
PROSPECTUS

LSP LIFE SCIENCES FUND N.V.

(a public company with variable capital under the laws of The Netherlands)

26 June 2015

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IMPORTANT NOTICE

Capitalized terms and expressions have the meaning ascribed to them in Section 2 (Definitions) of this Prospectus.

Potential Investors should review this Prospectus and its ancillary documents carefully and consult their legal and financial advisers to ascertain possible legal, financial, tax or other issues related to the acquisition, holding, transfer or redemption of Shares. The contents of this Prospectus are not to be construed as an invitation to invest or as investment, legal or tax advice. The Shares are an appropriate investment only for professional and other investors who are capable themselves of evaluating the merits and risks of an investment in the Fund.

Potential Investors should review in particular the risk factors set out in Section 4 (Risk factors) of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment. There is no guarantee that the Fund will achieve its investment objective. The value of your investments may fluctuate. Returns on past investments are no guarantee as to the returns on future investments.

This Prospectus is submitted to you solely in connection with your consideration of an investment in Shares. This Prospectus may not be reproduced, in whole or in part, and may not be delivered to any person, without the prior written consent of the Fund Manager. Any use of this Prospectus for any other purpose might involve serious legal consequences.

To the best knowledge and belief of the Fund Manager (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The information herein is subject to change at any time. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares will, under any circumstances, constitute a representation that the information contained in this Prospectus and its ancillary documents is correct at any time subsequent to the date of this Prospectus as printed on the cover of this Prospectus.

No person has been authorised to provide any information or make any representation in connection with the Fund, other than the information and representations contained in this Prospectus and its ancillary documents. Any such other information or representations, if given or made, should not be relied upon as having been authorised by the Fund Manager.

The distribution of this Prospectus and the offer, sale and delivery of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Shares in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. Reference is furthermore made to the – non-exhaustive - list of selling restrictions set forth in Section 12 (Selling Restrictions) of this Prospectus.

This Prospectus will be governed by and construed in accordance with the laws of The Netherlands. This Prospectus will be published in the English language only. Translations of Dutch legal terms used in this Prospectus are for convenience only and shall not influence the interpretation thereof.

1. EXECUTIVE SUMMARY

Introduction

The following is a brief summary only and is qualified in its entirety by the more detailed information appearing in the body of this Prospectus. Information in this Executive Summary is not intended to be exhaustive and should always be read in conjunction with the full text of this Prospectus.

Life Sciences Partners

Life Sciences Partners (abbreviated as LSP) is one of Europe's largest specialized life sciences investment firms. With a history going back to the late eighties, LSP has grown into a global firm with offices in Amsterdam, Munich and Boston. The LSP team consists of experienced and skilled professionals who seek investment opportunities in the life sciences sector to generate attractive returns for investors.

When Life Sciences Partners or LSP is mentioned in this Prospectus, this is meant as a reference to LSP (and its organisation and activities) in general. More information about LSP can be found at its website www.lspvc.com.

The Fund and Fund Manager

The Fund has been established to raise capital from investors with the aim to build an investment portfolio that offers an attractive return potential. 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 Fund is managed by LSP Advisory B.V. as sole managing director (*bestuurder*) of the Fund. The Fund Manager's dedicated management and investment team will manage the Fund and identify, originate, structure, implement and monitor Investments for the Fund. More information about the Fund and the Fund manager can be found on www.lspvc.com/funds/public.html.

The investment team of the Fund Manager consists of three individuals - Mark Wegter, Joep Muijers and Geraldine O' Keeffe – who have complementary investment skills and backgrounds relevant to the Fund's business. The investment team receives full support from the in-depth industry knowledge of the entire cross-Atlantic and pan-European LSP organisation. The Fund Manager is further supported by LSP's established, global network of advisors and experts who bring specific expertise essential for performing in-depth due diligence on potential and existing investee companies.

Investment case and strategy. Risks

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 and United States companies listed on one of the (main) stock exchanges, with a market capitalization of below EUR 2.5 billion at the time of investment. The Fund Manager believes that in particular this sub-segment of companies – generally referred to as the small- and midcap- segment – offers great potential for value growth. Typically, these companies will have developed a suite of innovative technologies that offer benefit over existing technologies and approaches. In addition, these companies have frequently established a product development pipeline that consists of therapeutics that have the potential to offer clinical benefit to a large and/or underserved market. The Fund intends to specifically target those companies that are projected to realize important clinical, regulatory or commercial milestones, value-enhancing partnerships and/or offer M&A potential. By doing so, the Fund expects to benefit from the significant value increases that usually accompany the announcement of such milestones, partnerships or M&A transactions.

Investors should realize that an investment in the Fund carries a high degree of risk. There can be no assurance that the Fund's investment policy will be successful or that the Fund will achieve

its Investment Objectives. The value of the Fund's Investments and the Shares may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments (past performance is not a guarantee of future results). Accordingly, Investors may lose all or part of their investment in the Fund. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and potential lack of liquidity inherent in the Fund. These, and other risks, are described in more detail in the non-exhaustive list of risks in Section 4 of this Prospectus. Potential Investors should review this Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and subsequently rely upon their own investigation of risk factors associated with a potential investment in the Fund.

Legal, tax and regulatory aspects of the Fund

Legal structure

The Fund is a public company (*naamloze vennootschap*, abbreviated *N.V.*) with the status of investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*) organised and established under the laws of The Netherlands. The Fund has been established for an indefinite period of time. The key documents governing the Fund are the Fund's Articles of Association and this Prospectus.

All Shares of the Fund are registered Shares. No share certificates will be issued. To all Shares are attached equal voting, profit and distribution rights. The Shares are listed on Euronext Amsterdam. The Shares are traded in accordance with the Euronext Fund Service system for open end investment funds. Shares may be made available through, but not limited to, Euroclear (including FundSettle), Clearstream (including Vestima), and/or other centralised management systems, at the terms and conditions described in this Prospectus.

Tax

The Fund qualifies as a tax-exempt investment fund (*vrijgestelde beleggingsinstelling*) within the meaning of Article 6a of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*). Accordingly, the Fund is not subject to Dutch corporate income tax.

The Fund does not qualify as a resident (*inwoner*) of The Netherlands for the purposes of double tax treaties The Netherlands has concluded with other jurisdictions, as a result of which the Fund shall not be entitled to any treaty benefits.

Distributions by the Fund in respect of the Shares are not subject to withholding tax. The subscription, issue, placement, delivery or transfer of Shares is not subject to registration tax, transfer tax, stamp duty, or any other similar tax or duty in The Netherlands.

Please refer to Section 11 of this Prospectus for a more detailed description of taxation aspects with respect to Dutch resident Investors and non-Dutch resident Investors.

Regulatory position of the Fund

The Fund Manager is authorised by the AFM to act as manager (*beheerder*) of investment institutions in The Netherlands and has for this purpose been granted a licence under the FMSA. Pursuant to the FMSA the AFM and DNB are the joint supervisory authorities.

Fund governance

The Fund is managed by LSP Advisory B.V. as sole managing director (*bestuurder*) of the Fund.

The Fund has a Supervisory Board, comprising at least two (2) members and no more than five (5) members. It is the intention that the Supervisory Board will at all times consist of members with relevant expertise on the Fund's business. The principal duties and responsibilities of the Supervisory Board include (i) the supervision of the management of the Fund as performed by the Fund Manager as well as to supervise the general course of affairs of the Fund, and (ii) resolving any conflict of interest situation the Fund is involved in.

(Prospective) Investors should realize that they are not permitted to engage in the investment operations of the Fund and that they do not have any (voting) rights to interfere in the related decision taking of the Fund Manager. Although certain decisions will be subject to the prior approval of the Investors in accordance with the relevant provisions of the Articles of Association, the Fund Manager can make decisions which Investors do not agree to. In such a situation, an Investor can decide to dispose of its interest in the Fund, however subject to and in accordance with the applicable terms as set forth in this Prospectus and the Articles of Association.

Costs and expenses

Section 8 of this Prospectus mentions all costs and expenses related to the organisation, management and transactions of the Fund which will be paid by or charged to the Fund and accordingly result in a reduction of the Fund's Net Asset Value. These costs are divided in several cost categories, including transaction costs, Fund operational costs, Management Fee, Performance Fee and Establishment Expenses.

The Fund operational costs are forecasted to amount to EUR 337,500 per annum for an average fund size of EUR 75 million. The annual Management Fee due by the Fund to the Fund Manager equals 1.5% per annum of the Net Asset Value. In addition to the Management Fee, the Fund Manager is entitled to receive a Performance Fee of twenty per cent (20%) of the increase (if any) in the Net Asset Value per Share accrued during each Fee Period. The Performance Fee is subject to a perpetual high watermark. The Fund bears its own expenses in connection with the establishment of the Fund. These Establishment Expenses in the amount of EUR 195,248 have been capitalized at the level of the Fund and are amortized over a period of 5 (five) years in accordance with the applicable provisions of Dutch GAAP.

The Ongoing Charges Figure (OCF) is the total amount of costs the Fund incurred in a year - except for transaction costs, interest on borrowings and Performance Fee - expressed as a percentage of the Fund's average Net Asset Value for the year concerned. The OCF is published annually in the Fund's annual accounts.

Distribution policy

As the investment objective of the Fund is to achieve capital appreciation, frequent and regular distributions of Net Proceeds by the Fund are not intended nor anticipated. Such Net Proceeds will in principle be re-invested. However, the Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the investment objectives of the Fund. All distributions to the Investors will be made *pro rata* to the number of Shares held by each of them.

Acquisition, transfer and redemption of Shares in the Fund. Applicable restrictions

As a listed open end investment fund, its Shares will normally be traded once each Trading Day in accordance with the Euronext Fund Service system and the Fund is, in principle, subject to the restrictions set out in this Prospectus, willing to sell and repurchase Shares each Trading Day.

The Fund has appointed KAS Bank N.V. as Fund Agent. The Fund Agent is responsible for the confirmation or refusal of orders in line with the terms set forth in this Prospectus and the Fund's Articles of Association and for publishing all realised transaction prices on the Euronext Amsterdam platform.

Buy and sell orders must be received by the Fund Agent before 16:00 CET (the cut-off time) on a Business Day in order to be executed the following Trading Day. Only orders received by the Fund Agent before this cut-off time will (subject to confirmation by the Fund Agent) be executed the following Trading Day. Orders received after the cut-off time will not be executed the following Trading Day but one Trading Day later.

All confirmed orders will be settled through Euroclear Nederland. Orders will be executed at the NAV per Share as calculated at 10:00 CET the following Trading Day. However, in case the balance of the buy and sell orders settled on the execution day requires a net sale or issuance of

Shares by the Fund, orders will be settled at the aforementioned NAV increased by a premium on behalf of the Fund expressed as a certain percentage of this NAV. In case the balance of the buy and sell orders settled on the Execution Day requires a net repurchase of Shares by the Fund, orders will be settled at the aforementioned NAV reduced by a charge on behalf of the Fund expressed as a certain percentage of the NAV. At present, the percentage of the premium and charge is set at 0% but is subject to annual review and amendment when appropriate.

If on a Trading Day the net result of demand for and offer of Shares would require the sale by the Fund of previously repurchased Shares or the issuance of new Shares, the Fund is in principle prepared to do so, subject however to the restrictions described in Section 7 of this Prospectus.

If on a Trading Day the net result of demand for and offer of Shares would require the repurchase by the Fund of Shares, the Fund is in principle prepared to do so, subject however to the restrictions described in Section 7 of this Prospectus, which *inter alia* include the restriction that the Fund Manager may suspend the repurchase of Shares if and to the extent the aggregate number of Shares repurchased in the calendar quarter concerned reduced by the aggregate number of Shares sold or issued by the Fund in that calendar quarter would exceed 10% of the number of Shares outstanding on the first Trading Day of that calendar quarter.

