

TEKLA LIFE SCIENCES INVESTORS

Form N-Q

February 26, 2016

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

**OMB APPROVAL**  
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**FORM N-Q**

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

Investment Company Act file number

811-06565

Tekla Life Sciences Investors  
(Exact name of registrant as specified in charter)

100 Federal Street, 19th Floor, Boston, MA  
(Address of principal executive offices)

02110  
(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: 12/31/15

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**Item 1. Schedule of Investments.**

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**TEKLA LIFE SCIENCES INVESTORS****SCHEDULE OF INVESTMENTS**

DECEMBER 31, 2015

(Unaudited)

SHARES		VALUE
<b>CONVERTIBLE PREFERRED AND WARRANTS (Restricted)(a) (b) 5.2%</b>		
<b>Biotechnology 0.6%</b>		
611,422	Afferent Pharmaceuticals, Inc. Series C	\$ 1,500,002
2,568,939	EBI Life Sciences, Inc. Series A (c)	13,102
149,396	Merus B.V. Class C (d)	1,081,291
		2,594,395
<b>Health Care Equipment &amp; Supplies 2.9%</b>		
2,338,198	AlterG, Inc. Series C	958,661
79,330	CardioKinetix, Inc. Series C	1,116,094
142,574	CardioKinetix, Inc. Series D	542,779
439,333	CardioKinetix, Inc. Series E	1,250,781
403,207	CardioKinetix, Inc. Series F	1,377,516
N/A(e)	CardioKinetix, Inc. warrants (expiration 12/11/19)	0
N/A(e)	CardioKinetix, Inc. warrants (expiration 6/03/20)	0
8,822	CardioKinetix, Inc. warrants (expiration 8/15/24)	0
4,042,777	IlluminOss Medical, Inc. Series C-1	287,846
5,126,388	Insightra Medical, Inc. Series C (c)	2,170,000
3,891,340	Insightra Medical, Inc. Series C-2 (c)	1,647,204
366,171	Insightra Medical, Inc. warrants (expiration 3/31/25) (c)	0
2,013,938	Insightra Medical, Inc. warrants (expiration 5/28/25) (c)	0
1,464,682	Insightra Medical, Inc. warrants (expiration 8/18/25) (c)	0
2,161,090	Magellan Diagnostics, Inc. Series A	1,666,200
98,824	Magellan Diagnostics, Inc. warrants (expiration 4/01/19)	0
7,877	Magellan Diagnostics, Inc. warrants (expiration 5/06/19)	0
9,606,373	Palyon Medical Corporation Series A (c)	2,046
18,832,814	Palyon Medical Corporation Series B (c)	1,318
N/A(e)	Palyon Medical Corporation warrants (expiration 4/26/19) (c)	0
3,280,000	Tibion Corporation Series B	0
N/A(e)	Tibion Corporation warrants (expiration 7/12/17)	0
N/A(e)	Tibion Corporation warrants (expiration 10/30/17)	0
N/A(e)	Tibion Corporation warrants (expiration 11/28/17)	0
2,606,033	Veniti, Inc. Series A (c)	1,578,474
1,307,169	Veniti, Inc. Series B (c)	837,503
716,720	Veniti, Inc. Series C (c)	574,021
		14,010,443
<b>Life Sciences Tools &amp; Services 0.6%</b>		
2,161,090	Dynex Technologies, Inc. Series A	1,080,545
98,824	Dynex Technologies, Inc. warrants (expiration 4/01/19)	0
7,877	Dynex Technologies, Inc. warrants (expiration 5/06/19)	0
2,446,016	Labcyte, Inc. Series C	1,743,765
107,178	Labcyte, Inc. Series D	88,915
		2,913,225
<b>Pharmaceuticals 1.1%</b>		
2,862,324	Euthymics Biosciences, Inc. Series A (c)	1,099,991
53,948	Neurovance, Inc. Series A (c)	200,147
670,837	Neurovance, Inc. Series A-1 (c)	2,488,805

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The accompanying notes are an integral part of this Schedule of Investments.

