Winterflood | A Division of Marex

Fund Insight

Worldwide Healthcare Trust (WWH)

A Healthy Outlook

November 2026 | Winterflood Research | winterflood-research-contact@marex.com

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Dashboard

Team & Strategy

Investment Objective: WWH aims to generate capital appreciation by investing in the global Biotechnology & Healthcare sector.

Team: The fund is managed by Trevor Polischuk and Geoff Hsu of OrbiMed, which is the world's largest dedicated global Healthcare investor, with >$20bn AUM across public and private equity.

Philosophy: The investment approach is based on fundamental research and the portfolio represents the managers' 'best ideas'. The investable universe is broad, aiming to offer a 'one-stop shop' for Healthcare investment. The process is benchmark agnostic, and the portfolio has a bias to small cap 'emerging' Biotech.

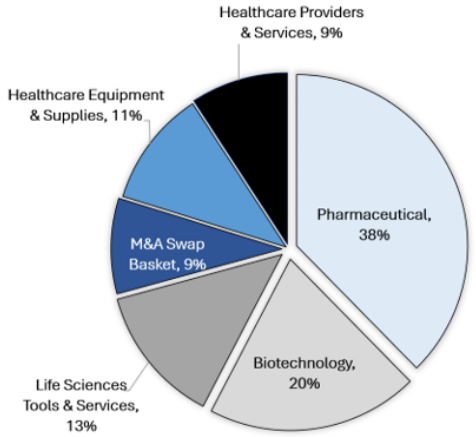
Instruments: WWH may hold up to 10% of NAV in unlisted companies, and up to 12% of GAV in swaps. As at 30 September, the portfolio comprised of 87% listed equities, 10% equity swaps, 2% unlisted companies and 1% fixed interest.

Portfolio: Top 10 Holdings

Top 10 Holdings	Portfolio%
Eli Lilly	12.6%
Biotech M&A Targets (Swaps Basket)	9.2%
Merck	6.1%
Novartis	4.8%
UnitedHealth	3.7%
Thermo Fisher Scientific	3.5%
AbbVie	2.9%
Natera	2.8%
Edwards Lifesciences	2.8%
Galderma	2.7%
Total	**51.1%**

Source: WWH, Marex Financial. Data as at 30 September 2026

Portfolio: Sector Breakdown (%)



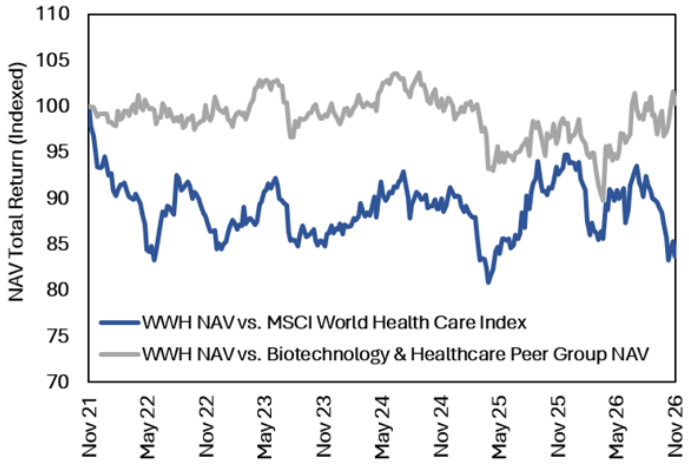
Source: WWH, Marex Financial. Data as at 30 September 2026

Key Figures

£1.3bn	Market Capitalisation (6 Nov 2026)
50	No. of Holdings (30 Sep 2026)
-7%	Discount to NAV (6 Nov 2026)
64%	Active Share vs Benchmark^ (30 Sep 2026)
0.9%	Ongoing Charges (% of NAV) (FY to 31 Mar 2026)
30%	Biotech Exposure~ (30 Sep 2026)
£197m	Buybacks Over 2026 YTD (6 Nov 2026)
2.4%	Unlisted Holdings (30 Sep 2026)

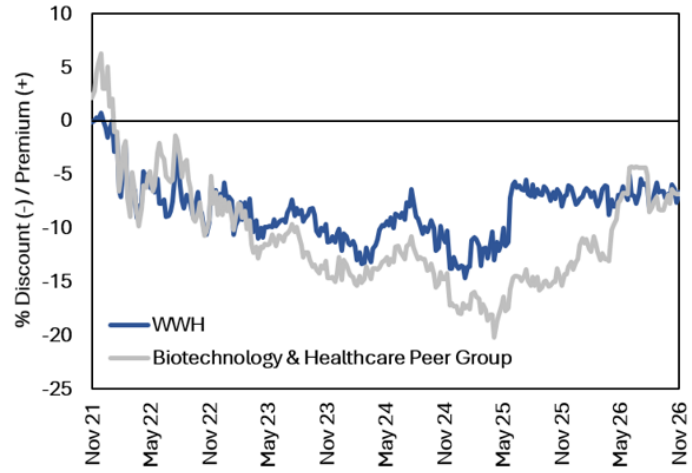
Source: WWH, Morningstar, Marex Financial.
^Benchmark is MSCI World Health Care index. ~Includes Biotech M&A basket

Performance



Source: Morningstar, Marex Financial. Data as at 6 November 2026

Discount / Premium (%)



Source: Morningstar Marex Financial. Data as at 6 November 2026

Note: *Past performance is not a reliable indicator of future results*

Our Insight

Advantages:



Team Quality: OrbiMed is a pre-eminent Healthcare investor, and the depth of resource, experience and scientific acumen that it brings to the table is helpful in managing the WWH strategy through different cycles of innovation and market conditions. The team's policy expertise will continue to be a key strength, as political volatility remains a possibility.

Portfolio Diversification: As a highly diversified Healthcare proposition in terms of geography, subsector and instrument, the WWH portfolio should exhibit some resilience across market environments. In addition, the diversification provides above-benchmark exposure to a range of themes with high growth potential, including Emerging Biotech and Emerging Markets.

Biotech M&A Exposure: A key theme in the last 18 months has been the elevated level of Biotech M&A, driven by Big Pharma's requirement to replace upcoming patent expirations. If this continues, as the managers expect, WWH is well placed to capture the benefit of this via its proprietary M&A Basket.

Discount Control: In addition to good secondary market liquidity as a result of its large size (>£1bn market cap), the fund also benefits from limited downside rating risk due to the Board's commitment to buying back shares once the discount exceeds 6%.

Challenges:

Off Benchmark: While the fund is diversified by segment, this 'best ideas' portfolio is also quite concentrated in terms of stock exposures and has a high active share. Therefore, its risk and return profile will diverge significantly from the broader Healthcare index.

