



HealthInvest February 2015 Letters

MicroCap Fund Value Fund

Disclaimer

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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 among small cap investors in healthcare was positive in February as MSCI World Small Cap Health Index rose 6.6% in USD and 7.6% in SEK.

Fund Performance

HealthInvest MicroCap Fund's return was 5.5% in February. Currency effects contributed approximately 1.0 %-point, implying that the equity portfolio in local currency was up around 4.5%.

Positive equity holdings for fund performance included Singapore based healthcare service provider Health Management (shares up 25%), drug distributor Australian Pharmaceutical Industries (+25%) and Norwegian medical device company MediStim (+23%). Significant laggards included US medical device firm Synergetics (-5%) and US contract research firm Bioanalytical Systems (-4%).

Management, Valuation & Outlook

The Fund divested German healthcare IT company Mevis Medical Solutions in February as it will soon be acquired by Varian Medical.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 16.0x free cash flow and at a price/sales ratio of 0.9 (on historic rolling 12 month data). The sales growth is around six per cent and free cash flow growth is approximately 23 per cent.

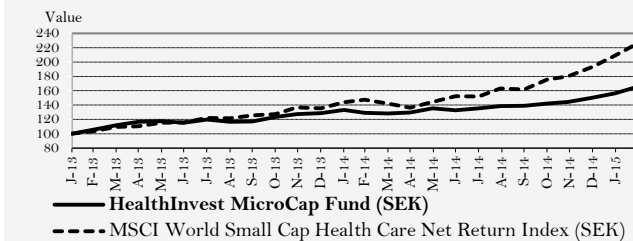
Given the healthy valuation of the portfolio and its high growth, we are hopeful that the Fund will continue to appreciate in value in 2015.

The Fund's net equity exposure was 94% 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 operations on January 31, 2013.

Performance since start (SEK)



Performance

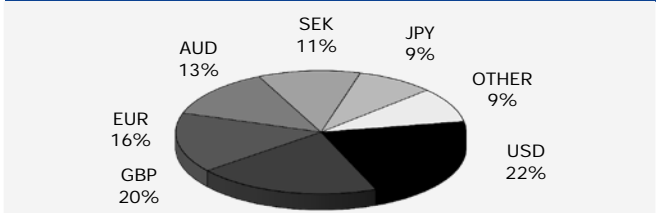
	NAV/Share	Feb*	2015*
HealthInvest MicroCap Fund (SEK)	161.13	5.5%	10.0%
MSCI World Small Cap Health (SEK)	21341.1	7.6%	16.6%
MSCI World Small Cap Health (USD)	2554.5	6.6%	8.9%

*Net of fees

Risk Measures (Since start)

Return	64.9%
Sharpe ratio	2.57
Standard deviation	9.3%
Beta vs MSCI World Small Cap Health Care Index	0.33
Downside risk	3.7%
Active risk (tracking error)	11.9%

Currency Exposure



Sector Distribution (Net exposure)

HEALTH CARE EQUIPMENT	32%
BIOTECHNOLOGY	13%
HEALTH CARE DISTRIBUTORS	13%
HEALTH CARE SUPPLIES	12%
HEALTH CARE SERVICES	12%
PHARMACEUTICALS	10%
HEALTH CARE TECHNOLOGY	4%
LIFE SCIENCES TOOLS & SERVICES	4%

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Past performance is no guarantee of future results. An investment can rise or fall in value and investors may fail to recover the invested capital. Information from the fund company shall not be considered a recommendation to invest in the Fund. Key investor information document (KIID) and prospectus can be obtained at www.healthinvest.se. You can also receive this information at no cost by calling +46 80 440 38 30.

Market Development

The sentiment among healthcare investors was positive in February and MSCI World Healthcare Index increased 4.5% in USD and 5.5% in SEK.

Fund Performance

HealthInvest Value Fund's return was 3.8% in February (share class B). Currency effects contributed approximately 0.8 percentage points, implying that the equity portfolio in local currency was up around 3.0%.

Significant gainers included British medical equipment company Optos (shares up 36%), Norwegian medical device firm MediStim (+23%) and Russian pharmaceutical company OTCPHarm (+18%). Portfolio laggards included Puerto Rico based health insurance provider Triple-S Management (-25%) and Spanish pharmaceutical company Almirall (-13%).

Management, Valuation & Outlook

One new substantial investment was made in February. Ping An is a Chinese insurance company, with life and healthcare insurance as important business areas. The company is China's second-largest life and non-life insurer based on total premiums. Ping An has an impressive track record, having grown sales by 14% and net income by 23% the last three years (CAGR).

The Fund has divested three significant equity holdings during February: Spanish drug firm Almirall (disappointing 2015 earnings guidance), US nursing home chain Genesis Healthcare (high valuation) and Japanese pharmaceutical company Kyowa Hakko Kirin (high valuation).

HealthInvest Value Fund (as an aggregate) is currently trading at 14.0x free cash flow and at a price/sales ratio of 1.0 (on historic rolling 12 month data). The sales growth is around nine per cent and free cash flow growth is approximately seven per cent.

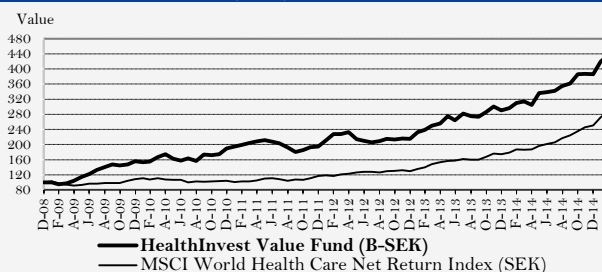
Given the healthy valuation of the equity portfolio and the positive growth prospects in 2015, we are hopeful that the Fund will continue to appreciate in value.

The Fund's net equity exposure was 93% 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

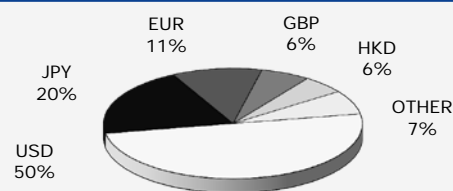
	NAV/Share	Feb*	2015*
HealthInvest Value Fund (A-SEK)	409.2	3.8%	12.8%
HealthInvest Value Fund (B-SEK)	151.0	3.8%	12.8%
HealthInvest Value Fund (C-EUR)	14.4	3.7%	13.7%
MSCI World Health Care Index (SEK)	2264.1	5.5%	14.5%
MSCI World Health Care Index (USD)	271.0	4.5%	6.9%

*Net of fees

Risk Measures (share class B-SEK)

	24 months	Since start
Return	81.3%	333.6%
Sharpe ratio	2.24	1.62
Standard deviation	13.5%	14.9%
Beta vs MSCI World Health Care Index	1.10	0.42
Downside risk	4.8%	6.9%
Active risk (tracking error)	9.1%	15.4%

Currency Exposure



Sector Distribution (Net exposure)

PHARMACEUTICALS	24%
MANAGED HEALTH CARE	21%
HEALTH CARE EQUIPMENT	17%
HEALTH CARE SERVICES	14%
ELECTRONIC EQUIPMENT & INSTRUMENTS	6%
LIFE SCIENCES TOOLS & SERVICES	5%
BIOTECHNOLOGY	5%
HEALTH CARE SUPPLIES	4%
OTHER	3%

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