

# The Biotech Growth Trust PLC

Half Year Report & Accounts for the six months ended 30 September 2019



**Frostrow**  
CAPITAL



## Company Summary

### About The Biotech Growth Trust PLC

The Biotech Growth Trust PLC (the "Company") seeks capital appreciation through investment in the worldwide biotechnology industry. 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 can invest up to 10% of its gross assets, at the time of acquisition, in direct unquoted investments. In addition, it can invest or commit for investment up to U.S.\$15m, after deduction of proceeds of disposal and other returns of capital, in private equity funds managed by the Company's Portfolio Manager, or an affiliate.

Further details of the Company's investment policy are set out in the Company's Annual Report and Accounts.

### Management

The Company has appointed Frostrow Capital LLP ("Frostrow") as Alternative Investment Fund Manager ("AIFM") to provide company management, company secretarial, administrative and marketing services. The Company and Frostrow have jointly appointed OrbiMed Capital LLC ("OrbiMed") as Portfolio Manager. Further disclosures required under the Alternative Investment Fund Managers Directive ("AIFMD") can be found on the Company's website: [www.biotechgt.com](http://www.biotechgt.com).

### Performance

Performance is measured against the NASDAQ Biotechnology Index (sterling adjusted), the Company's benchmark.

### Gearing

The Company's gearing policy is that borrowings will not exceed 20% of the Company's net assets. The Company's borrowing requirements are met through the utilisation of a loan facility, repayable on demand, provided by the Company's prime broker, J.P. Morgan Securities LLC. As at 30 September 2019 the Company's borrowings amounted to £26.4 million. As of this date the net gearing level was 8.8% (31 March 2019: 5.5%) of the Company's net assets.

### Capital Structure

As at 30 September 2019, the Company's share capital comprised 45,735,075 ordinary shares, (31 March 2019: 51,967,562 ordinary shares).

### Dividend Policy

The Company invests with the objective of achieving capital growth and it is expected that dividends, if any, are likely to be small.

The Board intends only to pay dividends on the Company's shares to the extent required in order to maintain the Company's investment trust status.

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# Reviews / Chairman's Statement

## Company Performance

Though the Company outperformed its benchmark during the first half of the current financial year, it is disappointing to report a negative absolute return for the period. The Company's net asset value per share fell by 5.6% and the share price by 4.9%. This compares to a fall of 5.9% in the Company's benchmark, the NASDAQ



Andrew Joy

Biotechnology Index, measured in sterling terms. The negative return over the period as a whole reflects a strong first four months, where the net asset value per share rose by 9.6% (outperforming the benchmark by 9.0%) and a weak final two months where the net asset value per share fell by 13.8% (underperforming the benchmark by 7.4%).

This latter period saw increased volatility in the sector together with a shift by investors from growth to defensive stocks causing many hitherto high performing companies to suffer share price declines even without any negative stock specific news flow. The Company's performance relative to the benchmark over the period was driven mainly by asset allocation, in particular the Company's underweight position in major biotechnology stocks which initially underperformed and then outperformed smaller capitalisation stocks particularly during sector pull-back in September. This volatility in relative performance is typical of the sector, and indeed subsequent to the period-end relative performance has been very strong.

The Company's absolute share price performance was helped during the period by the continued weakness of sterling, particularly against the dollar, where it depreciated by 5.4% over the period; the U.S. dollar being the currency in which almost all of the Company's holdings are denominated. It should also be noted that the level of gearing employed over the period increased from 5.5% at 31 March 2019 to 8.8% as at 30 September 2019. The Company's geared position contributed negatively (-0.4%) to the Company's overall return during the period.

The biotechnology sector underperformed the broader market during the half year, in large part due to fresh concerns over future healthcare policy in the U.S. against the backdrop of the forthcoming U.S. Presidential election in 2020. A lot has been heard in the debate about the potential for drug pricing regulation. Our Portfolio Manager, as set out in their report, are sceptical that in practice there will be radical change, but sentiment has definitely been affected. In addition, there appears in recent months to have been a rotation by investors from growth to defensive stocks, reflecting concerns about weaker global growth. Biotechnology being classified as a growth sector, this has also impacted sector performance.

Such changes in sentiment are exacerbated by the shift towards passive investing and the growth in factor investing. These mean that short-term swings can be divorced from any fundamental analysis, although in the longer term this will correct when sectors or underlying stocks become transparently undervalued.

## Discount Management

Despite continued market volatility, the discount of the Company's share price to the net asset value per share narrowed slightly during the period. As at 30 September 2019 it was 6.1%, having been 6.7% at the beginning of the period.

Shareholders will be aware that the Board has a discount control mechanism in place intended to establish a target level of no more than a 6% discount of share price to the net asset value per share. Shareholders should note, however, that it remains possible for the share price discount to net asset value per share to be wider than 6% due to the fact that the

## Reviews / Chairman's Statement

share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. A total of 6,232,487 shares were repurchased for cancellation by the Company during the period under review, at an average discount of 7.9% to the Company's net asset value per share and at a cost of £46.6 million. The effect of buying these shares back at a discount was to increase the net asset value per share for remaining shareholders by 1.1%. Since the half-year end to 12 November, a further 1,005,949 shares have been repurchased for cancellation at a cost of £7.1 million. Your Board remains committed to defending the 6% discount level over the long term.

### The Company's Auditor

Ernst & Young LLP, the Company's Auditor, have been in post for five years having been appointed following a formal tender process in July 2014. While the Company is not yet required to hold another tender process, the Audit Committee recommended to the Board that in the interests of obtaining the best value for shareholders a new tender process should be held. The tender process will take place between November 2019 and January 2020 with the final decision expected to be announced in late January 2020. The selected firm will be appointed to audit the Company's financial statements for the year ending 31 March 2020. Further details of the tender process will be described in the Company's next Annual Report.

### Outlook

Despite continued market volatility due, in part, to the impact of geopolitical events on market sentiment and also to the uncertainties surrounding the 2020 U.S. Presidential election, your Board believes that there remain significant positives for the biotechnology sector. The scale of scientific advances means that there is every prospect of many new therapies, particularly addressing cancer, but also other diseases. The regulatory environment remains favourable. In the short term, political noise from the U.S. election campaign will have a significant impact, but in the longer term, the sector's prospects are strong.

