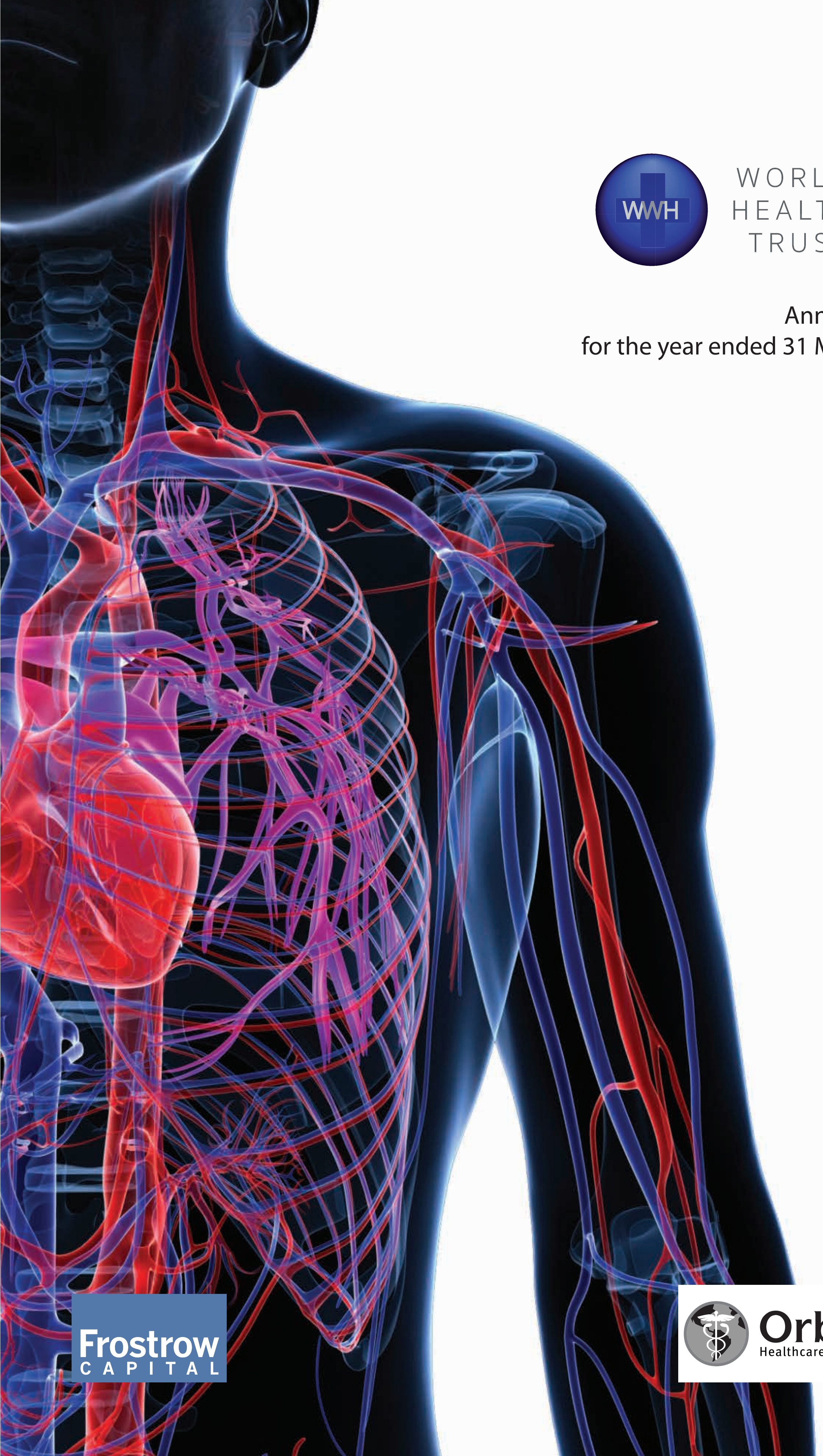

WORLDWIDE HEALTHCARE TRUST PLC

Annual Report
for the year ended 31 March 2016

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 5 and 6.

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 allowing it to participate in all aspects of healthcare, anywhere in the world. These can range from patented specialty medicines for small patient populations to 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 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 a number of investment platforms that offer these facilities. Further details can be found on pages 71 and 72.

Performance since launch to 31 March 2016

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).

1

Strategic Report

2

Governance

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Financial Statements

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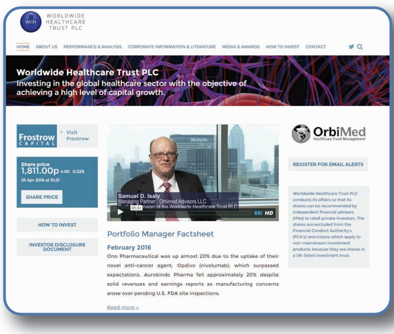
Further Information

Keep up to date with Worldwide Healthcare Trust PLC

For more information about Worldwide Healthcare Trust PLC visit the website at
www.worldwidewh.com

Follow us on Twitter

@worldwidewh



Winner:

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

Highly Commended:

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

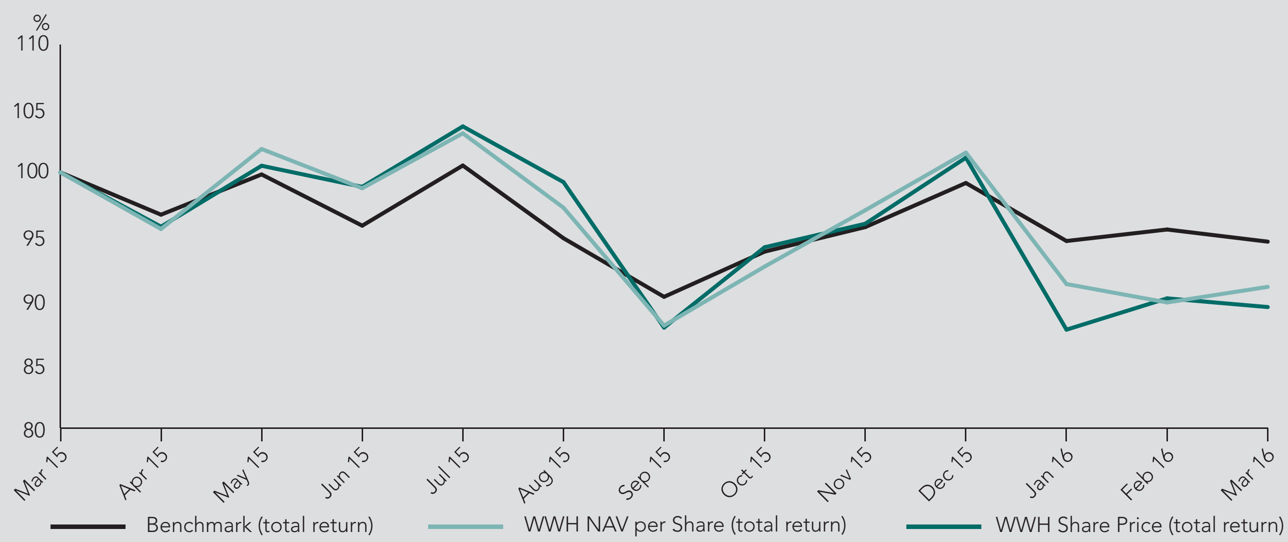
Company Performance

	As at 31 March 2016	As at 31 March 2015	% Change
Ordinary share price	1715.0p	1930.0p	(11.1%)
Net asset value per share – basic	1850.9p	2039.3p	(9.2%)
Net asset value per share – diluted	1850.5p	2039.3p	(9.3%)
Discount of ordinary share price to the diluted net asset value per share	7.3%	5.4%	n/a

	Year ended 31 March 2016	Year ended 31 March 2015
Ordinary share price (total return)*	(10.5%)	49.8%
Net asset value per share – (total return)*	(9.0%)	53.0%
Benchmark (total return)*	(5.4%)	35.9%
Dividends per ordinary share	16.5p	12.5p

*Source – Morningstar.

Total return performance for the year to 31 March 2016



Rebased to 100 as at 31 March 2015
Source: Morningstar, Thomson Reuters & Bloomberg

Historic performance for the years ended 31 March

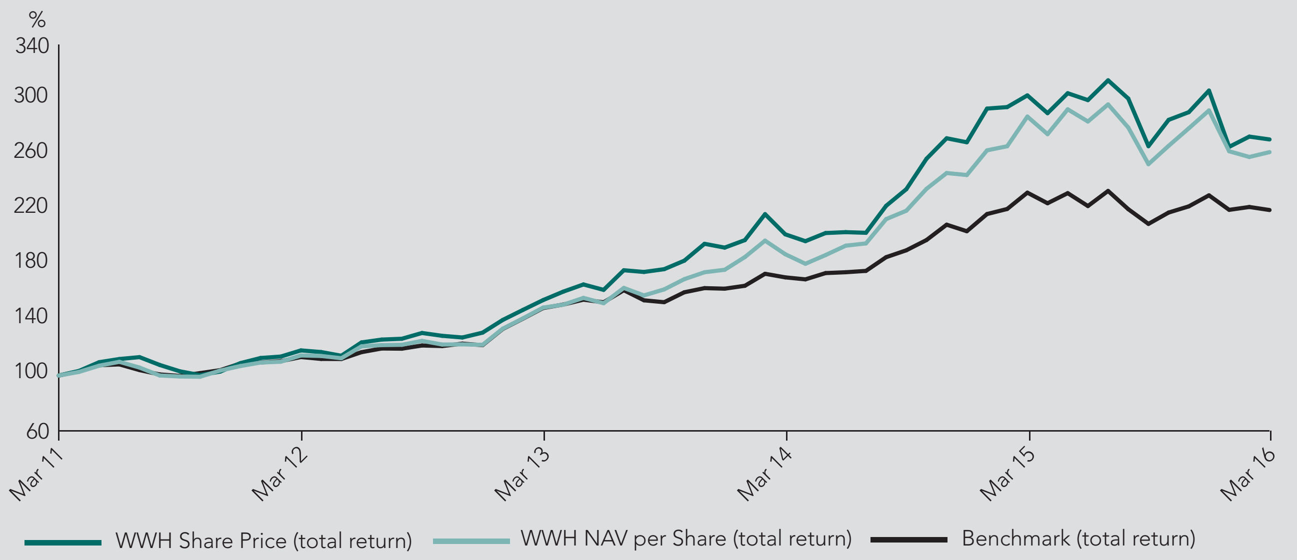
	2011	2012	2013	2014	2015	2016
Net asset value per share (total return)*	**4.0%**	**14.4%**	**30.3%**	**25.9%**	**53.0%**	**(9.0%)**
Benchmark (total return)*	**2.5%**	**13.4%**	**31.4%**	**14.9%**	**35.9%**	**(5.4%)**
Net asset value per share – basic	799.2p	909.4p	1110.2p	1374.3p	2039.3p	1850.9p
Net asset value per share – diluted**	773.5p	871.0p	1089.6p	1348.2p	2039.3p	1850.5p
Ordinary share price	686.0p	795.0p	1009.0p	1301.0p	1930.0p	1715.0p
Discount of share price to diluted net asset value per share	11.3%	8.7%	7.4%	3.5%	5.4%	7.3%
Dividends per ordinary share	15.0p	17.5p	16.5p	15.0p	12.5p	16.5p
Leverage†	18.0%	25.1%	12.7%	13.9%	13.2%	14.0%
Ongoing charges†	1.0%	1.1%	1.0%	1.0%	1.0%	0.9%
Ongoing charges (including performance fees paid or crystallised during the year)†	1.8%	1.3%	1.2%	1.1%	2.2%	2.1%

*Source: Morningstar

**Dilution to take account of the Company's Subscription Shares (which expired on 31 July 2014) and also any shares held in treasury.

†See Glossary beginning on page 69.

Five year total return performance to 31 March 2016



Rebased to 100 as at 31 March 2011
Source: Morningstar, Thomson Reuters & Bloomberg

Chairman's Statement

Sir Martin Smith

Review of the year and performance

As I reported at the half-year stage, it has been a challenging period for the healthcare sector and also for world markets. The year ended 31 March 2016 has seen periods of extreme volatility in healthcare stocks, in particular the biotechnology sector, as a result of investor concerns over the stability of the world's economy and the potential for regulatory policy changes that could affect drug prices in the U.S. market.

The Company's performance over this period was negatively affected by these factors and also the overweight position in biotechnology stocks. The Company's net asset value per share total return was -9.0% and the share price total return was -10.5%, both underperforming the Company's benchmark, the MSCI World Health Care Index on a net total return, sterling adjusted basis, which fell by 5.4%.

Despite short-term underperformance the long-term performance of the Company remains strong and it is pleasing to note that from the Company's inception in 1995 to 31 March 2016, the total return of the Company's net asset value per share has been 2,094.6%, equivalent to a compound annual return of 15.9%. This compares to a cumulative blended Benchmark* return of 924.9%, equivalent to a compound annual return of 11.8% over the same period.

* See inside front cover for further information on the Benchmark.

The Company had, on average, leverage of 18% (2015: 14%) during the year which, due to difficult market conditions, detracted 1.5% from performance (2015: contribution to performance of 4.5%). The Company's option strategy contributed c. 0.1% (2015: 0.9%) to returns.

Further information on the healthcare sector and on the Company's investments can be found in the Portfolio Manager's Review beginning on page 11 of this Annual Report.

Performance fee

As described in previous years, the performance fee provisions compare the performance of the Company since launch with that of the Benchmark. Only when incremental outperformance has been achieved since launch, and is maintained for a twelve month period, is a performance fee actually paid. These arrangements are described in detail on page 25 of this report.

