

Biotechnology

JMP Small/Micro-Cap Biopharma Index

Biopharma Index down 5.8%

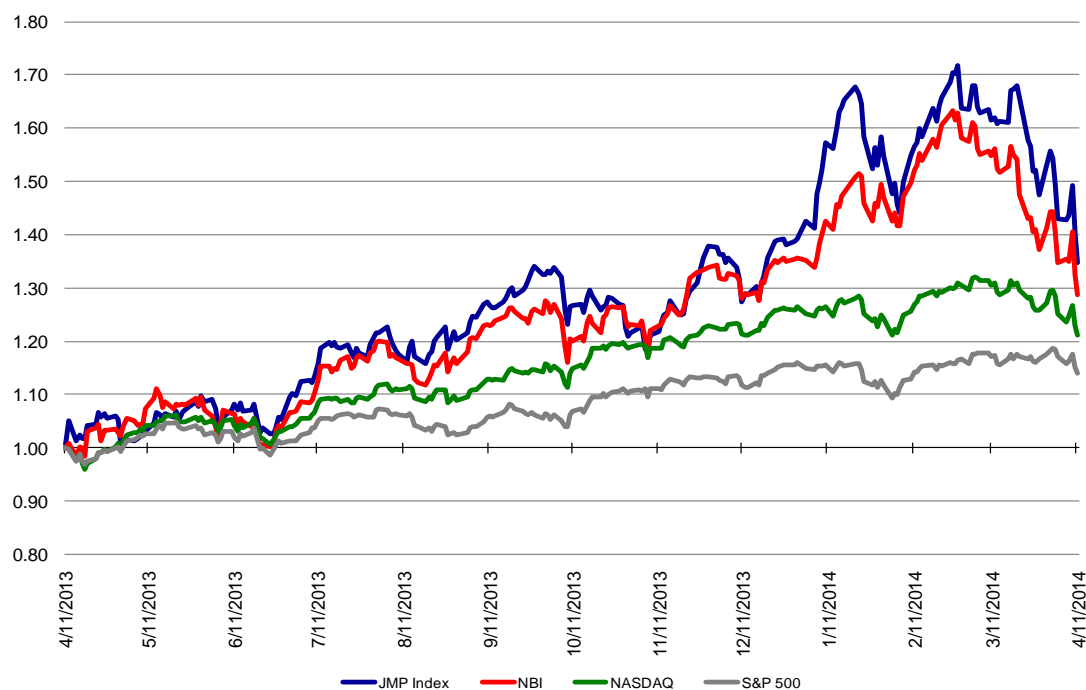
INDUSTRY OVERVIEW

This week (ending 4/11/2014), the JMP Small/Micro-Cap Biopharma Index decreased by 5.8% vs. a decrease of 4.5% for the NBI, a decrease of 3.1% for the NASDAQ, and a decrease of 2.6% for the S&P 500 (Figure 1). As a reminder, the JMP Small/Micro-Cap Biopharma Index is designed to provide investors with a relevant benchmark to compare performance of the companies in this sector, for which we believe there are currently no other viable options. Our aim is to track the performance of the small- and micro-cap sectors, without a potentially distorting view of larger-cap companies, and to provide a meaningful comparator. In our view, this Index represents an important component of our research coverage universe, where we are committed to dedicating resources, not only to large- and mid-cap biotech companies, but also to high-quality, emerging small/micro-cap companies. We note that our current biotech coverage universe represents approximately 24% of the companies in this Index.

The Index is equal-weighted and is comprised of NBI constituents with a market cap below \$750MM at the end of each calendar quarter, currently representing 50 stocks in the NBI. We intend to publish performance for the Index on a weekly basis, as well as the top and bottom three performers for each period (Figure 2).

