

LSP Life Sciences Fund



Monthly Report April 2017

NAV per Share € 203.44

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years
20.1%	0.4%	12.7%	18.0%	0.3%	37.7%

NAV of Fund	64,516,697
Number of Shares	317,122
Valuation Date	30/04/2017

Top-5 performers

1. Evotec	17.1%
2. Paratek Pharmaceuticals	11.4%
3. Clinigen Group	10.1%
4. Neuroderm	8.8%
5. Erytech Pharma	4.7%

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

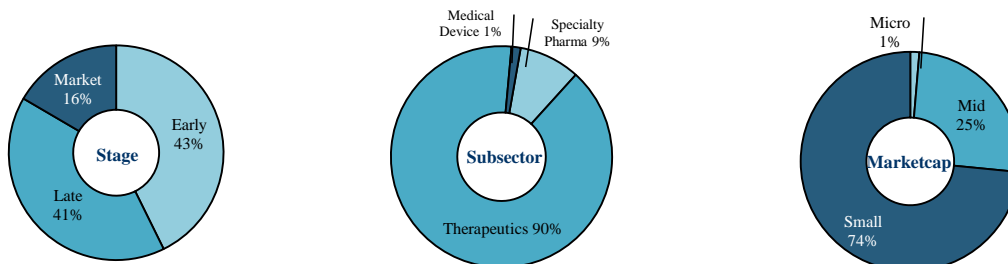
Investment strategy

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

Manager's comments

2017 continues to be a good year for the healthcare sector and the LSP Life Sciences fund has maintained a strong outperformance over the main healthcare related indices. Whereas the overall fund performance was flat this month, there was some significant news flow to report. The big news item was the announcement of positive data from antibiotics company Paratek, an investment we added to the portfolio only a couple of weeks ago. Its novel antibiotic, Omadacycline, is being studied for the treatment of community acquired bacterial pneumonia and the results of an important Phase III study demonstrated the drug's powerful antibacterial effect. The company has now completed all the clinical studies necessary to seek to have the drug approved by the FDA – prior to launching the drug in the US. Having also met all the requirements for the European agency the EMA - they will also seek to have the drug approved for sale in Europe. Paratek is also studying this drug for the treatment of skin infections – data is expected in July. The need for new, effective antibiotics is widely known and it is hoped that Omadacycline will provide doctors with an important new treatment option for patients. Another strong performer in the portfolio remains European company Evotec. As described into some detail in the monthly report for February, Evotec balances its cash flow positive services business with highly innovative drug development programs in a risk diversified strategy which is now coming to the attention of investors. French cancer treatment company Erytech was a new addition to the portfolio during the month. We seized the opportunity to build a position in the company when they reported impressive data from a study in pancreatic cancer patients (Phase IIb study). This is a particularly difficult cancer to treat and the results were statistically significant. Despite the strong data, the company remains under the radar screen of most (specialist) investors for now. This is a company and management team we have known for many years, a fact which facilitated our participation in a EUR70m offering by the company. Earnings season has started so we expect many portfolio companies to provide updates to the market in the coming month. As is typically the case, Pharma companies and large biotech companies are first to present their financial results. So far, Q1 results have met or surpassed expectations. Positive earnings results from the forerunners usually serve to support healthcare market sentiment.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Evotec	Early	Therapeutics	Small	11.6%
Clinigen Group	Market	Specialty Pharma	Small	8.3%
Neuroderm	Early	Therapeutics	Small	7.9%
arGEN-X	Early	Therapeutics	Small	7.7%
CytomX Therapeutics	Early	Therapeutics	Small	7.5%
Morphosys	Late	Therapeutics	Mid	7.5%
GW Pharmaceuticals	Market	Therapeutics	Mid	5.8%
Erytech Pharma	Late	Therapeutics	Small	5.7%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	5.3%
Versartis	Late	Therapeutics	Small	5.2%
Paratek Pharmaceuticals	Late	Therapeutics	Small	5.2%
Kite Pharma	Early	Therapeutics	Mid	4.7%
Zynerba Pharmaceuticals	Late	Therapeutics	Small	4.5%
Ablynx	Late	Therapeutics	Small	4.2%
Sphere Medical	Market	Medical Device	Micro	1.2%

Important information

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

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