

LSP Life Sciences Fund



Monthly Report November 2017

NAV per Share € 222.49

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years
31.4%	1.4%	1.2%	30.2%	4.7%	24.7%

NAV of Fund	71,414,618
Number of Shares	320,979
Valuation Date	30/11/2017

Top-5 performers

1. arGEN-X	26.1%
2. Aduro Biotech	19.5%
3. GW Pharmaceuticals	15.3%
4. Ablynx	10.7%
5. Tetrphase Pharmaceuticals	6.8%

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

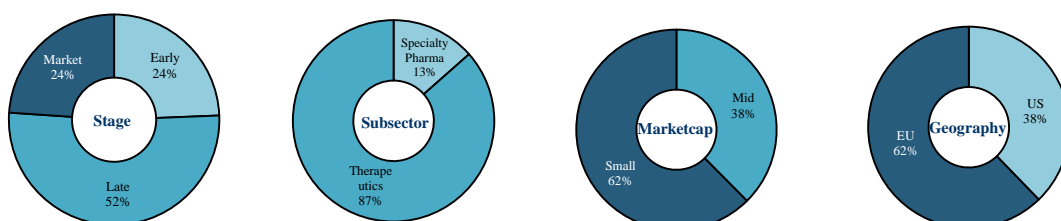
Investment strategy

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 month of November has been volatile, with the Fund trading down 5% on November 16th from its high on November 7th and bouncing back-up 5% again in the second half of the month. The Fund closed up 1.4% for the month and stood over 30% year-to-date (net). We are used to seeing intra-month volatility and – frankly – disregard these short term price movements. We remain focused on the fundamentals of our individual holdings, for the simple reason that those are what we can have a well-informed view on. Do we not have a view on Trumponomics? On Brexit? On many other political or socio-economic and macro-economic issues that influence the global financial markets? Yes, we do. But will our views on these matters influence the outcome of the extensive due diligences that we perform to select for those biotech companies that we like most? No, it does not. Our investors expect us to put all our time and energy into these analyses and select for those companies that we believe offer an attractive risk adjusted return in the longer term. Irrespective of what the financial markets do. One such company we wish to highlight in this monthly report is Belgian Biotech ArgenX. We have known the company already since its inception back in 2010 and have been following its development ever since. Over the years, the company has grown from an early stage, technology oriented start-up to a relatively mature biotech company with a dual listing on Euronext and Nasdaq and a market cap of EUR 700 mln. A number of its products are now in advanced clinical development. Its key asset is a drug called ARGX-113, an antibody that ArgenX has developed in-house targeting a number of severe autoimmune diseases: Myasthenia Gravis leading to weakness in the skeletal muscles, Immune Thrombocytopenia leading to bleeding and Pemphigus Vulgaris leading to blistering of the skin. We believe that the company's current profile, stage of development and anticipated news flow, make it one of the most interesting European biotechs to hold. At month's end and due to a 30% increase in the company's stock during the month, ArgenX had become the largest holding in the fund. Other developments during this month included further clinical data released by GW Pharma and Zogenix related to their respective treatments for hard-to-treat epilepsy. These data, which further reinforced our conviction in both companies, will be presented in more detail at the annual meeting of the American Epilepsy Society in early December. Also in December, the American Society of Hematology will hold its annual meeting, which will be relevant for a number of our portfolio companies including Aduro Biotech, ArgenX, Erytech, Genmab and Morphosys. For a more detailed description of this event, as well as some of the highlights that we expect to be presented, we refer you to a recent article that was published on the LSP website, entitled "Is a cure for cancer finally within reach?". The following [link](#) allows you to review the article.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
arGEN-X	Early	Therapeutics	Small	11.5%
Morphosys	Late	Therapeutics	Mid	10.4%
Clinigen Group	Market	Specialty Pharma	Small	9.1%
CytomX Therapeutics	Early	Therapeutics	Small	8.0%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	7.9%
Ablynx	Late	Therapeutics	Small	7.7%
Tetraphase Pharmaceuticals	Late	Therapeutics	Small	7.4%
Erytech Pharma	Late	Therapeutics	Small	6.9%
Zogenix	Late	Therapeutics	Small	5.5%
TherapeuticsMD	Market	Specialty Pharma	Mid	3.8%
Evotec	Early	Therapeutics	Mid	3.7%
Zealand Pharma	Market	Therapeutics	Mid	3.6%
Genmab	Market	Therapeutics	Mid	3.6%
Aduro Biotech	Late	Therapeutics	Small	3.3%
GW Pharmaceuticals	Market	Therapeutics	Mid	2.8%

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.