

LSP Life Sciences Fund



Monthly Report September 2019

NAV per Share € 197.11

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
-8.1%	-9.2%	-20.2%	-24.9%	-7.9%	2.5%	25.7%

NAV of Fund	53,670,729
Number of Shares	272,283
Valuation Date	30/09/2019

Top-5 performers

1. Marinus Pharmaceuticals	33.9%
2. Merus	11.4%
3. Foamix Pharmaceuticals	5.2%
4. Evotec	1.5%
5. Amarin Corp	1.1%

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

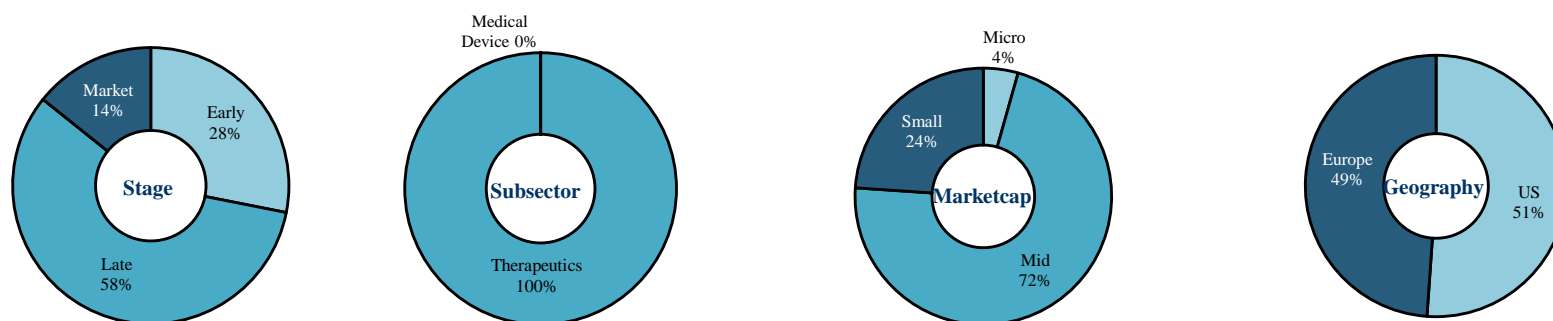
Investment strategy

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

Once again, the Fund is experiencing extreme volatility. We have seen this in the past, however this time the volatility is much less affecting the overall markets but is focused on the biotech sector. Although the VIX spiked by 100% to reach 25 in early August, it moved back down to the 15 level currently. The S&P only lost about 2% since late July. The NBI however dropped by 15% between its high in early April and today (early October) with half of that drop happening in late September. Since early April, the S&P 500 moved sideways - unchanged. It seems history is repeating itself because again – like we have seen in late 2015 and again in October 2016 - one overriding healthcare specific factor is having a negative impact, namely drug pricing. There was no negative news in the portfolio in September, there was in fact positive news. Marinus, which saw its shares drop dramatically in July following disappointing data from a postpartum depression study – presented very strong positive data in refractory status epilepticus (RSE). This is a very severe sustained epileptic fit experienced by patients in ICU and is both life threatening and difficult to treat. During the month, we added two new names to the portfolio; AImmune was added ahead of an FDA advisory committee meeting to discuss the merits of the company's new treatment for peanut allergy. The outcome of the panel vote was strongly in favor of FDA approval – the FDA will give a definitive answer in the coming months. BioHaven was also added to the portfolio. This company has a pipeline of treatments in development for CNS disorders. The most advanced product is rimegepant, a novel oral treatment for acute migraine. Rimegepant is currently under FDA review, with a response expected by next February. The Company has two further phase 3/pivotal clinical programs reading out before the end of this year. Indeed, we still anticipate strong news flow from the 19 companies in the portfolio before the end of this year. Several portfolio companies have potentially transformational triggers. If the outcome is in line with our expectations – these events should have a very positive impact on the share price.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Amarin Corp	Market	Therapeutics	Mid	13.2%
Galapagos	Late	Therapeutics	Mid	13.0%
Evotec	Early	Therapeutics	Mid	10.6%
argenx	Late	Therapeutics	Mid	10.3%
Uniqure	Late	Therapeutics	Mid	9.1%
Merus	Early	Therapeutics	Small	7.4%
Oncopeptides	Late	Therapeutics	Mid	5.4%
Foamix Pharmaceuticals	Late	Therapeutics	Small	5.3%
FibroGen	Late	Therapeutics	Mid	5.0%
Cocrystal Pharma	Early	Therapeutics	Micro	4.7%
Biohaven Pharmaceutical	Late	Therapeutics	Mid	4.6%
ObsEva	Late	Therapeutics	Small	4.4%
CytomX Therapeutics	Early	Therapeutics	Small	3.5%
Viking Therapeutics	Early	Therapeutics	Mid	3.5%
Marinus Pharmaceuticals	Late	Therapeutics	Small	2.3%
Stemline Therapeutics	Market	Therapeutics	Small	2.3%
Aimmune Therapeutics	Late	Therapeutics	Mid	1.6%
Zogenix	Late	Therapeutics	Mid	1.5%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	0.8%

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

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.