	21.4	8,973	6,666
Vascular Dynamics	USA	USD	4.0	4.0	8.0	8.0	16.1	8,017	3,891
Iconic Therapeutics	USA	USD	0.0	7.5	7.5	7.5	8.0	7,516	0
AnaptysBio	USA	USD	0.0	7.0	7.0	7.0	5.7	7,015	0
Interventional Spine	USA	USD	18.0		18.0	5.9	31.3	5,899	5,726
Kolltan <sup>3)</sup>	USA	USD	4.6		4.6	5.0	2.9	5,003	4,856
SAI Life Sciences	India	INR	0.0	256.4	256.4	250.8	6.1	3,795	0
MiCardia <sup>3)</sup>	USA	USD	5.4		5.4	2.9	18.4	2,946	5,720
Eiger BioPharmaceuticals	USA	USD	0.0	2.0	2.0	2.0		2,004	0
Medimpulse Holding <sup>4)</sup>	Switzerland	USD	4.4		4.4	0.0	20.7	0	8,068
Other investments								13,824	11,549
<b>Total private companies</b>								<b>170,889</b>	<b>92,959</b>

1) HBM Healthcare Investments holds an additional 6.2% stake in the company indirectly via the MedFocus Fund since August 2005. Ellipse was acquired by NuVasive in January 2016 for USD 380m in cash plus a milestone payment of USD 30m.

2) A lender of Tensys Medical Inc. has a conversion right for 30% of the total outstanding shares of Tensys Medical Inc. following conversion.

3) As explained in note 5 to the annual financial statements, this investment was made partly or wholly through HBM BioCapital I whose pro rata fees are reimbursed in full to HBM Healthcare Investments so that fees are not levied twice.

4) The investment was written off in full during the reporting period.

Funds	Domicile	Investment currency (IC)	Total commitment (IC m)	Payments in the reporting period (IC m)	Repayments in the reporting period (IC m)	Cumulative payments as at 31.12.2015 (IC m)	Cumulative repayments as at 31.12.2015 (IC m)	Fair value as at 31.12.2015 (CHF 000)	Fair value as at 31.12.2015 (CHF 000)	Fair value as at 31.3.2015 (CHF 000)
Nordic Biotech	Denmark	DKK	31.0			31.0	11.8	206.0	30,040	44,296
HBM BioCapital II <sup>1)</sup>	Jersey	EUR	42.0	5.1		28.8	0.0	24.5	26,606	22,303
MedFocus Fund II	USA	USD	16.0			16.0	0.0	21.0	21,073	18,282
BioMedInvest I	Switzerland	CHF	26.0		7.4	26.0	21.5	10.7	10,738	18,980
Galen Partners V	USA	USD	10.0		1.4	9.6	1.4	9.9	9,895	11,280
Hatteras Venture Partners III	USA	USD	10.0	0.4		9.5	2.0	9.5	9,484	9,025
BioMedInvest II	Switzerland	CHF	10.0			8.0	0.8	7.7	7,740	7,740
Water Street Healthcare Partners	USA	USD	15.0		0.2	14.8	16.4	7.3	7,323	5,391
BioVeda China	China	USD	8.5			8.5	27.2	5.2	5,163	1,934
WuXi Healthcare Ventures II	Cayman Islands	USD	20.0	4.4		4.4	0.0	4.4	4,376	0
Tata Capital HBM Healthcare Fund I	Singapore	USD	10.0	2.5		4.0	0.0	3.5	3,515	863
HBM Genomics	Cayman Islands	USD	15.0	2.6		3.9	0.0	3.4	3,422	1,128
Other funds									6,208	4,765
<b>Total funds</b>									<b>145,583</b>	<b>145,987</b>

