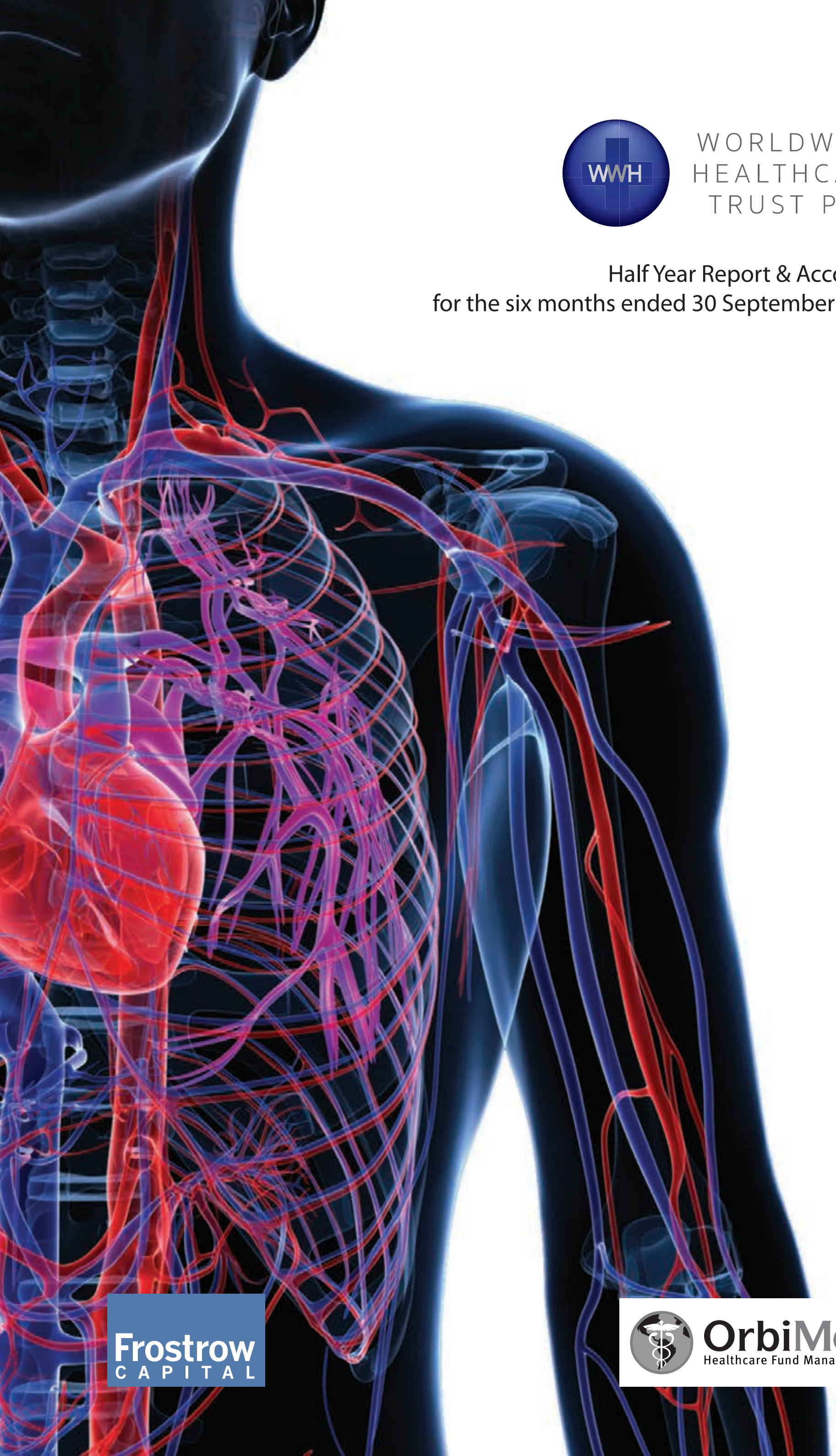
WORLDWIDE HEALTHCARE TRUST PLC

Half Year Report & Accounts for the six months ended 30 September 2016



Frostrow CAPITAL

OrbiMed Healthcare Fund Management

Worldwide Healthcare Trust PLC

Investment Objective and Policy

Worldwide Healthcare Trust PLC is a specialist investment trust that 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 enhance returns and mitigate risk. Performance is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis (Benchmark). Further details of the Company's investment policy are set out in the Company's Annual Report and Accounts.

Accessing the Global Market

The healthcare sector is a global one and accessing this global market as a UK investor can be difficult. Within the UK, there are diminishing options for investment as the universe of healthcare companies is shrinking through merger and acquisition activity. The Company offers an opportunity to gain exposure to pharmaceutical, biotechnology and related companies in the healthcare sector on a global scale.

Among healthcare funds, Worldwide Healthcare Trust PLC is unique due to its broad investment mandate to participate in all aspects of healthcare, anywhere in the world. These may include patented specialty medicines for small patient populations and unpatented generic drugs, in both developed countries and emerging markets. In addition, the Company invests in medical device technologies, life science tools and healthcare services. The overall geographic spread of Worldwide Healthcare Trust PLC is also unique among healthcare funds with investments in the U.S., Europe, Japan and emerging markets.

Gearing and Leverage

The Company's gearing policy is that it may borrow up to 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, who may take assets up to 140% of the value of the drawn overdraft as collateral. The Company maintains the economic benefits from the ownership of such assets. Further details of these arrangements are set out on page 20 of the Company's Annual Report and Accounts. As at 30 September 2016 the gearing level was 8.0% of the Company's net assets.

In addition to this limit on borrowing, the Company has a maximum leverage limit of 40%. As at 30 September 2016 the leverage level was 18.1%. See glossary beginning on page 27 for further information regarding gearing and leverage.

Keep up to date with
Worldwide Healthcare Trust PLC

For more information about Worldwide Healthcare Trust PLC visit the website at

www.worldwidewh.com

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

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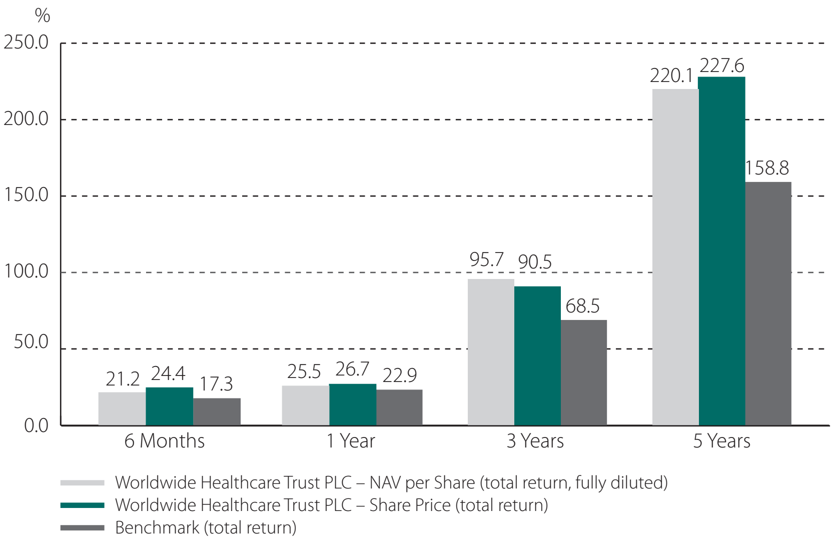
Performance

