Worldwide Healthcare Trust PLC

Annual Report for the year ended 31 March 2015

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Frostrow CAPITAL

OrbiMed Healthcare Fund Management

Worldwide Healthcare Trust PLC

Investment Objective and Policy

Worldwide Healthcare Trust PLC is a specialist investment trust that invests in the global healthcare sector with the objective of achieving a high level of capital growth. In order to achieve its investment objective, the Company invests worldwide 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 enhance returns and mitigate risk. Performance is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis (Benchmark). Further details of the Company's investment policy are set out in the Strategic Report on pages 6 and 7.

Accessing the Global Market

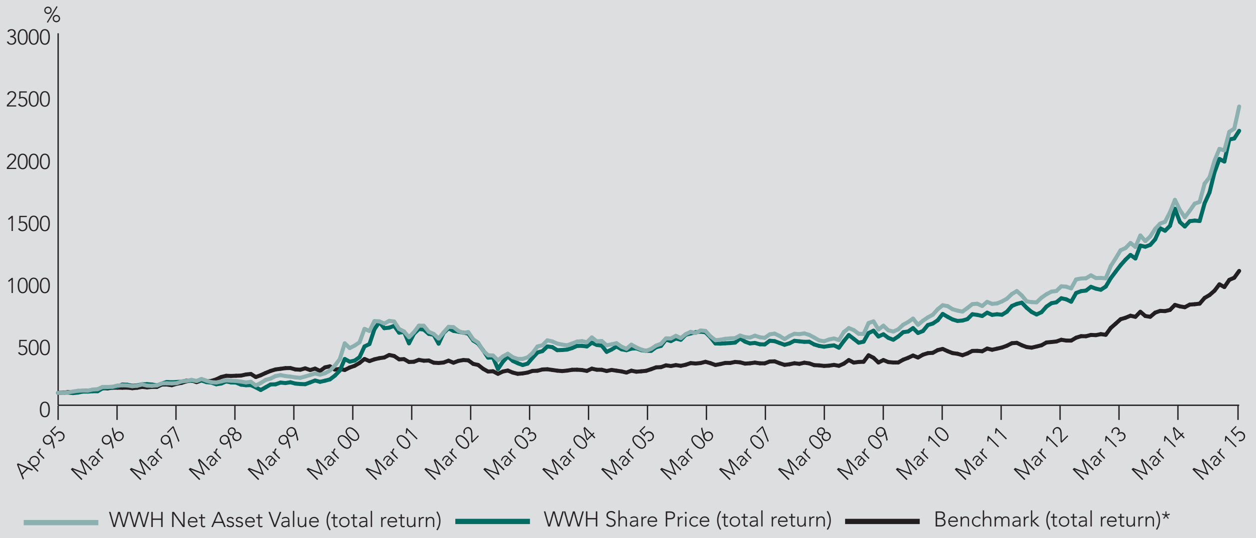
The healthcare sector is a global one and accessing this global market as a UK investor can be difficult. Within the UK, there are diminishing options for investment as the universe of healthcare companies is shrinking through merger and acquisition activity. The Company offers an opportunity to gain exposure to pharmaceutical, biotechnology and related companies in the healthcare sector on a global scale.

Among healthcare funds, Worldwide Healthcare Trust PLC is unique due to its broad investment mandate to participate in all aspects of healthcare, anywhere in the world. These may include patented specialty medicines for small patient populations and unpatented generic drugs, in both developed countries and emerging markets. In addition, the Company invests in medical device technologies, life science tools and healthcare services. The overall geographic spread of Worldwide Healthcare Trust PLC is also unique among healthcare funds with investments in the U.S., Europe, Japan and emerging markets.

How to invest

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including investment dealing accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are number of investment platforms that offer these facilities. Further details can be found on pages 72 and 73.

Performance since launch to 31 March 2015



Rebased to 100 as at 28 April 1995

Source: Morningstar, Thomson Reuters & Bloomberg

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

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Keep up to date with Worldwide Healthcare Trust PLC

For more information about Worldwide Healthcare Trust PLC visit the website at
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Winner:

Best Sector Specialist Investment Trust – *What Investment Trust Awards 2014*

Highly Commended:

Money Observer Trust Awards 2014 and 2015,
Category:
Best Large Trust

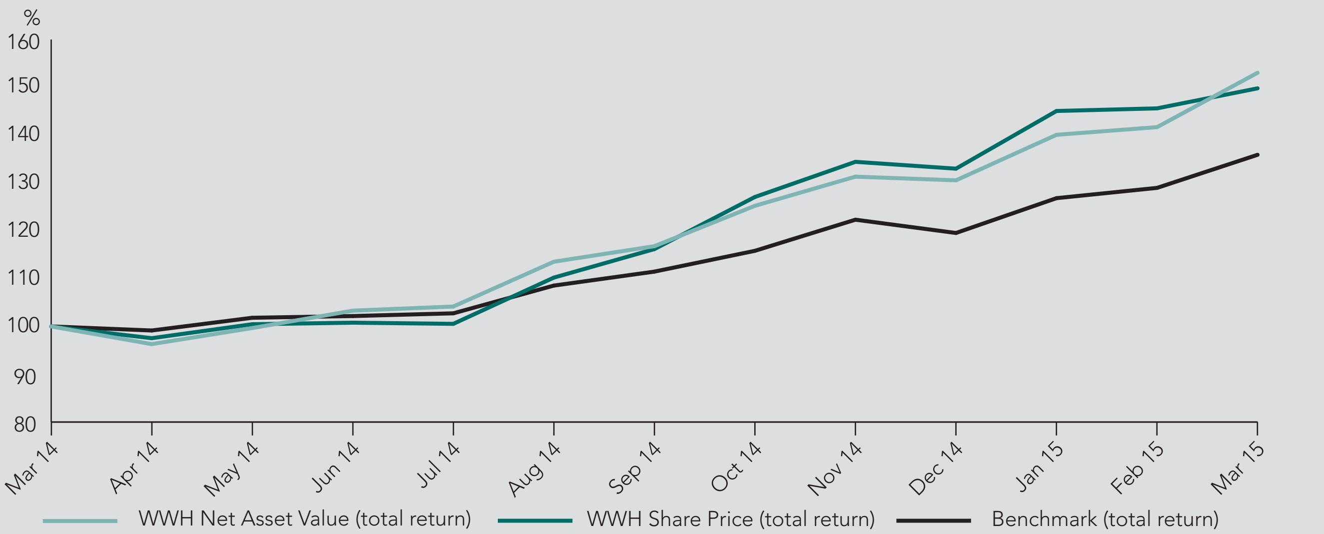
Company Performance

	As at 31 March 2015	As at 31 March 2014	% Change
Ordinary share price	1930.0p	1301.0p	48.3%
Net asset value per share – basic	2039.3p	1374.3p	48.4%
Net asset value per share – diluted†	2039.3p	1348.2p	51.3%
Discount of ordinary share price to the diluted net asset value per share	5.4%	3.5%	n/a

	Year ended 31 March 2015	Year ended 31 March 2014
Ordinary share price (total return)*	49.8%	30.8%
Net asset value per share – (total return)*	53.0%	25.9%
Benchmark (total return)*	35.9%	14.9%
Dividends per ordinary share	12.5p	15.0p

†The Company's Subscription Shares were allotted on 4 September 2009 and expired on 31 July 2014. See page 25 for further information.
*Source – Morningstar.

Total Return Performance for the year to 31 March 2015



Rebased to 100 as at 31 March 2014
Source: Morningstar, Thomson Reuters & Bloomberg

Historic Performance for the years ended 31 March

	2010	2011	2012	2013	2014	2015
Net asset value per share (total return)*	**25.9%**	**4.0%**	**14.4%**	**30.3%**	**25.9%**	**53.0%**
Benchmark^ (total return)*	**24.6%**	**2.5%**	**13.4%**	**31.4%**	**14.9%**	**35.9%**
Net asset value per share – basic	780.8p	799.2p	909.4p	1110.2p	1374.3p	2039.3p
Net asset value per share – diluted**	752.7p	773.5p	871.0p	1089.6p	1348.2p	2039.3p
Ordinary share price	701.5p	686.0p	795.0p	1009.0p	1301.0p	1930.0p
Discount of share price to diluted net asset value per share	6.8%	11.3%	8.7%	7.4%	3.5%	5.4%
Dividends per ordinary share	8.5p	15.0p	17.5p	16.5p	15.0p	12.5p
Gearing†	10.4%	13.3%	16.4%	9.8%	12.0%	11.2%
Ongoing charges†	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
Ongoing charges (including performance fees paid or crystallised during the year)†	1.0%	1.8%	1.3%	1.2%	1.1%	2.2%

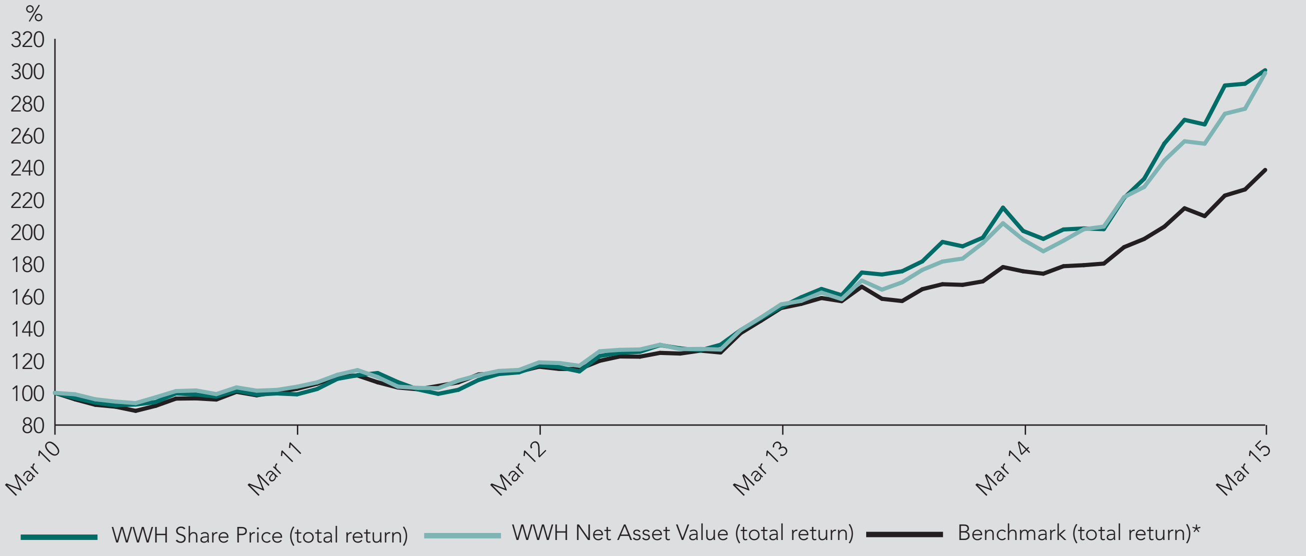
*Source: Morningstar.

^See below for further information regarding the Company's Benchmark.

**The Company's Subscription Shares were allotted on 4 September 2009 and expired on 31 July 2014. See page 25 for further information.

†See pages 7 and 19 and also the Glossary beginning on page 70.

Five Year Performance to 31 March 2015



Rebased to 100 as at 31 March 2010
Source: Morningstar, Thomson Reuters & Bloomberg
*With effect from 1 October 2010, the performance of the Company is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis. Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted).

Chairman's Statement

Sir Martin Smith

"I am delighted to report that your Company has continued to perform strongly both in absolute terms and also compared to its Benchmark."

Review of the Year and Performance

I am delighted to report that your Company has continued to perform strongly both in absolute terms and also compared to the Benchmark. The Company's net asset value per share total return was 53.0% and the share price total return was 49.8%, both significantly outperforming the Company's benchmark, the MSCI World Health Care Index on a net total return, sterling adjusted basis, which rose by 35.9%. At 31 March 2015 the discount of share price to the Company's net asset value per share stood at 5.4% compared to 3.5% a year ago.

The positive contributions to performance were varied reflecting the strong fundamentals of the healthcare sector. The Company benefitted in particular from strong performance from U.S. based specialty pharmaceutical company **Actavis**, biotechnology companies **Medivation**, **Intermune** and **Regeneron**, and healthcare provider **HCA**. The principal detractor from performance was medical device company **Insulet**, following the identification of certain reporting irregularities.

The Company was, on average, 12% (2014: 14%) geared during the year which again proved to be beneficial. This enabled the Company to take advantage of strong market performance and contributed c.3.7% (2014: 2.5%) to the Company's performance. In addition, the Company's derivative strategy also contributed c.3.7% (2014: 2.0%) to returns.

Further information on the Company's investments can be found in the Portfolio Manager's Review beginning on page 12 of this Annual Report.

On 28 April 2015 the Company celebrated a significant milestone, its twentieth birthday! Over its twenty year life the total return of the Company's net asset value per share has been 2,103.8%, equivalent to a compound annual return of 16.5%. This compares to a cumulative "blended" benchmark* return of 947.7%, equivalent to a compound annual return of 11.9% over the same period. On behalf of the Board and shareholders I would like to pay tribute to and congratulate OrbiMed on the excellent returns they have generated over this period.

*See inside front cover for further information

Shareholders have benefited from having OrbiMed as our Portfolio Manager. They are the world's largest specialist healthcare fund manager with an exceptional performance record and an experienced team of over 80 people that has expertise in all healthcare sub-sectors across a wide range of geographies.

Performance Fee

The continued strong performance of the Company when compared to the Benchmark has given rise to performance fees payable during the year ended 31 March 2015 of £8.8m (shared between Frostrow and OrbiMed as set out on page 27). I remind shareholders that under the provisions of our performance fee arrangements, actual performance is compared to the benchmark return since the launch of the Company in 1995 and only when incremental outperformance has been generated does a performance fee become payable. To prevent a fee being paid with respect to a 'spike' in performance, due to the volatile nature of the sector, a fee is only paid once the outperformance has been maintained for a 12 month period.

In addition to the payments referred to above, a further provision has been made as at 31 March 2015 which relates to outperformance generated at that date but which will only become payable at future performance fee calculation dates in the event that the outperformance is maintained. This total provision amounts to £16.7m and reflects not only the significant outperformance achieved during the year but also the sustained outperformance since the beginning of 2013.

Capital

The Company's subscription shares expired on 31 July 2014 and a total of 1,860,969 new shares were issued as a result of holders of subscription shares exercising their subscription rights. As part of the Board's discount control management policy, a total of 723,427 ordinary shares were repurchased by the Company during the year up until the date of this report, to be held in treasury, at an average discount of 6.9% to the prevailing diluted ex income net asset value per share. 318,596 of these shares were, however, reissued from treasury at share prices that equated to an average discount 2.5% to the prevailing diluted cum income net asset value per share. There are currently 404,831 shares held in treasury.

Shareholder approval to renew the authority to buy-back ordinary shares will be sought at the Annual General Meeting. The execution and timing of any share buy-back will continue to be at the absolute discretion of the Board.

Any ordinary shares held in treasury on 24 September 2015, the date of this year's Annual General Meeting, will be cancelled.

25,000 new ordinary shares were also issued during the year at a 0.7% premium to the prevailing cum income net asset value per share at the time of issue to satisfy demand in the market.

Revenue and Dividend

Shareholders will be aware that it remains the Company's policy to pursue capital growth for shareholders and to pay dividends to the extent required to maintain investment trust status and therefore the level of dividends declared can go down as well as up. A first interim dividend of 6.0p per share, for the year ended 31 March 2015, was paid on 9 January 2015 to ordinary shareholders on the register on 5 December 2014. The Company's net revenue return for the year as a whole has fallen slightly to £6.2 million (2014: £7.2 million). In order to maintain investment trust status, the Board has declared a second interim dividend of 6.5p per share which, together with the first interim dividend already paid, makes a total dividend for the year of 12.5p (2014: 15.0p per share). Based on the current mid-market share price of 1897p as on 23 June 2015, the total dividend payment for the year represents a current yield of 0.7%.

The second interim dividend will be payable on 14 July 2015 to ordinary shareholders on the register of members on 12 June 2015. The associated ex-dividend date was 11 June 2015.

Alternative Investment Fund Managers Directive and Service Providers

During the year the Alternative Investment Fund Managers Directive ('AIFMD') took effect and your Board made a number of changes to its service provider arrangements in order to achieve compliance with this regulation. I am pleased to report that Frostrow Capital LLP successfully varied its permissions with the FCA in order to take on the role of 'Alternative Investment Fund Manager'. Under the provisions of the AIFMD Frostrow has delegated the portfolio management function to OrbiMed Capital LLC. The fees payable to both Frostrow and OrbiMed have remained unchanged and your Board is delighted that compliance with the new regulations has been achieved.

Until July 2014 the Company employed Goldman Sachs as its Custodian and Prime Broker. In order to comply with the AIFMD the Company was required to appoint a Depositary which was a service that Goldman Sachs were not able to offer the Company. I would like to thank Goldman Sachs for the excellent service they provided to the Company over their tenure. I am pleased to report that the Board have appointed JP Morgan as its Depositary and Prime Broker and that these arrangements are working well.

Achieving compliance with the AIFMD has been a significant piece of work not only for the Board but also for our service providers. I would like to thank my Board colleagues for the significant contribution they made during the year, in particular Jo Dixon our Audit Committee Chairman.

Proposed Changes to the Company's Articles of Association

It is proposed that the Company adopts new Articles of Association to enable it, *inter alia*, to comply with its obligations under various international tax regulations. A Special Resolution will be proposed at the Annual General Meeting which will, if approved, ratify the adoption of new amended Articles of Association. The material differences between the current and the proposed amended Articles of Association are summarised on page 81 of the Annual Report.

Investment Policy

Shareholder approval to amend the Company's Investment Policy was obtained at a General Meeting of the Company held in April 2015. The Company's borrowing policy, contained within the old Investment Policy, limited the Company's borrowing to the lower of £120 million or 20% of the Company's net asset value. Given the significant growth in the Company, the monetary limit was potentially restrictive

Chairman's Statement
continued

to the Company's ability to deploy borrowing effectively. The Directors therefore sought and obtained shareholder approval to delete the monetary amount such that the Company's borrowing limit is now set simply at a maximum of 20% of the Company's net asset value.

In addition, the Company's ability to invest in certain healthcare sectors was limited to 15% of the portfolio, at the time of acquisition. This limit was also considered to be restrictive given the opportunities available in the global healthcare market and has been increased to 20% of the portfolio, at the time of acquisition.

The Company's Investment Policy can be found on pages 6 and 7 of this Annual Report.

Outlook
Following a sustained period of outperformance from the healthcare sector, our Portfolio Manager continues to believe in the sector's strong fundamentals namely: continued merger and acquisition activity; new product launches; strong product pipelines; and the net positive impact of the Affordable Care Act in the U.S.

Our Portfolio Manager's focus continues to be on the selection of stocks with strong prospects and your Board reiterates its belief that the long-term investor in the sector will be well rewarded.

Annual General Meeting
The Company offers the U.K. based investor an excellent opportunity to gain exposure to the global healthcare sector, and the Board is pleased to note the increasing presence of retail shareholders on the Company's share register. The Board is keen to welcome all shareholders and the Company's Annual General Meeting offers an opportunity to meet the Directors and also to hear the views of our Portfolio Manager. This year, the Annual General Meeting of the Company will be held at **Skinners' Hall, 8 Dowgate Hill, London EC4R 2SP** on Thursday, 24 September 2015 at 12 noon, and we hope as many shareholders as possible will attend.

Sir Martin Smith
Chairman

24 June 2015

Investment Objective and Policy

The Company invests in the global healthcare sector with the objective of achieving a high level of capital growth. In order to achieve its investment objective, the Company invests worldwide 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 enhance returns and mitigate risk. Performance is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis (Benchmark).

Investment Strategy

The implementation of the Company's Investment Objective has been delegated to OrbiMed by Frostrow (as AIFM) under the Board's and Frostrow's supervision and guidance.

Details of OrbiMed's investment strategy and approach are set out in the Portfolio Manager's review on pages 12 to 14. While performance is measured against the Company's Benchmark, Frostrow and OrbiMed have been given the ability to manage the portfolio without regard to the Benchmark and its make-up.

While the Board's strategy is to allow flexibility in managing the investments, in order to manage investment risk it has imposed various investment, gearing and derivative guidelines and limits, within which Frostrow and OrbiMed are required to manage the investments, as set out below.

Any material changes to the Investment Objective, Policy and Benchmark or the investment, gearing and derivative guidelines and limits require approval from shareholders.

Investment limits and guidelines

- The Company will not invest more than 10% of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange;
- The Company will not invest more than 15% of the portfolio in any one individual stock at the time of acquisition;
- At least 60% of the portfolio will normally be invested in larger companies (i.e. with a market capitalisation of at least U.S.$5bn);
- At least 20% of the portfolio will normally be invested in smaller companies (i.e. with a market capitalisation of less than U.S.$5bn);
- Investment in unquoted securities will not exceed 10% of the portfolio at the time of acquisition;
- A maximum of 5% of the portfolio, at the time of acquisition, may be invested in each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies;
- A maximum of 20% of the portfolio, at the time of acquisition, may be invested in companies in each of the following sectors:
  - healthcare equipment and supplies
  - healthcare technology
  - healthcare providers and services.

Derivative strategy and limits

In line with the Investment Objective, derivatives are employed, when appropriate, in an effort to enhance returns and to improve the risk-return profile of the Company's portfolio. There are two types of derivatives currently employed within the portfolio: Options and Equity Swaps;

The Board has set the following limits within which derivative exposures are managed:

- Derivative transactions (excluding equity swaps) can be used to mitigate risk and/or enhance capital returns and will be restricted to a net exposure of 5% of the portfolio; and
- Equity Swaps may be used in order to meet the Company's investment objective of achieving a high level of capital growth and counterparty exposure through these is restricted to 8% of the gross assets of the Company at the time of acquisition.

Further details on how derivatives are employed can be found in note 18 beginning on page 63.

The Company does not currently hedge against foreign currency exposure.

Investment Objective and Policy
continued

Gearing limits

The Board and Frostrow believe that shareholder returns can be enhanced through the use of borrowings at appropriate times for the purpose of investment. The Board has set a maximum gearing level, through borrowing, of 20% of the net assets. OrbiMed are responsible for deciding on the appropriate level of gearing at any one time, subject to acting within the 20% limit.

Leverage limits

Under the AIFMD new rules have been introduced that require the Company to set maximum leverage limits. Leverage under the AIFMD is defined as any method by which the total exposure of an AIF is increased.

The Company has two current sources of leverage: the overdraft facility, which is subject to the gearing limit; and, derivatives, which are subject to the separate derivative limits. The Board and Frostrow have set a maximum leverage limit of 140% on both the commitment and gross basis.

Further details on the gearing and leverage calculations, and how total exposure through derivatives is calculated, is included in the Glossary beginning on page 70.

