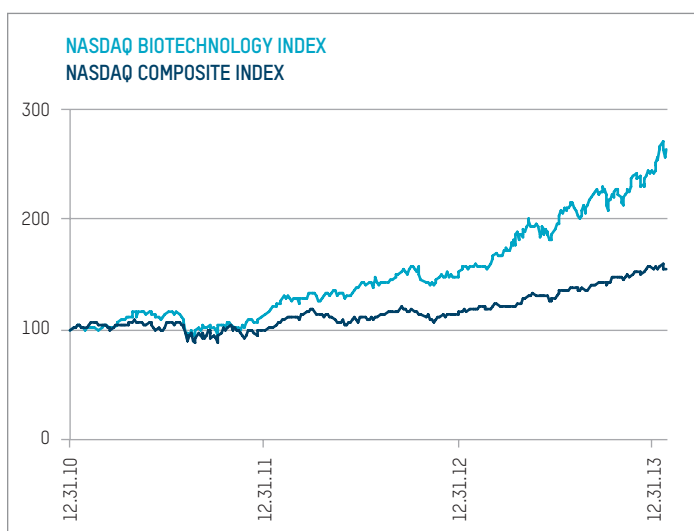


# A CLOSER LOOK

## THE BIOTECHNOLOGY SECTOR WAS A VERY STRONG PERFORMER IN 2013

The NASDAQ Biotechnology Index, consisting of 122 biotech stocks listed on NASDAQ, was up +65.61% in the calendar year ending December 31, 2013, its best performance in at least 10 years. Over the last three years, the Index was up a cumulative +144.24%. This strong performance has continued into 2014, with the Index up + 8.41% in January alone.

FIGURE 1: INDEX PERFORMANCE



The NASDAQ Biotechnology Index has easily outpaced the broader U.S. equity market. The NASDAQ Composite, in contrast, was up +38.32% in the calendar year ending December 31, 2013, and over the last three years, the Composite was up a cumulative +57.44%

Biotech stocks are now easily among the largest stocks in the U.S., and held 4 of the top 20 positions in the NASDAQ Composite by index weight as of December 31, 2013:

- ▶ Gilead (Ticker: GILD, 8th largest, 1.84%)
- ▶ Amgen (Ticker: AMGN, 11th largest, 1.37%)
- ▶ Celgene (Ticker: CELG, 13th largest, 1.11%)
- ▶ Biogen (Ticker: BIIB, 14th largest, 1.05%)

Perhaps not surprisingly, biotech IPOs surged along with rising prices. In 2013, there were 38 Biotech IPOs that came to market in the U.S. 36 of these IPOs were listed on NASDAQ. The average price change for all 38 stocks from their IPO price to December 31, 2013 was 43%.

The NASDAQ Biotechnology Index is reconstituted annually in December. During the most recent reconstitution, which occurred in December 2013, the Index picked up some of the newly IPO'd stocks. The Index, which mandates a minimum market capitalization and minimum post-IPO trading history, among other rules, added 11 of the 38 IPOs. The 11 stocks represent 1.57% of the Index by weight.

FIGURE 2: 2013 BIOTECH IPOs

SYMBOL	COMPANY NAME	FIRST TRADE	EXCHANGE	2013 BIOTECH IPO PERFORMANCE		
				IPO PRICE	PRICE (12/31/2013)	PERFORMANCE
LPDX	LIPOSCIENCE INC.	1/25/13	NASDAQ	\$9.00	\$4.25	-53%
STML	STEMLINE THERAPEUTICS INC.	1/29/13	NASDAQ	\$10.00	\$19.60	96%
KBIO	KALOBIOUS PHARMACEUTICALS INC.	1/31/13	NASDAQ	\$8.00	\$4.42	-45%
TTPH	TETRAPHASE PHARMACEUTICALS INC.	3/20/13	NASDAQ	\$7.00	\$13.52	93%
ENTA	ENANTA PHARMACEUTICALS INC.	3/21/13	NASDAQ	\$14.00	\$27.28	95%
CMRX	CHIMERIX INC.	4/11/13	NASDAQ	\$14.00	\$15.11	8%
INSY	INSYS THERAPEUTICS INC.	5/2/13	NASDAQ	\$8.00	\$38.71	384%
RCPT	RECEPTOS INC.	5/9/13	NASDAQ	\$14.00	\$28.99	107%
AMBI	AMBIT BIOSCIENCES CORP.	5/16/13	NASDAQ	\$8.00	\$9.64	21%
PTLA	PORTOLA PHARMACEUTICALS INC.	5/22/13	NASDAQ	\$14.50	\$25.75	78%
KMDA	KAMADA LTD.	5/31/13	NASDAQ	\$9.25	\$14.87	61%
EPZM	EPIZYME INC	5/31/13	NASDAQ	\$15.00	\$20.80	39%
BLUE	BLUEBIRD BIO, INC.	6/19/13	NASDAQ	\$17.00	\$20.98	23%

