

# LSP Life Sciences Fund



Monthly Report February 2018

NAV per Share € 253.73

## Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years
7.9%	-2.1%	14.0%	33.8%	65.4%	19.0%

NAV of Fund	83,686,653
Number of Shares	329,825
Valuation Date	28/02/2018

## Top-5 performers

1. Zogenix	16.6%
2. Genmab	13.6%
3. CytomX Therapeutics	11.1%
4. Morphosys	3.5%
5. argenx	1.6%

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

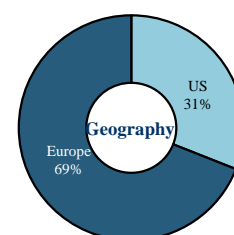
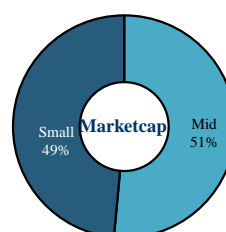
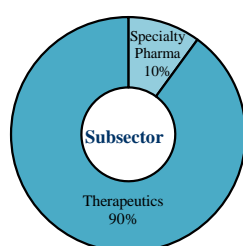
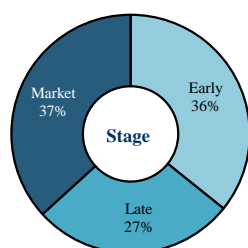
## Investment strategy

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

After the fantastic start to the year in January – there was a small pull back in the general markets in February. The LSP Life Sciences Fund was down 2.1% for the month. The only negative news in the month came from Tetrphase. The company announced that its anti-infective agent, Eravacycline, did not meet the co-primary end point in a Phase 3 study in complicated urinary tract infections. The drug did achieve significance in the treatment of intra-abdominal infections and is currently under FDA review. In anticipation of the Phase III read-out, we had reduced our position in Tetrphase by over 60%, thereby significantly dampening the effect on the Fund's share price. Zogenix, epilepsy, was the big winner this month. The surge in share price was attributable to the announcement of several specialist funds taking positions in the stock and additional clarity on the IP protection of its lead drug. Genmab also had a strong performance this month thanks to better than expected financial earnings for the full year 2017 as well as strong guidance for 2018. The company beat analyst expectations for both earnings (largely related to Darzalex for multiple myeloma) and profits. Based on the renewed confidence in the sales potential of Darzalex – several analysts upgraded their expectations for 2018. This also clears an overhang on the stock and investors can focus on the major catalysts ahead for the company. Dutch oncology company, Merus, was added to the portfolio in February through a private placement. Merus has unique technology which allows it to develop bi-specific antibodies – a complex antibody which can bind to two targets. Regular antibodies and monoclonal antibodies recognise and bind to only one target. The bi-specific nature of the Merus antibodies allows them to identify cancer targets and recruit the immune system to kill the cancer cells. As always we are actively attending conference and meeting with companies in order to identify high potential new additions to the portfolio.

## Portfolio breakdown



# LSP Life Sciences Fund



## Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
argenx	Early	Therapeutics	Small	13.6%
Genmab	Market	Therapeutics	Mid	10.8%
CytomX Therapeutics	Early	Therapeutics	Small	9.6%
Evotec	Early	Therapeutics	Mid	8.3%
Zogenix	Late	Therapeutics	Small	7.8%
Morphosys	Late	Therapeutics	Mid	7.4%
Clinigen Group	Market	Specialty Pharma	Small	7.0%
Galapagos	Market	Therapeutics	Mid	6.0%
Zealand Pharma	Market	Therapeutics	Mid	5.4%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	5.2%
Erytech Pharma	Late	Therapeutics	Small	3.8%
GW Pharmaceuticals	Market	Therapeutics	Mid	3.2%
TherapeuticsMD	Market	Specialty Pharma	Mid	2.5%
Merus	Early	Therapeutics	Small	2.5%
Aduro Biotech	Late	Therapeutics	Small	1.8%

### 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](http://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](mailto: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.