Exposure to Volatility: The overweight exposures to Emerging Markets and small-cap Biotechnology imply inherently higher volatility than the index. Over the very long term, and in 2025, these science-driven convictions have been beneficial, but they clearly elevate the fund's risk profile.

Big Pharma Underweight: WWH has a strategic underweight allocation to large cap pharmaceutical companies. This restricts the fund's ability to benefit from tactical inflows into the largest Healthcare names. However, the portfolio's Pharma allocation has been notably increased over the last 18 months, reducing this potential impact.

Performance Management: WWH has underperformed its benchmark over the last five and ten years, with recent detractors including being too slow to trim prior strong performers and not owning key benchmark positions. Investors should monitor whether lessons have been learnt and if this can contribute to future long-term outperformance.

Our Insight:

Long-term Proposition: WWH is a 'one stop shop' for actively-managed exposure to the Healthcare sector, which can be viewed as a secular growth opportunity. Over the long run, the fund has demonstrated its ability to outperform its benchmark, and it makes good use of the investment trust structure via gearing, derivatives and private holdings. However, investors should note that it will perform differently from a generic Healthcare index.

Supportive Backdrop: After more than a decade of drug pricing reform in the US acting as a key overhang in the industry, this issue now seems to have been resolved. Combined with ongoing Biotech M&A, improved stability of leadership at the FDA and attractive valuations relative to broader markets, the backdrop for Healthcare equities appears supportive, including Biotechnology, where WWH retains an overweight position.

Management Changes: We see no reason why the recent management changes should cause disruption or a deviation in approach. Trevor Polischuk has been co-manager of WWH for over 10 years, while Geoff Hsu has been manager of sister fund **The Biotech Growth Trust*** since 2005. Geoff's Biotechnology specialism should complement Trevor's focus on Pharmaceuticals and broader Healthcare themes, and fits well with WWH's structural overweight to Biotech.

**Denotes a corporate broking client of Marex Financial*

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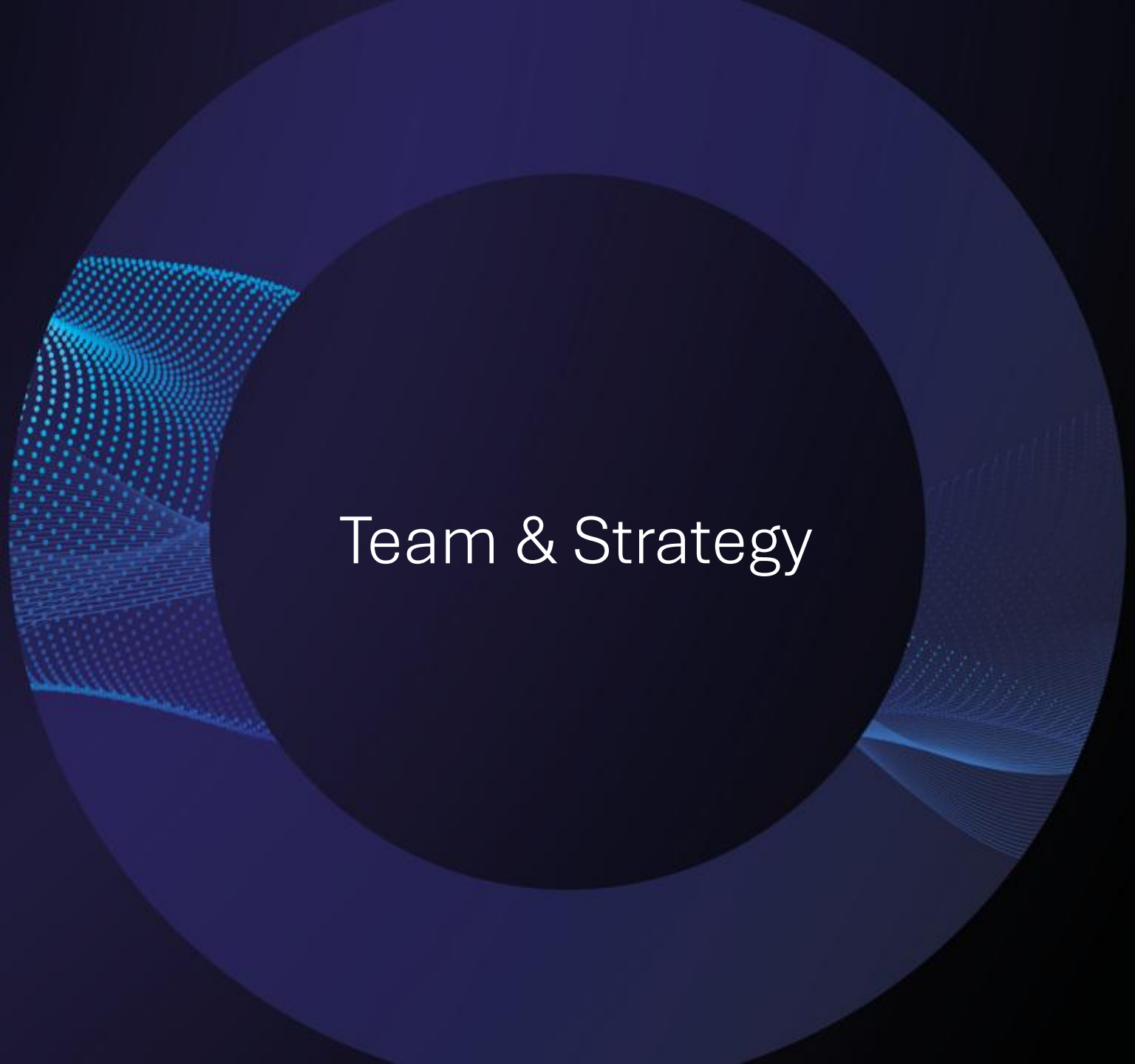
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Team & Strategy

Team & Strategy



Team: Worldwide Healthcare Trust (WWH) is managed by Trevor Polischuk and Geoff Hsu of OrbiMed Advisors. Trevor has been co-manager since 2015, and was appointed lead manager in August 2026 following the retirement of Sven Borho, when Geoff Hsu was appointed co-manager. OrbiMed has managed the fund since 1995, and is the world's largest dedicated Healthcare investor, with over $20bn AUM across public and private equity as at 30 September 2026. OrbiMed staff comprises 77 investment professionals, of which 35 have MD or PhD degrees, across 12 offices globally. The public equity team that manages WWH comprises 27 members and has c.$3.6bn AUM.



