



TEKLA

Capital Management LLC

Capital Link CEF and Global ETF Forum
April 27, 2017



THW



THQ



HQH



HQL


Forward Looking Statements

This presentation contains forward-looking statements that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Actual results may differ materially from those projected. These forward-looking statements represent the Fund management's judgment as of the date of this presentation and speak only as of that date. The Fund management expressly disclaims any undertaking or obligation to update or revise these forward-looking statements to reflect any change in the Fund management's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. This presentation is not a solicitation to purchase shares of NYSE: HQT, NYSE: HQL, NYSE: THQ, or NYSE: THW. Past performance may not be indicative of future results. You may not rely on the information presented in these materials as investment or tax advice.

Portfolio characteristics information may vary from time to time from the samples provided in this presentation. The investment processes described in this presentation may change over time. The characteristics within this document are intended as a general illustration of some of the criteria Fund management considers. Past performance does not guarantee, and is not a reliable indicator of, future results.

Investments in the Tekla Funds involve risks, including loss of principal. Please consider the investment objective and risks of each Tekla Fund carefully before you invest. Investment return and principal value will fluctuate so that, when sold, an investor's shares may be worth more or less than their original cost.


Tekla Capital Management LLC



Tekla Capital Management LLC is a registered investment adviser based in Boston, Massachusetts and is the investment adviser for four closed-end funds, Tekla Healthcare Investors, Tekla Life Sciences Investors, Tekla Healthcare Opportunities Fund and Tekla World Healthcare Fund. The Funds predominately invest in the securities of public and private healthcare companies.

[TRUSTEES](#)[MANAGEMENT](#)[CLOSED-END FUNDS](#)


TEKLA FUNDS



Tekla Healthcare Investors (HQH)

As of	9/30/2016
NAV	\$24.99
Market Price	\$23.81
Premium/Discount	-4.72%


Tekla Healthcare Investors (HQH) is a non-diversified closed-end healthcare fund traded on the New York Stock Exchange under the ticker HQH.



Tekla Life Sciences Investors (HQL)

As of	9/30/2016
NAV	\$20.01
Market Price	\$18.73
Premium/Discount	-6.40%


Tekla Life Sciences Investors (HQL) is a non-diversified closed-end healthcare fund traded on the New York Stock Exchange under the ticker HQL.



Tekla Healthcare Opportunities Fund (THQ)

As of	9/30/2016
NAV	\$19.14
Market Price	\$17.48
Premium/Discount	-8.67%

Tekla Healthcare Opportunities Fund (THQ) is a non-diversified closed-end fund traded on the New York Stock Exchange under the ticker THQ.



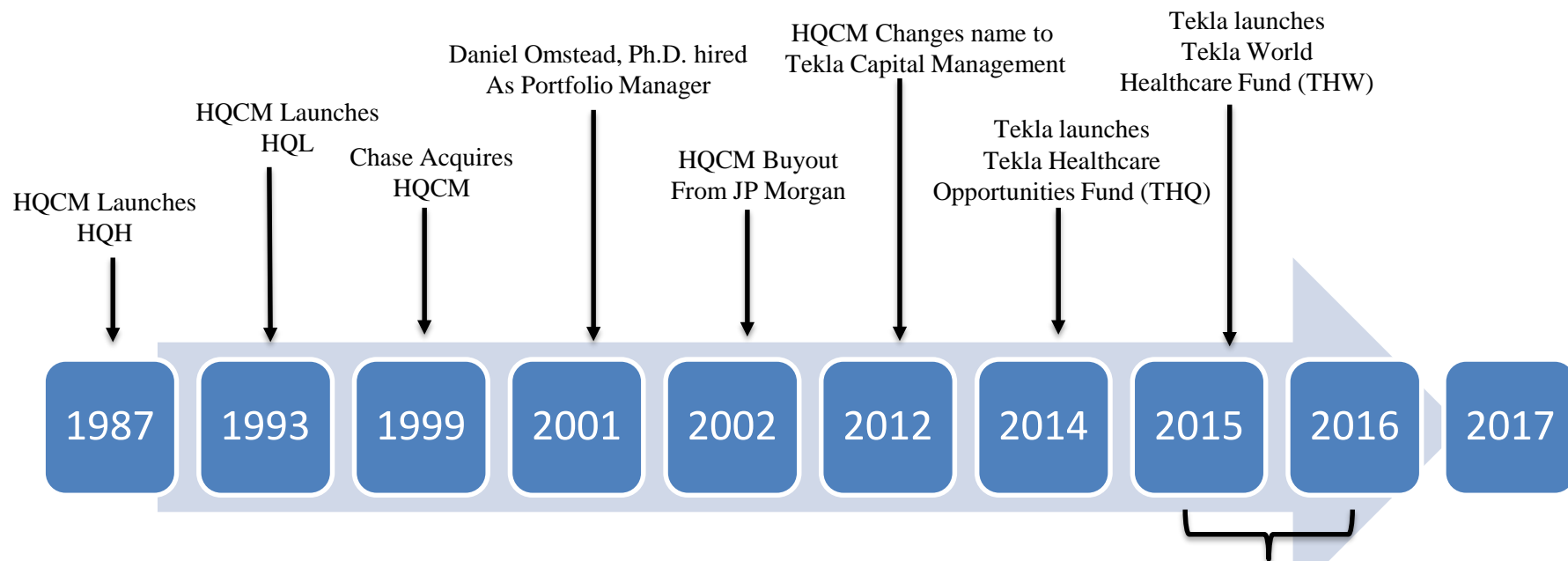
Tekla World Healthcare Fund (THW)