Portfolio

Investments held as at 31 March 2015

Investment	Country/region	Fair value £'000	% of investments
Bristol-Myers Squibb	USA	57,083	5.2
Regeneron Pharmaceuticals	USA	46,897	4.3
Amgen	USA	39,701	3.6
HCA	USA	39,325	3.6
Actavis*	Ireland	38,265	3.5
Biogen Idec	USA	36,975	3.4
Novartis	Switzerland	35,789	3.3
Medivation	USA	29,987	2.7
Shire	Ireland	29,013	2.7
Intuitive Surgical	USA	26,092	2.4
Top 10 investments		**379,127**	**34.7**
Ono Pharmaceutical	Japan	25,787	2.4
AbbVie	USA	23,447	2.1
Celgene	USA	22,903	2.1
Fluidigm +	USA	22,350	2.0
Molina Healthcare	USA	22,339	2.0
Health Net	USA	21,854	2.0
Incyte ¤	USA	21,603	2.0
Actelion	Switzerland	21,475	2.0
Impax Laboratories	USA	20,025	1.8
Thermo Fisher Scientific	USA	19,181	1.8
Top 20 investments		**600,091**	**54.9**
Astellas Pharma	Japan	18,788	1.7
Chugai Pharmaceutical	Japan	18,497	1.7
Roche Holdings	Switzerland	18,448	1.7
Gilead Sciences	USA	17,919	1.6
Illumina	USA	17,132	1.6
Boston Scientific	USA	16,611	1.5
Luye Pharma	China	16,539	1.5
Perrigo	Ireland	16,265	1.5
Ironwood Pharmaceuticals	USA	15,910	1.5
Cooper Cos	Ireland	14,981	1.4
Top 30 investments		**771,181**	**70.6**
Nuvasive	USA	14,963	1.4
Tornier	Netherlands	14,114	1.3
Express Scripts	USA	12,976	1.2
Agilent Technologies	USA	12,788	1.2
Neurocrine Biosciences	USA	11,732	1.1
Osstem Implant	Korea	9,924	0.9
Portola Pharmaceuticals	USA	9,589	0.9
Insulet	USA	9,487	0.9
Stryker	USA	9,322	0.8
Smith & Nephew	UK	9,281	0.8
Top 40 investments		**885,357**	**81.1**

* includes Actavis 5.5% 01/03/18 (Conv) equating to 1.8% of investments
+ includes Fluidigm 2.75% 01/02/34 (Conv) equating to 0.7% of investments
¤ includes Incyte 4.75% 01/10/15 (Conv) equating to 1.8% of investments

Portfolio

continued

Investments held as at 31 March 2015 – continued

Investment	Country/region	Fair value £'000	% of investments
Santen Pharmaceutical	Japan	9,127	0.8
Creganna-Tactx Medical Second Lien Loan FRN 20/11/22 (unquoted)	Ireland	8,713	0.8
Ophthotech	USA	8,641	0.8
Sawai Pharmaceutical	Japan	8,387	0.8
Zimmer	USA	8,142	0.7
Shandong Weigao Group	China	7,748	0.7
Sino Biopharmaceuticals	China	7,625	0.7
Ikaria Second Lien Loan 8.75% 04/02/22 (unquoted)	USA	7,349	0.7
Mckesson	USA	7,163	0.7
Towa Pharmaceutical	Japan	6,946	0.6
Top 50 investments		**965,198**	**88.4**
Wright Medical	USA	6,934	0.6
Nichi-Iko Pharmaceutical	Japan	6,062	0.6
Xencor	USA	5,428	0.5
Supernus Pharmaceuticals	USA	4,720	0.4
Infinity Pharmaceuticals	USA	4,592	0.4
Exact Sciences	USA	4,450	0.4
IHH Healthcare	Malaysia	4,365	0.4
Forward Pharma	Denmark	2,587	0.2
Celltrion	Korea	2,547	0.2
Teva Pharmaceutical	Israel	2,014	0.2
Top 60 investments		**1,008,897**	**92.3**
Shanghai Fosun Pharmaceutical	China	1,707	0.2
Curis	USA	1,166	0.1
Mitra Keluarga Karyasehat	Indonesia	855	0.1
Total equities and debt investments		**1,012,625**	**92.7**
Emerging Markets HC Basket with India^	Various	24,768	2.3
China HC A Share Basket	China	22,079	2.0
Jiangsu Hengrui Medical	China	17,513	1.6
Strides Arcolab	India	16,510	1.5
Aurobindo	India	12,002	1.1
Aier Eye Hospital Group^	China	7,834	0.7
Jiangsu NHWA Pharmaceutical^	China	7,571	0.7
Lupin	India	6,696	0.6
Less: Gross exposure on financed swaps		(36,285)	(3.3)
Total OTC Swaps		**78,688**	
Total investments including OTC Swaps		**1,091,313**	**99.9**
Total Long Put and Call Options		2,654	0.2
Total Short Put and Call Options		(1,120)	(0.1)
Total investments including OTC Swaps and Options		**1,092,847**	**100.0**

See note 18 beginning on page 63 for further details in relation to the OTC Swaps and Options.
^ Financed

SUMMARY

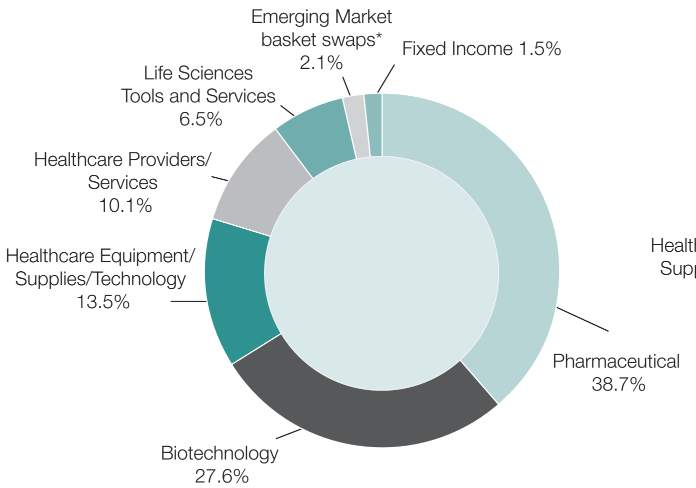
Investment	Fair value £'000	% of investments
Equities (including options & swaps)	1,030,621	94.2
Convertible Securities	46,164	4.3
Unquoted debt investments	16,062	1.5
Total of all investments	**1,092,847**	**100.0**

Portfolio Distribution

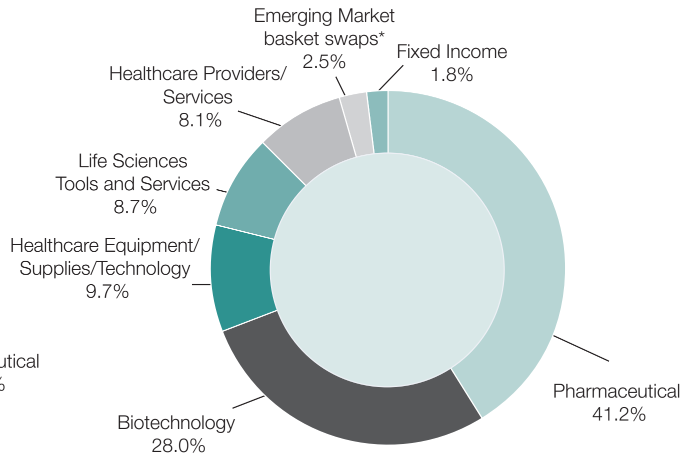
as at 31 March 2015

By Sector

2015

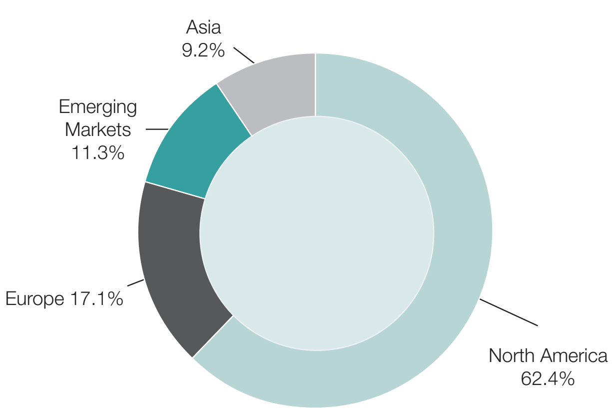


2014

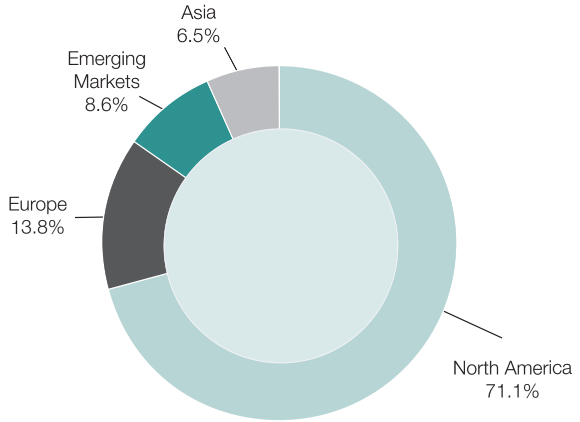


By Geography

2015



2014



* see page 63 for further details regarding swaps

OrbiMed Capital LLC

OrbiMed was founded in 1989 and has evolved over time to be the largest dedicated healthcare investment firm in the world. OrbiMed has managed the Company's portfolio since its launch in 1995. Strong returns and many investment awards signify the aggregate talents of this exceptional team.

OrbiMed had over U.S.$14 billion in assets under management as of 31 March 2015, across a range of funds, including investment trusts, hedge funds, mutual funds, and private equity funds.

Investment Strategy and Process

Within the guidelines set by the Board, the OrbiMed team work constantly to identify sources of outperformance, or alpha, with a focus on fundamental research. In healthcare, there are many primary sources of alpha generation, especially in therapeutics. Clinical events such as the publication of new clinical trial data is a prominent example and historically has been the largest source of share price volatility. Regulatory events, such as new drug approvals by U.S., European, or Japanese regulatory authorities are also stock moving events. Subsequent new product launches are carefully tracked and forecasted. Other sources include legal events and, of course, merger and acquisition activity.

The team has a global focus with a universe of coverage that covers the entire spectrum of companies, from early stage companies with pre-clinical assets to full integrated biopharmaceutical companies. The universe of actively covered companies is approaching 1,000.

OrbiMed emphasises investments in companies with underappreciated products in the pipeline, high quality management teams, and adequate financial resources. A disciplined portfolio construction process is utilised to ensure the portfolio is focused on high conviction positions. Finally, the portfolio is subject to a rigorous risk management process to moderate portfolio volatility.

The Team

The OrbiMed Public Equity Investment Team continues to expand. Led by founding partner, Samuel D. Isaly, now over 80 investment professionals cover all aspects of research, trading, finance, and compliance. This includes over 20 degree holders with MD and/or PhD credentials, healthcare industry veterans, and finance professionals with over 20 years' of experience.

The firm has a global investment horizon and the OrbiMed footprint now spans three continents with offices in New York, San Francisco, Herzliya, Shanghai, and Mumbai.

The team that manages the Company's portfolio is as follows:

Samuel D. Isaly, is the Managing Partner at OrbiMed and also a Director of the Company. Mr Islay's biographical details can be found on page 24 of this Annual Report.

Sven H. Borho, CFA, is a founding Partner of OrbiMed. He heads the public equity team and he is the portfolio manager for OrbiMed's public equity and hedge funds. Sven has played an integral role in the growth of OrbiMed's asset management activities. He started his career in 1991 when he joined OrbiMed's predecessor firm as a Senior Analyst covering European pharmaceutical firms and biotechnology companies worldwide. In 1993, Sven was promoted to portfolio manager. He studied business administration at Bayreuth University in Germany and received a M.Sc. (Econs.), Accounting and Finance, from The London School of Economics; he is a citizen of both Germany and Sweden.

Trevor M. Polischuk, Ph.D., is a Public Equity Partner focused on the global pharmaceutical industry. Previously, he worked at Lehman Brothers as a Senior Research Analyst covering the U.S. pharmaceutical industry. Trevor began his career at Warner Lambert as a member of the Pharmaceutical Global Marketing Planning team. In this role, he coordinated marketing activities for the second generation gabapentinoid product, Pregabalin. Trevor holds a Doctorate in Neuropharmacology & Gross Human Anatomy and an M.B.A. from Queen's University, Canada.

Portfolio Manager's Review

Samuel D. Isaly

"All of the healthcare sub-sectors in which the Company invests were positive contributors to performance."

Review of Investments

Performance Review

Despite some fears of share price retracement, or even a stock market crash, global equity markets moved higher over the year ended 31 March 2015. That said, increased volatility was evident during the year as market jitters over a host of macro concerns were observed. Geopolitical unrest, uncertain economic growth, oil prices, and central bank policy all created headwinds over the period. However, none of these issues were able to fully derail global equity markets and major indices were all able to post record highs during the year. The MSCI World Index had a total return of c.20% in sterling terms (c.6.7% in U.S. dollar terms).

With regard to the healthcare sector, equity returns continued their multi-year trends of outperformance versus the broader markets. Historically, a defensive sector, it is unusual for healthcare to outperform during periods in which the broad market is posting positive returns, let alone for multiple years in a row. However, the fundamentals of this sector are undeniably positive as an unprecedented run of innovation has fostered an environment of new product flow, in particular new drugs, which has not been seen in decades. The Company's benchmark, the MSCI World Healthcare Index, measured on a net total return, sterling adjusted basis, was 35.9% (20.9% in U.S. dollar terms) during the year.

The Company performed even better, with a net asset value per share total return of 53.0% and a share price total return of 49.8% during the year.

Since the Company's inception in 1995 to 28 April 2015, its 20th anniversary, the total return of the Company's net asset value per share is 2,103.8%, equivalent to a compound annual return of 16.5%. This compares to the blended benchmark* rise of 947.7%, equivalent to a compound annual return of 11.9%.

*See page 2 for further information

Contribution to Performance

Sources of positive contribution in 2015 were emblematic of the positive fundamentals of the group – merger and acquisition ("M&A"), new product launches, strong product pipelines, and the net positive impact of the Affordable Care Act in the U.S.

All of the healthcare sub-sectors in which the Company invests were positive contributors to performance. Leading the way was biotechnology, owing to a mix of sector allocation – specifically overweight – and stock picking. This sector contributed nearly 24% of positive returns during the year through a roughly equal combination of both large capitalisation companies, profitably biotechnology companies and emerging, speculative biotechnology companies. Pharmaceutical companies were second, contributing nearly 20%, from a mix of large capitalisation companies, specialty pharmaceutical companies and generic pharmaceutical companies. Rounding out the top three in terms of sub-sector contribution was healthcare services with almost 7%. Here, the mix was equal from both healthcare facilities and managed care.

Geographically speaking, over 75% of the Company's returns over the past 12 months were from U.S. domiciled securities while 17 other countries represented the remainder, with India, China, and Japan making the most notable impact.

The top contributor in 2015 was the specialty pharmaceutical company Actavis PLC. The company's operations are based in the U.S. but the corporation is domiciled in Ireland, allowing for a lower than normal corporate tax rate. Smart management used this leverage to execute numerous accretive acquisitions during the year, including the mega-acquisitions of Forest Laboratories, Inc. for U.S$25 billion and Allergan, Inc. for U.S.$70.5 billion. Combined with operational excellence and deft succession at the CEO level, the company's share price climbed over 60% (in sterling terms) over the year.

Medivation Inc., a California-based biotechnology company, has become a global leader in the treatment of prostate cancer. The stock was a close second in terms of contribution in the year. First launched in 2012, Xtandi (enzalutamide) has become the standard of care in the treatment of prostate cancer. During 2015, the company was able to expand the original indication for the drug to earlier lines of therapy and also demonstrate proof-of-concept efficacy in breast cancer as well as superiority over an incumbent therapy. Most importantly, the company has been able to post quarterly Xtandi sales that continue to meet or exceed investor expectations. This combination of positive data and outstanding sales yielded a stock that more than doubled in the year.

Portfolio Manager's Review

continued

Another growing biotechnology company, **Regeneron Pharmaceuticals, Inc.**, was a top contributor to performance for the year. Led by the blockbuster sales of the injectable blindness treatment, Eyelea (aflibercept), the New York-based company did not rest on its laurels. Rather, investments in Research and Development (R&D) have created one of the industry's best pipelines with late stage product candidates for the treatment of high cholesterol, rheumatoid arthritis, and atopic dermatitis, each with blockbuster potential. The result was an increase of nearly 70% (in sterling terms) in the company's share price in the year.

The acquisition of **InterMune Inc.**, by Swiss-pharma giant, **Roche Holding AG**, represents another top contributor in the period. InterMune was the leader in the treatment of a severe lung disease known as pulmonary fibrosis, a chronic condition that typically results in the need for a lung transplant and/or death. The company's lead product, Esbriet (pirfenidone), has shown impressive efficacy and survival data for this serious disease. Roche was clearly attracted by Esbriet: a high margin, best-in-class, specialty care product, with survival data and blockbuster potential. In August 2014, Roche acquired InterMune for nearly U.S.$8 billion, representing greater than a 50% premium to the share price.

HCA Holdings Inc. is the largest public hospital operator in the U.S. Company fundamentals strengthened significantly throughout the year, benefiting from accelerating admissions growth as more individuals gain health insurance coverage under the Affordable Care Act. Additionally, bad debt expense is improving as fewer uninsured patients are being treated and thus fewer patient bills go unpaid. Finally, the stock was added to the S&P 500 Index in January 2015. The combination of stronger revenue and profitability propelled HCA's shares over 60% (in sterling terms) during the year.

Detractors from performance were modest, especially relative to positive contributors. Medical devices and emerging markets were most noteworthy. Stock picking, rather than allocation, was the main reason for the negative contribution.

Insulet manufactures the OmniPod insulin pump system, which is a wireless, tubing-free alternative to traditional pump therapy, primarily targeting Type I diabetics. Last autumn, Insulet announced a CEO change which was viewed favourably by investors. However, after a thorough review of the business the new CEO announced that the prior management team had been misleading investors. Prior management claimed that the increase in the number of new OmniPod patients was growing in double digits, when in fact it was declining. In addition, the new CEO presented initial 2015 guidance well below expectations. The stock fell sharply in January and was down 20% (in sterling terms) in the year. Given the sell-off in the stock, with expectations reset, and new management on board, we held our position.

Vocera Communications Inc. is a provider of voice communication systems, secure messaging applications, and care transition solutions for hospitals and healthcare facilities. Importantly, system purchases are typically considered part of a facility's capital budget. As a result, when U.S. hospital budgets tightened in early 2014 and available capital dollars were allocated toward other healthcare information technology initiatives such as electronic health records, Vocera posted a sizable sales miss and reduced its annual guidance. Shares declined materially post-announcement, down over 30% (in sterling terms) over the fiscal year.

Shandong Weigao Group Medical Polymer Company Ltd., or simply "Weigao", is a leading medical technology company in China, with the largest market share in single-use medical consumables, orthopaedic and dialysis products. Weigao experienced a volatile 2014, as a result of sales channel restructuring and increasing competition in single-use medical consumables. As a result, revenues and earnings fell short of expectations with company management cutting guidance for two consecutive quarters during the year. The stock ended the year down 13% (in sterling terms).

Biosensors International Group Ltd. is a Singapore-based drug-eluting stent company, with sales footprints in China, Europe, and Japan. Biosensors experienced significant decline in profits in 2014, as a result of new competitive product entrance in Japan and rising operating costs. New executives have been employed – including a replacement for the CEO – in an effort to turn around the operation. The stock closed down 16% (in sterling terms) over the year.

Ophthotech is an emerging biotechnology company that focuses on developing novel therapies for indications in the eye. The company's lead drug, Fovista (anti-PDGF therapy), is being tested for the treatment for a type of blindness called age-related macula edema. The negative contribution from the stock was due to timing. The original purchase of the stock coincided with a short-term broad sell off in biotechnology stocks. There was no company specific news that led to the weakness in the stock. The stock sold off 10% (in sterling terms) from our purchase price.

Outlook

The macro environment for the healthcare sector remains quite positive. The Affordable Care Act in the U.S. continues to provide increased healthcare coverage to uninsured Americans and the utilisation of services and the consumption of pharmaceuticals has increased commensurately. Importantly, the increased size of the population now covered is proving profitable for healthcare companies despite some concerns to the contrary. Innovation has re-entered the medical device arena, particularly in the cardiovascular space, which has rekindled investor interest in an otherwise dormant sector. Overall, pricing for medical devices has stabilised and M&A in the orthopaedics sector is accelerating. Most noteworthy, however, is therapeutics where pharmaceutical and biotechnology companies have been in an unprecedented novel innovation cycle over the past three years. One particularly exciting area of the therapeutic field is immuno-oncology. We have discussed this further in the Portfolio Focus section beginning on page 15. New drugs are being approved at record rates and review times for new drugs that are saving lives are the shortest they have even been. While valuations have risen, growth rates have accelerated more, thus we view the healthcare sector as attractive from a valuation perspective. Finally, we expect continued M&A activity as the smaller biotechnology companies remain prime engines of innovation.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager

24 June 2015

Contribution by Investment

Principal contributors to and detractors from net asset value performance

Top five contributors	Contribution for the year to 31 March 2015 £'000	Contribution per share (pence) *
Actavis	17,539	36.87
Medivation	17,280	36.32
Regeneron Pharmaceuticals	17,224	36.21
Intermune	15,992	33.62
HCA	15,614	32.82
	83,649	**175.84**

Top five detractors		
Insulet	(2,514)	(5.29)
Vocera Communications	(1,210)	(2.54)
Shandong Weigo Group	(1,160)	(2.44)
Biosensors International	(1,135)	(2.39)
Opthotech	(938)	(1.97)
	(6,957)	**(14.63)**

* based on 47,572,148 being the weighted average number of shares in issue during the year ended 31 March 2015.

Portfolio Focus – Immuno-oncology

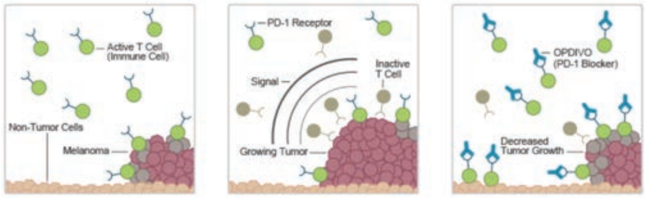
We are in the midst of a revolution in the treatment of cancer. An "old" oncology target, the human immune system, has been resurrected from the scrap heap of drug development disappointments. The immune system has been of interest to researchers for decades and the notion of coercing it to fight disease was spectacular in its simplicity: boost a person's own innate immunity to destroy foreign tumour cells. However, multiple attempts in manipulating or drugging the body's own immune system to ward off invading cancer all shared the same result: abject failure.

