

H&Q LIFE SCIENCES INVESTORS  
Form N-Q  
August 28, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-06565

H&Q Life Sciences Investors  
(Exact name of registrant as specified in charter)

2 Liberty Square, 9th Floor, Boston, MA  
(Address of principal executive offices)

02109  
(Zip code)

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-772-8500

Date of fiscal year end: September 30

Date of reporting period: 6/30/09

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**Item 1. Schedule of Investments.**

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**H&Q LIFE SCIENCES INVESTORS****SCHEDULE OF INVESTMENTS**

JUNE 30, 2009

(Unaudited)

**CONVERTIBLE SECURITIES AND WARRANTS 11.8% of Net Assets**

SHARES		VALUE
	<b>Convertible Preferred (Restricted)(a) 11.5%</b>	
	<b>Biotechnology 0.7%</b>	
204,275	MacroGenics, Inc. Series D (b)	\$ 133,208
50,145	MacroGenics, Inc. Series D 18 Month Lock-up (b)	21,798
1,415,385	TargeGen, Inc. Series C (b)	1,226,672
407,825	TargeGen, Inc. Series D (b)	353,450
	<b>Drug Discovery Technologies 1.4%</b>	
1,587,302	Agilix Corporation Series B (b) (c)	94,540
250,000	Ceres, Inc. Series C (b)	1,625,000
21,462	Ceres, Inc. Series C-1 (b)	139,503
175,540	Ceres, Inc. Series D (b)	1,141,010
28,385	Ceres, Inc. Series F (b)	184,502
5,677	Ceres, Inc. warrants (expiration 9/05/15) (b)	0
	<b>Healthcare Services 1.5%</b>	
3,589,744	PHT Corporation Series D (b) (c)	2,800,000
802,996	PHT Corporation Series E (b) (c)	626,337
99,455	PHT Corporation Series F (b) (c)	77,575
	<b>Medical Devices and Diagnostics 7.9%</b>	
2,379,916	CardioKinetix, Inc. Series C (b) (c)	1,640,000
3,235,293	Concentric Medical, Inc. Series B (b) (c)	3,235,293
1,162,790	Concentric Medical, Inc. Series C (b) (c)	1,162,790
455,333	Concentric Medical, Inc. Series D (b) (c)	455,333
453,094	Concentric Medical, Inc. Series E (b) (c)	453,094
1,198,193	Elemé Medical, Inc. Series C (b)	632,646
1,592,852	FlowCardia, Inc. Series C (b)	1,708,334
1,304,545	Interlace Medical, Inc. Series C (b)	1,435,000
2,446,016	Labcyte Inc. Series C (b)	1,280,000
2,050,000	Magellan Biosciences, Inc. Series A (b)	2,050,000
98,824	Magellan Biosciences, Inc. warrants (expiration 3/31/19) (b)	0
7,877	Magellan Biosciences, Inc. warrants (expiration 5/06/19) (b)	0
1,031,992	OmniSonics Medical Technologies, Inc. Series A-1 (b)	1,031
877,747	OmniSonics Medical Technologies, Inc. Series B-1 (b)	877
9,606,373	Palyon Medical Corporation Series A (b) (c)	2,050,000
43,478	TherOx, Inc. Series H (b)	72,122
99,646	TherOx, Inc. Series I (b)	165,293
2,813	TherOx, Inc. warrants (expiration 1/26/11) (b)	0
5,427	TherOx, Inc. warrants (expiration 6/09/10) (b)	0
640,625	Xoft, Inc. Series D (b)	1,601,562
122,754	Xoft, Inc. Series E (b)	306,885
N/A	Xoft, Inc. warrants (expiration 6/12/12) (b) (d)	0
		\$ 26,673,855



