

Annual report including audited financial statements as at 31st December 2018

Rhenman & Partners Fund

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

R.C.S. Luxembourg K8



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
(AIFM)**
(since 22nd December 2018)

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

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

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director, Luxembourg

Directors
Romain DENIS
Executive Director - IT Projects, Data Management &
Strategic Projects
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MC DERMOTT
Independent Non-Executive Director
Luxembourg

Grégory NICOLAS
Executive Director - Legal, Compliance, Corporate
FundRock Management Company S.A., Luxembourg

Serge RAGOZIN
Executive Director - Chief Operating Officer
FundRock Management Company S.A., Luxembourg

Ross THOMSON
Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg

**Management Company
Central Administrator and
Alternative Investment Fund Manager
(AIFM)**
(until 21st December 2018)

FundRock Nordics S.A.
(until 15th November 2018 named SEB Fund Services S.A.)
4, rue Peternelchen
L-2370 Howald

**Board of Directors of
the Management Company**

Chairman
Göran FORS
Deputy Head of Investor Services
Skandinaviska Enskilda Banken AB (publ), Stockholm
(until 15th November 2018)

Directors
Claes-Johan GEIJER
Independent Director and Advisor
G Advisors S.à.r.l., Luxembourg

Rhenman & Partners Fund

Organisation (continued)

Marie JUHLIN
Managing Director
FundRock Nordics S.A., Luxembourg
(until 15th November 2018 named SEB Fund Services S.A.)

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Large Corporates and Financial Institutions
Skandinaviska Enskilda Banken AB (publ), Stockholm
(until 15th November 2018)

Serge RAGOZIN
Executive Director - Chief Operating Officer
FundRock Management Company S.A., Luxembourg
(since 15th November 2018)

Revel WOOD
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg
(from 15th November 2018 to 4th December 2018)

Depository and Paying Agent

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

Sub-Administrator including 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

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange
(since 22nd December 2018)

FundRock Nordics S.A.
(until 15th November 2018 named SEB Fund Services S.A.)
4, rue Peternelchen
L-2370 Howald
(until 21st December 2018)

Rhenman & Partners Fund

Organisation (continued)

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 FundRock Management Company S.A. (formerly FundRock Nordics S.A. / formerly 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 26th June 2018. 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 33, rue de Gasperich L-5826 Hesperange.

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), RC1 (USD), RC2 (SEK), RC2 (USD) 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

To the Unitholders,

During the year which ended on 31st December 2018, the main unit class (IC1, EUR) was down by 5.14%, the SEK unit class (RC1, SEK) had decreased by 3.55% and the US dollar unit class (IC1, USD) had fallen by 9.08%.

The aim of the fund is to hold approximately one-third each of small, medium and large-cap healthcare companies over time. This strategy allows for a balanced and diversified portfolio despite being focused on one specific sector. Diversification is further achieved through exposure to several different subsectors within the healthcare field: pharmaceuticals, biotechnology, medical technology, and services.

The healthcare sector enjoyed a relatively strong performance compared to the overall market during 2018. Medical technology and services were the best performing subsectors during the year, while pharmaceuticals underperformed the broader healthcare index. The worst performing subsector was biotechnology, resulting from a combination of political tensions, pricing discussions, patent cliffs, and lower risk appetite.

The MSCI World Index, measured in euros, fell by 5.92% in 2018. The global market had a volatile year. Early expectations of rising inflation sparked a dramatic drop in share prices in the first quarter, and most of the major stock markets plunged by nearly 10% in less than a week. In the last quarter of 2018, global markets fell by 16% measured in euros, due to the many geopolitical issues in conjunction with a somewhat hawkish Fed. The late market correction affected the healthcare sector in general, which fell by 14% (MSCI HC) and the biotechnology sector in particular, which fell by 9.32% (Nasdaq biotech index) during the same period, all measured in euros.

The MSCI World Healthcare index reported an increase of almost 3.04% during the year, making it the best performing sector in 2018. One of the fund's key holdings was the American medical technology company Abiomed, which is a pioneer and global leader in healthcare technology and innovation. Abiomed has developed the world's smallest heart pump for different types of heart failures. The company delivered strong sales results with strong expectations of future growth, causing a sharp rise in its share price. Abiomed was the best contributor to the fund during the year. The second-best contributor was another medical technology company, Glaukos. The company develops new technologies to treat glaucoma. The company's strong sales trajectory and a promising pipeline resulted in an excellent share performance during 2018. One of the worst contributors to the fund in 2018 was the Finnish biotechnology company Faron Pharmaceuticals. The company failed to show any clinical benefits with its compound for the treatment of Acute Respiratory Distress Syndrome (ARDS) and the share price fell by over 90%. The services sector was one of the best-performing sub-sectors during the year. One exception, however, was Diplomat Pharmacy, which is the largest independent US pharmacy chain focusing on specialty medicines. The company also operates a pharma benefit manager (PBM) business that offers health insurance providers with the services needed for procuring and managing the use of drugs. Contract negotiations ahead of 2019 created some uncertainty in the market, causing the share price to fall in 2018 and the company was one of the worst contributors to the fund during the year.

The healthcare sector continues to grow faster than the global economy. Furthermore, we believe that the level and pace of innovation are the highest that the sector has ever seen. Entering 2019, we view the valuations as being quite attractive in absolute terms as well as by historical comparisons. By the end of this year, the geopolitical uncertainties which dominated December 2018 should, at least taken together, look better.

Rhenman & Partners Fund

Report from the Investment Manager (continued)

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

To the Unitholders,

The main fund unit class (RC1, SEK) decreased by 23.02% in 2018. The stated strategy of the Fund is to invest in between 30 to 50 companies worldwide, with both long and short positions, and 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 which 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%.

Overall, 2018 saw the worst development in global equity markets since the major financial crisis of 2008, culminating in the worst December in more than 80 years. Most other asset classes also posted weak returns, making 2018 the worst year for cross assets in several decades. The capital markets were troubled by a number of events, most of which were precipitated against a political back drop. The US administration's tougher stance on trade took centre stage for most of the year, resulting in fears that global economic growth would suffer as a consequence. The political turmoil in Europe, ranging from the troubled Brexit-process to the Yellow Vests' protest in France, also made investors more risk averse.

The MSCI World Index, measured in SEK, ended the year down by about 4%. Europe, with its political problems and financial uncertainties regarding tariffs, emerged as the worst performing region. Most other geographical areas, however, also experienced falling stock markets. The only exception among the major markets was the US, which was able to record a slight rise, measured in SEK, thanks to its relatively large share of growth companies. Looking at global sectors, healthcare, utilities and information technology stood out in a positive sense, while financials, energy and raw materials noted the largest declines.

