

Annual report including audited financial statements as at 31st December 2016

Rhenman & Partners Fund

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

R.C.S. Luxembourg K8



Management Company: SEB Fund Services S.A.
R.C.S. Luxembourg B 44 726

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 Investor Services, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden

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

Marie JUHLIN
Managing Director
SEB Fund Services S.A., Luxembourg
(since 29th March 2016)

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST
Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 31st October 2016)

Magnus WALLBERG
Deputy Managing Director, CFO/COO
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 29th March 2016)

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

Rhenman & Partners Fund

Organisation (continued)

Portfolio Manager	Rhenman & Partners Asset Management AB Strandvägen 5A SE-114 51 Stockholm
Auditor of the Fund	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg
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

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 qualifies as an 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. On 1st June 2016, the Luxembourg *Mémorial C* has been replaced by RESA (Recueil Electronique des Sociétés et Associations), the new official electronic platform of central publication regarding companies and associations. Publications made after 1st June 2016 are available on this new platform accessible through the website of the RCS.

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

The Board of Directors of the Management Company resolved, with effective date as at 5th February 2016, to approve the creation of the new Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S which was launched on 31st August 2016.

At present, two Sub-Funds are at unitholders' disposal:

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

For the time being, only the Classes IC1 (EUR), IC1 (USD), IC2 (USD), IC3 (EUR), IC4 (EUR), ID1 (SEK), RC1 (SEK), RC1 (EUR), RC2 (SEK) and RC9 (SEK) have been launched.

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-Funds is calculated monthly as of the last Business Day of each month in Luxembourg ("Valuation Day"), under the overall responsibility of the AIFM.

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 Management Company

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

To the Unitholders,

The main Fund's unit (IC1, EUR) decreased by 12.02% in 2016. The stated strategy of the Sub-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.

2016 was a difficult year for healthcare overall, but especially so for the biotechnology subsector. Biotech was the best performing sector for six consecutive years leading up to 2016 and a combination of political worries, pricing discussions and a period of disappointing R&D outcomes led to significant stock market weakness. There were three large washout periods starting with January/February when the Nasdaq biotech index fell more than 28%, causing turmoil in the investment community. This was followed by two more attempts to retest the bottom; first in June, in conjunction with Brexit, and again in November, in conjunction with the US presidential election.

Within healthcare in 2016 overall, small cap performed nearly as well as large cap but experienced more volatile trading, especially around the periods of large drawdowns. The discussions concerning drug pricing in the USA seemed never quite to be fully digested, especially with the US elections around the corner. Back in the autumn of 2015 tweets from presidential candidate Hillary Clinton in reference to a specific case of so-called 'price gouging' hit healthcare equities significantly. This theme continued throughout 2016. Eventually, it became clear that the race stood between Clinton and Trump, but what their effect on healthcare policy really would be was still rather unclear. Most market participants viewed Clinton as harsh on drug pricing, but also a deal maker who would want to maintain a prosperous biotech industry. Trump, on the other hand, was perceived as more pro-business but simultaneously a bit of a loose cannon whose policies were anything but transparent. In the days leading up to the US election, healthcare sold off strongly when speculation regarding the risk of a Democratic sweep, i.e. that both the House of Representatives and Senate would be won by the Democrats, became increasingly credible. That, in combination with the prospect of Hillary Clinton becoming president and the greater risks regarding pricing and regulation led many investors to sell in panic, only to find that the actual result was quite the opposite. With the Republicans in power, healthcare bounced back quickly in hope of a more accommodating White House going forward.

The other major political event which created havoc in 2016 was the UK 'Brexit' Referendum which, to the surprise of most observers, resulted in a victory for the "Leave" camp, despite many polls suggesting otherwise. Stock market reactions were sharply negative for two trading days, but within two weeks had fully regained their previous levels. The impact of Brexit for healthcare companies is expected to be fairly limited, even though some adjustments will mostly likely have to take place following the outcomes of the UK's negotiations with the EU regarding their new terms of trade.

Within healthcare the best performing subsector was services, followed by medtech. The worst subsector, by some margin, was biotech followed by pharma. The services sector started out the year fairly strongly, and after the US election result, it rallied further as a "Repeal and Replace" of the Affordable Care Act, also known as Obamacare, was viewed as positive for most healthcare services companies. Within the services sector, the hospitals fared worse as it is likely that they will be negatively affected by the removal of Obamacare, since hospitals will have to treat the uninsured and thereby risk

not receiving payment for those patients. The medtech sector was considered as something of a safe haven compared to biotech and pharma with respect to the ongoing pricing debate. The sector performed well until a few weeks before the election, when significant profit-taking took place partly due to the upcoming election and partly due to a disappointing earnings season. Both biotech and pharma were negatively affected by the above-mentioned pricing debate. The blow to biotech was particularly hard since the sector relies on the element of free pricing for innovative medicines to a greater extent than pharma. Often biotech companies take on significant R&D risk in order to develop drugs for extremely 'difficult-to-treat' diseases. If they can no longer expect to be able to price the finished product at an economically viable level, their entire business model falters.

One exciting development during 2016 was the strong cardiovascular data produced by the diabetes drug class GLP-1, namely Novo Nordisk's Victoza and Semaglutide. Both these drugs showed the ability to significantly reduce cardiovascular risk, something that insulin has never been able to do in a clinical study. Simultaneously, the US insulin market had an especially challenging year due to price competition with a biosimilar of Sanofi's insulin Lantus coming onto the market. Thus, despite the clinical milestones achieved by companies like Novo, 2016 was a difficult year for them on the stock market.

Mergers & Acquisitions had its fair share of large deals such as Pfizer's purchase of the oncology company Medivation for USD 14 bn in a competitive bidding process that came to an end in August. An example of a serial take out process was Abbot's announced purchase of the medtech company St Jude for USD 25 bn. St Jude had, about one year earlier itself acquired the heart pump niche company Thoratec for USD 3.5 bn. Heartware, Thoratec's main head to head competitor, was bought by Medtronic, another medtech megacap. Within the pharma sphere, when the proposed merger between Pfizer and Allergan did not take place, Allergan made a deal with Teva to sell their generics division for USD 36 bn.

For the year overall, the US dollar appreciated nearly 3% against the Euro, creating a tailwind for the Fund's main share unit which is Euro denominated, given that around 70% of the assets are US companies. Continued USD strength would 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 are also growing at such a hefty pace that the currency headwind will not be as much of a burden.

The outlook for healthcare in 2017, against the backdrop of the past year's underperformance, should be fairly positive. The shape of the political landscape in the US will have a significant effect on the sector, least not on sentiment towards the sector. It is likely that we will see Obamacare repealed and replaced but it is still unclear what programs will follow the current paradigm. Given that healthcare equity valuations are well below their historical average, the sector finds itself in a particularly interesting place. It is probably wise to expect that trading, to a greater extent than before, will be influenced by the President's Twitter comments, and thus we may well experience more short term volatility than before. The ongoing debate on drug pricing is likely to limit the magnitude of yearly drug price increases, a healthy and necessary adjustment. It is worth pointing out however, that the cost of drugs makes up around 11% of the total US healthcare bill, a figure that has been stable for many years. Thus, even though headline prices have risen on certain drugs, the proportion of generic drugs prescribed in 2016 reached approximately 90% and this is expected to continue to rise, providing budgetary room for innovative drugs and products. Innovation continues to be strong, pipelines are

Rhenman & Partners Fund

Report from the Management Company (continued)

maturing and the most meaningful patent cliff is behind us. Recently, growth rates in Emerging Markets have slowed somewhat, but with low penetration rates, rising purchasing power, improved life expectancy and the increasing prevalence of chronic disease such as diabetes, COPD and cancer, future demand growth for healthcare in these markets is expected to pick up speed again.

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

To the Unitholders,

The main Fund's unit class (RC1, SEK) rose by 4.42% in 2016. The stated strategy of the Fund is to invest in 30 to 50 companies worldwide, with both long and short positions, resulting in a net exposure over time of 50 to 90 percent. The investment process builds on a top down view of the world at large, aiming at identifying preferred sectors and regions. In this part of the process, the Fund manager is supported by an Advisory Board. This is then paired with a stock selection process aiming at identifying the best companies in each sector and region. The Fund manager targets an annual return over time, net of fees, of seven to eight percent per annum.