Objective: WWH aims to generate capital appreciation by investing in the global Biotechnology & Healthcare sector.



Philosophy & Process: The portfolio is invested based on fundamental research and represents the managers' 'best ideas' on a bottom-up basis. The investable universe is broad, ranging from early-stage businesses with pre-clinical assets to fully integrated biopharmaceutical companies, aiming to offer a 'one-stop shop' for Healthcare investment. The investment process is active and benchmark agnostic, leading to significant under- and overweights relative to the MSCI World Healthcare Index. WWH is differentiated from OrbiMed's wider stable by its blended approach to the Biotechnology & Healthcare sector, and its bias towards small cap 'emerging' Biotechnology and emerging markets (predominantly China).



Unlisted & Swaps: The fund may hold up to 10% of NAV in unlisted companies, and up to 12% of GAV in swaps, at the time of acquisition. Overall, OrbiMed managed $14.3bn of Private Equity assets as at 30 September 2026. Leveraged single stock equity swaps are used to access more nascent markets, such as China and India, while customised tactical swaps baskets target companies that the managers believe offer potential as acquisition targets or through upcoming clinical trial catalysts.



Gearing & Discount Control: Gearing is limited to 20% of NAV but typically remains below 10% (net gearing was 2.1% as at 30 September 2026). The fund's discount control policy aims to limit the discount to 6% of NAV in normal market conditions. In accordance with this policy, £197m of shares (c.14% of starting market cap) has been repurchased over 2026 to date (to 6 November).



Fees: OrbiMed charges an annual management fee of 0.65%. There is a performance fee (last paid in 2021), comprising 15% of the outperformance over the benchmark, subject to certain conditions. Additionally, AIFM services provider Frostrow receives a tiered fee of 0.3% p.a. of the fund's market cap up to £150m, 0.2% up to £500m, 0.15% up to £1bn, 0.125% up to £1.5bn and 0.075% thereafter. Ongoing charges were 0.9% as at 31 March 2026. *Note: shareholders do not pay these costs directly.*

The Managers Say:
"We are focused on bottom-up investing – it is in our DNA (pun intended!)"

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Portfolio

Portfolio: Characteristics

Concentration: As a 'best ideas' portfolio, WWH is relatively concentrated, with 50 holdings as at 30 September 2026. The swaps basket provides exposure to c.50 additional Biotech companies (59 as at 30 September, reduced to 39 by mid-October following a quarterly rebalance). The top 10 positions represented 51% of the portfolio, and the active share was 64%.

Portfolio Turnover: The pace of trading in the portfolio is high relative to the wider investment trust universe, at 68% turnover for the 12 months to September 2026, and commonly ranging between 40%-70%. This is not uncommon within the Healthcare & Biotechnology sector, particularly due to the binary nature of clinical trial outcomes in the Biotech sector, amongst other factors.

Instruments: As at 30 September, the portfolio comprised 87% listed equities, 10% equity swaps, 2% unlisted equity and 0.6% fixed interest. Exposure to private companies has decreased substantially in recent years, from a high of c.10% of NAV in early 2021, as the managers have been highly selective in this area given the mixed performance record of companies post-IPO. However, the team will consider private investments opportunistically as the Biotech IPO window opens. WWH is also permitted to invest up to 5% of NAV in Healthcare/Biotech debt or royalties.

	WWH	PCGH	Index
Fund Data			
Number of holdings	50	40	111
Biotech Exposure	30%	18%	18%
Net Gearing (%NAV)	2%	8%	0%
Annualised Turnover	68%	167%	n/a
Active Share	64%	71%	0%
Discount (-) / Premium (+) to NAV	-7.0%	0.9%	n/a
Market Cap (£bn)	1.31	0.49	8,317
Buybacks & Tenders LTM (£m)	226	116	n/a

Source: WWH, Morningstar, Marex Financial as at 30 September 2026. Note: Discount and Market Cap data as at 6 November 2026.

Note: 'Index' is MSCI World Healthcare Index. Polar Capital Global Healthcare Trust (PCGH) selected as WWH's closest peer by Marex Financial.

The Managers Say:

"We consider the trust as *the* one-stop shop that seeks to invest in all areas of Healthcare."

Top 10 Holdings			
Company	Region	Sector	Portfolio%
Eli Lilly	North America	Pharmaceuticals	12.6%
Biotech M&A Targets (Swaps Basket)	North America	Swap Baskets	9.2%
Merck	North America	Pharmaceuticals	6.1%
Novartis	Europe	Pharmaceuticals	4.8%
UnitedHealth	North America	Health Care Providers & Services	3.7%
Thermo Fisher Scientific	North America	Life Science Tools & Services	3.5%
AbbVie	North America	Biotechnology	2.9%
Natera	North America	Life Science Tools & Services	2.8%
Edwards Lifesciences	North America	Health Care Equipment & Supplies	2.8%
Galderma	Europe	Pharmaceuticals	2.7%
Total			**51.1%**

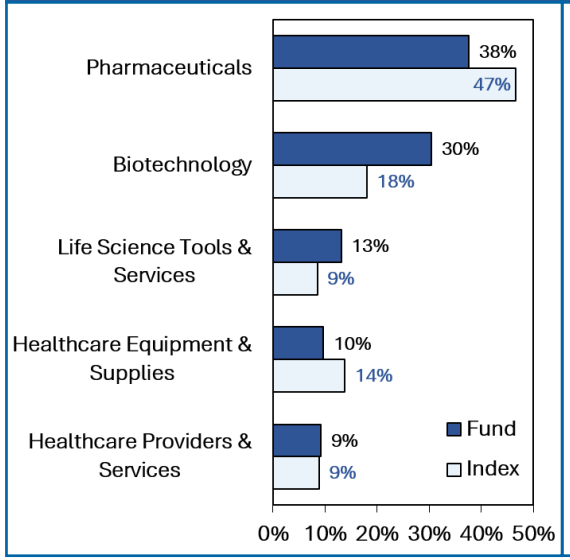
Source: WWH as at 30 September 2026

Portfolio: Sector & Geography

Sector: The top sector weightings as at 30 September were Pharmaceuticals (38%), Biotechnology (incl. M&A target basket) (30%) and Life Sciences Tools & Equipment (13%). This represents a significant Pharmaceuticals underweight relative to the index. WWH is strategically underweight Big Pharma, reflecting the benchmark's sizeable weighting in this area as well as the team's view that the quality of different Big Pharma companies diverges significantly. The Biotech weighting represents a structural overweight versus the index, as this area is viewed as the driver of sector innovation, and comprises an underweight to Big Biotech and an overweight to Emerging Biotech, reflecting OrbiMed's view on the stronger growth potential of the latter.