Fund performance in 2018 benefitted much from its holdings in healthcare and information technology companies. However, there was considerable negative impact from holdings in most other regions and sectors, with US energy companies and European banks accounting for the worst returns. Furthermore, short positions in certain US technology and consumer discretionary companies had a significant adverse effect on the Fund's performance.

The global stock market trend was not only negative through most of the year but, furthermore, it was characterized by higher volatility as compared to the quite limited price fluctuations of 2017. Strong corporate earnings, the primary driving force behind positive stock markets in recent years, were still present in 2018, but they were more than offset by fears regarding future economic growth and tighter central banks' policies, not least in the US.

Even though growth rates in the world economy might slow somewhat in 2019, it is likely that corporate earnings will continue to improve, albeit at a slower pace than in recent years. The strong earnings growth recorded in 2018 combined with broadly falling share prices has led to valuations currently being relatively low compared to the end of 2017. This is especially true of Europe and the Emerging Markets, which are currently trading at multi-year valuation lows. We find these low valuations somewhat unwarranted and believe that the Fund's holdings represent good opportunities for value appreciation.

Luxembourg, 20th February 2019

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 31 December 2018, 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 combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2018;
- the statement of investments and other net assets as at 31 December 2018;
- the combined statement of operations for the Fund and the statement of operations for each of the sub-funds for the year then ended;
- the combined statement of changes in net assets for the Fund and the statement of changes in net assets for each of the sub-funds 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 23 July 2016 on the audit profession (Law of 23 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 the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF 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.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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 23 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 23 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;



- 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, 19 April 2019



Philippe Sergiel

Rhenman & Partners Fund

Combined statement of net assets (in EUR)

as at 31st December 2018

Assets

Investments

Securities portfolio at market value	941,600,291.95
	<u>941,600,291.95</u>

Cash and cash equivalents

Cash at banks	9,258,012.97
Cash collateral at banks	4,930,000.00
Cash collateral at banks for short sales of securities	28,438,057.03
	<u>42,626,070.00</u>

Receivables

Receivable on sales of securities	4,000,389.17
Income receivable on portfolio	205,438.46
Interest receivable on bank accounts	2,592.21
	<u>4,208,419.84</u>

Other assets

Formation expenses, net	8,608.71
Advances for purchases of securities	64,288.87
	<u>72,897.58</u>

Total assets

988,507,679.37

Liabilities

Payables

Short sales of securities at market value	124,870,411.46
Payable on purchases of securities	1,285,919.34
Interest payable on bank overdrafts	715,186.81
Expenses payable	1,750,887.25
	<u>128,622,404.86</u>

Borrowings

Bank overdrafts	7,643,041.16
Collateralized debt at banks	279,486,127.20
	<u>287,129,168.36</u>

Total liabilities

415,751,573.22

Total net assets at the end of the year

572,756,106.15

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

Rhenman & Partners Fund

Combined statement of operations (in EUR)

from 1st January 2018 to 31st December 2018

Income

Investment income

Dividends, net	5,766,804.00
Interest on bank accounts	7,774.12
	<u>5,774,578.12</u>

Realised gain on investments

- on securities portfolio	171,426,244.56
	<u>171,426,244.56</u>

Appreciation of unrealised results on investments

- on securities portfolio	84,833,969.64
	<u>84,833,969.64</u>

Other income

Other revenue	432,750.56
	<u>432,750.56</u>

Total income

262,467,542.88

Expenses

Investment advisory or management fees

Management fees	11,221,754.25
Performance fees	25,625,097.05
	<u>36,846,851.30</u>

Other expenses

Depository fees	126,562.02
Banking charges and other fees	2,399,460.30
Transaction fees	848,817.61
Central administration costs	527,587.81
Professional fees	44,598.06
Other administration costs	47,403.32
Subscription duty ("taxe d'abonnement")	194,815.61
Bank interest paid	138,098.27
Dividends paid on short sales of securities	1,093,473.39
Interest paid on collateralized debt at banks	5,079,548.90
Other fees	22,633.00
	<u>10,522,998.29</u>

Realised loss on investments

- on securities portfolio	70,049,513.66
- on foreign exchange	11,986,048.64
	<u>82,035,562.30</u>

Depreciation of unrealised results on investments

- on securities portfolio	167,355,292.33
	<u>167,355,292.33</u>

Total expenses

296,760,704.22

Net expenditure

-34,293,161.34

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 2018 to 31st December 2018

Net expenditure	-34,293,161.34
Dividends paid	-1,320,439.68
Reinvestments	288,823.21
Subscriptions	152,431,330.04
Redemptions	-82,901,264.77
Total changes in net assets	34,205,287.46
Total net assets at the beginning of the year	538,550,818.69
<u>Total net assets at the end of the year</u>	<u>572,756,106.15</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 2018

Assets

Investments

Securities portfolio at market value	932,623,361.70
	<u>932,623,361.70</u>

Cash and cash equivalents

Cash at banks	9,253,867.65
Cash collateral at banks for short sales of securities	27,838,057.03
	<u>37,091,924.68</u>

Receivables

Receivable on sales of securities	4,000,389.17
Income receivable on portfolio	195,355.61
Interest receivable on bank accounts	2,592.21
	<u>4,198,336.99</u>

Other assets

Advances for purchases of securities	64,288.87
	<u>64,288.87</u>

Total assets

973,977,912.24

Liabilities

Payables

Short sales of securities at market value	124,447,220.74
Payable on purchases of securities	1,285,919.34
Interest payable on bank overdrafts	689,580.46
Expenses payable	1,725,123.90
	<u>128,147,844.44</u>

Borrowings

Bank overdrafts	1,018,253.55
Collateralized debt at banks	279,486,127.20
	<u>280,504,380.75</u>

Total liabilities

408,652,225.19

Total net assets at the end of the year

565,325,687.05

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)	70,488.850	EUR	475.31	33,503,989.74
IC1 (USD)	59,799.612	USD	121.78	6,371,481.28
IC2 (SEK)	226,949.021	SEK	347.14	7,768,312.46
IC2 (USD)	39,402.332	USD	164.56	5,672,805.70
IC3 (EUR)	61,317.338	EUR	559.91	34,332,013.08
IC4 (EUR)	390,770.282	EUR	369.67	144,457,319.29
ID1 (SEK)	1,001,489.123	SEK	264.75	26,143,837.08
RC1 (EUR)	11,101.353	EUR	415.26	4,609,989.57
RC1 (SEK)	3,361,371.917	SEK	420.40	139,338,179.13
RC1 (USD)	1,007.665	USD	83.66	73,752.52
RC2 (SEK)	3,456,987.401	SEK	438.95	149,623,405.27
RC2 (USD)	201,140.517	USD	76.32	13,430,601.93
				<u>565,325,687.05</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 2018 to 31st December 2018

