WORLDWIDE HEALTHCARE TRUST PLC

Annual Report
for the year ended 31 March 2017

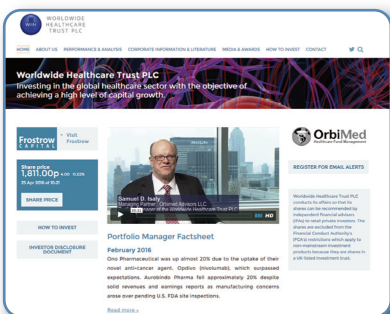
Frostrow CAPITAL

OrbiMed Healthcare Fund Management

Worldwide Healthcare Trust PLC Annual Report for the year ended 31 March 2017

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:

Investment Week, Investment Company of the Year 2016,
Category: Specialist (including Hedge Funds)

Highly Commended:

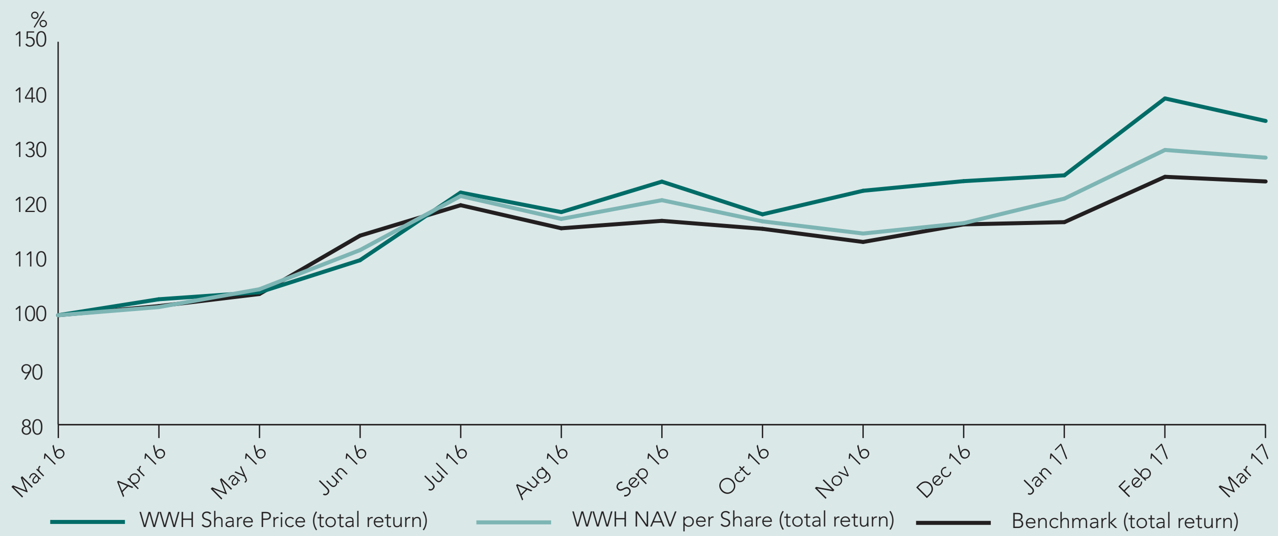
Money Observer Trust Awards 2015,
Category: Best Large Trust

For the year to 31 March 2017

Net asset value per share (total return)	Share price* (total return)	Benchmark*†
+28.9%	+35.5%	+24.5%
2016: (9.0)%	2016: (10.5)%	2016: (5.4)%
	*Source - Morningstar	*MSCI World Health Care Index on a net total return, sterling adjusted basis †Source - Morningstar

Discount of share price to net asset value per share	Dividends per share	Ongoing Charges Ratio*
2.7%	22.5p	0.9%
2016: 7.3%	2016: 16.5p	2016: 0.9%
		*(excludes performance fees crystallised during the year)

Total return performance for the year to 31 March 2017



Rebased to 100 as at 31 March 2016
Source: Morningstar, Thomson Reuters & Bloomberg

Investment objective and policy

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

Accessing the global market

The healthcare sector is global and accessing this 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 enable 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 74 and 75.

Total return performance since launch to 31 March 2017

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).

Historic performance for the years ended 31 March

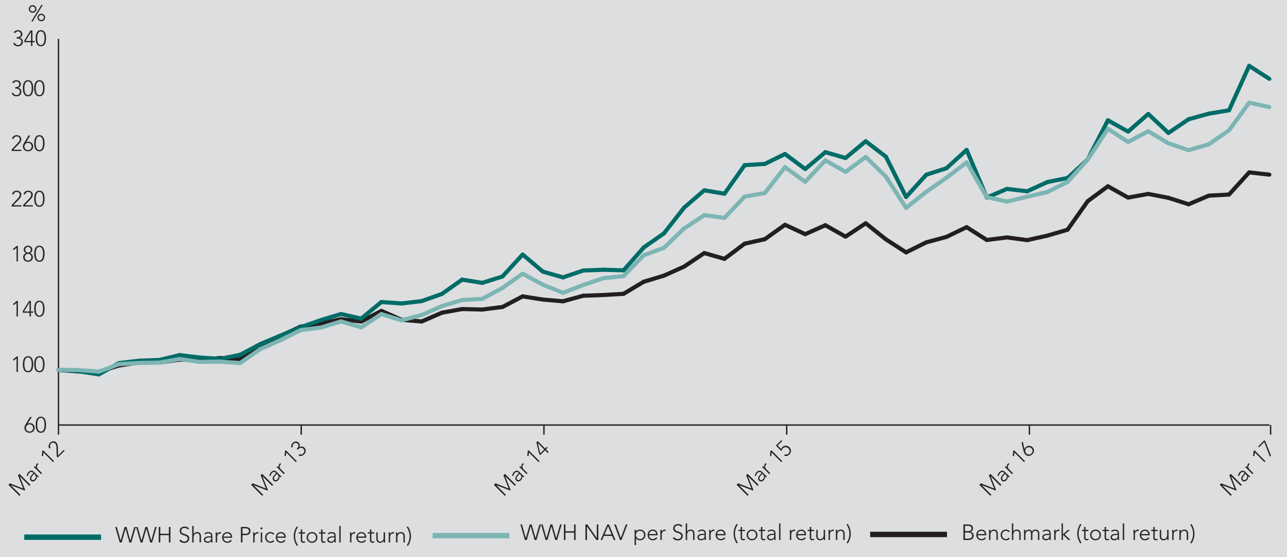
	2012	2013	2014	2015	2016	2017
Net asset value per share (total return)*	14.4%	30.3%	25.9%	53.0%	(9.0%)	28.9%
Benchmark (total return)*	13.4%	31.4%	14.9%	35.9%	(5.4%)	24.5%
Net asset value per share – basic	909.4p	1110.2p	1374.3p	2039.3p	1850.9p	2,367.2p
Net asset value per share – diluted**	871.0p	1089.6p	1348.2p	2039.3p	1850.5p	2,367.2p
Share price	795.0p	1009.0p	1301.0p	1930.0p	1715.0p	2,304.0p
Discount of share price to diluted net asset value per share	8.7%	7.4%	3.5%	5.4%	7.3%	2.7%
Dividends per share	17.5p	16.5p	15.0p	12.5p	16.5p	22.5p
Leverage†	25.1%	12.7%	13.9%	13.2%	14.0%	16.9%
Ongoing charges†	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%
Ongoing charges (including performance fees paid or crystallised during the year)†	1.3%	1.2%	1.1%	2.2%	2.1%	1.0%

*Source: Morningstar

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

†See Glossary beginning on page 72.

Five year total return performance to 31 March 2017



Rebased to 100 as at 31 March 2012
Source: Morningstar

Sir Martin Smith

Review of the year and performance

I am pleased to report that the strong performance reported at the half-year stage continued into the second half of the Company's financial year. The Company's net asset value per share total return was +28.9% and the share price total return was +35.5%, both outperforming the Company's Benchmark, the MSCI World Health Care Index on a net total return, sterling adjusted basis, which rose by 24.5%. The Company's and the Benchmark's strong performance was, in part, due to the sharp fall in sterling (amounting to 13.0% against the U.S.$ over the year) following the outcome of the EU referendum in the UK held in June 2016. Both our portfolio and the Benchmark have a high exposure to companies denominated in U.S.$.

The Company had, on average, leverage of 16% (2016: 18%) during the year which, due to strong market conditions, contributed 3.2% to performance (2016: detraction from performance of 1.5%).

There was volatility in both stock and currency markets during the year. Following the Brexit vote, investors recognised the healthcare sector's defensive qualities and, with the exception of biotechnology (given its risk profile), it outperformed the broader market. However, in the run-up to the U.S. Presidential election in November 2016 global stock markets, and in particular healthcare stocks, were again weak, but rallied strongly following the election of President Trump and the Republican Party taking control of the U.S. Congress.

The long-term performance of the Company continues to be strong and it is pleasing to note that from the Company's inception in 1995 to 31 March 2017, the total return of the Company's net asset value per share has been 2,728.1%, equivalent to a compound annual return of 16.5%. This compares to a cumulative blended Benchmark return of 1,175.6%, equivalent to a compound annual return of 12.3% over the same period.

Further information on the healthcare sector and on the Company's investments can be found in the Portfolio Manager's Review.

Capital

As part of the Board's discount control management policy, a total of 1,425,062 shares were repurchased by the Company during the year to be held in treasury, at an average discount of 6.9% to the prevailing diluted ex income net asset value per share. 291,295 of these shares were subsequently reissued from treasury at share prices that equated to an average discount 2.7% to the prevailing diluted cum income net asset value per share. As at 31 March 2017 there were no shares held in treasury. Shareholder approval to renew the authority to buy-back 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 14 September 2017, the date of this year's Annual General Meeting, will be cancelled. 1,332,742 shares held in treasury (comprising shares both held in treasury at the beginning of the year and shares repurchased during the year to date) were cancelled on 27 September 2016, shortly after the date of last year's Annual General Meeting.

The Company's strong performance during the year helped the discount of its share price to the net asset value per share to narrow considerably, ending the year at 2.7% from 7.3% at the beginning of the year.

Following the year-end, the Company's shares have been trading at a small premium to the net asset value per share and I am pleased to report that 35,000 new shares have been issued at an average premium of 0.7% to the prevailing cum income net asset value per share.

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, as a minimum, 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 2017, was paid on 9 January 2017 to shareholders on the register on 25 November 2016. The Company's net revenue return for the year as a whole has increased to £10.7 million (2016: £8.2 m). The Board has declared a second interim dividend of 16.0p per share which, together with the first interim dividend already paid, makes a total dividend for the year of 22.5p (2016: 16.5p per share). Based on the closing mid-market share price of 2,457.5p on 13 June 2017, the total dividend payment for the year represents a current yield of 0.9%.

The second interim dividend will be payable on 14 July 2017 to shareholders on the register of members on 16 June 2017. The associated ex-dividend date will be 15 June 2017.

Management and Performance Fees

As reported at the half-year stage, the Board is pleased that amendments to the fee arrangements between the Company and Frostrow have been agreed and became effective on 1 April 2017. Further details of these new arrangements can be found in the Business Review on page 21.

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.

I am pleased to report that as a result of continued cumulative outperformance in the year to 31 March 2017, performance fees of £1.3m were paid during the year and, as at 31 March 2017, there was a provision of £3.4m for future performance fee payments. This provision will become payable over the next year if the outperformance is maintained.

Outlook

As we look forward, our Portfolio Manager believes that the healthcare sector will be less affected by macro issues allowing it to trade more on its fundamentals. In particular, it believes that 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 etc. venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HD on Thursday, 14 September 2017 at 12 noon.

Sir Martin Smith
Chairman

14 June 2017

The Company invests in the global healthcare sector with the objective of achieving a high level of capital growth. In order to achieve its investment objective, the Company invests worldwide in a diversified portfolio of shares in pharmaceutical and biotechnology companies and related securities in the healthcare sector. It uses gearing, and derivative transactions to enhance returns and mitigate risk. Performance is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis (Benchmark).

Investment strategy

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

Details of OrbiMed's investment strategy and approach are set out in the Portfolio Manager's review on pages 12 to 15. 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 64.

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 72.

Dividend Policy

It is the Company's policy to pay out, as a minimum, dividends to shareholders to the extent necessary to maintain investment trust status for each financial year.

