



HealthInvest April 2015 Letters

MicroCap Fund Value Fund

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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 8 440 38 30 or by sending an e-mail request to info@healthinvest.se.

HealthInvest MicroCap Fund

2015-04-30

MARKET DEVELOPMENT

The sentiment among small cap investors in healthcare was negative in April as MSCI World Small Cap Health Index decreased 2.5% in USD and 5.8% in SEK.

FUND PERFORMANCE

HealthInvest MicroCap Fund's return was 3.2% in April. Currency effects hit performance by approximately -0.9 percentage points, implying that the equity portfolio was up around 4.1% in local currency.

Positive equity holdings for fund performance included Japanese condom manufacturer Fuji Latex (shares up 29%), British infection control company Bioquell (+23%) and Swedish biotechnology company Medivir (+16%). Significant laggards included Swedish radiotherapy equipment manufacturer Scandidos (-28%) and US medical device firm Synergetics (-9%).

MANAGEMENT, VALUATION & OUTLOOK

In April, the Fund's position in the British company Alliance Pharma was substantially increased. The company acquires and markets drugs in Europe, through a buy and build strategy. Although a reasonable business model, the company has had a difficult time the last five years with stagnating sales due to a couple of disappointing products. However, with this now being a thing of the past, we believe the growth engine will begin roaring again triggered by the recent acquisition of the eye drug MacuVision as well as the reintroduction of oncology drug ImmuCyst. Valuation of the shares is low in our view, trading at around 11 times free cash flow.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 13.9x free cash flow and at a price/sales ratio of 1.0 (on historic rolling 12 month data). The sales growth is around four per cent and free cash flow growth is approximately fourteen per cent.

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

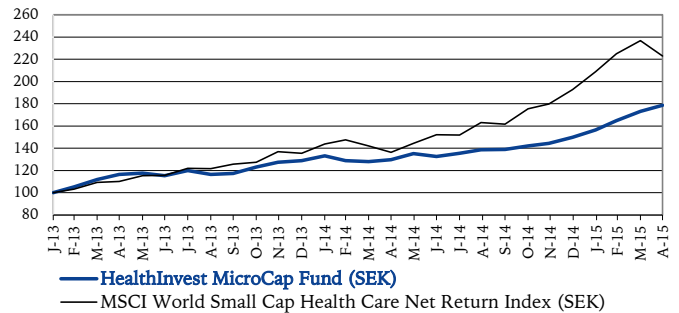
The Fund's net equity exposure was 106% at month end.

FUND CHARACTERISTICS

HealthInvest MicroCap Fund invests in healthcare companies globally. The main focus is on microcap companies.

The investment approach includes an emphasis on low valuations and due diligence to find potential catalysts to boost shareholder value. We focus on free cash flow rather than on earnings to stay clear of accounting gimmicks. The fund started operations on January 31, 2013.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

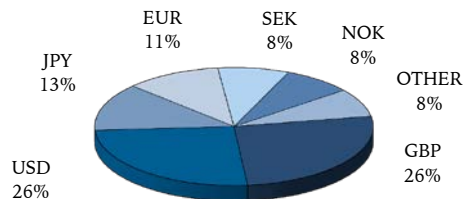
	NAV/Share	Apr*	2015*
HealthInvest MicroCap Fund (SEK)	174.35	3.2%	19.0%
MSCI World Small Cap Health (SEK)	21 151.3	-5.8%	15.6%
MSCI World Small Cap Health (USD)	2 536.8	-2.5%	8.1%

*Net of fees

RISK MEASURES (SINCE START)

Return	78.5%
Sharpe ratio	2.81
Standard deviation	9.2%
Beta vs MSCI World Small Cap Health Care Index	0.25
Downside risk	3.5%
Active risk (tracking error)	13.3%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

HEALTH CARE EQUIPMENT	34%
BIOTECHNOLOGY	14%
HEALTH CARE SUPPLIES	13%
PHARMACEUTICALS	12%
HEALTH CARE SERVICES	12%
HEALTH CARE DISTRIBUTORS	8%
HEALTH CARE TECHNOLOGY	4%
LIFE SCIENCES TOOLS & SERVICES	3%

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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 8 440 38 30.