I am pleased to report that, as a result of continued cumulative outperformance in the three quarters to 31 December 2015, performance fees of £11.2m were paid during the year. These fees were shared between the Company's Alternative Investment Fund Manager (Frostrow) and the Portfolio Manager (OrbiMed) as described on page 25.

Following underperformance in the final quarter of the Company's financial year £5.5m of performance fee accruals that had been made as at 31 March 2015 were reversed, as shown in note 3 to the financial statements on page 55. There is currently no provision for future performance fee payments.

Capital

As part of the Board's discount control management policy, a total of 794,867 shares were repurchased by the Company during the year to be held in treasury, at an average discount of 6.5% to the prevailing diluted ex income net asset value per share. 256,832 of these shares were subsequently reissued from treasury at share prices that equated to an average discount 2.9% to the prevailing diluted cum income net asset value per share. As at 31 March 2016 there were 198,975 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 shares held in treasury on 21 September 2016, the date of this year's Annual General Meeting, will be cancelled. 339,060 shares held in treasury were cancelled on 24 September 2015, shortly after the date of last year's Annual General Meeting.

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 6.5p per share, for the year ended 31 March 2016, was paid on 8 January 2016 to shareholders on the register on 27 November 2015. The Company's net revenue return for the year as a whole has increased to £8.2 million (2015: £6.2 million).The Board has declared a second interim dividend of 10.0p per share which, together with the first interim dividend already paid, makes a total dividend for the year of 16.5p (2015: 12.5p per share). Based on the current mid-market share price of 1797.0p on 13 June 2016, the total dividend payment for the year represents a current yield of 0.9%.

The second interim dividend will be payable on 15 July 2016 to ordinary shareholders on the register of members on 17 June 2016. The associated ex-dividend date will be 16 June 2016.

Board composition and governance

I am delighted to report that Humphrey van der Klugt joined the Board in February. A Chartered Accountant, he is a non-executive Director of a number of investment trusts. His experience will be of great benefit to the Board. A resolution proposing Humphrey's election will be considered by shareholders at this year's Annual General Meeting.

Jo Dixon has confirmed her intention to retire from the Board at the conclusion of this year's Annual General Meeting. Jo has been a Director and Chairman of the Audit Committee since 2004. Her extensive knowledge, experience and wise counsel will be greatly missed. Following her retirement, Humphrey van der Klugt will succeed her as Chairman of the Audit Committee and Dr David Holbrook will succeed her as the Senior Independent Director.

During the year the Board undertook reviews of the Company's Investment Guidelines, the Benchmark and also its gearing arrangements. In each case it was concluded that no changes should be made.

The Nominations Committee also undertook a review of the Company's Committees where the following changes were agreed:

- I ceased to be a member of the Audit Committee;
- Doug McCutcheon succeeded me as Chairman of the Management Engagement and Remuneration Committee; and
- Dr David Holbrook succeeded Jo Dixon as Chairman of the Nominations Committee.

Outlook

Despite a challenging year our Portfolio Manager remains positive with respect to the fundamentals for the healthcare sector. Innovation, merger & acquisition activity and an efficient regulatory environment will continue to be key drivers.

Our Portfolio Manager's focus remains on the selection of stocks with strong prospects for capital enhancement and your Board firmly believes that the long-term investor will continue to be well rewarded.

Annual General Meeting

The Company offers 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 to the Company's Annual General Meeting which 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 Wednesday, 21 September 2016 at 12 noon.

Sir Martin Smith
Chairman

14 June 2016

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 11 to 13. 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 12% of the gross assets of the Company at the time of acquisition.

Further details on how derivatives are employed can be found in note 16 beginning on page 61.

The Company does not currently hedge against foreign currency exposure.

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 the Company is required 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 69.

Portfolio

Investments held as at 31 March 2016

Investment	Country/region	Fair value £'000	% of investments
Ono Pharmaceutical	Japan	54,624	5.8
Allergan*	Ireland	53,070	5.7
HCA	USA	50,687	5.4
Bristol-Myers Squibb	USA	42,689	4.5
AbbVie	USA	41,031	4.4
Amgen	USA	35,183	3.8
Boston Scientific	USA	33,390	3.6
Intuitive Surgical	USA	29,683	3.2
Regeneron Pharmaceuticals	USA	29,090	3.1
Biogen	USA	26,822	2.9
Top 10 investments		**396,269**	**42.4**
Roche Holdings	Switzerland	25,399	2.7
Nuvasive	USA	23,051	2.5
Celgene	USA	20,017	2.1
WellCare Health Plans	USA	19,714	2.1
Alexion Pharmaceuticals	USA	18,210	1.9
Incyte	USA	17,631	1.9
Wright Medical	Netherlands	17,574	1.9
Gilead Sciences	USA	17,311	1.9
Vertex Pharmaceuticals	USA	16,551	1.8
Eli Lilly	USA	16,479	1.8
Top 20 investments		**588,206**	**63.0**
Illumina	USA	15,447	1.7
Express Scripts	USA	14,854	1.6
Novo Nordisk	Denmark	14,368	1.5
Impax Laboratories	USA	14,135	1.5
Actelion	Switzerland	13,885	1.5
Santen Pharmaceutical	Japan	13,447	1.4
Celltrion	Korea	13,161	1.4
Cooper Cos	Ireland	12,710	1.4
Thermo Fisher Scientific	USA	11,620	1.2
Luye Pharma	China	11,558	1.2
Top 30 investments		**723,391**	**77.4**
Novartis	Switzerland	10,999	1.2
Yestar International	China	10,397	1.1
ImmunoGen	USA	10,221	1.1
Nippon Shinyaku	Japan	10,053	1.1
Creganna-Tactx Medical Second Lien Loan FRN 20/11/22 (unquoted)	Ireland	9,113	1.0
Biomarin Pharmaceutical	USA	9,055	1.0
Exact Sciences	USA	8,852	0.9
Teva Pharmaceutical	USA	8,671	0.9
Ophthotech	USA	8,111	0.8
Shire	USA	7,839	0.8
Top 40 investments		**816,702**	**87.3**

* includes Allergan 5.5% Preference equating to 1.9% of investments.

Investment	Country/region	Fair value £'000	% of investments
Merrimack Pharmaceuticals Second Lien Loan 11.5% 15/12/2022 (unquoted)	USA	7,604	0.8
Ironwood Pharmaceuticals	USA	7,317	0.8
Sino Biopharmaceuticals	China	7,038	0.7
Galapagos	Belgium	6,691	0.7
Sawai Pharmaceutical	Japan	6,457	0.7
Xencor	USA	5,921	0.7
Portola Pharmaceuticals	USA	5,262	0.6
Nichi-Iko Pharmaceutical	Japan	4,982	0.5
Fluidigm	USA	4,715	0.5
IHH Healthcare	Malaysia	4,679	0.5
Top 50 investments		**877,368**	**93.8**
Towa Pharmaceutical	Japan	4,391	0.5
Shanghai Fosun Pharmaceutical	China	3,790	0.4
Wenzhou Kangning Hospital	China	3,281	0.3
Agilent Technologies	USA	2,912	0.3
Bluebird Bio	USA	2,770	0.3
NewLink Genetics	USA	2,679	0.3
Puma Biotechnology	USA	2,455	0.3
Medivation	USA	2,318	0.2
Infinity Pharmaceuticals	USA	1,732	0.2
Forward Pharma	USA	1,604	0.2
Top 60 investments		**905,300**	**96.8**
QLT	Canada	171	0.0
Total equities and fixed interest investments		**905,471**	**96.8**
Jiangsu Hengrui Medicine^	China	15,284	1.6
Strides Shasun	China	14,806	1.6
Emerging Markets HC Basket with India^	Emerging Markets	14,658	1.6
Aurobindo Pharma	India	14,299	1.5
ORBCI Index^	USA	13,777	1.5
Aier Eye Hospital Group^	China	6,340	0.7
JP China HC Basket^	USA	6,101	0.7
Jiangsu Nhwa Pharmaceutical^	China	6,075	0.6
Ajanta Pharma	India	2,058	0.2
Less: Gross exposure on financed swaps		(63,199)	(6.7)
Total OTC Swaps		**30,199**	**3.3**
Total investments including OTC Swaps		**935,670**	**100.1**
Put Options (Long)		7	0.0
Put Options (Short)		(615)	(0.1)
Call Options (Long)		346	0.0
Call Options (Short)		(129)	0.0
Total investments including OTC Swaps and Options		**935,279**	**100.0**

^ Financed

See note 16 beginning on page 61 for further details in relation to the OTC Swaps and Options.

Portfolio
continued

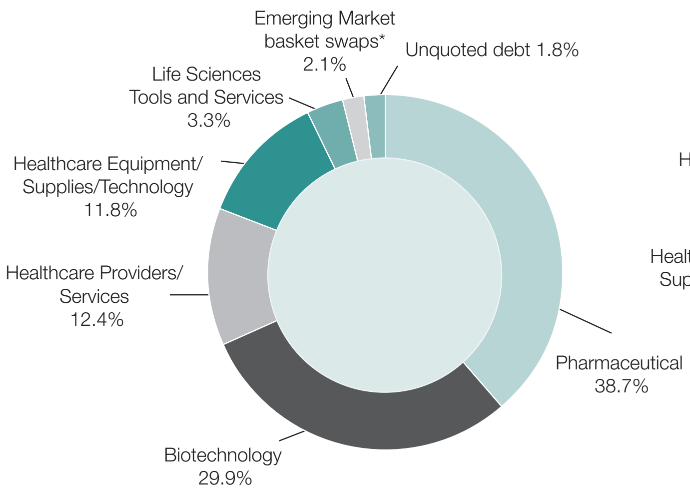
SUMMARY

Investment	Fair value £'000	% of investments
Equities (including options & swaps)	900,421	96.3
Convertible debt securities	18,141	1.9
Unquoted debt securities – variable rate	9,113	1.0
Unquoted debt securities – fixed rate	7,604	0.8
Total of all investments	**935,279**	**100.0**

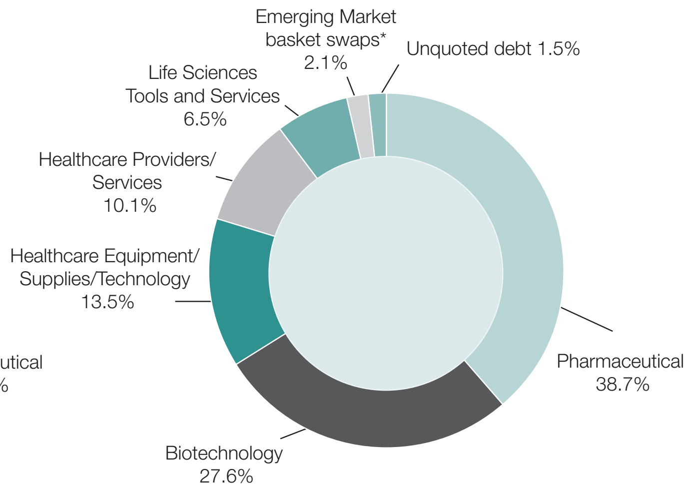
Portfolio distribution

By sector

2016

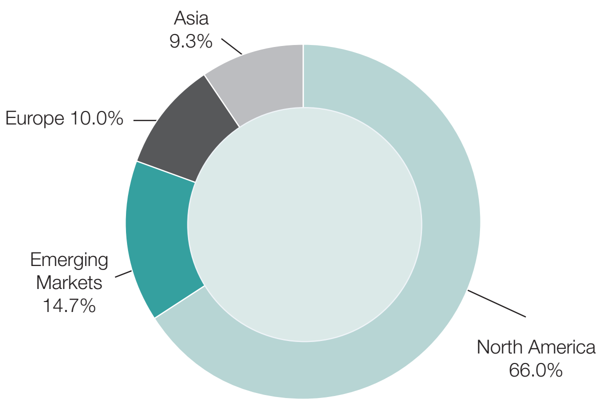


2015

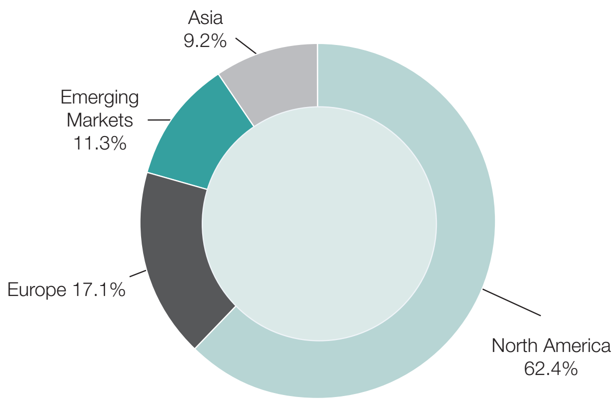


By geography

2016



2015



* See page 62 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.$15 billion in assets under management as of 31 March 2016, 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 fully 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 (Israel), 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 Isaly'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

Review of investments

Performance review

The year that ended 31 March 2016 was certainly marked by periods of extreme volatility in the global equity markets. Moreover, it was also one of the most volatile periods in the history of global healthcare equities, in particular biotechnology stocks, which bore witness to one the largest drawdowns in history.

Most notable was the market drop in August 2015, as investor concerns over a slowing economy in China and the devaluation of the Yuan caused global equity markets to roll over. When macro concerns reach such prodigious levels, market correlation typically approaches 1.0. Such was the case here and no sector was spared. In addition, further exacerbating the move down in healthcare was the U.S. political landscape.