Income

Investment income

Dividends, net	5,501,850.44
Interest on bank accounts	7,774.12
	<u>5,509,624.56</u>

Realised gain on investments

- on securities portfolio	170,678,947.11
	<u>170,678,947.11</u>

Appreciation of unrealised results on investments

- on securities portfolio	84,387,979.03
	<u>84,387,979.03</u>

Other income

Other revenue	432,750.56
	<u>432,750.56</u>

Total income

261,009,301.26

Expenses

Investment advisory or management fees

Management fees	11,076,704.85
Performance fees	25,625,097.05
	<u>36,701,801.90</u>

Other expenses

Depository fees	124,358.15
Banking charges and other fees	2,359,781.14
Transaction fees	832,671.01
Central administration costs	465,204.18
Professional fees	22,299.02
Other administration costs	27,197.96
Subscription duty ("taxe d'abonnement")	191,555.23
Bank interest paid	43,775.48
Dividends paid on short sales of securities	1,091,833.31
Interest paid on collateralized debt at banks	5,079,085.28
Other fees	18,207.28
	<u>10,255,968.04</u>

Realised loss on investments

- on securities portfolio	68,973,969.90
- on foreign exchange	11,467,009.00
	<u>80,440,978.90</u>

Depreciation of unrealised results on investments

- on securities portfolio	164,991,867.06
	<u>164,991,867.06</u>

Total expenses

292,390,615.90

Net expenditure

-31,381,314.64

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 2018 to 31st December 2018

Net expenditure	-31,381,314.64
Dividends paid	-1,320,439.68
Reinvestments	288,823.21
Subscriptions	151,990,713.31
Redemptions	-78,517,395.03
Total changes in net assets	41,060,387.17
Total net assets at the beginning of the year	524,265,299.88
<u>Total net assets at the end of the year</u>	<u>565,325,687.05</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 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	EUR	407,630,793.60	524,265,299.88	565,325,687.05

Net asset value per unit	Currency	31.12.2016	31.12.2017	31.12.2018
IC1 (EUR)	EUR	372.44	501.02	475.31
IC1 (USD)	USD	88.85	133.92	121.78
IC2 (SEK)	SEK	260.87	356.31	347.14
IC2 (USD)	USD	119.08	180.11	164.56
IC3 (EUR)	EUR	422.73	575.33	559.91
IC4 (EUR)	EUR	273.54	367.86	369.67
ID1 (SEK)	SEK	218.40	289.40	264.75
RC1 (EUR)	EUR	327.47	439.47	415.26
RC1 (SEK)	SEK	320.83	435.82	420.40
RC1 (USD)	USD	-	-	83.66
RC2 (SEK)	SEK	332.51	452.76	438.95
RC2 (USD)	USD	-	-	76.32

Number of units	outstanding at the beginning of the year	issued	reinvested	redeemed	outstanding at the end of the year
IC1 (EUR)	58,227.185	13,429.393	-	-1,167.728	70,488.850
IC1 (USD)	51,935.939	7,863.673	-	-	59,799.612
IC2 (SEK)	226,949.021	-	-	-	226,949.021
IC2 (USD)	132,682.728	-	-	-93,280.396	39,402.332
IC3 (EUR)	64,308.933	675.338	-	-3,666.933	61,317.338
IC4 (EUR)	309,218.614	100,167.526	-	-18,615.858	390,770.282
ID1 (SEK)	760,155.695	242,298.811	9,757.541	-10,722.924	1,001,489.123
RC1 (EUR)	9,393.996	2,437.502	-	-730.145	11,101.353
RC1 (SEK)	2,882,144.287	1,071,463.253	-	-592,235.623	3,361,371.917
RC1 (USD)	-	1,007.665	-	-	1,007.665
RC2 (SEK)	3,390,194.601	466,583.615	-	-399,790.815	3,456,987.401
RC2 (USD)	-	201,140.517	-	-	201,140.517

Dividends paid	Currency	Dividend per unit	Ex-dividend date
ID1 (SEK)	SEK	17.37	28.02.2018

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

Statement of investments and other net assets (in EUR)

