



## **Acquisition of Portfolio Company Myokardia at 61% Premium**

Just after we sent out our Q3 newsletter, we received the news from our portfolio company Myokardia that it will be acquired by big pharma player Bristol Myers Squibb for \$13.1 billion in cash. This offer of \$225 per share represents a 61% premium from the closing share price last Friday.

While the company had been on our radar for a long time, a clear undervaluation to us only materialized following the disclosure of strong clinical results in May. It was early June when we bought our first shares and continued to do so at an attractive price in the following weeks, increasing our stake to 6% of our assets under management. A rigorous buy discipline led the fund to buy at an average price per share of \$93.06. The acquisition offer represents a 141% higher share price (\$225) compared to the average price per share at which we bought our stake in the company. The increase of the NAV of the fund today on the announcement of the deal is 4%.

MyoKardia is a clinical-stage biopharmaceutical company discovering and developing targeted therapies for the treatment of serious cardiovascular diseases. Through the transaction, Bristol Myers Squibb gains access to mavacamten, a potential first-in-class cardiovascular medicine for the treatment of obstructive hypertrophic cardiomyopathy ("HCM"), a chronic heart disease with high morbidity and patient impact. There is no approved medicine for the treatment of HCM, and Myokardia caught our eye for its disruptive approach in a therapeutic area with such a high unmet medical need. Bristol Myers Squibb expects to explore the full potential of mavacamten in additional indications, including non-obstructive HCM. On top of that, the acquirer plans on further developing MyoKardia's promising pipeline of novel medicine candidates, including two clinical-stage therapeutics: danicamtiv and MYK-224.

Looking forward to reporting more news from our portfolio companies at the start of November.

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 twice per month.

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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