	Six months to 30 September 2016	One year to 31 March 2016
Net asset value per share (total return)#	21.2%	(9.0)%
Share price (total return)#	24.4%	(10.5)%
Benchmark (total return)^	17.3%	(5.4)%

	30 September 2016	31 March 2016	Six months % change
Net asset value per share – basic	2,228.3p	1,850.9p	20.4
Net asset value per share – diluted	N/A*	1,850.5p	–
Share price	2,122.0p	1,715.0p	23.7
Discount of share price to the net asset value per share	4.8%	7.3%	–
Gearing+	8.0%	11.2%	–
Leverage+	18.1%	14.0%	–
Ongoing charges	0.9%	0.9%	–
Ongoing charges (including performance fees crystallised during the period)+	1.1%	2.1%	–

\# Source – Morningstar.
^ Benchmark – MSCI World Health Care Index on a net total return, sterling adjusted basis.
* No shares were held in treasury as at 30 September 2016.
\+ See glossary beginning on page 27. Leverage calculated under the Commitment Method.

Performance to 30 September 2016



Source: Morningstar and Thomson Reuters

Chairman's Statement

PERFORMANCE

Market volatility was less prevalent during the first six months of the Company's financial year and, against a more positive backdrop, global equity markets rose strongly over the period. I am therefore pleased to report that, following last year's disappointing performance, the current financial year has begun on a more positive note.

As can be seen in the chart on the previous page, the Company's net asset value total return was +21.2% over the last six months, outperforming the Company's Benchmark, the MSCI World Health Care Index measured on a net total return, sterling adjusted basis, which returned +17.3%.

The Company's share price, with a total return of +24.4%, also outperformed the Benchmark over this period. The discount of the Company's shares price to the basic net asset value per share as at 30 September 2016 was 4.8%.

This strong performance was, in part, due to the sharp fall in sterling (amounting to 9.6% against the U.S.$ over the period) following the outcome of the EU referendum in the UK held in June. Both our portfolio and the Company's Benchmark have a high exposure to companies denominated in U.S.$.

Further information on investment performance and the outlook for the Company is given in the Review of Investments.

PERFORMANCE FEE

I am pleased to report that the outperformance generated in this half year has resulted in a performance fee becoming payable, in accordance with the provisions of the performance fee arrangements, of £1.3 million. This fee was shared between the Company's Portfolio Manager OrbiMed Capital LLC ("OrbiMed") and the Alternative Investment Fund Manager Frostrow Capital LLP ("Frostrow") as described in note 3 to the Financial Statements on page 24.

MANAGEMENT FEES

The Board is pleased to announce some amendments to the fee arrangements between the Company and Frostrow. Under the new arrangements Frostrow will no longer receive a performance fee and the annual management fee payable to Frostrow will be amended. These new arrangements become effective on 1 April 2017 and further details are provided on page 24.

Frostrow will continue to be entitled to receive any performance fee that crystallises during the year ending 31 March 2018 in respect of cumulative outperformance attained by 31 March 2017.

The fees payable to OrbiMed remain unchanged.

Chairman's Statement (continued)

CAPITAL

The Board continues to monitor closely the Company's share price discount to the net asset value per share, where it seeks 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 1,425,062 shares were repurchased by the Company to be held in treasury, at a total cost of £27.5 million and at an average discount of 6.9%. However, 88,000 of these treasury shares were subsequently reissued on an average discount of 2.7% to the prevailing cum income net asset value per share.

I confirm that all of the 1,332,742 shares held in treasury at 21 September 2016, the date of the Company's Annual General Meeting, were cancelled and no shares were held in treasury as at 30 September 2016. The Company currently holds 203,295 shares in treasury.

REVENUE AND DIVIDENDS

The revenue return for the period was £4.0 million, compared to £3.2 million in the same period last year, due to a slight increase in the yield from portfolio investments and the fall in sterling. The Board has declared an unchanged first interim dividend of 6.5p per share, for the year to 31 March 2017, which will be payable on 9 January 2017 to shareholders on the register of members on 25 November 2016. The associated ex-dividend date was 24 November 2016.

The second interim dividend for the year to 31 March 2017 is expected to be announced in June 2017.

I remind shareholders that it remains the Company's policy to pay out dividends to shareholders in the quantum necessary to maintain investment trust status for each financial year. These dividend payments are paid out of the Company's net revenue for the year and, in accordance with investment trust rules, only a maximum of 15% of income arising from the shares and securities making up the investment portfolio can be retained by the Company in any financial year.

It is the Board's continuing belief that the Company's capital should be fully deployed rather than paid out as dividends to achieve a particular target yield.

BOARD COMPOSITION

As mentioned at the year-end, Jo Dixon retired from the Board at the conclusion of the Annual General Meeting held on 21 September 2016. Humphrey van der Klugt succeeded her as Chairman of the Audit Committee and Dr David Holbrook succeeded her as the Senior Independent Director.

Chairman's Statement (continued)

OUTLOOK

With the U.S. Presidential election now over, and with the Republican Party in control of the White House and the legislature, our Portfolio Manager believes that investors can now concentrate on the sector's strong fundamentals, in particular innovation which continues to be a key driver across the sector.

Our Portfolio Manager's focus remains on the selection of stocks with strong prospects and we reiterate our belief that the long term investor in the healthcare sector will be well rewarded.

HALF YEAR REPORT & ACCOUNTS

In common with many other companies the Company is doing what it can to reduce its carbon foot print. As part of this strategy, and also to produce cost savings for the shareholders, the Company will after this year not be producing hard copies of its Half Year Report & Accounts. This document will continue to be available on the Company's website at www.worldwidewh.com. The Company's Annual Report & Accounts will also continue to be available in hard copy.

Sir Martin Smith
Chairman
25 November 2016

Review of Investments

MARKETS

Global equity markets for the six-month period from 1 April to 30 September 2016 were less volatile than the preceding six and twelve-month periods. A combination of less market uncertainty, more stable geopolitical risk, and positive macroeconomic indicators pushed global stocks higher in the period. The most notable volatility occurred after British voters elected in June to leave the European Union, leading to an immediate and dramatic swoon in global share prices. However, equities rebounded quickly after the sharp drop only to set new highs in the subsequent months.

Healthcare stocks appeared to be defensive in the early portion of the period; their defensive nature peaking into and out of "Brexit". However, as the tumult waned, so did healthcare equites and performance of healthcare stocks did not outpace the broad market on a net basis over the six-month period.

PERFORMANCE

We are pleased to report that the Company outperformed both the broader market and the healthcare specific index, with a share price total return of +24.4% and a net asset value total return of +21.2% in the six-month period. Performance of the Benchmark (MSCI World Healthcare Index measured on a net total return sterling adjusted basis) for the six-month period ended 30 September 2016 was +17.3%. This compares to the MSCI World Index return of +17.9% (measured in sterling terms).

