

# LSP Life Sciences Fund

Monthly Report March 2019



NAV per Share € 252.02

## Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
17.5%	3.6%	17.5%	-2.0%	24.3%	57.7%	60.7%

NAV of Fund	84,987,981
Number of Shares	337,227
Valuation Date	31/03/2019

## Top-5 performers

1. Merus	26.5%
2. Galapagos	20.5%
3. Viking Therapeutics	18.2%
4. Stemline Therapeutics	17.1%
5. Evotec	14.7%

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

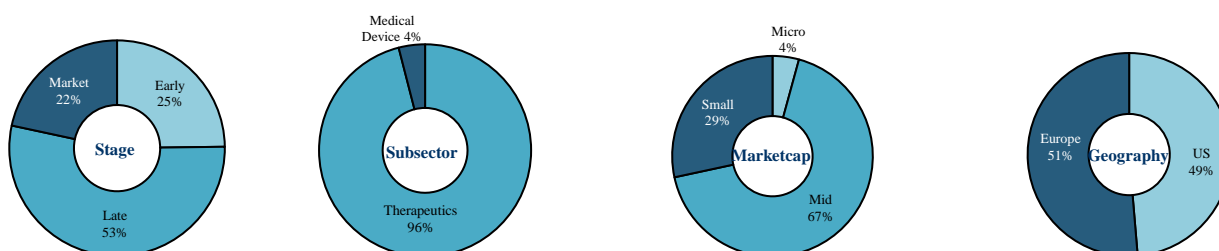
## Investment strategy

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

March rounded out a very successful quarter for the LSP Life Sciences Fund, +17.5% YTD and 3.6% for the month. The markets in general rebounded from the 4Q18 sell off, however, the performance of the fund is underpinned by several success stories within the portfolio. The good news in December went largely unrewarded. This changed in January when investor confidence in the healthcare sector was given a boost from some large high profile acquisitions (BMS to acquire Celgene for \$74bn and Eli Lilly to acquire Loxo for \$8bn). Portfolio company Stemline, which is launching its first targeted oncology drug, Elzonris, has seen its share price increase dramatically following the acquisition of Loxo, which was acquired for its targeted oncology program. Targeted oncology therapies work particularly well in specific subgroups of patients which can be identified by diagnostic tests. The best performing stock in the portfolio YTD is Dutch gene therapy company, uniQure, which has more than doubled. The success is partly due to the delayed response to the positive clinical data presented at the end of 2018 and to some acquisitions in the area of gene therapy. In February, Roche acquired Spark Therapeutics for \$4.8bn, primarily for its haemophilia A program. Biogen will pay almost \$900m for Nightstar, another gene therapy company. We continue to believe in the potential of the uniQure technology and its ability to manufacture these complex therapies which sets it apart from competitors. Cardiovascular play Amarin continues to deliver on all fronts. It remains one of the biggest success stories that we have been associated with in the past 10 years. The share price has again rebounded with the announcement of additional very strong clinical data and the announcement that the company has filed Vascepa – their heart drug - for approval with the FDA. Its market cap now stands at USD 6.5 billion. Another long-time favourite of ours is Galapagos. It has proven to be a true European biotech success story with the announcement by partner Gilead in March, of positive clinical data across all Phase 3 clinical programs of its most advanced product, Filgotinib. The path towards FDA and EMA approval and launch now looks clear. Evotec is another fantastic example of the strength of European innovation. This German company has a unique business model which allows the company to operate on a profitable basis while investing in a very large number of innovative clinical programs. The market is finally rewarding the company for its novel approach to drug development. The only company in the portfolio YTD that has shown a weak share performance is cancer company Cytomx. We believe this is not warranted. The company has a highly innovative – albeit still early stage - drug development platform for cancer. In our view, the market over reacted to early clinical data from its lead program, which was presented back in February. Additional data will be presented at conferences through-out the year and we are positive that this will support the investment thesis and potential of the technology. We added two new investments in Q1 and continue to evaluate new opportunities, while being mindful of the rich news flow expected from the existing portfolio. The first quarter was a great start to the year. We cannot predict the general markets but we are confident in the ability of our portfolio to continue to create value.

## Portfolio breakdown



# LSP Life Sciences Fund



## Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Uniqure	Late	Therapeutics	Mid	10.2%
argenx	Late	Therapeutics	Mid	9.5%
Amarin Corp	Market	Therapeutics	Mid	9.0%
Galapagos	Late	Therapeutics	Mid	8.6%
Evotec	Early	Therapeutics	Mid	8.4%
Morphosys	Late	Therapeutics	Mid	5.3%
Aerie Pharmaceuticals	Market	Therapeutics	Mid	5.2%
Stemline Therapeutics	Late	Therapeutics	Small	5.1%
ObsEva	Late	Therapeutics	Small	5.0%
Foamix Pharmaceuticals	Late	Therapeutics	Small	4.9%
Merus	Early	Therapeutics	Small	4.5%
FibroGen	Late	Therapeutics	Mid	4.5%
Cocrystal Pharma	Early	Therapeutics	Micro	4.2%
Ambu	Market	Medical Device	Mid	4.0%
CytomX Therapeutics	Early	Therapeutics	Small	3.8%
Verastem	Market	Therapeutics	Small	3.2%
Viking Therapeutics	Early	Therapeutics	Mid	2.0%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	1.6%

## 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.