

RHENMAN HEALTHCARE EQUITY L/S FUND

Outstanding performance in a complex market

- Annualised return of 28% (net) since inception
- Over 20 years managing successful healthcare funds.
- World renowned industry professionals each with over 30 years experience, actively involved through the Scientific Advisory Board.
- Unquestionable alpha generation, outperforming all relevant indices and top quartile in all relevant rankings.
- Long term investment horizon:
 - Diversified across subsectors, company size and geographies to lower volatility.
 - Active trading around holdings.
 - Predominantly cash flow positive companies.
 - Typically investing post approval, mitigating event risk.

Monthly Update

During the last five days of April, a Recoil with a "capital R" struck the markets. The healthcare sector index fell by seven percent (in euros), about half of which was related to a sudden depreciation of the dollar. The Fund had a weak month with a decline of just over six percent in the Fund's base currency, the euro. As a result of the weaker dollar against the euro, the global stock market ended up mixed in April, down two percent in euro terms but, remarkably, up by the same amount in dollar terms. The healthcare sector rebounded slightly, and ended down by more than four percent in euro terms. Thus, the Fund performed less well than the sector as a whole, which can mainly be attributed to a high net exposure.

After a month in which currencies played a major role in the Fund's performance, it might be worthwhile trying to analyse the events, even though they are relatively ambiguous and sometimes bordering on our ability to grasp complex relationships. The weakening of the dollar and the strengthening of the euro had several causes beyond the predictable - that the probability of "price discovery" increases after a long period of strength, i.e. that assets are sold off at a level where new buyers come in and establish support. The trigger was weak GDP growth for the first quarter in the United States (partly caused by a cold winter). This probably contributed to the decline of the dollar relative to other currencies.

The second component was the trend towards higher growth and inflation in Europe, which likely contributed to higher interest rates and thus support for the euro. The third reason was the apparent total deadlock in negotiations between the EU and Greece, which fuelled concerns for greater volatility in May (or possibly later) when an agreement would either come at the last minute or not at all. That this was the actual cause-and-effect is supported by the fairly widely-held thesis that a "Grexit" would lead to a

Fund Performance IC1 (EUR)

| | | |
|-----|-----------------|-------|
| 450 | Since inception | +321% |
| | 2015 YTD | +19% |
| 400 | 2014 | +43% |
| | 2013 | +55% |
| 350 | 2012 | +18% |
| | 2011 | +10% |
| 300 | 2010 | +8% |
| | 2009 | +13% |

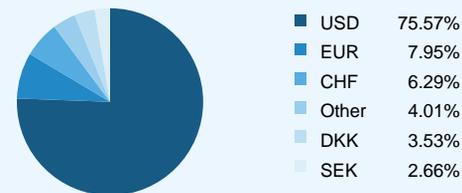


APRIL 2015

| Share class | April 2015 | YTD Return | Since inception ¹ |
|-----------------------|------------|------------|------------------------------|
| IC1 (EUR) | -6.16% | 19.44% | 321.01% |
| IC3 (EUR) | -6.21% | 22.49% | 377.10% |
| IC2 (SEK) | -5.08% | 18.54% | 185.57% |
| ID1 (SEK) | -5.12% | 13.15% | 157.41% |
| IC1 (USD) | -2.06% | 7.12% | 7.12% |
| IC2 (USD) | -2.01% | 13.15% | 43.02% |
| RC1 (EUR) | -6.21% | 18.51% | 273.48% |
| RC1 (SEK) | -5.16% | 17.84% | 257.02% |
| RC2 (SEK) | -5.12% | 18.02% | 266.96% |
| 3 month Euribor (EUR) | 0.00% | 0.02% | 3.87% |

| | Risk (IC1 EUR) | Exposure ⁵ | |
|-----------------------------------|----------------|-----------------------|------|
| Value at Risk ² | 2.98% | Long | 169% |
| Standard Deviation ^{3,4} | 17.41% | Short | 16% |
| Sharpe Ratio ^{3,4} | 4.01 | Gross | 185% |
| | | Net | 153% |

Currency Exposure⁶



Largest Long Positions

| | |
|------------------------|----------|
| 1. Bayer AG | Fund: |
| 2. Novartis AG | EUR 500m |
| 3. Gilead Sciences Inc | USD 530m |
| 4. Alkermes Plc | Firm: |
| 5. Amgen Inc | EUR 545m |

Portfolio Construction⁷

| Pyramid level | Position size | No. |
|----------------------|---------------|-----|
| High conviction | 3%-10% | 12 |
| Core holdings | 1%-3% | 47 |
| Fractional positions | 0.5%-1% | 47 |
| Candidate holdings | <0.5% | 34 |

Notes:

1. Please find launch date information on page 3 and 4.
2. For holdings at month end (95% conf. int, 250 days history).
3. Last 12 months.
4. Standard deviation and Sharpe ratio are annualized.
5. The AUM and exposure is adjusted for fund inflow at month end.
6. As a percentage of the market value of the long book.
7. Number of long and short equity positions (excluding any ETFs).





stronger euro, not a weaker one, since the euro collaboration would be characterised by greater discipline in the future should Greece exit. The Greece-related concerns and the stronger euro also led to lower share prices in Europe, which further contributed to the Fund's decline.