Investments held as at 31 March 2017

Investments	Country/region	Market value £'000	% of investments
Wright Medical*	Netherlands	65,184	5.5
Merck	USA	55,957	4.7
Boston Scientific	USA	55,056	4.6
Eli Lilly	USA	47,777	4.0
Biogen	USA	47,208	4.0
Alexion Pharmaceuticals	USA	44,377	3.7
Regeneron Pharmaceuticals	USA	43,957	3.7
Incyte	USA	41,380	3.5
Roche Holdings	Switzerland	40,957	3.4
HCA	USA	40,636	3.4
Top 10 investments		**482,489**	**40.5**
Edwards Lifesciences	USA	32,665	2.7
Amgen	USA	32,330	2.7
Nippon Shinyaku	Japan	32,237	2.7
Intuitive Surgical	USA	30,893	2.6
Aetna	USA	28,173	2.4
Humana	USA	27,629	2.3
Eisai	Japan	24,225	2.0
Allergan**	Ireland	23,855	2.0
Anthem	USA	22,419	1.9
Unitedhealth Group	USA	20,148	1.7
Top 20 investments		**757,063**	**63.5**
Novo Nordisk	Denmark	19,920	1.7
Vertex Pharmaceuticals	USA	16,220	1.4
Bristol-Myers Squibb	USA	14,895	1.2
Array BioPharma	USA	14,143	1.2
Sino Biopharmaceuticals	China	13,539	1.1
Coherus Biosciences	USA	13,000	1.1
Shire	USA	12,853	1.1
Illumina	USA	12,254	1.0
Celgene	USA	12,016	1.0
Xencor	USA	11,554	1.0
Top 30 investments		**897,457**	**75.3**
Exact Sciences	USA	11,383	0.9
Centene	USA	11,358	0.9
Thermo Fisher Scientific	USA	11,090	0.9
Genmab	Denmark	11,045	0.9
Stryker	USA	10,982	0.9
Teva Pharmaceutical***	USA	10,950	0.9
Biomarin Pharmaceutical	USA	10,832	0.9
Santen Pharmaceutical	Japan	10,337	0.9
Luye Pharma	China	10,330	0.9
Mylan	Netherlands	10,253	0.9
Top 40 investments		**1,006,017**	**84.3**
Tenet Healthcare	USA	9,908	0.8
Merrimack Pharmaceuticals Second Lien Loan 11.5% 15/12/2022 (unquoted)	USA	9,746	0.8
Ono Pharmaceutical	Japan	9,586	0.8

* includes Wright Medical Contingent Value Rights equating to 0.7% of investments.
** includes Allergan 5.5% Preference equating to 0.7% of investments.
*** includes Teva Pharmaceutical 7% Preference equating to 0.6% of investments.

Investments	Country/region	Market value £'000	% of investments
Momenta Pharmaceuticals	USA	7,810	0.7
Celltrion	South Korea	7,760	0.7
Nuvasive	USA	7,374	0.6
Galapagos	Belgium	6,858	0.6
Yestar Healthcare	China	6,502	0.5
Genoa A QOL Healthcare FRN 28/10/2024 (unquoted)	USA	6,323	0.5
Bioventus FRN 21/11/2021 (unquoted)	USA	6,309	0.5
Top 50 investments		**1,084,193**	**90.8**
Ironwood Pharmaceuticals	USA	6,117	0.5
Puma Biotechnology	USA	6,043	0.5
NewLink Genetics	USA	5,973	0.5
Aerie Pharmaceuticals	USA	5,901	0.5
Medical Depot Holdings FRN 03/01/2024 (unquoted)	USA	5,758	0.5
BeiGene	Cayman Island	5,683	0.5
Radius Health	USA	5,507	0.5
ImmunoGen	USA	5,329	0.4
Agilent Technologies	USA	4,439	0.4
IHH Healthcare	Malaysia	4,330	0.4
Top 60 investments		**1,139,273**	**95.5**
Fluidigm	USA	3,814	0.3
Wenzhou Kangning Hospital	China	3,271	0.3
Nevro	USA	2,818	0.2
Aegerion Pharmaceuticals 2% 15/08/2019 (unquoted)	USA	2,339	0.2
Sarepta Therapeutics	USA	2,011	0.2
Magellan Health	USA	1,992	0.2
Bluebird Bio	USA	1,627	0.1
Novelion Therapeutics	Canada	215	0.0
Vanda Pharmaceuticals	USA	132	0.0
Alimera Sciences	USA	70	0.0
Total equities and fixed interest investments		**1,157,562**	**97.0**
Emerging Markets Healthcare (Basket)^	Emerging Markets	18,665	1.6
Aurobindo Pharma	India	15,220	1.3
M&A (Basket)^	USA	14,034	1.2
JP China HC A-Share (Basket)^	China	13,434	1.1
Jiangsu Hengrui Medicine^	China	12,535	1.1
India Health Care (Basket)^	India	12,446	1.0
Strides Shasun	China	11,937	1.0
Jiangsu Nhwa Pharmaceutical^	China	8,593	0.7
Aier Eye Hospital Group^	China	7,005	0.6
Ajanta Pharma	India	3,014	0.2
Inner Mongolia Furui Medical Science^	China	43	0.0
Less: Gross exposure on financed swaps		(82,516)	(6.9)
Total OTC Swaps		**34,410**	**2.9**
Total investments including OTC Swaps		**1,191,972**	**99.9**
Call Options (Long)		1,191	0.1
Put Options (Short)		(282)	(0.0)
Total investments including OTC Swaps and Options		**1,192,881**	**100.0**

^ Financed
See note 16 beginning on page 64 for further details in relation to the OTC Swaps and Options.

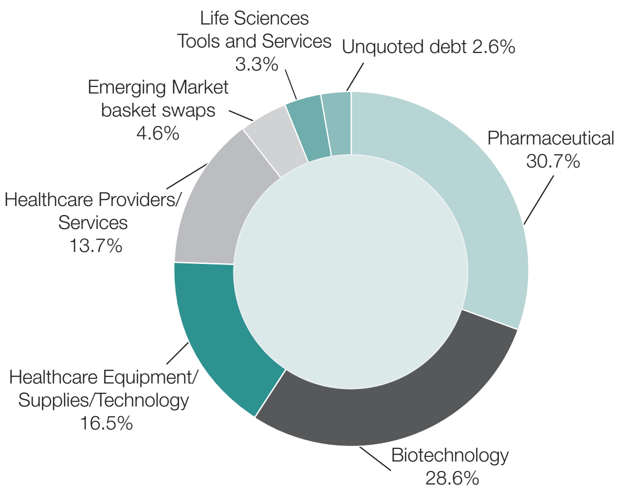
SUMMARY

Investments	Market value £'000	% of investments
Equities (including options & swaps)	1,147,003	96.2
Unquoted debt securities – variable rate	18,390	1.5
Convertible debt securities	15,403	1.3
Unquoted debt securities – fixed rate	12,085	1.0
Total of all investments	**1,192,881**	**100.0**

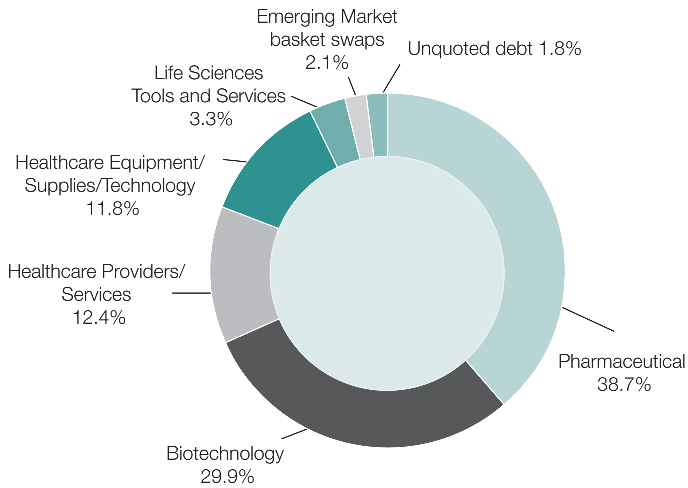
Portfolio distribution

By sector

2017

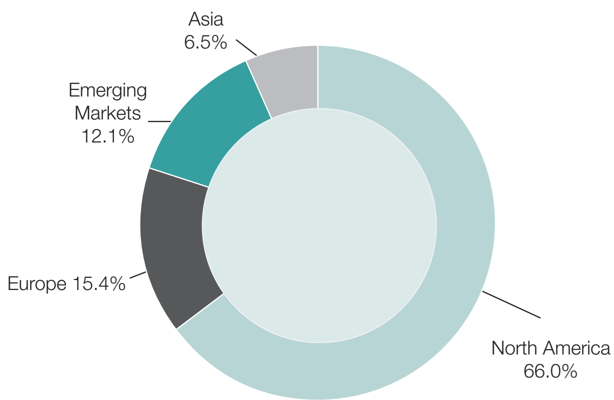


2016

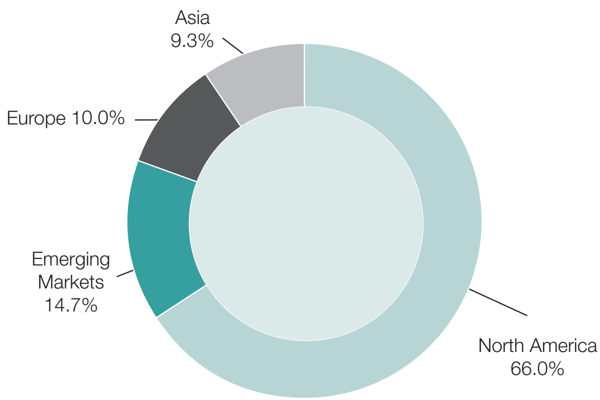


By geography

2017



2016



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.$13 billion in assets under management as of 31 March 2017, 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 27 of this Annual Report.

Sven H. Borho, CFA, is a founding Partner of OrbiMed. He is a senior member of the public equity team and he is a 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. 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.

Samuel D. Isaly

Performance Review

The year ended 31 March 2017 can be mostly characterised by two political events of notable import that shaped the performance of global healthcare equities. Specifically, the U.K. referendum that resulted in its decision to leave the European Union and the U.S. Presidential election that resulted in a Republican sweep of the White House, Senate, and House of Representatives, created a volatile year in equity markets that was exacerbated by significant fluctuations in global currencies, most notably sterling. Nevertheless, healthcare stocks did in fact finish the period higher.

The start of the Company's financial year bore witness to a market rebound in healthcare stocks after rhetoric pouring out of the U.S. Presidential race and investor concerns about China's economy dramatically depressed share prices in the three-month period immediately preceding this year. As a result, the first quarter of the period was positive, as stocks traded more on industry fundamentals rather than macro-economic concerns. However, this came to a dramatic head in June 2016, where performance of global equity markets in the month could be summarised in one word – Brexit. Britain's decision to leave the European Union sent the markets into a swoon as investors turned to a "risk off" strategy, buying defensive names and selling uncertainty. As a result, healthcare stocks performed well although biotechnology stocks, given their risk profile, notably lagged.

The Brexit tailwind lasted through July but then investor focus reverted to the highly contested U.S. Presidential election race, where drug pricing and putative reform legislation were a continuous topic, led primarily by the Democratic presidential nominee, Hillary Clinton. The result was a dramatic sell-off in global healthcare equities ahead of the November election, where healthcare stocks reached a 52-week low (in U.S.$). However, in an election result that was heard around the world, Republican presidential nominee Donald Trump was elected as the 45th President of the United States, including Republican control of both The House of Representatives and the U.S. Senate.

Whilst still volatile, the election results re-stimulated investor interest in healthcare, pushing stocks higher as the threat of drug price reforms in the U.S. partially abated and the promise of U.S. tax reform increased. Additionally, the weakening of sterling (compared to the U.S.$) during the period also influenced performance.

The net result was a significant rise in global healthcare equites. The MSCI World Healthcare Index, measured on a net total return, sterling adjusted basis, advanced +24.5% for the year ended 31 March 2017. The Company was able to outperform this. Its net asset value per share total return was +28.9% and its share price total return was +35.5%.

Overall, since the Company's inception in 1995 to 31 March 2017, the total return of the Company's net asset value per share is 2,728.1%, equivalent to a compound annual return of 16.5%. This compares to the blended Benchmark rise of 1,175.6%, equivalent to a compound annual return of 12.3%.

Contribution to Performance

Absolute positive contribution was generated in most subsectors, including pharmaceuticals, biotechnology, specialty pharmaceuticals, medical devices, healthcare services, life science tools & diagnostics, and emerging markets. The lone exception was generic pharmaceuticals.

