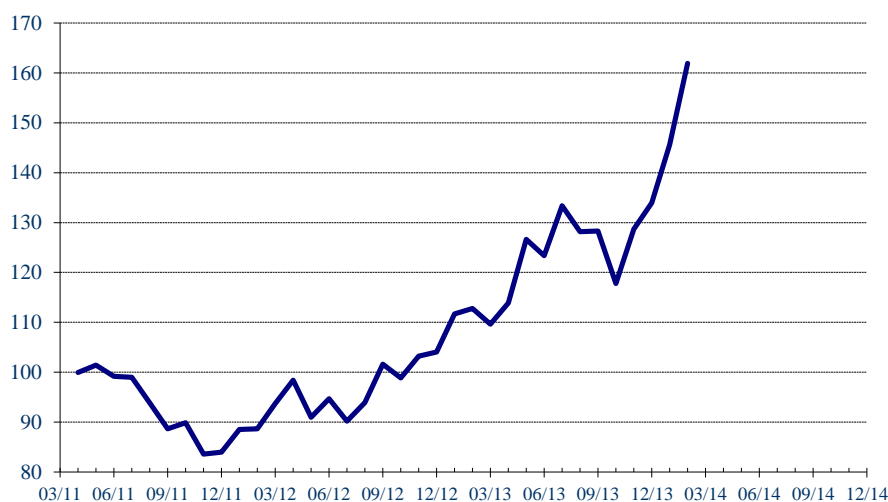


# LSP Life Sciences Fund

Monthly Report February 2014

NAV per Share

€ 161.94



NAV of Fund

67,754,659

Number of Shares

418,371

Valuation Date

28/02/2014

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 € 1 billion at the time of investment.

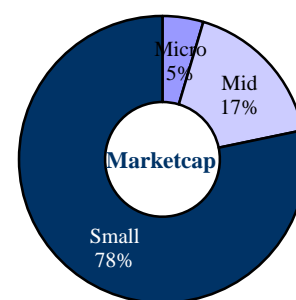
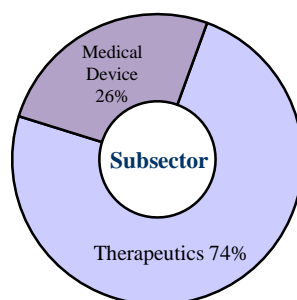
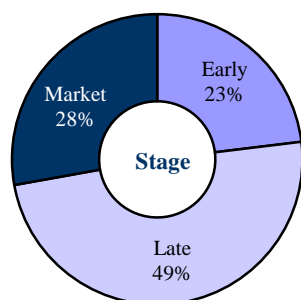
## Manager's comments

Following the successful start to the year, the month of February has proven to be another strong month for the fund. The top performer in February was US based InterMune, a company that has a late stage drug in development for a severe lung disease called IPF, for which the company has not yet gained regulatory approval from the FDA to sell in the US. In contrast, the European regulator – EMA –already granted marketing approval for the same drug (Esbriet) in March 2011. The FDA had required the company to conduct an additional Phase 3 study with the drug, over and above the clinical data that had already been generated in earlier studies. The results of this study were released by the company this month. The results were strong, showing both clinical benefit and safety in line with the FDA requirements, which led to a significant jump in the company's share price. Such results suggest that the likelihood of the company gaining market approval for its drug for the US, has significantly increased. This, in turn, had a positive impact on the funds's NAV. Another strong performer in the month of February was Ablynx, a Belgian small cap which focuses on the development of a pipeline of therapeutics based on its proprietary nanobody technology platform. We expect significant news flow from Ablynx this year, based on its proprietary programs as well as its pipeline of programs that are being developed in partnership with large pharmaceutical companies. Innate Pharma and GW Pharma once again continued their strong performances of the past months, and Synergy Pharmaceuticals' share price increased in anticipation of key clinical results, which we expect to be released in the near future.

## Top-5 performers

1. InterMune + 127.7%
2. Innate Pharma + 48.7%
3. Ablynx + 33.6%
4. GW Pharma. + 17.5%
5. Synergy Pharma. + 14.3%

## Portfolio breakdown



## 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.lsplifesciencesfund.com](http://www.lsplifesciencesfund.com).

# LSP Life Sciences Fund

## Top-10 portfolio positions

<b>Company</b>	<b>Stage</b>	<b>Subsector</b>	<b>Marketcap</b>	<b>%</b>
AcelRX	Late	Medical Device	Small	9.5%
Lombard Medical	Late	Medical Device	Small	9.0%
MorphoSys	Early	Therapeutics	Mid	7.4%
Neurocrine Biosciences	Late	Therapeutics	Small	7.3%
Ablynx	Early	Therapeutics	Small	7.1%
GW Pharmaceuticals	Market	Therapeutics	Small	7.0%
InterMune	Market	Therapeutics	Mid	6.4%
Synergy Pharmaceuticals	Late	Therapeutics	Small	6.0%
EVOTEC	Market	Therapeutics	Small	5.7%
Innate Pharma	Early	Therapeutics	Small	5.6%