

MARKET DEVELOPMENT

Healthcare stocks developed positively in April and MSCI World Health Care Index increased 4.1% in USD and 0.7% in SEK. We are satisfied with the progress, but believe the sector still has a lot of potential. For the past 25 years, the healthcare sector has been traded at around a 20% premium to the general stock market but is currently valued at a whopping 25% DISCOUNT.

FUND PERFORMANCE

HealthInvest Small & MicroCap Fund rose 3.6% in USD and 0.5% in SEK (share class D). This was roughly in line with its benchmark.

We are happy to report that one of the Fund's largest holdings, Supernus Pharmaceuticals, received US approval for its ADHD drug Qelbree in April. The approval is important as many patients suffer from the severe side effects caused by conventional amphetamine-based drugs. Supernus' new drug gives doctors a treatment option that does not give children sleeping disorders, severe weight loss and personality changes. If Supernus captures 20% of the market from the old central stimulant drugs, Qelbree will sell for over SEK15bn annually, which will boost the company's total sales by over 300%.

Supernus is a good example of a company that HealthInvest prefers to own. Before the FDA approval, the stock traded at ten times free cash flow and expectations of future growth were modest. A low valuation is an important building block when we invest, but we also want a catalyst that can change the valuation for the better. In the case of Supernus, Qelbree is clearly a growth engine that may propel the stock upwards. The holding has already increased the wealth of the Fund's unit holders, but we believe the best is yet to come. Hence, Supernus remains a core holding in the fund.

MANAGEMENT, VALUATION & OUTLOOK

HealthInvest Small & MicroCap Fund (as an aggregate) is currently trading at 10.7x free cash flow. This compares favourably to the global healthcare sector (19.1x) as well as to MSCI World Index (25.5x).

At month end, the Fund had 26 equity holdings and 95% of the companies produce significant positive free cash flow. The net equity exposure was 96%.

In summary, we are very comfortable with the Fund's equity positions. The median valuation of the holdings is less than 11x free cash flow, which is 44% lower than the healthcare sector average. Hence, the Fund's holdings could rise by 78%, yet still only trade in line with the sector.

Monthly returns (share class D)*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013
January	1.8%	-1.0%	7.2%	4.3%	-1.0%	-1.4%	4.4%	3.3%	n.m.
February	-1.1%	-5.8%	5.9%	0.9%	8.2%	0.8%	5.4%	-3.1%	5.3%
March	7.2%	-0.6%	1.2%	0.3%	4.6%	2.6%	4.8%	-0.7%	6.1%
April	0.5%	9.1%	-1.2%	1.2%	-3.2%	2.7%	3.1%	1.3%	4.1%
May		2.5%	-3.2%	-0.4%	2.3%	5.6%	0.1%	4.3%	1.0%
June		-3.5%	2.3%	0.8%	2.5%	-2.8%	-0.6%	-1.9%	-2.1%
July		3.0%	2.2%	-0.9%	-2.0%	4.5%	7.7%	2.2%	4.0%
August		0.2%	-3.6%	4.2%	1.6%	3.5%	-9.0%	1.9%	-2.9%
September		0.4%	3.1%	-1.3%	6.1%	4.6%	-0.1%	0.2%	0.7%
October		-4.4%	5.3%	-10.1%	2.9%	5.4%	4.5%	2.1%	5.0%
November		12.8%	2.2%	1.7%	-1.3%	-0.3%	4.8%	1.4%	3.4%
December		1.1%	-2.0%	-8.9%	2.3%	0.0%	-2.1%	3.8%	1.0%
Per year	8.5%	12.9%	20.6%	-8.9%	24.7%	27.9%	24.2%	15.6%	28.3%
Since start	294.9%	263.9%	222.3%	167.3%	193.4%	135.4%	84.1%	48.3%	28.3%

*Net of fees. Share class D started on 11 September 2019. Returns preceding that date are the return of HealthInvest Small & MicroCap Fund adjusted for the fee structure of share class D.

Performance against benchmark*			
	NAV	April*	2021*
HealthInvest Small & MicroCap (C-SEK)	132.8	0.5%	8.6%
HealthInvest Small & MicroCap (D-SEK)	130.0	0.5%	8.5%
MSCI World Health Care Index (SEK)	3825.4	0.7%	7.6%
MSCI World Health Care Index (USD)	452.4	4.1%	4.6%

*Net of fees.