as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Securities: investments and short positions					
Transferable securities admitted to an official stock exchange listing					
Shares					
AUD	30,000	CSL Ltd	1,358,136.00	3,420,843.15	0.61
CHF	313,000	Novartis AG Reg	21,584,516.05	23,352,184.97	4.13
CHF	108,050	Roche Holding Ltd Pref	22,042,635.92	23,347,612.99	4.13
			43,627,151.97	46,699,797.96	8.26
DKK	23,287	Alk-Abello A/S B	2,526,207.23	2,996,435.76	0.53
DKK	108,479	Genmab A/S	14,565,694.24	15,521,502.22	2.75
			17,091,901.47	18,517,937.98	3.28
EUR	264,344	Almirall SA	3,182,546.95	3,534,279.28	0.63
EUR	19,216	Argenx SE	1,730,936.10	1,637,203.20	0.29
EUR	95,000	Galapagos Genomics NV	5,344,068.95	7,653,200.00	1.35
EUR	40,000	Ipsen	4,311,625.11	4,514,000.00	0.80
EUR	131,294	MorphoSys AG	10,609,911.97	11,678,601.30	2.07
EUR	55,242	Orpea SA	5,437,879.88	4,928,691.24	0.87
EUR	256,127	Sanofi SA	19,278,805.41	19,378,568.82	3.43
			49,895,774.37	53,324,543.84	9.44
GBP	848,814	ConvaTec Group Plc Reg	2,248,969.41	1,313,466.92	0.23
GBP	852,265	Faron Pharmaceuticals Oy	4,281,538.58	526,763.53	0.09
			6,530,507.99	1,840,230.45	0.32
HKD	1,016,500	Lee's Pharmaceutical Hgs Ltd	1,291,129.57	624,730.32	0.11
HKD	4,950,000	Sino Biopharmaceutical Ltd	2,460,071.94	2,854,154.07	0.50
HKD	3,453,400	Sinopharm Group Co Ltd H	12,486,594.53	12,695,952.70	2.25
			16,237,796.04	16,174,837.09	2.86
JPY	130,000	Astellas Pharma Inc	1,363,915.21	1,452,795.35	0.26
JPY	67,000	Chugai Pharmaceutical Co Ltd	1,640,939.10	3,408,501.34	0.60
JPY	50,000	Ono Pharmaceutical Co Ltd	1,215,236.78	895,064.51	0.16
JPY	161,000	Santen Pharmaceutical Co Ltd	1,691,894.12	2,036,090.36	0.36
JPY	56,000	Terumo Corp	1,062,500.64	2,779,237.10	0.49
			6,974,485.85	10,571,688.66	1.87
SEK	128,596	AstraZeneca Plc	7,460,249.76	8,542,444.98	1.51
SEK	14,128,316	BioInvent Intl AB	2,952,991.61	2,649,653.57	0.47
SEK	1,376,356	Episurf Medical AB B	2,814,234.79	3,93,565.45	0.07
SEK	118,479	Hansa Biopharma AB	472,740.57	3,233,669.63	0.57
SEK	278,214	Oncopeptides AB Reg	1,350,280.05	3,604,645.24	0.64
			15,050,496.78	18,423,978.87	3.26
USD	264,552	Abbott Laboratories	12,951,538.77	16,741,072.76	2.96
USD	162,415	AbbVie Inc	12,293,955.73	13,099,771.52	2.32
USD	649,123	Abeona Therapeutics Inc Reg	5,027,404.54	4,054,889.08	0.72
USD	65,310	Abiomed Inc	14,374,683.86	18,572,495.54	3.29
USD	402,800	Achillion Pharmaceuticals Inc	1,655,782.21	560,325.46	0.10
USD	159,924	Adamas Pharmaceuticals Inc	2,805,573.98	1,194,882.73	0.21
USD	119,673	Adverum Biotechnologies Inc	3,252,254.79	329,807.48	0.06
USD	280,000	Aerie Pharmaceuticals Inc	13,484,663.41	8,843,394.58	1.57
USD	127,012	Agios Pharmaceuticals Inc	7,732,862.91	5,123,817.43	0.91
USD	228,963	Alexion Pharmaceuticals Inc	24,172,511.18	19,502,920.11	3.45
USD	174,399	Alkermes Plc	6,864,699.93	4,502,637.35	0.80
USD	98,600	Allergan Plc	12,546,350.71	11,530,075.24	2.04
USD	111,550	Alnylam Pharmaceuticals Inc	9,443,517.93	7,115,582.24	1.26
USD	100,000	Amarin Corp Plc spons ADR repr 1 Share	1,487,355.09	1,190,726.16	0.21
USD	101,520	AmerisourceBergen Corp	6,992,832.90	6,608,125.98	1.17
USD	78,645	Anthem Inc	16,081,806.36	18,070,460.50	3.20
USD	371,858	Arena Pharmaceuticals Inc Reg	9,984,895.75	12,671,801.49	2.25
USD	697,370	Array BioPharma Inc	6,033,736.81	8,694,245.41	1.54
USD	115,000	Becton Dickinson & Co	21,543,503.12	22,669,991.25	4.01
USD	60,000	Biogen Inc	16,262,939.03	15,796,325.46	2.79

