

**H&Q HEALTHCARE INVESTORS
H&Q LIFE SCIENCES INVESTORS**

**ANNOUNCE REINSTATEMENT OF
DISTRIBUTION UNDER MANAGED DISTRIBUTION POLICY**

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Dear Fellow Shareholder,

I am pleased to announce that H&Q Healthcare Investors and H&Q Life Sciences Investors announced on April 5, 2010 the reinstatement of distributions pursuant to their managed distribution policies (the "Policy"). The Policy will provide for quarterly distributions at an annualized rate equal to 5% of net assets.

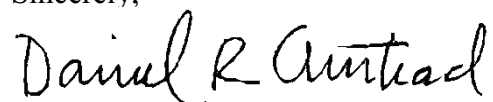
The Policy was in place from 2000 until 2009 and provided for quarterly distributions at an annualized rate equal to 8% of net assets. The Boards of Trustees determined in August 2009 that distributions under the Policy should be suspended in view of the marked decline in the portfolios' value as a result of the prevailing financial market environment.

The Funds' Boards of Trustees believes that reinstating distributions pursuant to the Policy is appropriate given the improvement in market conditions and may also serve as a catalyst for each Fund's shareholders to realize value. The Boards of Trustees recognize that cash flow is a consideration for many of each Fund's shareholders and believe that periodic cash distributions may attract investors seeking a consistent level of cash flow.

Distributions under the Policy may consist of net investment income, net realized long-term capital gains, net realized short-term capital gains or return of capital. However, each Fund will seek to make distributions in a tax advantaged manner from the realization of long-term capital gains consistent with each Fund's investment objective and strategies. In this regard, the Funds will seek to realize capital gains for this purpose in a manner which the Adviser believes is consistent with prudent portfolio management and the investment objective of each Fund. Each Fund may also make additional distributions for the purpose of avoiding federal income tax on the Fund and for the purpose of avoiding federal excise tax. The Boards of Trustees will continue to monitor the Policy and may change the rate of distribution or suspend distributions as they deem warranted.

As always, if you have any questions, please feel free to contact us through www.hqcm.com or call us at (617) 772-8500.

Sincerely,



Daniel R. Omstead
President and Portfolio Manager

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