

LSP Life Sciences Fund

Monthly Report August 2014

NAV per Share

€ 159.59

Performance

YTD	1 Month	3 Months	1 Year	2 Years	Since inception
19.1%	10.2%	3.2%	24.5%	70.0%	59.6%

NAV of Fund 70,603,570

Number of Shares 442,382

Valuation Date 31/08/2014

Top-5 performers

1. InterMune	66.4%
2. Lombard Medical	27.6%
3. Auspex Pharmaceuticals	26.2%
4. Neurocrine Biosciences	20.1%
5. Clinigen Group	18.5%

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

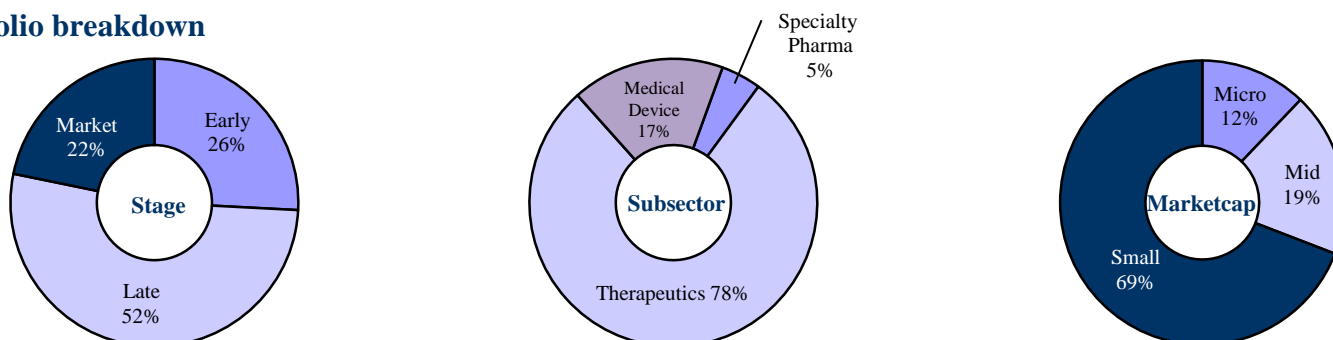
Investment strategy

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 € 1 billion at the time of investment.

Manager's comments

A number of positive developments in the portfolio during the month, pushed the fund's NAV to grow significantly. The fund's year-to-date performance per the end of the month reached +19%. Most noteworthy event directly related to a portfolio company was the public offer made by Roche Pharmaceuticals to acquire all outstanding shares of InterMune. On August 24th it was announced that Roche offered \$8.3 billion for the company or \$74 per share. The LSP Life Sciences Fund had built its position in InterMune only seven months prior to the bid at less than \$15 a share. The investment case was built upon the potential of InterMune's main asset, a drug that targets the treatment of lung fibrosis. Lung fibrosis is a fatal disease for which no alternative therapy exists. Lung fibrosis thus represents a true unmet medical need. Coupled to the incidence of the disease, the commercial potential for an effective drug enabling the treatment of patients suffering from it, is significant; it has blockbuster potential. In february and may, the company announced the results of a clinical trial it had initiated two years before, that showed strong efficacy of the drug. These results allowed the company to file for approval with the US Food and Drug Administration - the FDA - in July. That same month, the FDA also granted breakthrough therapy designation to Esbriet, which is granted only to products that hold the potential to very significantly impact the lives of patients suffering from serious diseases. Consequently, and following Roche's announcement to make a bid for the company, InterMune's shares have increased 5-fold since the fund had built its position. The fund liquidated its entire position in InterMune as a result. Amongst some other positive developments in the portfolio in the month of August, there were also two recent additions to the portfolio: Auspex Pharmaceuticals, which focuses on movement disorders and was added to the portfolio in June, and Clinigen, a specialty pharma company which was added in July.

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

Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Innate Pharma	Early	Therapeutics	Small	8.8%
Neurocrine Biosciences	Late	Therapeutics	Small	6.8%
Lombard Medical	Late	Medical Device	Micro	6.8%
Enanta Pharmaceuticals	Late	Therapeutics	Small	6.8%
AceLRX	Late	Therapeutics	Small	6.7%
Prosensa	Late	Therapeutics	Small	6.7%
Ablynx	Early	Therapeutics	Small	6.4%
Genmab	Market	Therapeutics	Mid	6.3%
MorphoSys	Early	Therapeutics	Mid	5.0%
GW Pharmaceuticals	Market	Therapeutics	Mid	4.9%
Auspex Pharmaceuticals	Late	Therapeutics	Small	4.6%
Clinigen Group	Market	Specialty Pharma	Small	3.9%
Sphere Medical	Market	Medical Device	Micro	3.7%
NeoStem	Late	Therapeutics	Small	3.6%
Orexigen Therapeutics	Late	Therapeutics	Small	3.1%
Collectis	Early	Therapeutics	Small	2.3%
Synergy Pharmaceuticals	Late	Therapeutics	Small	0.4%