

Rhenman Doubles Down on Smaller Healthcare Innovators with New Fund

Many of healthcare's most transformative breakthroughs often originate not from established industry giants, but from smaller companies developing new technologies, therapies, and treatment approaches. Seeking to capitalize on this segment of the market, healthcare specialist Rhenman & Partners is launching Rhenman Healthcare Next Generation L/S, a long-biased long /short equity fund spearheaded by Kaspar Hällsten as Chief Investment Officer and dedicated primarily to innovative micro-, small-, and mid-cap healthcare companies.

The new strategy expands Rhenman & Partners' product offering beyond its flagship Rhenman Healthcare Equity L/S, one of the largest equity hedge funds in the Nordics with a long track record of investing across the global healthcare sector. While the flagship strategy spans the broader healthcare universe, combining exposure to both established companies and emerging opportunities, Next Generation aims to concentrate specifically on companies operating at the cutting edge of medical innovation.

"What makes launching Next Generation particularly exciting is that medical breakthroughs so often originate in smaller companies," says Kaspar Hällsten, Chief Investment Officer of Rhenman Healthcare Next Generation L/S. "These businesses tend to challenge the status quo, by exploring new mechanisms, technologies, treatment paradigms, or patient populations that have been overlooked."

The fund will be managed with dynamic net exposure, typically around 80 percent, providing the team flexibility to adjust market exposure across different market environments while maintaining stock selection as the primary return driver. Next Generation also retains Rhenman & Partners' multi-subsector approach, enabling the team to pursue innovation opportunities across a broad range of healthcare verticals rather than concentrating on a single niche. Similar to the flagship fund, the investment team is supported by the Scientific Advisory Board, assembled to provide specialist expertise across different parts of the healthcare ecosystem.

"Healthcare is a complex and multifaceted sector, and a significant part of it requires specialist knowledge to navigate," argues Hällsten. "Our objective is to find companies where we see both scientific evidence and a commercial path forward."

Rhenman Healthcare Next Generation L/S builds on Rhenman & Partners' established investment infrastructure and proprietary research capabilities while expanding the firm's focus deeper into specialized areas of the healthcare universe. "One of Rhenman & Partners' success factors is our specialist expertise. It has enabled us to identify compelling growth companies," says Henrik Rhenman, Rhenman & Partners' Chief Investment Officer and co-founder. "Launching Next Generation continues to build on that capability. Smaller companies are particularly interesting because that is often where the very latest innovation is found. We look forward to deepening our work in this area."

The launch of Next Generation also forms part of a broader transformation effort underway at Rhenman & Partners. Earlier this year, the firm changed service providers and outlined ambitions to strengthen its international presence beyond its home market of Sweden. The new strategy serves not only as an expansion of the firm's investment capabilities but also as an important building block in broadening its product offering and international footprint. The fund will initially be available to professional investors across a select number of European markets.