Following a difficult first half of 2016, culminating in widespread turbulence in capital markets following the British referendum on the EU in June, the second half of the year was significantly less volatile. Even though the autumn was dominated by continued political uncertainty, especially regarding the US elections, stock markets were supported by gradually improving corporate earnings as well as subsiding fears regarding the outlook for several sectors, not least for the systematically important banking sector.

The outcome of the US elections in early November buoyed market sentiment on hopes for tax cuts, increased infrastructure spending and a generally more business-friendly administration. This also resulted in a sharp increase in US bond yields as well as significant sector rotation in the equity markets. Companies with large cyclical exposures and financial service companies benefitted the most from this, whereas companies whose valuations rest on low bond yields and consumer staples companies suffered the most.

Regarding the performance of the Fund in 2016, the following remarks can be made. After inception on August 31, the subsequent four months through December all showed positive returns, with the month of November being the strongest. During this period, from an attribution perspective, the Fund's holdings in banks, industrials and raw material companies gave the best contribution while information technology, consumer staples and consumer discretionary companies gave the worst.

Moving into 2017 investor expectations are generally subdued. 2016 was, as someone put it, a 'very long year', in which investors experienced a couple of sharp declines. Firstly, the beginning of the year was the worst start to a trading year in a long time, and secondly, the initial reaction to Brexit led to the largest single day fall in many years. In between, investors were thrown between hope and despair in everything from expected election outcomes to the outlook for the banking sector. Against this backdrop the strong autumn came as a great relief, especially after the US elections and the fact that the world's stock markets noted a year of plus figures. Thus, many people feel that it is almost too much to hope for another good year.

We too have great respect for the challenges which lie ahead in 2017, not least politically. Great uncertainty surrounds the new administration in the US and its ambitions in several fields. The implications for the capital markets are significant, and range from the inflationary outlook to challenges for the free trade agreements between the US and other countries. Also in Europe, 2017 holds a number of unknown political outcomes, especially with elections coming up in the Netherlands, France and Germany.

However, the underlying economic developments in large parts of the world are on the right path and create the conditions for rising demand and improved company results. On an aggregated level, corporate earnings in 2016, which had deteriorated since the end of 2014, gradually improved and eventually showed positive year-on-year changes for the third quarter. Given that this positive trend continues, we believe that the stock markets have opportunities to advance in 2017 with the support of good profit growth.

The vital importance of continued profit growth is reflected in the current valuations in the equity market. Even though valuations remain attractive bearing in mind the currently low interest rates, the multiples as such are at the upper end of the range seen over the past ten years. Improvements in earnings must be reflected in the upcoming earnings seasons in order to defend these multiples. The main drivers for continued earnings growth differs between sectors, with one common denominator being a favourable macro-economic environment. Some sectors will see higher earnings compared to recent years as they come out of an unfavourable period as end-user demand increases and the capital expenditure cycle improves. This includes many cyclical companies, not least those who have an exposure to raw materials, energy and infrastructure spending. Banks can be expected to improve their earnings as a result of increased loan demand, possible lower regulation and litigation pressure, as well as higher interest rates. Companies within the healthcare sector, which have had a politically induced head wind ever since the presidential campaign in the US started in 2015, can be expected to deliver a stable earnings growth. The same goes for consumer staples companies, whose products are sold and consumed to a large extent irrespective of the business cycle.

Factors which can be expected to influence equity markets in 2017 include developments in the fixed income market. The Federal Reserve is likely to hike the Fed fund's rate on at least two occasions and the new US administration's proposals in various fields could possibly raise inflation expectations, leading to higher bond yields. To a certain extent, this might prove beneficial to the equity markets, but should the height and speed of a possible increase in bond yields become too pronounced, equity markets would likely suffer as a result.

Luxembourg, 30th January 2017

The Board of Directors of the Management Company

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 and of each of its Sub-Funds which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2016 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.

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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 and of each of its Sub-Funds as of 31st December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other information

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 12th April 2017

A handwritten signature in blue ink, appearing to read 'TB', with a long horizontal flourish extending to the right.

Thierry Blondeau

Rhenman & Partners Fund

Combined statement of net assets (in EUR)

as at 31st December 2016

Assets

Investments

Securities portfolio at market value	687,745,240.02
	<hr/>
	687,745,240.02

Cash and cash equivalents

Cash at banks	8,614,470.90
Cash collateral at banks for short sales of securities	3,804,607.79
	<hr/>
	12,419,078.69

Receivables

Receivable on sales of securities	21,654,813.82
Receivable on issues of shares	16,105,968.85
Income receivable on portfolio	166,273.64
	<hr/>
	37,927,056.31

Other assets

Formation expenses, net	13,201.88
	<hr/>
	13,201.88

Total assets

738,104,576.90

Liabilities

Payables

Short sales of securities at market value	128,179,893.37
Payable on purchases of securities	4,872,741.71
Payable on redemptions of shares	23,129,122.07
Interest payable on bank overdrafts	153,008.96
Expenses payable	1,018,453.76
	<hr/>
	157,353,219.87

Borrowings

Bank overdrafts	29,819,577.77
Collateralized debt at banks	132,642,851.86
	<hr/>
	162,462,429.63

Total liabilities

319,815,649.50

Total net assets at the end of the year

418,288,927.40

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

Rhenman & Partners Fund

Combined statement of operations (in EUR)

from 1st January 2016 to 31st December 2016

Income

Investment income

Dividends, net	4,188,261.26
Interest on bank accounts	750.70
Interest on cash collateral	25.24
	<hr/>
	4,189,037.20

Realised gain on investments

- on securities portfolio	91,521,051.82
- on options contracts	16,765.38
	<hr/>
	91,537,817.20

Appreciation of unrealised results on investments

- on securities portfolio	83,326,906.52
	<hr/>
	83,326,906.52

Total income

179,053,760.92

Expenses

Investment advisory or management fees

Management fees	6,633,252.16
Performance fees	120,101.90
	<hr/>
	6,753,354.06

Other expenses

Depositary fees	85,946.52
Banking charges and other fees	2,581,071.78
Transaction fees	3,673,998.20
Central administration costs	364,013.89
Professional fees	43,150.54
Other administration costs	36,808.37
Subscription duty ("taxe d'abonnement")	137,279.10
Bank interest paid	512,477.54
Dividends paid on short sales of securities	1,472,003.47
Interest paid on collateralized debt at banks	1,420,497.05
Other fees	1,704.14
	<hr/>
	10,328,950.60

Realised loss on investments

- on securities portfolio	121,752,621.48
- on foreign exchange	68,103.06
	<hr/>
	121,820,724.54

Depreciation of unrealised results on investments

- on securities portfolio	105,806,393.61
	<hr/>
	105,806,393.61

Total expenses

244,709,422.81

Net expenditure

-65,655,661.89

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 2016 to 31st December 2016

Net expenditure	-65,655,661.89
Dividends paid	-872,552.00
Subscriptions	63,469,111.54
Redemptions	-98,879,702.77
Total changes in net assets	-101,938,805.12
Total net assets at the beginning of the year	520,227,732.52
<u>Total net assets at the end of the year</u>	<u>418,288,927.40</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 2016

Assets

Investments

Securities portfolio at market value	679,980,258.34
	<u>679,980,258.34</u>

Cash and cash equivalents

Cash at banks	5,855,774.96
	<u>5,855,774.96</u>

Receivables

Receivable on sales of securities	21,654,813.82
Receivable on issues of shares	16,105,968.85
Income receivable on portfolio	163,810.60
	<u>37,924,593.27</u>

Total assets

723,760,626.57

Liabilities

Payables

Short sales of securities at market value	127,839,599.89
Payable on purchases of securities	4,872,741.71
Payable on redemptions of shares	23,123,571.27
Interest payable on bank overdrafts	147,917.58
Expenses payable	855,697.99
	<u>156,839,528.44</u>

