

FUND RULES FOR HEALTHINVEST VALUE FUND

The Swedish version of this document is the only legally binding version. This English translation is for convenience only.

HealthInvest Value Fund is an equity fund pursuant to the Swedish Investment Funds Act (2004:46). It is the responsibility of each and every person interested in investing in HealthInvest Value Fund to ensure that the investment takes place in accordance with applicable laws and other regulations. Foreign law may entail that an investment cannot be made by an investor from outside Sweden. The fund company, HealthInvest Partners AB, has no responsibility whatsoever to verify whether an investment made from outside Sweden takes place in accordance with the laws of the relevant country. Disputes or claims concerning the fund shall be resolved according to Swedish law and exclusively by Swedish courts of law. There is no guarantee that an investment in HealthInvest Value Fund cannot result in a loss. This applies irrespective of otherwise positive performance on the financial markets. Past performance is no guarantee of future results. Information from the fund company shall not be considered a recommendation to invest in HealthInvest Value Fund. Every person considering purchasing units in the fund must make an independent assessment of an investment in HealthInvest Value Fund and the risks associated therewith. An investment in HealthInvest Value Fund should be seen as a long-term investment.

§ 1 The legal status of the Fund

The name of the Fund is HealthInvest Value Fund, referred to herein as the "Fund". The Fund is an undertaking for collective investments in transferable securities in accordance with the Swedish Investment Funds Act (2004:46). The operations are conducted in accordance with the Swedish Investment Funds Act, these fund rules, the articles of association for the fund company and the regulations otherwise issued pursuant to law or ordinance. In addition, the Fund is open for savings in accordance with the Swedish Insurance Business Act (1982:713) and the Swedish Individual Pension Savings Act (1991:931).

The Fund assets are jointly owned by the fund unit holders and each unit of a unit class entitles the holder thereof to an equal right to the assets of the Fund. The company which manages the Fund represents the unit holders in respect of all issues concerning the fund. The Fund cannot acquire rights or assume obligations.

Unit classes

The Fund has four unit classes: "A", "B", "C" and "D". The provisions of the fund rules are common to all unit classes with the exception of the rules governing subscription and redemption in section 9 and with respect to fund fees in section 11.

§ 2 Fund manager

The Fund is managed by HealthInvest Partners AB, company registration no. 556680-4810, hereinafter referred to as the "fund company." The fund company maintains registers of all unit holders and pledge holders.

§ 3 Custodian institution and its duties

Skandinaviska Enskilda Banken AB (publ), company registration no. 502032-9081, has been retained as the custodian institution. The custodian institution shall execute the decisions made by the fund company pertaining to the Fund and accept and hold in safe custody the assets included in the Fund.

The custodian institution shall ensure that the following are carried out in accordance with the provisions of the Swedish Investment Funds Act and these fund rules:

- subscription for, and redemption of, fund units;
- calculation of the value of the fund units;
- use of capital in the fund;
- ensure that the assets of the fund are deposited with the custodian institution without delay.

§ 4 The character of the Fund

The majority of the Fund's investments are in companies in the healthcare industry. Pharmaceuticals, medical technology, biotechnology and service companies are the most important sectors in this area. The Fund has no stated geographical restrictions, but a significant portion of the portfolio will include North American companies since that continent has a strong market position in the industry.

The objective of the fund company in managing the Fund is

to provide the unit holders with maximum returns on invested capital over time with a well-balanced risk. Returns are defined as realised and unrealised gains on traded securities, dividends received by the Fund, premiums related to options received by the Fund and interest paid to the Fund less charges and possible tax payments.

§ 5 The investment focus of the Fund

The Fund's capital may be invested in traded securities, fund units and money market instruments and may be deposited on account with credit institutions. Permissible underlying assets for the derivative instruments are comprised of currencies, shares, share indices, fixed-interest indices and other financial indices. Not more than 10 percent of the capital of the Fund may be invested in units in other mutual funds or collective investment schemes.

§ 6 Exchanges and marketplaces

The Fund's capital may be invested in financial instruments traded on a regulated market or comparable marketplace outside the EEA. In addition, trading may take place on another market, within and outside the EEA which is regulated and open to the public provided that the investment is compatible with the Fund's overall investment objective.

§ 7 Special investment objective

The fund assets may be invested in the type of securities and money market instruments referred to in Chapter 5, section 5 of the Swedish Investment Funds Act (SFS 2004:46).

The Fund may use derivative instruments as part of the Fund's investment objective including such derivatives as are stated in Chapter 5, section 12, paragraph 2 of the Swedish Investment Funds Act, commonly referred to as OTC derivatives. The Fund's trading in derivative instruments can result in the Fund having negative exposure to a specific currency, a specific stock, a specific stock market, a specific fixed-income market or a specific financial index.

