WORLDWIDE HEALTHCARE TRUST PLC

HALF YEAR REPORT & ACCOUNTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

Frostrow CAPITAL

OrbiMed Healthcare Fund Management

CONTENTS

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Investment Objective

Worldwide Healthcare Trust PLC invests 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 mitigate risk and also enhance returns.

Investment Policy

The limits and restrictions remain unchanged from those published in the annual report for the year ended 31 March 2014 and are as follows:

- The Company will not invest more than 10% of its gross assets in other listed investment companies (including listed investment trusts);
- The Company will not invest more than 15% of the portfolio in any one individual stock at the time of acquisition;
- At least 60% of the portfolio will normally be invested in larger companies (i.e. with a market capitalisation of at least US$5bn);
- At least 20% of the portfolio will normally be invested in smaller companies (i.e. with a market capitalisation of less than US$5bn);
- Investment in unquoted securities will not exceed 10% of the portfolio at the time of acquisition;
- A maximum of 5% of the portfolio, at the time of acquisition, may be invested in each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies;
- A maximum of 15% of the portfolio, at the time of acquisition, may be invested in companies in each of the following sectors:
  - healthcare equipment
  - healthcare technology
  - providers of healthcare and related services
- Derivative transactions can be used to mitigate risk and/or enhance capital returns and will be restricted to 5% of the portfolio on a net basis; and
- Equity Swaps may be used in order to meet the Company's investment objective of achieving a high level of capital growth and are restricted to 8% of the portfolio.

The Company does not hedge its foreign currency exposure.

Capital Structure

At 30 September 2014 the Company had in issue 48,053,080 shares of 25p each (excluding 100,000 shares held in treasury) (30 September 2013: 45,888,385, 31 March 2014: 46,292,111 no shares were held in treasury at these dates).

Gearing

The Company's gearing policy is that it may borrow up to the lower of £120m or 20% of the Company's net asset value. The Company's borrowing requirements are met through the utilisation of an overdraft facility (repayable on demand), provided by J.P. Morgan Clearing Corp., New York. At 30 September 2014, the Company had borrowed £78.6m under this facility. As at this date the net gearing level was 11.6% of the Company's net assets. (See glossary beginning on page 27).

Continuation Vote

The next continuation vote of the Company will be held at the Annual General Meeting in 2019 and every five years thereafter.

Performance

	Six months to 30 September 2014	One year to 31 March 2014
Share price (total return)#	+16.2%	+30.8%
Net asset value per share (total return)#	+16.8%	+25.9%
Benchmark index (total return)^	+11.5%	+14.9%

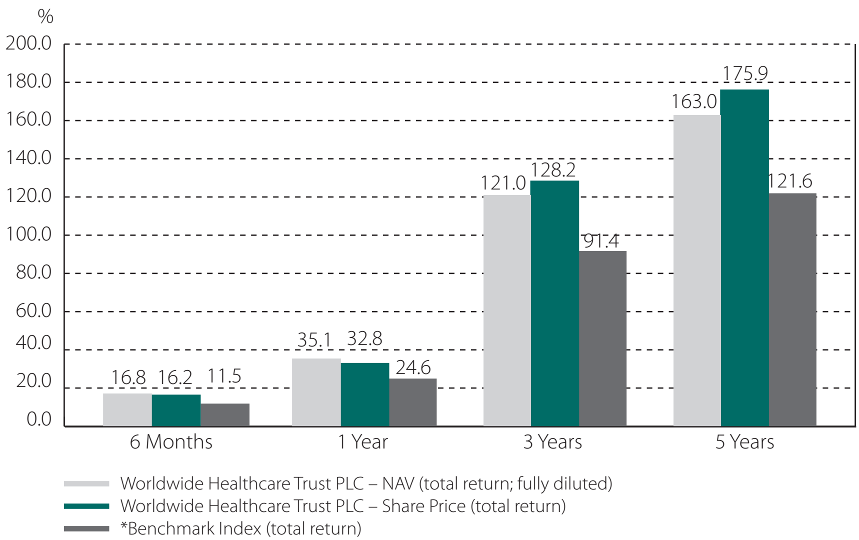
	30 September 2014	31 March 2014	Six months % change
Shareholders' funds	£750.5m	£636.2m	+18.0
Net asset value per share – basic	1,562.0p	1,374.3p	+13.7
Share price	1,502.0p	1,301.0p	+15.4
Discount of share price to the basic net asset value per share	3.8%	5.3%	–
Gearing+	11.6%	12.0%	–
Ongoing charges+	1.0%	1.0%	–
Ongoing charges (including performance fees crystalised during the period)+	1.7%	1.1%	–

\# Source – Morningstar. (Net asset value diluted for subscription shares and treasury shares. There were no subscription shares in issue on 30 September 2014).

^ Benchmark index – MSCI World Health Care Index on a net total return, sterling adjusted basis.

\+ See glossary beginning on page 27.

Performance to 30 September 2014



Source: Morningstar and Thomson Reuters

* With effect from 1 October 2010, the performance of the Company is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis. Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted). Historic data therefore consists of a blended figure containing both indices.

Chairman's Statement

PERFORMANCE

I am pleased to report that the strong returns reported for last year have been maintained by the Company so far this year. The Company's net asset value total return was +16.8% over the last six months, significantly outperforming the Company's benchmark return of +11.5%. The principal contributors to net asset value performance included holdings in biotechnology companies **InterMune** and **Gilead Sciences** and also the for-profit healthcare facility operator **HCA Holdings**. This continued good performance was reflected in the Company's share price which also performed strongly, with a total return of +16.2% over the same period. The discount of the Company's share price to the basic net asset value per share narrowed during the period. As at 30 September 2014 it was 3.8%, having been 5.3% at the beginning of the period. The healthcare sector as a whole continued its outperformance of the wider market during the period, with the MSCI World Index (measured in sterling terms on a total return basis) rising by 5.9%. Further information on investment performance and the outlook for the Company is given in the Review of Investments beginning on page 4.

CAPITAL

The Board continues to monitor closely the Company's share price discount to the net asset value per share; the Board seeking to ensure that such discount is no greater than 6% over the long-term. During the period and to the date of this report, a total of 286,096 shares were repurchased by the Company to be held in treasury at a total cost of £3.9 million and at an average discount of 7.6%.

I am pleased to report that, in line with the Board's published policy (that treasury shares can be re-issued at a discount lower than that at which they had been bought in at, and in any event at a discount no greater than 5% to the prevailing diluted cum income net asset value per share at the time of sale) all of the 286,096 shares held in treasury have been reissued since the period-end at share prices that equated to an average discount of 2.5% to the prevailing diluted cum income net asset value per share, raising £4.7 million.

The final exercise date for the Company's subscription shares was 31 July 2014 and all of the remaining subscription shares in issue on that date were converted into ordinary shares. In total during the period and to the date of this report 1,860,969 subscription shares were exercised at an exercise price of 699p per share raising £13.0 million of additional funds for the Company.

REVENUE AND DIVIDENDS

The revenue return for the period was £2,738,000, compared to £3,420,000 in the same period last year. This was due to a reduction in the overall yield from portfolio investments from 1.4% to 1.0%. The Board has declared a first interim dividend of 6.0p per share, for the year to 31 March 2015,

Company names shown in bold are held in the Portfolio.

