Worldwide Healthcare Trust

A one-stop shop for global healthcare exposure

Investment companies
Global healthcare equities

25 June 2025

Worldwide Healthcare Trust (WWH) is celebrating its 30-year anniversary. While recent performance is not what co-managers Sven Borho and Trevor Polischuk at global healthcare specialist OrbiMed would have wished for, this should be put into perspective. Since its launch in April 1995 until the end of FY25 (31 March), the trust has generated average annual NAV total returns of 13.4%. WWH has also outperformed its benchmark by a considerable margin over this period. The managers retain a positive outlook for the healthcare sector, including for biotech stocks, which have been the primary reason for WWH's underperformance. The trust's performance is yet to recover from a tough period between Q121 and Q222 when growth stocks, including biotech, came under pressure in a rising interest rate environment.

OrbiMed presentation at the May 2025 Frostrow Conference

OrbiMed

Why consider WWH?

Reflecting on WWH's first 30 years, Borho describes seven important lessons learned: biology and chemistry are complex; a lot of things fail; beware value traps; innovation comes in waves; innovation is accelerating; innovation drives returns; and stick with the long-term proven strategy during periods of stress or volatility. The managers have maintained their long-term strategy. In their pursuit of innovation and growth, since WWH was launched, the weighting in innovative biotech stocks has remained around 30% of the portfolio, which has been largely funded by an underweight exposure to large-cap pharma stocks. The trust currently has an above-average exposure to medtech companies, which have been less affected than other areas of healthcare by President Trump's policy changes.

WWH's managers seek differentiated growth opportunities. For example, they have invested in non-benchmark stocks in emerging markets for many years and one of the trust's largest holdings is a biotech M&A target swap basket, which is a derivative product constructed and managed by OrbiMed and made up of 20 biotech companies that the firm considers to be the most likely M&A targets.

Although biotech stocks have been weak for a long time, Borho and Polischuk see multiple reasons for improved performance. These include innovation, with advancements in the treatment of major conditions such as Alzheimer's disease and cancer expected in the coming years. Biotech valuations also look very attractive, which, combined with a high level of innovation and pharma companies facing a major patent cliff, creates an environment conducive to an acceleration in M&A.

Price		**297.00p**
Market cap		**£1,399m**
Total assets		**£1,562m**
NAV		318.1p
[1]At 23 June 2025.		
Discount to NAV		6.6%
Current yield		0.8%
Shares in issue		471.2m
Code/ISIN		WWH/GB00BN455J50
Primary exchange		LSE
AIC sector		Biotechnology & Healthcare
Financial year end		31 March
52-week high/low	371.0p	265.5p
NAV high/low	408.7p	308.3p
Net gearing		(4.2)%

[1]Net cash position at 31 May 2025.

Fund objective

Worldwide Healthcare Trust is a specialist investment trust that invests in the global healthcare sector, with the objective of achieving a high level of capital growth. Gearing and derivative transactions are used to enhance capital returns and mitigate risk. Performance is measured against the MSCI World Health Care Index (sterling adjusted).

Bull points

- Specialised healthcare fund diversified by subsector, geography and market cap.
- Significant long-term record of outperformance versus the benchmark.
- Managers are able to draw on the very deep resources of OrbiMed's investment team.

Bear points

- Disappointing medium-term relative performance.
- Periodic political risk from investing in healthcare stocks.
- Modest dividend yield.

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Edison profile page

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WWH: Seeking a return to form

Recent performance has been tough for this global healthcare one-stop shop that has a clear focus on innovation and growth. However, it has continued with its long-term strategy of favouring emerging (smaller-cap) biotech firms over pharma companies due to their higher levels of innovation and potentially greater shareholder returns.

Over the long term, this has been a winning formula. From inception in April 1995 to 31 March 2025, the trust generated an NAV total return of +4,253.8% and a share price total return of +3,599.7%, which compares with the benchmark's +2,354.2% total return. To provide a broader context, the UK market's total return over the 30-year period was +713.0%.

There has been a range of factors contributing to the underperformance of biotech stocks, including higher interest rates, which put pressure on the valuations of growth companies, while increasing their funding costs. A surge in biotech company IPOs included some companies that came to the market too early and were unsuccessful, which negatively affected investor sentiment towards the sector. WWH's managers believe that biotech stocks have bottomed and are well positioned to perform relatively better.

