



HealthInvest January 2015 Letters

Asia Fund MicroCap Fund Value Fund

Disclaimer

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Disputes or claims concerning the fund shall be resolved according to Swedish law and exclusively by Swedish courts of law. There is no guarantee that an investment in a fund managed by HealthInvest Partners cannot result in a loss. This applies irrespective of otherwise positive performance on the financial markets. Past performance is no guarantee of future results.

Information from the fund company shall not be considered a recommendation to invest in the Funds. Every person considering purchasing units in any of the Funds must make an independent assessment of such an investment and the risks associated therewith. Investments in the Funds should be seen as long-term investments.

Before you invest, you may want to review the Funds' prospectuses and simplified prospectuses, which contain more information about the Funds and their risks. You can find the Funds' prospectuses and other information about the Funds online at www.healthinvest.se. You can also receive this information at no cost by calling +46 80 440 38 30 or by sending an e-mail request to info@healthinvest.se.

Market Development

The sentiment in Asian healthcare equity markets was very positive in January. MSCI Asia Health Care Index increased 10.7% in USD and 17.5% in SEK.

Performance of the Fund

HealthInvest Asia Fund increased 7.7% in January. Currency effects contributed approximately six percentage points, implying that the equity portfolio in local currency was up around 1.7%.

Substantial gainers included Malaysian drug companies Hovid Berhad (shares up 16%) and CCM Duopharma (+14%). Significant laggards included Chinese pharmacy chain Jintian Pharmaceutical (-8%) and Japanese healthcare IT company CE Holdings (-6%).

Management, Valuation & Outlook

The Board of Directors of HealthInvest Partners has taken the decision to merge HealthInvest Asia Fund into HealthInvest Value Fund on February 18, 2015. HealthInvest Asia Fund unit holders will receive class B shares in HealthInvest Value Fund equivalent to the market value of their holdings as of February 17, 2015.

HealthInvest Asia Fund is currently trading at 11.4x free cash flow and at a price/sales ratio of 1.3x (on historic rolling 12 month data). The sales growth is around 10 per cent and free cash flow growth is approximately 17 per cent.

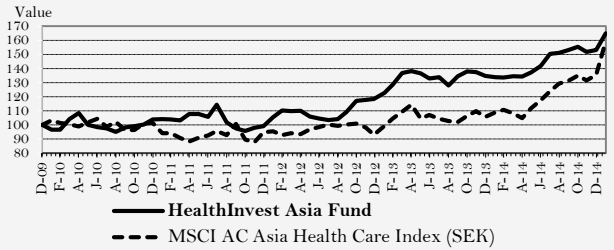
We remain bullish on the long-term potential in the Asian healthcare market. Strong economic growth, aging populations and a desire to create more equitable societies, all points to an increasing demand for healthcare in the region.

The Fund's net equity exposure was 93% at month end.

Fund Characteristics

HealthInvest Asia Fund invests in healthcare companies with an emphasis on the Asian market. The Fund has direct exposure in Asia through listed holdings in Hong Kong, Japan, Malaysia and Thailand. In addition, the Fund may own shares in European and US companies, which have significant presence in the region. The investment style is value oriented. The fund was started on December 30, 2009.

Performance since start (SEK)



Performance

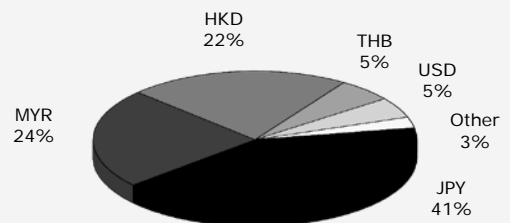
	NAV/Share	Jan*	2015*
HealthInvest Asia Fund (SEK)	156.4	7.7%	7.7%
MSCI Asia Health Care Index (SEK)	1616.9	17.5%	17.5%
MSCI Asia Health Care Index (USD)	195.4	10.7%	10.7%

*Net of fees

Risk Measures

	24 months	Since start
Return	34.3%	64.1%
Sharpe ratio	1.40	0.76
Standard deviation	10.5%	12.6%
Beta vs MSCI Asia Health Care Index	0.38	0.16
Downside risk	4.4%	7.6%
Active risk (tracking error)	13.0%	18.0%

Currency Exposure



Sector Distribution (Net exposure)

