

# Unaudited semi-annual report as at 30th June 2014

## **Rhenman & Partners Fund**

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



#### Notice

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

**Rhenman & Partners Fund**

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## Rhenman & Partners Fund

### Organisation

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**Management Company and  
Central Administrator**

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

**Board of Directors of  
the Management Company**

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

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

**Vice-Chairman**  
Peter KUBICKI  
Managing Director  
Skandinaviska Enskilda Banken S.A.,Luxembourg

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

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

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

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

**Custodian Bank and Paying Agent**

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

**Sub-Administrator, Registrar  
and Transfer Agent**

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg

## Rhenman & Partners Fund

### Organisation (continued)

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<b>Investment Manager</b>	Rhenman & Partners Asset Management AB Strandvägen 5a SE-114 51 Stockholm
<b>Placement and Distribution Agent</b>	Rhenman & Partners Asset Management AB Strandvägen 5a SE-114 51 Stockholm
<b>Prime Broker</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
<b>Paying Agent in Sweden</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm
<b>Auditor</b>	PricewaterhouseCoopers, Société coopérative 400, route d'Esch L-1471 Luxembourg

## 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 relating to Undertakings for Collective Investment.

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.

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

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

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

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

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 Management Company.

The Fund's currency is euro (EUR).

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

Financial reports of the Fund are published annually and semi-annually. These reports, as well as the sales prospectus and all information concerning the Fund are available at the registered office of the Management Company, the Custodian Bank and Paying Agent.

## Rhenman & Partners Fund

### Combined statement of net assets (in EUR)

as at 30th June 2014

#### Assets

Securities portfolio at market value	327,150,401.12
Option contracts at market value	198,669.68
Cash at banks	517,444.04
Receivable on sales of securities	45,078,909.60
Income receivable on portfolio	89,450.08
Interest receivable on bank accounts	32.35
Prepaid expenses	3,024.62
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Total assets	373,037,931.49
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#### Liabilities

Bank overdrafts	96,121,118.66
Short sales of securities at market value	18,302,531.77
Payable on purchases of securities	12,705,558.96
Income payable on short position on portfolio	56,376.84
Interest payable on bank overdrafts	67,544.85
Expenses payable	3,742,272.48
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Total liabilities	130,995,403.56
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Net assets at the end of the period	242,042,527.93
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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 30th June 2014

#### Assets

Securities portfolio at market value	327,150,401.12
Option contracts at market value	198,669.68
Cash at banks	517,444.04
Receivable on sales of securities	45,078,909.60
Income receivable on portfolio	89,450.08
Interest receivable on bank accounts	32.35
Prepaid expenses	3,024.62
Total assets	373,037,931.49

#### Liabilities

Bank overdrafts	96,121,118.66
Short sales of securities at market value	18,302,531.77
Payable on purchases of securities	12,705,558.96
Income payable on short position on portfolio	56,376.84
Interest payable on bank overdrafts	67,544.85
Expenses payable	3,742,272.48
Total liabilities	130,995,403.56

Net assets at the end of the period 242,042,527.93

"IC1 (EUR)" units outstanding	105,833.021
Net asset value per "IC1 (EUR)" unit	274.87
"IC2 (EUR)" units outstanding	27,214.140
Net asset value per "IC2 (EUR)" unit	215.67
"IC2 (SEK)" units outstanding	926,949.021
Net asset value per "IC2 (SEK)" unit	SEK 182.30
"IC2 (USD)" units outstanding	60,000.000
Net asset value per "IC2 (USD)" unit	USD 108.60
"IC3 (EUR)" units outstanding	71,758.852
Net asset value per "IC3 (EUR)" unit	294.48
"IC4 (EUR)" units outstanding	200,000.000
Net asset value per "IC4 (EUR)" unit	185.34
"ID1 (SEK)" units outstanding	587,568.529
Net asset value per "ID1 (SEK)" unit	SEK 172.51
"RC1 (SEK)" units outstanding	2,189,969.421
Net asset value per "RC1 (SEK)" unit	SEK 230.73

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



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

### Statement of net assets (in EUR) (continued)

as at 30th June 2014

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"RC1 (EUR)" units outstanding	5,118.970
Net asset value per "RC1 (EUR)" unit	247.45
"RC2 (SEK)" units outstanding	2,255,930.274
Net asset value per "RC2 (SEK)" unit	SEK 236.05

