

# LSP Life Sciences Fund

Monthly Report November 2018

**LSP**  
CONNECTING INVESTORS TO INVENTORS

NAV per Share € 237.73

## Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years
1.1%	-0.2%	-11.7%	6.8%	39.1%	11.9%	33.3%

NAV of Fund	78,323,314
Number of Shares	329,455
Valuation Date	30/11/2018

## Top-5 performers

1. Cococrystal Pharma	89.2%
2. Eloxx Pharmaceuticals	29.4%
3. Morphosys	23.3%
4. argenx	22.5%
5. Evotec	18.6%

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

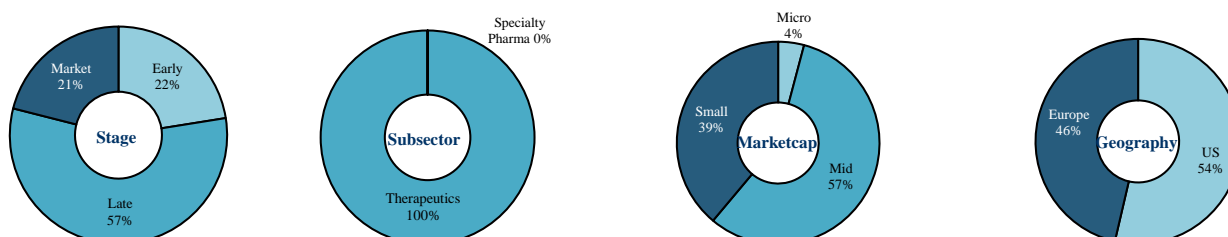
## Investment strategy

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

The general market turbulence continued in November however, the LSP Fund was flat overall for the month. Cococrystal, argenx, Evotec and Eloxx recovered from the strong sell off in October and Morphosys' out-performance was due to exciting new data for its lead program in the treatment of leukemia. MOR-208 was shown to be very effective in the treatment of certain forms of leukemia and the data is such that the company may be able to file for early approval. Additional data will be presented at the American Society of hematology (ASH) meeting in December. Following headline data from the Amarin cardiovascular outcome study (CVOT) in September – many in the industry remained skeptical that the results could be so strong (25% improvement over the standard of care). Detailed data were presented in a headline event at the American Society of Cardiology meeting in November. The presentation confirmed the strong effect of Vascepa on cardiovascular outcome. The detailed results were also published in the top cardiology journal and Amarin will start discussion with the FDA regarding filing of the data. The FDA should then approve the use of Vascepa in a far larger patient population. Despite the strong performance of the share price we continue to view Amarin as undervalued given the huge potential of Vascepa. The last few months of the year are typically laden with news flow for healthcare companies. This is because many of the most important scientific and medical conferences take place at this time. The LSP Life Sciences Fund has enjoyed a fantastic run of positive news flow. In fact, during the months September, October and November, we had 25 material clinical catalysts in the portfolio, all of which were positive. In the 10 years that we have been investing in the public biotech markets, only seldom have we had so much good developments in the portfolio, in such a short time. Furthermore, during this period, 6 of our portfolio companies jointly raised USD 1.2 billion in pure equity. Wall Street issued close to 90 research reports on our portfolio companies, triggered by material and positive events. All of the companies we hold currently trade far below consensus price targets. Still, the current risk-off market climate is not appreciating this added value. We however continue to believe that the recent positive events – ranging from proof of concept to FDA drug approvals and launch – have undoubtedly increased the intrinsic value of the underlying assets and look to more stable markets in 2019 for these events to be fully appreciated and priced in. If the equity markets do not value the assets appropriately – we expect to see an increase in M&A activity across the sector.

## Portfolio breakdown



# LSP Life Sciences Fund



## Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
argenx	Late	Therapeutics	Mid	10.8%
Amarin Corp	Market	Therapeutics	Mid	8.4%
Evotec	Early	Therapeutics	Mid	7.2%
Morphosys	Late	Therapeutics	Mid	7.1%
Galapagos	Late	Therapeutics	Mid	6.7%
Verastem	Late	Therapeutics	Small	5.9%
ObsEva	Late	Therapeutics	Small	5.9%
Foamix Pharmaceuticals	Late	Therapeutics	Small	5.6%
Genmab	Market	Therapeutics	Mid	5.1%
Aerie Pharmaceuticals	Market	Therapeutics	Mid	4.7%
Stemline Therapeutics	Late	Therapeutics	Small	4.7%
Zogenix	Late	Therapeutics	Mid	4.6%
Cocrystal Pharma	Early	Therapeutics	Micro	4.1%
Uniqure	Late	Therapeutics	Small	3.9%
CytomX Therapeutics	Early	Therapeutics	Small	3.6%
Dova Pharmaceuticals	Market	Therapeutics	Small	2.8%
Merus	Early	Therapeutics	Small	2.8%
Viking Therapeutics	Early	Therapeutics	Mid	2.4%
Eloxx Pharmaceuticals	Early	Therapeutics	Small	2.3%
Arqule	Late	Therapeutics	Small	0.8%
Clementia Pharmaceuticals	Late	Therapeutics	Small	0.5%

### 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](http://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](mailto: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.