

**Building the future together – making healthcare sustainable**

Marketing document only intended for professional investors as defined by MIFID

# HSBC GIF Global Equity Sustainable Healthcare

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**HSBC**  
Asset Management




Together we thrive

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# HSBC GIF Global Equity Sustainable Healthcare

Building the future together – making healthcare sustainable

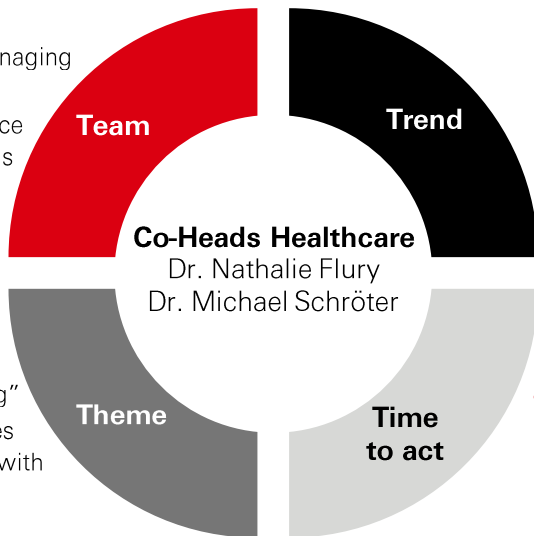
A thematic fund that aims to drive social impact without sacrificing performance

<p>An approach based on sustainability, innovation and long-term growth</p> 	<p>2-year track record<sup>1</sup> HSBC's first strategy to market</p> 	<p>Goal 3 - Good Health &amp; Wellbeing<sup>2</sup></p>  <p>Article 8 of the EU SFDR<sup>3</sup></p>
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1. Formerly managed under a Swiss certificate before the launch in the HSBC GIF Luxembourg SICAV  
 2. United Nations Sustainable Development Goals  
 3. EU Sustainable Finance Disclosure Regulation - Article 8 product = a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

## Why invest in HSBC GIF Global Equity Sustainable Healthcare?

- Successful track record of managing healthcare equity strategies
- Extensive healthcare experience having held executive positions in the pharmaceutical and biotechnology industries
- Aligned with UN SDG goal 3 on "Good health and wellbeing"
- Focus on healthcare companies offering affordable innovation with distinct clinical differentiation



- Rising healthcare costs resulting in access restrictions hurts patients
- Access restrictions negatively impact company revenues, threaten to break the innovation cycle and thus the sustainability of healthcare
- Making healthcare sustainable by addressing all stakeholders needs (from patient to shareholders)



We believe that investing in the companies at the forefront of delivering Sustainable Healthcare will provide you with excellent returns whilst also helping to achieve good health and wellbeing.

Source: HSBC Asset Management, May 2021. For illustrative purposes.  
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# Trend - Rising healthcare costs

## A global healthcare challenge



### Global demographic trends + Rising healthcare costs



- ◆ Straining healthcare systems globally
- ◆ Enhancing the demand for sustainable healthcare solutions and products



### Impacts: Healthcare access restrictions

Raising healthcare expenditures strain healthcare budgets forcing payers worldwide to increase access restrictions



43% of patients missed a dose due to cost or other factors

Access restrictions hurt patients, physicians, industry and investors



### Consequence: healthcare system change

The healthcare system has begun to undergo massive and rapid changes to become more sustainable from a cost point of view



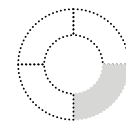
### Opportunities: innovations

New investment opportunities in scientific, technological, and business innovation that address both improved patient outcomes and cost effectiveness at the same time



Great innovation in healthcare but who can afford it?