The reporting period began in April with good results across the board. The American companies surprised positively as the strength of the dollar did not affect net income as much as the pessimists had feared. On the other hand, it seems that European companies' earnings did not benefit quite as much as the optimists had hoped. There are probably still some natural and financial hedges in our companies which continue to soften the effect of currency movements. The biggest reporting disappointment was Biogen, whose MS drug Tecfidera did not develop as strongly as expected. Seasonal variations seemed to be a contributing factor, including the "donut hole" which created problems for the first quarter in particular (the absence of drug insurance for US pensioners in the range between 2,850 and 4,550 dollars a year, described graphically as the hole in a donut). More companies than Biogen face this challenge since many drugs are used by elderly people under Medicare, and they often have difficulty paying their medicines themselves.

Just as the Fund temporarily increased its net exposure at the end of March, the net exposure rose again in late April due to falling, and thus more attractive, share prices. We are quietly optimistic about the prospects of rising equity prices in the early summer, even though we know it is hazardous to make short term predictions. We have had a recoil, the reporting season has been good thus far, the market has worried over Europe for a very long time and the US winter is of course over. Growth prospects in Europe are now improving, the acute crisis for Ukraine is over for the time being, and last but not least, the healthcare sector is in a strong phase with good sales and fast pace of innovation. We think the recoil is behind us for now, but do not rule out the possibility that the summer can demonstrate seasonal weakness. However, valuations in the sector are lower than the historical average despite the extremely low interest rates and despite fundamentals being better than in decades. Overall, the Fund should have decent opportunities in the long term. An acute crisis in Greece with a following "Grexit" should not alter these fundamentally positive factors.

In April, the Fund's biggest positive contributors were Galapagos, Actelion and Abbvie. Belgian Galapagos reported good results in two clinical studies within rheumatoid arthritis. Today's rheumatism treatment consists mainly of injectables, whereas the Galapagos drug filgotinib is a tablet, which can be seen as a great advantage for both patients and care givers. Actelion delivered an excellent quarterly report, and raised its full-year forecast. Abbvie's share price recovered after underperforming in March; their Q1 results surprised on the upside, in addition to the fact that they are affiliated with Galapagos on the RA-drug filgotinib. The Fund's largest negative contributors were Alkermes, Nektar and United Health Group. The drug delivery company Alkermes had a good run over the winter, thanks to exciting pipeline developments, but recently it has become increasingly clear that the company will need to invest more in its pipeline and therefore not reach break-even as early as previously expected. Nektar, another drug delivery company, failed in a breast cancer study in March and ahead of an upcoming product launch, the success of which is somewhat hard to predict, the market has temporarily lost interest, somewhat similar to the situation with Alkermes. Health insurance company United Health, traded down at the end of the month despite a good report. Managed care performed strongly during the winter and presumably needs to consolidate its new higher share prices for a while.

Share class characteristics

| | Minimum Investment | Mgt. fee | Perf. fee | ISIN number | Bloomberg ticker | Lipper Reuters | Telekurs |
|------------------------------------|--------------------|----------|-----------|--------------|------------------|----------------|----------|
| Institutional share classes | | | | | | | |
| IC1 (EUR) | 250,000 | 1.50% | 20% | LU0417598108 | RHLEIC1 LX | 65147588 | 10034579 |
| IC3 (EUR) | 5,000,000 | 1.50% | 10% | LU0434614789 | RHHIC3 LX | 68014068 | 10283697 |
| IC2 (SEK) | 50,000,000 | 1.00% | 20% | LU0417598793 | RHHIC2S LX | 68204997 | 20323930 |
| ID1 (SEK) | 100,000 | 1.50% | 20% | LU0417599098 | RHHCID1 LX | 68153820 | 18491109 |
| IC1 (USD) | 300 000 | 1,50% | 20% | LU0417598280 | RHUIC1A LX | 68305812 | 26812813 |
| IC2 (USD) | 6,000,000 | 1.00% | 20% | LU0417598520 | RHUIC2U LX | 68265724 | 24456000 |
| Retail share classes | | | | | | | |
| RC1 (EUR) | 2,500 | 2.00% | 20% | LU0417597555 | RHLERC1 LX | 65147589 | 10034567 |
| RC1 (SEK) | 500 | 2.00% | 20% | LU0417597712 | RHLSRC1 LX | 68014067 | 10239523 |
| RC2 (SEK) | 2,500,000 | 1.50% | 20% | LU0417598017 | RHLSRC2 LX | 68015239 | 10239528 |

The Investment Manager is under the supervision of The Swedish Financial Supervisory Authority (Finansinspektionen) as of February 2009