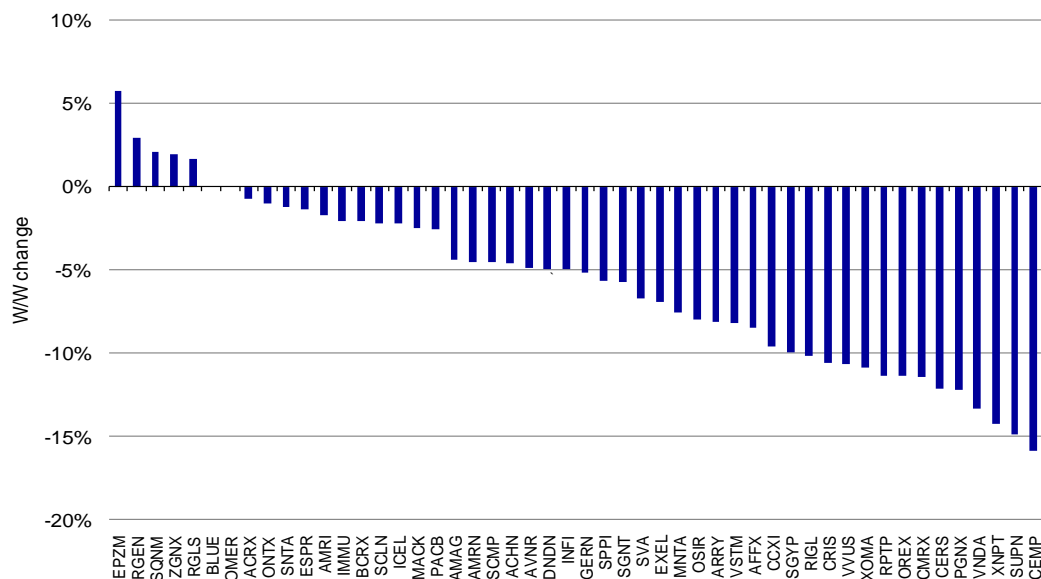
The top three performers of the past week were EPZM, REGN, and SQNM, which increased 5.7%, 2.9%, and 2.1%, respectively. The bottom three performers of the past week were CEMP, SUPN, and XNPT, which declined 15.9%, 14.9%, and 14.3%, respectively.

FIGURE 1. 52-Week Performance of the JMP S/M Cap Biopharma Index



Source: Thomson Reuters and JMP Securities LLC

FIGURE 2. Individual Weekly Performers



Source: Thomson Reuters and JMP Securities LLC

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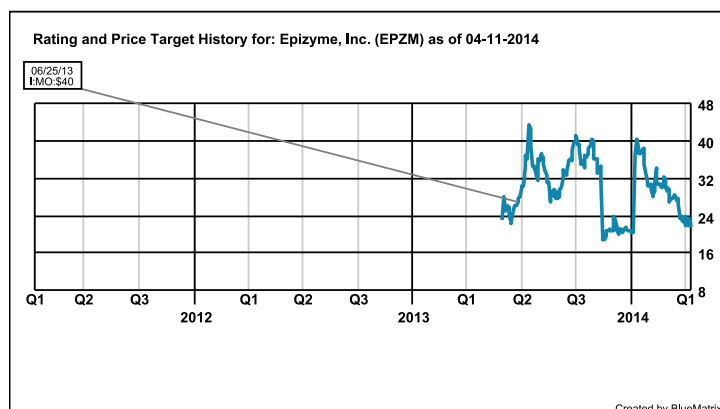
Market Underperform (MU): JMP Securities expects the stock price to underperform relevant market indices over the next 12 months.

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JMP Rating	Regulatory Equivalent	# Co's Under Coverage	% of Total	Regulatory Equivalent	# Co's Under Coverage	% of Total	# Co's Receiving IB Services in Past 12 Months	% of Co's With This Rating
MARKET OUTPERFORM	Buy	252	58.06%	Buy	252	58.06%	95	37.70%
MARKET PERFORM	Hold	134	30.88%	Hold	134	30.88%	15	11.19%
MARKET UNDERPERFORM	Sell	6	1.38%	Sell	6	1.38%	0	0%
COVERAGE IN TRANSITION		42	9.68%		42	9.68%	0	0%
TOTAL:		434	100%		434	100%	110	25.35%

Stock Price Chart of Rating and Target Price Changes:

Note: First annotation denotes initiation of coverage or 3 years, whichever is shorter. If no target price is listed, then the target price is N/A. In accordance with NASD Rule 2711, the chart(s) below reflect(s) price range and any changes to the rating or price target as of the end of the most recent calendar quarter. The action reflected in this note is not annotated in the stock price chart. Source: JMP Securities.



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