The healthcare sector

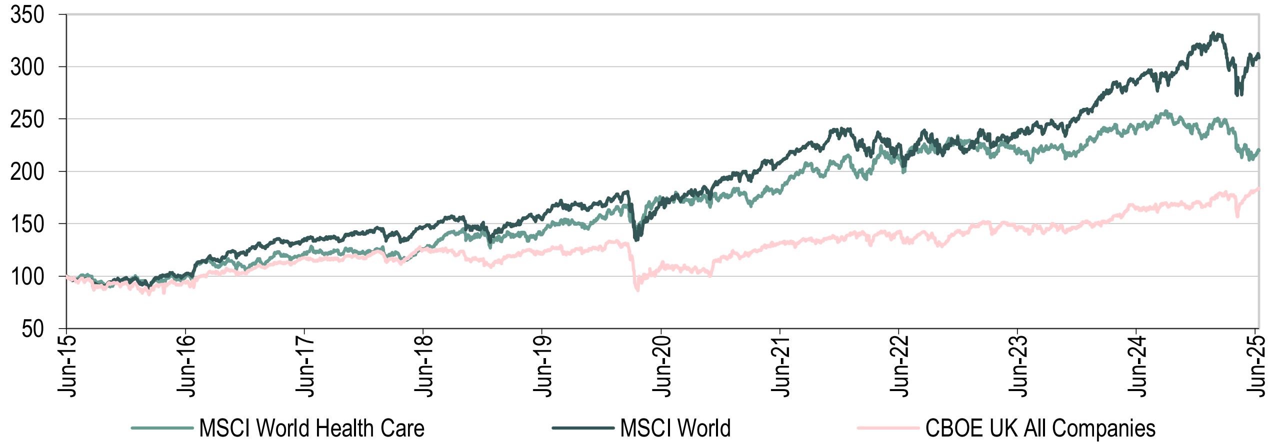
Historically, the healthcare sector has delivered pretty good absolute and relative returns for shareholders. However, the last few years have shown that investors need to be more selective. Healthcare stocks outperformed by a meaningful amount in the 2022 market downturn, when it seemed that energy was the only game in town. However, they performed poorly in 2023 and 2024 when the IT and communication services sectors, and the 'Magnificent Seven' stocks in particular, led the market, and have continued to underperform in 2025, despite a change in stock market leadership. Many healthcare stocks continue to have robust fundamentals, but there are concerns about the regulatory environment, which has become more uncertain under President Trump. Other considerations include the looming patent cliff affecting major pharma companies and the biotech sector, which has experienced its largest and most prolonged drawdown ever. As a result, the healthcare sector is looking very attractively valued, which may provide a good opportunity for long-term investors. Considering the valuation of Datastream indices, the World DS pharma index is trading on a forward P/E multiple of 14.7x, which is a 15.7% discount to the DS World index and a 32.8% discount to the DS US index. These differentials are much wider than the 10-year average discount of 3.1% versus the world index, and the 17.7% discount versus the US index.

Exhibit 1: Total return performance of S&P 500 sectors

	5M25		2024		2023		2022		2021		2020
Utilities	9.1	Comm'n services	40.2	IT	57.8	Energy	65.4	Energy	54.4	IT	43.9
Industrials	8.8	IT	36.6	Comm'n services	55.8	Utilities	1.6	Real estate	46.1	Cons discretionary	33.3
Consumer staples	8.5	Financials	30.5	Cons discretionary	42.3	Consumer staples	(0.6)	Financials	34.9	Comm'n services	23.6
Financials	5.8	Cons discretionary	30.1	Industrials	18.1	Healthcare	(2.0)	IT	34.5	Materials	20.7
Materials	3.6	Utilities	23.4	Materials	12.6	Industrials	(5.5)	Materials	27.3	Healthcare	13.5
Comm'n services	3.6	Industrials	17.3	Real estate	12.3	Financials	(10.6)	Healthcare	26.1	Industrials	11.1
Real estate	3.4	Consumer staples	14.9	Financials	12.1	Materials	(12.3)	Cons discretionary	24.4	Consumer staples	10.8
IT	(1.6)	Energy	5.7	Healthcare	2.1	Real estate	(26.2)	Comm'n services	21.6	Utilities	0.5
Healthcare	(3.1)	Real estate	5.2	Consumer staples	0.5	IT	(28.2)	Industrials	21.1	Financials	(1.8)
Energy	(3.9)	Healthcare	2.6	Energy	(1.4)	Cons discretionary	(37.0)	Consumer staples	18.6	Real estate	(2.2)
Cons discretionary	(6.0)	Materials	0.0	Utilities	(7.1)	Comm'n services	(39.9)	Utilities	17.7	Energy	(33.7)
Total	**1.1**	**Total**	**25.0**	**Total**	**26.3**	**Total**	**(18.1)**	**Total**	**28.7**	**Total**	**18.4**
Healthcare rank	9		10		8		6		6		5
Perf vs market	(4.2)		(22.4)		(24.2)		16.2		(2.6)		(4.9)

Source: Bloomberg

Exhibit 2: Rebased performance of indices over the last decade (£)

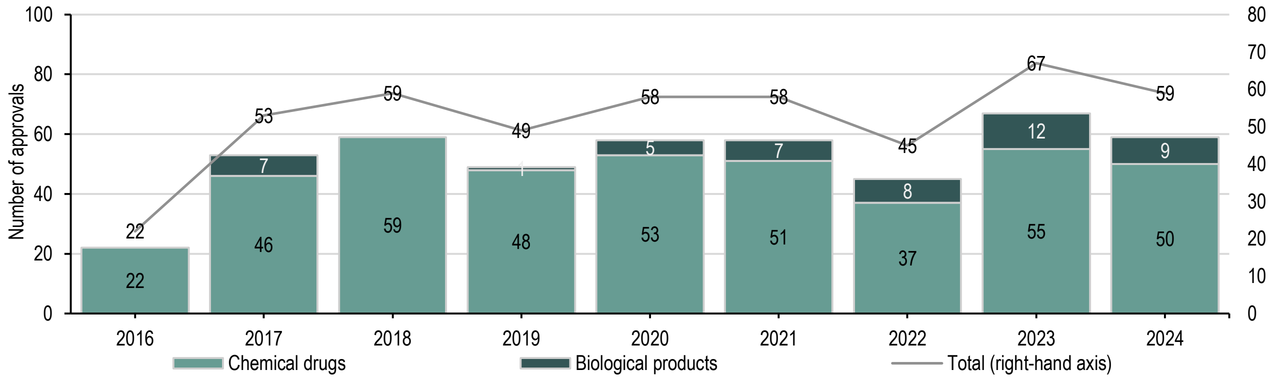


Source: LSEG Data & Analytics, Edison Investment Research

Perspectives from OrbiMed

At a recent conference hosted by WWH's alternative investment fund manager Frostrow Capital, the trust and its stable-mate, Biotech Growth Trust (BIOG), were represented by one of BIOG's managers, Geoff Hsu, who works closely with Borho and Polischuk. The OrbiMed managers remain positive on the outlook for healthcare, and emerging biotech companies in particular, based on high levels of innovation. Over the last 15 months there have been a series of important approvals for biotech drugs; if they are successful, they have mega-blockbuster (billion-dollar) potential. An example is Akeso Biopharma and Summit Therapeutics' ivonescimab for the treatment of non-small cell lung cancer. Drug approvals at the US Food and Drug Administration (FDA) remain strong. There was a step-up in approvals in the first year of Trump's first presidency and now, nearly 450 new drugs have been approved over the last eight years. Of the eight notable approvals in 2024, all are generating more than $1bn in sales.