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 30th June 2014

<b>Total net assets</b>	
- as at 30.06.2014	242,042,527.93
- as at 31.12.2013	185,619,071.69
- as at 31.12.2012	75,441,239.50
<b>Number of 'IC1 (EUR)' units</b>	
- outstanding at the beginning of the period	95,130.894
- issued	24,159.724
- redeemed	-13,457.597
- outstanding at the end of the period	105,833.021
<b>Net asset value per 'IC1 (EUR)' unit</b>	
- as at 30.06.2014	274.87
- as at 31.12.2013	246.79
- as at 31.12.2012	158.92
<b>Number of 'IC2 (EUR)' units</b>	
- outstanding at the beginning of the period	36,214.140
- issued	0.000
- redeemed	-9,000.000
- outstanding at the end of the period	27,214.140
<b>Net asset value per 'IC2 (EUR)' unit</b>	
- as at 30.06.2014	215.67
- as at 31.12.2013	192.85
- as at 31.12.2012	123.64
<b>Number of 'IC2 (SEK)' units</b>	
- outstanding at the beginning of the period	926,949.021
- issued	0.000
- redeemed	0.000
- outstanding at the end of the period	926,949.021
<b>Net asset value per 'IC2 (SEK)' unit</b>	
- as at 30.06.2014	SEK 182.30
- as at 31.12.2013	SEK 158.77
- as at 31.12.2012	-
<b>Number of 'IC2 (USD)' units</b>	
- outstanding at the beginning of the period	0.000
- issued	60,000.000
- redeemed	0.000
- outstanding at the end of the period	60,000.000
<b>Net asset value per 'IC2 (USD)' unit</b>	
- as at 30.06.2014	USD 108.60
- as at 31.12.2013	-
- as at 31.12.2012	-
<b>Number of 'IC3 (EUR)' units</b>	
- outstanding at the beginning of the period	72,052.910
- issued	689.799
- redeemed	-983.857
- outstanding at the end of the period	71,758.852
<b>Net asset value per 'IC3 (EUR)' unit</b>	
- as at 30.06.2014	294.48
- as at 31.12.2013	260.40
- as at 31.12.2012	159.79

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

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

### Statistical information (in EUR) (continued)

as at 30th June 2014

<b>Number of "TC4 (EUR)" units</b>	
- outstanding at the beginning of the period	200,000.000
- issued	0.000
- redeemed	0.000
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- outstanding at the end of the period	200,000.000
<b>Net asset value per "TC4 (EUR)" unit</b>	
- as at 30.06.2014	185.34
- as at 31.12.2013	163.28
- as at 31.12.2012	99.82
<b>Number of "ID1 (SEK)" units</b>	
- outstanding at the beginning of the period	679,006.752
- issued	89,261.777
- redeemed	-180,700.000
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- outstanding at the end of the period	587,568.529
<b>Net asset value per "ID1 (SEK)" unit</b>	
- as at 30.06.2014	SEK 172.51
- as at 31.12.2013	SEK 157.19
- as at 31.12.2012	SEK 103.07
<b>Dividend paid</b>	
Ex-dividend date	28.02.2014
Dividend per share	SEK 7.86
Units outstanding at dividend date	679,006.752
<b>Number of "RC1 (SEK)" units</b>	
- outstanding at the beginning of the period	1,492,162.582
- issued	887,820.198
- redeemed	-190,013.359
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- outstanding at the end of the period	2,189,969.421
<b>Net asset value per "RC1 (SEK)" unit</b>	
- as at 30.06.2014	SEK 230.73
- as at 31.12.2013	SEK 202.38
- as at 31.12.2012	SEK 128.55
<b>Number of "RC1 (EUR)" units</b>	
- outstanding at the beginning of the period	2,204.419
- issued	3,497.767
- redeemed	-583.216
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- outstanding at the end of the period	5,118.970
<b>Net asset value per "RC1 (EUR)" unit</b>	
- as at 30.06.2014	247.45
- as at 31.12.2013	224.79
- as at 31.12.2012	146.92
<b>Number of "RC2 (SEK)" units</b>	
- outstanding at the beginning of the period	1,741,219.978
- issued	716,296.667
- redeemed	-201,586.371
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- outstanding at the end of the period	2,255,930.274
<b>Net asset value per "RC2 (SEK)" unit</b>	
- as at 30.06.2014	SEK 236.05
- as at 31.12.2013	SEK 206.39
- as at 31.12.2012	SEK 130.80

