



HEALTHINVEST SMALL & MICROCAP FUND

SEMI-ANNUAL REPORT 2019

HealthInvest Small & MicroCap Fund

FOCUS

HealthInvest Small & MicroCap Fund is an actively managed investment fund within the health care sector. The Fund invests globally and the majority of the Fund's investments are concentrated in relatively small companies. The Fund has three unit classes: A, B and C.

SUBSCRIPTION AND REDEMPTION OF UNITS

Subscription and redemption of fund units normally take place each Swedish banking day. Requests to subscribe for fund units are made by deposit on the Fund's account. Requests for redemption must be made in writing.

FEES

A fixed management fee is charged at a rate of 1.5% per year in unit class A, 1.8% per year in unit class B and 1.0% per year in unit class C. A performance-based fee is charged at a rate of 20% of that part of the unit price exceeding the return threshold. For unit class A and B, the return threshold changes over time by the return on the MSCI World Health Care TRN Index. In unit class C, the return threshold changes over time by the return on the OMRX T-BILL Index plus 4 percentage points, converted to daily returns. The Fund applies what is commonly referred to as a high watermark.

SUSTAINABILITY

The investment process focuses primarily on identifying undervalued shares in well managed companies. Prior to each investment, an examination is conducted from a sustainability perspective based on the assumption that

companies which are operated in a sustainable and responsible manner generate better returns in the long run. Sustainability issues are accordingly an integral part of the investment analysis. HealthInvest Partners has engaged an external specialist for the purpose of reviewing all of the Fund's holdings from a sustainability perspective and to report the findings to the fund company.

SUPERVISION

Supervisory Authority:
The Swedish Financial Supervisory Authority (Finansinspektionen).

Custodian:
Skandinaviska Enskilda Banken.

Auditor:
KPMG with Dan Beitner, authorised public accountant, as principal auditor.

FUND COMPANY

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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.

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This is a translation from the Swedish version of the Semi-Annual Report. In case of any inconsistency between the English and Swedish version, the Swedish version shall prevail.

Fund Manager's View

The sentiment on the stock markets in the first half of 2019 was positive, as reflected in an upswing in prices in sharp contrast to the end of 2018 when stock markets declined precipitously. Once again, it has been changes to interest rate policies which fuelled the market after the Fed changed direction at the beginning of the year and gradually signalled a softer interest rate policy in order to address signs of a weakening economy. Equity investors have ascribed more weight to the low interest rate levels than the weak economic indicators and have pressed the "buy" button. Interest-sensitive sectors and shares with long discount horizons have improved best.

The health care sector has also developed positively and climbed 9.8% during the first six months calculated in USD (14.9% in SEK). However, this means only that the health care index has returned to the same level it was in the autumn before the negative fourth quarter.

During the first half of 2019, HealthInvest Small & MicroCap Fund rose 12.4% (unit class A-SEK). Since its launch in 2013, the Fund has enjoyed an average annual return of 19.4% with a risk level which is substantially lower than the health care sector as a whole. Returns in relation to the risk level are reflected in the Fund's so-called Sharpe ratio which has been 1.51 since the Fund was launched.

WHY INVEST IN THE HEALTH SECTOR?

As the name implies, HealthInvest Small & MicroCap Fund is focused on investments in small-cap companies within the health care sector. The principal reason why we find this segment interesting for investors is that returns historically have been so good. In the last 20 years, the healthcare sector has developed better than the market as a whole (approximately 3.5 times the money versus 2.5 times for the market in general). The small-cap segment within the health care sector, however, has returned even more as a group and grown more than 12 times during the last 20 years.

We usually point to a number of factors which render the healthcare sector, and particularly small-cap companies, attractive to investors:

- Healthcare grows 2 x GDP growth, driven by demographic changes and globally increasing affluence.

- Healthcare is often subject to a monopoly or oligopoly, contributing to profitability for the companies in the sector.
- Healthcare is subject to high barriers to entry, among other things, as a consequence of the fact that the degree of innovation is high and the sector is heavily regulated by public authorities.
- The healthcare sector is M&A intensive. Smaller companies are more innovative and grow faster, making them attractive for acquisition.
- The healthcare sector is relatively insensitive to economic cycles since consumers prioritise healthcare even in difficult economic times and since the sector is largely financed by public and private insurance.