Exhibit 3: FDA new product approvals since 2016



Source: OrbiMed, Edison Investment Research

Biotech stocks have underperformed the US market for a protracted period. In the four years to the end of March 2025, the US market rose by c 60% and the healthcare sector by c 35%, but small-cap stocks were barely in positive territory. Small-cap biotech stocks performed much worse, falling by around 45%. This is the longest and deepest drawdown in the biotech sector's history. The managers now expect the performance gap to narrow, with biotech valuations at record lows, based on median market cap versus net cash on the balance sheet. They believe that an uptick in M&A will be the catalyst for better biotech performance. There is a looming patent cliff affecting around $250bn in branded sales, so pharma companies are acquiring to fill their product pipelines. Medicare drug price negotiations are due to start in 2026, and there is increased urgency to acquire ahead of this. Around 30% of the biotech industry are trading at market caps below the level of cash on their balance sheets. Innovation is at an all-time high; two-thirds of the drug industry pipeline is from emerging biotech companies.

While the political environment under Trump is not straightforward, the OrbiMed managers think that, on balance, the positives outweigh the uncertainties. Positive points include potential changes to drug price reform, extended patents for small-molecule drugs, more M&A under the new head of the Federal Trade Commission and an environment that is pro-innovation with less regulation. Uncertainties include a vaccine sceptic as head of the US Department of Health and Human Services, government spending cuts and the introduction of pharmaceutical tariffs.

Borho and Polischuk have a 'playbook' for 2025 and beyond. They have an overall bullish outlook for the sector, and WWH in particular, as they anticipate an increased level of M&A, an improvement in the performance of biotech stocks and that political uncertainties will subside. The managers believe that investing in innovation is the correct strategy for creating long-term value for the trust's shareholders.

Current portfolio positioning

At the end of May 2025, there were 49 holdings in WWH's portfolio, which was four less than a year earlier. Its active share was higher at 69.2% versus 62.8% at the end of May 2024; this is a measure of how a fund differs from its benchmark with 0% full index replication and 100% no commonality. WWH's top 10 holdings made up 59.7% of the portfolio, which was a modestly higher concentration compared with 56.8% a year before; six positions were common to both periods.

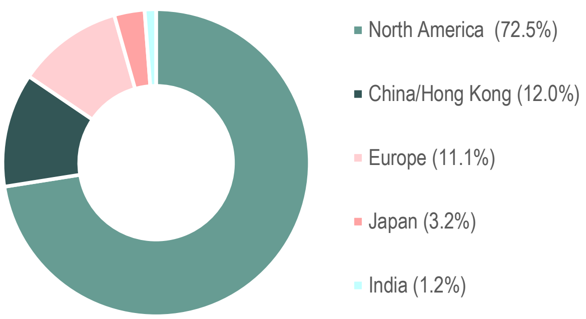
Exhibit 4: Top 10 holdings at the end of May 2025

Company	Region	Sector	End May 2025	End May 2024
Boston Scientific	North America	Healthcare equipment & supplies	10.0	6.7
Eli Lilly & Co	North America	Pharmaceuticals	9.3	8.0
Biotech M&A target swap	North America	Swap baskets	8.8	6.9
AstraZeneca	Europe	Pharmaceuticals	6.5	6.5
Intuitive Surgical	North America	Healthcare equipment & supplies	5.5	5.4
Stryker	North America	Healthcare equipment & supplies	4.9	N/A
Jiangsu Hengrui Pharmaceuticals	China	Pharmaceuticals	4.0	N/A
UnitedHealth	North America	Healthcare provider & services	3.9	N/A
Edwards Lifesciences	North America	Healthcare equipment & supplies	3.6	N/A
Daiichi Sankyo	Japan	Pharmaceuticals	3.2	3.8
Top 10			**59.7**	**56.8**

Source: WWH, Edison Investment Research. Note: N/A where not in end May 2024 top 10.

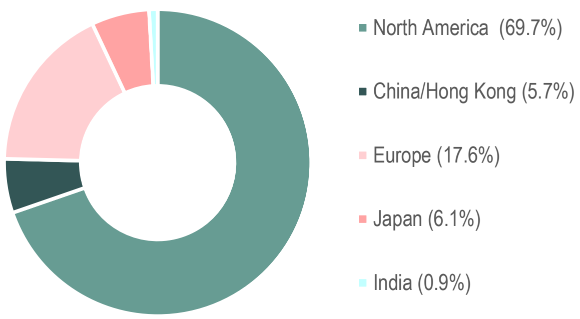
WWH's geographic exposure is shown below. In the 12 months to the end of May 2025, the largest changes were a lower European weighting (-6.5pp), which was broadly offset by a higher allocation to China/Hong Kong (+6.3pp). As a reminder, the benchmark only has exposure to developed markets, whereas WWH also invests in emerging markets. The US remains dominant in the global healthcare sector and, at the end of May 2025, made up 70.3% of the MSCI World Healthcare Index.

