WORLDWIDE HEALTHCARE TRUST PLC

ANNUAL REPORT
for the year ended 31 March 2021

Frostrow CAPITAL

OrbiMed
Healthcare Fund Management

Worldwide Healthcare Trust PLC

Investment objective

Worldwide Healthcare Trust PLC (the "Company") is a specialist investment trust which 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 7 and 8.

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.

Worldwide Healthcare Trust PLC is able to participate in all aspects of healthcare, anywhere in the world because of its broad investment mandate. These may include patented speciality medicines for small patient populations and unpatented generic drugs, in both developed countries and emerging markets. In addition, the Company invests in medical device technologies, life science tools and healthcare services. The overall geographic spread of Worldwide Healthcare Trust PLC is also extensive with investments in the U.S., Europe, Asia 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 page 101.

For more information about Worldwide Healthcare Trust PLC visit the website at www.worldwidewh.com. Follow us on Twitter @worldwidewh.

Contents

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FINANCIAL HIGHLIGHTS AS AT 31 MARCH 2021

30.0%
Net asset value per share (total return)*^
2020: +6.5%

27.4%
Share price (total return)*^
2020: +8.0%

16.0%
Benchmark*†^
2020: +5.7%

(0.2%)%
(Discount)/Premium of share price to net asset value per share*^
2020: 1.8%

22.0p
Dividends per share
2020: 25.0p

0.9%
Ongoing Charges^
2020: 0.9%

*Source: Morningstar
† MSCI World Health Care Index on a net total return, sterling adjusted basis. (See Glossary beginning on page 97).
^ Alternative Performance Measure (see Glossary beginning on page 97).

TOTAL RETURN PERFORMANCE FOR THE YEAR TO 31 MARCH 2021

Rebased to 100 as at 31 March 2020
Source: Morningstar

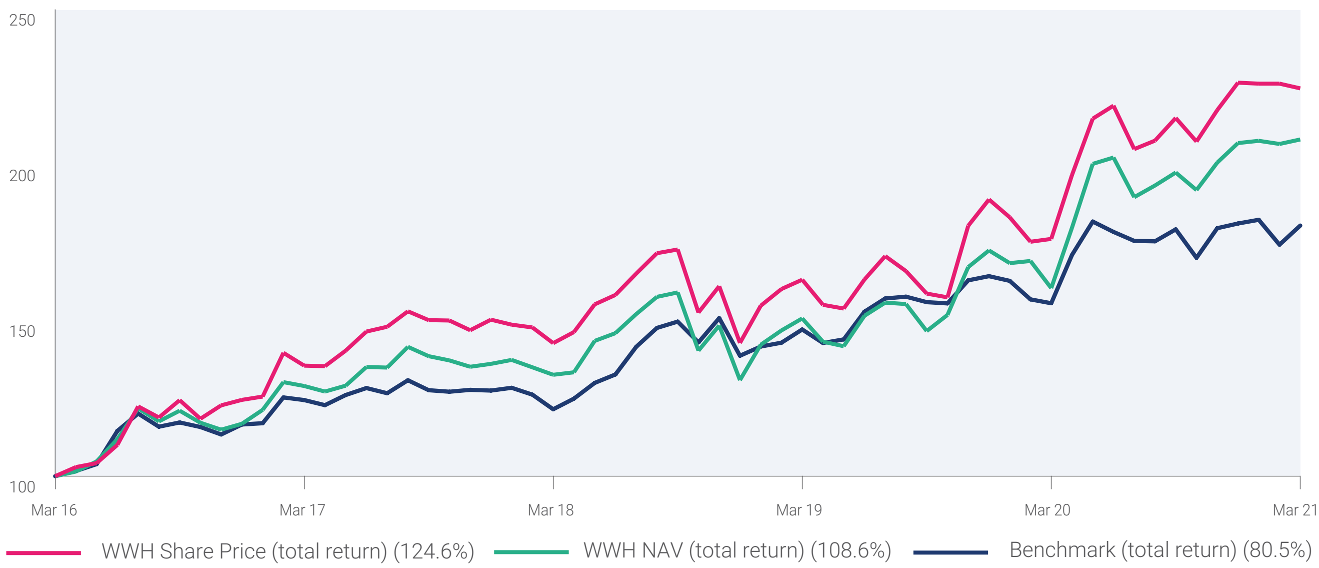
KEY INFORMATION

TOTAL RETURN PERFORMANCE SINCE LAUNCH TO 31 MARCH 2021

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)

FIVE YEAR TOTAL RETURN PERFORMANCE TO 31 MARCH 2021



Rebased to 100 as at 31 March 2016. Source: Morningstar.

COMPANY PERFORMANCE

HISTORIC PERFORMANCE FOR THE YEARS ENDED 31 MARCH

	2016	2017	2018	2019	2020	2021
Net asset value per share (total return)*†	**(9.0%)**	**28.9%**	**2.8%**	**13.7%**	**6.5%**	**30.0%**
Benchmark (total return)*†	**(5.4%)**	**24.5%**	**(2.5%)**	**21.1%**	**5.7%**	**16.0%**
Net asset value per share	1,850.9p	2,367.2p	2,411.1p	2,722.9p	2,868.9p	3,703.0p
Share price	1,715.0p	2,304.0p	2,405.0p	2,730.0p	2,920.0p	3,695.0p
(Discount)/Premium of share price to net asset value per share†	(7.3%)	(2.7%)	(0.3%)	0.3%	1.8%	(0.2%)
Dividends per share	16.5p	22.5p	17.5p	26.5p	25.0p	22.0p
Leverage†	14.0%	16.9%	16.4%	4.9%	12.0%	7.6%
Ongoing charges†	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Ongoing charges (including performance fees paid or crystallised during the year)†	2.1%	1.0%	1.2%	1.1%	0.9%	0.9%

*Source: Morningstar

† Alternative Performance Measure (see Glossary beginning on page 97).

PREMIUM/(DISCOUNT) OF THE COMPANY'S SHARE PRICE TO THE NET ASSET VALUE PER SHARE YEAR TO 31 MARCH 2021

*Source: Morningstar

CHAIRMAN'S STATEMENT

Sir Martin Smith

INVESTMENT PERFORMANCE

As a consequence of the COVID-19 pandemic, the last year has been extremely challenging in health, economic and political terms.

Against this background, I am pleased to report that the year ended 31 March 2021 has again been a successful one for the Company. The Company's net asset value per share total return was +30.0% and the share price total return was +27.4%, significantly outperforming the Company's Benchmark, the MSCI World Health Care Index on a net total return, sterling adjusted basis, which rose by 16.0% during the year. The disparity between the performance of the Company's net asset value per share and its share price reflects the premium of the Company's share price to its net asset value per share falling from 1.8% at the start of the Company's financial year to a discount of 0.2% at 31 March 2021.

The positive return over the year to 31 March reflected a very strong first half, when the net asset value per share total return was +23.1% compared to a rise in the Benchmark of 15.3% and a less strong second half when the net asset value total return was +5.6% compared to a rise in the Benchmark of 0.7%. It should be noted that the Company significantly outperformed the Benchmark in both halves of the year. The Company's results were published last year as the full extent of the COVID-19 pandemic and its impact on economic activity, and the way we lived and worked, were becoming apparent. During the first half of the year, global markets made up the ground lost after the steep market falls seen in late February/early March 2020 with the onset of the COVID-19 crisis, indeed a number of markets posted record highs. The second half of the year began on a negative note as a second wave of COVID-19 cases initially caused markets to retrace some of their earlier gains. However, news of the efficacy of a number of vaccines and their fast-track approval for use by authorities fuelled investors' optimism and caused some markets to regain and even surpass their previous highs, helped by hopes that Joe Biden's win in the US presidential election would result in a new round of economic stimulus measures in the US. Investors were further encouraged as the UK and the European Union finally agreed a post-Brexit trade deal thereby removing some of the uncertainty of previous years. However, while many sectors globally (including healthcare) saw new all-time high levels in early calendar 2021, the healthcare sector began to lag wider markets as investors rotated into other sectors and industries with perceived better cyclical recovery prospects.

During the year the Company's Portfolio Manager continued to pursue a strategy of being underweight in large pharmaceutical and biotechnology companies and overweight in emerging markets and emerging biotechnology companies, as the investment opportunities in these areas remained compelling, in part due to the continued strong biotechnology IPO market and increased levels of M&A activity.

It is also pleasing to note that positive performance during the year came as a result of both stock selection and sector allocation across all sectors. Because almost all of the Company's assets are denominated in U.S. dollars, the Company's strong performance was achieved in spite of a strengthening of sterling, particularly against the dollar, where it appreciated by 11.3%. The Company had, on average, leverage of 4.7% during the year which contributed 1.3% to performance (2020: 8.6% contributing 0.5%). As at the year-end leverage stood at 7.6% compared to 12.0% at the beginning of the year. Our Portfolio Manager continues to adopt both a pragmatic and tactical approach with regard to the use of leverage. Please see page 21 for further information on our Portfolio Manager's gearing strategy.

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 2021, the total return of the Company's net asset value per share has been +4,486.7%, equivalent to a compound annual return of +15.9%. This compares to a cumulative blended Benchmark return of +1,750.1%, equivalent to a compound annual return of +11.9% over the same period.

Further information on the healthcare sector, the Company's investments and performance during the year can be found in the Portfolio Manager's Review beginning on page 13.

I am pleased to report that the Company has continued to perform effectively, with the Company's service providers confirming that their home working arrangements, whilst challenging, have not inhibited their performance.

CAPITAL

The Company's share price traded at a premium to the net asset value per share for much of the year. In accordance with the Company's share price premium management policy 10,690,977 new shares were issued during the year at an average premium of 0.8% to the Company's cum income net asset value per share. This issuance gave rise to the receipt of £380.6m of new funds to the Company, which have been invested in line with the investment policy. Since the end of the year a further 752,000 new shares have been issued raising £27.9m of new funds. No shares were repurchased by the Company during the year and to the date of this report.

The scale of new issuance during the year exceeded the shareholder authority granted at the July 2020 AGM. Accordingly, in advance of the authority level being reached, an additional general meeting was held in February 2021 to approve refreshment of the new share issuance authority. As described in the circular issued to shareholders in advance of that meeting, this was to ensure that new share issues could continue uninterrupted. At the February 2021 general meeting authority to issue a further 6.3 million new shares was approved by shareholders. Such authority will again be proposed for renewal at the Company's AGM to be held in July 2021.

This ongoing share issuance programme has triggered the requirement for the Company to publish a prospectus following the year-end. This prospectus will shortly be available on the Company's website and it will provide authority for the issuance of 20 million new shares.

REVENUE AND DIVIDEND

Shareholders will be aware that it remains the Company's policy to pursue capital growth for shareholders and to pay dividends at least to the extent required to maintain investment trust status. Therefore, the level of dividends declared can go down as well as up. An interim dividend of 6.5p per share, for the year ended 31 March 2021, was paid on 11 January 2021 to shareholders on the register on 20 November 2020. Due in large part to the strength of sterling and a reduction in the portfolio yield, the Company's revenue return per share for the year as a whole decreased to 24.1 pence (2020: 26.9 pence). Accordingly, the Board is proposing a final dividend of 15.5p per share (2020: second interim dividend of 18.5p per share) which, together with the interim dividend already paid, makes a total dividend for the year of 22.0p (2020: 25.0p per share). Based on the closing mid-market share price of 3675.0p on 2 June 2021, the total dividend payment for the year represents a current yield of 0.6%.

The final dividend will be payable, subject to shareholder approval, on 13 July 2021 to shareholders on the register of members on 4 June 2021. The associated ex-dividend date will be 3 June 2021.

The Company's dividend policy will be proposed for approval at the forthcoming Annual General Meeting.

COMPOSITION OF THE BOARD

In my statement last year, I mentioned that a process of Board refreshment was underway. Dr David Holbrook, who serves as the Company's Senior Independent Director, will retire at the conclusion of this year's AGM and so will not stand for re-election. David has made a very significant contribution during his time on the Board and he will be greatly missed by his fellow Directors. We have all greatly enjoyed working with him and wish him the very best for the future. Sarah Bates will succeed David as the Senior Independent Director and Chair of the Nominations Committee.

I intend to retire at the conclusion of next year's Annual General Meeting. It has been agreed that in the interests of maintaining an orderly succession process, Doug McCutcheon will extend his term and assume the Chairmanship following my retirement. As new members are recruited, the Board will remain mindful of its commitment to a policy of diversity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) MATTERS

Shareholders are rightly concerned that their Company should be seen to be investing in companies which operate in a responsible and sustainable way. Our Portfolio Manager has undertaken a comprehensive review of its ESG policies which has included detailed discussion with the Board. Our Portfolio Manager's approach to ESG matters, which is endorsed by the Board, can be found in the Strategic Report on page 34.

PERFORMANCE FEE

As described in previous years, the performance fee provisions compare the performance of the Company since launch with that of the Benchmark. Only when incremental outperformance has been achieved since launch, and is maintained for a twelve-month period, is a performance fee actually paid. These arrangements are described in detail on page 44 of this report.

I am pleased to report that as a result of the continued cumulative outperformance in the year, there was a provision in our year-end accounts of £31.7 million for future performance fee payments. Only if outperformance is maintained to the relevant quarterly calculation dates over the year to 31 March 2022 will this provision become payable.

OUTLOOK

Our Portfolio Manager has continued to concentrate on its strengths as a fundamental stock picker and has been capitalising on market volatility to improve the quality of the portfolio and to add new investment opportunities.

The impact of the COVID-19 vaccine roll out is beginning to have a positive effect on economic growth. However, in some areas, the changes we have seen in the last two years will be more permanent. These include the increase in internet commerce and the resulting effect this has had on the high street, and changes to working practices. Our Portfolio Manager maintains its belief that there will be continued strong demand for improved healthcare, including more efficient methods of medicine delivery and innovative treatments. They further believe that all of the fundamental investment themes for the healthcare sector remain intact and that their focus remains on the selection of stocks with strong prospects for capital enhancement. Your Board continues to believe that long-term investors in this sector will be well rewarded.

ANNUAL GENERAL MEETING (AGM)

The Board has been watching closely the ongoing impact of the COVID-19 pandemic upon the arrangements for the Company's upcoming AGM on Thursday, 8 July 2021.While the COVID-19 related restrictions have been relaxed, it is very difficult to predict how willing people will be to travel to and attend such events. Also, two of our Directors, including our lead Portfolio Manager Sven Borho, live in North America. Accordingly, in order to provide certainty, physical attendance at the AGM (which will be held at the offices of Frostrow Capital LLP ('Frostrow'), 25 Southampton Buildings, London WC2A 1AL) will be kept to the minimum permitted by the Company's Articles of Association. However, there will be an opportunity for shareholders to ask live questions during the AGM. Details of how shareholders will be able to do this can be found on the Company's website at www.worldwidewh.com. In addition, the AGM will be followed by an interactive Online Shareholder Presentation (the "Presentation") at approximately 1.30pm on Thursday, 8 July 2021. During the Presentation, shareholders will receive an update from our Portfolio Manager followed by an interactive question and answer session. Full details on how to join the Presentation, including how to register, may be found on the Company's website at www.worldwidewh.com. The Presentation will be also available for viewing on the Company's website shortly after 8 July 2021.

Any shareholders who require a hard copy form of proxy may request one from the Registrar, Link Group. Shareholders who hold their shares through an investment platform or a nominee will need to contact them to enquire about voting arrangements. (Please see page 110 for their contact details.) Given shareholders and third parties will be unable to attend the AGM in person, I strongly encourage shareholders to appoint the Chairman of the AGM as their proxy to vote on their behalf.

The votes on the resolutions to be proposed at the AGM will be conducted on a poll. The results of the proxy votes will be published immediately following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website at www.worldwidewh.com.

The Board is committed to holding in person meetings in future when restrictions are not in place and they can be held safely. A resolution is also to be proposed to shareholders at the Company's AGM to adopt new Articles of Association. These will enable a combination of virtual and in person shareholder meetings to be held, and will provide the Board with the flexibility to hold virtual shareholder meetings in the future should the need arise. In addition to amending the provisions of the Articles of Association relating to meetings, certain other technical amendments have been made so that the Articles of Association conform to other applicable legislation and current best practice, in particular, changes have been made to provisions designed to enable the Company to comply with its obligations under various tax reporting requirements. Details of the changes are set out on page 111 of this Annual Report.

