

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 (net, total return, sterling adjusted).

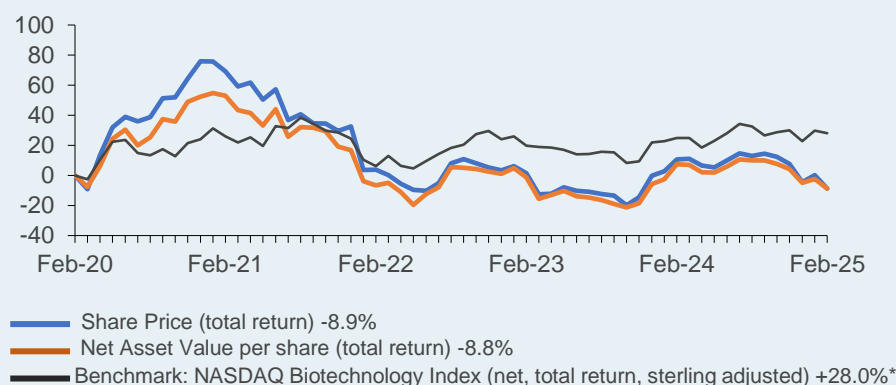


Portfolio Manager
Geoffrey Hsu

Portfolio Manager
Josh Golomb

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.



Source: Frostrow Capital LLP.

* Index – With effect from 01.10.2024, the index changed to net total return, prior to this date it was capital return.

orbimed

Fast Facts

As at 28 February 2025

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) * 1.2%

Continuation Vote 2025 AGM and every 5th AGM thereafter

Year / interim end 31 March / 30 September

Capital Structure 28,137,591 Ordinary Shares of 25p

Trust Characteristics

Number of Holdings 59

Net Assets (£m) £258.6m

Market Capitalisation (£m) £229.9m

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

Leverage** Gross 101.2%
Commitment 98.8%

Share Price (p) 817.00

NAV (p) 919.12

(Discount) / Premium (11.1%)

Portfolio Turnover p.a. 147.1%

Active Share*** 77.6%

Ten Largest Holdings as at 28 February 2025 (% of total investments)

Name	Total
Gilead Sciences	12.9
Sarepta Therapeutics	6.1
Neurocrine Biosciences	5.0
Argenx	5.0
Amgen	4.2
Avidity Biosciences	3.9
Xenon Pharmaceuticals	3.7
Cytokinetics	3.5
Amicus Therapeutics	3.4
Alnylam Pharmaceuticals	3.4
Total	51.1

Geographical Breakdown as at 28 February 2025 (%)†

North America	86.0%
Continental Europe	7.1%
China (quoted)	6.1%
Unquoted ‡	0.8%

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 0.8% unquoted investments, 0.3% 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	2020	2021	2022	2023	2024	YTD
NAV	52.4	-23.1	-13.6	-7.2	1.2	-4.2
Share Price	67.7	-24.6	-22.1	-3.5	-4.4	-4.4
Index	22.1	0.2	-0.3	-1.7	0.7	4.3

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Feb 20-Feb 21	Feb 21-Feb 22	Feb 22-Feb 23	Feb 23-Feb 24	Feb 24-Feb 25
NAV	52.9	-39.0	5.7	8.8	-15.1
Share Price	69.2	-38.6	-2.3	8.9	-17.6
Index	26.0	-15.7	12.9	4.2	2.5

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Source: Index & NAV (total return; fully diluted) & Share Price (total return) – Frostrow Capital LLP.

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

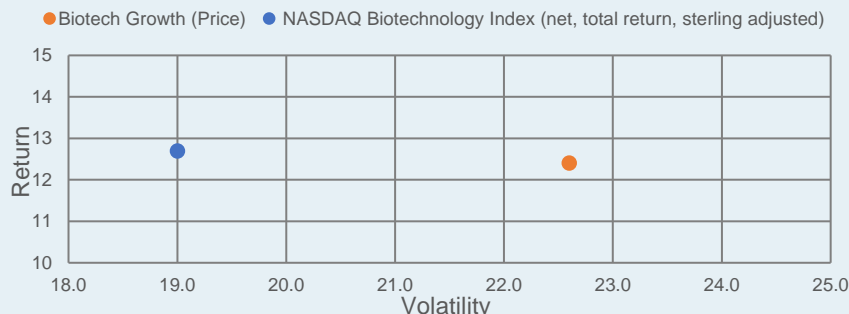
**The Board has set the leverage limit for both the Gross and the Commitment basis at 130% of the Company's Net Asset Value.