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	176,549	BioMarin Pharmaceutical Inc	13,655,032.90	13,152,359.89	2.33
USD	117,850	Bluebird Bio Inc	12,461,849.91	10,228,101.49	1.81
USD	377,908	Boston Scientific Corp	9,545,155.53	11,684,399.58	2.06
USD	370,000	Bristol Myers Squibb Co	17,475,680.55	16,826,421.70	2.98
USD	215,698	Celgene Corp	16,134,101.59	12,094,562.40	2.14
USD	120,000	Centene Corp	12,079,360.06	12,104,986.88	2.14
USD	226,080	Chimerix Inc	1,972,964.48	508,333.86	0.09
USD	159,691	Cigna Corp Reg	24,895,647.71	26,534,133.61	4.69
USD	321,131	Coherus BioSciences Inc	3,376,597.30	2,542,638.28	0.45
USD	405,000	CVS Health Corp	22,274,175.98	23,215,748.03	4.11
USD	1,203,405	Diplomat Pharmacy Inc Reg	21,471,323.49	14,171,330.97	2.51
USD	66,585	Edwards Lifesciences Corp	6,952,385.83	8,922,856.04	1.58
USD	123,695	Eli Lilly & Co	8,388,911.71	12,523,171.83	2.22
USD	353,961	Esperion Therapeutics Inc	14,049,242.90	14,245,149.61	2.52
USD	958,994	Exelixis Inc	16,632,503.98	16,503,422.55	2.92
USD	301,727	FibroGen Inc	11,623,408.79	12,216,907.75	2.16
USD	506,965	Flexion Therapeutics Inc	10,159,373.60	5,020,860.72	0.89
USD	172,820	G1 Therapeutics Inc Reg	4,262,515.21	2,895,453.19	0.51
USD	188,200	Gilead Sciences Inc	11,985,669.74	10,299,133.86	1.82
USD	240,579	Glaukos Corp	7,710,454.15	11,822,679.29	2.09
USD	946,060	Horizon Pharma Plc	11,904,882.63	16,173,239.20	2.86
USD	82,400	Humana Inc	19,625,684.40	20,652,626.42	3.65
USD	480,330	Immunomedics Inc	5,207,961.82	5,996,770.87	1.06
USD	266,416	Incyte Corp Ltd	18,607,796.97	14,821,866.53	2.62
USD	659,982	Intra-Cellular Therapies Inc	8,419,142.31	6,576,723.52	1.16
USD	1,205,495	Iovance Biotherapeutics Inc Reg	11,323,382.33	9,333,885.17	1.65
USD	165,818	Jazz Pharmaceuticals Plc	21,402,055.05	17,983,201.47	3.18
USD	11,000	Laboratory Corp of America Hgs	1,407,453.08	1,216,062.99	0.21
USD	120,600	Livanova Plc	8,270,402.56	9,651,165.35	1.71
USD	10,000	Loxo Oncology Inc	701,814.82	1,225,459.32	0.22
USD	542,186	Macrogenics Inc	8,684,223.41	6,024,288.89	1.06
USD	135,000	Medicines Co	3,552,350.40	2,260,629.92	0.40
USD	124,674	Mednax Inc	5,068,242.45	3,599,511.81	0.64
USD	295,639	Medtronic Plc Reg	21,434,483.10	23,526,967.14	4.16
USD	85,000	Mirati Therapeutics Inc Reg	2,283,690.87	3,154,593.18	0.56
USD	189,322	MyoKardia Inc Reg	6,391,008.18	8,092,977.19	1.43
USD	515,000	Nektar Therapeutics	19,462,717.79	14,810,192.47	2.62
USD	201,091	Neurocrine Biosciences Inc	14,227,705.77	12,563,349.35	2.22
USD	545,000	NovoCure Ltd Reg	9,783,361.69	15,963,779.53	2.82
USD	100,375	Omniceil Inc	3,115,120.03	5,377,922.13	0.95
USD	300,000	Pieris Pharmaceuticals Inc Reg	1,824,711.36	698,162.73	0.12
USD	241,964	Portola Pharmaceuticals Inc	7,846,533.24	4,132,228.60	0.73
USD	17,000	Regeneron Pharmaceuticals Inc	6,259,808.71	5,555,118.11	0.98
USD	193,181	Revanche Therapeutics Inc	3,871,469.28	3,402,216.56	0.60
USD	2,264,942	Rigel Pharmaceuticals Inc	6,144,828.54	4,557,626.08	0.81
USD	137,339	Sage Therapeutics Inc	14,679,927.70	11,509,801.24	2.04
USD	1,103,957	Sangamo Therapeutics Inc Reg	14,976,769.45	11,087,862.08	1.96
USD	242,198	Seattle Genetics Inc Reg	11,718,891.89	12,006,070.59	2.12
USD	88,302	Spark Therapeutics Inc	4,859,399.25	3,023,744.78	0.53
USD	377,244	Sunesis Pharmaceuticals Inc Reg	1,041,375.48	137,200.64	0.02
USD	30,000	Thermo Fisher Scientific Inc	6,015,007.67	5,873,753.28	1.04
USD	126,396	United Health Group Inc	24,085,033.98	27,548,356.54	4.87
USD	132,425	Vertex Pharmaceuticals Inc	16,543,517.17	19,198,728.57	3.40
USD	664,023	ViewRay Inc Reg	4,300,071.84	3,526,351.36	0.62
USD	145,000	Walgreens Boots Alliance Inc	8,503,738.82	8,668,285.21	1.53
USD	218,537	Xencor Inc	3,848,652.64	6,913,646.47	1.22
			<u>789,492,441.10</u>	<u>761,230,364.59</u>	<u>134.65</u>
Total shares			946,258,691.57	930,204,222.59	164.55
Warrants and rights					
SEK	50,976	Episurf Medical AB Call Wts 23.05.23 Ser TO4B	0.00	4,473.46	0.00
Total warrants and rights			<u>0.00</u>	<u>4,473.46</u>	<u>0.00</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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
DKK	-26,261	William Demant Holding AS	-739,583.49	-650,831.20	-0.12
USD	-134,205	Pfizer Inc	-5,049,160.96	-5,125,151.57	-0.91
USD	-20,000	Resmed Inc	-1,124,109.75	-1,992,475.94	-0.35
			-6,173,270.71	-7,117,627.51	-1.26
Total shares			-6,912,854.20	-7,768,458.71	-1.38
<u>Other transferable securities</u>					
Shares					
SEK	619,460	Bio-Works Technologies AB Reg	686,023.97	558,274.31	0.10
SEK	787,741	Isofol Medical AB Reg	2,309,553.11	1,856,391.34	0.33
Total shares			2,995,577.08	2,414,665.65	0.43
<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	-58,278,827.65	-10.31
USD	-385,000	iShares Trust Nasdaq Biotech ETF Dist	-37,298,312.67	-32,480,796.15	-5.75
USD	-412,900	SPDR Ser Trust S&P Biotech ETF Dist	-30,910,448.02	-25,919,138.23	-4.58
Total tracker funds (UCI)			-117,257,329.56	-116,678,762.03	-20.64
Total securities: investments and short positions			825,084,084.89	808,176,140.96	142.96
Cash at banks and cash collateralized at banks				37,091,924.68	6.56
Bank overdrafts and collateralized debt at banks				-280,504,380.75	-49.62
Other net assets/(liabilities)				562,002.16	0.10
Total				565,325,687.05	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 2018

Industrial classification

(in percentage of net assets)

Healthcare	155.35 %
Non-cyclical consumer goods	8.15 %
Raw materials	0.10 %
Investment funds	-20.64 %
Total	<u>142.96 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	94.97 %
Ireland	13.04 %
Switzerland	8.26 %
France	5.10 %
United Kingdom	3.66 %
Denmark	3.16 %
Jersey	2.82 %
China	2.25 %
Sweden	2.18 %
Germany	2.07 %
Japan	1.87 %
Belgium	1.35 %
Spain	0.63 %
Cayman Islands	0.61 %
Australia	0.61 %
The Netherlands	0.29 %
Finland	0.09 %
Total	<u>142.96 %</u>

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of net assets (in EUR)

as at 31st December 2018

Assets

Investments

Securities portfolio at market value	8,976,930.25
	<u>8,976,930.25</u>

Cash and cash equivalents

Cash at banks	4,145.32
Cash collateral at banks	4,930,000.00
Cash collateral at banks for short sales of securities	600,000.00
	<u>5,534,145.32</u>

Receivables

Income receivable on portfolio	10,082.85
	<u>10,082.85</u>

Other assets

Formation expenses, net	8,608.71
	<u>8,608.71</u>

Total assets

14,529,767.13

Liabilities

Payables

Short sales of securities at market value	423,190.72
Interest payable on bank overdrafts	25,606.35
Expenses payable	25,763.35
	<u>474,560.42</u>

Borrowings

Bank overdrafts	6,624,787.61
	<u>6,624,787.61</u>

Total liabilities

7,099,348.03

Total net assets at the end of the year

7,430,419.10

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	76.46	76,455.83
IC4 (EUR)	50,000.000	EUR	75.58	3,778,976.03
RC1 (SEK)	127,088.403	SEK	83.14	1,041,802.59
RC9 (SEK)	300,262.814	SEK	85.56	2,533,184.65
				<u><u>7,430,419.10</u></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 2018 to 31st December 2018

Income

Investment income

Dividends, net

264,953.56

264,953.56

Realised gain on investments

- on securities portfolio

747,297.45

747,297.45

Appreciation of unrealised results on investments

- on securities portfolio

445,990.61

445,990.61

Total income

1,458,241.62

Expenses

Investment advisory or management fees

Management fees

145,049.40

145,049.40

Other expenses

Depository fees

2,203.87

Banking charges and other fees

39,679.16

Transaction fees

16,146.60

Central administration costs

62,383.63

Professional fees

22,299.04

Other administration costs

20,205.36

Subscription duty ("taxe d'abonnement")

