



October 2018

Unit Value per October 31, 2018: **€ 1.815,9849**

Net Performance (Start of fund: March 28, 2016)

Since Inception	YTD	1 Month	3 Months	1 year
+ 81,6%	+ 54,6%	- 7,2%	+ 17,0%	+ 40,2%

Volatile October, Fund -7%, Index -15%

Much like the rest of the stock market, October was a volatile month also in the biotech sector. The Nasdaq Biotech Index (NBI) decreased 15%, Aescap 2.0 went down 7%.

At Aescap, we like a volatile market since it creates investment opportunities. In October we made use of this volatility and added two new companies to our portfolio after they became seriously undervalued due to the fluctuations in the market. This after we sold three other companies earlier in the month.

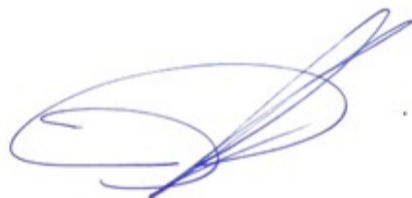
Although the medicine market is a-cyclical, biotech stock prices initially move up and down when the general market does so too. However, in general there is a low correlation between the stock prices amongst companies, which makes it an ideal market to invest in for 'stock pickers' like us.

In fact, movements of biotech stocks are very event driven. An approval of a new medicine or positive data from a medicine candidate in a clinical study can seriously increase a share price. That stock picking in biotech can pay off over the long term is proven by our 3,7x net outperformance of the Nasdaq Biotech Index since the start of the fund, with the net outperformance already taking into account all fees. During our two year pre-fund period (2014 + 2015) the outperformance has been 2,7x.

Looking forward to report to you again early December.

Best regards on behalf of the Aescap 2.0 team,

Aescap Medical Investments B.V.




Patrick J. H. Krol
Portfolio Manager Aescap 2.0

About Aescap 2.0

Aescap 2.0 is an open-end mutual fund investing in public biotech companies that develop and market next generation medical treatments. Within its focused portfolio of 15-20 companies it diversifies over different diseases, development phases and geographies. Companies are selected for their growth potential ('earning power') and limited risk (technological and financial).

The selection of companies is based on 'high conviction' - extensive fundamental analyses combined with intense interaction with management and relevant experts. The fund's performance is fueled by stock picking and an active buy and sell discipline. Biotech stocks are known for their extreme low correlation and high volatility, caused by media, macro-events and short-term speculative investors. This creates an ideal setting for a high conviction fund manager to invest in undervalued companies with a great mid- and long-term earning power. The fund has an average annual net performance target of 20%+.

Attention! This investment falls outside AFM supervision. No license required for this activity. 

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