Outperformance was generated via multiple ways. Allocation was most critical, with overweight positioning in emerging biotechnology and medical device stocks. Astute stock picking in the life science tools space, medical devices, and healthcare services (managed care) also fueled outperformance. Leverage also played an important role in the Company's performance during the year, contributing 3.2% to returns as a result of strong market conditions. The level of leverage employed during the year remained stable at around 16% (slightly lower than last year) and this reflected our positive overall view on the outlook for the healthcare sector. Notably, eight individual positions added 1.0% or more to performance whereas only one position detracted more than 1.0% from performance. Some offsets to outperformance included overweight positioning in large capitalisation biotechnology and underweight positioning in large capitalisation pharmaceuticals.

The top contributor during the Company's financial year was the medical device maker, **Wright Medical**. The company, which develops devices and instruments for a number of medical applications such as joint replacement, trauma, sports medicine, as well as orthobiologic products, entered the year as a distressed asset. At that time, we were invested in the company with a contrarian view. Wright's integration of the Tornier acquisition from late 2015 was finally completed after a long and arduous process and the company began to recognise both sales and cost synergies in early 2016. These fundamental improvements, combined with a successful refinancing of the company's convertible debt and increased comfort that management would be able to settle the outstanding hip implant litigation, led us to increase our equity position in the company in late June, 2016.

Subsequently, Wright posted a strong second quarter and announced the anticipated litigation settlement which triggered a re-rating of the share price. The third quarter was tough for Medical Technology stocks overall as several key large companies reported lacklustre results and multiples across the sector contracted. Simultaneously however, Wright successfully completed the sale of its slow growth hip and knee implant business to Corin Orthopaedics and posted an acceleration in sales of its new Augment orthobiologic product for the month of September. Given the dislocation in the share price despite an improved fundamental outlook for Wright, once again we increased our position in the stock in late October, 2016.

Finally, as the calendar year ended, management announced plans to significantly expand its salesforce in 2017 to boost revenue growth, while continuing to implement strong general and administrative cost controls. This aggressive strategy was a hallmark of the company's new found turnaround after years of defensive moves, and has set the company on a path of accelerating sales growth in the high growth extremities implant end markets. As a result, we again increased our equity position in mid-February, 2017. In total, our position in Wright Medical's shares increased almost 50% over the course of the Company's financial year, with these additions evenly spread across the three buying periods. Overall, the stock more than doubled (in sterling terms) over the financial year.

Exact Sciences is a molecular diagnostics company focused on developing and commercialising non-invasive cancer screening tests. Their first product, Cologuard, is indicated for the use in screening colorectal cancer. The shares outperformed significantly in 2016 as management successfully rolled out Cologuard in the U.S. Of most import, the United States Preventative Services Task Force (USPSTF) repositioned its rating of Cologuard to be more favourable, stimulating initial momentum for Cologuard demand and commercialisation in first half of 2016. Subsequent to the USPSTF rating change, the company managed to obtain multiple positive coverage decisions from managed care organisations endorsing the non-invasive test for colorectal cancer screening. With positive insurance policy coverages and strong product positioning, Cologuard became the most successful diagnostics launch in the industry, consistently beating analysts' estimates. In addition to its flagship product, Exact Sciences disclosed early stage validation data demonstrating non-invasive screening techniques for esophageal, pancreatic, and lung cancers.

Boston Scientific develops implantable medical devices, primarily for use in cardiology, electrophysiology, peripheral vascular, neurovascular, endoscopic, urologic, gynecologic, and pain management procedures. Over the past 12 months, the company achieved industry leading revenue growth stemming from flawless execution across new product launches, additional geographic expansion, and a positive utilisation environment in the United States. Whilst all was not perfect – the company issued a recall on its highly anticipated transcatheter aortic valve replacement device known as "Lotus" in February – management continued to execute above expectations, ensuring a quick return to the market for Lotus and maintaining a bullish stance on its commercial opportunity. Moreover, the company doubled down in this attractive end market by acquiring Symetis in March, another transcatheter heart valve company with a highly competitive offering.

Incyte is a commercial-stage biopharmaceutical company focused on novel therapeutics for unmet needs in the treatment of cancer. The share price nearly doubled (in local currency) during the year due to a rapidly growing financial base and new opportunities emerging from its pipeline. Its lead asset, Jakafi (ruxolitinib), launched in 2015, is already considered to be a blockbuster drug (one that guarantees annual sales of at least U.S. 1 billion) with 2017 sales expected to be in excess of this figure. Among the many experimental cancer drugs in it pipeline, epacadostat, an oral selective IDO-1 enzyme inhibitor, is of the most value. Initial clinical data of epacadostat in combination with PD-1 inhibitors have shown impressive efficacy on several solid tumours, including melanoma and lung cancer. This led to expanded strategic collaborations with partners Merck and Bristol-Myers Squibb to rapidly advance epacadostat into late stage clinical trials. Shares of Incyte appreciated significantly following the announcement of these strategic decisions.

Excessively high blood pressure in the lungs is a serious cardiovascular disease known as pulmonary arterial hypertension (PAH), marked by shortness of breath, dizziness and fatigue that can lead to heart failure, lung transplantation, and death. Innovation and category leadership in PAH has been the hallmark of the Swiss company, **Actelion.** The company's most recent offering is called Uptravi (selexipag) and has shown unprecedented efficacy in treating PAH. After garnering worldwide approval in 2015, Uptravi approached blockbuster status in 2016, sparking merger & acquisition (M&A) interest. Ultimately, global pharmaceutical giant, Johnson & Johnson (JNJ), struck a deal to acquire Actelion for U.S.$30 billion, representing more than an 80% premium to the unaffected share price.

Detractors from Performance

Detractors in the fiscal year were largely idiosyncratic in nature, with individual stocks from different sectors declining primarily due to unexpected news flow.

Such was the case of **Ono Pharmaceutical**, the Osaka-based mid-cap pharmaceutical company who helped pioneer a revolution in immuno-oncology. The launch of Opdivo (nivolumab) at the beginning of 2016 in Japan for the treatment of a type of lung cancer in patients where chemotherapy had previously failed was an immense success by any measure. However, that success drew the attention of the Ministry of Finance and even the Prime Minister of Japan, Shinzo Abe, himself. As usage climbed, federal authorities grew concerned over the cost of paying for the drug. Due to a quirk in the domestic drug pricing system, Opdivo's price in Japan (for lung cancer) was the highest in the world, a complete reversal of what the typical case is in Japan for a drug price. Thus, with the enormous uptake and high price, the Ministry of Health, Labour and Welfare slashed the price by 50%. While many investors expected a price cut for Opdivo in Japan, as is the typical practice in Japan, both the severity and quick timing were unprecedented. The share price sagged as a result.

Further exacerbating downside in Ono's share price was the unexpected clinical trial failure of Opdivo as a treatment for frontline lung cancer. The global trial, conducted by Ono's partner Bristol-Myers Squibb, did not demonstrate any difference in efficacy between Opdivo and chemotherapy in patients who were newly diagnosed with metastatic lung cancer. This was a shocking result given Opdivo's previous success in all other previous lung cancer trials conducted and the success of a competitor's similar drug in the same setting only weeks earlier. This time, the share price fell sharply.

ImmunoGen, is a small biotechnology company developing Antibody Drug Conjugates (ADCs) as treatment for cancer. Its lead program, mirvetuximab, is an ADC targeting folate receptor alpha (FRα). The drug showed very impressive objective response rates as single agent in patients with FRα-positive platinum-resistant ovarian cancer in early study. However, the data deteriorated in a subsequent update, with lowered response rates that disappointed investors. Underwhelming clinical updates, coupled with investor concerns on the uncertainties in the development path of mirvetuximab, led the stock to underperform during the year.

Pricing pressure for U.S. pharmaceuticals has increased over the last three years. The therapeutic category most adversely affected has been diabetes, in particular insulin pricing. The "perfect storm" of incumbent players, each with a new product offering that offers little new in terms of differentiation, coupled with the approval and launch of a biososimilar insulin, swung the leverage pendulum in favour of the payers. Global diabetes leader, **Novo Nordisk**, was caught in this storm and was slow to realise the mounting pressure. The result was multiple downgrades of the company's long term growth targets, causing the share price to re-rate lower.

Coherus Biosciences, is a pure-play biosimilars company working on developing biosimilar versions to a number of blockbuster biotechnology products, including Neulasta, Enbrel, and Humira. Shares of the company declined in the period due to an adverse legal ruling that will make it more difficult for Coherus to overcome the patents protecting Humira, AbbVie's U.S.$16 billion drug for rheumatoid arthritis, psoriasis, and inflammatory bowel disease. There is also some investor scepticism that Coherus will be able to get its biosimilar Neulasta approved on-time in June 2017, as the U.S. Food and Drug Administration (FDA) has not yet announced an advisory panel to review the drug. All other first-in-class biosimilars approved to date have had advisory panels. We believe Coherus will eventually succeed in getting its biosimilars approved and would expect rapid uptake for the products.

Shares of **Impax Laboratories**, a U.S.-based generic drug company, declined sharply during the year, as the company fell victim to the severe pricing erosion experienced by many other players in the generic pharmaceuticals sector during the fiscal year. Although the company successfully closed a significant acquisition during the year, the transaction was much less accretive than expected, forcing management to cut previously-issued financial guidance. Impax's Board of Directors, in response to management's missteps and poor execution, forced the company's CEO out in late December 2016.

Derivative Strategy

OrbiMed continues to employ a derivative overlay strategy to create additional outperformance. While the strategy has generated meaningful outperformance since 2006, the contribution in the last two years has been negligible. The options strategy is primarily used to create target entry prices for favoured stocks, leverage specific catalysts and capture special situation opportunities. Two derivative specialists implement the strategy in careful consultation with the portfolio management team. OrbiMed adheres to strictly defined risk limits and in practice maintains a net exposure well below the 5% restriction.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager

14 June 2017

Contribution by Investment

Principal contributors to and detractors from net asset value performance

Top 5	Contribution for the year to 31 March 2007 £'000	Contribution per share (pence)*
Wright Medical	26,386	56.5
Exact Sciences	23,418	50.2
Incyte	21,346	45.7
Boston Scientific	21,102	45.2
Actelion†	15,800	33.8
	108,052	**231.4**

Bottom 5		
Impax Laboratories†	(4,100)	(8.8)
Coherus Biosciences	(4,592)	(9.8)
Novo Nordisk	(4,909)	(10.5)
ImmunoGen	(5,049)	(10.8)
Ono Pharmaceutical	(17,396)	(37.3)
	(36,046)	**(77.2)**

* based on 46,695,120 being the weighted average number of shares in issue during the year ended 31 March 2017.
† not owned in the portfolio as at 31 March 2017.

Large Capitalisation Pharmaceuticals

Currency effects notwithstanding, global pharmaceutical stocks posted mostly modest gains in the year. Whilst the New York Stock Exchange ARCA Pharmaceutical Index (DRG) returned over 21% sterling terms, the return in local currency was a more subdued 5.6%. The U.S. Presidential election remained both an overhang and a headwind that significantly diminished the appetite of investors to bet heavily on the sector. Moreover, with the broader markets outpacing the pharmaceutical sector by over 10.0% in the period (in local currency), investors preferred to dine at smorgasbord of financials, technology, materials, industrials, and energy over pharmaceuticals.

Looking ahead to 2017, we expect the group to resume trading on fundamentals instead of macro concerns. This should be a positive for the group as we anticipate a multitude of catalysts going forward. First and foremost is positive earnings momentum as revenue headwinds from patent expirations are currently at an ebb. New product launches over the past three years have been robust and we see important inflection points ahead for many companies in this universe. Additionally, important catalysts should play out in the coming year in oncology, cardiovascular, immunology, rheumatology, and neuroscience, just to name a few. Finally, we expect important legislative news flow about putative tax reform in the United States which could trigger a business development shopping spree for large capitalisation pharmaceutical companies, fattening their pipelines and their valuations.

On the regulatory side, the environment for new drug approvals continues to be favourable. President Trump has said repeatedly that he would like to expedite the approval of new drugs, and his nominee to head the FDA, Scott Gottlieb, is regarded as industry-friendly. Once there is more clarity about President Trump's plans for drug prices, we would expect therapeutic stocks to recover in a more convincing way.

Biotechnology

Whilst much of the healthcare sector remained range bound heading into the U.S. Presidential election in November 2016, perhaps none was more affected than biotechnology stocks. Fears over a potential Hillary Clinton victory and her proposed policies to reduce drug prices continued to act as an overhang on the sector.