Chairman's Statement (continued)

which will be payable on 9 January 2015 to shareholders on the register of members on 5 December 2014. The associated ex-dividend date will be 4 December 2014. The second interim dividend for the year to 31 March 2015 is expected to be announced in June 2015.

The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders and to pay dividends to the extent required to maintain investment trust status.

THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD')

As reported at the year-end, the Company was required to comply with AIFMD on or before 22 July 2014. As a result of this European legislation and its incorporation into law in the UK, I am pleased to confirm that the Company made a number of changes to its service providers to bring it into compliance with AIFMD. The Company has appointed its existing Manager, Frostrow Capital LLP ('Frostrow') as its Alternative Investment Fund Manager ('AIFM') on the terms and subject to the conditions of a new alternative investment fund management agreement. In addition, OrbiMed Capital LLC ('OrbiMed') has continued to be responsible for the management of the Company's portfolio of investments under a new portfolio management agreement. The fee arrangements of both Frostrow and OrbiMed remain unchanged as a result of these new arrangements. The old agreements between the Company, Frostrow and OrbiMed were terminated.

The Company has also appointed J.P. Morgan Europe Limited as its depositary and J.P. Morgan Clearing Corp. as prime broker, to act as custodian and also to provide a loan facility to the Company. These new arrangements replaced the Company's existing custody and prime brokerage arrangements with Goldman Sachs & Co.

OUTLOOK

2014 has seen highs achieved in a number of markets. However, mixed readings on the global economy and geopolitical tensions have caused volatility in world markets. However, our Portfolio Manager believes that the healthcare sector will continue to outperform the wider market due in large part to high levels of innovation and continued corporate activity within the sector.

Your Board believes that the Company is well positioned to take advantage of this encouraging outlook for healthcare and that the long-term investor in our sector will continue to be well rewarded.

Sir Martin Smith
Chairman
28 November 2014

Company names shown in bold are held in the Portfolio.

Review of Investments

PERFORMANCE

The global equity markets for the six month period from 1 April to 30 September 2014 were a tale of two distinct quarters. The first quarter was characterised by a modest dip in April, followed by an orderly and steady increase in share prices, supported by a lack of any unhelpful moves by the U.S. Federal Reserve. Investor confidence was high and an important rebound in both technology and biotechnology stocks helped push indices higher. As a consequence, global indices including the MSCI World Index marked record highs in early July.

The second quarter of the six month period was decidedly more volatile. Whilst most central bank monetary policies continued to be supportive of the markets, some divergence appeared and geopolitical tensions rose, increasing investor angst. Additionally, macroeconomic data from Europe and China indicated early signs of slowing growth. As such, global markets sold off, partially reversing some of the gains from earlier in the period.

Healthcare stocks followed a predictable course, underperforming modestly in the first half of the six month period before demonstrably outperforming the broader markets in the second half.

Specifically, in the six month period ended 30 September 2014, the benchmark MSCI World Health Care Index on a net total return, sterling adjusted basis posted a total return of +11.5% compared to the sterling adjusted total return of the MSCI World Index return of +5.9%. The Company significantly outperformed both the broader market and the healthcare specific index, with a share price total return of +16.2% and a net asset value total return of +16.8%.

The main drivers of the Company's outperformance in the period were sub-sector positioning and stock selection in the biotechnology sector. Specifically, our continued overweight position in large capitalisation biotechnology across all key stocks led to both positive absolute performance and also superior performance relative to the benchmark. In emerging biotechnology stocks, good stock selection, merger and acquisition (M&A) activity, and a lack of bad news, compounded by an overweight stance, also contributed to returns. Performance was further helped as a result of macro tailwinds and astute stock picking in both China and India and also by the portfolio's underweight exposure to large capitalisation pharmaceutical stocks.

Another critical sector for performance was specialty pharmaceutical/generics. Here, M&A was a predominant theme, combined with robust operating performance for selected stocks.

An additional important contribution came from stock selection in healthcare services. Specifically, smart positioning around the Affordable Care Act across hospitals and managed care added to gains.

The themes of innovation and M&A were instrumental in the holding that was the largest contributor in the reported six month

Company names shown in bold are held in the Portfolio.

Review of Investments (continued)

period. **InterMune, Inc.** is a California-based, one product, biotechnology company. We had been long-term investors in the company, given our belief that its key drug, Esbriet (pirfenidone), was a critical advance in the treatment of idiopathic pulmonary fibrosis (IPF), a severe lung disease in which fibrosis (scar tissue) builds up in the lungs, compromising breathing, and eventually leading to death, typically in 3 to 5 years. The company presented an impressive pooled data analysis, showing a significant survival advantage for IPF patients taking Esbriet. **Roche Holdings AG**, the Swiss-based, global pharmaceutical company, took notice. Wanting to add a specialty care, non-oncology product to help diversify the company's marketed drug portfolio, Roche announced in August 2014 its intention to acquire InterMune for U.S.$8.3 billion, representing nearly a 40% premium to its share price.

The Company has been a long-term investor in **Gilead Sciences, Inc.**, a large capitalisation, California-based, biotechnology company. Gilead added to their virology leadership with the 2011 acquisition of Pharmasset, Inc., a leader in the development of novel therapies for hepatitis C. Three years later, Gilead is now reaping the benefits of that purchase, as the lead product from that acquisition, Solvaldi (sofosbuvir), was launched in the U.S. at the beginning of 2014. What followed was a record-shattering new drug launch which helped the company's share price appreciate more than 50% (in U.S.$ terms) in the six month period.

HCA Holdings, Inc. is the largest for-profit hospital operator in the U.S., managing over 160 hospital facilities and over 110 freestanding surgery centres across the U.S. and the U.K. The company benefits from its scale, diversification, operational expertise and flexible balance sheet. In 2014, these assets materially benefited from: (1) the rollout of the Affordable Care Act (ACA) health insurance coverage; and (2) improvement of the core business. The newly insured ACA lives have enhanced the profitability of HCA where care was previously provided but uncompensated. This was evidenced with improved bad debt expense and declining self-pay visits. During the third quarter, in Medicaid expansion states, HCA saw a 37% increase in Medicaid admissions and a 56% decrease in uninsured admissions. Separate from the ACA, HCA has benefited from an increase in utilisation in its markets. In 2015, the benefit from reform should increase again as more people sign up for exchanges and more U.S. states decide to expand Medicaid.

The treatment of metastatic prostate cancer has undergone a revolution over the past two years. The emerging biotechnology company, **Medivation Inc.**, has been at the forefront of this revolution. The company's offering for this disease is Xtandi (enzalutamide), which was first approved in the U.S. in 2012 and Europe in 2013. But 2014 has been an eventful year for both the company and Xtandi. Impressive data in an earlier treatment setting prompted the U.S. Food and Drug Administration (FDA) to

Review of Investments (continued)

approve the drug in this additional indication after a priority review. The drug was also approved in Japan. Investor expectations also rose with respect to the possibility of Xtandi being effective in other tumour types, such as breast cancer. But most importantly, sales of Xtandi on a global basis have continued to surpass investor expectations. As a result, the share price for Medivation appreciated over 50% (in U.S. $ terms) during the six month period.

The last of the top five contributors was the specialty pharmaceutical company, **Allergan Inc.** The Botox maker was the target of an aggressive takeover attempt by a fellow specialty pharmaceutical company, Valeant Pharmaceuticals. Led by activist investor Bill Ackman, the bid for Allergan was first announced in April. The share price moved higher on the news and, while no resolution was reached by 30 September 2014, the stock continued to move higher as Valeant continued its pursuit of the company. Meanwhile, Allergan's fundamentals improved as evidenced by accelerating sales and earnings results throughout the period. The result was a share price advance of nearly 50% (in U.S. $ terms) in the six months.