2. DEFINITIONS

In this Prospectus the following capitalised terms have the following meanings (unless the context otherwise requires):

"Administrator"	means KAS Bank N.V. being the administrator of the Fund, or such other administrator of the Fund as may be appointed from time to time;
"Affiliate"	means an entity or individual directly or indirectly controlling or controlled by or under common control with the party at issue;
"AFM"	means the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
"AIFMD"	means the Alternative Investment Fund Managers Directive 2011/61/EU
"AIFMD Regulation"	means the European Commission Delegated Regulation 231/2013
"AIFMD Rules"	means the requirements of the AIFMD as implemented in Dutch law, the requirements of the AIFMD Regulation which are directly applicable in the Netherlands, and any other regulatory requirements applicable in the Netherlands which implement the AIFMD
"Articles of Association"	means the articles of association (<i>statuten</i>) of the Fund;
"Auditor"	means KPMG Accountants N.V. or such other accountant as appointed from time to time by the Investors;
"Bgfo"	means the Decree on Market Conduct Supervision of Financial Business under the FMSA (as amended from time to time);
"Business Day"	means any day on which banks are generally open for business in The Netherlands;
"Custody Bank"	means KAS Bank N.V.;
"Depository"	means KAS Trust & Depository Services B.V. being the depository of the Fund, or such other depository of the Fund as may be appointed from time to time;
"DNB"	means De Nederlandsche Bank N.V., the central bank of The Netherlands;
"Dutch GAAP"	means the Generally Accepted Accounting Principles in the Netherlands;
"Euribor"	means the Euribor, the Euro Interbank Offered Rate, interest rate for the Euro zone;

"EUR" or "euro"	means the Euro, the single currency of the participating member states of the European Union;
"Establishment Expenses"	means all costs incurred in connection with the formation of the Fund as set forth in Section 8 of this Prospectus;
"Fee Period"	means the periods of time in respect of which the Performance Fee will be determined, being the period up to 31 December 2011 for the first year and thereafter each calendar year;
"FMSA"	means the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>);
"Fund"	means LSP Life Sciences Fund N.V.;
"Fund Agent"	means KAS Bank N.V. being the agent of the Fund for Euronext trading purposes, or such other fund agent as may be appointed from time to time;
"Fund Assets"	means all securities and other assets (<i>goederen</i>), including cash, that are acquired and held by the Fund;
"Fund Manager"	means LSP Advisory B.V., being the managing director (<i>bestuurder</i>) of the Fund, or such other managing director as appointed from time to time in accordance with the Articles of Association;
"Fund Manager's Website"	means the website of the Fund/Fund Manager: http://www.lspvc.com/funds/public.html ;
"Fund Liabilities"	means the liabilities assumed and/or incurred by the Fund;
"Fund's Registration Document"	means the Fund's registration document, as meant in article 4:48 FMSA, as published on the Fund Manager's Website;
"Hurdle"	means EUR 100.00 plus eight percent (8%) per annum cumulative and compounded since inception of the Fund;
"Institutional Portfolio"	means the portfolio of mainly European small- and mid-cap, publicly listed life sciences companies, built and maintained between May 2008 and December 2011 with the advice of the Fund Manager by a large European institutional investor;
"Investment"	means any investment made by the Fund;
"Investment Objectives"	means the investment objectives of the Fund as set forth in Section 3 of this Prospectus;
"Investment Restrictions"	means the investment restrictions to be observed by the Fund as set forth in Section 3 of this Prospectus;

"Investor"	means a person who, as holder of Shares (<i>aandeelhouder</i>), is an investor in the Fund;
"Management Agreement"	means the management agreement between the Fund and the Fund Manager, setting forth the key terms of the relationship between them;
"Management Fee"	means the fixed part of the fee due by the Fund to the Fund Manager as remuneration for its management of the Fund as set forth in Section 8 of this Prospectus;
"Net Asset Value" or "NAV"	means the balance, expressed in euro, of the value of the Fund Assets and the value of the Fund Liabilities, all presented in accordance with Dutch GAAP as selected by the Fund;
"Net Proceeds"	means all dividends and interest and all divestment, redemption and other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making reasonable reservation for any liabilities and expenses of the Fund;
"Ordinary Consent"	means the consent of Investors expressed by resolution taken with a majority of more than 50% of the votes cast;
"Performance Fee"	means the performance-related part of the fee due by the Fund to the Fund Manager as remuneration for its management of the Fund as set forth in Section 8 of this Prospectus;
"PIPE"	means Private Investment in Public Equity, a transaction in which accredited investors are allowed to purchase stock in a public company;
"Prospectus"	means this prospectus relating to the Fund, as amended from time to time;
"Share"	means an ordinary share (<i>gewoon aandeel</i>) with a par value of EUR 1 (one euro) in the capital of the Fund;
"Special Consent"	means the consent of Investors expressed by resolution taken with a majority of at least 66 2/3% of the votes cast, representing more than 50% of the issued and outstanding Shares;
"Supervisory Board"	means the supervisory board (<i>raad van commissarissen</i>) of the Fund;
"Trading Day"	means each day Euronext Amsterdam is open for trading;
"Valuation Day"	means each day the Fund calculates the Net Asset Value, which is every Trading Day except when the calculation of the Net Asset Value is suspended.

3. **THE INVESTMENT OPPORTUNITY. OBJECTIVES, STRATEGY AND RESTRICTIONS**

LSP Life Sciences Fund N.V. Introduction

With the Fund, LSP aims to provide investors access to the high tech/high growth (medical) life sciences sector - an area also generally referred to as the biopharmaceutical or “(human) life sciences” sector - which offers investment opportunities with significant upside and investment return potential. Crucially however, given the diversity and complexity of this science-driven and highly technical sector, LSP believes that specialist knowledge is essential to identify, analyze and monitor the most promising investment opportunities. As a pioneer of the European life sciences investment industry, LSP has been actively investing in this sector for over two decades and has built - in-house - a degree of experience and expertise that enables it to find and assess investment opportunities that typically fall outside the scope and capabilities of more generalist or less sophisticated investors.

The Fund builds on LSP’s experience and investment track record in the life sciences market. Key to the firm’s success to date has been its one sector specialization and – hence – its deep and fundamental understanding of the life sciences sector. LSP’s in-house team of investment professionals bring specialised life sciences investment skills. Coupled to its global advisory network of clinicians, scientists, pharma and biotech executives, regulatory policy makers and academic thought leaders, LSP believes that it has built a unique knowledge base. It is this proprietary expertise and network that is being applied to seek, find and monitor the most promising companies active in the sector and to which LSP offers indirect access via the Fund.

The Fund has been established to raise funds from investors with the aim to build an investment portfolio that offers absolute return potential. The Fund is managed (through the Fund Manager) by the same individuals who have been responsible on behalf of LSP Advisory B.V. for performing the services under an Investment Advisory Agreement with a large European institutional investor between April 2008 and December 2011. Based on this agreement, LSP Advisory B.V. entered into a strategic relationship with this investor for the purpose of leveraging LSP’s specialist investment expertise to advise the investor on building and maintaining a portfolio of mainly European small- and mid-cap, publicly listed life sciences companies (the “Institutional Portfolio”). Between May 2008 and December 2011, the investment returns of the Institutional Portfolio were strong. This performance track record is captured in the so-called ‘Life Sciences Growth’ composite of the Fund Manager. Please refer to the Fund Manager’s Website for the latest available GIPS performance data of the Life Sciences Growth composite. The Fund Manager has applied and will apply going forward, the same investment strategy with the same investment guidelines and restrictions for the Fund as have been applied successfully for the Institutional Portfolio during the period 2008 – 2011 and for the Fund from April 2011 to date.

Investment Objectives

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 and American companies listed on one of the (main) stock exchanges, with a market capitalization of below EUR 2.5 billion at the time of investment. The Fund will invest in life sciences companies that are listed on any of the regulated stock exchanges in Europe or in the US, including – but not limited to – those in Amsterdam, Brussels, Paris, Frankfurt, London, Stockholm, Copenhagen, Zurich, Dublin, Madrid, and the NASDAQ. The Fund Manager believes that in particular this sub-segment of companies – generally referred to as the small- and midcap- segment – offers great potential for value growth. Typically, these companies will have developed a suite of innovative technologies that offer benefit over existing technologies and approaches. In addition, these companies have frequently established a product development pipeline that consists of therapeutics that have the potential to offer clinical benefit to a large and/or underserved market. The Fund intends to specifically target those companies that are projected to realize important clinical, regulatory or commercial milestones, value-enhancing partnerships and/or offer M&A

potential. By doing so, the Fund expects to benefit from the significant value increases that usually accompany the announcement of such milestones, partnerships or M&A transactions.

Investment Guidelines

The Fund endeavours to realize its Investment Objectives by adhering to the following key investment guidelines:

- The Fund will invest in small- and mid-cap, publicly listed life sciences companies, primarily in Europe. The Fund will be able to invest in any type of primary and/or secondary offering (including IPOs, rights offerings, follow-on offerings, PIPEs, direct equity offerings, growth opportunities, M&A financings, block trades, open market transactions, etc);
- The Fund will pro-actively manage the size and composition of its investment portfolio, whilst diversifying the risk profile by spreading investments across clinical stage of development, disease indication, geography, maturity, technology field, business model, area of focus, etc.;
- The Fund will actively manage each single interest in its portfolio companies;
- The Fund will seek to create strategic investment opportunities where appropriate;
- The Fund intends to build a concentrated portfolio, with typical investment sizes of 4 to 10% of the total fund size per investment. For example, based on a fund size of EUR 75 million, the typical investment size would be EUR 3 to 6 million per investment, to grow or decrease in conjunction with the growth or reduction of the fund's size; on average, the portfolio would consist of approximately 15 companies; and
- The Fund's typical holding period will vary between a few weeks or months to several years per investment, depending on company-specific factors such as liquidity, market capitalization, timing of news flow and long-term outlook.

Investment Restrictions and Permitted Borrowings

The Fund will observe restrictions and internal risk management guidelines, which will include investing in accordance with the following Investment Restrictions:

- The Fund will invest exclusively in publicly-traded life sciences companies, assuming long equity positions only;
- The Fund will focus on investing in small- and mid-cap companies, and will not invest more than 20% of the total fund size in companies with a market cap larger than EUR 2.5 billion at the time of investment;
- The Fund will not invest more than 15% of the total fund size (at the time of investment) in one single company.

On a case-by-case basis, the Fund's Supervisory Board may permit the Fund Manager to deviate from these investment restrictions.

Currency; idle funds

The Fund's available capital can be invested in euro as well as in foreign currency, whereby any currency risk can be hedged at the discretion of the Fund Manager. Temporarily idle funds may be invested in such a way to offer as satisfactory a level of liquidity as possible (for example in short term fixed income instruments).

Leverage

The Fund may use leverage for investment management purposes, by entering into a credit facility with one or more reputable credit institutions. The use of leverage in the investment strategy may increase or decrease the return on Investments on a case by case basis, depending on the performance of the investee company, and may increase the risk profile of the Fund and can affect the profitability of the Fund. If the Fund Manager would enter into such a credit facility with a reputable credit institution, the maximum borrowing is capped at 20% of the Fund's NAV. The amount of borrowing will be reported in the (semi)-annual report.

In the (semi-) annual report the Fund Manager will inform Investors about the nature of the right of re-use of collateral and/or any guarantee under the leveraging arrangements (if any) entered into with credit institutions.

Investments in other funds and investment entities

The Fund may not directly or indirectly invest in other investment funds.

Securities Lending

The Fund will not engage in securities lending.

The life sciences markets

The life sciences industry is large, innovative, and growing. This growth is driven by fundamental demographic and economic trends: an aging population, increasing demand for better quality of life, and rising global economic prosperity. These factors, in combination with the current inability to effectively treat numerous serious diseases, drive the need for more and better drugs. The objective of life sciences companies is to understand disease mechanisms at their most fundamental level. It is this knowledge that enables the development of innovative drugs, tools and technologies that offer new treatment or diagnosis options for life-threatening and debilitating diseases and conditions, such as cancer, infectious diseases, Alzheimer's disease, etc. This advantage, coupled to the continuous need for innovation and increased productivity within large pharmaceutical companies, their potentially declining sales outlook due to key patent expirations and their need to grow by acquisition, is turning life sciences companies into the R&D engine of the pharmaceutical industry. The value growth associated with the ever increasing output of that engine – better medicines for more people - is what the Fund intends to capitalize on.

