

APRIL 2018



RHENMAN GLOBAL OPPORTUNITIES L/S

BACK TO BASICS

- A global long/short equity fund able to invest in all sectors around the world.
- Fundamental portfolio management by a portfolio manager with almost 30 years experience of the finance sector.
- The portfolio team supported by the renowned Advisory Board.
- Global Long/Short equity fund with a long bias over a business cycle.
- Typical net exposure of 50 % to 90 %.
- Active selection of regions and sectors, regardless of index.
- 35-50 single stock positions, preferably in larger companies.
- Investment horizon for long positions of 2-4 years, short position horizon of 6 months to 2 years.

MONTHLY UPDATE

Following several months of negative returns and high volatility on world stock markets, prices stabilized in April. Large exchange rate movements, however, marked by a strong dollar and a weak Swedish krona, led to significant differences in returns during the month. In US dollars, the world index rose close to 1 percent, in euros 2 percent, and in Swedish krona slightly over 5 percent. April was dominated by corporate earnings reports for the first quarter, with positive earnings performances reported across the board. The pattern from the previous reporting season largely repeated itself, with US companies reporting higher profits and sales growth than in other regions. To a certain extent this was due to the currency tailwind for US companies, but also to the positive impacts of the tax reform.

The political trouble spots that have periodically affected risk willingness in recent years did not affect markets significantly.

Exceptions were the unexpected thawing relations on the Korean peninsula, as well as a sharpened tone from the United States on whether to reimpose sanctions on Iran. The risk of a trade war between the United States and, primarily China continued, with tariffs being announced on a variety of goods, which received only a lukewarm reaction from the markets.

Within the different sectors, the sharp share price increase for companies in the energy sector was perhaps the most striking development in April. Following several years of weak price growth, investors showed greater interest now than for a long time. In large part, this was due to the continued rise in oil prices. Rising demand, falling inventories and geopolitical concerns drove prices up to their highest levels in more than three years. Oil prices therefore look likely to remain at a higher level than the previous level on which the valuations of oil company shares were based.

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This insight encouraged investors to view the sector much more positively.

FUND PERFORMANCE

Measured in its main share class RC1 (SEK), the fund rose by 4.2 per cent, with energy companies and information technology being the biggest contributors while consumer discretionary and consumer staples pushed down returns. The fund's long positions contributed to performance with 5.5 percent, while short positions contributed with 1.3 percent.

The fund's top contributor in April was Ericsson, which presented a report that revitalized investors' interest in the stock. The first quarter saw a turnaround to positive adjusted operating income. It finally looks like CEO Börje Ekholm's restructuring has begun to produce results that are visible in the figures. Since Ekholm assumed his position, investors have eagerly awaited for his helping hand to reverse the company's weak performance. This month's report was the first clear indication that such a turnaround is taking place.

Other strong contributors were energy companies Halliburton, Chevron and Shell. The energy sector has been the sector that has shown the weakest development by far over a longer period of time, but a turnaround came in April when several companies delivered reports that were well received. Now investors seem ready to believe that oil prices can remain at current levels, something that would greatly benefit the sector in a market with steadily

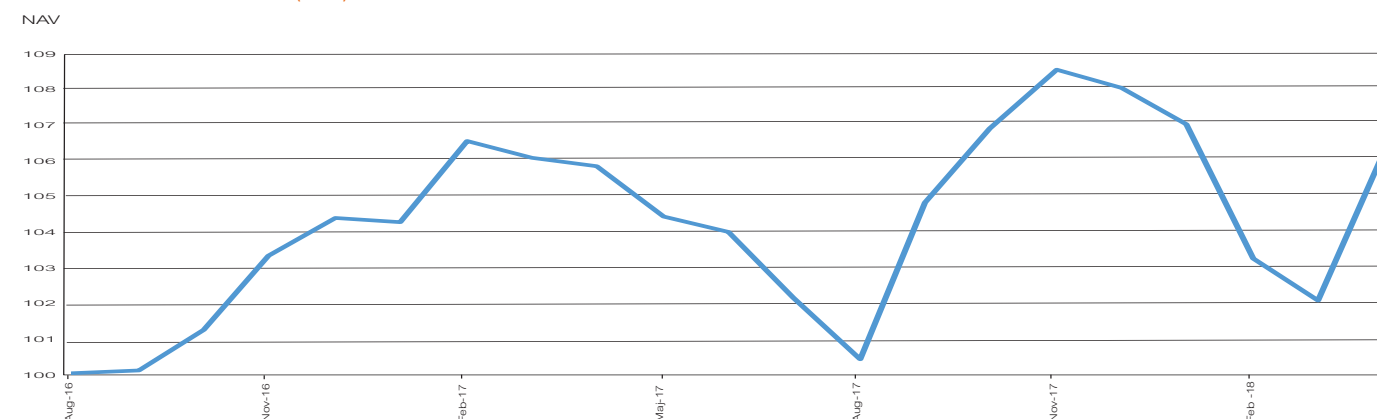
rising demand.

