



HealthInvest April 2014 Letters

Asia Fund
MicroCap Fund
Value Fund

Market Development

The sentiment in Asian healthcare equity markets was negative in April as MSCI Asia Health Care Index declined 3.1% in SEK and dropped 3.5% in USD.

Performance of the Fund

HealthInvest Asia Fund decreased 0.2% in April, better than its benchmark index. Substantial gainers included Hovid Berhad, a Malaysian pharmaceutical manufacturer (shares up 6%), and Thai Nakarin, a hospital service provider based in Thailand (+5%). Significant laggards were Seoulin Bioscience (-10%) and Falco Laboratories (-8%).

Management, Valuation & Outlook

Our efforts to tilt the Fund towards emerging markets continued in April. We have carefully scaled down positions mainly in Japan and the region accounted for around 46% of the equity portfolio at month end (down from 49% at the end of March). Equity positions in Malaysia and China has increased to 19% (17% in March) and 10% (8% in March) respectively.

During April, one new substantial holding in Malaysia was included in the Fund. CCM Duopharma Biotech's principal activities include the manufacturing and trading of generic and OTC pharmaceutical drugs. Sales growth the last three years has been 7% (CAGR) and the free cash flow has more than doubled. Valuation is attractive as shares are trading at around 13 times free cash flow, adjusted for changes in net working capital.

HealthInvest Asia Fund is currently trading at 11.7x free cash flow and at a price/sales ratio of 1.0x (on historic rolling 12 month data).

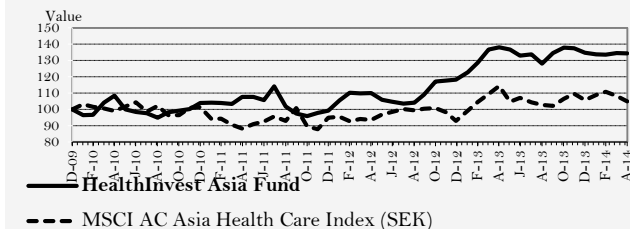
Given the healthy valuation of the portfolio and the good growth prospects, we are hopeful that the Fund will appreciate in value in 2014.

The Fund's net equity exposure was 87% 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 the Asia-Pacific through listed holdings in Australia, Hong Kong, Japan, Malaysia, Singapore, South Korea 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)



Market Development

The sentiment among healthcare investors was rather neutral in April as MSCI World Healthcare Index increased 0.6% in SEK and inclined 0.2% in USD. However, biotech shares continued its downward trajectory as Nasdaq Biotechnology Index declined 2.7%. Smallcaps also had a weak development as MSCI World Small Cap Health Index lost 4.2% in SEK and 4.6% in USD.

Fund Performance

HealthInvest MicroCap Fund's faired relatively well in April as it rose 1.3%. Substantial gainers included British transplant device manufacturer Lifeline Scientific (+37%), French hearing aid retailer Audika (+20%) and Danish vaccine producer Bavarian Nordic (+15%). Significant laggards were Alliance Healthcare Services (-15%), Immucell (-15%) and Cryolife (-12%).

Management, Valuation & Outlook

In April, the Fund significantly increased its position in the Swedish blood analyser manufacturer Cellavision. We believe there are several catalysts lifting sales growth in 2014. For example, the company and its partner Sysmex have co-developed a product which integrates CellaVision's technology with the Sysmex XN-series hematology platform. The product, DI-60, will be part of the global Sysmex product portfolio for hematology laboratories. Another important product launch recently is DM9600, a replacement for DM96 for use in large laboratories. We also believe the implementation of the affordable care act (Obamacare) will constitute a healthy tailwind starting in the second quarter.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 10.8x free cash flow and at a price/sales ratio of 1.2 (on historic rolling 12 month data).

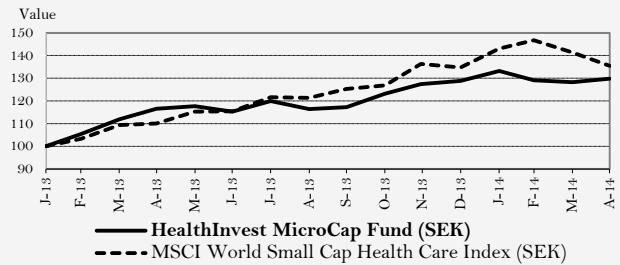
The sales growth is around six per cent and free cash flow growth is around 19 per cent. Given the low valuation of the portfolio and the healthy growth, we are hopeful that the Fund will appreciate in value in 2014.

