

### 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).



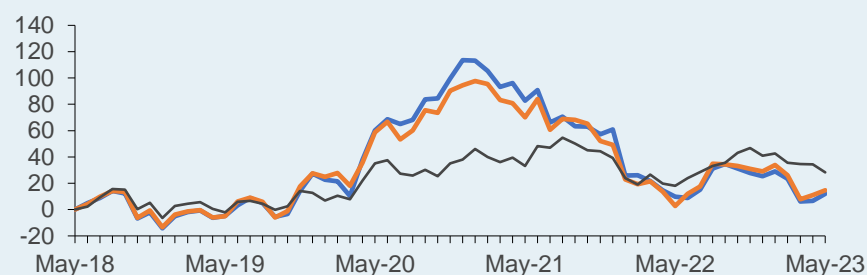
**Portfolio Manager**  
Geoffrey Hsu

**Portfolio Manager**  
Josh Golomb



### 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) +11.9%  
 — Net Asset Value per share (total return) +14.5%  
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +28.3%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 31 May 2023 (% of total investments)

| Name                    | Total       |
|-------------------------|-------------|
| Biogen                  | 6.8         |
| Amgen                   | 6.4         |
| BioMarin Pharmaceutical | 4.9         |
| Keros Therapeutics      | 4.5         |
| Mersana Therapeutics    | 4.4         |
| Ionis Pharmaceuticals   | 4.3         |
| Syndax Pharmaceuticals  | 4.1         |
| XtalPi                  | 3.6         |
| Xenon Pharmaceuticals   | 3.4         |
| Chinook Therapeutics    | 3.4         |
| <b>Total</b>            | <b>45.8</b> |

| Fast Facts                                            | As at 31 May 2023                                                                                                                                                                            |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launch Date                                           | June 1997                                                                                                                                                                                    |
| AIC Sector                                            | Biotechnology & Healthcare                                                                                                                                                                   |
|                                                       | Date of Appointment of OrbiMed<br>19 May 2005                                                                                                                                                |
| <b>Annual Management Fee (payable by the Company)</b> | 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) *                         | 1.1%                                                                                                                                                                                         |
| Continuation Vote                                     | 2025 AGM and every 5th AGM thereafter                                                                                                                                                        |
| Year / interim end                                    | 31 March / 30 September                                                                                                                                                                      |
| Capital Structure                                     | 37,900,027 Ordinary Shares of 25p                                                                                                                                                            |

### Trust Characteristics

|                            |                                                            |
|----------------------------|------------------------------------------------------------|
| Number of Holdings         | 56                                                         |
| Net Assets (£m)            | £343.1m                                                    |
| Market Capitalisation (£m) | £313.1m                                                    |
| Dividend Policy            | It is not anticipated that the Company will pay a dividend |
| Gearing (AIC basis)        | 3.2%                                                       |
| Leverage**                 | Gross<br>105.7%<br>Commitment<br>105.0%                    |
| Share Price (p)            | 826.00                                                     |
| NAV (p)                    | 905.20                                                     |
| (Discount) / Premium       | (8.7%)                                                     |
| Portfolio Turnover p.a.    | 121.5%                                                     |
| Active Share***            | 79.8%                                                      |

### Geographical Breakdown as at 31 May 2023 (%) †

|                    |       |
|--------------------|-------|
| North America      | 79.4% |
| Continental Europe | 9.7%  |
| Unquoted ‡         | 5.7%  |
| China (quoted)     | 5.2%  |

**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 5.7% unquoted investments, 5.1% was in China and 0.6% was in Asia.

Source: All portfolio information sourced from Frostrow Capital LLP

### Discrete Performance – Calendar Years (%)

| Percentage Growth 12 Month Return | 2018  | 2019 | 2020 | 2021  | 2022  | YTD   |
|-----------------------------------|-------|------|------|-------|-------|-------|
| NAV                               | -14.3 | 47.4 | 52.4 | -23.1 | -13.6 | -11.3 |
| Share Price                       | -19.9 | 48.5 | 67.7 | -24.6 | -22.1 | -10.8 |
| Index                             | -3.8  | 19.6 | 22.1 | 0.2   | -0.3  | -5.6  |

### Standardised Discrete Performance (%)

| Percentage Growth 12 Month Return | May 18-May 19 | May 19-May 20 | May 20-May 21 | May 21-May 22 | May 22-May 23 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| NAV                               | -5.0          | 67.1          | 7.1           | -39.7         | 11.7          |
| Share Price                       | -4.9          | 68.4          | 14.0          | -39.9         | 2.0           |
| Index                             | -3.0          | 38.1          | -2.2          | -12.4         | 11.8          |

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.