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SHARES		VALUE
<b>Pharmaceuticals continued</b>		
240,770	Ovid Therapeutics, Inc. Series B	\$ 1,499,997
		5,288,940
<b>TOTAL CONVERTIBLE PREFERRED AND WARRANTS</b>		
(Cost \$32,228,776)		24,807,003
<b>PRINCIPAL AMOUNT</b>		
<b>CONVERTIBLE AND NON-CONVERTIBLE NOTES 1.6% of Net Assets</b>		
<b>Convertible Notes 1.6%</b>		
<b>Biotechnology 0.5%</b>		
\$ 1,485,000	Merrimack Pharmaceuticals, Inc., 4.50%, due 7/15/20	2,198,728
<b>Health Care Equipment &amp; Supplies 0.0%</b>		
99,000	IlluminOss Medical, Inc. Secured Senior Promissory Note, 8.00% due 9/28/40 (Restricted) (a)	99,000
37,399	Palyon Medical Corporation Promissory Note, 8.00% due 5/15/16 (Restricted) (a) (c)	0
30,339	Palyon Medical Corporation Promissory Note, 8.00% due 7/15/16 (Restricted) (a) (c)	0
		99,000
<b>Pharmaceuticals 1.1%</b>		
2,000,000	Supernus Pharmaceuticals, Inc., 7.50% due 5/1/19 (g)	5,356,250
	<b>TOTAL CONVERTIBLE NOTES</b>	7,653,978
<b>Non-Convertible Notes (Restricted)(a) (b) 0.0%</b>		
<b>Health Care Equipment &amp; Supplies 0.0%</b>		
238,286	Tibion Corporation Non-Cvt. Promissory Note, 0.00%, due 12/31/18	0
28,211	Tibion Corporation Non-Cvt. Promissory Note, 0.00%, due 12/31/18	0
	<b>TOTAL NON-CONVERTIBLE NOTES</b>	0
<b>TOTAL CONVERTIBLE AND NON-CONVERTIBLE NOTES</b>		
(Cost \$3,947,484)		7,653,978
<b>SHARES</b>		
<b>COMMON STOCKS AND WARRANTS 91.8%</b>		
<b>Biotechnology 72.2%</b>		
147,800	ACADIA Pharmaceuticals Inc. (b)	5,269,070
27,500	Adaptimmune Therapeutics plc (b) (f)	331,650
127,799	Alexion Pharmaceuticals, Inc. (b)	24,377,659
116,453	Alkermes plc (b)	9,244,039
73,025	Alnylam Pharmaceuticals, Inc. (b)	6,874,574
53,557	Amgen Inc.	8,693,908
44,638	Anacor Pharmaceuticals, Inc. (b)	5,042,755
811,227	ARCA biopharma, Inc. (b) (c)	3,772,208