We believe that these factors will remain constant in the foreseeable future and thereby create a sound seedbed for investments in the sector.

WHY INVEST IN HEALTHINVEST SMALL & MICROCAP FUND?

HealthInvest Small & MicroCap benefits from the forward momentum of the healthcare sector, but is also managed on the basis of an internal strategy with a clear focus on valuations. As investors in the Fund, you should accordingly share our view of investments. The investment strategy may be summarised as follows:

- Profitable companies with strong cash flows.
- Business models which are easy to understand.
- Emphasis on low valuations.
- Keeping an eye out for positive events which may change the market's view of a share. Such events include new product launches, spin-offs/break-ups, cost-cutting and similar events.

Keeping control of a portfolio's valuations reduces the risk of setbacks since the share prices are supported by reasonable valuations. The downside is, naturally, that the Fund does not benefit when, from time to time, a certain category of shares is promoted by market momentum. By way of example, Nasdaq Biotech Index climbed to a peak listing of approximately 4200 in July 2015 but now, nearly 4 years later, is 20% lower.

Our investment strategy defends against setbacks when the market returns to an equilibrium after

having been driven by unreasonable valuations.

Every holding in HealthInvest Small & MicroCap Fund is justified based on its own business, valuation and its future potential. The Fund has enjoyed an average annual return of 19.4% since its launch in 2013 and, over time, we believe that the strategy will continue to generate good returns for unit holders.

FUTURE PROSPECTS

We believe that, above all, the interest rate market today is currently valued at a very high level. This has poured over into parts of the stock market and has inspired high stock valuations in growth companies. Accordingly, there is a risk of a setback when the momentum changes.

However, the stock market is currently divided and traditional value shares do not have the same high valuation. The healthcare sector, for example, does not appear highly valued from a historical perspective, particularly in light of the interest rate situation. At present, the sector is traded as a whole at a cash flow multiple of approximately 21, which is in line with the median value of the last 20 years.

We are very comfortable with HealthInvest Small & MicroCap Fund, which consisted of 28 holdings at the end of Q2. For each holding we have an investment thesis including the catalysts to reach the holding's potential, and we hope that most of them will materialise in the near future and thereby contribute solidly to the development of the Fund throughout the remainder of the year.

The valuation of HealthInvest Small & MicroCap Fund is low, just under 12x free cash flow, which is approximately 40% lower than the valuation of the healthcare sector as a whole. Accordingly, this means that, if the Fund rises by 70%, the valuation of the Fund will nonetheless remain in line with the median value of the healthcare sector.

Overall, we believe the possibilities for the Fund are promising. Equipped with patience and discipline, the organisation is wholly focused on creating value in HealthInvest Small & MicroCap Fund. We hope that you will join us on this journey as an investor.

HealthInvest Small & MicroCap Fund - Management Report

HealthInvest Small & MicroCap Fund is an actively managed investment fund within the health care sector. The majority of the Fund's investments are made in smaller companies and the most important sub-sectors are pharmaceuticals, medical technology, biotechnology and health care services. By means of a careful management processes, the goal is to invest in undervalued stocks which have a potential to increase in value and thereby generate good, long-term returns subject to a reasonable risk.

DEVELOPMENT OF THE FUND

During the first half year, HealthInvest Small & MicroCap unit classes A and B rose by 12.4 and 12.2 per cent respectively (less management fees). During the same period, MSCI World Health Care TRN Index, which is the Fund's benchmark index, increased 14.9 per cent, measured in SEK. Unit class C was launched on 5 June 2019 and rose 0,7 per cent during the period.

The five investments which contributed most to the Fund's positive performance during the first six months was the US wound care company, MiMedx, the US pharmaceutical company, ANI Pharmaceuticals, the Swedish pharmaceutical company, Orexo, the Singaporean tiger balm manufacturer, Haw Par, and the Korean dermatology company, Neopharm. During the period, the Fund was negatively impacted by the US pet pharmacy, Petmed Express, the US pharmaceutical company, Biogen, the US health insurance company, Cigna, the Japanese medtech distributor, DVX and the Malaysian drug distributor, YSP Southeast Asia.

At the beginning of 2019, the portfolio had 34 stocks. Of these, 25 holdings remained in the Fund at the end of the first half year. The Fund has made four new investments during the period, one of which has been divested. As per the end of the accounting period, there were thus 28 equity positions in the Fund. As a whole, net equity exposure has declined slightly during the half year.