Things changed during the last decade, however, when investigators from a New Jersey-based biotechnology company, Medarex, first showed that targeting a specific receptor on T-cells (part of the immune system) could in fact destroy cancer cells. Normally functioning T-cells are critical in recognising and destroying tumour cells. In a patient with cancer, however, a "stopping mechanism" in the T-cell may be turned "on", compromising the immune system, thereby allowing tumour cells to divide and proliferate. Medarex showed that by inhibiting that stopping mechanism by targeting the CTLA-4 receptor, through a so called "checkpoint inhibitor", one could restore normal function.

Yervoy (ipilimumab) is a CTLA-4 inhibitor discovered and developed by Medarex. The antibody turns off this inhibitory mechanism and allows T-cells to continue to destroy cancer cells. **Bristol-Myers Squibb** acquired the company in 2009 and Yervoy was approved in 2011 by the U.S. Food and Drug Administration ("FDA") for the treatment of metastatic melanoma – a deadly form of skin cancer – after pivotal clinical trial data showed unprecedented durability of efficacy in the patients who responded to therapy. In other words, the drug proved to be a putative "cure", at least in some patients. The data showed that nearly 25% of patients were alive after 2 years.

Source: www.yervoy.com

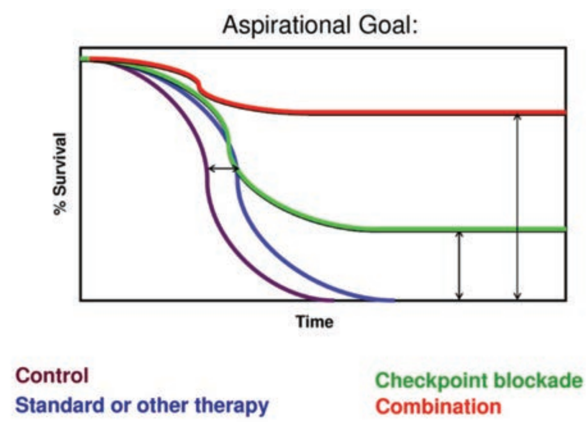
Today, this therapeutic field is known as "immuno-oncology" (or "IO") and researchers are using immunotherapies to treat and potentially cure many types of cancers. The next checkpoint inhibitor is proving to be more provocative than the first. "PD-1" or "programmed death-1" is another receptor found on T-cells in the human body. Some cancer cells have the ability to produce a ligand or molecule that binds to the PD-1 receptor, rendering the T-cell inactive and keep them from attacking the tumor. A PD-1 inhibitor blocks that interaction, preventing the signal from transferring from the tumour cell, allowing the T-cell to do its job, namely destroying the cancer.



Source: www.opdivo.com

The lead antibody that targets PD-1, now known as Opdivo (nivolumab), was discovered by Japan-based **Ono Pharmaceutical Co. Ltd.** and was licensed to Medarex in 2005. Opdivo has pushed the efficacy bar even higher, in terms of both the number of patients who respond to treatment as well as the durability of that response. Data in the treatment of metastatic melanoma showed that the level of patients alive after 2 years of therapy was approximately 40%. Moreover, the same data set showed, incredibly, that after 3 years, 40% of patients were still alive (source: CHECKMATE-003 ASCO 2014). This "flattening of the curve" is further evidence of the curative nature of this therapy. Opdivo received its first global approval in 2014 in Japan and U.S. for the treatment of melanoma.

The revolution will likely not end with the single agent therapy described above. Rather, proof-of-concept data has been generated in combination therapy in a host of cancers, including melanoma. Specifically, when taken together, the combination of Yervoy and Opdivo increased the percentage of patients alive after 2 years to 88% (source: CHECKMATE-004 ASCO 2014). This type of long term survival, essentially a doubling of single agent therapy, is truly ground breaking and will set a new standard of care in the treatment of melanoma.



Source: Merck

In addition to melanoma, Opdivo is now approved for the treatment of specific types of lung cancer. Pivotal data for this indication was so provocative, that the clinical trial was stopped early due to overwhelming positive efficacy. The FDA was so impressed with the survival benefit generated by Opdivo that within a two-month span, the trial results were disclosed to the FDA and reviewed and approved. This is an unprecedented timeline for a drug approval, which is typically at least 6 months even for the most important lifesaving drugs.

The list of potential cancer types in which Opdivo may provide increased survival benefit is long, including but not limited to kidney, ovarian, gastric, head & neck, breast, brain, pancreatic, colon, and bladder. The efficacy of checkpoint inhibitors is not likely to be just for solid tumours. In fact, early data has been generated for haematological tumours, or "blood cancers", such as Hodgkin's Lymphoma.

Bristol-Myers Squibb

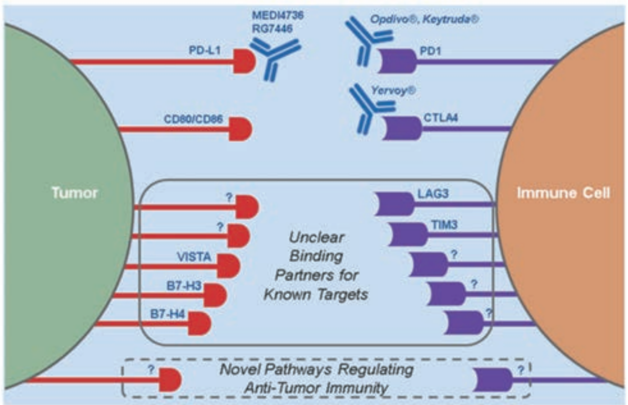
Bristol-Myers Squibb is at the forefront of this immunotherapy revolution. Thanks to their prescient acquisition of Medarex, the company possesses rights to Yervoy, Opdivo, and a host of "next generation" antibodies targeting a host of other immune cell receptors.

The market opportunity for these drugs is immense. Yervoy for example, which launched in 2011, reached blockbuster status in only two years with sales of nearly U.S.$1 billion in 2013. If Yervoy becomes a staple of combination therapy in other tumour types, the sales potential rises to U.S.$5 billion and above.

The implications for the company's financials from Opdivo are even more significant. Opdivo could be become the "backbone" of immunotherapy for a dozen tumour types. If so, the sales potential could eclipse U.S.$10 billion.

To put the opportunity into better perspective, the sales base for Bristol-Myers Squibb is estimated to be U.S.$15 billion. Thus, the company has the potential to double its revenues by the end of the decade. This cannot be said of any other large capitalisation pharmaceutical company on the planet.

Opdivo and Yervoy are the present opportunity for the company. But the immuno-oncology revolution will likely not end there. Rather, we see additional immuno-oncology targets which may offer additional efficacy and/or safety advantages, likely in combination with already approved immuno-oncology therapies. Critically, Bristol-Myers Squibb is at the forefront of these efforts, as well as Medarex which continues to be the engine of discovery in immunotherapy, now within the walls of its acquirer. Novel immuno-oncology targets such as "LAG3", "TIM3", "KIR" and others are likely to be the checkpoint inhibitors of the future and Bristol-Myers Squibb has already commenced early phase clinical trials to explore their potential.



Source: Five Prime

Ono Pharmaceutical Co. Ltd. ("Ono")

Antibodies against PD-1 are in fact, a distinctly Japanese invention. Collaboration between scientists from both Ono and Kyoto University leveraged the work of Dr. Tasuko Honjo who has been credited in discovering Opdivo.

Source: Kyoto University

In May 2005, Ono entered into a collaborative research agreement with Medarex (acquired by Bristol-Myers Squibb in 2009) to research and develop a fully human anti-PD-1 antibody drug with a novel mechanism of action with promising potential for the treatment of cancer. The companies have conducted successful clinical trials with Opdivo on malignant tumours in the U.S. and Japan, respectively, which culminated in the first ever approval of a PD-1 inhibitor. Fittingly, Japan regulatory authorities were the first to approve the drug in July 2014.

Portfolio Focus

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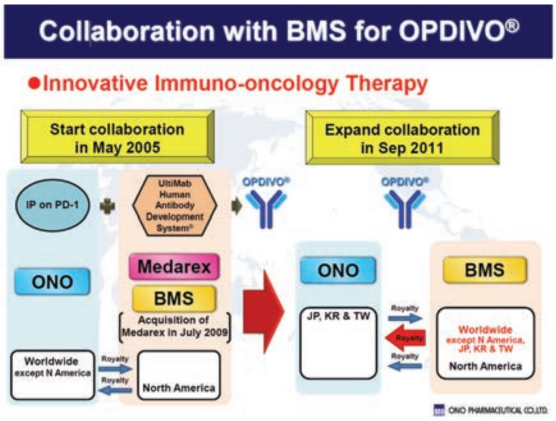
Source: www.quantumbooks.com



Source: Ono Pharmaceutical Co.Ltd.

In order to accelerate the global development of Opdivo, the companies entered into an agreement in September 2011 to expand the territory of Bristol-Myers Squibb for development and marketing into the world except Japan, Korea and Taiwan. Ono retained the right to exclusively develop and market Opdivo in Japan, Korea and Taiwan. Thus, the opportunity for Ono is twofold: a highly profitable, double-digit royalty stream from ex-Asia end user sales from Bristol-Myers Squibb and domestic sales generated from the second largest pharmaceutical market in the world.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager

24 June 2015

Business Review

The Directors present their Strategic Report for the Company for the year ended 31 March 2015. The Strategic Report, set out on pages 1 to 22, contains a review of the Company's business model and strategy, an analysis of its performance during the financial year and its future developments and details of the principal risks and challenges it faces. Its purpose is to inform the shareholders in the Company and help them to assess how the Directors have performed their duty to promote the success of the Company.

Business Model

The Company is an externally managed investment trust and its shares are premium listed on the Official List and traded on the main market of the London Stock Exchange.

The Company is an Alternative Investment Fund ('AIF') under the European Union's Alternative Investment Fund Manager Directive ('AIFMD') and has appointed Frostrow Capital LLP as its Alternative Investment Fund Manager.

As an externally managed investment trust all of the Company's day to day management and administrative functions are outsourced to service providers. As a result, the Company has no executive Directors, employees or internal operations.

The Board

The Board of the Company comprises Sir Martin Smith (Chairman), Sarah Bates, Jo Dixon, Dr David Holbrook, Samuel D. Isaly and Doug McCutcheon. All of these Directors served throughout the year and are non-executive independent Directors, except for Samuel D. Isaly who is deemed not to be independent due to his role at OrbiMed.

Further information on the Directors can be found on pages 23 and 24.

All Directors seek election or re-election by shareholders at each Annual General Meeting.

Board Focus and Responsibilities

With the day to day management of the Company outsourced to service providers the Board's primary focus at each Board meeting is reviewing the investment performance and associated matters, such as, *inter alia*, future outlook and strategy, gearing, asset allocation, investor relations, marketing, and industry issues.

In line with its primary focus, the Board retains responsibility for all the key elements of the Company's strategy and business model, including:

- Investment Objective, Policy and Benchmark, incorporating the investment and derivative guidelines and limits, and changes to these;
- maximum level of gearing the Company may employ;
- review of performance against the Company's KPIs;
- review of the performance and continuing appointment of service providers; and
- maintenance of an effective system of oversight, risk management and corporate governance.

The Investment Objective, Policy, and Benchmark, including the related limits and guidelines, are set out on pages 6 and 7, along with details of the gearing levels allowed.

Details of the principal KPIs and further information on the principal service providers, their performance and continuing appointment, along with details of the principal risks, and how they are managed, follow within this Business Review.

The Corporate Governance report, on pages 30 to 37, includes a statement of compliance with corporate governance codes and best practice, together with the outline of the internal control and risk management framework within which the Board operates.

Key Performance Indicators (KPI)

To ensure an attractive share price total return the Board monitors the following KPIs. Further details of the KPIs, including a five year history, can be seen in the Company Performance section on pages 1 and 2.

- Net asset value ('NAV') per share total return against the Benchmark;
- Discount/premium of share price to NAV per share; and
- Ongoing charges ratio.

NAV per share total return against the Benchmark

The Directors regard the Company's NAV per share total return as being the overall measure of value delivered to shareholders over the long term. This reflects both net asset value growth of the Company and dividends paid to shareholders.

The Board considers the most important comparator, against which to assess the NAV per share total return performance, to be the MSCI World Health Care Index measured on a net total return, sterling adjusted basis. As noted on page 6 Frostrow and OrbiMed have flexibility in managing the investments and are not limited by the constraints of the Benchmark. As a result, investment decisions may be made

Business Review

continued

that differentiate the Company from the Benchmark and therefore the Company's performance may also be different to that of the Benchmark.

A full description of performance during the year under review and the portfolio is contained in the Portfolio Manager's Review commencing on page 12 of this annual report.

Share price discount/premium to NAV per share

The share price discount/premium to NAV per share is considered a key indicator of performance as it impacts the share price total return of shareholders and can provide an indication of how investors view the Company's performance and its Investment Objective.

Ongoing charges ratio

The Board continues to be conscious of expenses and works hard to maintain a balance between good quality service and costs.

Principal Service Providers

The principal service providers to the Company are the AIFM, Frostrow Capital LLP (Frostrow), the Portfolio Manager, OrbiMed Capital LLC (OrbiMed), and the Prime Broker J.P. Morgan Chase Clearing Corp. Details of their key responsibilities follow and further information on their contractual arrangements with the Company are included in the Report of the Directors commencing on page 25.

Alternative Investment Fund Manager (AIFM)

As reported in the half year report the Company has appointed Frostrow as its AIFM. Frostrow under the terms of its AIFM agreement with the Company provides, *inter alia*, the following services:

- risk management services;
- marketing and shareholder services;
- administrative and secretarial services;
- advice and guidance in respect of corporate governance requirements;
- maintains the Company's accounting records;
- prepares and dispatches the annual and half year reports and monthly factsheets; and
- ensures compliance with applicable tax, legal and regulatory requirements.

Frostrow charge a variable base fee, which is dependent on the size of the Company (as described on page 26) and a performance fee of 1.5% of outperformance against the Benchmark as set out on pages 26 and 27.

Portfolio Manager

OrbiMed under the terms of its portfolio management agreement with the AIFM and the Company provides, *inter alia*, the following services:

- the seeking out and evaluating of investment opportunities;
- recommending the manner by which monies should be invested, disinvested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company.

OrbiMed receive a base fee of 0.65% of NAV and a performance fee of 15% of outperformance against the Benchmark as detailed on pages 26 and 27.

Depositary and Prime Broker

During the year the Company appointed J.P. Morgan Europe Limited as its Depositary and J.P. Morgan Clearing Corp as Prime Broker. These new arrangements replaced the Company's existing custody and prime brokerage arrangements with Goldman Sachs & Co.

J.P. Morgan Europe Limited has discharged certain of its liabilities as Depositary to J.P. Morgan Clearing Corp. Further details of this arrangement are set out on page 27.
J.P. Morgan Clearing Corp, as Prime Broker, provides the following services under its agreement with the Company:

- safekeeping and custody of the Company's investments and cash;
- processing of transactions;
- provision of an overdraft facility. Assets to 140% of the value of the outstanding overdraft can be taken as collateral. Such assets may be used by the Prime Broker and such use may include being loaned, sold, rehypothecated or transferred by the Prime Broker; and
- foreign exchange services.

J.P. Morgan Europe Limited, as Depositary, must take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, the AIFMD and the Company's Articles of Association. The Depositary must in the context of this role act honestly, fairly, professionally, independently and in the interests of the Company and its shareholders.

The Depositary receives a variable fee based on the size of the Company as set out on page 27.

Performance and Future Developments

An outline of performance, investment activity and strategy, and market background during the year, as well as the future outlook, is provided in the Chairman's Statement on pages 3 to 5 and the Portfolio Manager's Review on pages 12 to 14.

It is expected that the Company's strategy will remain unchanged in the coming year.

The continuation vote proposed to shareholders at the 2014 AGM was passed. The next continuation vote will be put to shareholders at the AGM to be held in 2019.

AIFM and Portfolio Manager Evaluation and Re-Appointment

The performance of the AIFM and the Portfolio Manager is reviewed continuously by the Board and the Company's Management Engagement and Remuneration Committee (the "Committee") with a formal evaluation being undertaken each year. As part of this process, the Committee monitors the services provided by the AIFM and the Portfolio Manager and receives regular reports and views from them. The Committee also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objectives set by the Board have been met. The Committee reviewed the appropriateness of the appointment of the AIFM and the Portfolio Manager in February 2015 with a recommendation being made to the Board.

The Board believes the continuing appointment of the AIFM and the Portfolio Manager, under the terms described in the Report of the Directors on pages 26 and 27, is in the interests of shareholders as a whole. In coming to this decision, it took into consideration, *inter alia*, the following:

- the quality of the service provided and the quality depth of experience of the company management, company secretarial, administrative and marketing team that the AIFM allocates to the management of the Company; and
- the quality of the service provided and the quality and depth of experience allocated by the Portfolio Manager to the management of the portfolio and the level of performance of the portfolio in absolute terms and by reference to the benchmark index.

Principal Risks

In fulfilling its oversight and risk management responsibilities the Board maintains a framework of key risks which affect the Company and the related internal controls designed to enable the Directors to manage/mitigate these risks as appropriate. The principal risks can be categorised under the following broad headings:

- Investment (including leverage risks);
- Financial;
- Operational (including corporate governance, accounting, legal, cyber security and regulatory risks); and
- Shareholder relations and share price performance.

Further information on the internal control and the risk management framework can be found below. The following section details the risks the Board consider to be the most significant to the Company under these headings.

Investment Risks

The Company is invested in market securities, as a result of which it has exposure to the risk of changes in market prices. A significant proportion of the Company's assets is, and will continue to be, invested in securities denominated in foreign currencies, in particular U.S. dollars. As the Company's shares are denominated and traded in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies.

The use of leverage by the Company will amplify any gains or losses on positions financed through leverage.

To manage these risks, the Board has imposed various limits and guidelines, set out on pages 6 and 7. The compliance with those limits and guidelines is monitored daily by Frostrow and OrbiMed and reported to the Board monthly. In addition OrbiMed reports at each Board meeting on the performance of the Company's portfolio, which encompasses the rationale for stock selection decisions, the make-up of the portfolio, potential new holdings and, derivative activity and strategy (further details on derivatives can be found in note 18 on page 63). The Company does not currently hedge against currency exposure.

Financial Risks

In addition to market and foreign currency risks, discussed above, the Company is exposed to credit risk arising from the use of counterparties. If a counterparty were to fail, the

Business Review

continued

Company could be adversely affected through either delay in settlement or loss of assets.

The most significant counterparty the Company is exposed to is J.P. Morgan Clearing Corp which is responsible for the safekeeping of the Company's assets and provides the overdraft facility to the Company. As part of the arrangements with J.P. Morgan Clearing Corp they may take assets, up to 140% of the value of the drawn overdraft, as collateral and have first priority security interest or lien over all of the Company's assets. Such assets taken as collateral may be used, loaned, sold, rehypothecated or transferred by J.P. Morgan Clearing Corp, although the Company maintains the economic benefits from the ownership of those assets it does not hold any of the rights associated with those assets. The Company is afforded protection under both the SEC rules and U.S. legislation equal to the value of the assets held by J.P. Morgan Clearing Corp.

Credit risk is managed by the Board through:

- reviews of the arrangements with, and services provided by, the Depositary and Prime Broker to ensure that the security of the Company's assets is being maintained. Legal opinions are sought, where appropriate, as part of this review;
- monitoring of the assets taken as collateral (further details can be found in note 18 on page 66);
- reviews of OrbiMed's approved list of counterparties, the Company's use of those counterparties and OrbiMed's process for monitoring, and adding to, the approved counterparty list;
- monitoring of counterparties, including reviews of internal control reports and credit ratings, as appropriate; and
- by only investing in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process.

Further information on the use of financial instruments and their risks, including credit risk, can be found in note 18 beginning on page 63.

Operational Risks

The Board is reliant on the systems of the Company's service providers and as such disruption to, or a failure of, those systems could lead to a failure to comply with law and regulations leading to reputational damage and/or financial loss to the Company.

To manage these risks the Board:

- receives a monthly compliance report from Frostrow, which includes, *inter alia*, details of compliance with applicable laws and regulations;
- reviews internal control reports, key policies, including measures taken to combat cyber security issues, and also disaster recovery procedures of its service providers;
- maintains a risk matrix with details of risks the Company is exposed to, the controls relied on to manage those risks and the frequency of the controls operation; and
- receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with these.

Shareholder Relations and Share Price Performance Risks

The Company is also exposed to the risk, particularly if the investment strategy and approach are unsuccessful, that the Company may underperform resulting in the Company becoming unattractive to investors and a widening of the share price discount to NAV per share.

In managing this risk the Board:

- reviews the Company's Investment Objective in relation to market, and economic, conditions and the operation of the Company's peers;
- discussions are held at each Board meeting concerning the Company's future development and strategy;
- reviews the shareholder register at each Board meeting;
- actively seeks to promote the Company to current and potential investors; and,
- has implemented a discount control mechanism.

The operation of the discount control mechanism and Company promotional activities have been delegated to Frostrow, who report to the Board at each Board meeting on these activities.

Company Promotion

The aim of the Company's promotional activities is to encourage demand for the Company's shares. The Company has appointed Frostrow to provide marketing services, in the belief that a well-marketed investment company is more likely to grow over time, have a more diverse and stable shareholder register and will trade at a superior rating to its peers.

Frostrow actively promotes the Company in the following ways:

Engaging regularly with institutional investors, discretionary wealth managers and a range of execution-only platforms: Frostrow regularly talks and meets with institutional investors, discretionary wealth managers and execution-only platform providers to discuss the Company's strategy and to understand any issues and concerns, covering both investment and corporate governance matters;

Making Company information more accessible: Frostrow works to raise the profile of the Company by targeting key groups within the investment community, holding annual investment seminars, overseeing PR output and managing the Company's website and wider digital offering, including Portfolio Manager webcasts and social media. Frostrow also manages the investor database and produces all key corporate documents, distributes Monthly Factsheets, Annual Reports and updates from OrbiMed on portfolio and market developments; and

Monitoring market activity, acting as a link between the Company, shareholders and other stakeholders: Frostrow maintains regular contact with sector Broker Analysts and other research and data providers, and conducts periodic investor perception surveys, liaising with the Board to provide up-to-date and accurate information on the latest shareholder and market developments.

Discount Control Mechanism (DCM)

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing, share issuance and share buy-backs, where appropriate.

The Board implemented the DCM in 2004. This established a target level of no more than a 6% share price discount to the ex-income NAV per share.

Under the DCM, the Company's shares being offered on the stock market, when the discount reaches a level of 6% or more, may be bought back and held as treasury shares (See Glossary on page 71). Treasury shares can be sold back to the market at a later date at a discount narrower than that at which they were bought and no greater than a 5% discount to the cum income NAV per share.