3,260.38

Bank interest paid

94,322.79

Dividends paid on short sales of securities

1,640.08

Interest paid on collateralized debt at banks

463.62

Other fees

4,425.72

267,030.25

Realised loss on investments

- on securities portfolio

1,075,543.76

- on foreign exchange

519,039.64

1,594,583.40

Depreciation of unrealised results on investments

- on securities portfolio

2,363,425.27

2,363,425.27

Total expenses

4,370,088.32

Net expenditure

-2,911,846.70

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 2018 to 31st December 2018

Net expenditure	-2,911,846.70
Dividends paid	0.00
Subscriptions	440,616.73
Redemptions	-4,383,869.74
Total changes in net assets	<hr/> -6,855,099.71
Total net assets at the beginning of the year	<hr/> 14,285,518.81
<u>Total net assets at the end of the year</u>	<u><hr/><hr/>7,430,419.10</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 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	EUR	10,658,133.80	14,285,518.81	7,430,419.10
Net asset value per unit	Currency	31.12.2016	31.12.2017	31.12.2018
IC1 (EUR)	EUR	-	101.89	76.46
IC4 (EUR)	EUR	-	99.98	75.58
RC1 (SEK)	SEK	104.42	107.98	83.14
RC2 (SEK)	SEK	103.89	107.88	(31/01/2018) 106.94 (*)
RC9 (SEK)	SEK	104.93	109.71	85.56
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)	216,171.125	44,103.602	-133,186.324	127,088.403
RC2 (SEK)	10,010.000	-	-10,010.000	-
RC9 (SEK)	600,399.762	110.474	-300,247.422	300,262.814

(*) Net asset value used for final redemption.

Rhenman & Partners Fund - Rhenman Global Opportunities L/S

Statement of investments and other net assets (in EUR)

as at 31st December 2018

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	4,443	Adecco Group SA Reg	247,214.65	181,163.17	2.44
CHF	3,761	Nestlé SA Reg	264,721.70	266,442.42	3.59
CHF	1,923	Roche Holding Ltd Pref	415,851.84	415,524.85	5.59
			927,788.19	863,130.44	11.62
EUR	74,735	Banco Santander Reg SA	350,180.19	296,922.16	4.00
EUR	6,658	BNP Paribas SA A	360,222.07	262,824.55	3.54
EUR	3,941	Schneider Electric SE	244,670.74	235,356.52	3.17
EUR	2,294	Volkswagen AG Pref	313,978.20	318,682.48	4.29
			1,269,051.20	1,113,785.71	15.00
GBP	11,234	Royal Dutch Shell Plc A	285,912.89	288,684.98	3.88
HKD	227,951	Great Wall Motor Co Ltd H	211,422.72	114,369.54	1.54
HKD	553,573	Industr & Cial Bk of China Ltd H	336,788.63	345,787.44	4.65
			548,211.35	460,156.98	6.19
JPY	8,596	Asahi Group Holdings Ltd	310,049.11	292,610.93	3.94
JPY	500	Nintendo Co Ltd	177,705.72	116,757.08	1.57
JPY	3,600	Softbank Group Corp	226,772.33	209,696.27	2.82
JPY	6,700	Square Enix Hgs Co Ltd	225,103.50	159,579.84	2.15
			939,630.66	778,644.12	10.48
SEK	2,198	Autoliv Inc SDR	192,808.09	136,495.56	1.84
SEK	17,708	Nordea Bank Abp Reg	140,195.90	130,220.71	1.75
SEK	16,712	Sandvik AB	201,272.11	208,205.34	2.80
SEK	15,249	Skandinaviska Enskilda Bk AB A	140,218.86	129,459.13	1.74
SEK	47,697	Telefon AB LM Ericsson B	268,164.37	366,461.36	4.93
SEK	2,198	Veoneer Inc SDR	66,242.48	48,688.04	0.66
			1,008,901.81	1,019,530.14	13.72
USD	1,466	Alexion Pharmaceuticals Inc	148,638.10	124,872.93	1.68
USD	178	Alphabet Inc A	171,169.74	162,732.18	2.19
USD	3,788	Anheuser-Busch InBev SA ADR sponr repr 1 Share	391,998.04	218,099.98	2.93
USD	3,733	Chevron Corp	342,943.75	355,304.52	4.78
USD	3,868	CVS Health Corp	191,159.20	221,724.72	2.98
USD	6,111	Exxon Mobil Corp	446,991.07	364,574.88	4.91
USD	32,405	Ford Motor Co	348,449.86	216,883.86	2.92
USD	9,221	Halliburton Co (Hg Co)	372,838.59	214,430.60	2.89
USD	2,461	IBM Corp	336,563.97	244,743.54	3.29
USD	11,828	Janus Henderson Group Plc Reg	336,724.37	214,414.84	2.89
USD	2,747	JPMorgan Chase & Co	202,416.53	234,612.55	3.16
USD	4,764	Medtronic Plc Reg	348,851.51	379,119.37	5.10
USD	2,887	Microsoft Corp	168,141.74	256,546.45	3.45
USD	5,009	Pfizer Inc	149,789.88	191,288.58	2.57
USD	6,476	Qualcomm Inc	354,726.76	322,440.21	4.34
USD	9,734	Symantec Corp	257,423.95	160,913.32	2.17
USD	3,483	Walt Disney Co (The)	318,487.36	334,130.31	4.50
USD	5,858	Wells Fargo & Co	272,436.04	236,165.04	3.18
			5,159,750.46	4,452,997.88	59.93
Total shares			10,139,246.56	8,976,930.25	120.82

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Short positions in transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	-100	Amazon.com Inc	-82,321.15	-131,405.95	-1.77
USD	-500	NetFlix Inc	-71,915.54	-117,086.61	-1.58
USD	-600	Tesla Inc	-165,565.20	-174,698.16	-2.35
Total shares			<u>-319,801.89</u>	<u>-423,190.72</u>	<u>-5.70</u>
Total securities: investments and short positions			9,819,444.67	8,553,739.53	115.12
Cash at banks and cash collateralized at banks				5,534,145.32	74.48
Bank overdrafts				-6,624,787.61	-89.16
Other net assets/(liabilities)				-32,678.14	-0.44
Total				<u>7,430,419.10</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 2018

Industrial classification

(in percentage of net assets)

Financials	24.91 %
Technologies	23.76 %
Energy	16.46 %
Healthcare	14.94 %
Non-cyclical consumer goods	13.44 %
Cyclical consumer goods	13.20 %
Industrials	8.41 %
Total	<u>115.12 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	45.81 %
Switzerland	11.62 %
Japan	10.48 %
Sweden	9.47 %
France	6.71 %
China	6.19 %
Ireland	5.10 %
Germany	4.29 %
Spain	4.00 %
The Netherlands	3.88 %
Belgium	2.93 %
Jersey	2.89 %
Finland	1.75 %
Total	<u>115.12 %</u>

Rhenman & Partners Fund

Notes to the financial statements

as at 31st December 2018

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.