Over a 12-month period, the Company has also outperformed its Benchmark, with a share price total return of +26.7% and a net asset value total return of +25.5% compared to the Benchmark return of +22.9%.

Sources of both absolute and relative contribution came from all healthcare subsectors with both subsector allocation and stock selection contributing positively. The lone exception was large capitalisation pharmaceuticals. Whilst stock selection resulted in positive absolute contribution, the significant underweight positioning in large capitalisation pharmaceutical stocks resulted in negative alpha generation, reflective of a notable move up in share prices for this group in the period. However, this relative drag was more than offset by other sectors, including biotechnology (allocation), medical devices (allocation and stock selection), and life science tools (stock selection). The top individual contributors, detailed below, are quite representative of this.

MAJOR CONTRIBUTORS TO PERFORMANCE

Investor sentiment for the diagnostic screening company, **Exact Sciences**, was at an all-time low heading into the reported period under review. However, the stock significantly re-rated after a series of catalysts created a short squeeze and shifted the fundamentals from very negative to quite positive. First, the company's main product, Cologuard, a screening test for the early detection of colorectal cancer, received a positive rating decision from the U.S.

Review of Investments (continued)

Preventive Services Task Force (USPSTF). The positive rating was a surprise reversal from the agency's preliminary decision which was viewed equivocal in terms of its guidance in the primary care market. In addition to the favourable rating change, Cologuard received numerous positive coverage decisions from commercial payers paving a pathway towards reimbursement. Additionally, the company reported better than expected revenues and testing volumes in the second quarter, a record setting performance. Finally, albeit dismissed by the sell side, there was unconfirmed speculation of a potential acquisition by **Illumina** that drove the stock higher. Overall, the stock tripled in the six-month period, before some profit taking was observed in September.

Boston Scientific develops implantable medical devices, primarily for use in cardiology, electrophysiology, peripheral vascular, neurovascular, endoscopic, urologic, gynaecologic, and pain management procedures. A rapid uptake of several new product launches, share gains in key end markets and overall improvement in U.S. procedure volumes has led to a sizeable earnings upside for the company in the first half of 2016. Moreover, the company settled key litigation with the IRS on attractive terms, thus improving the outlook for the company's cash balances in future years. This confluence of events led the stock higher by over 25% (in local currency) during the period.

Wright Medical develops joint replacement devices, primarily for shoulder, foot and ankle, trauma and sports medicine procedures, as well as orthobiologic products. After completing the acquisition of Tonier late last year, the company's integration efforts tracked ahead of schedule, allowing it to recognise greater cost synergies and less revenue inefficiencies than originally anticipated. Additionally, the company launched its key new orthobiologic product, AUGMENT, and physician adoption and retention rates were solid in the period. The net result was impressive earnings outperformance, as seen in second quarter results, both on the sales line and more notably on the adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) line given the sizable incremental margins associated with the higher sales.

Intuitive Surgical develops robotic systems and associated instrument sets for use in a broad array of surgical procedures. Whilst new system placements were tracking roughly in line with analyst expectations, robotic procedure volumes and subsequently the use of instrument sets grew dramatically faster. Moreover, pending competitor launches were delayed further and appeared less robust than originally anticipated. This greatly improved the longer-term outlook for Intuitive. Lastly, visibility improved for the company's new robotic applications, such as hernia repair, which increased the size of the company's total addressable procedure market.

Investor sentiment has waxed and waned over the prospects for the Chicago-based global drug giant, **Abbvie**. Bulls have touted above average growth prospects and rock bottom valuation. Bears have cited earnings concentration risk and a biosimilar overhang.

Review of Investments (continued)

In the six-month period, the bulls have surged ahead as the company has posted better than expected revenues and earnings growth, consummated a high risk, high reward acquisition (in the form of Stemcentryx), and has begun to provide near and long-term insight into their strategy on how they plan to stave off biosimilars to their flagship mega-blockbuster, Humira (adalimumab). Humira, now the world's largest selling pharmaceutical product with sales expected to reach U.S. $16 billion in 2016, is still growing at a double-digit rate. Investor debate over the fate of the putative biosimilar impact to Humira sales by 2020 continues unabated.

MAJOR DETRACTORS FROM PERFORMANCE

The largest detractors from performance in the period reflected mostly idiosyncratic events to individual stocks rather than any common thematic occurrence.

The share price in **Ono Pharmaceutical**, practically doubled in 2015 and reached an all-time high in April 2016, following the development and launch in Japan of one of the most important cancer drugs in recent memory, Opdivo (nivolumab). Having attained blockbuster status in Japan (sales in excess of U.S. $1 billion) investor concerns arose about the potential for an egregious price cut, prompted by government officials given its unexpected and rapid success, most notably in the treatment of second line lung cancer. Concerns also arose over the uptake of Opdivo when reported patient numbers decelerated during the period. Finally, in August, Ono and its partner, **Bristol-Myers Squibb**, announced the complete failure of Opdivo in a late stage clinical trial for the treatment of front line lung cancer. The failure of this trial was completely unexpected. Opdivo had already garnered 9 distinct U.S. Food and Drug Administration (FDA) approvals, including two in lung cancer (second line), and had never failed in any previous pivotal clinical trials. Both stocks collapsed in response, with Ono's share price now half of its 52-week high.

ImmunoGen is a small capitalisation biotechnology company that develops specialised antibody-drug conjugates, or "ADC's" (complex molecules composed of an antibody linked to a drug, representing a two-in-one approach in fighting diseases). The company's stock fell on two occasions in the six-month period. First, it announced a revised development programme for its lead ADC, mirvetuximab soravtansine, for the treatment of ovarian cancer after updated Phase I data showed a lower response rate than previously presented. This increased investor angst over the perceived "riskier" development strategy for the compound with a less robust efficacy profile. The stock sank further after the company announced its plan to raise capital by selling convertible notes. The share price fell by over two-thirds (in local currency) and never recovered, finishing the six-month period on a low.

One of the global leaders in the fight against diabetes, Danish-drug maker **Novo Nordisk**, felt the pinch of U.S. pricing pressure in the reported period. Managed care companies,

Review of Investments (continued)

gate keepers of drug access in the U.S. healthcare system, have been targeting chronic disease states, in which there are multiple competitors, to drive up rebates for drugs they procure for their members. Respiratory, cardiovascular, and now diabetes drugs have all taken hits. After eschewing the threat in 2014 and 2015, management at Novo Nordisk finally capitulated and lowered long term growth guidance, citing U.S. pricing pressure as the culprit, mainly in the area of novel insulins, a key franchise for the company. The share price fell by approximately 20% (in local currency) in the period.

Dynavax Technologies is a niche biotechnology company that uses its proprietary technologies in immune modulation to treat a variety of diseases. The company's share price drifted lower in the period due to a series of regulatory setbacks which added uncertainty to the perceived approvability of their lead vaccine, Heplisav, a novel vaccine for the prevention of hepatitis B. In April, the company was notified of a three-month extension to the approval deadline by the FDA for Heplisav due to the requirement to submit individual trial data sets, which constituted a major amendment to their filing. Moreover, the FDA subsequently called for an Advisory Committee to review the drug prior to approval, which added additional scrutiny to the application. Its shares weakened even further when FDA did an about-face and announced in September the scheduled Advisory Committee was cancelled, leading investors to believe that this chain of events was evidence that numerous issues were left outstanding in the Heplisav application and that approval was unlikely.

