

# Annual report including audited financial statements as at 31st December 2019

## **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

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

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

**Members**  
Romain DENIS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

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

Tracey MCDERMOTT  
Independent Non-Executive Director  
Luxembourg

Grégory NICOLAS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

Xavier PARAIN  
Executive Director - Chief Executive Officer  
FundRock Management Company S.A., Luxembourg  
(since 1st April 2019)

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

Ross THOMSON  
Executive Director - Managing Director  
FundRock Management Company S.A., Luxembourg  
(until 22nd July 2019)

**Conducting Officers**  
Romain DENIS  
Executive Director - Co-Managing Director

Grégory NICOLAS  
Executive Director - Co-Managing Director

Matteo SBROLLA  
Director Investment Management and Distribution Oversight  
(since 17th December 2019)

**Depositary and Paying Agent**

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

## Rhenman & Partners Fund

### Organisation (continued)

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**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

**Prime Broker**

Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm

**Paying Agent in Sweden**

Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm

## Rhenman & Partners Fund

### General information

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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. (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

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#### Rhenman & Partners Fund - Rhenman Healthcare Equity L/S – 2019 Annual Report

##### To the Unitholders,

During the year ending on 31st December 2019, the EUR unit class IC1 (EUR) increased by 40.1 percent, the SEK unit class RC1(SEK) increased by 44.1 percent and the USD unit class IC1 ( USD) increased by 38.6 percent.

The Sub-Fund aims 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 the focus on one specific industry. Diversification is also achieved through exposure to several different subsectors within the healthcare sphere; pharmaceuticals, biotechnology, medical technology, and healthcare services.

The MSCI World Index, measured in euros, increased by 27 percent in 2019. Compared to 2018, when the global market had a volatile year with heavy losses during the fourth quarter, this year the market instead saw a strong recovery during the last three months of the year, and 2019 ended up being the best year since 2013. All four subsectors within the healthcare sector ended positively. We saw the greatest volatility in the healthcare services sector as a result of the political rhetoric ahead of the upcoming US elections in 2020.

The healthcare sector enjoyed a strong stock performance which was in line with the overall market during 2019, where the MSCI World Healthcare index reported an increase of 26 percent during 2019. Medical technology and biotechnology were the best performing subsectors during the year, while pharmaceuticals and services performed weaker than the broader healthcare index.

One of the Sub-Fund's key holdings was the American medical technology company Novocure Ltd Reg, which is a pioneer in the medical technology segment for cancer treatment. The technology uses electric fields tuned to specific frequencies to disrupt cell division and thus inhibit tumour growth. The company's therapy is approved for the treatment of glioblastoma and mesothelioma and the stock soared by over 150 percent during the year. Array BioPharma was the Sub-Fund's 's next best contributor during the year. The US biotechnology company is focused on cancer drug development. In June, Pfizer Inc placed a bid for the company equivalent to USD 11.4 billion, indicating a premium of 62 percent. However, the share price soared more than 235 percent during the year. One of the worst contributors to the Sub-Fund's performance in 2019 was last year's best contributor, Abiomed Inc. The American medical technology company has developed the world's smallest heart pump for different types of heart failures. Coming from a strong sales performance during 2018/19, the company revised its forecasts and sales expectations for the fiscal year of 2019/20. The share price fell gradually throughout the year. The second worst contributor to the Sub-Fund's performance was the US pharmacy chain company Diplomat Pharmacy. The company is the largest independent US pharmacy chain focusing on specialty medicines. They also operate a pharmacy benefit manager (PBM) business that offers services to health insurance providers for the procurement of drugs and their management. Increased competition and failure to meet their financial goals resulted in a sharp decline in the share price. At the end of 2019, the company was acquired by United Health at a significant discount to the valuation of previous years.

The healthcare sector continues to grow faster than the global economy. In addition, the pace of innovation for the sector is at a high level, which bodes well for future growth. Entering 2020, we believe valuations are quite attractive in absolute terms as well as in historical comparisons. Election years in the US tend to be quite good for the stock market. For the healthcare sector in particular, the nomination of the Democratic presidential candidate may be an even more important event with greater implications for stock movements. Should a more corporate-friendly democrat such as Joe Biden get nominated at the Democratic Convention, it could mean significant tailwinds before the forthcoming election.

## Rhenman & Partners Fund

### Report from the Investment Manager (continued)

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#### Rhenman & Partners Fund - Rhenman Global Opportunities L/S

##### To the Unitholders,

The main Sub-Fund's unit class RC1(SEK) rose by 25.21% in 2019. The stated strategy of the Sub-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 Sub-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 Sub-Fund manager targets an annual return over time, net of fees, of 7 to 8%.

By and large, capital markets in 2019 turned out to be more or less the opposite of the preceding year. While 2018 saw the worst development in global equity markets since the major financial crisis in 2008, with most other asset classes also posting weak returns, 2019 was a year in which all the major asset classes, not least equities, posted significant gains. However, the gains in 2019 should be viewed against the backdrop of the extremely weak performance during the previous year. A major factor behind the strong development in 2019 was that economic developments in general and corporate profits in particular turned out to be much better (or less bad) than had been feared a year ago. The dovish stance taken by the central banks and, not least, the turnabout by the U.S. Federal Reserve, increased liquidity thereby bolstering investors' risk willingness. A number of political uncertainties, ranging from the trade dispute between the U.S. and China to Brexit, were perceived to have been, at least temporarily, sorted, which also contributed to the improved mood.

The MSCI All Countries World Index, measured in SEK, ended the year up by about 31%. The U.S. market, by far the single largest by market capitalisation, was once again the best performing, not least having been supported by large gains in growth stocks. Unlike the previous year, however, most other regions also posted significant gains. Looking at global sectors, information technology showed the by far biggest increase, but most other sectors also noted gains close to that of the World Index. One notable exception was the energy sector, which despite an increase in the oil price, clearly lagged behind the overall market.

Sub-Fund performance in 2019 benefitted from holdings in all sectors; with information technology, financials and industrial companies delivering the highest contributions, while holdings within consumer discretionary and energy contributed less. Furthermore, short positions in a number of US technology and consumer discretionary companies had a certain adverse effect on the Sub-Fund's performance.