PHARMACEUTICALS	32%
INSURANCE	15%
HEALTH CARE DISTRIBUTORS	12%
HEALTH CARE SUPPLIES	11%
HEALTH CARE SERVICES	10%
ELECTRONIC EQUIPMENT & INSTRUMENTS	8%
HEALTH CARE EQUIPMENT	4%
HOUSEHOLD PRODUCTS	4%
HEALTH CARE TECHNOLOGY	4%

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Market Development

The sentiment among small cap investors in healthcare was positive in January as MSCI World Small Cap Health Index rose 2.1% in USD and 8.4% in SEK. We are also happy to report that the year has started off with strong outperformance for small cap healthcare stocks, beating the MSCI World Small Cap Index by around four percentage points in January alone.

Fund Performance

HealthInvest MicroCap Fund's return was 4.3% in January. Currency effects contributed approximately 2.6 %-points, implying that the equity portfolio in local currency was up around 1.7%.

Positive share price drivers for performance included US animal health company Immucell (shares up 21%), Swedish medtech subcontractor Elos (+20%) and US medical device manufacturer Synergetics (+10%). Significant laggards included Belgian brachytherapy equipment manufacturer Eckert-Ziegler (-12%), US medical device company Lifeline (-10%) and British cleantech company Bioquell (-10%).

Management, Valuation & Outlook

Two new investments were made in January: Faes Farma is a Spanish pharmaceutical company with a highly cash flow generative base business. In addition, Faes has a rather large antihistaminics product, Bilastine, which is growing nicely. The future launch of the drug in Japan could become a major positive share price trigger. The shares are attractively valued at around 14 times free cash flow, in our view.

Medivir is a Swedish biotechnology firm. We believe the current market cap of around SEK3bn does not reflect the true value of the company's assets including its net cash position of around SEK1,6bn, the legacy Biophausia business, the royalty streams from the Hep-C drug Olysis and its research projects.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 11.7x free cash flow and at a price/sales ratio of 1.1 (on historic rolling 12 month data). The sales growth is around six per cent and free cash flow growth is around 27 per cent.

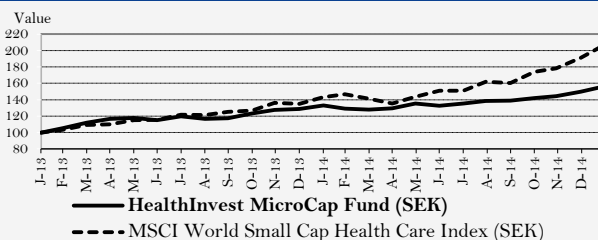
Given the rather low valuation of the portfolio and its high growth, we are hopeful that the Fund will continue to appreciate in value.

The Fund's net equity exposure was 98% at month end.

Fund Characteristics

HealthInvest MicroCap Fund invests in healthcare companies globally. The main focus is on microcap companies and the investment style is value oriented. The fund started on January 31, 2013.

Performance since start (SEK)



Performance

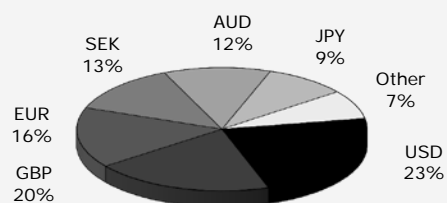
	NAV/Share	Jan*	2015*
HealthInvest MicroCap Fund (SEK)	146.55	4.3%	4.3%
MSCI World Small Cap Health (SEK)	19128.46	8.4%	8.4%
MSCI World Small Cap Health (USD)	2311.01	2.1%	2.1%

*Net of fees

Risk Measures (Since start)

Return	56.4%
Sharpe ratio	2.43
Standard deviation	9.2%
Beta vs MSCI World Small Cap Health Care Index	0.30
Downside risk	3.7%
Active risk (tracking error)	12.1%

Currency Exposure



Sector Distribution (Net exposure)

HEALTH CARE EQUIPMENT	28%
HEALTH CARE DISTRIBUTORS	14%
BIOTECHNOLOGY	13%
HEALTH CARE SUPPLIES	12%
HEALTH CARE SERVICES	11%
HEALTH CARE TECHNOLOGY	10%
PHARMACEUTICALS	8%
LIFE SCIENCES TOOLS & SERVICES	4%

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Market Development

The sentiment among healthcare investors was positive in January as MSCI World Healthcare Index increased 2.2% in USD and 8.5% in SEK.