As of	9/30/2016
NAV	\$16.08
Market Price	\$14.68
Premium/Discount	-8.71%

Tekla World Healthcare Fund (THW) is a non-diversified closed-end fund traded on the New York Stock Exchange under the ticker THW.

Who is Tekla Capital Management?

- Boston based investment manager
- A 30-year history of dedicated healthcare investing
- Current portfolio manager in place since 2001
- Unique ability to invest in both private and public opportunities across the capital structure
- Manager of four closed-end funds
- Total assets under management \$3.1 billion*



*as of March 31st 2017

Expands Investment Team from four to ten

The Tekla Investment Team

Daniel R. Omstead, Ph.D.

Columbia University

President and CEO

President and Portfolio Manager of HQH, HQL, THQ, and THW

Investment Team

Jason Akus, MD, MBA

Tufts University

Senior Vice President

JP Morgan

Fixed Income, REITS

Timothy Gasperoni, Ph.D., MBA

UCLA / MIT

Senior Vice President

Sabby Capital, Crosswinds Investments, Andesite
CNS, GI, Spec Pharma, Structured Deals

Christian Richard, MBA

New York University

Senior Vice President

Merlin Biomed, Schering-Plough Research Institute
CV, Biosimilars, Inflammation, Venture/Pipes

Amanda Benson Ph.D.

Dartmouth College

Senior Analyst

R.A. Capital

Dermatology, Women's Health, Biotechnology

Alan Kwan, Ph.D., MBA

Washington University

Senior Analyst

GlaxoSmithKline

Life Science Tools, Diagnostics, Medical Technology

Christopher Abbott

Hamilton College

Senior Analyst

Leerink Partners

Healthcare Services and Information
Technology

Robert Benson M.S.

U. of Cal Berkeley / MIT

Senior Analyst

State Street / Putnam Investments
Quantitative Research

Joshua Mosberg, Ph.D.

Washington University / Harvard

Senior Analyst

Clarion Healthcare
Biotechnology, small cap therapeutics

Peter Savitscus

Villanova University

Head of Trading

Merrill Lynch

Leads trading operations and technical research

Current Perspective on Healthcare Investing

Long-term potential upside

- 1) Healthcare is a significant portion of economy
- 2) Favorable long term population growth trends
- 3) Innovation Continues
- 4) Drug development and approvals continue
- 5) Favorable long-term secular growth trends
- 6) Believe these factors will drive marketplace growth

Recent challenges

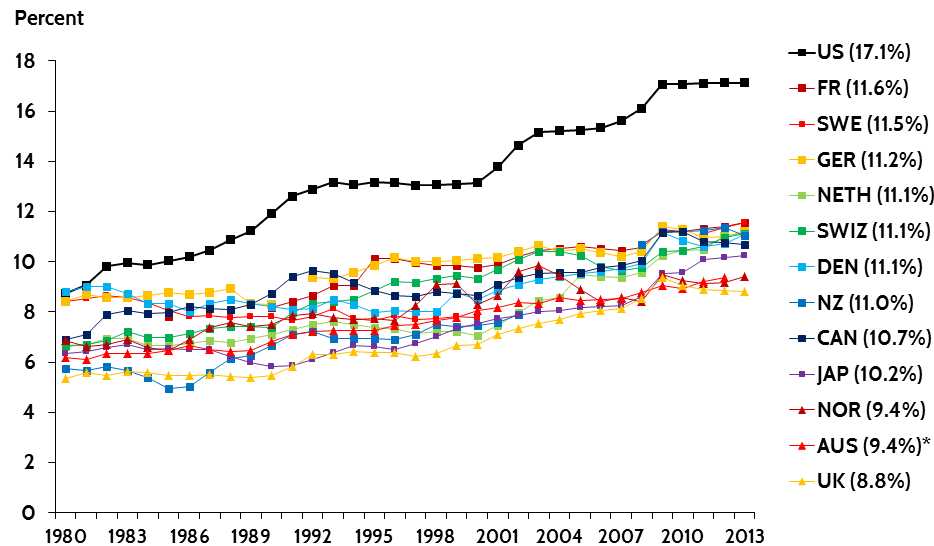
- 1) There was a politicization of Healthcare in last election cycle
- 2) Obamacare status has caused uncertainty
- 3) Uncertainty has resulted in pullback
- 4) Opportunity or continued uncertainty?