Shareholders should note, however, that it remains possible for the share price discount to the NAV per share to be greater than 6% on any one day. This is due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The volatility of the NAV per share in an asset class such as healthcare is another factor over which the Board has no control.

In recent years the Company's successful performance has generated substantial investor interest. Whenever there are unsatisfied buying orders for the Company's shares in the market, the Company is able to issue new shares at a small premium to the cum income NAV per share. This ensures that there is no asset dilution to existing shareholders and stops the market price going to a significant and possibly unsustainable premium.

Details of share buy-backs and issuance are set out on page 25.

Investment Trends and Outlook – the Viability of the Company

OrbiMed continues to believe that the fundamentals of the healthcare sector, namely: new product launches; strong product pipelines; continued levels of innovation; the net positive impact of the Affordable Care Act in the U.S.; and continued merger and acquisition activity will be key drivers for growth in the years to come.

The Directors continue to believe that the healthcare sector together with OrbiMed's investment strategy will provide good returns for the long-term investor and therefore that the Company and it's Investment Objective and Policy will continue to be viable for the foreseeable future.

Board Diversity

The Company is supportive of the recommendations of Lord Davies' Report that the performance of corporate boards can be improved by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the Board, including gender, and takes this into account in its Board appointments. The Company is committed to ensuring that any Director search process actively seeks persons with the right qualifications so that appointments can be made on the basis of merit against objective criteria from a diverse selection of candidates. To this end the Board will consider diversity during any Director search process. There are currently four male and two female Directors on the Board.

This Strategic Report on pages 1 to 22 has been signed for and on behalf of the Board

Sir Martin Smith
Chairman

24 June 2015

Board of Directors

The Board of Directors, all of whom are non-executive, supervise the management of Worldwide Healthcare Trust PLC and look after the interests of shareholders.

Sir Martin Smith*+
Chairman

Sir Martin Smith joined the Board in 2007. He has been involved in the financial services sector for more than 30 years. He was a founder and senior partner of Phoenix Securities, becoming Chairman of European Investment Banking for Donaldson, Lufkin & Jenrette (DLJ) following the acquisition of Phoenix by DLJ. He was subsequently a founder of New Star Asset Management Ltd. and has a number of other directorships with and business interests, including Chairman of GP Bullhound, and directorships with Oxford Capital Partners and Episode 1.

His pro-bono interests include serving as Chairman of the Orchestra of the Age of Enlightenment and serving on the boards of a number of other arts organisations including the Royal Academy of Music and the Glyndebourne Arts Trust. He chaired the English National Opera. He is a Governor of the Ditchley Foundation.

Sarah Bates*+

Sarah Bates joined the Board in 2013. She is currently Chairman of JPMorgan American Investment Trust plc, St James's Place plc and of Witan Pacific Investment Trust plc. She is also a non-executive Director of Polar Capital Technology Trust plc and Development Securities plc and is a former Chairman of the Association of Investment Companies. She is a member of the Universities Superannuation Fund Investment Committee and an adviser to the East Riding Pension Fund and has a number of voluntary appointments on charity or pension fund investment committees including that of the Cancer Research UK Pension Fund. She attended Cambridge University and has an MBA from London Business School.

Jo Dixon*+

Jo Dixon joined the Board in 2004. She is Chairman of the Audit and Nominations Committees and also the Senior Independent Director. Jo is currently a non-executive Director and Chairman of the Audit Committee of Standard Life Equity Income Trust PLC. She is also a non-executive Director of JPMorgan European Investment Trust plc, Strategic Equity Capital plc, F&C Global Smaller Companies PLC and Plutus Resources plc. Jo is a graduate Chartered Accountant having trained with Touche Ross in London. Her career has spanned strategic development, finance and commercial management at a number of companies including The Eden Project, Serco Group plc and Newcastle United PLC and also within the Investment Bank and main group of NatWest.

*Member of the Audit Committee
+Member of the Nominations and Management Engagement & Remuneration Committees

Meeting Attendance

The number of scheduled meetings held during the year of the Board and its Committees, and each Director's attendance level, is shown below:

Type and number of meetings held in 2014/15	Board (4)	Audit Committee (2)	Nominations Committee (1)	Management Engagement & Remuneration Committee (1)
Sir Martin Smith	4	2	1	1
Sarah Bates	4	2	1	1
Jo Dixon	4	2	1	1
Dr David Holbrook	4	2	1	1
Samuel D. Isaly	3	–	–	–
Doug McCutcheon	4	2	1	1

All of the serving Directors attended the Annual General Meeting held on 14 July 2014.

In addition to the above, a number of *ad hoc* special purpose Board and committee meetings were held during the year for the approval of documents, the allotment of new shares and the approval of regulatory announcements.

Dr David Holbrook*+

Dr David Holbrook joined the Board in 2007. He is a qualified physician and a Director of MTI Partners Limited, a leading technology venture capital investor. He attended London and Oxford Universities, and has an MBA from Harvard Business School. He has held senior positions in a number of blue chip biopharmaceutical organisations including GlaxoSmithKline and Roche.

Samuel D. Isaly

Sam Isaly joined the Board at launch in 1995. Sam is Managing Partner of OrbiMed Capital LLC, the Company's Portfolio Manager, and has been a worldwide healthcare investment specialist for more than 30 years having worked in New York and Europe with Chase Manhattan, Société Générale, Crédit Suisse and UBS Warburg.

Doug McCutcheon*+

Doug McCutcheon joined the Board in 2012. Based in Toronto, Canada, Doug is the President of Longview Asset Management Ltd. and Gormley Limited, independent investment firms. Until 2012, Doug was an investment banker at S.G. Warburg and then UBS for 25 years, most recently as the head of Healthcare Investment Banking for Europe, the Middle East, Africa and Asia-Pacific. Doug is involved in several philanthropic organisations with a focus on healthcare and education. He attended Queen's University, Canada.

* Member of the Audit Committee
+ Member of the Nominations and Management Engagement & Remuneration Committees

DIRECTORS' REMUNERATION AND INTERESTS

The Directors remuneration, their beneficial interests and those of their families are set out below.

	Remuneration		Ordinary Shares of 25p each		Subscription Shares of 1p each	
	2015 £	2014 £	2015	2014	2015	2014
Sir Martin Smith	41,100	39,150	11,871	5,859	–	400
– Trustee	–	–	2,725	–	–	–
Jo Dixon	39,800	27,850	3,859	3,000	–	600
Sarah Bates*	26,000	21,275	7,200	7,200	–	–
Dr David Holbrook	26,000	24,750	1,094	1,094	–	–
Samuel D. Isaly	26,000	24,750	3,600	353,600	–	720
Doug McCutcheon	26,000	24,750	15,000	15,000	–	–

There had been no changes in the above Directors' interests as at 24 June 2015.
* Appointed on 22 May 2013.
Further information on the remuneration received by the Directors can be found on pages 40 and 41.

Samuel D. Isaly is a partner in OrbiMed Capital LLC which is party to the Portfolio Management Agreement with the Company and receives fees as described on pages 26 and 27. A number of the partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's AIFM.

Report of the Directors

The Directors present their annual report on the affairs of the Company together with the audited financial statements and the Independent Auditors' Report for the year ended 31 March 2015.

Business and Status of the Company

The Company is registered as a public limited company in England (Registered Number 3023689) and is an investment company within the terms of Section 833 of the Companies Act 2006 (the 'Act'). Its shares are premium listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange, which is a regulated market as defined in Section 1173 of the Act.

The Company has received approval from HM Revenue & Customs as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 ("CTA 2010") effective for all years commencing after 1 April 2012. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. In the opinion of the Directors, the Company continues to direct its affairs so as to enable it to qualify for such approval.

Continuation of the Company

A resolution was passed at the Annual General Meeting held in 2014 that the Company should continue as an investment trust for a further five year period. In accordance with the Company's Articles of Association, shareholders will have an opportunity to vote on the continuation of the Company at the 2019 Annual General Meeting and every five years thereafter.

Results and Dividends

The results attributable to shareholders for the year and the transfer to reserves are shown on page 48. Details of the Company's dividend record can be found on page 2.

Capital Structure

The Company's capital structure is composed solely of Ordinary Shares. The Company's Subscription Shares expired on 31 July 2014.

Ordinary Shares

During the year 1,860,969 Ordinary Shares were allotted by the Company as a result of holders of the Subscription Shares exercising their subscription rights raising £13,008,000.

During the year under review, 286,096 Ordinary Shares were bought back by the Company to be held in treasury at an average discount of 7.6% to the prevailing ex income NAV per share. These shares were then reissued from treasury during the year at an average discount of 2.5% to the prevailing ex income NAV per share at the time of issue, resulting in a net gain to the Company of £160,000.

In addition, 25,000 new Ordinary Shares were issued at a premium of 0.7% to the prevailing cum income NAV per share at the time of issue.

Since the year end 437,331 Ordinary Shares were bought back into treasury at an average discount of 6.4% to the prevailing ex income NAV per share. 32,500 of these shares were subsequently reissued from treasury at an average discount of 2.8% to the prevailing cum income NAV per share at the time of issue, resulting in a net gain to the Company of £20,000.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 77.

Subscription Shares

The Company's Subscription Shares were allotted on 4 September 2009 to Ordinary Shareholders on the register at 5.00 p.m. on 3 September 2009, by way of a bonus issue on the basis of one Subscription Share for every five Ordinary Shares held at that date. This resulted in the issue of 9,730,960 Subscription Shares.

As each Subscription Share conferred the right, but not the obligation, to subscribe for one Ordinary Share, the Directors considered that this met the criteria for the Subscription Shares to be classified as equity in accordance with FRS 25.

The subscription right conferred by each Subscription Share could be exercised on each of 31 October, 31 January, 30 April and 31 July (or if such date was not a business day, on the next following business day) between (and including) 31 October 2009 and 31 July 2014.

Over the life of the Subscription Shares the subscription price stepped up from 614 pence per share from 31 October 2009 to 31 July 2010, to 638 pence per share from 1 August 2010 to 31 July 2012 and finally to the final price of 699 pence per share that applied until 31 July 2014, the date of expiry of the Subscription Shares.

These subscription prices represented premia of 1%, 5% and 15% respectively to the published unaudited net asset value per Ordinary Share as at 5.00 p.m. on 3 September 2009 (including revenue), which was 607.44 pence per share.

A full description of the Subscription Shares and their terms was publicised via a prospectus issued to existing Ordinary Shareholders on 11 August 2009, available on the Company's website.

Substantial Interests in Share Capital

The Company was aware of the following substantial interests in the voting rights of the Company as at 24 June 2015, the latest practicable date before publication of the Annual Report:

Shareholder	24 June 2015 Number of shares	24 June 2015 % of issued share capital	31 March 2015 Number of shares	31 March 2015 % of issued share capital
Investec Wealth & Investment	5,552,472	11.6	5,509,664	11.4
Alliance Trust Savings	2,378,965	5.0	2,388,583	5.0
Rathbones	2,330,783	4.9	2,493,253	5.2
Charles Stanley, Stockbrokers	1,921,609	4.0	1,997,390	4.2
Brewin Dolphin, Stockbrokers	1,796,717	3.8	1,887,022	3.9
Spiers & Jeffrey, Stockbrokers	1,788,697	3.7	1,784,582	3.7
Hargreaves Lansdown	1,779,499	3.7	1,779,435	3.7
Smith & Williamson	1,447,725	3.0	1,484,841	3.1

As at 31 March 2015 the Company had 48,178,080 shares in issue. As at 24 June 2015 the Company had 47,773,249 shares in issue (excluding treasury shares).

Beneficial Owners of Shares – Information Rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Capita Asset Services, or to the Company directly.

Significant Agreements

Details of the services provided under these agreements are included in the Strategic Report on page 19.

Alternative Investment Fund Management Agreement

The Board announced in 2014 that the Company had adjusted its operational arrangements in order to comply with the AIFMD and had appointed Frostrow as the designated AIFM for the Company on the terms and subject to the conditions of the alternative investment fund management agreement between the Company and Frostrow (the "AIFM Agreement"). This agreement terminated and replaced the then existing management, administrative and secretarial services agreement between the Company and Frostrow (the "Existing Management Agreement"). The AIFM Agreement is based on the Existing Management Agreement and differs only to the extent necessary to ensure that the relationship between the Company and Frostrow is compliant with the requirements of AIFMD.

Under the terms of the AIFM Agreement Frostrow receives a periodic fee equal to 0.30% per annum of the Company's market capitalisation up to £150 million, 0.20% per annum of the market capitalisation in excess of £150 million and up to £500 million, and 0.125% per annum of the market capitalisation in excess of £500 million, plus a fixed amount equal to £57,500 per annum, and a performance fee as set out in the Performance Fee section below.

The notice period on the AIFM Agreement with Frostrow is 12 months, termination can be initiated by either party.

Portfolio Management Agreement

Under the AIFM Agreement Frostrow has delegated the portfolio management function to OrbiMed, under a new portfolio management agreement between it, the Company and Frostrow (the "Portfolio Management Agreement"). The Portfolio Management Agreement terminated and replaced the then existing investment management agreement between the Company and OrbiMed (the "Existing IMA"). The Portfolio Management Agreement is based on the Existing IMA and differs only to the extent necessary to ensure that the relationship between the Company, OrbiMed and Frostrow is compliant with the requirements of the AIFMD.

OrbiMed receives a periodic fee equal to 0.65% p.a. of the Company's NAV and a performance fee as set out in the Performance Fee section below. Its agreement with the Company may be terminated by either party giving notice of not less than 12 months.

Performance Fees

Dependent on the level of long-term outperformance of the Company, OrbiMed and Frostrow are entitled to a performance fee. The performance fee is calculated by reference to the amount by which the Company's NAV performance has outperformed the Benchmark (see page 2 for details of the Benchmark).

Report of the Directors

continued

The fee is calculated quarterly by comparing the cumulative performance of the Company's NAV with the cumulative performance of the Benchmark since the launch of the Company in 1995. The performance fee amounts to 16.5% of any outperformance over the Benchmark, OrbiMed receiving 15% and Frostrow receiving 1.5% respectively. Provision is also made within the daily NAV per share calculation as required and in accordance with generally accepted accounting standards.

In order to ensure that only sustained outperformance is rewarded, at each quarterly calculation date any performance fee payable is based on the lower of:

(i) The cumulative outperformance of the portfolio over the Benchmark as at the quarter end date; and

(ii) The cumulative outperformance of the portfolio over the Benchmark as at the corresponding quarter end date in the previous year.

The effect of this is that outperformance has to be maintained for a twelve month period before it is paid.

In addition, a performance fee only becomes payable to the extent that the cumulative outperformance gives rise to a total fee greater than the total of all performance fees paid to date.

As described in the Chairman's statement, on page 3, a provision for potential future performance fee payments amounting to £16.7m has been included in the performance fee accrual of £18.9m as detailed in note 11 on page 60. This compares to a corresponding provision as at 31 March 2014 of £8.8m which, as a result of the continued outperformance in the periods up to 31 March 2015, became payable in full during this year.

The reason for the significant increase in this provision when compared to prior years is the continued substantial outperformance that has been generated for the Company when compared to the Benchmark, coupled with the consistency of, and length of time over which, the outperformance has been achieved. The amount of the £16.7m provision that may become payable is dependent on the performance that is actually achieved in the year ending 31 March 2016. The maximum amount payable by 31 March 2016, in the event that the outperformance achieved as at 31 March 2015 is maintained, is £16.7m.

Depositary Agreement

The Company appointed J.P. Morgan Europe Limited (the "Depositary") as its Depositary in accordance with AIFMD on the terms and subject to the conditions of the Depositary agreement between the Company, Frostrow and the Depositary (the "Depositary Agreement"). The previous custody agreement between the Company and Goldman Sachs & Co. was terminated.

Under the terms of the Depositary Agreement the Company has agreed to pay the Depositary a fee calculated at 1.75bp on net assets up to £150 million, 1.50 bps on net assets between £150 million and £300 million 1.00bps on net assets between £300 million and £500 million and 0.50bps on net assets above £500 million. The Depositary has delegated the custody and safekeeping of the Company's assets to J.P. Morgan Clearing Corp (the "Prime Broker") pursuant to a delegation agreement between the Company, Frostrow, the Depositary and the Prime Broker (the "Delegation Agreement").

The Delegation Agreement transfers the Depositary's liability for the loss of the Company's financial instruments held in custody by the Prime Broker to the Prime Broker in accordance with the AIFMD. The Company has consented to the transfer and reuse of its assets by the Prime Broker (known as "rehypothecation") in accordance with the terms of an institutional account agreement between the Company, the Prime Broker and certain other J.P. Morgan entities (as defined therein). See page 21 for further details.

Prime Brokerage Agreement

The Company appointed J.P. Morgan Clearing Corp (the "Prime Broker") on the terms and subject to the conditions of the prime brokerage agreement between the Company, Frostrow and the Depositary (the "Prime Brokerage Agreement"). The Prime Broker receives interest on the drawn overdraft as detailed in note 11 on page 60.

The Prime Broker is a registered broker-dealer and is regulated by the United States Securities and Exchange Commission.

Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Audit Tender

As reported in the Company's 2014 annual report, following a tender process held in April 2014 PricewaterhouseCoopers LLP ('PwC') were recommended by the Audit Committee to be appointed as Auditors to the Company with effect from the conclusion of the Company's Annual General Meeting held on 14 July 2014.

Directors' & Officers' Liability Insurance Cover

Directors' & officers' liability insurance cover was maintained by the Company during the year ended 31 March 2015. It is intended that this policy will continue for the year ending 31 March 2016 and subsequent years.

Directors' Indemnities

During the year under review and to the date of this report, indemnities were in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his or her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

By order of the Board

Frostrow Capital LLP
Company Secretary

24 June 2015

Statement of Directors' Responsibilities

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year. The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations. In preparing these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable UK accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Report of the Directors and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the FCA.

The financial statements are published on the Company's website www.worldwidewh.com and via Frostrow's website www.frostrow.com. The maintenance and integrity of these websites, so far as it relates to the Company, is the responsibility of Frostrow. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of these websites and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on these websites. Visitors to the websites need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as the Company has adequate resources to continue in operational existence for the foreseeable future, being taken as 12 months after approval of the financial statements. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments and the ability of the Company to meet all of its liabilities, including the overdraft and ongoing expenses from its assets.

Disclosure of Information to the Auditors

So far as the Directors are aware, there is no relevant information of which the Auditors are unaware. The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of such information.

Responsibility Statement of the Directors in respect of the Annual Financial Report

The Directors, whose details can be found on pages 23 and 24, confirm to the best of their knowledge that:

- the Financial Statements, within this Annual Report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the return for the year ended 31 March 2015;
- the Chairman's Statement, Strategic Report and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.1.11R of the FCA's Disclosure and Transparency Rules; and
- the annual report and financial statements taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Company's performance, business model and strategy.

On behalf of the Board

Sir Martin Smith
Chairman

24 June 2015

Corporate Governance

This Corporate Governance statement, on pages 30 to 37, forms part of the Report of the Directors.

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Investment Companies.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- directors
- tenure
- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Therefore with the exception of Director tenure, which is addressed further on page 31, and the need for an internal audit function which is addressed further on page 38, the Company has not reported further in respect of these provisions.

The Principles of the AIC Code

The AIC Code is made up of twenty-one principles split into three sections covering:

- The Board
- Board Meetings and relations with Frostrow (as AIFM) and OrbiMed (as Portfolio Manager)
- Shareholder Communications

The Board

AIC Code Principle	Compliance Statement
1. The Chairman should be independent.	The Chairman, Sir Martin Smith, continues to be independent of the AIFM and the Portfolio Manager. There is a clear division of responsibility between the Chairman, the Directors, the AIFM, the Portfolio Manager and the Company's other third party service providers. The Chairman is responsible for the leadership of the Board and for ensuring its effectiveness in all aspects of its role.
2. A majority of the Board should be independent of the manager.	The Board consists of six non-executive Directors, each of whom (with the exception of Samuel D. Isaly who is the Managing Partner at OrbiMed, the Company's Portfolio Manager) is independent of the AIFM and the Portfolio Manager. No other member of the Board is a Director of another investment company managed by Frostrow or OrbiMed, nor has any Board member been an employee of the Company, OrbiMed, Frostrow or any of its service providers.

Corporate Governance
continued

AIC Code Principle	Compliance Statement
3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	All Directors submit themselves for annual election or re-election by shareholders. The individual performance of each Director standing for election or re-election is evaluated annually by the remaining members of the Board and, if considered appropriate, a recommendation is made that shareholders vote in favour of their election or re-election at the Annual General Meeting.
4. The Board should have a policy on tenure, which is disclosed in the annual report.	The Nominations Committee considers the structure of the Board and recognises the need for progressive refreshment. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces their ability to act independently and, following formal performance evaluations, believes that each of the independent Directors is independent in character and judgment and that there are no relationships or circumstances which are likely to affect their judgment. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term, although new Directors are appointed with the expectation that they will serve for a minimum period of three years subject to shareholder approval. The terms and conditions of the Directors' appointments are set out in letters of engagement which are available for inspection on request at the office of the Company's AIFM and at the Annual General Meeting.
5. There should be full disclosure of information about the Board.	The Directors' biographical details, set out on pages 23 and 24 demonstrate the wide range of skills and experience that they bring to the Board. Details of the length of service of each Director are set out below: Length of service as at 24 June 2015 Sir Martin Smith — 7 years Sarah Bates — 2 years Jo Dixon — 11 years Dr David Holbrook — 7 years Samuel D. Isaly — 20 years Doug McCutcheon — 2 years Details of the Board's Committees and their composition are set out on page 36. The Chairman of the Company is a member of the Audit Committee, but does not chair it. His membership is considered appropriate given the Chairman's extensive knowledge of the financial services industry.

AIC Code Principle	Compliance Statement
6. The Board should aim to have a balance of skills, experience, length of service and knowledge of the company.	The Nominations Committee considers annually the skills possessed by the Board and identifies any skill shortages to be filled by new Directors. When considering new appointments, the Committee reviews the skills of the Directors and seeks to add persons with complementary skills or who possess the skills and experience which fill any gaps in the Board's knowledge or experience and who can devote sufficient time to the Company to carry out their duties effectively. The experience of the current Directors is detailed in their biographies set out on pages 23 and 24. The Company's policy on diversity is set out on page 22.
7. The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	During the year the performance of the Board and its committees was evaluated by BoardAlpha, an independent external firm. BoardAlpha concluded that the Board and its committees had continued to perform strongly on shareholders' behalf since their last review in 2012. A further independent external review will be carried out in 2018. While the Board is satisfied that its structure, mix of skills and operation continue to be effective and relevant for the Company, the Directors, with the assistance of specialist independent advisers, have begun the process of reviewing the Board's needs and requirements over the long term.
8. Director remuneration should reflect their duties, responsibilities and the value of their time spent.	The Management Engagement & Remuneration Committee reviews the fees paid to the Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member. Details on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 40 and 41. As all of the Directors are non-executive, the Board considers that it is acceptable for the Chairman of the Company to chair meetings when discussing Directors' fees. The Chairman takes no part in discussions regarding his own remuneration. The Board periodically takes advice from external independent advisers on Directors' remuneration.
9. The Independent Directors should take the lead in the appointment of new Directors and the process should be disclosed in the annual report.	Subject to there being no conflicts of interest, all members of the Nominations Committee are entitled to vote on candidates for the appointment of new Directors and on the recommendation for shareholders' approval of the Directors seeking election or re-election at the Annual General Meeting. The membership of the Committee comprises solely those Directors considered to be independent by the Board.