During the first six months, the Fund has initiated positions in the US drug distributor, McKesson, the US specialty pharma company, Allergan, and British Convatec, which sells disposable products to health care providers. All three companies have been through a period of poor operational performance and have fallen out of favour with investors. However, valuations are low, and we are of the opinion that all three companies hold strong

positions in their respective markets, which will not be jeopardized by the current difficulties confronting them. In late June, US pharmaceutical company Abbvie announced a bid to acquire Allergan, validating our investment thesis on Allergan.

Holdings that were sold off during the first six months include the Japanese manufacturer of hospital beds, Paramount Bed Holdings, the Taiwanese manufacturer of generic drugs, Lotus Pharmaceuticals, the US pharmaceutical company, AMAG Pharmaceuticals and Korean Rayence which manufacturers components for digital X-ray sensors. Each of these holdings represented between 3 and 6 percent of fund assets at the start of 2019.

THE FUND AS OF 30 JUNE 2019

As of 30 June 2019, the Fund owned shares equal to 87.5 per cent of the fund assets. The Fund consisted of a total of 28 holdings spread throughout 11 countries in Asia, Europe and North America.

From a country perspective, the US represented 35 per cent of the fund assets, followed by Sweden (12%), South Korea (9%), Japan (6%), Singapore (6%), United Kingdom (5%), Denmark (5%), Germany (4%), Switzerland (4%), Taiwan (2%) and, finally, Malaysia (less than 1%).

Important holdings in the Fund

Haw Par, with its registered office in Singapore, is the owner of the Tiger Balm trademark. The product is the core of Haw Par's health care segment and has sales in over 100 countries. By adding products under the Tiger Balm trademark, Haw Par's health care sales have increased by 16% CAGR during the period between 2013 and 2018 with strong profitability. The company also has a portfolio with investments in cash, publicly listed shares and real estate which, in their own right, justify the company's market value. Accordingly, an investor in Haw Par receives the profitable and growing healthcare segment for free, something we find attractive.

ANI Pharmaceuticals ("ANIP") is a US pharmaceutical company which markets branded and generic drugs. ANIP is pursuing an acquisition strategy and, over the last five years, has increased sales by 46 per cent annually. The company has more than 100 pipeline products including

specifically a future competitor to H.P. Acthar gel (manufactured by Mallinckrodt with annual sales of USD1,3 billion). ANIP acquired the product in 2016 and is planning for FDA-approval by 2020-2021. Applying relatively modest assumptions, the product could potentially increase ANIP's cash flows many times over. The share is valued at 16x free cash flow.

Orexo is a Swedish pharmaceutical company whose principal product, Zubsolv, is a treatment for opioid dependency. Zubsolv received market approval in the US in 2013 and, in 2018, Orexo emerged victorious in a protracted patent dispute which means that Zubsolv is protected against direct generic competition until 2032. Orexo now has the opportunity to build up a stronger position in the US by intensifying its sales efforts and by adding products from its development pipeline or through external opportunities. Orexo is valued at approximately 20x free cash flow, less net cash assets, and we believe its management has good opportunities to create further shareholder value.

McKesson is a drug distributor with a dominant market position in the US. The payment model used by the distributor varies, but it is basically linked to the volume of products which McKesson moves on behalf of the drug companies. The shares have taken a beating during recent years as McKesson has faced price pressure on important contracts and declining growth in drug prices. However, because drug distribution in the US is an oligopoly, we believe there are good opportunities for McKesson to adapt and continue to grow in pace with the underlying drug consumption. McKesson is currently trading at 9 times free cash flow, entailing an important discount to the health care sector as a whole.

Lundbeck is a Danish pharmaceutical company focusing on diseases linked to the central nervous system. The company sells popular drugs for the treatment of depression, schizophrenia and Alzheimer's. In 2018, Lundbeck was hit by disappointing results from a late-stage clinical study of the company's most promising pipeline product. This setback was compounded by the fact that the share price was already under pressure due to increasing competition from generics and, in combination, these factors led to a 45 per cent fall in the share price during the last 12 months. However, we believe investors have failed to take into account the fact that the company has a

number of rapidly growing products such as Brintellix (depression), Rexulti (schizophrenia/depression) and Abilify (schizophrenia/Alzheimer's) which will drive sales and profits going forward. As the company is valued at 12x free cash flow despite R&D spending in the amount of DKK 3 billion annually, we believe there is value in Lundbeck's shares that is currently overlooked by investors.