The surprise election victory of President Donald Trump briefly catalysed a relief rally in biotechnology, sending the Nasdaq Biotechnology Index up 9% (local currency) on the day after the election. Investors perceived the Republican sweep of the presidency and both chambers of Congress as a more favourable outcome for the drug industry than a Democratic victory, as it appeared to lessen the likelihood of any dramatic government action to control drug prices. Indeed, President Trump's platform had largely been based on jobs, trade, taxes, and national security rather than lowering prescription drug prices. Nevertheless, there is some uncertainty about specifically what President Trump intends to do with his healthcare policy going forward, including the "repeal and replace" of Obamacare, or the Affordable Care Act (ACA).

Despite some remaining opaqueness in Washington D.C., the fundamentals of biotechnology companies remain strong. Innovation continues, with companies such as **Biogen**, launching a new product Spinraza (nusinersen) for spinal muscular atrophy and **Amgen**, announcing positive results from a cardiovascular outcomes trial of their cholesterol-lowering drug Repatha (evolocumab). Innovation from emerging biotechnology companies also remains strong. For example, we should see new product approvals in the gene therapy space (for blindness) and the anti-cancer therapeutic known as CAR-T.

Valuations of large-capitalisation biotechnology companies remain very reasonable, even though earnings growth has slowed as the revenue bases of the companies have gotten larger. Valuations are seen by many investors as sufficiently compelling that an acquisition of a large-capitalisation biotechnology company by a larger pharmaceutical company would not be surprising. Additionally, Republican plans to institute a tax repatriation holiday should allow large-capitalisation U.S. biotechnology companies to repatriate overseas cash at a reduced tax rate, increasing the cash balances they have to make acquisitions of smaller biotechnology companies and add assets to their pipelines.

Specialty Pharmaceuticals

Branded drug franchise pricing concerns have plagued specialty pharmaceutical stocks over the past year and were a major reason behind the group's lacklustre performance. Although the pricing environment remains challenging, the outlook for specialty pharmaceutical stocks, in general, looks fairly bright with several names poised for recovery. Current valuations largely reflect expectations of reduced pricing power, allowing investors to better appreciate the varied strategies employed by companies in this group. Over time, we believe investors will increasingly reward players with durable franchises and attractive growth profiles. We also anticipate that a greater focus on proprietary pipelines will drive increased interest. In our opinion, proprietary pipelines for certain companies remain significantly undervalued, setting the stage for share price outperformance upon favourable data disclosures. As a result, we view a select group of companies with significant pipeline disclosures over the next 12-15 months as particularly attractive.

In Europe, we have become more constructive on a select group of companies benefiting from improving trends, new launch cycles, and increased M&A activity. 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

There was a significant correction in generic pharmaceutical stock prices over the year. Uncertain dynamics in the U.S. generic drug market made investors wary of the sector. Significant and sustained pricing erosion, stemming from the consolidation of pharmacy and wholesaler distribution channels, has destabilised large-scale and niche generic players alike, resulting in reported earnings shortfalls, downwardly-revised revenue and earnings forecasts, worsened leverage ratios, and depressed valuations.

In Europe, market conditions for generic companies were somewhat better. Some sizable markets like France, Italy, and Spain demonstrated better growth potential as generic utilisation ramped up from relatively modest levels. In these markets, pricing erosion was more moderate and largely in line with expectations, in stark contrast to the rapidly deteriorating conditions observed in the U.S.. Throughout Asia, economic expansion, favourable demographics, supportive governmental policies, and other contributing factors continue to drive robust generic utilisation throughout the region. In contrast, the Japanese generic market saw decelerating volume growth and extreme pricing concerns.

Looking ahead, recent commentary from both a large global generic company and a major wholesaler leads us to believe that U.S. market dynamics could deteriorate further over the next few quarters. Thus, large global generic companies appear best-positioned within this sector. We believe solid performance in key European and Asian markets could offset weaker U.S. performance for the large diversified players. We anticipate further consolidation of the generic industry; however recent transactions indicate that unfavourable U.S. dynamics have impaired acquisition premiums.

Medical Devices

Entering 2016, our collective view on the Medical Devices sector was notably more positive than at any point in the past several years. That view remains unabated as we look ahead to 2017, with new product innovation in cardiology, orthopaedic extremities, and surgical robotics poised to unleash a new wave of revenue growth for the sector in the 2018-2020 timeframe.

The macro environment is stable, with healthy procedure volume growth providing stability against normal (but importantly not intensifying) pricing pressures. Political headwinds are navigable: the sector is largely insulated from potential healthcare reform given much greater exposure to Medicare covered lives vs. commercial, and tax reform represents a solid tailwind for the majority of companies. M&A remains a key theme for the sector, with further large acquisitions still possible and ample opportunity for portfolio rationalisation, divestments, and smaller tuck-in acquisitions.

Against this backdrop, we continue to favour companies with differentiated growth profiles in durable sectors such as cardiology, where transcatheter heart valve market growth and several other emerging product categories are promising, surgical robotics which is gaining further traction and recognition as a replacement for surgery, and orthopedic extremities implants/biologics which offer uniquely strong revenue growth in the orthopaedic industry.

Healthcare Services

2016 bore witness to important repositioning for the Company's investment across healthcare services. Exposure to Medicaid Health Maintenance Organisations (HMOs) in the U.S. was significantly reduced after the recent Presidential election. These companies were big winners under the ACA, benefiting from accelerating patient enrollment in their plan offering and earnings growth as many U.S. states expanded Medicaid eligibility under the law.

However, those tailwinds are over and going forward we foresee operational headwinds for Medicaid HMOs under the Trump administration, including potential "repeal and replace" of the ACA, including block grants (also known as funding cuts).

We are bullish on commercial and Medicare HMOs, because ACA-related taxes and regulations will be "repealed" and "replace" would further privatise Medicare. There are also macro catalysts for these stocks like corporate tax reform (100% domestic business) and rising interest rates. We remain cautious on the drug supply chain including distributors and pharmacy benefit managers due to deteriorating fundamentals highlighted by decelerating drug price inflation and intensifying competition.

Life Science Tools / Diagnostics

During the Company's previous financial year, the life sciences sector saw consistent investor bids as it gained favoritism amongst healthcare investors looking for stability amidst uncertainties in bio-pharma. Outside of sub-sector rotation dynamics, the sector enjoyed outsized growth in pharmaceutical-related end markets that kept fundamentals largely intact. Academic and government spending saw another year of anemic growth despite positive rhetoric out of Washington D.C. Whilst the weak spending coming out of the government funded National Institutes of Health (NIH) and NIH-levered academic markets, the deleterious impact to share prices was muted due to aforementioned pharma-related activities in the sector.

Although devoid of large transformative deals in 2016, consolidation in the industry remained active with Thermo Fisher, Danaher, and Abbott involved with small to medium sized acquisitions which helped valuations remain elevated throughout the course of the year.

For 2017, we expect the sector to continue to benefit from relative uncertainties and volatility of bio-pharma as drug pricing rhetoric in the U.S. possibly lingers with unclear pathway forward. Kicking off this year, we are seeing early signs of recovery in the cyclical industrial end market, which has been a drag to the overall growth profile of the industry for the past few years. Additionally, new product cycles in genomics continue to grab investors' interests. In particular, new products that can proverbially "move the needle" could drive valuations higher.

That said, foreword looking valuations of the sector should, and will, be debated. The current premium versus the broader market and other healthcare sub-sectors remains elevated. We expect this trend to continue. But with stretched balance sheets and rising interest rates environment, expectations of large transformative deals should be muted.

Defensive bids, generated by stability in end markets, should allow current valuations to be sustained in the near term. However, looking at the sub-sector holistically, a dose of caution is necessary given premium valuation. We remain neutral in the sector but select exposure to product cycle names is warranted.

Emerging Markets

Emerging markets continue to offer healthcare companies with superior growth prospects than many companies in the West, driven by aging demographics, rising income levels, and an expected increase in the proportion of GDP spent on healthcare. Our strategy continues to be to invest in high-quality leading companies in each subsector that will reflect these positive long-term macro trends.

In China, our investments consist of companies in two broad categories: 1) pharmaceuticals and 2) private hospitals. In the pharmaceutical space, the Chinese government has been undertaking reforms to increase the quality of drugs sold in China and improve the robustness and efficiency of their drug approval system. To improve the quality of medicines in China, the government is mandating bioequivalence testing for many of the generic drugs currently marketed in China to confirm that they truly have equivalent efficacy to the original brand. The government is also discouraging use of so-called "adjuvant" drugs, which account for the majority of hospital drug use yet have little to no clinical data demonstrating their efficacy. We expect these initiatives to reduce the number of low-quality drugs in the Chinese marketplace, which should reduce pricing pressure in the space. On the regulatory front, the Chinese FDA (CFDA) has been criticised for being slow to approve new drugs (typically taking multiple years rather than the U.S. FDA's target of a year or less). To clear the extensive backlog of drugs pending review at the CFDA, the agency asked all pharmaceutical companies to certify the clinical data integrity of any pending drug applications at the agency. Any drug sponsors found to have applications with deficient clinical data quality would be sanctioned by not having any of their future drug applications accepted or approved by the agency for a period of time. As a result of this stringent self-certification requirement, the vast majority of pending drug applications were actually withdrawn from the CFDA. In addition, the CFDA has instituted a priority review programme which accelerates review of innovative drugs in certain therapeutic areas of unmet medical need. All of these policies should benefit high-quality drug companies developing innovative drugs, which are the types of companies OrbiMed prefers investing in. Over the course of 2016, pricing pressure from provincial tenders continued to act as a headwind for the sector. While we expect pricing pressure to persist, we believe volume growth should allow companies to continue to deliver strong earnings growth, especially those companies with innovative products that are less susceptible to competition.

In the private hospital sector, we are capitalising on the Chinese government's desire to develop the healthcare delivery infrastructure in the country. The government has been encouraging more private investment in hospitals. Our hospital investments in China consist of high-quality operators that are expected to expand profitably in Asia. Unlike drug companies, private hospitals do not face the same headwinds stemming from pricing pressure due to drug tenders.

In India, our strategy remains to invest in high quality generic companies with compliant manufacturing and specialty/differentiated products. Over the course of the year, the FDA continued to inspect the manufacturing facilities at many Indian generic manufacturers, resulting in the identification of deficiencies that in some cases led to temporary plant suspensions. While we expect the FDA inspections to continue, we would expect the leaders in the Indian generics industry to remedy any manufacturing deficiencies identified, resulting in a long-term improvement in manufacturing quality for the Indian generics industry overall. One headwind that has weighed on the Indian pharmaceutical industry is the pricing erosion seen recently in the U.S. generics market, which will affect Indian companies with U.S. exposure. We believe new generic launches can mitigate this impact.

Samuel D. Isaly
OrbiMed Capital LLC
Portfolio Manager
14 June 2017

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 6. 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 Securities LLC (formerly 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 28 and 29. The Board has determined an investment objective, policy and related guidelines and limits, as described on page 6.

The Company is subject to UK and European legislation and regulations including UK company law, UK GAAP, the Alternative Investment Fund Managers Directive, 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, Dr David Holbrook, Samuel D. Isaly, Doug McCutcheon and Humphrey van der Klugt. All of these Directors served throughout the year and are independent non-executive 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 26 and 27.

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 6 and 7, 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 32 to 39, includes a statement of compliance with corporate governance codes and best practice, and the Business Review (pages 22 to 24) includes details 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 on pages 1, 2 and 3.

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

NAV per share total return against the Benchmark

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

The Board considers the most important comparator, against which to assess the NAV per share total return performance, to be the MSCI World Health Care Index measured on a net total return, sterling adjusted basis. As noted on page 6 Frostrow and OrbiMed have flexibility in managing the investments and are not limited by the constraints of the Benchmark. As a result, investment decisions may be made 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 Securities LLC, 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 28.

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.

During the year, under the terms of the AIFM Agreement, Frostrow received 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 of 1.5% of outperformance against the Benchmark as detailed on page 28.

With effect from 1 April 2017 the annual management fee payable to Frostrow has been amended as follows:

On market capitalisation up to £150 million: 0.3% (unchanged); in the range £150 million to £500 million: 0.2% (unchanged); in the range £500 million to £1 billion: 0.15% (increased from 0.125%); in the range £1 billion to £1.5 billion: 0.125% (unchanged); over £1.5 billion: 0.075% (reduced from 0.125%). In addition, Frostrow continues to receive a fixed fee per annum of £57,500.

