

# **THE BIOTECH GROWTH TRUST PLC**

## **Interim Management Statement – 3 months to 30 June 2014 (unaudited)**

**The Biotech Growth Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry.**

During the 3 month period ended 30 June 2014 the Company's net asset value per share (NAV) rose by 5.4%, compared to a rise of 6.1% in the Company's benchmark, the NASDAQ Biotechnology Index measured in sterling terms. The Company's share price rose by 5.9% and ended the period on a 6.0% discount to the Company's NAV.

From the period-end to 5 August 2014, the Company's NAV fell by -0.1% and the share price fell by -1.7%; this compares to a fall of -0.7% in the Company's benchmark.

During the three-month period and to the date of this report 2,881,031 shares were repurchased for treasury by the Company. No shares were issued by the Company during this period. As at 7 August 2014 the Company had 68,886,347 shares in issue excluding 3,543,340 shares held in treasury.

### **Annual General Meeting**

At the Company's Annual General Meeting, held on Thursday, 10 July 2014, all of the resolutions were passed.

### **Board Changes**

On 10 July 2014 the Company announced that following the retirement from the Board of Dr John Gordon, Mr Andrew Joy has become the Senior Independent Director and Chairman of the Remuneration Committee with immediate effect.

### **Appointment of New Auditor**

At the Company's Annual General Meeting held on Thursday, 10 July 2014, Shareholders passed a Resolution appointing Ernst & Young LLP as auditor to the Company following a formal tender process.

### **Appointment of Alternative Investment Fund Manager and Depositary**

On 21 July 2014 the Company announced that it had appointed Frostrow Capital LLP (the "Manager") as its alternative investment fund manager ("AIFM") on the terms and subject to the conditions of a new management agreement between the Company and the Manager (the "Management Agreement").

The existing management agreement between the Company and the Manager dated 5 April 2007 (the "Original Management Agreement") has been terminated.

In addition, the Company entered into a portfolio management agreement (the "Portfolio Management Agreement") with the Manager and OrbiMed Capital LLC (the "Portfolio Manager"), pursuant to which the Manager has delegated portfolio management of the Company's assets to the Portfolio Manager. The investment management agreement between the Company and the Portfolio Manager dated 26 April 2006 (the "Investment Management Agreement") has been terminated.

The Company appointed J.P. Morgan Europe Limited (the “Depositary”) to act as the Company’s depositary for the purposes of the Directive pursuant to a depositary agreement between the Company, the Manager and the Depositary (the “Depositary Agreement”).

The custody agreement between the Company and Goldman, Sachs & Co. has been terminated.

The Company also entered into a delegation agreement (the “Delegation Agreement”) with the Prime Broker, the Manager and the Depositary, pursuant to which the Depositary has delegated the safe-keeping of certain of the Company’s assets to J.P. Morgan Clearing Corp (the “Prime Broker”).

The Company also appointed J.P. Morgan Clearing Corp. (the “Prime Broker”) and certain other J.P. Morgan entities to provide the Company with execution, clearing, settlement, custody, financing and other services pursuant to an institutional account agreement between the Company, the Prime Broker and other members of the JPMorgan group (the “Institutional Account Agreement”).

Each of the Management Agreement, the Portfolio Management Agreement, the Depositary Agreement and the Delegation Agreement entered into effect on 22 July 2014.

### Trust Characteristics

	30 June 2014	31 March 2014
Number of Holdings	42	46
Net Assets (£m)	356.8	340.3
Gearing (AIC basis)	8%	8%
Share Price (p)	494.50	467.00
NAV (p)	525.85	498.75
Premium/(Discount)	(6.0%)	(6.4%)

Source: Frostrow Capital LLP

### Geographical Analysis

	% of portfolio at 30 June 2014	% of portfolio at 31 March 2014
North America	84.0	88.8
Continental Europe	12.1	6.5
Far East	3.2	3.9
Unquoted	0.7	0.7
United Kingdom	-	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Frostrow Capital LLP

### 10 Largest Investments

Name	% of portfolio at 30 June 2014	% of portfolio at 31 March 2014
Gilead Sciences	10.9	10.0
Biogen Idec	10.2	10.6
Illumina	5.6	5.9
Alexion Pharmaceuticals	4.7	3.9
Incyte	4.4	4.6
InterMune	3.7	3.0
Amgen	3.5	4.1
Actelion	3.4	-

Ono Pharmaceutical	3.2	3.9
Impax Laboratories	3.2	3.0
BioMarin Pharmaceutical	=	<u>3.1</u>
<b>Total</b>	<b>52.8</b>	52.1

Source: Frostrow Capital LLP

**Performance to 30 June 2014 (%)**

	3 Months	1 Year	3 Years	5 Years
Share Price	5.9	28.3	158.6	308.7
NAV per share	5.4	37.8	155.5	297.0
Benchmark*	6.1	31.6	127.7	245.0

Source: Bloomberg & Morningstar

\* Benchmark – NASDAQ Biotechnology Index measured in sterling terms.

Past performance is not a guide to future performance.

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules.

This Interim Management Statement is available on the Company's website [www.biotechgt.com](http://www.biotechgt.com).

The Company's net asset value per share is announced daily and is available, together with the share price, on the TrustNet website at [www.trustnet.com](http://www.trustnet.com)

SEDOL Code: - Ordinary shares - 0038551

ISIN: – Ordinary Shares GB0000385517

Bloomberg: - BIOG LN

EPIC: - BIOG

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