

April 2012 - Rhenman Healthcare Equity L/S

Monthly Update

The month of April was a volatile month on the global stock markets, but it ended with approximately flat share prices. The Fund's main share class rose 0.52% (in EUR) to a new all-time high. A certain weakness was noticeable among small research companies, but this was more than compensated for at the fund level by rising prices in the profit-making companies that reported good results.

Earnings reports were, on the whole, satisfactory, but the reports were initially given a rather mixed reception. After some days, however, several shares came back with renewed strength. The market was characterized by distinct nervousness and possibly also by short-term investors. It seems clear that many investors want to avoid excessive market exposure during the summer, especially since the fiscal crisis in Europe is continuing unabated while growth continues to fall.

A correction of stock prices in the insurance sector ("managed care") in the U.S. can now be noted. The market is worried that the costs for these companies will now start rising faster than premiums. It is too early to know for certain – as most people would agree – but the risk of margin pressure can be said to have increased. Following this correction we have cautiously increased our exposure to the sub-sector from a relatively low level.

Biotechnology continues to show strength, not least due to new acquisitions and some strong sales reports. Companies such as Incyte and Regeneron reported sales figures almost twice as high as the market expected, which of course is outstanding, but this sometimes occurs early in the launch phase of new drugs. The sub-sector medical technology now seems to be finally coming back after a series of reports with both better sales figures and better margins than expected.

Happily, in Europe, there were strong reports from Bayer and Sanofi. In most other cases it is difficult for the large pharmaceutical companies to surprise with strong positive top lines as newly-launched drugs only affect sales gradually. The Swiss company Actelion posted good results for an important clinical development programme, Macitentan, a treatment for high blood pressure in the lungs. Pulmonary hypertension, in medical terminology, is rare and underdiagnosed, and can be fatal if not treated. As a result of the excellent results, we have invested in the company.

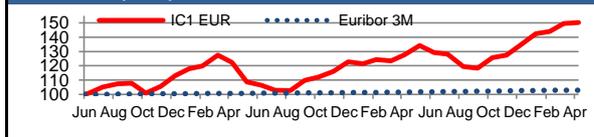
It is likely that the volatility in April will continue in May. The healthcare sector, however, seems to be strong, at least relative to other sectors, not least due to worsening economic signals but also because the sector is well placed going forward, despite cost-cutting in some countries.

Onyx Pharmaceuticals, Zealand Pharma and Human Genome Sciences gave the most positive contributions to the fund's development during the month. Halozyme Therapeutics, Threshold Pharmaceuticals and MAP Pharmaceuticals, were the largest negative contributors.

Return IC1 (EUR)

	Rhenman Healthcare Equity L/S IC1 (EUR)	3 Month Euribor (EUR)
April	0.52%	0.07%
YTD	11.67%	0.40%
Since Inception (June 22, 2009)	50.29%	3.03%

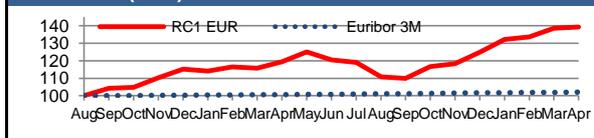
Return IC1 (EUR)



Return RC1 (EUR)

	Rhenman Healthcare Equity L/S RC1 (EUR)	3 Month Euribor (EUR)
April	0.49%	0.07%
YTD	11.54%	0.40%
Since Inception (August 31, 2010)	39.34%	2.05%

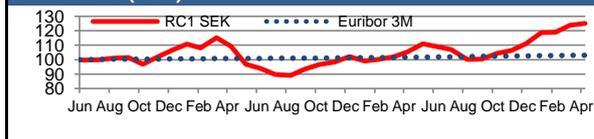
Return RC1 (EUR)



Return RC1 (SEK)

	Rhenman Healthcare Equity L/S RC1 (SEK)	3 Month Euribor (EUR)
April	1.02%	0.07%
YTD	12.61%	0.40%
Since Inception (June 22, 2009)	25.05%	3.03%

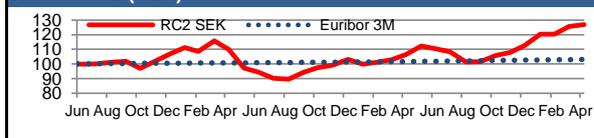
Return RC1 (SEK)



Return RC2 (SEK)

	Rhenman Healthcare Equity L/S RC2 (SEK)	3 Month Euribor (EUR)
April	1.05%	0.07%
YTD	12.61%	0.40%
Since Inception (June 22, 2009)	26.83%	3.03%

Return RC2 (SEK)