Borrowings

Bank overdrafts	26,647,452.67
Collateralized debt at banks	132,642,851.86
	<u>159,290,304.53</u>

Total liabilities

316,129,832.97

Total net assets at the end of the year

407,630,793.60

"IC1 (EUR)" units outstanding	67,067.657
Net asset value per "IC1 (EUR)" unit	372.44
"IC1 (USD)" units outstanding	47,412.175
Net asset value per "IC1 (USD)" unit	USD 88.85
"IC2 (SEK)" units outstanding	276,949.021
Net asset value per "IC2 (SEK)" unit	SEK 260.87
"IC2 (USD)" units outstanding	213,170.837
Net asset value per "IC2 (USD)" unit	USD 119.08
"IC3 (EUR)" units outstanding	67,687.279
Net asset value per "IC3 (EUR)" unit	422.73
"IC4 (EUR)" units outstanding	307,448.956
Net asset value per "IC4 (EUR)" unit	273.54

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 2016

"ID1 (SEK)" units outstanding	593,296.545
Net asset value per "ID1 (SEK)" unit	SEK 218.40
"RC1 (SEK)" units outstanding	2,972,489.285
Net asset value per "RC1 (SEK)" unit	SEK 320.83
"RC1 (EUR)" units outstanding	12,224.348
Net asset value per "RC1 (EUR)" unit	327.47
"RC2 (SEK)" units outstanding	3,384,175.963
Net asset value per "RC2 (SEK)" unit	SEK 332.51

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 2016 to 31st December 2016

Income

Investment income

Dividends, net	4,164,790.81
Interest on bank accounts	750.70
	<hr/>
	4,165,541.51

Realised gain on investments

- on securities portfolio	91,458,133.72
- on options contracts	16,765.38
	<hr/>
	91,474,899.10

Appreciation of unrealised results on investments

- on securities portfolio	82,529,031.81
	<hr/>
	82,529,031.81

Total income

178,169,472.42

Expenses

Investment advisory or management fees

Management fees	6,605,289.60
	<hr/>
	6,605,289.60

Other expenses

Depository fees	85,344.49
Banking charges and other fees	2,572,883.00
Transaction fees	3,659,298.16
Central administration costs	345,630.81
Professional fees	24,196.54
Other administration costs	28,450.08
Subscription duty ("taxe d'abonnement")	135,137.92
Bank interest paid	507,226.04
Dividends paid on short sales of securities	1,471,186.62
Interest paid on collateralized debt at banks	1,420,041.72
	<hr/>
	10,249,395.38

Realised loss on investments

- on securities portfolio	121,748,990.26
- on foreign exchange	47,847.88
	<hr/>
	121,796,838.14

Depreciation of unrealised results on investments

- on securities portfolio	105,650,622.70
	<hr/>
	105,650,622.70

Total expenses

244,302,145.82

Net expenditure

-66,132,673.40

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 2016 to 31st December 2016

Net expenditure	-66,132,673.40
Dividends paid	-872,552.00
Subscriptions	52,443,796.92
Redemptions	-98,035,510.44
Total changes in net assets	-112,596,938.92
Total net assets at the beginning of the year	520,227,732.52
<u>Total net assets at the end of the year</u>	<u>407,630,793.60</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 2016

Total net assets	
- as at 31.12.2016	407,630,793.60
- as at 31.12.2015	520,227,732.52
- as at 31.12.2014	343,514,886.63
Number of "IC1 (EUR)" units	
- outstanding at the beginning of the year	112,476.086
- issued	4,832.932
- redeemed	-50,241.361
- outstanding at the end of the year	67,067.657
Net asset value per "IC1 (EUR)" unit	
- as at 31.12.2016	372.44
- as at 31.12.2015	423.32
- as at 31.12.2014	352.48
Number of "IC1 (USD)" units	
- outstanding at the beginning of the year	66,816.331
- issued	0.000
- redeemed	-19,404.156
- outstanding at the end of the year	47,412.175
Net asset value per "IC1 (USD)" unit	
- as at 31.12.2016	USD 88.85
- as at 31.12.2015	USD 104.09
- as at 31.12.2014	-
Number of "IC2 (SEK)" units	
- outstanding at the beginning of the year	636,949.021
- issued	0.000
- redeemed	-360,000.000
- outstanding at the end of the year	276,949.021
Net asset value per "IC2 (SEK)" unit	
- as at 31.12.2016	SEK 260.87
- as at 31.12.2015	SEK 281.94
- as at 31.12.2014	SEK 240.91
Number of "IC2 (USD)" units	
- outstanding at the beginning of the year	213,170.837
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	213,170.837
Net asset value per "IC2 (USD)" unit	
- as at 31.12.2016	USD 119.08
- as at 31.12.2015	USD 138.70
- as at 31.12.2014	USD 126.40
Number of "IC3 (EUR)" units	
- outstanding at the beginning of the year	89,031.963
- issued	2,677.030
- redeemed	-24,021.714
- outstanding at the end of the year	67,687.279
Net asset value per "IC3 (EUR)" unit	
- as at 31.12.2016	422.73
- as at 31.12.2015	480.47
- as at 31.12.2014	389.50

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 2016

Number of "IC4 (EUR)" units	
- outstanding at the beginning of the year	248,571.351
- issued	58,877.605
- redeemed	0.000
<hr/>	<hr/>
- outstanding at the end of the year	307,448.956
Net asset value per "IC4 (EUR)" unit	
- as at 31.12.2016	273.54
- as at 31.12.2015	308.57
- as at 31.12.2014	246.20
Number of "ID1 (SEK)" units	
- outstanding at the beginning of the year	641,881.615
- issued	9,795.775
- redeemed	-58,380.845
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- outstanding at the end of the year	593,296.545
Net asset value per "ID1 (SEK)" unit	
- as at 31.12.2016	SEK 218.40
- as at 31.12.2015	SEK 253.27
- as at 31.12.2014	SEK 227.49
Dividend paid	
Ex-dividend date	29.02.2016
Dividend per unit	SEK 12.66
Units outstanding at dividend date	643,438.945
Number of "RC1 (SEK)" units	
- outstanding at the beginning of the year	3,767,775.632
- issued	385,539.355
- redeemed	-1,180,825.702
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- outstanding at the end of the year	2,972,489.285
Net asset value per "RC1 (SEK)" unit	
- as at 31.12.2016	SEK 320.83
- as at 31.12.2015	SEK 350.16
- as at 31.12.2014	SEK 302.97
Number of "RC1 (EUR)" units	
- outstanding at the beginning of the year	19,796.583
- issued	1,339.603
- redeemed	-8,911.838
<hr/>	<hr/>
- outstanding at the end of the year	12,224.348
Net asset value per "RC1 (EUR)" unit	
- as at 31.12.2016	327.47
- as at 31.12.2015	374.15
- as at 31.12.2014	315.14
Number of "RC2 (SEK)" units	
- outstanding at the beginning of the year	3,314,400.254
- issued	576,444.730
- redeemed	-506,669.021
<hr/>	<hr/>
- outstanding at the end of the year	3,384,175.963
Net asset value per "RC2 (SEK)" unit	
- as at 31.12.2016	SEK 332.51
- as at 31.12.2015	SEK 361.10
- as at 31.12.2014	SEK 310.92