We are also happy to report that 2015 has started off well for healthcare stocks, beating the MSCI World Index by around four percentage points in January alone.

Fund Performance

HealthInvest Value Fund's return was 8.7% in January (share class B). Currency effects contributed approximately 5 percentage points, implying that the equity portfolio in local currency was up around 3.7%.

Significant gainers included Russian pharmaceutical company Pharmstandard (shares up 30%), newly acquired Japanese drug firm Kyowa Hakko Kirin (+18%) and Spanish pharmaceutical company Almirall (+10%). Portfolio laggards included Russian pharmaceutical company OTCPharm (-22%) and US hospital chain Lifepoint (-10%).

Management, Valuation & Outlook

One new investment was made in January. Kyowa Hakko Kirin is a Japanese pharmaceutical company with an exciting pipeline of products in our view, including drugs in the fields of oncology, respiratory and genetic disorders. In addition to its own proprietary new drugs, the company has entered into a joint venture with Japanese conglomerate Fujifilm that aims to develop competitor drugs (biosimilars) to blockbusters such as Humira and Avastin.

HealthInvest Value Fund (as an aggregate) is currently trading at 13.0x free cash flow and at a price/sales ratio of 1.0 (on historic rolling 12 month data). The sales growth is around seven per cent and free cash flow growth is approximately four per cent.

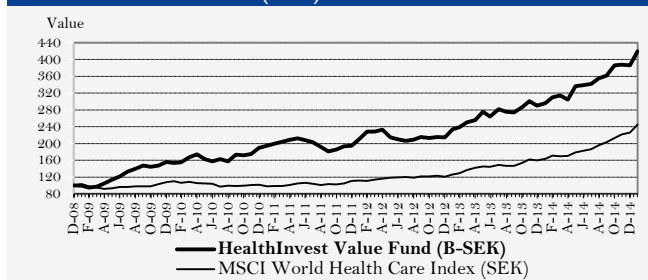
Given the healthy valuation of the equity portfolio and the good growth prospects in 2015 due to the implementation of the Patient Protection and Affordable Care Act (Obamacare), we are hopeful that the Fund will continue to appreciate in value.

The Fund's net equity exposure was 97% at month end.

Fund Characteristics

HealthInvest Value Fund invests in healthcare companies globally with an emphasis on the US market. The focus is on micro, small and mid cap companies. The investment style is value oriented. The fund was started on December 30, 2008.

Performance since start (SEK)



Performance

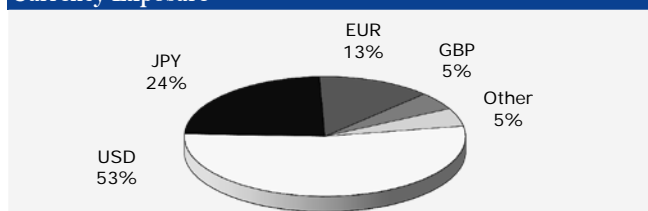
	NAV/Share	Jan*	2015*
HealthInvest Value Fund (A-SEK)	394.3	8.7%	8.7%
HealthInvest Value Fund (B-SEK)	145.5	8.7%	8.7%
HealthInvest Value Fund (C-EUR)	13.9	9.6%	9.6%
MSCI World Health Care Index (SEK)	1691.7	8.5%	8.5%
MSCI World Health Care Index (USD)	204.4	2.2%	2.2%

*Net of fees

Risk Measures (share class B-SEK)

	24 months	Since start
Return	79.2%	317.9%
Sharpe ratio	2.20	1.59
Standard deviation	13.5%	15.0%
Beta vs MSCI World Health Care Index	1.13	0.42
Downside risk	4.8%	7.0%
Active risk (tracking error)	9.1%	15.5%

Currency Exposure



Sector Distribution (Net exposure)

PHARMACEUTICALS	31%
HEALTH CARE SERVICES	17%
HEALTH CARE EQUIPMENT	17%
MANAGED HEALTH CARE	16%
ELECTRONIC EQUIPMENT & INSTRUMENTS	6%
LIFE SCIENCES TOOLS & SERVICES	5%
BIOTECHNOLOGY	4%
HEALTH CARE SUPPLIES	3%
HEALTH CARE DISTRIBUTORS	1%

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