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PRINCIPAL AMOUNT		VALUE
<b>Convertible Notes 0.3%</b>		
<i>Drug Discovery Technologies 0.0%</i>		
\$ 700,000	deCODE Genetics, Inc., 3.50% due 2011	\$ 52,500
<i>Medical Devices and Diagnostics 0.3%</i>		
106,701	Magellan Biosciences, Inc., Senior Subordinated Note, 8.00% due 2010 (Restricted) (a)	106,701
410,000	Xoft, Inc., Promissory Note, 10.00% due 2010 (Restricted)(a)	410,000
		516,701
<b>TOTAL CONVERTIBLE SECURITIES AND WARRANTS (Cost \$35,243,578)</b>		<b>\$ 27,243,056</b>
SHARES		
<b>COMMON STOCKS AND WARRANTS 82.6%</b>		
<i>Agricultural Chemicals 1.2%</i>		
36,600	Monsanto Company	2,720,844
<i>Biopharmaceuticals 2.7%</i>		
135,550	Forest Laboratories, Inc. (b)	3,403,661
97,410	Pfizer Inc.	1,461,150
29,500	Wyeth	1,339,005
		6,203,816
<i>Biotechnology 37.4%</i>		
430,995	ACADIA Pharmaceuticals Inc. (b)	943,879
135,182	Affymax, Inc. (b)	2,491,404
42,700	Alnylam Pharmaceuticals, Inc. (b)	950,929
181,562	Amgen Inc. (b)	9,611,892
55,000	Amylin Pharmaceuticals, Inc. (b)	742,500
3,588,710	Antisoma plc (b) (e)	1,418,416
340,305	Antisoma plc 18 Month Lock-up (Restricted) (a) (b) (e)	121,053
328,000	Athersys, Inc. (b)	272,240
82,000	Athersys, Inc. warrants (expiration 6/08/12) (a) (b)	820
177,728	Biogen Idec Inc. (b)	8,024,419
236,136	Celgene Corporation (b)	11,296,746
77,911	Cephalon, Inc. (b)	4,413,658
70,007	Cornerstone Therapeutics Inc. (b)	768,677
15,967	Cornerstone Therapeutics Inc. warrants (expiration 6/06/10) (a) (b)	27,144
44,975	Cougar Biotechnology, Inc. (b)	1,932,126
111,795	Cubist Pharmaceuticals, Inc. (b)	2,049,202
90,552	DOV Pharmaceutical, Inc. warrants (expiration 12/31/09) (a) (b)	0
308,780	Exelixis, Inc. (b)	1,503,759
120,428	Genzyme Corporation (b)	6,704,227
291,025	Gilead Sciences, Inc. (b)	13,631,611
774,191	Lexicon Pharmaceuticals, Inc. (b)	959,997

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SHARES		VALUE
<b>Biotechnology continued</b>		
52,917	Martek Biosciences Corporation	\$ 1,119,195
82,850	Medicines Company (b)	695,112
175,880	MiddleBrook Pharmaceuticals, Inc. warrants (expiration 4/29/10) (a) (b)	26,382
22,717	Myriad Pharmaceuticals, Inc. (b)	105,634
70,740	OSI Pharmaceuticals, Inc. (b)	1,996,990
78,498	United Therapeutics Corporation (b) (f)	6,541,238
168,570	Vertex Pharmaceuticals Inc. (b) (f)	6,007,835
102,371	XenoPort, Inc. (b)	2,371,936
		86,729,021
<b>Drug Delivery 1.7%</b>		
227,550	Alkermes, Inc. (b)	2,462,091
394,928	Penwest Pharmaceuticals Co. (b)	1,125,545
199,514	Penwest Pharmaceuticals Co. warrants (expiration 3/11/13) (a) (b)	349,149
		3,936,785
<b>Drug Discovery Technologies 0.1%</b>		
7,627	Clinical Data, Inc. (b)	84,049
1,601,039	MZT Holdings, Inc. (b) (c)	49,632
1,846,154	MZT Holdings, Inc. warrants (expiration 1/17/11) (a) (b) (c)	0
952,381	MZT Holdings, Inc. warrants (expiration 1/22/12) (a) (b) (c)	0
46	Zyomyx, Inc. (Restricted) (a) (b)	12
		133,693
<b>Generic Pharmaceuticals 7.5%</b>		
823,996	Akorn, Inc. (b)	988,795
108,889	Akorn, Inc. warrants (expiration 3/08/11) (a) (b)	23,956
79,343	Impax Laboratories, Inc. (b)	583,964
149,250	Mylan Inc. (b)	1,947,713
95,869	Perrigo Company	2,663,241
224,968	Teva Pharmaceutical Industries, Ltd. (g)	11,099,921
		17,307,590
<b>Healthcare Services 12.4%</b>		
172,310	Aetna Inc.	4,316,365
148,148	Aveta, Inc. (Restricted) (a) (b)	1,481,480
135,214	CardioNet, Inc. (b)	2,206,692
93,740	Catalyst Health Solutions, Inc. (b)	2,337,876
171,048	ICON plc (b) (g)	3,691,216
37,750	Laboratory Corporation of America Holdings (b)	2,559,073
77,815	Medco Health Solutions, Inc. (b)	3,549,142
97,200	Pharmaceutical Product Development, Inc.	2,256,984
204,139	Syntiro Healthcare Services (Restricted) (a) (b)	204
88,290	WellPoint, Inc. (b)	4,493,078

SHARES		VALUE
<b>Healthcare Services continued</b>		
1,285,000	Zix Corporation (b)	\$ 1,927,500
		28,819,610
<b>Medical Devices and Diagnostics 19.6%</b>		
257,790	Align Technology, Inc. (b)	2,732,574
49,384	Becton, Dickinson and Company	3,521,573
335,141	Electro-Optical Sciences, Inc. (b)	2,610,748
237,544	Hologic, Inc. (b)	3,380,251
124,792	IDEXX Laboratories, Inc. (b)	5,765,390
104,916	Illumina, Inc. (b)	4,085,429
14,555	Intuitive Surgical, Inc. (b)	2,382,071
157,743	Inverness Medical Innovations, Inc. (b)	5,612,496
109,402	Life Technologies Corporation (b)	4,564,252

