

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



Fast Facts

As at 31 July 2024

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)* 0.9%

Continuation Vote 2029 AGM and every 5th AGM thereafter

Year / Half Year 31 March / 30 September

Capital Structure 527,341,791 shares#
74,323,409 (treasury)

excludes shares held in treasury

Trust Characteristics

Number of Holdings 53

Net Assets (£m) 2,062.8

Market Capitalisation (£m) 1,930.1

Dividends Provisional payment dates: January & July

Indicative Yield 0.8%

Gearing 4.1%

Leverage** Gross 115.3%
Commitment 112.9%

Share Price (p) 366.00

NAV per share (p) (cum income) 391.17

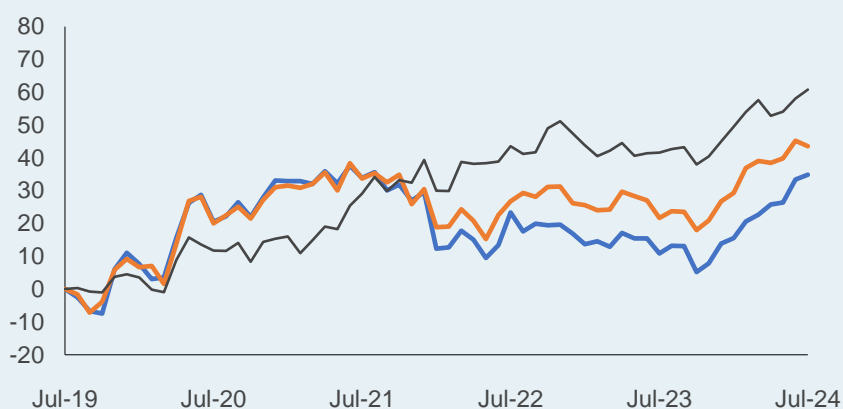
(Discount) / Premium (6.4%)

Portfolio Turnover p.a. 51.6%

Active Share*** 64.4%

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) +45.5%
— Share Price (total return) +34.4%
— Benchmark: MSCI World Health Care Index (net total return; sterling adjusted) +60.8%

Source: Morningstar, Index - Bloomberg.

Ten Largest Holdings as at 31 July 2024

Name	Region	Sector	Total
Biotech M&A Target Swap	North America	Swap Baskets	8.1
Eli Lilly	North America	Pharmaceuticals	7.9
AstraZeneca	Europe	Pharmaceuticals	6.5
Boston Scientific	North America	Health Care Equipment & Supplies	6.4
Intuitive Surgical	North America	Health Care Equipment & Supplies	5.8
Novo Nordisk	Europe	Pharmaceuticals	5.7
Merck	North America	Pharmaceuticals	4.3
Daiichi Sankyo	Japan	Pharmaceuticals	4.2
Tenet Healthcare	North America	Health Care Providers & Services	4.1
Biogen	North America	Biotechnology	3.9
Total			56.9

Worldwide Healthcare Trust PLC

Information as at 31 July 2024

Sector, Region** & Asset Class*** Breakdown at 31 July 2024* (%)

Pharmaceutical	31.1	North America	71.3	Listed Equities	86.0
Healthcare Equipment / Supplies	19.4	Europe	15.7	Equity Swaps	8.8
Biotechnology	18.6	Japan	6.3	Unquoted	5.2
Healthcare Providers / Services	14.5	China / Hong Kong	5.8	Total	100.0
Life Sciences Tools & Services	8.3	India	0.9		
Swap Baskets	8.1	Total	100.0		
Total	100.0				

*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	2019	2020	2021	2022	2023	YTD
NAV	31.9	20.0	-0.4	-3.3	0.4	13.2
Share Price	32.3	19.9	-2.6	-9.8	-2.6	18.4
Index	18.4	10.3	20.8	5.8	-1.6	10.9

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 19-Jul 20	Jul 20-Jul 21	Jul 21-Jul 22	Jul 22-Jul 23	Jul 23-Jul 24
NAV	21.8	11.3	-5.1	-4.0	17.9
Share Price	20.1	11.0	-7.8	-10.1	21.6
Index	11.8	15.5	11.1	-1.3	13.5

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

*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

Sedol	BN455J5
ISIN	GB00BN455J50
Legal Entity Identifier (LEI)	5493003YBCY4W11MJU04
Global Intermediary Identification Number (GIIN)	FIZWRN.99999.SL.826
Bloomberg	WWH LN
EPIC	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 (Annualised since Launch Date & appointment of Portfolio Manager) – Chart (%)



Commentary

In July, the NAV per share total return was -1.2%, the share price total return was +1.1% and the MSCI World Health Care Index was +1.7%, on a net total return, sterling adjusted basis.

A mostly quiet summer month turned volatile in the back half of July. As U.S. tech stocks wobbled on quarterly earnings reports, it triggered a broader macro trade in which “crowded longs” and “retail favorites” were rapidly sold as investors instead rotated into value names and/or year-to-date laggards. Meanwhile, a better-than-expected inflation report renewed hopes of interest rates cuts before the end of 2024. Adding to the uncertainty and volatility was the historic three-week period in the U.S., which started with a Presidential debate that was a low point for global politics, an assassination attempt on a former President, and the unprecedented stepping down of an incumbent President from the re-election campaign.

The Company’s performance was impacted by all of the above as well as fundamental industry and company newsflow in July, particularly large cap company earnings reports in the last five days of the month. On the positive side, the top contributor was Daiichi-Sankyo, which benefitted from a stellar quarterly earnings report at the month end (before a BoJ interest rate hike in Japan in early August disrupted the equity market there). Important contribution also came from healthcare services, as hospital provider Tenet Healthcare Corp (despite U.S. election uncertainty) and managed care provider UnitedHealth Group both reported better than expected quarterly results. Finally, small/mid-cap biotechnology stocks lifted during the period along with other interest-rate sensitive asset classes.

On the negative side, “retail favorites” that sold off late in the month on no fundamental news included Eli Lilly, Novo Nordisk, Boston Scientific, and Merck – the last’s sell off exacerbated by a quarterly report that included a warning about slowing growth in China for their blockbuster vaccine, Gardasil (for the prevention of certain cancers associated with HPV infections). Another key detractor was Dexcom, whose share price fell dramatically lower after a series of executional missteps led to one of the worst quarterly reports the company has ever presided over. Finally, in a surprise ruling, European regulators recommended against the approval of Leqembi (lecanemab), the disease-modifying Alzheimer’s disease agent from Eisai and Biogen, causing both stocks to trade lower.

Whilst the current earnings season has been unexpectedly volatile given the macro backdrop, we do note that there are more reports to come in August. In addition, whilst biotech M&A continued in July, albeit at a slower pace than the previous six months of the year, we attribute this mostly to an expected seasonal slowdown. We continue to expect an inflection in September. Finally, we look forward to several medical congresses in autumn, which should help investors re-focus on the fundamentals of innovation across the healthcare sector.

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.

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.

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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.

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.

Target Market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties, and is eligible for all distribution channels.

The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection.

Value Assessment

Frostrow Capital LLP has conducted an annual Value Assessment on the Company in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product.

Frostrow Capital LLP concluded that the Company is providing value based on the above assessment.

Important Information

Worldwide Healthcare Company 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 Company. 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").

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