Corporate Governance

continued

AIC Code Principle	Compliance Statement
10. Directors should be offered relevant training and induction.	New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. The Directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate. The Directors have access to the advice and services of a Company Secretary, through Frostrow, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.
11. The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	Principle 11 applies to the launch of new investment companies and is not applicable to the Company.
Board Meetings and relations with the AIFM and the Portfolio Manager	
12. Boards and managers should operate in a supportive, co-operative and open environment.	The Board meets regularly throughout the year and a representative of the AIFM and the Portfolio Manager is in attendance at each Board meeting. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.
13. The primary focus at regular board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and benchmarks, the permitted types or categories of investments, the markets in which transactions may be undertaken, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's share issuance and share buy-back policies. The Board, at its regular meetings, undertakes reviews of key investment and financial data, revenue projections and expenses, analyses of asset allocation, transactions and performance comparisons, share price and net asset value performance, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy, peer group information and industry issues.
14. Boards should give sufficient attention to overall strategy.	The Board is responsible for strategy and has established an annual programme of agenda items under which it reviews the objectives and strategy for the Company at each meeting.

AIC Code Principle	Compliance Statement
15. The Board should regularly review both the performance of, and contractual arrangements with, the AIFM and the Portfolio manager (or executives of a self-managed company).	The Board has delegated the following activities to its committees: The Management Engagement & Remuneration Committee meets at least once a year and reviews the performance of the AIFM and the Portfolio Manager. This Committee considers the quality, cost and remuneration method (including the performance fee) of the service provided by the AIFM and the Portfolio Manager against their contractual obligations. It also considers the performance analysis provided by the AIFM and the Portfolio Manager. The Audit Committee reviews the risk matrix and oversees the risk and control environment of the Company, including monitoring the internal control system in operation at its principal service providers. Further details can be found on pages 38 to 40.
16. The Board should agree policies with the AIFM and the Portfolio Manager covering key operational issues.	The Portfolio Management Agreement between the Company, the AIFM and the Portfolio Manager sets out the limits of the Portfolio Manager's authority, beyond which Board approval is required. The Board has also agreed detailed guidelines and limits with the AIFM and the Portfolio Manager, which are considered at each Board meeting. A representative from the AIFM and the Portfolio Manager attends each meeting of the Board to address questions on specific matters and to seek approval for specific transactions which the Portfolio Manager is required to refer to the Board. The AIFM has delegated the management of the Company's portfolio and also the voting powers relating to the securities held therein to the Portfolio Manager. Contentious or sensitive matters are referred to the Board for consideration. The Board has reviewed the Portfolio Manager's Stewardship Policy, which includes its Corporate Governance and Voting Guidelines, and which is published on its website: www.orbimed.co.uk Reports on commissions paid by the Portfolio Manager are submitted to the Board regularly.
17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	The Board considers any imbalances in the supply of and the demand for the Company's shares in the market and has put in place a Discount Control Mechanism as described on page 22.
18. The Board should monitor and evaluate other service providers.	The Management Engagement & Remuneration Committee reviews, the performance of all the Company's third party service providers, including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders. The Audit Committee reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon, as well as reviewing service providers' anti-bribery and corruption policies to address the provisions of the Bribery Act 2010.

Corporate Governance
continued

Shareholder Communications

AIC Code Principle	Compliance Statement
19. The Board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	Details of the Company activities undertaken to promote the Company and manage relations with shareholders are set out on pages 21 and 22. In addition, all shareholders are encouraged to attend the Annual General Meeting, where they are given the opportunity to question the Chairman, the Board and representatives of OrbiMed. Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company, for the attention of the Company Secretary at the Offices of Frostrow. The Directors welcome the views of all shareholders and place considerable importance on communications with them.
20. The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	All substantive communications regarding any major corporate issues are discussed by the Board taking into account representations from the AIFM and the Portfolio Manager, the Auditors, legal advisers and the Corporate Stockbroker.
21. The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares.	The Company places great importance on communication with shareholders and aims to provide them with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative Annual and Half Year reports. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. In line with its primary focus, the Board retains responsibility for all key elements of the Company's strategy and business model. Further details can be found in the Business Review on page 18. The annual report provides information on the Portfolio Manager's investment performance, portfolio risk and, operational and compliance issues. Further details on the risk/reward balance are set out in the Strategic Report under Principal Risks on pages 20 and 22 and in note 18 beginning on page 63. The Portfolio is listed on pages 8 to 10. The Company's website, www.worldwidewh.com, is regularly updated with monthly factsheets and provides useful information about the Company including the Company's financial reports and announcements.

The Board and Committees

Responsibility for effective governance lies with the Board. The governance framework of the Company reflects the fact that as an Investment Company it has no employees and outsources portfolio management to OrbiMed and risk management, company management, company secretarial, administrative and marketing services to Frostrow.

The Board

Chairman – Sir Martin Smith

Senior Independent Director – Jo Dixon

Four additional non-executive Directors, all considered independent except for Samuel D. Isaly, as noted on page 24.

Key responsibilities:

- to provide leadership and set strategy, values and standards within a framework of prudent effective controls which enable risk to be assessed and managed;
- to ensure that a robust corporate governance framework is implemented; and
- to challenge constructively and scrutinise performance of all outsourced activities.

Management Engagement & Remuneration Committee

Chairman

Sir Martin Smith

All Independent Directors

Key responsibilities:

- to review regularly the contracts, the performance and remuneration of the Company's principal service providers; and
- to set the remuneration policy of the Company.

Audit Committee

Chairman

Jo Dixon

All Independent Directors

Key responsibilities:

- to review the Company's financial reports;
- to oversee the risk and control environment and financial reporting; and
- to review the performance of the Company's external Auditors.

Nominations Committee

Chairman

Jo Dixon

All Independent Directors

Key responsibilities:

- to review regularly the Board's structure and composition; and
- to make recommendations for any changes or new appointments.

Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available for inspection at the Annual General Meeting, and can be found at the Company's website at www.worldwidewh.com.

Anti-Bribery and Corruption Policy

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private in the UK or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same Standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.worldwidewh.com. The policy is reviewed regularly by the Audit Committee.

Relations with Shareholders

Details of the Company's activities undertaken to promote the Company and manage relations with shareholders are set out on pages 21 and 22.

Corporate Governance

continued

The Board supports the principle that the Annual General Meeting be used to communicate with investors, with all Directors attending the Annual General Meeting, under the Chairmanship of the Chairman of the Board. Details of proxy votes received in respect of each resolution are made available to shareholders at the meeting and are also published on the Company's website at www.worldwidewh.com.

Representatives from the Portfolio Manager attend the Annual General Meeting and give a presentation on investment matters to those present.

The Company has adopted a nominee share code which is set out later on this page.

The annual and half-year financial reports, and a monthly fact sheet are available to all shareholders. The Board, with the advice of Frostrow, reviews the format of the annual and half-year financial reports so as to ensure they are useful to all shareholders and others taking an interest in the Company. In accordance with best practice, the annual report, including the Notice of the Annual General Meeting, is sent to shareholders at least 20 working days before the meeting. Separate resolutions are proposed for substantive issues.

Exercise of Voting Powers

The Board and the AIFM have delegated authority to OrbiMed to vote the shares owned by the Company that are held on its behalf by J.P. Morgan Clearing Corp. The Board has instructed that OrbiMed submit votes for such shares wherever possible. This accords with current best practice whilst maintaining a primary focus on financial returns. OrbiMed may refer to the Board on any matters of a contentious nature. The Company does not retain voting rights on any shares that are held as collateral in connection with the overdraft facility provided by J.P. Morgan Clearing Corp.

Nominee Share Code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance;
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available; and
- that investors in the Alliance Trust Savings Scheme or ISA are automatically sent shareholder communications, including details of general meetings, together with a form of direction to facilitate voting and to seek authority to attend.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

By order of the Board

Frostrow Capital LLP
Company Secretary

24 June 2015

Audit Committee Report

The Audit Committee, which comprises those Directors considered to be independent by the Board, met three times during the course of the year and up to the date of this Annual Report. Attendance by each Director is shown in the table on page 23.

Responsibilities

The Audit Committee's main responsibilities during the year were:

1. **To review the Company's half-year and annual report.** In particular, the Audit Committee considered whether the annual report is fair, balanced and understandable, allowing shareholders to more easily assess the Company's strategy, investment policy, business model and financial performance.
2. **To review the risk management and internal control** processes of the Company and its key service providers. Further details of the Audit Committee's review are included in the Internal Controls and Risk Management section on page 39.
3. **To recommend the appointment of external Auditors,** agreeing the scope of its work and its remuneration, reviewing its independence and the effectiveness of the audit process.

   During the year the nature and scope of the audit together with PricewaterhouseCoopers LLP's (PwC's) audit plan were considered by the Audit Committee without PwC being present. The Chairman of the Audit Committee met with PwC and Frostrow to discuss in detail the outcome of the audit and the draft Annual Report. The Audit Committee then met PwC, without Frostrow or OrbiMed, to review and discuss the outcome of the audit and the draft Annual Report.
4. **To consider any non-audit work to be carried out by the Auditors.** The Audit Committee reviews the need for non-audit services to be provided by the Auditors and authorises such on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditors.

   Non-audit fees of £15,700 were payable to the Auditors, PwC during the year for agreed upon procedures in relation to the Company's performance fee review and other audit related assurance services.

   The Audit Committee has considered the extent and nature of non-audit work performed by PwC and is satisfied that this did not impinge on their independence and is a cost effective way for the Company to operate.
5. **To consider the need for an internal audit function.** Since the Company delegates its day-to-day operations to third parties and has no employees, the Audit Committee has determined there is no requirement for such a function.

The Audit Committee's terms of reference are available for review on the Company's website at www.worldwidewh.com.

Principal Activities and Business

In addition to fulfilling its main responsibilities as described previously, the Audit Committee undertook the following:

- held a tender process as a result of which a recommendation was made to the Board that PwC be appointed as Auditors to the Company with effect from the conclusion of the Company's Annual General Meeting held on 14 July 2014;
- reviewed the new arrangements with Frostrow and OrbiMed and the appointment of the Depositary and Prime Broker following the implementation of the AIFMD, including:
  - review of assurance reports on controls and also consideration of the control environment at Frostrow, OrbiMed and J.P. Morgan;
  - meetings with, review and consideration of the Prime Broker J.P. Morgan Clearing Corp;
  - obtaining a legal opinion on the responsibilities and liability of each service provider; and,
  - Consideration of the performance of Frostrow and OrbiMed in discharging their existing responsibilities.
- Dealt with the significant reporting matters arising as described below.

Overall accuracy of the Annual Report

The Audit Committee dealt with this matter by considering the draft Annual Report, a letter from Frostrow in support of the letter of representation made by the Board to the Auditors and the Auditors' Report to the Audit Committee.

Investments and Derivatives

The Audit Committee dealt with this matter by:

- ensuring that all investment holdings and cash/deposit balances had been agreed to an independent confirmation from the custodian or relevant counterparty;
- reconfirming its understanding of the processes in place to record investment transactions and income, and to value the portfolio;

Audit Committee Report

continued

- reviewing and amending, where necessary, the Company's register of key risks in light of changes to the portfolio and the investment environment;
- gaining an overall understanding of the performance of the portfolio both in capital and revenue terms through comparison to the benchmark; and
- Conducting a review of how the Company's derivative positions were monitored.

Performance Fees

The Audit Committee approached and dealt with this matter by noting that the Auditors, as a separate engagement, had been requested to report to the Board on the accuracy of the performance fee calculation, and inputs to that calculation, prior to the payment of all performance fees.

Internal Controls and Risk Management

As set out on page 18 the Board is responsible for the risk assessment and review of internal controls of the Company, undertaken in the context of the overall investment objective.

The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgment of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature of the Company, with all management functions outsourced to third party service providers;
- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall investment objective;
- the threat of such risks becoming a reality; and
- The Company's ability to reduce the incidence and impact of risk on its performance.

Against this background, a risk matrix has been developed which covers all key risks the Company faces, the likelihood of their occurrence and their potential impact, how these risks are monitored and mitigating controls in place. The Board has delegated to the Audit Committee the responsibility for the review and maintenance of the risk matrix and it reviews, in detail, the risk matrix each time it meets, bearing in mind any changes to the Company, its environment or service providers since the last review. Any significant changes to the risk matrix are discussed with the whole Board.

Directors Confirmation

The Directors confirm that they have carried out a review of the effectiveness of the system of internal financial control and risk management during the year, as set out above and that:

(a) An ongoing procedure for identifying, evaluating and managing significant risks faced by the Company was in place for the year under review and up to 24 June 2015. This procedure is regularly reviewed by the Board; and

(b) They are responsible for the Company's system of internal controls and for reviewing its effectiveness and that it is designed to manage the risk of failure to achieve business objectives. This can only provide reasonable not absolute assurance against material misstatement or loss.

Jo Dixon
Chairman of the Audit Committee

24 June 2015

Directors' Remuneration Report

Statement from the Chairman

This report has been prepared in accordance with Schedule 8 of the large and medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and in accordance with Listing Rules of the Financial Conduct Authority. An Ordinary Resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The law requires the Company's Auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the Auditors' audit opinion is included in its report to shareholders on pages 42 to 47.

The Management Engagement & Remuneration Committee considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities and particular complexities of the Company and comparison with other companies of a similar structure and size. This is in-line with the AIC Code.

A non-binding Ordinary Resolution proposing adoption of the Remuneration Report was put to shareholders at the Annual General Meeting of the Company held on 14 July 2014, and was passed by 98.3% of the votes cast by shareholders voting on the Resolution.

As noted in the Strategic Report, all of the Directors are non-executive and therefore there is no Chief Executive Officer. The Company does not have any employees. There is therefore no Chief Executive Officer or employee information to disclose.

Directors' Remuneration Policy

The Company's Remuneration Policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited. Directors are remunerated in the form of fees payable monthly in arrears, paid to the Director personally or to a specified third party. There are no long-term incentive schemes, share option schemes, pension arrangements, bonuses, or other benefits in place and fees are not specifically related to the Directors' performance, either individually or collectively.

The remuneration for the non-executive Directors is determined within the limits set out in the Company's Articles of Association. The present limit is £250,000 in aggregate per annum.

A resolution to approve the Remuneration Policy was also put to shareholders at the last Annual General Meeting, and was passed by 97.1% of shareholders voting on the resolution. The aforementioned Remuneration Policy provisions will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied in which case shareholder approval for the new Remuneration Policy will be sought.

Directors' Appointment

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first annual general meeting after their appointment and to re-election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

Directors' Fees

At the most recent Management Engagement & Remuneration Committee held on 24 February 2015 it was agreed to increase the Directors' fees, with effect from 1 April 2015 as follows:

The Chairman of the Company, and Jo Dixon, as Chairman of the Audit Committee and Senior Independent Director, will receive an annual fee of £43,200 and £33,450, respectively. Sarah Bates, Dr David Holbrook, Samuel D. Isaly and Doug McCutcheon will each receive an annual fee of £27,300.

Having obtained external advice, it was agreed by the Board that Jo Dixon (in addition to her base fee), would receive a special one-off payment of £10,000 for the very considerable additional work performed in regard to the AIFMD. This is included in the table overleaf.

The Directors, as at the date of this report, all served throughout the year. The table overleaf excludes any employer's national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and so the fees represent the total remuneration of each Director.

Directors' Remuneration Report

continued

Directors' Emoluments for the Year (Audited)

	Date of Appointment to the Board	Fees (£) 2015	Fees (£) 2014
Sir Martin Smith	8 November 2007	41,100	39,150
Jo Dixon	25 February 2004	39,800	27,850
Sarah Bates	22 May 2013	26,000	21,275
Dr David Holbrook	8 November 2007	26,000	24,750
Samuel D. Isaly	14 February 1995	26,000	24,750
Doug McCutcheon	7 November 2012	26,000	24,750
Anthony Townsend*	14 February 1995	–	7,489
		184,900	170,014

*Anthony Townsend retired from the Board on 17 July 2013.

No communications have been received from shareholders regarding Directors' remuneration.

Sums paid to Third Parties

Fees due to Dr Holbrook were paid to MTI Managers Limited, his employer, otherwise none of the fees referred to in the above table were paid to any third party in respect of the services provided by any of the Directors.

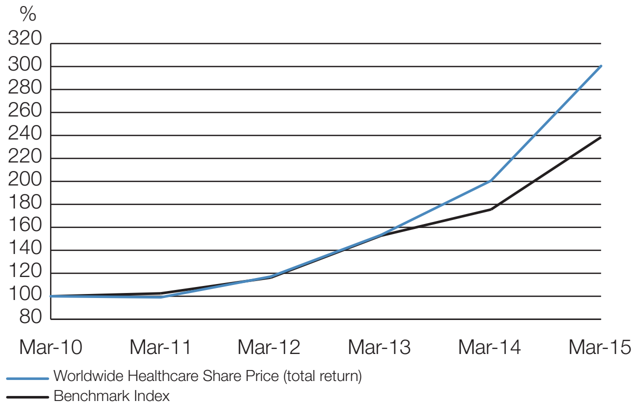
Directors' Interests in the Company's Shares (Audited)

	Ordinary Shares of 25p each 2015	Ordinary Shares of 25p each 2014	Subscription Shares of 1p each 2015	Subscription Shares of 1p each 2014
Sir Martin Smith	11,871	5,859	–	400
– Trustee	2,725	–	–	–
Jo Dixon	3,859	3,000	–	600
Sarah Bates	7,200	7,200	–	–
Dr David Holbrook	1,094	1,094	–	–
Samuel D. Isaly	3,600	353,600	–	720
Doug McCutcheon	15,000	15,000	–	–
	45,349	385,753	–	1,720

Share Price Total Return

The chart above illustrates the total shareholder return for a holding in the Company's shares as compared to the Benchmark, which the Board has adopted as the key measure of the Company's performance.

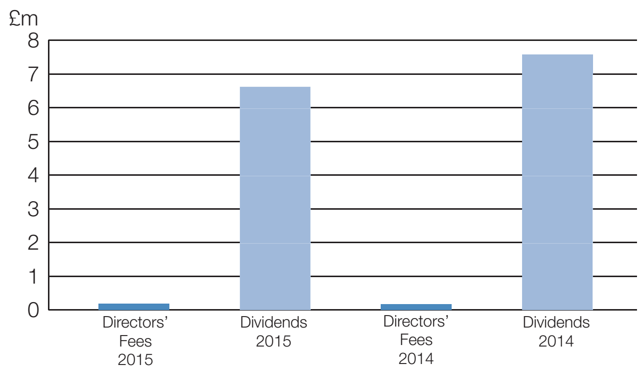
Total Shareholder Return for the Six Years to 31 March 2015



Rebased to 100 as at 31 March 2009
Source: Morningstar, Thomson Reuters and Bloomberg

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution and ongoing charges for 2014 and 2015.

Relative Cost of Directors' Remuneration



Annual Statement

On behalf of the Board, I confirm that the Remuneration Policy, set out on pages 40 and 41 of this Annual Report, and Remuneration Report summarise, as applicable, for the year to 31 March 2015:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions have been taken.

Sir Martin Smith
Chairman

24 June 2015

Independent Auditors' Report to the Members of Worldwide Healthcare Trust PLC

Report on the financial statements

Our opinion

In our opinion, Worldwide Healthcare Trust PLC's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Worldwide Healthcare Trust PLC's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended; and
- the notes to the financial statements, which include the significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview

Materiality

- Overall materiality: £9,825,000 which represents 1% of net assets.

Audit scope

- The Company is a standalone Investment Trust Company and engages Frostrow Capital LLP (the 'AIFM') to manage its assets.
- We conducted our audit of the financial statements at the offices of the AIFM and JPMorgan Corporate & Investment Bank ('JPM CIB') who the AIFM has engaged to provide certain accounting, administrative and valuation functions.
- We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.

Areas of focus

- Income from investments
- Valuation and existence of investments
- Performance fees

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Independent Auditors' Report to the Members of Worldwide Healthcare Trust PLC continued

Area of focus	How our audit addressed the area of focus
Income from Investments Refer to page 38 (Audit Committee Report), page 53 (Accounting Policies) and page 55 (Notes to the Accounts). ISAs (UK & Ireland) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve capital growth in line with the objective of the company. We focused on the accuracy and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP'). This is because incomplete or inaccurate income could have a material impact on the company's net asset value.	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. We then tested those key controls using a combination of re-performance, inspection and observation, as appropriate, to obtain evidence that the controls had operated effectively throughout the year. In addition, we tested dividend receipts by agreeing the dividend rates from a sample of investments to independent third party sources. No misstatements were identified by our testing which required reporting to those charged with governance. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for a sample of investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP. We then tested the validity of income and capital special dividends to independent third party sources. We did not find any special dividends that were not treated in accordance with the AIC SORP.

Area of focus	How our audit addressed the area of focus
Valuation and existence investments Refer to page 38 (Audit Committee Report), page 52 (Accounting Policies) and pages 59 and 60 (Notes to the Accounts). The investment portfolio at 31 March 2015 principally comprised listed equity investments, OTC swaps and unquoted debt investments and totalled £1,093,000,000. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements.	We tested the valuation of the listed investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified by our testing which required reporting to those charged with governance. For OTC swaps and unquoted debt investments we understood and evaluated the valuation methodology applied, by reference to industry practice, and tested the techniques used by the AIFM in determining their fair value, and agreed to third party sources where applicable. We also read the valuation reports and meeting minutes where the valuations were discussed and agreed. No misstatements were identified by our testing which required reporting to those charged with governance. We agreed the existence of investments to independent third party sources: • We obtained an independent confirmation from the custodian, JPMorgan Chase Bank N.A, which confirmed all listed investments. • For derivatives not held by the custodian, we obtained an independent confirmation from the broker, Goldman Sachs International. • The unquoted debt investments were agreed to confirmations obtained directly from the relevant counterparties. No differences were identified.
Performance fees Refer to page 38 (Audit Committee Report), page 53 (Accounting Policies) and page 55 (Notes to the Accounts). A performance fee of £18,889,000 is accrued at 31 March 2015. We focused on this area because the performance fee is calculated using a complex methodology as set out in the AIFM Agreement and Portfolio Management Agreement.	We independently recalculated the performance fee using the methodology set out in the AIFM Agreement and Portfolio Management Agreement and agreed the inputs to the calculation, including the benchmark data, to independent third party sources, where applicable. No misstatements were identified by our testing which required reporting to those charged with governance.

