

FORM ADV PART 2A: Firm Brochure

Abingworth Management Inc.

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This Brochure provides information about the qualifications and business practices of Abingworth Management Inc. (“**AMI**”). If you have any questions about the contents of this Brochure, please contact AMI’s Chief Compliance Officer (“**CCO**”), John Heard at +44 20 7534 1500 or by email at heard@abingworth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration of an investment adviser does not imply that AMI or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

Because this is our first brochure prepared using the SEC's revised Form ADV Part 2A, we have no material changes in prior filings to report.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9: Disciplinary Information	7
Item 10: Other Financial Industry Activities and Affiliations.....	7
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	7
Item 12: Brokerage Practices	8
Item 13: Review of Accounts	8
Item 14: Client Referrals and Other Compensation	9
Item 15: Custody.....	9
Item 16: Investment Discretion	9
Item 17: Voting Client Securities.....	9
Item 18: Financial Information.....	9

Item 4: Advisory Business

Abingworth Management Inc. (“**AMI**”, the “**Adviser**”, the “**Firm**”, “**we**”, “**us**”, or “**our**”), a Maryland corporation organized in April 1997 with its principal place of business in Waltham MA, provides investment advisory services in relation to companies in the life sciences and healthcare sectors across all stages of company development including early and late-stage venture financing, growth equity and public companies. The Adviser provides these services under agreements with Abingworth Management Limited (“**AML**”), a UK corporation, and Abingworth LLP (“**ALLP**”), a UK limited liability partnership, with respect to the management of privately offered funds, which currently include the following:

- Abingworth Bioventures IIA LP;
- Abingworth Bioventures IIIB LP;
- Abingworth Bioventures IIIC LP;
- Abingworth Bioventures IIV LP;
- Abingworth Bioventures IVE LP;
- Abingworth Bioventures IV Executives LP;
- Abingworth Bioventures V LP; and
- Abingworth Bioventures V Co-Invest Growth Equity Fund LP.

These funds, together with any future private funds, are collectively referred to as the “**Funds**”. AML and ALLP are collectively referred to as the “**Managers**”. Each of the Managers, AMI and their holding companies and subsidiaries is referred to collectively as “**Abingworth**”.

The services to be rendered by the Adviser to the Managers include:

- Advice on opportunities for investments by the Funds advised by the Managers in the course of their business;
- At the request of the Managers, undertake an analysis and review of any business in which a Fund has invested (a “**Portfolio Company**”) or prospective Portfolio Company;
- Advice concerning all actions which it appears to the Firm that a Fund should consider taking in order to effect the purchase and sale of a Portfolio Company securities and all matters arising from a Fund’s holding of such securities;
- Submit periodic reports advising on the progress of certain of the Portfolio Companies;
- At the request of the Manager, designate a person to represent the interest of any of the Funds by serving as a director or observer of any Portfolio Company.

AMI provides advice to the Managers based on specific investment objectives and strategies. AMI does not tailor advisory services to the individual needs of investors in the Funds (“**Investors**”).

As at the date of submission, the Firm was owned 100% by ALLP. The principal owner of ALLP is AML. AML is owned 100% by Abingworth Management Holdings Limited, a UK corporation. Abingworth Management Holdings Limited is owned by Stephen Bunting and David Leathers.

As of 31 December 2011, the Firm provided services in relation to the management of US \$325,539,587 in the Funds.

Item 5: Fees and Compensation

AMI receives a service fee from AML and ALLP equal to 108% of the operating expenses incurred by AMI in the course of performing its duties. The expected operating expenses of AMI shall be set forth in a mutually agreed upon budget prior to the beginning of the fiscal year.

Each Manager is entitled to a management fee for its services to each Fund. Each Fund pays its own legal and audit fees, the cost of investor and advisory committee meetings and certain other third party fees and expenses arising from transactions whether completed or uncompleted.

Item 6: Performance-Based Fees and Side-By-Side Management

AMI does not receive performance-based fees. Certain of the employees of AMI receive carried interest in the Funds. Carried interest is paid after all drawn down commitments have been repaid to the Investors. Investors are entitled to receive 80% of net profits in proportion to their commitments and the General Partner of each Fund (the “**General Partner**”) is entitled to receive 20% of net profits as carried interest. Performance based fee arrangements may create an incentive for AMI to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Item 7: Types of Clients

The Firm provides advice to the Managers regarding the Funds.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Approach and Investment Strategy

AMI supports the Managers’ investment strategy, which takes a broad approach to investing in life sciences in terms of geography, sector and stage of investment. AMI provides its services to the Managers primarily in relation to US based investment opportunities and Portfolio Companies.

