



HealthInvest April 2016 Letters

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

Performances of healthcare small cap stocks were strong in April as MSCI World Small Cap Health Care Index increased 3.1% in USD and 2.2% in SEK.

FUND PERFORMANCE

HealthInvest MicroCap Fund rose 2.7% in April. Currency effects hurt performance by -0.1 percentage points, implying that the portfolio rose 2.8% in local currency.

Positive holdings for performance included US transplantation device manufacturer Lifeline Scientific (shares up 27%), US specialty pharma company Depomed (+25%) and Japanese reagents manufacturer Kainos Labs (+12). Portfolio laggards included brachytherapy instrument manufacturer Eckert-Ziegler (-6%) and Malaysian pharma company YSP Southeast Asia Holding (-3%).

MANAGEMENT, VALUATION & OUTLOOK

In April, the Fund made two new significant investments:

Merus Labs is a Canadian specialty pharmaceutical company focused on acquiring and selling drugs in Europe and Canada. In February, the company made two transformative deals with Sanofi and UCB (at very reasonable prices) which will boost sales and EBITDA by over 60% in 2016. Merus has a strong leadership team and given its rather healthy balance sheet, more value enhancing deals may be in the pipeline. Merus shares are appetizing, trading at around 6x free cash flow on our 2016 estimates.

Theratechnologies is a Canadian specialty pharma company that has developed Egrifta, a drug for HIV lipodystrophy. Sales are in hyper growth mode and increased 89% Y/Y in the most recent quarter. In addition, Theratechnologies has entered into an agreement to develop and market the HIV drug ibalizumab. The compound has been designated Breakthrough Therapy by the FDA and has been granted Orphan Drug status, giving it 12 years of exclusivity in the US. Currently in a Phase III clinical trial, FDA approval of the drug may be received in 2017. We find value in the shares as they trade at around at 21x free cash flow.

HealthInvest MicroCap Fund (as an aggregate) is currently trading at 11.9x free cash flow and at a price/sales ratio of 1.2 (on historic rolling 12 month data). The sales growth is 9%.

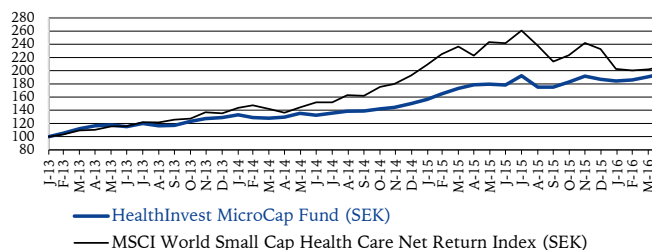
The Fund's net equity exposure was 103% at month end.

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

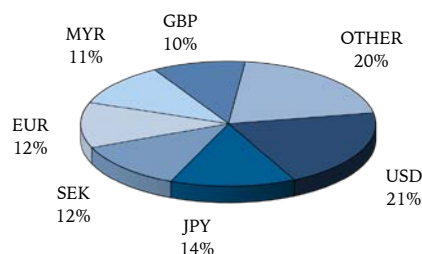
	NAV/Share	April	2016*
HealthInvest MicroCap Fund (SEK)	185.8	2.7%	4.8%
MSCI World Small Cap Health (SEK)	19 581.7	2.2%	-11.4%
MSCI World Small Cap Health (USD)	2 436.0	3.1%	-6.8%

*Net of fees

RISK MEASURES

	24 months	Since start
Return	50.6%	95.5%
Sharpe ratio	1.81	1.89
Standard deviation	11.8%	11.2%
Beta vs MSCI World Small Cap HC Index	0.32	0.34
Downside risk	6.7%	5.9%
Active risk (tracking error)	17.4%	15.3%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

PHARMACEUTICALS	29%
HEALTH CARE SUPPLIES	20%
HEALTH CARE SERVICES	12%
HEALTH CARE DISTRIBUTORS	11%
BIOTECHNOLOGY	11%
HEALTH CARE EQUIPMENT	7%
HEALTH CARE TECHNOLOGY	6%
OTHER	4%

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

The sentiment among healthcare investors was positive in April and MSCI World Health Care Index rose 3.3% in USD and 2.4% in SEK.

FUND PERFORMANCE

HealthInvest Value Fund's return was 2.1% in April (share class B-SEK), essentially in line with benchmark index. Currency effects hurt performance by 0.4 percentage points, implying that the portfolio increased 2.5% in local currency.