During the recent six months, our Portfolio Manager has increased the active share of the portfolio, that is to say, the extent to which it diverges from the portfolio implied by the benchmark. In the longer term, this should help the portfolio to outperform. OrbiMed has unrivalled research capabilities and these enable it to capitalise on under-researched smaller company opportunities. Increased active share may mean short-term divergence from the benchmark, up or down, becomes more pronounced, but it should benefit long-term performance.

**Andrew Joy**

Chairman

12 November 2019

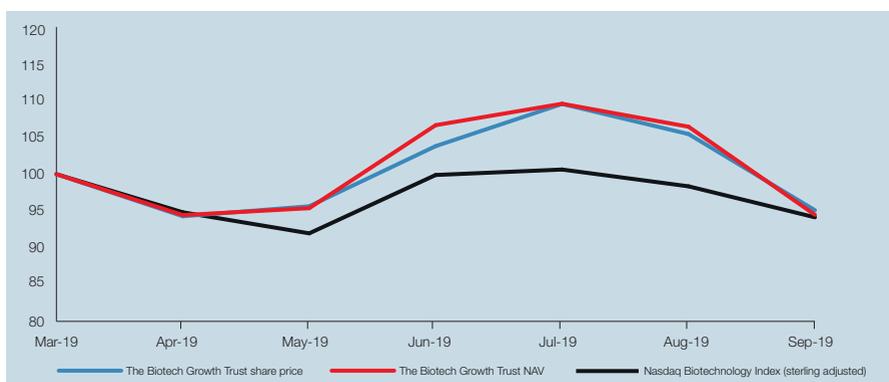
# Company Summary / Company Performance

## Key Statistics

	As at 30 September 2019	As at 31 March 2019	% Change
Net asset value per share	743.1p	786.8p	(5.6)
Share price	698.0p	734.0p	(4.9)
Discount of share price to net asset value per share*	6.1%	6.7%	–
Nasdaq Biotechnology Index – (sterling adjusted) "Benchmark"	2,544.90	2,703.20	(5.9)
Gearing*	8.8%	5.5%	–
Ongoing charges*	1.0%	1.1%	–

\*Alternative Performance Measure (see glossary on pages 21 and 22)

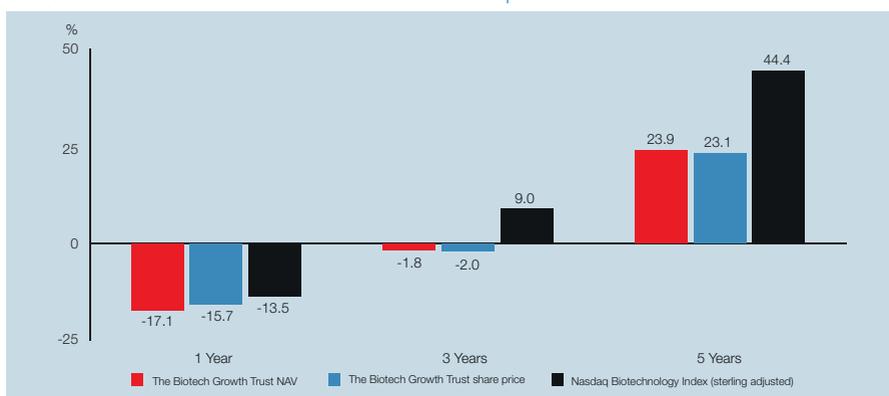
## Six Month Performance



Figures are rebased to 100 as at 31 March 2019

Source: Morningstar

## One, Three and Five Year Performance to 30 September 2019



Source: Morningstar

## Reviews / Portfolio Manager's Review

### Performance

The Company's net asset value per share declined by 5.6% during the six-month period ended 30 September. This compares to a 5.9% decline in the Company's benchmark, the NASDAQ Biotechnology Index (measured on a sterling adjusted basis).



Geoff Hsu



Richard Klemm

The biotechnology sector underperformed the broader market during the review period. We attribute sector weakness to general macro concerns about the economic outlook and concerns about the potential for drug pricing regulation, particularly in light of the upcoming 2020 U.S. presidential election. These concerns resulted in a net outflow of approximately U.S.\$7.5 billion from biotechnology/healthcare funds during the review period (Source: Piper Jaffray). Much of the underperformance was concentrated in small and mid-capitalisation biotechnology companies, which previously had performed strongly. We view this more as profit-taking rather than a deterioration in fundamentals.

The broader economic backdrop has become more uncertain as U.S. investors have become increasingly concerned about a potential recession in the U.S. These concerns have increased as the retaliatory tariff war between the US and China has escalated, which has slowed the pace of economic growth. Although the biotechnology sector has low direct exposure to trade flows, the resulting economic uncertainty has weighed on shares as we saw a general shift in funds from growth to more defensive sectors in the latter part of the review period. Biotechnology, which is considered a growth sector, fell in tandem with this broader market shift.

More specific to the biotechnology sector, concerns over the direction of healthcare policy in the U.S. have created some investor caution. Policies have been proposed by both the Trump administration and Congress that could adversely affect drug pricing, such as implementing international reference pricing for Medicare drugs, permitting drug reimportation, instituting inflation-based price caps on drugs, and allowing Medicare to negotiate prices directly with biopharmaceutical companies. Thus far, these proposals have not been implemented. We believe that the current Congress is unlikely to act in a meaningful way. Nevertheless, drug pricing rhetoric from both President Trump and the Democratic presidential nominees continues to be an overhang for the sector. As of the time of this writing, Elizabeth Warren, one of the more progressive Democratic presidential candidates, has been gaining in the polls for the Democratic nomination versus former Vice President Joe Biden, who is regarded as more centrist in his outlook. Warren is viewed as more antagonistic to the drug industry compared to Biden, and her ascendance in the polls led to increased share weakness in biotechnology towards the end of the review period. Our view on the political situation remains the same. We do not expect any dramatic changes to drug pricing policy even if a Democrat is elected President in 2020 because we expect a split Congress, with Republicans controlling the Senate and Democrats controlling the House. This would effectively prevent any extreme legislation from passing after 2020. We view Medicare for All, an idea espoused by Warren which would create a single-payer government-run health system with no private insurance, to have virtually zero chance of being enacted even in the case of a Democratic sweep in the 2020 election. Even moderate Democrats would likely oppose such a disruptive proposal, not to mention the significant opposition it would face from Republicans and industry stakeholders and the formidable political barriers to raising the necessary taxes to pay for it. Ultimately, we expect any new reform to be manageable for the industry, but the uncertainty during the election season may continue to weigh on sentiment.