Exhibit 5: Geographic exposure at 31 May 2025



Source: WWH, Edison Investment Research

Exhibit 6: Geographic exposure at 31 May 2024



Source: WWH, Edison Investment Research

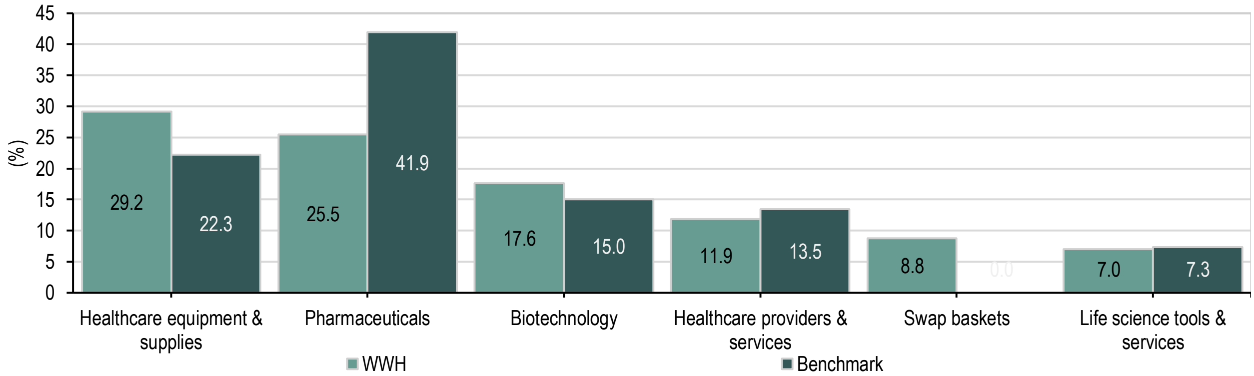
In terms of WWH's sector exposure, in the 12 months to 31 May 2025, there was a notable increase in healthcare equipment & supplies stocks (+10.4pp), which more than offset the 8.7pp lower weighting in pharma companies. At the end of May 2025, this was the largest active weight at 16.4pp below the index. Biotechnology remained the largest overweight at 11.4pp (which includes the swap baskets). WWH now has a notable overweight exposure to healthcare equipment & supplies companies (+6.9pp at 31 May 2025).

Exhibit 7: Sector breakdown at 31 May 2025

% unless stated	Portfolio May 2025	Portfolio May 2024	Change	Benchmark May 2025	Active weight (pp)
Healthcare equipment & supplies	29.2	18.8	10.4	22.3	6.9
Pharmaceuticals	25.5	34.2	(8.7)	41.9	(16.4)
Biotechnology	17.6	19.2	(1.6)	15.0	2.6
Healthcare providers & services	11.9	13.1	(1.2)	13.5	(1.6)
Swap baskets	8.8	6.9	1.9	0.0	8.8
Life science tools & services	7.0	7.8	(0.8)	7.3	(0.3)
	100.0	100.0		100.0	

Source: WWH, MSCI, Edison Investment Research

Exhibit 8: Portfolio sector exposure versus the benchmark at 31 May 2025



Source: WWH, MSCI, Edison Investment Research

Performance: Looking forward to a brighter FY26

In Exhibit 9, we show the performance of the AIC Biotechnology & Healthcare sector. WWH's NAV total returns are below average over the last one, three and five years, but the trust ranks second out of five funds over the last 10 years. Its closest peers are Bellevue Healthcare and Polar Capital Global Healthcare. Considering these three funds, WWH's returns rank third over the last 12 months, second over the last three and five years and second out of two funds over the last decade. The trust has the third-highest valuation in the sector, the lowest ongoing charge and it currently has a net cash position. There are four funds in the sector that pay a dividend; WWH's is the third highest as the two highest-yielding funds can pay dividends out of capital.

Exhibit 9: AIC Biotechnology & Healthcare sector at 23 June 2025.

% unless stated	Market cap (£m)	NAV TR 1Y	NAV TR 3Y	NAV TR 5Y	NAV TR 10Y	Prem/disc	Ongoing charge	Performance fee	Net gearing	Dividend yield
Worldwide Healthcare	1,399.4	(17.9)	2.8	(9.2)	71.3	(6.6)	0.8	Yes	100	0.8
Bellevue Healthcare	204.7	(17.3)	(3.2)	(10.8)		(1.2)	1.0	No	100	4.2
Biotech Growth	186.1	(22.2)	(3.5)	(41.0)	(6.5)	(10.3)	1.1	Yes	107	0.0
International Biotechnology	205.2	(3.6)	16.6	0.6	49.6	(9.1)	1.2	Yes	110	4.8
Polar Capital Glb Healthcare	397.8	(12.0)	12.6	28.7	102.1	(3.3)	0.9	Yes	100	0.7
RTW Biotech Opportunities	284.0	(11.5)	26.8	28.0		(31.8)	1.7	Yes	100	0.0
Syncona	565.3	(9.4)	(12.0)	(8.1)	45.5	(45.6)	2.0	No	100	0.0
Average (7 funds)	**463.2**	**(13.4)**	**5.7**	**(1.7)**	**52.4**	**(15.4)**	**1.2**		**102**	**1.5**
Rank	**1**	**6**	**4**	**5**	**2**	**3**	**1**		**3**	**3**

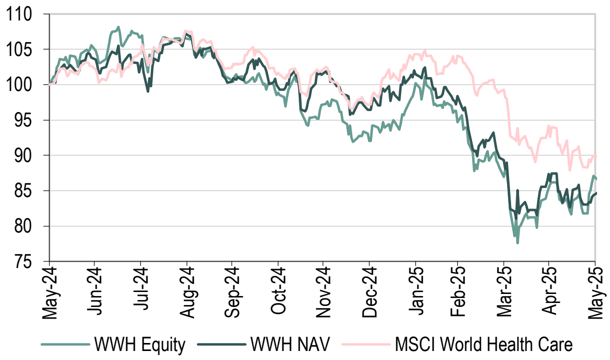
Source: Morningstar, Edison Investment Research. Note: TR = total return. Performance at 22 June 2025.