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

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

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

as at 30th June 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Securities: investments and short positions</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
AUD	40,000	CSL Ltd	1,808,599.93	1,834,329.95	0.76
CHF	61,000	Actelion Ltd	4,489,267.60	5,638,544.67	2.33
CHF	50,000	Novartis AG Reg	3,265,471.95	3,307,728.71	1.37
CHF	15,000	Roche Holding AG B de jours Pref	3,134,295.29	3,268,596.18	1.35
			10,889,034.84	12,214,869.56	5.05
DKK	15,000	Alk-Abello A/ S B	1,078,056.02	1,694,065.66	0.70
DKK	25,000	Ambu AS B	1,203,239.16	1,331,243.21	0.55
DKK	80,000	Bavarian Nordic A/ S	714,447.71	1,330,572.56	0.55
DKK	48,000	Genmab A/ S	1,234,766.36	1,496,250.30	0.62
DKK	85,000	H Lundbeck A/ S	1,267,750.99	1,527,744.09	0.63
DKK	55,000	Novo Nordisk AS B	1,772,385.28	1,848,717.90	0.76
			7,270,645.52	9,228,593.72	3.81
EUR	204,000	Ablynx NV	1,265,558.64	1,836,000.00	0.76
EUR	65,000	Bayer AG Reg	6,107,012.95	6,704,750.00	2.77
EUR	40,000	Fresenius SE & Co KGaA	4,242,531.41	4,356,000.00	1.80
EUR	110,000	Galapagos Genomics NV	1,594,220.93	1,559,800.00	0.64
EUR	48,000	Ipsen SA	1,718,317.03	1,584,720.00	0.65
EUR	57,994	Korian-Medica SA	874,317.56	1,618,032.60	0.67
EUR	37,000	MorphoSys AG	1,750,911.08	2,534,500.00	1.05
EUR	45,000	Sanofi SA	3,477,879.91	3,491,100.00	1.44
EUR	320,000	Sorin SpA	563,961.14	686,080.00	0.28
EUR	43,000	Stada Arzneimittel AG	1,506,926.82	1,495,755.00	0.62
EUR	97,000	ThromboGenics NV	1,561,738.54	914,225.00	0.38
			24,663,376.01	26,780,962.60	11.06
GBP	75,000	AstraZeneca Plc	4,246,106.93	4,066,721.93	1.68
GBP	100,000	Shire Plc	4,104,222.76	5,708,994.89	2.36
			8,350,329.69	9,775,716.82	4.04
HKD	700,000	Sinopharm Group Co Ltd H	1,620,350.30	1,415,143.80	0.58
JPY	500,000	Astellas Pharma Inc	3,933,763.53	4,798,590.91	1.98
JPY	100,000	Chugai Pharmaceutical Co Ltd	1,523,101.12	2,058,599.11	0.85
JPY	120,000	Daiichi Sankyo Co Ltd	1,575,425.08	1,635,342.48	0.68
JPY	40,000	Takeda Pharmaceutical Co Ltd	1,440,663.40	1,355,286.47	0.56
JPY	100,000	Terumo Corp	1,576,741.64	1,633,179.33	0.67
			10,049,694.77	11,480,998.30	4.74
SEK	238,000	Active Biotech AB	1,664,950.24	769,343.44	0.32
SEK	4,347,826	BioInvent Intl AB	1,096,907.33	1,391,205.74	0.57
SEK	304,428	Episurf Medical AB B	1,528,992.01	2,044,613.84	0.84
SEK	180,000	Meda AB A	1,755,346.06	2,282,213.72	0.94
SEK	120,000	Orexo AB	1,446,908.54	1,520,165.32	0.62
			7,493,104.18	8,007,542.06	3.29
USD	107,000	Abiomed Inc	1,953,287.47	1,964,923.30	0.81
USD	230,000	Acadia Pharmaceuticals Inc	3,486,581.10	3,795,252.01	1.57
USD	330,000	Achillion Pharmaceuticals Inc	864,276.22	1,824,762.60	0.76
USD	26,500	Actavis Plc	3,905,938.23	4,317,622.35	1.78
USD	41,931	Aegerion Pharmaceuticals Inc	1,556,694.27	982,882.24	0.41
USD	15,000	Aetna Inc	674,573.89	888,385.68	0.37
USD	35,500	Aflac Inc	1,616,746.78	1,614,225.71	0.67
USD	93,000	Alexion Pharmaceuticals Inc	10,353,893.08	10,614,499.64	4.39
USD	168,000	Alkermes Plc	4,940,776.41	6,176,362.31	2.55