§ 8 The value of the Fund and fund units

The value of the Fund is calculated as the Fund's assets less the Fund's liabilities. The Fund's assets include the Fund's traded securities, fund units, money market instruments, derivative instruments, liquid funds and other assets including accrued returns. The Fund's liabilities include accrued compensation in accordance with section 11 of the fund rules, taxes and other liabilities, as well as expenses incurred in the purchase and sale of traded securities, money market instruments and derivative instruments.

Financial instruments which are part of the Fund and are traded on a regulated market or similar market are valued based on information regarding current market values such as the most recent transaction price or, in the absence of such price, the latest bid price. Where information regarding the relevant market values is unavailable, or where such information in the opinion of the fund company is obviously misleading, the valuation may be established by the fund company based on the objective criteria of another party.

With respect to the financial instruments referred to in Chapter 5, section 5 of the Swedish Investment Funds Act (SFS 2004:46), the market value is established on objective grounds on the basis of a separate valuation based on information regarding the most recent transaction price or indicative bid price from a market maker where such has been appointed for the issuer. Where such information is not available or is deemed unreliable by the fund company, the market value shall be established, for example, on the basis of information obtained from independent brokers or other external, independent sources. Such information may, for example, consist of an issue price to independent parties at another value or information that a trade in the relevant asset was concluded with an independent party at a certain price.

Liquid funds and current receivables in the form of assets on bank accounts and investments on the money market and proceeds of payment for sold securities are reported in the amounts in which they are expected to be received.

The market value of an OTC derivative is determined based on generally accepted models, as follows:

- European options, Black & Scholes
- European index options, Black 76
- American derivatives and remaining derivatives, numerical methods such as binomial trees.

The value of a fund unit is the value of the Fund divided by the total number of outstanding fund units.

When the Fund invests in fund units, the value of these units is priced at market, i.e. the last redemption price less accrued fees.

The value of fund units shall be calculated daily (each banking day) by the fund company.

§ 9 Subscription and redemption of fund units

The subscription and redemption of fund units may take place each banking day through the fund company or its representative. Requests to subscribe for fund units takes place by deposit on the Fund's account. Orders are executed on the day on which payment is received by the Fund and approved account opening documents have been received by the fund company.

Specific provisions applicable to subscription for various unit classes:

Unit class A:

Subscription for shares must be for an amount of not less than SEK 100,000 in conjunction with the first payment. Lesser amounts may be permitted where special cause exists.

Unit class B:

Subscription for shares must be for an amount of not less than SEK 100 in conjunction with the first payment. Lesser amounts may be permitted where special cause exists.

Unit class C:

Subscription for shares must be for an amount of not less than EUR 10 in conjunction with the first payment. Thereafter, subscription must be made for amounts of not less than EUR 10 per payment. In conjunction with periodic payments, EUR 10 is the smallest amount per payment. "Periodic payments" means recurring payments which take place once per year or more frequently. Lesser amounts may be permitted where special cause exists.

Unit class D:

Subscription for shares must be for an amount of not less than SEK 5,000,000 in conjunction with the first payment. Thereafter, subscription must be made for amounts of not less than SEK 5,000,000 per payment. Lesser amounts may be permitted where special cause exists.

Requests to redeem fund units must be made in writing.

Requests received by the fund company not later than 16:00 will be executed on the same day. Requests received by the fund company by 16:00 on whole banking days, or 12:00 on half days, shall be executed on the following banking day.

Requests for subscription and redemption may be withdrawn only where permitted by the fund company. Special rules apply to the redemption of units regarding insurance premiums invested by insurance companies on behalf of insurers in accordance with the Swedish Insurance Business Act (SFS 1982:713) or for redemption of pension savings invested by pension savings institutions on behalf of pension savers in accordance with the Swedish Individual Pension Savings Act (SFS 1993:931).

Subscription for, and redemption of, fund units occur at a price unknown to the unit holder at the time of the request for subscription and redemption.

Information regarding subscription and redemption prices is available on the fund company's website, www.healthinvest.se, not later than the banking day after the banking day on which the value of the fund unit is established in accordance with the above.

§ 10 Closure of the Fund in conjunction with extraordinary events

The Fund may be closed for entry and withdrawal in the event extraordinary circumstances prevent a valuation of the fund assets in a manner which ensures equal rights for the Fund unit holders.

§ 11 Fees and compensation

The costs of the Fund's purchases and sales of traded securities, fund units, money market instruments and derivative instruments are charged to the Fund. These costs may, for example, consist of commissions. In addition, a management fee shall be paid by the Fund to the fund company which includes costs for management, custody, supervision and auditing.