Public companies	Domicile	Investment currency (IC)	Number of shares as at 31.3.2015	Changes in number of shares in the last 9 months	Changes in number of shares in the last 3 months	Number of shares as at 31.12.2015	Ownership as % of portfolio company	Fair value as at 31.12.2015 (CHF 000)	Fair value as at 31.3.2015 (CHF 000)
Skyepharma	UK	GBP	29,641,522	206,575	0	29,848,097	28.5	174,212	131,589
Advanced Accelerator Applications <sup>2)</sup>	France	USD	2,500,000	987,611	305,454	3,487,611	9.0	109,287	26,095
Pacira Pharmaceuticals	USA	USD	1,100,000	0	0	1,100,000	3.0	84,646	95,067
Ophthotech	USA	USD	1,050,000	-450,000	-180,000	600,000	1.7	47,217	47,523
Incyte	USA	USD	111,500	260,550	116,300	372,050	0.2	40,434	9,941
Genmab	Denmark	DKK	309,000	-21,000	-1,000	288,000	0.5	38,540	22,578
Paratek Pharmaceuticals	USA	USD	1,768,260	-124,518	0	1,643,742	9.3	31,247	53,767
Nabryva Therapeutics <sup>2)</sup>	USA	USD	1,005,700	1,963,280	0	2,968,980	15.0	28,622	8,406
Relypsa	USA	USD	157,500	842,500	675,000	1,000,000	2.4	28,400	5,526
PTC Therapeutics	USA	USD	965,500	-125,558	0	839,942	2.5	27,271	57,147
Neurocrine Biosciences	USA	USD	159,000	201,400	155,000	360,400	0.4	20,431	6,142
Bluebird Bio	USA	USD	3,000	285,300	287,300	288,300	0.8	18,554	352
Esperion Therapeutics	USA	USD	561,188	188,812	-5,000	750,000	3.3	16,730	50,547
Basilea Pharmaceutica	Switzerland	CHF	1,030,246	-891,391	-607,171	138,855	1.3	13,372	114,048
Vertex Pharmaceuticals	USA	USD	9,000	96,750	100,250	105,750	0.0	13,334	1,033
Eagle Pharmaceuticals	USA	USD	0	150,000	70,600	150,000	1.0	13,328	0
Probiobdrug	Germany	EUR	717,156	-222,331	0	494,825	6.7	13,317	14,260
Allergan	USA	USD	0	40,000	39,300	40,000	0.0	12,526	0
Anacor Pharmaceuticals	USA	USD	5,000	98,000	50,000	103,000	0.2	11,660	281
Ultragenyx Pharmaceutical	USA	USD	5,000	98,000	60,737	103,000	0.3	11,579	302
Mirati Therapeutics	USA	USD	0	264,157	148,315	264,157	1.4	8,365	0
Coherus Biosciences	USA	USD	200,000	150,000	0	350,000	0.9	8,053	5,949
Oxford Immunotec	UK	USD	510,500	179,500	134,500	690,000	2.5	7,952	6,992
Intercept Pharmaceuticals	USA	USD	1,500	35,500	37,000	37,000	0.2	5,538	411
Antares Pharma	USA	USD	0	3,740,732	0	3,740,732	2.4	4,536	0
K2M Group Holdings	USA	USD	200,000	0	0	200,000	0.5	3,956	4,290
Chimerix	USA	USD	231,000	73,000	0	304,000	0.7	2,727	8,469
ZS Pharma <sup>3)</sup>	USA	USD	50,800	-50,800	-414,467	0	0.0	0	2,079
Receptos <sup>3)</sup>	USA	USD	254,000	-254,000	0	0	0.0	0	40,739
Other investments								26,941	69,050
<b>Total public companies</b>								<b>822,775</b>	<b>782,583</b>
<b>Total investments</b>								<b>1,139,247</b>	<b>1,021,529</b>

1) The fair value of EUR 24.5m takes into account the funds' cumulative management fees of EUR 3.2m. As described in note 5 to the annual financial statements, this amount was reimbursed in full to HBM Healthcare Investments so that fees are not levied twice.

2) These companies went public in November and September 2015 respectively. Previously, these positions have been listed under private companies.

3) These companies were acquired by AstraZeneca and Celgene respectively during the reporting period.

P) The position originates from the private companies portfolio.

## Significant shareholders

Based on the notifications received by the Company, the following shareholders report equity holdings in HBM Healthcare Investments Ltd of three percent or more as at 31 December 2015:

Shareholding	Shareholder	Latest notification
10–15%	Nogra SA, Luxemburg	13.11.2015
5–10%	Astellas Pharma Inc., Tokio, Japan	25.1.2014
3– 5%	Red Rocks Capital LLC, Golden, USA	5.6.2014

## Information on shares

SIX Swiss Exchange Ticker	HBMN
Bloomberg	HBMN SW Equity
Swiss security number	1.262.725
German security number	984345
ISIN	CH 0012627250
CUSIP	H 3553X112
Telekurs	126,126272
Internet	www.hbmhealthcare.com

## Board of Directors

Hans Peter Hasler, Chairman<sup>1)</sup>  
 Prof. Dr Dr h.c. mult. Heinz Riesenhuber<sup>2)</sup>,  
 Vice Chairman  
 Mario G. Giuliani<sup>1)</sup>  
 Dr Eduard E. Holdener  
 Robert A. Ingram<sup>1)3)</sup>  
 Dr Rudolf Lanz<sup>2)3)</sup>  
 Dr Benedikt Suter, Secretary of the Board of Directors

- 1) Member of the Compensation Committee
- 2) Member of the Audit Committee
- 3) Member of the Nominating Committee

## Management

Dr Andreas Wicki, Chief Executive Officer  
 Erwin Troxler, Chief Financial Officer

## Fees

Management fees (paid quarterly):  
 0.75% of the Company's assets plus  
 0.75% of the Company's market capitalisation  
 Performance fee (paid annually):  
 15% on increase in value above the high water mark  
 High water mark (per share for all outstanding shares):  
 NAV of CHF 141.70

## Credits

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