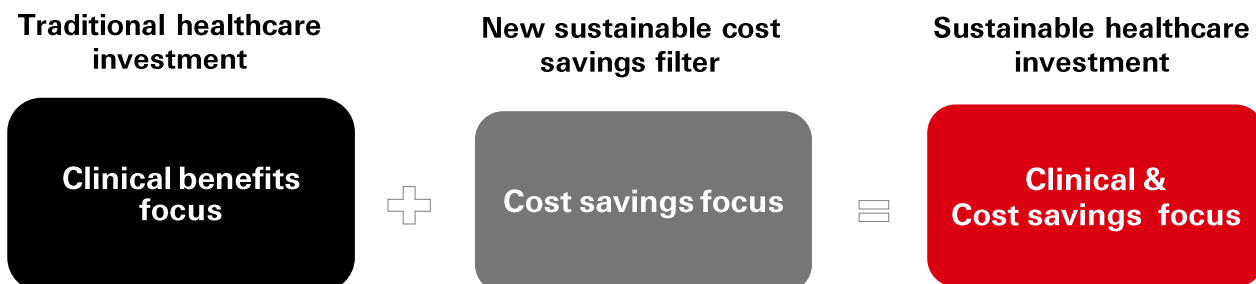
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# Time to act - Making healthcare sustainable

Past strategies to make healthcare sustainable no longer work

Are we reaching the tipping point that jeopardises healthcare sustainability?

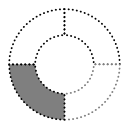


In order for a healthcare system to be sustainable, all stakeholder needs must be addressed

-  > Payers stay within budget while ensuring quality care for their covered population
-  > Doctors have no prescription restrictions imposed by payers
-  > Patients have access to best suited treatment for their disease
-  > Industry recovers R&D investments plus profit
-  > Investors are appropriately rewarded

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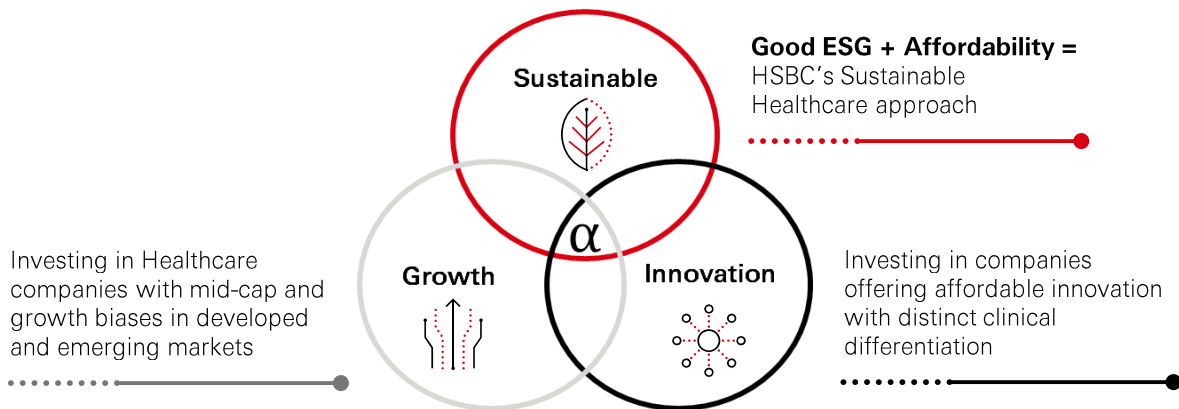
## An innovative approach