Unit class A:

The fee payable to the fund company shall be paid as a fixed fee of not more than 1.0 per cent of the value of the Fund per year. The fixed fee shall be calculated daily and shall be paid monthly in arrears.

In addition to compensation payable in accordance with the preceding paragraph, a performance-based variable fee shall be paid to the fund company. This fee amounts to 20 per cent of that part of the return which exceeds what is commonly referred to as an annual return threshold of 5 per cent.

The performance-based fee shall be calculated after deduction of the fixed fee. Accordingly, there is no cap on the amount of the fee but, rather, the amount will be dependent entirely on the development of the price of the fund units. The performance-based fee shall be calculated daily but shall be paid on a monthly basis.

The performance-based fee shall be calculated in accordance with a collective model. This means that all unit holders pay an equal amount per fund unit in any performance-based fee on a given day.

The fund company applies what is commonly referred to as a high-water mark. In the event the Fund, on a given day, achieves a return which is less than the return threshold, and on a subsequent day the Fund achieves a return which exceeds the return threshold, no performance-based fee shall be payable until the negative return from previous periods is covered. The return threshold is comprised of the market value of the Fund's units (after fixed fees are paid to the fund company) on the last occasion on which the Fund charged the performance-based fee, adjusted upwards by the annual return threshold of 5 per cent. Unit holders who sell their units shall not be compensated for any negative return.

In conjunction with the subscription for units, the fund company charge a fee of not more than 5 percent of the fund unit value. In conjunction with redemption of units, the fund company may charge a fee not exceeding 1.0 percent of the fund unit value. The subscription and redemption fees constitute compensation to the fund company for subscription and redemption of fund units. Information regarding current fees for subscription and redemption of fund units may be obtained from the fund company.

Unit classes B and C:

The fee payable to the fund company shall be paid as a fixed fee of not more than 1.5 per cent of the value of the Fund per year. The fixed fee shall be calculated daily and shall be paid monthly in arrears.

In addition to compensation payable in accordance with the preceding paragraph, a performance-based fee shall be paid to the fund company. This fee amounts to 20 per cent of that part of the return which exceeds what is commonly referred to as an annual return threshold of 5 per cent.

The performance-based fee shall be calculated after deduction of the fixed fee. Accordingly, there is no cap on the amount of the fee but, rather, the amount will be dependent entirely on the development of the price of the fund units. The performance-based fee shall be calculated daily but shall be paid on a monthly basis.

The performance-based fee shall be calculated in accordance with a collective model. This means that all unit holders pay an equal amount per fund unit in any performance-based fee on a given day.

The fund company applies what is commonly referred to as a high-water mark. In the event the Fund, on a given day, achieves a return which is less than the return threshold, and on a subsequent day the Fund achieves a return which exceeds the return threshold, no performance-based fee shall be payable until the negative return from previous periods is covered. The return threshold is comprised of the market value of the Fund's units (after fixed fees are paid to the fund company) on the last occasion on which the Fund charged the variable fee, adjusted upwards by the annual return threshold of 5 per cent. Unit holders who sell their units shall not be compensated for any negative return.

In conjunction with the subscription for units, the fund company charge a fee of not more than 5 percent of the fund unit value. In conjunction with redemption of units, the fund company may charge a fee not exceeding 1.0 percent of the fund unit value. The subscription and redemption fees constitute compensation to the fund company for subscription and redemption of fund units. Information regarding current fees for subscription and redemption of fund units may be obtained from the fund company.

Unit class D:

The fee payable to the fund company shall be paid as a fixed fee of not more than 1.0 per cent of the value of the Fund per year. The fixed fee shall be calculated daily and shall be paid monthly in arrears.

In addition to compensation payable in accordance with the preceding paragraph, a performance-based fee shall be paid to the fund company. This fee amounts to 20 per cent of that part of the return which exceeds the risk-adjusted excess return vis-à-vis the MSCI World Health Care Index. The prospectus regarding the Fund describes the manner in which this risk-adjusted excess return is calculated.

The performance-based fee shall be calculated after deduction of the fixed fee. Accordingly, there is no cap on the amount of the fee but, rather, the amount will be dependent entirely on the development of the price of the fund units. The performance-based fee shall be calculated daily but shall be paid on a monthly basis.

The performance-based fee shall be calculated in accordance with a collective model. This means that all unit holders pay an equal amount per fund unit in any performance-based fee on a given day.

The fund company applies what is commonly referred to as a high-water mark. In the event the Fund, on a given day, achieves a return which is less than the return threshold, and on a subsequent day the Fund achieves a return which exceeds the return threshold, no performance-based fee shall be payable until the negative return from previous periods is covered. Unit holders who sell their units shall not be compensated for any negative return.

