



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

HealthInvest MicroCap Fund

2015-05-29

MARKET DEVELOPMENT

The sentiment among small cap investors in healthcare was positive in May as MSCI World Small Cap Health Care Index increased 6.6% in USD and 9.2% in SEK.

FUND PERFORMANCE

HealthInvest MicroCap Fund's NAV was unchanged in May. Currency effects benefitted performance by approximately 0.5 percentage points, implying that the equity portfolio was down around 0.5% in local currency.

Positive drivers for fund performance included British drug developer Vernalis (shares up 30%), British medical device company Lifeline Scientific (+28%) and US surgical instrument manufacturer Symmetry Surgical (+14%). Significant laggards included Japanese elderly care services company Charm Care (-24%) and US imaging services company Alliance HealthCare Services (-14%).

MANAGEMENT, VALUATION & OUTLOOK

In May, we have trimmed the equity portfolio and sold all shares in the Swedish contract manufacturer Elos Medtech and the Japanese hearing aid company Rion (both having reached their target valuations).

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 12.9x free cash flow and at a price/sales ratio of 1.1 (on historic rolling 12 month data). The sales growth is around five per cent and free cash flow growth is approximately fifteen 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.

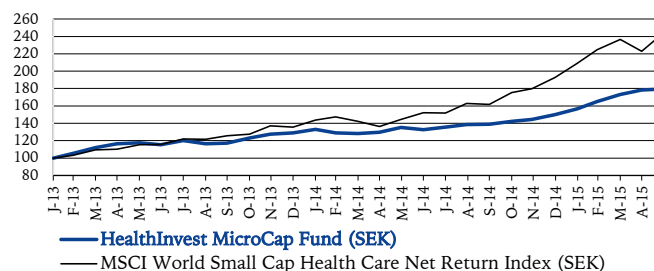
The Fund's net equity exposure was 101% at month end.

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 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

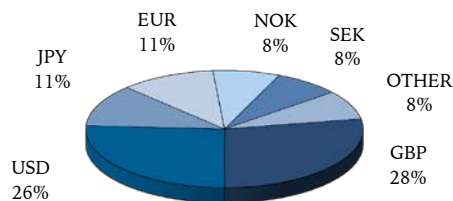
	NAV/Share	May*	2015*
HealthInvest MicroCap Fund (SEK)	174.4	0.0%	19.0%
MSCI World Small Cap Health (SEK)	23 091.4	9.2%	26.2%
MSCI World Small Cap Health (USD)	2 704.6	6.6%	15.3%

*Net of fees

RISK MEASURES (SINCE START)

Return	78.6%
Sharpe ratio	2.73
Standard deviation	9.1%
Beta vs MSCI World Small Cap Health Care Index	0.21
Downside risk	3.5%
Active risk (tracking error)	14.1%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

HEALTH CARE EQUIPMENT	29%
BIOTECHNOLOGY	16%
HEALTH CARE SUPPLIES	14%
PHARMACEUTICALS	12%
HEALTH CARE SERVICES	12%
HEALTH CARE DISTRIBUTORS	9%
HEALTH CARE TECHNOLOGY	5%
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 positive in May and MSCI World Health Care Index increased 2.8% in USD and 5.3% in SEK.

FUND PERFORMANCE

HealthInvest Value Fund's return was 1.5% in May (share class B-SEK). Currency effects benefitted performance by approximately 0.6 percentage points, implying that the equity portfolio in local currency was up around 0.9%.

Significant gainers included Malaysian drug distributor YSP Southeast Asia Holding (shares up 33%), Puerto Rican health insurer Triple-S Management (+28%) and Russian pharmaceutical company OTCPharm (+13%). Portfolio laggards included US imaging services company Alliance HealthCare Services (-14%) and Chinese medical equipment manufacturer Mindray Medical (-12%).

MANAGEMENT, VALUATION & OUTLOOK

In May, the Fund substantially increased its position in Jintian Pharmaceutical Group, a leading drug store chain in Northeast China. Jintian has around 5 000 employees and owns approximately 800 drug stores. The growth rates are impressive as sales and EBITDA increased 50% and 43% in 2010-2014 (CAGR) respectively. Shares are attractively valued in our view, trading at around eleven times free cash flow, adjusted for the net cash position.

Having reached their target valuations, all shares in the German medical equipment manufacturer Drägerwerk, the Chinese insurance provider Ping An and the Japanese pharmaceutical companies Mochida and Sumitomo Dainippon have been sold in May.

HealthInvest Value Fund (as an aggregate) is currently trading at 12.4x free cash flow and at a price/sales ratio of 1.1 (on historic rolling 12 month data). The sales growth is around nine per cent and free cash flow growth is approximately fifteen 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.

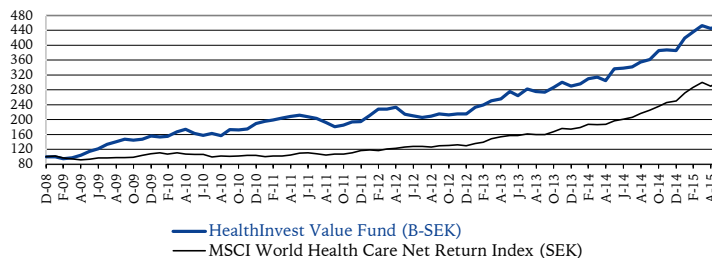
The Fund's net equity exposure was 87% at month end.

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 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

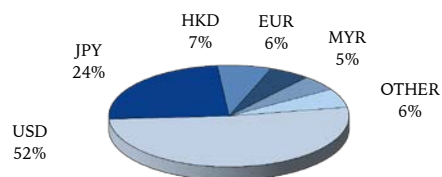
	NAV/Share	May*	2015*	Since start*
HealthInvest Value Fund (A-SEK)	425.6	1.6%	17.3%	369.1%
HealthInvest Value Fund (B-SEK)	156.8	1.5%	17.1%	350.4%
HealthInvest Value Fund (C-EUR)	15.0	1.4%	18.1%	410.8%
MSCI World Health Care Index (SEK)	2407.5	5.3%	21.8%	204.7%
MSCI World Health Care Index (USD)	282.0	2.8%	11.2%	180.4%

*Net of fees

RISK MEASURES (SHARE CLASS B-SEK)

	24 months	Since start
Return	63.4%	350.4%
Sharpe ratio	1.90	1.62
Standard deviation	13.2%	14.7%
Beta vs MSCI World Health Care Index	1.01	0.42
Downside risk	5.0%	6.8%
Active risk (tracking error)	8.3%	15.2%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

MANAGED HEALTH CARE	23%
PHARMACEUTICALS	20%
HEALTH CARE SERVICES	15%
BIOTECHNOLOGY	10%
HEALTH CARE DISTRIBUTORS	8%
HEALTH CARE EQUIPMENT	7%
ELECTRONIC EQUIPMENT & INSTRUMENTS	7%
HEALTH CARE SUPPLIES	5%
LIFE SCIENCES TOOLS & SERVICES	5%
OTHER	1%

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