EDISON

The Biotech Growth Trust

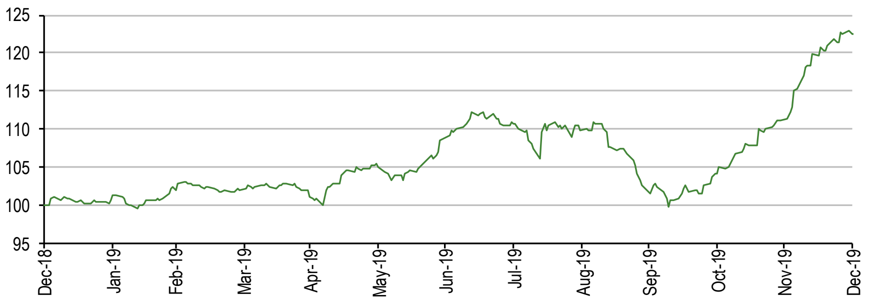
Positive outlook for 2020

Investment trusts
Biotech equities

24 January 2020

The Biotech Growth Trust (BIOG) is managed by Geoff Hsu and Richard Klemm at OrbiMed Capital. They remain optimistic about the prospects for the sector in 2020 due to high levels of innovation and a relaxed regulatory environment, while a continuation in merger and acquisition (M&A) activity would also likely provide further support for biotech shares. The managers are very encouraged by the trust's much-improved investment performance in recent months, noting they are being rewarded by the market for their in-depth fundamental research and portfolio positioning in favour of emerging rather than large-cap biotech stocks. BIOG's NAV has now outperformed the NASDAQ Biotechnology index benchmark over the last one, three, five and 10 years.

NAV significantly ahead of the benchmark in Q419



Source: Refinitiv, Edison Investment Research

The market opportunity

While investing in the biotech sector is not always a smooth ride, over the long term the sector has delivered meaningfully superior performance versus the broad global market. Industry fundamentals are very favourable, underpinned by a supportive regulatory environment, high levels of innovation and favourable demographic trends, while an uptick in M&A in recent months has also contributed to the positive performance of biotech shares.

Why consider investing in The Biotech Growth Trust?

- Specialist fund offering exposure to the innovative global biotech sector, across the market cap spectrum.
- Fund overseen by two experienced portfolio managers, who are supported by OrbiMed's well-resourced investment team.
- Absolute NAV and share price total returns in excess of 20% pa over the last 10 years and a long-term record of outperformance versus the benchmark.

Scope for a narrower discount

BIOG is currently trading at a 9.1% discount to cum-income NAV, which compares to a 5.4% to 7.9% range of discounts over the last one, three, five and 10 years. There is scope for a higher valuation given the meaningful recent improvement in the trust's performance. The board actively repurchases shares, aiming for a maximum 6% discount in normal market conditions.

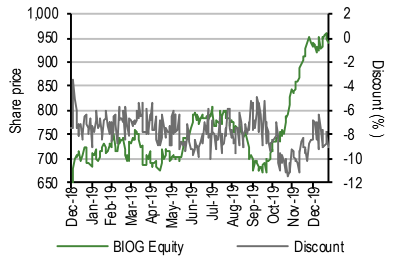
Price	**940.0p**
Market cap	**£387m**
AUM	**£451m**

NAV*	1,033.4p
Discount to NAV	9.0%
NAV**	1,034.1p
Discount to NAV	9.1%

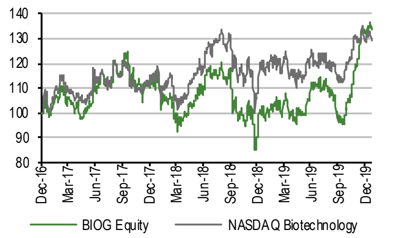
*Excluding income. **Including income. As at 22 January 2020.

Yield	0.0%
Ordinary shares in issue	41.1m
Code	BIOG
Primary exchange	LSE
AIC sector	Biotechnology & Healthcare
Benchmark	NASDAQ Biotechnology

Share price/discount performance



Three-year performance vs index



52-week high/low	962.0p	670.0p
NAV** high/low	1,055.2p	718.8p

**Including income.

Gearing

Gross*	8.2%
Net*	8.2%

*As at 31 December 2019.

