

Annual report including audited financial statements as at 31st December 2014

Rhenman & Partners Fund

Investment Fund (F.C.P.), Luxembourg



Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

Rhenman & Partners Fund

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Rhenman & Partners Fund

Organisation

**Management Company,
Central Administrator
and Alternative Investment Fund
Manager**

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

**Board of Directors of
the Management Company
and Alternative Investment
Fund Manager**

Chairman

Gustaf UNGER
Head of Asset Servicing, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden
(since 28th March 2014)

Ralf FERNER
Managing Director
SEB Asset Management S.A., Luxembourg
(until 28th March 2014)

Vice-Chairman

Peter KUBICKI
Head of Wealth Management
SEB Wealth Management, Denmark

Directors

Ralf FERNER
Managing Director
SEB Fund Services S.A., Luxembourg
(since 28th March 2014)

Göran FORS
Head of Sales and Market Development
Asset Servicing
Skandinaviska Enskilda Banken AB (publ), Sweden

Jonas LINDGREN
Head of Prime Brokerage
SEB Enskilda, Securities Finance, Sweden

Magnus WALLBERG
Deputy Managing Director, CFO/ COO
Skandinaviska Enskilda Banken S.A., Luxembourg
(since 27th October 2014)

Ann-Charlotte LAWYER
Managing Director and Head of
SEB Fund Services S.A., Luxembourg
(until 28th March 2014)

Rhenman & Partners Fund

Organisation (continued)

Depository and Paying Agent	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
Sub-Administrator, Registrar and Transfer Agent	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
Portfolio Manager	Rhenman & Partners Asset Management AB Strandvägen 5A SE-114 51 Stockholm
Placement and Distribution Agent	SEB Fund Services S.A. 4, rue Peternelchen L-2370 Howald
Prime Broker	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
Paying Agent in Sweden	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
Auditor of the Fund and SEB Fund Services S.A.	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg

Rhenman & Partners Fund

General information

Rhenman & Partners Fund (the "Fund") is an open-ended mutual investment fund set up under the laws of the Grand Duchy of Luxembourg as a "*Fonds Commun de Placement*" ("FCP") registered pursuant to Part II of the amended Law of 17th December 2010 (the "2010 Law") relating to Undertakings for Collective Investment and qualified as Alternative Investment Fund ("AIF") in accordance with the law of 12th July 2013 (the "2013 Law") on Alternative Investment Fund Managers. The Fund is managed by SEB Fund Services S.A. (the "Management Company"), a management company incorporated under chapter 15 of the amended 2010 Law, relating to Undertakings for Collective Investment and having its registered office in Luxembourg. The Management Company also acts as Alternative Investment Fund Manager (the "AIFM") in accordance with the provisions of Chapter 2 of the 2013 Law.

The Fund is set up in accordance with Management Regulations signed in Luxembourg on 5th June 2009 and which have been deposited with the Luxembourg *Registre de Commerce et des Sociétés*. A notice of such deposit was published in the *Mémorial C, Recueil des Sociétés et Associations* (the "*Mémorial*") on 18th June 2009. A notice of the amendment of the Management Regulations has been published for the last time on 14th August 2014.

The registered office of the Management Company is established at 4, rue Peternelchen, L-2370 Howald.

At present, one Sub-Fund is at the unitholder's disposal:

- Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S in EUR.

For the time being, only the Classes IC1 (EUR), IC2 (EUR), IC2 (SEK), IC2 (USD), IC3 (EUR), IC4 (EUR), ID1 (SEK), RC1 (SEK), RC1 (EUR) and RC2 (SEK) have been launched. The Class IC2 (USD) was launched on 31st October 2014.

Class I Units, reserved to institutional investors as defined by Article 174 of the Law, are issued as capitalization ("C") and distributing ("D") Units.

The financial year of the Fund ends on 31st December.

The Net Asset Value per unit of each class, subscription and redemption prices in the Sub-Fund are available at the registered office of the AIFM.

The Fund's currency is euro (EUR).

The Net Asset Value per unit of the Sub-Fund is calculated monthly as of the last Business Day of each month in Luxembourg ("Valuation Day"), under the overall responsibility of the Management Company.

Financial reports of the Fund are published annually and semi-annually. These reports, as well as the sales prospectus and other information concerning the Fund are available at the registered office of the Management Company, the Placement and Distribution Agent or its Agents and the Depositary.

Rhenman & Partners Fund

Report from the Investment Manager

To the Unitholders,

The Fund's main unit class "IC1 (EUR)" rose by 42.83% in 2014. The stated strategy of the Fund is to hold roughly a third of small, medium and large cap healthcare companies respectively, over time. This strategy renders the portfolio diversified and more balanced than otherwise. Another way in which the portfolio benefits from diversification is through its exposure to several different subsectors of healthcare, namely pharmaceuticals, biotechnology, medical technology and services.

In 2014, large cap healthcare companies outperformed small cap for the year overall, and did so particularly clearly in the period of contraction in biotech in March and April. The sharp fall was primarily caused by three events. Firstly, Gilead was called upon by the US House of Representatives to explain the 84,000 USD price per treatment of their new Hepatitis C drug Sovaldi. This caused concern that high priced medicines overall would be subject to scrutiny. Secondly, in the preceding 6 month period, the market had been flooded with IPOs and capital raisings to such an extent that it caused fatigue and severely affected share prices in both new listings and their more established peers. Lastly, Janet Yellen, the head of the Federal Reserve, stated that she expected the first interest rate hike "approximately 6 months after the completion of QE". This statement reminded the market that the low interest rate environment would not last forever, which triggered profit taking, particularly in growth stocks with high P/Es, many of which were biotech companies. The smaller cap companies were hit the hardest, and they also recovered more slowly, given that many of them were more immature and often more risky than their large cap peers. During this period of contraction, the Fund fared fairly well thanks to its distribution across large, medium and small cap companies.