Overall, detractors from performance were modest in magnitude and few in number. On a sector level, medical devices were the largest drag on performance. Idiosyncratic negative stock picking coupled with a lack of meaningful winners detracted from both absolute and relative performance.

On a single stock basis, **Fluidigm Corporation** was the largest detractor from performance in the period ended 30 September 2014. At the vanguard of genomic research, Fluidigm has been the unquestionable leader in driving innovation in single cell analysis. Fluidigm's technology enabled researchers to analyse samples at a single cell level, allowing them to see molecular variations at an earlier stage. In order to augment its growth and to capitalise on the opportunities in single cell analysis, Fluidigm acquired DVS Sciences in January 2014. The acquisition enabled Fluidigm to move into the single cell proteomics market supplementing its current dominance in the genomics market. The acquisition was initially received positively as the newly positioned combination looked to dominate the quickly growing single cell market. However, subsequent to the initial integration, Fluidigm lowered the growth outlook for DVS Sciences, citing a near term lack of sales opportunities. This revised outlook significantly dampened investors' sentiment, as the acquisition was then considered to be dilutive. Fluidigm's share price fell as a result and subsequently trended lower in the period. Despite the step back for Fluidigm, we remain positive as the long term outlook for single cell analysis continues to outpace growth elsewhere in the life sciences sector.

Insulet Corporation is a medical device company that develops, manufactures and markets the OmniPod System, the only commercially available programmable

Review of Investments (continued)

insulin pump that does not need tubing tethered to the patient. Insulet is also partnered with drug and biotechnology companies to deliver medications with its delivery device. After a strong 2013 launch of a second generation pump with a better gross margin profile, the company experienced reimbursement issues in mid-2014 delaying new patient starts. The share price slid as a result. But looking ahead, we believe this will ultimately be resolved. Additionally, in 2015, investors should also be getting greater visibility on drug partnership to modify the OmniPod platform to deliver drugs other than insulin, such as medicines to treat anaemia.

The Boston-based biotechnology company, **Curis Inc.**, focuses on discovery and development for novel therapeutics for the treatment of cancers. Their lead drug, Erivedge (vismodegib), is approved for a specific type of skin cancer, called basal cell carcinoma. The share price for Curis slid lower in the period due to lowered expectations for Erivedge sales coupled with a lack of meaningful news flow on the company's early stage pipeline.

Vocera Communications Inc. provides instant mobile voice communication solutions to medical facilities and other service industries, to increase workflow efficiency and clinical effectiveness. Vocera's systems typically replace a patchwork of different solutions including overhead paging, pagers, mobile phones and written communication. The company has experienced continued softness in the hospital spending environment, which has led to multiple downward earnings revisions. After two consecutive disappointing quarterly results in which the share price fell, we exited the stock.

Weigao, known more formally as **Shandong Weigao Group Medical Polymer Co., Ltd.**, is China-based medical device company that specialises in "single use" medical products (syringes, catheters, infusion kits, blood bags, etc.). Entering 2014, investor expectations were high after a restructuring announcement in the previous year pushed the stock to a 52-week high. However, the stock significantly underperformed during the six month period due to disappointing quarterly earnings and lowered revenue guidance for the year.

SECTOR DEVELOPMENTS

Overall, companies in the healthcare sector remain in a strong position. In addition to strong secular tailwinds, namely aging demographics and increased spending and consumption of healthcare services on a global basis, near term fundamentals are as strong as ever. Perhaps even more so in the therapeutics sector, where biotechnology companies, both big and small, have been behind a surge of innovation that has led to new round of blockbuster products that may be unprecedented.

The FDA have been anything but an obstacle to this wave of innovation. We continue to view the current leadership at the FDA as "industry friendly" as a number of new

Review of Investments (continued)

programmes designed to bring drugs to market faster have been approved over the past few years. Through the first three quarters of the calendar year 2014, the FDA has approved 30 new chemical entities, already surpassing the 27 approvals of all of 2013. In fact, 2014 could see the highest number of approvals in one year since the 1990's.

2014 also saw the full implementation of the Affordable Care Act (ACA), also known as "Obamacare", a U.S. federal statute that was signed into law in 2010. The ACA, of course, is the signature piece of legislation from two-term President Barack Obama, designed to expand both public and private health insurance coverage to reduce the number of Americans with no health insurance. Despite some growing pains earlier in the year, given some logistical hiccups with enrolment, over 10 million people with no previous coverage now enjoy some form of insurance.

As usual, M&A activity has played a significant role in healthcare equities. We expect this to continue. Perhaps most notable was the U.S. $8 billion plus acquisition of InterMune by Roche Holdings AG. It was an archetypal therapeutic sector acquisition: a large multi-national pharmaceutical company buying a small but innovation-rich biotechnology company for their new drug candidate.

One wave of M&A that was much more transient in the period was the tidal wave of tax-motivated transactions that occurred in the first nine months of 2014. These deals centered around the goal of reducing corporate tax rates by an acquiring company domiciled in a country with a high tax rate (typically the U.S.), buying a company domiciled in a lower tax rate (such as Ireland), and "inverting" the combined entity into the geography with the lower corporate tax rate, and thereby lowering the tax rate for the entire newco. These deals were immediately accretive and could also propagate further M&A as the newco could continue to acquire companies with higher tax rates in highly accretive transactions. A number of deals occurred with a multitude of companies, predominantly in the specialty pharmaceuticals sector, that triggered a frenzy of pacts. However, in mid-September, under heavy political pressure, the U.S. Treasury Department published a series of comments that effectively reduced the financial advantages of such transactions. Some putative deals fell apart, including the stunning collapse of **Abbvie's** U.S. $55 billion acquisition of **Shire PLC** in October 2014. Whilst tax inversion deals have slowed to a trickle, we do expect them to continue in a selective manner going forward.

STRATEGY REVIEW

The focus of the Company remains on finding and investing in innovation across the spectrum of healthcare goods and services. The increase in innovation in therapeutics, services, and even now, to some degree, in medical devices means that the number of investable opportunities is on the rise.

Review of Investments (continued)

Biotechnology

Most important of these remains the biotechnology sector. 2014 brought a raft of blockbuster product launches. Of course, most noteworthy was the spectacular launch of Gilead's novel treatment for hepatitis C, Solvaldi, which shattered every conceivable new drug launch record there was. Thus, our strategy remains to be overweight the large capitalisation biotechnology sector, a move that we first made late in 2012. Then, as now, we believe this group offers compelling value relative to large capitalisation pharmaceutical companies from a multitude of metrics, including valuation, growth, pipelines, catalysts and, most importantly, new drug opportunities. While 2014 has been a solid year for the group, we expect more in 2015 with yet another wave of clinical data and new product launches. Finally, a word on valuation. Whilst many believe that biotechnology stocks have become "expensive" and are on the verge of a bubble, we argue the opposite. With performance continuing to rise on the heels of new blockbuster launches, we believe the sector continues to get cheaper as growth rates rise. Regardless, valuations in the large capitalisation biotechnology sector remain well below historical averages and offer much more compelling value than say large capitalisation pharmaceutical stocks.

