

LWM FUND SPOTLIGHT WORLDWIDE HEALTHCARE TRUST

INVESTMENT OBJECTIVE

In order to achieve a high level of capital growth, the Company invests in the global healthcare sector and in a diversified portfolio of shares in pharmaceutical and biotechnology companies and related securities in the healthcare sector. It uses gearing, and derivative transactions to mitigate risk and also to enhance returns.

INCEPTION DATE	28 TH April 1995
FUND FACTSHEET	https://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR053PI]2]0]FCGBR\$\$ALL

MANAGEMENT

Manager Name	Start Date
Sven Borho	1 st February 2013
Trevor Polischuk	31 st March 2015

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-6.14	1.53	-24.47	18.12	-15.77	79	74	15.02

OTHER DATA

Benchmark	MSCI ACWI/Healthcare
Fund Size	£2.26 billion
Fees (C Share Class)	0.85%

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> Specialist fund manager. Access to private markets. Invests across the market so not focused on one area. 80% of companies are profitable. New era of mega-blockbuster drugs. 	<ul style="list-style-type: none"> Volatile. Mixed recent performance.

Worldwide Healthcare Trust – April 2023

FUND PERFORMANCE

Performance from 1st February 2013 – 31 March 2023

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



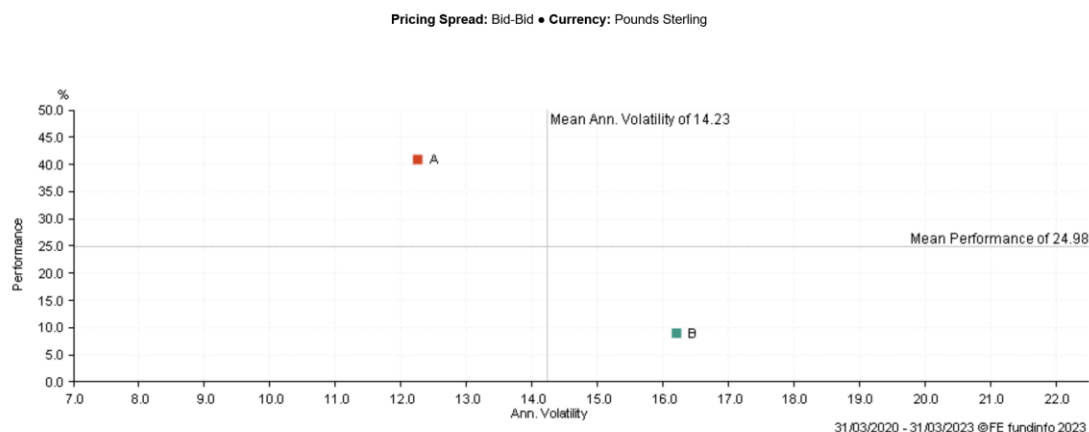
Pricing Spread: Bid-Bid • Currency: Pounds Sterling

Customise Columns	2023 ↑↓	2022 ↑↓	2021 ↑↓	2020 ↑↓	2019 ↑↓	2018 ↑↓	2017 ↑↓	2016 ↑↓	2015 ↑↓	2014 ↑↓	2013 ↑↓
Frostrow Capital LLP Worldwide Healthcare Trust PLC Ord 25P TR in GB	-1.86	-9.77	-2.62	19.86	32.28	-4.97	20.69	10.14	13.93	39.64	47.05
Index MSCI ACWI/Health Care TR in GB	-1.85	5.68	18.59	11.32	17.94	8.03	9.74	11.13	12.49	25.48	33.24

Please note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Worldwide Healthcare Trust – April 2023

VOLATILITY / RISK SCORE



Key	Name	Performance	Annualised Volatility
A	MSCI ACWI/Health Care TR in GB	40.92	12.25
B	Frostrow Capital LLP - Worldwide Healthcare Trust PLC Ord 25P TR in GB	9.04	16.20

SECTOR WEIGHTINGS

Subsector	WWH %NAV	MSCI World HC	Delta
Pharmaceuticals	27.7	43.7	(16.0)
Big Pharma	27.5	40.3	(12.8)
Spec Pharma/Generics	0.2	3.4	(3.2)
Biotechnology	23.5	9.2	14.3
Big Biotech	0.2	5.0	(4.8)
Emerging Biotech	23.3	4.2	19.1
Life Science Tools	5.0	11.7	(6.7)
Medtech/Devices	16.9	14.9	2.1
Healthcare Services	16.0	16.4	(0.4)
Japan	5.5	4.1	1.4
Emerging Markets	8.9	0.0	8.9
Structured Finance	0.0	0.0	0.0
Privates	6.9	0.0	6.9
Total	110.4	100.0	10.4

*Excludes Options. Future weightings may differ.