## Reviews / Portfolio Manager's Review

Notably, from a valuation perspective, the major biotechnology companies continue to trade at historically low price to earnings ratios, many in the single digits, with share prices already discounting fears over the macro drug pricing environment. In previous instances when political headlines and rhetoric about drug pricing have depressed share prices for the biotechnology sector (e.g. Hillary Clinton's tweet on drug prices in the autumn of 2015, and debates over Obamacare), the sector has staged a relief rally when the episode has passed, and no material change to drug pricing policy has taken place. We expect the same recovery once the current spate of drug pricing rhetoric passes as well.

### Re-emergence of Targeted Therapy

Despite the headline noise from the U.S. election campaign, the fundamentals of the biotechnology industry remain strong. The regulatory stance at the U.S. Food and Drug Administration (FDA) remains proactive with regards to expediting new drug approvals, even after the transition from former FDA head Scott Gottlieb to acting head Ned Sharpless earlier this year. Innovation remains strong, and new technologies such as gene therapy, cell therapy, RNA-based therapeutics, and bispecific antibodies are still in the early stages of reaching their full potential. These technologies are resulting in marketed products that could unlock multi-billion-dollar revenue opportunities.

One area of innovation we would like to highlight is the re-emergence of targeted therapies for cancer as a focus area for biotechnology investors. This precision medicine approach aims to personalise cancer therapy to treat patients based on specific genes or pathways that are mutated. First-generation tyrosine kinase inhibitors (TKIs), such as Gleevec, have produced dramatic clinical results across a variety of tumour types in subsets of patients defined by the genetics found in their tumours, though broadening the applicability of such targeted approaches to additional patients has remained dependent on a better understanding of tumour biology and the development of specific drugs. Improvements in genetic sequencing capabilities over the past decade have enabled better identification of the mutations driving cancer growth, and genetic information for a patient's specific cancer is now becoming better integrated into patient care. This has led to a profound improvement in patient outcomes, which we expect to continue to advance in the coming years.

Targeted therapy for cancer remains an important area of investment for the Company. Portfolio company **Deciphera Pharmaceuticals** is an important emerging player in TKIs. The company recently reported strong clinical data from its late stage clinical trial in gastrointestinal stromal tumours, which will form the basis for regulatory approval in 2020. We also view portfolio company **Turning Point Therapeutics** as a well-positioned targeted oncology company focusing on resistance mutations. While TKIs have shown unprecedented activity, many patients will eventually acquire additional mutations that render the drug ineffective. Turning Point's drugs can potentially address these resistant patients, and eventually become the first-line treatment of choice by preventing the emergence of resistance in the first place. We have also initiated a new position in **Mirati Therapeutics**, which is developing a drug to treat cancers harbouring a specific mutation in the KRAS gene known as G12C. KRAS is one of the most frequently mutated genes in lung, pancreatic and colorectal cancers, but previous attempts to target this gene have been unsuccessful. Specific KRAS G12C inhibitors are becoming some of the highest profile drugs in oncology drug development, and Mirati recently reported positive results of their inhibitor MRTX849 in lung cancer and colorectal cancer.

We see the targeted therapies for cancer as a clear success for precision medicine approaches and believe that this field will continue to generate therapies that are increasingly personalised and tailored to the specific disease characteristics of the patient. Large pharmaceutical companies continue to be interested in this field, as evidenced by the recent acquisition of targeted therapy company Array Biopharma by Pfizer for approximately U.S.\$11 billion.

# Reviews / Portfolio Manager's Review

## Contributors to Performance

The principal contributors to performance during the review period were **Deciphera Pharmaceuticals**, **Hansoh Pharmaceutical**, **Apellis Pharmaceuticals**, **Karyopharm Therapeutics**, and **ACADIA Pharmaceuticals**.

- **Deciphera Pharmaceuticals** is an emerging biotechnology company developing targeted therapies for cancer. The stock moved sharply higher in August after the company reported positive results from the phase III INVICTUS study of lead asset ripretinib for gastrointestinal stromal tumours (GIST). Results showed that ripretinib reduced the risk of disease progression by approximately 85% compared to placebo in heavily pretreated fourth-line GIST patients. The drug is expected to be approved in 2020.
- **Hansoh Pharmaceuticals** is a leading biopharmaceutical company based in China selling drugs in the areas of neurology, oncology, infectious disease, diabetes, and gastrointestinal disorders. We participated in the company's Hong Kong initial public offering (IPO) as a cornerstone investor and the shares performed strongly after the IPO.
- **Apellis Pharmaceuticals** is a biotechnology company developing APL-2, a complement inhibitor, for a variety of conditions including paroxysmal nocturnal haemoglobinuria (PNH), a rare form of anemia, and geographic atrophy, an eye condition leading to blindness. The company's shares appreciated over the review period as investors became more confident in the probability of success of the company's Phase III clinical trial in PNH, due to report results by the end of 2019.
- **Karyopharm Therapeutics** is an emerging biotechnology company developing therapies for haematologic malignancies. The shares appreciated following the accelerated FDA approval of its lead asset selinexor in refractory multiple myeloma. Phase III data are expected shortly in earlier line multiple myeloma, which, if positive, would significantly expand the revenue potential of the drug.
- **ACADIA Pharmaceuticals** is an emerging biotechnology company developing Nuplazid for various psychiatric indications beyond the approved indication of Parkinson's Disease Psychosis. Shares in ACADIA transiently sold off following a trial failure for Nuplazid as an adjunctive therapy for schizophrenia. We subsequently bought shares in anticipation of an interim analysis from their pivotal, phase 3 study in Dementia-related Psychosis (DRP). The stock sharply appreciated in September as the DRP trial was stopped early due to overwhelming efficacy at the interim analysis.