Within the life sciences industry, the Fund will focus on small- and mid-cap listed companies. Such companies frequently have a sub-critical mass combined with a relatively low free float, and attract only limited research analyst coverage for their shares, resulting in what can be described as an imperfect market environment. The Fund Manager believes that, for those investors that have the required in-depth specialized sector knowledge and investment expertise, this pool of companies provides a significant opportunity to carefully evaluate and select the most promising investment opportunities. Based on its experience, its in-depth understanding of the life sciences market and its extensive network of industry contacts, the Fund Manager believes that it is well-positioned to capitalize on this opportunity.

The Fund Manager also regards Europe as a highly interesting region for life sciences investing due to the increasingly entrepreneurial spirit and the quality of science in the European life sciences community. In addition, the Fund Manager believes that many companies operating in the European life sciences industry are well-positioned to reach important value inflection points in the foreseeable future, as their products progress through key product development, regulatory and commercial events. If positive, such events may enhance the value of the company on the stock exchange as well as its strategic appeal to potential acquirers, as witnessed by a number of recent acquisitions of European life sciences companies by larger (bio)pharmaceutical entities. The Fund Manager believes that it is well-positioned to take advantage of this opportunity, based

on its extensive knowledge base and established contact network with the vast majority of publicly listed life sciences companies in Europe.

The Fund's operation and investment processes

Investment process

The Fund Manager applies a fundamental due diligence process to any potential investee company, with the aim of achieving long term value growth for its investors. The Fund Manager relies on a pro-active investment approach, which includes regular visits to investee companies, continuous interactions with their senior managers and comprehensive analyses of their businesses, both before and after investing. In addition, the Fund Manager will continuously monitor developments in the life sciences markets which may be of relevance to current or potential investee companies and their competitors.

For its analyses, the Fund Manager makes use of specialized expertise both in-house and externally, leveraging its broad and global network of clinicians, biotech and pharma executives, scientists, regulatory experts and consultants. Each element of the investment process is executed in a highly disciplined manner and in conformity with the Fund's Investment Objectives and Investment Restrictions.

Investment criteria

The Fund targets Investments in companies that demonstrate the following characteristics:

- Availability of one or more highly innovative products or technologies targeting a significant unmet medical and/or commercial need;
- Presence of sustainable competitive advantages and a sound intellectual property position;
- Feasibility of key milestone achievement within pre-defined time frames;
- Attractiveness of valuation as well as key financial and capital markets criteria; and
- High quality management.

Realization of Investments

The exit strategy, with regard to both timing and nature of a potential disposition, is driven by the needs, prospects and performance of each individual investee company. Once the Fund determines that an investee company has reached an optimum in terms of value creation in the foreseeable future, a sale will be pursued. Interests in significantly underperforming investee companies will in principle be sold, unless the Fund believes that an underperforming investee company is well-positioned to recover its losses in the short to midterm. Key factors in any selling decision include, amongst others, the relevant share price performance, expected (near) future corporate news flow, prevailing market conditions and the availability of other investment opportunities.

Management participation in the Fund

In order to demonstrate its full confidence in the Fund and to align its interest with that of the Investors, persons affiliated to the Fund Manager and LSP have participated in the Fund for an amount in excess of EUR 1,000,000 (one million euro) at the launch of the Fund. This investment was subject to a lock-up period which has expired on 27 April 2013. Each year the Fund Manager reports the interests of the employees of the Fund Manager, LSP or its affiliates in the Annual Report. The management participation in the Fund has been structured such that the investment is compatible with all applicable rules, regulations and best practices.

4. **RISK FACTORS**

Introduction

In this Section 4, a reference to the Fund includes a reference to the Investments as the case may be. An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund's investment policy will be successful or that the Fund will achieve its Investment Objectives. The value of the Fund's Investments and the Shares may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments (past performance is not a guarantee of future results). Accordingly, Investors may lose all or part of their investment in the Fund. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and potential lack of liquidity inherent in the Fund. Potential Investors should consider, among others, the non-exhaustive list of risks mentioned below, review this Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and subsequently rely upon their own investigation of risk factors associated with a potential investment. Investors should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

An investment in the Fund involves certain risks and uncertainties relating to the Fund's structure and Investment Objectives which prospective Investors should evaluate before making a decision to subscribe for Shares. The risks described in this Section 4 are categorized in six categories. The Fund Manager deems that between these categories no responsible priority ranking can be made. Within each category the risks are mentioned in order of priority though this priority ranking is and can be based on a fair assessment by the Fund Manager only. Although it is believed that the risks and uncertainties in this Section 4 are the most important risks and uncertainties, these are not the only ones the Fund and the Fund Manager face. Additional risks and uncertainties not presently known to the Fund or that are currently deemed immaterial may also have a material adverse effect on the Fund's business, results of operations or financial condition and could negatively affect the NAV.

General risks associated with investments

General Economic Conditions

General economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of Investments made by the Fund or considered for prospective Investment.

Market Risk

The prices of financial instruments on the financial markets in general and more specifically the prices of financial instruments issued by companies involved in the life sciences industry can fall. A careful selection and spread of investments does not provide any guarantee of positive results.

Counter-party risk

The Fund will be subject to the risk of the inability or refusal of dealers, brokers, clearing and payment institutions, custodians, principals or other service providers, issuing entities or other counterparties to its transactions to duly and timely perform under such services or transactions. Any such shortcoming, failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. It is expected that the Fund will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counter-parties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

Political Risk

Political risk may include changes in the current government by political landslides, social unrest, riots, (civil) war and terrorism.

Specific risks associated with investments in life sciences companies

Price volatility

The stock prices of companies involved in the life sciences industry have been and will likely continue to be volatile. Stock prices could be subject to wide fluctuations in response to a variety of factors, including the following:

- General market fluctuations, including inflation;
- Actual or anticipated variations in companies' operating results;
- Announcements of technological innovations by competitors;
- Changes in financial estimates by securities analysts;
- Changes in the market valuations of life sciences companies;
- Legal or regulatory developments affecting companies in the life sciences industry;
- Announcement by life sciences companies or their competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; or
- Additions or departures of key personnel.

Many life sciences companies do not or in the future might not have earnings. As a result, the trading prices of life sciences companies may decline substantially and valuations may not be sustained. Any negative change in the public's perception of the prospects of life sciences companies, generally could depress the stock prices of a particular company regardless of its results. Other broad market and industry factors may decrease the stock price of life sciences stocks, regardless of their operating results. Market fluctuations, as well as general political and economic conditions such as recession or interest rate or currency rate fluctuations, also may decrease the market price of life sciences stocks.

Liquidity

The ability of the Fund to sell particular Investments may be seriously restricted as a result of legal restrictions, low market capacity and the size of the positions. In addition, the prices of life sciences shares are frequently volatile. In consequence, the liquidation of such Investments may prove to be difficult and prolonged, and may under circumstances only be possible if a (considerable) price loss is accepted.

Research and Development

Successful product or technology development in the life sciences industry is highly uncertain and only a small number of research and development programs will result in the marketing and sale of a new product or technology. Many products and technologies that appear promising may fail to reach the market for many reasons, including results indicating lack of effectiveness or harmful side effects in clinical or pre-clinical testing, failure to receive necessary regulatory approvals, uneconomical manufacturing costs or competing proprietary rights. In addition, there is no certainty that any product or technology in development will achieve market acceptance from the medical community, third party payers or individual users.

Government regulation

Products and technologies offered by life sciences companies are subject to strict regulation by the FDA (USA), EMEA (Europe) and similar agencies in other jurisdictions. Many of the products require extensive pre-clinical testing, clinical trials, other testing, government review and final approval before any marketing of the product will be permitted. This procedure could take a number of years and involves the expenditure of substantial resources. The success of a

life sciences company's current or future products will depend, in part, upon obtaining and maintaining regulatory approval to market products and, once approved, complying with the continued review by regulatory agencies. The failure to obtain necessary government approvals, the restriction of existing approvals, loss of or change to previously obtained approvals or the failure to comply with regulatory requirements could result in fines, unanticipated expenditures, product delays, non-approval or recall, interruption of production and criminal prosecution. Even if regulatory approval is granted for a product, the approval may be limited to only specific applications for which the product or technology is useful, as demonstrated through clinical trials.

Patent protection

The success of many life sciences companies is highly dependent on a life sciences company's ability to obtain patents on current and future products and technologies, to defend its existing patents and trade secrets and operate in a manner that does not infringe on the proprietary rights of other life sciences companies. Patent disputes are frequent and can preclude the successful commercial introduction of products and technologies. As a result, there is significant litigation risk in the life sciences industry regarding patent and other intellectual property rights. Litigation is costly and could subject a life sciences company to significant liabilities to third parties. In addition, a life sciences company could be forced to obtain costly third-party licenses or cease using the technology with respect to the product in dispute.

Rapid technological change and competition

The life sciences industry is highly competitive and requires extensive research and development efforts, in part because it is subject to rapid and substantial technological changes. Life sciences companies will face continued competition as new products enter the market and advanced technologies become available. The success of a life sciences company will depend on its ability to develop products and technologies that are at least as clinically effective or cost-effective as its competitors' products and technologies or that would render its competitors' products and technologies obsolete or uncompetitive.

Pricing and third party reimbursement

Life sciences companies will continue to be affected by the efforts of government and third party payors, such as government health organisations, private health insurers and health maintenance organisations, to contain or reduce health care costs. For example, in certain markets pricing or profitability of life sciences products and technologies is subject to control. An increasing emphasis in many countries on the overall reduction of health care costs will continue to put pressure on the pricing of products and technologies of life sciences companies. The announcement or adoption of such proposals could have a material adverse effect on life sciences companies' business and financial condition. Further, the sales of the products of many life sciences companies are often dependent (in part) on the availability of third party reimbursement from third party payers. Third party payers are increasingly challenging the prices charged for health care products and technologies and denying or limiting coverage for new products. Even if a life sciences company can bring a product or technology to the market, there can be no assurance that these products or technologies will be considered cost-effective by third party payers and that sufficient reimbursement will be available to consumers to allow for the sale of the products and services on a profitable basis.

Dependency on key personnel

The success of many life sciences companies is highly dependent on the experience, abilities and continued service of key executive officers and key scientific personnel. If these companies lose the service of any of these officers or key scientific personnel, their future success could be undermined. The success of many life sciences companies also depends upon their ability to attract and retain other highly qualified scientific, managerial sales and manufacturing personnel and their ability to develop and maintain relationships with qualified clinical researchers. Competition for such personnel and relationships is intense and many of these companies compete with each other and with universities and non-profit research organisations. There is no

certainty that any of these life sciences companies will be able to continue to attract and retain qualified personnel or develop and maintain relationships with clinical researchers.

Product liability costs

The testing, manufacturing, marketing and sale of many of the products and technologies developed by life sciences companies inherently expose these companies to potential product liability risks. Many life sciences companies obtain limited product liability insurance and, furthermore, there can be no assurance that a life sciences company will be able to maintain its product liability insurance on reasonable terms or that any product liability insurance obtained will provide adequate coverage against potential liabilities.

Risks relating to the Fund Manager

Key personnel

The Fund's success will depend, to a great extent, upon the Fund Manager's ability to attract and retain qualified personnel and the Fund Manager's ability to develop and maintain relationships with relevant members of the life sciences community. Competition for these people and relationships is intense. Any inability the Fund Manager experiences to continue to attract and retain qualified personnel or develop and maintain key relationships could have an adverse effect on its ability to achieve the Fund's Investment Objectives.

No direct control of Investors

Investors are not permitted to engage in the investment operations of the Fund and do not have any (voting) rights to interfere in the related decision taking of the Fund Manager. The Fund Manager can make decisions which Investors do not agree to. In such a situation, an Investor can decide to dispose of its interest in the Fund, however subject to the applicable terms and restrictions as set forth in this Prospectus and the Articles of Association. The Investors can as well resolve to remove the Fund Manager, albeit subject to a certain qualified majority as referred to in this Prospectus voting in favour of the removal proposal.

Extraordinary events occurring in respect of the Fund Manager

Bankruptcy or other extraordinary events occurring in respect of the Fund Manager may impede the continuation of the position of the Fund Manager as manager of the Fund. Under such circumstances the Supervisory Board must search and select, subject to the approval of the Investors, a successor Fund Manager which under circumstances may be a process involving more time than expected.

