

Annual report including audited financial statements as at 31st December 2017

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

Contents

Organisation.....2

General information4

Report from the Investment Manager.....5

Audit report.....7

Combined statement of net assets.....10

Combined statement of operations11

Combined statement of changes in net assets12

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S13

 Statement of net assets13

 Statement of operations14

 Statement of changes in net assets.....15

 Statistical information16

 Statement of investments and other net assets17

 Industrial and geographical classification of investments21

Rhenman & Partners Fund - Rhenman Global Opportunities L/S22

 Statement of net assets22

 Statement of operations23

 Statement of changes in net assets.....24

 Statistical information25

 Statement of investments and other net assets26

 Industrial and geographical classification of investments28

Notes to the financial statements29

Additional information (unaudited)37

Rhenman & Partners Fund

Organisation

**Management Company
Central Administrator and
Alternative Investment Fund Manager
(AIFM)**

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

**Board of Directors of
the Management Company
and the AIFM**

Chairman
Göran FORS
Acting Head of Investor Services
Large Corporates and Financial Institutions
Skandinaviska Enskilda Banken AB (publ), Sweden
(since 5th May 2017)

Gustaf UNGER
Head of Investor Services, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden
(until 5th May 2017)

Directors
Göran FORS
Acting Head of Investor Services
Large Corporates and Financial Institutions
Skandinaviska Enskilda Banken AB (publ), Sweden
(until 5th May 2017)

Claes-Johan GEIJER
Independent Director and Advisor
G Advisors S.à.r.l., Luxembourg
(since 13th January 2017)

Marie JUHLIN
Managing Director
SEB Fund Services S.A., Luxembourg

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Large Corporates and Financial Institutions
Skandinaviska Enskilda Banken AB (publ), Sweden

Conducting Officers

Marie JUHLIN, Managing Director
Jan HEDMAN, Deputy Managing Director
Shaneera BOOLELL GUNESH (spouse RASQUÉ),
Deputy Managing Director
(since 15th May 2017 until 31st December 2017)

Depository and Paying Agent

Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Rhenman & Partners Fund

Organisation (continued)

**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

Auditor

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)
Stärntorget 4
SE-169 79 Solna

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.

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 (SEK), 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 Investment Manager

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

During the year ended on 31st December 2017, the unit class (IC1, EUR) increased by 34.52% and the US dollar unit class (IC1, USD) showed an increase of 50.73% due to a weaker US dollar. The stated strategy of the fund is to hold roughly one-third each of small-, medium- and large-cap healthcare companies over time. This strategy allows for a balanced and diversified portfolio despite the focus on one specific sector. 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.

For the sector as a whole, 2017 was a moderate year as measured in euros. Medical technology and services were the best performing subsectors during 2017. The worst performing subsector was pharmaceuticals. Biotechnology was the best performing sector for six consecutive years leading up to 2016, when a combination of political tensions, pricing discussions and a period of disappointing R&D outcomes led to significant stock market weakness. However, biotech performed in line with the market during the period. There was one major drawdown in biotech in October and November, when the Nasdaq biotech index fell by more than 10% measured in euros due to a large selloff in the largest biotech companies.

The MSCI World Index, measured in euros, ended the year with an increase of 6%, with most sectors reporting gains on or about that same level. Overall, the healthcare sector was in line with the broad equity market. Within healthcare, small- and mid-cap companies performed by far the best during the year, while large caps underperformed.

One of the fund's key holdings, the American biotechnology company Nektar, published very promising phase I/ II data for its new cancer drug, NKTR-214, in November 2017. In the study, NKTR-214 was combined with Opdivo, a so-called PD-1/ PD-L1 inhibitor. Opdivo, which is marketed by Bristol-Myers Squibb, is an approved cancer immunotherapy drug for a variety of tumors. The exciting results from this combination trial caused a sharp rise in its share price, and Nektar consequently was the best contributor for the fund during 2017.

Global healthcare mergers and acquisitions during 2017 totaled roughly USD 70 billion, with buyouts not being a contributing factor overall for the fund. CVS, one of the largest pharmacy benefit managers (PBM) and pharmacy chain, announced in November a plan to acquire Aetna, one of the largest insurance companies in America. The announced deal amounted to roughly USD 69 billion.

For the year overall, the US dollar depreciated more than 12% against the euro. Given that around 70% of the fund's assets are US-listed companies, this created a headwind for the fund's main unit class which is denominated in euros. Continued weakness in the US dollar would not benefit large European companies and would also create corresponding tailwinds for internationally active US corporates.

At present, innovation has never been higher in the healthcare sector and growth in the pharmaceutical market is expected to continue to be on par with its historical average. Valuations continue to remain attractive. For these reasons, we are optimistic about 2018. However, due to midterm Congress election campaigns in the United States, the spotlight could once again fall on healthcare and the potential use of legislation and government action to reduce prescription drug prices. The Democrats will likely regain a majority in the House of Representatives, but this is highly unlikely to suffice to change drug pricing. We remain optimistic that 2018 could be a good year for the sector, where perhaps the biggest change compared to 2017 is a higher likelihood of biotechnology company buyouts. Tax reform will also support share buybacks, and this will particularly benefit large companies.

Rhenman & Partners Fund

Report from the Investment Manager (continued)

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

The reference unit class RC1 SEK rose by 3.41% in 2017. 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%. 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 team then uses a stock selection process aimed at identifying the best companies in each sector and region. The fund manager targets an annual return over time, net of fees, of 7 to 8%.

In 2017, the capital markets were troubled by a number of political events such as Brexit, North Korea, the Catalan independence movement and the unrelenting criticism of the Trump administration. However, better than expected development in most major economies created a beneficial backdrop for risk assets such as equities, and the MSCI World Index, measured in SEK, ended the year with an increase of more than 8%, with most sectors reporting gains on or about that same level. Two sectors – information technology and energy – stood out. The information technology sector saw a rise of nearly 25%, thus contributing to one-fourth of total market performance. The energy sector, on the other hand, fell more than 8% despite rising oil prices.

Above all, fund performance in 2017 was enhanced by holdings in banks, industrial enterprises and consumer staples companies. There was a negative impact, however, from energy companies and short positions in certain US technology companies. The sharp decline of the US dollar, which fell by more than 12% during the year against the euro, also had a significant adverse effect on the fund's NAV, measured in SEK or EUR.

The global stock market trend was thus positive during the year and strikingly stable. Measured in USD, the S&P 500 Index (the world's largest domestic stock market index) rose each month throughout 2017, climbing for 14 months in a row. Price fluctuations were, however, quite limited, which was reflected in increasingly lower volatility. The primary driving force behind the positive stock markets has been strong corporate earnings and a gradually rising optimism that earnings growth will continue in 2018.