Analysts

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Edison profile page

The Biotech Growth Trust is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

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

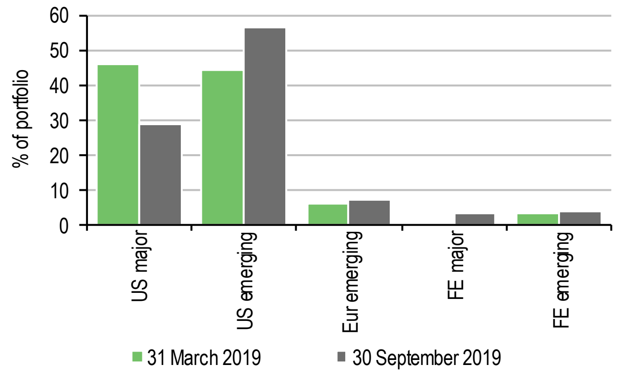
Recent developments

- 12 November 2019: interim results for six months ending 30 September 2019. NAV TR -5.6% versus benchmark TR -5.9%. Share price TR -4.9%.
- 24 May 2019: annual results for 12 months ending 31 March 2019. NAV TR +5.3% versus benchmark TR +13.0%. Share price TR +4.6%.
- 9 November 2018: interim results for six months ending 30 September 2018. NAV TR +19.9% versus benchmark TR +22.9%. Share price TR +17.9%.

Forthcoming		Capital structure		Fund details	
AGM	July 2020	Ongoing charges	1.0% (H120)	Group	Frostrow Capital LLP
Final results	May 2020	Net gearing	8.2%	Manager	OrbiMed Capital
Year end	31 March	Annual mgmt fee	See page 8	Address	25 Southampton Buildings,
Dividend paid	N/A	Performance fee	See page 8		London, WC2A 1AL
Launch date	June 1997	Trust life	Indefinite (subject to vote)	Phone	+44 (0) 20 3008 4910
Continuation vote	Every five years – next 2020	Loan facilities	See page 8	Website	www.biotechgt.com

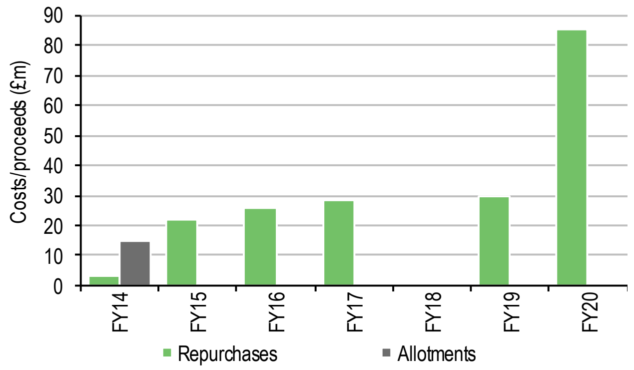
Portfolio sector breakdown

Following an adjustment to the investment objective in October 2013, BIOG is no longer required to invest the majority of assets in companies with a market capitalisation below $3bn at the time of acquisition.

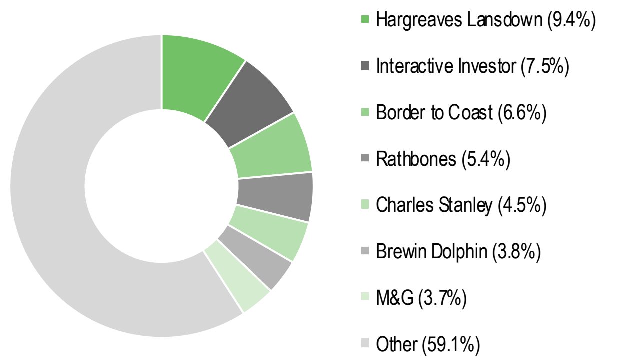


Share buyback policy and history (financial years)

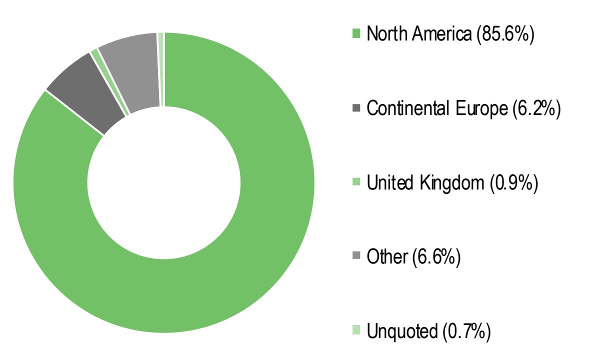
Renewed annually, the trust has authority to purchase up to 14.99% and allot up to 10% of issued share capital. There is a discount control mechanism in place with a target level of no more than a 6% discount to NAV.