All four subsectors within healthcare outperformed the general equity index in 2014. The best performer was again biotech, which contributed to just under half of the Fund's performance. Despite the setback described above, biotech outperformed thanks to maturing pipelines, strong sales and earnings growth, clinical success and in some cases more globalized sales exposure. The weakest subsector was pharma, but it still outdid the general market. Fundamentally, pharma had a good year with clinical achievements such as Bristol Myers' success with cancer immunotherapy PD-1 agent Opdivo in lung cancer, proving that this class of drugs is here to stay. However, share price-wise, this large pharma company probably reflects the fact that the new, most exciting pipeline agent is only expected to contribute to a small fraction of their sales 2015, given the size of their overall portfolio. The Services segment had a good year, mostly due to additional demand coming from Obamacare. Medtech performed in line with healthcare overall. Across all subsectors, M&A has been a noticeable trend, which has benefited the Fund both directly and indirectly.

A particularly exciting event during 2014 was the unprecedented launch of a new generation of Hepatitis C drugs, spearheaded by Gilead's Sovaldi. As mentioned above, the drug's hefty price tag triggered a series of discussions. However, when compared to the previous generation of HCV drugs available, and if weighted by its expected cure rate, Sovaldi is actually cheaper. Additionally, the side effect profile is much more benign for some genotypes. In the beginning of 2014, the most bullish market observers had estimated that the first full year sales figure for Sovaldi would reach 4 billion USD worldwide, which is a mega blockbuster. However, it seems that the actual number will be more than 11.6 billion USD, which is the biggest drug launch ever.

In the second half of 2014, the USD appreciated nearly 12% versus the Euro, creating a tailwind for the Fund's main unit class which is Euro denominated, while around 70% of the assets are US companies. Continued USD strength will benefit large European companies and create corresponding headwinds for internationally active US corporates. The headwind effect will be less noticeable for most US biotech companies given that the majority of their revenues originate in the US, but they also grow at such a hefty pace that the currency headwind will not be as much of a burden.

Rhenman & Partners Fund

Report from the Investment Manager (continued)

On the macro front, the year kicked off with geopolitical uncertainty originated from the Ukraine/ Russia conflict, which luckily remained fairly isolated. Another event that caused meaningful volatility especially in October was the Ebola outbreak in western Africa, and its potential to become a global epidemic. However, this also now appears to have been contained. The US economy continued to deliver strong economic data, while Europe lagged behind.

After another year of very strong performance in the Fund we still see good possibilities for a successful year for the healthcare sector. At the same time it is likely that the global economy surprises on the upside for the first time in many years, which in turn may suggest that cyclical stocks could outperform healthcare, which can be considered more defensive. During the second half of 2015 it is probable that interest rates will start rising in the US, which could be a catalyst for a sector rotation into cyclicals. Valuations are still not overly demanding, if compared to a longer historical perspective. Meanwhile, the drivers for the sector overall are solid; innovation is very strong, pipelines are maturing, the most meaningful patent cliff is behind us, Obamacare continues to add demand in the US. Emerging markets have become a significant part of most pharma and large biotech companies' revenues. Low penetration rates, rising purchasing power, improving life expectancy and increasing prevalence of chronic disease such as diabetes, Chronic Obstructive Pulmonary Disease and cancer all support Emerging Markets future demand growth for healthcare.

Luxembourg, 15th January 2015

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



Audit Report

To the Unitholders of
Rhenman & Partners Fund

We have audited the accompanying financial statements of Rhenman & Partners Fund, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2014 and the statement of operations and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the Management Company for the financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.



Audit Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

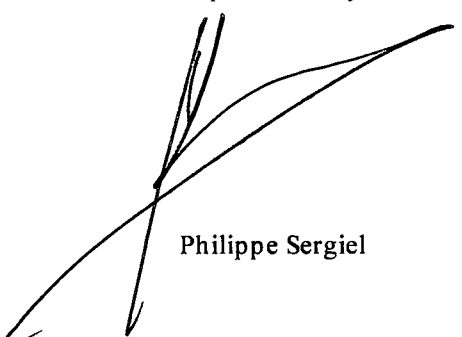
In our opinion, the financial statements give a true and fair view of the financial position of Rhenman & Partners Fund as of 31st December 2014, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9th April 2015



Philippe Sergiel

Rhenman & Partners Fund

Combined statement of net assets (in EUR)

as at 31st December 2014

Assets

Investments

Securities portfolio at market value	424,104,950.84
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	424,104,950.84

Cash and cash equivalents

Cash at banks	501,973.25
Cash collateral at banks for short sales of securities	11,406.44
Other liquid assets	606,182.57
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	1,119,562.26

Receivables

Receivable on sales of securities	77,821,085.27
Income receivable on portfolio	124,416.85
	<hr/>
	77,945,502.12

Total assets

503,170,015.22

Liabilities

Payables

Other liquid liabilities	409.48
Short sales of securities at market value	54,342,518.51
Income payable on short position on portfolio	36,707.43
Interest payable on bank overdrafts	86,812.30
Expenses payable	13,251,750.34
	<hr/>
	67,718,198.06

Borrowings

Bank overdrafts	91,936,930.53
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	91,936,930.53

Total liabilities

159,655,128.59

Total net assets at the end of the year

343,514,886.63

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund

Combined statement of operations (in EUR)

from 1st January 2014 to 31st December 2014

Income

Investment income

Dividends, net	1,819,752.62
Interest on bank accounts	32.35
	<hr/>
	1,819,784.97

Realised gains on investments

- on securities portfolio	126,426,097.27
- on option contracts	2,142,229.30
	<hr/>
	128,568,326.57

Unrealised gains on investments

- on securities portfolio	59,718,238.47
- on option contracts	73,595.02
	<hr/>
	59,791,833.49

Total income

190,179,945.03

Expenses

Investment advisory or management fees

Management fees	3,865,380.00
Performance fees	23,454,277.49
	<hr/>
	27,319,657.49

Other expenses

Banking charges and other fees	458,573.95
Transaction fees	4,017,427.36
Central administration costs	301,892.41
Professional fees	20,264.15
Other administration costs	20,033.10
Subscription duty ("taxe d'abonnement")	78,918.88
Interest paid on bank overdrafts	880,410.05
Dividends paid on short sales of securities	409,277.13
Other fees	3,123.83
	<hr/>
	6,189,920.86

Realised loss on investments

- on securities portfolio	35,947,751.65
- on option contracts	209,927.59
- on foreign exchange	4,431,209.32
	<hr/>
	40,588,888.56

Unrealised loss on investments

- on securities portfolio	20,218,034.57
- on option contracts	147,454.72
	<hr/>
	20,365,489.29