Risks relating to the Custody Bank and the Depositary

Due to the insolvency, the negligence or fraudulent actions of the Custody Bank and the Depositary or other parties used for the custody of assets of the Fund, the value of the Shares may decline.

Risks relating to the Fund

Past performance not indicative for future results

No assurance can be given that the strategies employed by the Fund Manager in the past to manage the Institutional Portfolio or the Fund, will continue to be successful or that the returns on the Fund's Investments will be similar to those achieved in the past by the Fund Manager. In addition, the performance of the Fund Manager in connection with either the Institutional Portfolio or the Fund in the past is not necessarily indicative of the results that will be achieved by the Fund in the future.

Concentration risk (lack of diversification)

The Fund will seek to create a concentrated portfolio of life sciences Investments that are diversified by sub-sector (indication area or technology), geographic location, type of Investment (IPOs, rights offerings, follow-on offerings, PIPEs, direct equity offerings, open market transactions, etc.), business model, area of focus, stage of development, etc. in order to achieve a high level of risk diversification. However, subject to the Investment Restrictions, Investments may be weighted to certain indication and/or technologies and in certain geographic markets and there can be no guarantees as to the diversification of the Fund Assets. Events that impact life sciences companies in general, a specific Investment, a specific sub-sector or a region may have an impact on the Fund's performance.

Risk erosion Fund Assets

This risk of erosion of Fund Assets as a result of a repurchase of Shares is an inherent risk of an open-end investment fund, whereby the shares are freely tradable on the basis of demand for and offer of shares.

Foreign investments

The Fund will make Investments in a number of different foreign countries. With any investment in a foreign country, there exists the risk of adverse political, legal and tax developments, including nationalisation, confiscation without fair compensation, or war. Furthermore, in the case of investments in foreign securities or other assets, any fluctuation in currency exchange rates will affect the value of the investments, and any restriction imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency. Although the Fund will have risks in the applicable foreign countries analyzed before making such investments, no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an Investment by the Fund.

Foreign currency risk

The Fund's Investments will be in various currencies. Thus, Investors will be subject to fluctuations in currency exchange rates. The Fund will invest in life sciences companies in various countries. The Investments may be made and dominated in currencies other than Euro and the value of these currencies may fluctuate. To the extent that the Fund does not hedge the currency risks, the Net Asset Value can be impacted negatively.

Interest rate risk

Changes in interest rates can affect the Fund's profitability by affecting the expense of its interest-bearing liabilities, if any. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund.

Leverage

The Fund may use leverage for investment management purposes, by entering into a credit facility with one or more reputable credit institutions. The use of leverage in the investment strategy may increase or decrease the return on Investments on a case by case basis, depending on the performance of the listed investee company, and may increase the risk profile of the Fund and can affect the profitability of the Fund.

Third party involvement

The Fund may co-invest with third parties. Such investments could involve additional risk in the event that such third party has economic or business interests that are inconsistent with those of the Fund.

Unspecified Investments

The Investors will not have the opportunity to evaluate specific Investments prior to an investment therein. There can be no assurance that the Fund will be able to identify and make investments that meet its objectives. Investors must rely on the ability of the Fund Manager to identify structures and implement Investments in accordance with the Fund's Investment Objectives.

Availability of investment opportunities. Increased competition

The success of the Fund *inter alia* depends upon the ability of the Fund Manager to identify, recommend and consummate Investments that it believes offer the potential for superior returns and subsequently to realise them. The Fund will engage in a business which is competitive. The entry of competitors may adversely affect the Fund's ability to achieve its Investment Objectives. While the Fund Manager believes that attractive investment opportunities of the type in which the Fund intends to invest are currently available, there can be no assurance that such investment opportunities will be available when the Fund commences operations or that then available investments will meet the Fund's Investment Objective.

Changes in applicable law

The Fund must comply with various legal requirements, including requirements imposed by the securities laws and company laws in various jurisdictions, including the Netherlands. Should any of those laws change, the legal requirements to which the Fund and the Investors may be subject could differ materially from current requirements.

Taxation

An investment in the Fund involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Fund will have Investments, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Fund to its Investors. No assurance can be given on the actual level of taxation suffered by the Fund and the Investors. Investors should consult their own tax advisors on the tax implications for them of investing, holding and disposing of Shares and receiving distributions in respect of Shares in the Fund.

No unrestricted guarantee of redemption of Shares

Though the Fund is in principle prepared to repurchase Shares in case offer of Shares exceeds demand for Shares, this obligation of the Fund is subject to material restrictions and the Fund Manager may under circumstances suspend the repurchase of Shares (please see section 7 under "*Repurchase of Shares by the Fund*"). Consequently, Investors may be forced to hold Shares they want to sell, for instance in the situation following an amendment of this Prospectus or the Articles of Association they do not agree with, until the market situation changes, the restrictions do no longer have effect and/or the suspension of repurchase is lifted.

Distributions

As the investment objective of the Fund is to achieve capital appreciation, frequent and regular distributions of Net Proceeds by the Fund are not intended nor anticipated. In connection with the liquidation of the Fund, the Fund may hold securities for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments. As a result, such securities may be sold by the Fund at a price below that at which such securities may otherwise be sold at another time.

Risks relating to Conflicts of Interest

Other LSP Activities

The relationships between the Fund, LSP, the Fund Manager and their respective affiliates may present conflicts of interests regarding the entering into and structuring of transactions of the Fund. For example, unless otherwise disclosed in this Prospectus, any such party may invest, promote, manage, advise, sponsor or be otherwise involved in further (collective) investment schemes, private equity and venture capital investments evolving into listings and investments in listed securities. In addition, there could arise conflicts between the Fund and parties related to the Fund, LSP, the Fund Manager or parties advised by the Fund Manager (or from whom the Fund Manager has a mandate). While the Fund Manager and the Supervisory Board will take steps to alleviate such conflicts of interests in accordance with the principles as described in Section 6 of this Prospectus, such conflicts may not be entirely eliminated.

Diverse Investors

Investors may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests may relate to, among other things, the nature of Investments of the Fund, the structuring of Investments and the timing of disposition of Investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Fund Manager that may be more beneficial for one Investor than for another Investor, especially with respect to Investors' individual tax situations. The Fund Manager will consider the investment, tax and other interests of the Fund and its Investors as a whole, not the investment, tax or other interests of any Investor individually.

Effect of Performance Fee

The existence of the Performance may create an incentive for riskier or more speculative investments by the Fund than otherwise would be made in the absence of such performance-related part of the fee due to the Fund Manager.

5. LEGAL AND REGULATORY STRUCTURE OF THE FUND

Legal structure of the Fund

Legal form

The Fund is a public company (*naamloze vennootschap*, abbreviated *N.V.*) with the status of investment company with variable capital (*beleggingsmaatschappij met veranderlijk kapitaal*) organised and established under the laws of The Netherlands.

The Fund has its official seat (*zetel*) in Amsterdam and its principal offices at the offices of the Fund Manager, Johannes Vermeerplein 9, 1071 DV Amsterdam, The Netherlands. The Fund is registered in the Trade register (*handelsregister*) of the Chamber of Commerce in Amsterdam under file number 52545474.

The Fund has been established by the execution of its deed of incorporation before mr. Thomas Pieter van Duuren, civil law notary in Amsterdam. The Ministry of Justice granted the statement of no objections in respect of the incorporation of the Fund on the 15th day of April 2011 under number N.V. 1641174.

Feeder Entities

In order to facilitate specific tax, regulatory or other needs of certain (groups of) Investors, the Fund Manager may establish one or more feeder entities, providing Investors the opportunity to invest indirectly in the Fund.

Parallel Entities

In order to facilitate specific tax, regulatory or other needs of certain (groups of) Investors, the Fund Manager may establish one or more parallel fund entities, investing in parallel with the Fund.

Intermediary investment holding companies

The Fund Manager may structure the Fund's Investments through such intermediate holding structures as the Fund Manager deems in the best interests of the Fund in view of the legal, tax and/or regulatory requirements of the Fund and the Investors in the Fund.

Term and termination of the Fund

The Fund has been established for an indefinite period of time. The Fund shall terminate early on certain grounds specified in the Articles of Association.

Liquidation

Upon termination of the Fund, no further business shall be conducted except for such action necessary for the winding up of the affairs of the Fund. The balance left after the liquidation shall be paid, in cash or in kind, to the Investors (against cancellation of their Shares).

Key Fund documents. Governing law and jurisdiction

The key documents governing the Fund are:

1. the Fund's Articles of Association; and,
2. this Prospectus.

The key Fund documents are governed by Dutch law. The competent Dutch courts will have exclusive jurisdiction to settle any claims, actions or disputes arising out or in connection with the key Fund documents.

Amendment of the Articles of Association or this Prospectus

The Articles of Association may be amended by resolution of the Investors, taken by Ordinary Consent, but at the proposal of the Supervisory Board only. This Prospectus may be amended by the Fund Manager without any consent of the Investors being required, it being understood that the Fund Manager shall not so amend the Prospectus leading to inconsistency with the terms of the Articles of Association.

The Fund Manager shall on the Fund Manager's Website notify and inform the Investors of a proposed amendment of the Articles of Association and/or this Prospectus and publish an explanatory note on the proposed amendment. The Fund Manager shall accordingly on the Fund Manager's Website notify and inform the Investors of the amendment once implemented in case the amendment as effected deviates from the amendment as proposed.

An amendment of the Articles of Association and/or this Prospectus causing a reduction in the Investors' rights or security or imposing costs on the Investors does not become effective for the Investors until one (1) month after the date of notification of the proposed amendment. An amendment of the Articles of Association and/or this Prospectus implying a change to the investment policy of the Fund does not become effective until one (1) month after the date of notification of the proposed amendment. During this period of one (1) month the Investors have the right to dispose of their Shares under the ordinary conditions set forth in the Articles of Association and this Prospectus.

Regulatory position of the Fund. Supervision

The Fund Manager is authorised by the AFM to act as manager (*beheerder*) of investment institutions in The Netherlands and has for this purpose been granted a licence under the FMSA. Pursuant to the FMSA the AFM and DNB are the joint supervisory authorities.

The supervision by the AFM primarily relates to conduct of business whereas the supervision by the DNB focuses on prudential supervision. The FMSA regulates Dutch and non-Dutch investment institutions and their managers active in the Netherlands in the interest of investors and market integrity. A licence under the FMSA provides certain safeguards to investors as licences are only granted if requirements concerning expertise, integrity, capital adequacy, the conduct of business and information provision are satisfied. Furthermore, the Fund and the Fund Manager are subject to periodic reporting requirements and compliance with guidance and directions of the AFM and DNB. Notwithstanding the AFM's and DNB's supervision, it is inherent to the investments made by the Fund that Investors run a significant risk that their investment in the Fund may lose its value.

6. FUND MANAGEMENT AND GOVERNANCE

The Fund Manager and its key duties

Introduction

The Fund is managed by LSP Advisory B.V. as sole managing director (*bestuurder*) of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund's organisational documents and applicable laws.

LSP Advisory B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands having its official seat (*zetel*) in Amsterdam and its principal offices at Johannes Vermeerplein 9, 1071 DV Amsterdam, The Netherlands. The Fund Manager is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 34296447. The sole shareholder of LSP Advisory B.V. is LSP Advisory Group B.V. which has the same (corporate) address as LSP Advisory B.V. and is registered with the Trade Register of the Chamber of Commerce in Amsterdam under file number 62291254.

About LSP

LSP is a pioneer of the European life sciences industry, having developed the life sciences investment business of Euroventures Benelux from 1988 onwards, and subsequently founding various (closed end) private equity funds, including Life Sciences Partners I in 1998, Life Sciences Partners II in 2000, Life Sciences Partners III in 2005, the LSP Bioventures fund in 2006, Life Sciences Partners IV in 2008, the LSP Health Economics Fund in 2012 and Life Sciences Partners V in 2014.

Over the years, LSP has thus grown into one of Europe's most experienced and specialized investment firms with an exclusive focus on life sciences. With offices in Amsterdam, Munich and Boston and a dedicated team of seasoned investment professionals, the firm has built a strong track record and is backed by a blue-chip institutional investor base. More information about LSP, its organisation and activities can be found at its website www.lspvc.com.

