

LSP Life Sciences Fund

Monthly Report July 2019



NAV per Share € 238.36

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
11.1%	-3.5%	-2.5%	-10.6%	12.5%	32.5%	64.5%

NAV of Fund	66,152,835
Number of Shares	277,527
Valuation Date	31/07/2019

Top-5 performers

1. Galapagos	39.2%
2. Merus	7.5%
3. Blueprint Medicines	6.2%
4. Evotec	4.7%
5. FibroGen	4.6%

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

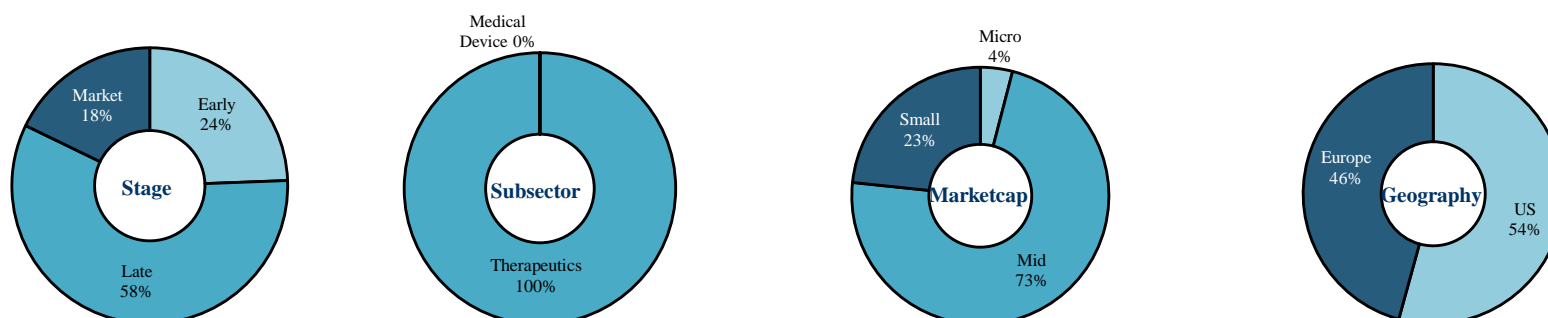
Investment strategy

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

July was a busy month for the portfolio in terms of news flow. Most importantly, Belgian/Dutch biotech Galapagos formed a new and one-of-a-kind alliance with its long-term partner Gilead. Galapagos had partnered its lead drug – Filgotinib – with Gilead back in 2015, after Abbvie had not exercised its right to partner the drug only a couple of months previously. There has been speculation ever since, that Gilead may acquire Galapagos for full access to Filgotinib – widely anticipated to be a multi-billion USD blockbuster drug – along with the rest of its pipeline. Instead, Galapagos managed to deepen its relationship with Gilead through a multi-billion deal, renegotiating its existing deal on Filgotinib, allowing Galapagos to retain European rights for the drug, partnering another of its lead assets in development (a drug for lung fibrosis) and adding upside by allowing Gilead to add additional products through opt-ins. Under the deal, Gilead paid Galapagos USD 3.95 billion in cash and Gilead invested another USD 1.1 billion in equity. At the same time, Galapagos retained its independence and its new cash pile allows it to power ahead with the development of its own product pipeline. Galapagos will thus be able to consolidate its position as a leading European biotech company. The next key trigger for the company (and its partner Gilead) is the Filgotinib filing for FDA approval later this year for the treatment of rheumatoid arthritis. During the month, the position in Danish company Ambu, the only medtech company in the portfolio, was liquidated. A series of unfortunate events (CEO was fired, new CEO reiterated guidance, only to change his mind, plus a change in strategy) lead us to lose confidence in the company and its future potential. A negative development in the portfolio was the failure of Marinus Pharmaceuticals to demonstrate a competitive profile for its depression treatment, Ganaxolone. Small cap US company Marinus sought to challenge Sage Therapeutics with an improved treatment for post-partum depression (PPD) in a series of Phase 2 studies. While overall the drug appears to be safe and efficacious in both the oral and IV formulations – Marinus did not demonstrate a differentiated profile vis-à-vis Sage's drug – resulting in a dramatic sell off in the shares which had a negative impact on the fund's NAV for the month. Several portfolio companies will present Q2 financial results and company updates in August which will set the stage for the coming months.

Portfolio breakdown



LSP Life Sciences Fund



Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Galapagos	Late	Therapeutics	Mid	15.3%
Amarin Corp	Market	Therapeutics	Mid	12.8%
Uniqure	Late	Therapeutics	Mid	10.7%
argenx	Late	Therapeutics	Mid	10.2%
Evotec	Early	Therapeutics	Mid	7.9%
Stemline Therapeutics	Market	Therapeutics	Small	5.6%
Oncopeptides	Late	Therapeutics	Mid	5.6%
Merus	Early	Therapeutics	Small	5.2%
FibroGen	Late	Therapeutics	Mid	5.0%
Blueprint Medicines	Late	Therapeutics	Mid	4.7%
Cocrystal Pharma	Early	Therapeutics	Micro	4.2%
CytomX Therapeutics	Early	Therapeutics	Small	3.9%
ObsEva	Late	Therapeutics	Small	3.8%
Foamix Pharmaceuticals	Late	Therapeutics	Small	3.3%
Viking Therapeutics	Early	Therapeutics	Mid	3.1%
Marinus Pharmaceuticals	Late	Therapeutics	Small	1.3%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	1.1%

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.