Similar to the large capitalisation biotechnology sector, the emerging biotechnology sector experienced strong performance in 2014 as a result of high profile clinical events and M&A activities. In addition, the mounting number of initial public offerings (IPOs) companies since 2013 has also significantly increased investment opportunities in the sector. We believe this trend will continue in 2015. Companies developing drugs in "hot" disease areas, such as immuno-oncology, infectious diseases and select orphan diseases, are expected to have numerous clinical and regulatory catalysts in 2015, which will likely retain investors' interest in the sector. Furthermore, we fully expect M&A activity to continue to be a major theme in the sector. We believe the ongoing weaknesses in some pharmaceutical company pipelines coupled with numerous innovative therapeutics in emerging biotechnology companies will result in more M&A deals. With respect to valuation, we believe it is all about the catalysts (or significant events) rather than market capitalisation, when it comes to emerging biotechnology companies. That is to say, despite a lack of revenues and earnings (in fact, these companies lose money), these stocks have the most ability to re-rate higher, 2-times, 5-times, even 10-times, as catalysts (clinical, regulatory, M&A) drive the share prices.

Pharmaceuticals

The large capitalisation pharmaceutical sector remains an enigma. Some companies are showing accelerating growth while others still have patent cliffs. Some companies have novel therapies for truly unmet medical needs in their pipelines while some companies show a dearth. Some companies are expanding their margins by focusing on specialty care while some companies are being hurt by price

Review of Investments (continued)

competition in the over-competitive primary care markets. Thus, it goes without saying, that we remain selective, trying to identify the "haves" from the "have-nots". Moreover, valuations have risen, roughly to on-par with historical averages. Therefore, it becomes more imperative to only invest in those companies deserving of such multiples. As a result, we are underweight this sector.

A significant increase in the level of M&A activity within the specialty pharmaceuticals/generics sector has been the primary driver of this group's outperformance in 2014. Interestingly, the deal frenzy has caused many investors to overlook strong organic growth trends from some players within this group. We believe deal activity will remain high despite recent moves by the U.S. Department of Treasury to curb future tax inversions and initial steps by Ireland to change its tax code, closing the "Double Irish" corporate tax loophole. In our opinion, the U.S. Department of Treasury's actions, in particular, could paradoxically catalyse additional M&A activity, with tax-advantaged ex-U.S. domiciled corporations targeting U.S.-based companies with attractive, fast-growing franchises but inefficient tax structures. We remain well-positioned in this sector, as we hold sizable positions in several companies that could make accretive acquisitions over the next 12-18 months.

Life Science Tools and Diagnostics

The life science tools and diagnostics sector has struggled in 2014 to keep pace with the buoyant therapeutics sector laden with catalysts and acquisitions. Underperformance has occurred primarily as a result of global economic indicators, especially in Europe and China, pointing toward a slow-down in growth. Lacking micro-level catalysts and M&A in the group, macroeconomic themes have outweighed incremental positive data points for the sector. In the midst of an adverse macro focused environment, a light can be seen in innovations in next-generation of sequencing. Improvements in sequencing continue to dominate sector news flow as genomic research yields more fruit, further demonstrating its importance in clinical settings. We look for continued strength and outperformance from those companies that are driving the innovations in genomics research as we head into 2015. Outside of life sciences research, the diagnostics sector continues to face challenges as the gap between reimbursement and innovation remains large. Steering away from the reimbursement issue and focusing on diagnostic companies with value creating assets remains a key goal in our strategy.

Managed Care

Managed care outperformed in the six month period led by Medicaid Health Maintenance Organisations (HMOs). ACA implementation has been better than feared, especially after technology glitches with the Federal Exchange website (www.healthcare.gov). In fact, despite critics and a plethora of news headlines, the U.S. government actually achieved its 2014 goal of enrolling seven million individuals. Multiples for HMO stocks expanded appropriately as this overhang

Review of Investments (continued)

dissipated. Meanwhile, Medicaid revenue growth exceeded expectations, driven by programme eligibility expansions outlined under ACA as well as U.S. states transferring existing beneficiaries to managed care (from unmanaged fee for service). Going forward, we are bullish on Medicaid HMOs with a view that accelerating revenue and earnings growth remain underappreciated. However, there is some risk to commercial HMOs covering the employer sponsored market if utilisation increases as the economy improves.

The ACA has also had a demonstrable effect on healthcare services, notably hospitals. In theory, a net increase in healthcare dollars stemming from ACA should fund greater consumption of drugs and healthcare services. Newly insured lives would then enhance the profitability of hospitals, as care that was previously provided but uncompensated declines. In 2014, we began to witness such a phenomenon. Publicly traded hospitals saw a 60% decline in self-pay admissions in expansion states as early as the second quarter of calendar 2014. Moving into 2015 and 2016, coverage expansion should continue to grow to the benefit of healthcare service providers. At the same time, patent expirations (leading to increased availability of cheaper generic drugs) and increasing drug pricing should enhance profitability in the drug supply chain at the pharmacy benefits managers and the drug wholesalers. Thus, overall we remain bullish on the healthcare services sector.

Medical Devices

The overall environment for medical devices can best be characterised as stable, with pricing pressure roughly offsetting volume growth (in the low-to mid-single digit range), and new products plus business right-sizing driving returns. Interestingly, M&A trends in devices have been transformed in the past six months. Previously, smaller pure-play companies were the sole acquisition targets for the larger multi-nationals, but now these larger players have become targets as well. Several deals have been announced including Medtronic/Covidien, **Zimmer**/Biomet and Becton Dickinson/**CareFusion**. Increasing scale and cost synergies in device categories characterised by ongoing pricing pressure and low volume growth (e.g. hip/knee implants, internal defibrillators, pacemakers, stents and supplies) are the main drivers of such transactions. That said, there remain several, albeit smaller, device categories where end market dynamics remain favourable (e.g. contact lenses, shoulder implants, and foot/ankle implants). Against this backdrop, we continue to target areas of innovation in the form of new product cycles in attractive end markets that offer patients and/or physicians an attractive value proposition, as well as those companies with the potential for margin expansion from cost rationalisation and improving sales profiles.

Japan

In Japan, the domestic pharmaceutical market has fallen in 2014 and the local branded drug makers are suffering. Continued efforts by federal authorities to promote

Review of Investments (continued)

generic drug utilisation continues to make inroads, and those companies that are dependent on so-called "long listed" products (branded drugs with generic alternatives) are seeing greater than expected loss of share. Furthermore, the bi-annual price cut scheme took effect on 1 April 2014, pressuring top and bottom lines of those Japanese companies servicing domestic customers. There are some offsets however. Continued yen weakness against the U.S. dollar has helped share prices. But more importantly, companies with a global footprint and/or global new product opportunities are partially immune to the domestic ills. Overall, we remain cautious on the outlook in Japan but continue to look for selective opportunities to invest in truly novel innovation emanating from Japan. The most pre-eminent example is **Ono Pharmaceutical**. The company has been a pioneer in the revitalisation of the field of immuno-oncology (IO). Moreover, the company was the first to obtain an approval anywhere in the world for a "PD-1" targeted antibody. Programmed-Death-1 is widely considered the future backbone of IO therapy and the Japanese approval and launch in 2014 for metastatic melanoma represents a watershed moment in the treatment of cancer. Partner **Bristol Myers-Squibb** holds the global rights outside of Japan.

