

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).



Portfolio Manager
Geoffrey Hsu

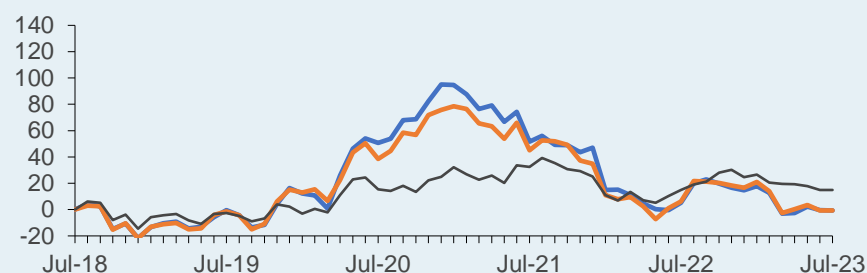
Portfolio Manager
Josh Golomb



OrbiMed
Healthcare Fund Management

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) -0.7%
 — Net Asset Value per share (total return) -0.7%
 — Benchmark: NASDAQ Biotechnology Index (sterling adjusted) +15.0%

Source: Morningstar, Index - Bloomberg.

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

Name	Total
Amgen	6.8
Biogen	6.3
Argenx	5.0
BioMarin Pharmaceutical	5.0
Syndax Pharmaceuticals	4.7
Ionis Pharmaceuticals	4.4
Vera Therapeutics	4.2
XtalPi	3.8
Travere Therapeutics	3.4
United Therapeutics	3.3
Total	46.9

Fast Facts

As at 31 July 2023

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 37,062,012 Ordinary Shares of 25p

Trust Characteristics

Number of Holdings 59

Net Assets (£m) £319.0m

Market Capitalisation (£m) £295.8m

Dividend Policy It is not anticipated that the Company will pay a dividend

Gearing (AIC basis) 6.3%

Leverage** Gross
109.3%
Commitment
108.2%

Share Price (p) 798.00

NAV (p) 860.85

(Discount) / Premium (7.3%)

Portfolio Turnover p.a. 123.2%

Active Share*** 73.0%

Geographical Breakdown as at 31 July 2023 (%) †

North America	79.4%
Continental Europe	10.0%
Unquoted ‡	5.8%
China (quoted)	4.8%

Total	100.0%
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† 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 5.8% unquoted investments, 5.2% was in China and 0.6% 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	-15.7
Share Price	-19.9	48.5	67.7	-24.6	-22.1	-13.8
Index	-3.8	19.6	22.1	0.2	-0.3	-7.8

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 18-Jul 19	Jul 19-Jul 20	Jul 20-Jul 21	Jul 21-Jul 22	Jul 22-Jul 23
NAV	-0.5	40.5	4.7	-26.9	-7.2
Share Price	0.0	51.5	0.7	-30.7	-6.1
Index	-2.6	18.6	14.6	-13.2	0.1

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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.

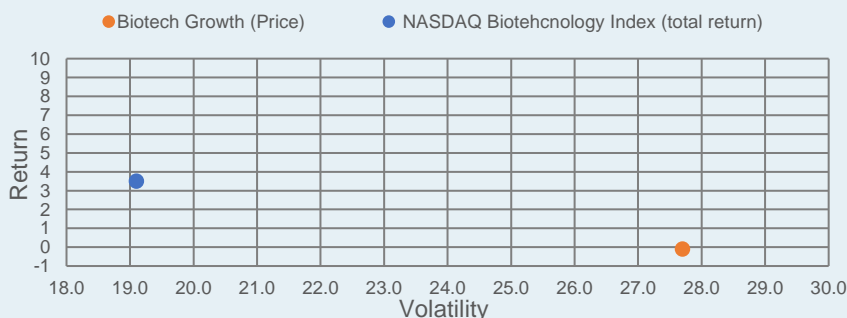
**The Board has set the leverage limit for both the Gross and the Commitment basis at 130% of the Company's Net Asset Value.

***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.

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 value of the Company's net assets. The Company may be unable to invest directly or efficiently in certain countries or share classes. In these circumstances, the Company may gain exposure by investing indirectly through swaps or other derivative instruments. Exposure to these financial instruments will count towards and be subject to the following limits: Derivative transactions (excluding equity swaps) can be used to mitigate risk and/or enhance return and will be restricted to an aggregate net exposure of 5% of the value of the gross assets measured at the time of the relevant transaction; Equity swaps may be used for efficient portfolio management purposes and aggregate net counterparty exposure through a combination of derivatives and equity swap transactions is restricted to 12% of the value of the gross assets of the Company at the time of the transaction.

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



Commentary

In July, the NAV per share was down 0.9%, the share price was down 0.9% and the benchmark NASDAQ Biotechnology Index (sterling adjusted) was up 0.2%.

The biotech sector underperformed the broader markets in July. Volatility in the biotechnology sector has been driven by an uncertain macro environment (as investors debate the risk of a recession in the U.S.) coupled with rotational flow into other sectors, primarily technology. A slight increase in 10-year government yields may have also put pressure on emerging biotech trading dynamics, though we continue to believe we are in the last stages of the Fed's interest rate hike campaign. Valuations for emerging biotech remain at unprecedented low levels.

In July, the major M&A transaction that occurred was Biogen's deal to buy Reata Pharmaceuticals and its newly approved rare disease drug for ~\$7.3bn, representing ~59% premium over the stock's last closing price. Acquiring Reata gives Biogen access to Skyclarys, a drug for the neuromuscular condition Friedreich's ataxia. The Company owns shares of Biogen and we believe the acquisition will be positive for the company. M&A activity remains one of the principal themes driving small and midcap biotech performance, and we believe the recent heightened level of activity should continue through the balance of this year.

Argenx, Vera Therapeutics, and RAPT Therapeutics were the largest positive contributors to performance during the month. Argenx's stock soared after announcing positive data for chronic inflammatory demyelinating polyneuropathy, a rare neuropathy where damage to peripheral nerves may cause progressive weakness and a loss of feeling. Vera stock continued to appreciate in July after reporting encouraging Phase 2a atacicept IgA nephropathy data at a medical conference. RAPT shares appreciated on no fundamental news.

Apellis Pharmaceuticals, Mersana Therapeutics, and 2Seventy Bio were the largest negative contributors to performance during the month. Apellis stock was under pressure after the American Society of Retina Specialists (ASRS) notified physicians that there have been a handful of cases of occlusive retinal vasculitis with Apellis' drug Syfovre for geographic atrophy. Mersana's shares fell after the company announced its registrational UPLIFT trial did not meet its primary endpoint in platinum-resistant ovarian cancer. 2Seventy underperformed after its commercialization partner, Bristol-Myers Squibb, announced Abecma 2Q23 sales, which fell short of investors' expectations.

Codes

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

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).