The global stock market trend was not only positive throughout most of the year but, furthermore, it was characterised by lower volatility as compared to the very significant fluctuations of 2018. The pace of growth in corporate earnings slowed in 2019, but still showed some increases. However, this was offset by an expansion of earnings multiples based on expectations of an improvement in economic activity and profit growth in 2020.

Valuations are thus higher than they were a year ago. However, the spread between regions and sectors is greater which, in our view, makes some areas of the markets, such as highly valued growth stocks, more vulnerable to changes in sentiment. Value stocks, on the other hand, which feature substantially in the Sub-Fund's portfolio, have significantly less demanding valuations and we believe that the Sub-Fund's holdings represent good opportunities for value appreciation.



## **Rhenman & Partners Fund**

### **Report from the Investment Manager (continued)**

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#### **General Outlook**

Since the year end we have seen the development of the coronavirus covid-19 outbreak initially in China and now reaching most continents. At present it is not possible to assess the detailed impact of the emerging risk, on the investments in our portfolio but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the last few weeks. The Board of Directors of the Management Company and the Portfolio Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the investments in our portfolio.

Luxembourg, 18th March 2020

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**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Rhenman & Partners Fund (the “Fund”) and of each of its sub-funds as at 31 December 2019, 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 2019;
- the statement of investments and other net assets as at 31 December 2019;
- 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.

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### 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.

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### 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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T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
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.

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**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 and each of its sub-funds' 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 close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**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 or any of its sub-funds' 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 or any of its sub-funds 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, 6 May 2020

Philippe Sergiel

## Rhenman & Partners Fund

### Combined statement of net assets (in EUR) as at 31st December 2019

#### Assets

##### Investments

Securities portfolio at market value	1,010,375,681.95
	<u>1,010,375,681.95</u>

##### Cash and cash equivalents

Cash at banks	18,182,662.19
Cash collateral at banks	4,890,271.87
Cash collateral at banks for short sales of securities	584,000.00
	<u>23,656,934.06</u>

##### Receivables

Receivable on sales of securities	1,884,459.59
Income receivable on portfolio	184,504.39
	<u>2,068,963.98</u>

##### Other assets

Formation expenses, net	5,380.05
	<u>5,380.05</u>

##### Total assets

1,036,106,960.04

#### Liabilities

##### Payables

Short sales of securities at market value	164,032,667.54
Payable on purchases of securities	109,196.39
Income payable on short position on portfolio	319,520.85
Interest payable on bank overdrafts	197,039.25
Expenses payable	19,066,774.34
	<u>183,725,198.37</u>

##### Borrowings

Bank overdrafts	4,438,740.22
Collateralized debt at banks	98,530,222.95
	<u>102,968,963.17</u>

##### Total liabilities

286,694,161.54

##### Total net assets at the end of the year

749,412,798.50

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

## Rhenman & Partners Fund

### Combined statement of operations (in EUR)

from 1st January 2019 to 31st December 2019

#### Income

##### Investment income

Dividends, net	5,433,812.29
Interest on bank accounts	1,900.45
Interest on cash collateral	3,262.24
	<u>5,438,974.98</u>

##### Realised gain on investments

- on securities portfolio	173,294,988.40
	<u>173,294,988.40</u>

##### Appreciation of unrealised results on investments

- on securities portfolio	236,168,080.40
	<u>236,168,080.40</u>

##### Total income

414,902,043.78

#### Expenses

##### Investment advisory or management fees

Management fees	11,101,389.92
Performance fees	17,419,884.21
	<u>28,521,274.13</u>

##### Other expenses

Depositary fees	128,708.02
Banking charges and other fees	2,464,419.63
Transaction fees	381,001.08
Central administration costs	538,911.27
Professional fees	43,424.29
Other administration costs	26,475.16
Subscription duty ("taxe d'abonnement")	214,971.52
Bank interest paid	134,952.26
Dividends paid on short sales of securities	1,677,579.23
Interest paid on collateralized debt at banks	4,886,433.22
Other fees	4,028.66
	<u>10,500,904.34</u>

##### Realised loss on investments

- on securities portfolio	75,601,446.06
- on foreign exchange	6,536,119.28
	<u>82,137,565.34</u>

##### Depreciation of unrealised results on investments

- on securities portfolio	76,273,856.61
	<u>76,273,856.61</u>

##### Total expenses

197,433,600.42

##### Net income

217,468,443.36

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 2019 to 31st December 2019

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Net income	217,468,443.36
Dividends paid	-1,010,442.44
Subscriptions	49,004,143.23
Redemptions	-88,805,451.80
Total changes in net assets	<u>176,656,692.35</u>
Total net assets at the beginning of the year	<u>572,756,106.15</u>
<b>Total net assets at the end of the year</b>	<b><u><u>749,412,798.50</u></u></b>

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 2019

#### Assets

##### Investments

Securities portfolio at market value	1,002,253,630.50
	<u>1,002,253,630.50</u>

##### Cash and cash equivalents

Cash at banks	17,913,389.10
	<u>17,913,389.10</u>

##### Receivables

Receivable on sales of securities	1,884,459.59
Income receivable on portfolio	176,790.23
	<u>2,061,249.82</u>

##### Total assets

1,022,228,269.42

#### Liabilities

##### Payables

Short sales of securities at market value	163,500,408.70
Payable on purchases of securities	109,196.39
Income payable on short position on portfolio	319,520.85
Interest payable on bank overdrafts	196,765.84
Expenses payable	19,043,157.25
	<u>183,169,049.03</u>

##### Borrowings

Bank overdrafts	27.14
Collateralized debt at banks	98,530,222.95
	<u>98,530,250.09</u>

##### Total liabilities

281,699,299.12

##### Total net assets at the end of the year

740,528,970.30

#### 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)	76,406.833	EUR	666.08	50,893,090.17
IC1 (USD)	29,637.648	USD	168.74	4,454,564.07
IC2 (SEK)	226,949.021	SEK	504.24	10,889,418.59
IC2 (USD)	39,402.332	USD	228.86	8,032,098.90
IC3 (EUR)	58,447.857	EUR	793.38	46,371,575.82
IC4 (EUR)	320,874.051	EUR	514.46	165,077,528.70
ID1 (SEK)	1,091,749.233	SEK	370.83	38,524,040.94
RC1 (EUR)	12,002.824	EUR	579.39	6,954,300.30
RC1 (SEK)	2,997,344.919	SEK	605.94	172,822,516.69
RC1 (USD)	1,007.665	USD	115.44	103,615.02
RC2 (SEK)	3,598,110.173	SEK	634.95	217,396,829.59
RC2 (USD)	201,140.517	USD	106.10	19,009,391.51
				<u><u>740,528,970.30</u></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 2019 to 31st December 2019