In FY25 (ending 31 March), WWH's NAV and share price total returns of -10.3% and -10.5%, respectively, lagged the benchmark's -3.2% total return. This was unfortunate, as the trust outperformed for the first nine months during a 'risk-on' period, but was negatively affected by macroeconomic developments and high stock market volatility in the final three months as investors became more defensive; this can be seen clearly in Exhibit 10.

The largest positive contributors to WWH's performance in FY25 were Boston Scientific (+11.7p to NAV), Intuitive Surgical (+6.4p) and Tenet Healthcare (+4.0p), all of which are in subsectors that are less affected by President Trump's policy changes. Boston Scientific is a diversified medtech company that is benefiting from a meaningful acceleration in organic sales growth led by its next-generation pulsed-field ablation device for the treatment of atrial fibrillation and cardiac arrhythmias. Intuitive Surgical is the global leader in robotic surgery, which is building on this advantage with the rollout of its Dv5 system. The company is also benefiting from elevated procedure volumes, while new instruments are increasing sales per procedure. Intuitive Surgical is also expanding its margins; this has been a contentious issue among investors. Tenet Healthcare is a diversified healthcare services company and a leading US hospital operator. Fundamentals in the hospital industry are robust, and the company has been creating value via selling some of its hospitals and acquiring ambulatory surgery centres, as procedures shift toward these facilities. Tenet is another company that is expanding its margins.

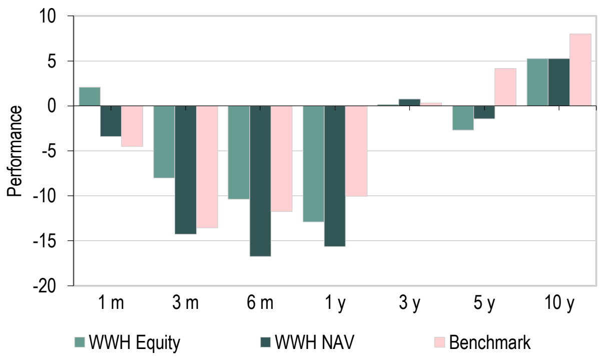
On the other side of the ledger, the largest performance detractors were Novo Nordisk (-9.8p), Biogen (-6.2p) and Evolent Health (-5.4p). All of these positions were sold before the end of the financial year. Novo Nordisk was riding high with huge demand for its weight-loss drugs, until the company was beset by a series of negative events. In August 2024, it released a lacklustre set of results during a market sell-off, then in late September there was positive trial data that did not meet high investor expectations. Novo's CFO guided down 2025 consensus estimates and in December there was a pivotal trial in which its next-generation weight-loss drug did not meet the -25% weight-loss threshold. Biogen's joint venture product with Eisai for the treatment of Alzheimer's disease received FDA approval in July 2023, but uptake has remained modest due to safety concerns and debates about its clinical importance and high cost. Evolent Health specialises in value-based healthcare services. Its earnings were negatively affected by a mismatch between actual and anticipated volumes that had been priced into its oncology plans, along with higher-than-expected healthcare utilisation. Due to a six-month catch-up in claims data, Evolent was unable to renegotiate rates with its customers, so its margins were squeezed.

Exhibit 10: Price, NAV and benchmark performance, one year rebased



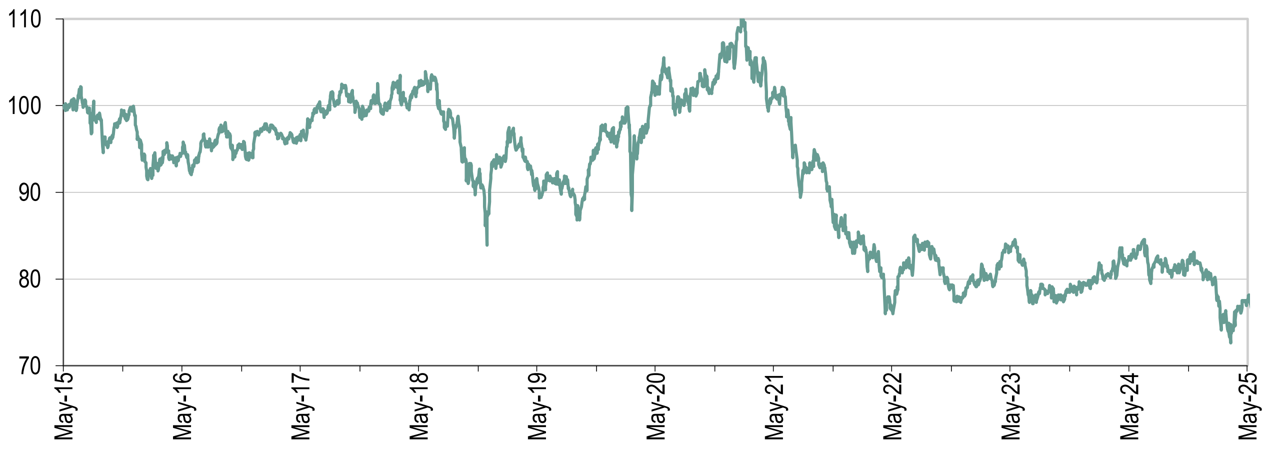
Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 11: Price, NAV and benchmark total return performance (%)



Source: LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year figures annualised.

