

Investment Objective and Benchmark Index

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



Portfolio Manager Geoffrey Hsu

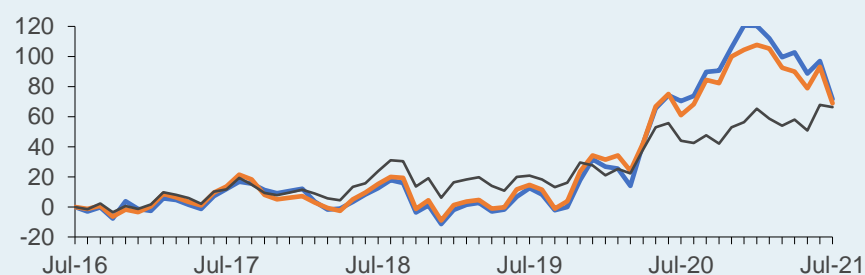


Fast Facts		As at 31 July 2021
Launch Date	June 1997	
AIC Sector	Biotechnology & Healthcare	
Date of Appointment of OrbiMed	19 May 2005	
Annual Management Fee (payable by the Company)	0.65% of net assets plus 0.30% per annum on the Company's market capitalisation up to £500m, 0.20% on market capitalisation above £500m to £1bn and 0.10% on market capitalisation over £1bn	
Performance fee	See Annual Report for details	
Ongoing Charges Ratio (OCR) *	1.1%	
Continuation Vote	2025 AGM and every 5th AGM thereafter	
Year / interim end	31 March / 30 September	
Capital Structure	41,734,769 Ordinary Shares of 25p	

Trust Characteristics	
Number of Holdings	92
Net Assets (£m)	£529.2m
Market Capitalisation (£m)	£511.7m
Dividend Policy	It is not anticipated that the Company will pay a dividend
Gearing (AIC basis)	8.9%
Leverage**	Gross 110.7% Commitment 110.1%
Share Price (p)	1226.00
NAV (p)	1268.00
(Discount) / Premium	(3.3%)
Portfolio Turnover p.a.	107.5%
Active Share***	76.9%

Five Year Performance (%)

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



— Share Price (total return) +71.6%
 — Net Asset Value per share (total return) +68.8%
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +61.5%

Source: Morningstar, Index - Bloomberg.

Ten Largest Holdings as at 31 July 2021 (% of total investments)

Name	Total
Vertex Pharmaceuticals	4.3
Horizon Therapeutics	4.2
Neurocrine Biosciences	3.9
Guardant Health	3.1
GH Research	3.0
Singular Genomics Systems	2.9
Yisheng	2.9
Biogen	2.7
Gilead Sciences	2.5
ImmunoGen	2.4
Total	31.9

The Biotech Growth Trust PLC

Information as at 31 July 2021

Geographical Breakdown as at 31 July 2021 (%)

North America	69.2%
Continental Europe	12.0%
China (quoted)	9.4%
*Unquoted	5.1%
United Kingdom	2.8%
Singapore	0.9%
South Korea	0.6%
Total	100.0%

* No more than 10% of gross assets will be invested in unquoted investments at the time of acquisition. This limit includes any investment or commitment to invest in private equity funds managed by OrbiMed or an affiliate thereof. Investments or commitments to invest in such private equity funds will be limited to US\$15m, after the deduction of proceeds of disposal and other returns of capital. Of the 5.1% unquoted investments, 4.7% as China, and 0.4% as Asia.

Source: All portfolio information sourced from Frostrow Capital LLP

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2016	2017	2018	2019	2020	YTD
NAV	-7.6	9.9	-14.3	47.4	52.4	-17.5
Share Price	-4.7	12.1	-19.9	48.5	67.7	-22.2
Index	-6.5	10.5	-3.8	19.6	22.1	6.0

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 16-Jul 17	Jul 17-Jul 18	Jul 18-Jul 19	Jul 19-Jul 20	Jul 20-Jul 21
NAV	13.5	1.7	-0.5	40.5	4.7
Share Price	11.8	0.7	0.0	51.5	0.7
Index	10.6	10.3	-2.6	18.6	14.6