Independent Auditors' Report to the Members of Worldwide Healthcare Trust PLC continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the company, the involvement of the AIFM and JPM CIB, the accounting processes and controls, and the industry in which the company operates.

The AIFM outsources certain accounting, administrative and valuation functions to JPM CIB.

As part of our risk assessment, we assessed the control environment in place at both the AIFM and JPM CIB to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and reading the relevant control reports issued by the independent auditor of the AIFM and JPM CIB in accordance with generally accepted assurance standards for such work. We then identified those key controls at JPM CIB on which we could place reliance to provide audit evidence. We also assessed the gap period of 6 months between the period covered by the JPMorgan controls report and the year-end of the Company. Following this assessment, we applied professional judgment to determine the extent of testing required over each balance in the financial statements, including whether we needed to perform additional testing in respect of those key controls to support our substantive work. For the purposes of our audit, we determined that additional testing of controls in place at JPM CIB was not required because additional substantive testing was performed.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

- **Overall materiality** – £9,825,000.
- **How we determined it** – 1% of net assets.
- **Rationale for benchmark applied** – We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £491,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 29, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the Company's financial statements using the going concern basis of accounting. The going concern basis presumes that the company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the company's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 30 to 37 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
  - otherwise misleading.

  We have no exceptions to report arising from this responsibility.
- the statement given by the Directors on page 29, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company's performance, business model and strategy is materially inconsistent with our knowledge of the company acquired in the course of performing our audit.

  We have no exceptions to report arising from this responsibility.
- the section of the Annual Report on pages 38 and 39, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

  We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent Auditors' Report to the Members of Worldwide Healthcare Trust PLC continued

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgments against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 June 2015

Income Statement

For the year ended 31 March 2015

	Notes	Revenue £'000	Capital £'000	2015 Total £'000	Revenue £'000	Capital £'000	2014 Total £'000
Gains on investments held at fair value through profit or loss	9	–	349,804	349,804	–	130,246	130,246
Exchange gains on currency balances		–	6,302	6,302	–	10,039	10,039
Income from investments held at fair value through profit or loss	2	8,474	–	8,474	9,048	–	9,048
AIFM, Portfolio management and performance fees	3	(338)	(23,149)	(23,487)	(249)	(14,758)	(15,007)
Other expenses	4	(825)	–	(825)	(753)	–	(753)
Net return before finance charges and taxation		7,311	332,957	340,268	8,046	125,527	133,573
Finance costs	5	(24)	(449)	(473)	(20)	(376)	(396)
Net return before taxation		7,287	332,508	339,795	8,026	125,151	133,177
Taxation on net return on ordinary activities	6	(1,090)	(18)	(1,108)	(821)	(233)	(1,054)
Net return after taxation		6,197	332,490	338,687	7,205	124,918	132,123
Return per share – basic	7	13.0p	698.9p	711.9p	15.7p	271.9p	287.6p
Return per share – diluted	7	n/a	n/a	n/a	15.4p	267.5p	282.9p

The "Total" column of this statement is the Income Statement of the Company. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The Company has no recognised gains and losses other than those disclosed in the Income Statement and Reconciliation of Movements in Shareholders' Funds. Accordingly no separate Statement of Total Recognised Gains and Losses has been presented.

No operations were acquired or discontinued in the year.

The accompanying notes are an integral part of these statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 March 2015

	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2014	11,573	19	219,604	387,661	7,803	9,526	636,186
Net return from ordinary activities after taxation	–	–	–	332,490	–	6,197	338,687
Dividend paid in respect of year ended 31 March 2014	–	–	–	–	–	(3,733)	(3,733)
First interim dividend paid in respect of year ended 31 March 2015	–	–	–	–	–	(2,891)	(2,891)
Subscription shares exercised for ordinary shares	466	(19)	12,542	19	–	–	13,008
Shares purchased for treasury	–	–	–	(3,868)	–	–	(3,868)
Shares issued from treasury	–	–	815	3,868	–	–	4,683
Issue of new shares	6	–	435	–	–	–	441
At 31 March 2015	12,045	–	233,396	720,170	7,803	9,099	982,513

For the year ended 31 March 2014

	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2013	11,441	24	215,237	260,010	7,803	9,900	504,415
Net return from ordinary activities after taxation	–	–	–	124,918	–	7,205	132,123
Dividend paid in respect of year ended 31 March 2013	–	–	–	–	–	(4,352)	(4,352)
First interim dividend paid in respect of year ended 31 March 2014	–	–	–	–	–	(3,227)	(3,227)
Subscription shares exercised for ordinary shares	132	(5)	3,565	5	–	–	3,697
Shares issued from treasury	–	–	802	2,728	–	–	3,530
At 31 March 2014	11,573	19	219,604	387,661	7,803	9,526	636,186

The accompanying notes are an integral part of these statements.

Balance Sheet

As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	1,012,625	673,138
Derivative – OTC swaps	9 & 12	78,688	40,325
		1,091,313	713,463
Current assets			
Debtors	10	1,548	24,243
Derivative – put and call options	9 & 12	2,654	1,067
Cash		7,579	–
		11,781	25,310
Current liabilities			
Creditors: amounts falling due within one year	11	(119,461)	(101,536)
Derivatives – put and call options	9 & 12	(1,120)	(1,051)
		(120,581)	(102,587)
Net current liabilities		(108,800)	(77,277)
Total net assets		982,513	636,186
Capital and reserves			
Ordinary share capital	13	12,045	11,573
Subscription share capital	13	–	19
Share premium account		233,396	219,604
Capital reserve	19	720,170	387,661
Capital redemption reserve		7,803	7,803
Revenue reserve		9,099	9,526
Total shareholders' funds		982,513	636,186
Net asset value per share – basic	14	2039.3p	1374.3p
Net asset value per share – fully diluted for subscription shares and treasury shares	14	2039.3p	1348.2p

The financial statements on pages 48 to 68 were approved by the Board of Directors and authorised for issue on 24 June 2015 and were signed on its behalf by:

Sir Martin Smith
Chairman

The accompanying notes are an integral part of this statement.

Worldwide Healthcare Trust PLC – Company Registration Number 3023689 (Registered in England)

Cash Flow Statement

For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Net cash (outflow)/inflow from operating activities	15	(6,283)	1,163
Servicing of finance			
Interest paid		(473)	(396)
Taxation			
Taxation reimbursed/(suffered)		933	(288)
Financial investments			
Purchases of investments and derivatives		(561,741)	(501,915)
Sales of investments and derivatives		527,114	460,445
Net cash outflow from financial investment		(34,627)	(41,470)
Equity dividends paid	8	(6,624)	(7,579)
Net cash outflow before financing		(47,074)	(48,570)
Financing			
Issue of shares		441	–
Repurchase of own shares for treasury	13	(3,868)	–
Issue of shares from treasury	13	4,683	3,530
Subscription shares exercised for ordinary shares	13	13,008	3,697
Net cash inflow from financing		14,264	7,227
Increase in net debt	16	(32,810)	(41,343)

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year in the preparation of these financial statements, are set out below:

(a) Basis of Preparation

The financial statements have been prepared in accordance with United Kingdom company law, generally accepted accounting standards (UK GAAP), the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' dated January 2009 (the 'SORP') and on a going concern basis, as set out on page 29, in accordance with the Companies Act 2006 and under the historical cost convention, as modified by the valuation of investments at fair value through profit or loss.

The Company's financial statements are presented in sterling. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

(b) Investments Held at Fair Value Through Profit or Loss

Quoted investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid, or last trade, price depending on the convention of the exchange on which it is quoted.

Unquoted investments are designated by the Board as held at fair value through profit or loss, and are valued by the Directors using primary valuation techniques such as earnings multiples, option pricing models, discounted cash flow analysis, recent transactions and in accordance with International Private Equity and Venture Capital Association (IPEVCA) valuation guidelines.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'gains or losses on investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its price at the time of purchase. All purchases and sales are accounted for on a trade date basis.

(c) Derivative Financial Instruments

The Company uses derivative financial instruments (namely put and call options and equity swaps) to enhance returns and mitigate risk.

All derivative instruments are valued at fair value in the Balance Sheet in accordance with FRS 26: 'Financial instruments: Recognition and Measurement'.

The equity swaps are accounted for as Fixed Assets in the Balance Sheet and Options are accounted for as Current Assets or Current Liabilities in the Balance Sheet.

Options are reviewed on a case-by-case basis and gains and losses are charged to the capital column of the Income Statement, where the option has been entered into to generate or protect capital returns. All of the put and call options bought and sold during the year have been capital in nature.

All gains and losses on over-the-counter (OTC) equity swaps are accounted for as gains or losses on investments held at fair value through profit or loss. Where there has been a re-positioning of the swap, gains and losses are accounted for on a realised basis. All such gains and losses have been debited or credited to the capital column of the Income Statement.

Cash collateral held by counterparties is included within cash, except where there is a right of offset against the overdraft facility.

Notes to the Financial Statements

continued

1. ACCOUNTING POLICIES continued

(d) Investment Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax.

Income from fixed interest securities is recognised on a time apportionment basis so as to reflect the effective interest rate. Deposit interest is accounted for on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment, categorised as fixed assets held at fair value through profit or loss are charged to the capital column of the Income Statement; and
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the portfolio management and AIFM fees have been charged to the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income, from the Company's portfolio. As a result 5% of the portfolio management and AIFM fees are charged to the revenue column of the Income Statement and 95% are charged to the capital column of the Income Statement.

Any performance fee accrued or paid is charged in full to the capital column of the Income Statement.

(f) Finance Costs

Finance costs are accounted for on an accruals basis. Finance costs are charged to the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income, from the Company's portfolio. As a result 5% of the finance costs are charged to the revenue column of the Income Statement and 95% are charged to the capital column of the Income Statement. Finance charges, if applicable, including interest payable and premiums on settlement or redemption, are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(g) Taxation

The tax effect of different items of expenditure is allocated between capital and revenue using the marginal basis.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Balance Sheet date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(h) Foreign Currency

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies at the Balance Sheet date are translated into sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or the revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(i) Functional and Presentational Currency

The results and financial position of the Company are expressed in sterling, being the Company's functional and presentational currency. In arriving at the functional currency the Directors have considered the following:

- the primary economic environment of the Company;
- the currency in which the original capital was raised;
- the currency in which distributions are made;
- the currency in which performance is evaluated; and
- the currency in which the capital would be returned to Shareholders on a break up basis.

The Directors are of the opinion that sterling best represents the Company's functional currency.

(j) Cash and Cash Equivalents

Cash in hand and in banks and short-term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand, which form an integral part of the Company's cash management, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Capital Reserves

The following are transferred to this reserve:

- gains and losses on the realisation of investments;
- realised and unrealised exchange differences of a capital nature;
- expenses, together with the related taxation effect, in accordance with the above policies; and
- increases and decreases in the valuation of investments held at the year end.

(l) Repurchase of Share Capital

When share capital is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares which are not cancelled are classified as treasury shares and presented as a deduction from equity.

(m) Dividend Payments

Dividends paid by the Company on its shares are recognised in the financial statements in the year in which they are paid and are shown in the Reconciliation of Movements in Shareholders' Funds.

Notes to the Financial Statements

continued

2. INCOME FROM INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 £'000	2014 £'000
Income from investments		
UK listed dividends	–	247
Overseas dividends	7,206	7,645
Fixed interest income	1,129	1,151
	8,335	9,043
Other income		
Derivatives	139	–
Deposit interest	–	5
Total income from investments held at fair value through profit or loss	8,474	9,048
Total income comprises:		
Dividends	7,206	7,892
Interest	1,268	1,156
	8,474	9,048

3. AIFM, PORTFOLIO MANAGEMENT, AND PERFORMANCE FEES

	Revenue £'000	Capital £'000	2015 Total £'000	Revenue £'000	Capital £'000	2014 Total £'000
AIFM fee	77	1,461	1,538	64	1,211	1,275
Portfolio management fee	261	4,962	5,223	185	3,529	3,714
Performance fee	–	16,726	16,726	–	10,018	10,018
	338	23,149	23,487	249	14,758	15,007

Further details of the performance fee amounts and basis can be found in the Report of the Directors on pages 26 and 27 under the heading 'Performance Fee' and in note 11 on page 60.

4. OTHER EXPENSES

	2015 Revenue £'000	2014 Revenue £'000
Directors' remuneration	185	170
Auditors' remuneration for the audit of the Company's financial statements	26	27
Auditors' remuneration for non-audit services	16	28
Marketing expenses	43	46
Registrar fees	81	74
Broker fees	40	30
Legal and professional costs	44	109
Stock Exchange listing fees	33	23
Depositary and custody fees	85	4
Other costs	272	242
	825	753

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on page 41.

Details of the amounts paid to the Auditors are included in the Audit Committee Report on page 38.

5. FINANCE COSTS

	Revenue £'000	Capital £'000	2015 Total £'000	Revenue £'000	Capital £'000	2014 Total £'000
Finance costs	24	449	473	20	376	396

Notes to the Financial Statements

continued

6. TAXATION ON NET RETURN ON ORDINARY ACTIVITIES

(a) Analysis of charge in year

	Revenue £'000	Capital £'000	2015 Total £'000	Revenue £'000	Capital £'000	2014 Total £'000
Corporation tax at 21% (2014: 23%)						
Tax relief to capital	(18)	18	–	–	–	–
Tax on capital dividend	–	–	–	–	233	233
Overseas taxation	1,108	–	1,108	821	–	821
	1,090	18	1,108	821	233	1,054

(b) Factors affecting current tax charge for the year

Approved investment trusts are exempt from tax on capital gains made within the Company.

The tax charged for the year is lower than the standard rate of corporation tax in the UK for a large company 21% (2014: 23%).

The difference is explained below.

	Revenue £'000	Capital £'000	2015 Total £'000	Revenue £'000	Capital £'000	2014 Total £'000
Net return before taxation	7,287	332,508	339,795	8,026	125,151	133,177
Corporation tax at 21% (2014: 23%)	1,530	69,826	71,356	1,846	28,785	30,631
Non-taxable gains on investments held at fair value through profit or loss	–	(74,782)	(74,782)	–	(32,266)	(32,266)
Overseas withholding taxation	1,108	–	1,108	821	–	821
Non taxable overseas dividends	(1,511)	–	(1,511)	(1,792)	–	(1,792)
Non taxable UK dividends	–	–	–	(57)	–	(57)
Excess management expenses	(19)	4,956	4,937	3	3,481	3,484
Overseas tax suffered on dividend charged to capital	–	–	–	–	233	233
Tax relief to capital	(18)	18	–	–	–	–
Current tax charge	1,090	18	1,108	821	233	1,054

(c) Provision for deferred tax

No provision for deferred taxation has been made in the current or prior year. The Company has not provided for deferred tax on capital profits and losses arising on the revaluation or disposal of investments, as it is exempt from tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset of £14,141,000 (20% tax rate) (2014: £10,982,000 (20% tax rate)) as a result of excess management expenses and loan expenses. It is not anticipated that these excess expenses will be utilised in the foreseeable future.

7. RETURN PER SHARE

	2015 £'000	2014 £'000
Basic		
The return per share is based on the following figures:		
Revenue return	6,197	7,205
Capital return	332,490	124,918
	338,687	132,123
Weighted average number of ordinary shares in issue during the year	47,572,148	45,940,093
Revenue return per ordinary share	13.0p	15.7p
Capital return per ordinary share	698.9p	271.9p
	711.9p	287.6p
Diluted		
Revenue return	n/a	7,205
Capital return	n/a	124,918
	n/a	132,123
Revenue return per ordinary share	n/a	15.4p
Capital return per ordinary share	n/a	267.5p
	n/a	282.9p
Basic weighted average number of shares in issue during the year	47,572,148	45,940,093
Number of dilutive shares*	n/a	753,640
Diluted shares in issue for the year	n/a	46,693,733

The calculation of the diluted total, revenue and capital returns per Ordinary Share is carried out in accordance with FRS 22, "Earnings per Share". For the purposes of calculating diluted total return, the diluted shares in issue for the year is the weighted average used in the basic calculation plus the number of shares deemed to be issued for no consideration on the exercise of all Subscription Shares calculated by reference to the average share price of the Ordinary Shares during the year.

	2015	2014
* Subscription shares outstanding – A	–	1,860,969
Exercise price	–	699p
Total consideration on exercise	–	£13.0m
Average share price during the year	–	£11.75
Theoretical number of shares on exercise – B	–	1,107,329
Dilutive shares A-B	–	753,640

Notes to the Financial Statements

continued

8. INTERIM DIVIDEND

Under UK GAAP, final dividends are not recognised until they are approved by shareholders and interim dividends are not recognised until they are paid. They are also debited directly from reserves. Amounts recognised as distributable to Ordinary Shareholders for the year ended 31 March 2015 were as follows:

	2015 £'000	2014 £'000
Interim dividend in respect of the year ended 31 March 2013	–	4,352
First interim dividend in respect of the year ended 31 March 2014	–	3,227
Second interim dividend in respect of the year ended 31 March 2014	3,733	–
First interim dividend in respect of the year ended 31 March 2015	2,891	–
	6,624	7,579

In respect of the year ended 31 March 2015, the first interim dividend of 6.0p per share was paid on 9 January 2015. A second interim dividend of 6.5p is payable on 14 July 2015, the associated ex dividend date was 11 June 2015. The total dividends payable in respect of the year ended 31 March 2015 amount to 12.5p per share (2014: 15.00p per share). The aggregate cost of the second interim dividend, based on the number of shares in issue at 24 June 2015, will be £3,105,000. In accordance with FRS 21 the second interim dividend will be reflected in the financial statements for the year ending 31 March 2016. Total dividends in respect of the financial year, which is the basis on which the requirements of s1158 of the Corporation Tax Act 2010 are considered, are set out below:

	2015 £'000	2014 £'000
Revenue available for distribution by way of dividend for the year	6,197	7,205
First interim dividend in respect of the year ended 31 March 2014	–	(3,227)
Second interim dividend in respect of the year ended 31 March 2014	–	(3,733)
First interim dividend in respect of the year ended 31 March 2015	(2,891)	–
Second interim dividend in respect of the year ended 31 March 2015*	(3,105)	–
Net retained revenue	201	245

*based on 47,773,249 shares in issue as at 24 June 2015.

9. INVESTMENTS

	Quoted Investments £'000	Unquoted Debt Investments £'000	Derivative Financial Instruments £'000	Total £'000
Cost at 1 April 2014	509,033	7,935	41,288	558,256
Investment holding gains/(losses) at 1 April 2014	156,101	69	(947)	155,223
Valuation at 1 April 2014	665,134	8,004	40,341	713,479
Movement in the year:				
Purchases at cost	497,562	8,436	28,898	534,896
Sales – proceeds	(487,012)	(1,412)	(17,024)	(505,448)
– realised gains/(losses) on sales	142,826	(20)	13,925	156,731
Net movement in investment holding gains	178,053	1,054	14,082	193,189
Valuation at 31 March 2015	996,563	16,062	80,222	1,092,847
Cost at 31 March 2015	662,409	14,939	67,087	744,435
Investment holding gains at 31 March 2015	334,154	1,123	13,135	348,412
Valuation at 31 March 2015	996,563	16,062	80,222	1,092,847

	2015 £'000	2014 £'000
Gains on investments		
Realised gains based on historical cost – sales	156,731	104,503
Less: amounts recognised as investment holding gains in previous years	(71,744)	(61,164)
Realised gains based on carrying value at previous Balance Sheet date	84,987	43,339
Movement in investment holding gains in the year	264,817	86,907
Gains on investments	349,804	130,246

Purchase transaction costs for the year to 31 March 2015 were £553,000 (year ended 31 March 2014: £718,000). These comprise mainly commission and stamp duty.

Sales transaction costs for the year to 31 March 2015 were £340,000 (year ended 31 March 2014: £643,000). These comprise mainly commission.

10. DEBTORS

	2015 £'000	2014 £'000
Amounts due from brokers	–	21,666
Withholding taxation recoverable	733	1,666
VAT recoverable	20	82
Prepayments and accrued income	795	829
	1,548	24,243

11. CREDITORS

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts due to Prime Broker	1,789	28,634
Overdraft facility*	96,810	62,723
Performance fee accrued^	18,889	8,829
Other creditors and accruals	1,973	1,350
	119,461	101,536

*The Company's borrowing requirements are met through the utilisation of an overdraft facility provided by J.P. Morgan Clearing Corp.

As at 31 March 2015, the overdraft facility of £96.8 million is net of £1.4 million of cash held as collateral against certain derivative positions. See page 66 for further details. As described on page 21, J.P. Morgan Clearing Corp may take up to 140% of the value of the overdrawn balance as collateral and has been granted a first priority security interest or lien over the Company's assets. At 31 March 2015, 140% (2014:138%) of the overdraft was taken as collateral (see page 66 under credit risk for further details).

Interest on the drawn overdraft is charged at the Federal Funds effective rate plus 45 basis points.

^This amount consists of £2,163,000 that has crystallised and is payable, and a provision of £16,726,000 which represents the maximum amount which could become payable at performance fee calculation dates during the year ending 31 March 2016 if outperformance is maintained to those dates. (See pages 26 and 27 of the Report of Directors and note 3 on page 55 for further details).

Notes to the Financial Statements

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12. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 £'000	2014 £'000
Fair value of OTC equity swaps	78,688	40,325
Fair value of put and call options (long)	2,654	1,067
Fair value of put and call options (short)	(1,120)	(1,051)
	80,222	40,341

See note 9 on pages 59 and 60 for movements during the year.

13. SHARE CAPITAL

	Ordinary shares number	Treasury shares number	Total ordinary shares in issue number	Total subscription shares in issue number
Issued and fully paid at 1 April 2014	46,292,111	–	46,292,111	1,860,969
Subscription shares converted to ordinary shares	1,860,969	–	1,860,969	(1,860,969)
Ordinary shares purchased for treasury	(286,096)	286,096	–	–
Ordinary shares re-issued from treasury	286,096	(286,096)	–	–
Issue of new shares	25,000	–	25,000	–
At 31 March 2015	48,178,080	–	48,178,080	–

	2015 £'000	2014 £'000
Issued and fully paid:		
Ordinary shares of 25p	12,045	11,573
Subscription shares of 1p	–	19

During the year ended 31 March 2015 286,096 Ordinary Shares were bought back by the Company into treasury at a cost of £3,868,000 (2014: No shares bought back). In 2015 286,096 (2014: 328,408) Ordinary Shares were issued from treasury, raising proceeds of £4,683,000 (2014: £3,530,000). No Ordinary Shares were held in treasury at 31 March 2015 (2014: nil). 1,860,969 new Ordinary Shares were issued during the year as a result of holders of Subscription Shares exercising their subscription rights, raising £13,008,000 (2014: 528,957, raising £3,697,000). 25,000 new shares were issued raising £441,000 (2014: no new shares issued). There were no Subscription Shares bought back for cancellation during the year (2014: nil).