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 30th June 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	40,000	Allergan Inc	4,870,736.69	4,944,338.93	2.05
USD	28,500	AmerisourceBergen Corp	1,343,755.19	1,512,644.27	0.62
USD	15,000	Amgen Inc	1,247,948.65	1,296,968.59	0.53
USD	27,300	Amsurg Corp	924,456.59	908,737.03	0.38
USD	300,000	Anthera Pharmaceuticals Inc	977,235.80	742,878.01	0.31
USD	390,000	Ariad Pharmaceuticals Inc	1,735,800.77	1,814,682.25	0.75
USD	329,199	Array BioPharma Inc	1,261,182.34	1,096,528.45	0.45
USD	108,535	BIND Therapeutics Inc	932,840.89	1,044,916.95	0.43
USD	50,000	Biogen IDEC Inc	10,563,178.36	11,516,070.12	4.76
USD	150,000	BioMarin Pharmaceutical Inc	7,114,755.01	6,816,289.26	2.82
USD	415,000	Boston Scientific Corp	3,719,781.90	3,871,110.30	1.60
USD	85,000	Bristol Myers Squibb Co	3,123,883.09	3,011,943.02	1.24
USD	99,000	Cardinal Health Inc	4,937,830.92	4,957,954.71	2.05
USD	50,000	CareFusion Corp	1,464,029.99	1,619,795.47	0.67
USD	70,000	Catamaran Corp	2,321,756.48	2,257,998.54	0.93
USD	156,781	Celgene Corp	8,220,651.25	9,835,173.32	4.06
USD	46,000	Celladon Corp	446,829.97	538,290.72	0.22
USD	199,000	Celldex Therapeutics Inc	2,792,053.65	2,372,300.95	0.98
USD	35,000	Centene Corp	1,528,711.21	1,933,053.32	0.80
USD	35,000	Cepheid Inc	1,021,953.40	1,225,639.15	0.51
USD	35,000	Cerner Corp	1,359,336.99	1,318,699.78	0.54
USD	55,000	Cigna Corp	3,161,133.47	3,694,923.30	1.52
USD	90,000	Clovis Oncology Inc	3,050,826.92	2,722,352.08	1.12
USD	102,000	Community Health Syst Inc	2,936,971.57	3,380,379.84	1.40
USD	171,000	Covidien Plc	10,485,003.51	11,264,265.89	4.65
USD	15,000	CR Bard Inc	1,509,060.43	1,566,946.67	0.65
USD	50,000	CVS Caremark Corp	2,251,518.64	2,752,739.23	1.14
USD	74,000	Cyberonics Inc	3,230,048.63	3,376,216.22	1.39
USD	100,000	Dexcom Inc	2,502,666.03	2,897,005.11	1.20
USD	1,228,354	Dynavax Technologies Corp	1,588,007.92	1,435,621.91	0.59
USD	35,000	Edwards Lifesciences Corp	1,854,491.85	2,194,594.59	0.91
USD	44,500	Eli Lilly & Co	1,852,199.49	2,020,865.60	0.84
USD	49,297	Endocyte Inc	782,466.09	237,302.58	0.10
USD	205,000	Endologix Inc	1,942,901.08	2,277,611.40	0.94
USD	300,000	Exelixis Inc	1,160,822.52	742,878.01	0.31
USD	10,000	Express Scripts Hg Co	486,640.53	506,428.05	0.21
USD	180,000	Gilead Sciences Inc	9,567,412.90	10,901,241.78	4.51
USD	10,047	Haemonetics Corp	284,477.38	258,917.57	0.11
USD	60,000	HCA Holdings Inc	2,104,317.52	2,471,000.73	1.02
USD	73,000	Hologic Inc	1,205,998.29	1,351,753.10	0.56
USD	70,369	Hyperion Therapeutics Inc	1,277,264.25	1,341,585.76	0.55
USD	97,100	Idenix Pharmaceuticals Inc	452,985.54	1,709,357.20	0.71
USD	98,702	ImmunoGen Inc	1,127,385.18	854,359.90	0.35
USD	133,000	Incyte Corp Ltd	4,549,766.09	5,483,214.02	2.27
USD	113,273	Infinity Pharm Inc	1,139,585.55	1,054,125.66	0.43
USD	100,000	Insulet Corp	2,843,916.27	2,897,735.58	1.20
USD	98,269	Intra-Cellular Therapies Inc	1,345,529.10	1,210,237.65	0.50
USD	2,500	Intuitive Surgical Inc	744,298.33	752,008.77	0.31
USD	36,000	Isis Pharmaceuticals Inc	817,764.17	905,916.73	0.37
USD	240,000	Keryx Biopharmaceuticals Inc	1,942,076.19	2,696,274.65	1.11
USD	294,805	Lexicon Pharmaceuticals Inc	464,623.96	346,702.74	0.14
USD	42,000	Ligand Pharmaceuticals Inc B	1,548,333.17	1,911,015.34	0.79
USD	60,000	Macrogenics Inc	1,124,824.08	952,374.00	0.39
USD	87,000	Masimo Corp	1,648,218.37	1,499,780.86	0.62
USD	21,500	McKesson Corp	2,547,091.00	2,924,408.33	1.21
USD	52,000	Medivation Inc	2,699,351.56	2,927,801.31	1.21
USD	30,000	Mednax Inc	1,280,457.77	1,274,287.80	0.53
USD	78,000	Merck Co Inc	3,254,722.57	3,296,055.51	1.36
USD	80,000	Myriad Genetics Inc	2,103,397.72	2,274,360.85	0.94
USD	260,000	Nektar Therapeutics	2,049,271.32	2,434,769.90	1.01
USD	67,000	NPS Pharmaceuticals Inc	1,215,193.23	1,617,494.52	0.67