IC1 (EUR) NAV													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2009						100.75	105.19	107.47	107.83	100.99	105.70	113.28	
2010	117.91	119.94	127.53	122.31	108.73	106.40	102.84	102.63	109.95	112.16	116.17	122.73	
2011	121.53	124.28	123.35	127.79	134.24	129.26	128.19	119.36	118.28	125.67	127.48	134.59	
2012	142.42	143.99	149.51	150.29									
IC1 (EUR) Performance %, net of fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2009						0.75	4.41	2.17	0.33	-6.34	4.66	7.17	+13.28
2010	4.09	1.72	6.33	-4.09	-11.10	-2.14	-3.35	-0.20	7.13	2.01	3.58	5.65	+8.34
2011	-0.98	2.26	-0.75	3.60	5.05	-3.71	-0.83	-6.89	-0.90	6.25	1.44	5.58	+9.66
2012	5.82	1.10	3.83	0.52									+11.67
RC1 (EUR) NAV													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2009													
2010								100.00	104.35	104.75	110.36	115.32	
2011	114.18	116.50	115.79	119.40	125.10	120.47	119.15	110.91	109.86	116.68	118.31	124.92	
2012	132.14	133.59	138.66	139.34									
RC1 (EUR) Performance %, net of fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2009													
2010									4.35	0.38	5.36	4.49	+15.32
2011	-0.99	2.03	-0.61	3.12	4.77	-3.70	-1.10	-6.92	-0.95	6.21	1.40	5.59	+8.32
2012	5.78	1.10	3.80	0.49									+11.54
RC1 (SEK) NAV													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2009						99.74	99.92	101.00	101.51	96.72	101.85	106.75	
2010	110.70	108.05	115.09	109.18	96.69	93.87	89.69	88.93	93.37	96.59	98.29	102.16	
2011	98.91	100.22	101.80	105.28	111.04	109.04	107.03	100.09	100.29	104.24	106.42	111.05	
2012	118.78	118.87	123.79	125.05									
RC1 (SEK) Performance %, net of fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2009						-0.26	0.18	1.08	0.50	-4.72	5.30	4.81	+6.75
2010	3.70	-2.39	6.52	-5.14	-11.44	-2.92	-4.45	-0.85	4.99	3.45	1.76	3.94	-4.30
2011	-3.18	1.32	1.58	3.42	5.47	-1.80	-1.84	-6.48	0.20	3.94	2.09	4.35	+8.70
2012	6.96	0.08	4.14	1.02									+12.61
RC2 (SEK) NAV													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2009						99.74	99.98	101.12	101.68	96.94	102.10	107.07	
2010	111.07	108.57	115.69	109.78	97.28	94.47	90.31	89.58	94.10	97.38	99.14	103.08	
2011	99.84	101.20	102.84	106.40	112.28	110.30	108.32	101.33	101.58	105.64	107.89	112.63	
2012	120.30	120.44	125.51	126.83									
RC2 (SEK) Performance %, net of fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2009						-0.26	0.24	1.14	0.55	-4.66	5.32	4.87	+7.07
2010	3.74	-2.25	6.56	-5.11	-11.39	-2.89	-4.40	-0.81	5.05	3.49	1.81	3.97	-3.73
2011	-3.14	1.36	1.62	3.46	5.53	-1.76	-1.80	-6.45	0.25	4.00	2.13	4.39	+9.26
2012	6.81	0.12	4.21	1.05									+12.61
Risk (IC1)			Exposure					Largest Long Positions					
Value at Risk, % ¹	2.5		Long		139%			Actelion					
Standard deviation, % ^{2,3}	20.9		Short		14%			Alexion					
Sharpe ratio ^{2,3}	0.67		Gross		153%			Novo Nordisk					
			Net		124%			Bayer					
								Sanofi					

1) For holdings on May 3. 2) Since start until April 26.
3) Standard deviation and Sharpe ratio annualized.

Currency Exposure (% of equity > 6%)			
USD	62%	EUR	13%
		SEK	11%

Fund characteristics

- Target annual net returns in excess of 12% 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 60–80 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:	IC1 = EUR 250 000 RC1 = EUR 2 500, SEK 25 000 RC2 = SEK 2 500 000
• Minimum top-up investment:	No minimum
• Management fee:	IC1 = 1.5 %, RC1 = 2%, RC2 = 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:	Yes (since November 5, 2009)
• ISIN:	IC1 (EUR) = LU0417598108, RC1 (EUR) = LU0417597555 RC1 (SEK) = LU0417597712, RC2 (SEK) = LU0417598017
• Bloomberg ticker:	IC1 (EUR) = RHLIC1 LX, RC1 (EUR) = RHLERC1 LX RC1 (SEK) = RHLSRC1 LX, RC2 (SEK) = RHLSRC2 LX
• Lipper Reuters ticker:	IC1 (EUR) = 65147588, RC1 (EUR) = 65147589 RC1 (SEK) = 68014067, RC2 (SEK) = 68015239
• Telekurs ticker:	IC1 (EUR) = 10034579, RC1 (EUR) = 10034567 RC1 (SEK) = 10239523, RC2 (SEK) = 10239528

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