Frostrow is no longer entitled to future performance fees, however it will still be entitled to receive any performance fee that crystallises during the year ending 31 March 2018 in respect of cumulative outperformance attained by 31 March 2017.

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 28.

Depositary and Prime Broker

J.P. Morgan Europe Limited acts as the Company's Depositary and J.P. Morgan Securities LLC 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 28 and 29.

J.P. Morgan Europe Limited has discharged certain of its liabilities as Depositary to J.P. Morgan Securities LLC. Further details of this arrangement are set out on pages 28 and 29. J.P. Morgan Securities LLC, as Prime Broker, provides the following services under its agreement with the Company:

- safekeeping and custody of the Company's investments and cash;
- processing of transactions;
- provision of an overdraft facility. Assets 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 2017 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 on page 21, 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 64.

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 6 and 7. 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 64).

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 Securities LLC 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 Securities LLC 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 Securities LLC, 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 68);
- 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.

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 73). 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 has the ability 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 30.

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 six Directors, four 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 30.

Board diversity

The Board is supportive of the recommendations of Lord Davies' report that the performance of corporate boards can be improved by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the Board, including gender, and takes this into account in its Board appointments. The Company is committed to ensuring that any Director search process actively seeks persons with the right qualifications so that appointments can be made, on the basis of merit, against objective criteria from a diverse selection of candidates. To this end the Board will dedicate time to considering diversity during any director search process and keep in mind that the Davies Review of Women on Boards recommended that UK Listed Companies in the FTSE 100 should be aiming for a minimum of 25% of females on the Board.

	Male	Female
Directors of the Company	5	1

The Company does not have any employees. Therefore there is no employee information to disclose.

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 22 to 24.

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 22 to 24.

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.

Alternative performance measures

The Financial Statements (on pages 52 to 70) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 3 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on pages 20 and 21.

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 4 and 5 and the Portfolio Manager's Review and Sector Outlook on pages 12 to 19.

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 2017

Sir Martin Smith

Chairman

A Director since 2007
Seeks annual re-election by shareholders

Sir Martin Smith has been involved in the financial services sector for more than 40 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 and Energy Works PLC.

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
Seeks annual re-election by shareholders

Sarah Bates is currently Chair of St James's Place Plc and a non-executive Director of Polar Capital Technology Trust plc and of JPMorgan American Investment Trust plc. She is a former Chair of the Association of Investment Companies. She is a member of the Universities Superannuation Fund Investment Committee, 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

Dr David Holbrook

A Director since 2007
Seeks annual re-election by shareholders

Dr David Holbrook is Chairman of the Nominations Committee and is the Senior Independent Director. He is a qualified physician. David co-manages Cambridge University's Seed Funds in the Life Sciences. He is also a Venture Partner at MTI Partnership LLP, a leading early stage venture capital investor, having been General Partner and Head of Healthcare Investing for 13 years. David 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

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 2016/17	Board (4)	Audit Committee (2)	Nominations Committee (1)	Management Engagement & Remuneration Committee (1)
Sir Martin Smith	4	–	1	1
Sarah Bates	4	2	1	1
Jo Dixon*	2	1	–	–
Dr David Holbrook	4	2	1	1
Samuel D. Isaly	3	–	–	–
Humphrey van der Klugt	4	2	1	1
Doug McCutcheon	4	2	1	1

*Retired from the Board on 21 September 2016

All of the serving Directors attended the Annual General Meeting held on 21 September 2016.

Samuel D. Isaly

A Director since 1995
Seeks annual re-election by shareholders

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, FCA

A Director since 2016
Seeks annual re-election by shareholders

Humphrey van der Klugt is Chairman of the Audit Committee. He 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
Seeks annual re-election by shareholders

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

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 2017.

Significant agreements

Details of the services provided under these agreements are included in the Strategic Report on pages 21 to 22.

Alternative Investment Fund Management agreement

As described on page 21, 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.

During the year under review, Frostrow charged a variable base fee, which was dependent on the size of the Company and a performance fee of 1.5% of outperformance against the Benchmark as set out below. (Further details of these arrangements and also of changes made that took effect from 1 April 2017 can be found on page 21).

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%, for fees payable to March 2018 following which no further fees will be payable to Frostrow (further details can be found on page 21) respectively. Provision is 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.

The performance fee charge for the year was £4.7m (2016: reversal of £5.5m) and consisted of:

- £1.3m which became payable due to outperformance that had been achieved as at 30 September 2015 and maintained to 30 September 2016; and
- A provision for potential future performance fee payments of £3.4m (2016: no provision) made as at 31 March 2017.

The maximum amount that could become payable by 31 March 2018, is £3.4m.

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 Securities LLC (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 23 for further details.

Prime brokerage agreement

The Company appointed J.P. Morgan Securities LLC (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 63.

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 52 to 54. Details of the Company's dividend record can be found on page 3.

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 2017. It is intended that this policy will continue for the year ending 31 March 2018 and subsequent years.

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 2017, the latest practicable date before publication of the Annual Report:

	31 May 2017		31 March 2017	
Shareholder	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Investec Wealth & Investment Limited	5,783,166	12.4	5,739,451	12.3
Rathbone Brothers plc	2,737,184	5.9	2,674,758	5.8
Alliance Trust Savings Limited	2,661,418	5.7	2,594,162	5.6
Speirs & Jeffrey Limited	2,057,778	4.4	2,058,128	4.4
Quilter Cheviot Investment Management	2,018,197	4.3	2,033,683	4.4
Hargreaves Lansdown plc	1,956,601	4.2	1,925,929	4.1
Charles Stanley & Co Limited	1,949,166	4.2	1,943,410	4.2
Brewin Dolphin Limited	1,572,291	3.4	1,471,151	3.2

As at 31 March 2017 the Company had 46,506,278 shares in issue. As at 31 May 2017 there were 46,516,278 shares in issue.

Directors' indemnities

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

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

Capital structure

The Company's capital structure is composed solely of ordinary shares.

During the year under review, 1,425,062 shares were bought back by the Company to be held in treasury at an average discount of 6.9% to the prevailing diluted ex income NAV per share. A total of 291,295 shares were then reissued from treasury during the year at an average discount of 2.7% to the prevailing diluted cum income NAV per share at the time of issue. The share buyback and issuance activities resulted in a net profit to shareholders of £1,656,000 (2016: £762,000).

1,332,742 shares held in treasury were cancelled by the Company on 27 September 2016. This figure comprised 198,975 shares held in treasury at the beginning of the year and 1,133,767 shares bought back during the financial year to 2 September.

Since the year end, to the date of this report, 35,000 new shares have been issued at an average premium of 0.7% to the prevailing cum income NAV per share. No shares were bought back by the Company during this period.

Voting rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 79.

Political and charitable donations

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

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The Directors do not therefore consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking.

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.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Capita Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Corporate governance

The Corporate Governance Statement set out on pages 32 to 39 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 2017

Governance/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 26 and 27, 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 2017;
- 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 2017

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 July 2016 the AIC published a revised AIC Code and AIC Guide.

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 Code), will provide better information to shareholders.

Statement of Compliance

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 Code includes certain provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK 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 the need for an internal audit function which is addressed further on page 40, the Company has not reported further in respect of these provisions.

The principles of the AIC Code

The AIC Code is made up of 21 principles split into three sections covering:
- The Board
- Board Meetings and relations with AIFM and Portfolio Manager
- Shareholder Communications

The Board

AIC Code Principle	Compliance Statement
1. The Chairman should be independent.	The Chairman, Sir Martin Smith, continues to be independent of the AIFM and the Portfolio Manager. There is a clear division of responsibility between the Chairman, the Directors, the AIFM, the Portfolio Manager and the Company's other third party service providers. The Chairman is responsible for the leadership of the Board and for ensuring its effectiveness in all aspects of its role.
2. A majority of the Board should be independent of the manager.	The Board consists of six non-executive Directors, each of whom (with the exception of Samuel D. Isaly who is the Managing Partner at OrbiMed, the Company's Portfolio Manager) is considered by the Board to be 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. Mr Isaly, and also Sir Martin Smith and Dr David Holbrook have all served on the Board for more than nine years from the date of their first election. Given the strongly independent mindset of Sir Martin Smith and Dr Holbrook, the Board is firmly of the view that they can be considered to be independent. Mr Isaly, due to his connections with OrbiMed, is not considered to be independent by the Board.
3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	All Directors submit themselves for annual election or re-election by shareholders. The individual performance of each Director standing for election or re-election is evaluated annually by the remaining members of the Board and, if considered appropriate, a recommendation is made that shareholders vote in favour of their election or re-election at the Annual General Meeting.
4. The Board should have a policy on tenure, which is disclosed in the annual report.	The Nominations Committee considers the structure of the Board and recognises the need for progressive refreshment. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces their ability to act independently and, following formal performance evaluations, believes that each of the independent Directors is independent in character and judgment and that there are no relationships or circumstances which are likely to affect their judgment. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term, although new Directors are appointed

AIC Code Principle	Compliance Statement
	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.
5. There should be full disclosure of information about the Board.	The Directors' biographical details, set out on pages 26 and 27 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 38 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 26 and 27. The Company's policy on diversity is set out on page 25.
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 43 to 45. 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 25.

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.

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 40 to 42.
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 24.
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 24. 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 Company's Auditors, legal advisers and the Corporate Stockbroker.
21. The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares.	The Company places great importance on communication with shareholders and aims to provide them with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative Annual and Half Year reports. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. In line with its primary focus, the Board retains responsibility for all key elements of the Company's strategy and business model. Further details can be found in the Business Review on page 20. 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 22 to 24 and in note 16 beginning on page 64. The Portfolio is listed on pages 8 to 10. The Company's website, www.worldwidewh.com, is regularly updated with monthly factsheets and provides useful information about the Company including the Company's financial reports and announcements.

The Board and Committees

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

The Board

Chairman – Sir Martin Smith

Senior Independent Director – Dr David Holbrook

Four additional non-executive Directors, all considered independent except for Samuel D. Isaly, as noted on page 33.

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

Humphrey van der Klugt, FCA

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 24.

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.

Annual General Meeting

THE FOLLOWING INFORMATION TO BE DISCUSSED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 11 Authority to allot shares

Resolution 12 Authority to disapply pre-emption rights

Resolution 13 Authority to sell shares held in Treasury on a non pre-emptive basis

Resolution 14 Authority to buy back shares

Resolution 15 Authority to hold General Meetings (other than the Annual General Meeting) on at least 14 working days' notice.

The full text of the resolutions can be found in the Notice of Annual General Meeting on pages 76 to 80. Explanatory notes regarding the resolutions can be found on pages 81 and 82.

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 Securities LLC. 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 Securities LLC.

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 2017

Introduction from the Chairman

I am pleased to present my first formal report to shareholders as Chairman of the Audit Committee, for the year ended 31 March 2017.

Composition and Meetings

The Committee, which comprises those Directors considered to be independent by the Board and also excluding the Chairman of the Company, met twice during the year. Attendance by each Director is shown in the table on page 26. I was appointed Chairman of the Committee on the retirement of my predecessor Jo Dixon on 21 September 2016. The Board has taken note of the requirements that the Committee as a whole should have competence relevant to the sector in which the Company operates and that at least one member of the Committee should have recent and relevant financial experience. The Committee is satisfied that the Committee is properly constituted in both respects: I am a Chartered Accountant and am also the Chairman of the Audit Committee of two other public companies; the other Committee members have a combination of financial, investment and other relevant experience gained throughout their careers.

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 41.
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 £3,500 were payable to the Auditors, PwC, during the year for agreed upon procedures in relation to the Company's performance fee review.

   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.

Significant Issues Considered by the Audit Committee during the year

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 31. 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.

Taxation

The Committee approached and dealt with ensuring compliance with Section 1158 of the Corporation Tax Act 2010, by seeking confirmation that the Company continues to meet the eligibility conditions on a monthly basis.

Brexit

The Audit Committee considered the potential risks to the Company as a result of the UK's vote to leave the EU. Currently, other than the impact of exchange rates on the Company's investment values (which is covered under Market Risks on page 22), the Audit Committee does not consider that the Brexit vote has significantly altered the risk profile of the Company as substantially all the Company's investments are based outside the EU, and the majority of shareholders are UK based.

The Audit Committee will continue to monitor changes in the regulatory environment as the exit negotiation proceeds and re-assess the Company's risks accordingly.