Substantial gainers included Canadian drug company Valeant Pharmaceuticals (shares up 27%), US clinical research organisation INC Research (+17%) and US specialty pharma company Supernus (+13%). Portfolio laggards included US health supplement retailer GNC (-23%) and Russian drug company OTCPharm (-3%).

MANAGEMENT, VALUATION & OUTLOOK

In April, the Fund made two new significant investments:

Concordia Healthcare is a Canadian specialty pharma company that has made a number of substantial acquisitions in the last two years. In February, its largest and most transformative USD3.5bn deal of AMCo was announced, which will add around 190 drugs to Concordia's product portfolio and hence significantly diversifies its revenue base. According to our 2016 estimates, Concordia shares trades at less than 5x free cash flow, an attractive entry point in our view.

Insys Therapeutics is a fast growing US specialty pharma company focused on pain management. Insys's flagship product Subsys is a fentanyl spray that quickly has become the market leader in the breakthrough cancer pain segment following its 2012 launch. In addition to Subsys, the company poured 17% of 2015 sales into R&D, feeding an exciting pipeline of relatively low risk development programs. The most mature R&D project is Syndros for the treatment of chemo induced nausea and vomiting with potential FDA approval date in July. Insys shares are relatively inexpensive at 16x free cash flow.

HealthInvest Value Fund (as an aggregate) is currently trading at 13.1x free cash flow and at a price/sales ratio of 1.9 (on historic rolling 12 month data). The sales growth is 10%.

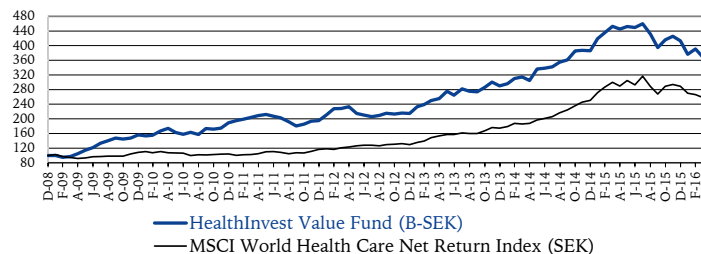
The Fund's net equity exposure was 98% at month end.

FUND CHARACTERISTICS

HealthInvest Value Fund invests in healthcare companies globally with an emphasis on the US market. The focus is on 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 was started on December 30, 2008.

PERFORMANCE SINCE START (SEK)



PERFORMANCE

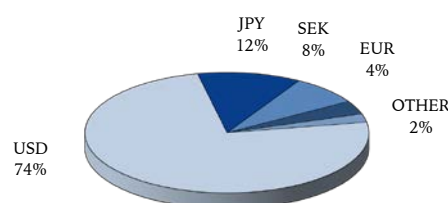
	NAV/Share	April	2016*	Since start*
HealthInvest Value Fund (A-SEK)	355.6	2.2%	-8.9%	291.9%
HealthInvest Value Fund (B-SEK)	130.4	2.1%	-9.0%	274.6%
HealthInvest Value Fund (C-EUR)	12.7	2.9%	-9.0%	333.2%
HealthInvest Value Fund (D-SEK)	95.4	2.2%	-9.0%	339.9%
MSCI World Health Care Index (SEK)	2090.9	2.4%	-8.5%	164.7%
MSCI World Health Care Index (USD)	260.1	3.3%	-3.7%	158.6%

*Net of fees

RISK MEASURES (SHARE CLASS B-SEK)

	24 months	Since start
Return	22.9%	274.6%
Sharpe ratio	0.70	1.20
Standard deviation	17.0%	15.6%
Beta vs MSCI World Health Care Index	0.79	0.58
Downside risk	10.8%	8.5%
Active risk (tracking error)	9.8%	14.8%

CURRENCY EXPOSURE



SECTOR DISTRIBUTION (NET EXPOSURE)

PHARMACEUTICALS	41%
HEALTH CARE SUPPLIES	11%
LIFE SCIENCES TOOLS & SERVICES	10%
HEALTH CARE SERVICES	9%
MANAGED HEALTH CARE	9%
ELECTRONIC EQUIPMENT & INSTRUMENTS	7%
BIOTECHNOLOGY	6%
SPECIALTY STORES	5%
HEALTH CARE EQUIPMENT	2%

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