Given the situation of the world economy, it is likely that earnings growth will continue, provided that investors' risk appetite remains strong. With this in mind, along with persistent low interest rates, the valuation of stock markets seems reasonable, even though they are anything but low. A major question, however, is whether the so-called momentum shares, i.e. shares that are continuing to rise based solely on their recent past performance, will continue to do well. These are growth companies, often with negative cash flows and high valuations, making them vulnerable to higher interest rates or diminishing risk appetite. In 2017, investing in such shares, especially in the technology sector, was by far the most successful strategy. Still though, we expect a favorable earnings trend for most sectors in 2018, which should counterbalance the negative effects of rising interest rates and higher volatility.

Luxembourg, 20th April 2018

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

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Rhenman & Partners Fund and of each of its sub-funds (the "Fund") as at 31st December 2017, 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 and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31st December 2017;
- the statement of investments and other net assets as at 31st December 2017;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23rd July 2016 on the audit profession (Law of 23rd July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

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

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F: +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Audit report (continued)

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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities 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 the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Fund's internal control;



Audit report (continued)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;
- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 5th June 2018

A handwritten signature in blue ink, appearing to read 'Thierry Blondeau', with a long, sweeping underline.

Thierry Blondeau

Rhenman & Partners Fund

Combined statement of net assets (in EUR)

as at 31st December 2017

Assets

Investments

Securities portfolio at market value	798,085,309.02
	<u>798,085,309.02</u>

Cash and cash equivalents

Cash at banks	13,440,249.42
Cash collateral at banks	2,580,561.84
Cash collateral at banks for short sales of securities	1,416,117.59
	<u>17,436,928.85</u>

Receivables

Receivable on treasury transactions	10,486.83
Receivable on issues of units	12,217,652.62
Income receivable on portfolio	89,218.40
Interest receivable on bank accounts	37.55
	<u>12,317,395.40</u>

Other assets

Formation expenses, net	11,837.36
	<u>11,837.36</u>

Total assets

827,851,470.63

Liabilities

Payables

Short sales of securities at market value	131,039,418.81
Payable on treasury transactions	59,967.83
Payable on redemptions of units	1,307,443.24
Income payable on short position on portfolio	69,484.79
Interest payable on bank overdrafts	239,574.96
Expenses payable	10,816,588.68
	<u>143,532,478.31</u>

Borrowings

Bank overdrafts	3,749,271.83
Collateralized debt at banks	142,018,901.80
	<u>145,768,173.63</u>

Total liabilities

289,300,651.94

Total net assets at the end of the year

538,550,818.69

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

Rhenman & Partners Fund

Combined statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

Income

Investment income

Dividends, net	5,211,900.70
Interest on bank accounts	60.45
Interest on cash collateral	5,444.03
	<hr/>
	5,217,405.18

Realised gain on investments

- on securities portfolio	211,942,625.12
- on options contracts	1,763.49
- on foreign exchange	17,606,741.93
	<hr/>
	229,551,130.54

Appreciation of unrealised results on investments

- on securities portfolio	137,962,594.08
	<hr/>
	137,962,594.08

Total income

372,731,129.80

Expenses

Investment advisory or management fees

Management fees	6,831,145.71
Performance fees	15,798,115.82
	<hr/>
	22,629,261.53

Other expenses

Depository fees	96,385.60
Banking charges and other fees	3,041,489.41
Transaction fees	4,029,027.04
Central administration costs	435,530.37
Professional fees	42,846.80
Other administration costs	283,019.74
Subscription duty ("taxe d'abonnement")	160,899.03
Interest paid on bank overdrafts	232,777.54
Dividends paid on short sales of securities	1,887,729.04
Interest paid on collateralized debt at banks	2,574,222.70
Other fees	80,955.01
	<hr/>
	12,864,882.28

Realised loss on investments

- on securities portfolio	110,314,567.74
	<hr/>
	110,314,567.74

Depreciation of unrealised results on investments

- on securities portfolio	94,395,865.38
	<hr/>
	94,395,865.38

Total expenses

240,204,576.93

Net income

132,526,552.87

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 2017 to 31st December 2017

Net income	132,526,552.87
Dividends paid	-475,777.38
Subscriptions	58,481,549.01
Redemptions	-70,270,433.21
Total changes in net assets	120,261,891.29
Total net assets at the beginning of the year	418,288,927.40
<u>Total net assets at the end of the year</u>	<u>538,550,818.69</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 2017

Assets

Investments

Securities portfolio at market value	788,989,835.55
	<u>788,989,835.55</u>

Cash and cash equivalents

Cash at banks	13,320,293.80
	<u>13,320,293.80</u>

Receivables

Receivable on issues of units	7,091,768.20
Income receivable on portfolio	85,646.65
Interest receivable on bank accounts	37.55
	<u>7,177,452.40</u>

Total assets

809,487,581.75

Liabilities

Payables

Short sales of securities at market value	129,602,183.78
Payable on treasury transactions	59,967.83
Payable on redemptions of units	1,272,658.86
Income payable on short position on portfolio	69,484.79
Interest payable on bank overdrafts	233,650.04
Expenses payable	10,735,897.60
	<u>141,973,842.90</u>

Borrowings

Bank overdrafts	1,229,537.17
Collateralized debt at banks	142,018,901.80
	<u>143,248,438.97</u>

Total liabilities

285,222,281.87

Total net assets at the end of the year

524,265,299.88

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in EUR)
IC1 (EUR)	58,227.185	EUR	501.02	29,173,046.51
IC1 (USD)	51,935.939	USD	133.92	5,792,120.20
IC2 (SEK)	226,949.021	SEK	356.31	8,225,966.51
IC2 (USD)	132,682.728	USD	180.11	19,900,361.78
IC3 (EUR)	64,308.933	EUR	575.33	36,998,786.43
IC4 (EUR)	309,218.614	EUR	367.86	113,747,787.90
ID1 (SEK)	760,155.695	SEK	289.40	22,378,166.49
RC1 (EUR)	9,393.996	EUR	439.47	4,128,407.07
RC1 (SEK)	2,882,144.287	SEK	435.82	127,777,404.94
RC2 (SEK)	3,390,194.601	SEK	452.76	156,143,252.05
				<u>524,265,299.88</u>

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 2017 to 31st December 2017

Income

Investment income

Dividends, net	5,014,906.76
Interest on bank accounts	37.99
Interest on cash collateral	5,444.03
	<hr/>
	5,020,388.78

Realised gain on investments

- on securities portfolio	211,526,555.51
- on options contracts	1,763.49
- on foreign exchange	17,398,078.55
	<hr/>
	228,926,397.55

Appreciation of unrealised results on investments

- on securities portfolio	137,278,057.67
	<hr/>
	137,278,057.67

Total income

371,224,844.00

Expenses

Investment advisory or management fees

Management fees	6,718,714.74
Performance fees	15,689,362.43
	<hr/>
	22,408,077.17

