



Sven H. Borho

Information as at 31 December 2017

[www.worldwidewh.com](http://www.worldwidewh.com)

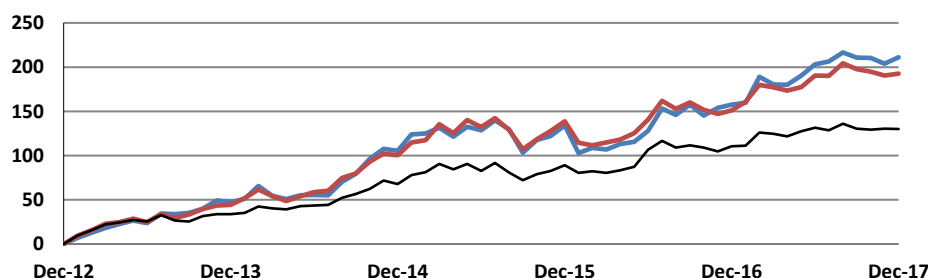
 @Worldwidewh

## Investment Objective

To invest in the global healthcare sector with the objective of achieving a high level of capital growth. In order to achieve its investment objective, the Company invests worldwide in a diversified portfolio of shares in pharmaceutical and biotechnology companies and related securities in the healthcare sector. It uses gearing, and derivative transactions to enhance returns and mitigate risk. Performance is measured against the MSCI World Health Care Index (net total return, sterling adjusted).

## Five Years Performance (%)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed; An investor may receive back less than the original amount invested.



Share Price (total return) +211.0%

Net Asset Value per share (total return) +192.5%

Benchmark: MSCI World Health Care Index (net total return; sterling adjusted) +130.0%

Source: Morningstar, Index - Bloomberg

## Commentary

In December the NAV per share was up 0.7%, the share price was up 2.3%, and the MSCI World Health Care Index was down 0.2%.

Outperformance in December was generated across multiple sectors, including biotechnology, large cap pharma, specialty pharma, generics, and emerging markets, partially offset by medical devices.

The top contributor in December was the generic drug manufacturer, **Mylan**. Positive pipeline news early in the month refuelled investor interest in the shares as optimism for significant growth in 2018 increased. Another key contributor was the China-based (but U.S. listed) biotechnology company, **BeiGene**. The company presented incremental data for the company's oncology pipeline, rekindling momentum in the stock price. Also, **Sino Biopharmaceutical**, the largest generic drug company listed in China, benefited from regulatory changes for better quality generic drugs which created a tailwind for the company's business, increasing investor demand for the shares, in particular, the company received an important generic drug approval in the month.

Notable detractors came idiosyncratically from the medical device space. First, sentiment turned more bearish on **Wright Medical** in December following the announced acquisition of an early stage non-revenue generating asset which could be slightly dilutive to 2018 earnings. Additionally, investor concerns increased about the company's ability to achieve full year financial guidance given weak sales trends. Another detractor was **Intuitive Surgical**. However, there was no fundamental news that drove the share price weakness. Rather, we suspect that broader market year-end repositioning had an adverse impact on the stock price.

*Any opinions on individual stocks are those of the Company's Portfolio Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by OrbiMed Capital LLC for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy.*

## Risk Warnings

This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. For information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at [www.worldwidewh.com](http://www.worldwidewh.com).

Shares of the Company are bought and sold on the London Stock Exchange. The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it.

The Company has increased its exposure to investments, via the use of an overdraft facility and derivatives and this could potentially magnify any losses or gains made by the Company. The Annual Report and Investor Disclosure Document, available on the Company's website, include further details on the use of, and exposure to, derivatives.

## Biographies

**Sven H. Borho CFA**, is a founding Partner of OrbiMed. Mr. Borho is a senior member of the public equity team and he is a portfolio manager for OrbiMed's public equity and hedge funds. Mr. Borho started his career in 1991 when he joined OrbiMed's predecessor firm as a Senior Analyst covering European pharmaceutical firms and biotechnology companies worldwide. Mr. Borho studied business administration at Bayreuth University in Germany and received an M.Sc. (Econ.), Accounting and Finance, from The London School of Economics; he is a citizen of both Germany and Sweden.

## Portfolio Manager Profile

OrbiMed Capital LLC (OrbiMed) is owned by six principals, including Sven Borho who have between them many years' experience of investing in the pharmaceutical, biotechnology and healthcare sectors. The U.S. based company has over 90 investment professionals who carry out extensive research, involving company visits and developing an understanding of the commercial and scientific prospects for individual drugs. OrbiMed is registered as an investment adviser under the U.S. Securities and Exchange Commission (SEC). SEC registration does not imply a certain level of skill or training.

## Investment Policy

The Company offers a superior UK-listed opportunity for capital appreciation through a diversified portfolio of worldwide pharmaceutical, biotechnology, healthcare equipment, healthcare technology and healthcare services companies. The Portfolio Manager seeks to reduce risk through extensive fundamental research, worldwide exposure, position limits, and balanced market capitalisations. The Company's investment objective also allows gearing, through borrowing, of up to 20% of net assets and a net exposure to derivative investments (excluding swaps) of up to 5% of the portfolio. Equity swaps may also be used, counterparty exposure here is limited to 12% of the portfolio at the time of acquisition.

