

LSP Life Sciences Fund

Monthly Report April 2018



NAV per Share € 246.26

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
4.8%	-4.2%	-5.0%	21.0%	42.8%	21.4%	66.7%

NAV of Fund	76,402,297
Number of Shares	310,241
Valuation Date	30/04/2018

Top-5 performers

1. GW Pharmaceuticals	18.0%
2. Stemline Therapeutics	12.4%
3. argenx	12.1%
4. Morphosys	3.6%
5. Erytech Pharma	2.5%

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

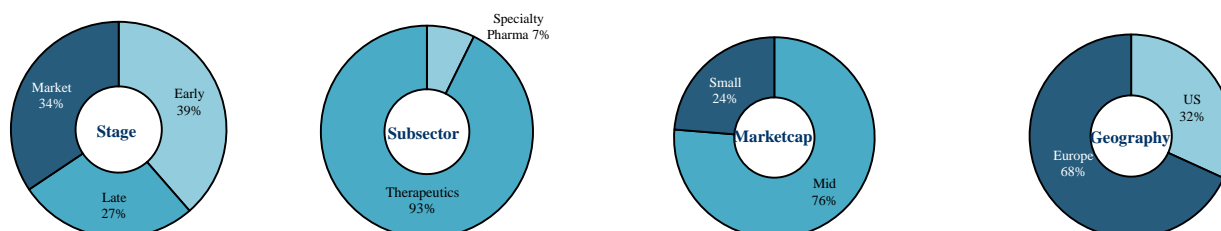
Investment strategy

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 € 2.5 billion at the time of investment.

Manager's comments

General market volatility continued in April with increased pressure in the US healthcare markets. This was in response to an anticipated speech by Trump on how he will tackle drug pricing. The speech has been postponed –at least for now. There was both good news and bad news in the portfolio in the month of April. GW Pharmaceuticals lead drug candidate, Epidiolex, a novel treatment for severe forms of childhood epilepsy, went before an FDA advisory committee which unanimously recommended approving the treatment. The FDA is not bound to the decision but it does usually follow such recommendations and is expected to respond to the company by the PDUFA date of June 27th. US oncology company Stemline Therapeutics started the filing process for its lead drug, STML-401 and expects to complete the process this quarter. The drug has been granted breakthrough therapy designation by the FDA which means the FDA believes that the drug could potentially make a significant difference to patients. Such a designation leads to an expedited review process making it possible for the company to have FDA approval before the end of this year. Belgian company – argenx - was another strong performer in April following the release of additional data from its Phase 2 program in myasthenia gravis, a severe autoimmune disease. The negative performance for the month was largely attributable to the failure of NEOD001, the lead compound in development at US company Prothena, for the treatment of a blood disorder called AL amyloidosis. Despite demonstrating a dramatic improvement in cardiac and renal function as well as peripheral neuropathy in earlier studies – the drug failed to demonstrate a significant response in a large Phase 2b study and as a result the on-going Phase 3 program was also stopped. This was the worst possible outcome for the program. We have exited our position in Prothena. We have several new investment opportunities in late stage due diligence and expect to add some new names to the portfolio in the month of May.

Portfolio breakdown



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Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
argenx	Early	Therapeutics	Mid	12.9%
Genmab	Market	Therapeutics	Mid	10.3%
CytomX Therapeutics	Early	Therapeutics	Small	8.5%
Evotec	Early	Therapeutics	Mid	8.5%
Morphosys	Late	Therapeutics	Mid	8.5%
Clinigen Group	Market	Specialty Pharma	Mid	7.4%
Zogenix	Late	Therapeutics	Mid	6.5%
Stemline Therapeutics	Early	Therapeutics	Small	6.2%
Zealand Pharma	Market	Therapeutics	Mid	5.8%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	5.8%
Galapagos	Market	Therapeutics	Mid	5.7%
GW Pharmaceuticals	Market	Therapeutics	Mid	5.5%
Erytech Pharma	Late	Therapeutics	Small	4.2%
Merus	Early	Therapeutics	Small	2.8%
Aduro Biotech	Late	Therapeutics	Small	2.2%

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.