#### Income

##### Investment income

Dividends, net	5,197,904.00
Interest on bank accounts	1,900.45
Interest on cash collateral	3,262.24
	<u>5,203,066.69</u>

##### Realised gain on investments

- on securities portfolio	172,750,595.61
	<u>172,750,595.61</u>

##### Appreciation of unrealised results on investments

- on securities portfolio	234,448,614.13
	<u>234,448,614.13</u>

##### Total income

412,402,276.43

#### Expenses

##### Investment advisory or management fees

Management fees	10,995,373.59
Performance fees	17,419,884.21
	<u>28,415,257.80</u>

##### Other expenses

Depository fees	126,987.86
Banking charges and other fees	2,457,653.57
Transaction fees	380,091.97
Central administration costs	476,916.21
Professional fees	27,477.26
Other administration costs	13,595.10
Subscription duty ("taxe d'abonnement")	212,443.46
Bank interest paid	25,686.07
Dividends paid on short sales of securities	1,677,579.23
Interest paid on collateralized debt at banks	4,886,168.94
Other fees	800.00
	<u>10,285,399.67</u>

##### Realised loss on investments

- on securities portfolio	75,419,615.81
- on foreign exchange	6,441,969.09
	<u>81,861,584.90</u>

##### Depreciation of unrealised results on investments

- on securities portfolio	76,013,083.11
	<u>76,013,083.11</u>

##### Total expenses

196,575,325.48

##### Net income

215,826,950.95

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 2019 to 31st December 2019

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Net income	215,826,950.95
Dividends paid	-1,010,442.44
Subscriptions	48,423,310.46
Redemptions	-88,036,535.72
Total changes in net assets	<hr/> 175,203,283.25
Total net assets at the beginning of the year	565,325,687.05
<b>Total net assets at the end of the year</b>	<hr/> <hr/> <b>740,528,970.30</b>

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 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	EUR	524,265,299.88	565,325,687.05	740,528,970.30

Net asset value per unit	Currency	31.12.2017	31.12.2018	31.12.2019
IC1 (EUR)	EUR	501.02	475.31	666.08
IC1 (USD)	USD	133.92	121.78	168.74
IC2 (SEK)	SEK	356.31	347.14	504.24
IC2 (USD)	USD	180.11	164.56	228.86
IC3 (EUR)	EUR	575.33	559.91	793.38
IC4 (EUR)	EUR	367.86	369.67	514.46
ID1 (SEK)	SEK	289.40	264.75	370.83
RC1 (EUR)	EUR	439.47	415.26	579.39
RC1 (SEK)	SEK	435.82	420.40	605.94
RC1 (USD)	USD	-	83.66	115.44
RC2 (SEK)	SEK	452.76	438.95	634.95
RC2 (USD)	USD	-	76.32	106.10

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC1 (EUR)	70,488.850	8,695.739	-2,777.756	76,406.833
IC1 (USD)	59,799.612	13,875.750	-44,037.714	29,637.648
IC2 (SEK)	226,949.021	-	-	226,949.021
IC2 (USD)	39,402.332	-	-	39,402.332
IC3 (EUR)	61,317.338	685.466	-3,554.947	58,447.857
IC4 (EUR)	390,770.282	448.742	-70,344.973	320,874.051
ID1 (SEK)	1,001,489.123	211,518.532	-121,258.422	1,091,749.233
RC1 (EUR)	11,101.353	2,893.842	-1,992.371	12,002.824
RC1 (SEK)	3,361,371.917	356,840.332	-720,867.330	2,997,344.919
RC1 (USD)	1,007.665	-	-	1,007.665
RC2 (SEK)	3,456,987.401	334,818.097	-193,695.325	3,598,110.173
RC2 (USD)	201,140.517	-	-	201,140.517

Dividends paid	Currency	Dividend per unit	Ex-dividend date
ID1 (SEK)	SEK	10.59	28.02.2019