Sir Martin Smith
Chairman

3 June 2021

INVESTMENT OBJECTIVE AND POLICY

INVESTMENT OBJECTIVE

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 13 to 25.

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 POLICY

INVESTMENT LIMITS AND GUIDELINES

- The Company will not invest more than 15% of the portfolio in any one individual stock at the time of acquisition;
- At least 50% of the portfolio will normally be invested in larger companies (i.e. with a market capitalisation of at least U.S.$10bn);
- At least 20% of the portfolio will normally be invested in smaller companies (i.e. with a market capitalisation of less than U.S.$10bn);
- 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 30% of the portfolio, at the time of acquisition, may be invested in companies in each of the following sectors:
  - healthcare equipment and supplies
  - healthcare providers and services;
- 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, where such investments shall be limited to 15% of the Company's gross assets at the time of acquisition.

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 that were employed within the portfolio during the year: Options and Equity Swaps. Only Equity Swaps were employed as at the year end.

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.

The Company does not currently hedge against foreign currency exposure.

GEARING LIMIT

The Board has set a maximum gearing level, through borrowing, of 20% of the net assets.

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, are included in the Glossary beginning on page 97. Further details on how derivatives are employed can be found in note 16 beginning on page 89.

PORTFOLIO

INVESTMENTS HELD AS AT 31 MARCH 2021

Investments	Country/region	Market value £'000	% of investments
Bristol-Myers Squibb	USA	143,574	5.9
Merck	USA	143,189	5.9
Boston Scientific	USA	122,292	5.1
AstraZeneca	United Kingdom	105,393	4.3
Horizon Therapeutics	USA	99,943	4.1
Vertex Pharmaceuticals	USA	81,365	3.4
Mirati Therapeutics	USA	79,416	3.3
Natera	USA	79,203	3.3
AbbVie	USA	73,670	3.0
UnitedHealth Group	USA	71,880	3.0
Top 10 investments		**999,925**	**41.3**
Humana	USA	54,393	2.2
Guardant Health	USA	50,595	2.1
Stryker	USA	50,174	2.1
Edwards Lifesciences	USA	48,686	2.0
Intuitive Surgical	USA	47,706	2.0
Novartis	Switzerland	47,411	2.0
Anthem	USA	47,315	1.9
DexCom	USA	47,068	1.9
Theravance Biopharma	USA	46,396	1.9
Haemonetics	USA	45,975	1.9
Top 20 investments		**1,485,644**	**61.3**
Takeda Pharmaceutical	Japan	42,203	1.8
Neurocrine Biosciences	USA	38,653	1.6
Progyny	USA	34,731	1.4
Ikena Oncology	USA	32,684	1.3
Aurinia Pharmaceuticals	Canada	30,528	1.3
Ascendis Pharma	Denmark	27,052	1.2
Vor BioPharma	USA	25,863	1.1
Caris Science (unquoted)	USA	25,749	1.0
Jinxin Fertility Group	China	24,948	1.0
Turning Point Therapeutics	USA	24,847	1.0
Top 30 investments		**1,792,902**	**74.0**
Deciphera Pharmaceuticals	USA	24,313	1.0
ImmunoGen	USA	23,537	1.0
CRISPR Therapeutics	Switzerland	22,980	1.0
Hansoh Pharmaceutical	Hong Kong	22,832	1.0
Oak Street Health	USA	22,766	1.0
Yidu Tech	China	21,945	0.9
New Horizon Health	China	21,751	0.9
Shanghai Bioheart Pharmaceutical (unquoted)	China	21,533	0.8
Shanghai Kindly Medical Instruments	China	20,974	0.8
Iovance Biotherapeutics	USA	20,254	0.8
Top 40 investments		**2,015,787**	**83.2**
Thermo Fisher Scientific	USA	20,095	0.8
Joinn Laboratories China	China	19,942	0.8
Harpoon Therapeutics	USA	19,117	0.8
Arcutis Biotherapeutics	USA	18,916	0.8
Burning Rock Biotech	China	18,717	0.8
Achilles Therapeutics	USA	16,867	0.7
Molina Healthcare	USA	16,096	0.7
Crossover (unquoted)	USA	15,946	0.7
Adverum Biotechnologies	USA	15,816	0.6
MeiraGTx	USA	15,461	0.6
Top 50 investments		**2,192,760**	**90.5**

Investments	Country/region	Market value £'000	% of investments
EDDA (unquoted)	China	14,496	0.6
NanoString Technologies	USA	14,855	0.6
Hangzhou Tigermed Consulting	China	14,630	0.6
Arcturus Therapeutics	USA	14,153	0.6
uniQure	Netherlands	13,448	0.6
Ruipeng Pet Group (unquoted)	China	13,054	0.6
Passage BIo	USA	12,830	0.5
Shenzhen Hepalink Pharmaceutical	China	12,391	0.5
Gland Pharma	India	12,230	0.5
Visen (unquoted)	China	12,092	0.5
Top 60 investments		**2,326,939**	**96.1**
Alignment Healthcare	USA	10,703	0.4
Erasca (unquoted)	USA	9,745	0.4
Galapagos	Belgium	7,728	0.3
Alphamab Oncology	China	7,590	0.3
Danaher	USA	7,503	0.3
NanoString Technologies 2.625% 01/03/2025 (unquoted)	USA	6,945	0.3
China Medical System	China	6,775	0.3
Simcere Pharmaceutical Group	China	5,629	0.2
MabPlex International (unquoted)	China	5,605	0.2
Apollo Hospitals Enterprise	India	5,413	0.2
Top 70 investments		**2,400,575**	**99.0**
Abbisko (unquoted)	China	4,918	0.2
Alliance HealthCare Services 20/04/2024* (unquoted)	USA	4,533	0.2
Yuanxin Technology (unquoted)	China	4,410	0.2
Medical Depot Holdings 03/01/2024 (unquoted)	USA	1,112	0.0
Peloton Therapeutics (DCC** – unquoted)	USA	490	0.0
Total equities and fixed interest investments		**2,416,038**	**99.6**
OTC Equity Swaps – Financed^			
Jiangsu Hengrui Medicine		41,151	1.7
Apollo Hospitals Enterprise		35,766	1.5
Aier Eye Hospital Group	China	25,582	1.0
Shandong Pharmaceutical	India	23,705	1.0
BGI Genomics	China	19,432	0.8
Less: Gross exposure on financed swaps	China	(135,084)	(5.6)
Total OTC Swaps	China	**10,552**	**0.4**
Total investments including OTC swaps		**2,426,590**	**100.0**

* Includes warrants valued at £1,160,000

** DCC = deferred contingent consideration.

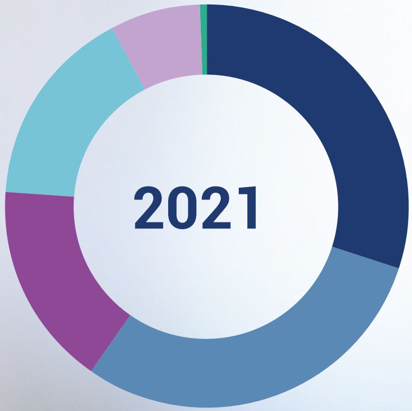
^ See Glossary beginning on page 97 and note 16 beginning on page 89 for further details in relation to the OTC Swaps.

SUMMARY

Investments	Market value £'000	% of investments
Quoted equities	2,275,409	93.8
Unquoted equities	129,199	5.3
Unquoted debt securities	11,430	0.5
Equity swaps	10,552	0.4
Total of all investments	**2,426,590**	**100.0**

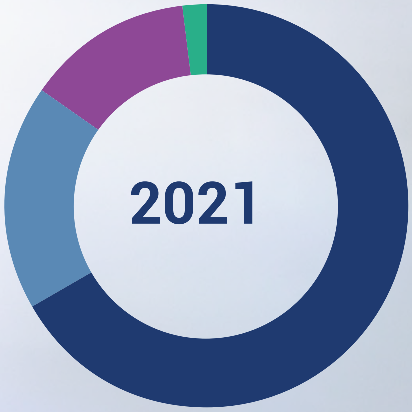
PORTFOLIO DISTRIBUTION

BY SECTOR

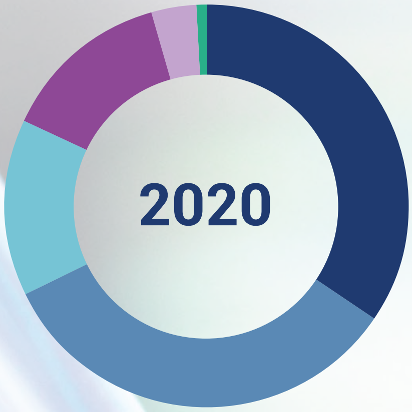


Biotechnology	30.1
Pharmaceutical	29.9
Healthcare Providers & Services	16.2
Healthcare Equipment/Supplies/Technology	16.1
Life Sciences Tools & Services	7.3
Debt Instruments	0.4

BY GEOGRAPHY



North America	66.7
Emerging Markets	18.1
Europe	13.5
Asia	1.7



Biotechnology	34.5
Pharmaceutical	33.4
Health Care Equipment/Supplies/Technology	14.3
Healthcare Providers & Services	13.5
Life Sciences Tools & Services	3.6
Debt Instruments	0.7

North America	69.5
Emerging Markets	11.9
Europe	11.4
Asia	7.2

* See Glossary beginning on page 97.

ORBIMED CAPITAL LLC

OrbiMed was founded in 1989 and has evolved over time to be one of the largest dedicated healthcare investment firms in the world. OrbiMed has managed the Company's portfolio since its launch in 1995.

OrbiMed had over U.S.$17 billion in assets under management as of 31 March 2021, 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 under-appreciated 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.

THE TEAM

The OrbiMed Investment Team continues to expand and now has over 100 investment professionals that 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 lead managers with responsibility for the Company's portfolio are as follows:

Sven H. Borho, CFA, is a founder and Managing Partner of OrbiMed. Sven heads the public equity team and he is the portfolio manager for OrbiMed's public equity and hedge funds. He has been a portfolio manager for the firm's funds since 1993 and 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. Sven 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 Partner at OrbiMed focused on the global pharmaceutical industry. Trevor joined OrbiMed in 2003 and became a Partner in 2011. 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 Global Marketing Planning team within Parke-Davis. Trevor holds a Doctorate in Neuropharmacology & Gross Human Anatomy and an M.B.A. from Queen's University, Canada.

PORTFOLIO MANAGER'S REVIEW

PERFORMANCE REVIEW

The financial year ended 31 March 2021 will perhaps go down in history as one of the most memorable periods for any investor who was an active participant. From the historic decline that immediately preceded the financial year, to the dramatic and rapid recovery, to the culmination of record highs by the close of the year, the period was truly unforgettable. Of course, the pandemic wrought by the SARS-Cov-2 virus was a trigger for these momentous market swings and the recovery trade that ensued.

For proper perspective of the reported financial year, a brief prologue is required. News reports of a novel respiratory virus spreading within China began to percolate in January 2020. Unexpectedly, however, in less than two months the world was under siege due to the emergence of the global pandemic in which an infectious disease, termed COVID-19, brought the global economy to a near standstill. Worldwide lockdowns roiled the equity markets in an unprecedented manner, resulting in a stock market crash of historic proportions, the worst since the Great Depression.

However, the equity market rebound was as nearly as remarkable as the drop and the beginning of the financial year started with a dramatic "V"-shape recovery for global markets. Several factors fuelled this recovery, including aggressive stimulus and policy efforts, vaccine and therapeutics optimism, and a faster than-expected bottoming and rebound in some economic data points. Additionally, this momentum continued into the end of the financial year. Overall, the MSCI World Index total return in the year to 31 March 2021 was nearly +40% (in sterling terms) whilst the S&P 500 Index total return was just over +40% (in sterling terms) as well.

Global healthcare stocks experienced a similar positive start to the financial year after a significant drawdown that immediately preceded the period. However, healthcare stocks were partially defensive during this volatility and the initial declines were less severe and thus the overall magnitude of the recovery and follow through to year end was less than that of the broader markets. Specifically, the Company's Benchmark, the MSCI World Health Care Index measured on a sterling net total return basis, was up +16.0% for the year ended 31 March 2021.

There were various reasons for this observation. During the early days of this egregious global health crisis, healthcare companies moved to the front and centre of public and investor attention, and as such, healthcare stocks proved to be more resilient during this time. Consequently, the MSCI World Health Care Index fell far less than the broader market indices, from their respective February 2020 highs to their March 2020 lows. Therefore, the resulting rebound for healthcare equities in the first half of the financial year was more subdued than the broader market.

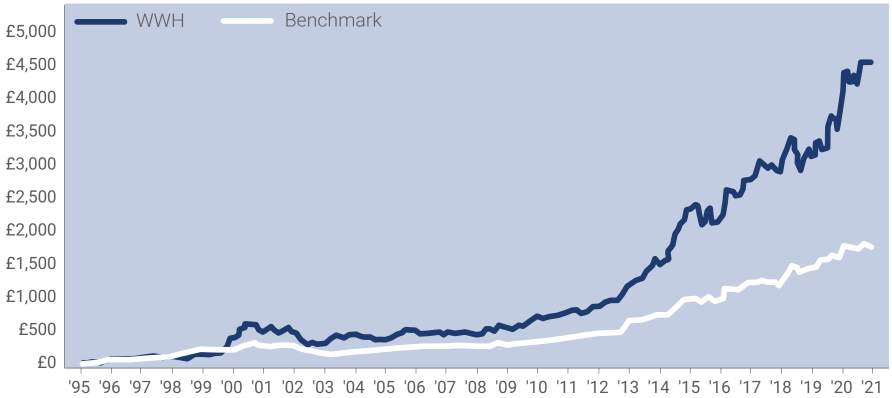
Another notable factor that contributed to healthcare underperformance was an ironic twist of the industry's own success. In December 2020, two companies developing COVID-19 vaccines, Pfizer Inc. and Moderna Inc., reported Phase III data that significantly exceeded expectations, with vaccine efficacy rates of approximately 95% in preventing COVID-19. The stellar result surprised even the most optimistic observers. However, the knock-on effect was that investors concluded that the pandemic would be ending sooner rather than later. This increased demand for many stocks that were otherwise laggards, creating a bid in the broader market rather than the healthcare stocks that were otherwise more resilient in the period.

Regardless, for the year ended 31 March 2021, the Company has reported strong positive returns, both in absolute and relative terms. Specifically, the net asset value per share total return was +30.0% whilst the share price total return was +27.4%. This compares to the Benchmark which advanced +16.0%. The excess return of +14.0% represents the fourth largest in the Company's 26-year tenure.

Performance: Financial Year (Ended 31 March 2021)

WWH Net Asset Value	MSCI World Health Care Index	Excess Return
+30.0%	**+16.0%**	**+14.0%**

Performance: Since Inception (Value of £100 invested 28 April 1995 as of 31 March 2021)

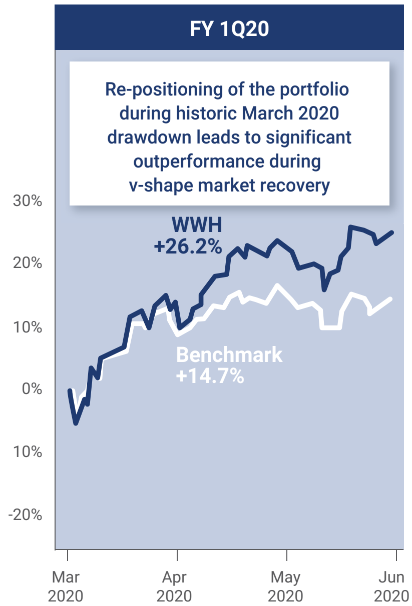


Overall, since the Company's inception in 1995 to 31 March 2021, the total return of the Company's net asset value per share is +4,486.7%, equivalent to a compound annual return of +15.9%. This compares to the blended benchmark rise of + 1,750.1% equivalent to a compound annual return of +11.9%.