HEALTHINVEST PARTNERS AB

MARKET DEVELOPMENT

The sentiment among healthcare investors was neutral in April and MSCI World Health Care Index decreased 0.1% in USD, but dropped 3.5% in SEK due to the strengthening of the Swedish currency.

FUND PERFORMANCE

HealthInvest Value Fund's return was -1.7% in April (share class B-SEK). Currency effects hit performance by approximately -2.7 percentage points, implying that the equity portfolio in local currency was up around 1.0%.

Significant gainers included Chinese pharmacy chain Jintian Pharmaceutical Group (shares up 39%), Malaysian drug distributor Pharmaniaga (+25%) and Chinese life insurance company Ping An Group (+20%). Portfolio laggards included US research tool company Charles River (-13%) and US health insurance provider Magellan Health (-11%).

MANAGEMENT, VALUATION & OUTLOOK

The first quarter earnings season has started on a strong note for HealthInvest Value Fund in our view. Approximately one third of the companies have released results and median net earnings has been around 10% stronger than analyst estimates and earnings growth has been around 21% Y/Y.

HealthInvest Value Fund (as an aggregate) is currently trading at 13.1x 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 thirteen per cent.

It is worth noting that despite HealthInvest Value Fund's increase of 107 percent since 2012, the valuation of the equity portfolio is actually slightly lower today at 13.1x free cash flow than at year end 2012 (13.3x). This is due to our investment process that constantly brings in new, lowly valued healthcare companies (and throws out equity holdings that have reached their full valuation).

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.

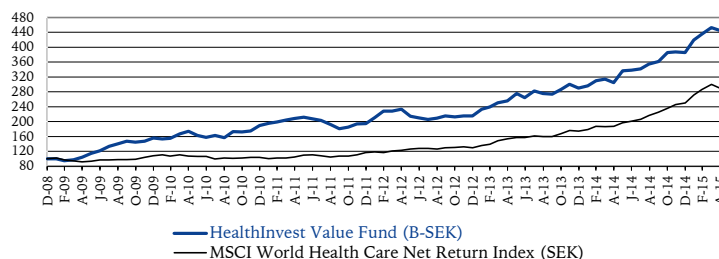
The Fund's net equity exposure was 98% at month end.

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 approach includes a strong emphasis on low valuations and due diligence to find potential catalysts to boost shareholder value. We focus on free cash flow rather than earnings to stay clear of accounting gimmicks. The fund was started on December 30, 2008.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

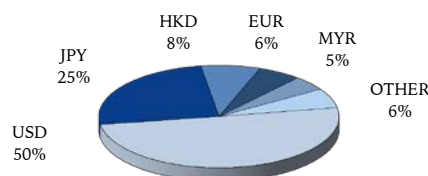
	NAV/Share	April*	2015*	Since start*
HealthInvest Value Fund (A-SEK)	419.0	-1.6%	15.5%	361.8%
HealthInvest Value Fund (B-SEK)	154.5	-1.7%	15.4%	343.7%
HealthInvest Value Fund (C-EUR)	14.8	-2.0%	16.5%	403.9%
MSCI World Health Care Index (SEK)	2286.3	-3.5%	15.6%	189.4%
MSCI World Health Care Index (USD)	274.2	-0.1%	8.2%	172.6%

*Net of fees

RISK MEASURES (SHARE CLASS B-SEK)

	24 months	Since start
Return	73.6%	343.7%
Sharpe ratio	2.04	1.62
Standard deviation	13.8%	14.8%
Beta vs MSCI World Health Care Index	1.03	0.43
Downside risk	5.0%	6.9%
Active risk (tracking error)	9.1%	15.2%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

MANAGED HEALTH CARE	25%
PHARMACEUTICALS	24%
HEALTH CARE SERVICES	14%
HEALTH CARE EQUIPMENT	9%
BIOTECHNOLOGY	8%
ELECTRONIC EQUIPMENT & INSTRUMENTS	6%
HEALTH CARE DISTRIBUTORS	5%
HEALTH CARE SUPPLIES	4%
LIFE SCIENCES TOOLS & SERVICES	4%
OTHER	1%

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