

LSP Life Sciences Fund



Monthly Report March 2020

NAV per Share € 164.11

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
-29.0%	-17.3%	-29.0%	-34.9%	-36.2%	-19.0%	-19.3%

NAV of Fund	38,348,708
Number of Shares	233,666
Valuation Date	31/03/2020

Top-5 performers during the month

1. CytomX Therapeutics	14.6%
2. Blueprint Medicines	8.0%
3. argenx	-0.8%
4. Immunovant	-1.0%
5. Oncopeptides	-2.5%

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

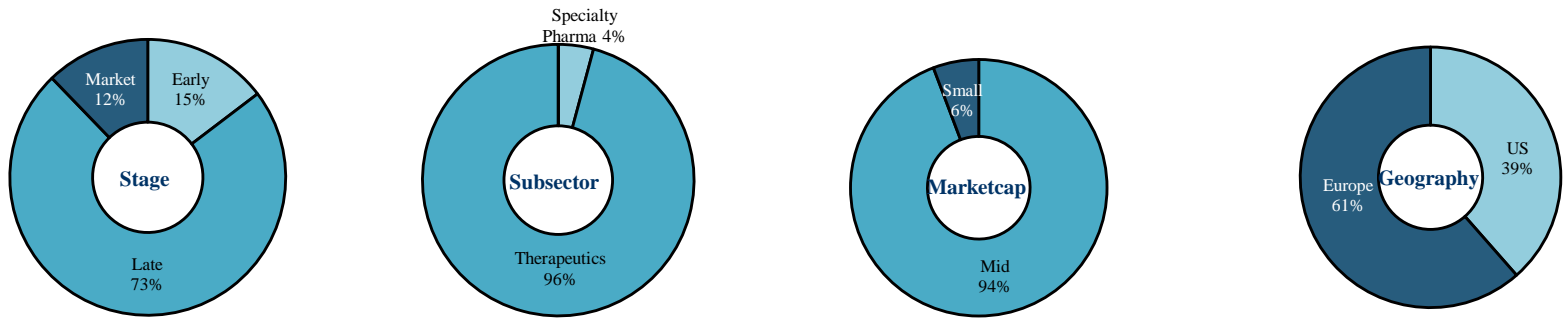
Investment strategy

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

For the equity markets, March will go down in the history books as one of the worst months in history. The S&P fell an astonishing 35% between February 19th and March 23rd, erasing gains achieved over the past 3½ years in less than 4 weeks. It brought back memories of the financial crisis in 2008, albeit one of an entirely different nature. The long term impact of the pandemic on the global economy, which came to a grinding halt during the month, is expected to be grave but the extent of the impact remains unclear. Obviously, this sell off left no sector untouched. The market turmoil was further exacerbated by the oil crisis, triggered by the ongoing discussions between Saudi Arabia and Russia. We have made an attempt to provide our perspective as a specialist biotech investor on COVID19 in a note that we published on our website which can be found [here](#). As somewhat of a counterweight to the terrible news and developments that hit our screens on an hourly basis, we felt it to be important to also highlight the tremendous level of cooperation and cohesiveness with which scientists and the healthcare industry are pooling resources to fight this pandemic. Without a doubt, it is the single largest concerted scientific effort ever, with the clear but challenging goal to come up with solutions fighting the Corona virus. The next weeks and months will hopefully show some results. The LSP Life Sciences fund also had a very bad month. All our holdings lost significant value due to the general sell off, in some cases even exceeding the 35% mentioned above. Fundamentally however, there was only one real setback with one of our holdings, all other holdings delivering on their fundamental investment cases. The setback we experienced concerned Amarin, one of the largest holdings in portfolio, which lost a patent challenge to two generic companies, Hikma and Dr. Reddy. In this very surprising, and in our opinion controversial ruling, the district court overruled the main patents protecting Vascepa, the heart drug being launched by Amarin. The Company has launched an appeal but this process will take a year. The generic companies still have to go through the FDA approval process and if successful, will need to scale up manufacturing, which may prove a big challenge for them. Still, at this moment in time, the loss of patents is a significant blow to Amarin and the stock lost over 70% of its value overnight. We believe there is still significant upside left in the company, although the original investment case which assumed a clear victory for the company, has changed materially. Fortunately, there was also a lot of good news in the portfolio, strengthening a number of other investment cases significantly. The company, Biohaven announced that it obtained FDA approval for its migraine treatment, Nurtec, back in February, but it also reported positive pivotal data for the prevention of migraine in the past month. The same company also announced positive data from a second migraine compound – given in a nasal spray for rapid pain relief. All in all very positive developments. The fact that the stock is still trading at -44% YTD, is puzzling to us. Another holding, Immunovant, reported positive proof of concept data in a rare autoimmune disease, with data from several other clinical trials expected later this year. So another company on track to delivering what we expected. Oncopeptides, the Swedish oncology company, presented final data for its drug melflufen in triple class refractory multiple myeloma patients, a very difficult to treat patient group. The data generated supports submission for approval of the drug to the US FDA in the second quarter of the year. GW Pharmaceuticals - the company is developing the first US FDA-approved plant-derived cannabinoid – Epidiolex. The drug was approved back in 2018 for seizures associated with Lennox-Gastaut and Dravet Syndrome, both very severe forms of childhood epilepsy. The company announced that the US FDA accepted their application for expanded use of Epidiolex for seizures in another rare disease - Tuberous Sclerosis Complex – under priority review, cutting the timeline to a potential approval by 4 months. Cancer company, CytomX announced two important new deals, one with Astellas and the second with Abbvie, thus providing some validation for Cytomx's unique technology platform of so called 'probodyes'. With the markets still in turmoil – we remain cautious of a swift rebound. COVID-19 will dominate all aspects of our lives in the coming months and is projected to have a longer impact on the economy. We do hope however, that the number of new cases has peaked in some countries in Europe, giving some comfort that restriction measures are dampening the impact of the pandemic.

Portfolio breakdown



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.