

LSP Life Sciences Fund

Monthly Report October 2021

LSP
CONNECTING INVESTORS TO INVENTORS

NAV per Share € 222.70

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
-23.0%	-5.7%	-4.2%	2.2%	10.6%	-6.5%	31.2%

NAV of Fund	40,519,019
Number of Shares	181,942
Valuation Date	31/10/2021

Top-5 performers during the month

1. Valneva	42.0%
2. Compass Pathways	41.3%
3. Merus	27.5%
4. Intra-Cellular Therapies	15.5%
5. Blueprint Medicines	9.4%

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

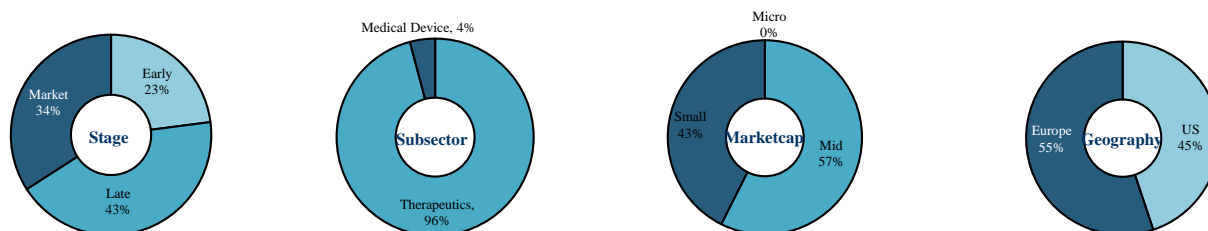
Investment strategy

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

Valneva, the French vaccine company presented positive data from a head-to-head pivotal trial against the AstraZeneca COVID vaccine. Valneva demonstrated that its whole inactivated virus vaccine can elicit a stronger immune response to COVID. Valneva is now on track for an MHRA (UK) approval before the end of this year and EMA (Europe) approval in 1Q22. This would be the only whole inactivated viral vaccine approved in these territories and its use is expected to be focused initially on 'vaccine hesitant' or 'new technology hesitant' people and children (given its safety profile). Mental health company, Compass Pathways, saw its shares increase in anticipation of results from the first large well controlled study in the use of its proprietary psychedelic, psilocybin, in treatment resistant depression (the study has since read out with very favourable data). Merus presented positive data from its second oncology program and the shares of Intra-cellular rebounded as we get closer to an anticipated response from FDA regarding its NDA for the treatment of bipolar disorder. In a major setback, Oncopeptides announced that, based on the outcome from ongoing discussion with the FDA, it would remove its lead oncology drug from the market. This had a profound impact on its share price but also impacted Calliditas, which is also Swedish. The FDA is due to respond to Calliditas NDA for its lead drug for the treatment of a rare form of kidney disease in December and we remain confident in a positive outcome. Healthcare in general continues to underperform as we move towards year end. The broader healthcare market and biotech in particular, continue to sell off in a flight from risk. While there have been many good developments in the portfolio – these have gone unrewarded – as we have seen across the sector. There are many near term catalysts in the portfolio – 3 companies could have their lead drugs approved in December. Will we see a share price response? In the short term – that is not certain – but we are confident that value will be priced in on the longer term.

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.