



Mutual Fund

Sustainable Healthcare Ecosystem

Healthcare is one of the rapidly growing industries in the world. Most developed countries spend more than 10% of their GDP on the healthcare sector and global spending is likely to reach over US\$10 trillion by 2022.

Drivers of healthcare industry's growth:



Aging population



Rising demand for healthcare products & services



Technological advancement



Expansion of public health care system



Growing competition amongst the healthcare providers

Challenges faced by the industry:



Inadequacy in affordability and accessibility

Despite massive advancement in medical science, a large number of global population still does not have access to the top-class treatment. As the gap between rising healthcare costs and average patient's ability to spend widens this challenge might worsen in the future.



Need to minimise the environmental impact

It's crucial to take steps to reduce the impact of clinical practices causing carbon emissions, intense energy use, medical waste generation and poor waste management, water contamination.

Healthcare industry at the cusp of disruption & sustainability



Innovations on the rise

A lot of private players in the healthcare segment are adopting state-of-the-art, innovative technologies to bring down the operational and treatment costs.

Efforts to enhance patient's experience

Today, the healthcare space is rapidly adopting digital acceleration, artificial intelligence and interoperable data to improve patient's experience.





Increasing ESG awareness

Rising social and environmental responsibility amongst consumers and providers of the healthcare sector is likely to bring up more eco-friendly and sustainable healthcare solutions worldwide.

What does sustainable healthcare look like?

Addressing each stakeholder's need

				
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

According to World Index of Healthcare Innovation 2020 Rankings, The **U.S. is ranked first for Choice along with Science & Technology**. It is the **fourth most excellent** country in terms of leading the **innovation drive**.#

#FREOPP World Index of Healthcare Innovation

Companies offering affordable innovation with distinct clinical differentiation can play monumental role in building sustainable healthcare ecosystem

Investing in these sustainable healthcare providers can help investors achieve the following goals



Geographic diversification by expanding portfolio exposure to global sustainable healthcare markets.

Long-term growth alongside innovative and sustainable players



Socially responsible investment portfolio by investing in ESG-focused & affordable companies in the healthcare space

Aim to grow with one of the thriving themes by participating in the growth journey of sustainable healthcare ecosystem

Disclaimer:

The performance figures displayed in the document relate to the past and past performance should not be seen as an indication of future returns

Source: HSBC Asset Management, Bloomberg, September 2021. For illustrative purposes only.

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