

LSP Life Sciences Fund

Monthly Report August 2018



NAV per Share € 269.12

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
14.5%	0.9%	5.6%	22.4%	52.5%	25.0%	68.6%

NAV of Fund	87,735,589
Number of Shares	326,006
Valuation Date	31/08/2018

Top-5 performers

1. Verastem	29.4%
2. Evotec	24.2%
3. Amarin Corp	23.9%
4. Eloxx Pharmaceuticals	20.8%
5. Dova Pharmaceuticals	18.0%

Inception date:	27/04/2011
Currency:	Euro
Domicile:	The Netherlands
Legal Structure:	Dutch NV with variable capital
Listing:	Euronext Amsterdam
Euronext code:	LSP
ISIN Code:	NL0009756394
Bloomberg:	LSP NA

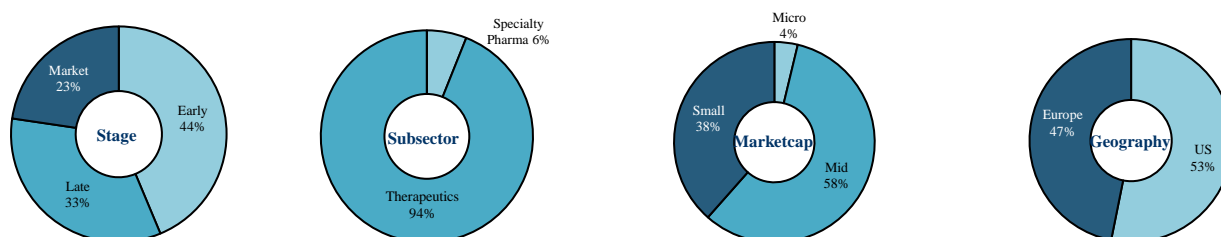
Investment strategy

The Fund's primary investment objective is to achieve capital appreciation by investing in a diversified, yet concentrated portfolio of publicly listed life sciences companies (including biopharmaceutical-, specialist pharmaceutical-, medical device-, drug delivery-, vaccine- and diagnostic companies). The majority of the Fund's portfolio will consist of European companies listed on one of the (main) European stock exchanges, with a market capitalization of below € 2.5 billion at the time of investment.

Manager's comments

Overall the month of August was relatively neutral for the LSP Life Sciences Fund in terms of share price performance. The summer months can be volatile for the sector as trading volumes are low. The strongest performer in the fund was Verastem which was almost +30% for the month. Enthusiasm is building for this small oncology company as it nears its PDUFA date – the date by which the FDA will respond to the application for US market approval of its lead cancer drug, duvalisib. If approved, duvalisib will be a new, convenient treatment option for patients with certain forms of lymphomas. The company is also running several additional studies to investigate the use of duvalisib in a broader population of patients. Shares of German biotech company Evotec performed well over the summer. Evotec is unusual in that it is profitable based on the revenues it generates from its drug discovery service business. The market is now starting to recognize that the company has built in huge upside potential by partnering with a large number of pharmaceutical and biotech companies and top research institutions, such that it has a stake in a very large number of drug discovery and development programs – some of which are already in clinical development. We are particularly impressed by the management team and like their risk balanced approach to drug discovery. Dova Pharmaceuticals is launching its new treatment for patients with severe bleeding disorders, Doptalet. Based on our interactions with management and market experts - the launch appears to be proceeding well. However, the shares are likely to experience more volatility until there is greater visibility on the product uptake and revenues. Now that the summer is behind us we look towards considerable news flow from the portfolio companies in September and October. Just to mention a few names; Galapagos will report Phase 3 data from its arthritis drug (filgotinib), argenx will report clinical data on a second autoimmune disease and Zealand Pharmaceuticals will report pivotal data for its rescue pen for diabetes.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
argenx	Early	Therapeutics	Mid	10.2%
Evotec	Early	Therapeutics	Mid	10.1%
Verastem	Late	Therapeutics	Small	8.5%
Galapagos	Market	Therapeutics	Mid	7.0%
CytomX Therapeutics	Early	Therapeutics	Small	6.8%
Stemline Therapeutics	Early	Therapeutics	Small	6.3%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	6.3%
Clinigen Group	Market	Specialty Pharma	Mid	6.1%
Morphosys	Late	Therapeutics	Mid	5.2%
Genmab	Market	Therapeutics	Mid	5.0%
ObsEva	Late	Therapeutics	Small	4.8%
Zogenix	Late	Therapeutics	Mid	4.7%
Dova Pharmaceuticals	Late	Therapeutics	Small	4.2%
Merus	Early	Therapeutics	Small	4.2%
Cocrystal Pharma	Early	Therapeutics	Micro	3.8%
Zealand Pharma	Market	Therapeutics	Mid	3.3%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	2.3%
Amarin Corp	Market	Therapeutics	Small	1.3%

Important information

LSP Advisory B.V. (as Fund Manager) and the LSP Life Sciences Fund N.V. (the Fund) have a license and are registered pursuant to the Dutch Act on Financial Supervision and are supervised by the Stichting Autoriteit Financiële Markten (Dutch Authority for the Financial Markets) and De Nederlandsche Bank N.V. (the Dutch Central Bank). This presentation is solely for information purposes and is not intended as advice in any way. The Fund Manager and the Fund cannot be held liable or responsible for the content of this presentation. Potential investors are advised to contact their investment- and fiscal advisor prior to taking an investment decision. There are risks involved in the investment. The value of the investment can fluctuate. Results achieved in the past offer no guarantee for the future. A Key Investor Information Document is also available for this product with information about the product, the costs and the risks involved. Read it before you invest in the product. The prospectus and the Key Investor Information Document of the LSP Life Sciences Fund can be downloaded via www.lspvc.com/funds/public.html

In Switzerland, the Fund may only be offered or distributed to qualified investors. For this, the Fund has appointed as Swiss Representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: info@oligofunds.ch. The Fund's paying agent is Banque Cantonale de Genève. Any Fund Documentation may be obtained free of charge from the Swiss Representative in Lausanne.