Other expenses

Depository fees	94,073.23
Banking charges and other fees	3,019,915.22
Transaction fees	4,009,458.97
Central administration costs	376,501.01
Professional fees	21,423.40
Other administration costs	260,557.21
Subscription duty ("taxe d'abonnement")	155,024.51
Interest paid on bank overdrafts	206,512.61
Dividends paid on short sales of securities	1,882,054.81
Interest paid on collateralized debt at banks	2,569,723.84
Other fees	75,000.00
	<hr/>
	12,670,244.81

Realised loss on investments

- on securities portfolio	110,023,215.06
	<hr/>
	110,023,215.06

Depreciation of unrealised results on investments

- on securities portfolio	93,720,954.69
	<hr/>
	93,720,954.69

Total expenses

238,822,491.73

Net income

132,402,352.27

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 2017 to 31st December 2017

Net income	132,402,352.27
Dividends paid	-475,777.38
Subscriptions	50,397,583.34
Redemptions	-65,689,651.95
Total changes in net assets	116,634,506.28
Total net assets at the beginning of the year	407,630,793.60
<u>Total net assets at the end of the year</u>	<u>524,265,299.88</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 2017

Total net assets	Currency	31.12.2015	31.12.2016	31.12.2017
	EUR	520,227,732.52	407,630,793.60	524,265,299.88
Net asset value per unit	Currency	31.12.2015	31.12.2016	31.12.2017
IC1 (EUR)	EUR	423.32	372.44	501.02
IC1 (USD)	USD	104.09	88.85	133.92
IC2 (SEK)	SEK	281.94	260.87	356.31
IC2 (USD)	USD	138.70	119.08	180.11
IC3 (EUR)	EUR	480.47	422.73	575.33
IC4 (EUR)	EUR	308.57	273.54	367.86
ID1 (SEK)	SEK	253.27	218.40	289.40
RC1 (EUR)	EUR	374.15	327.47	439.47
RC1 (SEK)	SEK	350.16	320.83	435.82
RC2 (SEK)	SEK	361.10	332.51	452.76
Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC1 (EUR)	67,067.657	1,468.903	-10,309.375	58,227.185
IC1 (USD)	47,412.175	4,523.764	-	51,935.939
IC2 (SEK)	276,949.021	-	-50,000.000	226,949.021
IC2 (USD)	213,170.837	355.957	-80,844.066	132,682.728
IC3 (EUR)	67,687.279	575.763	-3,954.109	64,308.933
IC4 (EUR)	307,448.956	1,769.658	-	309,218.614
ID1 (SEK)	593,296.545	196,077.959	-29,218.809	760,155.695
RC1 (EUR)	12,224.348	1,454.166	-4,284.518	9,393.996
RC1 (SEK)	2,972,489.285	535,502.752	-625,847.750	2,882,144.287
RC2 (SEK)	3,384,175.963	474,689.057	-468,670.419	3,390,194.601
Dividends paid	Currency	Dividend per unit		Ex-dividend date
ID1 (SEK)	SEK	7.64		28.02.2017

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 2017

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	30,000	CSL Ltd	1,358,136.00	2,760,106.67	0.53
CHF	130,000	Novartis AG Reg	9,381,061.35	9,156,118.13	1.75
CHF	125,000	Roche Holding Ltd Pref	26,295,234.61	26,337,088.31	5.02
			35,676,295.96	35,493,206.44	6.77
DKK	35,966	Alk-Abello A/ S B	3,901,643.37	3,573,463.34	0.68
DKK	59,021	Genmab A/ S	8,510,061.68	8,154,313.61	1.56
DKK	165,679	Novo Nordisk AS B	7,187,542.02	7,440,961.51	1.42
			19,599,247.07	19,168,738.46	3.66
EUR	290,000	Ablynx NV	2,815,318.95	6,008,800.00	1.15
EUR	261,496	Almirall SA	3,124,942.38	2,183,491.60	0.42
EUR	115,000	Galapagos Genomics NV	6,469,136.10	9,082,700.00	1.73
EUR	153,369	Genfit	4,910,628.19	3,668,586.48	0.70
EUR	78,822	Grifols SA A	1,293,081.61	1,925,227.35	0.37
EUR	70,139	Ipsen	6,183,248.25	6,983,740.23	1.33
EUR	36,135	Kiadis Pharm NV Reg	280,441.92	286,225.34	0.05
EUR	90,000	MorphoSys AG	6,152,342.11	6,892,200.00	1.31
EUR	27,282	Orpea SA	2,144,271.54	2,681,820.60	0.51
			33,373,411.05	39,712,791.60	7.57
GBP	1,419,451	Cambian Group Plc	2,618,569.45	3,137,694.76	0.60
GBP	1,023,814	ConvaTec Group Plc Reg	2,712,639.48	2,369,809.91	0.45
GBP	151,541	Shire Plc	7,493,370.86	6,656,951.25	1.27
			12,824,579.79	12,164,455.92	2.32
HKD	1,016,500	Lee's Pharmaceutical Hgs Ltd	1,291,129.57	741,840.86	0.14
HKD	3,300,000	Sino Biopharmaceutical Ltd	2,460,071.94	4,872,927.66	0.93
HKD	3,153,400	Sinopharm Group Co Ltd H	11,375,353.94	11,355,560.04	2.17
			15,126,555.45	16,970,328.56	3.24
JPY	280,000	Astellas Pharma Inc	2,937,663.53	2,974,501.04	0.57
JPY	127,000	Chugai Pharmaceutical Co Ltd	3,110,436.79	5,417,249.77	1.03
JPY	311,000	Santen Pharmaceutical Co Ltd	3,268,192.98	4,071,723.48	0.78
JPY	88,300	Takeda Pharmaceutical Co Ltd	3,303,859.97	4,178,379.25	0.80
JPY	146,000	Terumo Corp	2,770,090.96	5,763,594.77	1.10
			15,390,244.23	22,405,448.31	4.28
SEK	957,683	Active Biotech AB	2,979,376.57	169,511.79	0.04
SEK	70,000	AstraZeneca Plc	3,568,658.87	4,048,157.44	0.77
SEK	10,028,316	BioInvent Intl AB	2,213,209.91	2,111,675.79	0.41
SEK	1,376,356	Episurf Medical AB B	2,814,234.79	756,055.06	0.15
SEK	347,778	Hansa Medical AB	1,387,661.66	8,826,764.53	1.68
SEK	394,452	Oncopeptides AB Reg	1,914,427.96	3,210,059.15	0.61
			14,877,569.76	19,122,223.76	3.66
USD	122,000	Abbott Laboratories	5,063,676.67	5,798,009.74	1.11
USD	156,700	AbbVie Inc	10,554,247.62	12,619,775.16	2.40
USD	86,490	Abiomed Inc	9,023,005.68	13,498,014.66	2.57
USD	338,882	Acadia Pharmaceuticals Inc	10,304,321.56	8,497,095.41	1.62
USD	667,800	Achillion Pharmaceuticals Inc	2,745,112.63	1,601,585.54	0.31
USD	692,913	Adamas Pharmaceuticals Inc	10,855,382.05	19,555,166.40	3.73
USD	127,006	Adverum Biotechnologies Inc	3,615,516.55	370,171.96	0.07
USD	126,829	Aerie Pharmaceuticals Inc	5,760,489.63	6,310,557.31	1.20
USD	100,000	Agios Pharmaceuticals Inc	5,087,422.79	4,760,794.44	0.91
USD	151,863	Alexion Pharmaceuticals Inc	16,973,584.48	15,123,700.85	2.88
USD	58,800	Alkermes Plc	2,846,846.16	2,679,871.76	0.51