Total expenses

94,463,956.20

Net income

95,715,988.83

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund

Combined statement of changes in net assets (in EUR)

from 1st January 2014 to 31st December 2014

Net income	95,715,988.83
Dividends paid	-603,402.26
Subscriptions	92,470,006.87
Redemptions	-29,686,778.50
Total changes in net assets	157,895,814.94
Total net assets at the beginning of the year	185,619,071.69
<u>Total net assets at the end of the year</u>	<u>343,514,886.63</u>

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of net assets (in EUR)

as at 31st December 2014

Assets

Investments

Securities portfolio at market value	424,104,950.84
	424,104,950.84

Cash and cash equivalents

Cash at banks	501,973.25
Cash collateral at banks for short sales of securities	11,406.44
Other liquid assets	606,182.57
	1,119,562.26

Receivables

Receivable on sales of securities	77,821,085.27
Income receivable on portfolio	124,416.85
	77,945,502.12

Total assets

503,170,015.22

Liabilities

Payables

Other liquid liabilities	409.48
Short sales of securities at market value	54,342,518.51
Income payable on short position on portfolio	36,707.43
Interest payable on bank overdrafts	86,812.30
Expenses payable	13,251,750.34
	67,718,198.06

Borrowings

Bank overdrafts	91,936,930.53
	91,936,930.53

Total liabilities

159,655,128.59

Total net assets at the end of the year

343,514,886.63

"IC1 (EUR)" units outstanding	116,824.872
Net asset value per "IC1 (EUR)" unit	352.48
"IC2 (EUR)" units outstanding	27,214.140
Net asset value per "IC2 (EUR)" unit	277.15
"IC2 (SEK)" units outstanding	926,949.021
Net asset value per "IC2 (SEK)" unit	SEK 240.91
"IC2 (USD)" units outstanding	92,800.328
Net asset value per "IC2 (USD)" unit	USD 126.40
"IC3 (EUR)" units outstanding	71,753.048
Net asset value per "IC3 (EUR)" unit	389.50
"IC4 (EUR)" units outstanding	200,000.000
Net asset value per "IC4 (EUR)" unit	246.20

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of net assets (in EUR) (continued)

as at 31st December 2014

"ID1 (SEK)" units outstanding	587,568.529
Net asset value per "ID1 (SEK)" unit	SEK 227.49
"RC1 (SEK)" units outstanding	2,601,832.488
Net asset value per "RC1 (SEK)" unit	SEK 302.97
"RC1 (EUR)" units outstanding	12,458.170
Net asset value per "RC1 (EUR)" unit	315.14
"RC2 (SEK)" units outstanding	2,532,144.193
Net asset value per "RC2 (SEK)" unit	SEK 310.92

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of operations (in EUR)

from 1st January 2014 to 31st December 2014

Income

Investment income

Dividends, net	1,819,752.62
Interest on bank accounts	32.35
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	1,819,784.97

Realised gains on investments

- on securities portfolio	126,426,097.27
- on option contracts	2,142,229.30
	<hr/>
	128,568,326.57

Unrealised gains on investments

- on securities portfolio	59,718,238.47
- on option contracts	73,595.02
	<hr/>
	59,791,833.49

Total income

190,179,945.03

Expenses

Investment advisory or management fees

Management fees	3,865,380.00
Performance fees	23,454,277.49
	<hr/>
	27,319,657.49

Other expenses

Banking charges and other fees	458,573.95
Transaction fees	4,017,427.36
Central administration costs	301,892.41
Professional fees	20,264.15
Other administration costs	20,033.10
Subscription duty ("taxe d'abonnement")	78,918.88
Interest paid on bank overdrafts	880,410.05
Dividends paid on short sales of securities	409,277.13
Other fees	3,123.83
	<hr/>
	6,189,920.86

Realised loss on investments

- on securities portfolio	35,947,751.65
- on option contracts	209,927.59
- on foreign exchange	4,431,209.32
	<hr/>
	40,588,888.56

Unrealised loss on investments

- on securities portfolio	20,218,034.57
- on option contracts	147,454.72
	<hr/>
	20,365,489.29

Total expenses

94,463,956.20

Net income

95,715,988.83

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of changes in net assets (in EUR)

from 1st January 2014 to 31st December 2014

Net income	95,715,988.83
Dividends paid	-603,402.26
Subscriptions	92,470,006.87
Redemptions	-29,686,778.50
Total changes in net assets	157,895,814.94
Total net assets at the beginning of the year	185,619,071.69
<u>Total net assets at the end of the year</u>	<u>343,514,886.63</u>

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statistical information (in EUR)

as at 31st December 2014

Total net assets	
- as at 31.12.2014	343,514,886.63
- as at 31.12.2013	185,619,071.69
- as at 31.12.2012	75,441,239.50
Number of "IC1 (EUR)" units	
- outstanding at the beginning of the year	95,130.894
- issued	38,837.062
- redeemed	-17,143.084
- outstanding at the end of the year	116,824.872
Net asset value per "IC1 (EUR)" unit	
- as at 31.12.2014	352.48
- as at 31.12.2013	246.79
- as at 31.12.2012	158.92
Number of "IC2 (EUR)" units	
- outstanding at the beginning of the year	36,214.140
- issued	0.000
- redeemed	-9,000.000
- outstanding at the end of the year	27,214.140
Net asset value per "IC2 (EUR)" unit	
- as at 31.12.2014	277.15
- as at 31.12.2013	192.85
- as at 31.12.2012	123.64
Number of "IC2 (SEK)" units	
- outstanding at the beginning of the year	926,949.021
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	926,949.021
Net asset value per "IC2 (SEK)" unit	
- as at 31.12.2014	SEK 240.91
- as at 31.12.2013	SEK 158.77
- as at 31.12.2012	-
Number of "IC2 (USD)" units	
- outstanding at the beginning of the year	0.000
- issued	92,800.328
- redeemed	0.000
- outstanding at the end of the year	92,800.328
Net asset value per "IC2 (USD)" unit	
- as at 31.12.2014	USD 126.40
- as at 31.12.2013	-
- as at 31.12.2012	-
Number of "IC3 (EUR)" units	
- outstanding at the beginning of the year	72,052.910
- issued	1,351.541
- redeemed	-1,651.403
- outstanding at the end of the year	71,753.048
Net asset value per "IC3 (EUR)" unit	
- as at 31.12.2014	389.50
- as at 31.12.2013	260.40
- as at 31.12.2012	159.79