FUND ASSETS

As of 30 June 2019, HealthInvest Small & MicroCap Fund's assets amounted to SEK 1,517 million. During the first half of 2019, units were issued for SEK 118.6 million, while units were redeemed for SEK 220.2 million. The half-year result was SEK 176.7 million.

SIGNIFICANT RISKS

Investments in shares are associated with risks. The greatest risk in the Fund is considered to be the market risk related to general trends on the stock market. The market risk is reduced by maintaining focus on companies with relatively low market values and with stable operations.

Since the Fund maintains a significant portion of its assets outside Sweden, there is a currency risk, i.e. a risk of losses associated with fluctuations in currency rates. As per the balance sheet date, over 75 per cent of the fund assets were held in foreign currencies. The currency risk is reduced by hedging currencies in order to eliminate a significant share of the currency risk. This currency policy was implemented in September 2018. Prior to this date, no currency hedging was used.

Liquidity risk is the risk of a loss due to a temporary limitation on the possibility to dispose of holdings at a reasonable price under normal circumstances. Shares in small-cap companies are often characterized by low liquidity and, since the Fund invests significantly in companies with relatively small market capitalization, the liquidity risk in the Fund is higher than normal.

The fund company's routines for risk management include continuous monitoring of exposures and risks based on an established plan. On a daily basis, the position of the Fund relative to the limitations imposed by the fund rules, applicable laws and other rules and regulations is calculated. The relevant risk measures are calculated recurrently and stress tests are regularly conducted

with respect to the Fund.

RISK TAKING BY THE FUND

HealthInvest Small & MicroCap Fund's (unit class A) risk measured as the Fund's standard deviation is 14.2%, which may be compared to 13.9% for the MSCI World Health Care TRN Index. The Fund's beta value is 0.74 measured with the MSCI World Health Care TRN Index as the market portfolio. The calculations are carried out on the basis of return data from the last 24 months.

All measures of risk are presented under the heading, "Other information".

FUND RULES

On 30 April 2019, the Swedish Financial Supervisory Authority approved amendments to the fund rules including a new unit class C. Unit class C has a lower management fee than existing unit classes, but requires a minimum investment of SEK 1,000,000. The first day of trading in unit class C was 5 June 2019.

On 26 June 2019, the Swedish Financial Supervisory Authority approved amendments to the fund rules including a new unit class D. The new unit class is similar to the existing class B in that it requires a minimum investment of SEK 100. However, unit class D has a lower management fee of 1.4 per cent (unit class B has a management fee of 1.8 per cent). The first trading day for unit class D is scheduled for 11 September 2019.

SUSTAINABILITY

The investment process focuses primarily on identifying undervalued shares. Prior to each investment, an examination is conducted from a sustainability perspective based on the assumption that companies which are operated in a sustainable and responsible manner generate better returns in the long run. HealthInvest Partners has engaged an external specialist for the purpose of reviewing all of the Fund's holdings from a sustainability perspective and to report the findings to the fund company. The review is performed half-yearly and is made on the basis of a quantitative grading of companies from a sustainability perspective which is supported by research which is more qualitative in nature. A grade of 0 out of 10 possible equates with a red flag and is immediately excluded. None of the Fund's holdings received a "red flag" during the review of the holdings as of 30 June 2019.

Further information on the fund company's sustainability work can be obtained at www.healthinvest.se and is included in the Fund's annual report.

MISCELLANEOUS

The fund company is a member of the Swedish Investment Fund Association and complies with the Swedish Code of Conduct for Fund Management Companies issued by the Swedish Investment Funds Association.

Fund units may normally be subscribed and redeemed on all Swedish banking days. However, the fund company is entitled to postpone trading in the Fund in the event more than 50 per cent of the holdings are listed on a market which is closed.

The Fund's liquid assets are principally invested in interest-bearing securities or deposited on accounts at credit institutions. The Fund is valued in Swedish kronor, while most of the Fund's investments are in companies outside Sweden.

