

### 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).



**Portfolio Manager**  
Trevor Polischuk

**Portfolio Manager**  
Sven H. Borho



**OrbiMed**  
Healthcare Fund Management

### Fast Facts

As at 31 July 2023

**AIC Sector** Biotechnology & Healthcare

**Launch Date & appointment of Portfolio Manager** April 1995

**Annual Management Fee** (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.

**Performance Fee** See Annual Report for details

**Ongoing Charges Ratio (OCR)\*** 0.8%

**Continuation Vote** 2024 AGM and every 5<sup>th</sup> AGM thereafter

**Year / Half Year** 31 March / 30 September

**Capital Structure** 600,933,240 shares#  
731,960 (treasury)

# excludes shares held in treasury

### Trust Characteristics

**Number of Holdings** 65

**Net Assets (£m)** 2,009.1

**Market Capitalisation (£m)** 1,835.9

**Dividends** Provisional payment dates: January & July

**Indicative Yield** 1.0%

**Gearing** 10.6%

**Leverage\*\*** Gross 121.1%  
Commitment 118.8%

**Share Price (p)** 305.50

**NAV per share (p) (cum income)** 334.33

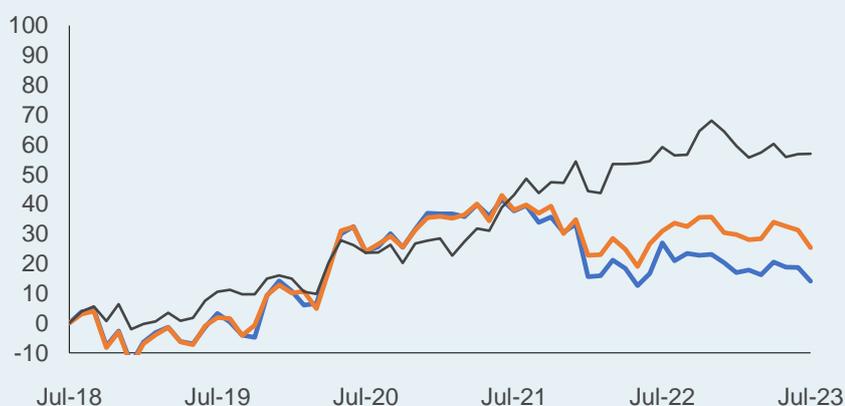
**(Discount) / Premium** (8.6%)

**Portfolio Turnover p.a.** 58.6%

**Active Share\*\*\*** 68.0%

### Five Year 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.



— Net Asset Value per share (total return) +26.4%  
 — Share Price (total return) +14.3%  
 — Benchmark: MSCI World Health Care Index (net total return; sterling adjusted) +57.2%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 31 July 2023

| Name                       | Region        | Sector                           | Total       |
|----------------------------|---------------|----------------------------------|-------------|
| AstraZeneca                | Europe        | Pharmaceuticals                  | 5.2         |
| Novo Nordisk               | Europe        | Pharmaceuticals                  | 5.0         |
| Healthcare M&A Target Swap | North America | Swap Baskets                     | 4.6         |
| Boston Scientific          | North America | Health Care Equipment & Supplies | 4.4         |
| Intuitive Surgical         | North America | Health Care Equipment & Supplies | 4.1         |
| Humana                     | North America | Health Care Providers & Services | 4.0         |
| Sanofi                     | Europe        | Pharmaceuticals                  | 3.9         |
| Roche                      | Europe        | Pharmaceuticals                  | 3.7         |
| Baxter                     | North America | Health Care Equipment & Supplies | 3.4         |
| Daiichi Sankyo             | Japan         | Pharmaceuticals                  | 3.1         |
| <b>Total</b>               |               |                                  | <b>41.4</b> |

**Sector, Region\*\* & Asset Class\*\*\* Breakdown at 31 July 2023\***  
 (%)

|                                 |              |                   |              |                 |              |
|---------------------------------|--------------|-------------------|--------------|-----------------|--------------|
| Pharmaceutical                  | 29.9         | North America     | 65.8         | Listed Equities | 87.2         |
| Biotechnology                   | 20.4         | Europe            | 20.1         | Equity Swaps    | 7.0          |
| Healthcare Equipment / Supplies | 18.6         | China / Hong Kong | 7.2          | Unquoted        | 5.8          |
| Healthcare Providers / Services | 17.4         | Japan             | 5.8          | <b>Total</b>    | <b>100.0</b> |
| Life Sciences Tools & Services  | 8.1          | India             | 1.1          |                 |              |
| Swap Baskets                    | 5.6          | <b>Total</b>      | <b>100.0</b> |                 |              |
| <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 primary listing.

\*\*\*Unquoted securities will not exceed 10% of the portfolio at the time of acquisition.

Source: All portfolio information sourced from Frostrow Capital LLP. Analysis excludes cash and cash equivalents, including liquidity funds.

**Discrete Performance – Calendar Years (%)**

| Percentage Growth 12 Month Return | 2018 | 2019 | 2020 | 2021 | 2022 | YTD  |
|-----------------------------------|------|------|------|------|------|------|
| NAV                               | -3.8 | 31.9 | 20.0 | -0.4 | -3.3 | -3.6 |
| Share Price                       | -5.0 | 32.3 | 19.9 | -2.6 | -9.8 | -5.2 |
| Index                             | 8.8  | 18.4 | 10.3 | 20.8 | 5.8  | -3.9 |

**Standardised Discrete Performance (%)**

| Percentage Growth 12 Month Return | Jul 18-Jul 19 | Jul 19-Jul 20 | Jul 20-Jul 21 | Jul 21-Jul 22 | Jul 22-Jul 23 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| NAV                               | 2.4           | 21.8          | 11.3          | -5.1          | -4.0          |
| Share Price                       | 3.4           | 20.1          | 11.0          | -7.8          | -10.1         |
| Index                             | 11.0          | 11.8          | 15.5          | 11.1          | -1.3          |

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.