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statistical information (in EUR) (continued)

as at 31st December 2014

Number of "IC4 (EUR)" units	
- outstanding at the beginning of the year	200,000.000
- issued	0.000
- redeemed	0.000
<hr/>	<hr/>
- outstanding at the end of the year	200,000.000
Net asset value per "IC4 (EUR)" unit	
- as at 31.12.2014	246.20
- as at 31.12.2013	163.28
- as at 31.12.2012	99.82
Number of "ID1 (SEK)" units	
- outstanding at the beginning of the year	679,006.752
- issued	89,261.777
- redeemed	-180,700.000
<hr/>	<hr/>
- outstanding at the end of the year	587,568.529
Net asset value per "ID1 (SEK)" unit	
- as at 31.12.2014	SEK 227.49
- as at 31.12.2013	SEK 157.19
- as at 31.12.2012	SEK 103.07
Dividend paid	
Ex-dividend date	28.02.2014
Dividend per share	SEK 7.86
Units outstanding at dividend date	679,006.752
Number of "RC1 (SEK)" units	
- outstanding at the beginning of the year	1,492,162.582
- issued	1,495,331.673
- redeemed	-385,661.767
<hr/>	<hr/>
- outstanding at the end of the year	2,601,832.488
Net asset value per "RC1 (SEK)" unit	
- as at 31.12.2014	SEK 302.97
- as at 31.12.2013	SEK 202.38
- as at 31.12.2012	SEK 128.55
Number of "RC1 (EUR)" units	
- outstanding at the beginning of the year	2,204.419
- issued	11,575.781
- redeemed	-1,322.030
<hr/>	<hr/>
- outstanding at the end of the year	12,458.170
Net asset value per "RC1 (EUR)" unit	
- as at 31.12.2014	315.14
- as at 31.12.2013	224.79
- as at 31.12.2012	146.92
Number of "RC2 (SEK)" units	
- outstanding at the beginning of the year	1,741,219.978
- issued	1,145,837.596
- redeemed	-354,913.381
<hr/>	<hr/>
- outstanding at the end of the year	2,532,144.193
Net asset value per "RC2 (SEK)" unit	
- as at 31.12.2014	SEK 310.92
- as at 31.12.2013	SEK 206.39
- as at 31.12.2012	SEK 130.80

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of investments and other net assets (in EUR)

as at 31st December 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Securities: investments and short positions</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
AUD	35,000	CSL Ltd	1,584,492.00	2,052,984.11	0.60
CHF	85,000	Actelion Ltd	7,378,076.87	8,148,390.92	2.37
CHF	153,000	Novartis AG Reg	10,625,092.63	11,747,675.83	3.42
CHF	53,000	Roche Holding AG B de jours Pref	12,416,267.17	11,893,300.11	3.47
			30,419,436.67	31,789,366.86	9.26
DKK	35,076	Alk-Abello A/ S B	3,033,062.18	3,066,067.35	0.90
DKK	140,000	Ambu AS	1,786,346.36	2,800,947.35	0.81
DKK	40,000	Bavarian Nordic A/ S	357,223.85	1,060,761.46	0.31
DKK	50,593	Genmab A/ S	1,373,971.30	2,447,627.57	0.71
DKK	112,050	H Lundbeck A/ S	1,717,421.83	1,847,569.86	0.54
DKK	134,000	Novo Nordisk AS B	4,474,842.27	4,683,490.12	1.36
			12,742,867.79	15,906,463.71	4.63
EUR	197,000	Ablynx NV	1,222,132.61	1,780,880.00	0.52
EUR	92,000	Bayer AG Reg	10,046,306.23	10,396,000.00	3.02
EUR	130,000	Fresenius SE & Co KGaA	4,731,937.92	5,610,800.00	1.63
EUR	274,944	Galapagos Genomics NV	3,708,487.23	4,258,882.56	1.24
EUR	127,000	Grifols SA	4,166,891.61	4,206,240.00	1.22
EUR	55,000	Ion Beam Applications SA	773,449.85	788,700.00	0.23
EUR	72,000	Ipsen SA	2,605,298.02	3,096,000.00	0.90
EUR	56,454	Korian-Medica SA	856,164.88	1,704,910.80	0.50
EUR	24,000	Merck KGaA	1,777,070.18	1,882,080.00	0.55
EUR	27,000	MorphoSys AG	1,277,691.88	2,069,010.00	0.60
EUR	100,000	Sanofi SA	7,738,972.68	7,566,000.00	2.20
EUR	320,000	Sorin SpA	563,961.14	616,320.00	0.18
EUR	40,000	UCB	2,584,237.67	2,528,000.00	0.74
			42,052,601.90	46,503,823.36	13.53
GBP	195,803	Al Noor Hospitals Group Plc	2,533,065.90	2,496,684.78	0.73
GBP	44,000	Shire Plc	2,145,331.34	2,568,902.22	0.75
GBP	140,000	Smith & Nephew Plc	2,000,826.74	2,142,168.62	0.62
			6,679,223.98	7,207,755.62	2.10
HKD	950,000	Sinopharm Group Co Ltd H	2,536,759.93	2,778,132.54	0.81
JPY	344,000	Astellas Pharma Inc	2,998,409.25	3,997,245.60	1.16
JPY	158,000	Chugai Pharmaceutical Co Ltd	3,005,610.69	3,226,646.08	0.94
JPY	84,000	Santen Pharmaceutical Co Ltd	3,673,688.18	3,744,549.81	1.09
JPY	112,000	Takeda Pharmaceutical Co Ltd	3,814,733.40	3,855,670.92	1.12
JPY	128,000	Terumo Corp	2,157,260.90	2,431,435.66	0.71
			15,649,702.42	17,255,548.07	5.02
SEK	308,866	Active Biotech AB	1,917,294.65	612,924.06	0.18
SEK	4,347,831	BioInvent Intl AB	1,096,908.89	1,225,356.98	0.36
SEK	344,089	Episurf Medical AB B	1,724,742.82	1,296,634.93	0.37
SEK	141,000	Getinge AB B	2,635,624.36	2,646,242.15	0.77
SEK	358,000	Meda AB A	3,551,134.06	4,251,226.67	1.23
SEK	380,386	Orexo AB	5,229,674.47	5,440,546.58	1.58
			16,155,379.25	15,472,931.37	4.49
USD	140,000	AbbVie Inc	6,566,581.52	7,568,442.80	2.20
USD	73,000	Abiomed Inc	1,253,273.11	2,295,233.38	0.67
USD	165,000	Acadia Pharmaceuticals Inc	2,546,173.83	4,327,757.13	1.26
USD	368,000	Achillion Pharmaceuticals Inc	2,522,857.36	3,724,080.96	1.09
USD	27,000	Actavis Plc	4,906,189.44	5,741,486.99	1.68