# Rhenman & Partners Fund - Rhenman Healthcare Equity L/S

## Statement of investments and other net assets (in EUR) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Securities: investments and short positions</b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
AUD	30,000	CSL Ltd	1,358,136.00	5,179,066.07	0.70
CHF	240,000	Novartis AG Reg	17,452,025.57	20,301,227.09	2.74
CHF	105,000	Roche Holding Ltd Pref	23,692,478.07	30,346,910.47	4.10
CHF	10,000	Straumann Holding AG Reg	7,139,294.15	8,747,862.81	1.19
			48,283,797.79	59,396,000.37	8.03
DKK	17,845	Alk-Abello A/S B	1,935,851.25	3,904,309.37	0.53
DKK	75,000	Genmab A/S	10,149,626.25	14,868,694.31	2.01
DKK	120,000	Novo Nordisk AS B	5,636,457.52	6,208,821.50	0.84
			17,721,935.02	24,981,825.18	3.38
EUR	230,000	Almirall SA	2,768,540.87	3,367,200.00	0.45
EUR	68,000	Argenx SE	6,960,639.56	9,764,800.00	1.32
EUR	30,000	Galapagos Genomics NV	1,687,600.72	5,595,000.00	0.76
EUR	30,000	Merck KGaA	3,079,394.00	3,160,500.00	0.43
EUR	25,000	MorphoSys AG	1,982,487.59	3,170,000.00	0.43
EUR	60,000	Orpea SA	5,827,704.60	6,858,000.00	0.93
EUR	90,000	Sanofi SA	6,774,344.32	8,065,800.00	1.09
			29,080,711.66	39,981,300.00	5.41
GBP	1,217,933	Faron Pharmaceuticals Oy	4,586,893.64	3,772,872.11	0.51
HKD	1,016,500	Lee's Pharmaceutical Hgs Ltd	1,291,129.57	513,593.80	0.07
HKD	4,950,000	Sino Biopharmaceutical Ltd	2,460,071.94	6,167,679.77	0.83
HKD	3,653,400	Sinopharm Group Co Ltd H	13,188,659.02	11,881,454.66	1.60
			16,939,860.53	18,562,728.23	2.50
JPY	130,000	Astellas Pharma Inc	1,363,915.21	1,992,285.81	0.27
JPY	67,000	Chugai Pharmaceutical Co Ltd	1,640,939.10	5,534,801.08	0.75
JPY	50,000	Ono Pharmaceutical Co Ltd	1,215,236.78	1,025,236.34	0.14
JPY	161,000	Santen Pharmaceutical Co Ltd	1,691,894.12	2,752,370.30	0.37
JPY	112,000	Terumo Corp	1,062,500.64	3,565,953.93	0.48
			6,974,485.85	14,870,647.46	2.01
NOK	500,000	BerGenBio ASA Reg	690,217.23	1,233,733.37	0.17
SEK	220,000	AstraZeneca Plc	14,552,286.34	19,682,495.35	2.66
SEK	19,426,433	BioInvent Intl AB	3,762,184.41	2,258,923.38	0.31
SEK	3,694,454	Episurf Medical AB B	3,160,516.98	411,313.87	0.06
SEK	55,775	Hansa Biopharma AB	222,546.65	445,020.35	0.06
			21,697,534.38	22,797,752.95	3.09
USD	207,469	Abbott Laboratories	10,139,345.66	16,051,266.89	2.16
USD	210,000	AbbVie Inc	13,250,344.94	16,561,325.38	2.24
USD	1,000,000	Abeona Therapeutics Inc Reg	5,748,369.84	2,912,621.36	0.39
USD	87,000	Abiomed Inc	18,864,681.30	13,219,319.50	1.79
USD	100,000	Acceleron Pharma Inc Reg	4,025,671.92	4,722,543.87	0.64
USD	650,000	Adverum Biotechnologies Inc	6,486,988.96	6,669,635.70	0.91
USD	700,000	Aerie Pharmaceuticals Inc	20,724,744.56	15,069,920.73	2.03
USD	160,000	Agios Pharmaceuticals Inc	7,480,529.75	6,805,023.61	0.91
USD	150,000	Aimmune Therapeutics Inc Reg	3,160,993.47	4,471,809.03	0.60
USD	140,000	Alexion Pharmaceuticals Inc	14,380,200.91	13,486,238.53	1.83
USD	370,000	Alkermes Plc	9,080,567.76	6,723,078.30	0.91
USD	60,715	Alnylam Pharmaceuticals Inc	5,139,965.86	6,228,330.41	0.84
USD	400,000	Amarin Corp Plc spons ADR repr 1 Share	6,052,625.77	7,638,728.07	1.03
USD	62,000	Anthem Inc	13,104,005.50	16,679,308.81	2.25
USD	80,000	Apellis Pharmaceuticals Inc Reg	1,856,774.52	2,181,882.96	0.29
USD	220,000	Arena Pharmaceuticals Inc Reg	6,433,400.18	8,900,329.56	1.20
USD	330,000	Axonics Modulation Techno Inc Reg	7,317,632.85	8,144,918.50	1.10
USD	34,000	Becton Dickinson & Co	6,515,394.49	8,236,376.59	1.11
USD	20,000	BeiGene Ltd spons ADS repr 13 Shares	2,966,096.79	2,952,881.45	0.40

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	20,000	Biogen Inc	5,451,988.23	5,286,006.95	0.71
USD	125,000	Biohaven Pharm Hg Co Ltd Reg	5,280,402.48	6,061,280.84	0.82
USD	210,000	BioMarin Pharmaceutical Inc	16,045,390.32	15,814,999.55	2.14
USD	57,000	Bluebird Bio Inc	5,892,708.43	4,455,108.22	0.60
USD	451,668	Boston Scientific Corp	12,759,841.90	18,192,239.21	2.46
USD	340,000	Bristol Myers Squibb Co	14,704,750.12	19,439,387.19	2.63
USD	144,604	Collectis spons ADR repr 1 Share	1,874,272.81	2,205,059.66	0.30
USD	140,000	Centene Corp	6,683,840.53	7,839,850.36	1.06
USD	95,000	Cigna Corp Reg	15,078,503.33	17,303,420.32	2.33
USD	20,000	Cooper Companies Inc (The)	5,495,705.44	5,723,523.65	0.77
USD	137,800	CVS Health Corp	7,264,775.38	9,118,341.50	1.23
USD	800,000	Dermira Inc Reg	6,990,054.08	10,802,529.61	1.45
USD	1,080,000	Dynavax Technologies Corp	6,257,843.90	5,502,449.45	0.74
USD	38,000	Edwards Lifesciences Corp	4,732,368.37	7,896,161.04	1.07
USD	111,446	Eli Lilly & Co	10,316,901.87	13,046,537.61	1.76
USD	425,000	Epizyme Inc Reg	4,865,372.75	9,312,371.96	1.25
USD	660,000	Esperion Therapeutics Inc	25,543,707.66	35,054,600.52	4.73
USD	107,000	Exact Sciences Corp Reg	8,319,191.12	8,813,895.07	1.19
USD	275,000	FibroGen Inc	10,014,672.29	10,505,700.55	1.42
USD	263,400	G1 Therapeutics Inc Reg	6,726,086.20	6,200,821.24	0.84
USD	235,000	Glaukos Corp	10,703,107.77	11,401,487.49	1.54
USD	155,268	Guardant Health Inc Reg	9,620,124.82	10,806,663.86	1.46
USD	70,000	HCA Healthcare Inc	7,441,957.10	9,215,908.08	1.24
USD	775,000	Horizon Therapeutics Plc	10,886,016.63	24,988,866.12	3.37
USD	67,000	Humana Inc	15,592,834.81	21,873,020.40	2.95
USD	700,000	Immunomedics Inc	8,106,791.59	13,193,194.98	1.78
USD	65,000	Incyte Corp Ltd	4,539,918.04	5,055,491.23	0.68
USD	40,000	Intercept Pharmaceuticals Inc	2,882,292.83	4,415,070.81	0.60
USD	500,000	Intra-Cellular Therapies Inc	6,253,301.74	15,280,128.26	2.06
USD	12,000	Intuitive Surgical Inc	6,001,046.22	6,318,517.86	0.85
USD	475,000	Iovance Biotherapeutics Inc Reg	4,571,793.05	11,711,053.71	1.58
USD	100,805	Jazz Pharmaceuticals Plc	12,902,969.30	13,403,554.29	1.81
USD	200,000	Livanova Plc	14,272,922.17	13,437,249.49	1.82
USD	1,060,000	Macrogenics Inc	16,052,404.55	10,272,379.09	1.38
USD	123,500	Medtronic Plc Reg	9,413,851.25	12,479,803.15	1.69
USD	191,300	MeiraGTx Holdings Reg Plc	3,443,417.75	3,411,263.92	0.46
USD	160,000	Merck & Co Inc	11,722,106.90	12,961,610.40	1.75
USD	125,000	Mirati Therapeutics Inc Reg	8,022,492.09	14,347,109.65	1.94
USD	178,073	Momenta Pharmaceuticals Inc Reg	2,578,730.44	3,129,402.59	0.42
USD	210,000	MyoKardia Inc Reg	7,774,181.69	13,633,072.06	1.84
USD	140,000	NanoString Technologies Inc Reg	3,352,499.38	3,469,136.91	0.47
USD	1,100,000	Nektar Therapeutics	30,631,308.32	21,148,570.42	2.86
USD	120,000	Neurocrine Biosciences Inc	8,311,527.69	11,489,088.80	1.55
USD	350,000	NovoCure Ltd Reg	9,224,248.93	26,271,043.02	3.55
USD	95,000	Omniceil Inc	3,116,768.19	6,914,937.20	0.93
USD	300,000	Pieris Pharmaceuticals Inc Reg	1,824,711.36	967,310.95	0.13
USD	170,000	Radius Health Inc Reg	4,050,489.89	3,052,640.95	0.41
USD	27,000	Regeneron Pharmaceuticals Inc	8,824,188.11	9,029,981.30	1.22
USD	75,000	Regenxbio Inc Reg	2,670,142.19	2,736,928.83	0.37
USD	250,000	Revance Therapeutics Inc	4,617,325.49	3,614,055.40	0.49
USD	1,900,000	Rigel Pharmaceuticals Inc	5,145,830.29	3,621,626.44	0.49
USD	50,000	Sage Therapeutics Inc	4,213,665.88	3,215,017.37	0.43
USD	700,000	Sangamo Therapeutics Inc Reg	9,496,509.92	5,218,669.28	0.70
USD	120,000	Seattle Genetics Inc Reg	5,806,270.19	12,212,701.52	1.65
USD	209,381	Silk Road Medical Inc Reg	6,233,409.37	7,530,778.28	1.02
USD	760,181	Stemline Therapeutics Inc Reg	8,776,622.57	7,197,580.86	0.97