We think Opportunity

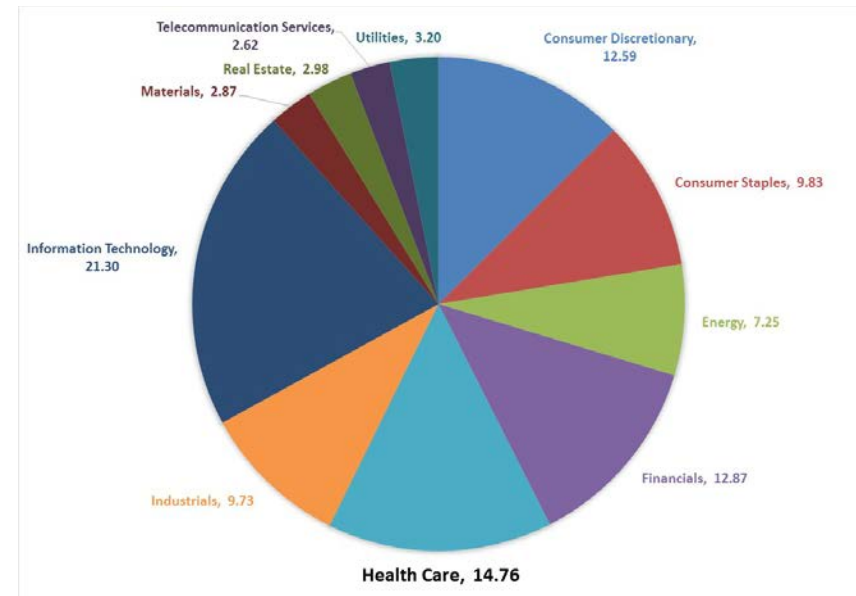
- 1) Expectation of 'near-term' resolution of policy disputes
- 2) Long term potential has not changed
- 3) Recent pull back created attractive valuations in Healthcare Sector