### What is HSBC Sustainable Healthcare ?

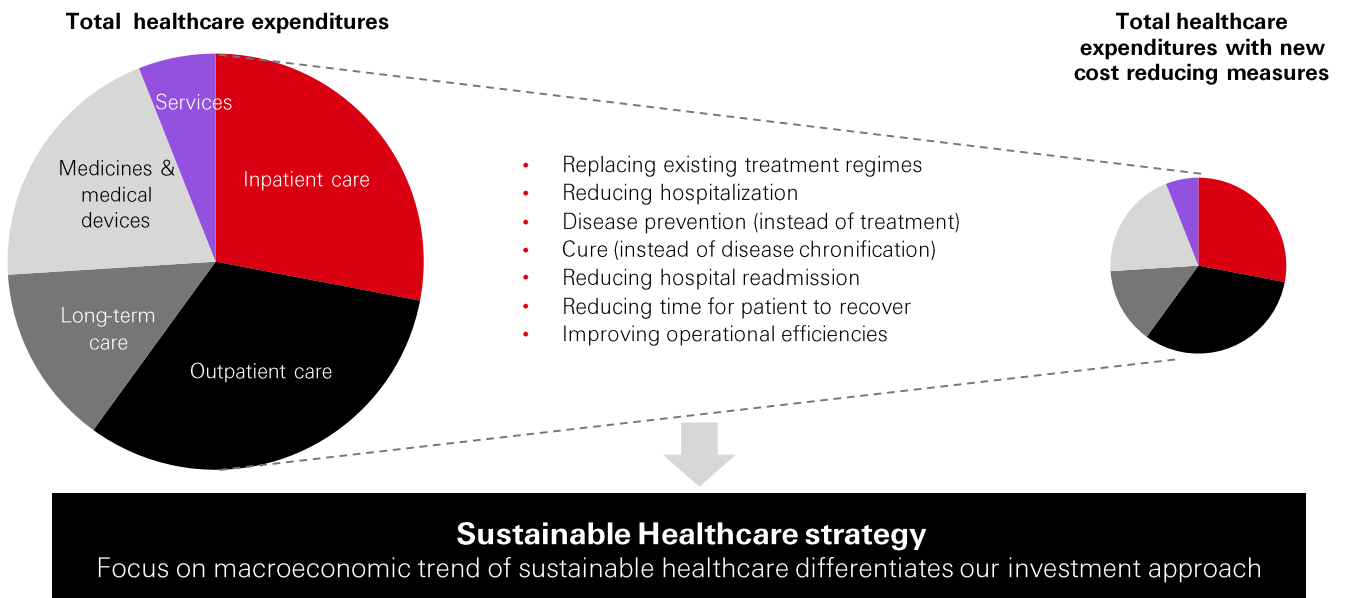
1. A thematic strategy that aims to achieve a socially responsible investment in healthcare without sacrificing financial performance, is in line with Goal 3 of United Nations Sustainable Development Goals
2. Classified **Article 8 under the EU Sustainable Finance Disclosure Regulation**
3. High conviction & bottom-up analysis paired with macro-economic trend
4. Sustainable, long-term growth oriented



**ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES**

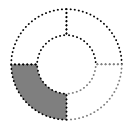


**Innovations in healthcare sector:** New treatments, devices, diagnostics, digital-health and services can reduce overall healthcare cost