LSP's franchise in public markets investing was established in April 2008, when LSP entered into an investment advisory agreement with a large European institutional investor to advise them on building and maintaining the Institutional Portfolio, and was extended in 2011 when the Fund was established. The Fund is managed by LSP Advisory BV. The LSP (closed end) private equity funds as mentioned above are managed by LSP Management Group B.V. and its subsidiaries. Both companies are managed by a different and separate management team, but do make use of certain joint back office resources and each other's expertise, subject to certain strict internal procedures and applicable rules and regulations. The shareholders of LSP Advisory Group B.V. (the sole shareholder of LSP Advisory B.V.) and LSP Management Group B.V. are the same (natural) persons.

Portfolio management

The Fund Manager's dedicated management and investment team will manage the Fund and identify, originate, structure and implement Investments for the Fund in accordance with the procedures set out in chapter 3 of this Prospectus. The team will devote all or substantially all of its time to the Fund and the other activities of the Fund Manager as described in the Fund's Registration Document.

Risk management

The Fund Manager has established and maintains a permanent risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to the Fund's investment strategy including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

The Fund Manager applies a comprehensive process based on qualitative and quantitative risk measures to assess the risks of the Fund entailing a standard monitoring process which consists of pre-defined monitoring items and cycles. As part of its investment policy, the Fund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in the Investment Guidelines and Investment Restrictions.

The overall exposure of the Fund will be calculated through the Value-at-Risk (VaR) methodology. The Value-at-Risk methodology provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. If risk limits have been exceeded or are likely to be exceeded this will be disclosed to Investors in the annual report of the Fund, together with a description of the circumstances and the remedial measures taken.

The risk management function of the Fund Manager supervises the compliance of these provisions in accordance with the requirements of applicable circulars or regulation issued by the AFM or any other European authority authorized to issue related regulation or technical standards.

Liquidity management

The Fund Manager employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of the Fund which includes, amongst others, tools and methods of measurement and the use of redemption simulations under both normal and exceptional circumstances. The Fund Manager ensures that the investment and financing strategy, the liquidity profile and the redemption policy are consistent.

Management Board of the Fund Manager. Key team members

The statutory management board (*bestuur*) of the Fund Manager directly determines the policy of the Fund. The management board of the Fund Manager consists of Mark Wegter, Joep Muijrsers and Geraldine O' Keeffe.

These individuals have complementary investment skills, and receive full support from the in-depth industry knowledge of the entire cross-Atlantic and pan-European LSP organisation. The Fund Manager is further supported by LSP's established, global network of advisors and experts who bring specific expertise essential for performing in-depth due diligence on potential and existing investee companies.

Mark A. Wegter (1969) joined LSP at its inception in 1998. Prior to joining LSP, Mark worked as a Senior Analyst at ING Corporate and Investment Banking, covering a wide range of companies and industries to which ING had significant financial exposure. Mark brings 20 years of hands-on finance and investment experience to the Fund Manager's team. Among others, Mark currently serves as Chairman of the supervisory board of Kiadis Pharmaceuticals, a company that is committed to curing various types of blood cancer. Mark holds a Master's degree in Business Economics from the Erasmus University of Rotterdam.

Joep P.P. Muijrsers, Ph.D. (1972) joined LSP in 2007. Prior to joining LSP, he held the position of Director Corporate Finance and Capital Markets at Fortis Investment Banking where he played a key role in the origination and execution of numerous financial and strategic transactions for healthcare companies, both in Europe and the US. Joep brings in-depth industry knowledge and strong analytical and investment skills to the Fund Manager's team. He has also gained business development and technological transfer experience in a commercial setting. Awarded a PhD in Molecular Biology by the prestigious European research institute EMBL in Heidelberg, Germany, Joep has a very strong scientific background. In addition, Joep holds a Master's degree in Biochemistry from the University of Nijmegen, The Netherlands.

Geraldine P. O'Keeffe (1966) joined LSP in 2008. Prior to joining LSP, she held the position of Senior Healthcare Analyst at Fortis Investment Banking. In that position, she researched a wide range of innovative life sciences companies, both in Europe and the US. Geraldine brings strong analytical and investment skills to the Fund Manager's team. Before joining the financial community, she worked within the life sciences industry for a number of years, gaining first-hand

product development experience in a commercial setting. Prior to working in the industry, she lectured in Biomedical Sciences for several years at the Dublin Institute of Technology. Geraldine has a very strong scientific background, including a Bachelor's degree in Biochemistry and Microbiology from University College Cork and a Master's degree in Biotechnology from University College Galway. She also conducted post-graduate research, inter alia at the prestigious Max Planck Institute for Biophysical Chemistry in Göttingen, Germany. In addition, Geraldine is also a graduate of The Dublin School of Business.

Supervisory Board of the Fund Manager

The Fund Manager has a supervisory board (*raad van commissarissen*) that will comprise of at least one member. The shareholders of the Fund Manager appoint the members of the supervisory board and determine their remuneration.

The supervisory board monitors and supervises the management (including risk management) of the Fund Manager in the interest of the Fund Manager itself, its shareholders, the funds managed by the Fund Manager and its other stakeholders (including clients). To fulfil this key role, the supervisory board has the possibility to subject certain resolutions of the management board of the Fund Manager to its prior approval. The supervisory board will also resolve cases of conflict of interest involving the Fund Manager.

Members of the supervisory board will meet at least quarterly and at such times as that a supervisory director or the managing director of the Fund Manager deem necessary.

Delegation of duties

The Fund Manager has delegated certain financial, accounting, administrative and other tasks to the Administrator and one or more other (external) service providers. For the Administrator and its duties see "*The Administrator*" below. When delegating tasks to third parties, the Fund Manager will comply with the requirements set out therefor in the AIFMD Rules.

Resignation and removal of the Fund Manager

The Fund Manager shall resign and can be removed as Fund Manager of the Fund on certain grounds set forth in the Articles of Association. In case of resignation or removal of the Fund Manager, the Investors shall by Ordinary Consent, from a binding nomination drawn up by the Fund's Supervisory Board, appoint a successor Fund Manager. The nomination may be deprived of its binding character by the Investors by Special Consent.

Other investment funds managed by and activities of the Fund Manager

The Fund Manager currently does not, but may in the future, act as manager of other investment funds. For an overview of the other activities of the Fund Manager reference is made to the Fund's Registration Document.

Management Agreement. Remuneration. Liability of the Fund Manager. Indemnification

The key details of the arrangements made between the Fund Manager and the Fund as reflected in this sub section "*The Fund Manager*" are laid down in the Management Agreement. The Management Agreement is entered into for an indefinite period of time but will terminate *inter alia* upon the removal by the Investors of the Fund Manager as board member (*bestuurder*) of the Fund.

As consideration for its services, the Fund Manager will be entitled to a Management Fee and a Performance Fee. Reference is made to Section 8. If the Fund Manager is removed by the Investors on grounds other than its culpable material breach (*verwijtbare materiële tekortkoming*) and/or fraud (*fraude*) in the performance of its duties under the Management Agreement the Fund Manager will be entitled to receive from the Fund a compensation for lost Management Fees equal to 1.5% of the Net Asset Value excluding (i.e. before deduction of) the accrued Management Fee and Performance Fee

The Fund Manager shall only be liable towards the Investors for a loss suffered by them in connection with the performance of its duties and responsibilities if and to the extent that such loss is directly caused by its (i) gross negligence (*grove schuld*), (ii) wilful default (*opzet*), (iii) culpable material breach of Fund-related agreements or (iv) fraud (*fraude*).

Subject to certain restrictions set forth in the Management Agreement, the Fund Manager will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund, and/or - at the discretion of the Fund Manager - the Fund will arrange for an adequate D&O insurance policy at the charge of the Fund. The Fund Manager will maintain additional own funds at least equal to 0.01% of the value of the portfolio of the Fund for covering potential liability risks.

The Administrator

The Fund has engaged KAS Bank N.V. to provide, subject to the overall direction of the Fund Manager, certain financial, accounting, administrative and other services to the Fund.

KAS Bank N.V. was incorporated in 1806 and has since grown into a solid, specialist European bank offering a wide range of securities and investor services. KAS Bank N.V.'s main target groups are institutional investors (pension funds, insurance companies, investment funds and asset managers) and financial institutions (banks and brokers). KAS Bank N.V. does not provide active asset management services itself and is fully independent, guaranteeing its absolute neutrality and autonomy. A low risk profile is an integral part of its services. KAS Bank N.V. has offices in Amsterdam, London and Frankfurt am Main.

Pursuant to an agreement between the Fund and the Administrator, the Administrator is responsible, *inter alia*, for the following matters under the general supervision of the Fund Manager:

- the general administration of the Fund Assets and Fund Liabilities;
- the periodic calculation of the Net Asset Value of the Fund and the Net Asset Value per Share; and,
- the provision of information to the Fund Manager to enable the Fund Manager to comply with financial and regulatory reporting obligations.

The Administrator will not provide any investment advisory or management services and therefore will not be in any way responsible for the Fund's performance. The Fund Manager reserves the right to, at its own discretion, change or terminate the administration agreement referred to above and/or to appoint a substituting Administrator.

The Custody Bank

KAS Bank N.V. acts as Custody Bank to the Fund. The Custody Bank provides, subject to overall direction of the Depository, custodial and banking services to the Fund.

The Custody Bank does not provide active asset management services itself and is fully independent, guaranteeing its absolute neutrality and autonomy. A low risk profile is an integral part of its services.

The Depository

The Depository of the Fund is KAS Trust & Depository Services B.V. The Depository does not perform any other activities than acting as depository for the Fund. The Depository was incorporated on the 3rd of October 2013. The Depository has its registered office in Amsterdam and is listed under number 58799168 in the trade register held by the Amsterdam Chamber of Commerce. KAS Trust & Depository Services B.V. is a fully owned subsidiary of KAS Bank N.V. The members of the board of directors of KAS Trust & Depository Services B.V are on the date hereof: S. F. Plesman, R. F. Kok, and J.N.P. Laan.

The Depositary shall be responsible for (i) the safekeeping of the fund assets, and (ii) the oversight and supervision of the Fund and the management of the Fund by the Fund Manager. The Depositary has outsourced the day-to-day execution of its custody tasks to KAS Bank N.V. The Depositary is entitled to discharge itself of liability for a loss of financial instruments, provided that all requirements of article 21(13) AIFMD have been taken into account (including amongst others (i) a written contract with the sub-custodian that expressly transfers the liability of the Depositary to that sub-custodian and makes it possible for the Fund to make a claim against the sub-custodian in respect of the loss of financial instruments and (ii) a written contract between the Depositary and the Fund, which expressly allows a discharge of the Depositary's liability and establishes the objective reason to contract such a discharge). The Fund Manager shall inform the Investors without undue delay of any arrangements made in order to effectuate such discharge. On request, a copy of the agreement between the Fund Manager and the Depositary can be made available for inspection at the offices of the Depositary where a copy can be obtained at cost price.

The Supervisory Board

Introduction. Composition of the Supervisory Board

The Fund has a Supervisory Board, comprising at least two (2) members and no more than five (5) members. The meeting of Investors shall from time to time determine the number of members of the Supervisory Board at a proposal of the Supervisory Board. It is the intention that the Supervisory Board will at all times consist of members with relevant expertise on the Fund's business.

The members of the Supervisory Board will be appointed (by Ordinary Consent) by the Investors from a binding nomination drawn up by the Supervisory Board. The nomination may be deprived of its binding character by the Investors by Special Consent. Members of the Supervisory Board will be appointed for a period of 2 years but can upon expiration of this period immediately be reappointed.

The current members of the Supervisory Board are:

Pauline Bieringa (1959) graduated in History and Art History at the University of Groningen in 1986, and holds an MBA from the Erasmus University in Rotterdam. From 1988-1990 she worked as Marketing Manager at a joint venture of engineering consultants and NMB Postbank, Networks, which she helped to create. Since 1990 she has been working in the banking sector. After having worked at ING's international division in Amsterdam and lastly in Frankfurt for 14 years, she joined Dutch public sector bank BNG in 2004, where, as Managing Director Public Finance, she is responsible for the bank's EUR 75 billion lending portfolio. She is a member of the Board of Advisors of the Open University Heerlen and Chairman of the Advisory Board of Hivos-Triodos Fund (microfinance) and a member of the Supervisory Board of the Dutch Kas Bank, a European specialist in wholesale securities services. Pauline serves as a member and the Chairman of the Supervisory Board of the Fund.

