

# Worldwide Healthcare Trust PLC



Investment Manager



Samuel D. Isaly

Information as at 31 October 2011

[www.worldwidewh.com](http://www.worldwidewh.com)

## Investment Objective and Benchmark Index

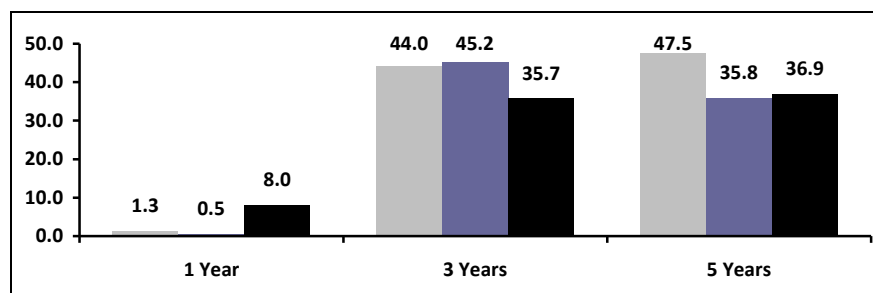
To invest worldwide in pharmaceutical, biotechnology and related companies in the healthcare sector with the aim of achieving a high level of capital growth. Performance is measured against the MSCI World Health Care Index with effect from 1 October 2010 (total return, sterling adjusted)\*.

## Cumulative Performance (%)

Trust: Worldwide Healthcare Trust PLC – NAV (total return; fully diluted)

Trust: Worldwide Healthcare Trust PLC – Share Price (total return)

Index: Blended DS/MSCI World Health Care Index (total return; £ adjusted)\*



## Discrete Performance – Calendar Years (%)

Percentage Growth	2006	2007	2008	2009	2010	YTD
NAV	-7.9	4.0	16.9	6.8	17.7	-0.5
Share Price	-13.9	2.7	13.7	11.1	15.5	-2.0
Index*	-0.4	-0.3	19.4	4.2	8.8	3.6

Source: NAV (total return; fully diluted) & Share Price – Morningstar. Index - Thomson Reuters & Bloomberg. Past performance is not a guide to future performance.

\*With effect from 1 October 2010, the performance of the Company is measured against the MSCI World Health Care Index on a total return, sterling adjusted basis. Prior to 1 October 2010, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted).

## Commentary

In October the NAV (total return, sterling adjusted) was down 0.2% compared to the MSCI World Health Care Index (total return, sterling adjusted) which was up 2.0%.

The fund's exposure to Japan was the primary reason for underperformance, the TOPIX Pharmaceutical Index was down 8.5%, however, we see no fundamental change to our current investment there. Large cap pharma stocks held in the fund saw a modest rally fuelled in part by solid but not spectacular third quarter results, including Pfizer and Merck.

Some oversold specialty pharma stocks rebounded, in particular Warner Chilcott, on positive news flow. Another key contributor was Align Technologies, the makers of a teeth straightening device, which reported a better than expected third quarter results, raised guidance, and announced a share buyback. One key detractor from emerging biotechnology was Pharmasset, it was perhaps prone to profit taking given the considerable performance year-to-date, up more than 200% on the heels of their investigational new drug for hepatitis C, and thus we reduced our exposure. However, when another company announced competitive data to rival Pharmasset's compound, the stock sold off. Nevertheless, we continue to believe that Pharmasset is poised to be the dominant market leader in hepatitis C later this decade.

## Biography

Samuel D. Isaly has been active in international and healthcare investment throughout his career, beginning at Chase Manhattan Bank. He studied international economics, mathematics and econometrics at Princeton and the London School of Economics. Mr Isaly joined SG Warburg and Company Inc in 1986 where he became a Senior Vice President. In March 1989, he became the initial founding partner of Mehta and Isaly. He became the initial founding partner of OrbiMed Capital LLC, created on January 1, 1998, upon the dissolution of Mehta and Isaly.

## Investment Manager Profile

Investment management services are provided by OrbiMed Capital LLC (OrbiMed). OrbiMed is owned by seven principals, including Samuel D. Isaly, who have between them many years experience of valuing companies in the pharmaceutical, biotechnology and healthcare sectors. The US-based company employs over 40 experienced investment professionals who carry out extensive research, which involves company visits and developing an understanding of commercial prospects and development programmes for individual drugs. The company database covers some 600 international pharmaceutical and biotechnology companies, two thirds of which are actively researched. OrbiMed Capital LLC is registered as an investment adviser under the U.S. Securities and Exchange Commission.

## Investment Policy

The Company offers a superior UK-listed opportunity for capital appreciation through a diversified portfolio of worldwide biotechnology, pharmaceutical, healthcare equipment, healthcare technology and healthcare services companies. The Investment Manager seeks to reduce risk through extensive fundamental research, worldwide exposure, position limits, and balanced market capitalisations. The Company's investment objectives also allow gearing of up to the lower of £90m or 20% of net assets and an exposure to derivative investments of up to 5% of the investment portfolio.

