



HealthInvest June 2018 Letters

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

MARKET DEVELOPMENT

Healthcare investor sentiment was slightly positive in June. MSCI World Health Care Index increased 1.3% in USD and 2.8% in SEK.

FUND PERFORMANCE

HealthInvest Small & MicroCap Fund rose 1.0% in June (A-SEK). Currency effects helped performance by 0.3 percentage points, indicating that the equity portfolio increased 0.7% in local currencies.

MANAGEMENT, VALUATION & OUTLOOK

In June, the Fund initiated two equity positions:

Excelsior Biopharma is a distributor of orphan drugs in Taiwan. The company has a solid balance sheet and its net cash position amounts to 37% of market cap. We are particularly intrigued by the low valuation of the shares - around six times free cash flow. Another positive is the rather shareholder friendly attitude, paying a six percent dividend yield.

Vieworks is a South Korean imaging equipment component manufacturer. The company specializes in imaging systems for digital radiography, digital fluoroscopy and angiography. Vieworks put a strong emphasis on innovation and invests around 12% of sales into R&D annually. Historic operating performance is impressive: Sales growth and EPS growth of +21% and +27% respectively (CAGR, 2012-2017), a trend we hope will continue, driven by a favorable market outlook and a high pace of product development. Considering its high historic growth, the shares are attractively priced at around 13x free cash flow.

HealthInvest Small & MicroCap Fund (as an aggregate) is currently trading at 17.8x free cash flow. This compares favorably to the global healthcare sector (19.6x) as well as to MSCI World Index (23.1x).

Valuation of the global healthcare sector is at an historically attractive level (15% discount to MSCI World Index). This indicates upside potential as the sector usually trades at a substantial premium (10%-15%) due to its high structural growth and relatively low cyclicity of sales and earnings.

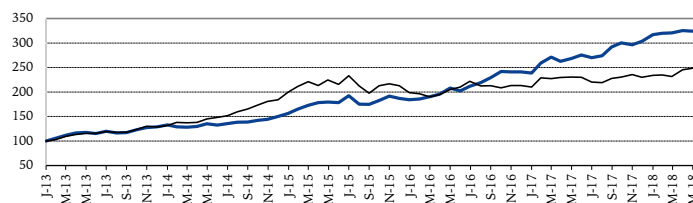
The Fund's net equity exposure was 72% at month end.

FUND CHARACTERISTICS

HealthInvest Small & MicroCap Fund mainly invests in small healthcare companies globally.

The investment approach includes an emphasis on low valuations and potential catalysts to boost shareholder value. The fund started operations on January 31, 2013.

PERFORMANCE SINCE START (SEK)



— HealthInvest Small & MicroCap Fund (A-SEK)

— MSCI World Health Care Index (SEK)

PERFORMANCE

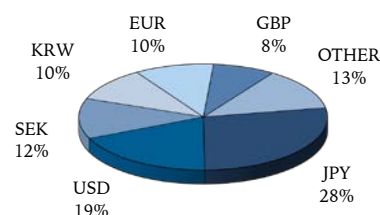
	NAV	June*	2018*	Since start*
HealthInvest Small & MicroCap (A-SEK)	301.6	1.0%	8.0%	227.1%
HealthInvest Small & MicroCap (B-SEK)	108.5	1.2%	7.7%	251.4%
MSCI World Health Care Index (SEK)	2741.5	2.8%	11.1%	155.6%
MSCI World Health Care Index (USD)	306.2	1.3%	1.5%	81.4%

*Net of fees. Share class B started on November 1, 2017. The historical return preceding that date is the return of HealthInvest Small & MicroCap Fund adjusted for the fee structure of share class B.