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 30th June 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	76,000	NuVasive Inc	2,153,585.12	1,974,667.64	0.82
USD	28,500	Omnicare Inc	1,112,983.01	1,385,861.94	0.57
USD	300,199	Orexigen Therapeutics Inc	1,347,644.36	1,355,171.53	0.56
USD	55,000	Parexel Intl Corp	1,710,872.07	2,122,863.40	0.88
USD	55,000	Pharmacyclics Inc	4,172,115.56	3,604,127.10	1.48
USD	22,500	Regeneron Pharmaceuticals Inc	4,854,615.93	4,642,494.53	1.92
USD	82,000	Revance Therapeutics Inc	2,065,860.48	2,036,523.01	0.84
USD	260,000	Rite Aid Corp	1,245,832.68	1,361,723.89	0.56
USD	43,493	Salix Pharmaceutical Ltd	2,933,501.41	3,918,817.79	1.62
USD	72,535	Sorrento Therapeutics Inc	759,969.39	357,641.53	0.15
USD	40,000	St Jude Medical Inc	1,619,385.63	2,023,374.73	0.84
USD	15,000	Stryker Corp	888,201.28	923,886.05	0.38
USD	201,171	Sunesis Pharmaceuticals Inc	813,732.89	958,097.09	0.40
USD	227,000	Supernus Pharmaceuticals Inc	1,200,327.88	1,815,668.37	0.75
USD	55,000	Tesaro Inc	1,103,939.08	1,249,853.91	0.52
USD	25,000	Teva Pharma Ind Ltd ADR repr 1 Share	858,244.37	957,268.08	0.40
USD	33,000	Thermo Fisher Scientific Inc	2,857,367.43	2,844,411.98	1.17
USD	67,500	Thoratec Corp	1,767,122.41	1,718,809.35	0.71
USD	121,537	Threshold Pharmaceuticals	415,438.77	351,560.64	0.15
USD	32,000	United Health Group Inc	1,755,060.92	1,910,883.86	0.79
USD	30,000	Universal Health Services Inc B	1,766,122.03	2,098,466.04	0.87
USD	34,000	Varian Medical Systems Inc	1,923,697.51	2,064,835.64	0.86
USD	101,600	Vertex Pharmaceuticals Inc	6,248,762.45	7,026,653.03	2.90
USD	44,221	Volcano Corp	972,755.02	568,832.58	0.23
USD	28,000	WellPoint Inc	1,896,965.96	2,200,934.99	0.91
USD	22,500	Zimmer Holdings Inc	1,673,780.21	1,706,975.89	0.71
			<u>229,512,380.63</u>	<u>246,412,244.31</u>	<u>101.84</u>
<b>Total shares</b>			301,657,515.87	327,150,401.12	135.17
<b><u>Short positions in transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
EUR	-20,000	Merck KGaA	-1,165,562.27	-1,267,800.00	-0.52
GBP	-100,000	GlaxoSmithKline Plc	-1,978,384.71	-1,953,800.44	-0.81
USD	-1,500	Actavis Plc	-245,079.44	-244,393.72	-0.10
USD	-30,000	AstraZeneca Plc ADR repr 1 Share	-1,452,819.63	-1,628,414.90	-0.67
USD	-20,000	Baxter Intl Inc TEST	-1,054,341.26	-1,056,245.43	-0.44
USD	-6,000	Dentsply Intl Inc	-185,991.46	-207,523.74	-0.09
USD	-16,000	Johnson & Johnson	-1,240,215.67	-1,222,731.92	-0.51
			<u>-4,178,447.46</u>	<u>-4,359,309.71</u>	<u>-1.81</u>
<b>Total shares</b>			-7,322,394.44	-7,580,910.15	-3.14
<b><u>Short positions in other transferable securities</u></b>					
<b>Shares</b>					
USD	-30,000	Endo International Plc	-680,842.22	-1,534,404.67	-0.63
<b>Total shares</b>			<u>-680,842.22</u>	<u>-1,534,404.67</u>	<u>-0.63</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 30th June 2014