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	59,052	Allergan Plc	11,507,645.31	8,044,073.92	1.53
USD	58,967	Alnylam Pharmaceuticals Inc	4,689,925.71	6,238,712.04	1.19
USD	174,261	AmerisourceBergen Corp	12,218,083.40	13,324,432.71	2.54
USD	31,000	Anthem Inc	4,475,039.79	5,808,643.88	1.11
USD	385,642	Arena Pharmaceuticals Inc Reg	8,257,988.67	10,909,154.96	2.08
USD	503,059	Array BioPharma Inc	3,152,283.14	5,362,164.47	1.02
USD	15,300	Biogen Inc	3,853,134.75	4,058,892.45	0.77
USD	139,849	BioMarin Pharmaceutical Inc	10,959,178.25	10,384,590.36	1.98
USD	347,968	Boston Scientific Corp	8,146,614.35	7,183,350.72	1.37
USD	129,802	Bristol Myers Squibb Co	6,520,167.25	6,623,863.56	1.27
USD	161,412	Celgene Corp	15,401,837.28	14,027,527.43	2.68
USD	45,000	Centene Corp	2,885,056.25	3,780,322.27	0.72
USD	342,000	Chimerix Inc	2,984,580.02	1,318,615.98	0.25
USD	45,400	Cigna Corp	6,436,176.20	7,678,132.98	1.46
USD	350,000	Coherus BioSciences Inc	3,612,044.67	2,564,849.90	0.49
USD	95,000	Dermira Inc Reg	1,997,335.52	2,200,066.62	0.42
USD	70,625	Dexcom Inc	4,451,902.26	3,375,249.82	0.64
USD	242,812	Dynavax Technologies Corp	1,998,517.17	3,781,142.02	0.72
USD	73,364	Edwards Lifesciences Corp	6,681,338.41	6,885,836.23	1.31
USD	142,859	Eli Lilly & Co	10,057,738.05	10,047,775.44	1.92
USD	956,002	Endologix Inc	6,589,454.48	4,259,158.68	0.81
USD	217,591	Epizyme Inc	2,568,715.60	2,274,028.44	0.43
USD	386,626	Esperion Therapeutics Inc	14,012,338.59	21,197,864.71	4.04
USD	756,214	Exelixis Inc	12,750,262.42	19,143,861.10	3.65
USD	221,483	Express Scripts Hg Co	12,642,130.04	13,766,491.33	2.63
USD	169,547	FibroGen Inc	5,024,019.84	6,692,366.08	1.27
USD	261,686	Flexion Therapeutics Inc	5,842,779.85	5,456,649.40	1.04
USD	283,200	Gilead Sciences Inc	18,377,712.30	16,895,072.66	3.22
USD	608,400	Glaukos Corp	18,144,650.38	12,995,344.96	2.48
USD	58,886	HCA Healthcare Inc	3,910,922.97	4,307,404.12	0.82
USD	1,954,912	Horizon Pharma Plc	23,044,365.64	23,767,927.05	4.53
USD	58,000	Humana Inc	11,052,809.88	11,981,563.06	2.28
USD	480,330	Immunomedics Inc	2,956,890.34	6,463,865.43	1.23
USD	163,703	Incyte Corp Ltd	15,211,792.66	12,911,113.90	2.46
USD	38,500	Intercept Pharmaceuticals Inc	2,003,270.05	1,872,981.64	0.36
USD	1,084,581	Intra-Cellular Therapies Inc	13,788,505.89	13,078,013.80	2.49
USD	944,185	Iovance Biotherapeutics Inc Reg	8,063,597.83	6,290,111.17	1.20
USD	133,436	Jazz Pharmaceuticals Plc	16,201,313.36	14,962,033.06	2.85
USD	109,430	Juno Therapeutics Inc	3,700,013.50	4,165,420.58	0.80
USD	302,157	Keryx Biopharmaceuticals Inc	2,406,731.82	1,170,029.60	0.22
USD	53,000	Livanova Plc	2,753,716.86	3,527,301.49	0.67
USD	90,280	Loxo Oncology Inc	5,716,504.98	6,328,659.20	1.21
USD	308,604	MacroGenics Inc	5,703,069.92	4,882,771.37	0.93
USD	160,110	Medtronic Plc	11,242,864.71	10,766,442.52	2.05
USD	9,090	Molecular Templates Inc Reg	316,976.50	75,847.77	0.01
USD	178,272	MyoKardia Inc Reg	5,760,213.09	6,249,948.95	1.19
USD	353,503	Nektar Therapeutics	5,070,480.06	17,580,213.32	3.35
USD	117,969	Neurocrine Biosciences Inc	5,348,197.47	7,622,279.81	1.45
USD	15,145	Nevro Corp	1,129,620.96	870,725.57	0.17
USD	181,047	NewLink Genetics Corp	1,452,307.55	1,222,709.89	0.23
USD	467,569	NovoCure Ltd Reg	5,235,867.34	7,865,173.67	1.50
USD	58,445	Omniceil Inc	1,440,387.54	2,360,480.08	0.45
USD	211,153	Portola Pharmaceuticals Inc	8,731,939.12	8,559,710.24	1.64
USD	50,000	Puma Biotechnology Inc	4,210,631.40	4,115,834.62	0.79
USD	108,451	Ra Pharmaceuticals Inc Reg	1,369,420.78	767,650.83	0.15
USD	31,154	Regeneron Pharmaceuticals Inc	10,787,795.96	9,753,639.37	1.86
USD	492,878	Regulus Therapeutic Inc	1,773,962.35	426,858.57	0.08
USD	182,580	Revanche Therapeutics Inc	3,464,706.75	5,435,512.35	1.04
USD	1,932,831	Rigel Pharmaceuticals Inc	4,666,972.24	6,245,063.31	1.19
USD	104,930	Sage Therapeutics Inc	7,907,554.03	14,392,322.36	2.75

