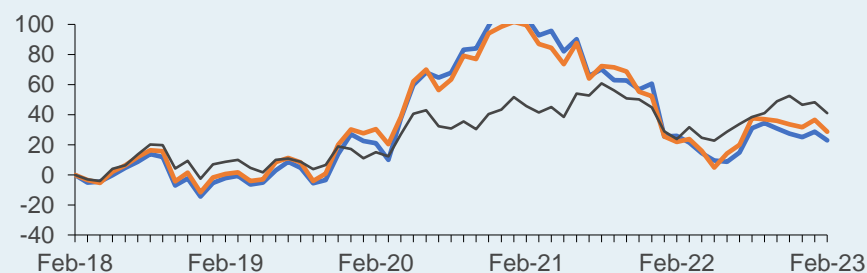


### Investment Objective and Benchmark Index

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) +23.0%  
— Net Asset Value per share (total return) +28.5%  
— Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +36.6%

Source: Morningstar, Index - Bloomberg.

### Ten Largest Holdings as at 28 February 2023 (% of total investments)

Name	Total
Biogen	5.4
Sarepta Therapeutics	5.2
BioMarin Pharmaceutical	4.9
Keros Therapeutics	4.3
Ionis Pharmaceuticals	3.9
Yisheng	3.8
Syndax Pharmaceuticals	3.8
Mersana Therapeutics	3.5
Xenon Pharmaceuticals	3.4
XtalPi	3.3
<b>Total</b>	<b>41.5</b>



Portfolio Manager Geoffrey Hsu



**OrbiMed**  
Healthcare Fund Management

### Fast Facts

As at 28 February 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>	39,315,471 Ordinary Shares of 25p

### Trust Characteristics

<b>Number of Holdings</b>	61
<b>Net Assets (£m)</b>	£391.3m
<b>Market Capitalisation (£m)</b>	£357.8m
<b>Dividend Policy</b>	It is not anticipated that the Company will pay a dividend
<b>Gearing (AIC basis)</b>	6.2%
<b>Leverage**</b>	Gross 108.5% Commitment 107.8%
<b>Share Price (p)</b>	910.00
<b>NAV (p)</b>	995.16
<b>(Discount) / Premium</b>	(8.6%)
<b>Portfolio Turnover p.a.</b>	91.3%
<b>Active Share***</b>	82.4%

# The Biotech Growth Trust PLC

## Information as at 28 February 2023

### Geographical Breakdown as at 28 February 2023 (%) †

North America	79.1%
Unquoted ‡	8.8%
Continental Europe	6.0%
China (quoted)	4.8%
United Kingdom	1.3%

**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 8.8% unquoted investments, 8.4% was in China and 0.4% 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	-2.5
Share Price	-19.9	48.5	67.7	-24.6	-22.1	-1.7
Index	-3.8	19.6	22.1	0.2	-0.3	-3.3

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Feb 18-Feb 19	Feb 19-Feb 20	Feb 20-Feb 21	Feb 21-Feb 22	Feb 22-Feb 23
NAV	0.5	29.7	52.9	-39.0	5.7
Share Price	-2.2	23.8	69.2	-38.6	-2.3
Index	8.4	5.2	26.0	-15.7	12.9

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.

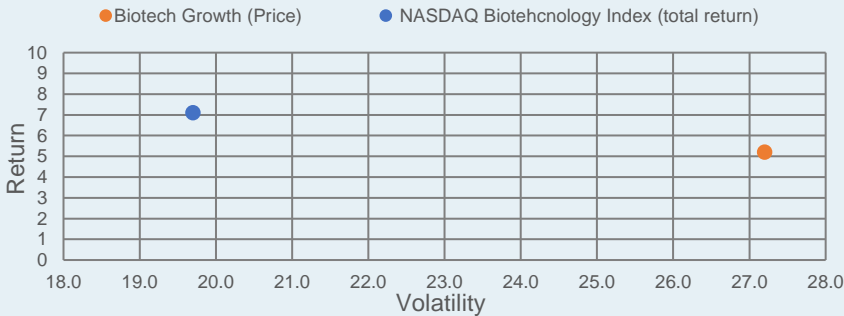
### Codes

<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>	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 5.8%, the share price was down 4.4% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was down 4.8%.

The biotech sector underperformed the broader markets in February. The reversal in the biotech sector performance relative to a strong January was largely due to macro dynamics that continue to have an outsized impact on the sector. Economic data points in the US announced in February included a lower-than-expected unemployment rate and higher-than-expected inflation, suggesting an incrementally more hawkish outlook for Fed rate hikes over the coming months. Emerging biotech weakened along with the rest of the market as the 10-yr US government yield climbed from 3.5% to just under 4.0% during the month. We continue to believe that the real impact of higher interest rates on biotech has been exaggerated by the market. Past analyses of the correlation between interest rates and biotech price performance have not shown a strong correlation. Most biotech companies do not rely on debt financing and therefore do not directly face the impact of higher interest rates. Because the yield curve is currently inverted, with short-term rates being much higher than long-term rates, the appropriate risk-free rate used in the discount rate for discounted cash flow valuations of biotech companies that have revenue a few years into the future are much lower than what current short-term rates would imply. We have never seen such a large disconnect between valuations in the sector and the fundamentals of the industry, which remain strong.

A notable M&A event in late February was an article in the Wall Street Journal suggesting that Pfizer was in early discussions to potentially acquire biotech company, Seagen. This renewed interest came after Merck & Co. got close to acquiring Seagen last year before failing to reach an agreement. The Company owned shares in Seagen at the time of the media reports. We believe large pharma companies facing patent expirations on key products in the second half of this decade will continue to seek biotech acquisitions to plug their upcoming revenue gaps, which should help the sector recover.

Seagen, GH Research, and Aerovate Therapeutics were the largest positive contributors to performance during the month. Seagen's stock rallied after the company issued strong 2023 guidance on its 4Q22 earnings call and after the media reported Pfizer's potential acquisition interest. GH Research and Aerovate shares rebounded from their recent lows on no fundamental news.

BioMarin Pharmaceuticals, Amylyx Pharmaceuticals, and Moderna were the largest negative contributors to performance during the month. Biomarin's shares fell in February with the delay in the European launch of its hemophilia gene therapy Roctavian. Amylyx's stock price was weak after management communicated vague commentary regarding 4Q Relyvrio sales performance. Moderna's stock underperformed in February after announcing immunogenicity data for its flu vaccine did not meet non-inferiority for certain strains of influenza.

**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)



### **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).