The Fund's net equity exposure was 104% 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

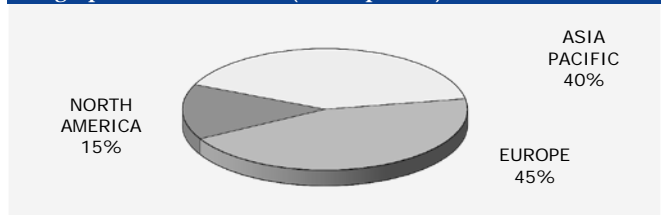
	NAV/Share	Apr*	2014*
HealthInvest MicroCap Fund (SEK)	128.0	1.3%	0.7%
MSCI World Small Cap Health (SEK)	12510.1	-4.2%	0.5%
MSCI World Small Cap Health (USD)	1923.8	-4.6%	-0.7%

*Net of fees

Risk Measures (Since start)

Return	29.8%
Sharpe ratio	1.97
Standard deviation	10.5%
Beta vs MSCI World Small Cap Health Care Index	0.37
Downside risk	4.4%
Active risk (tracking error)	11.8%

Geographical Distribution (Net exposure)



Sector Distribution (Net exposure)

HEALTH CARE EQUIPMENT	37%
HEALTH CARE SERVICES	21%
HEALTH CARE DISTRIBUTORS	16%
BIOTECHNOLOGY	9%
HEALTH CARE SUPPLIES	7%
PHARMACEUTICALS	5%
HEALTH CARE TECHNOLOGY	4%
ELECTRONIC EQUIPMENT & INSTRUMENTS	2%

Market Development

The sentiment among healthcare investors was rather neutral in April as MSCI World Healthcare Index increased 0.6% in SEK and inclined 0.2% in USD. However, biotech shares continued its downward trajectory as Nasdaq Biotechnology Index declined 2.7%. Smallcaps also had a weak development as MSCI World Small Cap Health Index lost 4.2% in SEK and 4.6% in USD.

Fund Performance

HealthInvest Value Fund's return was -3.0% in April. The negative performance deviation compared to the benchmark index may be derived from a couple of significant laggards including US radiation service company Alliance Healthcare (-15% on no news), US pharmacy benefit manager Express Scripts (-12% on weak Q1 results) and US animal research provider Charles River Laboratories (-12% on no news). In addition, the Fund suffered a bit from the small cap segment head wind.

Management, Valuation & Outlook

Gilead Sciences, a US biopharmaceutical company with a focus in the HIV and Hepatitis C fields, was included in the portfolio in April. The company recently launched its Hepatitis C drug called Sovaldi in the US and is ramping up sales at an incredible pace. In the first quarter of 2014, Sovaldi sales were around USD2.2bn, which we believe will increase to around USD4.0bn in the second quarter. Given the current run rate of Sovaldi sales, the shares are rather attractively valued at around eight times free cash flow, a good entry point in our view.

HealthInvest Value Fund (as an aggregate) is currently trading at 12.3x free cash flow and at a price/sales ratio of 1.0 (on historic rolling 12 month data). The sales growth is around 5 per cent and free cash flow growth is around 9 per cent.

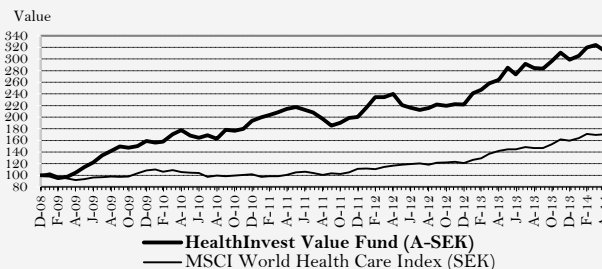
Given the healthy valuation of the equity portfolio and the good growth prospects in 2014-2015 due to the implementation of Obamacare, we are hopeful that the Fund will continue to appreciate in value in 2014.

The Fund's net equity exposure was 98% 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

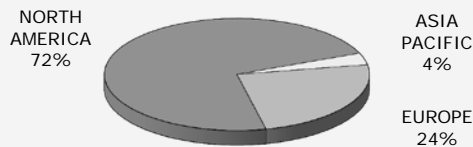
	NAV/Share	Apr*	2014*
HealthInvest Value Fund (A-SEK)	286.7	-3.0%	5.2%
HealthInvest Value Fund (B-SEK)	106.1	-3.1%	5.0%
HealthInvest Value Fund (C-EUR)	10.4	-3.9%	2.8%
MSCI World Health Care Index (SEK)	1177.3	0.6%	6.6%
MSCI World Health Care Index (USD)	181.0	0.2%	5.3%

*Net of fees

Risk Measures (share class A-SEK)

	24 months	Since start
Return	31.8%	216.0%
Sharpe ratio	0.98	1.47
Standard deviation	14.0%	14.8%
Beta vs MSCI World Health Care Index	1.00	0.32
Downside risk	7.7%	7.1%
Active risk (tracking error)	11.2%	15.8%

Geographical Distribution (Net exposure)



Sector Distribution (Net exposure)

HEALTH CARE EQUIPMENT	34%
MANAGED HEALTH CARE	18%
HEALTH CARE SERVICES	17%
PHARMACEUTICALS	13%
LIFE SCIENCES TOOLS & SERVICES	6%
BIOTECHNOLOGY	5%
HEALTH CARE DISTRIBUTORS	5%
HEALTH CARE SUPPLIES	2%