Geography: The largest geographic weights were North America (71%) and Europe (21%), with smaller allocations to China/Hong Kong and Japan (both 4%). While most weights are close to the benchmark, the allocation to Emerging Markets (China/India) is off-benchmark. There is also a 2% allocation to unquoted equities.

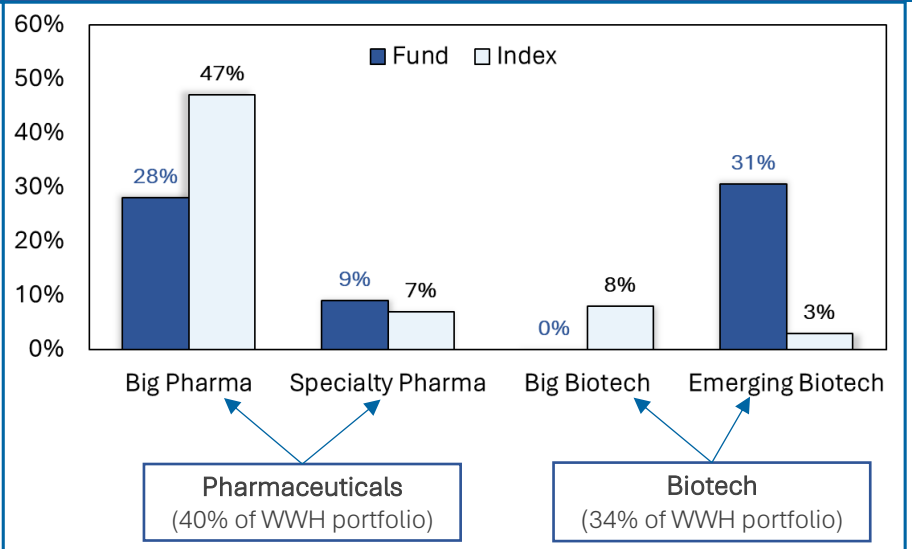
Sector Allocation



Source: WWH as at 30 September 2026

Note: 'Index' is MSCI World Healthcare Index

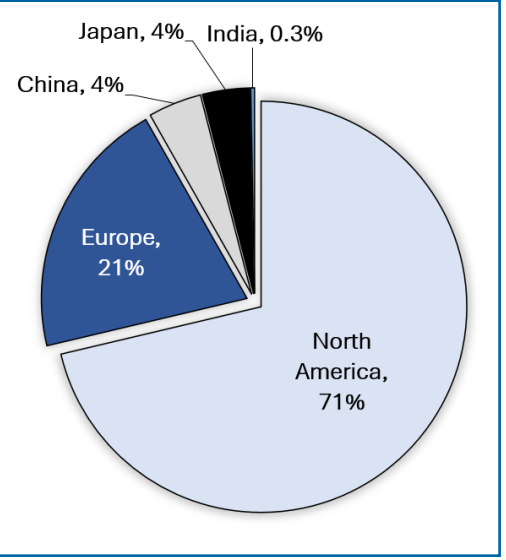
Big Pharma & Biotech Relative Sector Weights



Source: WWH as at 31 August 2026

Note: 'Index' is MSCI World Healthcare Index

Geographic Allocation



Source: WWH as at 30 September 2026

Portfolio: Changes

Pharmaceuticals: While WWH remains structurally underweight Pharmaceuticals relative to the index, the allocation to this sector has been increased substantially over the last 18 months, from 26% of the portfolio as at 31 March 2025 to 38% as at 30 September 2026. This has been driven by a more positive outlook due to drug price reform and innovation (*see Managers' Outlook section for more details*), and the addition has been positive for returns given the re-rating of the sector.

Biotechnology: At the same time, the overweight to Biotechnology has also been increased, from 27% as at 31 March 2025 to 33% as at 31 August 2026, due to the exciting innovation opportunities in this area. However, the allocation has been reduced slightly in recent months (30% as at 30 September 2026) in light of concerns over the impact of a rising interest rate environment.

Life Science Tools & Diagnostics: The exposure to this sector has been increased since the start of the current financial year (1 April 2026), partially due to share price appreciation but also the addition of new names such as CareDx (*see Managers' Outlook section for more details*). However, following a recent re-rating, the managers are carefully monitoring this space.

Medical Technology: There has been a significant reduction in this weighting over the last 18 months, from c.30% as at 31 March 2025 to c.10% at present, due to the complete exit of Boston Scientific and the reduction in the number of holdings in this area as the environment has become more challenging and volume growth at numerous companies has slowed. There are a range of reasons for the deceleration in growth, including slowing hospital procedure volumes, the expiration of enhanced Affordable Care Act subsidies, and macro headwinds such as higher financing costs and pressure on hospital budgets. Medical Technology is now an underweight exposure versus the benchmark.

Emerging Markets: The main reason for WWH's allocation to Emerging Markets over the last five years has been the significant amount of Biotech innovation in China, which is now often rivalling or even surpassing Western markets. However, the managers have reduced exposure here over the last six months (31 March 2026: 11%; 30 September 2026: 4%), primarily because of political risk; there is concern that the governments of both the US and China are no longer comfortable with the sharing of innovation, which has led to a slow down in deal making and negatively impacted valuations in China. All Emerging Markets exposure is off-benchmark.

The Managers Say:
"We have historically been overweight Biotechnology, which we view as the cradle of innovation from a therapeutic perspective."