The share price for **Allergan** has undergone a revolution over the past 5 years as the company has hotly pursued acquisition after acquisition with nearly flawless execution. Its ultimate deal was the proposed combination with industry giant, Pfizer, announced in November 2015. However, the stock fell after both companies announced the termination of the deal in April 2016. The termination was the result of regulation changes by the U.S. Department of Treasury that appeared to specifically target the Allergan-Pfizer inversion transaction. The sharp correction in U.S.-focused specialty pharmaceutical stocks, in general, was also a contributor to the sell-off.

SECTOR DEVELOPMENTS

The Presidential election cycle in the United States was, by far, the largest influence on healthcare stocks in 2016. The turbulence wrought by Democratic nominee Hillary Clinton was most notable. Her focus on drug pricing practices in the United States created plenty of headline noise and spurred significant Congressional inquiries into some of the most notorious pricing practices by certain companies. Mrs Clinton's support for the Affordable Care Act (ACA, also known as "Obamacare") was noteworthy, although her view on a single-payer system for the U.S. was less visible. Meanwhile, Donald Trump mostly sidestepped healthcare as a major topic in his campaign, with one notable exception, his

Review of Investments (continued)

disdain for the ACA and his repeated promises to repeal the legislation if he were to win the election. With the election now over it remains to be seen what impact the Trump administration will have on the healthcare sector.

The FDA has overseen a modest slowdown in new drug approvals in 2016, albeit off the record high observed in the previous year. By 30 September 2016, the FDA had approved 17 new chemical entities (NCEs), compared to 45 in 2015. While the drop is disappointing, we view it more as cyclical rather than a sign of a downturn in innovation in therapeutics. The number of new drugs approved by the FDA over the previous two years combined was 40% more than any other two-year period in history. The rate was understandably unsustainable.

Moreover, we note that this metric excludes supplementary approvals, drugs that garner FDA approval for more than one indication, a common occurrence, especially in hot therapeutic areas like oncology. For example, Bristol-Myers Squibb's Opdivo (nivolumab) has been approved for 9 discrete cancer indications over the past 18 months after its initial approval in melanoma.

We would also note another important FDA metric that bodes well for the biopharmaceutical industry – Breakthrough Therapy Designations (BTD). BTD is discretionally granted by the FDA to compounds in development that are intended to treat a serious or life-threatening diseases that possess preliminary clinical evidence indicating a substantial improvement over existing therapies. Once the BTD is granted, the FDA and sponsor work together to determine the most efficient path forward and the FDA bestows additional resources to reduce the review time as much as possible. The number of BTDs granted continues to impress, with a cumulative total of 156 BTDs granted since inception in December 2012 to September 2016 (source: Washington Analysis).

Mergers and acquisitions (M&A) continued to be a major theme this year and the 2015 draw down in biotechnology stocks created a "bargain bin" for acquirers. Valuations are compelling across the therapeutic spectrum of emerging biotechnology companies – the engines of innovation. As these small, clinical stage companies continue to discover the drugs of tomorrow, they require infusions of capital. Capital markets are one way to raise cash (U.S. $10 billion in biotechnology IPO's (initial public offering of shares) was raised in 2015) as are M&A and licensing. Both large capitalisation pharmaceutical and biotechnology companies have accrued large cash piles that are waiting to be deployed. These companies are continuously searching for growth through new product opportunities as headwinds such as size, patent expirations, biosimilars, and internal research and development (R&D) challenges are not abating.

STRATEGY REVIEW

The Company's mandate remains unchanged: to seek innovation and growth in the healthcare industry on a global level by

Review of Investments (continued)

investing in healthcare companies that offer the greatest return potential, being mindful of risk. As productivity and innovation rise, the number of investable ideas also rises, but the scrutiny and diligence required to isolate them becomes more complex. Market volatility over the past 12 months has added complexity to the investment equation.

Biotechnology

The large capitalisation biotechnology sector has been largely range-bound over the past year due to continued concerns about the sustainability of high drug prices in the U.S. and the political uncertainty of the U.S. Presidential election. Negative media headlines regarding drug pricing continue to appear intermittently, with the most recent attention focused on Mylan Pharmaceuticals' price increases for EpiPen, a life-saving treatment for severe allergic reactions. While many instances of excessive price increases are isolated to a few "bad actors," these episodes have created an overhang for the entire drug sector, including biotechnology. The drug pricing issue was sporadically mentioned during the Presidential election campaign, but remains an ancillary issue relative to immigration, security, and the economy. Our view remains that drugs that are truly innovative and serve unmet medical needs, which includes most biotechnology drugs, should continue to be able to maintain premium pricing. Moreover, with Donald Trump being elected the next President of the United States and Congress under Republican control, the threat of legislated price controls becomes effectively nil. Valuations remain reasonable for the major biotechnology group overall, and we're hopeful the sector will rebound now the election is over and drug pricing issues recede from the headlines.

In the emerging biotechnology sector, a resurgence in M&A activity has led to some strong recent performance for smaller biotechnology companies. Recently announced transactions include Pfizer's acquisition of prostate cancer company Medivation, Sunovion's acquisition of Parkinson's disease company Cynapsus, and Allergan's acquisitions of liver disease company Tobira Pharmaceuticals and dermatology company Vitae Pharmaceuticals. Investors are increasingly recognising the substantial premiums larger companies are willing to pay for interesting assets found in small biotechnology companies and have bid up the values of emerging biotechnology stocks accordingly. Given that most of these companies are still trading at a significant discount to the highs of mid-2015, we believe there is still plenty of opportunity for large companies to acquire assets at attractive valuations.

Pharmaceuticals

Our long held view of the large capitalisation pharmaceutical space has been one of caution, given some of the inherent challenges for these companies to grow due to their size and our more bullish stance on biotechnology stocks (across all capitalisation ranges). R&D capabilities are the #1 concern as innovation across therapeutics has

Review of Investments (continued)

become increasingly more challenging and expensive since the 1990's. Some pharmaceutical companies have excelled at continuing to foster innovation, some have excelled at business development (notably licensing and acquisitions), some have excelled at both, whilst some have excelled at neither. This factoid keeps us selective in this space, our preference being companies with near term new product flow to drive upside to revenues and earnings, and eschewing "value plays", discounted stocks with little pipeline related catalysts.

Other headwinds to pharmaceutical companies remain, such as patent expirations. Again, not all companies face the same magnitude of this dilemma. Another headwind is market access, now inescapably linked to drug pricing (i.e. rebating), due to the demands of managed care. This issue is therapeutic class dependent and thus, once again, not all companies face the same magnitude of this dilemma. Finally, another headwind is the deceleration of Emerging Market (EM) growth. Once a major driver across industry over the past five years, substantive growth here is no longer a given.

