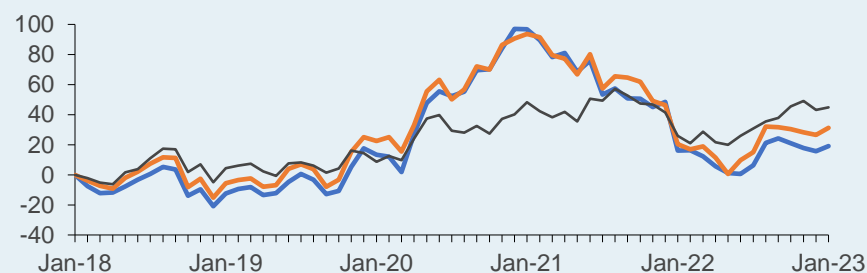


### Investment Objective and Benchmark Index

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) +19.0%  
 — Net Asset Value per share (total return) +31.1%  
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +39.8%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 31 January 2023 (% of total investments)

Name	Total
Biogen	5.4
BioMarin Pharmaceutical	5.2
Sarepta Therapeutics	4.9
Amylyx Pharmaceuticals	4.4
Keros Therapeutics	4.4
Ionis Pharmaceuticals	4.0
Syndax Pharmaceuticals	4.0
Yisheng	3.5
Mersana Therapeutics	3.4
Xenon Pharmaceuticals	3.1
<b>Total</b>	<b>42.3</b>



Portfolio Manager Geoffrey Hsu



**OrbiMed**  
 Healthcare Fund Management

### Fast Facts

As at 31 January 2023

<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>	39,808,087 Ordinary Shares of 25p

### Trust Characteristics

<b>Number of Holdings</b>	61
<b>Net Assets (£m)</b>	£420.7m
<b>Market Capitalisation (£m)</b>	£379.0m
<b>Dividend Policy</b>	It is not anticipated that the Company will pay a dividend
<b>Gearing (AIC basis)</b>	5.6%
<b>Leverage**</b>	Gross 107.5% Commitment 107.1%
<b>Share Price (p)</b>	952.00
<b>NAV (p)</b>	1056.72
<b>(Discount) / Premium</b>	(9.9%)
<b>Portfolio Turnover p.a.</b>	91.3%
<b>Active Share***</b>	82.3%

# The Biotech Growth Trust PLC

## Information as at 31 January 2023

### Geographical Breakdown as at 31 January 2023 (%) †

North America	80.7%
Unquoted ‡	8.1%
Continental Europe	5.2%
China (quoted)	4.8%
United Kingdom	1.2%

**Total** **100.0%**

† Calculation based on economic exposure and expressed as a % of the total economic exposure. This includes all derivatives as an economically equivalent position in the underlying holding.

‡ 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, 7.8% was in China and 0.3% was in Asia.

Source: All portfolio information sourced from Frostrow Capital LLP

### Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2018	2019	2020	2021	2022	YTD
NAV	-14.3	47.4	52.4	-23.1	-13.6	3.5
Share Price	-19.9	48.5	67.7	-24.6	-22.1	2.8
Index	-3.8	19.6	22.1	0.2	-0.3	1.6

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jan 18- Jan 19	Jan 19- Jan 20	Jan 20- Jan 21	Jan 21- Jan 22	Jan 22- Jan 23
NAV	-5.7	29.9	58.2	-37.9	8.9
Share Price	-12.5	29.4	73.7	-41.0	2.5
Index	3.9	3.0	36.2	-15.9	14.1

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.

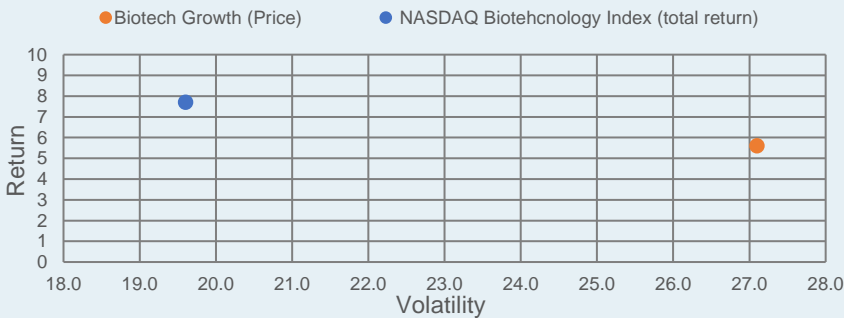
### Codes

<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 January, the NAV per share was up 3.5%, the share price was up 2.8% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was up 1.6%.

The biotech sector underperformed the broader markets in January. With the macro lens slowly shifting on several fronts, including a-brighter-than expected European outlook, China's swift reopening, and US inflation in retreat, "defensive" healthcare sectors like pharma and managed care saw investor outflows in January. Meanwhile, risk proxies like small and midcap biotech started to outperform. The relative outperformance of small cap versus large cap biotech in January suggests the recovery in small cap biotech performance may be underway, for which the portfolio is well positioned. The Company's holding in CinCor Pharma (explained below) led to outperformance versus the benchmark index.

In January, we continued to see an uptick in M&A activity in the biotech sector. At the annual JP Morgan Healthcare investment conference, three biotech acquisitions were announced. Italy's Chiesi Farmaceutici announced that it would acquire rare disease company Amryt Pharma for \$1.25 billion upfront, representing a 107% per share premium to Amryt's last closing stock price. Ipsen announced it was acquiring Albireo Pharma, a biotech specializing in liver disease, for \$953 million upfront. And AstraZeneca announced a \$1.3 billion buyout of CinCor Pharma, a company developing a drug for hypertension. The Company owned shares in CinCor Pharma prior to the M&A announcement. Later in the month, Indian drugmaker Sun Pharmaceutical announced that it would acquire Concert Pharmaceuticals for \$576 million for its hair loss drug, which will soon be submitted for FDA approval. We believe depressed biotech valuations will continue to spur further dealmaking in 2023 and this M&A activity should help catalyze a recovery for the sector.

CinCor Pharma, Keros Therapeutics, and RAPT Therapeutics were the largest positive contributors to performance during the month. CinCor's stock rallied after AstraZeneca announced that it was acquiring CinCor for \$1.3 billion upfront (121% premium over last closing market price) and up to ~\$1.8 billion total (206% premium) contingent upon a specified regulatory milestone being achieved. Keros and RAPT shares rebounded from their recent lows on no fundamental news. Their stock performances were consistent with the laggard recovery theme observed in January.

Compass Therapeutics, Aerovate Therapeutics, and ALX Oncology were the largest negative contributors to performance during the month. Compass Therapeutics' shares fell after the company released data at a cancer conference that triggered some profit-taking (Compass was a top 3 contributor to the Company in December). We continue to be confident about the potential for its bispecific antibody in oncology. Aerovate Therapeutics' stock price declined on no fundamental news after outperforming in December. ALX Oncology stock was weak in January after a competitor announced some neutral to negative news about its antibody for myelodysplastic syndrome, which may have negative implications for ALX's evorpaccept in the same indication. We are more interested in evorpaccept's potential in solid tumors and continue to look forward to its gastric cancer readout in 2H23.

**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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### 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).