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Performance & Rating

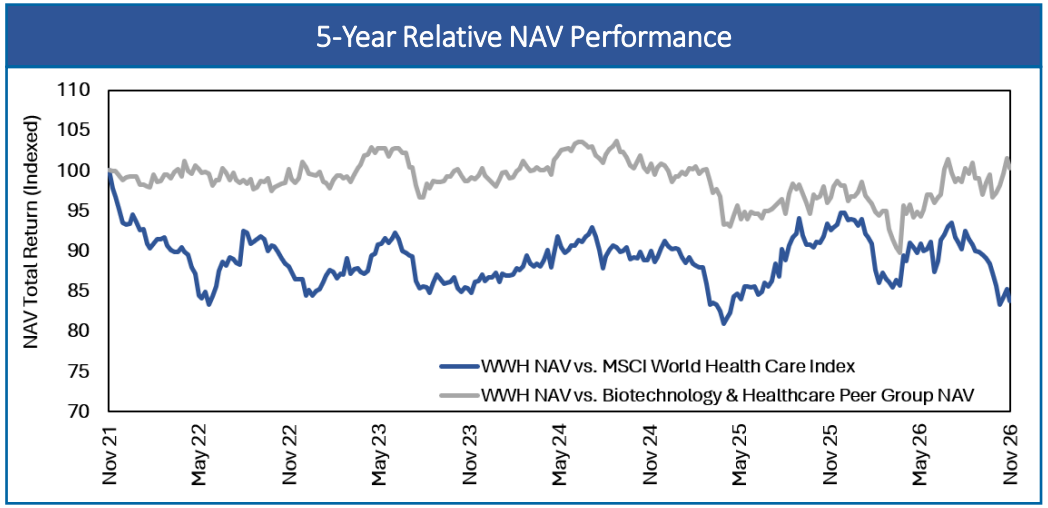
Performance

Note: *Past performance is not a reliable indicator of future results*

Track Record: Since OrbiMed's appointment in 1995, the fund has returned +13.5% p.a. on a NAV total return basis, outperforming the +10.6% p.a. return of the MSCI World Healthcare Index. Over the last five years, the fund's NAV total return (+15%) has underperformed the benchmark (+37%) but performed broadly in line with the Biotechnology & Healthcare peer group (+14%). WWH outperformed the benchmark over each of the last three full calendar years.

Turning Tide: 2025 saw the highest absolute NAV return in the last 5 years, driven by a recovery in Biotech, with a number of M&A transactions announced, supported by interest rate reductions and a supportive regulatory environment. However, the fund's NAV is only up +3% so far in 2026, primarily due to a sell off in Q1 in a more difficult macroeconomic environment around the outbreak of the war in Iran.

Performance Drivers: Positive contributions to performance over the last two years have come from a range of stocks, from large cap Pharma (e.g. Eli Lilly, AstraZeneca) to diagnostics companies to small-cap Biotech. The M&A Basket has also been a notable contributor, alongside a number of holdings that were acquired directly, as M&A has been a key theme in the therapeutic space. The principal detractor has been Boston Scientific, where the managers acknowledge that they were too slow to trim the holding earlier this year when the company's growth profile started to deteriorate, but the position has now been fully exited. Performance versus the index was also hurt by not owning Johnson & Johnson, Novartis or AbbVie, with the latter two having now been added to the portfolio.



Source: Marex Financial, Morningstar as at 6 November 2026

	Total Return (£)					
	YTD	2025	2024	2023	2022	2021
WWH (NAV)	3%	11%	7%	0%	-3%	0%
WWH (Share Price)	4%	20%	2%	-3%	-10%	-3%
MSCI World Health Care Index	16%	7%	3%	-2%	7%	21%
NASDAQ Biotechnology Index	28%	24%	1%	-1%	1%	1%
Biotechnology & Healthcare Peer Group (NAV)	1%	13%	5%	2%	-3%	5%

Source: Marex Financial, Morningstar as at 6 November 2026

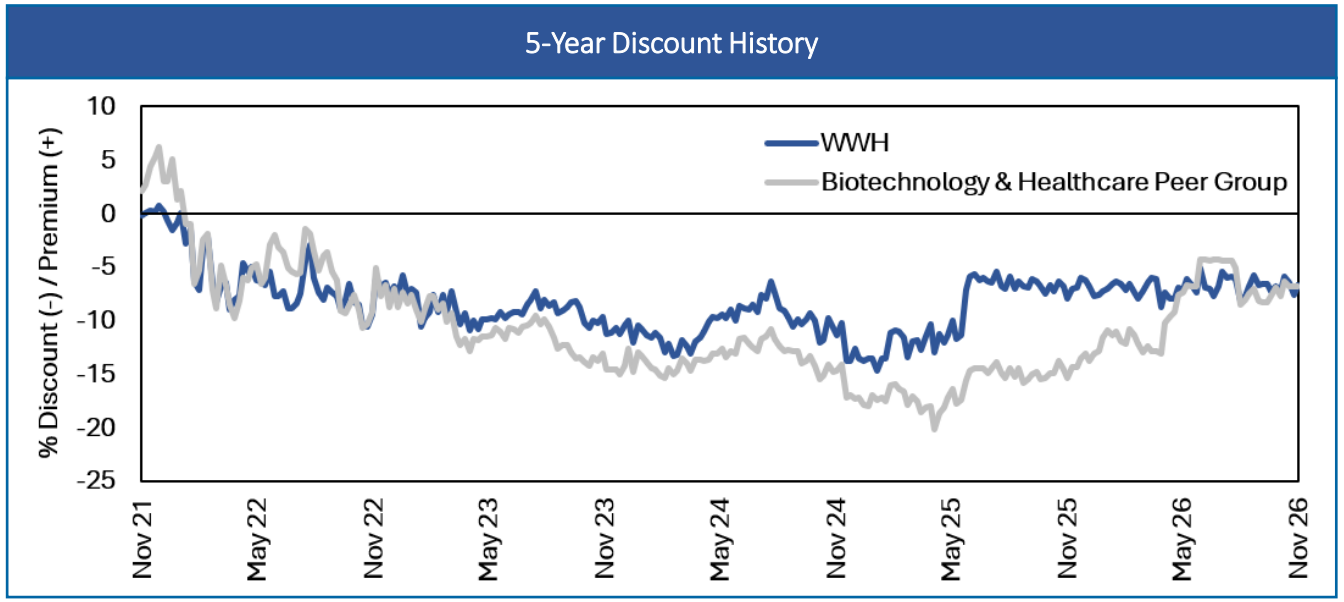
Rating

Rating: The fund traded at a -7.0% discount as at 6 November 2026, compared with a 1-year average discount of -7.0%, a 3 year average discount of -9.1% and a 5-year average discount of -8.3%. This compares to a current Biotechnology & Healthcare peer group weighted average discount of -10.4%. The peer group weighted average discount is somewhat skewed by the -26.8% discount of **Syncona (SYNC)**, which has a £759m market cap. Excluding SYNC, the peer group trades on a weighted average discount of -6.4%.

Discount Control: The WWH Board policy is to repurchase shares if the discount exceeds 6% on an ongoing basis. Nonetheless, the discount may exceed this target for extended periods, depending on market conditions.

Issuance & Buybacks: Over 2022-2025, as the fund's shares de-rated (see chart below), WWH repurchased £861m of shares (c.41% of starting share capital). Over the first 10 months of 2026, WWH repurchased £185m of shares (c.13% of starting share capital). The fund last issued shares in 2021, when it was trading on a premium.

The Managers Say:
"The Board's policy remains to buy back our shares if the discount [..] exceeds 6% on an ongoing basis"



Source: Marex Financial, Morningstar as at 6 November 2026

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Peer Group

Peer Group: Composition

In addition to WWH, the **Biotechnology & Healthcare** peer group consists of mandates with the following investment objectives:

Biotech Growth Trust* (BIOG): Generate capital appreciation by investing in the global Biotech sector.

