Quarterly Report Q2, 2019

June +2,5%, Q2 -3,3% - Expecting 25+ Milestones in H2

The first half year has been somewhat quiet for the Aescap 2.0 portfolio. As we have been communicating earlier, most of the clinical study readouts in our portfolio companies take place in the second half of the year. On top of that, biotech shares were suppressed for most of the second quarter due to a misinterpretation around the involvements of medicines in the trade war between China and the US. This resulted in a net performance of the fund of -3,4% over the second quarter versus -2,4% for the Nasdaq Biotech Index. Over the first half of 2019 the net performance of the fund is 11,4%.

Nevertheless, we saw interest of investors for the biotech sector coming back towards the end of June, likely because it became apparent that innovative biotech companies are hardly affected by the trade war, if at all.

During the quarter there were positive clinical data updates for our portfolio companies, like for Dutch biotech UniQure and Germany-based Morphosys. Two companies in our portfolio reported a change of CEO with Aescap being an active advocate of both these processes. We divested our position in Evotec seeing a better opportunity elsewhere.

As part of our continuous dialogue with portfolio companies, and our constant search for new investment opportunities, the team attended the large Jefferies Healthcare Conference in New York. We received valuable updates and met with new interesting potential investment cases. There is therefore plenty due diligence to do over the summer when also the biotech has limited news flow.

Value Update

Unit Value June 30, 2019:
€ 1.921,5727

Location (based on value):
Europe: 72%
US: 24%
China: 4%

Invested per Currency:
USD: 51%
EUR: 35%
DKK: 11%
SEK: 3%

Net Performance (from inception of the fund at March 28, 2016)

Since Inception	2019	1 month	1 year	2 years	3 years
+ 92,2%	+ 11,4%	+ 2,5%	+ 30,0%	+ 58,5%	+ 86,6%

Top-5 Performers

1. UniQure	**31%**
2. Zealand Pharma	**20%**
3. Zai Lab	**18%**
4. Argenx	**13%**
5. Dicerna	**8%**

Portfolio Highlights

UniQure (+31%)

An article in the New York Times on Sunday June 16 stated Dutch UniQure has been contacted by interested parties and is considering their options regarding a trade sale or licensing deal. The article obviously drove the share price up.

During our annual meeting Prof. Dr. Sander van Deventer, CSO of UniQure, presented the company as well as the gene therapy space in

general. UniQure is one of the few gene therapy companies that has not only a best in class product but also a manufacturing facility that is able to scale its medicine production to commercial levels. With many big biopharma players moving into the gene therapy space (3 recent acquisitions and many more licensing deals), it is of little surprise to us that there are several parties interested.

However, we are not in the company because of the potential M&A play, since this is a process that is highly unpredictable. We are interested in the company because of their best in class Hemophilia B gene therapy that is currently in phase III development and already has shown a very good efficacy. This in combination with a further broad pipeline of products and an experienced, knowledgeable management team.

Beigene (-6%)

The acquisition of Celgene by Bristol-Myers Squibb (BMS) caused Celgene to give back the immuno-oncology medicine Tislelizumab to Beigene, which Celgene in-licensed in 2017. Beigene received $150M and re-gained full control over the clinical development of this medicine, including the trials and their data that were financed by Celgene. Moreover, they will most likely be able to close a new licensing deal with another large oncology company, generating immediate value for Beigene. The BMS-Celgene deal did not affect however Beigene's rights to commercialize 3 medicines from Celgene in China, including the blockbuster Revlimid. Lastly, Beigene is waiting to receive approval by Chinese regulators for two oncology medicines later in 2019.

Morphosys (+4%)

Johnson & Johnson announced further investments in clinical studies in the medicine called Tremfya which they in-lincensed from Morphosys. The product was launched for the treatment of psoriasis mid-2017 and is now approved in 2 diseases plus tested in 4 others involving 11 clinical studies.

Licensing partner Novartis, which has in-licensed ten molecules from Morphosys, announced good safety data on a medicine it in-licensed from both Morphosys and Galapagos. The medicine is a result of a collaboration between the latter two companies and is in development for eczema.

CEO Simon Moroney, who lead the company for 20 years, will resign by the end of the summer. Dr. Moroney has built Morphosys into a solid antibody platform company with many top-class partners in one of the broadest pipelines in the industry. However, with the company about to

enter a commercial stage, it's time to hand over to a seasoned biotech executive with commercialization experience: Dr. Jean-Paul Kress.

Dr. Kress has held various roles including most recently as CEO of biotech company Syntimmune that was acquired during his tenure. He also has an extensive experience in leadership roles in larger companies such as Gilead, Biogen, Sanofi-Genzyme, Abbott and Eli-Lilly.

Zealand Pharma (+20%)

Much like Morphosys, Zealand Pharma also appointed a new CEO, Emmanuel Dulac. Zealand Pharma is maturing into a pre-commercial company as well and Mr. Dulac has the right experience with his previous position as Chief Commercial Officer at Alnylam. Before Alnylam, Mr. Dulac held leadership positions at Novartis, Abbott, Sanofi, and Shire.

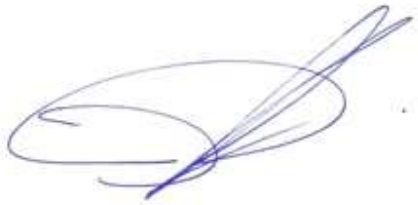
During the second quarter Zealand Pharma also presented data on their dual hormone pump, containing a combination of glucose and glucagon that is delivered via microneedles on a small disposable patch. Due to constant measurement of blood levels the pump can administer the ideal amount of insulin and glucagon which leads to a much better control of glucose levels. The initiation of the study was announced on May 22nd and the study was finalized in a record speed of only 15 days (versus 6-24 months for most other phase II studies). The study showed that while using Zealand Pharma's medicine in the dual hormone pump system, 90% of participants had mean blood glucose levels of less than 154 mg/dL, the therapeutic goal for adults recommended by the American Diabetes Association. In contrast, when only insulin was used without Zealand Pharma's medicine, 50% of participants had a mean blood glucose levels of less than 154 mg/dL.

Outlook

We are getting closer to many important milestones in our current portfolio. From the ±18 companies we are invested in, we expect 25+ clinical milestones to be presented in the second half of 2019, of which around 25% in Q3 and 75% in Q4. Of course, each milestone may carry a different value compared to others, so the amount of them shouldn't be a focal point per se. We look forward to an eventful second half of the year and wish you a comfortable summer in good health.

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 fund investing in public biotech companies that develop and market next generation medical treatments. Within its focused portfolio of around 18 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). Investors can enter and exit the fund on a monthly basis.

The selection of companies in our portfolio 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 very 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)

5-star Morningstar rating:
Morningstar has rated Aescap 2.0 as a 5-star investment fund, the highest possible rating given. Morningstar's rating has become the industry's leading standard for determining a fund's performance (risk/reward) relative to other funds. To rate a fund, Morningstar takes into account the long-term performance (3+ years) and only the top 10% best performing funds will receive a 5-star rating.

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Disclosures for Swiss Investors:
The Fund has appointed Hugo Fund Services SA, 6 Cours de Rive, 1204 Geneva, Switzerland, as its Swiss Representative. Banque Heritage SA, 61 Route de Chêne, CH-1207 Geneva, Switzerland is the Swiss Paying Agent. In Switzerland shares of Aescap2.0 shall be distributed exclusively to qualified investors. The fund offering documents and audited financial statements can be obtained free of charge from the Representative. The place of performance with respect to the shares of Aescap2.0 distributed in or from Switzerland is the registered office of the Representative.

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