



HealthInvest September 2015 Letters

MicroCap Fund Value Fund

DISCLAIMER

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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

Small cap stocks did not fare well in September and healthcare was no exception. MSCI World Small Cap Health Care Index decreased 9.3% in USD and dropped 10.2% in SEK.

FUND PERFORMANCE

HealthInvest MicroCap Fund declined 0.1% in September. Currency effects hurt performance by 1.2 percentage points, implying that the equity portfolio actually was up 1.1% in local currency.

Positive drivers for fund performance included US medical equipment manufacturer Synergetics (shares up 55% due to bid), Norwegian cardiology device company Medistim (+15%) and Australian hospital supply provider ITL (+12%). Portfolio laggards included imaging services company Alliance Healthcare (-30%) and US diagnostic test manufacturer Orasure (-16%).

MANAGEMENT, VALUATION & OUTLOOK

In September, the Fund made a significant investment in the French veterinary drug company Vétuquinol.

Vétuquinol, founded in 1933, is a global participant in the animal health sector and sells veterinary drugs and non-medicinal products to the livestock market (48% of total sales) and the pet market (52% of sales). The company has 2,000 employees and is dedicated to innovation, evidenced by the annual R&D investment of around 7% of sales. The shares look attractive to us, trading at around 15x free cash flow, adjusted for its net cash position and changes in working capital. Although the company does not have any upcoming block buster drug that will paint a blue sky scenario for investors, we believe Vétuquinol's operations will chug along nicely, producing healthy returns for many years to come.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 14.1x free cash flow and at a price/sales ratio of 1.2 (on historic rolling 12 month data). The sales growth is 6%.

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.

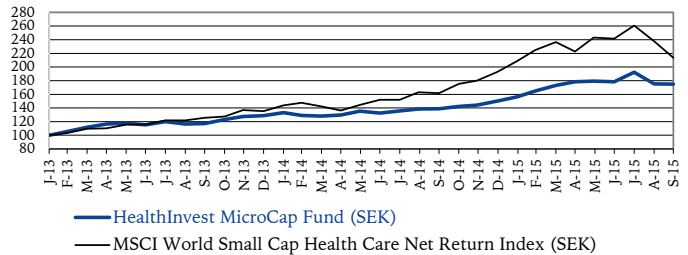
The Fund's net equity exposure was 109% at month end.

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. The fund started operations on January 31, 2013.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

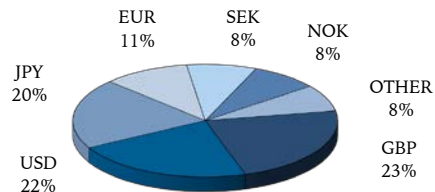
	NAV/Share	Sept*	2015*
HealthInvest MicroCap Fund (SEK)	169.4	-0.1%	16.1%
MSCI World Small Cap Health (SEK)	20 277.6	-10.2%	10.8%
MSCI World Small Cap Health (USD)	2 418.3	-9.3%	3.1%

*Net of fees

RISK MEASURES

	24 months	Since start
Return	48.5%	74.1%
Sharpe ratio	1.71	1.82
Standard deviation	11.9%	11.7%
Beta vs MSCI World Small Cap HC Index	0.32	0.35
Downside risk	6.9%	6.4%
Active risk (tracking error)	16.6%	14.9%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

HEALTH CARE EQUIPMENT	26%
HEALTH CARE SUPPLIES	20%
HEALTH CARE SERVICES	17%
PHARMACEUTICALS	12%
HEALTH CARE DISTRIBUTORS	10%
BIOTECHNOLOGY	9%
HEALTH CARE TECHNOLOGY	7%

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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.

MARKET DEVELOPMENT

September was another difficult month for equity investors. In addition, political rhetoric from 2016 democratic presidential candidate Hillary Clinton about drug prices did nothing to help the sentiment in the healthcare sector. All things considered, MSCI World Health Care Index decreased 6.2% in USD and 7.1% in SEK.