Shareholder base (at 31 December 2019)



Portfolio exposure by geography (at 31 December 2019)



Top 10 holdings (as at 31 December 2019)

			Portfolio weight %	
Company	**Country**	**Sector**	**31 December 2019**	**31 December 2018***
Vertex Pharmaceuticals	US	Major biotech	7.9	9.1
Mirati Therapeutics	US	Emerging biotech	6.4	N/A
Neurocrine Biosciences	US	Emerging biotech	5.1	N/A
Amgen	US	Major biotech	4.8	4.7
Deciphera Pharmaceuticals	US	Emerging biotech	4.0	N/A
CRISPR Therapeutics	Europe	Emerging biotech	3.7	N/A
Gilead Sciences	US	Major biotech	3.5	5.5
Sarepta Therapeutics	US	Emerging biotech	3.4	5.6
MeiraGTx	US	Emerging biotech	3.2	N/A
Aurinia Pharmaceuticals	US	Emerging biotech	3.2	N/A
Top 10 (% of holdings)			**45.2**	**65.4**

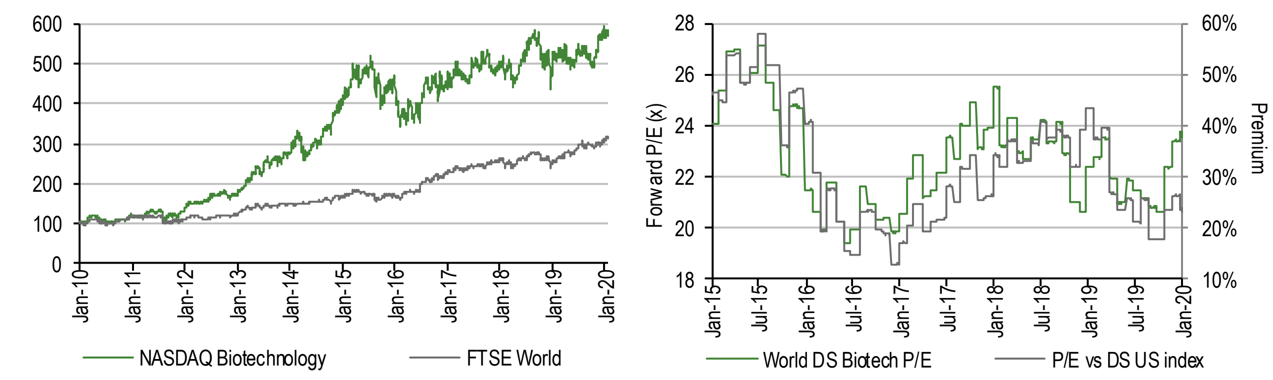
Source: The Biotech Growth Trust, Edison Investment Research, Morningstar. Note: *N/A where not in end-December 2018 top 10.

Market outlook: Attractive industry fundamentals

Over the last 10 years, biotech shares have significantly outperformed the global market (Exhibit 2, LHS), albeit with periods of volatility, particularly in recent years. There has recently been an improvement in investor sentiment towards the biotech sector, supported by elevated M&A activity, positive trial data and a shift in the Democratic political landscape ahead of the November 2020 US presidential election. Although there were periods of risk aversion last year and concerns about US drug pricing, which negatively affected the performance of biotech shares, industry fundamentals have remained robust. The regulatory environment is favourable – there were 48 approvals of new molecular entities in the US in 2019, only modestly lower than a record 59 in 2018; the industry is undergoing a high level of innovation, with multiple technology platforms that have multi-billion dollar revenue potential; and demographic trends are very supportive for industry volume growth. Given the favourable fundamental backdrop, investors running a diversified portfolio may wish to consider an allocation to the biotech sector.

Exhibit 2: Biotech index performance and valuation

NASDAQ Biotech and FTSE World indices (10 years, £-based) | **DS World Biotech index P/E and relative to DS US index (last five years)**



Source: Refinitiv, Edison Investment Research. Note: Valuation data at 23 January 2020.

Looking at valuations (Exhibit 2, RHS), the Datastream World biotech index is trading on a 23.7x forward P/E multiple, which is modestly higher than its 22.7x five-year historical average. However, this index comprises companies across the market-cap spectrum, including some of the large-cap US biotech firms that are trading on very undemanding valuations. In relative terms, global biotech stocks are trading at a 24.0% premium to the US market, which is notably less than the 31.8% average premium over the last five years.