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

Shareholders approved a ten -for-one share split at the AGM on 18 July 2023 which became effective on 27 July 2023 (the "Effective Date"). Share price and NAV returns reflect this split. Future dividends will be one-tenth of their levels prior to the Effective Date, but a shareholder who neither buys nor sells shares will continue to receive the same amount in dividends as they would have received prior to the Effective Date.

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

\*\* 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.

\*\*\* Active Share is expressed as a percentage and shows the extent to which a fund's holdings and their weightings differ from those of the fund's benchmark index. A fund that closely tracks its index might have a low Active Share of less than 20% and be considered passive, while a fund with an Active Share of 60% or higher is generally considered to be actively managed.

**Codes**

|   |                      |
|---|----------------------|
| <b>Sedol</b>  | BN455J5              |
| <b>ISIN</b>   | GB00BN455J50         |
| <b>Legal Entity Identifier (LEI)</b>                    | 5493003YBCY4W1IMJU04 |
| <b>Global Intermediary Identification Number (GIIN)</b> | FIZWRN.99999.SL.826  |
| <b>Bloomberg</b>  | WWH LN               |
| <b>EPIC</b>   | WWH                  |

**Investment Policy**

The healthcare sector is global and accessing this market as a UK investor can be difficult. The Company offers an opportunity to gain exposure to pharmaceutical, biotechnology and related companies in the healthcare sector on a global scale. The Company invests in large companies with market capitalisations of over U.S.\$10bn, smaller companies below that size, as well as unquoted companies. The portfolio ranges from large multi-national pharmaceutical companies with multiple products to unquoted emerging biotechnology companies. The Company's investment policy 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. Unquoted securities will not exceed 10% of the portfolio at the time of acquisition.

**Return vs Volatility (5 Years Annualised) – Chart (%)**



**Commentary**

In July, the NAV per share total return was -4.2%, the share price total return was -4.0% and the MSCI World Health Care Index was +0.2%, on a net total return, sterling adjusted basis.

The struggle for healthcare stocks continued, they continued to lag the broader markets in July, as investor expectations for a coming recession continued to wane. Whilst healthcare was notably volatile, it remained mostly unchanged on a net basis through the month. Other indices moved notably higher, including the MSCI (>200 bps), FTSE All Share (>250 bps), and S&P 500 (>300 bps local currency).

Relative to this backdrop, the Company’s positioning primarily impacted performance in July. Biotechnology stocks, especially small/mid-caps, underperformed in the month on the heels of an uncertain macro environment and continued rising interest rates. As a result, our material overweight investment stance here adversely impacted performance, exacerbated by the largest detractor in the month, Apellis Pharmaceuticals. Apellis fell significantly lower after the American Society of Retina Specialists (ASRS) notified physicians that there had been a small number of unexpected yet severe adverse events associated with the company’s recently launched eye drug, Syfovre (pegcetacoplan).

Another source of underperformance was our overweight positioning within medical technology, despite companies exceeding investor earnings expectations and management teams offering increasingly optimistic fundamental outlooks for the sector. However, improved investor confidence in other areas of healthcare such as managed care and life science tools, and concerns about the impact of GLP-1 drugs on downstream medtech procedures, contributed to a broad sell-off in the space.

On the upside, emerging market stocks, in particular China, partially rebounded in July. These gains were mostly fueled by increased confidence by investors about a potential turn in the economy, including positive commentary from the central government in the back half of the month.

Finally, we note that the strong pace of M&A in the bio-pharma space continued in July, with three additional announcements, including Biogen’s agreement to acquire the renal company, Reata Pharmaceuticals, for a consideration of \$7.3 billion.

**DISCOUNT/PREMIUM CONTROL**

It is the Board’s policy to buy back the Company’s shares if the share price discount to the net asset value per share exceeds 6% on an ongoing basis. Shares repurchased are held as treasury shares. Treasury shares can be sold back to the market at a later date at a premium to the cum income net asset value per share. Shareholders should note, however, that it remains very possible for the discount to be greater than 6% for extended periods of time particularly when sentiment towards the Company, the sector and to investment trusts generally remains poor. Any shares left in treasury are cancelled around the time of the Company’s Annual General Meeting.

While buy backs may prove unable to prevent the discount from widening, they also enhance the net asset value per share for remaining shareholders and go some way to dampening discount volatility which can adversely affect investors’ risk adjusted returns.

At times when there are unsatisfied buying orders for the Company’s shares in the market, the Company has the ability to issue new shares or to re-issue treasury shares at a small premium to the cum income net asset value per share. This acts as an effective share price premium management tool.

**How to Contact Us**

**Frostrow Capital LLP**  
25 Southampton Buildings  
London, WC2A 1AL

Tel.: 0203 008 4910  
Fax: 0203 043 8889

Website: [www.frostrow.com](http://www.frostrow.com)  
Email: [info@frostrow.com](mailto:info@frostrow.com)



---

### **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 in 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.

### **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 2024).

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

The MSCI information (relating to the Benchmark) may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation lost profits) or any other damages. ([www.msci.com](http://www.msci.com)).