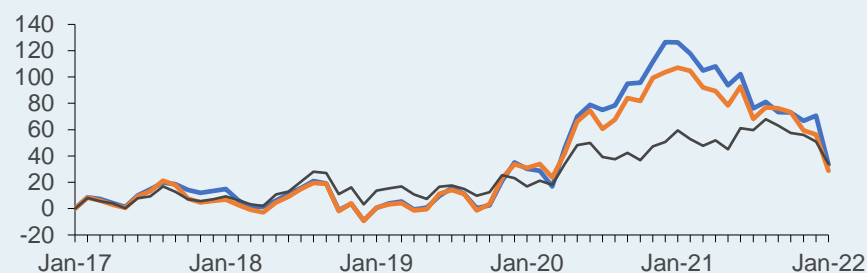


### Investment Objective and Benchmark Index

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

### Five Year Performance (%)

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



— Share Price (total return) +33.5%  
 — Net Asset Value per share (total return) +28.5%  
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +34.0%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 31 January 2022 (% of total investments)

Name	Total
Horizon Therapeutics	5.4
Seagen	5.0
BioMarin Pharmaceutical	4.5
GH Research	3.8
Gilead Sciences	3.4
Keros Therapeutics	3.3
Syndax Pharmaceuticals	3.2
Yisheng	3.2
Milestone Pharmaceuticals	3.0
Xenon Pharmaceuticals	2.9
<b>Total</b>	<b>37.7</b>



Portfolio Manager Geoffrey Hsu



**OrbiMed**  
 Healthcare Fund Management

### Fast Facts

As at 31 January 2022

<b>Launch Date</b>	June 1997
<b>AIC Sector</b>	Biotechnology & Healthcare
<b>Date of Appointment of OrbiMed</b>	19 May 2005
<b>Annual Management Fee (payable by the Company)</b>	0.65% of net assets plus 0.30% per annum on the Company's market capitalisation up to £500m, 0.20% on market capitalisation above £500m to £1bn and 0.10% on market capitalisation over £1bn
<b>Performance fee</b>	See Annual Report for details
<b>Ongoing Charges Ratio (OCR) *</b>	1.1%
<b>Continuation Vote</b>	2025 AGM and every 5th AGM thereafter
<b>Year / interim end</b>	31 March / 30 September
<b>Capital Structure</b>	41,158,682 Ordinary Shares of 25p

### Trust Characteristics

<b>Number of Holdings</b>	82
<b>Net Assets (£m)</b>	£399.2m
<b>Market Capitalisation (£m)</b>	£382.4m
<b>Dividend Policy</b>	It is not anticipated that the Company will pay a dividend
<b>Gearing (AIC basis)</b>	8.9%
<b>Leverage**</b>	Gross 110.4% Commitment 109.4%
<b>Share Price (p)</b>	929.00
<b>NAV (p)</b>	970.00
<b>(Discount) / Premium</b>	(4.2%)
<b>Portfolio Turnover p.a.</b>	103.5%
<b>Active Share***</b>	73.7%

### Geographical Breakdown as at 31 January 2022 (%)

North America	72.2%
Continental Europe	11.1%
*Unquoted	7.9%
China (quoted)	7.1%
United Kingdom	0.7%
South Korea	0.7%
Singapore	0.3%
<b>Total</b>	<b>100.0%</b>

\* 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 7.9% unquoted investments, 7.4% was in China, 0.4% was in Asia, and 0.1% was in Canada.

Source: All portfolio information sourced from Frostrow Capital LLP

### Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2017	2018	2019	2020	2021	YTD
NAV	9.9	-14.3	47.4	52.4	-23.1	-17.9
Share Price	12.1	-19.9	48.5	67.7	-24.6	-21.8
Index	10.5	-3.8	19.6	22.1	0.2	-11.2

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jan 17- Jan 18	Jan 18- Jan 19	Jan 19- Jan 20	Jan 20- Jan 21	Jan 21- Jan 22
NAV	6.8	-5.7	29.9	58.2	-37.9
Share Price	15.0	-12.5	29.4	73.7	-41.0
Index	9.3	3.9	3.0	36.2	-15.9

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed.

