

**Stockholm, 20 August 2018**

**Important information for unit holders of HealthInvest Value Fund, company registration no. 515602-3045 and HealthInvest Small & MicroCap Fund, company registration no. 515602-5982.**

HealthInvest Partners' board of directors has resolved to merge HealthInvest Value Fund ("Value Fund") and HealthInvest Small & MicroCap Fund ("Small & MicroCap Fund"), and the merger was approved by the Swedish Financial Supervisory Authority on 16 August 2018. The first day of trading in the merged fund will be Wednesday, 12 December 2018.

The merger will take place by means of a so-called absorption of Value Fund into Small & MicroCap Fund. Value Fund's unit holders will receive fund units in Small & MicroCap Fund unit class B.

As is normally the case, unit holders of Value Fund or Small & MicroCap Fund will have the possibility to redeem units on a daily basis without cost until the date of the merger. You can read more about your rights under "Your rights as a unit holder" on page 3 of this information letter. You should also read through the information letter in its entirety.

**Background**

Since its launch on 1 January 2009, Value Fund has returned approximately 346% (unit class A as of 30 June 2018). Its benchmark index, the MSCI World Health Care Index, has returned just under 247% (including dividends) during the same period. Accordingly, Value Fund's returns has exceeded the benchmark index by more than 99 percentage points since the fund's launch.

Value Fund, however, has had it tougher in recent years, and 2013 was the last calendar year in which the fund exceeded the benchmark index. Redemptions have caused the fund's assets to decline to approximately SEK 300 million. Accordingly, given its recent history of returns, the board of directors of the fund company has reached the conclusion that there is currently insufficient interest amongst investors for Value Fund. The fund needs a significantly larger investor base in order to function optimally since, among other things, the costs of fund management are relatively high.

Merging Value Fund with Small & MicroCap Fund will result in a fund with assets exceeding SEK 1,700 million. This makes it possible for the unit holders to benefit from more efficient management of the fund. By virtue of their new ownership of Small & MicroCap Fund, the unit holders will be vested in a fund with a five-star rating from Morningstar.

**Consequences for unit holders of Small & MicroCap Fund**

The merger will not entail any major difference for unit holders of Small & MicroCap Fund. The majority of the fund's investments will continue to be focused on smaller companies within the health care sector. The fund's investment strategy will remain unchanged.

## **Consequences for unit holders of Value Fund**

In conjunction with the merger, unit holders of Value Fund will receive shares in Small & MicroCap Fund unit class B in exchange for their previous holdings in Value Fund. The market value of your total holdings will not change as a consequence of the merger but, rather, the number of fund units and the price will change since the unit price for both funds differs. The fund company believes that the change will be to your advantage as a unit holder in Value Fund. By virtue of your ownership in Small & MicroCap Fund, you will receive units in a fund which has a strong track record and enjoys a five-star rating from Morningstar. More information regarding the consequences of the merger is set forth below:

### **1. Investment focus**

Common to both funds is that they are equity funds with a focus on the health care sector.

The greatest difference in the investment focus of the funds is that Small & MicroCap Fund focuses on smaller companies given that the fund rules expressly state that “The majority of the Fund’s investments are made in smaller companies in the health care industry.” This is to be compared with Value Fund which has an emphasis on larger companies. As a consequence of the merger, current unit holders of Value Fund will receive units with a greater exposure to small companies.

### **2. Reporting**

Information provided by the fund company to unit holders is the same for Small & MicroCap Fund and Value Fund. The monthly letter is published on the fund company’s website and account statements will be sent out each month.

### **3. Differences in risk level**

The risk levels according to the funds’ risk/reward indicator in the simplified prospectuses does not differ. Both Small & MicroCap Fund and Value Fund have a 5 on a scale of 1 to 7.

### **4. Fees and minimum investment**

Value Fund unit classes A, B and C have a maximum and actual management fee of 1.0%, 1.5% and 1.5% respectively (relative to 1.8% for Small & MicroCap Fund B). Until the merger, the management fee shall continue to apply for the respective unit classes and, thereafter, the management fee of 1.8% for Small & MicroCap Fund B shall be applied.

Small & MicroCap Fund B also has a performance-based fee structure in which the performance-based fee is charged collectively and amounts to 20% of the returns exceeding the benchmark index.

The performance-based fee is calculated in accordance with a collective model. This means that unit holders of Value Fund will have precisely the same watermark per unit as the current holders of Small & MicroCap Fund.

The minimum investment in Small & MicroCap Fund unit class B is SEK 100.

### **5. Miscellaneous**

No significant change will occur in the composition of the assets in conjunction with the merger. On the day of the merger, the assets and liabilities of Value Fund will be transferred in their entirety to the absorbing fund, Small & MicroCap Fund.

It is important that you read the appended simplified prospectus and fund rules for Small & MicroCap Fund in order to form your own opinion regarding Small & MicroCap Fund.

### **What will happen when the funds merge**

The two funds will be valued in accordance with the normal routines applied by the fund company on Tuesday, 11 December 2018. Trading in Value Fund will be possible until 4.00 pm on 11 December 2018, and the calculation of the exchange ratio will take place thereafter.

The first day of trading in the merged fund will be Wednesday, 12 December 2018, which is also the date of the merger. The unit holders will not incur any additional costs as a result of the merger.

Any accrued income will be calculated and reported in accordance with the reporting routines applied by the funds. The merger will not give rise to any dilution.

### **Tax consequences**

The merger of the funds will have no tax consequences for tax payers in Sweden. Specifically, the taxable acquisition value of your holdings will not change.

In the event a unit holder chooses to sell their fund units, this may give rise to capital gains or capital losses, which may have tax ramifications.

### **Your rights as a unit holder**

As is normally the case, a unit holder of Value Fund or Small & MicroCap Fund has the possibility to redeem shares on a daily basis without cost, both before and after the merger. Please note that if you choose not to participate in the merger, you must submit your request to sell fund units in Value Fund not later than 11 December, 4.00 pm, and for Small & MicroCap Fund, not later than Monday, 10 December, by midnight.

Unit holders of Value Fund who participate in the merger will, as noted above, receive equal value in the absorbing fund, Small & MicroCap Fund, unit class B, on 12 December 2018. As per this date, you can exercise your rights as a unit holder by, for example, redeeming your fund units.

If you wish to receive additional information regarding the merger, read the auditor's statement or other information regarding your ownership in our funds, you are welcome to contact us by telephone on +46 (0)8-440 38 30 or by e-mail at [info@healthinvest.se](mailto:info@healthinvest.se). The information is free of charge. The simplified prospectus, fund rules and prospectus are available on the fund company's website, [www.healthinvest.se](http://www.healthinvest.se).

Sincerely,

HealthInvest Partners AB

Appendix: Simplified prospectus and fund rules for HealthInvest Small & MicroCap Fund.