RISK MEASURES (SHARE CLASS A-SEK)

	24 months	Since start
Return	61.9%	227.1%
Sharpe ratio	2.57	2.10
Standard deviation	9.9%	10.8%
Beta vs MSCI World Health Care Index	0.32	0.45
Downside risk	2.8%	5.0%
Active risk (tracking error)	11.6%	11.4%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

HEALTH CARE EQUIPMENT	33%
PHARMACEUTICALS	18%
BIOTECHNOLOGY	16%
HEALTH CARE SERVICES	12%
LIFE SCIENCES TOOLS & SERVICES	9%
HEALTH CARE TECHNOLOGY	7%
HEALTH CARE DISTRIBUTORS	6%

DISCLAIMER

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.

MARKET DEVELOPMENT

Healthcare investor sentiment was slightly positive in June. MSCI World Health Care Index increased 1.3% in USD and 2.8% in SEK.

FUND PERFORMANCE

HealthInvest Value Fund rose 2.5% in June (share class B-SEK). Currency effects helped performance by 1.5 percentage points, indicating that the equity portfolio increased 1.0% in local currencies.

MANAGEMENT, VALUATION & OUTLOOK

In June, no major changes were made to the equity portfolio.

HealthInvest Value Fund (as an aggregate) is currently trading at 14.4x free cash flow. This compares favourably to the global healthcare sector (19.6x) as well as to MSCI World Index (23.1x).

Valuation of the global healthcare sector is at an historically attractive level (15% discount to MSCI World Index). This indicates upside potential as the sector usually trades at a substantial premium (10%-15%) due to its high structural growth and relatively low cyclicality of sales and earnings.

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

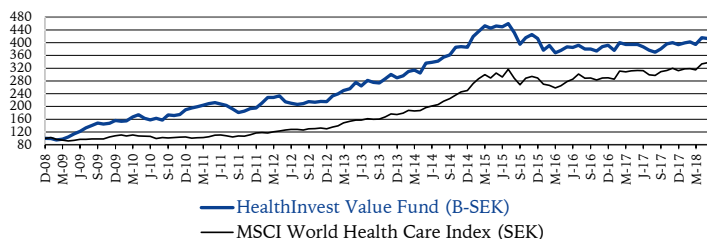
The Fund's net equity exposure was 89% at month end.

FUND CHARACTERISTICS

HealthInvest Value Fund invests in healthcare companies globally with an emphasis on the US market. The focus is on profitable companies with easily understood business models.

The investment approach includes a strong emphasis on low valuations and potential catalysts to boost shareholder value. The fund started operations on December 30, 2008.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

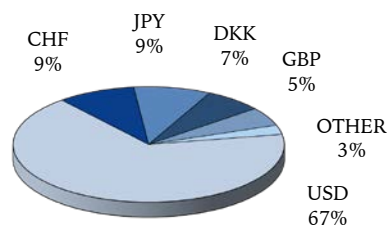
	NAV	June*	2018*	Since start*
HealthInvest Value Fund (A-SEK)	405.0	2.6%	7.9%	346.3%
HealthInvest Value Fund (B-SEK)	147.0	2.5%	7.7%	322.0%
HealthInvest Value Fund (C-EUR)	12.5	1.1%	0.9%	327.5%
MSCI World Health Care Index (SEK)	2741.5	2.8%	11.1%	247.0%
MSCI World Health Care Index (USD)	306.2	1.3%	1.5%	204.5%

*Net of fees. Share class B and C started on November 1, 2013. The returns preceding that date are the returns of HealthInvest Value Fund adjusted for the fee structure of share class B and C.

RISK MEASURES (SHARE CLASS B-SEK)

	24 months	Since start
Return	9.9%	322.0%
Sharpe ratio	0.63	1.10
Standard deviation	9.3%	14.4%
Beta vs MSCI World Health Care Index	0.73	0.61
Downside risk	4.9%	7.8%
Active risk (tracking error)	5.2%	13.3%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

PHARMACEUTICALS	40%
BIOTECHNOLOGY	18%
HEALTH CARE DISTRIBUTORS	16%
HEALTH CARE SERVICES	10%
MANAGED HEALTH CARE	7%
LIFE SCIENCES TOOLS & SERVICES	5%
OTHER	5%

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