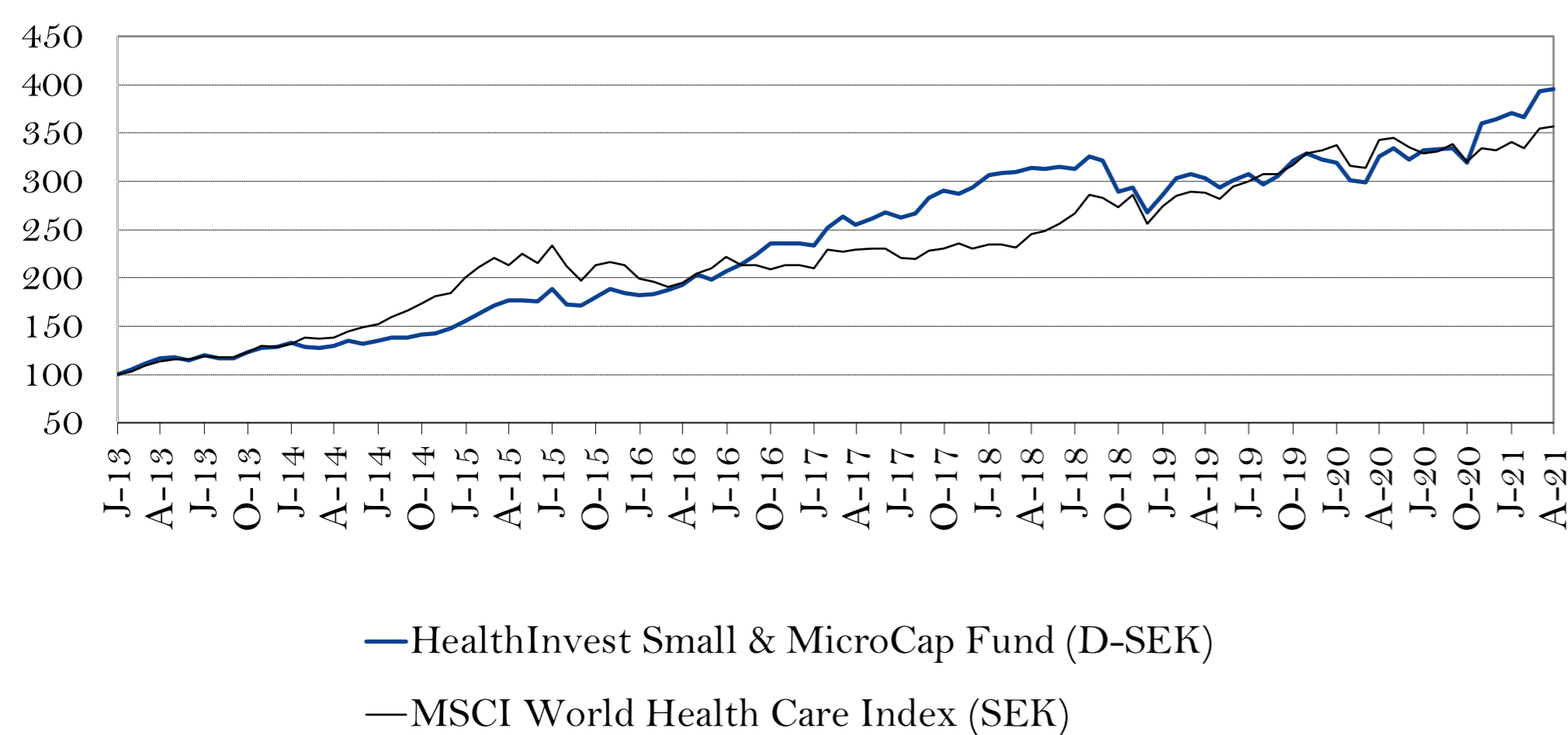
Risk measures (share class D)*		
	24 months	Since start
Sharpe ratio	0.96	1.37
Standard deviation	15.0%	12.9%
Beta vs MSCI World Health Care Index	0.90	0.63
Downside risk	6.9%	7.1%
Active risk (tracking error)	9.7%	10.9%

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Top Five Positions			
Company	Country	Sector	Portfolio weight
Draegerwerk	DE	Health Care Equipment	7.1%
Ironwood Pharma	US	Biotechnology	6.7%
Almirall Laboratorios	ES	Pharmaceuticals	6.5%
Supernus Pharmaceuticals	US	Pharmaceuticals	6.4%
United Therapeutics	US	Biotechnology	6.3%

Sector Distribution	
Sector	Portfolio weight
Biotechnology	33%
Pharmaceuticals	23%
Health Care Equipment	16%
Health Care Services	14%
Health Care Distributors	9%
Other	1%
Cash	4%

Performance since start (share class D)*



*Net of fees. Share class D started on September 11, 2019. Returns preceding that date are the returns of HealthInvest Small & MicroCap Fund adjusted for the fee structure of share class D.

Geographical Distribution	
Region	Portfolio weight
USA	58%
Europe	32%
Asia	6%
Cash	4%

Liquidity Risk*						
% part	No of days to liquidate portfolio					
	0-1	1-2	2-3	3-5	5-30	30+
5	36	7	5	4	29	19
10	43	7	4	8	25	14
15	47	6	6	12	17	12
20	49	8	8	11	14	10

* % of portfolio that can be liquidated with different constraints on daily turnover.

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.