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	255,793	Sangamo Therapeutics Inc Reg	3,601,111.58	3,493,363.20	0.67
USD	70,200	Spark Therapeutics Inc	3,102,856.13	3,005,940.79	0.57
USD	76,256	Staar Surgical Co	667,473.09	984,276.14	0.19
USD	450,100	Sunesis Pharmaceuticals Inc Reg	1,242,493.20	1,383,077.82	0.26
USD	160,908	Tetraphase Pharmaceuticals Inc	834,204.40	844,169.05	0.16
USD	95,000	Ultragenyx Pharmaceutical Inc	4,489,302.85	3,669,151.02	0.70
USD	75,500	United Health Group Inc	11,193,740.99	13,860,790.28	2.64
USD	52,433	Universal Health Services Inc B	4,875,295.49	4,949,228.09	0.94
USD	152,204	Vertex Pharmaceuticals Inc	17,402,644.89	18,994,288.58	3.63
USD	282,385	ViewRay Inc Reg	2,081,299.05	2,177,528.50	0.42
USD	65,700	Walgreens Boots Alliance Inc	4,501,401.10	3,973,130.70	0.76
USD	317,500	Xencor Inc	4,725,880.27	5,795,561.48	1.10
USD	51,808	Zogenix Inc Reg	1,629,535.41	1,727,868.09	0.33
			<u>565,838,897.77</u>	<u>611,970,960.79</u>	<u>116.67</u>
Total shares			714,064,937.08	779,768,260.51	148.70
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
EUR	-125,000	Fresenius SE & Co KGaA	-7,818,420.50	-8,133,750.00	-1.55
GBP	-314,680	GlaxoSmithKline Plc	-4,873,617.98	-4,687,544.92	-0.89
USD	-25,000	Becton Dickinson & Co	-4,240,844.31	-4,456,426.70	-0.85
USD	-11,358	Cerner Corp	-625,423.95	-637,394.86	-0.12
USD	-20,000	DaVita Inc	-986,711.65	-1,203,314.32	-0.23
USD	-5,000	Intuitive Surgical Inc	-1,665,668.76	-1,519,507.02	-0.29
USD	-10,000	Ionis Pharmaceuticals Inc	-397,500.47	-418,869.97	-0.08
USD	-8,110	Johnson & Johnson	-964,736.57	-943,605.95	-0.18
USD	-25,000	Laboratory Corp of America Hgs	-3,175,054.54	-3,320,772.79	-0.63
USD	-30,000	Mednax Inc	-1,849,410.38	-1,335,054.34	-0.25
USD	-125,000	Mylan N.V.	-3,433,214.83	-4,404,172.04	-0.84
USD	-50,000	Resmed Inc	-2,810,274.39	-3,526,252.24	-0.67
USD	-63,593	Valeant Pharm Intl Inc	-1,131,053.02	-1,100,439.31	-0.21
			<u>-21,279,892.87</u>	<u>-22,865,809.54</u>	<u>-4.35</u>
Total shares			-33,971,931.35	-35,687,104.46	-6.79
<u>Transferable securities dealt in on another regulated market</u>					
Shares					
GBP	759,265	Faron Pharmaceuticals Oy	3,436,954.08	6,841,699.39	1.31
Total shares			<u>3,436,954.08</u>	<u>6,841,699.39</u>	<u>1.31</u>
<u>Other transferable securities</u>					
Shares					
SEK	619,460	Bio-Works Technologies AB Reg	686,023.97	620,695.20	0.12
SEK	789,655	Isofol Medical AB Reg	2,315,164.71	1,759,180.45	0.34
Total shares			<u>3,001,188.68</u>	<u>2,379,875.65</u>	<u>0.46</u>

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Short positions in open-ended investment funds</u>					
Tracker funds (UCI)					
USD	-770,000	Health Care Select Sector SPDR Fd (The)	-49,048,568.87	-53,015,447.39	-10.11
USD	-255,000	iShares Trust Nasdaq Biotech ETF Dist	-23,981,015.33	-22,672,565.27	-4.32
USD	-257,900	SPDR Ser Trust S&P Biotech ETF Dist	-17,809,856.62	-18,227,066.66	-3.48
Total tracker funds (UCI)			<u>-90,839,440.82</u>	<u>-93,915,079.32</u>	<u>-17.91</u>
Total securities: investments and short positions			595,691,707.67	659,387,651.77	125.77
Cash at banks and cash collateralized at banks				13,320,293.80	2.54
Bank overdrafts and collateralized debt at banks				-1,229,537.17	-0.23
Other net assets/ (liabilities)				-147,213,108.52	-28.08
Total				<u>524,265,299.88</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 2017

Industrial classification

(in percentage of net assets)

Healthcare	138.71 %
Financials	4.09 %
Non-cyclical consumer goods	0.76 %
Raw materials	0.12 %
Investment funds	-17.91 %
Total	<u>125.77 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	81.82 %
Ireland	11.47 %
Switzerland	6.77 %
Japan	4.28 %
Denmark	3.66 %
Sweden	3.35 %
Belgium	2.88 %
Jersey	2.77 %
France	2.54 %
China	2.17 %
United Kingdom	1.60 %
Finland	1.31 %
Cayman Islands	1.07 %
Spain	0.79 %
Australia	0.53 %
Canada	-0.21 %
Germany	-0.24 %
The Netherlands	-0.79 %
Total	<u>125.77 %</u>

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of net assets (in EUR)

as at 31st December 2017

Assets

Investments

Securities portfolio at market value	9,095,473.47
	<u>9,095,473.47</u>

Cash and cash equivalents

Cash at banks	119,955.62
Cash collateral at banks	2,580,561.84
Cash collateral at banks for short sales of securities	1,416,117.59
	<u>4,116,635.05</u>

Receivables

Receivable on treasury transactions	10,486.83
Receivable on issues of units	5,125,884.42
Income receivable on portfolio	3,571.75
	<u>5,139,943.00</u>

Other assets

Formation expenses, net	11,837.36
	<u>11,837.36</u>

Total assets

18,363,888.88

Liabilities

Payables

Short sales of securities at market value	1,437,235.03
Payable on redemptions of units	34,784.38
Interest payable on bank overdrafts	5,924.92
Expenses payable	80,691.08
	<u>1,558,635.41</u>

Borrowings

Bank overdrafts	2,519,734.66
	<u>2,519,734.66</u>

Total liabilities

4,078,370.07

Total net assets at the end of the year

14,285,518.81

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in EUR)
IC1 (EUR)	1,000.000	EUR	101.89	101,893.77
IC4 (EUR)	50,000.000	EUR	99.98	4,999,015.71
RC1 (SEK)	216,171.125	SEK	107.98	2,374,380.98
RC2 (SEK)	10,010.000	SEK	107.88	109,850.29
RC9 (SEK)	600,399.762	SEK	109.71	6,700,378.06
				<u>14,285,518.81</u>