The spotlight on U.S. drug pricing, widely known as the last bastion of free market pricing for pharmaceuticals, had also intensified in the autumn of 2015 after "price gouging" by the now shamed ex-CEO of Turing Pharmaceuticals, Martin Shkreli was uncovered. Then, Hillary Clinton, a candidate for the Democratic nomination for the next U.S. Presidential election, added to the poor performance of the biotechnology sector. Her threatening "tweet" in late September 2015 about drug prices in America was a catalyst for the biotechnology collapse. The result was a toxic mix of uncertainty and concerns over a "biotech bubble", which ultimately started one of the largest equity re-ratings in U.S. biotechnology history.

Adding to the market woes, at the turn of the calendar year some macro concerns came back into the fore. Two primary concerns once again roiled global equity markets at that time: renewed concerns over slowing of the Chinese economy and further declines in the price of oil. The resulting tumult created a "risk-off" environment in which investors fled the market and particularly sold high-flying, risky sectors. Additionally, the backdrop of rhetoric emanating from the U.S. Presidential election cycle, in which drug pricing had been a hot button topic, had not dissipated. This perfect storm simply pushed biotechnology stocks even lower.

The resulting environment was extremely difficult for healthcare equities, most notably therapeutic stocks. In the worst period (20 July 2015 to 11 February 2016), the S&P Biotech ETF (XBI) was down 45% and the NASDAQ Biotechnology Index (NBI) was down 34% (both in sterling terms). For the Company's financial year, the XBI fell by 29% and the NBI fell by 22% (both in sterling terms).

The Company's performance for the year ended 31 March 2016 was adversely impacted by these market conditions, given the relative overweight positioning of the portfolio in biotechnology stocks. The net asset value per share total return was -9.0% and the share price total return was -10.5%. This compares to the Company's Benchmark, the MSCI World Healthcare Index, measured on a net total return, sterling adjusted basis, which was -5.4%.

Nevertheless, since the Company's inception in 1995 to 31 March 2016, the total return of the Company's net asset value per share is 2,094.6%, equivalent to a compound annual return of 15.9%. This compares to the blended Benchmark* rise of 924.9%, equivalent to a compound annual return of 11.8%.

*See inside front cover for further information

Contribution to performance

In terms of positive contribution, the most significant contributor in both absolute and relative terms was Osaka-based **Ono Pharmaceutical**. Over the course of the year under review, the company transformed itself from a mid-tier domestic player to one of the largest pharmaceutical companies in Japan. How? The worldwide roll out of the most important cancer drug in over 10 years, Opdivo (nivolumab) has revolutionised how cancer is being treated and how long patients are staying alive.

Opidvo belongs to a new class of agents called immunotherapy in which the body's own immune system is recruited to hunt and destroy tumour cells. Ono's stock started to garner attention after its partner, **Bristol-Myers Squibb** launched Opdivo for melanoma and lung cancer in 2015 in the United States and across Europe. The role-out portended mega block buster status and Ono is the recipient of a (blended) double-digit royalty on end-user sales from those geographies. Meanwhile, the sales opportunity for Ono in Japan alone started to attract investor attention, in particular in lung cancer, which was approved in Japan in December 2015. Patient uptake as reported by the company surprised on the upside early in 2016, suggestive of a blockbuster in Japan alone, sending the stock higher. The result was a share price that essentially doubled in the period (in sterling terms).

One biotechnology company that proved to be immune to the epic sell-off in biotechnology stocks was Swiss-based **Actelion**. Its European domicile helped protect it from the difficult U.S. environment, but solid fundamentals were also critical. The company is a global leader in the treatment of pulmonary arterial hypertension (PAH), a severe lung disease characterised by an increase in blood pressure in the blood vessels of the lung, leading to a series of breathing complications, lung transplantation, and in some cases, death. Actelion's latest offering to patients afflicted with PAH is called Uptravi (selexipag). Uptravi has been shown in clinical trials to reduce significantly the risk of a morbidity/mortality event by 40% versus a placebo in patients with PAH, making it the most efficacious agent ever to be marketed for this disease. A December approval by the U.S. Food and Drug Administration (FDA) and solid launch early in 2016 pushed Actelion's share price to an all-time high by the Company's year-end.

Intuitive Surgical. is the leader in robotic-assisted surgery with the company's da Vinci suite of systems and instrument set solutions. During the period, the company's share price was driven by solid new adoption rates of its "Xi" robotic system, as well as accelerating procedure growth in key new general surgical categories such as hernia repair. Importantly, procedure growth was materially outpacing both company guidance and investor expectations. Lastly, investor concerns had declined over the launch of competing robotic platforms from Medtronic/Covidien and Johnson & Johnson/Google, as early feedback has pointed to less robust systems that will be marketed toward procedure categories in which Intuitive does not currently compete.

The year ended 31 March 2016 saw multiple advances for the coming wave of generic alternatives to biologic therapies, or so called biosimilars. **Celltrion** is a South Korean company that is in the forefront of biosimilars as a leading developer, manufacturer, and marketer. Celltrion's lead monoclonal antibody biosimilar, Remsima (infliximab) – a copy of Johnson &Johnson's Remicade – showed impressive market share penetration in Europe after launching in February 2015. Celltrion also won the backing of an FDA Advisory Committee in February 2016. Finally, global regulators supported the notion of "extrapolation" of Remsima, allowing the drug to be approved across the entire suite of indications for which Remicade is approved, without needing clinical trial data in all of them. This further validated Celltrion's biosimilar pipeline, leading to favorable stock performance in the period.

Jiangsu Hengrui Medicine is a leading Chinese pharmaceutical company with strong drug development and commercialisation capabilities. The launch of the innovative cancer drug apatinib in China and generic cyclophosphamide in the U.S. (via partnership with Sandoz, the generic unit of Novartis) significantly accelerated Hengrui's profit growth from 20% in 2014 to over 40% in 2015. Upwards earnings revisions and multiple expansion as a result of investors' appreciation of the company's growth potential and value of its pipeline assets drove the outperformance of the stock.

Negative contribution to the portfolio came from two significant sources: (1) overweight positioning in biotechnology stocks; and (2) individual stocks with unexpected negative news flow.

Our fundamental view on the outlook for biotechnology shares was positive through the reported period and remains positive today. A mix of innovation, new product launches, growth, valuation, and merger and acquisition (M&A) supports our view. Political rhetoric was largely to blame for the biotechnology sector difficulties, rather than a shift of fundamentals, thus we believe our prominent overweight of this sector is justified. Nevertheless, this positioning yielded negative contribution of over 6.5% in absolute terms and over 4.0% relative to the benchmark.

In terms of single stocks, the largest single detractor was **Fluidigm**, a life sciences company enabling genomics research in the expanding single cell analysis market (the chemical analysis of the contents of a cell). At an industry conference early last year, management introduced multiple new products to further solidify its footprint in the growing single cell market. The new product launches were to layer over an existing product base, affirming investors' view that Fluidigm was indeed a solid growth stock. However, execution of their new product launches was poor due to a lack of management experience in large scale commercialisation and misunderstanding of the product cycle. The company subsequently had to revise expectations lower numerous times once their new product launches disappointed and existing product sales lagged.

The global large capitalisation biotechnology company, **Biogen**, began the year on a high. The company had presented impressive data, albeit early, for their novel antibody, aducanumab, for the treatment of Alzheimer's disease. The data showed preliminary evidence that aducanumab could be disease modifying. Such potential would be transformative for patients inflicted with this insufferable disease. However, an additional data set was released in July 2015, creating some doubt about the compound's efficacy, causing the stock to fall.

Portfolio Manager's Review

continued

Moreover, safety concerns over rare adverse events for the company's flagship drug for the treatment of multiple sclerosis, Tecfidera (dimethyl fumarate), arose in 2015. Price erosion in Europe for Tecfidera also impacted sales. These events prompted the company to significantly lower financial guidance for 2015. Unfortunately, this announcement came only two days after the aducanumab update, causing the share price to spiral downward and the further general sell-off in biotechnology stocks never allowed for a recovery in the stock.

Shares in the Swiss global pharmaceutical giant, **Novartis**, underperformed after the company experienced two key missteps. First, the launch of their novel chronic heart failure drug, Entresto (sacubitril/valsartan), failed to take off as expected in the second half of the calendar year 2015. Second, revenues from the company's ophthalmology unit, Alcon, unexpectedly faltered late in 2015. These problems persisted throughout the reported period and the share price subsequently underperformed.

Shares of **Bluebird Bio**, a leading gene therapy company focused on genetic blood disorders, also came under pressure during the fiscal year. Bluebird had presented early data showing promising results in patients with beta thalassemia and sickle cell disease. However, the stock started sliding lower in August 2015 with the Initial Public Offering (IPO) of a competing biotechnology company developing an oral treatment for sickle cell disease that would compete directly with Bluebird's gene therapy approach. In December 2015, Bluebird stock fell when they presented updated data at a major haematology medical meeting showing disappointing data in sickle cell disease and a particularly severe form of beta thalassemia. While the gene therapy approach still appears sound, it looks like second-generation modifications to the process will be required to increase the success rates of the treatment.

In addition to being affected by difficult market conditions, shares in the emerging biotechnology company, **Portola Pharmaceuticals**, fell sharply after the company's lead pipeline product, betrixaban for the treatment of blood clots, failed in a late stage clinical trial. This unexpected event occurred right before the Company's year-end, resulting in a share price that sank over 60% (in U.S. $ terms) in the first three months of 2016.

The outlook for the various healthcare sub sectors can be found in the following pages.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager

14 June 2016

Contribution by investment

Principal contributors to and detractors from net asset value performance

Top five contributors	Contribution for the year to 31 March 2016 £'000	Contribution per share (pence) *
Ono Pharmaceutical	26,111	54.6
Actelion	5,639	11.8
Intuitive Surgical	5,504	11.5
Celltrion	5,188	10.9
Jiangsu Hengrui Medicine	4,861	10.2
	47,303	**99.0**

Top five detractors		
Fluidigm	(15,792)	(33.0)
Biogen	(15,423)	(32.3)
Novartis	(10,971)	(23.0)
Bluebird Bio	(9,292)	(19.4)
Portola Pharmaceuticals	(7,511)	(15.7)
	(58,989)	**(123.4)**

* based on 47,800,223 being the weighted average number of shares in issue during the year ended 31 March 2016.

Sector Outlook

Large capitalisation pharmaceuticals

Global large capitalisation pharmaceutical stocks were not immune to the healthcare sector issues that became the hallmark of the past year. While the re-rating was less severe than their biotechnology counterparts, the effect was significant. Looking ahead, while we do not want to completely ignore the continued rhetoric coming from the U.S. Presidential election cycle on U.S. pricing, we firmly believe that there will not be any notable adverse impact on the fundamentals of these companies, in particular revenues and earnings.

Nevertheless, large capitalisation pharmaceutical companies have been dealing with real price pressure in the U.S. market in recent years. First, Managed Care has become very experienced in selecting therapeutic categories where there is plenty of competition – respiratory, diabetes, hepatitis C – just to name a few. Second, rebating has increased and net prices have come down in these areas. In addition, patent expirations and generic entry in which volumes and prices for the branded incumbent now drop over 90% within a month of generic availability. Therefore, while not directly legislated for, *per se*, free market pressures have contributed to price containment in the U.S.

These companies now all acknowledge the same thing – only novel drugs that are truly are innovative and satisfy a unmet medical need get premium pricing, and more importantly, reimbursement in the U.S. Market efficiencies in the private sector have provided the appropriate checks and balances for pricing.

Discovering, developing and launching truly innovative products on a large enough scale while navigating patent losses is not easy. We therefore remain selective, targeting only companies with deep pipelines, transformative optionality, and management teams who understand the climate in which they are operating.

Specialty pharmaceuticals

Pricing concerns, triggered by the actions of Turing Pharma, Valeant and other "bad actors", have stifled performance of most stocks in this sector. Although this universe is heterogeneous, consisting of a diverse group of branded companies with varied business models and areas of focus, heightened fears have resulted in investors drawing the incorrect conclusion that these companies are similarly troubled. As a result, better-positioned players may have to demonstrate solid operating performance for several consecutive quarters to re-gain investors' confidence.

We believe patience will be rewarded as stronger operators separate from the pack and outperform their disadvantaged peers in the coming fiscal year and beyond. In Europe, we remain very selective, however, improving economic trends, new launch cycles, and increased merger and acquisition (M&A) activity makes us a little more positive. We expect M&A to remain a dominant theme, especially with recent sector devaluation, as players continue to pursue creative business combinations driven by potential revenue, operating and tax synergies.

Generic pharmaceuticals

Investors' concern about pricing dynamics within the U.S. generic drug market has reached fever pitch, driving notable underperformance and significant devaluations for most stocks in this sector. Continued consolidation within the pharmacy and wholesaler/distributor channels is a major reason for the heightened fears, as it has shifted the balance of power resulting in moderate generic pricing erosion in some generic product areas (oral solid, injectable) and more severe contraction in others (topicals, narcotics/opioids).

In the U.S., generic companies may have to demonstrate solid operating performance for several consecutive quarters to reignite investors' interest in the space. In Europe, generic utilisation is increasing in most major regions, but market conditions, in general, remain concerning due to weak pricing. Throughout Asia, economic expansion, favourable demographics, supportive governmental policies, and other contributing factors continue to drive robust generic utilisation in some regions. In Japan, while some low hanging fruit has already been picked, the secular trend remains strong as the government continues to legislate in favor of increased generic utilisation to help thwart rising healthcare costs there.

We still favour generic players with growing, diversified, branded franchises bolstered by focused, franchise-extending, proprietary pipelines. Further consolidation of the generic industry is likely and we believe some of the small and mid-sized U.S. based companies are attractive targets.