The fund rules permit investments in derivative instruments. During the year, no positions were taken in derivative instruments other than positions in currency futures for the purpose of reducing currency risks in the Fund.

The commitment approach is used to calculate the Fund's global exposures.

Balance Sheet as of 30 June 2019

(SEK '000)

ASSETS	NOTE	30.06.2019	31.12.2018
Transferable Securities		1 327 045	1 379 838
OTC Derivative Instruments with Positive Market Value		13 873	9 126
TOTAL FINANCIAL INSTRUMENTS WITH POSITIVE MARKET VALUE		1 340 918	1 388 964
TOTAL INVESTMENTS WITH POSITIVE MARKET VALUE		1 340 918	1 388 964
Bank Deposits and Other Liquid Funds		221 894	59 706
Prepaid Costs and Accrued Income	1	2 167	1 610
TOTAL ASSETS		1 564 978	1 450 280
LIABILITIES			
OTC Derivative Instruments with Negative Market Value		0	-2 227
TOTAL FINANCIAL INSTRUMENTS WITH NEGATIVE MARKET VALUE		0	-2 227
Accrued Costs and Prepaid Income	2	-2 720	-2 340
Other Liabilities	3	-45 096	-3 663
TOTAL LIABILITIES		-47 816	-8 230
FUND ASSETS		1 517 162	1 442 050
MEMORANDUM ITEMS			
Pledged Assets for OTC Derivative Instruments		10 000	11 500
NOTE 1 - PREPAID COSTS AND ACCRUED INCOME			
		30.06.2019	31.12.2018
Dividends		624	1 608
Unsettled trades		1 542	0
Other Assets		1	2
TOTAL PREPAID COSTS AND ACCRUED INCOME		2 167	1 610
NOTE 2 - ACCRUED COSTS AND PREPAID INCOME			
		30.06.2019	31.12.2018
Management Fee		-1 939	-1 841
Accrued Costs External Research		-780	-499
TOTAL ACCRUED COSTS AND PREPAID INCOME		-2 720	-2 340
NOTE 3 - OTHER LIABILITIES			
		30.06.2019	31.12.2018
Redemption of Units in Progress		-1 035	-3 659
Subscription of Units in Progress		-168	-3
Unsettled Trades		-43 891	0
Other Liabilities		-3	-1
TOTAL OTHER LIABILITIES		-45 096	-3 663

Accounting Principles

The semi-annual report has been prepared in accordance with the regulations of the Swedish Financial Supervisory Authority regarding reporting by investment funds, the Swedish Investment Funds Association's recommendation regarding reporting key ratios in investment funds and the ESMA (European Securities and Market Authorities) guidelines regarding held derivatives.

All financial instruments traded on a market place have been valued in the accounts at the applicable market value. The applicable market value is comprised of the last price paid, local time. Holdings in foreign currencies are valued at the last price paid for the currency at year end. Where market prices are unavailable or, in the opinion of the fund company, are misleading, the fund company may establish the value based on the objective criteria of another party. The valuation of non-standardised instruments is based on accepted

models such as Black-Scholes and Black 76 (European options) or numerical methods such as binomial trees. In the event accepted methods are not available, the valuation of OTC derivatives is derived from market quotes for similar standardised instruments. Accordingly, the Fund's holdings of currency futures are valued on the basis of quotations from future currency exchanges for standardised time periods.

As per the balance sheet date, 30 June 2019, Caregen was one of the Fund's holdings. Trading in Caregen has been suspended and the fund company has obtained third-party advice in order to establish a value for the holding. Based on this advice, the holding in Caregen is valued based on the last price paid prior to the suspension of trading. The holding represents 3.64 per cent of the fund assets.