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	60,000	uniQure BV	3,131,060.50	3,829,696.27	0.52
USD	58,000	United Health Group Inc	11,358,805.96	15,187,351.92	2.05
USD	160,000	Vertex Pharmaceuticals Inc	21,156,978.80	31,203,349.07	4.21
USD	750,000	ViewRay Inc Reg	4,579,124.86	2,819,096.82	0.38
USD	200,000	Viking Therapeutics Inc Reg	1,514,754.40	1,428,698.67	0.19
USD	310,000	Xencor Inc	7,149,302.11	9,495,769.13	1.29
			<u>680,994,517.38</u>	<u>809,218,700.60</u>	<u>109.23</u>
<b>Total shares</b>			828,328,089.48	999,994,626.34	135.03
<b>Warrants and rights</b>					
SEK	50,976	Episurf Medical AB Call Wts 23.05.23 Ser TO4B	0.00	1,358.19	0.00
<b>Total warrants and rights</b>			<u>0.00</u>	<u>1,358.19</u>	<u>0.00</u>
<b><u>Short positions in transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
GBP	-350,000	GlaxoSmithKline Plc	-7,201,912.83	-7,347,902.24	-0.99
USD	-105,000	Quest Diagnostics Inc	-9,849,143.43	-9,987,485.53	-1.35
<b>Total shares</b>			<u>-17,051,056.26</u>	<u>-17,335,387.77</u>	<u>-2.34</u>
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Shares</b>					
SEK	974,228	Bio-Works Technologies AB Reg	896,377.94	743,484.99	0.10
SEK	787,741	Isofol Medical AB Reg	2,309,553.11	1,514,160.98	0.20
<b>Total shares</b>			<u>3,205,931.05</u>	<u>2,257,645.97</u>	<u>0.30</u>
<b><u>Short positions in open-ended investment funds</u></b>					
<b>Tracker funds (UCI)</b>					
USD	-770,000	Health Care Select Sector SPDR Fd (The)	-49,048,568.87	-69,860,336.69	-9.43
USD	-385,000	iShares Trust Nasdaq Biotech ETF Dist	-37,298,312.67	-41,325,688.07	-5.58
USD	-412,900	SPDR Ser Trust S&P Biotech ETF Dist	-30,910,448.02	-34,978,996.17	-4.72
<b>Total tracker funds (UCI)</b>			<u>-117,257,329.56</u>	<u>-146,165,020.93</u>	<u>-19.73</u>
Total securities: investments and short positions			697,225,634.71	838,753,221.80	113.26
Cash at banks and cash collateralized at banks				17,913,389.10	2.42
Bank overdrafts and collateralized debt at banks				-98,530,250.09	-13.31
Other net assets/(liabilities)				-17,607,390.51	-2.37
<b>Total</b>				<u>740,528,970.30</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 2019

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#### Industrial classification

(in percentage of net assets)

Healthcare	131.39 %
Non-cyclical consumer goods	1.60 %
Investment funds	-19.73 %
Total	<u>113.26 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	71.47 %
Switzerland	8.03 %
Ireland	7.78 %
United Kingdom	4.52 %
Jersey	3.55 %
Denmark	3.38 %
France	2.32 %
Japan	2.01 %
The Netherlands	1.84 %
Cayman Islands	1.76 %
China	1.60 %
Germany	0.86 %
British Virgin Islands	0.82 %
Belgium	0.76 %
Sweden	0.73 %
Australia	0.70 %
Finland	0.51 %
Spain	0.45 %
Norway	0.17 %
Total	<u>113.26 %</u>

## Rhenman & Partners Fund - Rhenman Global Opportunities L/S

### Statement of net assets (in EUR) as at 31st December 2019

#### Assets

##### Investments

Securities portfolio at market value	8,122,051.45
	<u>8,122,051.45</u>

##### Cash and cash equivalents

Cash at banks	269,273.09
Cash collateral at banks	4,890,271.87
Cash collateral at banks for short sales of securities	584,000.00
	<u>5,743,544.96</u>