## Detractors from Performance

The principal detractors from performance were **Sarepta Therapeutics**, **Regeneron Pharmaceuticals**, **Alexion Pharmaceuticals**, **Adverum Biotechnologies**, and **Mirati Therapeutics**.

- **Sarepta Therapeutics** shares were weak after the unexpected rejection of its Duchenne Muscular Dystrophy treatment golodirsen by the FDA. We believe the issues raised by the FDA are addressable and anticipate a resolution by early 2020; we also continue to see value in Sarepta's robust gene therapy pipeline, with multiple data readouts in 2020.
- **Regeneron Pharmaceuticals** is a large-capitalisation biotechnology company specialising in antibody-based therapeutics. The company's lead drug is Eylea, an antibody injected directly into patients' eyes to treat wet age-related macular degeneration, a leading cause of blindness in the elderly. Shares pulled back over the period due to increasing concerns about competition to Regeneron's lead product Eylea. In addition, investor fears have persisted about potential implementation of an International Pricing Index (IPI) proposal from the Trump administration, which would link prices paid for certain Medicare drugs to a basket of prices for the same drugs found in European countries. Such a proposal, if implemented, would have a negative impact on Eylea pricing in the U.S. We believe the stock's valuation already discounts much of the competitive and pricing risks to the company.

## Reviews / Portfolio Manager's Review

- **Alexion Pharmaceuticals** is a major biotechnology company specialising in the discovery and development of drugs used to treat rare diseases. The company's lead product Soliris (eculizumab) is a monoclonal antibody approved to treat paroxysmal nocturnal haemoglobinuria (PNH), haemolytic anaemia, neuromyelitis optica (NMO), and myasthenia gravis (MG). Shares of the company pulled back over the period due to investor fears over the strength of the company's U.S. and European patents protecting Soliris. Emerging competition from other biotechnology companies developing therapies in PNH, NMO, and MG have also weighed on the shares. The company is in the process of launching Ultomiris, a second-generation complement inhibitor with a much better dosing profile (every 8 weeks rather than every 2 weeks for Soliris) that has much longer patent protection. Like many of the other large biotechnology companies, Alexion's valuation has contracted due to uncertainty about the drug pricing climate generally as well as concerns about the sustainability of the company's growth. We think that these risks are overly discounted in the current share price.
- **Adverum Biotechnologies** shares were weak after the company presented initial data from an early-stage trial of gene therapy candidate ADVM-022 in wet age-related macular degeneration (AMD), where investors focused on a small average loss of visual acuity in the trial, as well as mild-to-moderate inflammation as seen in many gene therapy trials. We think concern over the programme is misplaced, as visual acuity is historically highly variable in this heavily pretreated population, and inflammation was well-managed with topical steroids; we also see the early efficacy signals of ADVM-022 as very encouraging.
- Shares in **Mirati Therapeutics** underperformed after competitor **Amgen** updated Phase I data in KRAS mutated colorectal cancer. The data fell short of expectations, though previous data had shown robust efficacy of the compound in lung cancer. Subsequent to the review period, Mirati announced positive Phase 1/2 data for their KRAS inhibitor with responses in lung cancer and colorectal cancer, sending the shares upward. We continue to believe the KRAS inhibitor class will represent a multi-billion dollar peak sales opportunity.

Gearing remained in the target 5-10% range over the review period. While we see attractive investment opportunities in both major biotechnology and emerging biotechnology, we are seeing more opportunities in the emerging biotechnology space in recent months, so close to three quarters of the portfolio was invested in that segment of the biotechnology universe at the end of the review period.

Since the end of the half year to 7 November 2019, the biotechnology sector has staged a recovery and the Company has delivered approximately 4.3% of excess performance compared to the benchmark.

### Outlook

As we have previously highlighted, the biotechnology industry is at an important inflection point as new platform technologies spur innovation and make more diseases amenable to treatment. Although the backdrop of election year politics may continue to hurt sentiment for biotechnology and healthcare stocks in general, we believe over the longer term, the fundamental strength of the biotechnology industry will drive strong returns.

**Geoff Hsu and Richard Klemm**  
OrbiMed Capital LLC  
Portfolio Manager  
12 November 2019

# Reviews / Investment Portfolio

Investments held as at 30 September 2019

Security	Country /Region	Fair value £'000	% of investments
Vertex Pharmaceuticals	United States	36,756	9.9
Neurocrine Biosciences	United States	28,590	7.7
Amgen	United States	19,174	5.2
Deciphera Pharmaceuticals	United States	17,976	4.9
Gilead Sciences	United States	16,772	4.5
Alexion Pharmaceuticals	United States	14,350	3.9
Exelixis	United States	14,095	3.8
Regeneron Pharmaceuticals	United States	13,755	3.7
Hansoh Pharmaceutical	China	13,239	3.6
MeiraGTx Holdings	United States	12,743	3.5
<b>Ten largest investments</b>		<b>187,450</b>	<b>50.7</b>
Sarepta Therapeutics	United States	12,579	3.4
CRISPR Therapeutics	Switzerland	12,365	3.3
Mirati Therapeutics	United States	12,087	3.3
Athenex	United States	11,248	3.0
Turning Point Therapeutics	United States	9,040	2.5
Karyopharm Therapeutics	United States	8,304	2.3
Insmed	United States	8,045	2.2
Argenx	Netherlands	7,901	2.1
Aurinia Pharmaceuticals	Canada	7,166	1.9
CanSino Biologics	China	6,898	1.9
<b>Twenty largest investments</b>		<b>283,083</b>	<b>76.6</b>
Biogen	United States	6,840	1.9
Krystal Biotech	United States	6,817	1.8
MyoKardia	United States	6,732	1.8
Avrobio	United States	6,562	1.8
Apellis Pharmaceuticals	United States	5,618	1.5
PTC Therapeutics	United States	5,596	1.5
Puma Biotechnology	United States	5,559	1.5
Ultragenyx Pharmaceutical	United States	4,388	1.2
Adverum Biotechnologies	United States	4,083	1.1
Arena Pharmaceuticals	United States	4,082	1.1
<b>Thirty largest investments</b>		<b>339,360</b>	<b>91.8</b>
Shanghai Junshi Biosciences	China	3,504	0.9
OrbiMed Asia Partners L.P. (unquoted)*	Asia	3,323	0.9
Foamix Pharmaceuticals	Israel	3,030	0.8
ArQule	United States	2,994	0.8
ACADIA Pharmaceuticals	United States	2,806	0.8
Amarin	United Kingdom	2,720	0.7
Menlo Therapeutics	United States	2,409	0.7
Curis	United States	2,216	0.6
Ra Pharmaceuticals	United States	2,148	0.6
Intercept Pharmaceuticals	United States	1,731	0.5
<b>Forty largest investments</b>		<b>366,241</b>	<b>99.1</b>

All of the above investments are equities unless otherwise stated.