The fund's performance was burdened mainly by short positions in Tesla, Amazon and Netflix. The latter two companies both reported slightly better quarterly results in April than expected. Amazon beat estimates in terms of both sales and profits. Once again, the company's cloud computing services (Amazon Web Services) accounted for the bulk of earnings (73 percent), despite a common yet erroneous belief that Amazon earns its money on e-commerce.

Netflix, which is spending more and more borrowed money on new content and marketing, proved in its report that its strategy has led to a higher number of subscribers than expected. The growth in the number of paying members has served as investors' most important key figure over several quarters. This month was no exception, and shares rose further following the report.

Tesla was weighed down by negative news in March but recovered sharply in April. The company announced that it had produced fewer cars than expected during the year's first quarter, but the number of vehicles (34,494) was 40 percent higher than the previous quarter, enough to push up the stock price. Elon Musk, Tesla's CEO, has described the beginning of the year as "production hell" but despite repeated mishaps he still attracts strong confidence among investors. Noteworthy, however, is that Tesla's quarterly report, which arrived shortly after the end of the month, was received with scepticism.

FUND PERFORMANCE - RC1 (SEK)



APRIL 2018

SHARE CLASS	NAV	MONTHLY RETURN	YTD 2018 ¹	SINCE INCEPTION ¹
RC1 (SEK)	106.29	4.17%	-1.58%	6.29%
RC9 (SEK)	108.46	4.29%	-1.15%	8.46%
IC1 (EUR)	93.50	1.56%	-8.26%	-6.50%
3 month Euribor (EUR)	99.47	-0.03%	-0.11%	-0.53%

SHARE CLASS CHARACTERISTICS – INSTITUTIONAL SHARE CLASSES (ONLY INSTITUTIONAL INVESTORS)

	MINIMUM INVESTMENT	MGT. FEE	PERF. FEE	ISIN NUMBER	BLOOMBERG TICKER	LIPPER REUTERS	TELEKURS
IC1 (EUR)	100,000	1.50 %	20 %	LU1346219667	RGLOPC1 LX	68373122	32744428
IC1 (SEK)	1,000,000	1.50 %	20 %	LU1346220160	RGLOP11 LX	68373081	32744302

SHARE CLASS CHARACTERISTICS – RETAIL SHARE CLASSES (ALSO OPEN TO INSTITUTIONAL INVESTORS)

	MINIMUM INVESTMENT	MGT. FEE	PERF. FEE	ISIN NUMBER	BLOOMBERG TICKER	LIPPER REUTERS	TELEKURS
RC1 (SEK)	500	2.00 %	20 %	LU1346219402	RGLOPR1 LX	68373110	32744421
RC9 (SEK)	2,500,000	0.70 %	20 %	LU1339365303	RGLOPR9 LX	68373115	32744420

Administrative fees are charged in addition to the fees above. Further information is available in the KIID as well as the prospectus (part B, B14-18).

Notes: ¹ Please find launch date information on page 4.

FORECAST

Stock market performance in April was thus positive, although the first four months of 2018 as a whole have not delivered any gains. With the exception of investors using SEK as the base currency, for whom the world index has risen as a result of the weak currency, the world index is still marginally down for both USD and EUR year to date. Despite strong corporate earnings and reasonable prospects for the world economy, some doubt exists about maintaining the sustained earnings growth of recent years. In particular, the perception of cyclical companies has been marked by a concern that recent profit gains will soon vanish. Relatively weak macro data in Europe and rising bond yields in the United States have added to these concerns. On top of this is the uncertainty around the risk of increased protectionism and restricted free trade.

We have respect for these concerns, but we do not think that overall economic activity is suffering. We believe that the winter's weak statistics, particularly in Europe, rather reflect a more temporary slowdown. Therefore, we are of the view that the gains in most sectors and regions will show continued increases in a medium-term perspective.