Emerging Markets

Following a solid performance in 2013, emerging market healthcare (EMHC) has continued to perform strongly in 2014. We continue to focus on three investment themes for our emerging market holdings, including: (1) superior management teams; (2) differentiated product development; and (3) commercialisation capability (both public and private). In addition, given the consolidation trend in the markets, M&A has also been a significant driver of business growth and stock performance during the period. Government price control policies in countries such as China and India have been a persistent headwind for drug manufacturers and overall market growth. Whilst it is possible to see Chinese healthcare market growth to marginally decelerate, we nevertheless expect robust low-teens growth into the future. Our long term view on the EMHC investment opportunities remains bullish for the rest of 2014 and into 2015. In particular, it is likely for China A share stocks to outperform other countries in the region, after many years of underperformance, in large part due to stabilising economic fundamentals. We continue to believe that EMHC is a secular play as the economic improvement in these developing countries could warrant and prompt healthcare spending to outpace its economic growth. Furthermore, we believe that the EMHC industry is also gaining increasing capability to compete in the developed markets, which is opening up tremendous opportunities for new sources of profitable growth.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager
28 November 2014

Review of Investments (continued)

PRINCIPAL CONTRIBUTORS TO AND DETRACTORS FROM NET ASSET VALUE PERFORMANCE

For the six months to 30 September 2014

Top Five Contributors	**Contribution £'000**	**Contribution per share (p)***
Intermune	15,992	34.00
Gilead Sciences	12,253	26.05
HCA	10,044	21.36
Medivation	8,639	18.37
Allergan	7,723	16.42
	54,651	116.20
Top Five Detractors		
Fluidigm	(7,564)	(16.08)
Insulet	(2,402)	(5.11)
Curis	(1,603)	(3.41)
Vocera	(1,210)	(2.57)
Shandong Weigo	(941)	(2.00)
	(13,720)	(29.17)

*based on 47,030,552 shares being the weighted average number of shares in issue during the six months ended 30 September 2014.

Source: Frostrow Capital LLP

Portfolio

as at 30 September 2014

Investments	Country	Market value £'000	% of investments
HCA	USA	33,756	4.0
Roche Holdings	Switzerland	33,696	4.0
AbbVie	USA	32,601	3.9
Regeneron Pharmaceuticals	USA	30,817	3.7
Bristol-Myers Squibb	USA	30,623	3.7
Merck & Co.	USA	28,156	3.4
Amgen	USA	27,552	3.3
Actavis	Ireland	23,803	2.8
Biogen Idec	USA	23,467	2.8
Ono Pharmaceutical	Japan	21,503	2.6
Top 10 investments		**285,974**	**34.2**
Celgene	USA	20,463	2.4
Actelion	Switzerland	19,937	2.4
Shire	USA	18,536	2.2
Agilent Technologies	USA	18,456	2.2
Intuitive Surgical	USA	17,947	2.1
Thermo Fisher Scientific	USA	17,266	2.1
Luye Pharma	China	16,044	1.9
Pfizer	USA	15,869	1.9
Incyte*	USA	15,725	1.9
Health Net	USA	15,257	1.8
Top 20 investments		**461,474**	**55.1**
Novartis	Switzerland	15,132	1.8
Illumina	USA	13,841	1.7
Fluidigm**	USA	13,591	1.6
Perrigo	Ireland	13,508	1.6
Cooper Cos	Ireland	13,508	1.6
Medivation	USA	13,416	1.6
Molina Healthcare	USA	12,864	1.5
Tornier	Netherlands	11,794	1.4
Ironwood Pharmaceuticals	USA	11,791	1.4
Allergan	USA	10,710	1.3
Top 30 investments		**591,629**	**70.6**

*includes bond, 1.7% of portfolio.

**includes bond, 0.7% of portfolio.

Portfolio (continued)

as at 30 September 2014

Investments	Country	Market value £'000	% of investments
Carefusion	USA	10,328	1.2
Express Scripts	USA	9,672	1.2
Insulet	USA	9,599	1.1
Astellas Pharma	Japan	9,098	1.1
Vertex Pharmaceutical	USA	9,075	1.1
Impax Laboratories	USA	8,731	1.0
Osstem Implant	South Korea	8,695	1.0
Gilead Sciences	USA	8,471	1.0
Chugai Pharmaceutical	Japan	8,201	1.0
Shandong Weigao Group	China	7,966	1.0
Top 40 investments		**681,465**	**81.3**
Stryker	USA	7,471	0.9
Wright Medical	USA	7,457	0.9
Sawai Pharmaceutical	Japan	7,440	0.9
Sino Biopharmaceuticals	China	6,856	0.8
Ikaria Second Lien Loan 8.75% 04/02/22 *(unquoted)*	USA	6,729	0.8
Zimmer	USA	6,391	0.8
Nuvasive	USA	6,343	0.8
St Jude Medical	USA	5,964	0.7
Portola Pharmaceuticals	USA	5,848	0.7
Mckesson	USA	5,644	0.7
Top 50 investments		**747,608**	**89.3**
Towa Pharmaceutical	Japan	4,843	0.6
Infinity Pharmaceuticals	USA	4,487	0.5
Neurocrine Biosciences	USA	4,241	0.5
NPS Pharmaceuticals	USA	4,042	0.5
Nichi-Iko Pharmaceutical	Japan	3,886	0.5
IHH Healthcare	Malaysia	3,791	0.5
Exact Sciences	USA	3,586	0.4
Orasure Technologies	USA	3,158	0.4
Supernus Pharmaceuticals	USA	3,109	0.4
Biosensors International	Singapore	2,568	0.3
Top 60 investments		**785,319**	**93.9**

Portfolio (continued)

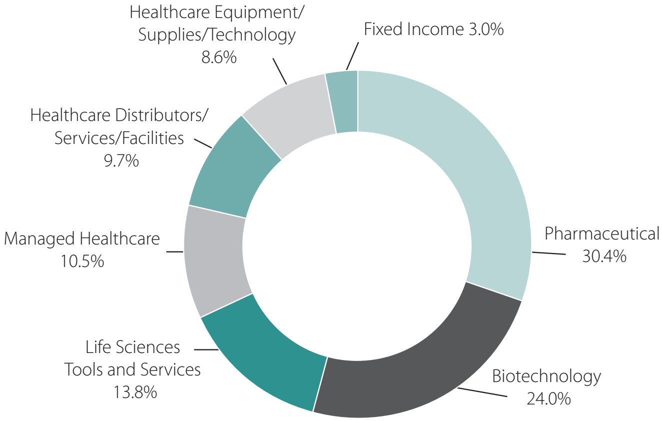
as at 30 September 2014

Investments	Country	Market value £'000	% of investments
Volcano Corp 1.75% 01/12/17	USA	2,358	0.3
Qiagen	Netherlands	1,890	0.2
Curis	USA	1,696	0.2
Celldex Therapeutics	USA	1,652	0.2
Orexigen Therapeutics 2.75% 01/12/20	USA	1,270	0.2
DB X-Trackers Csi300 Health Care	China	991	0.1
Endologix 2.25% 15/12/18	USA	554	0.1
Cerus	USA	371	0.0
Total equities and fixed interest investments		**796,101**	**95.2**
Funded OTC Swaps			
Jiangsu Hengrui	China	10,975	1.3
Aurobindo	India	8,847	1.0
Strides Arcolab	India	7,369	0.9
Lupin	India	4,320	0.5
China Health Care A Shares (Basket)	China	2,917	0.3
Unfunded OTC Swaps			
Gilead Sciences	USA	5,711	0.7
Emerging Market Health Care (Basket)	–	928	0.1
Aier Eye Hospital Group	China	213	0.0
Total investments including OTC Swaps		**837,381**	**100.0**
Put Option (Long)	–	157	0.0
Put Option (Short)	–	(1,359)	(0.2)
Call Option (Long)	–	3,949	0.5
Call Option (Short)	–	(2,335)	(0.3)
Total investments including OTC swaps and options		**837,793**	**100.0**