Fund profile: Global biotech specialist

Launched in June 1997, BIOG is listed on the Main Market of the London Stock Exchange. It is managed by Geoff Hsu and Richard Klemm of global healthcare specialist OrbiMed Capital, which has c $13bn of assets under management (c $5bn in public equities). The firm has six regional offices and a team of more than 80 investment professionals (25 hold PhD or MD qualifications and 15 are former CEOs or healthcare company founders). Hsu and Klemm aim to generate long-term capital growth from a globally diversified portfolio of biotech shares and related securities. BIOG's performance is benchmarked against the NASDAQ Biotechnology index (sterling-adjusted). Guidelines dictate that, at the time of investment, up to 15% of gross assets may be invested in a single stock; a maximum 10% is permitted in unquoted securities (excluding a maximum $15m in private equity funds managed by OrbiMed and its affiliates); and swaps exposure is allowed up to 5% of gross assets. The managers may employ gearing up to 20% of net assets; net gearing was 8.2% at end-December, versus a typical range of 0% to 10%.

The fund managers: Geoff Hsu and Richard Klemm

The manager's view: Positive on the sector's prospects

We spoke to Hsu, who explains the performance of biotech stocks in 2019 was affected by the US political backdrop, in particular by who was doing well in the polls for the Democrat presidential candidate nomination. He suggests that former vice-president Joe Biden remains the frontrunner, but there had been fears on occasion about the selection of a more progressive Democratic candidate such as Elizabeth Warren or Bernie Sanders, which put pressure on the healthcare sector (including biotech). There was also volatility due to concerns about US drug price regulation ahead of the November 2020 Presidential election. Policies proposed include international reference pricing for Medicare drugs, allowing drug re-importation, inflation-based price caps on drugs and permitting Medicare to negotiate prices directly with biopharmaceutical companies. However, Hsu does not expect any dramatic changes to US drug pricing policy, even if there is a Democrat president, given the likely continuation of a split Congress (with Republicans controlling the Senate and Democrats controlling the House of Representatives). The manager expects political pressure on the healthcare sector to abate over 2020.

Hsu says that some of the major biotech companies are trading at historically low forward P/E multiples, as there is a lack of buying appetite from generalist investors. However, he expects these companies to rerate once the rhetoric surrounding US drug pricing subsides, as occurred in previous phases when biotech share prices were negatively affected by political headlines.

The manager says biotech industry fundamentals remain very favourable, helped by an accommodative regulatory environment – the US Food and Drug Administration (FDA) is proactive in expediting new drug approvals, of which there have been an exceptionally high number over the last three years. Innovation within the industry remains at unprecedented levels in technologies including gene therapy, cell therapy, RNA-based therapeutics and bispecific antibodies, which have multi-billion-dollar revenue prospects. There is also a re-emergence of targeted therapies for cancer, demand for which is evidenced by Pfizer's takeover of Array Biopharma at a c 60% premium to its pre-bid share price. Companies focused on these technologies that are represented in BIOG's portfolio include Mirati Therapeutics and Turning Point Therapeutics.

Hsu highlights the pick-up in M&A activity in the latter part of 2019, which was a large driver of the rally in biotech stocks in the fourth quarter. Examples include Novartis for The Medicines Company ($9.7bn in November), Sanofi for Synthorx ($2.5bn in December), Merck for ArQule ($2.7bn in December) and Alexion Pharmaceuticals for Achillion Pharmaceuticals ($0.9bn in December). The manager says the increase in deal activity has led to better sentiment towards the sector, especially for emerging biotech stocks.

Asset allocation

Investment process: Bottom-up stock selection

Managers Hsu and Klemm aim to generate long-term capital growth from a globally diversified portfolio of biotech stocks, investing across the market cap spectrum from early-stage companies with novel therapeutic products through to major biotech firms. Stocks are selected on a bottom-up basis and the managers are able to draw on the broad resources of OrbiMed's experienced investment team. Potential investee companies undergo in-depth fundamental research, which includes financial modelling, an assessment of research pipelines and identification of potential catalysts. Meeting company managements is a very important element of the research process. Stocks may be purchased if an early-stage company is approaching profitability, ahead of anticipated positive clinical data, or if a business is considered a potential takeover target.