This investment strategy covers a wide range of areas within the life science and healthcare sectors including small and large molecule therapeutics, diagnostics, software, instrumentation, services, medical devices, and genomics amongst others.

As directed by the Managers, AMI considers all stages of investment covering:

- Start-ups;
- Late stage venture;
- Growth equity;
- Venture Investments in Public Equities (“VIPes”); and
- Public markets.

Refer to Item 4 of this Brochure for a description of the services provided by AMI to the Managers in pursuing this investment strategy.

Risk of Loss Factors

Investment in securities involves risk of loss that Investors in the Funds must be prepared to bear. Therefore, Investors should carefully consider the risks before investing in a Fund. Investors must have the financial ability, sophistication/experience and willingness to bear the

risks of an investment in the Funds. In making an investment decision, prospective investors must rely on their own examination of the Fund and specific terms of its offering, including the risks involved. The principal risks of Abingworth's investment strategy are as follows:

- **Commercial risk:** Investment in Portfolio Companies that are at a relatively early stage in their development is subject to a high degree of financial and commercial risk. Certain of these companies are likely to have very little operating history and may operate at a loss or with substantial variations in operating results from period to period. Many of the companies may need substantial additional capital to support additional development activities, expansion or to achieve a competitive position.
- **Market risk:** Portfolio Companies may be sensitive to general downward swings in the overall economy or in the life sciences sector.
- **Unquoted companies:** Investments in unquoted companies may be difficult or impossible to realise. Investments in unquoted companies are intrinsically riskier than in quoted companies as unquoted companies may be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team.
- **Maturity:** Investments in Portfolio Companies can take several years to mature and as a result, while long-term performance of a Fund may be good, performance in the early years may be slow to develop.
- **Minority position:** A Fund, since it will normally be a minority investor in a Portfolio Company, may not always be in a position to protect its interests effectively.
- **Financing:** Portfolio Companies may require financing beyond that which can reasonably be provided by a Fund. In that event and assuming such financing is even available from third parties, a Fund's interest in any such companies will be diluted, possibly at unfavourable prices and on unfavourable terms.
- **Government approvals:** The success of the Portfolio Companies may be dependent upon obtaining certain government approvals. Companies in the life science industry typically require the approval of agencies such as the Food and Drug Administration in the US and or the European Medicines Agency prior to their products being available to the public. The approval process is very lengthy and very costly and there can be no guarantee that a Portfolio Company will obtain the necessary approvals for its products.
- **Patent protection:** Certain of the Portfolio Companies will need to obtain patent protection for products, both in the US and in other countries. The patent position of life science companies in many countries is highly uncertain and involves complex legal, scientific and factual questions. There is no consistent policy regarding the permissible breadth of coverage of claims allowed in biotechnology patents.
- **Litigation:** Each Fund will be subject to a variety of litigation risks, particularly due to the possibility that one or more Portfolio Company will face financial or other difficulties during the term of the Fund. The Fund may also participate in Portfolio Company financings at implicit valuations lower than the valuations implicit in preceding rounds of financing.
- **Board positions:** Members of AMI personnel may serve, from time to time, as officers or directors of Portfolio Companies. The foregoing rights and activities, especially in light of new statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, could expose a Fund to regulatory action and/or claims by a Portfolio Company, its security holders and its creditors..
- **Fiduciary duty:** In their capacity as officers or directors, members of AMI personnel will be subject to fiduciary or other duties to the Portfolio Company, which may adversely affect the Fund. For example, a Fund may be prohibited from selling publicly-traded securities of a Portfolio Company if a member of AMI personnel is in possession of material non-public information relating to such company.

- **Disposal of Portfolio Company:** In connection with the disposal of an investment in a Portfolio Company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Please refer to each Fund's offering documents for a more detailed and specific discussion of that Fund's investment strategies and related risks.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

The management and employees of AMI plan to dedicate substantially all of their professional efforts to AMI and the services that they provide to the Managers and the Funds, and currently have no significant outside business interests.