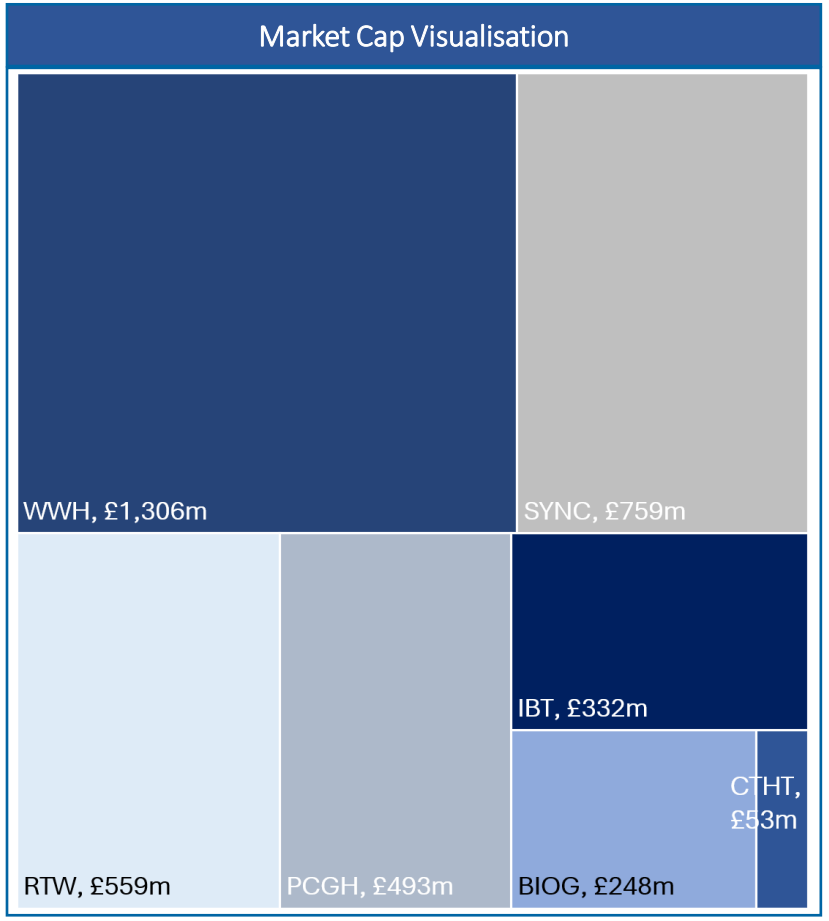
CT Healthcare Trust (CTHT): Providing absolute returns by investing in a diversified portfolio of equity(-linked) securities with exposure to the global Healthcare market, incl. short positions and derivatives.

International Biotechnology Trust (IBT): Generate long-term capital growth by investing in Biotech and other Life Sciences companies.

Polar Capital Global Healthcare (PCGH): Generate capital growth by investing in a diversified global portfolio of (listed) Healthcare companies, with a multi-cap approach.

RTW Biotech Opportunities (RTW): Achieve superior long-term capital appreciation through a diversified portfolio of investments, with a focus on forming, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies.

Syncona (SYNC): Achieve superior long-term capital appreciation by investing in Life Sciences growth opportunities, while returning £250m from realising mature portfolio assets.



Source: Marex Financial, Morningstar as at 6 November 2026

* Denotes a corporate client of Marex Financial

Peer Group: Metrics

Rating: As at 6 November 2026, WWH was trading at the fourth widest discount to NAV (-7.0%) in the peer group, with only **Polar Capital Global Healthcare (PCGH)** trading at a premium (+0.9%).

Yield: As at 6 November, WWH had the third highest 12-month trailing dividend yield in the peer group (0.6%), while many peers do not pay a dividend.

Net Issuance[1]**:** On a net basis, WWH has bought back 27% of its current market capitalisation over the 12 months to 6 November 2026, which is ahead of the peer group weighted average. PCGH is the only fund to have issued shares on a net basis.

Cost: WWH has the joint-lowest ongoing charges ratio (including performance fees) in the peer group (0.9% of NAV). *Please note that shareholders do not pay these costs directly.*

Ticker	Name	Sub-Sector	Premium (+) / Discount (-) (NAV)	Average Premium (+) / Discount (-) 12m	Z-Score 12m	Market Capitalisation (£m)	Dividend Yield 12m	Gearing (+) / Net Cash (-) %NAV	Net Issuance 12m	Ongoing Charges %NAV
BIOG	Biotech Growth Trust*	Biotechnology & Healthcare	-8.4%	-7.9%	-0.3	248	0.0%	0.0%	-27.4%	1.10%
CTHT	CT Healthcare Trust	Biotechnology & Healthcare	-3.8%	-5.4%	0.5	52	4.2%	0.0%	-188.4%	1.34%
IBT	International Biotechnology Trust	Biotechnology & Healthcare	-2.0%	-6.5%	1.7	332	3.0%	10.5%	-6.5%	1.20%
PCGH	Polar Capital Global Healthcare	Biotechnology & Healthcare	0.9%	0.5%	0.3	493	0.5%	7.2%	5.6%	0.90%
RTW	RTW Biotech Opportunities ($)	Biotechnology & Healthcare	-13.3%	-14.9%	0.4	559	0.0%	-0.7%	-1.7%	1.75%
SYNC	Syncona	Biotechnology & Healthcare	-26.8%	-40.2%	2.1	759	0.0%	-0.2%	0.0%	1.62%
WWH	Worldwide Healthcare Trust*	Biotechnology & Healthcare	-7.0%	-7.0%	0.5	1,306	0.6%	2.1%	-26.8%	0.90%
	Average		**-8.6%**	**-11.6%**	**0.7**	**536**	**1.2%**	**2.7%**	**-35.0%**	**1.26%**
	Weighted Average		**-10.5%**	**-13.9%**	**0.8**		**0.6%**	**2.5%**	**-13.9%**	**1.22%**

Source: Marex Financial, Morningstar as at 6 November 2026

[1] Net share issuance (net share buybacks if negative) over the last 12 months as a percentage of current market capitalisation. Excludes issuance/buybacks resulting from IPOs, Tenders, Redemptions, Share Conversions, Consideration Shares, Treasury Share Cancellations and Mergers