PERFORMANCE TIMELINE

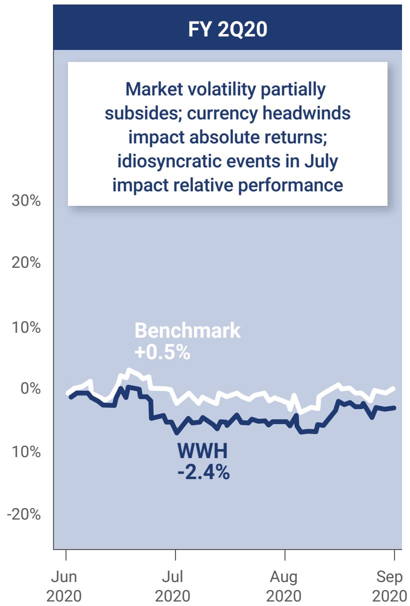
FY1Q – V-SHAPE RECOVERY

Whilst the financial year will be surely remembered for the COVID "recovery trade", no quarter represented this better than the first quarter of the financial year. The markets roiled in March 2020 but, there was no mistaking the "V"-shape market recovery of April and May 2020. We created a "pandemic playbook" to maximize a putative recovery opportunity which included; (a) looking for extreme share price dislocations, (b) re-focusing on our best ideas, (c) reducing name count when possible, (d) increasing the quality of the portfolio, and (e) selling some names that we expected to be more materially disrupted. This positioning was critical for the first leg of performance during the year as the Company was able to record double-digit returns in each of the first two months of the financial year, with material outperformance of the benchmark at the same time.



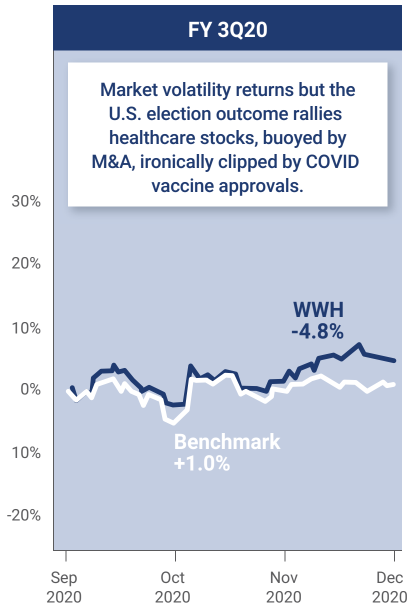
FY2Q – HEALTHCARE TRADES SIDEWAYS

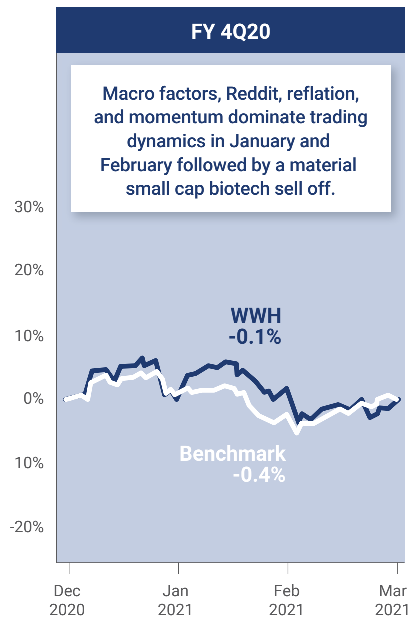
Whilst volatility finally started to subside into the second quarter of the financial year, the broader equity markets continued to move higher in the first two months of the quarter, despite increasing COVID-19 infection rates in some portions of the U.S. and worldwide. Technology stocks and other sectors which are more closely tied to economic recovery helped push the S&P 500 to all-time highs during this time. Healthcare stocks, on a relative basis, and despite the continuing pandemic, lost some momentum and lagged the broader markets. However, market volatility did return in the final month of the quarter as investor angst increased over a potential second wave of coronavirus infections worldwide. Whilst this angst (and volatility) did partially subside in the latter half of September, most indices finished September modestly down. With the pandemic back in the headlines, healthcare stocks were defensive to close the second quarter. With macro concerns mostly driving share price action, the Company's performance was mostly in-line with the Benchmark, save for July 2020 where underperformance was primarily driven by a series of idiosyncratic negative events for three different investments in biotechnology and healthcare services.



FY3Q – HEALTHCARE RALLIES AHEAD OF U.S. ELECTIONS

Market jitters late in the second quarter spilled over to start the third quarter as surging COVID-19 infections across the world continued. However, October nervousness gave way to November exuberance and the outcome was a historic month for a multitude of reasons. President Trump lost his bid to become a two-term President, stunning efficacy data was announced for two COVID-19 vaccines, and the broad equity markets rallied. The election win by now President Joe Biden and merger & acquisition (M&A) news in biopharmaceuticals both served to rally healthcare stocks. The impressive pivotal data by both Pfizer/BioNtech and Moderna for their COVID-19 vaccines, their rapid approvals by the U.S. Food and Drug Administration (FDA), and positive news flow on a fiscal relief bill in the U.S. helped the broad markets close 2020 at all-time highs. Ironically, the better-than-expected vaccine efficacy of 95%, created real investor bullishness about the future of the economy, which in turn caused healthcare stocks to lag the broader market. That said, the Company posted strong absolute and relative performance in the quarter. Clear outperformance was sourced from contributions across all sub-sectors, from M&A, and the tactical use of gearing ahead of the U.S. elections.





FY4Q – MACRO FACTORS DICTATE SHARE PRICE ACTION

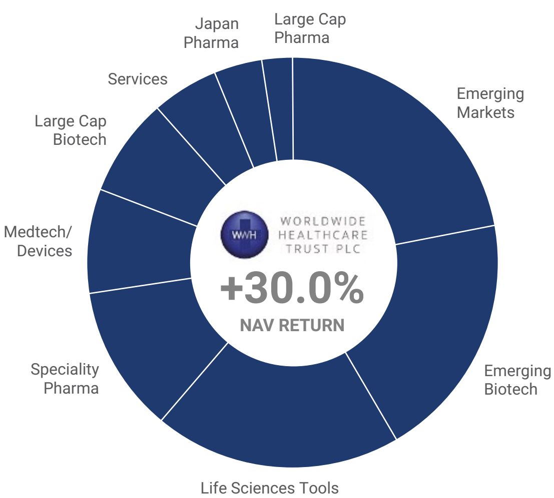
For the preponderance of the fourth quarter of the financial year, macro factors dominated the headlines and subsequent trading in the equity markets. These included the "Reddit" effect, highly shorted stocks rising, crowded longs selling off, factor unwinds, interest rate movements, and reflation commentary. The result? Global equities reached all-time highs in March. Technology stocks once again led U.S. indices higher, whilst European equities advanced even more than their U.S. counterparts to end the financial year. Global healthcare stocks also moved higher but again lagged the broader markets, as macro influences dominated share price moves in the period, with fundamentals taking a firm back seat.

For the Company, performance in the quarter was mixed. After a relatively sedate January, meaningful outperformance was generated by the Company in February through a combination of stock picking and sector allocation. However, March saw a large shift in the factor trade from momentum to value, which created significant selling pressure for emerging biotechnology stocks. Additionally, there was some weakness in the emerging markets healthcare segment to close the quarter. The net performance was largely unchanged.

SOURCES OF CONTRIBUTION

The Company maintains a pan-healthcare investment approach, with a deep analyst team that covers all key sub-sectors of the industry. For the reported period, that strategy reaped many rewards as all sub-sectors contributed to positive absolute returns, including biotechnology (large and small/mid-capitalisation companies), pharmaceuticals (large capitalisation, specialty companies, and Japan), life science tools, health care services, medical devices, and emerging markets.

Contribution to Performance by Sub-Sector

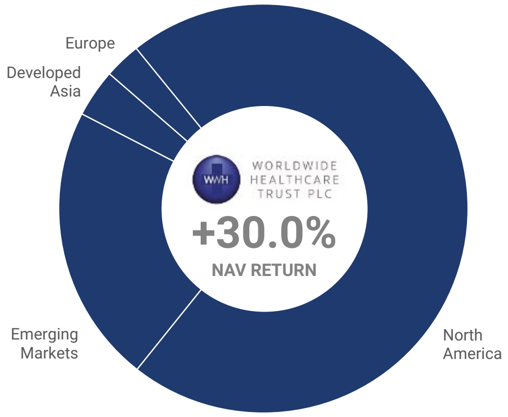


For the financial year, the largest sub-sector contribution came from biotechnology stocks, contributing over +800 basis points of both absolute and excess return. This contribution can be further divided into contribution from small/mid-capitalisation companies (70%) and large capitalisation (30%). This followed an unprecedented year of drug discovery and development from the biotechnology sector in 2020, coupled with positive investor sentiment that spilled over from the industry's impressive response to the COVID-19 pandemic.

Another large contribution came from emerging market stocks, contributing over +650 basis points of both absolute and excess return. These large returns were a function of both allocation and stock selection. Our two-pronged approach proved very successful in the financial year. First, we identified and selectively invested in blue-chip leaders across various healthcare sub-sectors in China which enabled the Company to capitalize on the many macro-growth trends. Second, we focused on the exploding initial public offering (IPO) trend in biotechnology and healthcare stocks in China which created a multitude of new investment opportunities.

Notable contribution also came from pharmaceuticals, specifically specialty pharmaceuticals, with nearly +350 basis points of absolute return, which in turn contributed over +275 basis points of excess return. A final sub-sector of import was life science tools which contributed over +550 basis points of absolute return and over +200 basis points of excess return. Again, these returns were a function of both allocation and stock selection.

Contribution to Performance by Geography



CONTRIBUTION BY SUB-SECTOR

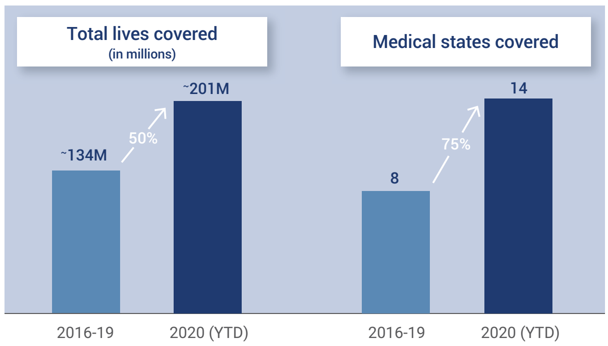
We are global investors. Our universe of coverage spans not only all healthcare sub-sectors, but all geographies, from the US to the UK, Europe, Japan, and Emerging Markets. We have an important overweight in biotechnology stocks, especially small/mid-capitalisation and the preponderance of them are located in the US. This is also partially true of some other sub-sectors, such as managed care and life science tools companies. It follows, then, that contribution follows this distribution, at least directionally.

KEY CONTRIBUTORS TO PERFORMANCE

A key investment strategy for the Company is to seek out innovation. The healthcare industry is the midst of a golden era of innovation that is generating a metamorphosis of how medicines are created, how physicians practice, and how patients are treated. The largest contributors to performance for the financial year are very emblematic of that mantra. Perhaps more interesting, each of the companies below represent a different sub-sector: diagnostics, specialty pharmaceuticals, emerging biotechnology, large biotechnology, and emerging markets.

Natera is a diagnostics company that is an industry leader in non-invasive prenatal testing (NIPT) and other genetic testing. NIPT is a simple blood draw that allows pregnant mothers to discover any fetal genetic disorders or conditions early on during gestation. Natera's share price posted strong performance over the year as the company's core NIPT business demonstrated continued strong volume growth and received expanded clinical guidance. In August 2020, the American College of Obstetricians and Gynecologists (ACOG) issued a new set of guidelines, recommending that prenatal screenings be offered to all pregnant women regardless of age or risk factors. This guidance expanded upon ACOG's prior guidance that recommended NIPT screening to only pregnant women ages 35 and older, or those with known risk factors. Additionally, the company has received numerous positive clinical and regulatory updates for use of their other proprietary diagnostic blood test, "Signatera". Signatera is used in cancer patients that have undergone surgery. This diagnostic test predicts likelihood of recurrence or not, thereby informing next treatment options for both doctor and patient. The test is also effective to detect minimal residual disease (MRD) in multiple indications, including colorectal cancer and immunotherapy response monitoring. The company's first mover advantage in this massive market has resulted in strong performance for the year.

NATERA: Step Change in NIPT Coverage

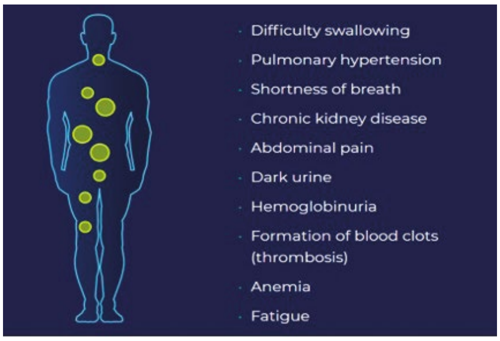


Horizon Therapeutics a specialty pharmaceutical company focused on rare diseases, was the Company's second highest contributor during the financial year, after the stock more than tripled. This share price momentum was driven by the phenomenal uptake of Tepezza (teprotumumab), the first and only FDA approved medicine for the treatment of thyroid eye disease (TED), a rare, debilitating, vision-threatening condition characterised by inflammation and tissue expansion behind the eye. Tepezza, which was launched in January 2020, quickly became the treatment of choice for active, moderate-to-severe TED. As a result, the product achieved near blockbuster status in only its first full year on the market. This represents one of the best first year drug launches in pharmaceutical history. Horizon management also raised peak sales guidance from U.S.$1 billion to over U.S.$3 billion. We expect Tepezza to become a mega-blockbuster product.

HORIZON: Tepezza (teprotumumab)

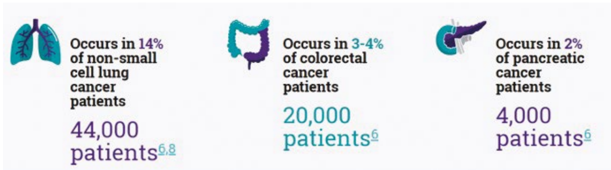
Alexion Pharmaceuticals is a large-capitalisation biotechnology company whose lead franchise consists of complement inhibitors for a variety of orphan haematological and neurological indications. Despite demonstrating consistent earnings growth, the company's stock had traded sideways at "value" prices for the past few years. Investor concerns centred on upcoming biosimilar and branded competition to the company's lead products, Soliris (eculizumab) and Ultomiris (ravulizumab). These medicines target a disease called paroxysmal nocturnal hemoglobinuria (PNH), a chronic, progressive, debilitating, and life-threatening ultra-rare blood disorder characterized by complement-mediated hemolysis (destruction of red blood cells). PNH can strike men and women of all races, backgrounds, and ages without warning, with an average age of onset in the early 30s. The company executed a number of business development transactions to diversify their business, but they were not well-received by the market. As long-term investors in the company, we disagreed. Our patience was rewarded in December 2020 when AstraZeneca announced it was acquiring Alexion for U.S.$39 billion with a combination of cash and stock, representing an impressive 45% premium to Alexion's share price.

ALEXION: Symptoms of PNH



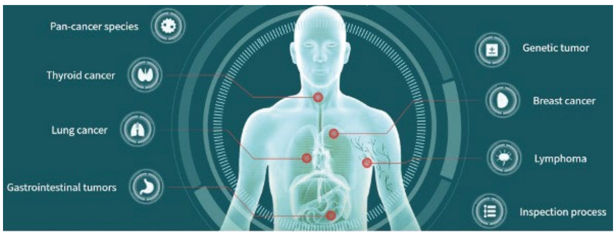
Mirati is a San Diego based biotechnology company developing next generation targeted therapies for various forms of cancer. Their lead program targets the "KRAS" gene which acts as an on/off switch for cell growth. When functioning normally, it regulates cellular growth, however when mutated, cells grow and spread out of control. These cells often develop into some of the deadliest cancers. The stock re-rated higher in the financial year after the company disclosed additional data on their lead candidate, adagrasib, advanced it in clinical development, and a competitor published target-validating data for KRAS. We believe Mirati will be one of the first companies to tap into this significant market with high unmet medical need.

MIRATI: Prevalence of "KRAS" mutations



Burning Rock Biotech is the industry leader in providing individualized cancer treatment guidance for the patients through genomics based molecular diagnostics. The company provides testing services both at its central lab and through collaborations with hospitals. Given our bullish view, we participated in the company's U.S. IPO in June 2020. The share price of the company surged on the first trading day given strong demand for the stock, emblematic of investors' confidence in the company's leadership in China. The stock was volatile after management provided conservative guidance on earnings visibility, due to pandemic related uncertainty. However, the share price eventually rebounded over the second half of the financial year with the advent of a fast recovery of it's testing business in China.