The only relationship that is material to AMI's advisory business is its relationship with ALLP and AML in connection with the services that it provides to the Managers regarding the Funds.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

AMI may recommend to a Manager an investment in a company that is already held in another Fund or in which members of Abingworth personnel or affiliates have an existing interest. In the case of private companies and investments made as a VIPE investment or in an initial public offering, such investments may not be made without the prior approval of the advisory committee (comprised of Investor representatives) of that Fund ("**Advisory Committee**"). Further, a Manager, its affiliates, members of Abingworth personnel and other Funds may coinvest alongside the Fund, subject to the terms of its Partnership Agreement and/or the prior approval of the Fund's Advisory Committee.

Members of AMI personnel may be paid fees or awarded equity or share options by a Portfolio Company for acting as a director or for the provision of other services. In such cases, the member of AMI personnel remits the fees to the Manager of the relevant Fund. Subject to certain exceptions discussed below the Manager will account to the General Partner of the Fund for such fees and equity or share options by making an equivalent reduction in the management fee which will be passed to the Fund by a reduction in the General Partner's share. Where an investment is held in more than one Fund, the fee may be allocated between the Funds on an equitable basis. In accounting to a Fund and as stated in that Fund's Partnership Agreement, a Manager may retain the following fees: 100% of any fees paid to a member of AMI personnel for acting as a director of, or providing other services to, a Portfolio Company (to the extent that this covers the remuneration paid by AMI to the individual concerned), shares or options awarded to members of AMI personnel

that take on an operational role in a Portfolio Company; and 20% of any other share options awarded to a member of AMI personnel for service as a director of a Portfolio Company.

Members of AMI personnel may not purchase or sell any securities of a Portfolio Company without pre-approval from the CCO (see Code of Ethics and Personal Trading below).

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which AMI personnel have a beneficial interest or accounts over which an employee has investment discretion and requires them to comply with federal securities laws and report any violations of the Code. The Code of Ethics also addresses insider trading, possible family and household member conflicts, personal disclosures regarding legal and regulatory matters and confidentiality.

In general, AMI personnel (and members of their immediate households) are permitted to invest in equities, options or futures but must obtain written pre-approval from the CCO for any equity, equity linked or corporate debt security issued in a public offering (IPOs or subsequent offerings), for any equity, equity linked or corporate debt security issued in a private offering and for any transaction where the company or investment vehicle operates in the biotech, pharmaceutical, medical device or healthcare sectors. The spirit of the Code of Ethics is to discourage frequent trading in employee personal accounts. AMI personnel must also obtain pre-approval from the CCO before engaging in any outside business activities.

All AMI personnel must direct their brokers to send duplicate brokerage statements to the CCO. These records are periodically reviewed to monitor compliance with the foregoing policies and to ensure that AMI personnel are not engaging in personal trading activity that is inconsistent with their and AMI's duty to the Firm's clients.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities or open-end mutual funds, exchange traded funds (ETFs) or other instruments which afford the investor no discretion over individual securities transactions.

Our Code of Ethics and Personal Account Dealing Policy are reviewed annually and circulated at least annually to all AMI personnel, each of whom at least annually must certify in writing that he or she has received and followed the Code of Ethics and Personal Account Dealing Policy and any amendments thereto. Our Code of Ethics and Personal Account Dealing Policy are available upon request.

Item 12: Brokerage Practices

AMI does not select or recommend broker-dealers for Fund transactions.

Item 13: Review of Accounts

Review of Accounts

AMI does not review the Funds. At the request of a Manager, we may undertake an analysis and review of a Portfolio Company. We may also submit periodic reports advising on the progress of certain of the Portfolio Companies and give advice on any matter arising from a Fund's holding of such securities.

Reporting

Investors in the Funds receive audited financial statements and quarterly unaudited accounts for the particular Fund(s) in which they are invested.

Item 14: Client Referrals and Other Compensation

AMI does not currently utilize any third party marketers or solicitors for client referrals.

AMI does not currently provide its services to parties other than the Managers.

Item 15: Custody

AMI does not provide custodial services to the Funds. ALLP arranges for custody of paper stock certificates and stock held in electronic form with Bank of New York Mellon.

Investors in the Funds will receive audited financial statements for the particular Fund(s) in which they are invested within 120 days of the fiscal year end.

Item 16: Investment Discretion

This Item is not applicable.

Item 17: Voting Client Securities

AMI does not have proxy voting authority with respect to any security it recommends. The Managers exercise proxy voting authority for the Funds and may consult with AMI at their discretion on proxy voting matters.

Item 18: Financial Information

This Item is not applicable.