Large capitalisation biotechnology

The large capitalisation biotechnology sector experienced weakness beginning in the summer of 2015 due to investor fears over the sustainability of drug pricing in the U.S. A broad-based sector sell-off was caused by election year rhetoric about the need for stronger government policies to control drug price inflation. We believe these drug pricing proposals are unlikely to become reality given a Republican-controlled Congress, but the news headlines negatively affected sentiment for the sector. Additionally, the blockbuster product launches in the past few years that have

Sector Outlook

continued

driven earnings growth for large capitalisation biotechnology companies have entered a more mature phase in their growth trajectory, so earnings growth has moderated. However, price earnings (P/E) valuations for large capitalisation biotechnology companies, which are normally higher than the S&P 500 Index, have now dipped below that market index. We continue to believe valuations are compelling and expect strong double-digit growth for the sector.

Despite the recent sentiment-driven falls in the sector, industry fundamentals for biotechnology remain strong. Innovation continues to be robust, with a number of key data readouts for potential blockbuster drugs expected in 2016 in areas such as migraine, multiple sclerosis, and cardiovascular disease. The regulatory environment at the FDA remains favorable for the approval of new drugs. We would also expect M&A activity to accelerate with the recent fall in valuations, as larger companies continue to seek smaller companies with innovative assets. New product launches, favourable pipeline developments, and M&A should allow the large capitalisation biotechnology companies to maintain their steady earnings growth. As the election year rhetoric on drug pricing subsides, we would expect sector valuations to recover.

Emerging biotechnology

After years of outperformance, the emerging biotechnology sector finally took a breather this year. Macro concerns coupled with sector specific risks such as drug pricing concerns drove the underperformance of the sector, regardless of market capitalisation. We believe that pricing overhang will eventually be lifted and remain confident that unmet medical needs are still abundant for an aging population in the major markets. Innovations in the forms of novel drugs and cutting-edge technologies should continue to serve the unmet medical needs and benefit biotechnology companies.

Looking forward to the coming year, clinical catalysts in orphan diseases such as cystic fibrosis, sickle cell disease, haemophilia and rare autoimmune diseases, as well as in oncology and age-related macular degeneration, could drive outperformance in quite a few portfolio names. In addition, positive clinical/regulatory news in emerging biotechnology companies could reinvigorate M&A activity in the sector, especially with many stocks now trading at attractive valuations.

Amid increased volatility in the biotechnology sector, we continue to only invest in high conviction names which have near to medium-term catalysts.

Medical devices

Our collective view on the Medical Devices sector is notably more positive than at any point in the past several years. Fundamentals in the sector, and consequently investor interest, have significantly rebounded in recent months, primarily driven by several sizable new product cycles, overall moderate growth in legacy and market volumes, and pricing stabilisation. This is more uniformly true amongst the large capitalisation firms in the space which has also been the area of our increased investment. The small capitalisation firms are, by definition, a more diversified and niche group of companies whose overall performance has lagged.

Despite the fundamental changes to the industry, our stock selection framework remains consistent. We focus on: (1) innovation in the form of new product cycles that drive emerging therapeutic categories or disrupt legacy therapies; and (2) business right-sizing in the form of strong cost controls and subsequent margin expansion. Within product cycles, areas of significant investor interest include transcatheter heart valves, surgical robotics, left atrial appendage closure devices, drug coated balloons and bioabsorbable polymer coated drug eluting stents, which are all tracking above investor expectations. On the cost control side, companies in the process of recovering from years of mismanagement (such as **Boston Scientific**) or that are in the midst of recognising synergies from previously completed acquisitions (such as Zimmer Holdings) remain key areas of focus for us.

Lastly, while valuations have increased for the sector, we think this is more than supported by the improved fundamental picture. 2016 guidance across the sector remains conservative, especially given robust first quarter results, currency tailwinds, and the removal of the Medical Device excise tax in the United States. We see a high likelihood of upward revisions to guidance and consensus estimates through the balance of the year.

Healthcare services

Investors refocused on industry fundamentals after the Supreme Court upheld the Affordable Care Act – a.k.a. Obamacare – for a second time in June 2015. Hospital stocks subsequently underperformed as Obamacare headwinds began to reappear and fears around recession risk and high yield market stress percolated. Looking forward, we are bullish on the sector. Hospital stocks are undervalued based on historical positive correlations between volume growth in a stable economy versus stock valuation, and we prefer companies with relatively lower leverage so that capital deployment can support growth. In addition, there is upside if it becomes increasingly clear that Democrat Hillary Clinton will win the U.S. Presidential election in November 2016, because more states would likely expand Medicaid eligibility under Obamacare. A Republican victory led by political newcomer Donald Trump would create some headline risk, but his actual healthcare policies remain less clear.

Within managed care, industry consolidation has been the theme as companies seek to scale up to operate more efficiently in an increasingly regulated environment. We believe proposed mergers between Aetna/Humana and Anthem/CIGNA are more likely than not to be approved, especially Aetna/Humana based on our case study analysis of past Medicare transactions where anti-trust concerns were successfully resolved by divesting local contracts. Meanwhile, we remain positive on Medicaid HMOs (Health Maintenance Organisation) that are benefiting from structural growth tailwinds as states transition Medicaid populations to managed care (from unmanaged fee for service), in order to save money and improve care quality. We used the proceeds from Health Net, which was acquired by Centene, to maintain exposure to Medicaid.

Life science tools/diagnostics

Looking back at the Company's last financial year, macro themes and product cycles dominated sentiment in the life science tools/diagnostic sector. On the macro front, the unprecedented strengthening of the U.S. dollar relative to currencies of both emerging and other developed markets tampered growth. Coupled with the volatility in the currency markets, trepidation about growth in China also caused volatility in stock prices throughout the course of the year, leading to adjustments in expectations. On the micro front, disappointing product cycles in genomics caused severe multiple contractions in small capitalisation life sciences and diagnostics companies.

Looking forward, macro concerns relating to currency are abating, as currency headwinds look to be less severe than feared. Also, commentaries from the companies with significant exposure in China with "feet-on-the-ground" indicate that the life sciences industry is as healthy and buoyant as before, despite headline concerns.

As leverage in the balance sheets of consolidators nears healthy levels, M&A and additional capital deployment strategies will once again dominate the sector. The industry remains fragmented with scale and geographic footprint being the driving force for further consolidation in the sector. We prefer companies with balance sheet flexibility and operating margin expansion opportunities. We remain cautious on companies with significant exposure to reimbursement.

Emerging markets

Despite the economic, currency, and market volatility associated with emerging markets, we continue to believe that healthcare investment in emerging markets is a good long-term, secular play. Our investment thesis has multiple themes. We believe that aging populations, rising income levels, and increasing healthcare spending as a percentage of GDP are the three key drivers underpinning the growth of healthcare markets in these regions for the next few decades. In addition, we are seeing early signs that suggest drug research and development (R&D) innovation could emerge as a new growth driver in a time horizon that is much sooner than our previous expectations.

We are on the ground getting a first-hand understanding of policy and industry macro trends in each of the subsectors, including drugs, medtech, and healthcare services. We heavily rely on our fundamental analysis of specific companies to pick long-term winners with competitive positioning in their respective subsector and a solid management team. We carefully construct our portfolio to manage volatility typically associated with emerging market stocks as well as specific industry risks, such as pricing pressure, insurance reimbursement, and healthcare spending control.

As we move into the next fiscal year, we expect to observe a substantial consolidation trend in China among pharmaceutical manufactures, as the government starts to implement dramatically more stringent regulatory and quality requirements on generic drugs. A similar consolidation trend could also be observed for distributors in the country, as a result of the "two invoices" system that is being pushed by the government. As such, we are positively biased towards large established players in each sub sector as we believe it will likely be a "winner takes all" situation. We combine our conviction in macro trends with our fundamental research on specific companies, and favour companies with strong product development capability and commercial channels. Your portfolio does include emerging biotechnology companies with exceptional product pipeline, despite their likely smaller size compared to their established peers. We continue to avoid mass generic companies in China as we believe pricing pressure and regulatory requirements could exacerbate the competitive environment for these companies.

We continue to like private hospital stocks in China and in the South East Asia region, driven by favourable government policy initiatives and early growth stage of the industry. We also expect industry consolidation and M&A activities in emerging markets to continue to play out for our picks in both acquirers and acquisition targets.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager

14 June 2016

Business Review

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review.

Structure and objective of the company

Worldwide Healthcare Trust PLC is an investment trust and has a premium listing on the London Stock Exchange. Its investment objective is set out on page 5. In seeking to achieve this objective, the Company employs Frostrow Capital LLP (Frostrow) as its Alternative Investment Fund Manager (AIFM), OrbiMed Capital LLC (OrbiMed) as its Portfolio Manager, J.P. Morgan Europe Limited as its Depositary and J.P. Morgan Clearing Corp. as its Prime Broker and Custodian. Further details about their appointments can be found in the Report of the Directors on pages 25 and 26. The Board has determined an investment policy and related guidelines and limits, as described on page 5.

The Company is subject to UK and European legislation and regulations including UK company law, UK GAAP, the UK Listing, Prospectus, Disclosure and Transparency Rules, taxation law and the Company's own Articles of Association.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010). As a result the Company is not liable for taxation on capital gains. The Directors have no reason to believe that approval will not continue to be retained.

The Board

The Board of the Company comprises Sir Martin Smith (Chairman), Sarah Bates, Jo Dixon, Dr David Holbrook, Samuel D. Isaly, Doug McCutcheon and Humphrey van der Klugt. All of these Directors served throughout the year (with the exception of Humphrey van der Klugt) 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 and leverage 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 5 and 6, along with details of the gearing and leverage 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 29 to 36, 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. KPI metrics, 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 5 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 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 is contained in the Portfolio Manager's Review commencing on page 11 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), the Prime Broker J.P. Morgan Clearing Corp., and the Depositary, J.P. Morgan Europe Limited. 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)

Frostrow under the terms of its AIFM agreement with the Company provides, *inter alia*, the following services:

- oversight of the portfolio management function delegated to OrbiMed Capital LLC;
- investment portfolio administration and valuation;
- risk management services;
- marketing and shareholder services;
- share price discount and premium management;
- administrative and secretarial services;
- advice and guidance in respect of corporate governance requirements;
- maintains the Company's accounting records;
- maintenance of the Company's website;
- preparation and dispatch of annual and half year reports and monthly Fact Sheets; and
- ensuring compliance with applicable legal and regulatory requirements.

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 on page 25.

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 receives a base fee of 0.65% of NAV and a performance fee of 15% of outperformance against the Benchmark as detailed on page 25.

Depositary and Prime Broker

J.P. Morgan Europe Limited acts as the Company's Depositary and J.P. Morgan Clearing Corp as its Prime Broker.

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 pages 25 and 26.

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 pages 25 and 26. 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;

Business Review

continued

- provision of an overdraft facility. Assets up 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.

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 & 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 March 2016 with a positive 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 25 and 26, 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 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 long-term performance of the portfolio in absolute terms and by reference to the Benchmark.

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 and/or mitigate these risks. The risks can be categorised under the following broad headings:

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

Further information on the internal control and the risk management framework can be found below and information on the use of financial instruments and their associated risks, including exposures to market risk and counterparty risk can be found in note 16 beginning on page 61.

The following section details the risks the Board consider to be the most significant to the Company.

Market risks

By the nature of its activities and Investment Objective, the Company's portfolio is exposed to fluctuations in market prices (from both individual security prices and foreign exchange rates) and due to exposure to the global healthcare sector, it is expected to have higher volatility than the wider market. As such investors should be aware that by investing in the Company they are exposing themselves to market risks and those additional risks specific to the sectors in which the Company invests, such as political interference in drug pricing. In addition, the Company uses leverage (both through derivatives and gearing) the effect of which is to amplify the gains or losses the Company experiences.

To manage these risks the Board and the AIFM have appointed OrbiMed to manage the investment portfolio within the remit of the investment objective and policy, and imposed various limits and guidelines , set out on pages 5 and 6. These limits ensure that the portfolio is diversified, reducing the risks associated with individual stocks, and that the maximum exposure (through derivatives and an overdraft facility) is limited. 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 16 beginning on page 61).

The Company does not currently hedge its currency exposure.

Investment management key person risk

There is a risk that the individuals responsible for managing the Company's portfolio may leave their employment or may be prevented from undertaking their duties.

The Board manage this risk by:

- appointing OrbiMed, who operate a team environment such that the loss of any individual should not impact on service levels;
- receiving reports from OrbiMed at each Board meeting, such report includes any significant changes in the make-up of the team supporting the Company;
- meeting the wider team, outside the designated lead manager, at OrbiMed's offices and encouraging the participation of the wider OrbiMed team in investor updates; and
- delegating to the Management Engagement & Remuneration Committee, responsibility to perform an annual review of the service received from OrbiMed, including, *inter alia*, the team supporting the lead manager and succession planning.

Counterparty risk

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 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 benefit from the ownership of those assets it does not hold any of the rights associated with those assets. The Company is afforded protection in accordance with SEC rules and U.S. legislation equal to the value of the assets that have been rehypothecated.

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 16 on page 61);
- 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.

Service provider risk

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 risk

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;
- discusses at each Board meeting 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.

Business Review

continued

Company promotion

The Company has appointed Frostrow to provide marketing and investor relations 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 videos and social media.

Disseminating key Company information: Frostrow performs the Investor Relations function on behalf of the Company and manages the investor database. Frostrow produces all key corporate documents, distributes monthly Fact Sheets, 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 69). 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 27.

Social, economic and environmental matters

The Directors, through the Company's Portfolio Manager, encourage companies in which investments are made to adhere to best practice with regard to corporate governance. In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy.

The Company recognises that social and environmental issues can have an effect on some of its investee companies.