Although the managers invest across the globe, the majority of the fund (c 85%) is held in US companies, both emerging and major businesses, reflecting its dominance in the global biotech industry. However, Hsu and Klemm highlight the emergence of opportunities in developing markets, including China, where drug approval standards have been tightened and listing requirements made less onerous. The trust's positions are regularly reviewed to ensure the original investment theses are still valid.

Hsu explains that BIOG's portfolio turnover is relatively high due to its emerging biotech exposure – stocks are volatile around clinical catalysts and the fund is managed accordingly. This means the trust's portfolio can look somewhat different quarter to quarter. The managers have been taking profits in stocks that have outperformed and are reinvesting the proceeds in positions that have done less well, but where value is yet to be recognised. Hsu suggests one of the issues negatively affecting the trust's performance in recent years was holding on to positions for too long. BIOG's board initiated a review and an internal study was undertaken, which showed that although fundamental analysis was adding value, the tendency to hold on to winning stocks that subsequently performed less well was detracting from the trust's returns. The managers are now more focused on taking profits and locking in the performance of successful stocks; this means the level of idea generation needs to remain elevated, which keeps the portfolio fresh.

Current portfolio positioning

At end-December 2019, BIOG's top 10 positions made up 45.2% of the portfolio, which was a markedly lower concentration than 65.4% a year earlier; just four positions were common to both periods. As shown in Exhibit 3, the managers have continued to shift the trust's exposure in favour of US emerging biotech companies and away from US major biotech firms.

Following a tough period of relative performance in 2017 and 2018, in part due to BIOG's exposure to major biotech companies, there was a strategic decision to de-emphasise these names; the trust is now underweight large-cap and overweight emerging biotech companies. Hsu explains that until there is sustained generalist investor interest in large-cap biotech stocks, this positioning will be retained. He suggests there is plenty of innovation in emerging biotech companies and BIOG's managers are now being rewarded for being on the correct side of binary events.

Hsu highlights that the trust's emerging markets strategy in China has been a positive contributor to performance, including Cansino Biologics, a Chinese vaccine company whose shares have appreciated considerably since its initial public offering in March 2019. Of note, there is no direct emerging market exposure in the NASDAQ Biotechnology index.

Exhibit 3: Portfolio sector breakdown (%)

Sector	End-September 2019	End-March 2019	Change (pp)
US emerging biotech	56.5	44.3	12.2
US major biotech	29.1	45.9	(16.8)
Europe emerging biotech	7.1	6.4	0.7
Far East major biotech	3.6	0.0	3.6
Far East emerging biotech	3.7	3.4	0.3
Total	**100.0**	**100.0**	

Source: The Biotech Growth Trust, Edison Investment Research

Hsu highlights a few of BIOG's top 10 positions. Vertex Pharmaceuticals had a major approval for its triple combination therapy for cystic fibrosis in October 2019; although this was not viewed as a surprise, the manager comments that the stock has nevertheless rallied meaningfully. Mirati Therapeutics is developing a KRAS inhibitor with opportunities to treat multiple cancer types. The manager suggests that, if approved, this targeted cancer therapy has the potential to be a future blockbuster. In August 2019, Deciphera Pharmaceuticals had positive Phase III data from its INVICTUS trial for patients with gastrointestinal stromal tumours; its stock more than doubled on the news. CRISPR Therapeutics (gene editing) had positive trial data in Q419, which catapulted it into BIOG's top 10 holdings. The manager also highlights the sale of Illumina (gene sequencing), which was a large, long-term holding in the fund; the position was exited as he considers the company's growth prospects have matured.

Performance: On a tear in absolute and relative terms

Exhibit 4: Five-year discrete performance data

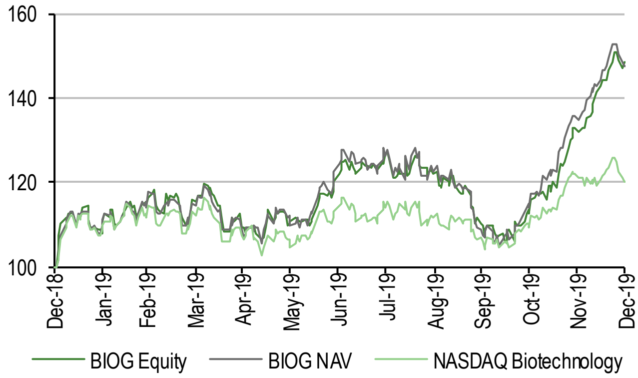
12 months ending	Share price (%)	NAV (%)	NASDAQ Biotech (%)	World-DS Pharm & Bio (%)	FTSE World (%)
31/12/15	9.1	15.6	18.2	13.5	4.3
31/12/16	(4.7)	(7.6)	(6.2)	6.9	29.6
31/12/17	12.1	9.9	11.1	9.3	13.3
31/12/18	(19.9)	(14.3)	(3.2)	6.5	(3.1)
31/12/19	48.5	47.4	20.3	15.8	22.8

Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

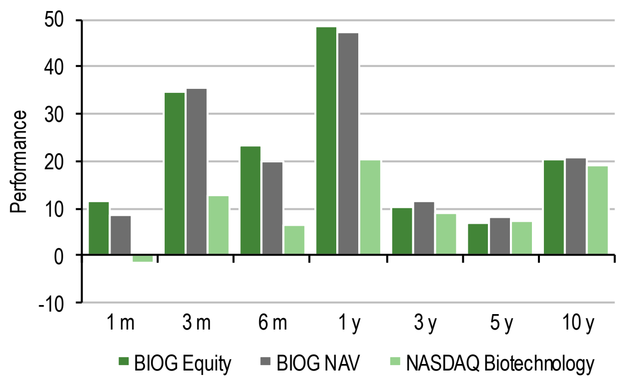
In H120 (ending 30 September), BIOG's NAV and share price total returns of -5.6% and -4.9% respectively were modestly better than the benchmark's -5.9% total return. For the first four months of the period, the trust's NAV rose by 9.6% (+9.0pp versus the benchmark), but this was followed by a two-month 13.8% decline in the NAV (-7.4pp versus the benchmark). This two-month period was volatile and included a shift by investors from growth stocks, which had performed relatively well, into more defensive stocks; BIOG's underweight exposure to major biotech firms was therefore detrimental to its relative investment performance. Hsu explains changes in sentiment were exacerbated by passive investors and algorithmic trading, rather than reflecting any changes in company fundamentals. During H120, the largest contributors to the trust's performance were: Deciphera Pharmaceuticals (positive trial data, highlighted on page 5); Hansoh Pharmaceutical Group (a leading Chinese biopharmaceutical company based in China – BIOG was a cornerstone investor in the company's successful Hong Kong IPO); and Apellis Pharmaceuticals (investors became more confident in the probability of success of the company's Phase III clinical trial of APL-2 for paroxysmal nocturnal haemoglobinuria). The largest detractors from performance were: Sarepta Therapeutics (unexpected FDA rejection of its Duchenne muscular dystrophy treatment golodirsen); Regeneron Pharmaceuticals (increasing concerns about competition to its lead product Eylea, an antibody to treat wet age-related macular degeneration); and Alexion Pharmaceuticals (investor fears over the strength of the company's US and European patents protecting its lead product Soliris, which is a monoclonal antibody approved to treat a variety of conditions).

Exhibit 5: Investment trust performance to 31 December 2019

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

BIOG's relative returns are illustrated in Exhibits 5, 6 and 7. The trust had a particularly strong period of absolute and relative performance in Q419. Hsu explains that contributors to this included a number of clinical catalysts; for example, in December, Aurinia had positive AURORA Phase III trial results for the treatment of lupus nephritis and in November CRISPR Therapeutics and Vertex Pharmaceuticals had positive joint trial data for their gene-editing therapy for blood disorders. The manager notes that stocks rallied on positive clinical results, unlike in 2018, when there were many instances of stocks selling off on good news due to profit taking. M&A was an important contributor to BIOG's performance in Q419, for example, the trust held a position in ArQule, which received a takeover bid from Merck at a greater than 100% premium to its pre-bid share price. Another successful position in the fund was Sarepta Therapeutics; the company had experienced a couple of setbacks but its share price subsequently rebounded strongly.

Hsu highlights frustrations about BIOG's performance in 2017 and 2018, whereby positive company fundamentals did not translate into share price upside. Other issues included political overhangs, and other market dynamics, such as algorithmic trading accentuating the effects of shifts in investor sentiment. The manager suggests the investment backdrop has normalised somewhat and the OrbiMed team is now being rewarded for anticipating positive clinical outcomes.