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 2016

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	2,411,991.78	0.59
CHF	12,108	Actelion Ltd	2,217,561.31	2,491,231.28	0.62
CHF	61,382	Novartis AG Reg	4,636,502.55	4,244,165.25	1.04
CHF	43,000	Roche Holding Ltd Pref	9,834,059.04	9,332,783.87	2.29
			16,688,122.90	16,068,180.40	3.95
DKK	53,000	Alk-Abello A/ S B	5,675,262.08	6,557,395.44	1.61
DKK	156,131	Ambu AS	2,861,713.61	5,952,643.61	1.46
DKK	55,000	Bavarian Nordic A/ S	887,245.69	1,841,745.91	0.45
DKK	30,000	Genmab A/ S	814,720.20	4,732,459.91	1.16
DKK	190,000	H Lundbeck A/ S	4,529,050.04	7,341,028.40	1.80
DKK	255,000	Novo Nordisk AS B	11,449,639.07	8,734,474.93	2.14
DKK	90,000	William Demant Holding AS	1,467,878.91	1,486,307.10	0.36
			27,685,509.60	36,646,055.30	8.98
EUR	271,273	Ablynx NV	2,239,250.67	2,933,817.50	0.72
EUR	50,000	Almirall SA	848,172.50	738,000.00	0.18
EUR	90,000	Fresenius SE & Co KGaA	4,353,522.32	6,683,400.00	1.64
EUR	152,000	Galapagos Genomics NV	3,884,404.26	9,262,880.00	2.27
EUR	100,000	Genfit	3,695,456.00	2,101,000.00	0.52
EUR	134,000	Grifols SA A	2,198,281.40	2,529,920.00	0.62
EUR	65,000	Ion Beam Applications SA	1,367,215.90	2,706,600.00	0.66
EUR	88,479	Ipsen	4,101,595.37	6,078,507.30	1.49
EUR	95,100	Merck KGaA	8,882,346.80	9,429,165.00	2.31
EUR	30,000	MorphoSys AG	1,403,365.18	1,462,500.00	0.36
EUR	60,000	Orpea SA	4,715,794.00	4,605,600.00	1.13
			37,689,404.40	48,531,389.80	11.90
GBP	1,722,247	Cambian Group Plc	3,177,160.26	2,496,969.30	0.61
GBP	940,496	ConvaTec Group Plc Reg	2,382,633.75	2,577,268.89	0.63
GBP	100,000	Mediclinic International Plc	1,293,680.84	903,289.45	0.22
GBP	234,858	Shire Plc	13,620,013.08	12,888,275.25	3.16
			20,473,487.93	18,865,802.89	4.62
HKD	1,016,500	Lee's Pharmaceutical Hgs Ltd	1,291,129.57	780,730.37	0.19
HKD	3,300,000	Sino Biopharmaceutical Ltd	2,460,071.94	2,203,639.91	0.54
HKD	2,903,000	Sinopharm Group Co Ltd H	10,255,302.85	11,343,627.19	2.78
			14,006,504.36	14,327,997.47	3.51
JPY	335,000	Astellas Pharma Inc	3,514,704.58	4,421,989.24	1.09
JPY	152,000	Chugai Pharmaceutical Co Ltd	3,722,727.50	4,146,261.55	1.02
JPY	361,000	Santen Pharmaceutical Co Ltd	3,793,625.93	4,197,240.18	1.03
JPY	95,000	Takeda Pharmaceutical Co Ltd	3,554,549.23	3,734,570.53	0.92
JPY	171,000	Terumo Corp	3,244,421.60	5,999,257.35	1.47
			17,830,028.84	22,499,318.85	5.53
SEK	1,014,184	Active Biotech AB	3,155,152.64	1,105,338.77	0.27
SEK	25,000	AstraZeneca Plc	1,262,883.89	1,296,122.74	0.32
SEK	10,048,316	BioInvent Intl AB	2,217,623.83	3,217,318.23	0.79
SEK	688,178	Episurf Medical AB B	2,273,478.47	1,073,011.40	0.26
SEK	542,859	Hansa Medical AB	2,166,050.24	6,595,919.20	1.62
SEK	180,975	Orexo AB	2,485,357.46	709,690.17	0.17
			13,560,546.53	13,997,400.51	3.43
USD	125,000	AbbVie Inc	6,963,421.82	7,422,245.40	1.82
USD	102,700	Abiomed Inc	7,037,971.90	10,973,104.49	2.70

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 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	70,000	Acadia Pharmaceuticals Inc	1,811,673.85	1,914,280.29	0.47
USD	166,000	Achillion Pharmaceuticals Inc	1,199,016.60	650,085.34	0.16
USD	130,000	Adamas Pharmaceuticals Inc	1,935,215.36	2,083,254.31	0.51
USD	154,006	Adverum Biotechnologies Inc	4,384,133.37	423,494.60	0.10
USD	35,000	Aerie Pharmaceuticals Inc	1,358,830.81	1,256,163.47	0.31
USD	62,000	Aetna Inc	6,119,518.19	7,290,555.66	1.79
USD	91,702	Alexion Pharmaceuticals Inc	10,692,426.86	10,638,858.05	2.61
USD	75,599	Alkermes Plc	3,380,063.88	3,984,252.25	0.98
USD	76,000	Allergan Plc	16,792,062.56	15,134,420.63	3.72
USD	135,000	Alnylam Pharmaceuticals Inc	8,214,222.52	4,792,717.62	1.18
USD	68,000	AmerisourceBergen Corp	5,109,674.89	5,041,646.12	1.24
USD	70,000	Amgen Inc	9,718,026.16	9,704,816.99	2.38
USD	61,000	Anthem Inc	7,284,840.36	8,315,920.73	2.04
USD	200,000	Anthera Pharmaceuticals Inc	671,908.20	123,098.81	0.03
USD	940,000	Ariad Pharmaceuticals Inc	7,216,425.43	11,088,185.09	2.72
USD	550,000	Array BioPharma Inc	2,666,674.94	4,584,202.54	1.12
USD	5,000	Becton Dickinson & Co	754,239.01	784,894.75	0.19
USD	36,000	Biogen Inc	9,162,361.02	9,680,333.78	2.37
USD	50,000	BioMarin Pharmaceutical Inc	4,033,735.99	3,927,555.47	0.96
USD	291,000	Bristol Myers Squibb Co	15,291,305.26	16,125,583.16	3.96
USD	65,000	Cardinal Health Inc	4,330,225.71	4,435,852.46	1.09
USD	100,000	Catabasis Pharmaceuticals Inc	1,077,925.29	342,309.88	0.08
USD	93,000	Celgene Corp	8,691,401.26	10,207,424.62	2.51
USD	160,000	Centene Corp	8,570,543.09	8,573,487.58	2.10
USD	400,000	Chimerix Inc	3,490,736.86	1,744,737.34	0.43
USD	69,000	Cigna Corp	8,841,524.53	8,727,394.27	2.14
USD	111,357	Coherus BioSciences Inc	1,730,958.95	2,972,406.17	0.73
USD	30,099	Concert Pharm Inc	341,150.60	293,683.59	0.07
USD	150,000	CVS Health Corp	11,869,221.08	11,223,686.71	2.75
USD	65,000	DaVita Inc	3,797,624.35	3,956,950.50	0.97
USD	84,800	Dexcom Inc	5,080,172.85	4,800,455.15	1.17
USD	485,000	Dynavax Technologies Corp	5,527,270.40	1,816,565.52	0.45
USD	70,000	Edwards Lifesciences Corp	5,574,468.00	6,219,419.69	1.53
USD	220,000	Eli Lilly & Co	14,246,641.65	15,343,258.11	3.76
USD	300,200	Endo International Plc	6,506,397.95	4,688,312.15	1.15
USD	575,000	Endologix Inc	4,671,963.11	3,118,718.00	0.77
USD	275,000	Esperion Therapeutics Inc	6,604,068.88	3,264,744.93	0.80
USD	855,000	Exelixis Inc	7,900,271.44	12,088,042.86	2.97
USD	111,000	Express Scripts Hg Co	7,410,591.50	7,240,366.02	1.78
USD	104,000	FibroGen Inc	2,373,122.95	2,110,373.60	0.52
USD	256,265	Gilead Sciences Inc	18,943,217.21	17,401,039.87	4.27
USD	115,800	Glaukos Corp	3,489,758.68	3,766,300.02	0.92
USD	180,000	Halozyme Therapeutics Inc	2,461,150.09	1,686,326.57	0.41
USD	134,707	HCA Holdings Inc	8,718,850.92	9,454,781.09	2.32
USD	160,000	Hologic Inc	4,572,803.92	6,086,857.58	1.49
USD	700,000	Horizon Pharma Plc	10,313,701.67	10,739,616.92	2.63
USD	40,000	Humana Inc	6,202,927.94	7,738,668.69	1.90
USD	15,000	Illumina Inc	1,957,717.86	1,821,164.43	0.45
USD	145,000	Incyte Corp Ltd	10,898,730.39	13,786,411.91	3.38
USD	35,000	Insulet Corp	1,017,771.71	1,250,521.52	0.31
USD	20,000	Intercept Pharmaceuticals Inc	2,588,240.22	2,060,496.88	0.50
USD	290,000	Intra-Cellular Therapies Inc	4,273,141.02	4,149,535.37	1.02
USD	50,920	Jazz Pharmaceuticals Plc	6,600,734.91	5,264,372.84	1.29
USD	425,111	Keryx Biopharmaceuticals Inc	3,386,081.31	2,362,175.67	0.58
USD	80,000	Kite Pharma Inc	3,344,714.20	3,401,479.23	0.83
USD	35,000	Laboratory Corp of America Hgs	4,035,430.21	4,260,667.55	1.05
USD	650,000	Lion Biotechnologies Inc	6,068,787.45	4,283,614.64	1.05
USD	80,000	Livanova Plc	4,282,547.06	3,411,340.80	0.83
USD	155,000	Macrogenics Inc	3,394,055.76	3,004,172.19	0.74
USD	9,000	Mednax Inc	550,470.49	568,879.20	0.14
USD	212,000	Medtronic Plc	14,375,860.89	14,318,945.57	3.51