Onno Paymans (1967) holds a master in business economics from the Rotterdam Erasmus University and completed several post-doctoral marketing studies at the University of Groningen. In 1995 he joined the Bloemers Nassau Group and in 1999 he was appointed as manager marketing & commercial affairs. In 2002 he became director of Nassau Verzekerings Maatschappij N.V. which is part of Bloemers Nassau Group. He became actively involved in managing the company's investment portfolio. From 2005-2011 he also was board member of Leidsche Verzekerings Maatschappij N.V. Early 2011 Nassau Group was acquired by HDI-Gerling Verzekeringen N.V. As member of the executive board of HDI-Gerling Onno was responsible for the integration both in the Netherlands and abroad. In 2012 he became managing director at Meijers Assurantiën in Amstelveen. Meijers is one of the top 10 independent chartered insurance brokers in the Netherlands and part of a worldwide network (WBN) of independent risk management consultants and insurance brokers. Onno serves as a member of the Supervisory board of the Fund.

Hanso Idzerda (1946) graduated in law at the University of Leiden in 1970. He made his career in banking since, firstly at ABN Amro Bank (or at its legal predecessors) and from 1990 onwards for the ING Banking, Insurance and Asset Management Group. Hanso gained extensive experience in all aspects of financing, risk management and asset management, in his subsequent roles as Director Corporate Clients ING, Director Global Risk Management ING and Director ING Investment Management. In his role as Director Investment Management, Hanso held direct responsibility for managing the firm's multi-billion investment portfolio, one of the largest in The Netherlands at the time. Following his appointment as the CEO of C&E Bankiers, a wholly owned and full service subsidiary of ING, that specialized in private banking for high net worth individuals, Hanso joined the Management Board of Dutch private bank Van Lanschot back in 2004. There he held responsibility for the firm's securities and asset management business. Currently, following his retirement from van Lanschot, Hanso became a member of the Management Board of the Dutch VSB Funds and became a member of the supervisory boards of a number of Dutch pension funds. Hanso serves as a member of the Supervisory Board of the Fund.

Pauline Bieringa was reappointed during the annual Meeting of Investors in 2015. The current term of Pauline Bieringa as Supervisory Board member will end in 2017. Onno Paymans was reappointed during the annual Meeting of Investors in 2014. The current term of Onno Pajmans will end in 2016. Hanso Idzerda was appointed as member of the Supervisory Board during the annual Meeting of Investors in 2014. His current term as Supervisory Board member will end in 2016.

Duties and responsibilities of the Supervisory Board

The principal duties and responsibilities of the Supervisory Board are:

- to supervise the management of the Fund as performed by the Fund Manager as well as to supervise the general course of affairs of the Fund;
- to provide advice and overall policy guidance to the Fund Manager;
- to monitor the compliance by the Fund and the Fund Manager with the Fund's organisational documents and all regulations applicable to the Fund and/or the Fund Manager;
- to grant exemptions from the Investment Restrictions on a case by case basis; and
- to resolve any conflict of interest situation the Fund is involved in.

The Supervisory Board will meet at least 4 times each year or more often as determined by the Fund Manager or the Supervisory Board and will take resolutions by majority of the votes cast by its members.

Compensation. Indemnification

The members of the Supervisory Board shall receive a reasonable, market standard fee from the Fund for acting in such capacity and will be reimbursed at the charge of the Fund Assets for their reasonable out-of-pocket expenses in connection with the performance of their duties.

Subject to certain restrictions, the (former) members of the Supervisory Board will be indemnified out of the assets of the Fund against any and all liabilities, claims or expenses incurred by them in the performance of their duties, and/or - at the discretion of the Fund Manager - the Fund will arrange for an adequate D&O insurance policy at the charge of the Fund.

The Investors. Meetings of Investors

Introduction

(Prospective) Investors should realize that they are not permitted to engage in the investment operations of the Fund and that they do not have any (voting) rights to interfere in the related decision taking of the Fund Manager. The Fund Manager can make decisions which Investors do not agree to. In such a situation, an Investor can decide to dispose of its interest in the Fund, however subject to and in accordance with the applicable terms as set forth in this Prospectus and the Articles of Association.

Subject to applicable rules and regulation (and provided that this is allowed thereunder), the Fund Manager can make payments to third parties for introducing Investors that purchase Shares in the Fund, or directly to certain (key) Investors in connection with their acquisition of Shares in the Fund. For the avoidance of doubt the Fund Manager confirms that these payments are made by and for the account of the Fund Manager, not the Fund.

Meetings of Investors

Meetings of Investors will be held at least annually, within five months after expiration of a financial year, and furthermore when called by the Fund Manager, the Supervisory Board or Investors, subject to the applicable provisions of the Articles of Association. The Fund Manager must call a meeting of Investors (i) as often as the Fund Manager deems the holding of a meeting necessary in the interest of the Investors, and (ii), subject to certain restrictions set forth in the law and the Articles of Association, in case one (1) or more Investors holding, in total, Shares representing at least ten per cent. (10%) of the outstanding Shares request the Fund Manager in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting.

Meetings of Investors will be held in Amsterdam, The Netherlands, or in Rotterdam, Utrecht, The Hague, Wassenaar or Haarlemmermeer to be determined by the Fund Manager. Notice for a meeting of Investors will be given at least forty-two (42) calendar days prior to the meeting of Investors. Such notice will be published in a nationally distributed newspaper and on the Fund Manager's Website and will state the date, time, place and location and the agenda for the meeting and enclose or refer to any documents relevant for the meeting.

Every Investor has the right to attend the meeting and to speak at the meeting. An Investor may attend the meeting by proxy, provided that the power of attorney is set forth in writing (including electronically recorded) and prior to the meeting submitted to the Fund for verification. Further reference is made to the applicable provisions of the Articles of Association.

Voting by Investors

The following resolutions (among certain other resolutions set forth in the Articles of Association and the law) will be subject to the prior approval of the Investors in accordance with the relevant provisions of the Articles of Association:

- the appointment and replacement of the members of the Supervisory Board;
- the appointment and replacement of the Fund Manager;
- the amendment of the Articles of Association;
- the appointment and replacement of the Auditor;
- any material amendment to the Investment Objectives or Investment Restrictions of the Fund; and
- any change to the Management Fee or Performance Fee of the Fund Manager and any other substantial amendment of the Management Agreement.

To each Share is attached the right to cast one (1) vote. Resolutions require, as set forth in the Articles of Association, either a simple or a qualified majority of the votes cast being exercised in favour of the proposal.

Fund policy regarding voting rights and voting conduct

The Fund Manager will actively exercise, or deliberately refrain from exercising, voting rights attached to the Fund's shares in its portfolio companies. The Fund Manager will determine the way voting rights are being exercised on a case-by-case basis, but at all times in the best interests of the Fund and the Investors in the Fund.

Conflicts of Interest. Transactions with Affiliates

In the business and operations of the Fund, conflicts of interest may arise between the Fund, the Fund Manager, Investors (and parties affiliated to them) in respect of investment and divestment transactions, the hiring of services providers as well as other transactions.

Currently, the Fund Manager does not provide asset management services, but this may change in the future. Conflicts of interests may arise between the Fund (including any party having an interest in the Fund) and such parties on behalf of whom the Fund Manager provides asset management services.

In respect of conflicts of interests, the Fund and the Fund Manager adhere to the following principles:

1. The Fund endeavours transparency in respect of agreements and transactions the Fund enters into with the Fund Manager and key services providers to the Fund (and their Affiliates). For the key data regarding the agreements with the Fund Manager, the Administrator and Fund Agent, the Custody Bank and the Depositary, reference is made to the relevant preceding sections of this Prospectus.
2. The Fund will not, except with the prior approval of the Supervisory Board, directly or indirectly:
 - a. enter into any investment, divestment or other business transaction with the Fund Manager, any Investor or any of its or their Affiliates; or,
 - b. enter into any investment, divestment or other business transaction in which the Fund Manager, any Investor or any of its or their Affiliates otherwise has a direct or indirect interest (other than as Fund Manager of or Investor in the Fund); or
 - c. enter into any transaction against non-arm's length terms and conditions; or,
 - d. enter into any investment, divestment or other business transaction with any other funds or entities managed by the Fund Manager or any of its Affiliates or otherwise affiliated to the Fund Manager or LSP Management Group B.V.
3. In addition, the Fund Manager has implemented effective organisational and administrative procedures and policies to notice, prevent, manage and control conflicts of interest. This Conflicts of Interests policy (or a summary thereof) is published on and can be downloaded from the Fund Manager's Website.

Complaints Procedure

Each Investor has the right to file complaints concerning the Fund by writing to the Fund Manager. The Fund Manager will within three (3) Business Days in writing acknowledge receipt of the complaint. The Fund Manager will respond to the complaint within four weeks. If the Fund Manager is unable to respond to the complaint within this period, it will write to the Investor, stating when a response can be expected.

The Fund Manager will without delay provide the chairman of the Supervisory Board with copies of any correspondence regarding complaints of Investors.

7. THE SHARES. TRANSFER AND REDEMPTION OF SHARES

Introduction

The Fund's authorized share capital amounts to EUR 1,000,000 (one million euro) and is divided in 1,000,000 Shares with a par value of EUR 1 each and can be increased under the terms of the current Articles of Association to EUR 2,500,000 (two million five hundred thousand euro) divided in 2,500,000 Shares with a par value of EUR 1 each. All Shares are registered Shares. No share certificates will be issued. To all Shares are attached equal voting, profit and distribution rights, ensuring a fair treatment of all Investors. The ISIN code of the Shares is: NL0009756394.

The Shares are listed on Euronext Amsterdam. The Shares are traded in accordance with the Euronext Fund Service system for open end investment funds. As a listed open end investment fund, its Shares will normally be traded once each Trading Day and the Fund is, in principle, subject to the below restrictions, willing to sell and repurchase Shares each Trading Day. Shares may be made available through, but not limited to, Euroclear (including FundSettle), Clearstream (including Vestima), Allfunds Bank, DTCC/FundSERV, MFEX and Calastone and/or other centralised management systems, at the terms and conditions described in this Prospectus (which may result in additional costs for the shareholder).

Shares can only be traded on Euronext Amsterdam in accordance with the provisions relating to giro-based securities transfers set forth in the Securities Book-Entry Transfer Act (*Wet giraal effectenverkeer*). The Shares concerned are registered in the name of Euroclear Nederland (a trading name of the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) or an institution affiliated to Euroclear Nederland) it being understood that all rights pertaining to these Shares will be held by investors as participants in a collective deposit (*verzameldepot*) of Shares as referred to in the Securities Book-Entry Transfer Act.

Transactions in Shares on Euronext Amsterdam

The Fund has appointed KAS Bank N.V. as Fund Agent. The Fund Agent is responsible for the confirmation or refusal of orders in line with the terms set forth in this Prospectus and the Fund's Articles of Association and for publishing all realised transaction prices on the Euronext Amsterdam platform.

Buy and sell orders must be received by the Fund Agent before 16:00 CET (the cut-off time) on a Business Day in order to be executed the following Trading Day. Only orders received by the Fund Agent before this cut-off time will (subject to confirmation by the Fund Agent) be executed the following Trading Day. Orders received after the cut-off time will not be executed the following Trading Day but one Trading Day later.

Any (part of a) buy or sell order that is not confirmed by the Fund Agent will lapse. Such order can be resubmitted on a subsequent Trading Day but shall not receive priority over other orders submitted on that Trading Day.

All confirmed orders will be settled through Euroclear Nederland. Orders will be executed at the NAV per Share as calculated at 10:00 CET the following Trading Day. However, in case the balance of the buy and sell orders settled on the execution day requires a net sale or issuance of Shares by the Fund (see "*Sale or issuance of Shares by the Fund*" below), orders will be settled at the aforementioned NAV increased by a premium on behalf of the Fund expressed as a certain percentage of this NAV. In case the balance of the buy and sell orders settled on the Execution Day requires a net repurchase of Shares by the Fund (see "*Repurchase of Shares by the Fund*" below), orders will be settled at the aforementioned NAV reduced by a charge on behalf of the Fund expressed as a certain percentage of the NAV.