##### Receivables

Income receivable on portfolio	7,714.16
	<u>7,714.16</u>

##### Other assets

Formation expenses, net	5,380.05
	<u>5,380.05</u>

##### Total assets

13,878,690.62

#### Liabilities

##### Payables

Short sales of securities at market value	532,258.84
Interest payable on bank overdrafts	273.41
Expenses payable	23,617.09
	<u>556,149.34</u>

##### Borrowings

Bank overdrafts	4,438,713.08
	<u>4,438,713.08</u>

##### Total liabilities

4,994,862.42

##### Total net assets at the end of the year

8,883,828.20

#### 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)	2,124.985	EUR	92.89	197,379.74
IC4 (EUR)	50,000.000	EUR	92.51	4,625,604.77
RC1 (SEK)	108,520.297	SEK	104.10	1,074,973.13
RC9 (SEK)	289,111.690	SEK	108.53	2,985,870.56
				<u>8,883,828.20</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 2019 to 31st December 2019

#### Income

##### Investment income

Dividends, net	235,908.29
	<u>235,908.29</u>

##### Realised gain on investments

- on securities portfolio	544,392.79
	<u>544,392.79</u>

##### Appreciation of unrealised results on investments

- on securities portfolio	1,719,466.27
	<u>1,719,466.27</u>

##### Total income

2,499,767.35

#### Expenses

##### Investment advisory or management fees

Management fees	106,016.33
	<u>106,016.33</u>

##### Other expenses

Depository fees	1,720.16
Banking charges and other fees	6,766.06
Transaction fees	909.11
Central administration costs	61,995.06
Professional fees	15,947.03
Other administration costs	12,880.06
Subscription duty ("taxe d'abonnement")	2,528.06
Bank interest paid	109,266.19
Interest paid on collateralized debt at banks	264.28
Other fees	3,228.66
	<u>215,504.67</u>

##### Realised loss on investments

- on securities portfolio	181,830.25
- on foreign exchange	94,150.19
	<u>275,980.44</u>

##### Depreciation of unrealised results on investments

- on securities portfolio	260,773.50
	<u>260,773.50</u>

##### Total expenses

858,274.94

##### Net income

1,641,492.41

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 2019 to 31st December 2019

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Net income	1,641,492.41
Dividends paid	0.00
Subscriptions	580,832.77
Redemptions	-768,916.08
Total changes in net assets	<u>1,453,409.10</u>
Total net assets at the beginning of the year	<u>7,430,419.10</u>
<b>Total net assets at the end of the year</b>	<b><u><u>8,883,828.20</u></u></b>

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 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	EUR	14,285,518.81	7,430,419.10	8,883,828.20

Net asset value per unit	Currency	31.12.2017	31.12.2018	31.12.2019
IC1 (EUR)	EUR	101.89	76.46	92.89
IC4 (EUR)	EUR	99.98	75.58	92.51
RC1 (SEK)	SEK	107.98	83.14	104.10
RC9 (SEK)	SEK	109.71	85.56	108.53

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC1 (EUR)	1,000.000	1,124.985	-	2,124.985
IC4 (EUR)	50,000.000	-	-	50,000.000
RC1 (SEK)	127,088.403	27,114.814	-45,682.920	108,520.297
RC9 (SEK)	300,262.814	23,491.557	-34,642.681	289,111.690

# Rhenman & Partners Fund - Rhenman Global Opportunities L/S

## Statement of investments and other net assets (in EUR) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Securities: investments and short positions</b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
CHF	3,999	Adecco Group SA Reg	222,509.88	225,341.03	2.54
CHF	2,906	Nestlé SA Reg	204,541.68	280,265.44	3.15
CHF	587	Roche Holding Ltd Pref	126,939.69	169,653.68	1.91
			553,991.25	675,260.15	7.60
EUR	67,373	Banco Santander Reg SA	315,684.62	251,301.29	2.83
EUR	5,992	BNP Paribas SA A	324,189.04	316,557.36	3.56
EUR	3,024	Schneider Electric SE	187,740.24	276,696.00	3.11
EUR	1,553	Volkswagen AG Pref	212,558.04	273,700.72	3.08
			1,040,171.94	1,118,255.37	12.58
GBP	10,111	Royal Dutch Shell Plc A	257,331.78	266,680.35	3.00
HKD	115,451	Great Wall Motor Co Ltd H	107,079.87	76,016.93	0.86
HKD	361,573	Industr & Cial Bk of China Ltd H	219,977.63	247,991.82	2.79
			327,057.50	324,008.75	3.65
JPY	5,696	Asahi Group Holdings Ltd	205,449.01	232,609.55	2.62
JPY	500	Nintendo Co Ltd	177,705.72	180,174.43	2.03
JPY	2,280	Softbank Group Corp	71,811.24	88,867.58	1.00
JPY	6,100	Square Enix Hgs Co Ltd	204,944.98	271,454.06	3.05
			659,910.95	773,105.62	8.70
SEK	1,978	Autoliv Inc SDR	173,509.74	148,881.25	1.68
SEK	22,961	Nordea Bank Abp Reg	172,254.50	165,264.49	1.86
SEK	15,041	Sandvik AB	181,147.31	261,416.87	2.94
SEK	18,910	Skandinaviska Enskilda Bk AB A	167,651.64	158,491.53	1.78
SEK	29,084	Telefon AB LM Ericsson B	163,517.46	225,719.24	2.54
SEK	8,278	Veoneer Inc SDR	188,583.11	118,076.72	1.33
			1,046,663.76	1,077,850.10	12.13
USD	1,319	Alexion Pharmaceuticals Inc	133,733.73	127,059.63	1.43
USD	160	Alphabet Inc A	153,860.44	190,881.27	2.15
USD	2,806	Anheuser-Busch InBev SA ADR spons repr 1 Share	290,376.58	205,045.19	2.31
USD	2,974	Chevron Corp	273,215.84	319,227.52	3.59
USD	2,414	CVS Health Corp	119,301.53	159,736.40	1.80
USD	3,854	Exxon Mobil Corp	281,902.08	239,540.50	2.70
USD	29,164	Ford Motor Co	313,599.50	241,582.97	2.72
USD	8,299	Halliburton Co (Hg Co)	335,558.77	180,882.27	2.04
USD	2,215	IBM Corp	302,921.25	264,450.52	2.98
USD	10,645	Janus Henderson Group Plc Reg	303,046.24	231,825.29	2.61
USD	2,095	JPMorgan Chase & Co	154,373.00	260,125.59	2.93
USD	1,530	Medtronic Plc Reg	112,036.69	154,608.09	1.74
USD	1,196	Microsoft Corp	69,656.22	167,996.08	1.89
USD	8,761	NortonLifeLock Inc Reg	231,692.13	199,145.56	2.24
USD	4,508	Pfizer Inc	134,807.90	157,320.25	1.77
USD	3,391	Qualcomm Inc	185,744.04	266,489.65	3.00
USD	2,083	The Walt Disney Co	190,470.62	268,339.08	3.02
USD	5,272	Wells Fargo & Co	245,183.13	252,635.25	2.84
			3,831,479.69	3,886,891.11	43.76
<b>Total shares</b>			<b>7,716,606.87</b>	<b>8,122,051.45</b>	<b>91.42</b>