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 1st January 2017 to 31st December 2017

Income

Investment income

Dividends, net	196,993.94
Interest on bank accounts	22.46
	<hr/>
	197,016.40

Realised gain on investments

- on securities portfolio	416,069.61
- on foreign exchange	208,663.38
	<hr/>
	624,732.99

Appreciation of unrealised results on investments

- on securities portfolio	684,536.41
	<hr/>
	684,536.41

Total income

1,506,285.80

Expenses

Investment advisory or management fees

Management fees	112,430.97
Performance fees	108,753.39
	<hr/>
	221,184.36

Other expenses

Depositary fees	2,312.37
Banking charges and other fees	21,574.19
Transaction fees	19,568.07
Central administration costs	59,029.36
Professional fees	21,423.40
Other administration costs	22,462.53
Subscription duty ("taxe d'abonnement")	5,874.52
Interest paid on bank overdrafts	26,264.93
Dividends paid on short sales of securities	5,674.23
Interest paid on collateralized debt at banks	4,498.86
Other fees	5,955.01
	<hr/>
	194,637.47

Realised loss on investments

- on securities portfolio	291,352.68
	<hr/>
	291,352.68

Depreciation of unrealised results on investments

- on securities portfolio	674,910.69
	<hr/>
	674,910.69

Total expenses

1,382,085.20

Net income

124,200.60

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 1st January 2017 to 31st December 2017

Net income	124,200.60
Subscriptions	8,083,965.67
Redemptions	-4,580,781.26
Total changes in net assets	<u>3,627,385.01</u>
Total net assets at the beginning of the year	<u>10,658,133.80</u>
<u>Total net assets at the end of the year</u>	<u><u>14,285,518.81</u></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 2017

Total net assets	Currency	31.12.2016	31.12.2017	
	EUR	10,658,133.80	14,285,518.81	
Net asset value per unit	Currency	31.12.2016	31.12.2017	
IC1 (EUR)	EUR	-	101.89	
IC4 (EUR)	EUR	-	99.98	
RC1 (SEK)	SEK	104.42	107.98	
RC2 (SEK)	SEK	103.89	107.88	
RC9 (SEK)	SEK	104.93	109.71	
Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC1 (EUR)	-	1,000.000	-	1,000.000
IC4 (EUR)	-	50,000.000	-	50,000.000
RC1 (SEK)	177,381.421	128,222.160	-89,432.456	216,171.125
RC2 (SEK)	10,010.000	-	-	10,010.000
RC9 (SEK)	787,517.051	142,176.380	-329,293.669	600,399.762

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 2017

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	241,564.62	302,678.85	2.12
CHF	5,322	Nestlé SA Reg	372,987.57	381,205.99	2.67
CHF	1,651	Roche Holding Ltd Pref	359,982.34	347,860.26	2.44
			974,534.53	1,031,745.10	7.23
EUR	64,755	Banco Santander Reg SA	278,739.35	354,792.65	2.48
EUR	6,317	BNP Paribas SA A	328,132.29	393,233.25	2.75
EUR	4,181	Schneider Electric SE	255,639.85	296,265.66	2.07
EUR	2,518	Volkswagen AG Pref	312,465.59	419,121.10	2.93
			1,174,977.08	1,463,412.66	10.23
HKD	271,967	Great Wall Motor Co Ltd H	237,882.85	259,329.57	1.82
HKD	540,382	Industr & Cial Bk of China Ltd H	306,315.04	362,129.84	2.53
			544,197.89	621,459.41	4.35
JPY	9,464	Asahi Group Holdings Ltd	299,368.92	391,098.24	2.74
JPY	11,614	Mitsui OSK Lines Ltd	243,843.69	322,826.36	2.26
JPY	7,800	Square Enix Hgs Co Ltd	229,055.00	309,071.33	2.16
			772,267.61	1,022,995.93	7.16
SEK	18,144	Sandvik AB	178,143.15	265,227.58	1.86
SEK	55,076	Telefon AB LM Ericsson B	318,891.22	301,701.16	2.11
			497,034.37	566,928.74	3.97
USD	2,806	Anheuser-Busch InBev SA ADR spon repr 1 Share	305,342.67	260,679.82	1.82
USD	5,696	Exxon Mobil Corp	426,976.47	396,730.18	2.78
USD	28,404	Ford Motor Co	309,731.32	295,429.04	2.07
USD	2,551	Gilead Sciences Inc	172,352.93	152,186.90	1.07
USD	11,144	Halliburton Co (Hg Co)	438,135.97	453,518.16	3.17
USD	1,766	IBM Corp	248,319.52	225,623.28	1.58
USD	11,906	Janus Henderson Group Plc Reg	317,042.76	379,334.27	2.66
USD	4,518	JPMorgan Chase & Co	298,299.77	402,344.11	2.82
USD	4,115	Medtronic Plc	311,019.33	276,709.21	1.94
USD	4,793	Microsoft Corp	247,660.42	341,419.18	2.39
USD	10,422	Pfizer Inc	309,823.65	314,348.04	2.20
USD	5,368	Qualcomm Inc	297,483.93	286,180.09	2.00
USD	9,359	Symantec Corp	261,269.46	218,689.71	1.53
USD	7,635	Wells Fargo & Co	339,031.74	385,739.64	2.70
			4,282,489.94	4,388,931.63	30.73
Total shares			8,245,501.42	9,095,473.47	63.67
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	-400	Amazon.com Inc	-297,766.05	-389,547.40	-2.73
USD	-2,590	Apple Inc	-280,770.89	-364,996.21	-2.55
USD	-2,000	NetFlix Inc	-265,808.85	-319,706.87	-2.24
USD	-1,400	Tesla Inc	-394,646.71	-362,984.55	-2.54
Total shares			-1,238,992.50	-1,437,235.03	-10.06
Total securities: investments and short positions			7,006,508.92	7,658,238.44	53.61

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
		Cash at banks and cash collateralized at banks		4,116,635.05	28.82
		Bank overdrafts and collateralized debt at banks		-2,519,734.66	-17.64
		Other net assets/ (liabilities)		5,030,379.98	35.21
		Total		<u>14,285,518.81</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 2017

Industrial classification

(in percentage of net assets)

Financials	15.94 %
Industrials	8.31 %
Healthcare	7.65 %
Non-cyclical consumer goods	7.23 %
Technologies	6.98 %
Energy	5.95 %
Cyclical consumer goods	1.55 %
Total	<u>53.61 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	14.25 %
Switzerland	7.23 %
Japan	7.16 %
France	4.82 %
China	4.35 %
Sweden	3.97 %
Germany	2.93 %
Jersey	2.66 %
Spain	2.48 %
Ireland	1.94 %
Belgium	1.82 %
Total	<u>53.61 %</u>

Rhenman & Partners Fund

Notes to the financial statements

as at 31st December 2017

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 and with generally accepted accounting principles in Luxembourg.

