Investing in People and Medicine that Make a Difference

January 2019

Unit Value per January 31, 2019: € 1.859,8243

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

Since Inception	YTD	1 Month	3 Months	1 year
+ 86,0%	+ 7,8%	+ 7,8%	+ 2,4%	+ 35,7%

2019: Year of Biotech M&A?

With biotech stock prices going down considerably over the last quarter of 2018, valuations of companies lowered in parallel. This is expected to trigger renewed M&A activity in the biotech sector. In the last month, some major acquisitions were announced at attractive purchase premiums, with GSK acquiring Tesaro, Bristol-Myers Squibb making an offer to Celgene, and Eli Lilly buying Loxo Oncology.

For the Aescap 2.0 portfolio it was a quiet month without any major news other than the offer made for Celgene, in which we had a small 3% stake at the time of the news. As a result of the restored market sentiment and the Celgene news, the NAV of the fund over January increased by 7,8%.

For the Aescap team, however, it wasn't a quiet month. Attending the JPMorgan Healthcare conference in the second week of January prompted a lot of homework to do. It was our busiest JPMorgan conference in 12 years, meeting with the management of 35 companies. We not only met with the management teams of most of our current portfolio companies, over half of the meetings were with potential future portfolio companies.

With months of due diligence ahead, several conferences to attend, and company visits in between, we are excited about the many investment opportunities we have. Having said that, only about 18 of the more than 750 public companies we can invest in make it to our portfolio.

Looking forward to report to you again next month.

Best regards on behalf of the Aescap 2.0 team,

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%+ over the mid-term (4-5 years)

The fund manager, Privium Fund Management B.V. (Privium), is authorised and regulated by the Dutch Authority for the Financial Markets (www.afm.nl) as an Alternative Investment Fund Manager (AIFM). Both Privium as well as the Fund are included in the register of the AFM. This communication is neither an offer to sell nor a solicitation to invest. Past performance is not indicative of future results. The value of investments and any income generated may go down as well as up and is not guaranteed. For more information, please refer to the Key Information Document or 'KID' and the Prospectus on the website of the Fund.

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