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Short positions in open-ended investment funds</u></b>					
<b>Tracker funds (UCI)</b>					
USD	-80,000	Health Care Select Sector SPDR Fd (The)	-1,810,043.73	-3,554,711.47	-1.47
USD	-30,000	iShares Trust Nasdaq Biotech ETF Dist	-1,892,964.12	-5,632,505.48	-2.33
<b>Total tracker funds (UCI)</b>			<b>-3,703,007.85</b>	<b>-9,187,216.95</b>	<b>-3.80</b>
Total securities: investments and short positions			289,951,271.36	308,847,869.35	127.60
<b><u>Options</u></b>					
<b><u>Listed financial instruments</u></b>					
<b>Options on transferable securities</b>					
CHF	100	Roche Holding AG B de jouis Pref CALL 09/ 14 EUX 260	113,540.54	86,009.18	0.03
CHF	250	Roche Holding AG B de jouis Pref CALL 09/ 14 EUX 270	167,031.66	112,660.50	0.05
Total options			280,572.20	198,669.68	0.08
Cash at banks				517,444.04	0.21
Bank overdrafts				-96,121,118.66	-39.71
Other net assets/ (liabilities)				28,599,663.52	11.82
Total				242,042,527.93	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 30th June 2014

#### Industrial classification

(in percentage of net assets)

Pharmaceuticals and biotechnology	88.71 %
Health care equipment and services	32.23 %
Materials	2.77 %
Insurance	2.40 %
Commercial services and supplies	2.09 %
Food retailing, drugstores and pharmacies	1.70 %
Software and services	0.93 %
Diversified financial services	-0.63 %
Investment funds	-2.60 %
Total	<u>127.60 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	86.69 %
Ireland	8.25 %
Germany	5.72 %
Switzerland	5.05 %
Japan	4.74 %
Denmark	3.81 %
Sweden	3.29 %
France	2.76 %
Jersey	2.36 %
Belgium	1.78 %
Canada	0.93 %
Australia	0.76 %
China	0.58 %
Israel	0.40 %
Italy	0.28 %
United Kingdom	0.20 %
Total	<u>127.60 %</u>

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



## Rhenman & Partners Fund

### Notes to the financial statements

as at 30th June 2014

#### Note 1 - Significant accounting policies

##### a) Presentation of the financial statements

The financial statements of Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment.