FUND PERFORMANCE

HealthInvest Value Fund's return was -8.5% in September (share class B-SEK). Currency effects hurt performance by 0.8 percentage points, implying that the equity portfolio was down 7.7% in local currency.

Significant gainers included Norwegian cardiology device company Medistim (shares up 15%) and Malaysian glove manufacturer Rubberex (+7%). Portfolio laggards included US imaging provider Alliance Healthcare Services (-30%) and Puerto Rican health insurance company Triple-S Management (-14%).

MANAGEMENT, VALUATION & OUTLOOK

In September, the Fund made a significant investment in Supernus Pharmaceuticals. The company is focused on the treatment of CNS disorders, particularly epilepsy and attention deficit hyperactivity disorder (ADHD). Supernus has so far commercialized two epilepsy drugs: Oxtellar and Trokendi. The most promising drug, Trokendi, is an extended release (once a day) version of the former block buster epilepsy drug Topamax. Trokendi scripts are growing fast (>80%) and has turned Supernus into a profitable company, despite the fact it just got off the starting blocks with around 2% market share for its products and still have rather high R&D investments. If the current sales growth trajectory will hold steady, Supernus shares will trade at five times free cash flow in 2017, indicating significant potential in our view.

HealthInvest Value Fund (as an aggregate) is currently trading at 11.8x free cash flow and at a price/sales ratio of 1.2 (on historic rolling 12 month data). The sales growth is 8%.

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.

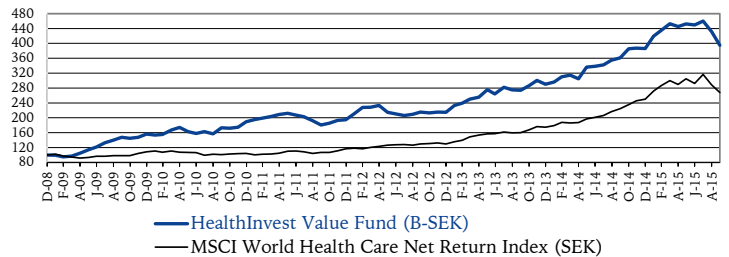
The Fund's net equity exposure was 89% at month end.

FUND CHARACTERISTICS

HealthInvest Value Fund invests in healthcare companies globally with an emphasis on the US market. The focus is on profitable micro, small and mid cap companies.

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

PERFORMANCE SINCE START (SEK)



PERFORMANCE

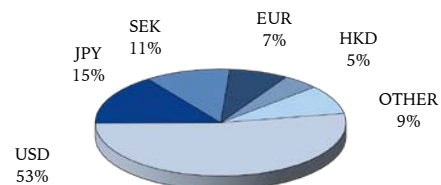
	NAV/Share	Sept*	2015*	Since start*
HealthInvest Value Fund (A-SEK)	372.5	-8.5%	2.7%	310.5%
HealthInvest Value Fund (B-SEK)	137.0	-8.5%	2.3%	293.5%
HealthInvest Value Fund (C-EUR)	13.0	-7.4%	2.4%	342.8%
MSCI World Health Care Index (SEK)	2117.9	-7.1%	7.1%	168.1%
MSCI World Health Care Index (USD)	252.6	-6.2%	-0.4%	151.1%

*Net of fees

RISK MEASURES (SHARE CLASS B-SEK)

	24 months	Since start
Return	43.7%	293.5%
Sharpe ratio	1.27	1.37
Standard deviation	15.0%	15.2%
Beta vs MSCI World Health Care Index	0.77	0.51
Downside risk	8.2%	7.8%
Active risk (tracking error)	9.0%	15.1%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

PHARMACEUTICALS	20%
HEALTH CARE SERVICES	20%
MANAGED HEALTH CARE	15%
HEALTH CARE DISTRIBUTORS	14%
BIOTECHNOLOGY	13%
LIFE SCIENCES TOOLS & SERVICES	8%
HEALTH CARE EQUIPMENT	6%
OTHER	4%

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