BURNING ROCK: Targets for Next Generation Sequencing



KEY DETRACTORS FROM PERFORMANCE

With overall performance strong for the financial year, notable positive contributors far outnumbered negative detractors in the period. The ratio of individual positions that returned over +100 basis points versus detracting over -100 basis points was 7:1, respectively. Lowering the bar to ±75 basis points and that ratio moves to 14:1. With that said, we detail the 5 largest detractors to performance for the financial year below.

With pandemic-induced lockdowns increasing public demand for all things digital, healthcare services were no exception. **eHealth**, an insurance broker that specialises in enrolling individuals in Medicare Advantage insurance, is one of the market leaders in a robust market trend from in-person broker assistance to sophisticated telephonic and digital enrolment. Exuberance for their services was evident in the share price gains early in the financial year. However, the company reported higher than expected levels of plan "churn" in their second quarter report in July 2020. The market reacted negatively to this news and the share price gapped down, as churn is a key input to the lifetime value metric which eHealth uses to book revenues for insurance plan sales. Further, the company's fourth quarter results fell below expectations, pressuring the share price further. Whilst the company has since identified various areas of operational improvement, the outlook remains cloudy and a full recovery will be lengthy.

eHEALTH: Web Portal

Headquartered in Boston, **Vertex Pharmaceuticals** is a large biotechnology company focused on the treatment of rare, life-threatening diseases. The hallmark of the company is certainly one of innovation as the company has revolutionized the treatment of cystic fibrosis with the launch of new products that, for the first time, treat the underlying cause of this devastating disease. However, a constant risk in the pursuit of new and novel medicines is failure. Whilst the stock re-rated higher in late 2019 and early 2020, shares of Vertex gapped lower in October 2020 following the discontinuation of a key pipeline product (VX-814) in development for the treatment of a rare but serious pulmonary disease called alpha-1 antitrypsin deficiency. Following this high-profile pipeline failure, investors have grown concerned over Vertex's commercial concentration in cystic fibrosis and perceived lack of later-stage clinical prospects to drive future growth. Despite these concerns, we note Vertex's cystic fibrosis portfolio continues to grow commercially, and the company's mid-stage pipeline remains robust and diversified across several therapeutic areas.

VERTEX: Leader in Pulmonary Disorders

Another unmistakable leader in innovation is **Biogen**. The Cambridge, Massachusetts large capitalisation biotechnology company is focused on neuroscience, with key franchises in multiple sclerosis and spinal muscular atrophy (a genetic disorder characterised by atrophy of skeletal muscles). Unfortunately, the company lost two key patent cases this past year for their lead product for the treatment of multiple sclerosis, Tecfidera (dimethyl fumarate), allowing generics to enter the market and removing upside to consensus estimates. Despite the setback, Biogen's innovation engine has created a new potential growth driver in the treatment of Alzheimer's disease. Aducanumab is the company's experimental – yet controversial – antibody for this debilitating disease. Despite a mixed Phase 3 dataset, aducanumab received a glowing positive review by FDA officials in a briefing document released prior to an external advisory committee meeting in November 2020. However, the committee overwhelmingly voted against approval just days later. The FDA has since delayed the approval action date for aducanumab to June 2021. Continued uncertainty about the likelihood of approval caused the share price to languish.

BIOGEN: Leaders in Neuroscience

A core strategy for the Company is to seek the best of the blue-chip healthcare companies in emerging markets, such as China. **Shenzen Hepalink Pharmaceutical** is a leading pharmaceuticals manufacturer. The company started as an active pharmaceutical ingredient (API) supplier of heparin to the global market and became the world's largest supplier of heparin with over 40% revenue share by 2018. The company went on to expand its offerings with additional products and geographies, including Europe. We participated in the company's dual listing on the Hong Kong stock exchange in July 2020. Despite positive news flow for its U.S. operations, including API approval by the FDA, the share price has been weak due to; (1) sector weakness for China healthcare in the autumn of 2020, (2) slow business recovery in the U.S., and (3) currency headwinds against Hepalink's dollar denominated revenue.

HEPALINK: Leaders in Manufacturing

PORTFOLIO MANAGER'S REVIEW CONTINUED

Another China-based blue-chip company and innovation leader is **Shanghai Kindly Medical Instruments**, a leading cardiovascular interventional device manufacture with a diversified product portfolio. They are leaders in support devices for percutaneous coronary intervention such as inflation device, introducer set, and angiography guidewires. The company ranks either first or second across multiple cardiovascular intervention segments but, are also players in orthopedic and neuro-intervention medical device products. We participated in Kindly's IPO in 2019 as a cornerstone investor. Unfortunately, share price performance was weak in 2020 due to the COVID-19 pandemic when outpatient visits and elective surgeries were postponed or cancelled, which affected the sales of interventional devices.

SHANGHAI KINDLY: IPO on the Honk Kong Stock Exchange

CONTRIBUTION FROM UNQUOTEDS

During the financial year ended 31 March 2021, the Company took advantage of a favourable market in crossover investments (or "unquoteds"). As of 31 March 2021, investments in unquoted companies (excluding debt) accounted for 5.3% of the Company's net assets versus only 1.0% as of 31 March 2020.

The investments were split among sub-industries with a focus on emerging biotechnology and healthcare services companies in addition to investments in medical devices and life sciences tools. From a geographic perspective, the investment opportunities were focused on Emerging Markets and North America with a single investment coming out of Europe. Three of our unquoted companies completed an initial public offering ("IPO") during the year, including two investments which were initiated during the financial year.

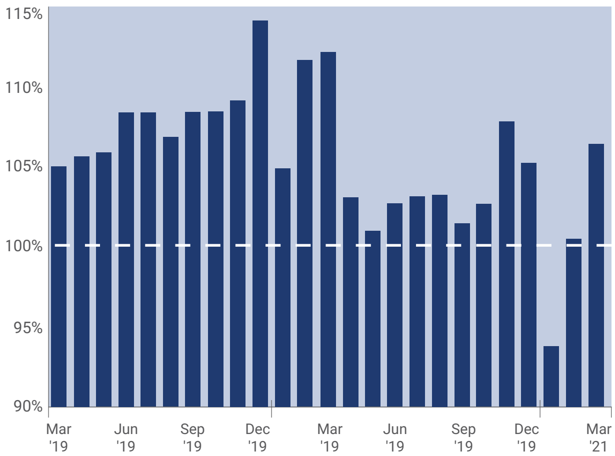
Much like the crossover market, trends were also very favourable for IPOs, including Cornerstone Investments in Hong Kong, and the Company found many opportunities for sizeable allocations during the year.

For the year ended 31 March 2021, unquoteds contributed gains of £70.4m (including both realised and unrealised gains) while investments in IPOs contributed gains of £91.5m. The total gains of £161.9m across both unquoted companies and IPOs represented a return of approximately 31%.

LEVERAGE STRATEGY

The Company employs leverage with a maximum level of 20%. Historically, the typical leverage level employed by the Company is mid-to-high teens. Considering the market volatility during the past financial year, we used leverage in a more tactical fashion during the period. For example, after the dramatic "V"-shape market recovery of April 2020, leverage was significantly reduced by over 1000 basis points month-over-month, to 3% and ultimately 1% in May 2020. This low level of leverage was maintained for a period of months but was once again increased ahead of and into the U.S. Presidential election in November 2020. Post-election and into the new calendar year, it was again notably decreased through January 2021. However, given the sell-off in small-capitalisation biotechnology stocks in February and March 2021, leverage was once again increased through additional exposure to biotechnology, medical devices, and a reduction of our underweight exposure to large cap pharmaceuticals. We expect to continue a more aggressive and tactical approach to leverage in 2021.

Worldwide Healthcare Trust PLC: Gearing Over Time



DERIVATIVE STRATEGY

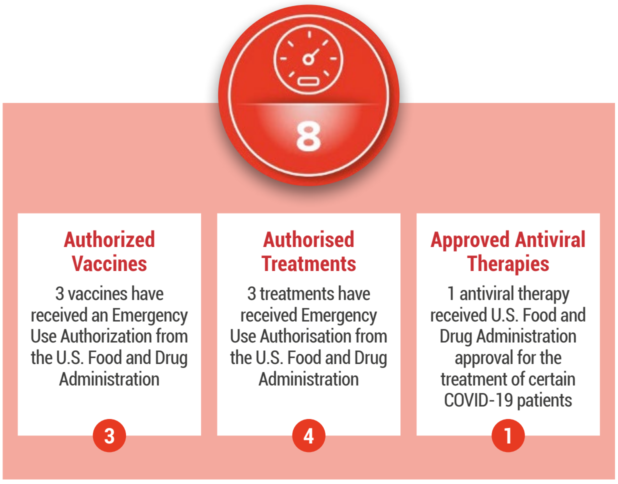
The Company has the ability to use equity swaps and options, as set out in the Investment Objective and Policy on page 8. During the current financial year the Company employed single stock equity swaps to gain exposure to emerging market Chinese and Indian stocks. The exposure via swaps averaged 4.5% on a gross basis and contributed 1.6% to the Company's return. Analysis of the Company's investments in emerging markets is included on page 25.

Further details on the use of swaps can be found in Note 16 starting on pages 89 and in the Glossary on page 97.

SECTOR OUTLOOK

The key healthcare investment theme that the Company has espoused has been centred on innovation. Innovation across new technologies, novel platforms, and therapeutic categories that have fostered increased drug discovery, development, and approval of new groundbreaking medicines around the globe with many of them now delivering cures. The COVID-19 pandemic has shone a spotlight like none other on the industry's ability to innovate, with the rapid advancement of life saving therapies and vaccines all discovered, developed, and approved under 12 months. Incredible, indeed.

FDA Approvals for COVID-19 (as of 31 March 2021)

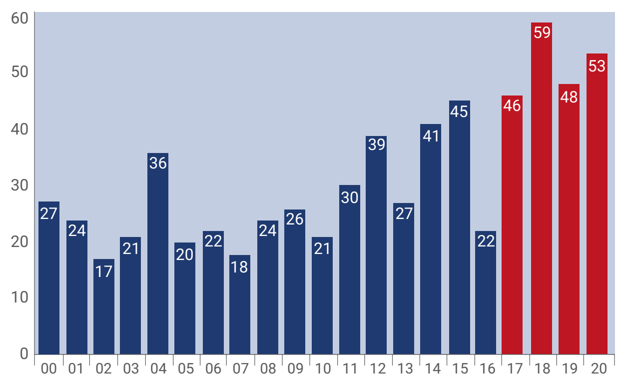


However, our main focus is not on COVID-19 per se, rather, it is on the totality of innovation across the healthcare sector. Our investment focus is on what the industry is doing for cardiovascular disease, oncology, neurology, immunology, and metabolic disease, just to name a few.

INNOVATION: "Golden Era" Continues

Perhaps a "scorecard" of such innovation can be found in new product approvals. The FDA has an unprecedented four-year period of productivity. In 2018, the agency set a record with 59 approvals of new molecular entities and followed it up with two years of new record approvals, resulting in 200 novel approvals during the past four years. Despite some recent regulatory uncertainty and delays, we expect the appointment of a new FDA commissioner under the Biden administration, as well as the tapering off of the bolus of COVID-19-related reviews, to help normalize operations within the agency. We expect the FDA to continue to support drug developers and believe the regulatory environment should remain largely positive.

U.S. FDA: Novel Drug Approvals since 2000



PHARMACEUTICALS

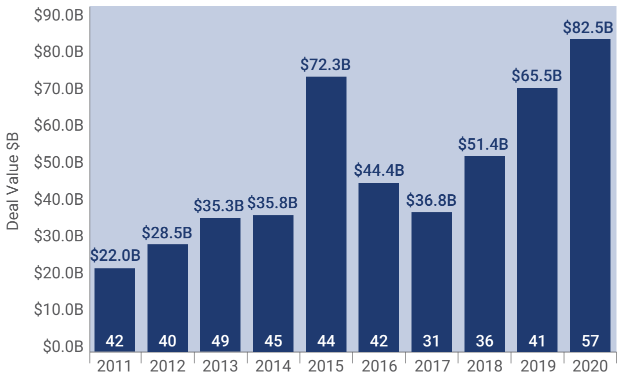
Traditionally, the broad pharmaceutical industry is divided amongst three sub-sectors: large pharma, specialty pharma, and generic pharma. Specialty pharmaceuticals are a heterogenous group of companies that typically focus one or two therapeutic categories and have shown to be cradles of innovation within the sector. The Company will continue to scour this universe for alpha generating ideas, with a bias to be overweight this sub-sector. Generic pharmaceuticals, of course, are companies that produce commodity medicines that no longer have patent protection. Whilst there are points of differentiation between many of these companies, including hybrid models of generics and brands, the generic industry continues to be out of favour due to significant structural headwinds and pricing pressure across global markets. We do note, however, that these two segments combined represent less than 5% of the Benchmark.

Large pharmaceuticals, conversely, represent approximately 35% of the Benchmark. This segment, too, is a heterogeneous group of companies with varying positives and negatives across various metrics, including: quality of management teams, ability to innovate, product portfolios, new product opportunities, pipeline prospects, and patent exposure. This is a complex sector, subsequently, generalist investors are often loathe to fully participate. Overall growth outlook for the group is mostly modest, although there is a notable spread. Operationally, the companies have been mostly resilient to pandemic headwinds, although some companies with more physician administered medicines have suffered. Obviously, the spectre of healthcare and drug price reform hangs over this group, seemingly forever. Whilst we do not think that the Biden administration will enact any egregious, industry-altering legislation, valuations seem to suggest otherwise, with this group trading at trough levels compared to the S&P 500 multiple. Overall, we remain highly selective – and underweight – large cap pharmaceutical stocks into 2021, preferring to focus only on our best investment ideas, rather than taking a pan-pharmaceutical strategy.

BIOTECHNOLOGY

The Company's financial year was a banner year for biotechnology stocks. The NASDAQ Biotechnology Index returned to record highs in calendar 2020, matching a level last seen in 2015. Following an unprecedented year of drug discovery and development, we expect biotechnology to continue its strong cycle of innovation, with several new and emerging treatment modalities reaching the clinic and the market. In addition to strong underlying fundamentals, we see several tailwinds for the sector. Calendar 2019 was a record year for biotechnology M&A and was eclipsed in calendar 2020 (source: Bio.org). With biotechnology valuations reset in recent months after record highs in 2020, we expect M&A activity could accelerate again in calendar 2021 which could drive further interest in the sector.

BIOTECHNOLOGY M&A



From a large capitalisation biotechnology perspective, we have grown more dubious of the growth prospects of these companies. In fact, the metamorphosis of the large cap biotech companies into large cap pharma companies – and their growth challenges due to their size and their ability to innovate because of their complexity – is almost fully complete. For the first time in Company history, the portfolio does not contain any large cap biotech names as of the end of the financial year.

MEDICAL DEVICES

After a tumultuous 2020, the Medical Device sector is emerging as one of the few "recovery trade" sectors within healthcare. Elective procedure volumes have lagged since the outbreak of COVID-19, and whilst this has represented a headwind for the sector over the past 12 months, the bolus of pent up demand for procedures is now poised to become a tailwind. As COVID-19 vaccine rollouts continue globally, mostly notably in the U.S., elective procedure volumes are clearly benefiting. It is unlikely that these procedures will all be recaptured in 2021 given hospital capacity constraints, especially in the U.S., but this dynamic could present a multi-year boost for the industry.

MEDICAL DEVICES: A Modern Operating Suite

In addition to an improving fundamental outlook, medical device companies are also insulated from drug price reform rhetoric, which should provide equity valuation support going forward. Against this backdrop, we have increased our overall exposure to the Medical Device industry and are most focused on companies that both benefit from improving industry tailwinds and are accelerating innovation in key markets. Examples of key innovation include rapidly expanding markets for robotic surgery, advances in non-invasive glucose monitoring, next-generation heart valve replacement products, and implantable stroke prevention devices.

HEALTHCARE SERVICES

Over the past two years, managed care companies have faced a treacherous environment. Political fears over "Medicare For All" and other legislative disruptions was a clear overhang for the group. More recently, investors were concerned about outsized COVID-19 related costs, including treatment, testing, and vaccinations. Finally, there are fears of a wave of pent-up healthcare demand.