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of investments and other net assets (in EUR) (continued)

as at 31st December 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	28,000	Aetna Inc	1,725,285.96	2,054,721.19	0.60
USD	44,000	Alexion Pharmaceuticals Inc	5,238,739.59	6,725,584.47	1.96
USD	143,000	Alkermes Plc	4,135,304.73	6,917,868.65	2.01
USD	23,000	Alnylam Pharmaceuticals Inc	1,384,791.19	1,843,040.07	0.53
USD	40,000	AmerisourceBergen Corp	2,151,693.97	2,979,264.76	0.87
USD	39,168	Amgen Inc	5,034,725.68	5,154,126.99	1.50
USD	47,000	Amsurg Corp	1,742,735.30	2,124,997.93	0.62
USD	41,000	Anthem Inc	3,720,572.65	4,256,480.79	1.24
USD	400,000	Anthera Pharmaceuticals Inc	1,198,435.65	522,098.31	0.15
USD	397,000	Ariad Pharmaceuticals Inc	1,639,654.80	2,253,110.28	0.66
USD	545,000	Array BioPharma Inc	2,031,797.69	2,129,574.55	0.62
USD	77,000	Auxilium Pharmaceuticals Inc	1,826,799.46	2,187,232.55	0.64
USD	20,142	Becton Dickinson & Co	2,036,158.52	2,315,539.63	0.67
USD	133,535	BIND Therapeutics Inc	1,109,353.79	595,695.17	0.17
USD	21,500	Biogen IDEC Inc	5,196,849.09	6,029,058.24	1.76
USD	61,000	BioMarin Pharmaceutical Inc	2,765,672.55	4,555,472.94	1.33
USD	115,000	Bristol Myers Squibb Co	4,293,696.50	5,607,971.91	1.64
USD	70,000	Cardinal Health Inc	3,676,515.47	4,668,401.49	1.36
USD	92,000	Catamaran Corp	3,179,083.24	3,933,085.50	1.14
USD	182,000	Celgene Corp	14,279,123.05	16,818,273.44	4.89
USD	196,000	Celladon Corp	1,637,369.90	3,162,230.48	0.92
USD	175,000	Celldex Therapeutics Inc	2,568,052.83	2,638,372.57	0.77
USD	28,000	Centene Corp	1,893,703.66	2,402,147.87	0.70
USD	52,000	Cepheid Inc	1,752,096.56	2,325,716.64	0.67
USD	38,000	Cerner Corp	1,542,649.37	2,029,805.86	0.59
USD	85,398	Clovis Oncology Inc	3,236,989.92	3,950,671.62	1.15
USD	64,000	Community Health Syst Inc	1,686,515.88	2,850,788.93	0.83
USD	57,000	Covidien Plc	3,510,690.29	4,816,158.61	1.40
USD	97,000	CVS Health Corp	6,440,868.02	7,717,529.94	2.24
USD	40,000	Cyberonics Inc	1,694,712.10	1,839,900.86	0.54
USD	64,000	Dexcom Inc	1,719,985.12	2,910,532.84	0.85
USD	122,835	Dynavax Technologies Corp	1,588,002.75	1,710,861.71	0.50
USD	19,000	Edwards Lifesciences Corp	1,471,879.54	1,999,355.64	0.59
USD	66,000	Eli Lilly & Co	3,524,159.27	3,761,536.56	1.10
USD	194,000	Endologix Inc	1,669,078.05	2,450,441.96	0.71
USD	150,000	Esperion Therapeutics Inc	3,060,536.14	5,011,152.42	1.46
USD	206,138	Gilead Sciences Inc	14,707,699.12	16,051,687.63	4.68
USD	41,000	HCA Holdings Inc	1,570,591.43	2,485,741.43	0.72
USD	38,000	Heartware Intl Inc	2,324,909.74	2,305,113.59	0.67
USD	94,000	Hologic Inc	1,656,014.87	2,076,464.27	0.61
USD	44,000	Incyte Corp Ltd	1,380,706.03	2,657,447.34	0.77
USD	52,000	Insulet Corp	1,454,427.84	1,978,620.40	0.58
USD	22,000	Intercept Pharmaceuticals Inc	3,954,800.19	2,835,192.07	0.83
USD	159,854	Intra-Cellular Therapies Inc	1,944,457.92	2,330,791.49	0.68
USD	42,000	Isis Pharmaceuticals Inc	1,162,892.05	2,142,156.13	0.62
USD	17,400	Jazz Pharmaceuticals Plc	2,076,008.10	2,353,491.95	0.69
USD	90,424	Keryx Biopharmaceuticals Inc	808,513.20	1,057,000.90	0.30
USD	35,000	Kite Pharma Inc	1,206,523.97	1,667,451.47	0.49
USD	1,594,805	Lexicon Pharmaceuticals Inc	1,453,540.51	1,198,771.64	0.34
USD	39,000	Ligand Pharmaceuticals Inc B	1,396,742.59	1,714,324.66	0.50
USD	75,000	Macrogenics Inc	1,359,011.52	2,172,862.45	0.63
USD	16,000	McKesson Corp	2,229,910.86	2,743,725.73	0.80
USD	70,700	Medivation Inc	4,712,407.89	5,817,783.56	1.70
USD	35,000	Medtronic Inc	1,676,877.94	2,087,567.12	0.60
USD	80,000	Merck Co Inc	3,546,026.08	3,753,159.85	1.09
USD	45,388	Mirati Therapeutics Inc	664,642.88	694,412.03	0.20
USD	50,000	Myriad Genetics Inc	1,330,976.62	1,406,856.67	0.41
USD	238,000	Nektar Therapeutics	2,087,898.52	3,047,501.03	0.89
USD	89,000	NPS Pharmaceuticals Inc	1,719,016.14	2,629,929.78	0.76
USD	25,000	Omnicare Inc	1,134,246.24	1,506,195.79	0.44
USD	70,000	Omniceil Inc	1,583,761.46	1,915,241.64	0.56