Exhibit 12: NAV total return performance relative to benchmark over 10 years



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 13: Share price and NAV total return relative to indices (%)

	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Price relative to MSCI World Health Care	6.9	6.4	1.6	(3.2)	(0.5)	(28.9)	(22.7)
NAV relative to MSCI World Health Care	1.1	(0.8)	(5.7)	(6.2)	1.4	(24.1)	(22.6)
Price relative to WORLD-DS Pharm & Bio	6.9	5.2	(2.1)	(5.9)	(6.9)	(28.0)	(14.7)
NAV relative to WORLD-DS Pharm & Bio	1.2	(2.0)	(9.1)	(8.8)	(5.2)	(23.1)	(14.6)
Price relative to CBOE UK All Cos	(2.3)	(9.0)	(16.1)	(20.4)	(21.3)	(49.0)	(8.2)
NAV relative to CBOE UK All Cos	(7.5)	(15.2)	(22.0)	(22.9)	(19.8)	(45.6)	(8.1)

Source: LSEG Data & Analytics, Edison Investment Research. Note Data to end May 2025. Geometric calculation.

Exhibit 14: Five-year discrete performance data

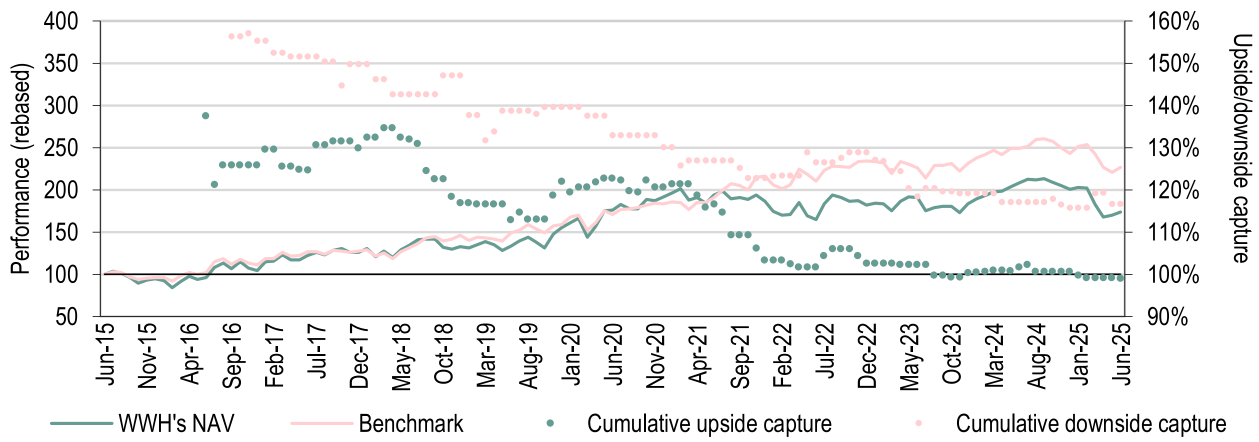
12 months ending	Share price	NAV	MSCI World Healthcare	World- DS pharma & Bio	CBOE UK All Companies
31/05/21	4.7	2.5	3.0	(1.3)	23.4
31/05/22	(17.2)	(11.4)	17.8	13.6	8.5
31/05/23	5.5	11.4	1.9	4.1	0.9
31/05/24	9.4	8.9	10.1	12.1	15.6
31/05/25	(12.9)	(15.6)	(10.0)	(7.4)	9.4

Source: LSEG Data & Analytics, Edison Investment Research. Note: All % on a total return basis in pounds sterling.

WWH's upside/downside analysis

The trust's upside/downside capture analysis is shown below. Over the last decade, its cumulative upside capture rate of 99% implies that in months when healthcare stocks rise, the trust is likely to perform in line. WWH's downside capture rate of 117% implies that, during periods of falling healthcare stock prices, the trust is likely to underperform by more than 15%. This unfavourable risk reward ratio may be due to the focus on emerging biotech stocks, which have a higher beta than pharma stocks, where there is a below-index exposure.

Exhibit 15: WWH's upside/downside capture over the last 10 years



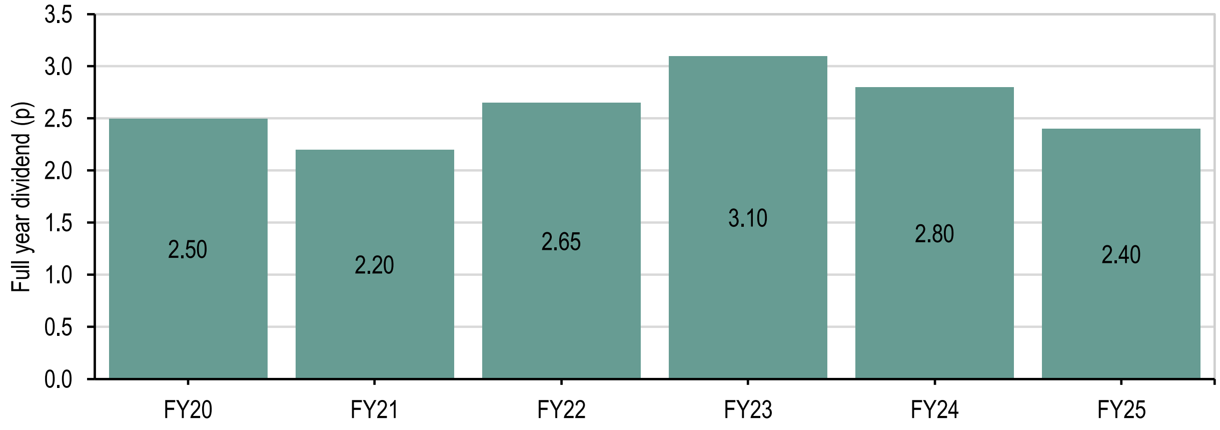
Source: LSEG Data & Analytics, Edison Investment Research
Note: Cumulative upside/downside capture calculated as the geometric average NAV total return (TR) of the fund during months with positive/negative reference index TRs, divided by the geometric average reference index TR during these months. A 100% upside/downside indicates that the fund's TR was in line with the reference index's during months with positive/negative returns. Data points for the initial 12 months have been omitted in the exhibit due to the limited number of observations used to calculate the cumulative upside/downside capture ratios.

