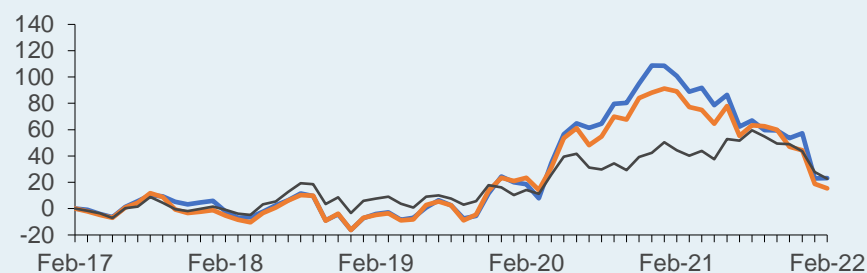


### Investment Objective and Benchmark Index

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) +23.3%  
 — Net Asset Value per share (total return) +15.2%  
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +19.2%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 28 February 2022 (% of total investments)

| Name                    | Total       |
|-------------------------|-------------|
| Seagen                  | 5.0         |
| BioMarin Pharmaceutical | 4.4         |
| Keros Therapeutics      | 3.9         |
| GH Research             | 3.7         |
| Horizon Therapeutics    | 3.6         |
| Xenon Pharmaceuticals   | 3.5         |
| Yisheng                 | 3.3         |
| Aclaris Therapeutics    | 3.3         |
| Syndax Pharmaceuticals  | 3.2         |
| Gilead Sciences         | 3.1         |
| <b>Total</b>            | <b>37.0</b> |



Portfolio Manager Geoffrey Hsu



**OrbiMed**  
 Healthcare Fund Management

### Fast Facts

As at 28 February 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>         | 79   |
| <b>Net Assets (£m)</b>            | £387.7m  |
| <b>Market Capitalisation (£m)</b> | £383.2m  |
| <b>Dividend Policy</b>            | It is not anticipated that the Company will pay a dividend |
| <b>Gearing (AIC basis)</b>        | 8.2%   |
| <b>Leverage**</b>                 | Gross 108.2%<br>Commitment 108.2%                          |
| <b>Share Price (p)</b>            | 931.00   |
| <b>NAV (p)</b>                    | 941.86   |
| <b>(Discount) / Premium</b>       | (1.2%)   |
| <b>Portfolio Turnover p.a.</b>    | 103.5%   |
| <b>Active Share***</b>            | 76.2%  |

### Geographical Breakdown as at 28 February 2022 (%)

|                    |               |
|--------------------|---------------|
| North America      | 74.3%         |
| Continental Europe | 9.2%          |
| *Unquoted          | 8.1%          |
| China (quoted)     | 6.6%          |
| South Korea        | 0.8%          |
| United Kingdom     | 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 8.1% unquoted investments, 7.6% 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 | -20.3 |
| Share Price                       | 12.1 | -19.9 | 48.5 | 67.7 | -24.6 | -21.6 |
| Index                             | 10.5 | -3.8  | 19.6 | 22.1 | 0.2   | -14.6 |

### Standardised Discrete Performance (%)

| Percentage Growth 12 Month Return | Feb 17-Feb 18 | Feb 18-Feb 19 | Feb 19-Feb 20 | Feb 20-Feb 21 | Feb 21-Feb 22 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| NAV                               | -5.2          | 0.5           | 29.7          | 52.9          | -39.0         |
| Share Price                       | -2.0          | -2.2          | 23.8          | 69.2          | -38.6         |
| Index                             | -1.5          | 8.4           | 5.2           | 26.0          | -15.7         |

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

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

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

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

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

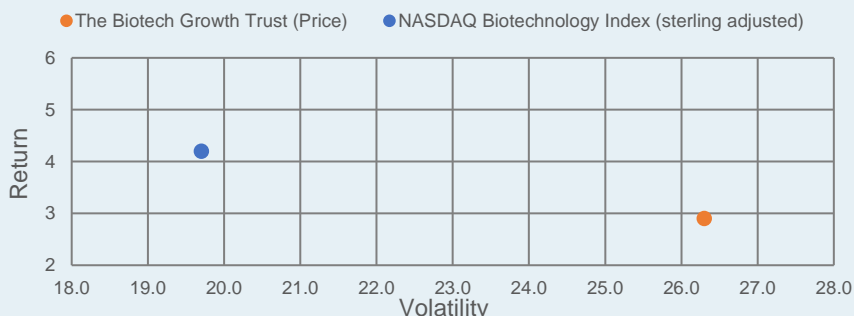
### Codes

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

### Investment Policy

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

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



**Commentary**

In February, the NAV per share was down 2.9%, the share price was up 0.2% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was down 3.8%.

The biotechnology sector performed roughly in line with the broader markets in February, as macro headwinds like rising inflation and Fed rate hike expectations continued to dominate the headlines. Weakness in the XBI (an index that is commonly used as a proxy for small and midcap biotech) continued to track other non-profitable technology sectors in February. On top of that, geopolitical uncertainty in February also weighed on the broader markets, as it became increasingly apparent Russia was poised to wage war against Ukraine.

The approximate 64% relative underperformance of the XBI versus the S&P 500 since February 2021 is the longest and most severe relative drawdown we have ever seen between these two indices. We estimate that 1 in 6 biotech companies now trade at market caps below the net cash value on their balance sheets, the most depressed valuations we have observed in the sector in 20 years by this metric. We continue to believe that depressed valuations and possible increased M&A should lead to an overdue rebound in performance in 2022. A recent Cowen analysis indicates that small cap biotech performance has low correlation with interest rates, so we believe the sector can perform in a rising rate environment.

At a macro level, value has continued to outperform growth across sectors. Given the fund's heavy positioning in small cap biotech growth names, this has contributed to continued challenging performance versus the benchmark index year-to-date. We continue to hold a positive view on the longer-term setup for the sector and look towards companies with relatively de-risked stories and strong balance sheets to weather near-term macro headwinds. As fundamental positive developments occur at these companies, we believe the share prices will more appropriately reflect the value of these companies' programs.

Aclaris Therapeutics, Keros Therapeutics, and Vaxcyte were the largest positive contributors to performance during the month. Aclaris and Keros rebounded in February on no fundamental news after a sharp decline in January. The stock price of Vaxcyte appreciated after the FDA cleared the IND of the company's vaccine for pneumococcal disease, with Phase 1/2 results expected by year-end.

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**

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Continued from page 3

Clover Biopharmaceuticals, Milestone Pharmaceuticals, and Mirati Therapeutics were the largest negative contributors to performance during the month. Clover Biopharmaceuticals stock was weak after the company announced a delay in the regulatory submission for its COVID vaccine due to delays in site inspections. Milestone Pharmaceuticals sold off during the month with the rest of the broader market on no fundamental news. Mirati Therapeutics' shares were under pressure in February due to the FDA granting the company a longer-than-expected 10-month review (versus expectations of 6 months) for its oncology drug adagrasib.

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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).