A confluence of factors is behind the strikingly poor performance of U.S.-focused specialty and generic pharmaceutical companies during the first half of this calendar year. Significant price hikes on several branded products by a handful of bad corporate actors has attracted mainstream attention, with election-year politics keeping this issue front and centre. In addition, significant price deflation in a few U.S. generic market segments (topicals, opioids) has stoked investor fears that a consolidated and more powerful customer base could erode pricing more broadly, impairing companies' growth profiles. The continual stream of negative, pricing-related news flow has worsened already-poor investor sentiment, pinning valuations at/near historic lows for many stocks in the sector. Weaker than expected operating performance from several companies has not been helpful.

In our view, valuations for specialty and generic pharmaceutical companies are attractive, but significant positive catalysts are needed to spark investors' interest and draw attention back to these stocks. We have identified a select group of companies that could benefit from significant clinical, regulatory, commercial and legal catalysts over the next 12-15 months and have positioned the portfolio accordingly.

Medical Technology and Devices

The overall environment for medical devices remains favourable, with volume growth roughly outpacing pricing pressure for legacy device categories, and several new product cycles driving an expansion of the industry into new therapeutic categories. Top line growth rates across the group are tracking at pre-U.S. recession levels given several years of heightened R&D investment. It appears this R&D cycle will drive several more years of solid growth for the sector. In addition to the sales strength, cost cutting and tax rate improvements remain important drivers of earnings growth. While M&A remains a

Review of Investments (continued)

tailwind, we expect continued smaller tuck-in transactions to occur, the larger transformational deals of recent years are less likely going forward. Against this backdrop, we prefer select areas of cardiology where innovation has been heating up, surgical robotics which has the potential to significantly disrupt current treatment paradigms, and extremities implants/biologics which remain at the very early stages of the adoption curve.

Life Sciences Tools and Services

The life science tools sector continued to be one of the more defensive sectors in healthcare as biopharma continued its turbulent ride over the past six months. End markets remain buoyant for this group with positive upswing anticipated in the academic research funding environment and a resilient pharmaceutical R&D capital equipment replacement cycle. The European industrial market remains the only end market with a bleak outlook. However, despite favourable end markets, the elevated relative valuation of the group makes it difficult for us to be constructive on the group going into 2017.

The diagnostics group continues to bear the structural headwind of reimbursement challenges. The difficult environment should force further consolidation in the fragmented industry. With new entrants in genomic panel testing, additional pricing pressure is expected, especially for those companies producing oncogene panels. We remain cautious on the group as visibility in reimbursement remains low in 2017.

Healthcare Services

During the half year, Managed Care stocks underperformed due to M&A uncertainty. Specifically, the U.S. Department of Justice (DOJ) announced it was attempting to block the Aetna/Humana and Anthem/CIGNA mergers. However, both cases should be decided by January 2017. In addition, medical costs on Obamacare Exchanges were higher than expected, pressuring 2016 earnings per share.

In a Trump administration, we are more bullish on Medicare Advantage (plans to extend cover to dental, vision and/or health and wellness programmes), which will benefit if Obamacare taxes are repealed, the reimbursement rate environment is more favourable and more seniors sign up for private plans instead of the government Medicare option (Medicare Advantage penetration is 33%). Also, commercial managed care companies will stop losing money on the Obamacare Exchanges.

Hospitals also underperformed in the period as the benefits from Obamacare were put in doubt and inpatient admission volumes fell. In a Trump administration, we believe Obamacare could be replaced with new healthcare reform that expands coverage to people who are still uninsured in states that never expanded Medicaid eligibility, including Texas and Florida. Besides more people with subsidised health insurance, which incentivises utilisation, hospitals with more exposure to these states would experience lower bad debt as out of pocket

Review of Investments (continued)

liabilities decline. Whilst hospital stocks fell sharply upon the Trump election win, we are constructive long term.

Emerging Markets

Our strategy in China continues to be to invest in high quality companies that will best capture the secular growth of China healthcare, driven by aging populations, rising income levels, and increasing healthcare spending as a percentage of GDP. The drug sector continues to face pricing headwinds due to competitive provincial tenders that favour low-cost manufacturers. However, recent reforms by the Chinese FDA (cFDA) have raised the quality standards for clinical trials and should reduce the number of competitors in the industry. The cFDA is also accelerating the regulatory timelines for the development of novel drugs. As such, we generally prefer to invest in companies that are developing innovative drugs, as they can better maintain premium pricing and have a more durable revenue trajectory. We also have investments in private hospital groups in China and Southeast Asia, who continue to expand by acquisition and volume growth. Our expectation is that industry consolidation across all healthcare subsectors will continue.

OUTLOOK FOR 2017

Whilst near-term volatility may occur, valuations across healthcare are undemanding. Biotechnology company valuations have reverted to near historical lows, possibly creating an opportunity that last presented itself five years ago, when the last biotechnology bull run began.

Overall, our view is that healthcare, in particular biotechnology, is oversold. The fundamentals of the sector remain strong with innovation across the spectrum as the key driver of a re-rating higher. With the U.S. Presidential election now complete, investors can refocus on the industry fundamentals and important catalysts such as clinical, regulatory, and M&A.

Valuations are low and fundamentals are solid, but the dramatically altered political landscape, given the outcome of the U.S. elections, perhaps creates the biggest tailwind for 2017. A Donald Trump led White House may create some uncertainty in healthcare stocks given a lack of transparency of his policies going forward. However, what we now know will not happen is much more important. With a Republican "sweep" of the White House, Senate, and Congress any threat of Democratic ideals on drug pricing and/or single payer system coming to pass are now 100% quashed. This overhang that persisted over the sector during the past 18 months is now gone, and once the fog of politics lifts, we fully expect therapeutic stocks to do well in 2017.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager
25 November 2016

Review of Investments (continued)

PRINCIPAL CONTRIBUTORS TO AND DETRACTORS FROM NET ASSET VALUE PERFORMANCE

For the six months to 30 September 2016

Top Five Contributors	Contribution £'000	Contribution per share (p)*
Exact Sciences	18,851	40.2
Boston Scientific	16,703	35.6
Wright Medical	12,708	27.1
Intuitive Surgical	12,531	26.7
Abbvie	9,995	21.3
		150.9
Top Five Detractors		
Ono Pharmaceutical	(11,415)	(24.3)
Immunogen	(6,879)	(14.7)
Novo Nordisk	(3,106)	(6.6)
Dynavax Technologies†	(2,777)	(5.9)
Allergan	(2,229)	(4.8)
		(56.3)

*based on 46,937,714 shares being the weighted average number of shares in issue during the six months ended 30 September 2016.