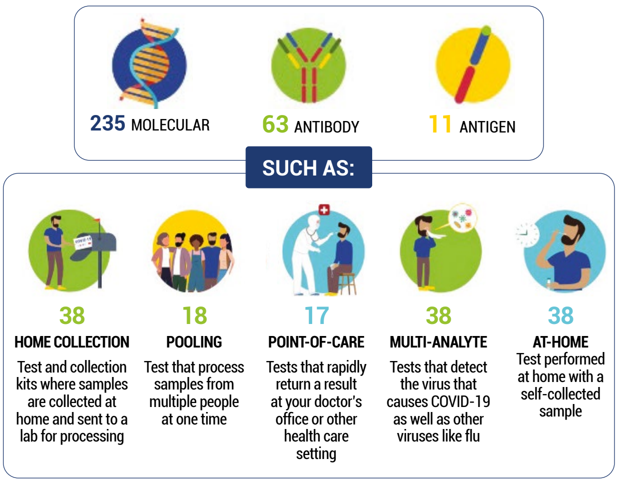
However, the outlook for healthcare services is quite robust moving into 2021 and beyond. The election of President Biden but with only a razor-thin majority in Congress, these multi-year political overhangs have nearly completely subsided. The U.S. federal government's healthcare priorities have focused on expanding the Affordable Care Act in uncontroversial ways. Managed care companies have also been careful to call out any negative COVID-19 items as one-time impacts to 2021 results that will not recur afterwards. They have also created historically high levels of cushion to earnings via conservative reserves and accelerated investment spending. After the final piece of the "wall of worry" crumbles and pent-up healthcare demand is depleted, we believe that managed care is very favourably positioned for both earnings revisions and multiple expansion.

In the near term, the outlook for providers is positive, albeit with high expectations, as this pent-up demand returns – the shape, peak, and duration of this demand curve will be key to monitor. We are also positive on several emerging trends in the industry, including a shift to value-based care providers who can better manage care and reduce cost.

LIFE SCIENCE TOOLS AND DIAGNOSTICS

The past year has been truly transformational for tools and diagnostics companies, with several key investible themes presenting themselves throughout the pandemic, supporting outperformance for the group. The industry has been able to contribute on several COVID-related fronts, including infectious disease diagnostics, vaccine, and therapeutic manufacturing. The most prevalent of these was the contribution on supporting testing infrastructure, with many larger diversified and more pure-play diagnostics manufacturers benefiting from the significant uptick in the global infectious disease market fuelled by COVID-19. Investor focus has increased on companies that have the ability to capitalise not only on testing tailwinds, but also in selling key bioprocess inputs for COVID-19 vaccines and therapeutics. Furthermore, we have taken the opportunity to increase our exposure to emerging secular winners in liquid biopsy and genomics that are quickly coming of age in a post-pandemic world.

U.S. FDA: >300 COVID-19 Tests approved in 2020



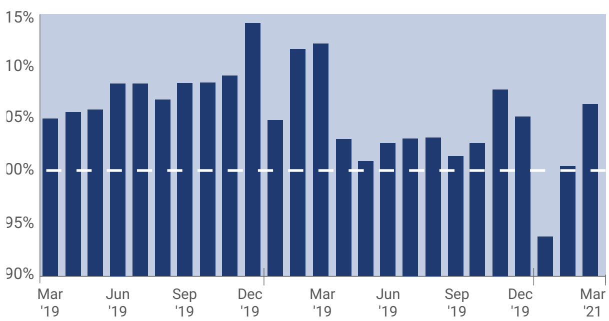
With a generally solid fundamental backdrop for the industry, we have approached our portfolio construction by maintaining selective exposure in diversified companies who benefit from all aspects of the COVID-related environment alluded to above like Thermo Fisher, while increasing our exposure to emerging secular winners in more nascent markets. One such secular theme is advanced oncology diagnostics and liquid biopsy, with significant capital deployed towards leaders in this budding field such as Natera and Guardant Health. As leaders in this space are likely to reshape the oncology diagnostics industry, we also had the ability to invest in a crossover round for another emerging industry leader, **Caris Life Sciences**. Lastly, we remain positive on genomics, expressed through our position in **NanoString Technologies**, a leader in spatial genomics which has the potential to reshape many traditional research and clinical workflows.

EMERGING MARKETS

We are generally bullish on emerging markets from a healthcare perspective, especially in China, due to the ongoing rapid recovery from the COVID-19 pandemic. Also, in China, like in other parts of the global healthcare industry, we are witnessing accelerating growth of the industry driven by a new wave of domestic innovation. As divergence between innovation-driven pharma/biotech companies and generic/traditional Chinese medicines businesses increases, we have pivoted our investment approach to the former.

Looking forward, in addition to macro tailwinds such as aging demographics, government policies continue to drive industry evolution by allocating resources to innovation via centralised bidding and drug price list negotiations. We believe companies with truly innovative technology and differentiated products will stand out as winners in this market. These phenomena have led to our two-pronged approach to investing in China. First, to identify and select the best blue-chip leaders across various healthcare sub-sectors to capitalise on this growth. Second, to take advantage of the relaxed listing rules for new securities and IPOs to invest in the next wave of young and innovative biotechnology companies coming out of China.

EMERGING MARKETS: China Strategy



Sven H. Borho and Trevor M. Polischuk
OrbiMed Capital LLC
Portfolio Manager

3 June 2021

CONTRIBUTION BY INVESTMENT

ABSOLUTE CONTRIBUTION BY INVESTMENT FOR THE YEAR ENDING 31 MARCH 2021

Principal contributors to and detractors from net asset value performance

Top five contributors	Contribution £'000	Contribution per share* £
Natera	59,847	1.01
Horizon Therapeutics	56,436	0.95
Alexion Pharmaceutical**	48,341	0.81
Mirati Therapeutics	40,625	0.68
Burning Rock Biotech	23,523	0.40

Top five detractors		
Shanghai Kindly Medical Instruments	-7,657	-0.13
Shenzhen Hepalink Pharmaceutical	-9,583	-0.16
Biogen**	-10,770	-0.18
Vertex Pharmaceuticals	-11,798	-0.20
eHealth**	-23,413	-0.39

* Calculation based on 59,487,545 shares being the weighted average number of shares in issue during the year ended 31 March 2021.

** Not held at 31 March 2021.

BUSINESS REVIEW

The Strategic Report, on pages 1 to 40, contains a review of the Company's business model and strategy, an analysis of its performance during the financial year and its future developments and details of the principal risks and challenges it faces.

Its purpose is to inform shareholders in the Company and help them to assess how the Directors have performed their duty to promote the success of the Company. Further information on how the Directors have discharged their duty under s172 of the Companies Act 2006 in promoting the success of the Company for the benefit of the investors as a whole, and how they have taken wider stakeholders' needs into account can be found on pages 35 to 39. The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

BUSINESS MODEL

Worldwide Healthcare Trust PLC is an externally managed investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. Its investment objective is set out on pages 7 and 8.

As an externally managed investment trust, all of the Company's day-to-day managements and administrative functions are outsourced to service providers. As a result, the Company has no executive directors, employees or internal operations. 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 as its Custodian and Prime Broker. Further details about their appointments can be found in the Business Review on pages 28 and 29. The Board has determined an investment policy and related guidelines and limits, as described below.

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 Section 1158 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 Company is not a close company for taxation purposes.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy a s well as the review of investment performance and policy. It also has responsibility for all strategic issues, the dividend policy, the share issuance and buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

CONTINUATION OF THE COMPANY

A resolution was passed at the Annual General Meeting held in 2019 that the Company continues as an investment trust for a further five year period. In accordance with the Company's Articles of Association, shareholders will have an opportunity to vote on the continuation of the Company at the Annual General Meeting to be held in 2024 and every five years thereafter.

THE BOARD

The Board of the Company comprises Sir Martin Smith (Chairman), Sarah Bates, Sven Borho, Dr David Holbrook, Doug McCutcheon, Dr Bina Rawal and Humphrey van der Klugt. All of these Directors, served throughout the year. All are independent non-executive Directors with the exception of Mr Borho who is not considered to be independent by the Board.

Further information on the Directors can be found on pages 41 to 43.

All Directors, with the exception of Dr. Holbrook, are seeking re-election by shareholders at this year's Annual General Meeting.

DIVIDEND POLICY

It is the Company's policy to pay out dividends to shareholders at least to the extent required to maintain investment trust status for each financial year. Such dividends will typically be paid twice a year by means of an interim dividend and a final dividend.

KEY PERFORMANCE INDICATORS (KPI)

The Board assesses the Company's performance in meeting its objectives against key performance indicators as follows. The Key Performance Indicators have not changed from the previous year:

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

Information on the Company's performance is provided in the Chairman's Statement and the Portfolio Manager's Review and a record of these measures is shown on pages 1, 2 and 3. Further information can be found in the Glossary beginning on page 97.

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 (the 'Benchmark'). As noted on pages 7 and 8, OrbiMed has flexibility in managing the investments and are not limited by the make up of the Benchmark. As a result, investment decisions are 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 beginning on page 13 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.

* Alternative Performance Measure (See Glossary beginning on page 97)

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 Custodian and 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 beginning on page 44.

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;
- maintenance of the Company's accounting records;
- maintenance of the Company's website;
- preparation and dispatch of annual and half year reports (as applicable) 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 fee as follows:

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

BUSINESS REVIEW CONTINUED

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 44.

DEPOSITARY, CUSTODIAN AND PRIME BROKER

J.P. Morgan Europe Limited acts as the Company's Depositary and J.P. Morgan Securities LLC as its Custodian and 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 44 and 45.

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 44 and 45. J.P. Morgan Securities LLC, as Custodian and 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. See page 93 for further details; 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 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 February 2021 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 pages 28 and 29, 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.

RISK MANAGEMENT

The Board is responsible for the management of risks faced by the Company. Through delegation to the Audit Committee, the Board has established procedures to manage risk, to review the Company's internal control framework and establish the level and nature of the principal risks the Company is prepared to accept in order to achieve its long-term strategic objective. At least twice a year the Audit Committee carries out a robust assessment of the principal risks and uncertainties with the assistance of Frostrow Capital (the Company's AIFM) identifying the principal risks faced by the Company. These principal risks and the ways they are managed or mitigated are detailed on the following pages.

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. Another factor is climate change which may affect the operating models of the Company's investments in the coming years. 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 7 and 8. 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 89).

The Company does not currently hedge its currency exposure.

GEO-POLITICAL/MACRO ECONOMIC RISK

Macro events may have an adverse impact on the Company's performance by causing exchange rate volatility, changes in tax or regulatory environments, and/or a fall in market prices. Emerging markets, which a portion of the portfolio is exposed to, can be subject to greater political uncertainty and price volatility than developed markets.

While such events are outside the control of the Company the Board reviews regularly, and discusses with the Portfolio Manager, the wider economic and political environment, along with the portfolio exposure and the execution of the investment policy against the long-term objectives of the Company. The Portfolio Manager's risk team perform systematic risk analysis, including country and industry specific risk monitoring.

UNQUOTED INVESTMENT RISK

The Company's risk could be increased by its investment in unquoted companies. These investments may be more difficult to buy, sell or value, so changes in their valuations may be greater than for listed assets. The valuation of unquoted investments requires considerable judgement as explained in Note1(a) and as such realisations may be materially lower than the value as estimated by the Company. Particular events, outside the control of the Company, may also have a significant impact on the valuation and considerable uncertainty may exist around the potential future outcomes for each investment.

To mitigate this risk the Board and AIFM have set a limit of 10% of the portfolio, calculated at the time of investment, that can be held in unquoted investments and have established a robust and consistent valuation policy and process as set out in Note 1(b), which is in line with UK GAAP requirements and the International Private Equity and Venture Capital (IPEV) Guidelines. The Board also monitors the performance of these investments compared to the additional risks involved.

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 managers, 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 managers and succession planning.

COUNTERPARTY RISK

In addition to market and foreign currency risks, discussed above, the Company is exposed to 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. Any of the Company's assets taken as collateral are not covered by the custody arrangements provided by J.P. Morgan Securities LLC. The Company is, however, afforded protection in accordance with SEC rules and U.S. legislation equal to the value of the assets that have been rehypothecated.

This risk is managed by the Board through:

- reviews of the arrangements with, and services provided by, the Depositary and the Custodian 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. Also, the Board regularly monitors the credit rating of the Company's Custodian and Prime Broker;
- monitoring of the assets taken as collateral (further details can be found in note 16 beginning on page 89);
- 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;
- by primarily 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; and
- J.P. Morgan Securities LLC is subject to regular monitoring by J.P. Morgan Europe Limited, the Company's Depositary, and the Board receives regular reports from J.P. Morgan Europe Limited.

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.

The spread of an infectious disease, such as has been seen as a result of the COVID-19 pandemic, may again force governments to introduce rules to restrict meetings and movements of people and take other measures to prevent its spread, which may cause disruption to the Company's operations.

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 the 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;
- receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with these; and
- the operational and regulatory risks arising from the COVID-19 pandemic, and measures introduced to combat its spread, are discussed by the Board, with updates on operational resilience received from the Portfolio Manager, AIFM and other key service providers.

ESG RELATED RISKS

Both the Board and the Portfolio Manager recognise the importance of having a coherent ESG policy. There is a risk that investing in companies that disregard ESG factors will have a negative impact on investment returns and also that the Company itself may become unattractive to investors if ESG is not appropriately considered in the Portfolio Manager's decision making process. In light of this, the Board has asked OrbiMed to provide ESG updates at each Board meeting, highlighting examples where ESG issues influenced investment decisions and/or led to engagement with an investee company.

The Board ensures that the Portfolio Manager's ESG approach is in line with standards elsewhere and the Board's expectations. A summary of the Portfolio Manager's approach to Responsible Investing can be found on page 34.

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. Also, falls in stock markets, such as those experienced as a consequence of the COVID-19 pandemic, and the risk of a global recession, are likely to adversely affect the performance of the Company's investments.

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/premium control mechanism.

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

EMERGING RISKS

The Company has carried out a robust assessment of the Company's emerging and principal risks and the procedures in place to identify emerging risks are described below. The International Risk Governance Council definition of an 'emerging' risk is one that is new, or is a familiar risk in a new or unfamiliar context or under new context conditions (re-emerging). Failure to identify emerging risks may cause reactive actions rather than being proactive and, in worst case, could cause the Company to become unviable or otherwise fail or force the Company to change its structure, objective or strategy.

The Audit Committee reviews a risk map at its half-yearly meetings. Emerging risks are discussed in detail as part of this process and also throughout the year to try to ensure that emerging (as well as known) risks are identified and, so far as practicable, mitigated.

COVID-19

The Board recognises that the emergence and spread of the new coronavirus (COVID-19) strains represents a new area of continuing risk, both to the Company's investments, investment performance and to its operations. In recent months the Portfolio Manager successfully has continued its dialogue with investee companies and the Board has stayed in close contact with both the AIFM and the Portfolio Manager and has been regularly monitoring portfolio and share price developments. The Board has also received assurances from all of the Company's service providers in respect of:

- their business continuity plans and the steps being taken to guarantee the ongoing efficiency of their operations while ensuring the safety and well-being of their employees;
- their cyber security measures including improved user-access controls, safe remote working and evading malicious attacks; and
- any increased risks of fraud resulting from weaknesses in systems user access controls.

With the emergence of several vaccines, the outlook is cautiously positive, but the Board will continue to monitor developments as they occur.

BREXIT

The Board has considered whether the UK's exit from the European Union ("Brexit") posed a discrete risk to the Company. At the date of this report, the UK has left the EU and has emerged from the transition period with a trade and security deal finalised with the EU on 24 December 2020. The long-term impact and implications of this remain to be seen.

As the Company's shares are priced in sterling and its portfolio companies are priced in foreign currencies, sharp movements in exchange rates can affect the net asset value (see page 91 for the foreign currency sensitivity analysis). This is not a reflection of the underlying value of the companies in their base currencies but may lead to an increase or decrease in the Company's net asset value simply because of currency movements.

Furthermore, whilst the Company's current shareholders are predominantly UK based holders, sharp or unexpected changes in investor sentiment, or tax or regulatory changes, could lead to short term selling pressure on the Company's shares which potentially could lead to the share price discount widening. Overall, however, the Board believes that over the longer term, Brexit is unlikely to materially affect the Company's business model or whether the shares trade at a premium or discount to the net asset value per share. The Board will continue to monitor developments as they occur.