Dividends: Based on portfolio income

WWH's managers do not have a particular yield requirement as the board believes the trust's capital should be deployed in the portfolio, rather than paid out as dividends. Semi-annual distributions are made in January and July.

In FY25, the trust's revenue per share was 2.4p versus 2.7p in FY24 due to a lower exposure to higher-yielding stocks. The proposed annual dividend is 2.4p per share, which is 14.3% lower than the 2.8p per share payment in FY24. At the end of FY25, WWH had revenue reserves equivalent to c 1.6x the proposed annual distribution.

Exhibit 16: Dividend history since FY20



Source: WWH, Edison Investment Research

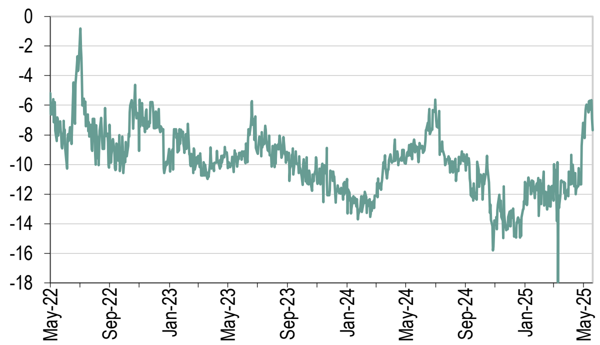
Performance: Discount in a narrowing trend

In 2004, WWH's board implemented a discount-control mechanism, aiming to ensure a maximum 6% share price discount to ex-income NAV in normal market conditions. It has the authority, renewed annually, to repurchase up to 14.99% and allot up to 10% of issued share capital (a prospectus is required to enable further share issuance). In FY25, c 51.3m shares (c 9.4% of the share base) were bought back at a cost of c £176.5m.

As shown in Exhibit 17, over the last three years, WWH has traded at a discount, and has been in a narrowing trend since Q424. However, to provide a broader context, between early 2017 and the end of 2021, the trust's shares regularly traded close to NAV and there was regular share issuance when WWH traded at a premium.

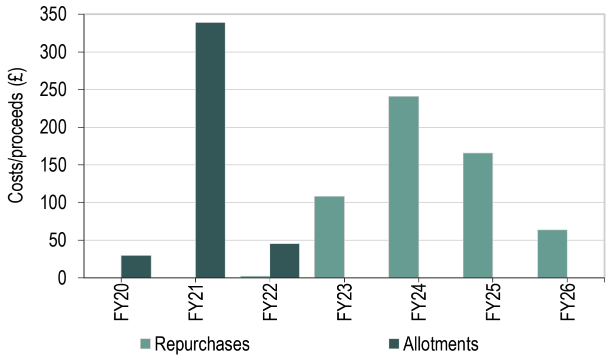
The trust's current 6.6% discount to cum-income NAV compares with average discounts of 10.8%, 9.8%, 6.2% and 4.0% over the last one, three, five and 10 years, respectively.

Exhibit 17: Discount over three years (%)



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 18: Buybacks and issuance



Source: Morningstar, Edison Investment Research

Fund profile: Specialist global healthcare portfolio

WWH was launched in late April 1995 and is traded on the Main Market of the London Stock Exchange. The trust is managed by global healthcare specialist investor OrbiMed, which has c $17bn of assets under management (c $4bn in public equities) and operates from three continents with offices in New York, San Francisco, Herzliya (Israel), Hong Kong, Shanghai, Mumbai and London. OrbiMed has a team of around 145 people, of whom around 35 hold PhD or MD qualifications. WWH's managers Borho and Polischuk aim to generate a high level of capital growth from a diversified portfolio of global healthcare stocks, and the trust's performance is measured against the MSCI World Health Care Index (Datastream World Pharma/Biotech TR (sterling adjusted) Index from inception to 30 September 2010).

There is a series of investment guidelines and limits in place:

- at the time of acquisition, a maximum 15% of the portfolio in any one individual stock and a maximum 10% in unquoted securities;
- at least 50% of the portfolio will normally be invested in larger companies (market cap at or above $10bn), with at least 20% in smaller companies (market cap less than $10bn);
- up to 5% of the portfolio, at the time of acquisition, may be invested in each of debt instruments, convertibles and royalty bonds issued by pharma and biotech companies; and
- a maximum of 40% of the portfolio, at the time of acquisition, may be invested in companies in the healthcare equipment and supplies subsector (increased from 30% during FY25), and 30% in the healthcare providers and services subsector.

Derivatives are permitted to enhance returns and mitigate risk (maximum 5% of the fund's net exposure), up to 12% of WWH's gross assets may be held in equity swaps, currency exposure is not hedged and the managers may gear up to 20% of net assets. WWH is subject to a five-year continuation vote; the next vote is due at the 2029 AGM.