We thus maintain a basically positive attitude towards the sectors that benefit from a continued healthy economy, including industrial companies, banks and energy companies. Our view is that the profit outlook for these sectors is good, which, together with the reasonable and even low valuations, creates potential for higher share prices. ■

FUND CHARACTERISTICS

KIID AND PROSPECTUS (WEBPAGE)

<http://fundinfo.sebfundservices.lu/RhenmanPartnersFund/>

INVESTABLE CURRENCIES

Euro (EUR) / Swedish Krona (SEK)

RETURN TARGET

Annualised net returns of +7-8 % over time

LEGAL STRUCTURE

AIF / FCP (Fonds Commun de Placement) under Part II of the Luxembourg Law on Investment Funds

PORTFOLIO MANAGER

Rhenman & Partners Asset Management AB

HEAD OF INVESTMENT TEAM

Staffan Knafve

AIFM / MANAGEMENT COMPANY

SEB Fund Services S.A.

PRIME BROKER

Skandinaviska Enskilda Banken AB (publ)

DEPOSITARY AND PAYING AGENT

Skandinaviska Enskilda Banken S.A.

AUDITOR

PricewaterhouseCoopers (PwC)

SUBSCRIPTION / REDEMPTION

Monthly

MINIMUM TOP UP

No minimum

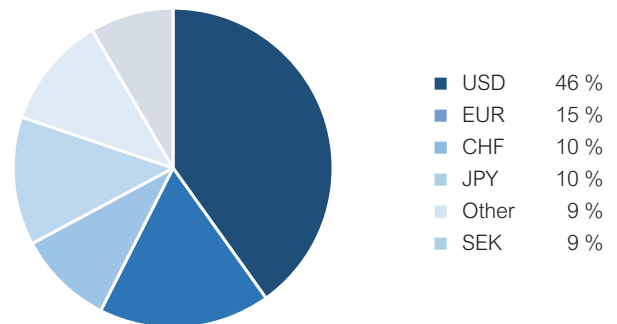
NOTICE PERIOD

3 working days

HURDLE RATE

Euribor 90D (high-water mark)

CURRENCY EXPOSURE²



PORTFOLIO CONSTRUCTION⁷

PYRAMID LEVEL	POSITION SIZE	NO.
High conviction	3 %-10 %	17
Core holdings	1 %-3 %	17
Fractional positions	0.5 %-1 %	0
Candidate holdings	0 %-0.5 %	0

RISK (RC1 SEK)

Value at risk ⁴	1.05 %
Standard Deviation ⁵	6.71 %
Sharpe Ratio ⁵	0.61

EXPOSURE⁶

Long	115 %
Short	12 %
Gross	127 %
Net	103 %

AUM³

Fund:	
EUR	12m
USD	14m
Firm:	
EUR	580m

LARGEST LONG POSITIONS

1 Halliburton Co
2 Telefon AB LM Ericsson
3 Volkswagen AG
4 Exxon Mobil Corp
5 Asahi Group Holdings Ltd

Notes: ² As a percentage of the market value of the long and short positions (excluding cash positions). ³ The AUM is adjusted for fund inflow at month end. ⁴ For holdings at month end (95% conf. int. 250 days history). ⁵ Standard deviation and Sharpe ratio are annualized. ⁶ The exposure is not adjusted for net fund flow at month end. ⁷ Number of long equity positions (excluding any ETFs).

ABOUT RHENMAN & PARTNERS

Rhenman & Partners Asset Management, founded in 2008, is a Stockholm-based investment manager focusing on two niche funds administered by SEB Fund Services S.A.: Rhenman Healthcare Equity L/S, founded in 2009, and Rhenman Global Opportunities L/S, founded in 2016. Assets under management amount to approximately EUR 500m. Investment Teams of both Funds are in their investment processes supported by renowned Advisory Boards, including professors and experts with many years of market experience and extensive networks around the world.

LEGAL DISCLAIMER

Rhenman Global Opportunities L/S. "The Fund" is not an investment fund as defined in the European Union directives relating to undertakings for collective investment in transferable securities (UCITS). Legal information regarding Fund is contained in the Prospectus and the KIID, available at Rhenman & Partners Asset Management AB (Rhenman & Partners) webpage: <http://rhepa.com/the-fund/prospectus/>.

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Before making an investment decision, an investor and/or its adviser should (i) consider the suitability of investments in the Fund with respect to its investment objectives and personal situation and (ii) consider factors such as its personal net worth, income, age, risk tolerance and liquidity needs. Short-term investors and investors who cannot bear the loss of some or all of their investment or the risks associated with the limited liquidity of an investment should not invest.

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The sole legally binding basis for the purchase of shares of the Fund described in this information is the latest valid sales prospectus with its terms of contract. Subscriptions cannot be received on the basis of financial reports.

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