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. Such meetings have been conducted on a virtual basis during the COVID-19 pandemic;

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, when the discount reaches a level of 6% or more, the Company's shares may be bought back and held as treasury shares (See Glossary beginning on page 97).

Treasury shares can be sold back to the market at a later date at a premium to the cum income net asset value 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 is an effective share price premium management tool.

Details of share issuance are set out on page 46. No shares were repurchased during the year and to the date of this report.

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. As an externally-managed investment trust, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to third party service providers. Therefore, the Company has no material, direct impact on the environment or any particular community and the Company itself has no environmental, human rights, social or community policies. The Board of Directors consists of seven Directors, five of whom are resident in the UK, one in Canada and one in the U.S.. The Board holds the majority of its regular meetings in the United Kingdom, with usually 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 47. During the Pandemic all of the Board and Committee meetings were held via video conference. Video conferencing has proved to be a very effective way of holding meetings.

The Portfolio Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and the development of their policies on social, community and environmental matters. The Portfolio Manager's Responsible Investing Policy can be seen below.

ORBIMED'S RESPONSIBLE INVESTING POLICY

The Company's Portfolio Manager, OrbiMed, believes that there is a high congruence between companies that seek to act responsibly and those that succeed in building long-term shareholder value. OrbiMed seeks to integrate its Responsible Investing Policy into its overall investment process for the Company in order to maximise investment returns.

A core part of OrbiMed's Responsible Investing Policy is to identify, and exclude from potential investment, business sectors which objectively lead to negative impacts on public health or well-being.

OrbiMed makes investment decisions based on a variety of financial and non-financial company factors, including environmental, social and governance (ESG) information. OrbiMed's due diligence process for prospective and existing investments takes into account financially material ESG factors, where relevant and applicable. ESG factors do not form the sole, or primary, set of considerations for an investment decision.

OrbiMed considers sector-specific guidance from the Sustainability Accounting Standards Board to determine material ESG factors. Depending on the investment, all or a subset of the ESG factors that are financially material and relevant are considered in OrbiMed's research. The evaluation of a company's performance on ESG issues provide guidance for investment decisions and constitute part of the investment analysis.

ESG is a rapidly evolving field. ESG evaluation is not standardised and faces limitations due to lack of availability of accurate, timely and uniform data. Presently, no known universally accepted standards for ESG incorporation in investment decisions exist. It must be acknowledged that ESG evaluation carries a significant degree of subjectivity.

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 29 to 32.

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 it believes 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 pages 29 to 32. The Directors also took into account the liquidity of the portfolio and the expectation that the Company will pass the next continuation vote in 2024 when considering the viability of the Company over the next five years and its ability to meet liabilities as they fall due.

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.

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.

STAKEHOLDER INTERESTS AND BOARD DECISION-MAKING (SECTION 172 OF THE COMPANIES ACT 2006)

The Directors are now required to explain more fully how they have discharged their duty under s172 of the Companies Act 2006 in promoting the success of the Company for the benefit of the members as a whole. This includes the likely consequences of the Directors' decisions in the long-term and how they have taken wider stakeholders' needs into account.

The Directors aim to act fairly between the Company's stakeholders. The Board's approach to shareholder relations is summarised in the Corporate Governance Report beginning on page 49. The Chairman's Statement beginning on page 4 provides an explanation of actions taken by the Directors during the year to achieve the Board's long-term aim of ensuring that the Company's shares trade at a price close to the NAV per share.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers. The need to foster business relationships with the service providers and maintain a reputation for high standards of business conduct are central to the Directors' decision-making as the Board of an externally managed investment trust. The Directors believe that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all shareholders.

The Board engages with representatives from its service providers throughout the year. Representatives from OrbiMed and Frostrow are in attendance at each Board meeting. As the Portfolio Manager and the AIFM respectively, the services they provide are fundamental to the long-term success and smooth running of the Company. The Chairman's Statement and the Business Review on pages 4 to 6 and also on page 29, describe relevant decisions taken during the year relating to OrbiMed and Frostrow. Further details about the matters discussed in Board meetings and the relationship between OrbiMed and the Board are set out in the Corporate Governance Report.

Representatives from other service providers are asked to attend Board meetings when deemed appropriate.

Further details are set out overleaf.

Who? STAKEHOLDER GROUP	Why? THE BENEFITS OF ENGAGEMENT WITH THE COMPANY'S STAKEHOLDERS	How? HOW THE BOARD, THE PORTFOLIO MANAGER AND THE AIFM HAVE ENGAGED WITH THE COMPANY'S STAKEHOLDERS
Investors	Clear communication of the Company's strategy and the performance against the Company's objective can help the share price trade at a narrower discount or a premium to its net asset value per share which benefits shareholders. New shares can be issued to meet demand without net asset value per share dilution to existing shareholders. Increasing the size of the Company can benefit liquidity as well as spread costs. Share buy backs are undertaken at the discretion of the Directors.	The Portfolio Manager and Frostrow, on behalf of the Board, complete a programme of investor relations throughout the year. Such meetings were conducted on a virtual basis during the COVID-19 pandemic. In addition, the Chairman has been available to engage with the Company's larger shareholders where required. An analysis of the Company's shareholder register is provided to the Directors at each Board meeting along with marketing reports from Frostrow. The Board reviews and considers the marketing plans on a regular basis. Reports from the Company's broker are submitted to the Board on investor sentiment and industry issues. Key mechanisms of engagement include: • The Annual General Meeting, (while shareholder attendance was not possible during the COVID-19 pandemic, the Portfolio Manager produced a shareholder presentation which was followed by an interactive question and answer session). • The Company's website which hosts reports, articles and insights, and monthly factsheets • One-on-one investor meetings • Should any significant votes be cast against a resolution, proposed at the Annual General Meeting the Board will engage with shareholders. • The Board will explain in its announcement of the results of the AGM any actions it intends to take to consult shareholders in order to understand the reasons behind significant votes against. • Following any consultation, an update would be published no later than six months after the AGM and the Annual Report will detail the impact shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed.

What?	Outcomes and actions
WHAT WERE THE KEY AREAS OF ENGAGEMENT?	**WHAT ACTIONS WERE TAKEN, INCLUDING MAIN DECISIONS?**
Key areas of engagement with investors • Ongoing dialogue with shareholders concerning the strategy of the Company, performance and the portfolio.	• The Portfolio Manager and Frostrow meet regularly with shareholders and potential investors to discuss the Company's strategy, performance and portfolio. The Chairman meets with key shareholders from time to time and as required. Frostrow and the Portfolio Manager engages with retail investors through a number of different channels: (i) The Company's website, which is maintained by Frostrow, contains articles, webinars and quarterly updates; (ii) A distribution list of shareholders (retail and professional) which is maintained by Frostrow and is used to communicate with investors on a regular basis; (iii) The Portfolio Manager provides annual presentations online – (webcasts) and offline (AGM), which shareholders are able to attend and participate in; and (iv) Frostrow ensures that the Company is available through a wide range of leading execution only platforms.

Who? STAKEHOLDER GROUP	Why? THE BENEFITS OF ENGAGEMENT WITH THE COMPANY'S STAKEHOLDERS	How? HOW THE BOARD, THE PORTFOLIO MANAGER AND THE AIFM HAVE ENGAGED WITH THE COMPANY'S STAKEHOLDERS
Portfolio Manager	Engagement with the Company's Portfolio Manager is necessary to evaluate their performance against the Company's stated strategy and to understand any risks or opportunities this may present. The Board ensures that the Portfolio Manager's environmental, social and governance ("ESG") approach is in line with standards elsewhere and the Board's expectations. Engagement also helps ensure that the Portfolio Manager's fees are closely monitored and remain competitive. Gaining a deeper understanding of the portfolio companies and their strategies as well as incorporating consideration of ESG factors into the investment process assists in understanding and mitigating risks of an investment as well as identifying future potential opportunities.	The Board meets regularly with the Company's Portfolio Manager throughout the year. In addition, during the pandemic extra meetings were held. The Board also receives monthly performance and compliance reporting. The Portfolio Manager's attendance at each Board meeting provides the opportunity for the Portfolio Manager and Board to further reinforce their mutual understanding of what is expected from both parties. The Board encourages the Company's Portfolio Manager to engage with companies and in doing so expects ESG issues to be an important consideration. The Board receives an update on Frostrow's engagement activities by way of a dedicated report at Board meetings and at other times during the year as required.
Service Providers	The Company contracts with third parties for other services including: custody, company secretarial, accounting & administration and registrar. The Company ensures that the third parties to whom the services have been outsourced complete their roles in line with their service level agreements thereby supporting the Company in its success and ensuring compliance with its obligations. The COVID-19 pandemic has meant that it was vital to make certain there were adequate procedures in place at the Company's principal service providers to ensure safety of their employees and the continued high quality service to the Company.	The Board and Frostrow, acting in its capacity as AIFM,engage regularly with other service providers both in one-to-one meetings and via regular written reporting. This regular interaction provides an environment where topics, issues and business development needs can be dealt with efficiently and collegiately. The Board together with Frostrow have maintained regular contact with the Company's principal service providers during the pandemic, as well as carrying out a review of the service providers' business continuity plans and additional cyber security provisions. The review of the performance of the Portfolio Manager and Frostrow is a continuous process carried out by the Board and the Management Engagement Committee with a formal evaluation being undertaken annually.

BUSINESS REVIEW CONTINUED

What? WHAT WERE THE KEY AREAS OF ENGAGEMENT?	Outcomes and actions WHAT ACTIONS WERE TAKEN, INCLUDING MAIN DECISIONS?
Key areas of engagement with the Portfolio Manager on an ongoing basis are portfolio composition, performance, outlook and business updates.	
• The impact of the pandemic upon their business and how components in the portfolio dealt with the pandemic. • Regular review of the make up of the investment portfolio. • The integration of ESG factors into the Portfolio Manager's investment processes.	• The Board has received regular updates from the Portfolio Manager throughout the pandemic and its impact on investment decision making. In addition, the impact of new working practices adopted by the Portfolio Manager as a consequence of the pandemic have been reviewed by the Board. • The Portfolio Manager reports on ESG issues at each Board meeting.
Key areas of engagement with Service Providers	
• The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting. This engagement is completed with the aim of maintaining an effective working relationship and oversight of the services provided. • The Board sought and received assurances from all of the Company's service providers that steps had been taken to maintain the ongoing efficiency of their operations while ensuring the safety and well-being of their employees.	• No specific action required as the reviews of the Company's service providers, have been positive and the Directors believe their continued appointment is in the best interests of the Company. • The Board agreed to continue to monitor the position closely.
Key areas of engagement with the broker	
• The Board is cognisant that the trading of the Company's shares at a persistent and significant discount or premium to the prevailing NAV per share is not in the interests of shareholders.	• Throughout the year the Board closely monitored the Company's discount/premium to NAV per share and received regular updates from the broker. No shares were bought back during the year, or since the year end. 10,690,977 new shares were issued during the year and 752,000 shares issued following the year-end to 2 June 2021. (Please see the Chairman's Statement on page 5 for further information.)

INTEGRITY AND BUSINESS ETHICS

The Company is committed to carrying out business in an honest and fair manner with a zero-tolerance approach to bribery, tax evasion and corruption. As such, policies and procedures are in place to prevent this. In carrying out its activities, the Company aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues.

The Company believes that high standards of ESG make good business sense and have the potential to protect and enhance investment returns. The Portfolio Manager's investment criteria provide that ESG and ethical issues are taken into account and best practice is encouraged by the Board. The Board's expectations are that its principal service providers have appropriate governance policies in place.

PERFORMANCE AND FUTURE DEVELOPMENTS

A review of the Company's year, its performance and the outlook for the Company can be found in the Chairman's Statement on pages 4 to 6 and in the Portfolio Manager's Review on pages 13 to 25.

The Company's overall strategy remains unchanged.

LOOKING TO THE FUTURE

The Board concentrates its attention on the Company's investment performance and OrbiMed's investment approach and on factors that may have an effect on this approach. Marketing reports are given to the Board at each board meeting by the AIFM which include how the Company will be promoted and details of planned communications with existing and potential shareholders. The Board is regularly updated by the AIFM on wider investment trust industry issues and discussions are held at each Board meeting concerning the Company's future development and strategy.

A review of the Company's year, its performance since the year-end and the outlook for the Company can be found in the Chairman's Statement on pages 4 to 6 and in the Portfolio Manager's Review on pages 13 to 25. It is expected that the Company's Strategy will remain unchanged in the coming year.

ALTERNATIVE PERFORMANCE MEASURES

The Financial Statements (on pages 74 to 95) 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 explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on page 28.

By order of the Board

Frostrow Capital LLP
Company Secretary
3 June 2021

BOARD OF DIRECTORS

Sir Martin Smith

Independent Non-Executive Chairman

Joined the Board in 2007 and became Chairman in 2008

Remuneration £51,106pa*

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

Skills and Experience
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.

Other Appointments
Sir Martin has a number of other directorships and business interests, including acting as Chairman of GP Bullhound, the technology investment banking firm.

Sir Martin's pro-bono interests include being a founder of the Orchestra of the Age of Enlightenment of which he is Life President, and serving on the boards of a number of other arts organisations including the Glyndebourne Arts Trust and the Royal Academy of Music. He is a Director of ClientEarth. In 2008 Sir Martin with his family were founding benefactors of the Smith School of Enterprise and the Environment at Oxford University.

Standing for re-election: Yes

Sarah Bates

Independent Non-Executive Director

Joined the Board in 2013

Remuneration: £32,282pa*

Shareholding in the Company
7,200

Skills and Experience
Sarah is a past Chair of the Association of Investment Companies and has been involved in the UK savings and investment industry in different roles for over 35 years.

Sarah is a fellow of CFA UK.

Other Appointments
Sarah is non-executive Chair of Polar Capital Technology Trust plc and a non-executive Director of Alliance Trust PLC. Sarah is also Chair of The John Lewis Partnership Pensions Trust and of BBC Pension Investments Limited. She is a member of the Investment Committee of the Universities Superannuation Scheme and of the BBC Pension Scheme Investment Committee and is an Ambassador for Chapter Zero and a mentor for Chairmen Mentors International.

Standing for re-election: Yes

* Information as at 31 March 2021

Sven Borho
Non-Executive Director

Joined the Board in 2018

Remuneration: Nil*

Shareholding in the Company
10,000

Skills and Experience
Sven H. Borho, CFA, is a founder and Managing Partner of OrbiMed. Sven heads the public equity team and he is the portfolio manager for OrbiMed's public equity and hedge funds. He has been a portfolio manager for the firm's funds since 1993 and 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.

Other Appointments
Sven is a Managing Partner of OrbiMed and does not have any other appointments.

Standing for re-election: Yes

Dr David Holbrook
Independent Non-Executive Director

Joined the Board in 2007

Remuneration: £34,622pa*

David is Chairman of the Nominations Committee and is the Senior Independent Director.

Shareholding in the Company
1,094

Skills and Experience
A qualified physician, David was formerly Investment Director of the life science activities of the seed fund of the University of Cambridge and the manager of the seed fund established by LifeArc (formerly known as MRC Technology). 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.

Other Appointments
David is a non-executive Director of Oxford Biodynamics plc and is Chairman of Trustees of the Liver Group Charity.

Standing for re-election: No

* Information as at 31 March 2021

BOARD OF DIRECTORS CONTINUED

Humphrey van der Klugt, FCA
Independent Non-Executive Director

Joined the Board in 2016

Remuneration: £39,551pa*

A Chartered Accountant, Humphrey is Chairman of the Audit Committee.

Shareholding in the Company
3,000

Skills and Experience
Humphrey was formerly Chairman of Fidelity European Values PLC and a Director of Murray Income Trust PLC, BlackRock Commodities Income Investment Trust plc and J P Morgan Claverhouse 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.

Other Appointments
Humphrey is a non-executive Director of Allianz Technology Trust PLC.

Standing for re-election: Yes

Doug McCutcheon
Independent Non-Executive Director

Joined the Board in 2012

Remuneration: £32,282pa*

Doug is Chairman of the Management Engagement & Remuneration Committee.