The premium and charge referred to above serve to compensate the Fund for (i) direct costs (like brokerage costs) incurred in connection with changes in its Investments portfolio it was forced to make in connection with the net inflow or, as the case may be, outflow of funds and (ii) related market impact costs. At present, the percentage of the premium and charge is set at 0%. The Fund Manager will annually review and assess, and where appropriate amend, the percentage of the premium and charge. Any amendment will be published on the Fund Manager's Website.

No buy and sell orders will be accepted during any period when the determination of the Net Asset Value is suspended (See "*Reporting on Net Asset Value*" in Section 9).

Sale or issuance of Shares by the Fund

If on a Trading Day the net result of demand for and offer of Shares would require the sale by the Fund of previously repurchased Shares or the issuance of new Shares, the Fund is in principle prepared to do so. However, the Fund Manager may, with due regard to the applicable publication requirements, temporarily or permanently suspend the sale or issuance of Shares if:

- the Fund Manager has suspended the calculation of the Net Asset Value (see Section 9, "*Reporting on Net Asset Value*");
- issuance of additional Shares would violate the Articles of Association or other binding regulations, directives or instructions applicable to the Fund;
- the Fund Manager, at its sole discretion, determines that a further in flow of funds would in view of the existing market conditions and investment opportunities result in an excessive liquidity position of the Fund; or
- the Fund Manager, at its sole discretion, determines that issuance of additional Shares would otherwise be detrimental to the interests of the existing Investors.

The Fund will not sell previously repurchased Shares or issue new Shares before it has received the consideration due for the Shares concerned.

Repurchase of Shares by the Fund

If on a Trading Day the net result of demand for and offer of Shares would require the repurchase by the Fund of Shares, the Fund is in principle prepared to do so. The Fund Manager may however, with due regard to the applicable publication requirements, temporarily suspend the repurchase of Shares:

- if and to the extent the aggregate number of Shares repurchased in the calendar quarter concerned reduced by the aggregate number of Shares sold or issued by the Fund in that calendar quarter would exceed 10% of the number of Shares outstanding on the first Trading Day of that calendar quarter;
- if the Fund Manager has suspended the calculation of the Net Asset Value in accordance with the provisions of Section 9, "*Reporting on Net Asset Value*";
- if repurchase of Shares would violate the Articles of Association or other binding regulations, directives or instructions applicable to the Fund;
- if relevant exchanges are not open for business or the sale of assets of the Fund is otherwise restricted or suspended; or,
- if the Fund Manager determines that the transfer of funds realised from the sale of assets of the Fund made necessary by the envisaged redemption, cannot be effected at normal rates of exchange;
- if there exists any state of affairs which, in the opinion of the Fund Manager, upon consultation with the Supervisory Board, constitutes an emergency as a result of which disposal of investments owned by the Fund would not reasonably be practicable and might seriously prejudice the Investors.

If the Fund Manager decides to suspend the repurchase of shares by the Fund, then the Fund Manager will inform the AFM of such decision without delay. In addition and after the AFM has been informed, the Fund Manager will publish such decision on its website in order to inform the public. Such publication will be removed from the Fund manager's website as of the moment that the repurchase of shares by the fund has been re-initiated.

Notwithstanding these restrictions, sufficient guarantees are in place for the Fund to be able to meet its redemption obligation.

8. COSTS AND EXPENSES

Introduction

In this Section 8 are mentioned all costs and expenses related to the organisation, management and transactions of the Fund which will be paid by or charged to the Fund and accordingly result in a reduction of the Fund's Net Asset Value.

This Section does not refer to costs and fees charged to the Investors by the Fund upon a subscription for or redemption of Shares (for these costs and fees see Section 7) or by their own service providers in connection with an envisaged investment in or divestment from the Fund (like fees and costs charged to an Investor by its advisors, banks or brokers).

All costs referred to in this Section will be allocated to the period to which they relate. Unless indicated otherwise, all costs will be brought at the charge of the Fund's profit and loss account.

All amounts and percentages mentioned in this Section 8 are exclusive of Dutch or foreign Value Added Tax (VAT), if due. Under present legislation, the Fund cannot deduct VAT and as such this represents a charge to the Fund's profit and loss account.

Cost categories

Transaction costs

Transaction costs *inter alia* include all third party costs of sourcing, evaluating, making, holding or disposing of (potential) Investments, including, but not limited to, brokerage fees, clearing and settlement fees, advisors' fees, (other) transaction costs. Transaction costs are mostly included in the cost price or deducted from the proceeds of the respective investment and hence are not recorded separately in the Fund's profit and loss account. The average transaction costs will not exceed 25 basis points (0.25%) of the aggregate transaction amount. The portfolio turnover ratio as included in the annual report of the Fund provides a general indication of the number and size of the transactions and (hence) of the transaction costs.

The Fund Manager will select transactional service providers on the basis of various considerations, like quality, promptness of performance of services and fee rates. Fee rates may not exceed market standard rates. The total amount of transaction costs from time to time is variable and depends on the number, nature and size of transactions and applicable rates.

Fund operational costs

Fund operational costs *inter alia* include all costs of legal, tax, regulatory, administrative, custody, auditing, reporting and similar services and advices provided to the Fund, the costs of the Euronext securities listing, the cost of the Fund Agent, Administrator and Depositary, the costs of supervision of the Fund, all costs incurred in relation to the Fund's Supervisory Board and all costs of communications with and meetings of the Investors. Based upon previous year numbers, it is forecasted that during a financial year, assuming an average fund size of EUR 75 million, the Fund operational costs will amount to EUR 337,500.

All operational costs shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account.

Management Fee

The Fund Manager is entitled to an annual Management Fee due by the Fund to the Fund Manager equal to 1.5% per annum of the Net Asset Value excluding (i.e. before deduction of) the accrued Management Fee and Performance Fee.

The Management Fee accrues on a daily basis by reference to the latest Net Asset Value and is payable by the Fund in arrears as per the last Business Day of each month.

For the avoidance of doubt the Fund does not bear the cost of remunerating any employee of the Fund Manager or any of its Affiliates or any office rental, utilities or office equipment or other

overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the Fund Manager for such costs

Currently, under present tax legislation, the Management Fee due to the Fund Manager is exempt from VAT as it is a reimbursement for the management of assets pooled for the purpose of collective investment. Applicable legislation or case law may change after the date of this Prospectus and such changes may have retro-active effect.

Performance Fee

In addition to the Management Fee, the Fund Manager will be entitled to receive a Performance Fee of twenty per cent (20%) of the increase (if any) in the Net Asset Value per Share accrued during each Fee Period for each Share outstanding at the end of the relevant Fee Period, but only to the extent such increase exceeds the Hurdle.

The Performance Fee is furthermore subject to a perpetual high watermark which means that Performance Fee shall only be payable if, and to the extent that, the Net Asset Value per Share at the end of a Fee Period is greater than the highest value of this variable which has been determined at the end of all of the preceding Fee Periods.

The Performance Fee is calculated and accrues on a daily basis. The Performance Fee, if any, is payable as per the last Valuation Day of each Fee Period. In the calculation of the Performance Fee the already accrued Performance Fee in any given Fee Period will be added back to the respective Net Asset Value. In the event the Fund is liquidated prior to the last day of a Fee Period, the Performance Fee will be calculated as though the last day on which liquidation proceeds are distributed were the last day of the Fee Period.

Prospective Investors should note that, as the Performance Fee is charged to the Fund as a whole and is not calculated in respect of the gain or loss allocable to specific Shares, certain inequities may arise from the method of Performance Fee calculation. The variations may be material on a per Share basis.

Currently, under present tax legislation, the Performance Fee due to the Fund Manager is exempt from VAT as it is a reimbursement for the management of assets pooled for the purpose of collective investment. Applicable legislation or case law may change after the date of this Prospectus and such changes may have retro-active effect.

Establishment Expenses

The Fund bears its own expenses in connection with the establishment of the Fund. These Establishment Expenses in the amount of EUR 195,248 have been capitalized at the level of the Fund and are amortized over a period of 5 (five) years in accordance with the applicable provisions of Dutch GAAP.

Interest expense

The Fund may use leverage for investment management purposes, by entering into a credit facility with one or more reputable credit institutions. As a result the Fund may incur interest expense on the amount the borrowings a rate of up to 1-month Euribor plus 100 bps under its credit facility.

Furthermore the Fund makes use of foreign currency cash accounts to (partially) hedge the currency exposure of its investments. This will generally lead to a situation whereby the Fund has a deficit on its foreign currency cash accounts (to hedge to long position resulting from the respective foreign currency denominated investments) and a surplus on its Euro account. The resulting interest expense comprises of (i) the spread between the interest paid on the cash accounts with a deficit and the interest received on the cash accounts with a surplus and (ii) the interest rate differential between the respective foreign currency benchmark interest rate and the Euro benchmark interest rate, similar to the expense the Fund would incur if it would use foreign currency forward rate agreements or futures.

Soft-dollar arrangements

The Fund will not enter into arrangements regarding kickback payments. Third parties may in relation to the execution of orders by them on behalf of the Fund provide products and services (e.g. research and information services) to the Fund Manager ("soft dollar arrangements"). The Fund Manager does not incur any cash liability as consideration, so the value which these arrangements represent cannot be quantified.

Total expenses

Based upon previous year numbers it is forecasted that during a financial year, assuming an average fund size of EUR 75 million, the total Fund expenses will be as shown below.

	Amount	As % of average NAV
Fund operational costs	EUR 337,500	0.45%
Management Fee	EUR 1,125,000	1.50%
Performance Fee	PM	PM
Establishment Expenses	EUR 39,050	0.05%
Interest expense	PM	PM
Total expenses	EUR 1,501,550	2.00%

In addition to the forecast provided above, the Fund Manager warrants that the total expenses, except for transaction costs, interest on borrowings and Performance Fee, will not exceed 2.50% of average Net Asset Value in a given financial year.

Ongoing Charges Figure

The Ongoing Charges Figure (OCF) is the total amount of costs the Fund incurred in a year - except for transaction costs, interest on borrowings and Performance Fee - expressed as a percentage of the Fund's average Net Asset Value for the year concerned. The OCF is published annually in the Fund's annual accounts. The performance related fees are excluded from the ongoing charges figure and are expressed separately as a percentage of the Fund's average Net Asset Value (NAV) for the period concerned.

9. VALUATION, REPORTING AND INFORMATION DISCLOSURE

Valuation principles

The Fund Manager shall value the Fund Assets and Fund Liabilities in accordance with Dutch GAAP, more in particular Title 9 of Book 2 of the Dutch Civil Code, RJ 615 and the Decree on Fair Value. To this effect the Fund Manager has established and implemented a valuation policy that ensures a sound, transparent, comprehensive and appropriately documented valuation process which covers all material aspects of the valuation process, procedures and related controls.

In the valuation process, the Fund Manager makes use of the services of the Administrator which determines fair value of the assets of the Fund on each Valuation Day. Depending on the availability of objective data the Administrator uses the following valuation methods, in order of priority, for determining the carrying amount. Only if the first source does not provide a reliable price, the second source is applied. The administrator documents the rationale behind its choice.

- (i) Mark-to-Market valuation: in normal circumstances, the value of the assets is based upon quoted market prices obtained from independent providers of price information.
- (ii) Mark-to-Model valuation: when the mark-to-market value is not available, the market value is approximated, using internal or external valuation models. These models are regularly assessed by the external auditors of the Administrator. Market data inputs are obtained from independent providers of price information and used as inputs for the mark-to-model valuation. Mark-to-model valuation can be performed either by the Administrator or by external data providers and are based upon generally accepted valuation principles.

The Fund Manager performs periodic diligence on the Administrator through review of the Administrator's valuation manual and its ISAE 3402 statement.

Reporting to Investors

Financial year

The financial year of the Fund shall begin on the first day of January and end on the thirty-first day of December of the same calendar year. The first financial year of the Fund will begin at the date of incorporation of the Fund and will end on the thirty-first day of December of the same calendar year.