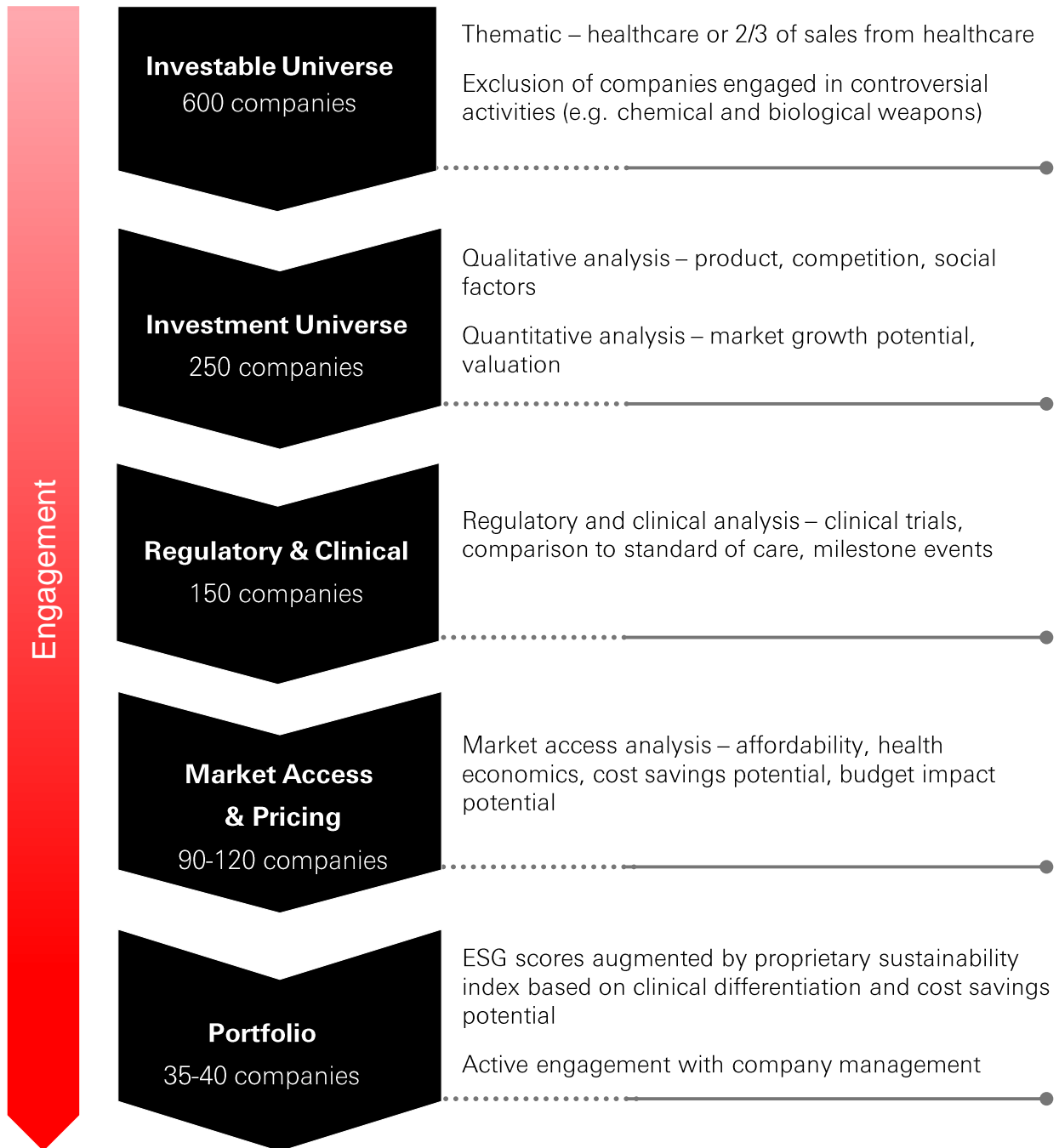
Source: HSBC Asset Management, May 2021. For illustrative purposes.

Representative overview of the investment process, which may differ by product, client mandate or market conditions.



In practise: Integrated ESG + proprietary sustainability index

## Investment process



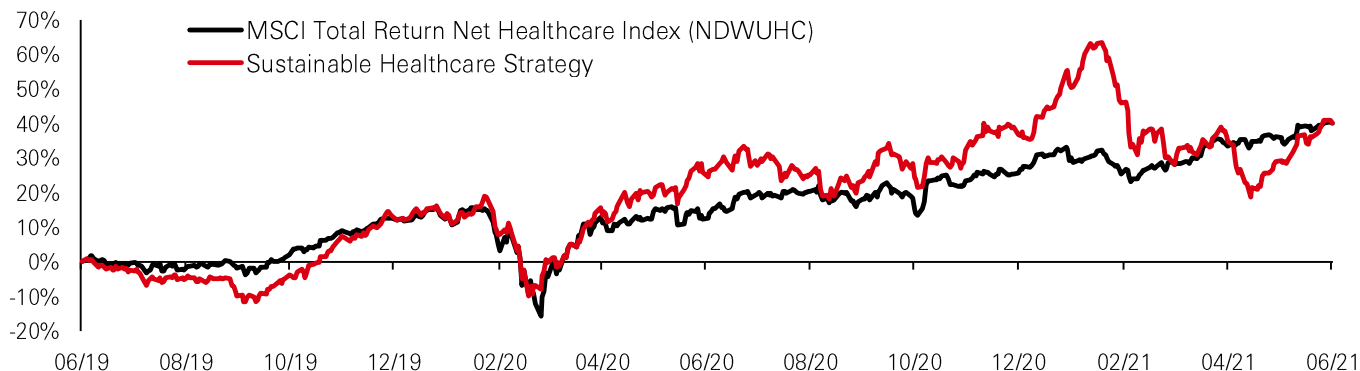
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## HSBC's 1<sup>st</sup> strategy to market