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 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.
- 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 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.
- 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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2018

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	=	1.6238102	AUD	Australian Dollar
			1.1264265	CHF	Swiss Franc
			7.4607039	DKK	Danish Krona
			0.8979496	GBP	Pound Sterling
			8.9490614	HKD	Hong Kong Dollar
			125.4099550	JPY	Japanese Yen
			9.8971227	NOK	Norwegian Krona
			10.1417247	SEK	Swedish Krona
			1.1430000	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) 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.

j) 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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2018

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. FundRock Management Company S.A. (as from 22nd December 2018) and before that FundRock Nordics S.A. (formerly 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

Since 2nd January 2018, the Management Company is entitled to receive out of the Sub-Fund's assets a management fee of 0.075% p.a., consisting of an infrastructure fee (0.025% p.a. with a maximum of EUR 75.000 p.a.) and the AIFM fee (0.05% p.a.).

The Portfolio Manager receives out of the Sub-Fund's assets an annual portfolio management services fees, calculated for each Valuation Day, consisting of the investment management fee paid out monthly of:

- 2.0% p.a. for the classes RC1 (SEK), RC1 (EUR) and RC1 (USD),
- 1.5% p.a. for the classes RC2 (SEK), IC1 (EUR), IC1 (USD), ID1 (SEK) and IC3 (EUR),
- 1.0% p.a. for the classes IC2 (SEK), IC2 (USD) and RC2 (USD),
- 0.75% p.a. for the classes IC4 (EUR),
- 0.7% p.a. for the classes RC9 (SEK).

The Portfolio Manager receives out of the Sub-Fund's assets an annual portfolio management services fees, calculated for each Valuation Day, consisting of the research fee of maximum 0.30% p.a. paid out quarterly in arrears.

Until 31st December 2017, the Management Company was entitled to receive out of the Sub-Fund'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).

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2018

These rates included the fees payable to the Portfolio Manager for its services whose applicable rates were 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),
- 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) Units of the Sub-Fund Rhenman & Partners Fund - Rhenman Healthcare Equity L/S) 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.

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

For Class IC4 (EUR) Units, 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 2018

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.

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

For Class IC4 (EUR) Unit, the performance fee is calculated and accrued monthly and is paid out annually in arrears. For each Calculation Period, the performance fee in respect of each unit is equal to 10%.

The calculation of a Performance Fee will be triggered 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 (calendar year, in this case) increased by a 5% annual hurdle rate. 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 or the NAV of that Unit at the date of its launch.

If the difference is negative, excess performance is defined to be zero, and in such case no Performance Fee will be calculated 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 at the end of the Calculation Period, if the excess performance is positive and if the GNAV is higher than the High Water Mark ("HWM"). The High Water Mark is the greater of the Net Asset Value per Unit at the time of issue and the highest Net Asset Value per Unit at the end of a previous Calculation Period for which a performance fee was calculated and paid.

In such case, the Performance Fee (10%) will be calculated on the entire difference between the GNAV and the HWM.

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

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-Fund and amounted to:

Rhenman & Partners Fund - Rhenman Healthcare Equity L/S	EUR 25,625,097.05
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Note 5 - Central administration costs

Central Administration fees are disclosed in the item "central administration costs" in the statement of operations.

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.

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2018

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.

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

Description	Currency	Quantity	Market value (in EUR)
Abbott Laboratories	USD	264,552	16,741,072.76
AbbVie Inc	USD	162,415	13,099,771.52
Abiomed Inc	USD	65,310	18,572,495.54
Achillion Pharmaceuticals Inc	USD	402,800	560,325.46
Adamas Pharmaceuticals Inc	USD	159,924	1,194,882.73
Adverum Biotechnologies Inc	USD	108,443	298,858.66
Aerie Pharmaceuticals Inc	USD	270,000	8,527,559.06
Agios Pharmaceuticals Inc	USD	127,012	5,123,817.43
Alexion Pharmaceuticals Inc	USD	218,963	18,651,126.58
Alkermes Plc	USD	174,399	4,502,637.35
Allergan Plc	USD	88,600	10,360,696.41
Alnylam Pharmaceuticals Inc	USD	111,550	7,115,582.24
Amarin Corp Plc spons ADR repr 1 Share	USD	100,000	1,190,726.16
AmerisourceBergen Corp	USD	101,520	6,608,125.98
Anthem Inc	USD	78,645	18,070,460.50
Arena Pharmaceuticals Inc Reg	USD	178,520	6,083,424.32
Array BioPharma Inc	USD	697,370	8,694,245.41
AstraZeneca Plc	SEK	128,596	8,542,444.98
Becton Dickinson & Co	USD	115,000	22,669,991.25
Biogen Inc	USD	60,000	15,796,325.46
BioMarin Pharmaceutical Inc	USD	176,549	13,152,359.89
Bluebird Bio Inc	USD	117,850	10,228,101.49
Boston Scientific Corp	USD	367,908	11,375,213.23
Bristol Myers Squibb Co	USD	370,000	16,826,421.70
Celgene Corp	USD	215,698	12,094,562.40
Centene Corp	USD	120,000	12,104,986.88
Chimerix Inc	USD	226,080	508,333.86
Cigna Corp Reg	USD	159,691	26,534,133.61
Coherus BioSciences Inc	USD	321,131	2,542,638.28
ConvaTec Group Plc Reg	GBP	848,814	1,313,466.92
CVS Health Corp	USD	405,000	23,215,748.03
Edwards Lifesciences Corp	USD	66,585	8,922,856.04
Eli Lilly & Co	USD	123,695	12,523,171.83