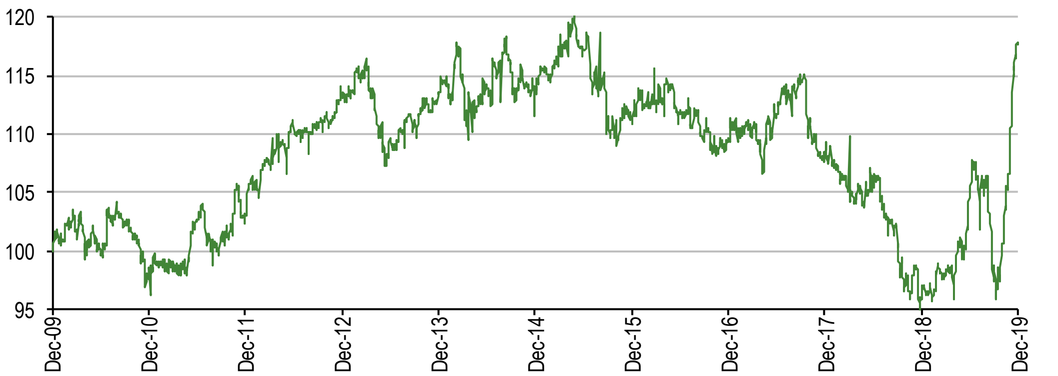
Due to BIOG's recent strong investment performance, its longer-term record has also improved. Its NAV has now outperformed the NASDAQ Biotechnology index over all periods shown. The trust has significantly outpaced the performance of all indices shown in Exhibit 6 over the last few months and over one and 10 years.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to NASDAQ Biotechnology	13.3	19.4	15.9	23.5	3.1	(3.4)	13.3
NAV relative to NASDAQ Biotechnology	10.2	20.3	12.9	22.6	7.4	3.4	17.6
Price relative to World-DS Pharm & Bio	10.1	27.0	14.5	28.2	(1.0)	(15.2)	73.1
NAV relative to World-DS Pharm & Bio	7.1	28.0	11.4	27.3	3.1	(9.2)	79.8
Price relative to FTSE World	10.6	32.8	17.2	20.9	(1.2)	(24.0)	110.9
NAV relative to FTSE World	7.6	33.8	14.1	20.0	3.0	(18.6)	119.0
Price relative to FTSE All-Share	8.0	29.3	16.9	24.6	9.3	(3.6)	193.9
NAV relative to FTSE All-Share	5.1	30.3	13.9	23.7	13.9	3.2	205.3

Source: Refinitiv, Edison Investment Research. Note: Data to end-December 2019. Geometric calculation.

Exhibit 7: NAV total return performance relative to benchmark over 10 years



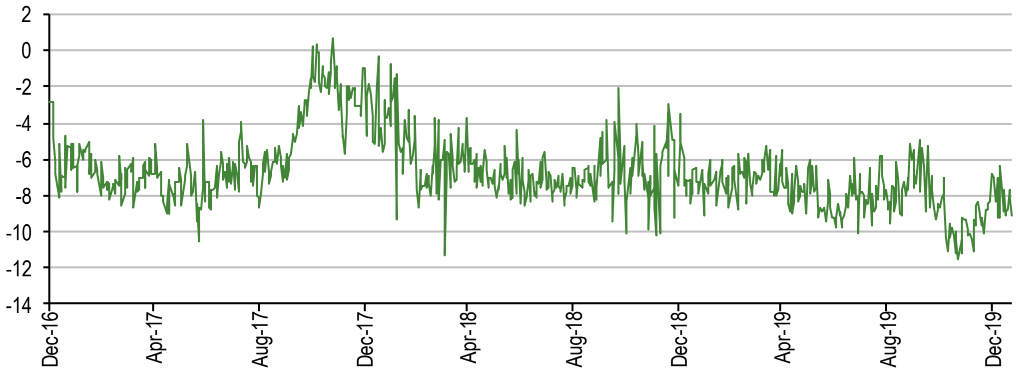
Source: Refinitiv, Edison Investment Research

Discount: Step-up in share repurchases

BIOG's board actively manages the discount, aiming for a maximum 6% in normal market conditions. As shown in Exhibit 1, the pace of share repurchases has picked up in FY20. During H120, c 6.2m shares (c 11.9% of the share base) were repurchased at an average discount of 7.9% and a cost of c £46.6m, which added 1.1% to the trust's NAV. So far in H220, a further c 4.6m shares (c 10.1% of the share base) have been repurchased at a cost of c £39.1m. Hsu explains that given the trust's recent strong performance, investors have been taking profits, hence the discount widened and the board has been diligent in executing its discount management strategy.