### A solid 2-year global equity performance with in-depth expertise in the healthcare sector



Gross performance (%)	YTD	2020	Since Inception <sup>1</sup>
Sustainable Healthcare Strategy	3.1	20.9	44.4
MSCI Total Return Net Healthcare Index <sup>2</sup>	9.9	13.5	46.6

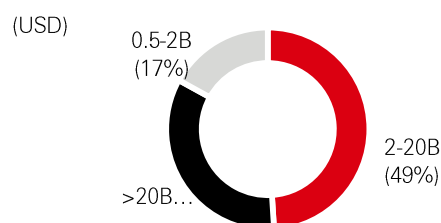
  

1Y Rolling performance - gross (%)	30.06.2020 - 30.06.2021	30.06.2019 - 30.06.2020
Sustainable Healthcare Strategy	16.0	26.2
MSCI Total Return Net Healthcare Index <sup>2</sup>	23.0	13.8

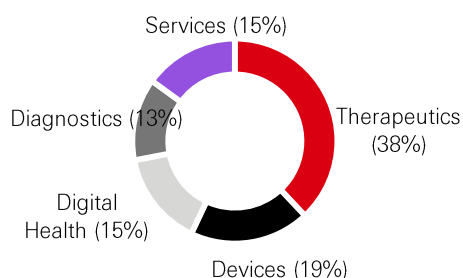
<sup>1</sup> Strategy inception 26<sup>th</sup> April 2019. Gross returns. Data as at end June 2021  
<sup>2</sup> Reference index represents the healthcare market sector and is used for comparison purposes only.

**Deep fundamental research with integrated proprietary cost-savings analysis** enables us to deliver a portfolio focused on 30-60 stocks, diversified across all healthcare sub-sectors with no fix allocations across geographies, sub-subsectors, company stages, and/or profitability.

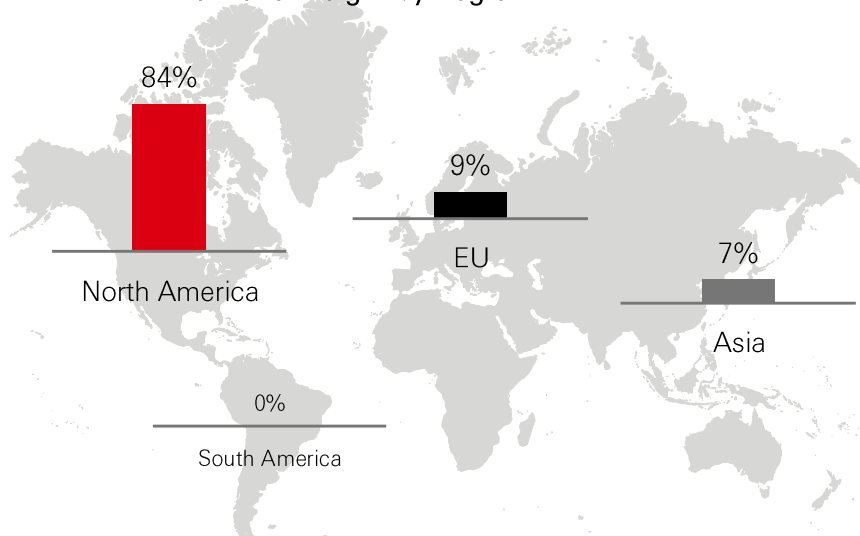
#### Market Cap



#### Sub-segments



#### Portfolio Weight by Region



Source: Bloomberg and Viopas Partners AG, as at 30 June 2021. For illustrative purposes only.