Fund Characteristics

- Investible currencies**
Euro (EUR) / Swedish Krona (SEK) / US Dollar (USD)
- Target fund size**
EUR 500m (soft close)
EUR 1bn (hard close)
- Return target**
Annualised net returns in excess of 12% with volatility below the market
- Legal structure**
FCP (Fonds Commun de Placement) under Part II of the Luxembourg Law on Investment Funds
- Investment Manager**
Rhenman & Partners
Asset Management AB
- Fund Management Company**
SEB Fund Services S.A.
- Prime Broker**
Skandinaviska Enskilda Banken AB (publ)
- Custodian Bank and Paying Agent**
Skandinaviska Enskilda Banken S.A.
- External Auditor**
PricewaterhouseCoopers (PwC)
- Subscription /redemption**
Monthly
- Notice period**
3 working days
- Hurdle rate**
Euribor 90D
- Minimum top up**
No minimum

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THE HEALTHCARE FUND

RC1 (EUR) NAV

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2010 | | | | | | | | | 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 | 139.09 | 147.39 | 148.89 | 148.83 | 153.16 | 145.20 | 149.21 | 146.92 |
| 2013 | 156.14 | 164.59 | 177.28 | 183.22 | 192.89 | 185.65 | 206.96 | 204.86 | 212.69 | 205.49 | 224.58 | 224.79 |
| 2014 | 240.30 | 251.66 | 236.42 | 223.21 | 235.00 | 247.45 | 248.60 | 266.95 | 273.34 | 293.13 | 304.24 | 315.14 |
| 2015 | 349.47 | 373.47 | 398.19 | 373.48 | | | | | | | | |

RC1 (EUR) Performance % net of fees

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|
| 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 | -0.18 | 5.97 | 1.02 | -0.04 | 2.91 | -5.20 | 2.76 | -1.53 | 17.61 |
| 2013 | 6.28 | 5.41 | 7.71 | 3.35 | 5.28 | -3.75 | 11.48 | -1.01 | 3.82 | -3.39 | 9.29 | 0.09 | 53.00 |
| 2014 | 6.90 | 4.73 | -6.06 | -5.59 | 5.28 | 5.30 | 0.46 | 7.38 | 2.39 | 7.24 | 3.80 | 3.58 | 40.19 |
| 2015 | 10.89 | 6.87 | 6.62 | -6.21 | | | | | | | | | 18.51 |

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 | 125.79 | 130.61 | 126.17 | 125.85 | 131.65 | 127.25 | 131.60 | 128.55 |
| 2013 | 136.76 | 141.24 | 150.89 | 158.78 | 168.47 | 165.25 | 182.72 | 181.89 | 188.61 | 184.41 | 203.02 | 202.38 |
| 2014 | 215.63 | 226.61 | 216.26 | 206.33 | 218.55 | 230.73 | 233.43 | 249.55 | 253.98 | 276.09 | 286.74 | 302.97 |
| 2015 | 332.20 | 356.11 | 376.45 | 357.02 | | | | | | | | |

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 | 0.59 | 3.83 | -3.40 | -0.25 | 4.61 | -3.34 | 3.42 | -2.32 | 15.76 |
| 2013 | 6.39 | 3.28 | 6.83 | 5.23 | 6.10 | -1.91 | 10.57 | -0.45 | 3.69 | -2.23 | 10.09 | -0.32 | 57.43 |
| 2014 | 6.55 | 5.09 | -4.57 | -4.59 | 5.92 | 5.57 | 1.17 | 6.91 | 1.78 | 8.71 | 3.86 | 5.66 | 49.70 |
| 2015 | 9.65 | 7.20 | 5.71 | -5.16 | | | | | | | | | 17.84 |

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 | 127.66 | 132.58 | 128.13 | 127.86 | 133.77 | 129.36 | 133.84 | 130.80 |
| 2013 | 139.17 | 143.74 | 153.48 | 161.57 | 171.53 | 167.92 | 185.74 | 185.04 | 192.06 | 187.86 | 206.87 | 206.39 |
| 2014 | 219.98 | 231.28 | 221.05 | 210.98 | 223.54 | 236.05 | 238.90 | 255.47 | 260.24 | 283.00 | 293.97 | 310.92 |
| 2015 | 341.02 | 365.80 | 386.77 | 366.96 | | | | | | | | |

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 | 0.65 | 3.85 | -3.36 | -0.21 | 4.62 | -3.30 | 3.46 | -2.27 | 16.13 |
| 2013 | 6.40 | 3.28 | 6.78 | 5.27 | 6.16 | -2.10 | 10.61 | -0.38 | 3.79 | -2.19 | 10.12 | -0.23 | 57.79 |
| 2014 | 6.58 | 5.14 | -4.42 | -4.56 | 5.95 | 5.60 | 1.21 | 6.94 | 1.87 | 8.75 | 3.88 | 5.77 | 50.65 |
| 2015 | 9.68 | 7.27 | 5.73 | -5.12 | | | | | | | | | 18.02 |

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