†Stock not held at the half year-end

Source: Frostrow Capital LLP

Portfolio

as at 30 September 2016

Investments	Country/region	Market value £'000	% of investments
Boston Scientific	USA	53,085	4.7
Intuitive Surgical	USA	51,296	4.6
AbbVie	USA	50,147	4.5
Amgen	USA	38,042	3.3
Merck	USA	35,963	3.2
Wright Medical	Netherlands	34,260	3.1
Biogen	USA	34,171	3.1
Alexion Pharmaceuticals	USA	33,075	3.0
Ono Pharmaceutical	Japan	31,775	2.9
HCA	USA	30,795	2.8
Top 10 investments		**392,609**	**35.2**
Eli Lilly	USA	30,758	2.8
Allergan*	Ireland	29,967	2.7
Roche Holdings	Switzerland	27,705	2.5
Molina Healthcare	USA	26,866	2.4
Nippon Shinyaku	Japan	24,673	2.2
Incyte	USA	23,245	2.1
WellCare Health Plans	USA	22,441	2.0
Bristol-Myers Squibb	USA	21,896	2.0
Edwards Lifesciences	USA	21,398	1.9
Actelion	Switzerland	21,306	1.9
Top 20 investments		**642,864**	**57.7**
Vertex Pharmaceuticals	USA	20,092	1.9
Galapagos	Belgium	19,229	1.7
Illumina	USA	19,157	1.7
Humana	USA	16,821	1.5
Unitedhealth Group	USA	16,554	1.5
Gilead Sciences	USA	16,510	1.5
Shire	USA	16,034	1.4
Exact Sciences	USA	15,740	1.4
Novo Nordisk	Denmark	15,598	1.4
Thermo Fisher Scientific	USA	14,447	1.3
Top 30 investments		**813,046**	**73.0**

*includes Allergan 5.5% Preference equating to 0.7% of investments.

Portfolio (continued)

as at 30 September 2016

Investments	Country/region	Market value £'000	% of investments
Santen Pharmaceutical	Japan	14,445	1.3
Regeneron Pharmaceuticals	USA	14,328	1.2
Yestar International	China	13,304	1.2
Novartis	Switzerland	13,178	1.2
Xencor	USA	11,955	1.1
Biomarin Pharmaceutical	USA	10,989	1.0
Express Scripts	USA	10,829	1.0
Luye Pharma	China	10,750	0.9
GlaxoSmithKline	United Kingdom	10,348	0.9
Celgene	USA	9,716	0.9
Top 40 investments		**932,888**	**83.7**
Merrimack Pharmaceuticals Second Lien Loan 11.5% 15/12/2022 *(unquoted)*	USA	8,831	0.9
Celltrion	South Korea	8,523	0.8
Ophthotech	USA	8,351	0.7
Teva Pharmaceutical	USA	8,253	0.7
Cooper Cos	Ireland	8,180	0.7
Sawai Pharmaceutical	Japan	8,076	0.7
Array BioPharma	USA	7,783	0.7
Coherus Biosciences	USA	7,372	0.7
Ironwood Pharmaceuticals	USA	7,318	0.7
Sino Biopharmaceuticals	China	6,996	0.6
Top 50 investments		**1,012,571**	**90.9**
Impax Laboratories	USA	6,598	0.6
Portola Pharmaceuticals	USA	6,484	0.6
Nuvasive	USA	6,336	0.6
Puma Biotechnology	USA	6,194	0.6
Fluidigm	USA	5,165	0.5
Bluebird Bio	USA	4,888	0.4
Towa Pharmaceutical	Japan	4,785	0.4
IHH Healthcare	Malaysia	4,698	0.4
Nichi-Iko Pharmaceutical	Japan	4,534	0.4
Agilent Technologies	USA	3,806	0.3
Top 60 investments		**1,066,059**	**95.7**

Portfolio (continued)

as at 30 September 2016

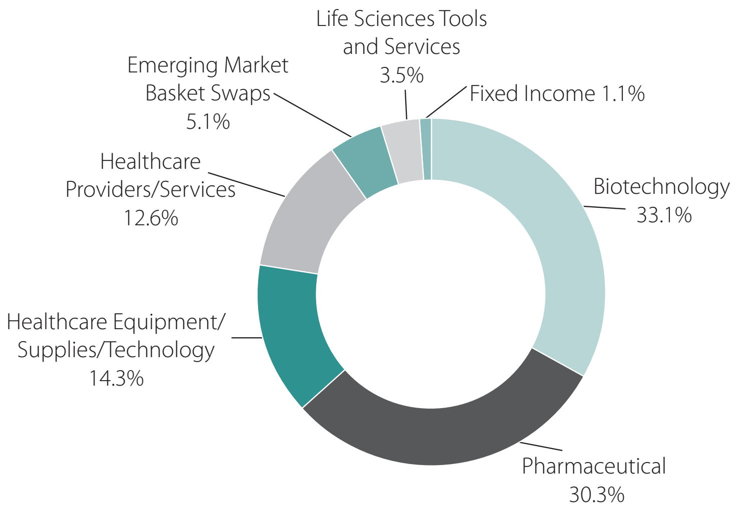
Investments	Country/region	Market value £'000	% of investments
ImmunoGen	USA	3,548	0.3
NewLink Genetics	USA	3,418	0.3
Wenzhou Kangning Hospital	China	3,372	0.3
Forward Pharma	USA	2,031	0.2
QLT	Canada	197	0.0
Alimera Sciences	USA	72	0.0
Aralez Pharmaceuticals	Canada	64	0.0
Total equities and fixed interest investments		**1,078,761**	**96.8**
OTC Equity Swaps – Financed			
Emerging Markets Healthcare (Basket)	Emerging Markets	19,296	1.7
Jiangsu Hengrui Medicine	China	18,421	1.7
M&A (Basket)	USA	13,577	1.2
China Healthcare A-Share (Basket)	China	12,746	1.2
India Health Care (Basket)	India	12,249	1.1
Aier Eye Hospital Group	China	8,106	0.7
Jiangsu Nhwa Pharmaceutical	China	7,125	0.7
Shenzhen A-Share (Basket)	China	4,552	0.4
Less: Gross exposure on financed swaps		(92,403)	(8.3)
OTC Equity Swaps – Funded			
Aurobindo Pharma	India	18,072	1.6
Strides Shasun	China	10,265	0.9
Ajanta Pharma	India	3,226	0.3
Total OTC Swaps		**35,232**	**3.2**
Total investments including OTC Swaps		**1,113,993**	**100.0**
Put Options (Short)	–	(610)	(0.1)
Call Options (Long)	–	561	0.1
Call Options (Short)	–	(1)	0.0
Total investments including OTC Swaps and Options	**–**	**1,113,943**	**100.0**

See note 16 beginning on page 61 of the Company's 2016 Annual Report & Accounts and also the glossary beginning on page 27 of this Half Year Report in relation to OTC Equity Swaps and Options. Equity Swaps are included in the above table at their economic exposure.