The financial statements are presented on the basis of the Net Asset Value of the Sub-Funds calculated on 31st December 2017. In accordance with the prospectus, the last official trading Net Asset Values of the corresponding Sub-Funds have been calculated on 29th December 2017 as the Net Asset Values are not calculated for the 31st December 2017. Nevertheless, an additional Net Asset Value has been calculated for the 31st December 2017 for reporting purposes which 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 last business day (i.e. the 29th December 2017) 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 last business day (i.e. the 29th December 2017).
- 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 last business day (i.e. the 29th December 2017) 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. Exchange Traded Funds ("ETFs") are priced as assets listed or dealt in on any stock exchange.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

- 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 securities portfolio

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

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	=	1.5358102	AUD	Australian Dollar
			1.1699281	CHF	Swiss Franc
			7.4479119	DKK	Danish Krona
			0.8878087	GBP	Pound Sterling
			9.3861438	HKD	Hong Kong Dollar
			135.2697459	JPY	Japanese Yen
			9.8228329	NOK	Norwegian Krona
			9.8303983	SEK	Swedish Krona
			1.2008500	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 disclosed as liabilities, and premiums paid on the purchase of options are carried separately as assets. Unrealised gain/ (loss) is disclosed in the statement of net assets. Realised gains and losses, appreciation and depreciation of unrealised results on options are disclosed in the statement of operations.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

j) Short sales

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.

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's 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:

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

- 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),
- 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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

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.

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 was recorded for the following Sub-Funds and amounted to:

Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S	EUR 15,689,362.43
Rhenman & Partners Fund - Rhenman Global Opportunities L/ S	EUR 108,753.39

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 Depositary. 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 redeemable cash collateral received, short sales and security borrowing operations. The counterparty of the following positions is Skandinaviska Enskilda Banken AB (publ), Stockholm.

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

Description	Currency	Quantity	Market value (in EUR)
Abbott Laboratories	USD	122,000.00	5,798,009.74
AbbVie Inc	USD	116,700.00	9,398,390.31

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

Description	Currency	Quantity	Market value (in EUR)
Abiomed Inc	USD	86,490.00	13,498,014.66
Ablynx NV	EUR	290,000.00	6,008,800.00
Acadia Pharmaceuticals Inc	USD	338,882.00	8,497,095.41
Achillion Pharmaceuticals Inc	USD	435,184.00	1,043,702.31
Active Biotech AB	SEK	221,686.00	39,238.86
Adamas Pharmaceuticals Inc	USD	345,706.00	9,756,402.83
Adverum Biotechnologies Inc	USD	127,006.00	370,171.96
Aerie Pharmaceuticals Inc	USD	126,829.00	6,310,557.31
Agios Pharmaceuticals Inc	USD	29,299.00	1,394,865.16
Alexion Pharmaceuticals Inc	USD	151,863.00	15,123,700.85
Alk-Abello A/ S B	DKK	35,966.00	3,573,463.34
Alkermes Plc	USD	58,800.00	2,679,871.76
Allergan Plc	USD	54,052.00	7,362,973.03
Alnylam Pharmaceuticals Inc	USD	49,367.00	5,223,031.48
AmerisourceBergen Corp	USD	133,108.00	10,177,771.21
Anthem Inc	USD	31,000.00	5,808,643.88
Arena Pharmaceuticals Inc Reg	USD	178,520.00	5,050,026.56
Array BioPharma Inc	USD	503,059.00	5,362,164.47
Astellas Pharma Inc	JPY	280,000.00	2,974,501.04
AstraZeneca Plc	SEK	70,000.00	4,048,157.44
Biogen Inc	USD	15,300.00	4,058,892.45
BioInvent Intl AB	SEK	689,077.00	145,099.86
BioMarin Pharmaceutical Inc	USD	139,849.00	10,384,590.36
Boston Scientific Corp	USD	250,468.00	5,170,588.93
Bristol Myers Squibb Co	USD	119,802.00	6,113,558.36
Cambian Group Plc	GBP	849,167.00	1,877,082.65
Celgene Corp	USD	161,412.00	14,027,527.43
Centene Corp	USD	45,000.00	3,780,322.27
Chimerix Inc	USD	63,833.00	246,114.66
Chugai Pharmaceutical Co Ltd	JPY	127,000.00	5,417,249.77
Cigna Corp	USD	39,500.00	6,680,313.94
Coherus BioSciences Inc	USD	165,130.00	1,210,096.18
ConvaTec Group Plc Reg	GBP	1,023,814.00	2,369,809.91
Dermira Inc Reg	USD	70,000.00	1,621,101.72
Dexcom Inc	USD	70,625.00	3,375,249.82
Edwards Lifesciences Corp	USD	73,364.00	6,885,836.23
Eli Lilly & Co	USD	142,859.00	10,047,775.44
Endologix Inc	USD	212,756.00	947,865.76
Episurf Medical AB B	SEK	147,393.00	80,965.41
Epizyme Inc	USD	208,093.00	2,174,765.50
Esperion Therapeutics Inc	USD	350,000.00	19,189,740.60
Exelixis Inc	USD	756,214.00	19,143,861.10

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

Description	Currency	Quantity	Market value (in EUR)
Express Scripts Hg Co	USD	170,000.00	10,566,515.38
FibroGen Inc	USD	144,067.00	5,686,618.48
Flexion Therapeutics Inc	USD	94,889.00	1,978,615.61
Genfit	EUR	153,369.00	3,668,586.48
Genmab A/ S	DKK	44,021.00	6,081,920.66
Gilead Sciences Inc	USD	258,200.00	15,403,629.10
Grifols SA A	EUR	78,822.00	1,925,227.35
Hansa Medical AB	SEK	200,340.00	5,084,720.73
HCA Healthcare Inc	USD	58,886.00	4,307,404.12
Horizon Pharma Plc	USD	1,018,904.00	12,387,890.58
Humana Inc	USD	45,500.00	9,399,329.64
Immunomedics Inc	USD	480,330.00	6,463,865.43
Incyte Corp Ltd	USD	98,700.00	7,784,383.56
Intercept Pharmaceuticals Inc	USD	38,500.00	1,872,981.64
Intra-Cellular Therapies Inc	USD	236,301.00	2,849,347.11
Iovance Biotherapeutics Inc Reg	USD	276,466.00	1,841,802.06
Ipsen	EUR	70,139.00	6,983,740.23
Jazz Pharmaceuticals Plc	USD	124,840.00	13,998,172.96
Juno Therapeutics Inc	USD	100,445.00	3,823,409.21
Keryx Biopharmaceuticals Inc	USD	302,157.00	1,170,029.60
Livanova Plc	USD	53,000.00	3,527,301.49
Loxo Oncology Inc	USD	90,280.00	6,328,659.20
Macrogenics Inc	USD	308,604.00	4,882,771.37
Medtronic Plc	USD	160,110.00	10,766,442.52
Molecular Templates Inc Reg	USD	9,090.00	75,847.77
MorphoSys AG	EUR	90,000.00	6,892,200.00
MyoKardia Inc Reg	USD	173,572.00	6,085,174.00
Nektar Therapeutics	USD	81,640.00	4,060,074.78
Neurocrine Biosciences Inc	USD	117,969.00	7,622,279.81
NewLink Genetics Corp	USD	85,000.00	574,051.71
Novartis AG Reg	CHF	130,000.00	9,156,118.13
Novo Nordisk AS B	DKK	165,679.00	7,440,961.51
Omnicell Inc	USD	58,445.00	2,360,480.08
Oncopeptides AB Reg	SEK	40,212.00	327,246.15
Orpea SA	EUR	27,282.00	2,681,820.60
Portola Pharmaceuticals Inc	USD	201,153.00	8,154,330.72
Ra Pharmaceuticals Inc Reg	USD	108,451.00	767,650.83
Regeneron Pharmaceuticals Inc	USD	20,955.00	6,560,554.44
Regulus Therapeutic Inc	USD	140,179.00	121,402.47
Revance Therapeutics Inc	USD	10,618.00	316,104.01
Rigel Pharmaceuticals Inc	USD	466,450.00	1,507,120.79