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.

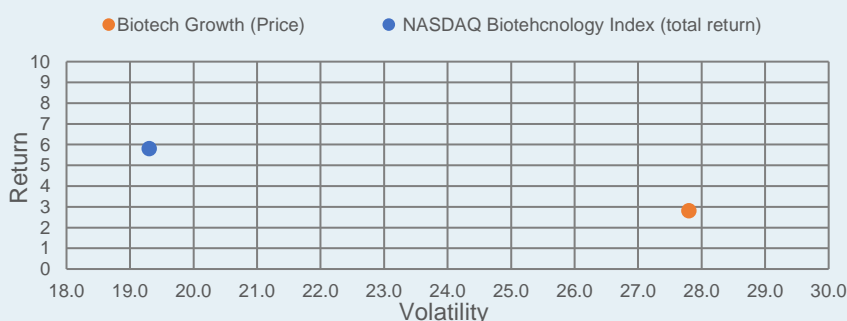
### Codes

|                                                         |                      |
|---------------------------------------------------------|----------------------|
| <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                 |

### 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 the Company's net assets. The Company may be unable to invest directly in certain countries. In these circumstances, the Company may gain exposure to companies in such countries by investing indirectly through swaps. Where the Company invests in swaps, exposure to underlying assets will not exceed 5% of the gross assets of the Company at the time of entering into the contract.

**Return vs Volatility (5 Years Annualised) – Chart (%)**



**Commentary**

In May, the NAV per share was up 3.3%, the share price was up 5.0% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was down 1.3%.

The NASDAQ Biotechnology Index underperformed the broader markets in May. Reasons for the underperformance include ongoing investor rotation into large technology stocks, rising Treasury yields, and better-than-expected earnings for S&P 500 constituents that lessened demand for defensive large cap biotech names. In addition, the Federal Trade Commission (“FTC”) sued to block the acquisition of Horizon Pharmaceuticals by Amgen, raising questions about the viability of future large acquisitions in the biotech industry. We think the FTC’s challenge is unlikely to succeed and the commission is primarily focused on the largest acquisitions in the industry. As such, M&A activity for small and mid cap biotech names should not be affected. In fact, small and mid cap biotech had a strong month of performance in May, leading to outperformance of the Company relative to the benchmark index.

In May, two M&A transactions were announced. Swedish Orphan Biovitrum AB (Sobi) announced its acquisition of Seattle-based CTI BioPharma for \$1.7bn, representing an 89% premium to CTI’s closing stock price the previous trading day. The acquisition will expand Sobi’s hematology franchise, giving it access to CTI’s myelofibrosis treatment Vonjo, a potential blockbuster that was approved last year. Ironwood Pharmaceuticals announced its intention to buy VectivBio, a Swiss biotechnology company focused on treating rare disorders, in an all-cash deal valued at around \$1bn, reflecting a 43% premium to the stock’s last closing price. We believe large pharma companies facing patent expirations on key products in the second half of this decade will continue to seek biotech acquisitions to offset their upcoming revenue gaps, which should help the sector recover.

Mersana Therapeutics, 2Seventy bio, and Ionis Pharmaceuticals were the largest positive contributors to performance during the month. Mersana’s stock appreciated after ImmunoGen, a competitor, reported strong quarterly sales and announced positive results for its Phase 3 trial. These events suggested a high unmet need in platinum resistant ovarian cancer and validated the accelerated approval pathway for Mersana, which is running a registrational trial in the same indication. 2Seventy bio shares rallied after the company reported first quarter earnings, beating expectations on sales and profitability. Ionis shares outperformed on no fundamental news.

BioMarin Pharmaceutical, Aerovate Therapeutics, and Traverre Therapeutics were the largest negative contributors to performance during the month. BioMarin’s shares underperformed in May on continued weakness after announcing a delay in the launch of Roctavian, a gene therapy for hemophilia, in Germany. Aerovate shares declined on no fundamental news. Traverre shares fell on the announcement that the Phase 3 trial of the company’s drug sparsentan in focal segmental glomerulosclerosis failed to meet the primary endpoint.

**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.

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### 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).