As shown in Exhibit 8, over the last three years, BIOG has generally traded at a discount to NAV (apart from a brief spell in late 2017). Its current 9.1% share price discount to cum-income NAV compares with the 3.5% to 11.6% range of discounts over the last 12 months. Over the last one, three, five and 10 years, BIOG's shares have traded at average discounts of 7.9%, 6.7%, 6.3% and 5.4% respectively. Given the recent improvement in BIOG's absolute and relative performance, there is scope for its discount to narrow.

Exhibit 8: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

BIOG is a conventional investment trust with one class of share; there are currently 41.1m ordinary shares in issue. Gearing is employed up 20% of NAV via a loan facility with JP Morgan Securities, priced at 45bp above the US Federal Funds rate (net gearing was 8.2% at end-December 2019).

The trust pays OrbiMed an annual management fee of 0.65% of its NAV and Frostrow Capital (the trust's Alternative Investment Fund Manager, which provides company management, secretarial, administrative and marketing services) receives an annual fee of 0.3% of the trust's market cap, plus a fixed fee of £60k pa. A performance fee is payable – 16.5% of outperformance versus the benchmark (15.0pp and 1.5pp to OrbiMed and Frostrow respectively); none was paid in FY19. Ongoing charges have held steady at 1.1% for the past three financial years but were modestly lower at 1.0% in H120.

BIOG is subject to a continuation vote every five years; the next is due at the July 2020 AGM.

Dividend policy and record

BIOG generates only a modest level of income, given its investment objective is to generate long-term capital growth and a large proportion of its investments are in early-stage companies, which invest for future growth rather than returning cash to shareholders. In FY19, BIOG generated a 1.0p per share revenue return (versus 1.1p per share in FY18). The trust does not pay a dividend; the last distribution paid was 0.2p per share in 2001.

Peer group comparison

In Exhibit 9, we highlight the six well-established funds in the AIC Biotechnology & Healthcare sector and to enable a broader comparison we also include BB Biotech and HBM Healthcare Investments, which are both listed in Switzerland.

As a result of BIOG's strong absolute and relative performance in recent months, its NAV total return ranks first out of eight funds over the last 12 months, 19.3pp above the mean. BIOG is also the second highest ranked out of five funds over the last decade (84.4pp above average), but is below the mean over the last three and five years. The trust is currently trading on the widest discount in the selected peer group, despite its improved recent investment performance. It has one of the lowest ongoing charges (second only to its stablemate Worldwide Healthcare Trust), an above-average level of gearing and does not pay a dividend (the peers with the largest yields pay dividends out of capital).

Exhibit 9: Biotech and healthcare investment companies, as at 23 January 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Biotech Growth Trust	386.6	36.3	36.9	37.3	564.0	(8.0)	1.0	Yes	108	0.0
BB Biotech	2,894.9	9.1	23.0	49.3	668.7	8.5	1.3	No	103	5.1
BB Healthcare	656.9	19.3	55.2			2.4	1.2	No	101	2.9
HBM Healthcare Investments	1,291.1	10.7	42.5	89.5	362.2	20.0	1.4	Yes	100	3.2
International Biotechnology Trust	239.1	10.7	16.2	34.8	368.0	(2.5)	1.3	Yes	107	4.3
Polar Capital Global Healthcare	296.5	20.8	34.6	53.6		(6.9)	1.1	Yes	109	0.9
Syncona	1,468.1	3.4	58.5	84.5		11.3	1.8	No	100	1.0
Worldwide Healthcare Trust	1,690.3	25.4	46.3	76.8	435.0	0.5	0.9	Yes	112	0.8
Average	**1,115.4**	**17.0**	**39.1**	**60.8**	**479.6**	**3.2**	**1.3**		**105**	**2.3**
Trust rank in sector (eight funds)	**6**	**1**	**5**	**6**	**2**	**8**	**7**		**3**	**8**

Source: Morningstar, Edison Investment Research. Note: *Sterling performance to 22 January 2019 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

BIOG's board has six directors, five of whom are independent of the manager. Andrew Joy was appointed as a director in March 2012 and assumed the role of chairman in July 2016. Professor Dame Kay Davies joined the board in 2012, Steven Bates and the Rt Hon Lord Willetts in 2015, and Julia Le Blan in 2016. Geoff Hsu, one of BIOG's co-managers, is the trust's non-independent director. He joined the board in May 2018, following the retirement of Sven Borho (another partner at OrbiMed), who was appointed as a director of BIOG's stablemate Worldwide Healthcare Trust.

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