

### Investment Objective and Benchmark Index

The Biotech Growth Trust PLC (the "Company") seeks capital appreciation through investment in the worldwide biotechnology industry. Performance is measured against its benchmark index, the NASDAQ Biotechnology Index (sterling adjusted).

### Five Year Performance (%)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed; an investor may receive back less than the original amount invested.



— Share Price (total return) +27.9%  
 — Net Asset Value per share (total return) +29.3%  
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +38.7%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 31 July 2024 (% of total investments)

Name	Total
Amgen	8.5
Argenx	4.8
Biogen	4.4
Sarepta Therapeutics	4.3
Gilead Sciences	4.0
Ionis Pharmaceuticals	3.8
XtalPi	3.2
Regeneron Pharmaceuticals	3.1
ACADIA Pharmaceuticals	2.9
Syndax Pharmaceuticals	2.9
<b>Total</b>	<b>41.9</b>



**Portfolio Manager**  
Geoffrey Hsu

**Portfolio Manager**  
Josh Golomb

# orbimed

### Fast Facts

As at 31 July 2024

**Launch Date** June 1997

**AIC Sector** Biotechnology & Healthcare

Date of Appointment of OrbiMed  
19 May 2005

### Annual Management Fee (payable by the Company)

0.65% of net assets plus 0.30% per annum on the Company's market capitalisation up to £500m, 0.20% on market capitalisation above £500m to £1bn and 0.10% on market capitalisation over £1bn

**Performance fee** See Annual Report for details

**Ongoing Charges Ratio (OCR) \*** 1.2%

**Continuation Vote** 2025 AGM and every 5th AGM thereafter

**Year / interim end** 31 March / 30 September

**Capital Structure** 32,592,198 Ordinary Shares of 25p

### Trust Characteristics

**Number of Holdings** 65

**Net Assets (£m)** £363.5m

**Market Capitalisation (£m)** £335.0m

**Dividend Policy** It is not anticipated that the Company will pay a dividend

**Gearing (AIC basis)** 6.8%

**Leverage\*\*** Gross  
110.5%  
Commitment  
109.2%

**Share Price (p)** 1,028.00

**NAV (p)** 1,115.15

**(Discount) / Premium** (7.8%)

**Portfolio Turnover p.a.** 108.0%

**Active Share\*\*\*** 66.6%

### Geographical Breakdown as at 31 July 2024 (%)†

North America	85.5%
Continental Europe	7.6%
China (quoted)	6.5%
Unquoted ‡	0.4%

**Total** **100.0%**

† Calculation based on economic exposure and expressed as a % of the total economic exposure. This includes all derivatives as an economically equivalent position in the underlying holding.

‡ No more than 10% of gross assets will be invested in unquoted investments at the time of acquisition. This limit includes any investment or commitment to invest in private equity funds managed by OrbiMed or an affiliate thereof. Investments or commitments to invest in such private equity funds will be limited to US\$15m, after the deduction of proceeds of disposal and other returns of capital. Of the 0.4% unquoted investments, 0.1% was in China and 0.3% was in Asia.

Source: All portfolio information sourced from Frostrow Capital LLP

### Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2019	2020	2021	2022	2023	YTD
NAV	47.4	52.4	-23.1	-13.6	-7.2	17.7
Share Price	48.5	67.7	-24.6	-22.1	-3.5	15.0
Index	19.6	22.1	0.2	-0.3	-1.7	10.2

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 19-Jul 20	Jul 20-Jul 21	Jul 21-Jul 22	Jul 22-Jul 23	Jul 23-Jul 24
NAV	40.5	4.7	-26.9	-7.2	29.5
Share Price	51.5	0.7	-30.7	-6.1	28.8
Index	18.6	14.6	-13.2	0.1	17.5

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Source: NAV (total return; fully diluted) & Share Price (total return) – Morningstar. Index - Bloomberg.

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

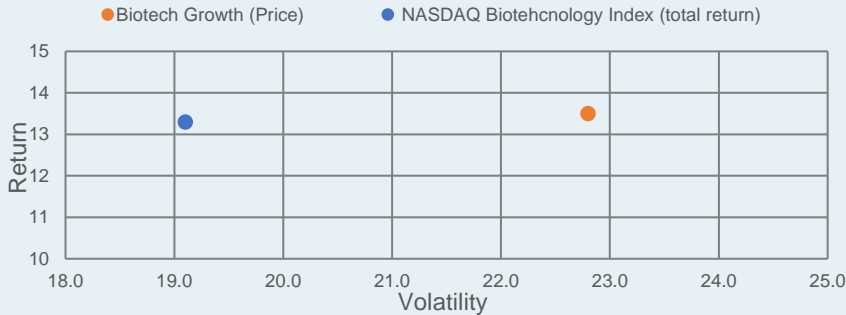
\*\*The Board has set the leverage limit for both the Gross and the Commitment basis at 130% of the Company's Net Asset Value.