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HOLDINGS

Top 10 Holdings 31/12/2022

Assets in Top 10 Holdings %	51.88
Total Number of Equity Holdings	50
Total Number of Bond Holdings	0

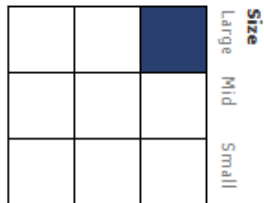
Name	Sector	Country	Percentage
AstraZeneca PLC	+	United Kingdom	7.00
UnitedHealth Group Inc	+	United States	6.28
Bristol-Myers Squibb Co	+	United States	5.85
Sanofi SA	+	France	5.53
Humana Inc	+	United States	5.06
Intuitive Surgical Inc	+	United States	4.95
Boston Scientific Corp	+	United States	4.86
Roche Holding AG	+	Switzerland	4.82
Stryker Corp	+	United States	3.81
Biomarin Pharmaceutical Inc	+	United States	3.71

⊕ Increase ⊖ Decrease ☆ New since last portfolio

Category: Sector Equity Healthcare

Morningstar Style Box®

Equity Style



Style

Size	Mkt Cap %	31/12/2022		
		Fund	Cat	
Share Class Size (mil)	(-)	Giant	36.81	48.91
Fund Size (mil)	(-)	Large	33.65	19.37
		Medium	14.06	19.56
		Small	13.13	11.70
		Micro	2.35	0.45

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REGIONS

World Regions %		31/12/2022
	Fund	Category
Greater Europe	21.64	22.44
United Kingdom	7.32	5.43
Eurozone	6.78	5.60
Europe - ex Euro	7.54	11.35
Europe - Emerging	0.00	0.03
Africa	0.00	0.02
Middle East	0.00	0.01
Americas	66.68	70.88
United States	66.14	70.61
Canada	0.55	0.19
Latin America	0.00	0.08
Greater Asia	11.67	6.68
Japan	5.77	3.68
Australasia	0.00	0.44
Asia - Developed	0.30	0.18
Asia - Emerging	5.60	2.38

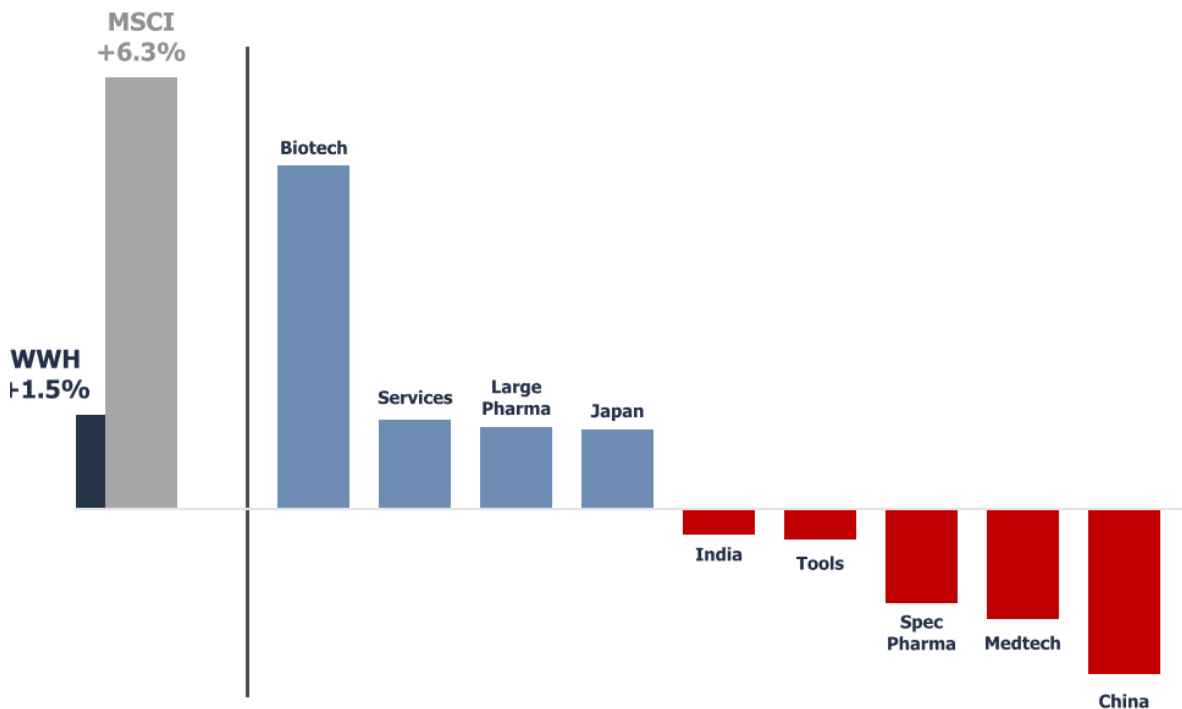
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LWM FUND ANALYSIS