Significant Portion of Economy/Market

Exhibit 1. Health Care Spending as a Percentage of GDP, 1980–2013



S&P 500 Composition by GICS Sector

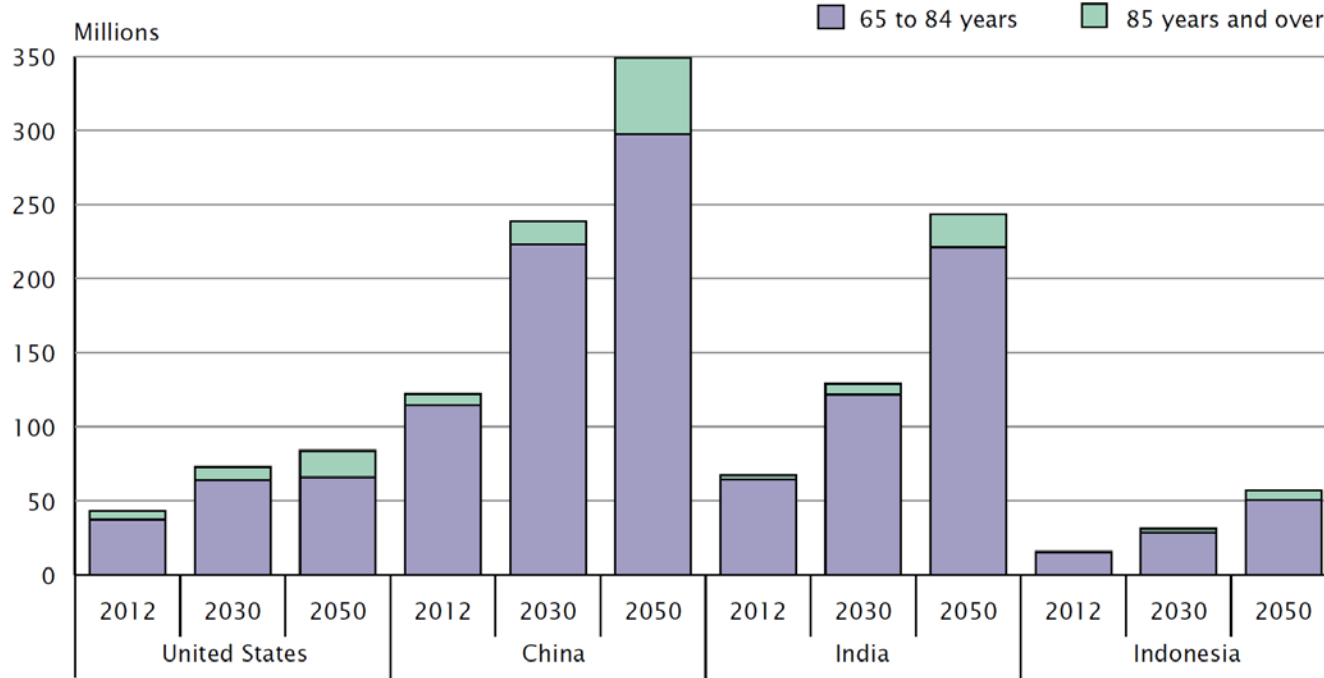


Favorable long-term secular growth trends

- Aging populations in developed economies
- Individual wealth increasing worldwide

Figure 13.

Population 65 to 84 Years and 85 Years and Over in the World's Four Largest Countries: 2012, 2030, and 2050



Source: U.S. Census Bureau, 2012 Population Estimates, 2012 National Projections, and International Data Base.

Positive Growth Dynamics

CMS Projections 2015 – 2025

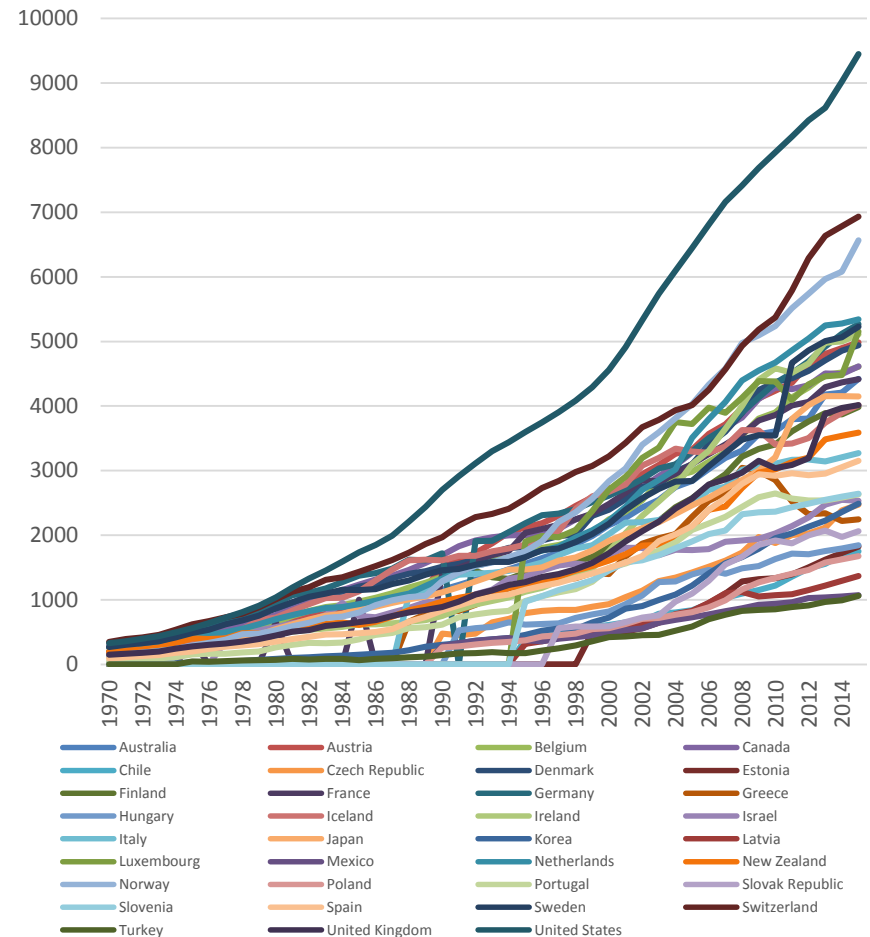
Health spending
expected to grow
at average rate of
5.8% per year