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of investments and other net assets (in EUR) (continued) as at 31st December 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	375,000	Orexigen Therapeutics Inc	1,581,897.89	1,877,323.42	0.55
USD	18,500	Pharmacyclics Inc	1,384,530.91	1,868,492.36	0.54
USD	52,526	Receptos Inc	4,724,535.26	5,315,952.30	1.55
USD	22,500	Regeneron Pharmaceuticals Inc	6,020,675.97	7,625,464.68	2.22
USD	126,574	Revance Therapeutics Inc	2,517,647.01	1,771,304.06	0.52
USD	785,000	Rite Aid Corp	3,331,780.88	4,876,662.54	1.42
USD	38,000	Salix Pharmaceutical Ltd	3,767,294.08	3,608,194.97	1.05
USD	40,000	St Jude Medical Inc	1,851,649.98	2,148,864.10	0.63
USD	250,800	Supernus Pharmaceuticals Inc	1,374,290.62	1,719,653.04	0.50
USD	179,000	Tandem Diabetes Care Inc	1,937,395.26	1,877,984.30	0.55
USD	62,651	Tesaro Inc	1,336,851.16	1,924,816.76	0.56
USD	22,000	Thermo Fisher Scientific Inc	2,015,453.55	2,277,059.07	0.66
USD	92,000	Thoratec Corp	2,381,962.89	2,467,013.64	0.72
USD	201,537	Threshold Pharmaceuticals	638,824.92	529,440.45	0.15
USD	67,000	United Health Group Inc	4,561,561.97	5,595,233.37	1.63
USD	61,000	Universal Health Services Inc B	4,845,366.47	5,606,658.40	1.63
USD	38,000	Vertex Pharmaceuticals Inc	2,446,976.83	3,729,368.03	1.09
USD	50,000	Xencor Inc	403,919.79	662,536.14	0.19
			<u>231,424,572.69</u>	<u>285,017,316.88</u>	<u>83.00</u>
Total shares			359,245,036.63	423,984,322.52	123.44
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
GBP	-350,000	GlaxoSmithKline Plc	-6,286,993.84	-6,202,912.52	-1.81
SEK	-90,720	AstraZeneca Plc	-5,292,354.16	-5,247,619.21	-1.53
USD	-400,000	Pfizer Inc	-8,820,173.00	-10,293,267.24	-3.00
Total shares			<u>-20,399,521.00</u>	<u>-21,743,798.97</u>	<u>-6.34</u>
<u>Other transferable securities</u>					
Shares					
SEK	61,773	Active Biotech AB Emission 2014	97,187.56	120,628.28	0.03
Total shares			97,187.56	120,628.28	0.03
Warrants and rights					
SEK	1	Active Biotech AB Droits de sousc 22.12.14	0.00	0.04	0.00
Total warrants and rights			0.00	0.04	0.00
<u>Short positions in open-ended investment funds</u>					
Tracker funds (UCI)					
USD	-200,000	Health Care Select Sector SPDR Fd (The)	-8,553,208.49	-11,297,810.82	-3.29
USD	-85,000	iShares Trust Nasdaq Biotech ETF Dist	-15,304,023.07	-21,300,908.72	-6.20
Total tracker funds (UCI)			<u>-23,857,231.56</u>	<u>-32,598,719.54</u>	<u>-9.49</u>
Total securities: investments and short positions			315,085,471.63	369,762,432.33	107.64
Cash at banks and cash collateralized at banks				513,379.69	0.15
Bank overdrafts and collateralized debt at banks				-91,936,930.53	-26.76
Other net assets/ (liabilities)				65,176,005.14	18.97
Total				<u>343,514,886.63</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Industrial and geographical classification of investments

as at 31st December 2014

Industrial classification

(in percentage of net assets)

Pharmaceuticals and biotechnology	81.00 %
Health care equipment and services	27.51 %
Food retailing, drugstores and pharmacies	3.66 %
Materials	3.02 %
Software and services	1.14 %
Commercial services and supplies	0.80 %
Investment funds	-9.49 %
Total	<u>107.64 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	63.59 %
Switzerland	9.26 %
Germany	5.80 %
Ireland	5.78 %
Japan	5.02 %
Denmark	4.63 %
Sweden	4.52 %
France	3.60 %
Belgium	2.73 %
Spain	1.22 %
Canada	1.14 %
China	0.81 %
Jersey	0.75 %
Australia	0.60 %
Italy	0.18 %
United Kingdom	-1.99 %
Total	<u>107.64 %</u>

Notes to the financial statements

as at 31st December 2014

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- 2) The value of assets, which are listed or dealt in on any stock exchange, is based on the last available price of the preceding business day on the stock exchange, which is normally the principal market for such assets.
- 3) The value of assets dealt in on any other regulated market which is recognised, operating regularly and open to the public (a "Regulated Market") is based on the last available price.
- 4) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (2) or (3) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- 5) The liquidating value of options contracts not traded on exchanges or on other Regulated Markets is their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets are based upon the settlement or closing prices of these contracts on the preceding business day on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Management Company may deem fair and reasonable.
- 6) Units or shares of open-ended underlying funds are valued at their last determined and available Net Asset Value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors of the AIFM on a fair and equitable basis and in good faith.
- 7) All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM.

c) Net realised gain/ (loss) on sales of securities

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2014

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction.

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	EUR	=	1.4777513	AUD	Australian Dollar
			1.2027528	CHF	Swiss Franc
			7.4474802	DKK	Danish Krona
			0.7764095	GBP	Pound Sterling
			9.3867012	HKD	Hong Kong Dollar
			145.1389425	JPY	Japanese Yen
			9.0726975	NOK	Norwegian Krona
			9.4737362	SEK	Swedish Krona
			1.2105000	USD	US Dollar

f) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the sum of the corresponding captions in the financial statements of the only open Sub-fund.

g) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Funds were amortised over a period of five years.