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 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	70,000	Merck & Co Inc	3,920,082.61	3,907,547.89	0.96
USD	50,000	Mirati Therapeutics Inc	778,747.73	225,203.87	0.06
USD	10,000	Mylan N.V.	332,088.28	361,748.53	0.09
USD	410,000	Nektar Therapeutics	4,508,682.19	4,770,244.64	1.17
USD	40,000	Neurocrine Biosciences Inc	1,362,929.72	1,467,855.11	0.36
USD	142,546	NeuroDerm Ltd	2,141,210.17	3,000,683.86	0.74
USD	89,314	Nevro Corp	6,605,502.35	6,153,570.30	1.51
USD	158,901	NxStage Medical Inc	2,776,545.03	3,949,170.50	0.97
USD	40,000	Ocular Therapeutix Inc	339,848.18	317,466.34	0.08
USD	118,537	Omniceil Inc	2,921,365.70	3,810,358.71	0.94
USD	23,920	Ophthotech Corp	775,823.12	109,552.06	0.03
USD	120,000	Orexigen Therapeutics Inc	6,275,970.61	197,989.76	0.05
USD	25,000	Perrigo Co Plc	2,411,006.43	1,973,022.95	0.48
USD	325,000	Pfizer Inc	9,991,410.83	10,009,482.27	2.46
USD	120,805	Portola Pharmaceuticals Inc	3,723,134.04	2,570,514.13	0.63
USD	55,000	Radius Health Inc	1,728,858.92	1,983,358.62	0.49
USD	26,500	Regeneron Pharmaceuticals Inc	9,344,826.23	9,224,241.42	2.26
USD	468,175	Regulus Therapeutic Inc	2,000,440.45	998,856.20	0.25
USD	210,000	Revance Therapeutics Inc	3,919,725.31	4,121,941.97	1.01
USD	1,282,000	Rigel Pharmaceuticals Inc	3,273,754.06	2,893,191.73	0.71
USD	28,711	Staar Surgical Co	242,696.31	295,386.26	0.07
USD	250,000	Supernus Pharmaceuticals Inc	1,954,649.10	5,985,681.78	1.47
USD	234,000	Tandem Diabetes Care Inc	2,421,613.72	477,052.91	0.12
USD	20,000	Tesaro Inc	2,462,543.70	2,550,350.84	0.63
USD	300,000	Tetraphase Pharmaceuticals Inc	4,324,967.28	1,146,406.22	0.28
USD	360,000	Teva Pharma Ind Ltd ADR repr 1 Share	15,360,308.53	12,374,359.95	3.04
USD	45,000	Thermo Fisher Scientific Inc	5,985,492.63	6,020,766.17	1.48
USD	201,537	Threshold Pharmaceuticals	638,824.92	84,276.33	0.02
USD	100,000	United Health Group Inc	11,593,964.54	15,175,421.96	3.72
USD	30,000	Universal Health Services Inc B	3,304,065.56	3,026,171.06	0.74
USD	65,013	Vertex Pharmaceuticals Inc	5,707,014.88	4,541,539.65	1.11
USD	25,000	Walgreens Boots Alliance Inc	1,836,175.32	1,961,881.28	0.48
USD	225,000	Xencor Inc	2,779,135.11	5,615,399.20	1.38
USD	145,000	ZELTIQ Aesthetics Inc	3,975,179.91	5,983,690.50	1.47
USD	80,000	Zimmer Biomet Hgs Inc	8,032,466.33	7,828,560.59	1.92
			<u>511,661,773.14</u>	<u>505,038,172.80</u>	<u>123.93</u>
Total shares			661,179,869.70	678,386,309.80	166.44
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
EUR	-30,000	Bayer AG Reg	-2,717,962.00	-2,973,900.00	-0.73
EUR	-48,000	Sanofi SA	-3,546,752.20	-3,691,200.00	-0.91
			<u>-6,264,714.20</u>	<u>-6,665,100.00</u>	<u>-1.64</u>
SEK	-90,000	Getinge AB B	-1,568,632.03	-1,371,371.39	-0.34
USD	-10,000	AbbVie Inc	-593,230.61	-593,779.63	-0.15
USD	-35,000	Align Technology Inc	-2,804,408.15	-3,190,356.53	-0.78
USD	-5,000	Amgen Inc	-693,423.10	-693,201.21	-0.17
USD	-5,000	Anthem Inc	-680,343.26	-681,632.85	-0.17
USD	-45,000	Ariad Pharmaceuticals Inc	-532,916.09	-530,817.37	-0.13
USD	-50,000	Boston Scientific Corp	-1,006,292.17	-1,025,507.30	-0.25
USD	-10,000	Bristol Myers Squibb Co	-564,652.61	-554,143.75	-0.14
USD	-10,000	Centene Corp	-535,094.83	-535,842.97	-0.13
USD	-45,000	Cerner Corp	-2,328,509.25	-2,021,287.69	-0.50
USD	-10,000	CVS Health Corp	-745,791.77	-748,245.78	-0.18
USD	-20,000	DaVita Inc	-1,229,558.71	-1,217,523.23	-0.30
USD	-5,000	Eli Lilly & Co	-352,018.86	-348,710.41	-0.09
USD	-25,000	Exelixis Inc	-356,469.28	-353,451.55	-0.09

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 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	-30,000	HCA Holdings Inc	-2,115,214.48	-2,105,632.47	-0.52
USD	-5,000	Incyte Corp Ltd	-474,644.89	-475,393.51	-0.12
USD	-75,000	Johnson & Johnson	-7,954,724.42	-8,193,390.86	-2.01
USD	-5,000	Laboratory Corp of America Hgs	-609,183.57	-608,666.79	-0.15
USD	-50,000	Resmed Inc	-2,810,274.39	-2,941,873.70	-0.72
USD	-10,000	Stryker Corp	-1,040,321.11	-1,136,070.55	-0.28
USD	-24,983	United Health Group Inc	-3,825,741.71	-3,791,275.67	-0.93
USD	-20,000	ZELTIQ Aesthetics Inc	-822,831.41	-825,336.62	-0.20
			-32,075,644.67	-32,572,140.44	-8.01
Total shares			-39,908,990.90	-40,608,611.83	-9.99
<u>Transferable securities dealt in on another regulated market</u>					
Shares					
GBP	513,400	Faron Pharmaceuticals Oy	1,646,016.51	1,593,948.54	0.39
Total shares			1,646,016.51	1,593,948.54	0.39
<u>Short positions in open-ended investment funds</u>					
Tracker funds (UCI)					
USD	-680,000	Health Care Select Sector SPDR Fd (The)	-42,953,047.32	-44,452,114.55	-10.90
USD	-170,000	iShares Trust Nasdaq Biotech ETF Dist	-47,962,030.66	-42,778,873.51	-10.49
Total tracker funds (UCI)			-90,915,077.98	-87,230,988.06	-21.39
Total securities: investments and short positions			532,001,817.33	552,140,658.45	135.45
Cash at banks and cash collateralized at banks				5,855,774.96	1.44
Bank overdrafts and collateralized debt at banks				-159,290,304.53	-39.08
Other net assets/ (liabilities)				8,924,664.72	2.19
Total				407,630,793.60	100.00