Health Spending
expected to grow
1.3% faster than
GDP

Health share of
GDP expected to
rise from 17.5% to
20.1%

Prescription drug
spending is
projected to grow
6.7% per year

OECD Per Capital Spending by Country 1970 – 2015

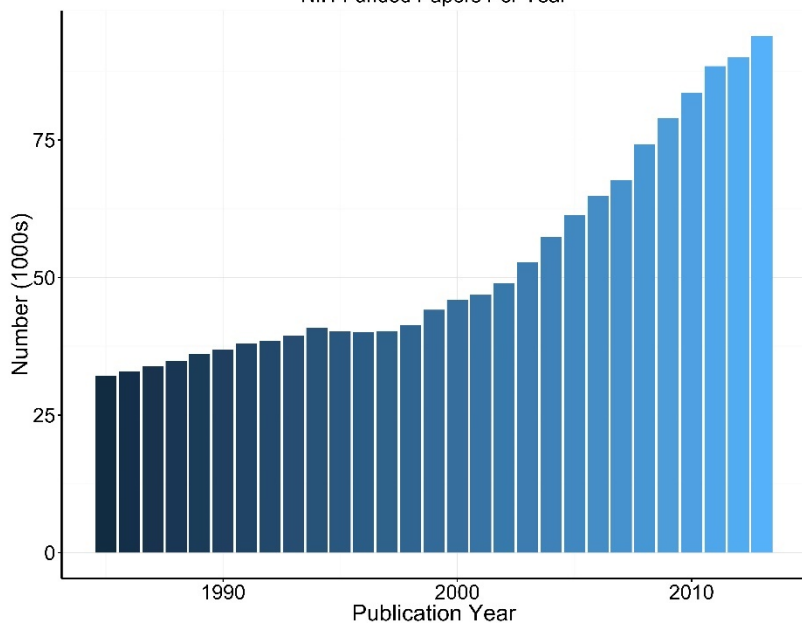


Scientific innovation will drive marketplace growth

- Science is constantly evolving
- New drugs/technologies replace old
 - Goes beyond the incremental specialty pharma drug development model
 - ImmunoOncology, Cell-Based Therapies, Checkpoint inhibitors, gene-therapy, etc...
- Scientific Innovation will expand existing markets and open new markets
 - Niche markets in diseases that were poorly served
 - ‘Orphan’ and ‘ultra-orphan’ markets
 - Duchenne Muscular Dystrophy, etc...

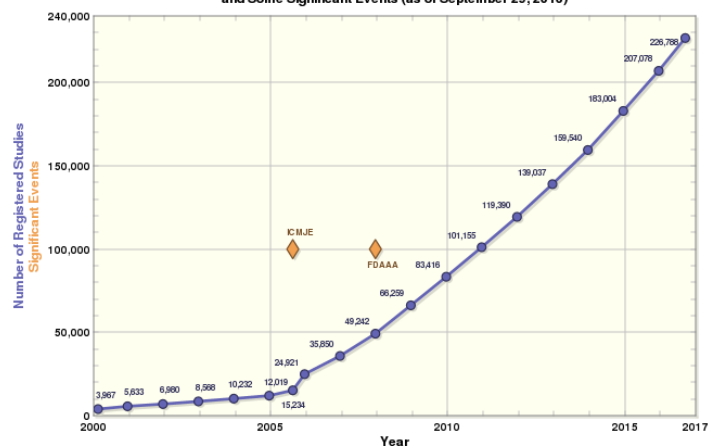
Drug Approval Rates Among Highest Ever

NIH-Funded Papers Per Year



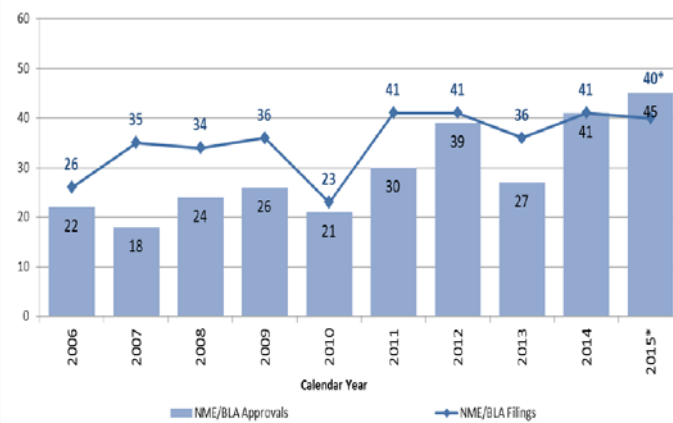
- More Science
- More Companies
- More Products in Development
- More New Approvals

Number of Registered Studies Over Time
and Some Significant Events (as of September 29, 2016)



Source: <https://ClinicalTrials.gov>

CDER New Molecular Entity (NME) and New Biologic License
Application (BLA) Filings and Approvals



https://i2.wp.com/nexus.od.nih.gov/all/wp-content/uploads/2016/03/Figure-1-NIH_papers_per_year.jpeg

<https://clinicaltrials.gov/ct2/resources/trends#RegisteredStudiesOverTime>

<http://www.fda.gov/Drugs/DevelopmentApprovalProcess/DrugInnovation/ucm474696.htm>