This strategy is effectively providing a strategic approach to investing in different sectors within healthcare. They also run a Biotech strategy. This however is the flagship strategy and has over \$2 billion invested in it.

It is run and managed by OrbiMed who are specialists within this space, with 25 years experience and over 135 global employees. There are two named fund managers, however, they lean on the knowledge from across the company to build the portfolio.

The strategy has struggled over the last couple of years but they believe that we are close to the bottom of the market and there are signs of a turnaround in performance. The chart below shows where the fund performed well and where it struggled, the main negatives being Specialist Pharma, Medtech and China.



They are positive moving forward and they point to seven key drivers for 2023:

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There is a patent cliff for many big pharma companies between 2025 and 2030. This means they lose the exclusivity on some of their key drugs. These companies are cash rich and therefore will pay premiums to buy other companies. Therefore, M&A is an important driver of return for the strategy.

The strategy has a higher weighting to Biotech compared to the Index and valuations within this sector remain very cheap and therefore they can see an uplift from this point.

Innovation is also key to driving returns and examples of this are shown below:

Oncology		<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>ADCs</p> <p>ENHERTU fam-trastuzumab deruxtecan-mkii</p> <p>AstraZeneca Danche-Sanjo</p> <p>New Standard of Care in HER2+ "low" metastatic BC</p> </div> <div style="width: 30%;"> <p>IO</p> <p>Opdivo nivolumab injection (300 mg/100 mL)</p> <p>Bristol Myers Squibb</p> <p>TIGIT</p> <p>Roche</p> <p>TIGIT missed PFS endpoint at interim analysis</p> </div> <div style="width: 30%;"> <p>Targeted Therapy</p> <p>TAGRISSO osimertinib</p> <p>AstraZeneca</p> <p>Disease Free Survival surpasses 5 years in EGFR+ lung cancer</p> </div> </div>
Obesity		<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>tirzepatide</p> <p>mounjaro</p> <p>Lilly</p> <p>NEXT GENERATION • orforglipron • GGG</p> </div> <div style="width: 30%;"> <p>semaglutide</p> <p>wegovy semaglutide injection 2.4 mg</p> <p>Novo Nordisk</p> <p>SELECT Cardiovascular Outcomes Trial</p> <p>NEXT GENERATION • cagril-semag</p> </div> <div style="width: 30%;"> <p>danuglipron</p> <p>Obesity Pipeline</p> <p>Pfizer</p> </div> </div>
Alzheimer's		<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>gantenerumab</p> <p>GRADUATE 1/2 CLINICAL TRIALS</p> <p>Roche CHUGAI</p> <p>Patients on drug improved; but outcome was not SS</p> </div> <div style="width: 30%;"> <p>lecanemab</p> <p>Clarity AD</p> <p>Biogen Eisai</p> <p>Met all endpoints & reduced cognitive decline by -27%</p> </div> <div style="width: 30%;"> <p>donanemab</p> <p>TRAILBLAZER ALZ-3</p> <p>Lilly</p> </div> </div>

Note: Examples may not be representative of portfolio holdings.

Worldwide Healthcare Trust – April 2023

The areas where this fund is different to the index is the lower weighting to pharmaceuticals but higher weighting to biotechnology. Also, two other areas which are different are emerging markets and private equity.

In terms of emerging markets, they have exposure to China, and this will benefit from the re-opening of the economy. In terms of private equity, this is an area the company are specialists in and they are expecting some share listings from this soon.

The top 30 names make up 95% of the fund and so the team are careful to manage risk and reward. In terms of the companies themselves, around 80% are profitable and the allocation to a company reflects the profitability of the company.

From an investor viewpoint this gives clients a more diversified mix of assets across the healthcare space. It will be volatile and perhaps should be seen as a long-term investment. This may not be for every investor as the journey will not be smooth. OrbiMed are clearly leaders in this field but recent performance will of course lead to questions about the strategy. Fundamentally, the longer term track record is strong and the question is whether they can return to this in the future.

The source of information in this note has been provided by OrbiMed and is correct as of April 2023. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.

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