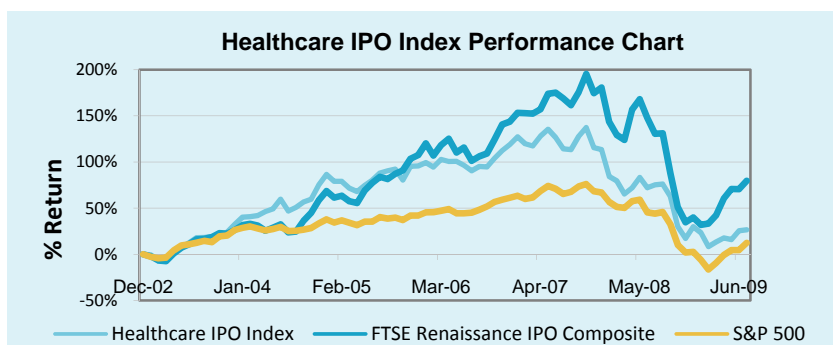


The Renaissance Healthcare IPO Index was up 1% in July, underperforming the FTSE Renaissance IPO Composite Index and the other major equity indices. The best contributing sector was Personal Products, which was boosted by the 17% return of pediatric nutrition formula maker and top constituent Mead Johnson Nutrition (MJN), whose shares traded up after the company reported strong 2Q earnings and increased guidance for the current fiscal year. The worst contributing sector and the main reason for the Index's underperformance was Medical Devices, which was dragged down by the negative return of medical device maker CardioNet (BEAT), whose shares lost 57% on a reimbursement rate cut that will directly impact the company's main line of revenue. Although the Index underperformed in July, it appears the sector is regaining traction in August, with two healthcare plays already set to price before the middle of the month.

| | Performance | | | | |
|---------------|-------------|-----------|---------|----------|--------|
| | Health IPO | IPO Comp. | S&P 500 | RUS 2000 | NASDAQ |
| Week | 0.4% | -1.1% | 0.8% | 1.5% | 0.6% |
| MTD | 0.8% | 5.3% | 7.4% | 9.5% | 7.8% |
| YTD | -2.5% | 28.5% | 9.3% | 11.5% | 25.5% |
| 1-yr | -27.8% | -22.1% | -22.1% | -22.1% | -14.9% |
| 3-yr | -33.6% | -10.7% | -22.7% | -20.5% | -5.4% |
| Alpha | ---- | -11.5% | -4.6% | -7.7% | -11.7% |
| Sharpe | -0.59 | -0.11 | -0.48 | -0.30 | -0.09 |

Alpha indicates the unique returns of the Healthcare IPO Index against major equity indices. Results are based on 36 trailing monthly data points.

| Top 10 Holdings | |
|---|-------------------------------------|
| 1. Mead Johnson Nutrition (MJN) | Personal Products/Nutrition |
| 2. Masimo (MASI) | Medical Devices/Monitoring Systems |
| 3. athenahealth (ATHN) | Software & Systems/Billing Software |
| 4. MedAssets (MDAS) | Software & Systems/Billing Software |
| 5. Genoptix (GXDX) | Healthcare Facilities/Clinical Labs |
| 6. IPC (IPCM) | Medical Staffing/Hospitalists |
| 7. Triple-S Management (GTS) | Insurance/Health Insurance |
| 8. CardioNet (BEAT) | Medical Devices/Monitoring Systems |
| 9. WuXi Pharmatech (WX) | Research & Development/CROs |
| 10. China Nepstar Chain Drugstore (NPD) | Personal Products/Drugstores |



| Best Contributing Sector | |
|-------------------------------|--------|
| Personal Products | 2.6% |
| Worst Contributing Sector | |
| Medical Devices | -3.0% |
| Strongest Monthly Performers* | |
| Nanosphere (NSPH) | 43.8% |
| Virtual Radiologic (VRAD) | 29.3% |
| Care Investment Trust (CRE) | 16.9% |
| Weakest Monthly Performers* | |
| CardioNet (BEAT) | -56.5% |
| MedAssets (MDAS) | -4.2% |
| Genoptix (GXDX) | -2.1% |

*Excludes stocks with prices below \$5.00

| Summary Statistics | |
|-------------------------------|----------|
| Index Value | 126.58 |
| Number of Holdings | 14 |
| Size Characteristics (\$000) | |
| Total Index Market Cap | \$14,993 |
| Total Index Float Cap | \$6,451 |
| Average Constituent Float Cap | \$461 |
| Largest Constituent | \$1,256 |
| Company Concentration | |
| Top Ten Holdings | 95% |
| Large Cap >\$5B | 7% |
| Mid Cap \$1B-\$5B | 21% |
| Small Cap \$250M-\$1B | 43% |
| Micro Cap <\$250M | 29% |
| Fundamental Characteristics | |
| Price/Sales | 2.1x |
| Price/Earnings | 20.1x |
| Price/Book | 4.7x |
| Debt/Equity | 46.8% |
| Dividend Yield | 0.5% |
| Risk Measures* | |
| R-Squared | 0.64 |
| Beta | 0.95 |

*as compared to the S&P 500

About the Index

Renaissance Capital, based in Greenwich, CT, has developed and maintains the Renaissance Healthcare IPO Index. Further information about the Index can be obtained from our website www.renaissancecapital.com/index.