Formation expenses are included in the caption "Other expenses" in the statement of operations.

h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

i) Options contracts

Premiums received on the sale of options are recorded as liabilities, and premiums paid on the purchase of options are carried separately as assets. Unrealised gain/ (loss) is recorded in the statement of net assets. Realised and unrealised gains and losses on options are recorded in the statement of operations.

j) Other liquid assets

The caption "Other liquid assets" is mainly composed of cash accounts held at brokers.

Notes to the financial statements (continued)

as at 31st December 2014

k) Short sales

When the Fund engages in a short sale, an amount equal to the proceeds received by the Fund is reflected as an asset and equivalent liability. The amount of the liability is subsequently marked to market to reflect the market value of the short sale. The Fund is exposed to the risk of depreciation to the extent that the market value of the security sold short exceeds the proceeds of the short sales.

Securities sold short are borrowed from the prime broker.

l) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities, of fees relating to liquidation of transactions paid to the Depository and of transaction fees on financial instruments.

Note 2 - Subscription, Redemption and Conversion fees

The Offer price per unit as well as the Redemption price per unit is equivalent to the Net Asset Value per unit of the relevant class (or Gross Net Asset Value with respect to the subscription of Class IC2 Units) increased by the subscription fee of the respective unit class for subscriptions and decreased by the redemption fee of the respective unit class for redemptions as indicated hereafter:

	Subscription fee	Redemption fee	Conversion fee
Unit class R	max 3%	max 3%	max 3%
Unit class I	max 3%	max 3%	max 3%

The subscription, redemption and conversion fee will revert to the Placement and Distribution Agent, i.e. Rhenman & Partners Asset Management AB (until 22nd July 2014), SEB Fund Services S.A. (since 22nd July 2014).

Note 3 - Management fees

The Management Company is entitled to receive out of the Sub-Fund's assets a management fee payable monthly in arrears based on the Sub-Fund's net assets calculated monthly, of:

- maximum 2.075% p.a. for the classes RC1 (SEK) and RC1 (EUR),
- maximum 1.575% p.a. for the classes RC2 (SEK), IC1 (EUR), ID1 (SEK) and IC3 (EUR),
- maximum 1.075% p.a. for the classes IC2 (EUR), IC2 (SEK) and IC2 (USD),
- maximum 0.825% p.a. for the class IC4 (EUR).

These rates include the fees payable to the Portfolio Manager for its services whose applicable rates at the date of the report are the following:

- 2.00% p.a. for the classes RC1 (SEK) and RC1 (EUR),
- 1.50% p.a. for the classes RC2 (SEK), IC1 (EUR), ID1 (SEK) and IC3 (EUR),
- 1.00% p.a. for the classes IC2 (EUR) IC2 (SEK) and IC2 (USD),
- 0.75% p.a. for the class IC4 (EUR).

Notes to the financial statements (continued)

as at 31st December 2014

Note 4 - Performance fee

The Portfolio Manager is also entitled to receive a performance fee, payable out of the Sub-Fund's assets.

Calculation of the performance fee for all classes except for Class IC4 (EUR)

The performance fee is calculated and accrued monthly in the respective unit classes as described below and is paid out quarterly in arrears. The first period ended on 30th June 2009 and being followed by each successive quarter thereafter (the "Calculation Period").

For each Calculation Period, the performance fee in respect of each unit is equal to 20% (10% for the Class IC3 (EUR) Unit) of the appreciation in the Gross Asset Value per each unit of that class during the Calculation Period above the Base Net Asset Value per each unit of that class. For Class D Units the Gross Net Asset Value (GNAV) used for the calculation of the Performance Fee will be adjusted by any dividend distributions made during the relevant Calculation Period.

The Gross Net Asset Value is calculated after the accrual of all fees but prior to the accrual of any Performance Fee on the relevant Valuation Day.

The Base Net Asset Value per each unit is the greater of the Net Asset Value of that unit at the time of issue of that Unit multiplied by the 3 months EURO Interbank Offered Rate on the last bank business day of the previous calculation period adjusted for monthly return and the highest NAV of that Unit achieved as of the end of any previous Calculation Period (if any) during which such unit was in issue multiplied by the 3 months EURO Interbank Offered Rate for the relevant calculation period adjusted for monthly return.

For the Class IC2 units, certain adjustments will be made to reduce inequities that would occur for investors subscribing for Units at a time when the Net Asset Value per Unit is other than the Base Net Asset Value per Unit (Equalisation).

For Class IC4 (EUR)

For Class IC4 (EUR) Unit, the performance fee is calculated and accrued monthly and is paid out annually in arrears. The Calculation Period will start on 1st January and end on 31st December each year. For each Calculation Period, the performance fee in respect of each unit is equal to 10%.

The Portfolio Manager shall be entitled to a Performance Fee if the Sub-Fund produces an excess performance, defined as any positive difference between the performance of the current Gross Net Asset Value (GNAV) per Unit and the Base Net Asset Value per Unit for the same calculation period. If the difference is negative, excess performance is defined to be zero, and in such case the Portfolio Manager is not entitled to a Performance Fee and the negative performance at the end of any Calculation Period will not be carried forward to the next Calculation Periods. A Performance Fee will only be paid if the excess performance is above a 5% annual hurdle rate and if that is the case the Performance Fee will be calculated on the entire difference between the GNAV and the Base Net Asset Value.

The GNAV is calculated after the accrual of all fees but prior to the accrual of any Performance Fee on the relevant Valuation Day.

The Base Net Asset Value per each Unit is equal to the Net Asset Value of that Unit at the end of the previous Calculation Period.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2014

In the case of Units redeemed during a Calculation Period, the accrued Performance Fee in respect of those Units shall be crystallized and subsequently paid to the Portfolio Manager at the end of the Calculation Period.

At the date of the report, a performance fee of EUR 23,454,277.49 was recorded for the Sub-Fund.

Note 5 - Central administration costs

Out of the Sub-Fund's assets an administration fee of maximum 0.135% p.a. is payable to the Management Company monthly in arrears based on the Sub-Fund's average net assets calculated monthly. This fee includes the fee due to the Depository. However the Management Company is entitled to a minimum monthly administration fee of EUR 3,333 payable monthly in arrears to the Management Company.