## Discount 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 may be held in treasury for reissue at later dates at not more than the discount at which they were purchased, and in any event at a discount no greater than 5% to the prevailing net asset value per share. Any shares left in treasury are cancelled around the time of the AGM.

## Worldwide Healthcare Trust PLC

### Ten Largest Equity Holdings as at 31 October 2011 (% of total investments)

Name	Region	Total
Novartis	Europe	6.4
Pfizer	North America	5.6
Roche	Europe	5.5
Mitsubishi Tanabe Pharma	Far East	4.5
Merck & Co	North America	3.7
Allergan	North America	3.1
Gilead Sciences	North America	3.0
UnitedHealth	North America	2.8
Wellpoint	North America	2.7
Bristol-Myers Squibb	North America	2.6
<b>Total</b>		<b>39.9</b>

### Sector, Geographical and Asset Class Breakdown as at 31 October 2011

Large Caps	63.9%	North America	65.4%	Equities	90.7%
Small Caps	36.1%	Europe	21.5%	Convertible Bonds	3.3%
<b>Total</b>	<b>100.0%</b>	Far East	12.3%	Fixed Interest Bonds	3.2%
		Israel	0.8%	Unquoted	1.8%
		<b>Total</b>	<b>100.0%</b>	Royalty Bonds	1.0%
				<b>Total</b>	<b>100.0%</b>

Source: All portfolio information sourced from Frostrow Capital LLP.

### Share Price Total Return on £100 as at 31 October 2011 (£)

1 year	100.5
3 years	145.2
5 years	135.8

Source: Morningstar. Past performance is not a guide to future performance.

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Oct 06- Oct 07	Oct 07- Oct 08	Oct 08- Oct 09	Oct 09- Oct 10	Oct 10- Oct 11
NAV	2.0	0.5	12.6	26.2	1.3
Share Price	-4.4	-2.2	15.5	25.1	0.5
Index*	-3.5	4.6	10.1	14.1	8.0

Source: NAV (total return; fully diluted) & Share Price – Morningstar. Index - Thomson Reuters and Bloomberg. Past performance is not a guide to future performance.

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### Awards

**Winner:**  
**Investment Week, Investment Trust Of The Year Awards 2010**  
 Category: Specialist

### Important Information

Worldwide Healthcare Trust PLC (the "Company") is a UK investment trust listed on the London Stock Exchange and is a member of the Association of Investment Companies. As this Company may implement a gearing policy investors should be aware that the share price movement may be more volatile than movements in the price of underlying investments. 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 not get back the original amount invested. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Shares in the biotechnology sector can prove volatile and above average price movements can be expected. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. 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. Investment Trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as "bid-offer" or "dealing" spread. This is set by the market makers and varies from share to share. This spread typically averages 1-2% each way on the mid-market price (the price halfway between the bid and offer prices), and can fluctuate and at times be higher than average. Net Asset Value per share is calculated in accordance with the guidelines of the Association of Investment Companies in that income received by the Company in the period since the last annual accounts is excluded. Total net assets are stated inclusive of income received. Any opinions on individual stocks are those of the Company's Investment Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by OrbiMed Capital LLC for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy.

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### Fast Facts as at 31 October 2011

<b>Launch Date</b>	April 1995
<b>Annual Management Fee</b> (payable by the Trust)	0.65% of net assets <b>plus</b> 0.30% of market cap. up to £150m and 0.20% > £150m and 0.125% > £500m <b>plus</b> £57,500
<b>Performance Fee</b>	See Annual Report for details
<b>Continuation Vote</b>	At AGM in 2014; every 5 years
<b>Year / interim end</b>	31 March / 30 September
<b>Capital Structure</b>	43,486,450 Ordinary Shares 7,821,273 Subscription Shares 25,000 Treasury Shares

### Trust Characteristics

<b>Number of Holdings</b>	64
<b>Net Assets (£m)</b>	328.4
<b>Dividend Policy</b>	Provisional Date: June
<b>Yield</b>	2.2%
<b>Gearing (AIC basis)</b>	113
<b>Share Price (p)</b>	674.50
<b>Subs. Share Price (p)</b>	80.00
<b>NAV (p) undiluted *</b>	755.21
<b>NAV (p) diluted: subscription shares *</b>	737.34
<b>NAV (p) diluted: subscription shares &amp; treasury shares *</b>	737.31
<b>(Discount) / Premium</b>	Undiluted (10.7%)
<b>(Discount) / Premium</b>	Diluted Sub Shares (8.5%)
<b>(Discount) / Premium</b>	Fully Diluted (8.5%)

\*capital only

### Codes

<b>Sedol – Shares</b>	0338530
<b>ISIN – Shares</b>	GB0003385308
<b>Bloomberg – Shares</b>	WWH LN
<b>Epic – Shares</b>	WWH
<b>Sedol – Sub Shares</b>	B3VMCB0
<b>ISIN – Sub Shares</b>	GB00B3VMCB07
<b>Bloomberg – Sub Shares</b>	WWHS LN

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