14. NET ASSET VALUE PER SHARE

	2015	2014
Net asset value per share – basic	2039.3p	1,374.3p
Net asset value per share – diluted for subscription shares	n/a	1,348.2p

Net asset value per share – basic

The net asset value per share is based on the assets attributable to equity shareholders of £982,513,000 (2014: £636,186,000) and on the number of Ordinary Shares in issue at the year end of 48,178,080 (2014: 46,292,111). As at 31 March 2015, there were no Subscription Shares in issue (2014: 1,860,969).

Net asset value per share – diluted

As at 31 March 2015 there were no Subscription Shares in issue and no Ordinary Shares held in treasury, as such there is no diluted NAV per share for 2015. The 2014 diluted NAV per share assumed all outstanding Subscription Shares were exercised at 699p resulting in assets attributable to shareholders of £649,194,000 and on 48,153,080 Shares.

15. RECONCILIATION OF OPERATING RETURN TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Gains before finance costs and taxation	340,268	133,573
Less: capital gain before finance costs and taxation	(332,957)	(125,527)
Revenue return before finance costs and taxation	7,311	8,046
Expenses charged to capital	(23,149)	(14,758)
Decrease in prepayments and accrued income	34	96
Decrease/(increase) in other debtors	62	(16)
Increase in creditors and accruals	10,683	8,849
Net taxation suffered on investment income	(1,108)	(1,054)
Amortisation	(116)	–
Net cash (outflow)/inflow from operating activities	(6,283)	1,163

16. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	2015 £'000	2014 £'000
Increase in net debt resulting from cashflows	(32,810)	(41,343)
Exchange movements	6,302	10,039
Movement in net debt in the year	(26,508)	(31,304)
Net debt at start of year	(62,723)	(31,419)
Net debt at end of year	(89,231)	(62,723)

Net debt includes the bank overdraft of £96,810,000 (see note 11) and cash as per the balance sheet of £7,579,000.

17. RELATED PARTIES

The following are considered to be related parties:

- OrbiMed Capital LLC
- The Directors of the Company

Details of the relationship between the Company and OrbiMed Capital LLC, the Company's Portfolio Manager, is disclosed in the Board of Directors section on page 24. Samuel D. Isaly is a Director of the Company, and also the Managing Partner at OrbiMed Capital LLC. Details of fees paid to OrbiMed by the Company can be found in note 3 on page 55. All material related party transactions have been disclosed in notes 3 and 4 on pages 55 and 56. Details of the remuneration of all Directors can be found on pages 40 and 41. Details of the Directors' interests in the capital of the Company can be found on page 41.

A number of the partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's AIFM. Details of the fees paid to Frostrow Capital LLP by the Company can be found in the note 3 on page 55.

Notes to the Financial Statements

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18. FINANCIAL INSTRUMENTS

Risk management policies and procedures

The Company's financial instruments comprise securities and other investments, derivative instruments, cash balances, loans, debtors and creditors that arise directly from its operations.

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on pages 6 and 7. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets.

The main risks that the Company faces arising from its financial instruments are:

(i) market risk (including foreign currency risk, interest rate risk and other price risk)

(ii) liquidity risk

(iii) credit risk

These risks, with the exception of liquidity risk, and the Directors' approach to the management of them, are set out in the Strategic Report on pages 20 and 21 and have not changed from the previous accounting year. The AIFM, in close co-operation with the Board and the Portfolio Manager co-ordinate the Company's risk management.

Use of derivatives

As noted in the Strategic Report, on pages 6 and 7, options and equity swaps are used within the Company's portfolio.

More details on options and swaps can be found in the Glossary on pages 70 and 71.

Put and call options

OrbiMed employs, when appropriate, options strategies in an effort to enhance returns and to improve the risk-return profile of the Company's portfolio.

The Board monitor the use of options through a monthly report, summarising the options activity and strategic intent, provided by OrbiMed.

OrbiMed employs the following option strategies, or a combination of such:

- Buy calls: provides leveraged long exposure while minimising capital at risk;
- Buy puts: provides leveraged protection, against price falls while minimising capital at risk;
- Sell calls: against an existing position, provides partial protection from a decline in stock price, facilitates commitment to an exit strategy and exit price that is consistent with fundamental analysis;
- Sell puts: provides an effective entry price at which to add to an existing position, or provides an effective entry price at which to initiate a new position.

OTC equity swaps

The Company uses OTC equity swap positions to gain access to Indian markets and Chinese markets because the Company is not locally registered to trade in either market and gain exposure to thematic baskets of stocks.

Details of funded and financed* swap positions are noted in the Portfolio on page 9.

Collateral cash of £9.0 million was held against the financed swap positions, of which £1.4 million was offset against the overdraft position. The equivalent amount in 2014 was £4.8 million which as part of the arrangements in place at the time was offset against the overdraft.

Offsetting disclosure

Swap basket trades and OTC derivatives are traded under ISDA† Master Agreements. The Company currently has such agreements in place with Goldman Sachs and JP Morgan.

†International Swap Dealers Association Inc.

*See Glossary on page 70 for description of funded and financed swaps.

These agreements create a right of set-off that becomes enforceable only following a specified event of default, or in other circumstances not expected to arise in the normal course of business. As a result, as the right of set-off is not unconditional, for financial reporting purposes, the Company does not offset derivative assets and derivative liabilities.

(i) Other price risk

In pursuance of the Company's Investment Objective the Company's portfolio, including its derivatives, is exposed to the risk of fluctuations in market prices and foreign exchange rates.

The Board manage these risks through the use of limits and guidelines, monthly compliance reports from Frostrow and reports from Frostrow and OrbiMed presented at each Board meeting, as set out on pages 20 to 22.

Other price risk exposure

The Company's gross exposure to other price risk is represented by the fair value of the investments and the underlying exposure through the derivative investments held at the year end as shown in the table below.

	2015 Assets £'000	2015 Liabilities £'000	2015 Notional* exposure £'000	2014 Assets £'000	2014 Liabilities £'000	2014 Notional exposure £'000
Investments	1,012,625	–	1,012,625	673,138	–	673,138
Put and call options	2,654	(1,120)	15,090	1,067	(1,051)	21,369
OTC equity swaps	78,688	–	114,973	40,325	–	58,305
	1,093,967	(1,120)	1,142,688	714,530	(1,051)	752,812

*The notional exposure is calculated as the maximum loss the Company could experience.

Other price risk sensitivity

If market prices of all of the Company's financial instruments including the derivatives at the Balance Sheet date had been 25% higher or lower (2014: 25% higher or lower) while all other variables remained constant: the revenue return would have decreased/increased by £102,000 (2014: £68,000); the capital return would have increased by £281,352,000 (2014: £183,196,000)/decreased by £283,432,000 (2014: £183,417,000); and, the return on equity would have increased by £281,250,000 (2014: £183,128,000)/decreased by £283,330,000 (2014: £183,349,000). The calculations are based on the portfolio as at the respective Balance Sheet dates and are not representative of the year as a whole.

(ii) Foreign currency risk

A significant proportion of the Company's portfolio and derivative positions are denominated in currencies other than sterling (the Company's functional currency, and the currency in which it reports its results). As a result, movements in exchange rates can significantly affect the sterling value of those items.

Foreign currency exposure

The fair values of the Company's monetary assets and liabilities that are denominated in foreign currencies are shown below:

	2015 Current assets £'000	2015 Current liabilities £'000	2015 Investments £'000	2014 Current assets £'000	2014 Current liabilities £'000	2014 Investments £'000
U.S. dollar	316	(90,215)	862,949	19,019	(91,501)	568,891
Swiss franc	618	–	75,712	3,380	–	64,285
Japanese yen	1,453	(1,789)	93,593	396	–	46,120
Other	110	–	51,312	1,349	–	34,183
	2,497	(92,004)	1,083,566	24,144	(91,501)	713,479

Notes to the Financial Statements

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Foreign currency sensitivity

The following table details the sensitivity of the Company's net return for the year and shareholders' funds to a 10% increase and decrease in sterling against the relevant currency (2014: 10% increase and decrease).

These percentages have been determined based on market volatility in exchange rates over the previous 12 months. The sensitivity analysis is based on the Company's significant foreign currency exposures at each Balance Sheet date.

	2015 USD £'000	2015 YEN £'000	2015 CHF £'000	2014 USD £'000	2014 YEN £'000	2014 CHF £'000
Sterling depreciates	89,947	10,362	8,481	61,835	5,185	7,234
Sterling appreciates	(73,593)	(8,478)	(6,939)	(46,859)	(4,243)	(5,919)

(iii) Interest rate risk

Interest rate changes may affect:

– the interest payable on the Company's variable rate borrowings;

– the level of income receivable from floating and fixed rate securities and cash at bank and on deposit;

– the fair value of investments in fixed interest securities.

Interest rate exposure

The Company's main exposure to interest rate risks is through its overdraft facility with J.P. Morgan Clearing Corp, which is repayable on demand, and, its holding in fixed interest securities. The exposure of financial assets and liabilities to fixed and floating interest rates, is shown below.

At 31 March 2015, the Company held 5.8% of the portfolio in convertible bonds and securitised debt (2014: 4.4% of the portfolio). The exposure is shown in the table below:

	2015 Weighted average period for which rate is fixed Years	2015 Weighted average fixed interest rate %	2015 Fixed rate £'000	2015 Floating rate £'000	2014 Weighted average period for which rate is fixed Years	2014 Weighted average fixed interest rate %	2014 Fixed rate £'000	2014 Floating rate £'000
Convertible securities	4.96	4.76	46,164	–	3.62	0.95	23,635	–
Unquoted debt investments	6.92	8.75	7,349	8,713	1.98	2.16	8,004	–
Cash	–	–	–	7,579	–	–	–	–
Overdraft facility	–	–	–	(96,810)	–	–	–	(62,723)
Unfunded swap positions	–	–	–	(36,285)	–	–	–	(17,979)
			53,513	(116,803)			31,639	(80,702)

All interest rate exposures are held in U.S. Dollars.

Interest rate sensitivity

If interest rates had been 1% higher or lower and all other variables were held constant, the Company's net return for the year ended 31 March 2015 and the net assets would increase/decrease by £1,257,000 (2014: increase/decrease by £807,000).

(iv) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not considered significant as the majority of the Company's assets are investments in quoted securities that are readily realisable within one week, in normal market conditions.

Liquidity exposure and maturity

Contractual maturities of the financial liability exposures as at 31 March 2015, based on the earliest date on which payment can be required, are as follows:

	2015 3 months or less £'000	2014 3 months or less £'000
Overdraft facility	89,231	62,723
Amounts due to brokers and accruals	1,789	20,834
Derivatives – Put options (short)	488	979
Derivatives – Call options (short)	480	72
	91,988	84,608

(v) Credit risk

Credit risk is the risk of failure of a counterparty to discharge its obligations resulting in the Company suffering a financial loss.

The carrying amounts of financial assets best represent the maximum credit risk at the Balance Sheet date. The Company's quoted securities are held on its behalf by J.P. Morgan Clearing Corp acting as the Company's Prime Broker.

As noted on page 21, certain of the Company's assets can be held by J.P. Morgan Clearing Corp as collateral against the overdraft provided by them to the Company. As at 31 March 2015, assets with a total market value of £139.8 million (31 March 2014: £93.1 million held by Goldman Sachs) were held as collateral against the overdraft facility which equates to 140% (2014: 138%) of the overdrawn position (including amounts due to J.P. Morgan Clearing Corp) of £100.0 million.

Credit risk exposure

	2015 £'000	2014 £'000
Convertible securities and unquoted debt investments	46,164	31,638
Derivative – OTC equity swaps	78,688	40,325
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	1,548	24,243
Derivative – Put options (long)	170	420
Derivative – Call options (long)	2,484	647
Cash	7,579	–

(vii) Fair value of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments and derivatives) or the Balance Sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accrual, cash at bank, bank overdraft and amounts due under the loan facility).

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(viii) Hierarchy of investments

The Company has classified its financial assets designated at fair value through profit or loss and the fair value of derivative financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	977,306	19,257	16,062	1,012,625
Derivatives: put and call options (short)	–	(1,120)	–	(1,120)
Derivatives: put and call options (long)	–	2,654	–	2,654
Derivatives: OTC swaps	–	78,688	–	78,688
Financial instruments measured at fair value	977,306	99,479	16,062	1,092,847

As at 31 March 2015, the put and call options, the equity swaps, and, the Incyte Corporation 4.75% 01/10/15 convertible bond have been classified as Level 2.

As of March 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	649,096	16,038	8,004	673,138
Derivatives: put and call options (short)	–	(1,051)	–	(1,051)
Derivatives: put and call options (long)	–	1,067	–	1,067
Derivatives: OTC swaps	–	40,325	–	40,325
Financial instruments measured at fair value	649,096	56,379	8,004	713,479

As at 31 March 2014, the put and call options, the equity swaps, and the convertible bond positions in the Incyte Corporation and Endologix, were classified as level 2.

Level 3 Reconciliation

Please see below a reconciliation disclosing the changes during the year for the financial assets and liabilities designated as fair through profit or loss classified as being Level 3.

	2015 £'000	2014 £'000
Assets as at 1 April	8,004	–
Purchases	8,436	15,877
Sales	(1,412)	(7,306)
Realised losses	(20)	(636)
Investment holding gains	1,054	69
Assets as at 31 March	16,062	8,004

As at 31 March 2015, the two securitised debt investments, Ikaria Second Lien Loan 8.75% 04/02/22 and Creganna-Tactx Medical Second Lien Loan FRN 20/11/22 have been classified as level 3. Both positions have been valued using the estimated fair values as provided by counterparties.

(ix) Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to maximise the income and capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing to a maximum of 20% of the Company's net assets.

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves as disclosed on the Balance Sheet on page 50.

Gearing for this purpose is defined as total assets less current liabilities (before deducting any prior charges including the overdraft), minus cash and cash equivalents divided by Shareholders' funds, expressed as a percentage. As at 31 March 2015, the Company had a gearing percentage of 11.2% (2014: 12.0%).

The Board, with the assistance of the AIFM and the Portfolio Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This includes a review of:

- the planned level of gearing, which takes into account the Portfolio Manager's view of the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, in light of any share price discount to net asset value per share in accordance with the Company's share buy-back policy;
- the need for new issues of equity shares, including issues from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting year.

19. CAPITAL RESERVE

	Capital Reserves*		
	Other £'000	Investment Holding Gains £'000	Total £'000
At 31 March 2014	232,438	155,223	387,661
Transfer on disposal of investments	71,628	(71,628)	–
Net gains on investments	84,987	264,817	349,804
Expenses charged to capital less tax relief thereon	(23,616)	–	(23,616)
Subscription shares exercised	19	–	19
Shares purchased for treasury	(3,868)	–	(3,868)
Shares re-issued from treasury	3,868	–	3,868
Exchange gain on currency balances	6,302	–	6,302
At 31 March 2015	371,758	348,412	720,170

*Investment holding gains relate to the revaluation of investments and derivatives held at the reporting date. (See note 9 on pages 59 and 60 for further details).

Under the terms of the revisions made to the Company's Articles of Association in 2013, sums within "capital reserves – other" are also available for distribution.

Shareholder Information

Financial Calendar

31 March	Financial Year End
June	Final Results Announced
September	Annual General Meeting
30 September	Half Year End
November	Half Year Results Announced
January/July	Dividends Payable

Annual General Meeting

The Annual General Meeting of Worldwide Healthcare Trust PLC will be held at Skinners' Hall, 8 Dowgate Hill, London EC4R 2SP on Thursday, 24 September 2015 from 12 noon.

Dividends

The Company pays two interim dividends in January and July each year. Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, can complete a mandate form for the purpose. Mandates may be obtained from the Company's Registrars, Capita Asset Services, on request.

Share Prices

The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

Change of Address

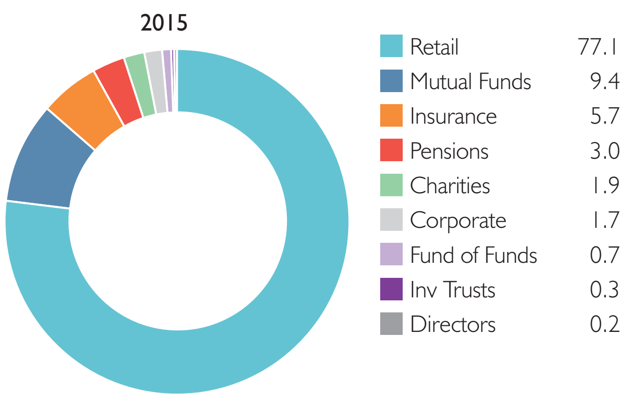
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Capita Asset Services, under the signature of the registered holder.

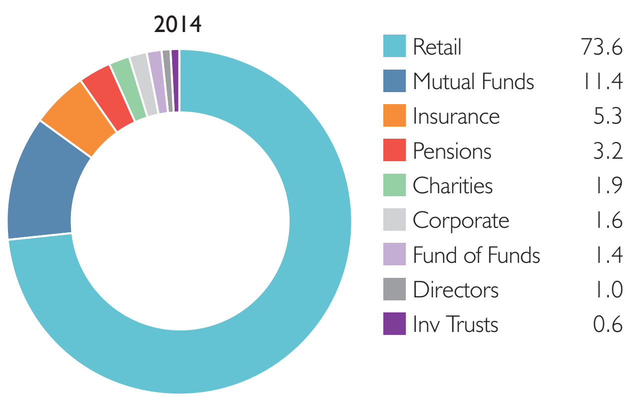
Daily Net Asset Value

The daily net asset value of the Company's shares can be obtained on the Company's website at www.worldwidewh.com and is published daily via the London Stock Exchange.

Profile of the Company's Ownership

% of Ordinary Shares held at 31 March





Glossary

Alternative Investment Fund Managers Directive (AIFMD)

Agreed by the European Parliament and the Council of the European Union and transported into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as **Alternative Investment Funds (AIFs)** and requires them to appoint an **Alternative Investment Fund Manager (AIFM)** and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Diluted Net Asset Value

This is a method of calculating the net asset value (NAV) of a company that has issued, and has outstanding, convertible loan stocks, warrants, subscription shares or options. The calculation assumes that the holders have exercised their right to convert or subscribe, thus increasing the number of shares among which the assets are divided.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Equity Swaps

An equity swap is an agreement in which one party (counterparty) transfers the total return of an underlying equity position to the other party (swap holder) in exchange for a one off payment at a set date. Total return includes dividend income and gains or losses from market movements. The exposure of the holder is the market value of the underlying equity position.

Your company uses two types of equity swap:

- funded, where payment is made on acquisition. They are equivalent to holding the underlying equity position with the exception of additional counterparty risk and not possessing voting rights in the underlying; and,
- financed, where payment is made on maturity. As there is no initial outlay, financed swaps increase exposure by the value of the underlying equity position with no initial increase in the investments value – there is therefore embedded leverage within a financed swap due to the deferral of payment to maturity.

Gearing

Gearing is calculated as borrowings, less net current assets, divided by Shareholders' Funds, expressed as a percentage. For years prior to 2013, the calculation was based on borrowings as a percentage of Net Assets.

International Swaps and Derivatives Association (ISDA)

ISDA has created a standardised contract (the ISDA Master Agreement) which sets out the basic trading terms between the counterparties to derivative contracts.

Leverage

Leverage is defined in the AIFMD as any method by which the AIFM increases the exposure of an AIF. In addition to the gearing limit the Company also has to comply with the AIFMD leverage requirements. For these purposes the Board has set a maximum leverage limit of 140% for both methods. This limit is expressed as a % with 100% representing no leverage or gearing in the Company. There are two methods of calculating leverage as follows:

The Gross Method is calculated as total exposure divided by Shareholders Funds. Total exposure is calculated as net assets, less cash and cash equivalents, adding back cash borrowing plus derivatives converted into the equivalent position in their underlying assets.

Glossary
continued

The Commitment Method is calculated as total exposure divided by Shareholders Funds. In this instance total exposure is calculated as net assets, less cash and cash equivalents, adding back cash borrowing plus derivatives converted into the equivalent position in their underlying assets, adjusted for netting and hedging arrangements.

See the definition of Options and Equity Swaps for more details on how exposure through derivatives is calculated.

MSCI World Health Care Index
The MSCI World Health Care Index is comprised of large and mid capitalisation healthcare companies across the following 23 developed markets countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, the UK and the U.S. The net total return of the Index is used which assumes the reinvestment of any dividends paid by its constituents after the deduction of relevant withholding taxes. The performance of the Index is calculated in U.S.$ terms. Because the Company's reporting currency is £ the prevailing U.S.$/£ exchange rate is applied to obtain a £ based return.

NAV per Share (pence)
The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

NAV Total Return
The theoretical total return on shareholders' funds per share, including the assumed £100 original investment at the beginning of the period specified, reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Ongoing Charges
Ongoing charges are calculated by taking the Company's annualised ongoing charges, excluding finance costs, taxation, performance fees and exceptional items, and expressing them as a percentage of the average daily net asset value of the Company over the year.

Options
An option is an agreement that gives the buyer, who pays a fee (premium), the right – but not the obligation – to buy or sell a specified amount of an underlying asset at an agreed price (strike or exercise price) on or until the expiration of the contract (expiry). A call option is an option to buy, and a put option an option to sell.

The potential loss of the buyer is limited to the higher of the premium paid or the market value of the bought option. On the other side for the seller of a covered call option (your company does not sell uncovered options) any loss would be offset by gains in the covering position, and for sold puts the potential loss is the strike price times the number of option contracts held. For the purposes of calculating exposure to risk in note 18 on page 64, the potential loss is used. The exposure, used in calculating the AIFMD leverage limits, between these two bounds is determined as the delta (an options delta measures the sensitivity of an option's price solely to a change in the price of the underlying asset) adjusted equivalent of the underlying position.

Rehypothecation
The pledging of securities in customer accounts as collateral for a loan.

Share Price Total Return
Return to the investor on mid-market prices assuming that all dividends paid were reinvested.

Treasury Shares
Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

How to Invest

Retail Investors Advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relationship to non-mainstream investment procedures and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fastrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp?
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.ashx
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

How to Invest

continued

Capita Asset Services – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrars, Capita Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares. The maximum deal size for online trades is £25,000. Deals in excess of this amount can be transacted by telephone. Charges will be confirmed at the time of dealing.

For further information on this service please contact: www.capitadeal.com (online dealing) or +44 (0) 371 664 0445 (telephone dealing).

Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open 8.00 am to 4.30 pm Monday to Friday.

