

LSP Life Sciences Fund



Monthly Report February 2017

NAV per Share € 189.58

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years
11.9%	5.1%	10.9%	23.5%	-11.1%	17.1%

NAV of Fund	64,614,713
Number of Shares	340,826
Valuation Date	28/02/2017

Top-5 performers

1. Kite Pharma	38.8%
2. Zynerba Pharmaceuticals	32.8%
3. Morphosys	12.2%
4. GW Pharmaceuticals	8.5%
5. TherapeuticsMD	8.1%

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

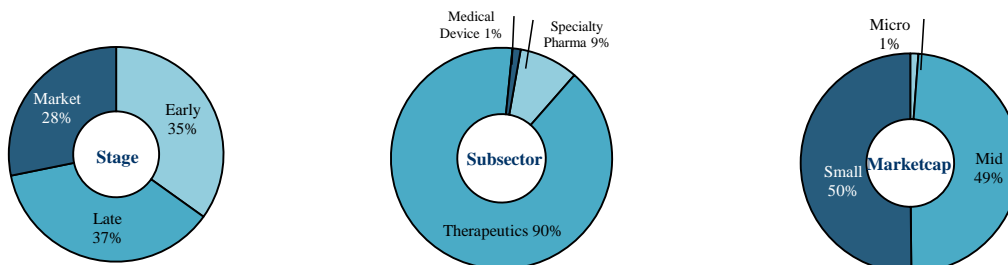
Investment strategy

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

In the past month and around month-end, there were important press releases from two of the Fund's portfolio companies. These were in line with our expectations and validated our investment cases. Neuroderm, a US small cap spec pharma that focuses on Parkinson's disease, announced the results of an important clinical trial of its lead product. These results were very strong, showing efficacy that is comparable to its closest competitor (a product being marketed by Abbott). Furthermore, they demonstrated a significantly improved use and safety profile; use and safety being key-features that clinicians are looking to improve in their treatments of moderate to severe Parkinson's patients, making it a potentially transformational and highly impactful product. It is truly addressing an unmet medical need, one of the key criteria taken into account for all of the Fund's portfolio companies. Dyskinesia - or uncontrollable trembling - is a terrible symptom of Parkinson's disease. Patients typically have several periods during the day of "off-time" when their medication does not control the dyskinesia. In a sub population of patients in the Neuroderm study, the "off time" was reduced to zero. This has a tremendous impact on the quality of life of these patients and has never been seen in these patients with currently available treatment options. The market reacted positively as a consequence, pushing the stock some 30% higher the day the results were announced (March 1). The second significant development within the portfolio related to Kite Pharmaceuticals, one of the world's leaders in the immuno-oncology space. The company published new clinical data that showed very strong treatment effects in patients with aggressive non-Hodgkin's Lymphoma. The stock gained almost 40% in two days. All other holdings in the portfolio are developing in accordance with our expectations as well.

Portfolio breakdown



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Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Evotec	Early	Therapeutics	Small	9.0%
Clinigen Group	Market	Specialty Pharma	Small	7.7%
Morphosys	Late	Therapeutics	Mid	7.2%
Genmab	Market	Therapeutics	Mid	7.2%
arGEN-X	Early	Therapeutics	Small	7.0%
Spark Therapeutics	Late	Therapeutics	Mid	6.8%
GW Pharmaceuticals	Market	Therapeutics	Mid	6.3%
Neuroderm	Early	Therapeutics	Small	6.0%
Zynerba Pharmaceuticals	Late	Therapeutics	Small	5.5%
CytomX Therapeutics	Early	Therapeutics	Small	4.9%
Ablynx	Late	Therapeutics	Small	4.5%
Neurocrine Biosciences	Late	Therapeutics	Mid	4.5%
Aerie Pharmaceuticals	Late	Therapeutics	Mid	4.3%
Kite Pharma	Early	Therapeutics	Mid	4.1%
TherapeuticsMD	Market	Therapeutics	Mid	2.8%
Sphere Medical	Market	Medical Device	Micro	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.