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SHARES		VALUE
<b>Biotechnology continued</b>		
324,491	ARCA biopharma, Inc. warrants (Restricted, expiration 6/11/22) (a) (c)	\$ 269,328
320,135	Ardelyx, Inc. (b)	5,800,846
60,000	Bellicum Pharmaceuticals, Inc. (b)	1,216,200
79,512	Biogen Inc. (b)	24,358,501
154,100	BioMarin Pharmaceutical Inc. (b)	16,143,516
26,545	bluebird bio, Inc. (b)	1,704,720
371,522	Celgene Corporation (b)	44,493,475
4,940	Celladon Corporation warrants (Restricted, expiration 10/10/18) (a) (b)	2,865
40,000	Collectis S.A. (b) (d) (f)	1,241,200
174,590	Cepheid, Inc. (b)	6,377,773
47,800	Chimerix, Inc. (b)	427,810
17,500	Cidara Therapeutics, Inc. (b)	300,300
98,417	CytomX Therapeutics, Inc. (b)	2,053,963
128,410	CytomX Therapeutics, Inc. (Restricted) (a) (b)	2,411,916
137,500	Dynavax Technologies Corporation (b)	3,322,000
309,952	Exelixis, Inc. (b)	1,748,129
46,000	Galapagos NV (b) (f)	2,837,460
6,000	Galapagos NV (b) (d)	377,280
443,120	Gilead Sciences, Inc.	44,839,313
200,000	Halozyme Therapeutics, Inc. (b)	3,466,000
103,333	Heron Therapeutics, Inc. warrants (Restricted, expiration 7/01/16) (a) (b)	2,021,200
259,915	Incyte Corporation (b)	28,187,782
229,000	Inotek Pharmaceuticals Corporation (b)	2,594,570
156,600	Insmmed Incorporated (b)	2,842,290
138,500	Medivation, Inc. (b)	6,695,090
567,787	Merrimack Pharmaceuticals, Inc. (b)	4,485,517
170,641	Natera, Inc. (b)	1,842,923
138,357	Neurocrine Biosciences, Inc. (b)	7,826,856
358,000	Novavax, Inc. (b)	3,003,620
769,638	Pieris Pharmaceuticals, Inc. (b)	1,762,471
44,622	Regeneron Pharmaceuticals, Inc. (b)	24,223,945
329,949	Retrophin, Inc. (b)	6,364,716
15,000	Sage Therapeutics, Inc. (b)	874,500
26,520	Ultragenyx Pharmaceutical Inc. (b)	2,975,014
191,377	Vertex Pharmaceuticals Incorporated (b)	24,080,968
20,000	Xencor, Inc. (b)	292,400
13,307	Zafgen, Inc. (b)	83,701
		347,156,021
<b>Health Care Equipment &amp; Supplies 1.6%</b>		
495,000	Alliqua BioMedical, Inc. (b)	1,059,300
130,000	Cercacor Laboratories, Inc. (Restricted) (a) (b)	134,028
93,349	GenMark Diagnostics, Inc. (b)	724,388
55,158	IDEXX Laboratories, Inc. (b)	4,022,122
25,000	Nevro Corp. (b)	1,687,750

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SHARES		VALUE
<b>Health Care Equipment &amp; Supplies continued</b>		
143,124	TherOx, Inc. (Restricted) (a) (b)	\$ 143
		7,627,731
<b>Health Care Providers &amp; Services 0.1%</b>		
148,148	InnovaCare Health, Inc. (Restricted) (a) (b) (g)	314,074
<b>Life Sciences Tools &amp; Services 6.2%</b>		
264,625	Accelerate Diagnostics, Inc. (b)	5,686,791
125,728	Illumina, Inc. (b)	24,132,861
		29,819,652
<b>Pharmaceuticals 11.7%</b>		
53,342	Akorn, Inc. (b)	1,990,190
17,915	Allergan plc (b)	5,598,438
380,479	Auris Medical Holding AG (b)	1,860,542
200,000	Depomed Inc. (b)	3,626,000
29,100	Endo International plc (b)	1,781,502
83,000	Flamel Technologies SA (b) (f)	1,013,430
69,780	Flex Pharma, Inc. (b)	868,761
124,140	Foamix Pharmaceuticals Ltd. (b)	1,006,775
99,469	Impax Laboratories, Inc. (b)	4,253,294
319,800	IntelliPharmaceutics International Inc. warrants (Restricted, expiration 2/01/16) (a) (b)	3,198
56,340	Intra-Cellular Therapies, Inc. (b)	3,030,529
207,300	Paratek Pharmaceuticals, Inc. (b)	3,932,481
21,315	Shire plc (f)	4,369,575
88,764	Tetraphase Pharmaceuticals Inc. (b)	890,303
235,961	Teva Pharmaceutical Industries Ltd. (f)	15,488,480
181,570	The Medicines Company (b)	6,779,824
		56,493,322
<b>TOTAL COMMON STOCKS AND WARRANTS</b>		
(Cost \$257,701,491)		441,410,800
<b>PRINCIPAL AMOUNT</b>		
<b>SHORT-TERM INVESTMENT 4.3%</b>		