\*Partnership interest.

## Reviews / Investment Portfolio

Security	Country /Region	Fair value £'000	% of investments
Spero Therapeutics	United States	1,210	0.3
Alector	United States	1,030	0.3
Prothena	Ireland	822	0.2
KalVista Pharmaceuticals	United States	365	0.1
<b>Total investments</b>		<b>369,668</b>	<b>100.0</b>

All of the above investments are equities unless otherwise stated.

### Portfolio Breakdown

Investments	Fair value £'000	% of investments
Equities	366,345	99.1
Partnership interest (unquoted)	3,323	0.9
<b>Total investments</b>	<b>369,668</b>	<b>100.0</b>

# Reviews / Principal Contributors to and Detractors from Net Asset Value Performance

For the Six Months ended 30 September 2019

## Top Five Contributors

	Contribution for the Six months ended 30 September 2019 £'000	Contribution per share (pence)*
Deciphera Pharmaceuticals	10,218	21.3
Hansoh Pharmaceutical	5,522	11.5
Apellis Pharmaceuticals	5,325	11.1
Karyopharm Therapeutics	3,387	7.0
ACADIA Pharmaceuticals	3,274	6.8
	<b>27,726</b>	<b>57.7</b>

## Top Five Detractors

	Contribution for the Six months ended 30 September 2019 £'000	Contribution per share (pence)*
Sarepta Therapeutics	(5,606)	(11.6)
Regeneron Pharmaceuticals	(4,951)	(10.3)
Alexion Pharmaceuticals	(4,945)	(10.3)
Adverum Biotechnologies	(4,896)	(10.2)
Mirati Therapeutics	(3,661)	(7.6)
	<b>(24,059)</b>	<b>(50.0)</b>

\*based on 48,085,930 Shares being the weighted average number of shares in issue for the six months ended 30 September 2019

Source: Frostrow Capital LLP

# Financial Statements / Condensed Income Statement

for the six months ended 30 September 2019

	Note	(Unaudited) Six months ended 30 September 2019			(Unaudited) Six months ended 30 September 2018			(Audited) Year ended 31 March 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>										
Investment income	2	649	–	649	571	–	571	1,246	–	1,246
<b>Total income</b>		649	–	649	571	–	571	1,246	–	1,246
<b>(Losses)/gains on investments</b>										
<b>(Losses)/gains on investments held at fair value through profit or loss</b>		–	(18,897)	(18,897)	–	86,485	86,485	–	27,798	27,798
Exchange losses on currency balances		–	(1,697)	(1,697)	–	(2,282)	(2,282)	–	(2,380)	(2,380)
<b>Expenses</b>										
AIFM, Portfolio management and performance fees	3	–	(1,752)	(1,752)	–	(2,212)	(2,212)	–	(4,013)	(4,013)
Other expenses		(307)	–	(307)	(289)	–	(289)	(545)	–	(545)
<b>Profit/(loss) before finance costs and taxation</b>		342	(22,346)	(22,004)	282	81,991	82,273	701	21,405	22,106
Finance costs		–	(317)	(317)	–	(404)	(404)	–	(820)	(820)
<b>Profit/(loss) before taxation</b>		342	(22,663)	(22,321)	282	81,587	81,869	701	20,585	21,286
Taxation		(97)	–	(97)	(85)	–	(85)	(186)	–	(186)
<b>Profit/(loss) for the period/year</b>		245	(22,663)	(22,418)	197	81,587	81,784	515	20,585	21,100
<b>Basic and diluted earnings/(loss) per share</b>	4	0.5p	(47.1)p	(46.6)p	0.4p	147.0p	147.4p	1.0p	37.8p	38.8p

The Company does not have any income or expenses which are not included in the profit or loss for the period. Accordingly the "profit for the period" is also the "Total Comprehensive Income for the period", as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

All of the profit and total comprehensive income for the period is attributable to the owners of the Company.

The "Total" column of the statement is the Company's Income Statement, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidelines published by the Association of Investment Companies.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The financial statements for the six months ended 30 September 2019 have not been audited by the Company's auditors.

# Financial Statements / Condensed Statement of Changes in Equity

(Unaudited) Six months ended 30 September 2019

	Ordinary Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 31 March 2019	12,992	43,021	9,807	343,868	(812)	408,876
Net (loss)/profit for the period	–	–	–	(22,663)	245	(22,418)
Repurchase of own shares for cancellation	(1,558)	–	1,558	(46,598)	–	(46,598)
At 30 September 2019	11,434	43,021	11,365	274,607	(567)	339,860

(Unaudited) Six months ended 30 September 2018

	Ordinary Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 31 March 2018	13,960	43,021	8,839	352,903	(1,327)	417,396
Net profit for the period	–	–	–	81,587	197	81,784
Repurchase of own shares for cancellation	(349)	–	349	(11,430)	–	(11,430)
At 30 September 2018	13,611	43,021	9,188	423,060	(1,130)	487,750

(Audited) Year ended 31 March 2019

	Ordinary Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 31 March 2018	13,960	43,021	8,839	352,903	(1,327)	417,396
Net profit for the year	–	–	–	20,585	515	21,100
Repurchase of own shares for cancellation	(968)	–	968	(29,620)	–	(29,620)
At 31 March 2019	12,992	43,021	9,807	343,868	(812)	408,876