##### b) Valuation

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- 2) The value of assets, which are listed or dealt in on any stock exchange, is based on the last available price of the preceding business day on the stock exchange, which is normally the principal market for such assets.
- 3) The value of assets dealt in on any other regulated market which is recognised, operating regularly and open to the public (a "Regulated Market") is based on the last available price.
- 4) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (2) or (3) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- 5) The liquidating value of options contracts not traded on exchanges or on other Regulated Markets is their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets are based upon the settlement or closing prices of these contracts on the preceding business day on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Management Company may deem fair and reasonable.
- 6) Swaps contracts are posted off-balance sheet and valued on the basis of the recalculated market prices by using the traditional elements of pricing such as the value, the volatility of the underlying, the interest rates and the residual value of the swap. Realised and unrealised gains and losses are recorded in the statement of net assets. Net variation of the unrealised gain/ (loss) and the net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 30th June 2014

- 7) 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 Management Company on a fair and equitable basis and in good faith.
- 8) All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the Management Company.

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

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

d) Cost of securities

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

e) Exchange translation

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

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

1	EUR	=	1.4512111	AUD	Australian Dollar
			1.2138239	CHF	Swiss Franc
			8.4930022	CNY	Chinese Yuan Renminbi
			7.4554371	DKK	Danish Krona
			0.8004912	GBP	Pound Sterling
			10.6102292	HKD	Hong Kong Dollar
			138.6865462	JPY	Japanese Yen
			8.3978567	NOK	Norwegian Krona
			9.1568988	SEK	Swedish Krona
			1.3690000	USD	US Dollar

f) Combined financial statements

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

g) Formation expenses

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

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 30th June 2014

#### h) Investment income

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

#### i) Options contracts

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

#### i) Short sales

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

Securities sold short are borrowed from the prime broker.

### **Note 2 - Subscription, Redemption and Conversion fees**

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

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

The subscription, redemption and conversion fee will revert to the Placement and Distribution Agent, i.e. Rhenman & Partners Asset Management AB.

### **Note 3 - Management fees**

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

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

These rates include the fees payable to the Investment Manager for its services.

At the date of the report, the applicable annual fees are as follows:

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

**Note 4 - Performance fee**

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

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

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

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

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

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

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

**For Class IC4 (EUR)**

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

The Investment 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 Investment Manager is not entitled to a Performance Fee and the negative performance at the end of any Calculation Period will not be carried forward to the next Calculation Periods. A Performance Fee will only be paid if the excess performance is above a 5% annual hurdle rate and if that is the case the Performance Fee will be calculated on the entire difference between the GNAV and the Base Net Asset Value.

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

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

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 30th June 2014

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

At the date of the report, a performance fee of EUR 6,129,903.04 was recorded for the Sub-Fund.

#### **Note 5 - Central administration costs**

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

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

The Fund Company is governed by Luxembourg law.

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

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

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

#### **Note 7 - Pledged assets**

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

<b>Description</b>	<b>Currency</b>	<b>Quantity</b>	<b>Market value (in EUR)</b>
AbbVie Inc	USD	53,000.00	2,185,040.18
Abiomed Inc	USD	89,500.00	1,643,557.34
Ablynx NV	EUR	204,000.00	1,836,000.00
Acadia Pharmaceuticals Inc	USD	230,000.00	3,795,252.01
Achillion Pharmaceuticals Inc	USD	300,000.00	1,658,875.09
Actavis Plc	USD	26,500.00	4,317,622.35
Actelion Ltd	CHF	61,000.00	5,638,544.67
Active Biotech AB	SEK	238,000.00	769,343.44
Aetna Inc	USD	25,000.00	1,480,642.80
Alexion Pharmaceuticals Inc	USD	64,000.00	7,304,601.90
Alkermes Plc	USD	168,000.00	6,176,362.31