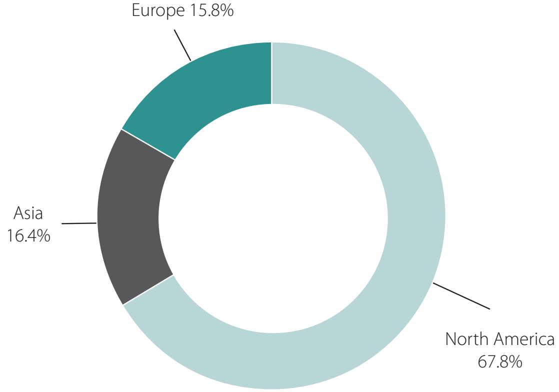
Portfolio Analysis

as at 30 September 2014

By Sector



By Geography



Interim Management Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks are as follows and are described in more detail under the heading Risk Management within the Strategic Report in the Company's annual report for the year ended 31 March 2014: Investment Activity and Strategy; Financial; Shareholder Relations and Corporate Governance; Operational; and Accounting, Legal and Regulatory. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

RELATED PARTY TRANSACTIONS

During the first six months of the current financial year no material transactions with related parties have taken place which have affected the financial position or the performance of the Company during the period.

GOING CONCERN

The Directors believe, having considered the Company's investment objective risk management policies, capital management policies and procedures, and the nature of the portfolio and its expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

DIRECTORS' RESPONSIBILITIES

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 30 September 2014, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

The Half Year Report has not been reviewed or audited by the Company's auditor.

Sir Martin Smith

Chairman

28 November 2014

Income Statement

for the six months ended 30 September 2014

	(Unaudited) Six months ended 30 September 2014			(Unaudited) Six months ended 30 September 2013			(Audited) Year ended 31 March 2014		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	114,972	114,972	–	41,145	41,145	–	130,246	130,246
Exchange (losses)/gains on currency balances	–	(2,238)	(2,238)	–	7,561	7,561	–	10,039	10,039
Income from investments held at fair value through profit or loss (note 2)	3,772	–	3,772	4,309	–	4,309	9,048	–	9,048
AIFM, portfolio management, and performance fees (note 3)	(149)	(8,920)	(9,069)	(117)	(8,036)	(8,153)	(249)	(14,758)	(15,007)
Other expenses	(358)	–	(358)	(320)	–	(320)	(753)	–	(753)
Net return before finance charges and taxation	3,265	103,814	107,079	3,872	40,670	44,542	8,046	125,527	133,573
Finance charges	(6)	(182)	(188)	(10)	(195)	(205)	(20)	(376)	(396)
Net return before taxation	3,259	103,632	106,891	3,862	40,475	44,337	8,026	125,151	133,177
Taxation on ordinary activities	(521)	–	(521)	(442)	–	(442)	(821)	(233)	(1,054)
Net return after taxation	2,738	103,632	106,370	3,420	40,475	43,895	7,205	124,918	132,123
Return per share – basic (note 4)	5.8p	220.4p	226.2p	7.5p	88.5p	96.0p	15.7p	271.9p	287.6p
Return per share – diluted (note 4)	5.8p	220.4p	226.2p	7.3p	86.9p	94.2p	15.4p	267.5p	282.9p

The "Total" column of this statement is the Income Statement of the Company. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

No operations were acquired or discontinued during the period.

Reconciliation of Movements in Shareholders' Funds

(Unaudited) Six months ended 30 September 2014	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2014	11,573	19	219,604	387,661	7,803	9,526	636,186
Net return from ordinary activities after taxation	–	–	–	103,632	–	2,738	106,370
Second interim dividend paid in respect of year ended 31 March 2014	–	–	–	–	–	(3,733)	(3,733)
Subscription shares exercised for ordinary shares	465	(19)	12,543	19	–	–	13,008
Repurchase of shares into treasury	–	–	–	(1,259)	–	–	(1,259)
At 30 September 2014	**12,038**	**–**	**232,147**	**490,053**	**7,803**	**8,531**	**750,572**

(Unaudited) Six months ended 30 September 2013	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2013	11,441	24	215,237	260,010	7,803	9,900	504,415
Net return from ordinary activities after taxation	–	–	–	40,475	–	3,420	43,895
Second interim dividend paid in respect of year ended 31 March 2013	–	–	–	–	–	(4,352)	(4,352)
Subscription shares exercised for ordinary shares	31	(1)	844	1	–	–	875
Shares issued from treasury	–	–	803	2,727	–	–	3,530
At 30 September 2013	**11,472**	**23**	**216,884**	**303,213**	**7,803**	**8,968**	**548,363**

(Audited) Year ended 31 March 2014	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 1 April 2013	11,441	24	215,237	260,010	7,803	9,900	504,415
Net return from ordinary activities after taxation	–	–	–	124,918	–	7,205	132,123
Dividend paid in respect of year ended 31 March 2013	–	–	–	–	–	(4,352)	(4,352)
First interim dividend paid in respect of year ended 31 March 2014	–	–	–	–	–	(3,227)	(3,227)
Subscription shares exercised for ordinary shares	132	(5)	3,565	5	–	–	3,697
Shares issued from treasury	–	–	802	2,728	–	–	3,530
At 31 March 2014	**11,573**	**19**	**219,604**	**387,661**	**7,803**	**9,526**	**636,186**

Balance Sheet

as at 30 September 2014

	(Unaudited) 30 September 2014 £'000	(Unaudited) 30 September 2013 £'000	(Audited) 31 March 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	796,101	582,265	673,138
Derivatives – OTC swaps	41,280	48,377	40,325
	837,381	630,642	713,463
Current assets			
Debtors	25,415	14,708	24,243
Derivatives – put and call options	4,106	2,059	1,067
	29,521	16,767	25,310
Current liabilities			
Creditors: amounts falling due within one year	(34,021)	(30,824)	(38,813)
Bank overdraft	(78,615)	(67,359)	(62,723)
Derivatives – put and call options	(3,694)	(863)	(1,051)
	(116,330)	(99,046)	(102,587)
Net current liabilities	(86,809)	(82,279)	(77,277)
Total net assets	750,572	548,363	636,186
Capital and reserves			
Ordinary share capital	12,038	11,472	11,573
Subscription share capital	–	23	19
Share premium account	232,147	216,884	219,604
Capital reserve	490,053	303,213	387,661
Capital redemption reserve	7,803	7,803	7,803
Revenue reserve	8,531	8,968	9,526
Total shareholders' funds	750,572	548,363	636,186
Net asset value per share – basic (note 5)	1,562.0p	1,195.0p	1,374.3p
Net asset value per share – diluted for subscription shares (note 5)	1,562.0p	1,171.7p	1,348.2p
Net asset value per share – fully diluted for subscription shares and treasury shares (note 5)	1,561.8p	1,171.7p	1,348.2p