## Discount Control Mechanism

The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to the ex income NAV per share at which the shares trade to no more than 6%. Shares bought back may be held in treasury for reissue at later dates at not more than the discount at which they were purchased, and in any event at a discount no greater than 5% to the prevailing cum income net asset value per share. Any shares left in treasury are cancelled around the time of the AGM.

Worldwide Healthcare Trust PLC conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

## 10 Largest Holdings as at 31 December 2017\*

Name	Region	Total
Novo Nordisk	Europe	4.0
Regeneron Pharmaceuticals	North America	3.6
Wright Medical	Europe	3.5
Eli Lilly & Co	North America	3.3
Alexion Pharmaceuticals	North America	3.2
Boston Scientific	North America	3.0
Intuitive Surgical	North America	3.0
Celgene	North America	2.9
Cigna	North America	2.7
Chugai Pharmaceutical	Japan	2.7
<b>Total</b>		<b>31.9</b>

## Sector, Geographical\*\* & Asset Class Breakdown at 31 December 2017\*

Biotechnology	33.2	North America	65.4	Equities	86.8
Pharmaceutical	28.1	Europe	14.1	Equity Swaps	10.5
Healthcare Equipment/Supplies	15.8	Emerging Markets	13.2	Variable Interest	2.1
Healthcare Providers/Services	10.4	Asia	7.3	Fixed Interest	0.4
Emerging Markets Basket	5.9	<b>Total</b>	<b>100.0</b>	Options	0.2
Life Sciences/Tools & Services	4.1			<b>Total</b>	<b>100.0</b>
Fixed & Variable Interest	2.5				
<b>Total</b>	<b>100.0</b>				

\*Calculation based on economic exposure and expressed as a % of the total economic exposure. This includes all derivatives as an economically equivalent position in the underlying holding.

\*\*Geographical analysis based on country of incorporation.

Source: All portfolio information sourced from Frostrow Capital LLP.

## Discrete Performance – Calendar Years (%)

Percentage Growth	2013	2014	2015	2016	2017
NAV	44.3	38.8	19.1	5.2	16.5
Share Price	47.1	39.6	13.9	10.1	20.7
Benchmark	33.6	25.6	12.7	11.2	9.4

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Source: NAV (total return; fully diluted) & share price (total return) – Morningstar. Benchmark - Bloomberg.

## Awards

**Winner: Investment Week, Investment Company of the Year 2016, Specialist (including Hedge Funds) Category**

**Highly Commended: Money Observer Trust Awards 2015 Best Large Trust**

**Rated Fund: Money Observer Rated Funds 2015**

## Important Information

Worldwide Healthcare Trust PLC (the Company) is a public limited company whose shares are premium listed on the London Stock Exchange (LSE) and is registered with HMRC as an investment trust.

The Company has an indeterminate life, although shareholders consider and vote on the continuation of the Company every five years (the next such vote will be held in 2019).

This financial promotion is issued by Frostrow Capital LLP which is authorised and regulated by the Financial Conduct Authority ("FCA").

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## Fast Facts as at 31 December 2017

<b>AIC Sector</b>	Biotechnology & Healthcare
<b>Launch Date &amp; appointment of Portfolio Manager</b>	April 1995
<b>Annual Management Fee</b> (payable by the Company): 0.65% of net assets plus 0.30% of market cap. up to £150m, in the range £150m to £500m 0.2%; in the range £500m to £1bn 0.15%; in the range £1bn to £1.5bn 0.125%; over £1.5bn 0.075% plus £57,500	
<b>Performance Fee</b>	See Annual Report for details
<b>Ongoing charges*</b>	0.9%
<b>Continuation Vote</b>	2019 AGM and every 5 <sup>th</sup> AGM thereafter
<b>Year / Half Year</b>	31 March / 30 September
<b>Capital Structure</b>	49,086,278 shares

\*Calculated at the financial year end, includes management fees and all other operating expenses, and excludes performance fees.

## Trust Characteristics

<b>Number of Holdings</b>	92
<b>Net Assets (£m)</b>	1,214.8
<b>Market Capitalisation (£m)</b>	1,242.9
<b>Dividends</b>	Provisional payment dates: January & July
<b>Indicative Yield</b>	0.9%
<b>Gearing</b>	3.5%
<b>Leverage**</b>	Gross 113.5% Commitment 112.1%
<b>Share Price (p)</b>	2532.00
<b>NAV(p) (cum income)</b>	2474.92
<b>Premium / (Discount)</b>	2.3%

\*\* The Board has set the maximum leverage limit for both the Gross and the Commitment basis at 140% of the Company's Net Asset Value.

## Codes

<b>Sedol</b>	0338530
<b>ISIN</b>	GB0003385308
<b>Legal Entity Identifier</b>	5493003YBCY4W1IMJU04
<b>Bloomberg</b>	WWH LN
<b>Epic</b>	WWH

## How to Contact Us

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