Reporting on Net Asset Value

The Fund Manager shall as per each Valuation Day determine the Net Asset Value and the Net Asset Value per Share. The Net Asset Value shall be expressed in euro and be determined in accordance with the Fund's valuation principles referred to above. The Fund Manager shall after each Valuation Day without delay publish the Net Asset Value per Share as per such Valuation Day on the Fund Manager's Website. The Fund Manager is not responsible for the timeliness and accuracy of Net Asset Value publication by others (other than the mandatory publication on the Fund Manager's Website).

The Fund Manager may declare a suspension of the determination of the Net Asset Value and the Net Asset Value per Share:

- (b) if one or more stock exchanges on which Fund Assets are listed are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;
- (c) if the communication means or calculation facilities normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined with the speed or accuracy desired by the Fund Manager;

- (d) if there are factors relating to the political, economic, military or monetary situation that make it impossible for the Administrator to determine the Net Asset Value; or
- (e) if a resolution to liquidate the Fund is passed.

When the determination of the Net Asset Value and the Net Asset Value per Share is suspended, this will be published on the Fund Manager's Website.

In case of errors in the calculation of the Net Asset Value, the Fund Manager will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the Net Asset Value. If a correction is required of more than 3% of the Net Asset Value, and an Investor incurred a loss exceeding EUR 100 by an allocation or redemption against the erroneously calculated Net Asset Value, the Fund will at the request of such Investor provide compensation (in cash or in Shares) for the relevant Investor for the actual loss incurred.

Monthly reporting

Within two (2) weeks after the end of each calendar month, the Fund Manager shall prepare a monthly report stating the number of outstanding Shares, the Fund's Net Asset Value, the Net Asset Value per Share, the Fund's past performance, its asset mix and the date to which the calculation relates. The monthly reports will be available on the Fund Manager's Website. Investors can obtain copies of these documents free of charge at the offices of the Fund Manager

Semi-annual reporting

Within nine (9) weeks after the end of the first half of each financial year of the Fund, the Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish semi-annual accounts in relation to the first half of the relevant financial year consisting of at least a balance sheet and profit and loss account. A copy of the semi-annual accounts will be provided to the AFM. The semi-annual accounts shall be drawn up in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code. The semi-annual accounts shall not be audited.

Annual reporting

Within four (4) months after the end of each financial year of the Fund, the Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year. A copy of the annual accounts will be provided to the AFM. The annual report shall include the Ongoing Charges Figure (OCF) as well as the portfolio turnover ratio, including details on the method of calculation. The annual report shall include a statement that the Fund Manager and the Fund have documented the administrative organisation and internal control as described in art. 4:14 of the FMSA and chapters 4 and 5 of the Bgfo and the confirmation that the Fund effectively operates according to this description. The annual accounts shall be drawn up in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code and shall be audited by the Auditor. The Auditor will report to the Fund Manager and the Supervisory Board on its audit and disclose in its report other work performed for the Fund. The Auditor's report shall be added to the annual accounts.

The Fund Manager will publish the Fund's monthly report and semi-annual and annual accounts on the Fund Manager's Website. The semi-annual and annual accounts will be available for at least three years on the Fund Manager's Website. Investors can obtain copies of these documents free of charge at the offices of the Fund Manager.

Further information

In addition to other information referred to in this Prospectus, the Fund Manager will on the Fund Manager's Website keep available the following documents and information:

- the Articles of Association
- this Prospectus
- the FMSA license of the Fund Manager
- the semi-annual and annual report of the Fund Manager

All documents and information in respect of the Fund, the Fund's operations and the Fund Manager published on the Fund Manager's Website and any information on the Fund and the Fund Manager which pursuant to the law must be registered in the Trade register are also available for inspection at the offices of the Fund Manager where copies can be obtained free of charge. Any information on the Depositary which pursuant to the law must be registered in the Trade register are also available for inspection at the offices of the Depositary where copies can be obtained at cost price.

The Fund Manager will immediately inform Investors via the Fund Manager's Website in case that it activates gates, side pockets or similar special arrangements.

Additional Information

AO/IC

The Fund Manager and the Fund have documented the administrative organisation and internal control as described in art. 4:14 of the FMSA and chapters 4 and 5 of the Bgfo.

10. **DISTRIBUTIONS**

Distributions policy

As the investment objective of the Fund is to achieve capital appreciation, frequent and regular distributions of profits or other Net Proceeds by the Fund are not intended nor anticipated. All Net Proceeds will in principle be re-invested and the Fund Manager will exercise its right under the Articles of Association to add profits of the Fund to the Fund's reserves such as to give effect to this principle. However, the Fund Manager may, at its sole discretion and at any time, but subject to the restrictions posed by the law, declare interim dividends or distributions at the charge of the Fund's reserves and/or not to add profits to the Fund's reserves (in which case the meeting of Investors shall decide on reservation of distribution of these profits). It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the investment objectives of the Fund. All distributions to the Investors will be made *pro rata* to the number of Shares held by each of them.

Any distribution to the Investors, including the amount, composition and manner of payment, shall be separately notified to the Investors through an advertisement published in a Dutch nationally circulated newspaper as well as on the Fund Manager's Website.

Distributions to the Investors will only be made in cash, in euro.

11. CERTAIN TAXATION ASPECTS

Dutch taxation aspects

Introduction

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to an Investor, and does not purport to deal with the tax consequences applicable to all categories of Investors. For the purpose of this summary it is further assumed that no individual holding Shares has a substantial interest or deemed substantial interest (generally, an interest of 5% or more) within the meaning of chapter 4 of the Income Tax Act (*Wet inkomstenbelasting 2001*) in the Fund. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Shares.

Taxation of the Fund

The Fund qualifies as a tax-exempt investment fund (*vrijgestelde beleggingsinstelling*) within the meaning of Article 6a of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*). Accordingly, the Fund is not subject to Dutch corporate income tax.

The Fund does not qualify as a resident (*inwoner*) of The Netherlands for the purposes of double tax treaties The Netherlands has concluded with other jurisdictions, as a result of which the Fund shall not be entitled to any treaty benefits.

No value added tax will be due on the Management Fee and the Performance Fee payable by the Fund to the Fund Manager. Any other costs incurred by the Fund may be subject to value added tax.

Taxation of Dutch Resident Investors

Corporate Investors

Corporate Investors that are resident or deemed to be resident in The Netherlands for Dutch tax purposes, without being exempt from Dutch corporate tax, are subject to Dutch corporate income tax with respect to income and capital gains derived from the Shares.

Dutch corporate Investors are required to annually revalue their Shares at fair market value.

Dutch corporate Investors are not eligible for an exemption from Dutch corporate income tax on income and capital gains in respect of their holding of Shares.

Individual Investors

Unless condition (a) or (b) below applies, an individual Investor who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for Dutch tax purposes will be subject to income tax in The Netherlands on the basis of a deemed return, regardless of any actual income or capital gain derived from his participation in the Fund. The deemed return amounts to 4 per cent. of the average value of the individual's net assets in the relevant fiscal year (including the Shares in the Fund). Subject to application of personal allowances, the deemed return will be taxed at a rate of 30 per cent.

Such Investor, however, is subject to income tax in The Netherlands in respect of any income or a capital gain derived from his Shares at rates up to 52 per cent. if:

- (a) the Investor has an enterprise or an interest in an enterprise to which the Shares are attributable; or

- (b) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including - without limitation - activities that exceed normal asset management (*normaal, actief vermogensbeheer*).

An Investor as mentioned under (a) and (b) is required to annually revalue his Shares at fair market value.

Taxation of Non-Dutch Resident Investors

Non-Dutch resident Investors normally will not be subject to Dutch income or corporate taxation with respect to income or capital gains realized in connection with the Shares unless there is a specific connection with The Netherlands, such as an enterprise or part thereof which is carried on through a permanent establishment in The Netherlands or, if the Investor is an individual, the performance of activities in The Netherlands that exceed normal asset management.

An Investor will not become resident or deemed to be resident in The Netherlands by reason only of the holding of Shares.

Withholding tax

Distributions by the Fund in respect of the Shares are not subject to withholding tax.

Other taxes and duties

The subscription, issue, placement, delivery or transfer of Shares are not subject to registration tax, transfer tax, stamp duty, or any other similar tax or duty in The Netherlands.

12. **SELLING RESTRICTIONS**

Introduction

The distribution of this Prospectus and the offer, sale and delivery of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Shares in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. Set forth below is a - non-exhaustive - list of selling restrictions.

United States

The Shares described in this Prospectus have not been and will not be registered under the United States Securities Act 1933 as amended (the "Securities Act"), or the securities laws of any of the states of the United States, and the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**40 Act**"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of US persons (as defined in Regulation S under the Securities Act) except in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an exemption from registration.

Germany

The content of this Prospectus (including any supplements) has not been verified by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "**BaFin**"). The Shares may only be marketed or acquired within Germany in accordance with the German Capital Investment Act (Kapitalanlagegesetzbuch, "**KAGB**") and any laws and regulations applicable in Germany governing the issue, offering, marketing and sale of the Shares. The Shares may be marketed in Germany only to professional or semi-professional investors as defined in the KAGB. The Shares may not be marketed in Germany to German resident private investors as defined in the KAGB. Each potential investor is advised to consider possible tax consequences and to consult his own tax counsel.

Switzerland

The Shares may not be publicly offered, distributed, marketed, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Fund may be publicly distributed or otherwise made publicly available in or from Switzerland.

The Shares may only be offered, distributed, marketed, sold or advertised, and this Prospectus as well as any other offering or marketing material relating to the Fund may only be distributed or otherwise made available in Switzerland to qualified investors within the meaning of the Swiss legislation on collective investment schemes (including but not limited to the Federal Act on Collective Investment Schemes of June 23, 2006 ("**CISA**"), the Ordinance on Collective Investment Schemes of November 22, 2006 ("**CISO**"), and the FINMA Circular 2008/8 of the Swiss Financial Market Supervisory Authority on Public Advertising / Collective Investment Schemes of November 20, 2008 ("**FINMA Circular 08/8**") by using advertising means which are common in this market within the meaning of the Swiss legislation on collective investment schemes (including but not limited to the CISA, the CISO, and the FINMA Circular 08/8).

13. **DECLARATION OF THE FUND MANAGER**

The Fund Manager declares that the Fund and the Fund Manager are compliant with the rules and regulations set forth in or pursuant to the FMSA including the AIFMD Rules and that this Prospectus meets the requirements set forth in or pursuant to the FMSA including the AIFMD Rules.

LSP Advisory B.V.

Amsterdam, 26 June 2015

14. **ASSURANCE REPORT**

We have performed an assurance engagement regarding the contents of the prospectus LSP Life Sciences Fund N.V. In this respect we have examined, whether the prospectus dated 26 June 2015 of LSP Life Sciences Fund N.V. (the 'Fund'), Amsterdam, at least contains the information required pursuant to section 4.371 sub 4 and 4:37p sub 1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht, hereinafter Wft).

The objective of this assurance engagement is to obtain a reasonable level of assurance, with exception of the requirement in section 115x sub 1 c the Decree on the Supervision of the Conduct of Financial Enterprises pursuant to the Act on Financial Supervision (Besluit gedragstoezicht financiële ondernemingen Wft, hereinafter Bgfo). Unless specifically stated to the contrary in the prospectus, the information contained in the prospectus is unaudited.

The responsibilities are as follows:

- Management of the Fund is responsible for the preparation of the prospectus that at least contains the information required pursuant to the Wft;
- Our responsibility is to issue a statement as referred to in section 115x sub 1 e Bgfo.

Scope

We conducted our examination in accordance with Dutch law, including Standard 3000 'Assurance engagements other than audits or reviews of historical financial information'. Accordingly, we have performed the procedures we considered necessary in the circumstances to be able to express an opinion.

We have examined whether the prospectus contains the information required pursuant to section 4.371 sub 4 and 4:37p sub 1 Wft. The Wft does not require the auditor to perform additional procedures with respect to section 115x sub 1 c Bgfo.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the prospectus at least contains the information pursuant to section 4.371 sub 4 and 4:37p sub 1 Wft. With regard to section 115x sub 1 c Bgfo we report that to the extent of our knowledge, the prospectus contains the information as required.

Utrecht, 26 June 2015

KPMG Accountants N.V.

W.L.L. Paulissen RA