**WMS INDUSTRIES INC.**

By: /s/ Brian R. Gamache  
 Brian R. Gamache,  
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Date	Title
/s/ Brian R. Gamache  _____ Brian R. Gamache	May 10, 2005	President and Chief Executive Officer (Principal Executive Officer) and Director
/s/ Scott D. Schweinfurth  _____ Scott D. Schweinfurth	May 10, 2005	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
*  _____ Louis J. Nicastro	May 10, 2005	Chairman of the Board of Directors
*  _____ Norman J. Menell	May 10, 2005	Vice Chairman of the Board of Directors
*  _____ William C. Bartholomay	May 10, 2005	Director

\* May 10, 2005 Director

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Neil D. Nicastro

\* May 10, 2005 Director

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Harvey Reich

\* May 10, 2005 Director

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Ira Sheinfeld

\* May 10, 2005 Director

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Harold H. Bach, Jr.

\* By: /s/ Kathleen J. McJohn

Kathleen J. McJohn,  
Attorney- In-Fact

### Power of Attorney

The person whose signature to this Post-Effective Amendment to the Registration Statement appears below hereby appoints Louis J. Nicastro and Kathleen J. McJohn, and each of them acting singly, as his or her attorney-in-fact, to sign on his or her behalf individually and in the capacity stated below (i) any and all amendments (including post-effective amendments), supplements and additions to this Registration Statement, (ii) any and all registration statements relating to an offering contemplated pursuant to Rule 415 of the Securities Act of 1933, as amended, and (iii) any and all registration statements filed pursuant to Rule 462 under the Securities Act, of WMS Industries Inc., and any and all amendments (including post-effective amendments), supplements and additions thereto, and to file each of the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the foregoing, as fully to all

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intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or each of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof. Such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has also been signed by the following person in the capacity and on the date indicated.

<b>Signature</b>	<b>Date</b>	<b>Title</b>
/s/ William J. Vareschi, Jr.	May 10, 2005	Director

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William J. Vareschi, Jr.

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**EXHIBIT INDEX**

**Exhibit**

**Number Description**

- 4.1 Restated Certificate of Incorporation of the Registrant dated February 17, 1987; Certificate of Amendment dated January 28, 1993; and Certificate of Correction dated May 4, 1994, all incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year ended June 30, 1994 (File No. 1-8300).
- 4.2 Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant, as filed with the Secretary of State of the State of Delaware on February 25, 1998, incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 (File No. 1-8300).
- 4.3 Rights Agreement, dated March 5, 1998 between the Registrant and The Bank of New York, as Rights Agent, incorporated by reference to the Registrant's Registration Statement on Form 8-A, filed with the Commission on March 25, 1998 (File No. 1-8300).
- 4.4 By-Laws of the Registrant, as amended and restated March 10, 2004, incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.
- 4.5 Indenture, dated as of June 25, 2003, by and between the Registrant, as Issuer, and BNY Midwest Trust Company, as Trustee, incorporated by reference to an exhibit to the Registrant's Current Report on Form 8-K dated June 25, 2003 (the June 2003 Form 8-K).
- 4.6 Form of Note, incorporated by reference to Exhibit A to the Indenture filed as an exhibit to the June 2003 Form 8-K.
- 5 Opinion of Shack Siegel Katz & Flaherty P.C., counsel for Registrant, incorporated by reference to Exhibit 5 to the Registrant's Registration Statement on Form S-3, File No. 333-107321, filed with the Commission on July 25, 2003.
- 12 Computation of Ratio of Earnings to Fixed Charges.
- 23.1 Consent of Shack Siegel Katz & Flaherty P.C. (contained in the Opinion filed as Exhibit 5).
- 23.2 Consent of Ernst & Young LLP.
- 24 Power of Attorney (contained on the signature page of this Registration Statement on Form S-3, File No. 333-107321, filed with the Commission on July 25, 2003 and on the signature page of Post-Effective Amendment No. 1 to this Registration Statement filed with the Commission on July 1, 2004).
- 25 Form T-1 Statement of Eligibility of Trustee under Trust Indenture Act of 1939, incorporated by reference to Exhibit 25 to the Registrant's Registration Statement on Form S-3, File No. 333-107321, filed with the Commission on July 25, 2003.
- 99.1 Purchase Agreement, dated June 20, 2003, by and between the Registrant and CIBC World Markets Corp., incorporated by reference to an exhibit to the June 2003 Form 8-K.

99.2 Registration Rights Agreement, dated June 25, 2003, by and between the Registrant and CIBC World Markets Corp., incorporated by reference to an exhibit to the June 2003 Form 8-K.