**Past performance are no guarantee of future returns. Future returns will depend inter alia on market developments, the fund manager's skill, the fund's level risk and management costs and if applicable subscription and redemption costs. The return, the value of money invested in the fund may become negative as a result of price losses and currency fluctuations. There is no guarantee that all of your invested capital can be redeemed. Unless stated otherwise, inflation is not taken into account.**

Main risks: Capital loss risk, Equity risk, Discretionary management risk, Foreign exchange risk, Small & Mid cap risk  
 The performances are displayed gross of fees. The application of the fees will have the effect of reducing the performances presented.  
 Allocation is as at the date indicated, may not represent current or future allocation and is subject to change without prior notice.



## Team - Experienced and complementary

# Harnessing HSBC's global resources for ESG, equity analysis and engagement

### In depth Sustainable Healthcare Expertise

- ◆ Two Co - Heads of Sustainable Healthcare Equity that have worked together for a long time
- ◆ **20+** years average experience in Equity investing and pharma and biotech sectors
- ◆ Launched **1st Sustainable Healthcare investment strategy** in the market

### Access to extensive resources

- ◆ Leverage on proprietary insights driven by experienced and well resourced research of **82 equity analysts** and **194 equity portfolio managers** based around the world including 73 in Asia
- ◆ More than **15 experts in ESG research** and **Engagement teams**



Source: HSBC Asset Management, May 2021. For illustrative purposes.

### Dr. Nathalie Flury

20+ years experience as a fund manager managing 4 European based biotech and healthcare Lux. SICAV mutual funds and track record with custom made biotech and medtech mandates for family offices

- ◆ Viopas: Healthcare Sustainable AMC & Mandate
- ◆ Pictet: Pictet Health Fund, Pictet Biotech Fund
- ◆ Julius Baer Bank / GAM: JB Health Innovation Fund
- ◆ Clariden Bank: Clariden Biotech cross-over Fund

### Dr. Michael Schröter

20+ years experience in Pharma and Biotech in executive positions in access & pricing, R&D, business development & licensing in US, Asia and EU

- ◆ Viopas: Healthcare Sustainable AMC & Mandate
- ◆ Roche: Head Innovative pricing, Head external R&D
- ◆ Eli Lilly: Business Development, Head oncology diagnostic R&D center
- ◆ Apotech: Biotech co-founder



Dr. Nathalie Flury



Dr. Michael Schröter



# Fund details

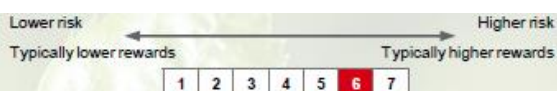
<b>Fund domicile</b>	UCITS, Luxembourg SICAV
<b>Fund launch date</b> <b>Strategy launch date</b>	July 2021 23 April 2019
<b>Base currency</b>	USD
<b>ISIN</b>	AC: LU2324357040 IC: LU2324357396
<b>Fees (maximum)</b>	<b>Management fees</b> AC: 1.50% IC: 0.75% <b>Operating, Administrative &amp; Servicing Expenses</b> AC: 0.35% IC: 0.25%
<b>Minimum initial investment</b>	AC: USD5,000 IC: USD1,000,000

## Key risks

- ◆ **Capital loss risk:** It is important to remember that the value of investments and any income from them can go down as well as up and is not guaranteed.
- ◆ **Equity risk:** Funds that invest in securities listed on a stock exchange or market could be affected by general changes in the stock market. The value of investments can go down as well as up due to equity markets movements.
- ◆ **Discretionary management risk:** Discretionary management is based on anticipating the evolution of different markets and securities. There is a risk that the fund will not be invested at any time in the most efficient markets and securities.
- ◆ **Foreign Exchange risk:** Where overseas investments are held, the rate of exchange of the currency may cause the value to go down as well as up. Variations in exchange rates between currencies can have a significant impact on the performance of the products presented.
- ◆ **Small & Mid cap risk:** Please note that the fund is invested in securities issued by companies which, due to their small or mid market capitalization, are less liquid and may present higher risks.

### Synthetic Risk and Reward Indicator (SRRI)

Do not run any unnecessary risk.  
Read the Key Investor Information Document



The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment.

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If you have any doubts about the suitability of this investment, you should contact an independent financial adviser

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