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 2016

Industrial classification

(in percentage of net assets)

Pharmaceuticals and biotechnology	110.12 %
Health care equipment and services	38.60 %
Insurance	3.92 %
Food retailing, drugstores and pharmacies	3.05 %
Diversified financial services	1.15 %
Investment funds	-21.39 %
Total	<u>135.45 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	76.07 %
Ireland	13.76 %
Denmark	8.98 %
Japan	5.53 %
Switzerland	3.95 %
Israel	3.78 %
Belgium	3.65 %
Germany	3.58 %
Jersey	3.16 %
China	2.78 %
Sweden	2.77 %
United Kingdom	2.61 %
France	2.23 %
Spain	0.80 %
Cayman Islands	0.73 %
Australia	0.59 %
Finland	0.39 %
The Netherlands	0.09 %
Total	<u>135.45 %</u>

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of net assets (in EUR)

as at 31st December 2016

Assets

Investments

Securities portfolio at market value	7,764,981.68
	<u>7,764,981.68</u>

Cash and cash equivalents

Cash at banks	2,758,695.94
Cash collateral at banks for short sales of securities	3,804,607.79
	<u>6,563,303.73</u>

Receivables

Income receivable on portfolio	2,463.04
	<u>2,463.04</u>

Other assets

Formation expenses, net	13,201.88
	<u>13,201.88</u>

Total assets

14,343,950.33

Liabilities

Payables

Short sales of securities at market value	340,293.48
Payable on redemptions of shares	5,550.80
Interest payable on bank overdrafts	5,091.38
Expenses payable	162,755.77
	<u>513,691.43</u>

Borrowings

Bank overdrafts	3,172,125.10
	<u>3,172,125.10</u>

Total liabilities

3,685,816.53

Total net assets at the end of the period

10,658,133.80

"RC1 (SEK)" units outstanding	177,381.421
Net asset value per "RC1 (SEK)" unit	SEK 104.42

"RC2 (SEK)" units outstanding	10,010.000
Net asset value per "RC2 (SEK)" unit	SEK 103.89

"RC9 (SEK)" units outstanding	787,517.051
Net asset value per "RC9 (SEK)" unit	SEK 104.93

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of operations (in EUR)

from 31st August 2016 to 31st December 2016

Income

Investment income

Dividends, net	23,470.45
Interest on cash collateral	25.24
	<hr/>
	23,495.69

Realised gain on investments

- on securities portfolio	62,918.10
	<hr/>
	62,918.10

Appreciation of unrealised results on investments

- on securities portfolio	797,874.71
	<hr/>
	797,874.71

Total income

884,288.50

Expenses

Investment advisory or management fees

Management fees	27,962.56
Performance fees	120,101.90
	<hr/>
	148,064.46

Other expenses

Depository fees	602.03
Banking charges and other fees	8,188.78
Transaction fees	14,700.04
Central administration costs	18,383.08
Professional fees	18,954.00
Other administration costs	8,358.29
Subscription duty ("taxe d'abonnement")	2,141.18
Bank interest paid	5,251.50
Dividends paid on short sales of securities	816.85
Interest paid on collateralized debt at banks	455.33
Other fees	1,704.14
	<hr/>
	79,555.22

Realised loss on investments

- on securities portfolio	3,631.22
- on foreign exchange	20,255.18
	<hr/>
	23,886.40

Depreciation of unrealised results on investments

- on securities portfolio	155,770.91
	<hr/>
	155,770.91

Total expenses

407,276.99

Net income

477,011.51

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of changes in net assets (in EUR) from 31st August 2016 to 31st December 2016

Net income	477,011.51
Subscriptions	11,025,314.62
Redemptions	-844,192.33
Total changes in net assets	10,658,133.80
Total net assets at the beginning of the period	-
<u>Total net assets at the end of the period</u>	<u>10,658,133.80</u>

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statistical information (in EUR)

as at 31st December 2016

Total net assets	
- as at 31.12.2016	10,658,133.80
Number of "RC1 (SEK)" units	
- outstanding at the beginning of the period	0.000
- issued	199,591.208
- redeemed	-22,209.787
- outstanding at the end of the period	177,381.421
Net asset value per "RC1 (SEK)" unit	
- as at 31.12.2016	SEK 104.42
Number of "RC2 (SEK)" units	
- outstanding at the beginning of the period	0.000
- issued	10,010.000
- redeemed	0.000
- outstanding at the end of the period	10,010.000
Net asset value per "RC2 (SEK)" unit	
- as at 31.12.2016	SEK 103.89
Number of "RC9 (SEK)" units	
- outstanding at the beginning of the period	0.000
- issued	847,417.051
- redeemed	-59,900.000
- outstanding at the end of the period	787,517.051
Net asset value per "RC9 (SEK)" unit	
- as at 31.12.2016	SEK 104.93

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of investments and other net assets (in EUR) as at 31st December 2016

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					
CHF	4,750	Adecco Group SA Reg	245,426.90	295,411.10	2.77
CHF	3,562	Nestlé SA Reg	249,799.57	242,799.16	2.28
CHF	3,541	Novartis AG Reg	248,250.60	244,837.07	2.30
			743,477.07	783,047.33	7.35
EUR	61,204	Banco Santander SA	246,526.49	303,510.64	2.85
EUR	5,058	BNP Paribas SA A	239,604.18	306,261.90	2.87
EUR	3,930	Schneider Electric SE	243,886.75	259,812.30	2.44
EUR	2,061	Volkswagen AG Pref	249,826.43	274,834.35	2.58
			979,843.85	1,144,419.19	10.74
GBP	51,888	Glencore Plc	118,854.16	168,603.92	1.58
GBP	88,187	Henderson Group Plc	240,883.61	243,417.84	2.28
			359,737.77	412,021.76	3.86
HKD	271,967	Great Wall Motor Co Ltd H	237,882.85	240,817.93	2.26
HKD	430,382	Industr & Cial Bk of China Ltd H	244,511.60	244,760.37	2.30
			482,394.45	485,578.30	4.56
JPY	7,564	Asahi Group Holdings Ltd	236,655.81	226,933.43	2.13
JPY	116,143	Mitsui OSK Lines Ltd	243,851.55	305,955.76	2.87
JPY	8,300	Square Enix Hgs Co Ltd	251,178.20	202,788.42	1.90
			731,685.56	735,677.61	6.90
SEK	24,426	Sandvik AB	239,821.68	287,103.59	2.69
SEK	50,112	Telefon ABLM Ericsson B	288,051.64	279,613.33	2.62
			527,873.32	566,716.92	5.31
USD	2,180	Anheuser-Busch InBev SA ADR spon repr 1 Share	244,310.40	217,958.66	2.04
USD	2,257	Anthem Inc	251,484.38	307,689.07	2.89
USD	1,548	Caterpillar Inc	115,991.81	136,128.88	1.28
USD	3,195	Exxon Mobil Corp	245,230.01	273,450.31	2.57
USD	22,511	Ford Motor Co	248,029.18	258,921.33	2.43
USD	3,629	Gilead Sciences Inc	251,496.45	246,418.25	2.31
USD	4,931	Halliburton Co (Hg Co)	190,478.25	252,908.96	2.37
USD	1,766	IBM Corp	248,319.52	277,961.63	2.61
USD	4,087	JPMorgan Chase & Co	246,148.94	334,408.52	3.14
USD	3,240	Medtronic Plc	249,368.57	218,836.72	2.05
USD	4,793	Microsoft Corp	247,660.42	282,417.05	2.65
USD	8,300	Pfizer Inc	247,801.56	255,626.78	2.40
USD	4,126	Qualcomm Inc	236,748.61	255,087.43	2.39
USD	6,118	Wells Fargo & Co	257,953.05	319,706.98	3.00
			3,281,021.15	3,637,520.57	34.13
Total shares			7,106,033.17	7,764,981.68	72.85
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	-233	Amazon.com Inc	-161,743.81	-165,673.91	-1.55
USD	-1,590	Apple Inc	-161,704.96	-174,619.57	-1.64
Total shares			-323,448.77	-340,293.48	-3.19
Total securities: investments and short positions			6,782,584.40	7,424,688.20	69.66
Cash at banks and cash collateralized at banks				6,563,303.73	61.58