Summary of Holdings as of 30 June 2019

Financial Instruments with Positive Market Value (1)	Country (2)	Quantity	Price (3)	Market Value (SEK '000)	% of Fund Assets
SHARES WITH POSITIVE MARKET VALUE					
Pharmaceuticals					29.35
Haw Par	SP	819 800	14.12	79 214	5.22
Ani Pharmaceuticals	US	95 000	82.20	72 451	4.78
Orexo	SE	1 000 000	71.50	71 500	4.71
Lundbeck	DK	190 000	259.30	69 797	4.60
Allergan	US	43 000	167.43	66 796	4.40
Caregen**	KR	90 295	76 500.00	55 261	3.64
Corline Biomedical*	SE	1 448 274	18.85	27 300	1.80
Kotra Industries	MY	742 800	1.76	2 936	0.19
Healthcare Services					14.35
Fresenius	DE	133 000	47.61	66 837	4.41
Cigna	US	44 700	157.55	65 339	4.31
Saint-Care Holdings	JP	747 400	467.00	30 029	1.98
Dedicare	SE	618 855	48.10	29 767	1.96
Care Twentyone	JP	177 400	1 430.00	21 826	1.44
NGS Group	SE	173 604	22.80	3 958	0.26
Healthcare Distributors					13.27
McKesson	US	56 800	134.39	70 821	4.67
Cardinal Health	US	156 000	47.10	68 170	4.49
DVX	JP	552 400	795.00	37 783	2.49
Excelsior Biopharma	TW	1 720 000	47.65	24 571	1.62
Biotechnology					12.04
Biogen	US	29 800	233.87	64 661	4.26
MiMedx Group**	US	1 500 000	4.05	56 363	3.72
Hugel	KR	13 227	419 600.00	44 400	2.93
Spago Nanomedical*	SE	1 640 000	10.50	17 220	1.14
Healthcare Supplies					4.47
Convatec	UK	3 950 000	145.80	67 884	4.47
Electronic Equipment & Instruments					4.15
Garmin	CH (US)	85 000	79.80	62 932	4.15
Internet & Direct Marketing Retail					3.88
Petmed Express	US	405 358	15.67	58 933	3.88
Healthcare Equipment					3.32
Stille*	SE	466 895	84.40	39 406	2.60
Surgical Innovations	UK	39 578 576	2.35	10 963	0.72
Personal Products					2.63
NeoPharm	KR	95 790	52 100.00	39 925	2.63
TOTAL SHARES WITH POSITIVE MARKET VALUE				1 327 045	87.47
OTC DERIVATIVE INSTRUMENTS WITH POSITIVE MARKET VALUE					
Currency Futures USD/SEK 16.10.2019**	SE			8 958	0.59
Currency Futures GBP/SEK 16.10.2019**	SE			1 780	0.12
Currency Futures JPY/SEK 16.10.2019**	SE			1 309	0.09
Currency Futures SGD/SEK 16.10.2019**	SE			729	0.05
Currency Futures EUR/SEK 16.10.2019**	SE			595	0.04
Currency Futures DKK/SEK 16.10.2019**	SE			502	0.03
TOTAL OTC DERIVATIVE INSTRUMENTS WITH POSITIVE MARKET VALUE				13 873	0.91
TOTAL FINANCIAL INSTRUMENTS WITH POSITIVE MARKET VALUE				1 340 918	88.38
TOTAL INVESTMENTS WITH POSITIVE MARKET VALUE				1 340 918	88.38

Continued on next page

Summary of Holdings as of 30 June 2019

Other Assets/Liabilities, Net	176 244	11.62
TOTAL FUND ASSETS	1 517 162	100.00
Transferable securities which are admitted to trading on a regulated market or similar market	1 131 495	74.58
* Transferable securities which are subject to regular trading on another market which is registered and open to the public	83 926	5.53
** Other financial instruments	125 497	8.27
TOTAL	1 340 918	88.38

(1) The companies are classified in sub-sectors based on the MSCI Global Industry Classification Standard (GICS).

(2) Refers to the country of residence of the company. If the company is listed in another country, this is stated within parentheses. The following abbreviations have been used: CH Switzerland, DE Germany, DK Denmark, JP Japan, KR South Korea, MY Malaysia, SE Sweden, SP Singapore, TW Taiwan, UK United Kingdom and US USA.

(3) Refers to local currency.

(4) The total underlying exposure arising by virtue of the futures contracts entered into by the Fund was SEK 530,536,680. All contracts are with Skandinaviska Enskilda Banken as a counterparty, and the Fund has not received any collateral.

Other Information

The first date on which to subscribe in HealthInvest Small & MicroCap Fund was 31 January 2013. On 31 October 2017, the Fund was open for subscription through two unit classes (A and B) and, in conjunction therewith, the Fund's existing shareholders received units in unit class A. On 5 June 2019, unit class C was opened for subscription.