Shareholding in the Company
15,000

Skills and Experience
Doug is the President of Longview Asset Management Ltd., an investment firm that manages the capital of families, charities and endowments. Prior to this, Doug was an investment banker for 25 years at UBS and its predecessor firm, S.G. Warburg, where, most recently, he was the head of Healthcare Investment Banking for Europe, the Middle East, Africa and Asia-Pacific. Doug is involved in philanthropic organisations with a focus on healthcare and education. He attended Queen's University, Canada.

Other Appointments
Doug is a non-executive Director of Labrador Iron Ore Royalty Corporation.

Standing for re-election: Yes

Dr Bina Rawal
Independent Non-Executive Director

Joined the Board in 2019

Remuneration: £32,282pa*

Shareholding in the Company
1,810

Skills and Experience
Dr Rawal, a physician with 25 years' experience in life sciences research and development, has held senior executive roles in drug development and scientific evaluation in four global pharmaceutical companies. She has also worked in senior roles with two medical research funding organisations: Wellcome Trust and Cancer Research UK.

Other Appointments
Dr Rawal is a non-executive Director on the Board of the Innovation Agency (Northwest Coast Academic Health Science Network) where she supports the adoption and spread of innovation within the NHS. Dr Rawal is also a Trustee of three educational charities: the Social Mobility Foundation, the Children's University Trust, and the Quintin Hogg Trust.

Standing for re-election: Yes

* Information as at 31 March 2021

GOVERNANCE/REPORT OF THE DIRECTORS

The Directors present their Annual Report on the affairs of the Company together with the audited financial statements and the Independent Auditors' Report for the year ended 31 March 2021.

SIGNIFICANT AGREEMENTS

Details of the services provided under these agreements are included in the Strategic Report on pages 28 and 29.

ALTERNATIVE INVESTMENT FUND MANAGEMENT AGREEMENT

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.

Details of the fee payable to Frostrow can be found on page 28.

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 is 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 15.0% of any outperformance over the Benchmark. 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

less any cumulative outperformance on which a performance fee has already been paid.

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

The performance fee charge for the year was £31.7m (2020: nil) and is represented by a provision for potential future performance fee payments of £31.7m as at 31 March 2021 (2020: nil). The maximum amount that could become payable by 31 March 2022 is £31.7m if the level of outperformance as at 31 March 2021 is maintained.

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 "Custodian and Prime Broker") pursuant to a delegation agreement between the Company, Frostrow, the Depositary and the Custodian and 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 Custodian and Prime Broker to the

Custodian and Prime Broker in accordance with the AIFMD. The Company has consented to the transfer and reuse of its assets by the Custodian and Prime Broker (known as "rehypothecation") in accordance with the terms of an institutional account agreement between the Company, the Custodian and Prime Broker and certain other J.P. Morgan entities (as defined therein). See page 29 for further details.

PRIME BROKERAGE AGREEMENT

The Company appointed J.P. Morgan Securities LLC 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 Custodian and Prime Broker receives interest on the drawn overdraft as detailed in note 12 on page 87.

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

RESULTS AND DIVIDENDS

The results attributable to shareholders for the year and the transfer to reserves are shown on pages 74 and 75. Details of the Company's dividend record can be found on page 3.

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

The Company was aware of the following substantial interests in the voting rights of the Company as at 30 April 2021, the latest practicable date before publication of the Annual Report:

	30 April 2021		31 March 2021	
Shareholder	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Rathbone Brothers plc	6,019,265	9.3	6,012,046	9.4
Investec Wealth & Investment Limited	4,327,743	6.7	4,340,504	6.8
Hargreaves Lansdown plc	4,087,951	6.3	3,993,108	6.2
Interactive Investor	3,781,979	5.8	3,725,087	5.8
Charles Stanley & Co Limited	2,892,861	4.5	2,875,378	4.5
Forsyth Barr	2,525,018	3.9	2,383,878	3.7
Brewin Dolphin	2,457,427	3.8	2,453,737	3.8
Quilter Cheviot Investment Management	2,310,264	3.6	2,336,709	3.6

As at 31 March 2021 the Company had 64,310,255 shares in issue. As at 30 April 2021 there were 64,849,255 shares in issue.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE COVER

Directors' & officers' liability insurance cover was maintained by the Company during the year ended 31 March 2021 and to the date of this report. It is intended that this policy will continue for the year ending 31 March 2022 and subsequent years.

DIRECTORS' INDEMNITIES

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

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting. Please refer to the Chairman's Statement on pages 4 to 6 for details of this year's Annual General Meeting arrangements.

CAPITAL STRUCTURE

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

During the year under review and to the date of this report, no shares were bought back by the Company to be held in treasury.

During the year, a total of 10,690,977 new shares were issued at an average premium of 0.8% to the prevailing cum income NAV per share.

Since the year end, to 2 June 2021, 752,000 new shares have been issued at an average premium of 0.8% to the prevailing cum income NAV per share.

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 105.

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.

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.

CRIMINAL FINANCES ACT 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

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 the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, including those within the Company's underlying investment portfolio. Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Report of the Directors is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

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 is an annual requirement. The Registrars, Link Group, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 49 to 56.

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. The Company's shareholders are asked every five years to vote for the continuation of the Company, this will next be put to shareholders at the Annual General Meeting to be held in 2024. The content of the Company's portfolio, trading activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity, on the Company's net asset value, its cash flows and its expenses. Further information is provided in the Audit Committee report beginning on page 57.

Based on the information available to the Directors at the date of this report, including the results of these stress tests, the conclusions drawn in the Viability Statement beginning on page 34, the Company's cash balances, and the liquidity of the Company's listed investments, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

ARTICLES OF ASSOCIATION

Amendments of the Company's Articles of Association requires a special resolution to be passed by shareholders.

A Special Resolution to adopt new Articles of Association is to be proposed at this year's Annual General Meeting. Further information can be found on page 111.

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 under Listing Rule 9.8.4.

By order of the Board

Frostrow Capital LLP
Company Secretary

3 June 2021

GOVERNANCE/STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable UK accounting standards comprising FRS 102; and
- prepare the financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report 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.

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 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 2021;
- 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 Guidance 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

3 June 2021

GOVERNANCE/CORPORATE GOVERNANCE

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

Five additional non-executive Directors, all considered independent, except for Sven Borho.

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.

* The Directors believe that Humphrey van der Klugt has the necessary recent and relevant financial experience to Chair the Company's Audit Committee.

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

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining and demonstrating high standards of corporate governance. The Board has considered the principles and recommendations of the AIC Code of Corporate Governance published in February 2019 ('AIC Code'). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the 'UK Code'), as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Financial Reporting Council has confirmed that by following the AIC Code 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 Board considers that reporting in accordance with the principles and recommendations of the AIC Code provides more relevant and comprehensive information to shareholders. The AIC Code can be viewed at www.theaic.co.uk and the UK Code can be viewed on the Financial Reporting Council website at www.frc.org.uk. The Corporate Governance Report on pages 49 to 56, forms part of the Report of the Directors on pages 44 to 47.

BOARD LEADERSHIP AND PURPOSE

PURPOSE AND STRATEGY

The purpose and strategy of the Company are described in the Strategic Report.

THE BOARD

The Board is responsible for the effective Stewardship of the Company's affairs. Strategy issues and all operational matters of a material nature are considered at its meetings.

The Board consists of seven non-executive Directors, each of whom, with the exception of Sven Borho, is independent of OrbiMed and the Company's other service providers. No member of the Board is a Director of another investment company managed by OrbiMed, nor has any Board member (with the exception of Sven Borho) been an employee of OrbiMed or any of the Company's service providers. Further details regarding the Directors can be found on pages 41 to 43.

The Board carefully considers the various guidelines for determining the independence of non-executive Directors, placing particular weight on the view that independence is evidenced by an individual being independent of mind, character and judgement. All Directors retire at the AGM each year and, if appropriate, seek election or re-election. Each Director has signed a letter of appointment to formalise the terms of their engagement as a non-executive Director, copies of which are available on request at the office of Frostrow Capital LLP.

BOARD CULTURE

The Board aims to consider and discuss differences of opinion, unique vantage points and to exploit fully areas of expertise. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants. Strategic decisions are discussed openly and constructively. The Board aims to be open and transparent with shareholders and other stakeholders and for the Company to conduct itself responsibly, ethically and fairly in its relationships with service providers.

The Board has gained assurance on whistleblowing procedures at the Company's principal service providers to ensure employees at those companies are supported in speaking up and raising concerns. No concerns relating to the Company were raised during the year.

SHAREHOLDER RELATIONS

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, stable list of shareholders and its shares will trade at close to net asset value per share over the long run. Frostrow actively promotes the Company as set out on page 33.

SHAREHOLDER COMMUNICATIONS

The Board, the AIFM and the Portfolio Manager consider maintaining good communications with shareholders and engaging with larger shareholders through meetings and presentations a key priority. Shareholders are being informed by the publication of annual and half-year reports which include financial statements. These reports are supplemented by the daily release of the net asset value per share to the London Stock Exchange and the publication of monthly fact sheets. All this information, including interviews with the Portfolio Manager, is available on the Company's website at www.worldwidewh.com.

The Board supports the principle that the Annual General Meeting be used to communicate with private investors, in particular. Shareholders are usually encouraged to attend the Annual General Meeting, where they are normally given the opportunity to question the Chairman, the Board and representatives of the Portfolio Manager. In addition, the Portfolio Manager usually makes a presentation to shareholders covering the investment performance and strategy of the Company at the Annual General meeting. However, in light of continuing uncertainty relating to the coronavirus pandemic at the date of this report, the Board has made different arrangements for the forthcoming AGM and these are explained in the Chairman's Statement. Details of the proxy votes received in respect of each resolution will be made available on the Company's website.

The Board monitors the share register of the Company; it also reviews correspondence from shareholders at each meeting and maintains regular contact with major shareholders. Shareholders who wish to raise matters with a Director may do so by writing to them at the registered office of the Company.

SIGNIFICANT HOLDINGS AND VOTING RIGHTS

Details of the shareholders with substantial interests in the Company's shares, the Directors' authorities to issue and repurchase the Company's shares, and the voting rights of the shares are set out in the Directors' Report.

BOARD MEETINGS

The Board meets formally at least four times each year. During the lockdown period introduced as a result of the COVID-19 pandemic, the Board continued to meet virtually. A representative of OrbiMed attends all meetings; representatives from Frostrow Capital LLP are also in attendance at each Board meeting. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and the Benchmark, 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 geography or category of investment or in any one investment, and the Company's share issuance and share buyback 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.

The Chairman is responsible for ensuring that the Board receives accurate, timely and clear information. Representatives of OrbiMed and Frostrow Capital LLP report regularly to the Board on issues affecting the Company.

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.

CONFLICTS OF INTEREST

Company Directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. The Board has in place procedures for managing any actual or potential conflicts of interest. No conflicts of interest arose during the year under review.

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:

- the Investment Objective, Policy and Benchmark, incorporating the investment and derivative guidelines and limits, and changes to these;
- the maximum level of gearing and leverage the Company may employ;
- a review of performance against the Company's KPIs;

- a review of the performance and continuing appointment of service providers; and
- the 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 7 and 8, 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, are set out in the Strategic Report.

The Corporate Governance Report, on pages 49 to 56, includes a statement of compliance with corporate governance codes and best practice, and the Business Review (pages 27 to 40) includes details of the internal control and risk management framework within which the Board operates.

BOARD COMPOSITION AND SUCCESSION

SUCCESSION PLANNING

The Board regularly considers its structure and recognises the need for progressive refreshment. (Please see the Chairman's Statement on page 5 for further information).

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new Directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry/Company knowledge.

During the year, the Board reviewed the policy on Directors' tenure and considered the overall length of service of the Board as a whole.

POLICY ON THE TENURE OF THE CHAIRMAN AND OTHER NON-EXECUTIVE DIRECTORS

The tenure of each non-executive Director, including the Chairman, is not ordinarily expected to exceed nine years. However, the Board has agreed that the tenure of the Chairman may be extended for an agreed time provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chairman is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

The Board is, however, currently in the process of refreshing its membership which will mean that certain Directors will serve for longer than nine years to ensure that the changes to be implemented are made in an orderly and structured manner. Further details of this process can be found in the Chairman's Statement on page 5.

The Board subscribes to the view that long serving Directors should not necessarily be prevented from forming part of an independent majority. The Board considers that a Director's tenure does not necessarily reduce his or her ability to act independently and will continue to assess each Director's independence annually, through a formal performance evaluation. Please see page 53 for further information.

APPOINTMENTS TO THE BOARD

The Nominations Committee considers annually the skills possessed by the Board and identifies any skill shortages to be filled by new Directors.

The rules governing the appointment and replacement of Directors are set out in the Company's articles of association and the aforementioned succession planning policy. Where the Board appoints a new Director during the year, that Director will stand for election by shareholders at the next Annual General Meeting (AGM). Subject to there being no conflict of interest, all Directors are entitled to vote on candidates for the appointment of new Directors and on the recommendation for shareholders' approval for the Directors seeking re-election at the AGM. When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This will include an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates.

DIVERSITY POLICY

The Company supports the objectives of improving the performance of corporate boards by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity (of which gender is one aspect) on the Board and takes this into account in its Board appointments. The Company is committed to ensuring that its director search processes actively seek men and women with the right qualifications so that appointments can be made, on the basis of merit, against objective criteria from a diverse selection of candidates. The Board actively considers diversity during director searches.

The Board is currently in the process of refreshing its membership. Its intention is for not less than one-third of its membership to be women over time.

MEETING ATTENDANCE

The number of 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 2020/21	Board (5)	Audit Committee (2)	Nominations Committee (1)	Management Engagement & Remuneration Committee (1)
Sir Martin Smith^	5	–	1	1
Sarah Bates+	4	2	1	1
Sven Borho*+	4	–	–	–
Dr David Holbrook+	4	2	1	1
Humphrey van der Klugt	5	2	1	1
Doug McCutcheon	5	2	1	1
Dr Bina Rawal	5	2	1	1

^ Sir Martin Smith is not a member of the Audit Committee

* Sven Borho does not sit on any of the Company's Committees.

+ An unscheduled Board meeting was held on 26 January 2021 specifically to approve a shareholder circular. The meeting was called at very short notice and those Directors who were unable to attend, due to a prior arranged meeting, submitted comments on the document in advance of the meeting.

All of the serving Directors attended the Annual General Meeting held on 9 July 2020, and also a General Meeting of the Company held on 12 February 2021.

BOARD EVALUATION

During the year an external independent review of the Board, its committees and individual Directors (including each Director's independence) was carried out by an independent third party, Lintstock, in the form of electronic performance evaluation questionnaires. The Board reviewed the report from Lintstock and the Chairman is leading on implementing those changes recommended by the report that the Board considered should be made. While the Board's composition was rated highly, the importance of replacing the skills of departing Directors was noted. It was also noted the Board would benefit from additional training such as focussed training sessions on areas such as AI.

The review concluded that the Board worked in a collegiate efficient and effective manner, and there were no material weaknesses or concerns identified.

As an independent external review of the Board was undertaken in 2021 the next such review will be held in 2024.

The Board pays close attention to the capacity of individual Directors to carry out their work on behalf of the Company. In recommending individual Directors to shareholders for re-election, it considered their other Board positions and their time commitments and is satisfied that each Director has the capacity to be fully engaged with the Company's business. The Board has considered the position of all of the Directors as part of the evaluation process, and believes that it would be in the Company's best interests to propose them for re-election (with the exception of Dr David Holbrook who will be retiring from the Board at the conclusion of this year's Annual General Meeting) at the forthcoming Annual General Meeting for the following reasons:

Sir Martin Smith, has been a Director since November 2007 and Chairman since July 2008, though having served on the Board for more than nine years from the date of his first election, the Board is firmly of the view that he can be considered independent. Sir Martin has extensive knowledge of the financial sector and 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 Limited. He has been Chairman or Director of numerous growing companies over the past 30 years.

Sarah Bates has been a Director since May 2013. Sarah is a past Chair of the Association of Investment Companies and has a wealth of experience of the investment trust sector. She and has been involved in the UK savings and investment industry in different roles for over 35 years. If re-elected Sarah will become the Chairman of the Nominations Committee and the Senior Independent Director on Dr David Holbrook's retirement.