Cash Flow Statement

for the six months ended 30 September 2014

	(Unaudited) Six months ended 30 September 2014 £'000	(Unaudited) Six months ended 30 September 2013 £'000	(Audited) Year ended 31 March 2014 £'000
Net cash inflow from operating activities	641	1,440	1,163
Servicing of finance			
Interest paid	(188)	(205)	(396)
Taxation			
Taxation recovered/(suffered)	743	(565)	(288)
Financial investment			
Purchases of investments and derivatives	(277,554)	(278,235)	(501,915)
Sales of investments and derivatives	254,688	234,011	460,445
Net cash outflow from financial investment	(22,866)	(44,224)	(41,470)
Equity dividends paid	(3,733)	(4,352)	(7,579)
Net cash outflow before financing	(25,403)	(47,906)	(48,570)
Financing			
Repurchase of own shares to be held in treasury	(1,259)	–	–
Issue of shares from treasury	–	3,530	3,530
Subscription shares exercised for ordinary shares	13,008	875	3,697
Net cash inflow from financing	11,749	4,405	7,227
Decrease in cash	(13,654)	(43,501)	(41,343)
Reconciliation of net cash flow movements to net debt			
Increase in net debt resulting from cash flows	(13,654)	(43,501)	(41,343)
Exchange movements	(2,238)	7,561	10,039
Movement in net debt in the period	(15,892)	(35,940)	(31,304)
Net debt at beginning of period	(62,723)	(31,419)	(31,419)
Net debt at period/year end	(78,615)	(67,359)	(62,723)

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, modified to include the valuation of investments at fair value and in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' dated January 2009. All of the Company's operations are of a continuing nature.

The same accounting policies used for the year ended 31 March 2014 have been applied.

2. INCOME

	(Unaudited) Six months ended 30 September 2014 £'000	(Unaudited) Six months ended 30 September 2013 £'000	(Audited) Year ended 31 March 2014 £'000
Investment income	3,771	4,306	9,043
Interest receivable	1	3	5
Total	3,772	4,309	9,048

3. AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

	(Unaudited) Six months ended 30 September 2014			(Unaudited) Six months ended 30 September 2013			(Audited) Year ended 31 March 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
AIFM fee	35	674	709	31	581	612	64	1,211	1,275
Portfolio management fee	114	2,173	2,287	86	1,638	1,724	185	3,529	3,714
Performance fee charged in the period/year*	–	6,073	6,073	–	5,817	5,817	–	10,018	10,018
	149	8,920	9,069	117	8,036	8,153	249	14,758	15,007

*As at 30 September 2014 performance fees totalling £4,628,000 crystallised and became payable (period ended 30 September 2013: £1,189,000). In addition, as at 30 September 2014 an additional provision for potential future fees of £6,073,000 was made (as at 30 September 2013: £4,628,000).

As at 30 September 2014, the total provision made for potential future fees was £10,273,000 (as at 30 September 2013: £4,628,000).

See glossary beginning on page 27. A full description of the performance fee can also be found on pages 26 and 27 of the Company's Annual Report & Accounts for the year ended 31 March 2014.

Notes to the Financial Statements
(continued)

4. RETURN PER SHARE

	(Unaudited) Six months ended 30 September 2014 £'000	(Unaudited) Six months ended 30 September 2013 £'000	(Audited) Year ended 31 March 2014 £'000
Basic			
The return per share is based on the following figures:			
Revenue return	2,738	3,420	7,205
Capital return	103,632	40,475	124,918
Total return	106,370	43,895	132,123
Weighted average number of shares in issue for the period/year	47,030,552	45,759,412	45,940,093
Revenue return per share	5.8p	7.5p	15.7p
Capital return per share	220.4p	88.5p	271.9p
Total return per share – basic	226.2p	96.0p	287.6p
Diluted			
Revenue return	2,738	3,420	7,205
Capital return	103,632	40,475	124,918
Total return	106,370	43,895	132,123
Weighted average number of shares in issue during the period/year	47,030,552	45,759,412	45,940,093
Number of dilutive shares	–	819,948	753,640
Diluted shares in issue for period/year	47,030,552	46,579,360	46,693,733
Revenue return per share	5.8p	7.3p	15.4p
Capital return per share	220.4p	86.9p	267.5p
Total return per share – diluted	226.2p	94.2p	282.9p

The calculation of the diluted total, revenue and capital returns per ordinary share is carried out in accordance with FRS No. 22, "Earnings per Share". For the purposes of calculating the diluted total return, the diluted shares in issue for the period/year is the weighted average used in the basic calculation plus the number of shares deemed to be issued for no consideration on the exercise of all subscription shares calculated by reference to the average price of the ordinary shares during the period/year.

5. NET ASSET VALUE PER SHARE

i) Net asset value per share – basic

The net asset value per share is based on the assets attributable to equity shareholders of £750,572,000 (30 September 2013: £548,363,000; 31 March 2014: £636,186,000) and on the number of shares in issue at the period end of 48,053,080 (30 September 2013: 45,888,385; 31 March 2014: 46,292,111).

Notes to the Financial Statements
(continued)

5. NET ASSET VALUE PER SHARE (continued)

ii) Net asset value per share – diluted for subscription shares

As at 30 September 2014 there were no subscription shares in issue as all the shares had been exercised, there was therefore no dilutive effect on the net asset value from subscription shares. (30 September 2013: the dilution assumed that the 2,264,695 subscription shares in issue were exercised at 699p resulting in assets attributable to equity shareholders of £564,193,000 in respect of 48,153,080 shares: 31 March 2014: the dilution assumed that the 1,860,969 subscription shares in issue were exercised at 699p resulting in assets attributable to equity shareholders of £649,194,000 in respect of 48,153,080 shares).

iii) Net asset value per share – fully diluted for subscription shares and treasury shares

As at 30 September 2014 there were 100,000 ordinary shares held in treasury and no subscription shares remained unexercised at that date. As at 30 September 2014 there was therefore only a dilutive effect attributable to the 100,000 shares held in treasury and had such shares been sold back to the market at 1,502p (the prevailing ordinary share price at 30 September 2014) assets attributable to equity shareholders would have been £752,074,000 in respect of 48,153,080 shares in issue.

As at 30 September 2013 and 31 March 2014 there were no shares held in treasury. As at these two dates there were 2,264,695 and 1,860,969 subscription shares remaining unexercised and therefore the dilutive effect as at these two dates was attributable to unexercised subscription shares. As at 30 September 2013 had 2,264,695 subscription shares been exercised at 699p, assets attributable to equity shareholders would have been £564,193,000 in respect of 48,153,080 shares in issue. As at 31 March 2014 had 1,860,969 subscription shares been exercised at 699p, assets attributable to equity shareholders would have been £649,194,000 in respect of 48,153,080 shares.

6. TRANSACTION COSTS

Purchase transaction costs for the six months ended 30 September 2014 were £316,000 (six months ended 30 September 2013: £465,000; year ended 31 March 2014: £718,000).

Sales transaction costs for the six months ended 30 September 2014 were £153,000 (six months ended 30 September 2013: £360,000; year ended 31 March 2014: £643,000).

These costs comprise mainly commission.

7. SUBSCRIPTION SHARES

The final exercise date for the Company's subscription shares was 31 July 2014. During the period ended 30 September 2014 the remaining 1,860,969 subscription shares were exercised for a total consideration of £13,008,000 (six months ended 30 September 2013: 125,231 subscription shares were exercised for a total consideration of £875,000).