FUND FACTS HEALTHINVEST SMALL & MICROCAP FUND

Unit Class (1)	A	B	C
Unit Value	287.55 SEK	103.17 SEK	100.74 SEK
Number of Units	4 124 756	2 984 924	229 663
Fund Assets (SEK '000)	1 186 062	307 963	23 136

RETURN (2)

Return Since the Fund's Inception (%)	211.81	3.17	0.74
MSCI World HC TRN Index Returns Since the Fund's Inception (%)	194.30	27.69	2.51
Average Annual Return, Since Start (%)	19.39	-	-
Average Annual Return for MSCI World HC TRN Index, Since Start (%)	18.32	-	-
Average Annual Return, 5 years (%)	18.63	-	-
Average Annual Return for MSCI World HC TRN Index, 5 years (%)	14.69	-	-
Average Annual Return, 2 years (%)	6.46	-	-
Average Annual Return for MSCI World HC TRN Index, 2 years (%)	13.13	-	-

RISK MEASURES (3)

Beta Value	0.74	-	-
Standard Deviation (%)	14.23	-	-
Standard Deviation MSCI World HC TRN Index (%)	13.94	-	-
Downside Risk (%)	9.97	-	-
Downside Risk MSCI World HC TRN Index (%)	8.61	-	-
Active Risk (%)	9.76	-	-
Active Share (%)	95.60	95.60	95.60
Sharpe Ratio	0.55	-	-
Sharpe Ratio MSCI World HC TRN Index	1.00	-	-

FEES

Fixed Management fee (%)	1.50	1.80	1.00
Performance-based Fee (%)	20	20	20
Annual Return Threshold (%) (4)	Index	Index	RXVX+4%
High Watermark	Yes	Yes	Yes
Ongoing Charges (%) (5)	1.58	1.88	1.08

(1) Some of the key ratios are lacking for unit classes B and C since these classes do not have a 24-month history.

(2) The return figures for unit class B pertain to the period, 31 October 2017 to 30 June 2019, and for unit class C to the period, 5 June 2019 to 30 June 2019.

(3) Data for unit class A is based on monthly returns from the most recent 24 months for a customer who invested in HealthInvest Small & MicroCap Fund from the beginning and who received units in unit class A on 31 October 2017.

(4) The annual hurdle rate is comprised of MSCI World Healthcare TRN Index (unit classes A and B) and OMRX T-Bill Index + 4% (unit class C).

(5) In unit class B, "Ongoing Charges" takes into account the June 2018 reduction in management fee. In unit class C, "Ongoing Charges" are based on an estimate.

Other Information

CHANGE IN FUND ASSETS

(SEK '000)		Opening Fund Assets	Issuance of Units	Redemptions	Profit for the Year	Closing Fund Assets
31.01.2013		0	80 536	0	0	80 536
01.02.2013 - 31.12.2013		80 536	28 585	-122	28 283	137 282
2014		137 282	16 025	-27 136	20 692	146 863
2015		146 863	114 269	-17 331	41 130	284 931
2016		284 931	581 536	-111 680	132 401	887 189
2017	MicroCap Fund/ Small & MicroCap A	887 189	314 986	-199 579	250 993	1 253 589
	Small & MicroCap B	-	1 006	0	8	1 014
	TOTAL	887 189	315 992	-199 579	251 001	1 254 603
2018	Small & MicroCap A	1 253 589	297 823	-277 656	-115 373	1 158 385
	Small & MicroCap B	1 014	304 033	-4 703	-16 680	283 665
	TOTAL	1 254 603	601 857	-282 358	-132 052	1 442 050
30.06.2019	Small & MicroCap A	1 158 385	66 486	-181 244	142 435	1 186 062
	Small & MicroCap B	283 665	28 957	-38 935	34 276	307 963
	Small & MicroCap C	-	23 163	0	-27	23 136
	TOTAL	1 442 050	118 606	-220 178	176 684	1 517 162

RETURN AND CHANGE IN UNIT VALUE

MicroCap Fund/ Small & MicroCap A	Unit Value (SEK)	Number of Units	Fund Assets (SEK '000)	Return on MicroCap Fund/ Small & MicroCap A (%) (1)	Return on MSCI World Health Care TRN Index (%) (2)
31.01.2013	100.00	805 359	80 536	-	-
01.02.2013 - 31.12.2013	127.28	1 078 601	137 282	28.88	28.61
2014	146.55	1 002 167	146 863	16.40	43.35
2015	178.81	1 593 522	284 931	24.40	15.56
2016	226.42	3 918 416	887 189	29.12	0.14
2017	279.23	4 489 385	1 253 589	25.68	7.84
2018	255.81	4 528 229	1 158 385	-8.39	11.28
30.06.2019	287.55	4 124 756	1 186 062	12.40	14.95