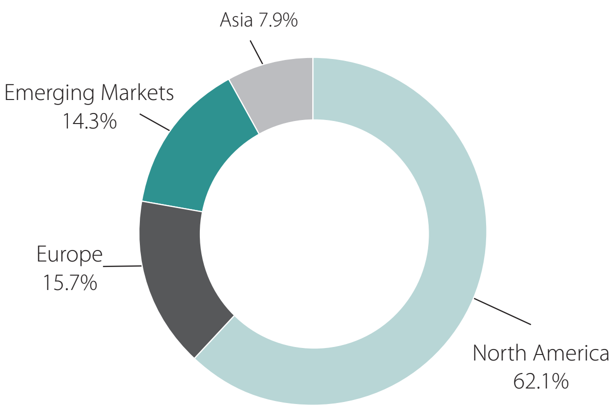
Portfolio Analysis

as at 30 September 2016

By Sector



By Geography



Interim Management Report

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company are set out on pages 19 and 20 of the Annual Report & Accounts for the year ended 31 March 2016, which is published on the Company's website. Such risks and uncertainties are as applicable for the remaining six months of the Company's financial year as they have been for the period under review. The risks can be summarised under the following headings: Investment (including leverage risks); Operational (including financial, corporate governance, accounting, legal, cyber security and regulatory risks); and, Strategic (including shareholder relations and share price performance).

Additionally, the Company faces new uncertainties following the vote to leave the EU taken at the UK referendum held in June 2016.

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 objectives, risk management policies, capital management policies and procedures, nature of the portfolio and 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 and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half yearly financial report. 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 Report and Accounts has been prepared in accordance with the Financial Reporting Standard 104 (Interim Financial Reporting); 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 Guidance 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
25 November 2016

Income Statement

for the six months ended 30 September 2016

	(Unaudited) Six months ended 30 September 2016			(Unaudited) Six months ended 30 September 2015		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	190,434	190,434	–	(121,934)	(121,934)
Exchange (losses)/gains on overdraft	–	(5,806)	(5,806)	–	1,854	1,854
Income from investments held at fair value through profit or loss (note 2)	5,016	–	5,016	4,322	–	4,322
AIFM, portfolio management, and performance fees (note 3)	(207)	(7,696)	(7,903)	(190)	518	328
Other expenses	(342)	–	(342)	(425)	–	(425)
Net return/(loss) before finance charges and taxation	4,467	176,932	181,399	3,707	(119,562)	(115,855)
Finance charges	(21)	(368)	(389)	(17)	(317)	(334)
Net return/(loss) before taxation	4,446	176,564	181,010	3,690	(119,879)	(116,189)
Taxation on ordinary activities	(406)	–	(406)	(472)	–	(472)
Net return/(loss) after taxation	4,040	176,564	180,604	3,218	(119,879)	(116,661)
Return/(loss) per share (note 4)	8.6p	376.2p	384.8p	6.7p	(250.7p)	(244.0p)

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 and the net return/(loss) after taxation is attributable to the owners of the Company.

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

Statement of Changes in Equity

for the six months ended 30 September 2016

	(Unaudited) Six months ended 30 September 2016 £'000	(Unaudited) Six months ended 30 September 2015 £'000
Opening shareholders' funds	881,758	982,513
Shares purchased for treasury	(21,381)	(10,259)
Shares issued from treasury	–	3,786
Return/(loss) for the period	180,604	(116,661)
Dividends paid – revenue	(4,702)	(3,105)
Closing shareholders' funds	**1,036,279**	**856,274**

Statement of Financial Position

as at 30 September 2016

	(Unaudited) 30 September 2016 £'000	(Audited) 31 March 2016 £'000
Fixed assets		
Investments held at fair value through profit or loss	1,078,761	905,471
Derivatives – OTC swaps	35,232	30,199
	1,113,993	935,670
Current assets		
Debtors	8,433	1,950
Derivatives – put and call options	561	353
Cash	16,892	18,536
	25,886	20,839
Current liabilities		
Creditors: amounts falling due within one year	(102,989)	(74,007)
Derivatives – put and call options	(611)	(744)
	(103,600)	(74,751)
Net current liabilities	(77,714)	(53,912)
Total net assets	1,036,279	881,758
Capital and reserves		
Ordinary share capital	11,627	11,960
Share premium account	233,537	233,537
Capital reserve	772,497	617,314
Capital redemption reserve	8,221	7,888
Revenue reserve	10,397	11,059
Total shareholders' funds	1,036,279	881,758
Net asset value per share – basic (note 5)	2,228.3p	1,850.9p
Net asset value per share – fully diluted for treasury shares (note 5)	N/A	1,850.5p

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The condensed Financial Statements for the six months to 30 September 2016 comprise the statements set out on pages 20 and 21 together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting', the AIC's Statement of Recommended Practice issued in November 2014 ('New SORP') and using the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 March 2016.

Going concern

After making enquiries, and having reviewed the Investments, Statement of Financial Position and projected income and expenditure for the next 12 months, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these condensed financial statements.

Fair value

Under FRS 102 and FRS 104 investments have been classified using the following fair value hierarchy:

Level 1 – Quoted market prices in active markets

Level 2 – Prices of a recent transaction for identical instruments

Level 3 – Valuation techniques that use:

(i) observable market data; or

(ii) non-observable data

Notes to the Financial Statements
(continued)

As of 30 September 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	1,069,930	–	8,831	1,078,761
Derivatives: OTC Swaps	–	35,232	–	35,232
Derivatives: put and call options (long)	–	561	–	561
Derivatives: put and call options (short)	–	(611)	–	(611)
Total	**1,069,930**	**35,182**	**8,831**	**1,113,943**

As of 31 March 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	888,754	–	16,717	905,471
Derivatives: OTC Swaps	–	30,199	–	30,199
Derivatives: put and call options (long)	–	353	–	353
Derivatives: put and call options (short)	–	(744)	–	(744)
Total	**888,754**	**29,808**	**16,717**	**935,279**

2. INCOME

	(Unaudited) Six months ended 30 September 2016 £'000	(Unaudited) Six months ended 30 September 2015 £'000
Investment income	5,016	4,322
Total	**5,016**	**4,322**

Notes to the Financial Statements
(continued)

3. AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

	(Unaudited) Six months ended 30 September 2016			(Unaudited) Six months ended 30 September 2015		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
AIFM fee	(43)	(821)	(864)	(43)	(834)	(877)
Portfolio management fee	(164)	(3,117)	(3,281)	(147)	(2,777)	(2,924)
Performance fee (charge)/reversal for the period*	–	(3,758)	(3,758)	–	4,129	4,129
	(207)	(7,696)	(7,903)	**(190)**	**518**	**328**

*During the six months ended 30 September 2016, due to overperformance against the Benchmark, a charge of £3,758,000 occurred (six months ended 30 September 2015: reversal of £4,129,000). In addition during the period performance fees totalling £1,331,000 (period ended 30 September 2015: £6,073,000) crystallised and became payable.

As at 30 September 2016 total performance fees of £3,758,000 were accrued (31 March 2016: £nil). This amount consists of £1,331,000 (31 March 2016: £nil) that has crystallised and is payable, and a provision of £2,427,000 (31 March 2016: £nil). This provision, relating to outperformance generated at 30 September 2016, will only become payable at future performance fee calculation dates in the event that the current outperformance is maintained. The maximum amount that could become payable by 30 September 2017, in the event that further outperformance is achieved is £7.6 million.

See glossary beginning on page 27.

