

LSP Life Sciences Fund

Monthly Report July 2018



NAV per Share € 266.60

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
13.4%	5.6%	8.3%	25.8%	48.2%	17.6%	84.0%

NAV of Fund	85,987,529
Number of Shares	322,524
Valuation Date	31/07/2018

Top-5 performers

1. Zogenix	28.4%
2. Evotec	20.5%
3. Galapagos	19.4%
4. CytomX Therapeutics	15.2%
5. Cocrysal Pharma	13.7%

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

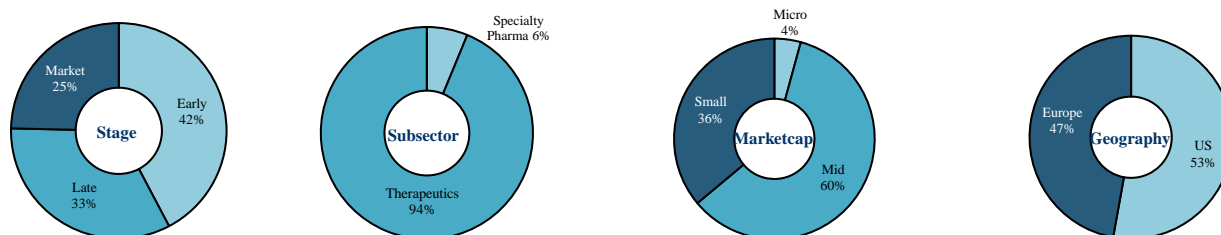
Investment strategy

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

July proved to be an excellent month for the LSP Life Sciences fund with a return of 5.6%. The big winner for the month was Zogenix which saw its shares increase over 28% following the announcement of positive Phase 3 data for its revolutionary epilepsy drug. Management hope to file applications for approval in both the US and in Europe before the end of this year – which means that this important new treatment, for a very severe form of childhood epilepsy, could be on the market and available to patients in 2019. The drug is also being studied in other forms of epilepsy with data expected in 2019. The European companies in the portfolio performed well this month. It was a busy month for Galapagos. First the CEO announced that its partnership with AbbVie for the development of new treatments for Cystic Fibrosis will end. Exactly what that breakup will look like has yet to be divulged. In the meantime, Galapagos also announced that it has moved a second drug in to Phase 2 trials for the treatment of the deadly lung disease – idiopathic pulmonary fibrosis. It also announced that Novartis has taken a global license for MOR106, an antibody in co-development with Morphosys for the treatment of atopic dermatitis. The next major event for the Company will be the release of data from the first Phase 3 study of filgotinib in the treatment of arthritis. This data is expected to be announced by partner Gilead within the next few weeks. Evotec was another portfolio company with positive news flow. Evotec has closed its deal to integrate/acquire Sanofi's infectious disease unit – with Sanofi paying the cost through a 5 year financial commitment. This will allow Evotec to accelerate its infectious disease R&D programs. The Company also received a milestone payment from Bayer for the initiation of Phase 2 trials in its broad drug development alliance. The portfolio company with the biggest sell off was Dova Pharmaceuticals which recently received FDA approval for its drug to treat patients with low platelets, i.e. at risk of bleeding. The sell-off was prompted by an analyst report which considers the launch price too high and FDA approval of a potentially competing product (although this was expected). We will get a first look at the launch metrics when the Company reports its financials in August. Hepatitis C company Cocrysal saw its share price jump following the initiation of Phase 2 trials using its novel drug - CC-31244 - in combination with the leading drug from Gilead, Eplusa. Data from this study is expect towards the end of this year. It is hoped that the addition of CC-31244 to Gilead's Eplusa will dramatically reduce the time taken to clear the HCV virus.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
argenx	Early	Therapeutics	Mid	10.1%
Evotec	Early	Therapeutics	Mid	8.3%
CytomX Therapeutics	Early	Therapeutics	Small	8.1%
Galapagos	Market	Therapeutics	Mid	7.7%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	7.0%
Verastem	Late	Therapeutics	Small	6.7%
Clinigen Group	Market	Specialty Pharma	Mid	6.3%
Stemline Therapeutics	Early	Therapeutics	Small	5.8%
Zogenix	Late	Therapeutics	Mid	5.6%
Morphosys	Late	Therapeutics	Mid	5.4%
Genmab	Market	Therapeutics	Mid	5.1%
ObsEva	Late	Therapeutics	Small	5.0%
Zealand Pharma	Market	Therapeutics	Mid	4.7%
Cocrystal Pharma	Early	Therapeutics	Micro	4.3%
Merus	Early	Therapeutics	Small	4.0%
Dova Pharmaceuticals	Late	Therapeutics	Small	3.6%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	2.0%
Amarin Corp	Market	Therapeutics	Small	1.1%

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.