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of investments and other net assets (in EUR) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
		Bank overdrafts and collateralized debt at banks		-3,172,125.10	-29.76
		Other net assets/ (liabilities)		-157,733.03	-1.48
		Total		<u>10,658,133.80</u>	<u>100.00</u>

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

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Industrial and geographical classification of investments

as at 31st December 2016

Industrial classification

(in percentage of net assets)

Banks	14.16 %
Automobiles and components	7.27 %
Pharmaceuticals and biotechnology	7.01 %
Food, beverage and tobacco	6.45 %
Capital goods	6.41 %
Technology hardware and equipment	5.98 %
Energy	4.94 %
Health care equipment and services	4.94 %
Software and services	4.55 %
Transportation	2.87 %
Commercial services and supplies	2.77 %
Diversified financial services	2.28 %
Raw materials	1.58 %
Retailing	-1.55 %
Total	<u>69.66 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	26.85 %
Switzerland	7.35 %
Japan	6.90 %
Sweden	5.31 %
France	5.31 %
China	4.56 %
Jersey	3.86 %
Spain	2.85 %
Germany	2.58 %
Ireland	2.05 %
Belgium	2.04 %
Total	<u>69.66 %</u>

Note 1 - Significant accounting policies

a) Presentation of the financial statements

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

The financial statements are presented on the basis of the Net Asset Value of the Sub-Funds calculated on 31st December 2016. In accordance with the prospectus, the last official trading Net Asset Values of the corresponding Sub-Funds have been calculated on 30th December 2016 as the Net Asset Values are not calculated on 31st December 2016. Nevertheless, an additional Net Asset Value has been calculated at 31st December 2016 for reporting purpose and is disclosed in these financial statements.

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 closing price of the preceding business day.
- 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 AIFM, 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 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 AIFM 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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

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. The realised gains and losses on sales of securities are recorded net in the statement of operations.

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 financial statements, the prevailing exchange rates on the closing day were as follows:

1	EUR	=	1.4570323	AUD	Australian Dollar
			1.0716845	CHF	Swiss Franc
			7.4358792	DKK	Danish Krona
			0.8535470	GBP	Pound Sterling
			8.1764720	HKD	Hong Kong Dollar
			122.9927234	JPY	Japanese Yen
			9.0783132	NOK	Norwegian Krona
			9.5882123	SEK	Swedish Krona
			1.0546000	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 items in the financial statements of each Sub-Fund.

g) Formation expenses

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

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 gains and losses, appreciation and depreciation of unrealised results on options are recorded in the statement of operations.

j) Short sales

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

When a Sub-Fund engages in a short sale, an amount equal to the proceeds received by the Sub-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 Sub-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.

k) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations are mainly composed of broker fees incurred by the Fund and of fees relating to liquidation of transactions paid to the Depositary as well as of transaction fees on financial instruments.

Note 2 - Subscription, Redemption and Conversion fees

For the Sub-Fund Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S:

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. SEB Fund Services S.A..

For the Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S:

No subscription or redemption fee is levied.

Note 3 - Management fees

The Management Company is entitled to receive out of the Sub-Funds' assets a management fee payable monthly in arrears based on the Sub-Funds' 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), IC1 (USD), 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),
- maximum 0.775% p.a. for the class RC9 (SEK).

These rates include the fees payable to the Portfolio Manager for its services whose applicable rates at the date of the financial statements 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), IC1 (USD), 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),

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

- 0.70% p.a. for the class RC9 (SEK).

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 Class multiplied by the 3 months EURO Interbank Offered Rate on the last business day of the previous calculation period adjusted for monthly return and the highest Gross Net Asset Value 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. The calculation cannot be based on a negative EURO Interbank Offered Rate in the Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S.

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 2016

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 financial statements, a performance fee of EUR 120,101.90 was recorded for the Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S.

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 cost of EUR 3,333 payable monthly in arrears to the Management Company.

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

The Fund 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 (Class I units).

Note 7 - Pledged assets

At the date of the financial statements, 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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

For the Sub-Fund Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S:

Description	Currency	Quantity	Market value (in EUR)
AbbVie Inc	USD	125,000.00	7,422,245.40
Abiomed Inc	USD	97,536.00	10,421,350.73
Ablynx NV	EUR	197,000.00	2,130,555.00
Acadia Pharmaceuticals Inc	USD	40,000.00	1,093,874.45
Achillion Pharmaceuticals Inc	USD	166,000.00	650,085.34
Actelion Ltd	CHF	9,213.00	1,895,582.57
Active Biotech AB	SEK	1,014,184.00	1,105,338.77
Adamas Pharmaceuticals Inc	USD	130,000.00	2,083,254.31
Aetna Inc	USD	62,000.00	7,290,555.66
Alexion Pharmaceuticals Inc	USD	91,702.00	10,638,858.05
Alk-Abello A/ S B	DKK	53,000.00	6,557,395.44
Alkermes Plc	USD	75,599.00	3,984,252.25
Allergan Plc	USD	72,000.00	14,337,872.18
Alnylam Pharmaceuticals Inc	USD	135,000.00	4,792,717.62
Ambu AS	DKK	156,131.00	5,952,643.61
AmerisourceBergen Corp	USD	68,000.00	5,041,646.12
Amgen Inc	USD	70,000.00	9,704,816.99
Anthem Inc	USD	61,000.00	8,315,920.73
Ariad Pharmaceuticals Inc	USD	940,000.00	11,088,185.09
Array BioPharma Inc	USD	550,000.00	4,584,202.54
Bavarian Nordic A/ S	DKK	40,000.00	1,339,451.57
BioInvent Intl AB	SEK	10,048,316.00	3,217,318.23
BioMarin Pharmaceutical Inc	USD	50,000.00	3,927,555.47
Biogen Inc	USD	22,000.00	5,915,759.53
Bristol Myers Squibb Co	USD	291,000.00	16,125,583.16
CVS Health Corp	USD	150,000.00	11,223,686.71
Cardinal Health Inc	USD	45,000.00	3,070,974.78
Celgene Corp	USD	83,000.00	9,109,852.08
Centene Corp	USD	160,000.00	8,573,487.58
Chimerix Inc	USD	400,000.00	1,744,737.34
Cigna Corp	USD	69,000.00	8,727,394.27
DaVita Inc	USD	65,000.00	3,956,950.50
Dexcom Inc	USD	55,000.00	3,113,502.75
Dynavax Technologies Corp	USD	485,000.00	1,816,565.52
Edwards Lifesciences Corp	USD	60,000.00	5,330,931.16
Eli Lilly & Co	USD	220,000.00	15,343,258.11
Endo International Plc	USD	250,200.00	3,907,447.37
Endologix Inc	USD	425,000.00	2,305,139.39
Episurf Medical AB B	SEK	688,178.00	1,073,011.40
Esperion Therapeutics Inc	USD	130,000.00	1,543,333.97

