

LSP Life Sciences Fund

Monthly Report August 2020

LSP
CONNECTING INVESTORS TO INVENTORS

NAV per Share € 213.10

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
-7.9%	3.1%	-5.3%	-1.9%	-20.8%	-3.1%	-1.0%

NAV of Fund	43,001,950
Number of Shares	201,792
Valuation Date	31/08/2020

Top-5 performers during the month

1. Aimmune Therapeutics	159.0%
2. Immunovant	50.2%
3. Amarin Corp	19.8%
4. AC Immune	18.8%
5. Oncopeptides	9.1%

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

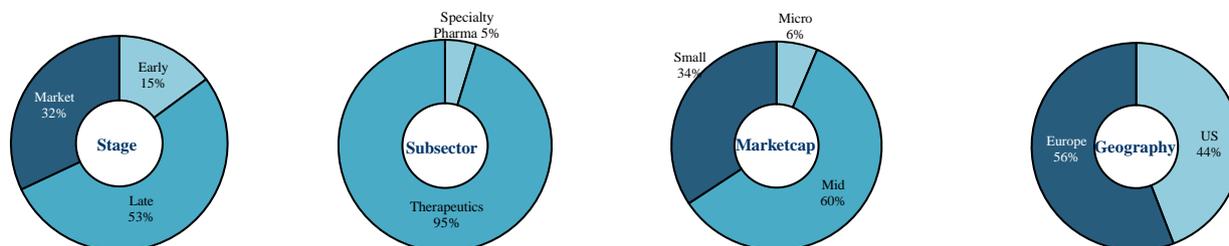
Investment strategy

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

The big success story in August was the acquisition of portfolio company Aimmune by Nestle. Aimmune received FDA approval for its treatment for peanut allergy in January of this year and we added it to the LSP portfolio in July – weeks before it was acquired. Having followed the company for many years – we decided to invest in July as the risk reward for the company had changed. The peanut allergy product was approved and launched in the US, but it appeared that investors were very cautious about the launch during a pandemic, despite the fact that the main competitor, DBV Therapeutics, had suffered significant delays. Nestle had initially signed a collaboration with Aimmune in 2016 and moved to acquire the company in August at a 174% premium. Antibody company, Immunovant, also had a great month based on excellent clinical data and the acquisition of Momenta by Janssen at a 70% premium. Momenta, Argenx and Immunovant are all developing FcRn treatments for autoimmune diseases. The acquisition of Momenta for \$6.5 bn therefore has readthrough to the potential valuation for other companies with similar programs. As the shares reached our target price, we have exited our position in Immunovant. During the month, Galapagos took the market by surprise, announcing that the FDA had requested that the company provide the full data package of two trials prior to market approval, in stark contrast with their initial agreement to allow the company to submit that data post approval. A significant setback for the company because the expected approval of Filgotinib has been pushed out by at least 6 to 12 months. In addition, the FDA expressed concerns about the overall benefit/risk profile of the – commercially important – 200 mg dose of Filgotinib in RA. The stock lost 30% on the day of the announcement. It remains to be seen how and when the company will be able to turn the negative sentiment around. The company's risk profile did materially change overnight. We are in deep due diligence on a number of companies to add to the portfolio in the coming weeks.

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.