

September 2009 - Rhenman Healthcare Equity L/S

Monthly Update

The third quarter represented an upswing for the fund of circa 7% after fees (in Euros) which may be compared to the annual goal of 15% before fees. The Swedish Krona's increase in value has taken a pause and the development in September was about the same for the fund's different share classes. We believe the outlook for the fund is promising, particularly for our American, export-orientated companies that now have a very favorable dollar exchange rate.

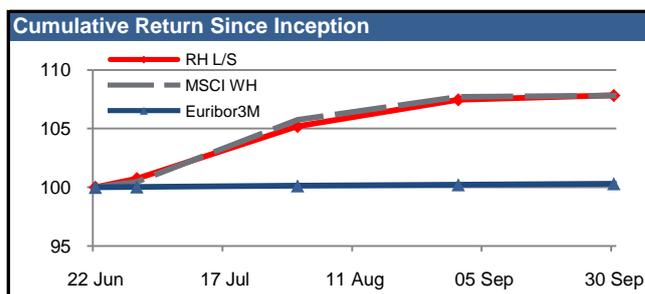
An important event for the month was President Barack Obama's speech to Congress, which became the starting point for hard negotiations in the Senate Finance Committee. The Republican Party as well as some conservative Democrats are fiercely fighting a reform containing a "public plan". It is probable that any eventual compromise in the health care reform issue will be found in a solution to this question which deals with the conditions for the long term evolution for the whole sector.

The fund had modest growth during the month and the period was rather eventless. Our expectations were somewhat higher because we believed that when the healthcare reform issue would come closer to a compromise this would strengthen confidence in the stock market. This has not yet happened. The fact that several new special taxes have been proposed to finance the reform may have actually hampered the stock market, particularly for managed care companies and medical technology companies. However, we believe our sector will be positively impacted by what we believe will be good reports for the third quarter and that the companies will see good prospects for the fourth quarter and next year.

To the fund's positive performance Bayer, Abbott (a former problem child in the fund) and Gerresheimer have contributed the most whilst CVS, Medtronic and Wellpoint have contributed the most negatively. Among the top five holdings Biogen has been replaced by Merck & Co, Inc.

Return	Rhenman Healthcare (EUR)	MSCI World Healthcare ¹ (EUR)	3 Month Euribor
2009 August	0,33%	0,12%	0,09%
Since Start	7,83%	7,82%	0,31%
12m Rolling	-	-	-

1) Source: Bloomberg. 2) Fund Inception: June 22, 2009.



Risk	Rhenman Healthcare (EUR)	MSCI World Healthcare	MSCI World
Value at Risk, % ²	1,67	-	-
Standard deviation, %	-	-	-
Correlation	-	-	-
Sharpe Ratio	-	-	-
Beta	-	-	-
Jensens Alfa	-	-	-

2) The fund was positioned on September 30 for a large percentual net fund inflow on October 1. Some fields are intentionally left blank as there are too few historical datapoints to be meaningful.

Exposure	Rhenman Healthcare (EUR)	Largest Long Positions (% of equity)	
Long ²	115,2%	Abbott Laboratories	5,3%
Short ²	6,3%	Merck & Co Inc	5,0%
Gross ²	121,5%	Gilead Sciences Inc	5,0%
Net ²	108,9%	Baxter International Inc	4,8%
		CVS Caremark Corp	4,6%
Net ⁴	84,3%		

4) Adjusted for net fund inflow.

Monthly Performance (IC1 EUR, since inception, net of fees), %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009						0,75	4,41	2,17	0,33				7,83

NAV (IC1 EUR)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009						100,75	105,19	107,47	107,83			

NAV (RC1 SEK)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009						99,74	99,92	101,00	101,51			

NAV (RC2 SEK)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009						99,74	99,98	101,12	101,68			

Fund characteristics

- Target annual returns in excess of 15% (before fees) with a volatility below the stock market
- Long-term investment horizon but active trading around holdings
- Roughly equal allocation to small-, mid- and large-cap companies
- Typically 60–70 positions out of a 500 company universe
- Portfolio company size > USD 200 million
- Cash flow positive companies are predominant

Key Data

• Base currency:	EUR
• Subscription/redemption frequency:	Monthly (T-3)
• Share classes:	(R) Retail class / (I) Institutional class
• Minimum initial investment:	RC1 = SEK 250 000 RC2 = SEK 2 500 000 IC1 = EUR 250 000
• Minimum top-up investment:	No minimum
• Management fee:	RC1 = 2 %, RC2 = 1,5 %, IC1 = 1,5 %
• Benchmark:	Euribor 90D
• Performance fee (quarterly):	20 % (high water mark)
• Soft close:	EUR 500m
• Hard close:	EUR 1bn
• Dividends:	R = Only capitalization I = Capitalization + Distribution
• Legal Structure:	Open-ended FCP (Fonds Commun de Placement) under Part II of the Luxembourg Law on Investment Funds (20 Dec, 2002)
• Fund Management Company:	SEB Fund Services S.A.
• Fund Promotor (Sponsor):	SEB Fund Services S.A.
• Investment Manager:	Rhenman & Partners Asset Management AB
• Placement and Distribution Agent:	Rhenman & Partners Asset Management AB
• Custodian Bank and Paying Agent:	Skandinaviska Enskilda Banken S.A.
• Prime Broker:	Skandinaviska Enskilda Banken AB (publ)
• External Auditor:	PricewaterhouseCoopers (PwC)
• Swedish registration:	Registration process initiated
• ISIN:	RC1 = LU0417597712, RC2 = LU0417590817, IC1 = LU0417598108
• Bloomberg ticker:	RC1 = RHLSRC1 LX, RC2 = RHLSRC2 LX, IC1 = RHLEIC1 LX
• Lipper Reuters ticker:	RC1 = 68014067, RC2 = 68015239, IC1 = 65147588
• Telekurs ticker:	RC1 = 10239523, RC2 = 10239528, IC1 = 10034579

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