Small & MicroCap B	Unit Value (SEK)	Number of Units	Fund Assets (SEK '000)	Return on Small & MicroCap B (%)	Return on MSCI World Health Care TRN Index (%) (2)
31.10.2017	100.00	10 003	1 000	-	-
01.11.2017 - 31.12.2017	100.74	10 064	1 014	0.74	-0.18
2018	91.92	3 085 938	283 665	-8.75	11.28
30.06.2019	103.17	2 984 924	307 963	12.24	14.95

Small & MicroCap C	Unit Value (SEK)	Number of Units	Fund Assets (SEK '000)	Return on Small & MicroCap C (%)	Return on MSCI World Health Care TRN Index (%) (2)
05.06.2019	100.00	40 632	4 063	-	-
06.06.2019 - 30.06.2019	100.74	229 663	23 136	0.74	2.51

(1) Pertains to a unit holder who invested in HealthInvest Small & MicroCap Fund at the beginning, 31 January 2013, and who received units in unit class A on 31 October 2017.

(2) The return for the benchmark index is in SEK and including reinvested dividends.

HealthInvest Partners AB

HealthInvest Partners is an independent Swedish fund management company which has been under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen) since 6 September 2006. HealthInvest Partners offers active management in the healthcare sector to institutions and private investors.

BOARD OF DIRECTORS

The Board of Directors of the fund company has extensive experience in corporate management, fund management, equity research and financial instruments trading and has scientific expertise within the healthcare area. The directors have invested in HealthInvest Small & MicroCap Fund.

Johan Stern, Chairman of the Board of Directors, born 1951, is also active as a member on other boards. Stern was employed and a partner of the US fund company, FMG Fund Managers Ltd, from 1999 to 2002. Prior to that, Stern worked at Skandinaviska Enskilda Banken ("SEB"), and was responsible for SEB's operations in the US from 1996 to 1998. Stern holds a degree in economics from the University of Stockholm.

Ingemar Kihlström, Member of the Board of Directors, born 1952, works as a consultant in the healthcare sector at Ingemar Kihlström AB and is active as a member on several boards. Previously, Kihlström was employed as senior healthcare analyst at ABG Sundal Collier from 2000 to 2003, and as senior healthcare analyst at Aros Securities from 1997 to 2000. Kihlström was awarded his Ph.D. in Physiology at Uppsala University in 1982 and became associate professor in physiology at Uppsala University in 1986.

Anders Hallberg, Member of the Board of Directors, born 1973, is the deputy CEO of the fund company and is the portfolio manager of HealthInvest Small & MicroCap Fund. Hallberg is presented below under Management Organisation.

MANAGEMENT ORGANISATION

Anders Hallberg, born 1973, is the deputy CEO and portfolio manager of HealthInvest Small & MicroCap Fund. Hallberg has a background as a healthcare analyst and portfolio manager at Carnegie Investment Bank. During the period January 2003 - February 2006, Hallberg managed Carnegie Global Healthcare Fund which, at this time, was the best performing healthcare fund in the world. In 2000, Hallberg was ranked by the

publication, *Finansstidningen*, as the number one healthcare analyst in Sweden and, in 2006, Hallberg was named Star Portfolio Manager (DI/Morningstar) in the healthcare funds segment. Hallberg holds a M.Sc. in Economics and a B.Sc. in Business Administration.

Markus Wistrand, born 1976, is the CEO of the fund company and financial analyst. He was previously employed in the Swedish medical technology company Q-Med. Wistrand holds an M.Sc. in Biotechnology from Uppsala University and an M.Sc. in Business Administration from Stockholm University. Wistrand also holds a Ph.D. in Computational Biology from Karolinska Institutet.

EXTERNAL COLLABORATIONS

HealthInvest Partners collaborate with external partners in the following areas:

- ESG Research and sustainable investments expertise.
- Bespoke Primary Research to access a network of experts in order to conduct interviews with professional specialists.



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