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

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

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

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

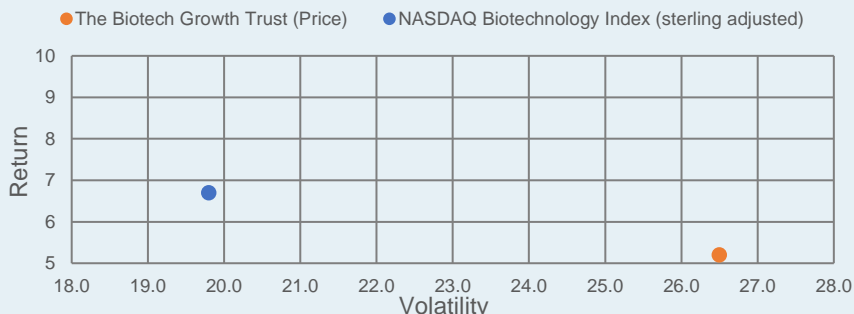
### Codes

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

### 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 January, the NAV per share was down 17.9%, the share price was down 21.8% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was down 11.2%.

The biotechnology sector continued to underperform the broader markets in January, as macro factors put fundamentals in the back seat. We believe small and midcap biotech valuations are now the lowest in 20 years, with many companies now trading at market caps below the net cash value on their balance sheets. Fears over the U.S. Fed raising interest rates in response to rising inflation have hit growth stocks generally, including biotech stocks that are not expected to have positive earnings until many years in the future. Historical analysis of biotech index performance against the 10-year Treasury yield do not show much correlation, so we believe these interest rate fears are overblown. The relative underperformance in small and midcap biotech versus the S&P 500 since the Feb. 2021 highs is the longest and most severe we have seen in at least 15 years. Given the Company’s heavy positioning in small cap biotech, this has contributed to continued challenging performance versus the benchmark index. Encouragingly, the years in which the XBI (an index that is commonly used as a proxy for small and midcap biotech) is down significantly are usually followed by years where there is a strong recovery. Given the significant negative performance for the sector in 2021, we are hopeful that a strong rebound in performance will occur in 2022. Importantly, while there have been some sporadic instances of unexpected clinical holds and drug rejections at the FDA over the past year, we do not think the fundamental positive backdrop for the industry has changed. The number of new drugs approved in 2021 was in line with the number of annual drug approvals in the previous four years.

Potential catalysts that may contribute to a re-rating of the sector include final clarity on drug pricing legislation, confirmation of a permanent FDA commissioner, and positive clinical results and industry news. Democrats have been searching for ways to revive President Joe Biden’s Build Back Better plan after centrist Senator Joe Manchin expressed his reservations about the bill last year. We do not know whether the Democrats will be able to pass a scaled-down version of the bill, but our continued expectation is that any drug pricing provisions in the final bill will not be threatening, and passage of the bill could act as a clearing event for the sector. On the regulatory front, the Senate has just confirmed Dr. Robert Califf to be the next FDA commissioner. He is regarded as industry-friendly and should help expedite drug reviews at the agency.

Continues on page 4

**Discount / Premium Control Mechanism**

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

**How to Contact Us**

**Frostrow Capital LLP**  
25 Southampton Buildings  
London, WC2A 1AL

Tel.: 0203 008 4910  
Fax: 0203 043 8889

Website: [www.frostrow.com](http://www.frostrow.com)  
Email: [info@frostrow.com](mailto:info@frostrow.com)



Continued from page 3

Galapagos, Milestone Pharmaceuticals, and CytomX Therapeutics were the largest positive contributors to performance during the month. Galapagos' shares climbed after the appointment of Paul Stoffels, current Chief Scientific Officer at Johnson & Johnson, as its new CEO. The stock price of Milestone Pharmaceuticals appreciated in anticipation of Phase 3 data for etripamil in paroxysmal supraventricular tachycardia in 2H22. Following disappointing lung cancer data in December 2021, CytomX rebounded in January as investors looked ahead to additional data coming in 2022.

GH Research, MeiraGTx Holdings, and Guardant Health were the largest negative contributors to performance during the month. GH Research and MeiraGTx sold off during the month with the rest of the biotech market on no fundamental news. Guardant Health presented multiple pipeline updates at the JP Morgan Healthcare Conference in January, including a next-generation version of its therapy selection assay and a more defined roadmap for screening development. However, the high growth diagnostics space was universally weak with macro-related pressures in January, leading to a drop in share price.

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### Risk Warnings

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

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

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### Important Information

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