Internal controls and risk management

As set out on page 22 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.

Non-Audit Services

The Company operates on the basis whereby the provision of all non-audit services by the Auditor has to be pre-approved by the Audit Committee. Such services are only permissible where no conflicts of interest arise, the service is not expressly prohibited by audit legislation, where the independence of the Auditor is not likely to be impinged by undertaking the work and the quality and the objectivity of both the non-audit work and audit work will not be compromised. In particular, non-audit services may be provided by the Auditor if they are inconsequential or would have no direct effect on the Company's financial statements and the audit firm would not place significant reliance on the work for the purposes of the statutory audit.

Audit Tendering

PricewaterhouseCoopers LLP have been the Auditor since July 2014, which was the last occasion an audit tender was held. Formal Audit tender guidelines have been adopted to govern the Audit tender process.

As a public company listed on the London Stock Exchange, the Company is subject to the mandatory Auditor rotation requirements of the European Union. The Company will put the external audit out to tender at least every 10 years and change Auditor at least every 20 years.

Auditor Reappointment

PricewaterhouseCoopers LLP 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 proposed at the Annual General Meeting.

The Committee reviews the scope and effectiveness of the audit process, including agreeing the Auditor's assessment of materiality and monitors the Auditor's independence and objectivity. It conducted a review of the performance of the Auditor during the year and concluded that performance was satisfactory and there were no grounds for change.

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 2017. 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.

Humphrey van der Klugt, FCA
Chairman of the Audit Committee

14 June 2017

Statement from the Chairman of the Management Engagement & Remuneration Committee

This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. 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 46 to 51.

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 2016, and was passed by 98.7% 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 Annual General Meeting held in 2014, and was passed by 97.1% of shareholders voting on the resolution. The aforementioned Directors' Remuneration Policy provisions apply until the next time that they are put to shareholders for the renewal of that approval, which must be at intervals of not more than three years, or if the Directors' Remuneration Policy is varied. As approval of this policy was last granted by shareholders at the Annual General Meeting held in July 2014, shareholder approval will again be sought at this year's Annual General Meeting.

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 30 March 2017 it was agreed that the Directors' fees would be, with effect from 1 April 2017, as follows:

The Chairman of the Company, and Humphrey van der Klugt, as Chairman of the Audit Committee, will receive an annual fee of £45,850 and £35,500, respectively. Dr David Holbrook, as the Senior Independent Director will receive an annual fee of £31,070, Sarah Bates, Samuel D. Isaly and Doug McCutcheon will each receive an annual fee of £28,970.

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

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.

Directors' emoluments for the year (audited)

	Date of Appointment to the Board	Fees (£) 2017	Taxable Expenses† 2017	Total 2017	Fees (£) 2016	Taxable Expenses† 2016	Total 2016
Sir Martin Smith	8 November 2007	43,650	655	44,305	43,200	781	43,981
Humphrey Van Der Klugt	15 February 2016	30,685	386	31,071	3,430	–	3,430
Sarah Bates	22 May 2013	27,570	–	27,570	27,300	–	27,300
Dr David Holbrook	8 November 2007	28,670	50	28,720	27,300	125	27,425
Samuel D. Isaly	14 February 1995	27,570	–	27,570	27,300	–	27,300
Doug McCutcheon	7 November 2012	27,570	–	27,570	27,300	–	27,300
Jo Dixon*	25 February 2004	16,055	1,183	17,238	33,450	2,298	35,748
Directors Fees		201,770	2,274	204,044	189,280	3,204	192,484

† 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.

* Retired from the Board on 21 September 2016.

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.

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

Sums paid to third parties

Until May 2016 fees due to Dr Holbrook were paid to MTI Managers Limited, his then employer. Thereafter, his fees have been paid to him directly, 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)

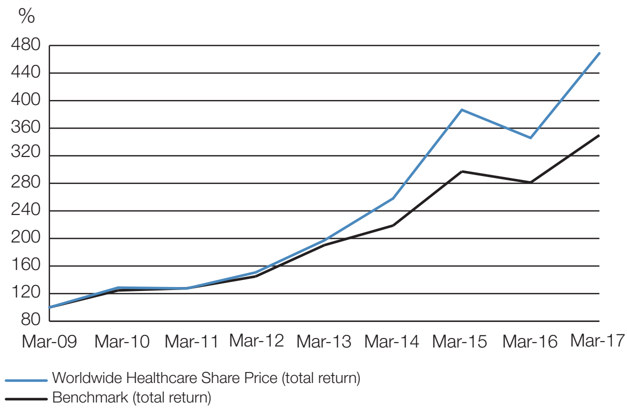
	Ordinary Shares of 25p each 2017	2016
Sir Martin Smith	11,871	11,871
– Trustee	2,725	2,725
Jo Dixon*	n/a	3,859
Sarah Bates	7,200	7,200
Dr David Holbrook	1,094	1,094
Samuel D. Isaly	3,600	3,600
Humphrey van der Klugt	1,500	1,500
Doug McCutcheon	15,000	15,000
	42,990	46,849

*Retired from the Board on 21 September 2016

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.

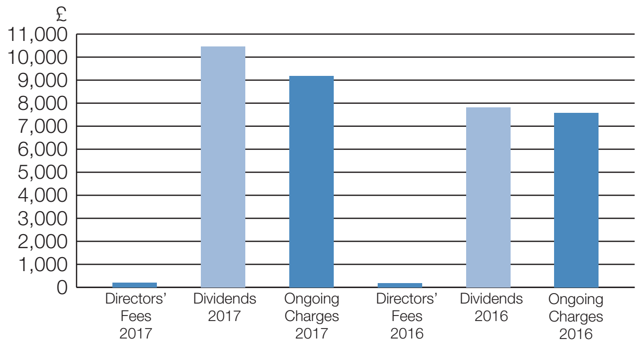
Total shareholder return for the eight years to 31 March 2017



Rebased to 100 as at 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 2016 and 2017.

Relative cost of directors' remuneration



Annual statement

On behalf of the Board, I confirm that the Directors' Remuneration Policy, set out on page 43 of this Annual Report, and Directors' Remuneration Report summarise, as applicable, for the year to 31 March 2017:

(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 2017

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 2017 and of its profit 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 2017;
- 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: £11,009,000 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.
Audit Focus	• Income. • Valuation and existence of investments. • Performance fees.

The scope of our audit and our areas of focus

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

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective 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 55 and 56 (Accounting Policies) and pages 58 and 62 (Notes to the Financial Statements). We focused on the accuracy and completeness of dividend income amounting to £13,098,000 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 the investment amounting to a gain of £260,256,000 for the year. This is because incomplete or inaccurate income (both revenue and capital) 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 at JPMorgan CIB 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.

Area of focus	How our audit addressed the area of focus
Valuation and existence of investments Refer to page 41 (Audit Committee Report), pages 55 and 56 (Accounting Policies) and page 62 (Notes to the Financial Statements). The investment portfolio at 31 March 2017 principally comprised listed equity investments, OTC swaps and unquoted debt investments and totalled £1,192,881,000. 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 Securities LLC. 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. No differences were identified which required reporting to those charged with governance. • OTC derivative financial instruments: We tested the valuation of the OTC derivatives by reperforming the valuation using independent market data. We tested the existence of the OTC derivatives by agreeing the holdings to an independent confirmation from J.P. Morgan Securities LLC and the counterparty, Goldman Sachs International. No differences were identified which required reporting to those charged with governance.
Performance fees Refer to page 41 (Audit Committee Report), page 56 (Accounting Policies) and page 58 (Notes to the Financial Statements). As at 31 March 2017, a performance fee accrual of £3.4m was calculated, all of which was recognised as a provision for the potential future payment. Performance fees totalling £1.3m were paid during the year due to outperformance achieved for the quarter ending 30 September 2016. This resulted in a total performance fee charge for the year of £4.7m. 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.

How we tailored the audit scope

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

The Company's accounting is delegated to the AIFM who maintains the Company's accounting records and controls and reports to 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** – £11,009,000 (2016: £8,818,000).
- **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 £550,000 (2016: £441,000) 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 31, 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

Other required reporting

Consistency of other information and compliance with applicable requirements

Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

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 31, 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 40, 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 22 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 25 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 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 31, 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. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

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

14 June 2017

For the year ended 31 March 2017

	Notes	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Gains/(losses) on investments	9	–	260,256	260,256	–	(86,856)	(86,856)
Exchange (losses) on currency balances		–	(9,113)	(9,113)	–	(3,490)	(3,490)
Income from investments	2	13,098	–	13,098	10,482	–	10,482
AIFM, Portfolio management and performance fees	3	(423)	(12,751)	(13,174)	(383)	(1,817)	(2,200)
Other expenses	4	(718)	–	(718)	(762)	–	(762)
Net return/(loss) before finance charges and taxation		**11,957**	**238,392**	**250,349**	**9,337**	**(92,163)**	**(82,826)**
Finance costs	5	(43)	(785)	(828)	(36)	(690)	(726)
Net return/(loss) before taxation		**11,914**	**237,607**	**249,521**	**9,301**	**(92,853)**	**(83,552)**
Taxation on net (return)/loss	6	(1,231)	79	(1,152)	(1,126)	49	(1,077)
Net return/(loss) after taxation		**10,683**	**237,686**	**248,369**	**8,175**	**(92,804)**	**(84,629)**
Return/(loss) per share – basic	**7**	**22.9p**	**509.0p**	**531.9p**	**17.1p**	**(194.1)p**	**(177.0)p**

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.

For the year ended 31 March 2017

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2016	**11,960**	**233,537**	**617,314**	**7,888**	**11,059**	**881,758**
Net return after taxation	–	–	237,686	–	10,683	248,369
Dividend paid in respect of year ended 31 March 2016	–	–	–	–	(4,702)	(4,702)
First interim dividend paid in respect of year ended 31 March 2017	–	–	–	–	(3,008)	(3,008)
Shares purchased for treasury	–	–	(27,533)	–	–	(27,533)
Shares issued from treasury	–	2	6,017	–	–	6,019
Shares cancelled from treasury	(333)	–	–	333	–	–
At 31 March 2017	**11,627**	**233,539**	**833,484**	**8,221**	**14,032**	**1,100,903**

For the year ended 31 March 2016

	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 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**

The accompanying notes are an integral part of these statements.

Financial Statements/Statement of Financial Position

As at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments	9	1,157,562	905,471
Derivative – OTC swaps	9 & 10	34,410	30,199
		1,191,972	**935,670**
Current assets			
Debtors	11	5,865	1,950
Derivative – put and call options	9 & 10	1,191	353
Cash		10,780	18,536
		17,836	**20,839**
Current liabilities			
Creditors: amounts falling due within one year	12	(108,623)	(74,007)
Derivatives – put and call options	9 & 10	(282)	(744)
		(108,905)	**(74,751)**
Net current liabilities		**(91,069)**	**(53,912)**
Total net assets		**1,100,903**	**881,758**
Capital and reserves			
Share capital	13	11,627	11,960
Share premium account		233,539	233,537
Capital reserve	17	833,484	617,314
Capital redemption reserve		8,221	7,888
Revenue reserve		14,032	11,059
Total shareholders' funds		**1,100,903**	**881,758**
Net asset value per share – basic	**14**	**2,367.2p**	**1,850.9p**
Net asset value per share – fully diluted for treasury shares	**14**	**n/a**	**1,850.5p**

The financial statements on pages 52 to 70 were approved by the Board of Directors and authorised for issue on 14 June 2017 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)

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 31.

The Company has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102, as it is an investment fund and its 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).

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.

1. ACCOUNTING POLICIES 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 current and comparative year were 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.

(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, including the effects of changes in exchange rates on foreign currency borrowings;
- 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.

2. INCOME FROM INVESTMENTS

	2017 £'000	2016 £'000
Income from investments		
UK listed dividends	–	100
Overseas dividends	10,735	9,010
Fixed interest income	2,023	1,210
	12,758	**10,320**
Other income		
Derivatives	290	149
Deposit interest	50	13
Total income from investments	**13,098**	**10,482**
Total income comprises:		
Dividends	10,735	9,110
Interest	2,363	1,372
	13,098	**10,482**

3. AIFM, PORTFOLIO MANAGEMENT, AND PERFORMANCE FEES

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
AIFM fee	89	1,693	1,782	84	1,594	1,678
Portfolio management fee	334	6,340	6,674	299	5,683	5,982
Performance fee	–	4,718	4,718	–	(5,460)	(5,460)
	423	**12,751**	**13,174**	**383**	**1,817**	**2,200**

The 2016 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 arrangements as set out below.