				2013 BIOTECH IPO PERFORMANCE		
SYMBOL	COMPANY NAME	FIRST TRADE	EXCHANGE	IPO PRICE	PRICE (12/31/2013)	PERFORMANCE
PTCT	PTC THERAPEUTICS, INC.	6/20/13	NASDAQ	\$15.00	\$16.97	13%
ESPR	ESPERION THERAPEUTICS INC.	6/26/13	NASDAQ	\$14.00	\$13.74	-2%
RNA	PROSENSA HOLDINGS B.V.	6/28/13	NASDAQ	\$13.00	\$4.67	-64%
OMED	ONCOMED PHARMACEUTICALS INC.	7/18/13	NASDAQ	\$17.00	\$29.52	74%
AGIO	AGIOS PHARMACEUTICALS INC.	7/24/13	NASDAQ	\$18.00	\$23.95	33%
HTBX	HEAT BIOLOGICS INC.	7/24/13	NASDAQ	\$10.00	\$7.10	-29%
ICEL	CELLULAR DYNAMICS INTERNATIONAL INC.	7/25/13	NASDAQ	\$12.00	\$16.50	38%
ONTX	ONCONOVA THERAPEUTICS INC.	7/25/13	NASDAQ	\$15.00	\$11.48	-23%
CNAT	CONATUS PHARMACEUTICALS INC.	7/25/13	NASDAQ	\$11.00	\$6.45	-41%
XON	INTREXON CORP.	8/8/13	NYSE	\$16.00	\$23.80	49%
SPHS	SOPHIRIS BIO INC.	8/16/13	NASDAQ	\$5.00	\$3.70	-26%
RGDO	REGADO BIOSCIENCES INC.	8/22/13	NASDAQ	\$4.00	\$4.77	19%
FPRX	FIVE PRIME THERAPEUTICS INC.	9/18/13	NASDAQ	\$13.00	\$16.79	29%
XLRN	ACCELERON PHARMA INC.	9/19/13	NASDAQ	\$15.00	\$39.60	164%
BIND	BIND THERAPEUTICS INC.	9/20/13	NASDAQ	\$15.00	\$15.09	1%
OPHT	OPHTHOTECH CORP.	9/25/13	NASDAQ	\$22.00	\$32.35	47%
FMI	FOUNDATION MEDICINE INC.	9/25/13	NASDAQ	\$18.00	\$23.82	32%
ENZY	ENZYMOTEC LTD.	9/27/13	NASDAQ	\$14.00	\$27.01	93%
FATE	FATE THERAPEUTICS INC.	10/1/13	NASDAQ	\$6.00	\$6.28	5%
MGNX	MACROGENICS INC.	10/10/13	NASDAQ	\$16.00	\$27.43	71%
KPTI	KARYOPHARM THERAPEUTICS INC.	11/6/13	NASDAQ	\$16.00	\$22.92	43%
EVGN	EVOGENE LTD	11/20/13	NYSE	\$14.75	\$19.65	33%
XNCR	XENCOR INC.	12/3/13	NASDAQ	\$5.50	\$9.14	66%
KIN	KINDRED BIOSCIENCES INC.	12/12/13	NASDAQ	\$7.00	\$11.17	60%
TLOG	TETRALOGIC PHARMACEUTICALS CORP.	12/12/13	NASDAQ	\$7.00	\$9.52	36%
<b>TOTAL BIOTECH IPOs</b>				<b>38</b>	<b>AVERAGE % CHANGE</b>	<b>43%</b>

\* Source: NASDAQ Global Indexes Research. Bloomberg. FactSet.

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