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

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

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

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

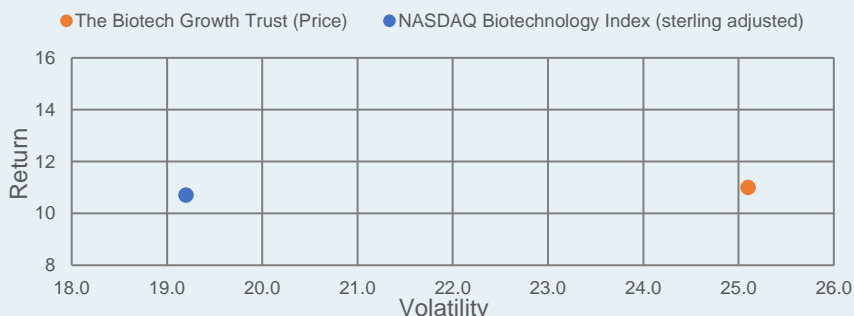
Codes

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

Investment Policy

In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis. The Company will not invest more than 15% of the value of its gross assets in any one individual stock at the time of acquisition. No more than 10% of gross assets will be invested in unquoted investments at the time of acquisition. This limit includes any investment or commitment to invest in private equity funds managed by OrbiMed or an affiliate thereof. Investments or commitments to invest in such private equity funds will be limited to US\$15m, after the deduction of proceeds of disposal and other returns of capital. The Company's borrowing policy is that borrowings will not exceed 20% of the Company's net assets. The Company may be unable to invest directly in certain countries. In these circumstances, the Company may gain exposure to companies in such countries by investing indirectly through swaps. Where the Company invests in swaps, exposure to underlying assets will not exceed 5% of the gross assets of the Company at the time of entering into the contract.

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



Commentary

In July, the NAV per share was down 12.6%, the share price was down 12.9% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was down 0.9%.

In July, biotechnology continued its underperformance versus the broader market after a short-lived rebound in June. The outperformance of large-cap biotech names versus small-cap names continued in July, leading to underperformance by the Company relative to the index, as the Company is significantly overweight small caps and underweight large caps relative to the index. Much of the decline in small-cap biotech appears unrelated to fundamentals. We believe the drawdown of the past few months has largely played out and expect a rebound in small-cap names in the second half of the year.

The Delta variant remains a key macro concern as it relates to the global recovery. As the global COVID vaccine rollout continues, the proportion of daily new cases caused by the more transmissible Delta variant continued to rise in late July. However, recent data suggest that most severe infections (i.e., those requiring hospitalization) occur in unvaccinated individuals. We will continue to monitor the protection conferred by current vaccines and the need for booster shots. Our current expectation for the Delta variant is that cases in the U.S. will peak within the next few weeks and then decline again as more individuals get vaccinated and herd immunity increases.

With the recent surge in Delta variant cases in the U.S., the stocks of Moderna and BioNTech--the two originators of the authorized mRNA COVID vaccines--have continued to rise dramatically based on positive investor sentiment. We remain underweight both names due to lofty valuations but recognize that retail exuberance may continue to take the shares higher. Moderna is now the largest biotechnology company in the world by market cap and the largest weight in the NASDAQ Biotechnology Index, at 11.6% as of July 31. Since the Company is substantially underweight in both Moderna and BioNTech, this has contributed significantly to underperformance versus the index. We estimate the Company's underweight positioning in these two stocks alone contributed to a third of the Company's overall underperformance in July. We would expect more rational valuations for these stocks as the Delta variant cases begin to decline in the U.S.

Janux Therapeutics, Horizon Therapeutics, and BioNTech were the largest positive contributors to performance during the month. Shares in Janux, a cancer immunotherapy company, performed strongly upon its IPO debut in June and its shares continued to rally with broker initiations in July. Horizon shares appreciated in July as the market was optimistic the company would beat 2Q earnings consensus estimates and raise its annual guidance. BioNTech shares outperformed in July as a result of news about rising COVID case counts in the U.S. due to the Delta variant.

Singular Genomics, Graphite Bio, and CRISPR Therapeutics were the largest negative contributors to performance during the month. Singular Genomics had a strong debut from its IPO in June, but has since traded down on no fundamental news. We still believe the company has a proprietary next-generation sequencing technology that is differentiated. The sell-off in CRISPR and Graphite is likely due to investors taking profits after recent strength in gene-editing names. We still see CRISPR as a strong gene-editing play with several datasets from its oncology pipeline to read out in 2H21.

Discount / Premium Control Mechanism

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

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Risk Warnings

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

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

Important Information

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