The Company is an investment trust and so its own direct environmental impact is minimal. The Board of Directors consists of seven Directors, five of whom are resident in the UK, one is resident in the U.S. and one in Canada. The Board holds the majority of its regular meetings in the United Kingdom, with one meeting held each year in New York, and has a policy that travel, as far as possible, is minimal, thereby minimising the Company's greenhouse gas emissions. Further details concerning greenhouse gas emissions can be found within the Report of the Directors on page 27.

Board diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important as it helps to bring a range of skills and experience to the Board. A skills audit was carried out by the Nominations Committee during the year which concluded that the Board was equipped with the necessary skills and experience required for the sound stewardship of the Company and to enable the Directors to hold meaningful debates at its meetings. There are currently five male and two female Directors on the Board. Full details of the skills and experience of the Directors can be found on pages 23 and 24.

Long term viability

The Board has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks and uncertainties which have been identified, and the steps taken by the Board to mitigate these as far as possible, are shown on pages 19 to 20 of this annual report.

The Board believes it is appropriate to assess the Company's viability over a five year period. This period is also deemed appropriate due to our Portfolio Manager's long-term investment horizon and also what we believe to be investors' horizons, taking account of the Company's current position and the potential impact of the principal risks and uncertainties as shown on page 19 to 20 of this annual report.

The Directors also took into account the liquidity of the portfolio when considering the viability of the Company over the next five years and its ability to meet liabilities as they fall due. In addition, the Board noted that shareholders have an opportunity to vote on the continuation of the Company every five years; a resolution regarding the continuance of the Company will next be put to shareholders at the Annual General Meeting to be held in 2019.

The Directors do not expect there to be any significant change in the principal risks that have been identified or the adequacy of the mitigating controls in place, and do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. The Directors believe that only a substantial financial crisis affecting the global economy could have an impact on this assessment.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five year period.

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 and 4 and the Portfolio Manager's Review on pages 11 to 13.

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

By order of the Board
Frostrow Capital LLP
Company Secretary

14 June 2016

Board of Directors

Sir Martin Smith Chairman

A Director since 2007
Last reappointed to the Board: 2015
Remuneration: £43,200

Sir Martin Smith 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 and business interests, including being Chairman of GP Bullhound, and a directorship with Oxford Capital Partners.

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, the Glyndebourne Arts Trust and the Science Museum Foundation. He has chaired the English National Opera and is a Governor of the Ditchley Foundation.

Shareholding in the Company: 11,871 (Beneficial)
2,725 (Trustee)

Sarah Bates

A Director since 2013
Last reappointed to the Board: 2015
Remuneration: £27,300

Sarah Bates 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 U and I Group 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. She attended Cambridge University and has an MBA from London Business School.

Shareholding in the Company: 7,200

Jo Dixon

A Director since 2004
Last reappointed to the Board: 2015
Remuneration: £33,450

Jo Dixon is Chairman of the Audit Committee and is 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 and F&C Global Smaller Companies 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.

Shareholding in the Company: 3,859

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 2015/16	Board (4)	Audit Committee (2)	Nominations Committee (2)	Management Engagement & Remuneration Committee (1)
Sir Martin Smith*	4	1	2	1
Sarah Bates	4	2	2	1
Jo Dixon	4	2	2	1
Dr David Holbrook	4	2	2	1
Samuel D. Isaly	4	–	–	–
Humphrey van der Klugt**	1	–	1	1
Doug McCutcheon	4	2	2	1

*Sir Martin Smith ceased to be a member of the Audit Committee with effect from 4 June 2015

** Appointed 15 February 2016

All of the serving Directors attended the Annual General Meeting held on 24 September 2015.

Dr David Holbrook

A Director since 2007
Last reappointed to the Board: 2015
Remuneration: £27,300

Dr David Holbrook is Chairman of the Nominations Committee. He is a qualified physician and a Venture Partner at 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.

Shareholding in the Company:
1,094

Samuel D. Isaly

A Director since 1995
Last reappointed to the Board: 2015
Remuneration: £27,300

Sam Isaly 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.

Shareholding in the Company:
3,600

Humphrey van der Klugt

A Director since 2016
Last reappointed to the Board: N/A
Remuneration: £27,300

Humphrey van der Klugt is a Director of JPM Claverhouse Investment Trust plc and Allianz Technology Trust PLC. He was formerly Chairman of Fidelity European Values PLC and a Director of Murray Income Trust PLC and BlackRock Commodities Income Investment Trust plc. Prior to this Humphrey was a fund manager and Director of Schroder Investment Management Limited and in a 22 year career was a member of their Group Investment and Asset Allocation Committees. Prior to joining Schroders, he was with Peat Marwick Mitchell & Co (now KPMG) where he qualified as a Chartered Accountant in 1979.

Shareholding in the Company:
1,500

Doug McCutcheon

A Director since 2012
Last reappointed to the Board: 2015
Remuneration: £27,300

Doug McCutcheon is Chairman of the Management Engagement & Remuneration Committee. He 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.

Shareholding in the Company:
15,000

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 2016.

Significant agreements

Details of the services provided under these agreements are included in the Strategic Report on page 18.

Alternative Investment Fund Management agreement

As described on page 18, Frostrow is 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").

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

Frostrow charge a variable base fee, which is dependent on the size of the Company (further details can be found on page 18) and a performance fee of 1.5% of outperformance against the Benchmark as set out below.

Portfolio management agreement

Under the AIFM Agreement Frostrow has delegated the portfolio management function to OrbiMed, under a portfolio management agreement between it, the Company and Frostrow (the "Portfolio Management Agreement").

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 fee

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 inside front cover for details of the Benchmark).

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.

No provision for potential future performance fee payments has been made as at 31 March 2016. As at 31 March 2015 a provision of £16.7m had been made, of which £11.2m became payable due to continued cumulative outperformance in the three quarters to 31 December 2015. Following underperformance in the quarter to 31 March 2016, £5.5m of the provision was reversed as shown in note 3 on page 55.

The maximum amount that could become payable by 31 March 2017, in the event that the last quarter's underperformance is reversed and outperformance achieved is £12.8m.

Depositary agreement

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

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 20 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 12 on page 60.

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

Continuation of the Company

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 from reserves are shown on pages 49 to 51. Details of the Company's dividend record can be found on page 2.

Substantial interests in share capital

The Company was aware of the following substantial interests in the voting rights of the Company as at 31 May 2016, the latest practicable date before publication of the Annual Report:

	31 May 2016		31 March 2016	
Shareholder	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Investec Wealth & Investment Limited	5,733,954	11.99	5,786,468	12.2
Alliance Trust Savings Limited	2,569,041	5.4	2,427,415	5.1
Rathbone Brothers plc	2,544,547	5.3	2,544,522	5.3
Speirs & Jeffrey Limited	1,928,470	4.0	1,901,313	4.0
Charles Stanley & Co Limited	1,901,814	4.0	1,935,289	4.1
Hargreaves Lansdown plc	1,789,724	3.7	1,840,622	3.9
Brewin Dolphin Limited	1,660,065	3.5	1,689,964	3.6
Quilter Cheviot Limited	1,600,375	3.4	1,592,602	3.4

As at 31 March 2016 the Company had 47,640,045 shares in issue (excluding 198,975 shares held in treasury). As at 31 May 2016 the Company had 47,308,593 shares in issue (excluding 530,427 shares held in treasury).

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.

Directors' & officers' liability insurance cover

Directors' & officers' liability insurance cover was maintained by the Company during the year ended 31 March 2016. It is intended that this policy will continue for the year ending 31 March 2017 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.

Report of the Directors

continued

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.

Capital structure

The Company's capital structure is composed solely of Ordinary Shares.

Ordinary shares

During the year under review, 794,867 Ordinary Shares were bought back by the Company to be held in treasury at an average discount of 6.5% to the prevailing diluted ex income NAV per share. A total of 256,832 shares were then reissued from treasury during the year at an average discount of 2.9% to the prevailing diluted ex income NAV per share at the time of issue, resulting in a net gain to the Company of £66,000.

339,060 Ordinary Shares held in treasury were cancelled by the Company on 24 September 2015.

Since the year end 615,099 Ordinary Shares were bought back into treasury at an average discount of 7.2% to the prevailing ex income NAV per share.

Voting rights in the Company's ordinary shares

Details of the voting rights in the Company's ordinary shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 76.

Political and charitable donations

The Company has not in the past and does not intend in the future to make political or charitable donations.

Global 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 Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), including those within our underlying investment portfolio.

Corporate governance

The Corporate Governance Statement set out on pages 29 to 36 forms part of the Report of the Directors.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

By order of the Board

Frostrow Capital LLP

Company Secretary

14 June 2016

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 2016;
- 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

14 June 2016

Corporate Governance

The Directors are accountable to shareholders for the governance of the Company's affairs. The UK Listing Rules require all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the 'UK Code') issued by the Financial Reporting Council (the 'FRC'). The UK Code can be viewed at www.frc.org.uk.

The Association of Investment Companies ('AIC') publishes a Code of Corporate Governance ('AIC Code') and a Corporate Governance Guide for Investment Companies ('AIC Guide'). In March 2015 the AIC published a revised AIC Code and AIC Guide to reflect changes made to the UK Code in September 2014.

The Financial Reporting Council has confirmed that by following the AIC Code and the AIC Guide, boards of investment companies will meet their obligations in relation to the UK Code and paragraph 9.8.6 of the UK Listing Rules.

The AIC Code and AIC Guide address the principles set out in the UK Code as well as additional principles and recommendations on issues that are specific to investment trusts. The AIC Code can be viewed at www.theaic.co.uk.

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 follows:

The UK Corporate Governance Code includes certain provisions relating to:

- directors' tenure
- the roles 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 30, and the need for an internal audit function which is addressed further on page 37, the Company has not reported further in respect of these provisions.

The Board attaches great importance to the matters contained in the AIC Code and observed the relevant requirements throughout the year under review.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Guide and the Board believes that the Company's current practices are consistent in all material respects with the principles of the AIC Code. Where non-compliance occurs, an explanation has been provided. The Board will continue to observe the principles and recommendations set out in the AIC Code in future.

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 the AIFM and the 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 seven 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.
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. Jo Dixon will be retiring from the Board and will therefore not be seeking re-election at this year's Annual General Meeting. Humphrey van der Klugt joined the Board on 15 February 2015. Accordingly, his appointment will be proposed to shareholders for ratification at the Annual General Meeting to be held in September 2016.
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 appointment which are available for inspection on request at the office of the Company's AIFM and at the Annual General Meeting.

Corporate Governance

continued

AIC Code Principle	Compliance Statement
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 Board's Committees and their composition are set out on page 35 of this annual report.
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. Following a skills audit carried out during the year it was agreed that the Board was equipped with the necessary skills and experience required for the sound stewardship of the Company and to enable the Directors to hold meaningful debates at its meetings. 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 internally by the Directors. An independent external review will be carried out in 2018. The Board is satisfied that its structure and mix of skills, experience, independence, knowledge and diversity continue to be effective and relevant for the Company.
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 to 42. Individual Directors take no part in discussions regarding their 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. Details of the Board's commitment to Diversity are set out on page 22. As part of the process to appoint Humphrey van der Klugt the Board engaged the services of a specialist recruitment consultant, Trust Associates. Trust Associates prepared a list of potential candidates for consideration by a sub-committee appointed by the Nominations Committee. A short list was then arrived at, the candidates were interviewed and Humphrey van der Klugt was subsequently appointed. Trust Associates has no other connection with the Company.

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 Frostrow and OrbiMed	
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.

Corporate Governance

continued

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 37 to 39.
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 agreed detailed guidelines and limits with the AIFM and the Portfolio Manager, which are considered at each Board meeting. Representatives 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 Proxy Voting and Class Action Policy which includes its Corporate Governance and Voting Guidelines. 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 21.
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.

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 page 21. 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 Auditor, 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 17. 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 19 and 20 and in note 16 beginning on page 61. The Portfolio is listed on pages 7 to 9. 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.

Corporate Governance

continued

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

Five additional non-executive Directors, all considered independent except for Samuel D. Isaly, as noted on page 30.

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
Doug McCutcheon

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 Directors Remuneration Policy of the Company.

Audit Committee

Chairman
Jo Dixon

All Independent Directors (excluding the Chairman, Sir Martin Smith)

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
Dr David Holbrook

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 ensures that its service providers apply the same standards 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 page 20.

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

14 June 2016

Audit Committee Report

The Audit Committee, which comprises those Directors considered to be independent by the Board, met twice 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. During the year it was agreed that Sir Martin Smith, the Chairman of the Company, should not be a member of the Audit Committee.

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 38.
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 £10,500 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.

Financial statements

The financial statements, and the annual report as a whole, are the responsibility of the Board. The Statement of Directors' Responsibilities is contained on page 28. The Board looks to the Audit Committee to advise them in relation to the financial statements both as regards their form and content, issues which might arise and on any specific areas requiring judgement.

Although the Committee did not identify any significant issues as part of its review of the annual financial statements, it paid particular attention to the following:

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;
- 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.

Adoption of new UK GAAP and Corporate Governance Code

As set out on page 52, the Company adopted FRS 102 during the year. The Committee dealt with this by:

- arranging for all Directors to be briefed by the Company's auditors on the changes made to UK GAAP and the expected impact on the Company; and
- reviewing a report prepared by Frostrow of the changes to be made to the Annual Report.

In addition as set out on page 22, under the 2014 UK Corporate Governance Code, the Company is now required to publish a viability statement. The Committee discussed the length of time that the viability statement should cover for the Company, given its nature, the investment approach taken by its Investment Manager, the principal risks facing the Company and the ability of the Company to cover its costs and meet its liabilities as they fall due. Based on these discussions the Committee recommended the statement cover a period of five years.

Internal controls and risk management

As set out on page 19 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.