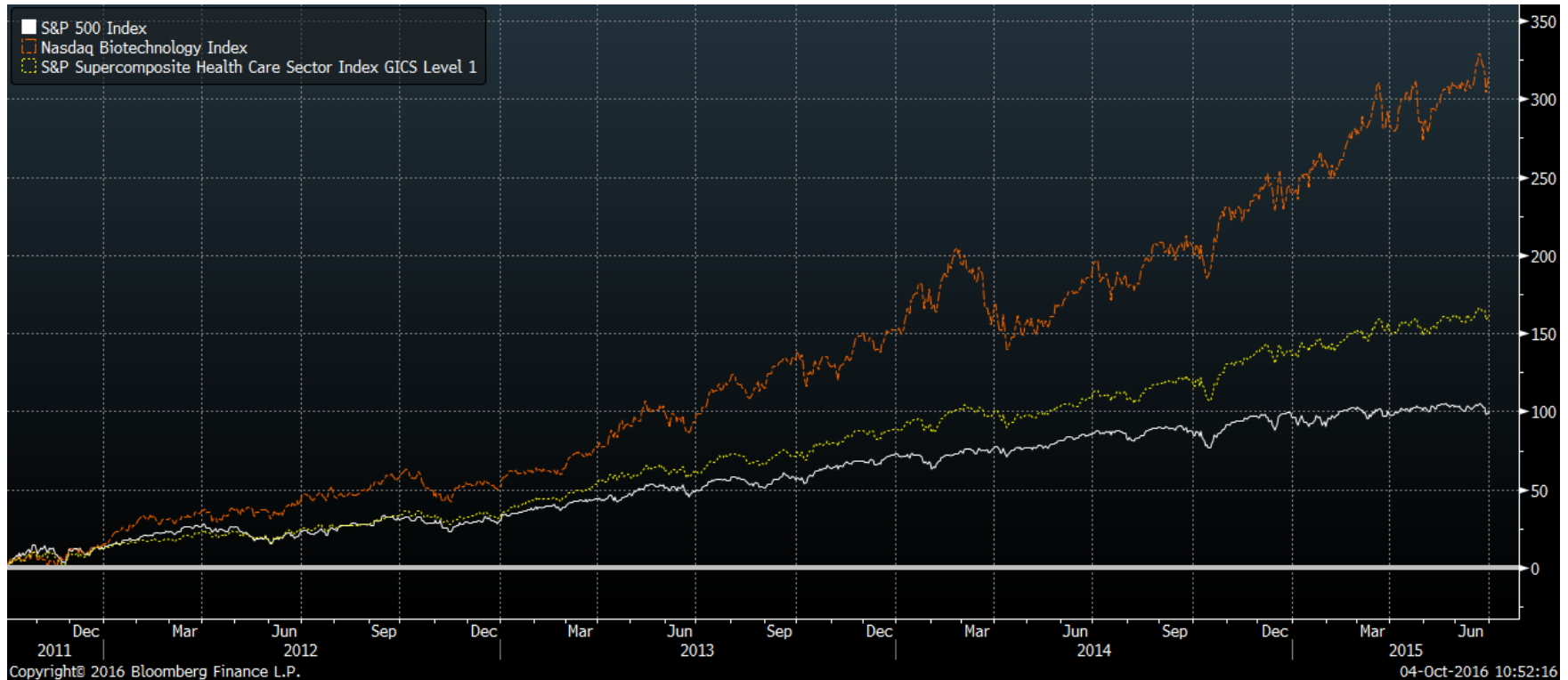
Recent Challenges

- Recent presidential election cycle politicized healthcare
- Cost versus benefit has become a wedge issue
- Keep / Repair / Replace Obamacare has added to the debate
- Don't see dramatic negative changes in reimbursement, coverage, or pricing