***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 (Annualised since Date of Appointment of OrbiMed) – Chart (%)



Commentary

In February, the NAV per share was down 6.6%, the share price was down 9.0% and the benchmark NASDAQ Biotechnology Index (net, total return, sterling adjusted) was down 1.3%.

Broadly speaking, small and mid-capitalisation biotech stocks have declined significantly since mid-November 2024, largely due to macro-driven risk aversion. In February, the general markets reacted negatively to a significant decline in the U.S. Consumer Confidence Index, which worsened due to inflation concerns, heightened anxiety over tariffs and trade policies, and uncertainty about the labour markets. Specifically for healthcare, the U.S. Senate confirmed Robert F. Kennedy, Jr. as the new Secretary of Health & Human Services by a narrow vote. Shortly thereafter, the Department of Health & Human Services began implementing job cuts as part of the Trump administration’s Department of Government Efficiency (“DOGE”) initiative. Investor concerns about potential U.S. Food and Drug Administration (“FDA”) staffing cuts leading to delays in drug approvals pressured shares of biotech companies, especially those of pre-revenue companies that have yet to get their drugs approved. The Trump administration also warned drugmakers he intended to institute tariffs on pharmaceuticals manufactured overseas in order to incentivize them to move their manufacturing to the U.S. Thus far, we believe staffing cuts at the FDA have not directly impacted the drug review staff, as their salaries are mostly paid by industry user fees. Unfortunately, the numerous uncertainties have negatively affected investor sentiment on emerging biotech. Given our continued overweight positioning in pre-revenue small and mid-cap biotech, the Company’s performance was adversely affected versus our benchmark index.

Strategically, as a result of the market uncertainty, we ended February without any gearing. We continue to see pre-revenue small and mid-cap biotech companies as significantly undervalued relative to the tremendous innovation they have been delivering. We will continue to deploy capital in companies developing medical breakthroughs addressing unmet needs that we believe are fundamentally undervalued. The last few months of political uncertainty have created an opportunistic market environment for our strategy and we will look to return to our target of 5-10% gearing to take advantage of the sector correction.

Gilead Sciences, Akeso, and XtalPi Holdings were the largest positive contributors to performance during the month. Gilead outperformed in February on better-than-expected 2025 revenue guidance which instilled confidence in the growth of its HIV franchise. Akeso’s stock price appreciated in February on no fundamental news, following a pullback from its highs in late November 2024. XtalPi’s stock experienced a significant rise in February due to investor enthusiasm about China’s AI capabilities. XtalPi is one of the pioneers in applying quantum physics-based computation, AI and automation technologies to drug R&D.

Neurocrine Biosciences, Forte Biosciences, and Vera Therapeutics were the largest negative contributors to performance during the month. Neurocrine underperformed due to underwhelming 2025 revenue guidance for its lead commercial drug, Ingrezza, raising concerns around future growth for the franchise. Forte Biosciences underperformed on no fundamental news, following substantial gains in the prior months upon the announcement of a financing with leading institutional shareholders. Vera’s stock price declined on the announcement that its competitor Otsuka intended to commercialise its drug, sibeprenlimab for IgA nephropathy (IgAN) as an at-home, subcutaneous injection. Prior to this announcement, investors had thought the FDA would require sibeprenlimab to be administered in the physician’s office, consistent with how it was studied in clinical trials; this update negated a point of competitive differentiation for Vera’s atacept in IgAN.

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.

Target Market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties, and is eligible for all distribution channels.

The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection.

Value Assessment

Frostrow Capital LLP has conducted an annual Value Assessment on the Company in line with Financial Conduct Authority ("FCA") rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product.

Frostrow Capital LLP concluded that the Company is providing value based on the above assessment.

Important Information

The Biotech Growth Trust PLC is a public limited company whose shares are 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).

This financial promotion is issued by Frostrow Capital LLP which is authorised and regulated by the FCA.



The Biotech Growth Trust PLC
Information as at 28 February 2025