Peer Group: Performance

Note: *Past performance is not a reliable indicator of future results*



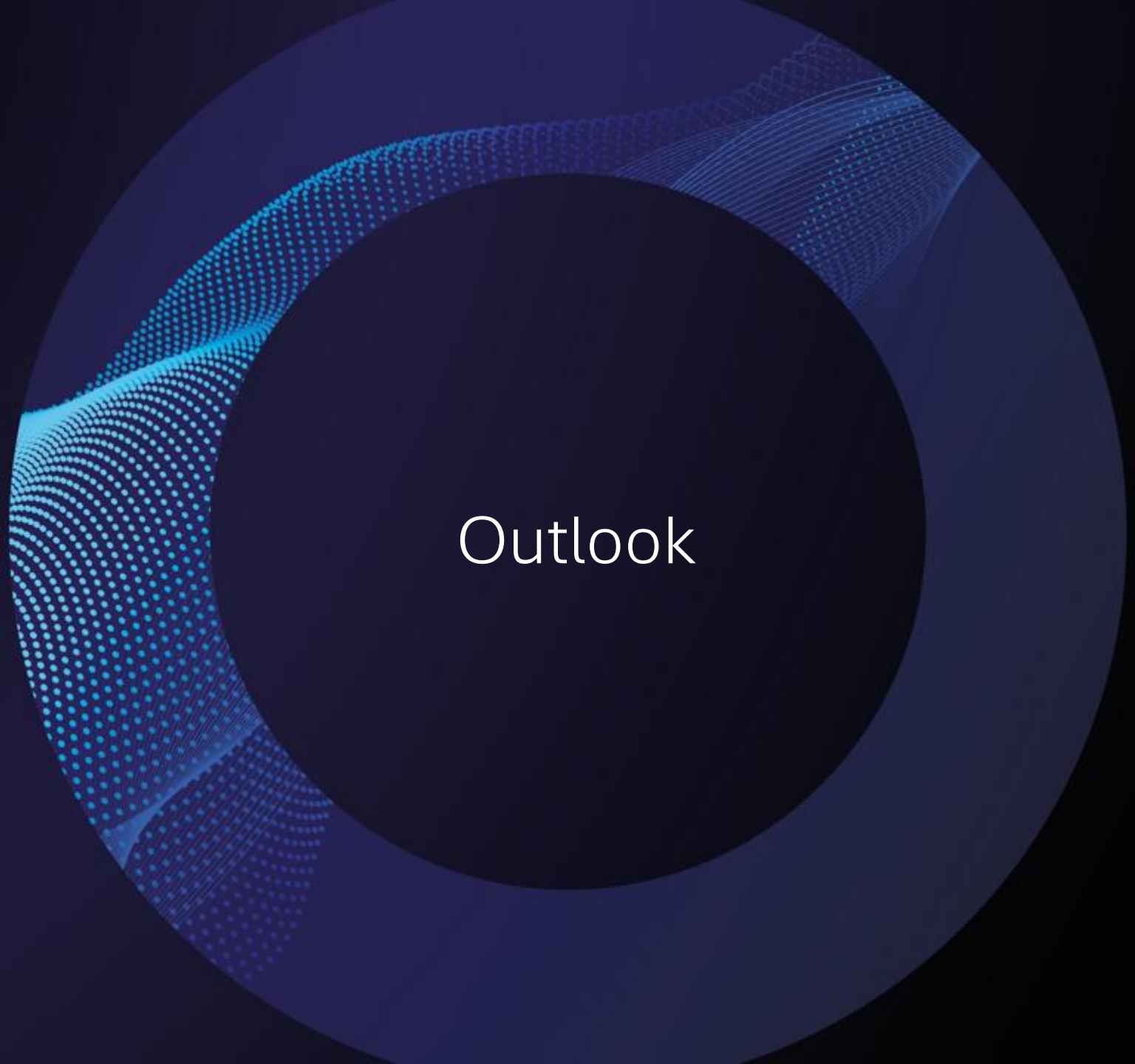
NAV Total Return: As at 6 November 2026, WWH trailed the peer group weighted average on a NAV total return basis over the last 1, 3 and 5 years.

Share Price Total Return: As at 6 November, WWH trailed the peer group on a share price total return basis over the last 1, 3 and 5 years.

			NAV Performance (Total Return, in £)						Price Performance (Total Return, in £)					
Ticker	Name	Sub-Sector	1M	3M	6M	1Y	3Y	5Y	1M	3M	6M	1Y	3Y	5Y
BIOG	Biotech Growth Trust*	Biotechnology & Healthcare	-3%	-18%	-2%	25%	81%	11%	-6%	-19%	1%	25%	79%	11%
CTHT	CT Healthcare Trust	Biotechnology & Healthcare	0%	-11%	-10%	0%	6%	-24%	-1%	-11%	-3%	1%	14%	-27%
IBT	International Biotechnology Trust	Biotechnology & Healthcare	0%	-9%	-1%	19%	91%	63%	-2%	-2%	9%	29%	107%	72%
PCGH	Polar Capital Global Healthcare	Biotechnology & Healthcare	7%	3%	14%	14%	40%	40%	6%	3%	19%	17%	57%	55%
RTW	RTW Biotech Opportunities ($)	Biotechnology & Healthcare	0%	-4%	4%	14%	84%	48%	0%	-6%	8%	30%	112%	24%
SYNC	Syncona	Biotechnology & Healthcare	0%	0%	0%	2%	-4%	-1%	2%	15%	40%	26%	-7%	-37%
WWH	Worldwide Healthcare Trust*	Biotechnology & Healthcare	6%	1%	13%	9%	31%	15%	6%	3%	15%	9%	37%	8%
	Average		**1%**	**-5%**	**3%**	**12%**	**47%**	**22%**	**1%**	**-3%**	**13%**	**20%**	**57%**	**15%**
	Weighted Average		**3%**	**-2%**	**7%**	**11%**	**41%**	**23%**	**3%**	**2%**	**18%**	**19%**	**51%**	**13%**
	MSCI World Health Care Index		10%	11%	23%	20%	33%	37%	10%	11%	23%	20%	33%	37%

Source: Marex Financial, Morningstar as at 6 November 2026

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Outlook

Managers' Outlook



Structural Growth Drivers: The managers of WWH believe that strong structural drivers are creating predictable, secular growth for the Healthcare industry. These growth drivers include a growing global population and increased care demand, due to rising affluence and life expectancy. As a result, they expect increasing expenditure and continued scientific innovation. In addition, they highlight that every part of the healthcare ecosystem is being positively impacted by AI. WWH is positioned to benefit from this secular growth trend as it can invest in all geographies, sub-sectors and market caps across the healthcare spectrum.