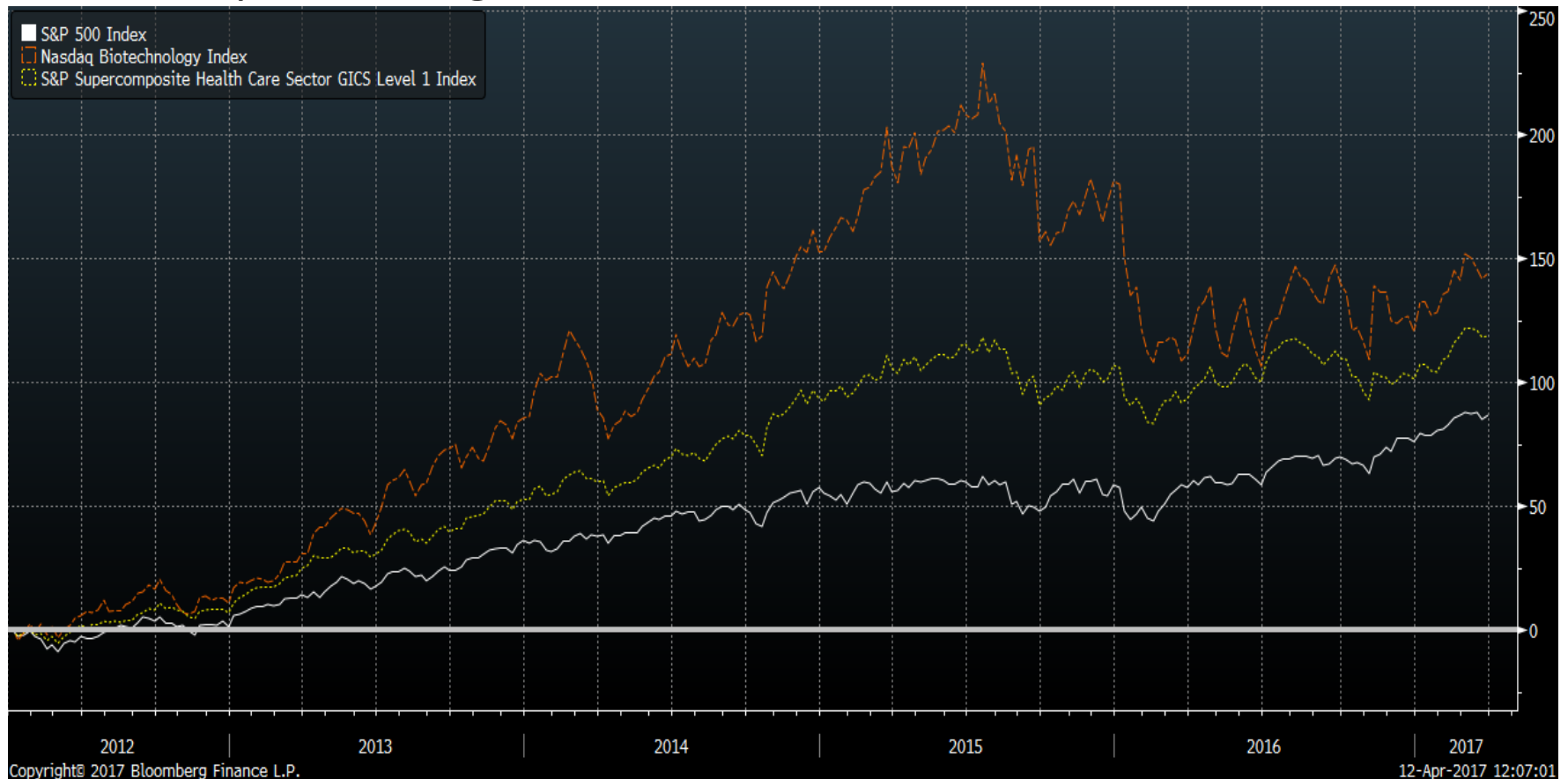
Healthcare outperformed for several years

- Biotechnology Outperformed Healthcare
- Peaked on July 2015



Drawdown 2nd Half of 2015 through Mid-2016

- Broader healthcare sector drawdown was more muted than within Biotechnology
- Still outperforming