Rhenman & Partners Fund

Notes to the financial statements (continued) as at 31st December 2018

Description	Currency	Quantity	Market value (in EUR)
Esperion Therapeutics Inc	USD	353,961	14,245,149.61
Exelixis Inc	USD	958,994	16,503,422.55
FibroGen Inc	USD	301,727	12,216,907.75
Flexion Therapeutics Inc	USD	506,965	5,020,860.72
G1 Therapeutics Inc Reg	USD	90,382	1,514,274.10
Genmab A/S	DKK	86,476	12,373,246.67
Gilead Sciences Inc	USD	188,200	10,299,133.86
Glaukos Corp	USD	100,000	4,914,260.72
Horizon Pharma Plc	USD	946,060	16,173,239.20
Humana Inc	USD	82,300	20,627,562.55
Immunomedics Inc	USD	480,330	5,996,770.87
Incyte Corp Ltd	USD	266,416	14,821,866.53
Intra-Cellular Therapies Inc	USD	19,483	194,148.18
Iovance Biotherapeutics Inc Reg	USD	404,016	3,128,207.87
Ipsen	EUR	31,000	3,498,350.00
Jazz Pharmaceuticals Plc	USD	165,818	17,983,201.47
Laboratory Corp of America Hgs	USD	11,000	1,216,062.99
Livanova Plc	USD	100,000	8,002,624.67
Loxo Oncology Inc	USD	10,000	1,225,459.32
Macrogenics Inc	USD	515,400	5,726,666.67
Medicines Co	USD	135,000	2,260,629.92
Mednax Inc	USD	124,674	3,599,511.81
Medtronic Plc Reg	USD	275,639	21,935,366.09
MorphoSys AG	EUR	121,294	10,789,101.30
MyoKardia Inc Reg	USD	93,706	4,005,665.06
Nektar Therapeutics	USD	150,000	4,313,648.29
Neurocrine Biosciences Inc	USD	104,415	6,523,425.33
Novartis AG Reg	CHF	323,000	24,098,261.17
Omnicell Inc	USD	100,375	5,377,922.13
Oncopeptides AB Reg	SEK	40,212	521,001.80
Portola Pharmaceuticals Inc	USD	166,964	2,851,388.70
Regeneron Pharmaceuticals Inc	USD	17,000	5,555,118.11
Revance Therapeutics Inc	USD	10,618	186,999.42
Rigel Pharmaceuticals Inc	USD	946,006	1,903,599.13
Roche Holding Ltd Pref	CHF	113,050	24,428,020.81
Sage Therapeutics Inc	USD	96,197	8,061,864.07
Sanofi SA	EUR	256,127	19,378,568.82
Seattle Genetics Inc Reg	USD	242,198	12,006,070.59
Thermo Fisher Scientific Inc	USD	30,000	5,873,753.28
United Health Group Inc	USD	126,396	27,548,356.54
Vertex Pharmaceuticals Inc	USD	132,425	19,198,728.57
Walgreens Boots Alliance Inc	USD	145,000	8,668,285.21
Xencor Inc	USD	218,537	6,913,646.47
			745,426,912.88

Rhenman & Partners Fund

Notes to the financial statements (continued)

as at 31st December 2018

At the date of the financial statements, the following Sub-Funds hold cash pledged as collateral in favour of Skandinaviska Enskilda Banken AB (publ), Stockholm and amounted to:

Sub-Funds	Currency	Cash collateral at banks
Rhenman & Partners Fund - Rhenman Healthcare Equity L/S	SEK	27,838,057.03
Rhenman & Partners Fund - Rhenman Global Opportunities L/S	SEK	5,530,000.00

Note 8 - Collateralized debt at banks

Collateralized debt at banks is money borrowed from Skandinaviska Enskilda Banken AB (publ), Stockholm to leverage the portfolio. Interest accrued on this debt is disclosed in the statement of operations in the caption "Interest paid on collateralized debt at banks".

Sub-Funds	Currency	Amount
Rhenman & Partners Fund - Rhenman Healthcare Equity L/S	SEK	279,486,127.20

Note 9 - 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 10 - Event

FundRock Management Company S.A. has completed the acquisition of SEB Fund Services S.A. from Skandinaviska Enskilda Banken AB (publ) on the 15th November 2018. The deal was first announced on 22nd May 2018 and concluded following regulatory approval of the Commission de Surveillance du Secteur Financier.

SEB Fund Services S.A. was renamed into FundRock Nordics S.A. on the 15th November 2018. On the 21st December 2018 FundRock Nordics S.A. was merged into FundRock Management Company S.A.

Rhenman & Partners Fund

Additional information (unaudited)

as at 31st December 2018

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 Directors 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 2018
Rhenman & Partners Fund - Rhenman Healthcare Equity L/S	400% Gross (300% Commitment)	169	180.16	189	189
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2018
		169	179.75	193	189

Sub-Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2018
Rhenman & Partners Fund - Rhenman Global Opportunities L/S	400% Gross (300% Commitment)	154	173.42	216	216
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2018
		155	173.83	216	216

Rhenman & Partners Fund

Additional information (unaudited) (continued)

as at 31st December 2018

2 - Remuneration disclosure

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration, including social charges and benefits, for the financial year ending 31st December 2018 was: EUR 6,459,595.00

Fixed remuneration: EUR 6,271,345.00

Variable remuneration: EUR 188,250.00

This does not include the remuneration to SEB Fund Services/FundRock Nordics S.A. for the period from the 1st of January 2018 till the 21st of December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018.

Number of beneficiaries: 64

The aggregated amount of remuneration for the financial year ending 31st December 2018 of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,069,358.00

Other risk takers: EUR Nil

The remuneration to SEB Fund Services/FundRock Nordics S.A. for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018, including social charges and benefits was: EUR 2,286,192.83

Fixed remuneration: EUR 2,245,970.33

Variable remuneration: EUR 40,222.50

Number of beneficiaries: 19

The aggregated amount of remuneration for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018, of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 489,625.06

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of Directors of FundRock.

Rhenman & Partners Fund

Additional information (unaudited) (continued)

as at 31st December 2018

The policy was last updated in February 2019, to reflect the additional requirements of the "UCITS V" Directive.

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	124,447,220.74	423,190.72
as a percentage of total lendable assets defined as excluding cash and cash equivalents of the Sub-Funds	13.34%	4.71%
Concentration data		
10 largest collateral issuers		
first	-	-
gross volumes for open trades	-	-
Top 10 counterparties of securities borrowing		
name of counterparty	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)
gross volume of outstanding transactions	124,447,220.74	423,190.72
Type of settlement and clearing		
tri-party	-	-
Central Counterparty	-	-
bilateral	124,447,220.74	423,190.72
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	773,264,969.91	600,000.00
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	-2,169,697.07	-16,183.18
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	-	-

4 - Disclaimer UK/Brexit

The Board of Directors of the Management Company has taken all reasonable steps to ensure business continuity post Brexit. In order to continue to distribute the Fund in the United Kingdom post Brexit, the Management Company filed on behalf of the Fund under the UK's Temporary Permission Regime (TPR). The TPR will allow European Economic Area domiciled Investment Funds (i.e. Funds domiciled in Luxembourg and Ireland) the ability to continue to market their Funds for a period of three years should the UK leave the European Union without an implementation period in place.