Drug Price Reform: Trevor Polischuk thinks that the biggest catalyst in the Healthcare sector in at least the last 10 years has been drug price reform in the US, following a decade of this acting as a key overhang and potential threat in the industry. In September 2025, Pfizer signed an agreement with the Trump Administration, which spared the company from tariffs and created certainty in the domestic drug pricing environment that will increase affordability for patients in the US who need this the most and will also protect innovation by attempting to raise drug prices in other developed nations. Many other global Pharma companies subsequently signed similar deals, with 90% of the branded pharmaceutical market in the US now having agreements in place. Share prices have responded, with Biotech stocks up +62% and Pharma up +32% in the 11 months following the Pfizer deal, versus +16% for the S&P 500. The managers expect this momentum to continue now that a key headwind has been removed.



Ongoing M&A: Another key theme in the last 18 months has been the abundance of Biotech M&A in the therapeutic space. WWH has been able to capture this benefit via its proprietary M&A Basket, a portfolio of actively selected companies that the team thinks will be acquired or will see share price rises if a similar company is acquired. Trevor Polischuk expects the elevated level of transactions to continue in the near term, as there is still $0.25trn in branded revenue facing generic or biosimilar competition in the remainder of the 2020s, which acts as a clear motivator for large-cap companies to continue acquiring other firms.



FDA Turmoil: Following significant turnover of leadership at the FDA over the 18 months from the beginning of 2025, the managers of WWH think that the future will be more stable, with most of the non-industry friendly individuals having now been removed. In addition, despite this leadership volatility, new drug approvals remain at the historical average level.



Interest Rates: In response to the higher for longer or rising interest rate environment, the managers reduced the portfolio's Biotech allocation slightly. However, they find that Biotech share prices are more correlated with changes in interest rates rather than the absolute level, with the innovation and M&A in the sector able to offset the impact of higher rates once the increases have stopped.

The Managers Say:
"Healthcare represents roughly 10% of the global economy and we expect that to more than double into the next decade."

Managers' Outlook



Accelerating Innovation: The managers highlight the acceleration of scientific innovation in recent years, which has created a number of products that generate revenues of $10bn+ a year. Trevor Polischuk expects dozens more of these 'mega blockbuster' medicines to be created, across a variety of fields, including:

- **Obesity**: The managers of WWH remain bullish on GLP-1 weight-loss drugs, despite some recent share price volatility, as the market is expanding and the products are improving. The team expects revenues to continue to grow from already record-breaking levels, driven by: the roll-out of oral delivery mechanisms; global expansion; further demand growth from the US; and expansion for use beyond diabetes and weight loss. The team views Eli Lilly, which has products such as Mounjaro, as the current leading company in this area; this stock is WWH's largest holding (13% of assets as at 30 September).

- **Cardiovascular**: Within cardiovascular disease, novel innovation is believed to be driving a significant wave of value creation. A number of companies are developing medicines for a variety of categories within cardiovascular, and each category is expected to have the potential to generate billions of dollars of annual revenue due to the prevalence and severity of cardiovascular events.

- **Oncology**: Replacing the one-size-fits-all chemotherapy approach of previous decades, therapies today are more targeted and personalised, and innovation in this area remains at extremely high levels. Global sales of oncology medicines are expected to nearly double to >$400bn by 2028.

- **Liquid Biopsy**: This uses AI-driven diagnostics to lead to earlier detection, better treatments, superior outcomes and long-term surveillance, for solid tumour cancers and organ transplants. This technology is at a reasonably early stage but has been fully validated, with increasing approvals in various markets and growing adoption rates fuelling considerable share price re-ratings. The portfolio has exposure to this theme via holdings in Guardant Health, Natera, Caris Life Sciences and CareDx.



Attractive Valuations: Despite this significant innovation, Healthcare stocks still trade at a discount to the wider market. Overall, the S&P 500 Healthcare Index traded at a -5% valuation discount to the S&P 500 at the end of August, based on 2027 forward P/E ratios, with all sub-sectors trading at lower multiples than the US market except for Diagnostics. The managers of WWH therefore think it is an exciting entry point for investors wanting to add to or enter the Healthcare sector.

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Glossary & Disclaimer

Glossary



- ✓ **Active Share:** The degree to which the composition of the portfolio diverges from its benchmark or reference index, expressed as a percentage of NAV.
- ✓ **AIFM:** An Alternative Investment Fund Manager (AIFM) is a regulated entity responsible for the portfolio management and risk management of a collective investment vehicle.
- ✓ **Discount/Premium to NAV**: The percentage difference between the share price of an investment trust and its NAV per share. A positive difference is a Premium to NAV, while a negative difference is a Discount to NAV.
- ✓ **Equity Swap:** A financial derivative contract enabling exposure to share price performance without owning the stock.
- ✓ **GAV:** Gross Asset Value, total value of all assets (including cash), without deduction of liabilities (debt).
- ✓ **Gearing:** The debts of a fund, used as leverage to increase exposure, expressed as a percentage of NAV.
- ✓ **NAV:** Net Asset Value, the difference between a fund's assets and liabilities.
- ✓ **Net Issuance:** In the context of this report, the term Net Issuance is used to indicate net share issuance (net share buybacks if negative) over the last 12 months as a percentage of current Market Capitalisation. Excludes issuance/buybacks resulting from IPOs, Tenders, Redemptions, Share Conversions and Treasury Share cancellations.
- ✓ **Ongoing Charges:** Annual percentage reduction in shareholder returns as a result of a fund's recurring operational expenses, assuming markets remain static and the portfolio is not traded.
- ✓ **P/E Ratio**: Price to Earnings (P/E) ratio is a company's share price divided by its earnings per share.
- ✓ **Portfolio Turnover:** Measures how frequently the assets in an investment portfolio are bought and sold over a given period; annual portfolio turnover calculated as the lower of the value of purchases and sales in a financial year, divided by the average portfolio value over the year.
- ✓ **Total Return:** Investment returns over a given period, assuming any dividends paid over this period have been reinvested.
- ✓ **Z Score:** Statistical indicator of current Discount/Premium deviation from 12-month average.

For more, see https://www.theaic.co.uk/aic/glossary

Disclaimer

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- **Look at the Key Links** (see panel on right) for further information of the risks and explanation of key terms.
- **Investment trusts** can use **gearing** which can offer the chance to boost the trust's profit but also **increases the risk**.

Key Links

- → Glossary of Key Terms
- → AIC Guide to Investment Trusts
- → Key Information Document (WWH)
- → Investor Disclosure Document (WWH)
- → Annual Report (WWH)
- → Factsheet (WWH)
- → Homepage (WWH)

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