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Short positions in transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
USD	-100	Amazon.com Inc	-82,321.15	-164,588.94	-1.85
USD	-500	NetFlix Inc	-71,915.54	-144,103.50	-1.62
USD	-600	Tesla Inc	-165,565.20	-223,566.40	-2.52
<b>Total shares</b>			<b>-319,801.89</b>	<b>-532,258.84</b>	<b>-5.99</b>
Total securities: investments and short positions			7,396,804.98	7,589,792.61	85.43
Cash at banks and cash collateralized at banks				5,743,544.96	64.65
Bank overdrafts and collateralized debt at banks				-4,438,713.08	-49.96
Other net assets/(liabilities)				-10,796.29	-0.12
<b>Total</b>				<b>8,883,828.20</b>	<b>100.00</b>

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 2019

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#### Industrial classification

(in percentage of net assets)

Financials	21.20 %
Technologies	16.23 %
Energy	11.33 %
Cyclical consumer goods	10.35 %
Healthcare	8.65 %
Industrials	8.59 %
Non-cyclical consumer goods	8.08 %
Telecommunications services	1.00 %
Total	<u>85.43 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	34.12 %
Japan	8.70 %
Switzerland	7.60 %
Sweden	7.26 %
France	6.67 %
China	3.65 %
Germany	3.08 %
The Netherlands	3.00 %
Spain	2.83 %
Jersey	2.61 %
Belgium	2.31 %
Finland	1.86 %
Ireland	1.74 %
Total	<u>85.43 %</u>

## Rhenman & Partners Fund

### Notes to the financial statements

as at 31st December 2019

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#### 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 of the Fund have been prepared on a going concern basis.

##### 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 2019

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#### 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	=	1.5973536	AUD	Australian Dollar
			1.0864368	CHF	Swiss Franc
			7.4729158	DKK	Danish Krona
			0.8473847	GBP	Pound Sterling
			8.7480223	HKD	Hong Kong Dollar
			122.0206454	JPY	Japanese Yen
			9.8684207	NOK	Norwegian Krona
			10.5090333	SEK	Swedish Krona
			1.1227000	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) Interest Income

Interest Income is recognized on an accrual basis.

#### 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 transactions paid to the Depository.



## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 31st December 2019

#### **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:

	<b>Subscription fee</b>	<b>Redemption fee</b>	<b>Conversion fee</b>
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..

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

No subscription or redemption fee is levied.

#### **Note 3 - Central Administration costs**

Central Administration fees are disclosed in the item "Central administration costs" in the statement of operations and other changes in net assets.

#### **Note 4 - Depositary fees**

The Depositary fees are disclosed in the item "Depositary fees" in the statement of operations and other changes in net assets. This item includes also the Supervisor fees.

#### **Note 5 - Management fees**

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 (a) 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) (until 31st October 2019),
- 0.75% p.a. for the classes IC3 (EUR) (since 1st November 2019),
- 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) and

of (b) the research fee of maximum 0.30% p.a. paid out quarterly in arrears.

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 31st December 2019

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#### Note 6 - Performance fees

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 IC4 (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.

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.

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 31st December 2019

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- 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 17,419,884.21
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#### **Note 7 - 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).

## Rhenman & Partners Fund

### Notes to the financial statements (continued) as at 31st December 2019

#### Note 8 - 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:

<b>Description</b>	<b>Currency</b>	<b>Quantity</b>	<b>Market value (in EUR)</b>
Abbott Laboratories	USD	208,069	16,097,687.13
AbbVie Inc	USD	210,000	16,561,325.38
Abiomed Inc	USD	87,000	13,219,319.50
Adverum Biotechnologies Inc	USD	83,443	856,206.79
Aerie Pharmaceuticals Inc	USD	700,000	15,069,920.73
Agios Pharmaceuticals Inc	USD	28,583	1,215,674.94
Alexion Pharmaceuticals Inc	USD	85,000	8,188,073.39
Alkermes Plc	USD	120,399	2,187,707.85
Alnylam Pharmaceuticals Inc	USD	60,715	6,228,330.41
Anthem Inc	USD	60,000	16,141,266.59
Arena Pharmaceuticals Inc Reg	USD	165,000	6,675,247.17
AstraZeneca Plc	SEK	210,000	18,787,836.47
Becton Dickinson & Co	USD	34,000	8,236,376.59
BioMarin Pharmaceutical Inc	USD	210,000	15,814,999.55
Bluebird Bio Inc	USD	45,000	3,517,190.70
Boston Scientific Corp	USD	360,000	14,500,044.54
Bristol Myers Squibb Co	USD	340,000	19,439,387.19
Centene Corp	USD	140,000	7,839,850.36
Cigna Corp Reg	USD	75,000	13,660,594.99
Dermira Inc Reg	USD	200,000	2,700,632.40
Edwards Lifesciences Corp	USD	36,585	7,602,132.94
Eli Lilly & Co	USD	100,000	11,706,600.16
Epizyme Inc Reg	USD	204,205	4,474,430.39
Esperion Therapeutics Inc	USD	655,854	34,834,393.89
Exact Sciences Corp Reg	USD	90,000	7,413,556.60
FibroGen Inc	USD	189,491	7,239,038.92
G1 Therapeutics Inc Reg	USD	90,382	2,127,724.47
Genmab A/S	DKK	75,000	14,868,694.31
HCA Healthcare Inc	USD	70,000	9,215,908.08
Horizon Therapeutics Plc	USD	602,873	19,438,855.08
Humana Inc	USD	67,000	21,873,020.40
Immunomedics Inc	USD	700,000	13,193,194.98
Incyte Corp Ltd	USD	65,000	5,055,491.23
Intercept Pharmaceuticals Inc	USD	40,000	4,415,070.81
Intra-Cellular Therapies Inc	USD	19,483	595,405.48
Iovance Biotherapeutics Inc Reg	USD	333,670	8,226,583.77
Jazz Pharmaceuticals Plc	USD	100,805	13,403,554.29
Livanova Plc	USD	120,000	8,062,349.69