Note 6 - Subscription duty ("taxe d'abonnement")

The Fund Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended law of 17th December 2010 the net assets invested in Undertakings for Collective Investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or classes of units reserved to institutional investors.

Note 7 - Pledged assets

At the date of the report, the following securities serve as pledged assets in relation to collateralized debt at banks, short sales and security borrowing operations. The counterparty of the following positions is Skandinaviska Enskilda Banken AB (publ), Stockholm.

Description	Currency	Quantity	Market value (in EUR)
AbbVie Inc	USD	70,000.00	3,784,221.40
Abiomed Inc	USD	83,000.00	2,609,648.91
Ablynx NV	EUR	197,000.00	1,780,880.00
Acadia Pharmaceuticals Inc	USD	185,000.00	4,852,333.75
Achillion Pharmaceuticals Inc	USD	413,000.00	4,179,471.29
Actavis Plc	USD	24,000.00	5,103,543.99
Actelion Ltd	CHF	61,000.00	5,847,668.78
Active Biotech AB	SEK	238,000.00	472,295.19
Aetna Inc	USD	26,000.00	1,907,955.39
Alexion Pharmaceuticals Inc	USD	40,000.00	6,114,167.70
Alk-Abello A/ S B	DKK	27,000.00	2,360,127.11

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2014

Description	Currency	Quantity	Market value (in EUR)
Alkermes Plc	USD	162,000.00	7,837,026.02
Alnylam Pharmaceuticals Inc	USD	25,000.00	2,003,304.42
AmerisourceBergen Corp	USD	45,000.00	3,351,672.86
Amgen Inc	USD	27,000.00	3,552,936.80
Anthem Inc	USD	30,000.00	3,114,498.14
Ariad Pharmaceuticals Inc	USD	422,000.00	2,394,993.80
Array BioPharma Inc	USD	329,100.00	1,285,950.43
Auxilium Pharmaceuticals Inc	USD	88,000.00	2,499,694.34
Bayer AG Reg	EUR	157,000.00	17,741,000.00
BioMarin Pharmaceutical Inc	USD	63,000.00	4,704,832.71
Biogen IDEC Inc	USD	17,000.00	4,767,162.33
Bristol Myers Squibb Co	USD	99,000.00	4,827,732.34
CVS Health Corp	USD	55,000.00	4,375,919.04
Cardinal Health Inc	USD	54,000.00	3,601,338.29
Catamaran Corp	USD	51,000.00	2,180,297.40
Celgene Corp	USD	70,000.00	6,468,566.71
Celldex Therapeutics Inc	USD	138,000.00	2,080,545.23
Cepheid Inc	USD	25,500.00	1,140,495.66
Cerner Corp	USD	30,000.00	1,602,478.31
Community Health Syst Inc	USD	73,000.00	3,251,681.12
Covidien Plc	USD	65,000.00	5,492,110.70
Cyberonics Inc	USD	43,000.00	1,977,893.43
Dexcom Inc	USD	48,000.00	2,182,899.63
Edwards Lifesciences Corp	USD	10,000.00	1,052,292.44
Eli Lilly & Co	USD	60,000.00	3,419,578.69
Endologix Inc	USD	220,000.00	2,778,851.71
Episurf Medical AB B	SEK	12,000.00	45,219.75
Fresenius SE & Co KGaA	EUR	130,000.00	5,610,800.00
Genmab A/ S	DKK	50,593.00	2,447,627.57
Getinge AB B	SEK	148,000.00	2,777,615.87
Gilead Sciences Inc	USD	85,000.00	6,618,835.19
HCA Holdings Inc	USD	47,000.00	2,849,508.47
Hologic Inc	USD	68,000.00	1,502,123.09
Incyte Corp Ltd	USD	50,000.00	3,019,826.52
Insulet Corp	USD	55,000.00	2,092,771.58
Intercept Pharmaceuticals Inc	USD	25,000.00	3,221,809.17
Jazz Pharmaceuticals Plc	USD	18,000.00	2,434,646.84
Johnson & Johnson	USD	93,000.00	8,033,878.56
Keryx Biopharmaceuticals Inc	USD	65,424.00	764,766.29
Lexicon Pharmaceuticals Inc	USD	294,800.00	221,593.16
Ligand Pharmaceuticals Inc B	USD	36,474.00	1,603,289.17

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2014

Description	Currency	Quantity	Market value (in EUR)
Meda AB A	SEK	327,818.00	3,892,817.39
Medivation Inc	USD	60,000.00	4,937,298.64
Medtronic Inc	USD	37,000.00	2,206,856.67
Merck Co Inc	USD	90,000.00	4,222,304.83
MorphoSys AG	EUR	27,000.00	2,069,010.00
Myriad Genetics Inc	USD	50,000.00	1,406,856.67
NPS Pharmaceuticals Inc	USD	100,000.00	2,954,977.28
Nektar Therapeutics	USD	270,000.00	3,457,249.07
Novartis AG Reg	CHF	130,000.00	9,981,685.35
Novo Nordisk AS B	DKK	140,000.00	4,893,198.63
Omnicare Inc	USD	25,000.00	1,506,195.79
Orexo AB	SEK	294,000.00	4,204,993.60
Pharmacyclics Inc	USD	18,000.00	1,817,992.57
Regeneron Pharmaceuticals Inc	USD	13,000.00	4,405,824.04
Roche Holding AG B de jouis Pref	CHF	18,000.00	4,039,234.00
Salix Pharmaceutical Ltd	USD	43,000.00	4,082,957.46
Sanofi SA	EUR	40,000.00	3,026,400.00
St Jude Medical Inc	USD	42,000.00	2,256,307.31
Supernus Pharmaceuticals Inc	USD	212,000.00	1,453,614.21
Thoratec Corp	USD	100,000.00	2,681,536.56
UCB	EUR	31,000.00	1,959,200.00
Universal Health Services Inc B	USD	70,000.00	6433,870.30
Vertex Pharmaceuticals Inc	USD	43,000.00	4,220,074.35
			<u>264,052,832.01</u>

As at 31st December 2014, the Fund hold cash pledged as collateral for a total amount of EUR 11,406.44 in favour of Skandinaviska Enskilda Banken AB (publ), Stockholm.

Note 8 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Management Company.

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