Risk warnings

- *Past performance is no guarantee of future performance.*
- *The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.*
- *As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.*
- *Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.*
- *Investors should note that tax rates and reliefs may change at any time in the future.*
- *The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.*

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Worldwide Healthcare Trust PLC will be held at Skinners' Hall, 8 Dowgate Hill, London EC4R 2SP on Thursday, 24 September 2015 from 12 noon for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive and, if thought fit, to accept the Audited Accounts and the Report of the Directors for the year ended 31 March 2015
2. To re-elect Ms Jo Dixon as a Director of the Company
3. To re-elect Dr David Holbrook as a Director of the Company
4. To re-elect Mr Samuel D. Isaly as a Director of the Company
5. To re-elect Sir Martin Smith as a Director of the Company
6. To re-elect Mrs Sarah Bates as a Director of the Company
7. To re-elect Mr Doug McCutcheon as a Director of the Company
8. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Audit Committee to determine their remuneration
9. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2015

Special Business

To consider and, if thought fit, pass the following resolutions of which resolutions 11, 12, 13, 14 and 15 will be proposed as special resolutions:

Authority to Allot Shares

10. THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to a maximum aggregate nominal amount of £1,194,331 (being 10% of the issued share capital of the Company at 24 June 2015) and representing 4,777,324 shares of 25 pence each (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in General Meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

11. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 12 set out in the notice convening the Annual General Meeting at which this resolution is proposed ("Notice of Annual General Meeting")) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 10 set out in the Notice of Annual General Meeting or otherwise as if Section 561(1) of the Act did not apply to any such allotment:

    (a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25p each in the capital of the Company ("Shares") are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary,

Notice of the Annual General Meeting

continued

appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever;

(b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £1,194,331, being 10% of the issued share capital of the Company as at 24 June 2015 and representing 4,777,324 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 12 set out in the Notice of Annual General Meeting and (ii) no allotment of equity securities shall be made under this power which would result in Shares being issued at a price which is less than the net asset value per Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion; and

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

12. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 11 set out in the Notice of Annual General Meeting) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to sell relevant shares (within the meaning of Section 560 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act ("treasury shares")), for cash as if Section 561(1) of the Act did not apply to any such sale provided that:

(a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value of ordinary shares of 25p each in the capital of the Company ("Shares"), such discount must be (i) lower than the discount to the net asset value per Share at which the Company acquired the Shares which it then holds in treasury and (ii) not greater than 5% to the prevailing diluted cum income net asset value per Share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such Shares were acquired by the Company and the net asset value per Share at the latest practicable time before such Shares are sold pursuant to this power); and

(b) this power shall be limited to the sale of relevant shares having an aggregate nominal value of £1,194,331 being 10% of the issued share capital of the Company as at 24 June 2015 and representing 4,777,324 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that the number of relevant shares to which power applies shall be reduced from time to time by the number of Shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 11 set out in the Notice of Annual General Meeting,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in General Meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require treasury shares to be sold after such expiry and the Directors may sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to Repurchase Ordinary Shares

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("Shares") (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:
    (a) the maximum aggregate number of Shares authorised to be purchased is 7,161,210 (representing approximately 14.99% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed);
    (b) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;
    (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the price of the last independent trade and the highest then current independent bid on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments);
    (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and
    (e) the Company may make a contract to purchase Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

Adoption of New Articles of Association

14. THAT the Articles of Association set out in the document produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the Articles of Association of the Company.

Full explanatory notes of the principal changes to the Articles of Association are set out on page 81 of this annual report.

General Meetings

15. THAT the Directors be authorised to call general meetings (other than the Annual General Meeting of the Company) on not less that 14 working days notice, such authority to expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of the resolution.

By order of the Board

Frostrow Capital LLP
Company Secretary
24 June 2015

Registered Office:
One Wood Street
London EC2V 7WS

Notice of the Annual General Meeting

continued

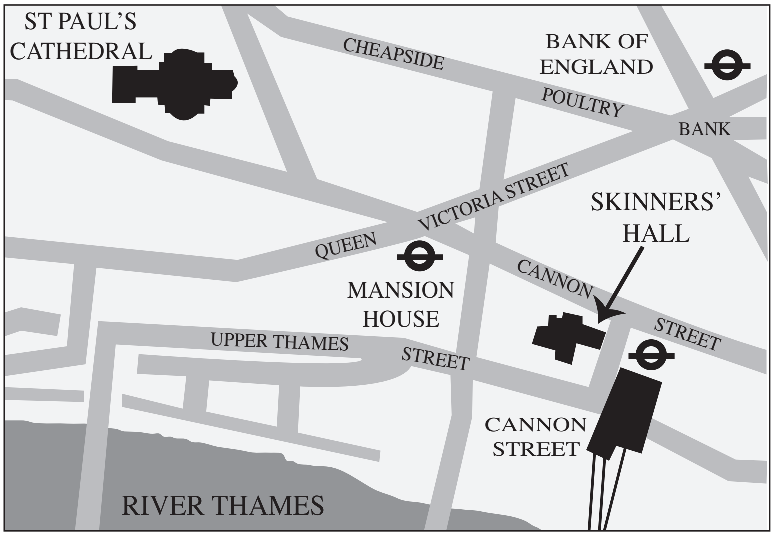
Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 12 noon Tuesday, 22 September 2015.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "Register of Members") at 5.30 p.m. on Tuesday, 22 September 2015 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 24 June 2015 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 47,773,249 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 24 June 2015 are 47,773,249.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).
15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday.
17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

    In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see page 77) then, subject to paragraph 4, the proxy appointment will remain valid.

Location of the Annual General Meeting
Skinners' Hall, 8 Dowgate Hill, London EC4R 2SP



Explanatory Notes to the Resolutions

Resolution 1 – *To receive the Annual Report and Accounts*
The Annual Report and Accounts for the year ended 31 March 2015 will be presented to the Annual General Meeting (AGM). These accounts accompany this Notice of Meeting and shareholders will be given an opportunity at the meeting to ask questions.

Resolutions 2 to 7 – Re-election of Directors
Resolutions 2 to 7 deal with the re-election of each Director. Biographies of each of the Directors can be found on pages 23 and 24 of the annual report.

The Board has confirmed, following a performance review, that the Directors standing for re-election continue to perform effectively.

Resolution 8 – Re-appointment of Auditors and the determination of their remuneration
Resolution 8 relates to the re-appointment of PricewaterhouseCoopers LLP as the Company's independent Auditors to hold office until the next AGM of the Company and also authorises the Audit Committee to set their remuneration. Following the implementation of the Competition and Markets Authority order on Statutory Audit Services, which is effective for the Company from 1 January 2015, only the Audit Committee may negotiate and agree the terms of the Auditors' service agreement.

Resolution 9

The Directors' Remuneration Report is set out in full in the annual report on pages 40 and 41.

Resolutions 10, 11 and 12
Ordinary Resolution No. 10 in the Notice of AGM will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £1,194,331 (equivalent to 4,777,324 shares, or 10% of the Company's existing issued share capital on 24 June 2015, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next AGM or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next AGM.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution No. 11 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 24 June 2015, as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution No. 10. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) (the "Treasury Share Regulations") the Company is permitted to buy-back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. The Treasury Share Regulations require such sale to be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued share capital on a non pre-emptive basis pursuant to Resolution 11, Resolution 12, if passed, will give the Directors authority to sell shares held in treasury on a non pre-emptive basis. No dividends may be paid on any shares held in treasury and no voting rights will attach to such shares. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares. It is the intention of the Board that any re-sale of treasury shares would only take place at a narrower discount to the net asset value per share than that at which they had been bought into treasury, and in any event at a discount no greater than 5% to the prevailing diluted cum income net asset value per share, and this is reflected in the text of Resolution 12. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The number of treasury shares which may be sold pursuant to this authority is limited to 10% of the Company's existing share capital on 24 June 2015 (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 11, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions Nos. 10, 11 and 12 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 13

The Directors wish to renew the authority given by shareholders at the previous AGM. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of Ordinary Shares, when they are trading at a discount to net asset value per share should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the AGM.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per Ordinary Share. Existing shares which are purchased under this authority will either be cancelled or held as Treasury Shares.

Special Resolution No. 13 in the Notice of AGM will renew the authority to purchase in the market a maximum of 14.99% of Ordinary Shares in issue on 24 June 2015, being the nearest practicable date prior to the signing of this Report, (amounting to 7,161,210 Ordinary Shares). Such authority will expire on the date of the next AGM or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next AGM or earlier if the authority has been exhausted.

Resolution 14

Special Resolution No. 14 seeks shareholder approval to make certain changes to the Company's Articles of Association *inter alia* to enable the Company to comply with its obligations under various international tax regulations, and also the removal of references to Subscription Shares and Special Deferred Shares which are now obsolete. Full explanatory notes of the principal changes to the Articles of Association are set out on page 81 of this annual report.

Resolution 15

Special Resolution No. 15 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) at 14 working days' notice.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM as the Directors intend to do in respect of their own beneficial holdings totalling 42,624 shares.

Explanatory Notes of the Principal Changes to the Company's Articles of Association

Set out below is a summary of the principal differences between the current and the proposed new Articles of Association (the "Articles"). These changes to the new Articles, to be adopted at the Annual General Meeting to be held on Thursday, 24 September 2015 relate to:

FATCA

The Hiring Incentives to Restore Employment Act 2010 of the United States of America commonly known as the Foreign Account Tax Compliance Act and all associated regulations and official guidance ("FATCA") imposes a system of information reporting on certain entities including foreign financial institutions such as the Company following the enactment of the UK International Tax Compliance (United States of America) Regulations 2013 on 1 September 2013. These regulations have now been replaced by the International Tax Compliance Regulations 2015 which also include the automatic exchange of information regimes being brought in under the auspices of the Organisation for Economic Co-operation and Development and the European Union. The Articles of Association have therefore been amended in order to provide the Company with the ability to require shareholders to co-operate in respect of these broader obligations and not just with its obligations under FATCA as is currently the case.

Subscription Shares and Special Deferred Shares

The other changes to the Articles of Association are being made to remove references to Subscription Shares and Special Deferred Shares and to the rights attached to those classes of shares which are now obsolete following the exercise in full of the Subscription Shares.

A copy of the current Articles and of the proposed new Articles marked up to show the proposed amendments will be available for inspection at the offices of Frostrow Capital LLP during normal business hours and will be available for inspection at the Annual General Meeting, in each case until conclusion of the meeting.

AIFMD Related Disclosures (unaudited)

The AIFM is required to make certain disclosures to prospective investors prior to their investment in the Company, in accordance with Article 23 AIFMD and 3.2.2R and 3.2.3R of the FUND Sourcebook to the FCA Handbook. Each of these disclosures or an explanation of where they may be found in this Annual Report or elsewhere is set out in this disclosure. In the period from 22 July 2014 to the date of this report, there have been no material changes to this information, with the exception of the change in the gearing limit which is disclosed in the Strategic Report on pages 4 and 5.

Investment Objective and Leverage

A description of the investment strategy and objectives of the Company, the types of assets in which the Company may invest, the techniques it may employ, any applicable investment restrictions, the circumstances in which it may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and the maximum level of leverage which the AIFM and Portfolio Manager are entitled to employ on behalf of the Company and the procedures by which the Company may change its investment strategy and/or the investment policy can be found on page 6 under the heading "Investment Strategy".

The table below sets out the current maximum permitted limit and actual level of leverages for the Company: As a percentage of net assets

	Gross Method	Commitment Method
Maximum level of leverage	140%	140%
Actual level at 31 March 2015	115%	113%

Risks

The principal risks associated with the investment strategy, objectives and techniques of the Company and with the use of leverage by the Company are contained in the Strategic Report on pages 20 to 22 under the heading "Principal Risks". Shareholders and prospective investors should note that the risks summarised under "Principal Risks" are the risks that the Board believes to be the most essential to an assessment of whether to invest in the Company. Shareholders may lose the value of their investment in the Company for reasons other than those set out therein, for reasons not currently considered by the Board or based on circumstances or facts of which the Board is not currently aware.

Contractual Relationship with the Company

A description of the main legal implications of the contractual relationship entered into for the purpose of investment in the Company, including information on jurisdiction and applicable law, is contained in the Investor Disclosure Document (a copy of which can be viewed on the Company's website www.worldwidewh.com).

The articles between the Company's shareholders and the Company are governed by English law and, by purchasing shares, investors agree that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of the Company's shares will be in English. Certain judgments obtained in EU member states (excluding Denmark at this time) in proceedings commenced on or after 10 January 2015, can be enforced in England and Wales under the Recast Brussels Regulation by obtaining a certificate from the court of origin certifying that the judgment is enforceable, serving the certificate and judgment on the judgment debtor and, when seeking enforcement, providing the courts of England and Wales with an authenticated copy of the judgment and certificate and certifying compliance with the requirements as to service on the debtor. The judgment debtor can apply for the enforcement of the judgment to be refused on limited grounds. Further, certain judgments obtained in EU member states (including Denmark) in proceedings commenced before 10 January 2015, or in Iceland, Norway and Switzerland can be enforced in England and Wales under the 2001 Brussels Regulation or the 2007 Lugano Convention and certain judgments obtained from a country to which any of the Administration of Justice Act 1920, the Foreign Judgments (Reciprocal Enforcement) Act 1933 or the Civil Jurisdiction and Judgments Act 1982 applies can also be enforced in England and Wales by making an application to the High Court for an order for registration of the judgment for enforcement. The judgment debtor may appeal/challenge registration on limited grounds. It may also be possible to enforce a judgment obtained in a country to which none of the above regimes apply in England and Wales if such judgment is: (1) final and conclusive on the merits; (2) given by a court regarded by English law as competent to do so; and (3) for a fixed sum of money.

AIFMD Related Disclosures (unaudited)

continued

Details of Service Providers

Details of the AIFM, Portfolio Manager, Depositary, Prime Broker, Auditors and other service providers to the Company and their duties to the Company can be found in the Strategic Report on page 19 and in the Report of the Directors on pages 26 and 27. No shareholder, in their capacity as such, will generally have any direct contractual claim against any service provider to the Company with respect to such service provider's default of any of their duties towards the Company.

Professional Liability Risk

To comply with its obligations under the AIFMD rules and regulations (the "AIFM Rules"), relating to professional liability risk, the AIFM has taken out professional indemnity insurance against liability arising from professional negligence.

Management Functions Delegated by AIFM

A description of safe-keeping functions delegated by the Depositary, management functions delegated by the AIFM and the identity of such delegates can be found in the Strategic Report on page 19 and in the Report of the Directors on pages 26 and 27. The AIFM does not consider that any conflicts of interest arise from the delegation of its portfolio management function to OrbiMed, or from the delegation of the Depositary's safekeeping function to the Prime Broker or any further sub-custodians.

Valuation Policy

The Company's portfolio of assets will be valued on each Dealing Day (a day on which the London Stock Exchange and banks in England and Wales are normally open for business). All instructions to issue or buy-back ordinary shares given for a prior Dealing Day shall be assumed to have been carried out (and any cash paid or received).

The valuation will be based on the following:

(a) Cash and amounts held in current and deposit accounts and in other time-related deposits will be valued at their nominal value.

(b) All transferable securities will be valued at fair value:

- (i) fair value for quoted investments is deemed to be bid market prices, or last traded price, depending on the convention of the exchange on which they are quoted; and
- (ii) unquoted investments are valued by the Directors using primary valuation techniques such as discounted multiple of revenue.

(c) All other property contained within the Company's portfolio of assets will be priced at a value which, in the opinion of the AIFM, represents a fair and reasonable price (see below).

(d) If there are any outstanding agreements to purchase or sell any of the Company's portfolio of assets which are incomplete, then the valuation will assume completion of the agreement.

(e) Added to the valuation will be:

- (i) any accrued and anticipated tax repayments of the Company;
- (ii) any money due to the Company because of ordinary shares issued prior to the relevant Dealing Day;
- (iii) income due and attributed to the Company but not received; and
- (iv) any other credit of the Company due to be received by the Company.

Amounts which are de minimis may be omitted from the valuation.

(f) Deducted from the valuation will be:

- (i) any anticipated tax liabilities of the Company;
- (ii) any money due to be paid out by the Company because of ordinary shares bought back by the Company prior to the valuation;
- (iii) the principal amount and any accrued but unpaid interest on any borrowings; and
- (iv) any other liabilities of the Company, with periodic items accruing on a daily basis.

Amounts which are de minimis may be omitted from the valuation.

Where the Company trades in investments where prices are not available on an exchange, quotations from brokers are utilised as follows:

- (i) where possible at least two quotations will be obtained; and
- (ii) the quotations should come from active participants in the market.

Where only one quotation can be obtained the valuation will be considered in conjunction with other market-based observations such as comparable sources.

Valuations of net asset value per ordinary share will be suspended only in any circumstances in which the underlying data necessary to value the investments of the Company cannot readily or without undue expenditure be obtained. Any such suspension will be announced to a Regulatory Information Service.

Liquidity Risk Management

The AIFM maintains a liquidity management policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their ordinary shares from the Company but may trade their ordinary shares on the secondary market. However, there is no guarantee that there is a liquid market in the ordinary shares.

Further details regarding the risk management process and liquidity management are available from the AIFM, on request.

Fees

A description of certain of the fees, charges and expenses and of the maximum amounts thereof (to the extent that this can be assessed) which are borne by the Company and thus indirectly by investors can be found on pages 26 and 27 under the heading "Significant Agreements". In addition to these management, administration and secretarial fees, the Company will pay all other fees, charges and expenses incurred in the operation of its business including, without limitation:

- brokerage and other transaction charges and taxes;
- Directors' fees and expenses;
- fees and expenses for custodial, registrar, legal, auditing and other professional services;
- any borrowing costs;
- the ongoing costs of maintaining the listing of the ordinary shares and their continued admission to trading on the London Stock Exchange;
- Directors' and Officers' insurance premiums;
- promotional expenses (including membership of any industry bodies, including the AIC, and marketing initiatives approved by the Board); and
- costs of printing the Company's financial reports and posting them to shareholders.

Such fees and expenses are not subject to a maximum unit.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling ordinary shares.

Remuneration of AIFM Staff

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFM Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

Fair Treatment of Investors

The AIFM has procedures, arrangements and policies in place to ensure compliance with the principles more particularly described in the AIFM Rules relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Company and of the shareholders;
- ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- ensuring that the interests of any group of shareholders are not placed above the interests of any other group of shareholders;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- preventing undue costs being charged to the Company and shareholders;
- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of shareholders; and
- recognising and dealing with complaints fairly.

AIFMD Related Disclosures (unaudited)

continued

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest. In addition, as its shares are premium listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange, the Company is required to comply with, among other things, the FCA's Listing Rules and Disclosure and Transparency Rules and the Takeover Code, all of which operate to ensure a fair treatment of investors. As at the date of this annual report, no investor has obtained preferential treatment or the right to obtain preferential treatment.

Procedure and Conditions for the Issuance of Ordinary Shares

The Company's shares may be purchased and sold on the main market of the London Stock Exchange.

While the Company has shareholder authority to buy-back shares, shareholders do not have the right to have their shares purchased by the Company.

Net Asset Value

The net asset value of the Company's shares is published daily by the AIFM via a Regulatory Information Service announcement.

Historical Performance

Historical financial information demonstrating the Company's historical performance can be found on page 2. Copies of the Company's audited accounts for the three financial years ended 31 March 2015 are available for inspection at the address of Frostrow and can be viewed on the Company's website at www.worldwidewh.com.

The Prime Broker

The services provided by J.P. Morgan Clearing Corp as Prime Broker to the Company include:

(a) safe-keeping of the assets of the Company that can be held in custody (including book entry securities);

(b) the processing of transactions on behalf of the Company; and

(c) the provision to the Company of an overdraft facility which is repayable on demand. Up to 140% of the value of the outstanding overdraft can be taken as collateral by the Prime Broker. Such assets may be used by the Prime Broker and such use may include their being loaned, sold, rehypothecated or transferred by the Prime Broker.

The AIFM does not consider that any conflicts of interest arise from the appointment of the Prime Broker.

The Prime Broker is liable for the loss of the Company's financial instruments, the custody of which has been delegated to it by the Depositary.

Transfer and Reuse of the Company's Assets

As noted above the Prime Broker may take up to 140% of the value of the outstanding overdraft to use for its own account.

Discharge of Depositary Liability

J.P. Morgan Europe Limited has discharged its liability under article 21(12) of the AIFMD in respect of its obligation under the first and second paragraphs of that article, regarding its liability for loss of financial instruments held by the prime broker.

Periodic Disclosures

None of the Company's assets are subject to special arrangements arising from their illiquid nature.

No new arrangements have been implemented in order to manage the liquidity of the Company in the period running from 22 July 2014 to 31 March 2015.

The maximum level of gearing which the AIFM is entitled to employ on behalf of the Company is 20% of net assets. Prior to 9 April 2015 the maximum gearing was the lower of £120 million and 20% of net assets. The Company provided the requisite notice to the FCA.

Further disclosures required under the AIFM Rules can be found within the Investor Disclosure Document on the Company's website: www.worldwidewh.com.

Frostrow Capital LLP

Alternative Investment Fund Manager

24 June 2015

Company Information

Directors
Sir Martin Smith (Chairman)
Sarah Bates
Jo Dixon
Dr David Holbrook
Samuel D. Isaly
Doug McCutcheon

Company Registration Number
3023689 (Registered in England)

The Company is an investment company as defined under Section 833 of the Companies Act 2006

The Company was incorporated in England and Wales on 14 February 1995. The Company was incorporated as Finsbury Worldwide Pharmaceutical Trust PLC.

Website
Website: www.worldwidewh.com

Registered Office
One Wood Street
London EC2V 7WS

Alternative Investment Fund Manager, Company Secretary and Administrator
Frostrow Capital LLP
25 Southampton Buildings, London WC2A 1AL
Telephone: 0203 008 4910

E-mail: info@frostrow.com

Website: www.frostrow.com

Authorised and regulated by the Financial Conduct Authority

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

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601 Lexington Avenue, 54th Floor
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Website: www.orbimed.com

Registered under the U.S. Securities & Exchange Commission

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25 Bank Street
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More London Riverside
London SE1 2RT

Prime Broker
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Suite 1, Metro Tech Roadway
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The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): + 44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†Calls cost 10p per minute plus network charges and may be recorded for training purposes. Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday.

Stockbroker
Winterflood Securities Limited
The Atrium Building
Cannon Bridge, 25 Dowgate Hill
London EC4R 2GA

Share Price Listings
The price of your shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman.

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.

Identification Codes

Shares:	SEDOL	:	0338530
	ISIN	:	GB0003385308
	BLOOMBERG	:	WWH LN
	EPIC	:	WWH

Foreign Account Tax Compliance Act ("FATCA)
IRS Registration Number (GIIN) : FIZWRN.99999.SL.826

Disability Act

Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Capita Registrars, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the RNID) you should dial 18001 followed by the number you wish to dial.

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The Association of
Investment Companies

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