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2017

Description	Currency	Quantity	Market value (in EUR)
Roche Holding Ltd Pref	CHF	125,000.00	26,337,088.31
Santen Pharmaceutical Co Ltd	JPY	311,000.00	4,071,723.48
Shire Plc	GBP	151,541.00	6,656,951.25
Staar Surgical Co	USD	76,256.00	984,276.14
Terumo Corp	JPY	146,000.00	5,763,594.77
Tetraphase Pharmaceuticals Inc	USD	41,624.00	218,371.32
Ultragenyx Pharmaceutical Inc	USD	95,000.00	3,669,151.02
United Health Group Inc	USD	66,000.00	12,116,717.33
Universal Health Services Inc B	USD	52,433.00	4,949,228.09
Vertex Pharmaceuticals Inc	USD	142,204.00	17,746,339.21
Walgreens Boots Alliance Inc	USD	65,700.00	3,973,130.70
Xencor Inc	USD	69,562.00	1,269,766.45
			<u>555,691,082.34</u>

As at 31st December 2017, the Sub-Fund Rhenman & Partners Fund - Rhenman Global Opportunities L/ S holds cash pledged as collateral for a total amount of EUR 3,996,679.43 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.

Rhenman & Partners Fund

Additional information (unaudited)

as at 31st December 2017

1 - Risk management disclosure

1.1. Risk Profile

The current risk profile of the Sub-Funds as disclosed in the Prospectus has not been amended throughout the reporting period. The AIFM/ Management Company 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 AIFM/ Management Company as part of the risk profile have been exceeded or are likely to be exceeded by the Sub-Funds.

1.2. Risk Management systems

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

1.3. Leverage

In accordance with the Law of 12th 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:

Sub-Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
Rhenman & Partners Fund - Rhenman Healthcare Equity L/ S	400% Gross (300% Commitment)	180	209.42	223	180
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
		180	204.58	219	180

Sub-Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
Rhenman & Partners Fund - Rhenman Global Opportunities L/ S	400% Gross (300% Commitment)	130	138.67	146	143
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
		130	139.58	149	143

Rhenman & Partners Fund

Additional information (unaudited) (continued)

as at 31st December 2017

2 - Remuneration disclosure

SEB Fund Services S.A. (SEB) as AIFM/ Management Company 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 shareholders'/ 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 2017 and adjusted according to the number of full time employees during the year 2017 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM/ 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 2017*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries **
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
Rhenman & Partners Fund	538,550,818.69	6.17	88,495.23	33,455.44	2,416.06	1,357.42	15.17

* All amounts are in Euro

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

Variable Remuneration (incl. short term incentives and long term incentives)

** Average Full Time Equivalent

The AIFM delegates its portfolio management activities to Rhenman & Partners Asset Management AB. Rhenman & Partners Asset Management AB is authorised and regulated by the Swedish Regulator Finansinspektionen. It is applying the Finansinspektionen's regulations regarding remuneration structures in credit institutions, investment firms and fund management companies licensed to conduct discretionary portfolio management. Rhenman & Partners Asset Management AB's remuneration policy promotes sound and effective risk management and counteracts excessive risk-taking behaviour. The remuneration policy encompasses all employees and is updated and reviewed regularly.

Rhenman & Partners Fund

Additional information (unaudited) (continued)

as at 31st December 2017

The amount below represents the total remuneration on calendar year 2017 and adjusted according to the number of full time employees during the year 2017 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the Investment Manager whose actions have a material impact on the risk profile of the funds).

	TNA as of 31st December 2017*	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries
		All Employees	Identified Staff	All Employees	Identified Staff	All Employees
Rhenman & Partners Fund	538,550,818.69	2,268,880.60	1,110,636.59	649,007.27	357,462.63	8

* All amounts are in Euro

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

Variable Remuneration (incl. short term incentives and long term incentives)

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter 'SFTR')

At the date of the financial statements, the Fund is concerned by securities 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 & Partners Fund - Rhenman Global Opportunities L/S (in EUR)
Global data: assets used for securities borrowing		
in absolute terms	129,602,183.78	1,437,235.03
as a percentage of total lendable assets defined as excluding cash and cash equivalents of the Sub-Funds	16.43%	15.80%
Concentration data		
10 largest collateral issuers		
first gross volumes for open trades	-	-
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 (countries) in which the counterparties are established	-	-
Type of settlement and clearing		
tri-party	-	-
Central Counterparty	-	-
bilateral	129,602,183.78	1,437,235.03

Rhenman & Partners Fund

Additional information (unaudited) (continued) as at 31st December 2017

	Rhenman & Partners Fund - Rhenman Healthcare Equity L/S (in EUR)	Rhenman & Partners Fund - Rhenman Global Opportunities L/S (in EUR)
Data on reuse of collateral received		
% foreseen in prospectus	reuse of cash collateral possible	reuse of cash collateral possible
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	555,691,082.34	1,416,117.59
pooled accounts	-	-
other accounts	-	-
Return and cost components		
Return component of the Sub-Fund		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
Cost component of the Sub-Fund	-2,842,438.27	-12,504.56
Return component of the capital management company		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
Cost component of the capital management company	-	-
Return component of third parties		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
Cost component of third parties	-	-

Rhenman & Partners Asset Management AB
Strandvägen 5A
SE-114 51 Stockholm
Phone: +46 8 459 88 80
Webpage: www.rhepa.com