In conjunction with the subscription for units, the fund company charge a fee of not more than 5 percent of the fund unit value. In conjunction with redemption of units, the fund company may charge a fee not exceeding 1.0 percent of the fund unit value. The subscription and redemption fees constitute compensation to the fund company for subscription and redemption of fund units. Information regarding current fees for subscription and redemption of fund units may be obtained from the fund company.

§ 12 Dividends

The Fund does not pay dividends.

§ 13 The Fund's financial year

The financial year for the Fund is the calendar year.

§ 14 Semi-annual report, annual report and amendments to the fund rules

The fund company shall prepare annual reports and semi-annual reports. Upon request, the documents shall be sent without charge to unit holders and shall be available at the fund company and the custodian institution not later than four and two months respectively after the end of the year and mid-year. When sending out annual statements, the fund company shall inquire with unit holders whether they wish to receive the annual report and semi-annual report. Amendments to the Fund rules may only take place by resolution adopted by the Board of Directors of the fund company and shall be submitted to the Swedish Financial Supervisory Authority for approval. Following approval of the resolution, the resolution shall be made available at the fund company and the custodian institution and shall be announced in the manner instructed by the Swedish Financial Supervisory Authority.

§ 15 Pledges and transfer of fund units

Unit holders shall be entitled to pledge their units in the Fund provided that the fund unit holder is not an insurance company which invests insurance premiums on behalf of insureds pursuant to the Swedish Insurance Operations Act (SFS 1982:713) regarding life insurance linked to securities funds or a pension savings institution which has invested pension savings funds on behalf of pension savers in accordance with the Swedish Individual Pension Savings Act (SFS 1993:931).

In conjunction with a pledge, the fund unit holder or representative thereof and/or the pledgee shall notify the fund company in writing of the pledge. The notification shall contain information regarding:

- the identity of the pledgee
- which fund units are covered by the pledge
- any limitations on the scope of the pledge

The fund company shall make a note of the pledge in the list of unit holders and notify the unit holders in writing regarding the registration of the pledge. The pledge shall terminate when the pledgee notifies the fund company in writing thereof. The fund company shall be entitled to charge the unit holder for the registration.

Transfers of fund units are conditional upon approval from the fund company. Such approval shall be granted by the fund company only where the transfer is made for the purpose of the distribution of community property, a gift to a spouse or the unit holder's own children or to transfer fund units between different legal entities within the same corporate group. A request for transfer, however, shall be permitted only where the transferee assumes the transferor's acquisition value of the fund units, however not less than SEK 500.

The fund company shall not charge more than 0.2 percent of the market value of the fund units when transferring fund units.

§ 16 Disclaimer of liability

The fund company and/or custodian institution shall not be liable for losses incurred as a consequence of Swedish or foreign legislation, actions by Swedish or foreign governmental authorities, acts of war, terrorist acts, strikes, blockades, boycotts, lock-outs or other similar circumstances. The reservation with respect to strikes, blockades, boycotts and lock-outs shall apply notwithstanding that the fund company and/or custodian institution have been the subject of, or taken, such action.

Losses incurred under other circumstances shall not be compensated by the fund company and/or the custodian institution, provided normal care has been exercised. The fund company and/or custodian institution shall not be liable under any circumstances for indirect losses or other consequential loss. Nor shall the fund company and/or the custodian institution be liable for losses incurred as a consequence of a violation of law, ordinance, regulation or these fund rules by a unit holder or other party. In this context, unit holders should note that they are responsible for ensuring that the documents provided to the fund company are correct and duly signed and that the fund company is notified of any changes in the information provided.

The fund company and/or the custodian institution shall not be liable for losses caused by – Swedish or foreign – exchanges or other marketplaces, custodian banks, central securities depositories, clearing organisations or other providers of comparable services, agents retained by the fund company and/or custodian institution with due care or who have been

appointed by the fund company. The aforementioned shall also apply to losses caused by the insolvency of the aforementioned organisations or agents or other agents retained by the fund company and/or custodian institution with due care. The fund company and/or custodian institution shall also not be liable for losses incurred by the Fund or unit holder or other person as a consequence of restrictions on rights of disposition which may be imposed on the fund company and/or custodian institution with respect to financial instruments. In the event the fund company and/or custodian institution is prevented, in whole or in part, from taking measures as a consequence of the circumstances set forth above, such measure may be postponed until the impediment ceases. In the event the fund company and/or custodian institution, as a consequence of such circumstances, is prevented from effecting or receiving payment, the fund company and/or custodian institution and the unit holder shall not be liable to pay penalty interest.

The liability of the fund company and custodian institution for damages is otherwise regulated by Chapter 2, section 21 of the Swedish Investment Funds Act (SFS 2004:46).