# Financial Statements / Condensed Statement of Financial Position

as at 30 September 2019

	Note	(Unaudited) 30 September 2019 £'000	(Unaudited) 30 September 2018 £'000	(Audited) 31 March 2019 £'000
<b>Non current assets</b>				
Investments held at fair value through profit or loss		369,668	538,218	431,172
<b>Current assets</b>				
Other receivables		7,118	659	60
		7,118	659	60
<b>Total assets</b>		<b>376,786</b>	<b>538,877</b>	<b>431,232</b>
<b>Current liabilities</b>				
Other payables		10,484	8,885	11,515
Loan facility		26,442	42,242	10,841
		36,926	51,127	22,356
<b>Net assets</b>		<b>339,860</b>	<b>487,750</b>	<b>408,876</b>
<b>Equity attributable to equity holders</b>				
Ordinary share capital		11,434	13,611	12,992
Share premium account		43,021	43,021	43,021
Capital redemption reserve		11,365	9,188	9,807
Capital reserve		274,607	423,060	343,868
Revenue reserve		(567)	(1,130)	(812)
<b>Total equity</b>		<b>339,860</b>	<b>487,750</b>	<b>408,876</b>
<b>Net asset value per share</b>	5	<b>743.1p</b>	<b>895.9p</b>	<b>786.8p</b>

# Financial Statements / Condensed Statement of Cash Flows

for the six months ended 30 September 2019

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
<b>Operating activities</b>			
(Losses)/profit before taxation	(22,321)	81,869	21,286
Add back interest expense	317	404	820
Losses/(gains) on investments held at fair value through profit & loss	18,897	(86,485)	(27,798)
Exchange losses on currency balances	1,697	2,282	2,380
(Increase)/decrease in other receivables	(18)	16	–
(Decrease)/increase in other payables	(112)	187	(81)
<b>Net cash outflow from operating activities before interest payable and taxation</b>	<b>(1,540)</b>	<b>(1,727)</b>	<b>(3,393)</b>
Interest expense	(317)	(404)	(820)
Tax paid	(97)	(85)	(186)
<b>Net cash outflow from operating activities</b>	<b>(1,954)</b>	<b>(2,216)</b>	<b>(4,399)</b>
<b>Investing Activities</b>			
Purchases of investments	(222,483)	(228,517)	(395,525)
Sales of investments	258,671	221,620	441,324
<b>Net cash inflow/(outflow) from investing activities</b>	<b>36,188</b>	<b>(6,897)</b>	<b>45,799</b>
<b>Financing activities</b>			
Repurchase of shares for cancellation	(48,138)	(8,729)	(27,743)
Drawdown/(repayment) from the loan facility	13,904	17,842	(13,657)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(34,234)</b>	<b>9,113</b>	<b>(41,400)</b>

## Changes in liabilities arising from financing activities

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
Balance as at 31 March 2019	10,841	22,118	22,118
Net cash flow	13,904	17,842	(13,657)
Exchange losses on currency balances	1,697	2,282	2,380
	<b>26,442</b>	<b>42,242</b>	<b>10,841</b>

# Financial Statements / Notes to the Financial Statements

## I.a) General Information

The Biotech Growth Trust PLC is a company incorporated and registered in England and Wales. The Company operates as an investment trust company within the meaning of Section 833 of the Companies Act 2006 and has made a successful application under Regulation 5 of the Investment Trust (Approved Company) (Tax) Regulations 2011 for investment trust status to apply to all accounting periods commencing on 1 April 2012.

## I.b) Basis of Preparation

The Company's half year condensed financial statements for the six months ended 30 September 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the financial information required for the full annual financial statements and have been prepared using accounting policies adopted in the audited financial statements for the year ended 31 March 2019.

Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

## I.c) Segmental Reporting

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

In line with IFRS 8, a disclosure by geographical segment has been provided in note 10 on page 18 of this report.

## I.d) Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the accounts as the assets of the Company consists mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. The next continuation vote of the Company will be held at the Annual General Meeting in 2020, and further opportunities to vote on the continuation of the Company will be given to shareholders every five years thereafter.

## 2. Income

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
Investment income			
Overseas dividend income	649	571	1,246
Total income	649	571	1,246

# Financial Statements / Notes to the Financial Statements

## 3. AIFM, Portfolio Management and Performance Fees

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
AIFM fee	528	669	1,214
Portfolio management fee	1,224	1,543	2,799
	1,752	2,212	4,013

## 4. Basic and Diluted Earnings/(Loss) per Share

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
The earnings/(loss) per share is based on the following figures:			
Net revenue gain	245	197	515
Net capital (loss)/gain	(22,663)	81,587	20,585
Net total (loss)/gain	(22,418)	81,784	21,100
Weighted average number of shares in issue during the period/year	48,085,930	55,520,183	54,430,259
	Pence	Pence	Pence
Revenue earnings per share	0.5	0.4	1.0
Capital (loss)/earnings per share	(47.1)	147.0	37.8
Total (loss)/earnings per share	(46.6)	147.4	38.8

## 5. Net Asset Value per Share

The Net Asset Value per share is based on the net assets attributable to equity shareholders of £339,860,000 (30 September 2018: £487,750,000; 31 March 2019: £408,876,000) and on 45,735,075 shares (30 September 2018: 54,444,317; 31 March 2019: 51,967,562) being the number of shares in issue at the period end.

## 6. Transaction Costs

Purchase and sale transaction costs for the six months ended 30 September 2019 amounted to £546,000 (six months ended 30 September 2018: £286,000; year ended 31 March 2019: £685,000), broken down as follows: purchase transactions for the six months ended 30 September 2019 amounted to £320,000 (six months ended 30 September 2018: £164,000; year ended 31 March 2019: £379,000). Sale transactions amounted to £226,000 (six months ended 30 September 2018: £122,000; year ended 31 March 2019: £306,000). These costs comprise mainly commission.

# Financial Statements / Notes to the Financial Statements

## 7. Investments

IFRS 13 requires the Company to classify fair value measurements using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following three levels

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 30 September 2019 the investment in OrbiMed Asia Partners LP Fund (the LP Fund) has been classified as level 3. The fund is valued quarterly by OrbiMed Advisors LLC and is audited annually by KPMG LLP. As the 30 September 2019 valuation is not yet available, the fund has been valued at its net asset value as at 30 June 2019 (see level 3 reconciliation on page 18). It is believed that the value of the fund as at 30 September 2019 will not be materially different.

If the value of the fund was to increase or decrease by 10%, while other variables had remained constant, the return and net assets attributable to shareholders for the period ended 30 September 2019 would have increased/decreased by £332,000 (2018: £250,000).