With effect from 1 April 2017 Frostrow will no longer receive a performance fee and the annual management fee payable to Frostrow will be amended as follows:

On market capitalisation up to £150 million: 0.3% (unchanged), in the range £150 million to £500 million: 0.2% (unchanged); in the range £500 million to £1 billion: 0.15% (increased from 0.125%); in the range £1 billion to £1.5 billion: 0.125% (unchanged); over £1.5 billion: 0.075% (reduced from 0.125%). In addition, Frostrow will continue to be entitled to a fixed fee per annum of £57,500.

Frostrow will still be entitled to receive any performance fee that crystallises during the year ending 31 March 2018 in respect of cumulative outperformance attained by 31 March 2017.

The fees payable to OrbiMed remain unchanged.

Notes to the Financial Statements
(continued)

4. RETURN PER SHARE

	(Unaudited) Six months ended 30 September 2016 £'000	(Unaudited) Six months ended 30 September 2015 £'000
The return per share is based on the following figures:		
Revenue return	4,040	3,218
Capital return/(loss)	176,564	(119,879)
Total return/(loss)	180,604	(116,661)
Weighted average number of shares in issue for the period/year	46,937,714	47,807,158
Revenue return per share	8.6p	6.7p
Capital return/(loss) per share	376.2p	(250.7p)
Total return/(loss) per share	**384.8p**	**(244.0p)**

The calculation of the total, revenue and capital returns/(losses) per ordinary share is carried out in accordance with IAS 33, "Earnings per Share (as adopted in the EU)".

5. NET ASSET VALUE PER SHARE

Net asset value per share

The net asset value per share is based on the assets attributable to equity shareholders of £1,036,279,000 (31 March 2016: £881,758,000) and on the number of shares in issue at the period end of 46,506,278 (31 March 2016: 47,640,045).

Diluted net asset value per share

There were no treasury shares in issue as at 30 September 2016. The diluted net asset value per share as at 31 March 2016 assumed that 198,775 treasury shares were sold back to the market at 1,758.3p per share resulting in net assets attributable to equity shareholders of £885,257,000 and on 47,839,200 shares.

6. TRANSACTION COSTS

Purchase transaction costs for the six months ended 30 September 2016 were £249,000 (six months ended 30 September 2015: £273,000).

Sales transaction costs for the six months ended 30 September 2016 were £192,000 (six months ended 30 September 2015: £187,000).

These costs comprise mainly commission.

Notes to the Financial Statements
(continued)

7. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company are listed in the Interim Management Report on page 19. An explanation of these risks and how they are managed is contained in the Strategic Report and note 16 of the Company's Annual Report & Accounts for the year ended 31 March 2016.

8. COMPARATIVE INFORMATION

The condensed financial statements contained in this half year report do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 September 2016 and 30 September 2015 has not been audited, or reviewed by the company's auditor.

The information for the year ended 31 March 2016 has been extracted from the latest published audited financial statements of the Company. Those financial statements have been filed with the Registrar of Companies. The report of the auditor on those financial statements 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 either section 498 (2) or 498 (3) 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

Alternative Investment Fund Managers Directive (AIFMD)

Agreed by the European Parliament and the Council of the European Union and transported into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (AIFs) and requires them to appoint an Alternative Investment Fund Manager (AIFM) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

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, warrants, 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.

Equity Swaps

An equity swap is an agreement in which one party (counterparty) transfers the total return of an underlying equity position to the other party (swap holder) in exchange for a one off payment at a set date. Total return includes dividend income and gains or losses from market movements. The exposure of the holder is the market value of the underlying equity position.

Your Company uses two types of equity swap:

- funded, where payment is made on acquisition. They are equivalent to holding the underlying equity position with the exception of additional counterparty risk and not possessing voting rights in the underlying; and,
- financed, where payment is made on maturity. As there is no initial outlay, financed swaps increase economic exposure by the value of the underlying equity position with no initial increase in the investments value – there is therefore embedded leverage within a financed swap due to the deferral of payment to maturity.

Gearing

Gearing is calculated as borrowings, less net current assets, divided by Shareholders' Funds, expressed as a percentage. For years prior to 2013, the calculation was based on borrowings as a percentage of Net Assets.

Glossary (continued)

Leverage

Leverage is defined in the AIFMD as any method by which the AIFM increases the exposure of an AIF. In addition to the gearing limit the Company also has to comply with the AIFMD leverage requirements. For these purposes the Board has set a maximum leverage limit of 40% for both methods. Under AIFMD this limit is expressed as 140%, where 100% represents no leverage or gearing in the Company. There are two methods of calculating leverage as follows:

The Gross Method is calculated as total exposure divided by Shareholders Funds. Total exposure is calculated as net assets, less cash and cash equivalents, adding back cash borrowing plus derivatives converted into the equivalent position in their underlying assets.

The Commitment Method is calculated as total exposure divided by Shareholders Funds. In this instance total exposure is calculated as net assets, less cash and cash equivalents, adding back cash borrowing plus derivatives converted into the equivalent position in their underlying assets, adjusted for netting and hedging arrangements.

See the definition of Options and Equity Swaps for more details on how exposure through derivatives is calculated.

Net Asset Value (NAV) per share

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.

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.

Ongoing Charges

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

Options

An option is an agreement that gives the buyer, who pays a fee (premium), the right – but not the obligation – to buy or sell a specified amount of an underlying asset at an agreed price (strike or exercise price) on or until the expiration of the contract (expiry). A call option is an option to buy, and a put option an option to sell.

Glossary (continued)

The potential loss of the buyer is limited to the higher of the premium paid or the market value of the bought option. On the other side for the seller of a covered call option (your company does not sell uncovered options) any loss would be offset by gains in the covering position, and for sold puts the potential loss is the strike price times the number of option contracts held. The exposure, used in calculating the AIFMD leverage limits, between these two bounds is determined as the delta (an options delta measures the sensitivity of an option's price solely to a change in the price of the underlying asset) adjusted equivalent of the underlying position.

Performance Fee

Dependent on the level of long-term outperformance of the Company, the Portfolio Manager and the AIFM are entitled to 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. With effect from 1 April 2017 the Company's AIFM will no longer receive a performance fee (see page 24 for further details).

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.

The effect of this is that outperformance has to be maintained for a twelve month period before the related fee is paid.

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 page 21of the Company's Annual Report & Accounts for the year ended 31 March 2016 for further information).

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

RETAIL INVESTORS ADVISED BY IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relationship to non-mainstream investment procedures and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
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/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
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/

How to Invest (continued)

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.

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, investor code, full postcode and your date of birth. Your investor code can be found on your tax voucher or certificate. 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.

For further information on this service, please contact: www.capitadeal.com (online dealing).

Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 am – 4.30 pm, Monday to Friday excluding public holidays in England and Wales).

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
Dr David Holbrook
Samuel D. Isaly
Humphrey van der Klugt
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, Company Secretary and Administrator
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 371664 0300†
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 12p per minute plus your phone company's access charge and may be recorded for training purposes. Calls outside the UK will be charged at the applicable international rate. Lines are open between 09:00 and 17:30 Monday to Friday excluding public holidays in England and Wales.

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

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Investment Company of the Year 2016,
Specialist (including Hedge Funds) Category

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