## Rhenman & Partners Fund

### Notes to the financial statements (continued) as at 31st December 2019

Description	Currency	Quantity	Market value (in EUR)
Macrogenics Inc	USD	124,109	1,202,730.85
Medtronic Plc Reg	USD	123,500	12,479,803.15
Merck & Co Inc	USD	160,000	12,961,610.40
Merck KGaA	EUR	30,000	3,160,500.00
MorphoSys AG	EUR	25,000	3,170,000.00
MyoKardia Inc Reg	USD	93,706	6,083,336.43
NanoString Technologies Inc Reg	USD	120,000	2,973,545.92
Nektar Therapeutics	USD	150,000	2,883,895.97
Neurocrine Biosciences Inc	USD	120,000	11,489,088.80
Novartis AG Reg	CHF	220,000	18,609,458.17
Omniceil Inc	USD	90,000	6,550,993.14
Regeneron Pharmaceuticals Inc	USD	27,000	9,029,981.30
Revance Therapeutics Inc	USD	10,618	153,496.16
Rigel Pharmaceuticals Inc	USD	538,981	1,027,362.02
Roche Holding Ltd Pref	CHF	95,000	27,456,728.52
Sage Therapeutics Inc	USD	20,000	1,286,006.95
Seattle Genetics Inc Reg	USD	120,000	12,212,701.52
Straumann Holding AG Reg	CHF	8,000	6,998,290.25
United Health Group Inc	USD	58,000	15,187,351.92
Vertex Pharmaceuticals Inc	USD	120,000	23,402,511.80
Xencor Inc	USD	85,954	2,632,901.10
			581,635,972.53

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 Global Opportunities L/S	SEK	5,474,271.87

#### Note 9 - 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	98,530,222.95

#### Note 10 - 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**

### **Notes to the financial statements (continued)**

as at 31st December 2019

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#### **Note 11 - Subsequent event**

Since the end of the reporting year we have seen the development of the coronavirus covid-19 outbreak across the world. At present, it is not possible to assess the detailed impact of the emerging risk on the investments of the Company but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the wake of the outbreak. However, the Board and the Management Company are of the opinion that these events do not impact the financial statements as of 31st December 2019, nor do they present any issues with regards to the going concerns of the Company.

## Rhenman & Partners Fund

### Additional information (unaudited)

as at 31st December 2019

#### 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 2019
Rhenman & Partners Fund - Rhenman Healthcare Equity L/S	400% Gross (300% Commitment)	159.85%	174.08%	185.30%	159.85%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2019
		159.84%	172.54%	183.68%	159.84%

Sub-Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2019
Rhenman & Partners Fund - Rhenman Global Opportunities L/S	400% Gross (300% Commitment)	147.38%	169.24%	209.51%	147.38%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2019
		150.41%	170.76%	209.54%	150.41%

## Rhenman & Partners Fund

### Additional information (unaudited) (continued)

as at 31st December 2019

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## 2 - Remuneration disclosure

### 2.1. Remuneration of the Management Company

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 for the financial year ending 31st December 2019 paid by FundRock to its staff: EUR 10,152,416

Fixed remuneration: EUR 9,700,097

Variable remuneration: EUR 452,319

Number of beneficiaries: 119

The aggregated amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,196,213

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 FundRock.

### 2.2 Remuneration of the Investment Manager

The remuneration to Rhenman & Partners Asset Management AB for the period from 1st September 2018 till 31st August 2019:

Number of employees: 9

Total compensation to staff: SEK 39,472,506

Of which compensation to management: SEK 9,623,282



## Rhenman & Partners Fund

### Additional information (unaudited) (continued) as at 31st December 2019

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.

### 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)
<b>Global data: assets used for securities borrowing</b>		
in absolute terms	163,500,408.70	532,258.84
as a percentage of total lendable assets defined as excluding cash and cash equivalents of the Sub-Funds	16.31%	6.55%
<b>Concentration data</b>		
<b>10 largest collateral issuers</b>		
first	-	-
gross volumes for open trades	-	-
<b>Top 10 counterparties of securities borrowing</b>		
name of counterparty	Skandinaviska Enskilda Bk AB	Skandinaviska Enskilda Bk AB
gross volume of outstanding transactions	163,500,408.70	532,258.84
<b>Type of settlement and clearing</b>		
tri-party	-	-
Central Counterparty	-	-
bilateral	163,500,408.70	532,258.84
<b>Data on reuse of collateral received</b>		
% foreseen in prospectus	no reuse and no pledge	no reuse and no pledge
collateral received that is reused	-	-
cash collateral reinvestment returns to the Sub-Fund	-	-
<b>Safekeeping of collateral received</b>		
number of depositaries	-	-
name of depositaries	-	-
amounts of assets received as collateral	-	-
<b>Safekeeping of collateral granted</b>		
segregated accounts	581,635,972.53	584,000.00
pooled accounts	-	-
other accounts	-	-
<b>Return and cost components</b>		
<b>Return component of the Sub-Fund</b>		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
<b>Cost component of the Sub-Fund</b>	-2,133,989.05	-2,359.41
<b>Return component of the capital management company</b>		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
<b>Cost component of the capital management company</b>	-	-
<b>Return component of third parties</b>		
In absolute terms	-	-
As a percentage of overall returns	0.00%	0.00%
<b>Cost component of third parties</b>	-	-

### 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.

**Rhenman & Partners Fund**

**Additional information (unaudited) (continued)**  
as at 31st December 2019

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