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

Description	Currency	Quantity	Market value (in EUR)
Exelixis Inc	USD	855,000.00	12,088,042.86
Express Scripts Hg Co	USD	111,000.00	7,240,366.02
Fresenius SE & Co KGaA	EUR	85,000.00	6,312,100.00
Genfit	EUR	100,000.00	2,101,000.00
Genmab A/ S	DKK	30,000.00	4,732,459.91
Gilead Sciences Inc	USD	256,265.00	17,401,039.87
H Lundbeck A/ S	DKK	190,000.00	7,341,028.40
HCA Holdings Inc	USD	134,707.00	9,454,781.09
Hologic Inc	USD	160,000.00	6,086,857.58
Humana Inc	USD	40,000.00	7,738,668.69
Illumina Inc	USD	10,000.00	1,214,109.62
Incyte Corp Ltd	USD	145,000.00	13,786,411.91
Insulet Corp	USD	35,000.00	1,250,521.52
Intercept Pharmaceuticals Inc	USD	10,000.00	1,030,248.44
Intra-Cellular Therapies Inc	USD	290,000.00	4,149,535.37
Ipsen	EUR	88,479.00	6,078,507.30
Jazz Pharmaceuticals Plc	USD	45,000.00	4,652,332.64
Keryx Biopharmaceuticals Inc	USD	425,111.00	2,362,175.67
Laboratory Corp of America Hgs	USD	35,000.00	4,260,667.55
Lion Biotechnologies Inc	USD	511,299.00	3,369,550.59
Livanova Plc	USD	49,000.00	2,089,446.24
Macrogenics Inc	USD	120,000.00	2,325,810.73
Mednax Inc	USD	9,000.00	568,879.20
Merck & Co Inc	USD	70,000.00	3,907,547.89
Merck KGaA	EUR	95,100.00	9,429,165.00
MorphoSys AG	EUR	27,000.00	1,316,250.00
Nektar Therapeutics	USD	390,000.00	4,537,549.78
Novartis AG Reg	CHF	61,382.00	4,244,165.25
Novo Nordisk AS B	DKK	255,000.00	8,734,474.93
NxStage Medical Inc	USD	145,300.00	3,611,144.51
Omnicell Inc	USD	118,537.00	3,810,358.71
Orexo AB	SEK	180,975.00	709,690.17
Orpea SA	EUR	60,000.00	4,605,600.00
Perrigo Co Plc	USD	25,000.00	1,973,022.95
Pfizer Inc	USD	325,000.00	10,009,482.27
Regeneron Pharmaceuticals Inc	USD	26,500.00	9,224,241.42
Roche Holding Ltd Pref	CHF	43,000.00	9,332,783.87
Supernus Pharmaceuticals Inc	USD	250,000.00	5,985,681.78
United Health Group Inc	USD	100,000.00	15,175,421.96
Universal Health Services Inc B	USD	30,000.00	3,026,171.06
Vertex Pharmaceuticals Inc	USD	65,013.00	4,541,539.65

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2016

Description	Currency	Quantity	Market value (in EUR)
Walgreens Boots Alliance Inc	USD	25,000.00	1,961,881.28
William Demant Holding AS	DKK	90,000.00	1,486,307.10
ZELTIQ Aesthetics Inc	USD	145,000.00	5,983,690.50
Zimmer Biomet Hgs Inc	USD	75,000.00	7,339,275.55
			<u>479,037,280.57</u>

As at 31st December 2016, the Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S holds cash pledged as collateral for a total amount of EUR 3,804,607.79 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.

Note 9 - Event

In July 2015, the Board of Directors decided to introduce restrictions on subscription and conversion in the Fund by implementing both Soft Closure and Hard Closure. As at 31st December 2015, the Board of Directors decided to restrict any further subscriptions from new investors. The Soft Closure was reassessed. The Board of Directors decided to reopen the Fund for subscription as from 5th December 2016.

Rhenman & Partners Fund

Additional Information (unaudited)

as at 31st December 2016

1 - Remuneration disclosure

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with unitholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2016 and adjusted according to the number of full time employees during the year 2016 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the Management Company whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

	TNA as of 31st December 2016*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
Rhenman & Partners Fund	418,288,927.40	5.76	77,117.35	29,141.32	2,855.11	1,344.80	14.18

* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. STI, LTI)

2 - Risk management disclosure

1) Risk Profile

The current risk profile of the Sub-Fund as disclosed in the Prospectus has not been amended throughout the reporting period. The AIFM monitors the overall risk profile of the Fund, including market, liquidity, counterparty as well as the level of the leverage.

No limits as set by the Board of Directors of the Fund or the AIFM as part of the risk profile have been exceeded or are likely to be exceeded by the Sub-Fund.

Rhenman & Partners Fund

Additional Information (unaudited) (continued)

as at 31st December 2016

2) Risk Management systems

The risk monitoring is based on the risk management process adopted by the Board of the AIFM and is performed independently from the portfolio management. No changes have been applied to the risk management procedures.

3) Leverage

In accordance with the Law of 12 July 2013 (the “2013 Law”), the maximum level of leverage which the AIFM is entitled to employ on behalf of:

Rhenman & Partners Fund is 300% in accordance with the commitment method and 400% in accordance with the gross method of the total assets.

The AIFM calculates the leverage on a gross and on a commitment method in accordance with Article 7 and Article 8 of the Commission Delegated Regulation EU/ 231/ 2013 (the “AIFM Regulation”) on a monthly basis. The gross method converts all positions on derivative financial instruments into equivalent positions in the underlying assets, while the commitment method applies the same while allowing netting and hedging arrangements.

The level of leverage during the reporting period is disclosed below:

Fund	Internal Leverage - limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31.12.2016
Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S	400% for the Gross Method Leverage 300% for the Commitment Method Leverage	187%	206.75%	230%	202%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31.12.2016
		188%	201%	225%	196%

Fund	Internal Leverage - limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31.12.2016
Rhenman & Partners Fund - Rhenman Global Opportunities L/ S	400% for the Gross Method Leverage 300% for the Commitment Method Leverage	133%	148.5%	167%	133%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31.12.2016
		133%	151%	176%	133%

Rhenman & Partners Fund

Additional Information (unaudited) (continued)

as at 31st December 2016

3 - Information concerning the SFTR disclosures

At the date of the financial statements Rhenman & Partners Fund is concerned by security borrowing operations for the following portfolios in the context of the requirements of the SFTR regulation 2015/ 2365 on transparency of securities financing transactions and of reuse of collateral.

	Rhenman & Partners Fund - Rhenman Healthcare Equity L/S (in EUR)	Rhenman & Partner Fund - Rhenman Global Opportunities L/S (in EUR)
Global data: assets used for securities borrowing		
in absolute terms	113,775,946.08	340,293.48
as a percentage of assets under management of the Sub-Funds	27.91%	3.19%
Concentration data		
10 largest collateral issuers	-	-
Top 10 counterparties	-	-
Aggregate transaction data for securities borrowing		
Type and quality of the collaterals received		
AAA bonds collateral	-	-
listed equities collateral	-	-
cash collateral	-	-
Collaterals classified according to their residual maturities (absolute amounts)		
less than 1 day	-	-
from 1 day to 1 week (= 7 days)	-	-
from 1 week to 1 month (= 30 days)	-	-
from 1 month to 3 months	-	-
from 3 months to 1 year (= 365 days)	-	-
above 1 year	-	-
open maturity	-	-
Country (counties) in which the counterparties are established		
Type of settlement and clearing		
tri-party	-	-
Central Counterparty	-	-
bilateral	113,775,946.08	340,293.48
Data on reuse of collateral received		
% foreseen in prospectus	Prospectus to be updated	Prospectus to be updated
collateral received that is reused	-	-
cash collateral reinvestment returns to the Sub-Fund	-	-
Safekeeping of collateral received		
number of depositaries	-	-
name of depositaries	-	-
amounts of assets received as collateral	-	-
Safekeeping of collateral granted		
segregated accounts	479,037,280.57	3,804,607.79
pooled accounts	-	-
other accounts	-	-
Return and cost components		
Return component of the fund		
In absolute terms	-	-
As a percentage of overall returns	-	-
Cost component of the Fund	-2,413,489.97	-358.43
Return component of the capital management company		
In absolute terms	-	-
As a percentage of overall returns	-	-
Cost component of the capital management company	-	-
Return component of third parties		
In absolute terms	-	-
As a percentage of overall returns	-	-
Cost component of third parties	-	-

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