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 30th June 2014

Description	Currency	Quantity	Market value (in EUR)
Allergan Inc	USD	15,000.00	1,854,127.10
Amgen Inc	USD	30,000.00	2,593,937.18
Ariad Pharmaceuticals Inc	USD	227,000.00	1,056,238.13
Array BioPharma Inc	USD	329,100.00	1,096,198.69
Bayer AG Reg	EUR	70,000.00	7,220,500.00
Biogen IDEC Inc	USD	43,918.00	10,115,255.35
BioMarin Pharmaceutical Inc	USD	165,000.00	7,497,918.19
Boston Scientific Corp	USD	415,000.00	3,871,110.30
CareFusion Corp	USD	39,000.00	1,263,440.47
Catamaran Corp	USD	62,880.00	2,028,327.83
Celgene Corp	USD	76,000.00	4,767,626.00
Celldex Therapeutics Inc	USD	70,000.00	834,477.72
Centene Corp	USD	35,000.00	1,933,053.32
Cepheid Inc	USD	25,500.00	892,965.67
Cerner Corp	USD	15,000.00	565,157.05
Cigna Corp	USD	57,000.00	3,829,284.15
Community Health Syst Inc	USD	88,788.00	2,942,521.23
Covidien Plc	USD	171,000.00	11,264,265.89
CR Bard Inc	USD	18,000.00	1,880,336.01
CVS Caremark Corp	USD	50,000.00	2,752,739.23
Cyberonics Inc	USD	49,000.00	2,235,602.63
Dexcom Inc	USD	100,000.00	2,897,005.11
Dynavax Technologies Corp	USD	1,228,000.00	1,435,208.18
Edwards Lifesciences Corp	USD	33,500.00	2,100,540.54
Eli Lilly & Co	USD	20,000.00	908,254.20
Endologix Inc	USD	205,000.00	2,277,611.40
Episurf Medical AB B	SEK	12,000.00	80,594.97
Exelixis Inc	USD	294,800.00	730,001.46
Express Scripts Hg Co	USD	20,000.00	1,012,856.10
Fresenius SE & Co KGaA	EUR	30,000.00	3,267,000.00
Gilead Sciences Inc	USD	157,000.00	9,508,305.33
HCA Holdings Inc	USD	45,000.00	1,853,250.55
Hologic Inc	USD	73,000.00	1,351,753.10
ImmunoGen Inc	USD	72,250.00	625,392.62
Incyte Corp Ltd	USD	145,938.00	6,016,611.19
Infinity Pharm Inc	USD	26,825.00	249,635.14
Insulet Corp	USD	120,000.00	3,477,282.69
Johnson & Johnson	USD	43,500.00	3,324,302.41
Keryx Biopharmaceuticals Inc	USD	240,000.00	2,696,274.65
Lexicon Pharmaceuticals Inc	USD	294,800.00	346,696.86
Ligand Pharmaceuticals Inc B	USD	36,474.00	1,659,580.32

## Rhenman & Partners Fund

### Notes to the financial statements (continued)

as at 30th June 2014

Description	Currency	Quantity	Market value (in EUR)
McKesson Corp	USD	21,500.00	2,924,408.33
Meda AB A	SEK	180,000.00	2,282,213.72
Medivation Inc	USD	44,000.00	2,477,370.34
Merck Co Inc	USD	2,000.00	84,514.24
Nektar Therapeutics	USD	180,000.00	1,685,609.93
NPS Pharmaceuticals Inc	USD	67,000.00	1,617,494.52
NuVasive Inc	USD	76,000.00	1,974,667.64
Orexo AB	SEK	85,000.00	1,076,783.77
Pharmacyclics Inc	USD	34,500.00	2,260,770.64
Regeneron Pharmaceuticals Inc	USD	24,000.00	4,951,994.16
Roche Holding AG B de jouis Pref	CHF	13,000.00	2,832,783.36
Salix Pharmaceutical Ltd	USD	36,000.00	3,243,681.52
Sanofi SA	EUR	55,000.00	4,266,900.00
Supernus Pharmaceuticals Inc	USD	119,500.00	955,825.42
Thermo Fisher Scientific Inc	USD	22,000.00	1,896,274.65
Thoratec Corp	USD	47,600.00	1,212,078.89
Universal Health Services Inc B	USD	20,000.00	1,398,977.36
Varian Medical Systems Inc	USD	13,000.00	789,495.98
Vertex Pharmaceuticals Inc	USD	35,000.00	2,420,598.98
Volcano Corp	USD	38,250.00	492,025.20
WellPoint Inc	USD	28,000.00	2,200,934.99
			<u>198,164,484.69</u>

#### **Note 8 - Changes in the investment portfolio**

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

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