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Companies covered: IIL, MEB, PAR, RHS
Quarterly Review

	Bioshares Portfolio
Year 1 (May '01 - May '02)	21.2%
Year 2 (May '02 - May '03)	-9.4%
Year 3 (May '03 - May '04)	70.6%
Year 4 (May '04 - May '05)	-16.3%
Year 5 (May '05 - May '06)	77.8%
Year 6 (May '06 - May '07)	17.4%
Year 7 (May '07 - May '08)	-36%
Year 8 (May '08 - May '09)	-7.4%
Year 9 (May '09 - May '10)	50.2%
Year 10 (May '10 - May '11)	45.4%
Year 11 (May '11 - May '12)	-18.0%
Year 12 (May '12 - May '13)	3.1%
Year 13 (May '13 - May '14)	26.6%
Year 14 (May '14 - May '15)	23.0%
Year 15 (May '15 - May '16)	33.0%
Year 16 (May '16 - May '17)	16.8%
Year 17 (May '17 - Current)	-6.0%
Cumulative Gain	709%
Av. Annual gain (14 yrs)	17.2%

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Bioshares

30 June 2017

Edition 702

Delivering independent investment research to investors on Australian biotech, pharma and healthcare companies

Extract from Bioshares –

RHS Teams Up with Monash IVF for Novel IVF Screening Technique

RHS (formerly Reproductive Health Science)(RHS: \$0.155) has teamed up with one of the majors in Australia in the IVF market, Monash IVF Group, to develop a new way to conduct pre-implantation genetic (PGS) screening.

PGS is conducted by taking a biopsy on an embryo and conducting a genetic analysis of that embryo prior to implantation. However, one of the natural concerns is that a biopsy may damage the embryo, even though that risk is low. Monash IVF, through its research centre in Adelaide, Repromed, has been developing a process that uses free DNA from culture media used in the IVF process.

Using the RHS Doplify technology to copy the DNA cells, the two companies have validated the process that free DNA matches up from DNA taken from biopsied embryos. Repromed is now conducting a clinical trial to assess pregnancy rates between non-invasive PGS and PGS using biopsied embryos. Patient recruitment has been completed with results expected later this year. A positive outcome will be an improvement in pregnancy rates.

RHS recently completed a capital raising, obtaining \$1.5 million at \$0.14 per share. The funds raised will be used to expand market and business development work around its Doplify and this non-invasive PGS technology.

RHS is capitalised at \$14 million.

Bioshares recommendation: Speculative Buy Class C

Bioshares

How Bioshares Rates Stocks

For the purpose of valuation, Bioshares divides biotech stocks into two categories. The first group are stocks with existing positive cash flows or close to producing positive cash flows. The second group are stocks without near term positive cash flows, history of losses, or at early stages of commercialisation. In this second group, which are essentially speculative propositions, Bioshares grades them according to relative risk within that group, to better reflect the very large spread of risk within those stocks. For both groups, the rating “Take Profits” means that investors may re-weight their holding by selling between 25%-75% of a stock.

Group A

Stocks with existing positive cash flows or close to producing positive cash flows.

- Buy** CMP is 20% < Fair Value
 - Accumulate** CMP is 10% < Fair Value
 - Hold** Value = CMP
 - Lighten** CMP is 10% > Fair Value
 - Sell** CMP is 20% > Fair Value
- (CMP–Current Market Price)

Group B

Stocks without near term positive cash flows, history of losses, or at early stages commercialisation.

Speculative Buy – Class A

These stocks will have more than one technology, product or investment in development, with perhaps those same technologies offering multiple opportunities. These features, coupled to the presence of alliances, partnerships and scientific advisory boards, indicate the stock is relative less risky than other biotech stocks.

Speculative Buy – Class B

These stocks may have more than one product or opportunity, and may even be close to market. However, they are likely to be lacking in several key areas. For example, their cash position is weak, or management or board may need strengthening.

Speculative Buy – Class C

These stocks generally have one product in development and lack many external validation features.

Speculative Hold – Class A or B or C

Sell

Corporate Subscribers: Cogstate, Bionomics, Impedimed, Viralytics, Opthea, RHS, Innate Immunotherapeutics, Anantara Life Sciences, ResApp, Pharmaxis, Starpharma, Dimerix, Cyclopharm, Adalta, Immuron, Medibio, Phylogica

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