Policy on non-audit services

The provision of non-audit services by the Company's auditor is considered and approved by the Audit Committee on a case by case basis. The policy set by the Audit Committee, which is kept under review, ensures that consideration is given to the following factors when considering the provision of non-audit services by the auditor:

- the level of non-audit fees paid to the audit firm in relation to the statutory audit fee;
- whether the audit firm is the most suitable supplier of non-audit services;
- the impact on the auditor's independence and objectivity and what safeguards can be put in place to eliminate or reduce any threat in this regard; and
- the cost-effectiveness of the services.

The Board has determined that the auditor will not be considered for the provision of services related to accounting and preparation of the financial statements; the design, implementation and operation of information systems; internal control functions; tax advice; and legal, broker, investment adviser or investment banking services. With effect from 1 April 2016, the cost of non-audit services provided by the Company's auditor is subject to a cap of 70% of the average statutory audit fees over the previous three years.

Auditor

Following a tender process undertaken by the Audit Committee, PwC were appointed as auditor of the Company commencing with the 2014/15 financial year (date of appointment 14 July 2014). In accordance with EU regulation on auditor rotation and FRC guidance on audit tendering the Company will be required to put its audit contract out to tender at least every 10 years.

Audit Committee Report

continued

PwC has carried out the audit for the year ended 31 March 2016 and were considered to be independent by the Board. PwC have indicated their willingness to continue to act as Auditor to the Company for the forthcoming year and a resolution for their re-appointment will be processed at the forthcoming Annual General Meeting.

Audit Committee confirmation

The Audit Committee confirms that it has 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 14 June 2016. This procedure is regularly reviewed by the Board; and

(b) It is responsible (on behalf of the Board) 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

14 June 2016

Directors' Remuneration Report

Statement from the Chairman of the Management Engagement & Remuneration Committee

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. A non-binding 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 43 to 48.

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 Directors' 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 Directors' Remuneration Report was put to shareholders at the Annual General Meeting of the Company held on 24 September 2015, 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 Directors' 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 binding resolution to approve the Directors' Remuneration Policy was put to shareholders at the last Annual General Meeting held in 2014, and was passed by 97.1% of shareholders voting on the resolution. The aforementioned Directors' 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 Directors' Remuneration Policy is varied in which case shareholder approval for the new Directors' 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 17 March 2016 it was agreed that the Directors' fees would be, with effect from 1 April 2016, 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 £43,650 and £33,800, respectively. Sarah Bates, Dr David Holbrook, Samuel D. Isaly, Humphrey van der Klugt and Doug McCutcheon will each receive an annual fee of £27,570.

The Directors, as at the date of this report, all served throughout the year, except for Humphrey van der Klugt. The table overleaf excludes any employer's national insurance contributions, if applicable.

The Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

In certain circumstances, under HMRC rules travel and other out of pocket expenses reimbursed to the Directors may be considered as taxable benefits. Where expenses are classed as taxable under HMRC guidance, they are shown in the taxable expenses column of the Directors' remuneration table along with the associated tax liability.

Directors' Remuneration Report

continued

Directors' emoluments for the year (audited)

	Date of Appointment to the Board	Fixed Fees 2016 £	Taxable Expenses+ 2016 £	Total Remuneration 2016 £	Fixed Fees 2015 £	Taxable Expenses+ 2015 £	Total Remuneration 2015 £
Sir Martin Smith	8 November 2007	43,200	781	43,981	41,100	881	41,981
Jo Dixon	25 February 2004	33,450	2,298	35,748	39,800	3,293	43,093
Sarah Bates	22 May 2013	27,300	–	27,300	26,000	55	26,055
Dr David Holbrook	8 November 2007	27,300	125	27,425	26,000	1,272	27,272
Samuel D. Isaly	14 February 1995	27,300	–	27,300	26,000	–	26,000
Doug McCutcheon	7 November 2012	27,300	–	27,300	26,000	–	26,000
Humphrey van der Klugt	15 February 2016	3,430	–	3,430	–	–	–
		189,280	3,204	192,484	184,900	5,501	190,401

+ Taxable expenses primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London. These are reimbursed by the Company and, under HMRC Rules, are subject to tax and National Insurance and therefore are treated as a benefit in kind within this table.

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.

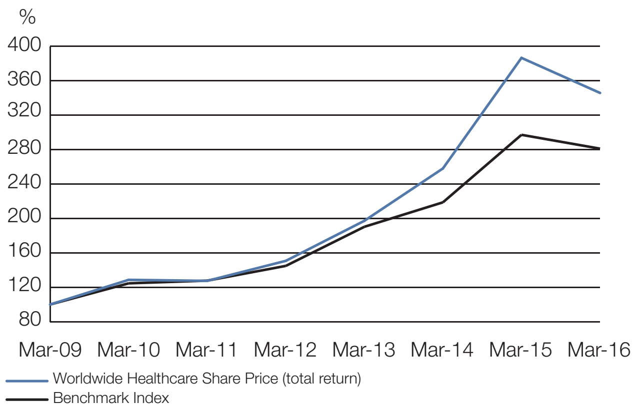
Directors' interests in the Company's shares (audited)

	Ordinary Shares of 25p each 2016	2015
Sir Martin Smith	11,871	11,871
– Trustee	2,725	2,725
Jo Dixon	3,859	3,859
Sarah Bates	7,200	7,200
Dr David Holbrook	1,094	1,094
Samuel D. Isaly	3,600	3,600
Humphrey van der Klugt	1,500	N/A
Doug McCutcheon	15,000	15,000
	46,849	45,349

Share price total return

The chart to the right 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.

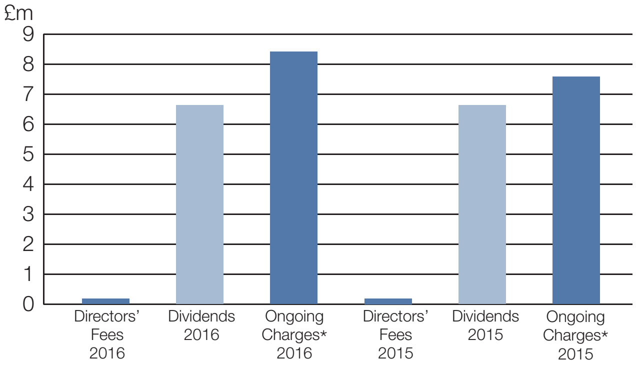
Total shareholder return for the seven years to 31 March 2016



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 2015 and 2016.

Relative cost of directors' remuneration



*Excludes finance costs and performance fees

Annual statement

On behalf of the Board, I confirm that the Directors' Remuneration Policy, set out on page 40 of this Annual Report, and Directors' Remuneration Report summarise, as applicable, for the year to 31 March 2016:

(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.

Doug McCutcheon

Chairman of the Management Engagement & Remuneration Committee

14 June 2016

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 2016 and of its loss 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

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview

Materiality

- Overall materiality: £8,818,000 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 using information from the AIFM and J.P. Morgan Europe Limited with whom the AIFM has engaged to provide certain administrative 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.
- Valuation and existence investments.
- Performance Fees.
- Presentation and Disclosure – FRS 102.

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 judgements, 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.

Area of focus	How our audit addressed the area of focus
Income Refer to pages 52 and 53 (Accounting Policies) and pages 55 and 59 (Notes to the Financial Statements). We focused on the accuracy and completeness of income from investments amounting to £10,482,000 for the year 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'). We also focused on the calculation of realised and unrealised gains and losses on investments amounting to a loss of £86,856,000 for the year. This is because incomplete or inaccurate income (for both the revenue and capital return columns of the Income Statement) 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. In addition, we tested dividend income 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 did not identify any special dividend income. We have also tested the gains or losses on investments held at fair value comprising realised and unrealised gains or losses. For realised gains or losses, we tested a sample of disposal proceeds to bank statements. For unrealised gains or losses, we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. 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

Area of focus	How our audit addressed the area of focus
Valuation and existence investments Refer to page 37 (Audit Committee Report), page 52 (Accounting Policies) and pages 59 (Notes to the Financial Statements). Fixed asset investments at 31 March 2016 comprised quoted investments, unquoted debt investments and OTC swaps totalling £935,670,000. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.	• Quoted investments: We tested the valuation of quoted investments by agreeing the prices used to third party sources. We tested the existence of the quoted investment portfolio by agreeing the holdings to an independent custodian confirmation from J.P. Morgan Clearing Corp. No differences were identified which required reporting to those charged with governance. • Unquoted debt investments: We tested the valuation of unquoted debt investments by agreeing the prices used to third party sources. We tested the existence of the unquoted debt investments by agreeing the holdings for investments to an independent custodian confirmation from J.P. Morgan Clearing Corp and an independent confirmation from the loans administrative agent RBC Capital Markets. No differences were identified which required reporting to those charged with governance. • OTC derivative financial instruments (swaps): We tested the valuation of the OTC derivatives by agreeing the prices used for a sample in the valuation to independent third party sources. We tested the existence of the OTC derivatives by agreeing the holdings to an independent custodian confirmation from J.P. Morgan Clearing Corp and the Broker, Goldman Sachs International. No differences were identified which required reporting to those charged with governance.
Performance fees Refer to page 37 (Audit Committee Report), page 53 (Accounting Policies) and page 55 (Notes to the Financial Statements). At 31 March 2016, outperformance was not maintained and therefore a provision for performance fees was not required which resulted in a write back of £5,460,000 to the Income Statement. 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.

Area of focus	How our audit addressed the area of focus
Presentation and Disclosure – FRS 102 The financial statements are prepared in compliance with the AIC SORP, Companies Act and FRS 102, including financial statements disclosures and presentation. As this is the first year FRS 102 was implemented, we focused on whether the financial statements were presented in compliance with FRS 102 as well as the compliance of AIC SORP, Companies Act 2006 and the Listing Rules.	The financial statements for the year ended 31 March 2016 have been prepared for the first time under FRS 102. We have assessed that the changes applicable to the Company have been implemented, this includes the amendments to the disclosure of fair value hierarchy information and presentational aspects relating to the Statement of Financial Position. No issues were noted in the presentation of the financial statements. The new UK Corporate Governance Code was published in September 2014, with a further update published on 23 October 2015. The new Code requires disclosure of a viability statement, a robust assessment of risks and a new-style going concern confirmation in the Annual Report. We have reviewed the information provided in the Annual Report and Accounts and no issues were noted in disclosure of corporate governance.

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 Manager and Administrator, the accounting processes and controls, and the industry in which the Company operates.

The Company's accounting is delegated to the Administrator who maintain their own accounting records and controls and report to the Manager and the Directors.

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 on the individual financial statement line items and disclosures and in evaluating 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** – £8,818,000 (2015: £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 £441,000 (2015: £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 28, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. 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.

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

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.
- the information given in the Corporate Governance Statement set out on page 29 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.
- the statement given by the Directors on page 28, 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 position and 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.
- the section of the Annual Report on page 37, 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.

The Directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

- the directors' confirmation on page 39 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.

  We have nothing material to add or to draw attention to.
- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.

  We have nothing material to add or to draw attention to.
- the Directors' explanation on page 22 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

  We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the company and the directors' statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

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 Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the 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 28, 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.

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' judgements 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

14 June 2016

Income Statement

For the year ended 31 March 2016

	Notes	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
(Losses)/gains on investments	9	–	(86,856)	(86,856)	–	349,804	349,804
Exchange (losses)/gains on currency balances		–	(3,490)	(3,490)	–	6,302	6,302
Income from investments	2	10,482	–	10,482	8,474	–	8,474
AIFM, Portfolio management and performance fees	3	(383)	(1,817)	(2,200)	(338)	(23,149)	(23,487)
Other expenses	4	(762)	–	(762)	(825)	–	(825)
Net return/(loss) before finance charges and taxation		9,337	(92,163)	(82,826)	7,311	332,957	340,268
Finance costs	5	(36)	(690)	(726)	(24)	(449)	(473)
Net return/(loss) before taxation		9,301	(92,853)	(83,552)	7,287	332,508	339,795
Taxation on net (loss)/return on ordinary activities	6	(1,126)	49	(1,077)	(1,090)	(18)	(1,108)
Net return/(loss) after taxation		8,175	(92,804)	(84,629)	6,197	332,490	338,687
Return/(loss) per share – basic	7	17.1p	(194.1)p	(177.0)p	13.0p	698.9p	711.9p

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 shown above and therefore no separate Statement of Total Comprehensive Income has been presented.

The accompanying notes are an integral part of these statements.

Statement of Changes in Equity

For the year ended 31 March 2016

	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 2015	12,045	–	233,396	720,170	7,803	9,099	982,513
Net (loss)/return from ordinary activities after taxation	–	–	–	(92,804)	–	8,175	(84,629)
Dividend paid in respect of year ended 31 March 2015	–	–	–	–	–	(3,105)	(3,105)
First interim dividend paid in respect of year ended 31 March 2016	–	–	–	–	–	(3,110)	(3,110)
Shares purchased for treasury	–	–	–	(14,862)	–	–	(14,862)
Shares issued from treasury	–	–	141	4,810	–	–	4,951
Shares cancelled from treasury	(85)	–	–	–	85	–	–
At 31 March 2016	11,960	–	233,537	617,314	7,888	11,059	881,758

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

The accompanying notes are an integral part of these statements.