Investment process: Bottom-up stock selection

WWH's broad mandate means managers Borho and Polischuk can participate in all subsectors of the healthcare industry anywhere in the world, aiming to generate long-term capital growth. They can draw on the broad resources of OrbiMed's investment team, including employees based in China. The firm has used a public equity portfolio review process since 2009; the team meets regularly to discuss WWH's portfolio structure and individual holdings. Topics include clinical events, which have historically been the largest source of biotech and pharma share price volatility; regulatory events; new drug launches; doctor surveys; key opinion leader consultations; and other field research. Company meetings are a very important element of the investment process.

Stocks are selected from an actively covered universe of around 1,000 companies, ranging from early-stage preclinical businesses through to multinational biopharmaceutical firms, and WWH's portfolio is diversified by geography, subsector and market cap. The managers seek companies with underappreciated product pipelines, robust balance sheets and strong management teams, which are trading on reasonable valuations. There is a disciplined portfolio construction process to ensure the fund remains focused on high-conviction positions, and there is also a rigorous risk-management process. WWH has good access to ideas and unquoted companies given OrbiMed's large private equity team. The managers are mindful of liquidity issues when investing in private companies and understand that there can be competition for crossover deals (the last round of financing before a company's IPO).

WWH's approach to ESG

OrbiMed believes there is a high congruence between companies seeking to act responsibly and those that succeed in building long-term shareholder value. To the extent that it is practicable and reasonable, OrbiMed takes into account applicable ESG factors when evaluating a prospective or existing investment. The company utilises ESG scores from third-party providers and supplements these with its own proprietary analysis. As well as regular monitoring of these combined data, OrbiMed regularly engages with WWH's portfolio companies. It also tracks ESG information on relevant factors including safety of clinical trials, drug/product safety and ethical marketing. OrbiMed considers that it is leading the charge in terms of meaningful ESG engagement in the healthcare sector. WWH's managers seek to invest in reputable management teams and are especially cognisant about corporate governance in emerging markets, as company credentials in these regions may not be as high as those of firms in developed regions.

Gearing

WWH has a US dollar overdraft facility with JP Morgan Securities at the US overnight bank funding rate plus 45bp. Gearing of up to 20% of NAV is permitted. Historically, the trust maintained a relatively high level of gearing but, over the last few years, the managers have employed a more pragmatic and tactical approach, hoping to take advantage of periods of stock market volatility.

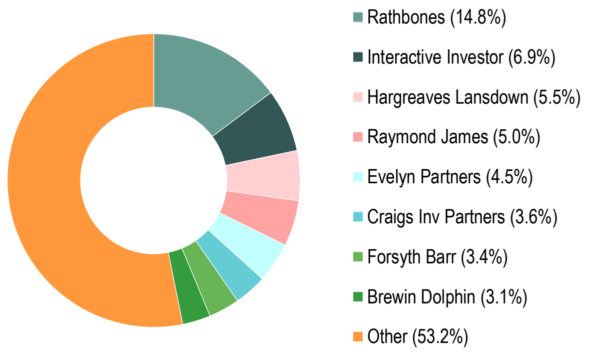
Fees and charges

OrbiMed is paid a base management fee of 0.65% of WWH's NAV and is eligible for a 15% performance fee for outperformance versus the benchmark (on incremental outperformance since launch, if it has been maintained for a 12-month period). At the end of FY25, no performance fees were accrued or payable. Frostrow Capital is the trust's alternative investment fund manager and is paid a tiered fee: 0.3% of WWH's market cap up to £150m, 0.2% on £150m to £500m, 0.15% on £500m to £1bn, 0.125% on £1bn to £1.5bn, and 0.075% over £1.5bn, along with a £57,500 pa fixed fee. In FY25, the trust's ongoing charge was 0.8%, which was 10bp lower than 0.9% in FY24.

Capital structure

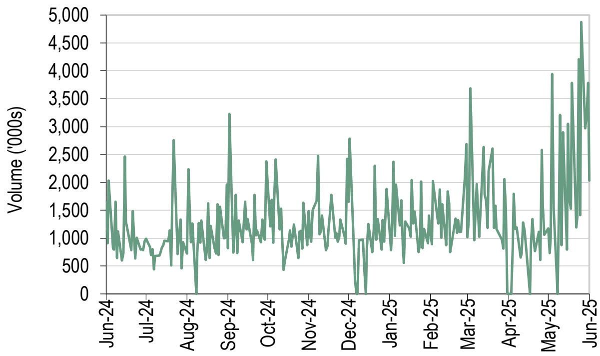
WWH is a conventional investment trust with one class of share; there are 471.2m ordinary shares in issue. Over the last 12 months, WWH's average daily trading volume was c 1,353k shares.

Exhibit 19: Major shareholders at 31 May 2025



Source: Bloomberg, Edison Investment Research

Exhibit 20: Daily volume 12 months to 23 June 2025



Source: LSEG Data & Analytics, Edison Investment Research

The board

Sven Borho is a founder and managing partner of OrbiMed and one of WWH's lead managers, so is considered a non-independent director; he waives his director's fee.

Exhibit 21: WWH's board

Board member	Date of appointment	Remuneration in FY25 (£)	Shareholdings at 16 May 2025
Doug McCutcheon (chair since 6 July 2022)	7 November 2012	56,924	300,000
Sven Borho	7 June 2018	Nil	250,000
Dr Bina Rawal	1 November 2019	38,563	26,060
Tim Livett	1 September 2022	44,054	22,128
Jo Parfrey	1 September 2022	35,956	20,000
Sian Hensen	1 October 2024	35,956	3,017
William Hemmings	1 October 2024	35,956	7,250

Source: WWH

EDISON

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