During the year, the AIFM fee was 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. With effect from 1 April 2017 the AIFM fee will be amended to 0.30% of the market capitalisation up to £150 million, 0.20% in excess of £150 million and up to £500 million, 0.15% in excess of £500 million and up to £1 billion, 0.125% in excess of £1 billion to £1.5 billion, and over £1.5 billion 0.075%, plus a fixed amount equal to £57,500 per annum.

The Portfolio management fee is 0.65% per annum of the Company's NAV.

The performance fee provision 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%, for fees payable to March 2018 following which no further fees will be payable to Frostrow.

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.

A performance fee is only provided for or becomes payable to the extent that the cumulative outperformance to date gives rise to a total fee greater than the total of all performance fees paid to date.

4. OTHER EXPENSES

	2017 Revenue £'000	2016 Revenue £'000
Directors' remuneration	202	189
Auditors' remuneration for the audit of the Company's financial statements	27	29
Auditors' remuneration for non-audit services	4	10
Marketing expenses	58	51
Registrar fees	63	78
Broker fees	14	7
Legal and professional costs	18	14
Stock Exchange listing fees	23	38
Depositary and custody fees	139	130
Other costs	170	216
	718	**762**

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on page 44.

5. FINANCE COSTS

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Finance costs	43	785	828	36	690	726

6. TAXATION ON NET RETURN ON ORDINARY ACTIVITIES

(a) Analysis of charge in year

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Corporation tax at 20% (2016: 20%)						
Overseas capital gains tax refund	–	–	–	–	(49)	(49)
Tax relief to capital	79	(79)	–	–	–	–
Overseas taxation	1,152	–	1,152	1,126	–	1,126
	1,231	**(79)**	**1,152**	**1,126**	**(49)**	**1,077**

(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% (2016: 20%).

The difference is explained below.

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Net return/(loss) before taxation	11,914	237,607	249,521	9,301	(92,853)	(83,552)
Corporation tax at 20% (2016: 20%)	2,383	47,522	49,905	1,860	(18,571)	(16,711)
Non-taxable (gains)/losses on investments	–	(50,229)	(50,229)	–	18,069	18,069
Overseas withholding taxation	1,152	–	1,152	1,126	–	1,126
Overseas capital gains tax refund	–	–	–	–	(49)	(49)
Non taxable overseas dividends	(2,103)	–	(2,103)	(1,781)	–	(1,781)
Non taxable UK dividends	–	–	–	(20)	–	(20)
Excess management expenses	(280)	2,707	2,427	(59)	502	443
Tax relief to capital	79	(79)	–	–	–	–
Current tax charge	**1,231**	**(79)**	**1,152**	**1,126**	**(49)**	**1,077**

(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 £15,813,000 (17% tax rate) (2016: £14,418,000 (18% 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

	2017 £'000	2016 £'000
Basic		
The return per share is based on the following figures:		
Revenue return	10,683	8,175
Capital return/(loss)	237,686	(92,804)
	248,369	**(84,629)**
Weighted average number of ordinary shares in issue during the year	46,695,120	47,800,223
Revenue return per ordinary share	22.9p	17.1p
Capital return/(loss) per ordinary share	509.0p	(194.1p)
	531.9p	**(177.0p)**

The calculation of the total, revenue and capital return/(loss) 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 in these financial statements were as follows:

	2017 £'000	2016 £'000
Second interim dividend in respect of the year ended 31 March 2016	4,702	–
First interim dividend in respect of the year ended 31 March 2017	3,008	–
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
	7,710	**6,215**

In respect of the year ended 31 March 2017, the first interim dividend of 6.5p per share was paid on 9 January 2017. A second interim dividend of 16.0p is payable on 14 July 2017, the associated ex dividend date will be 15 June 2017. The total dividends payable in respect of the year ended 31 March 2017 amount to 22.5p per share (2016: 16.5p per share). The aggregate cost of the second interim dividend, based on the number of shares in issue at 14 June 2017, will be £7,458,000. In accordance with FRS 102 the second interim dividend will be reflected in the financial statements for the year ending 31 March 2018. 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:

	2017 £'000	2016 £'000
Revenue available for distribution by way of dividend for the year	10,683	8,175
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)
First interim dividend in respect of the year ended 31 March 2017	(3,008)	–
Second interim dividend in respect of the year ended 31 March 2017*	(7,458)	–
Net retained revenue	**217**	**363**

*based on 46,541,278 shares in issue as at 14 June 2017.

9. INVESTMENTS

	Quoted Investments £'000	Unquoted Debt Investments £'000	Derivative Financial Instruments £'000	Total £'000
Cost at 1 April 2016	756,395	15,775	30,099	802,269
Investment holding gains/(losses) at 1 April 2016	132,359	942	(291)	133,010
Valuation at 1 April 2016	**888,754**	**16,717**	**29,808**	**935,279**
Movement in the year:				
Purchases at cost	741,380	25,254	3,578	770,212
Sales – proceeds	(749,518)	(14,101)	(9,337)	(772,956)
– realised gains on sales	175,788	1,209	3,697	180,694
Net movement in investment holding gains	70,683	1,396	7,573	79,652
Valuation at 31 March 2017	**1,127,087**	**30,475**	**35,319**	**1,192,881**
Cost at 31 March 2017	924,045	28,137	28,037	980,219
Investment holding gains at 31 March 2017	203,042	2,338	7,282	212,662
Valuation at 31 March 2017	**1,127,087**	**30,475**	**35,319**	**1,192,881**

	2017 £'000	2016 £'000
Gains on investments		
Gains on disposal	180,694	128,560
Less: amounts recognised as investment holding gains in previous years	(81,818)	(146,315)
Gains/(losses) based on carrying value at previous Statement of Financial Position date	**98,876**	**(17,755)**
Movement in investment holding gains in the year	161,380	(69,101)
Gains/(losses) on investments	**260,256**	**(86,856)**

Purchase transaction costs for the year to 31 March 2017 were £616,000 (year ended 31 March 2016: £430,000). Sales transaction costs for the year to 31 March 2017 were £543,000 (year ended 31 March 2016: £435,000). These comprise mainly commission.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	2017 £'000	2016 £'000
Fair value of OTC equity swaps	34,410	30,199
Fair value of put and call options (long)	1,191	353
Fair value of put and call options (short)	(282)	(744)
	35,319	**29,808**

See note 9 above for movements during the year.

11. DEBTORS

	2017 £'000	2016 £'000
Amounts due from brokers	2,751	–
Withholding taxation recoverable	1,575	980
VAT recoverable	15	1
Prepayments and accrued income	1,524	969
	5,865	**1,950**

12. CREDITORS

	2017 £'000	2016 £'000
Amounts falling due within one year		
Amounts due to brokers	4,783	7,013
Overdraft facility*	98,337	65,244
Performance fee accrued	3,387	–
Other creditors and accruals	2,116	1,750
	108,623	**74,007**

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

As at 31 March 2017, the overdraft facility of £98.3 million (2016: £65.2 million) is net of £6.3 million (2016: £4.4 million) of cash held as collateral against certain derivative positions. See page 68 for further details. As described on page 23, J.P. Morgan Securities LLC 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 68 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

	Shares number	Treasury shares number	Total shares in issue number
Issued and fully paid at 1 April 2016	47,640,045	198,975	47,839,020
Shares purchased for treasury	(1,425,062)	1,425,062	–
Shares re-issued from treasury	291,295	(291,295)	–
Cancellation of treasury shares	–	(1,332,742)	(1,332,742)
At 31 March 2017	**46,506,278**	**–**	**46,506,278**

	2017 £'000	2016 £'000
Issued and fully paid:		
Shares of 25p	11,627	11,960

During the year ended 31 March 2017 1,425,062 shares were bought back by the Company into treasury at a cost of £27,533,000 (2016: 794,867 bought back at cost of £14,862,000). In 2017 291,295 (2016: 256,832) shares were issued from treasury, raising proceeds of £6,019,000 (2016: £4,951,000) and 1,332,742 (2016: 339,060) shares were cancelled.

14. NET ASSET VALUE PER SHARE

	2017	2016
Net asset value per share – basic	2,367.2p	1,850.9p
Net asset value per share – diluted for treasury shares	n/a	1,850.5p

The basic net asset value per share is based on the assets attributable to equity shareholders of £1,100,903,000 (2016: £881,758,000) and on the number of Ordinary Shares in issue at the year end of 46,506,278 (2016: 47,640,045).

The diluted net asset value per share for 2016 assumes all treasury shares were sold back to the market at 1,758.3p, resulting in assets attributable to shareholders of £885,257,000 and on 47,839,020 shares. There were no treasury shares as at 31 March 2017.

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 21. 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 beginning on page 58. All material related party transactions have been disclosed in notes 3 and 4 on pages 58 and 59.

Details of the remuneration of all Directors can be found on page 44. Details of the Directors' interests in the capital of the Company can be found on page 44.

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 note 3 beginning on page 58.

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 6 and 7. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets.

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

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

(ii) liquidity risk

(iii) credit risk

These risks, with the exception of liquidity risk, and the Directors' approach to the management of them, are set out in the Strategic Report on pages 22 to 24 and have not changed from the previous accounting year. The AIFM, in close co-operation with the Board and the Portfolio Manager co-ordinate the Company's risk management.

Use of derivatives

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

More details on options and swaps can be found in the Glossary on pages 72 and 73.

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 8 to 10.

Cash of £17.1 million (2016: £22.9 million) was held as collateral against the financed swap positions, of which £6.3 million (2016: £4.4 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 22 to 24.

†International Swap Dealers Association Inc.

*See Glossary beginning on page 72 for description of funded and financed swaps.

16. FINANCIAL INSTRUMENTS continued

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.

	2017 Assets £'000	2017 Liabilities £'000	2017 Notional* exposure £'000	2016 Assets £'000	2016 Liabilities £'000	2016 Notional exposure £'000
Investments	1,157,562	–	1,157,562	905,471	–	905,471
Put and call options	1,191	(282)	11,590	353	(744)	16,900
OTC equity swaps	34,410	–	116,926	30,199	–	93,398
	1,193,163	**(282)**	**1,286,078**	**936,023**	**(744)**	**1,015,769**

*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 (2016: 25% higher or lower) while all other variables remained constant: the revenue return would have decreased/increased by £123,000 (2016: £97,000); the capital return would have increased by £318,300,000 (2016: £248,474,000)/decreased by £317,372,000 (2016: £249,430,000); and, the return on equity would have increased by £318,177,000 (2016: £248,377,000)/decreased by £317,249,000 (2016: £249,333,000). 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:

	2017 Current assets £'000	2017 Current liabilities £'000	2017 Investments £'000	2016 Current assets £'000	2016 Current liabilities £'000	2016 Investments £'000
U.S. dollar	14,886	(103,492)	998,352	19,197	(65,244)	722,770
Swiss franc	969	(168)	41,448	642	–	50,282
Japanese yen	659	–	76,385	486	–	93,955
Other	525	(147)	76,697	151	–	68,272
	17,039	**(103,807)**	**1,192,881**	**20,476**	**(65,244)**	**935,279**

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 (2016: 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.

	2017			2016		
	USD £'000	YEN £'000	CHF £'000	USD £'000	YEN £'000	CHF £'000
Sterling depreciates	110,251	8,560	4,694	81,427	10,493	5,658
Sterling appreciates	(90,206)	(7,004)	(3,841)	(66,622)	(8,586)	(4,630)

(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 Securities LLC, 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 2017, the Company held 3.8% of the portfolio in convertible bonds and securitised debt (2016: 1.8% of the portfolio). The exposure is shown in the table below:

	2017				2016			
	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	1.3	6.2	15,403	–	1.9	5.5	18,141	–
Unquoted debt investments	5.1	9.7	12,085	18,390	6.7	11.5	7,604	9,113
Cash				10,780	–	–	–	18,536
Overdraft facility				(98,337)	–	–	–	(65,244)
Financed swap positions				(82,516)	–	–	–	(63,199)
			27,488	**(151,683)**			**25,745**	**(100,794)**

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 2017 and the net assets would increase/decrease by £1,517,000 (2016: increase/decrease by £1,008,000).

16. FINANCIAL INSTRUMENTS continued

(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 2017, based on the earliest date on which payment can be required, are as follows:

	2017 3 months or less £'000	2016 3 months or less £'000
Overdraft facility	98,337	65,244
Amounts due to brokers and accruals	4,783	7,013
Derivatives – Put options (short)	282	615
Derivatives – Call options (short)	–	129
	103,402	**73,001**

(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 Securities LLC acting as the Company's Prime Broker.