Statement of Financial Position

As at 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	9	905,471	1,012,625
Derivative – OTC swaps	9 & 10	30,199	78,688
		935,670	1,091,313
Current assets			
Debtors	11	1,950	1,548
Derivative – put and call options	9 & 10	353	2,654
Cash		18,536	7,579
		20,839	11,781
Current liabilities			
Creditors: amounts falling due within one year	12	(74,007)	(119,461)
Derivatives – put and call options	9 & 10	(744)	(1,120)
		(74,751)	(120,581)
Net current liabilities		(53,912)	(108,800)
Total net assets		881,758	982,513
Capital and reserves			
Ordinary share capital	13	11,960	12,045
Share premium account		233,537	233,396
Capital reserve	17	617,314	720,170
Capital redemption reserve		7,888	7,803
Revenue reserve		11,059	9,099
Total shareholders' funds		881,758	982,513
Net asset value per share – basic	14	1850.9p	2039.3p
Net asset value per share – fully diluted for treasury shares	14	1850.5p	2039.3p

The financial statements on pages 49 to 67 were approved by the Board of Directors and authorised for issue on 14 June 2016 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)

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

These financial statements have been prepared under UK Company Law, UK Generally Accepted Accounting Practice ('UK GAAP') and in accordance with guidelines set out in the Statement of Recommended Practice ('SORP'), dated November 2014, for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies ('AIC'), the historical cost convention, as modified by the valuation of investments at fair value and on a going concern basis, as set out on page 28.

In preparing these financial statements the Company has applied FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', for the first time. On adopting FRS 102 there have been no changes to the Company's accounting policies nor restatements required to the Company's previously reported financial position and financial performance. The Company has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102, as it is an investment fund that's investments are substantially all highly liquid and carried at fair (market) value.

The Company's financial statements are presented in sterling, being the functional and presentational currency of the Company. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

In addition, investments held at fair value are categorised into a fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 – Quoted prices in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data), either directly or indirectly.
- Level 3 – Inputs are unobservable (ie for which market data is unavailable).

In preparing these financial statements the Company has early adopted 'Amendments to FRS102: Fair value hierarchy disclosures (March 2016)' published by the FRC.

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Sections 1158 and 1159 of the Corporation Tax Act 2010.

(b) Investments

Investments are measured initially, and at subsequent reporting dates, at fair value, and are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned. For quoted securities fair value is either bid price or last traded price, depending on the convention of the exchange on which the investment is listed. Unquoted debt investments are fair valued using the bid price from a publicly available source or a broker. Changes in fair value and gains or losses on disposal are included in the Income Statement as a capital item.

Notes to the Financial Statements

continued

(c) Derivative financial instruments

The Company uses derivative financial instruments (namely put and call options and equity swaps).

All derivative instruments are valued initially, and at subsequent reporting dates, at fair value in the Statement of Financial Position.

The equity swaps are accounted for as Fixed Assets and Options are accounted for as Current Assets or Current Liabilities.

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. 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.

(d) Investment income

Dividends receivable 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 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.

1. ACCOUNTING POLICIES continued

(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 Statement of Financial Position 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 rate of tax enacted or substantially enacted.

(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 Statement of Financial Position 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) Capital reserve

The following are transferred to this reserve:

- gains and losses on the disposal of investments;
- exchange differences of a capital nature;
- expenses, together with the related taxation effect, in accordance with the above policies; and
- changes in the fair value of investments and derivatives.

This reserve can be used to distribute realised capital profits by way of dividend. Any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve.

(j) Capital redemption reserve

This reserve arose when ordinary shares were redeemed by the Company and subsequently cancelled. When ordinary shares are redeemed by the Company and subsequently cancelled, an amount equal to the par value of the ordinary share capital is transferred from the ordinary share capital to the capital redemption reserve.

(k) Revenue reserve

The revenue reserve is distributable by way of dividend.

(l) 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 Statement of Changes in Equity.

Notes to the Financial Statements

continued

2. INCOME FROM INVESTMENTS

	2016 £'000	2015 £'000
Income from investments		
UK listed dividends	100	–
Overseas dividends	9,010	7,206
Fixed interest income	1,210	1,129
	10,320	8,335
Other income		
Derivatives	149	139
Deposit interest	13	–
Total income from investments	10,482	8,474
Total income comprises:		
Dividends	9,110	7,206
Interest	1,372	1,268
	10,482	8,474

3. AIFM, PORTFOLIO MANAGEMENT, AND PERFORMANCE FEES

	Revenue £'000	Capital £'000	2016 Total £'000	Revenue £'000	Capital £'000	2015 Total £'000
AIFM fee	84	1,594	1,678	77	1,461	1,538
Portfolio management fee	299	5,683	5,982	261	4,962	5,223
Performance fee	–	(5,460)	(5,460)	–	16,726	16,726
	383	1,817	2,200	338	23,149	23,487

The performance fee amount of £5,460,000 represents outperformance generated as at 31 March 2015 which was not maintained for a twelve month period, this amount was therefore written back during the year in accordance with the terms of the performance fee arrangement as set out in the Report of the Directors on page 25 under the heading 'Performance Fee' and in note 12 on page 60.

The split of fees between revenue and capital is calculated in accordance with the Expenses accounting policy shown on page 53.

4. OTHER EXPENSES

	2016 Revenue £'000	2015 Revenue £'000
Directors' remuneration	189	185
Auditors' remuneration for the audit of the Company's financial statements	29	26
Auditors' remuneration for non-audit services	10	16
Marketing expenses	51	43
Registrar fees	78	81
Broker fees	7	40
Legal and professional costs	14	44
Stock Exchange listing fees	38	33
Depositary* and custody fees	130	85
Other costs	216	272
	762	825

*Appointed 14 July 2014.

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

5. FINANCE COSTS

	Revenue £'000	Capital £'000	2016 Total £'000	Revenue £'000	Capital £'000	2015 Total £'000
Finance costs	36	690	726	24	449	473

The split of fees between revenue and capital is calculated in accordance with the Expenses accounting policy shown on page 53.

Notes to the Financial Statements

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6. TAXATION ON NET RETURN ON ORDINARY ACTIVITIES

(a) Analysis of charge in year

	Revenue £'000	Capital £'000	2016 Total £'000	Revenue £'000	Capital £'000	2015 Total £'000
Corporation tax at 20% (2015: 21%)						
Overseas capital gains tax refund	–	(49)	(49)	–	–	–
Tax relief to capital	–	–	–	(18)	18	–
Overseas taxation	1,126	–	–	1,108	–	1,108
	1,126	(49)	1,077	1,090	18	1,108

(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 20% (2015: 21%).

The difference is explained below.

	Revenue £'000	Capital £'000	2016 Total £'000	Revenue £'000	Capital £'000	2015 Total £'000
Net return/(loss) before taxation	9,301	(92,853)	(83,552)	7,287	332,508	339,795
Corporation tax at 20% (2015: 21%)	1,860	(18,571)	(16,711)	1,530	69,826	71,356
Non-taxable losses/(gains) on investments held at fair value through profit or loss	–	18,069	18,069	–	(74,782)	(74,782)
Overseas withholding taxation	1,126	–	1,126	1,108	–	1,108
Overseas capital gains tax refund	–	(49)	(49)	–	–	–
Non taxable overseas dividends	(1,781)	–	(1,781)	(1,511)	–	(1,511)
Non taxable UK dividends	(20)	–	(20)	–	–	–
Excess management expenses	(59)	502	443	(19)	4,956	4,937
Tax relief to capital	–	–	–	(18)	18	–
Current tax charge	1,126	(49)	1,077	1,090	18	1,108

(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 £14,418,000 (18% tax rate) (2015: £14,141,000 (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

	2016 £'000	2015 £'000
Basic		
The return per share is based on the following figures:		
Revenue return	8,175	6,197
Capital (loss)/return	(92,804)	332,490
	(84,629)	338,687
Weighted average number of ordinary shares in issue during the year	47,800,223	47,572,148
Revenue return per ordinary share	17.1p	13.0p
Capital (loss)/return per ordinary share	(194.1p)	698.9p
	(177.0p)	711.9p

The calculation of the total, revenue and capital (loss)/return per ordinary share is carried out in accordance with IAS 33, "Earnings per Share".

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 in these financial statements were as follows:

	2016 £'000	2015 £'000
Second interim dividend in respect of the year ended 31 March 2015	3,105	–
First interim dividend in respect of the year ended 31 March 2016	3,110	–
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
	6,215	6,624

In respect of the year ended 31 March 2016, the first interim dividend of 6.5p per share was paid on 8 January 2016. A second interim dividend of 10.0p is payable on 15 July 2016, the associated ex dividend date will be 16 June 2016. The total dividends payable in respect of the year ended 31 March 2016 amount to 16.5p per share (2015: 12.50p per share). The aggregate cost of the second interim dividend, based on the number of shares in issue at 14 June 2016, will be £4,702,000. In accordance with FRS 102 the second interim dividend will be reflected in the financial statements for the year ending 31 March 2017. 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:

	2016 £'000	2015 £'000
Revenue available for distribution by way of dividend for the year	8,175	6,197
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)
First interim dividend in respect of the year ended 31 March 2016	(3,110)	–
Second interim dividend in respect of the year ended 31 March 2016*	(4,702)	–
Net retained revenue	363	201

*based on 47,024,946 shares in issue as at 14 June 2016.

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9. INVESTMENTS

	Quoted Investments £'000	Unquoted Debt Investments £'000	Derivative Financial Instruments £'000	Total £'000
Cost at 1 April 2015	662,409	14,939	67,087	744,435
Investment holding gains at 1 April 2015	334,154	1,123	13,135	348,412
Valuation at 1 April 2015	996,563	16,062	80,222	1,092,847
Movement in the year:				
Purchases at cost	477,929	7,339	7,161	492,429
Sales – proceeds	(498,446)	(7,254)	(57,455)	(563,155)
– realised gains on sales	114,503	751	13,306	128,560
Net movement in investment holding gains	(201,795)	(181)	(13,426)	(215,402)
Valuation at 31 March 2016	888,754	16,717	29,808	935,279
Cost at 31 March 2016	756,395	15,775	30,099	802,269
Investment holding gains/(losses) at 31 March 2016	132,359	942	(291)	133,010
Valuation at 31 March 2016	888,754	16,717	29,808	935,279

	2016 £'000	2015 £'000
Gains on investments		
Gains on disposal	128,560	156,731
Less: amounts recognised as investment holding gains in previous years	(146,315)	(71,744)
(Losses)/gains based on carrying value at previous Statement of Financial Position date	(17,755)	84,987
Movement in investment holding gains/(losses) in the year	(69,101)	264,817
(Losses)/gains on investments	(86,856)	349,804

Purchase transaction costs for the year to 31 March 2016 were £430,000 (year ended 31 March 2015: £553,000). Sales transaction costs for the year to 31 March 2016 were £435,000 (year ended 31 March 2015: £340,000). These comprise mainly commission.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	2016 £'000	2015 £'000
Fair value of OTC equity swaps	30,199	78,688
Fair value of put and call options (long)	353	2,654
Fair value of put and call options (short)	(744)	(1,120)
	29,808	80,222

See note 9 above for movements during the year.

11. DEBTORS

	2016 £'000	2015 £'000
Withholding taxation recoverable	980	733
VAT recoverable	1	20
Prepayments and accrued income	969	795
	1,950	1,548

12. CREDITORS

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts due to brokers	7,013	1,789
Overdraft facility*	65,244	96,810
Performance fee accrued	–	18,889
Other creditors and accruals	1,750	1,973
	74,007	119,461

*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 2016, the overdraft facility of £65.2 million (2015: £96.8 million) is net of £4.4 million (2015: £1.4 million) of cash held as collateral against certain derivative positions. See page 65 for further details. As described on page 20, 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. (See page 65 under credit risk for additional details).

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

13. SHARE CAPITAL

	Ordinary shares number	Treasury shares number	Total ordinary shares in issue number
Issued and fully paid at 1 April 2015	48,178,080	–	48,178,080
Ordinary shares purchased for treasury	(794,867)	794,867	–
Ordinary shares re-issued from treasury	256,832	(256,832)	–
Cancellation of treasury shares	–	(339,060)	(339,060)
At 31 March 2016	47,640,045	198,975	47,839,020

	2016 £'000	2015 £'000
Issued and fully paid:		
Ordinary shares of 25p	11,960	12,045

During the year ended 31 March 2016 794,867 Ordinary Shares were bought back by the Company into treasury at a cost of £14,862,000 (2015: 286,096 bought back at cost of £3,868,000). In 2016 256,832 (2015: 286,096) Ordinary Shares were issued from treasury, raising proceeds of £4,951,000 (2015: £4,683,000) and 339,060 (2015: nil) shares were cancelled.

Notes to the Financial Statements

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14. NET ASSET VALUE PER SHARE

	2016	2015
Net asset value per share – basic	1,850.9p	2,039.3p
Net asset value per share – diluted for treasury shares	1,850.5p	n/a

Net asset value per share – basic

The net asset value per share is based on the assets attributable to equity shareholders of £881,758,000 (2015: £982,513,000) and on the number of Ordinary Shares in issue at the year end of 47,640,045 (2015: 48,178,080).

Net asset value per share – diluted for treasury shares

The diluted NAV per share assumes that all treasury shares were sold back to the market at 1,758.3p, resulting in assets attributable to equity shareholders of £885,257,000 and on 47,839,020 Ordinary Shares.

15. RELATED PARTIES

The following are considered to be related parties:

- Frostrow Capital LLP (under the Listing Rules)
- OrbiMed Capital LLC
- The Directors of the Company

Details of the relationship between the Company and Frostrow Capital LLP, the Company's AIFM, and OrbiMed Capital LLC, the Company's Portfolio Manager, is disclosed on page 18. 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 page 41. Details of the Directors' interests in the capital of the Company can be found on page 41.

A number of the partners at, and a former partner of, 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.

16. 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 5 and 6. 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 5 and 6 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 5 and 6, 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 69 and 70.

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 the Indian and Chinese markets because the Company is not locally registered to trade in either market and to gain exposure to thematic baskets of stocks.

Details of funded and financed* swap positions are noted in the Portfolio on pages 7 to 9.

