

MARKET DEVELOPMENT

Healthcare investor sentiment turned sharply positive in January. MSCI World Health Care Index rose 7.2% in SEK and 5.1% in USD.

FUND PERFORMANCE

HealthInvest Small & MicroCap Fund increased 7.2% in January (share class A), roughly in line with the benchmark index.

MANAGEMENT, VALUATION & OUTLOOK

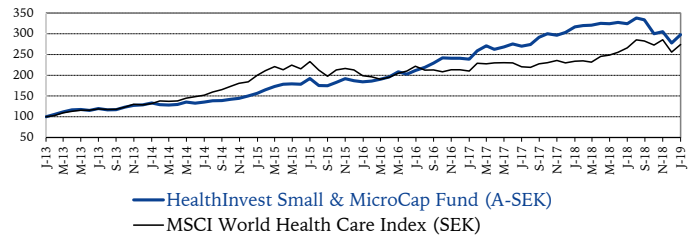
In January, the US specialty pharma company Allergan was added to the equity portfolio. The company, probably most known for its Botox franchise, has a diverse portfolio of market leading drugs and medical devices. Allergan stock trades at 9x free cash flow, a valuation multiple which is less than half the healthcare sector average. We believe this may change for the better in 2019 due to the company's R&D pipeline. Allergan currently spends around USD2bn (12% of sales) on R&D and has a couple of promising drug candidates with large potential, including Abicipar for wet macular degeneration (a chronic eye disorder that causes blurred vision or a blind spot in the visual field) and Rapastinel indicated for major depression disorder and suicidal ideation. Our hypothesis is that as these large commercial opportunities get more attention from investors, Allergan shares will rise significantly.

HealthInvest Small & MicroCap Fund (as an aggregate) is currently trading at 14.8x free cash flow. This compares favorably to the global healthcare sector (19.6x) as well as to MSCI World Index (19.5x).

At month end, HealthInvest Small & MicroCap Fund had 32 equity holdings and 96% of the portfolio companies produce significant positive free cash flow. The Fund's net equity exposure was 97%.

In summary, we are very comfortable with the Fund's equity positions. The median valuation of the holdings is 14.8x free cash flow, which is 25% lower than the healthcare sector median. Hence, the Fund's holdings can rise by 32%, yet still only trade in line with the sector.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

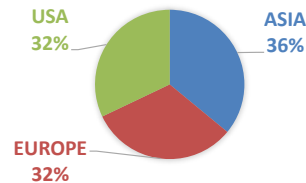
	NAV	Jan*	2019*	Since start*
HealthInvest Small & MicroCap (A-SEK)	274.1	7.2%	7.2%	197.3%
HealthInvest Small & MicroCap (B-SEK)	98.5	7.1%	7.1%	218.8%
MSCI World Health Care Index (SEK)	2942.1	7.2%	7.2%	174.3%
MSCI World Health Care Index (USD)	325.2	5.1%	5.1%	92.6%

*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	24.6%	197.3%
Sharpe ratio	0.85	1.53
Standard deviation	15.1%	12.6%
Beta vs MSCI World Health Care Index	0.72	0.55
Downside risk	9.9%	7.3%
Active risk (tracking error)	11.1%	11.6%

GEOGRAPHICAL DISTRIBUTION (NET EXPOSURE)



SECTOR DISTRIBUTION (NET EXPOSURE)

PHARMACEUTICALS	37%
HEALTH CARE SERVICES	16%
BIOTECHNOLOGY	12%
HEALTH CARE EQUIPMENT	9%
HEALTH CARE DISTRIBUTORS	9%
LIFE SCIENCES TOOLS & SERVICES	4%
OTHER	12%

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.

DISCLAIMER

HealthInvest Small & MicroCap Fund ("the Fund") is managed by HealthInvest Partners AB. The Fund is pursuant to the Swedish Mutual Funds Act (2004:46). It is the responsibility of each and every person interested in investing in the Fund to ensure that the investment takes place in accordance with applicable laws and other regulations. Foreign law may entail that an investment cannot be made by an investor from outside Sweden. HealthInvest Partners AB has no responsibility whatsoever to verify whether an investment made from outside Sweden takes place in accordance with the laws of the relevant country.

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 HealthInvest Small & MicroCap Fund 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 HealthInvest Partners AB shall not be considered a recommendation to invest in the Fund. Every person considering purchasing units in the Fund must make an independent assessment of such an investment and the risks associated therewith. An investment in the Fund should be seen as a long-term investment.

Before you invest, you may want to review the Fund's prospectus and simplified prospectus, which contain more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund 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.