As noted on page 63, certain of the Company's assets can be held by J.P. Morgan Securities LLC (formerly J.P. Morgan Clearing Corp.) as collateral against the overdraft provided by them to the Company. As at 31 March 2017, assets with a total market value of £146.1 million (2016: £98.6 million) were available to J.P. Morgan Securities LLC to be used as collateral against the overdraft facility which equates to 140% (2016: 140%) of the overdrawn position (calculated on a settled basis) of £104.6 million (2016: £70.4 million).

Credit risk exposure

	2017 £'000	2016 £'000
Convertible securities and unquoted debt investments	45,878	34,858
Derivative – OTC equity swaps	34,410	30,199
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	5,865	1,950
Derivative – Put options (long)	–	7
Derivative – Call options (long)	1,191	346
Cash	10,780	18,536

(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 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	1,127,087	–	30,475	1,157,562
Derivatives: put and call options (short)	–	(282)	–	(282)
Derivatives: put and call options (long)	–	1,191	–	1,191
Derivatives: OTC swaps	–	34,410	–	34,410
Financial instruments measured at fair value	**1,127,087**	**35,319**	**30,475**	**1,192,881**

As at 31 March 2017, the put and call options and equity swaps have been classified as Level 2.

As at 31 March 2017, the five debt investments (included in the portfolio on pages 8 and 9) have been classified as Level 3. All level 3 positions have been valued using the estimated fair values as provided by counterparties.

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.

(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 7.

As at 31 March 2017, the Company had a leverage percentage of 16.9% (2016: 14.0%).

16. FINANCIAL INSTRUMENTS continued

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 54.

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 2016	484,304	133,010	617,314
Transfer on disposal of investments	81,728	(81,728)	–
Net gains on investments	98,876	161,380	260,256
Expenses charged to capital less tax relief thereon	(13,457)	–	(13,457)
Shares purchased for treasury	(27,533)	–	(27,533)
Shares re-issued from treasury	6,017	–	6,017
Exchange loss on currency balances	(9,113)	–	(9,113)
At 31 March 2017	**620,822**	**212,662**	**833,484**

*Investment holding gains relate to the revaluation of investments and derivatives held at the reporting date. (See note 9 on page 62 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.

Further Information/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 etc. venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HU on Thursday, 14 September 2017 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

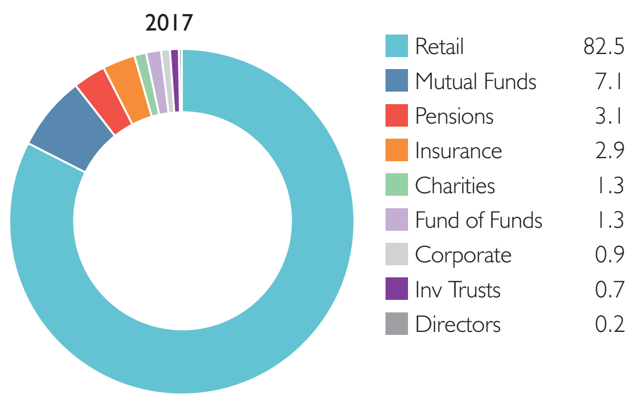
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Capita Asset Services, under the signature of the registered holder.

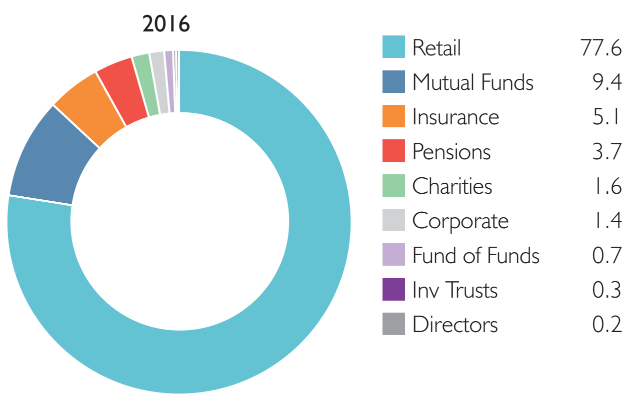
Daily net asset value

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.





Further Information/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.

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/

Further Information/How to invest

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 is hereby given that the Annual General Meeting of Worldwide Healthcare Trust PLC will be held at etc.venues St. Paul's, 200 Aldersgate Conference Centre, London EC1A 4HD on Thursday, 14 September 2017 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 2017
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 re-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 approve the Directors' Remuneration Report for the year ended 31 March 2017
10. To approve the Directors' Remuneration Policy

Special business

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

Authority to allot shares

11. 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 £1,163,531 (being 10% of the issued share capital of the Company at 14 June 2017) and representing 4,654,127 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 2018 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

12. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 13 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 11 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 £1,163,531, being 10% of the issued share capital of the Company as at 14 June 2017 and representing 4,654,127 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 13 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.

13. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 12 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 £1,163,531 being 10% of the issued share capital of the Company as at 14 June 2017 and representing 4,654,127 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 12 set out in the Notice of Annual General Meeting,

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

Authority to repurchase ordinary shares

14. 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 6,976,537 (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 2018 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

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

By order of the Board

Frostrow Capital LLP
Company Secretary
14 June 2017

Registered Office:
One Wood Street
London EC2V 7WS

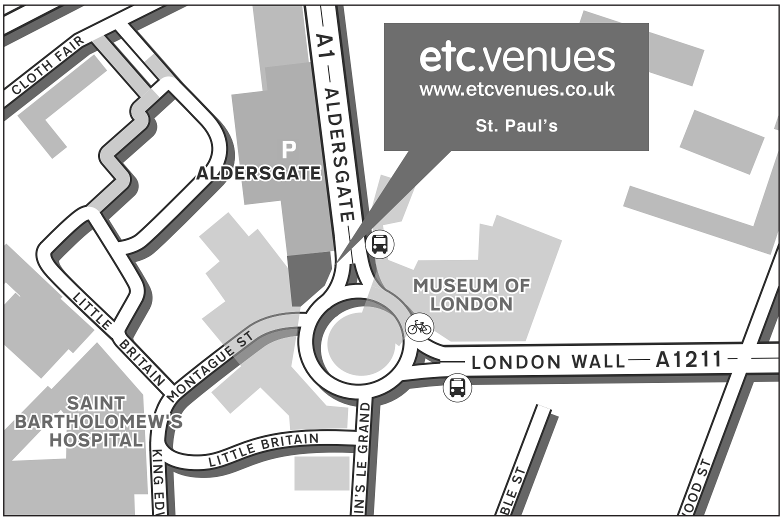
Notes

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 Tuesday, 12 September 2017.
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 Tuesday, 12 September 2017 (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 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 46,541,278 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 June 2017 are 46,541,278.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).
15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Asset Services on 0871 664 0300 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 81) then, subject to paragraph 4, the proxy appointment will remain valid.

Location of the Annual General Meeting
etc.venues St. Paul's, 200 Aldersgate Conference Centre,
London EC1A 4HD



Resolution 1 – To receive the Annual Report and Accounts

The Annual Report and Accounts for the year ended 31 March 2017 will be presented to the Annual General Meeting (AGM). These accounts accompany this Notice of Meeting and shareholders will be given an opportunity at the meeting to ask questions.

Resolutions 2 to 7 – Re-election of Directors

Resolutions 2 to 7 deal with the re-election of each Director. Biographies of each of the Directors can be found on pages 26 and 27 of the annual report.

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

Resolution 8 – Re-appointment of Auditors and the determination of their remuneration

Resolution 8 relates to the re-appointment of PricewaterhouseCoopers LLP as the Company's independent Auditors to hold office until the next AGM of the Company and also authorises the Audit Committee to set their remuneration.

Resolution 9 and 10 – Remuneration Report and Remuneration Policy

The Directors' Remuneration Report is set out in full in the annual report on pages 43 to 45. The Directors' Remuneration Policy is set out on page 43.

Resolutions 11, 12 and 13 – 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 £1,163,531 (equivalent to 4,654,127 shares, or 10% of the Company's existing issued share capital on 14 June 2017, 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 12 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 2017, 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 11. 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 12, Resolution 13, 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 13. 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 2017 (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 12, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions 11, 12 and 13 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 14 – 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 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 Share. Existing shares which are purchased under this authority will either be cancelled or held as Treasury Shares.

Special Resolution 14 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 2017, being the nearest practicable date prior to the signing of this Report, (amounting to 6,976,537 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 15 – General Meetings

Special Resolution 15 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 40,265 shares.

Alternative Investment Fund Managers Directive (AIFMD) Disclosures

Investment Objective and Leverage

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

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

	Gross Method	Commitment Method
Maximum level of leverage	140.0%	140.0%
Actual level at 31 March 2017	119.0%	116.9%

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.

Security Financing Transactions Disclosures

As defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions (SFT) include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. Whilst the Company does not engage in such SFT's, it does engage in Total Return Swaps (TRS) therefore, in accordance with Article 13 of the Regulation, the Company's involvement in and exposure to Total Return Swaps for the accounting year ended 31 March 2017 are detailed below.

Global Data

Amount of assets engaged in TRS

The following table represents the total value of assets engaged in TRS:

	£'000	% of AUM
TRS	34,410	2.9

Concentration Data

Counterparties

The following table provides details of the counterparties and their country of incorporation (based on gross volume of outstanding transactions with exposure on a gross basis) in respect of TRS as at the balance sheet date:

	Country of Incorporation	£'000
Goldman Sachs	U.S.A	96,444
JPMorgan	U.S.A	20,482

Aggregate transaction data

Type, quality, maturity, tenor and currency of collateral

No collateral was received by the Company in respect of TRS during the year to 31 March 2017. The collateral provided by the Company to the above counterparties is set out below.

Type	Currency	Maturity	Quality	£'000
Cash	USD	less than 1 day	n/a	17,081

Maturity tenor of TRS

The following table provides an analysis of the maturity tenor of open TRS positions (with exposure on a gross basis) as at the balance sheet date:

Maturity	TRS Value £'000
1 to 3 months	19,540
3 to 12 months	58,620
more than 1 year	38,766
	116,926

Settlement and clearing

OTC derivative transactions (including TRS) are entered into by the Company under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement"). An ISDA Master Agreement is a bilateral agreement between the Company and a counterparty that governs OTC derivative transactions (including TRS) entered into by the parties. All OTC derivative transactions entered under an ISDA Master Agreement are netted together for collateral purposes, therefore any collateral disclosures provided are in respect of all OTC derivative transactions entered into by the Company under the ISDA Master agreement, not just total return swaps.

Safekeeping of collateral

There was no non-cash collateral provided by the Company in respect of OTC derivatives (including TRS) with the counterparties noted above as at the statement of financial position date.

Return and cost

All returns from TRS transactions will accrue to the Company and are not subject to any returns sharing arrangements with the Company's AIFM, Portfolio Manager or any other third parties. Returns from those instruments are disclosed in Note 9 to the Company's financial statements.

Further Information/Company Information

Directors
Sir Martin Smith (Chairman)
Sarah Bates
Dr David Holbrook
Samuel D. Isaly
Humphrey van der Klugt, FCA
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.

Portfolio Manager
OrbiMed Capital LLC
601 Lexington Avenue, 54th Floor
New York NY 10022
Website: www.orbimed.com

Registered under the U.S. Securities & Exchange Commission

Depositary
J.P. Morgan Europe Limited
25 Bank Street
London E14 5JP

Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Prime Broker
J.P. Morgan Securities LLC (formerly J.P. Morgan Clearing Corp)
Suite 1, Metro Tech Roadway
Brooklyn, NY 11201
USA

Registrars
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
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
Legal Entity Identifier	:	5493003YBCY4W1IMJU04

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.

aic
The Association of
Investment Companies

A member of the Association of Investment Companies

RECYCLED
Paper made from recycled material
FSC® C018885
www.fsc.org

WORLD LAND TRUST™
www.carbonbalancedpaper.com

This report is printed on Revive 100% White Silk a totally recycled paper produced using 100% recycled waste at a mill that has been awarded the ISO 14001 certificate for environmental management.

The pulp is bleached using a totally chlorine free (TCF) process. This report has been produced using vegetable based inks.

Worldwide Healthcare Trust PLC
25 Southampton Buildings, London WC2A 1AL
www.worldwidewh.com

Perivan Financial Print 244865