Notes to the Financial Statements
(continued)

8. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company are listed in the Interim Management Report on page 18. An explanation of these risks and how they are managed is contained on pages 8 to 10 and also in note 18 of the Company's Annual Report & Accounts for the year ended 31 March 2014.

9. PUBLICATION OF NON STATUTORY ACCOUNTS

The financial information contained in this half year report does not constitute statutory accounts as defined in sections 434-436 of the Companies Act 2006. The financial information for the half years ended 30 September 2014 and 30 September 2013 has not been audited, or reviewed by the auditor.

The information for the year ended 31 March 2014 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 March 2014 have been filed with the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498 of the Companies Act 2006.

Earnings for the first six months should not be taken as a guide to the results for the full year.

Glossary

AIFM Directive
The Alternative Investment Fund Managers Directive (the 'Directive') is a European Union Directive that was implemented in the UK with effect from 22 July 2013 subject to a transitional period running for a further year until 22 July 2014. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

Diluted Net Asset Value
This is a method of calculating the net asset value ("NAV") of a company that has issued, and has outstanding, convertible loan stocks, treasury shares, subscription shares or options. The calculation assumes that the holders have exercised their right to convert or subscribe, thus increasing the number of shares among which the assets are divided.

Discount or Premium
A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing and Leverage
Gearing is calculated using the Association of Investment Companies definition.
Total assets, less current liabilities (before deducting any prior charges) minus cash/cash equivalents divided by Shareholders' funds, expressed as a percentage.

An additional item which the AIFM Directive (the 'Directive') has introduced is the obligation on the Company and Frostrow Capital LLP ('Frostrow'), as its AIFM, to disclose the Company's limits for 'leverage', as defined by the Directive. The Directive leverage definition is slightly different to the Association of Investment Companies method of calculating 'gearing' and is as follows:

'any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions.'
There are two methods for calculating leverage under the Directive – the Gross Method and the Commitment Method.

The Company's existing gearing limit (that the Company may borrow up to the lower of £120m or 20% of the Company's net asset value) is unchanged. The Board has set the leverage limit for both the Gross basis and the Commitment basis at 140%. These limits are monitored by both the Board and the AIFM and will be discussed further in the Company's next and future Annual Report & Accounts.

NAV per share (pence)
The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Glossary (continued)

NAV Total Return
The theoretical total return on shareholders' funds per share, including the assumed £100 original investment at the beginning of the period specified, reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Performance Fee
Dependent on the level of long-term outperformance of the Company, the AIFM and the Portfolio Manager are entitled to the payment of a performance fee. The performance fee is calculated by reference to the amount by which the Company's net asset value ('NAV') performance has outperformed the benchmark index.

The fee is calculated quarterly by comparing the cumulative performance of the Company's NAV with the cumulative performance of the benchmark since the launch of the Company in 1995. The performance fee amounts to 16.5% of any outperformance over the benchmark, the Portfolio Manager receiving 15% and the AIFM receiving 1.5% respectively. Provision is also made within the daily NAV per share calculation as required and in accordance with generally accepted accounting standards.

In order to ensure that only sustained outperformance is rewarded, at each quarterly calculation date any performance fee payable is based on the lower of:

i) The cumulative outperformance of the investment portfolio over the benchmark as at the quarter end date; and
ii) The cumulative outperformance of the investment portfolio over the benchmark as at the corresponding quarter end date in the previous year.

In addition, a performance fee only becomes payable to the extent that the cumulative outperformance gives rise to a total fee greater than the total of all performance fees paid to date.

(See pages 26 and 27 of the Company's Annual Report & Accounts for the year ended 31 March 2014 for further information).

Total Assets
Total assets less current liabilities before deducting prior charges. Prior charges include all loans for investment purposes.

Ongoing Charges
Ongoing charges are calculated by taking the Company's annualised expenses, excluding performance fees and exceptional items, and expressing them as a percentage of the average net asset value of the Company over the year.

Treasury Shares
Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

How to Invest

INVESTMENT PLATFORMS

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fastrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp?
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.ashx
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

CAPITA ASSET SERVICES – SHARE DEALING SERVICE

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

Type of trade	Online	Telephone
Share certificates	1.25% of the value of the deal (Minimum £30.00, max £150.00)	1.5% of the value of the deal (Minimum £40.00, max £195.00)

The above charges are correct at the time of printing and may be subject to change. Please visit www.capitadeal.com for up-to-date changes.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares. The Maximum deal size for online trades is £25,000. Deals in excess of this amount can be transacted by telephone. Charges will be confirmed at the time of dealing.

For further information on this service please contact: www.capitadeal.com (online dealing) or 0871 664 0364† (telephone dealing)

If calling from outside of the UK please dial +44 (0) 203 367 2686

† Calls cost 10p per minute plus network extras and may be recorded for training purposes. Lines are open from 8.00 a.m. to 4.30 p.m. Monday to Friday.

How to Invest (continued)

RISK WARNINGS

– Past performance is no guarantee of future performance.

– The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.

– As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.

– Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.

– Investors should note that tax rates and reliefs may change at any time in the future.

– The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Company Information

Directors
Sir Martin Smith, (Chairman)
Sarah Bates
Jo Dixon
Dr David Holbrook
Samuel D. Isaly
Doug McCutcheon

Registered Office
One Wood Street,
London EC2V 7WS

Website
www.worldwidewh.com

Company Registration Number
3023689 (Registered in England)

The Company is an investment company as defined under Section 833 of the Companies Act 2006.
The Company was incorporated in England on 14 February 1995. The Company was incorporated as Finsbury Worldwide Pharmaceutical Trust PLC.

Alternative Investment Fund Manager and Company Secretary
Frostrow Capital LLP
25 Southampton Buildings,
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

Portfolio Manager
OrbiMed Capital LLC
601 Lexington Avenue, 54th Floor,
New York, NY 10022
Telephone: +1 212 739 6400
Website: www.orbimed.com
Registered under the U.S. Securities Exchange Commission.

Depositary
J.P. Morgan Europe Limited
25 Bank Street
London E14 5JP

Auditor
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Prime Broker
J.P. Morgan Clearing Corp.
Suite 1, Metro Tech Roadway
Brooklyn, NY 11201
USA

Registrars
Capita Asset Services
The Registry
34 Beckenham Road, Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-Mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†Calls cost 10p per minute plus network extras and may be recorded for training purposes. Lines are open from 8.30 am – 5.30 pm Monday – Friday.

Stockbroker
Winterflood Securities Limited
The Atrium Building,
Cannon Bridge, 25 Dowgate Hill,
London EC4R 2GA

Company Information (continued)

FINANCIAL CALENDAR

Financial Year End	31 March
Final Results Announced	June
Half Year End	30 September
Half Year Results Announced	November
Dividends Payable	January/July
Annual General Meeting	September

Share Price Listings

The price of your shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman.

The Company's net asset value per share is announced daily on the TrustNet website at www.trustnet.com

Identification Codes

SEDOL	:	0338530
ISIN	:	GB0003385308
BLOOMBERG	:	WWH LN
EPIC	:	WWH

Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number (GIIN): FIZWRN.99999.SL.826

Winner: Best Sector Specialist Investment Trust – What Investment Trusts Awards 2014

Highly Commended: Money Observer Trust Awards 2014 Category: Best Large Trust

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The Company is a member of The Association of Investment Companies.

Worldwide Healthcare Trust PLC
25 Southampton Buildings, London WC2A 1AL
www.worldwidewh.com