The table below sets out fair value measurements of financial assets in accordance with IFRS13 fair value hierarchy system:

(Unaudited) Six months ended 30 September 2019				
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	366,345	–	–	366,345
Partnership interest in LP Fund	–	–	3,323	3,323
<b>Total</b>	<b>366,345</b>	<b>–</b>	<b>3,323</b>	<b>369,668</b>

### (Unaudited) Six months ended 30 September 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	535,715	–	–	535,715
Partnership interest in LP Fund	–	–	2,503	2,503
<b>Total</b>	<b>535,715</b>	<b>–</b>	<b>2,503</b>	<b>538,218</b>

### (Audited) Year ended 31 March 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	428,133	–	–	428,133
Partnership interest in LP Fund	–	–	3,039	3,039
<b>Total</b>	<b>428,133</b>	<b>–</b>	<b>3,039</b>	<b>431,172</b>

# Financial Statements / Notes to the Financial Statements

## Level 3 reconciliation

Please see below a reconciliation disclosing the changes during the six months for the financial assets and liabilities designated at fair value through profit or loss classified as being Level 3.

	(Unaudited) Six months ended 30 September 2019 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) Year ended 31 March 2019 £'000
Assets as at beginning of period (Return of capital)/capital contribution	3,039 –	3,491 (1,533)	3,491 166
Net movement in investment holding gains during the period	284	545	(618)
<b>Assets as at 30 September/31 March</b>	<b>3,323</b>	<b>2,503</b>	<b>3,039</b>

There were no cash distributions during the period (September 2018: £1,533,000; March 2019: £nil). There were no capital contributions made during the period (September 2018: £nil; March 2019: £166,000).

## 8. Principal Risks Profile

The principal risks which the Company faces from its financial instruments are:

- i) market price risk, including currency risk, interest rate risk and other price risk;
- ii) liquidity risk; and
- iii) credit risk

**Market price risk** – is the risk that the fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk.

**Liquidity risk** – This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

**Credit risk** – This is the risk of the failure of the counterparty to a transaction to discharge its obligations under that transaction which could result in the Company suffering a loss. (see note 11 on page 19).

Further details of the Company's management of these risks can be found in note 13 of the Company's 2019 Annual Report.

There have been no changes to the management of or the exposure to these risks since the date of the Annual Report.

## 9. Related Party Transactions

There have been no changes to the related party arrangements or transactions as reported in the Annual Report for the year ended 31 March 2019.

## 10. Segmental Reporting

Geographical Segments	(Unaudited) Six months ended 30 September 2019 Value of Investments £'000	(Unaudited) Six months ended 30 September 2018 Value of Investments £'000	(Audited) Year ended 31 March 2019 Value of Investments £'000
North America	315,866	472,937	388,577
Asia	29,994	8,350	18,591
Europe	23,808	56,931	24,004
<b>Total</b>	<b>369,668</b>	<b>538,218</b>	<b>431,172</b>

# Financial Statements / Notes to the Financial Statements

## 11. Credit Risk

J.P. Morgan Securities LLC (J.P. Morgan) may take assets with a value of up to 140% of the loan as collateral. Such assets held by J.P. Morgan are available for rehypothecation\*.

As at 30 September 2019, the maximum value of assets available for rehypothecation was £37.0 million being 140% of the loan balance (£26.4 million) (30 September 2018: £59.1 million), (31 March 2019: £15.2 million).

\*See glossary on pages 21 and 22.

## 12. Comparative Information

The financial information contained in this half year report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2019 and 2018 has not been audited by the auditors.

The information for the year ended 31 March 2019 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 March 2019 have been filed with the Registrar of the Companies. The report of the auditors on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

# Governance / Interim Management Report

## Principal Risks and Uncertainties

A review of the half year, including reference to the risks and uncertainties that existed during the period and the outlook for the Company can be found in the Chairman's Statement beginning on page 1 and in the Portfolio Manager's Review beginning on page 4. The principal risks faced by the Company fall into the following broad categories: objective and strategy; volatility and the level of discount/premium; portfolio performance; Investment Management key person risk; operational and regulatory (including cyber risk); market price risk; liquidity risk; shareholder profile; currency risk; the risk associated with the Company's loan facility; and credit risk. Information on each of these areas is given in the Strategic Report/ Business Review within the Annual Report and Accounts for the year ended 31 March 2019. In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Additionally, the Company acknowledges the continued uncertainty surrounding the UK's decision to leave the EU.

## Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

## Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

## Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with applicable International Accounting Standards, (IAS) 34; and
- (ii) the interim management report includes a fair review of the information required by:
  - (a) [DTR 4.2.7R](#) of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) [DTR 4.2.8R](#) of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Half Year Report has not been audited by the Company's auditors.

The Half Year Report was approved by the Board on 12 November 2019 and the above responsibility statement was signed on its behalf by:

**Andrew Joy**  
Chairman

## Further Information / Glossary of Terms and Alternative Performance Measures ('APMs')

### AIFMD

The Alternative Investment Fund Managers Directive (the "Directive") is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

### Discount or Premium<sup>^</sup>

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

	page	As at 30 September 2019 pence	As at 31 March 2019 pence
Share Price	3	698.0	734.0
Net Asset value per share (see note 5 on page 16 for further information)	3	743.1	786.8
Discount of share price to net asset value per share	3	6.1%	6.7%

### Gearing<sup>^</sup>

Gearing represents prior charges, adjusted for net current liabilities, expressed as a percentage of net assets. Prior charges includes all loans for investment purposes.

	page	30 September 2019 £'000	31 March 2019 £'000
Prior Charges	13	26,442	10,841
Net Current Liabilities	-	3,366	11,455
		29,808	22,296
Net Assets	13	339,860	408,876
Gearing		8.8%	5.5%

### Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares in the secondary market.

<sup>^</sup>Alternative Performance Measure.