Collateral cash of £22.9 million (2015: £9.0 million) was held against the financed swap positions, of which £4.4 million (2015: £1.4 million) was offset against the overdraft position.

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.

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 18 to 20.

†International Swap Dealers Association Inc.

*See Glossary beginning on page 69 for description of funded and financed swaps.

Notes to the Financial Statements

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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.

	2016			2015		
	Assets £'000	Liabilities £'000	Notional* exposure £'000	Assets £'000	Liabilities £'000	Notional exposure £'000
Investments	905,471	–	905,471	1,012,625	–	1,012,625
Put and call options	353	(744)	16,900	2,654	(1,120)	15,090
OTC equity swaps	30,199	–	93,398	78,688	–	114,973
	936,023	**(744)**	**1,015,769**	**1,093,967**	**(1,120)**	**1,142,688**

*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 Statement of Financial Position date had been 25% higher or lower (2015: 25% higher or lower) while all other variables remained constant: the revenue return would have decreased/increased by £97,000 (2015: £102,000); the capital return would have increased by £298,474,000 (2015: £281,352,000)/decreased by £249,430,000 (2015: £283,432,000); and, the return on equity would have increased by £248,377,000 (2015: £281,250,000)/decreased by £249,333,000 (2015: £283,330,000). The calculations are based on the portfolio as at the respective Statement of Financial Position 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:

	2016			2015		
	Current assets £'000	Current liabilities £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Investments £'000
U.S. dollar	19,197	(65,244)	722,770	316	(90,215)	862,949
Swiss franc	642	–	50,282	618	–	75,712
Japanese yen	486	–	93,955	1,453	(1,789)	93,593
Other	151	–	68,272	110	–	51,312
	20,476	**(65,244)**	**935,279**	**2,497**	**(92,004)**	**1,083,566**

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 (2015: 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 Statement of Financial Position date.

	2016			2015		
	USD £'000	YEN £'000	CHF £'000	USD £'000	YEN £'000	CHF £'000
Sterling depreciates	81,427	10,493	5,658	89,947	10,362	8,481
Sterling appreciates	(66,622)	(8,586)	(4,630)	(73,593)	(8,478)	(6,939)

(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 2016, the Company held 1.8% of the portfolio in convertible bonds and securitised debt (2015: 5.8% of the portfolio). The exposure is shown in the table below:

	2016				2015			
	Weighted average period for which rate is fixed Years	Weighted average fixed interest rate %	Fixed rate £'000	Floating rate £'000	Weighted average period for which rate is fixed Years	Weighted average fixed interest rate %	Fixed rate £'000	Floating rate £'000
Convertible securities	1.9	5.5	18,141	–	5.0	4.8	46,164	–
Unquoted debt investments	6.7	11.5	7,604	9,113	6.9	8.8	7,349	8,713
Cash	–	–	–	18,536	–	–	–	7,579
Overdraft facility	–	–	–	(65,244)	–	–	–	(96,810)
Unfunded swap positions	–	–	–	(63,199)	–	–	–	(36,285)
			25,745	(100,794)			53,513	(116,803)

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 2016 and the net assets would increase/decrease by £1,008,000 (2015: increase/decrease by £1,257,000).

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(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 2016, based on the earliest date on which payment can be required, are as follows:

	2016 3 months or less £'000	2015 3 months or less £'000
Overdraft facility	65,244	89,231
Amounts due to brokers and accruals	7,013	1,789
Derivatives – Put options (short)	615	488
Derivatives – Call options (short)	129	480
	73,001	91,988

(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 Statement of Financial Position 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 60, 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 2016, assets with a total market value of £98.6 million (2015: £139.8 million) were available to J.P. Morgan Clearing Corp to be used as collateral against the overdraft facility which equates to 140% (2015: 140%) of the overdrawn position (calculated on a settled basis) of £70.4 million (2015: £100.0 million).

Credit risk exposure

	2016 £'000	2015 £'000
Convertible securities and unquoted debt investments	34,858	46,164
Derivative – OTC equity swaps	30,199	78,688
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	1,950	1,548
Derivative – Put options (long)	7	170
Derivative – Call options (long)	346	2,484
Cash	18,536	7,579

(vi) Fair value of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives) or the Statement of Financial Position 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).

(vii) 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 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	888,754	–	16,717	905,471
Derivatives: put and call options (short)	–	(744)	–	(744)
Derivatives: put and call options (long)	–	353	–	353
Derivatives: OTC swaps	–	30,199	–	30,199
Financial instruments measured at fair value	888,754	29,808	16,717	935,279

As at 31 March 2016, the put and call options and equity swaps have been classified as Level 2.

As at 31 March 2016, the two securitised debt investments Creganna-Tactx Medical Second Lien Loan FRN 20/11/22 and Merrimack Pharmaceuticals Second Lien Loan 11.5% 15/12/22 have been classified as Level 3. Both positions have been valued using the estimated fair values as provided by counterparties.

As of 31 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 Incyte Corporation 4.75% 01/10/15 Convertible Bond, were classified as level 2.

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.

(viii) 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 or leverage.

The Board's policy on gearing and leverage is set out on page 6.

As at 31 March 2016, the Company had a leverage percentage of 14.0% (2015: 13.2%).

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves as shown in the Statement of Financial Position on page 51.

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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.

17. CAPITAL RESERVE

	Capital Reserves*		
	Other £'000	Investment Holding Gains £'000	Total £'000
At 31 March 2015	371,758	348,412	720,170
Transfer on disposal of investments	146,301	(146,301)	–
Net losses on investments	(17,755)	(69,101)	(86,856)
Expenses charged to capital less tax relief thereon	(2,458)	–	(2,458)
Shares purchased for treasury	(14,862)	–	(14,862)
Shares re-issued from treasury	4,810	–	4,810
Exchange loss on currency balances	(3,490)	–	(3,490)
At 31 March 2016	484,304	133,010	617,314

*Investment holding gains relate to the revaluation of investments and derivatives held at the reporting date. (See note 9 on page 59 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 Wednesday, 21 September 2016 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

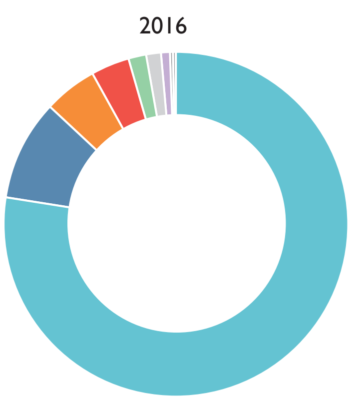
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Capita Asset Services, under the signature of the registered holder.

Daily net asset value

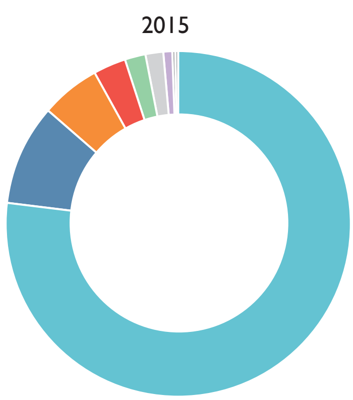
The daily net asset value of the Company's shares can be obtained on the Company's website at www.worldwidewh.com and is published daily via the London Stock Exchange.

Profile of the Company's ownership

% of Ordinary Shares held at 31 March



Retail	77.6
Mutual Funds	9.4
Insurance	5.1
Pensions	3.7
Charities	1.6
Corporate	1.4
Fund of Funds	0.7
Inv Trusts	0.3
Directors	0.2



Retail	77.1
Mutual Funds	9.4
Insurance	5.7
Pensions	3.0
Charities	1.9
Corporate	1.7
Fund of Funds	0.7
Inv Trusts	0.3
Directors	0.2

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 Net Assets, expressed as a percentage. For years prior to 2013, the calculation was based on borrowings as a percentage of Net Assets.

Health Maintenance Organisation (HMO)

In the United States an HMO is a medical insurance group that provides health services for a fixed fee.

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.

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 16 on page 63, 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 practice of using the assets held as collateral for one client in transactions for another.

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	www.youinvest.co.uk/
Alliance Trust Savings	www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	www.barclaysstockbrokers.co.uk/Pages/index.aspx
Bestinvest	www.bestinvest.co.uk/
Charles Stanley Direct	www.charles-stanley-direct.co.uk/
Club Finance	www.clubfinance.co.uk/
Fidelity	www.fidelity.co.uk/
Halifax Share Dealing	www.halifax.co.uk/Sharedealing/
Hargreave Hale	www.hargreave-hale.co.uk/
Hargreaves Lansdown	www.hl.co.uk/
HSBC	investments.hsbc.co.uk/
iDealing	www.idealing.com/
IG Index	www.igindex.co.uk/
Interactive Investor	www.iii.co.uk/
IWEB	www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	www.jbrearley.co.uk/Marketing/index.aspx
James Hay	www.jameshay.co.uk/
Saga Share Direct	www.sagasharedirect.co.uk/
Selftrade	www.selftrade.co.uk/
The Share Centre	www.share.com/
Saxo Capital Markets	uk.saxomarkets.com/
TD Direct Investing	www.tddirectinvesting.co.uk/

Capita Asset Services – share dealing service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, 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, investor code, full postcode and your date of birth. Your investor code can be found on your tax voucher or certificate. 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.

For further information on this service, please contact: www.capitadeal.com (online dealing).

Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 am – 4.30 pm, Monday to Friday excluding public holidays in England and Wales).

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 Wednesday, 21 September 2016 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 2016
2. To re-elect Dr David Holbrook as a Director of the Company
3. To re-elect Mr Samuel D. Isaly as a Director of the Company
4. To re-elect Sir Martin Smith as a Director of the Company
5. To re-elect Mrs Sarah Bates as a Director of the Company
6. To elect Mr Humphrey van der Klugt 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 2016

Special business

To consider and, if thought fit, pass the following resolutions of which resolutions 11, 12, 13 and 14 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 £1,175,623 (being 10% of the issued share capital of the Company at 14 June 2016) and representing 4,702,494 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 2017 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, 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 £1,175,623, being 10% of the issued share capital of the Company as at 14 June 2016 and representing 4,702,494 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 £1,175,623 being 10% of the issued share capital of the Company as at 14 June 2016 and representing 4,702,494 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.

Notice of the Annual General Meeting

continued

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 7,049,039 (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 2017 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.

General meetings

14. 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
14 June 2016

Registered Office:
One Wood Street
London EC2V 7WS

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 Monday, 19 September 2016.
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 the close of business on Monday, 19 September 2016 (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 14 June 2016 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 47,024,946 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 June 2016 are 47,024,946.
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.

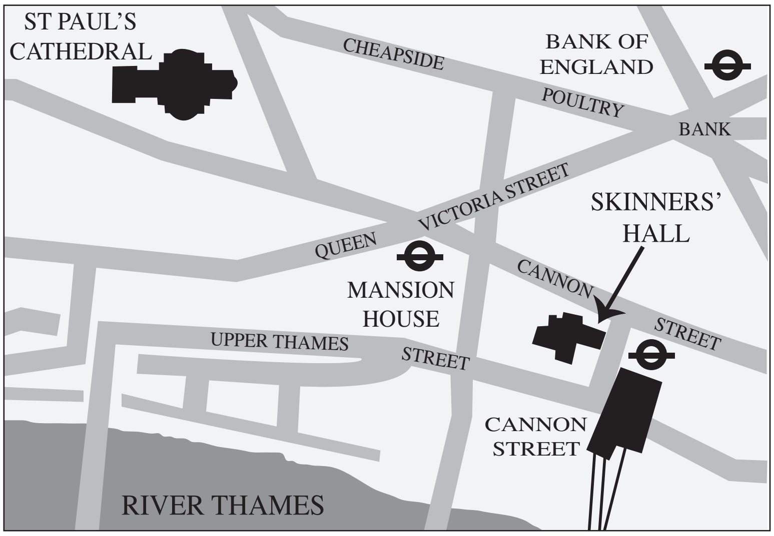
Notice of the Annual General Meeting

continued

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 or +44 371 664 0300 if calling from outside the United Kingdom. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 09.00 to 17.30 Monday to Friday excluding public holidays in England and Wales.
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 76) 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 2016 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 election and 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 election and 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.

Resolution 9 – Remuneration Report

The Directors' Remuneration Report is set out in full in the annual report on pages 40 to 42.

Resolutions 10, 11 and 12 – Issue of Shares
Ordinary Resolution 10 in the Notice of AGM will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £1,175,623 (equivalent to 4,702,494 shares, or 10% of the Company's existing issued share capital on 14 June 2016, 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 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 14 June 2016, 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 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 14 June 2016 (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.

Explanatory Notes to the Resolutions

continued

The Directors intend to use the authority given by Resolutions 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 – Share Repurchases

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 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 14 June 2016, being the nearest practicable date prior to the signing of this Report, (amounting to 7,049,039 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 – General Meetings

Special Resolution 14 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) at 14 working days' notice. The Board confirms that the shorter notice period would only be used where it was merited by the purpose of the meeting.

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 44,124 shares.

Alternative Investment Fund Managers Directive (AIFMD) Related Disclosures (unaudited)

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 5 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 2016	115%	113%

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.

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

Company Information

Directors
Sir Martin Smith (Chairman)
Sarah Bates
Jo Dixon
Dr David Holbrook
Samuel D. Isaly
Humphrey van der Klugt
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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Website: www.orbimed.com

Registered under the U.S. Securities & Exchange Commission

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Auditors
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Prime Broker
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Telephone (from overseas): + 44 371 664 0300†
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 12p per minute plus your phone company's access charge and may be recorded for training purposes. Calls outside the UK will be charged at the applicable international rate. Lines are open between 09.00 and 17.30 Monday to Friday excluding public holidays in England and Wales.

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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