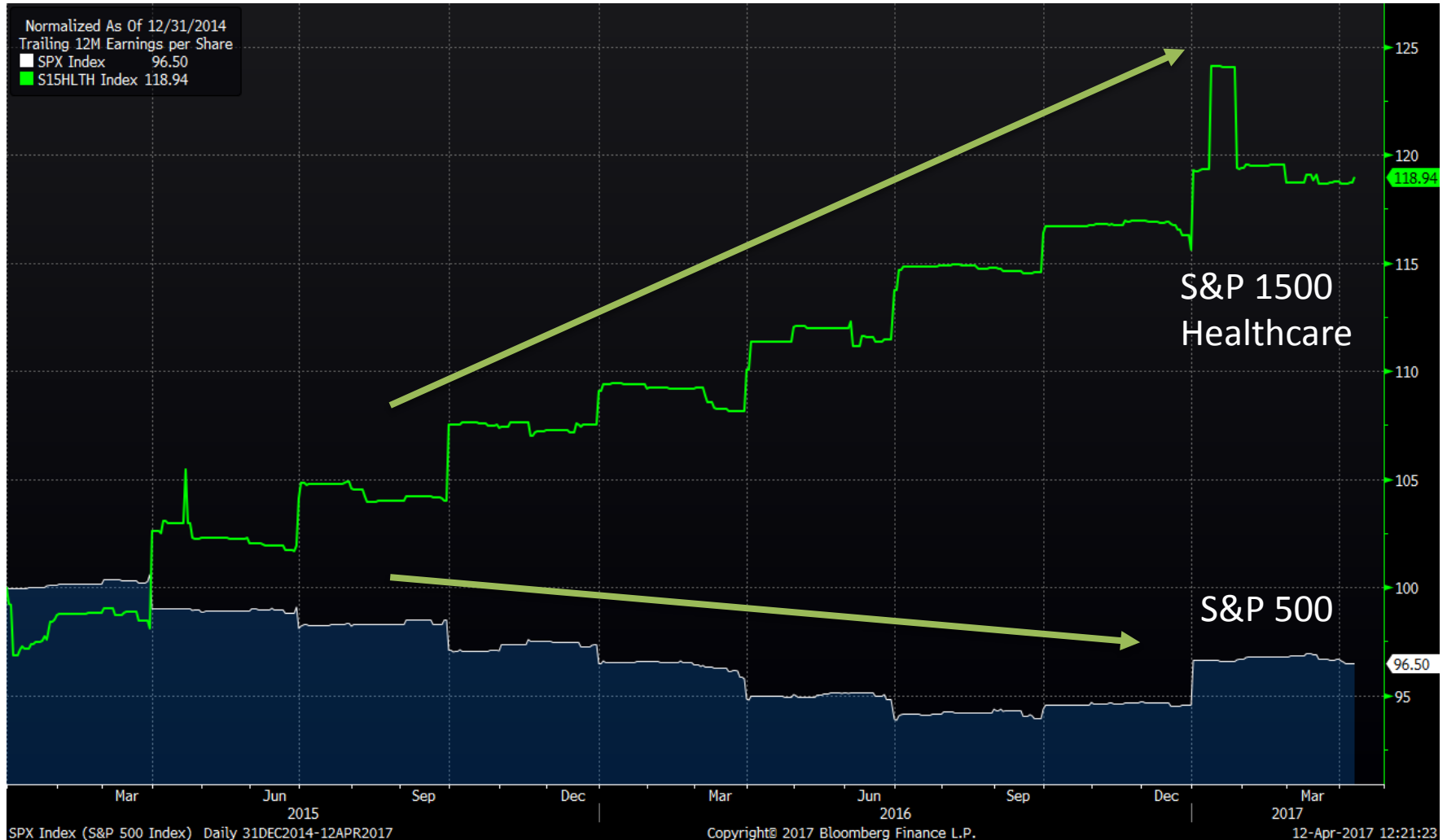


Valuations are at multi-year lows



Earnings Trends Within Healthcare Positive

Trailing 12 month EPS of S&P 1500 Healthcare versus S&P 500



(normalized to 100 on Dec 2014)

Our Conclusions

- Population, demographics, innovation, and current valuations appear to make healthcare attractive investment option
- But drug development / regulatory uncertainties make healthcare investing complicated
- Traditionally Pharma defensive, Biotechnology risky, Hospitals / HMOs / Life-Science Tools dependent on the economy
- Different solution for each circumstance and for each investor profile
- Tekla Funds seek to provide range of investment approaches

Tekla CEFs Characterization



	HQL	HQH	THQ	THW
Asset Class Focus	Equities	Equities	Equities + Fixed Income	Equities + Fixed Income
Healthcare Subsector Focus	Biotechnology	Biotechnology and Other Subsector	Broad Diversified Domestic Healthcare	Broad Diversified Global Healthcare
Income Sources	Capital Gains	Capital Gains	Ordinary Income + Capital Gains	Ordinary Income + Capital Gains
Distributions	Quarterly	Quarterly	Monthly	Monthly
Leverage	None	None	Moderate	Moderate

Tekla CEFs Characterization



	Tekla Life Sciences Investors	Tekla Healthcare Investors	Tekla Healthcare Opportunities Fund	Tekla World Healthcare Fund
Ticker	HQL	HQH	THQ	THW
Inception	1992	1987	2014	2015
Focus	Equities Emphasis on Biotechnology	Equities Broad Healthcare Scope	Equities and Fixed Income Investments across Domestic Healthcare	Equities and Fixed Income Investments across World Wide Healthcare
Managed Assets*	\$433 MM	\$992 MM	\$1047 MM	\$593 MM
Price*	\$19.39	\$24.04	\$17.40	\$14.35
NAV*	\$20.48	\$24.89	\$18.89	\$15.34
Spread (Discount/Premium)	-5.3%	-3.4%	-7.9%	-6.4%
Special Opportunity	Venture	Venture	Venture	Venture
Sources of Distribution**	Capital Gains	Capital Gains	Income + Capital Gains	Income + Capital Gains
Distribution Frequency	Quarterly	Quarterly	Monthly	Monthly
10 Yr Ann NAV Return*	12.07%	12.31%	n/a	n/a
10 Yr Ann. Price Return*	12.58%	11.58%	n/a	n/a

*As of March 31, 2017, Source: Bloomberg and/or other public sources

** Distributions not limited to these sources

Our Conclusions

- Long term upside for Healthcare continues despite recent pullback
- Tekla has experience and demonstrated long term success investing in healthcare
- Four closed-end funds that provide unique and differentiated ways to invest in healthcare

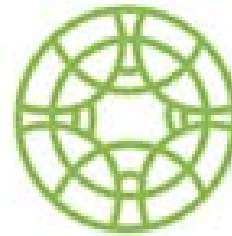
Tekla Capital Management



HQH



HQL



THQ



THW