## Further Information / Glossary of Terms and Alternative Performance Measures ('APMs')

### Ongoing Charges<sup>^</sup>

Ongoing charges are calculated by taking the Company's annualised operating expenses expressed as a proportion of the average daily net asset value of the Company over the year/period. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, cost of buying back or issuing ordinary shares and other non-recurring costs.

	page	30 September 2019 £'000	31 March 2019 £'000
AIFM and Portfolio Management fees	–	3,375	4,013
Operating Expenses	–	633	545
Total expenses		4,008*	4,558
Average Assets for the period/year	–	387,494	432,314
Ongoing charges	3	1.0%	1.1%

\*Estimated expenses for the year ending 31 March 2020, as at 30 September 2019.

<sup>^</sup>Alternative Performance Measure.

### Rehypothecation

Rehypothecation is the practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by clients.

## Further Information / How to Invest

### Retail Investors Advised by IFAs

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

### Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	<a href="http://www.youinvest.co.uk/">http://www.youinvest.co.uk/</a>
Barclays Stockbrokers	<a href="https://www.smartinvestor.barclays.co.uk/">https://www.smartinvestor.barclays.co.uk/</a>
Bestinvest	<a href="http://www.bestinvest.co.uk/">http://www.bestinvest.co.uk/</a>
Charles Stanley Direct	<a href="https://www.charles-stanley-direct.co.uk/">https://www.charles-stanley-direct.co.uk/</a>
Club Finance	<a href="http://www.clubfinance.co.uk/">http://www.clubfinance.co.uk/</a>
Fidelity	<a href="http://www.fidelity.co.uk/">http://www.fidelity.co.uk/</a>
Halifax Share Dealing	<a href="http://www.halifax.co.uk/Sharedealing/">http://www.halifax.co.uk/Sharedealing/</a>
Hargreaves Lansdown	<a href="http://www.hl.co.uk/">http://www.hl.co.uk/</a>
HSBC	<a href="https://investments.hsbc.co.uk/">https://investments.hsbc.co.uk/</a>
iDealing	<a href="http://www.idealing.com/">http://www.idealing.com/</a>
Interactive Investor	<a href="http://www.ii.co.uk/">http://www.ii.co.uk/</a>
IWEB	<a href="http://www.iweb-sharedealing.co.uk/share-dealing-home.asp">http://www.iweb-sharedealing.co.uk/share-dealing-home.asp</a>
Saga Share Direct	<a href="https://www.sagasharedirect.co.uk/">https://www.sagasharedirect.co.uk/</a>
Selftrade	<a href="http://www.selftrade.co.uk/">http://www.selftrade.co.uk/</a>
The Share Centre	<a href="https://www.share.com/">https://www.share.com/</a>
Saxo Capital Markets	<a href="http://uk.saxomarkets.com/">http://uk.saxomarkets.com/</a>

### Link Asset Services – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Link Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your dividend confirmation or share certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

## Further Information / How to Invest

For further information on this service please contact:

[www.linksharedeal.com](http://www.linksharedeal.com) (online dealing)

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

### Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, all of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

# Further Information / Company Information

## Directors

Andrew Joy (Chairman)  
Steve Bates (Chairman of the Management Engagement Committee)  
Professor Dame Kay Davies CBE (Senior Independent Director and Chair of the Remuneration Committee)  
Julia Le Blan (Chair of the Audit Committee)  
Geoff Hsu  
The Rt Hon Lord Willetts

## Registered Office

One Wood Street  
London EC2V 7WS

## Website

[www.biotechgt.com](http://www.biotechgt.com)

## Company Registration Number

3376377 (Registered in England and Wales)  
The Company is an investment company as defined under Section 833 of the Companies Act 2006. The Company was incorporated in England and Wales on 20 May 1997. The Company was incorporated as Reabourne Merlin Life Sciences Investment Trust PLC.

## Alternative Investment Fund Manager, Company Secretary and Administrator

Frostrow Capital LLP  
25 Southampton Buildings  
London WC2A 1AL  
Telephone: 0203 008 4910  
E-Mail: [info@frostrow.com](mailto:info@frostrow.com)  
Website: [www.frostrow.com](http://www.frostrow.com)  
Authorised and regulated by the Financial Conduct Authority.

## Portfolio Manager

OrbiMed Capital LLC  
601 Lexington Avenue, 54th Floor  
New York NY10022 USA  
Telephone: +1 212 739 6400  
Website: [www.orbimed.com](http://www.orbimed.com)  
Registered under the U.S. Securities and Exchange Commission.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the stated e-mail address.

## Independent Auditor

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf  
London E14 5EY

## Depositary

J.P. Morgan Europe Limited  
25 Bank Street  
London E14 5JP

## Prime Broker

J.P. Morgan Securities LLC  
Suite 1, Metro Tech Roadway  
Brooklyn, NY11201  
USA

## Registrar

If you have any queries in relation to your shareholding please contact:  
Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
email: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk);  
telephone +44 (0)371 664 0300

## Shareholder Portal

You can register online to view your holdings using the Share Portal, a service offered by Link Asset Services at [www.signalshares.com](http://www.signalshares.com).

The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online

- reducing the need for paperwork and providing 24 hour access to your shareholding details.

Through the Share Portal you may:

- Cast your proxy vote online;
- View your holding balance and get an indicative valuation;
- View movements on your holding;
- Update your address;
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account;
- Elect to receive shareholder communications electronically; and
- Access a wide range of shareholder information including the ability to download shareholder forms.

## Stock Broker

Winterflood Securities Limited  
The Atrium Building  
Cannon Bridge  
25 Dow Gate Hill  
London EC4R 2GA

## Solicitors

Charles Russell Speechlys  
5 Fleet Place  
London EC4M 7RD

## Further Information / Financial Calendar

Financial Year End	31 March
Final Results Announced	May/June
Half Year End	30 September
Half Year End Results Announced	November
Annual General Meeting	July

### Identification Codes

Shares:	SEDOL:	0038551
	ISIN:	GB0000385517
	BLOOMBERG:	BIOG LN
	EPIC:	BIOG

### Global Intermediary Identification Number (GIIN)

U1 MQ70.99999.SL.826

### Legal Entity Identifier (LEI)

549300Z41EP32MI2DN29







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### **Disability Act**

Copies of this half year report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Asset Services, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by RNID) you should dial 18001 from your textphone followed by the number you wish to dial.

**The Biotech Growth Trust PLC**  
25 Southampton Buildings, London WC2A 1AL  
[www.biotechgt.com](http://www.biotechgt.com)



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