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

### Investment Policy

In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis. The Company will not invest more than 15% of the value of its gross assets in any one individual stock at the time of acquisition. No more than 10% of gross assets will be invested in unquoted investments at the time of acquisition. This limit includes any investment or commitment to invest in private equity funds managed by OrbiMed or an affiliate thereof. Investments or commitments to invest in such private equity funds will be limited to US\$15m, after the deduction of proceeds of disposal and other returns of capital. The Company's borrowing policy is that borrowings will not exceed 20% of value of the Company's net assets. The Company may be unable to invest directly or efficiently in certain countries or share classes. In these circumstances, the Company may gain exposure by investing indirectly through swaps or other derivative instruments. Exposure to these financial instruments will count towards and be subject to the following limits: Derivative transactions (excluding equity swaps) can be used to mitigate risk and/or enhance return and will be restricted to an aggregate net exposure of 5% of the value of the gross assets measured at the time of the relevant transaction; Equity swaps may be used for efficient portfolio management purposes and aggregate net counterparty exposure through a combination of derivatives and equity swap transactions is restricted to 12% of the value of the gross assets of the Company at the time of the transaction.

**Return vs Volatility (Annualised since Date of Appointment of OrbiMed) – Chart (%)**



**Commentary**

In July, the NAV per share was up 4.5%, the share price was up 4.4% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was up 4.9%.

Biotech outperformed the general markets in July – the healthcare sector benefited from investors pricing in expectations of a near-term Federal Reserve interest rate cut given a lower-than-expected inflation rate reported for June. Outside the sector, shaky second-quarter earnings performance from consensus trades in Big Tech stood in contrast to better-than-expected earnings updates from less-crowded healthcare names, leading to investment rotation into healthcare names that have underperformed year-to-date. We believe the valuation recovery in small and midcap biotech is underway and should continue in the months ahead.

One public M&A transaction was announced in July. In an all-cash deal, Eli Lilly announced that it would buy all the outstanding shares of Morphic Holding at \$57 per share, a nearly 80% premium to the stock’s last closing price before the announcement. Lilly will gain access to Morphic’s most advanced asset, MORF-057, currently in three mid-stage studies for the treatment of inflammatory bowel disease. The Company held Morphic stock at the time of the acquisition announcement.

Morphic Holding, Argenx, and Amgen were the largest positive contributors to performance during the month. Morphic’s stock price appreciated after Eli Lilly announced plans to acquire the company for \$3.2 billion. Argenx’s stock rallied after the company presented encouraging Phase 2 data in Sjogren’s syndrome and reported above-consensus Vyvgart sales in its second quarter earnings. Amgen outperformed in anticipation of Phase 2 data from its obesity drug MariTide expected in late 2024. Amgen is moving MariTide into a broad Phase 3 program based on an interim analysis of a Phase 2 trial.

Biogen, Sarepta Therapeutics, and ALX Oncology were the largest negative contributors to performance during the month. Biogen underperformed in July upon announcement of a negative European regulatory opinion for its Alzheimer’s drug Leqembi. Sarepta’s share price declined in July, as investors took profits heading into second quarter earnings in early August. The share price of ALX Oncology fell in July after reporting disappointing data in metastatic gastric cancer.

**Codes**

<b>Sedol</b>	0038551
<b>ISIN</b>	GB0000385517
<b>Legal Entity Identifier (LEI)</b>	549300Z41EP32MI2DN29
<b>Global Intermediary Identification Number (GIIN)</b>	U1MQ70.99999.SL.826
<b>Bloomberg</b>	BIOG LN
<b>EPIC</b>	BIOG

**Discount / Premium Control Mechanism**

The Directors have adopted an active discount management policy to establish and support an improved rating in the Company’s shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 6%. Shares bought back will be cancelled.

**How to Contact Us**

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### Risk Warnings

This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. Shares of the Company are bought and sold on the London Stock Exchange (LSE). The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it. For further information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at [www.biotechgt.com](http://www.biotechgt.com). The Company can borrow to purchase investments, this could potentially magnify any losses or gains made by the Company.

### Target Market

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

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

### Value Assessment

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

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

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

### Important Information

The Biotech Growth Trust PLC is a public limited company whose shares are premium listed on the LSE and is registered with HMRC as an investment trust. The Company has an indeterminate life, although shareholders consider and vote on the continuation of the Company every five years (the next such vote will be held in 2025).

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

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