Sven Borho joined the Board in June 2018. Sven is a founder and Managing Partner of OrbiMed and heads their public Equity team and is the portfolio Manager for OrbiMed's public equity and hedge funds.

Humphrey van der Klugt joined the Board in February 2016. A former fund manager and Director of Schroder Investment Management Limited, Humphrey has extensive experience of the investment trust sector. He is a Chartered Accountant, and Chairman of the Audit Committee.

Doug McCutcheon joined the Board in November 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. He is Chairman of the Management Engagement & Remuneration Committee.

Dr Bina Rawal joined the Board on November 2019. A physician with 25 years' experience in life sciences research and development, she has held senior executive roles in drug development and scientific evaluation in four global pharmaceutical companies.

The Chairman is pleased to report that following a formal performance evaluation, the Directors' performance continues to be effective and they continue to demonstrate commitment to the role.

TRAINING AND ADVICE

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 of 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 its appointed representative which 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.

There is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice if necessary at the Company's expense.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness. The Company applies the guidance published by the Financial Reporting Council on internal controls. Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the business objective and can provide only reasonable and not absolute assurance against material misstatement or loss. These controls aim to ensure that the assets of the Company are safeguarded, that proper accounting records are maintained and that the Company's financial information is reliable. The Directors have a robust process for identifying, evaluating and managing the significant risks faced by the Company, which are recorded in a risk matrix. The Audit Committee, on behalf of the Board, considers each risk as well as reviewing the mitigating controls in place. Each risk is rated for its "likelihood" and "impact" and the resultant numerical rating determines its ranking into 'Principal/Key', 'Significant' or 'Minor'. This process was in operation during the year and continues in place up to the date of this report. The process also involves the Audit Committee receiving and examining regular reports from the Company's principal service providers. The Board then receives a detailed report from the Audit Committee on its findings. The Directors have not identified any significant failures or weaknesses in respect of the Company's internal control systems.

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, Link Group, or to the Company directly.

The Company has adopted a nominee share code which is set out on the following 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 CONSIDERED 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 stock broker, 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 stock broker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee

The Company's Annual General Meeting will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL on Thursday, 8 July 2021 from 1.00 p.m. Please refer to the Chairman's Statement beginning on page 4 for details of this year's arrangements.

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

Resolution 12	Authority to allot shares
Resolution 13	Authority to disapply pre-emption rights
Resolution 14	Authority to sell shares held in Treasury on a non pre-emptive basis
Resolution 15	Authority to buy back shares
Resolution 16	Authority to hold General Meetings (other than the Annual General Meeting) on at least 14 clear days' notice
Resolution 17	Authority to adopt new Articles of Association

The full text of the resolutions can be found in the Notice of Annual General Meeting on pages 102 to 105. Explanatory notes regarding the resolutions can be found on pages 106 and 107.

EXERCISE OF VOTING POWERS

The Board and the AIFM have delegated authority to OrbiMed to vote the shares owned by the Company. 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 Board has reviewed OrbiMed's Voting Guidelines and is satisfied with their approach.

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; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

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
3 June 2021

AUDIT COMMITTEE REPORT

INTRODUCTION FROM THE CHAIRMAN

I am pleased to present my formal report to shareholders as Chairman of the Audit Committee, for the year ended 31 March 2021.

COMPOSITION AND MEETINGS

The Committee comprises those Directors considered to be independent by the Board. The Chairman of the Board is not a member of the Committee but attends meetings by invitation. The Committee met twice during the year and attendance by each Director is shown in the table on page 53. 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 it is properly constituted in both respects. I was appointed Chairman of the Committee in 2016 and am a Fellow of the Institute of Chartered Accountants in England and Wales, I am also the Chairman of the Audit Committee of one other public company; 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 advise the Board on whether the Annual Report and the Financial Statements, taken as a whole, is fair, balanced and understandable.
3. 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 Principal Risks section beginning on page 29.
4. To develop and implement a policy for the engagement of the external Auditors and agreeing the scope of its work and its remuneration. Also, to be responsible for the selection process of the external Auditors (including the leadership of an audit tender process) and to have primary responsibility for the Company's relationship with the external Auditors.
5. To review the effectiveness of the external audit and the process.
6. To review the independence and objectivity of the external Auditors.
7. 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.
8. 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.
9. To assess the going concern and viability of the Company, including the assumptions used.
10. To report its findings to the Board.

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference which are available for review on the Company's website at www.worldwidewh.com. The terms of reference have been updated to incorporate the changes introduced by the 2019 AIC Code of Corporate Governance.

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT COMMITTEE DURING THE YEAR

FINANCIAL STATEMENTS

The production of the Company's Annual Report (including the audit by the Company's external Auditors) is a thorough process involving input from a number of different areas. In order to be able to confirm that the Annual Report is fair, balanced and understandable, the Board has requested that the Committee advise on whether it considers these criteria have been satisfied. As part of this process the Committee has considered the following:

- the procedures followed in the production of the Annual Report, including the processes in place to assure the accuracy of the factual content;
- the extensive levels of review that were undertaken in the production process, by the Company's AIFM and the Committee; and
- the internal control environment as operated by the Portfolio Manager, AIFM and other service providers.

As a result of the work undertaken by the Committee, it has confirmed to the Board that the Annual Report for the year ended 31 March 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, performance, business model and strategy.

AUDIT REGULATION

In the last couple of years, the UK audit sector has been subject to a number of reviews, such as those conducted by the Competition and Markets Authority into the Statutory Audit Market and the Kingman Review of the FRC which have resulted in a number of recommendations by the Department of Business, Enterprise, Industry and Skills ('BEIS'), which the BEIS is currently consulting on.

The Audit Committee has considered the various recommendations and how they may potentially affect the Company should they be implemented.

The various reviews have also coincided with the FRC's own consultation proposing important changes to the UK's Ethical and Auditing Standards (last updated in 2016) which led to the publication of the revised Standards in December 2019, effective from 15 March 2020.

The Committee updated the non audit services policy in-line with the ethical standards and does not at this time recommend any change to the current practices employed in the external audit process in response to these reviews, but will continue to monitor developments as they unfold.

In addition to this, the Committee also reviews the outcomes of the FRC's annual Audit Quality Reviews and discusses the findings with our Auditor.

SIGNIFICANT REPORTING MATTERS

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.

VALUATION AND OWNERSHIP OF THE COMPANY'S 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 and Prime Broker or relevant counterparty. In addition, receiving and reviewing details of the internal control procedures in place at the Portfolio Manager, the AIFM and the Custodian and Prime Broker and also regular reports from both the Custodian and Prime Broker and also the Depositary (whose role it is to ensure that the Company's assets are safeguarded and to verify their valuation);
- reconfirming its understanding of the processes in place to record investment transactions and income, and to value both the quoted and unquoted holdings in 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.

VALUATION OF UNQUOTED INVESTMENTS

The Company has the ability to make unquoted investments within its investment portfolio, up to a limit of 10% of the portfolio at the time of acquisition. Both the Company's Directors and the AIFM need to ensure that an appropriate value is placed on such investments within the Company's net asset value. The Committee has worked with the Company's Portfolio Manager and the AIFM to establish clear guidelines for the valuation of unquoted investments, including the use of valuations produced by independent external valuers, where appropriate.

OTHER REPORTING MATTERS

COVID-19

The COVID-19 pandemic commenced before the 2020 Annual Report was mailed out to shareholders and the Committee gave in-depth consideration to its potential effects on the Company. The long-term effect of the pandemic on the global economy will become clearer in time and the Committee will continue to monitor the impact of COVID-19, which is also captured in the Company's risk register.

In order to mitigate the business risks caused by the pandemic, the Committee continues to review the operational resilience of its various service providers, who have continued to demonstrate their ability to provide services to the expected level, whilst doing so remotely.

CALCULATION OF AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

The AIFM, Portfolio Management and Performance fees are calculated in accordance with the AIFM and Portfolio Management Agreements. The Auditors perform agreed upon procedures over any performance fee prior to payment. The Auditors also recalculate the AIFM and Portfolio Management fee as part of the audit.

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.

INVESTMENT PERFORMANCE

The Committee gained an overall understanding of the performance of the investment portfolio both in capital and revenue terms through ongoing discussions and analysis with the Company's Portfolio Manager and also with comparison to suitable key performance indicators (see page 28).

ACCOUNTING POLICIES

During the year the Committee ensured that the accounting policies, as set out on pages 78 to 82, were applied consistently throughout the year. In light of there being no unusual transactions during the year or other possible reasons, the Committee agreed that there was no reason to change the policies.

GOING CONCERN

Having reviewed the Company's financial position and liabilities, the Committee is satisfied that it is appropriate for the Board to prepare the financial statements on the going concern basis. Further detail is provided on page 47. The Committee's review of the Company's financial position included consideration of the cash and cash equivalent position of the Company; the diversification of the portfolio; and the analysis of portfolio liquidity, which estimated a liquidation of c.80% of the portfolio within 10 trading days (based on current market volumes).

VIABILITY STATEMENT

The Committee also considered the longer-term viability of the Company in connection with the Board's statement in the Strategic Report on pages 35 and 36. The Committee reviewed the Company's financial position (including its cash flows and liquidity position), the principal risks and uncertainties, the expectation that the Company will pass the next continuation vote in 2024, and the results of stress tests and scenarios which considered the impact of severe stock market volatility on shareholders' funds. This included modelling substantial market falls, and significantly reduced market liquidity. The scenarios assumed that there would be no recovery in asset prices and that listed portfolio companies which have cut or cancelled any dividends due since the coronavirus outbreak would not reinstate them.

The results demonstrated the impact on the Company's NAV, its expenses, its cash flows and its ability to meet its liabilities. In even the most stressed scenario, the Company was shown to have sufficient cash, or to be able to liquidate a sufficient portion of its listed holdings, in order to be able to meet its liabilities as they fall due. Based on the information available to the Directors at the time, the Committee therefore concluded it was reasonable for the Board to expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years. The Committee expects that the Company will continue to exist for the foreseeable future and at least for the period of the assessment.

INTERNAL CONTROLS AND RISK MANAGEMENT

As set out on page 29 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 judgement 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.

PRINCIPAL SERVICE PROVIDERS

In addition to reviewing the systems of internal control in place at the Company's principal service providers, the Committee also reviewed the cyber security strategies adopted by them.

HALF YEAR REPORT AND FINANCIAL STATEMENTS

The Committee reviewed the Half Year Report and Financial Statements, which are not audited or reviewed by the external Auditor, to ensure that the accounting policies used in the Annual Financial Statements were also used at the half-year stage and that they portrayed a fair balanced and understandable picture of the period in question.

INTERNAL AUDIT

The Committee considered whether there was a need for the Company to have an internal audit function. As the Company delegates its day-to-day operations to third parties and has no employees, the Committee concluded that there was no such need.

EXTERNAL AUDITORS

MEETINGS

This year the nature and scope of the audit together with PricewaterhouseCoopers LLP's audit plan were considered by the Committee on 5 November 2020. I, as Chairman of the Committee, had a separate meeting with them specifically to discuss the audit and any issues that arose. The Committee then met PricewaterhouseCoopers LLP on 20 May 2021 via video conference to review formally the outcome of the audit and to discuss the limited issues that arose. The Committee also discussed the presentation of the Annual Report with the Auditors and sought their perspective.

INDEPENDENCE AND EFFECTIVENESS

In order to fulfil the Committee's responsibility regarding the independence of the Auditors, the Committee reviewed:

- the senior audit personnel in the audit plan for the year,
- the Auditors' arrangements concerning any conflicts of interest,
- the extent of any non-audit services, and
- the statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards.

REMUNERATION

The Committee approved a fee of £38,000 for the audit for the year ended 31 March 2021 (2020: £32,000). While this represents an increase on the previous year's fee, the Committee believes that the fee is in line with general audit fees payable for the quoted investment trust sector and is reflective of the level of work required to audit a listed company.

NON-AUDIT SERVICES POLICY

The Company operates on the basis whereby the provision of all non-audit services by the Auditors 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 Auditors 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. The Audit Committee will monitor the need for non-audit work to be performed by the Auditor, if any, in accordance with the Company's non-audit services policy which was updated in November 2020 to take the FRC's revised Ethical and Auditing Standards into consideration. A copy of the Company's non-audit services policy can be found on the Company's website at www.worldwidewh.com

No non-audit fees were payable to the Auditors during the year (2020: £nil).

The Audit Committee has considered the extent and nature of non-audit work performed by the Auditors and is satisfied that this did not impinge on their independence and is a cost effective way for the Company to operate.

APPOINTMENT AND TENURE

PricewaterhouseCoopers LLP were appointed on 14 July 2014 following a formal tender process and this appointment has been renewed at each subsequent AGM. The Committee reviews the re-appointment of the Auditors every year and the need to put the audit out to tender. Based on existing legislation, another tender process will be conducted no later than 2024. The Company is therefore in compliance with the provisions of "The Statutory Audit Services for Large Companies Market Investigation" (Mandatory use of competitive tender process and audit committee responsibilities) Order 2014 as issued by the Competition & Markets Authority. When necessary, the Committee discusses engagement and partner rotation with PricewaterhouseCoopers LLP. There are no contractual or similar obligations restricting the Company's choice of auditors.

AUDITORS' REAPPOINTMENT

PricewaterhouseCoopers LLP have indicated their willingness to continue to act as Auditors 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 Auditors' assessment of materiality and monitors the Auditors' independence and objectivity. It conducted a review of the performance of the Auditors during the year and concluded that performance was satisfactory and there were no grounds for change.

PERFORMANCE EVALUATION

Lintstock, an independent third party, commented on the effectiveness of the Committee as part of their evaluation of the Board which took place during the year (see page 53). In particular, the Committee Chair was seen to be highly knowledgeable and thorough, and to have managed the increasing complexity and scope of the audit in an excellent manner.

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 3 June 2021. 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
3 June 2021

DIRECTORS' REMUNERATION REPORT

INTRODUCTION FROM THE CHAIRMAN

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013, 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 (AGM). 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 65 to 73.

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 the adoption of the Directors' Remuneration Report was put to shareholders at the Annual General Meeting of the Company held on 9 July 2020, and was passed with 99.8% of the votes cast by shareholders voting in favour of 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 £350,000 in aggregate per annum. The amount paid in aggregate to the Directors in 2021 is set out in the table on the following page.

A binding resolution to approve the Directors' Remuneration Policy was put to shareholders at the Annual General Meeting held in 2020, and was passed with 99.8% of shareholders voting in favour of 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 2020, shareholder approval will again be sought at the Annual General Meeting to be held in 2023.

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

Following a review by the Management Engagement & Remuneration Committee it was agreed that the Directors' fees would be as follows, with effect from 1 April 2021:

The Chairman of the Company, and Humphrey van der Klugt, as Chairman of the Audit Committee, receive an annual fee of £53,150 and £41,133, respectively. Dr David Holbrook, as the Senior Independent Director, receives an annual fee of £36,007. Sarah Bates, Doug McCutcheon and Dr Bina Rawal each receive an annual fee of £33,573. Sven Borho has waived his Director's fee. These fee levels represent an increase of 4% compared to the previous year, and are considered by the Board to be appropriate given the level of work associated with the increasing size and complexity of the Company.

All of the Directors, as at the date of this report, 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	Fixed fees (£) 2021	Taxable Expenses (£)† 2021	Total (£) 2021	% Change in Fixed fees**	Fixed fees (£) 2020	Taxable Expenses (£)† 2020	Total (£) 2020
Sir Martin Smith	8 November 2007	51,106	–	51,106	4%	49,140	204	49,344
Humphrey Van Der Klugt	15 February 2016	39,551	–	39,551	4%	38,030	648	38,678
Sarah Bates	22 May 2013	32,282	–	32,282	4%	31,040	–	31,040
Dr David Holbrook	8 November 2007	34,622	–	34,622	4%	33,290	–	33,290
Doug McCutcheon	7 November 2012	32,282	–	32,282	4%	31,040	–	31,040
Sven Borho*	7 June 2018	–	–	–	N/A	–	–	–
Dr Bina Rawal	1 November 2019	32,282	–	32,282	4%	12,933	–	12,933
Total		**222,125**	**–**	**222,125**		**195,473**	**852**	**196,325**

† 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.

* Mr Borho has waived his Director's fee.

** % change calculated on per annum entitlement.

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

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)

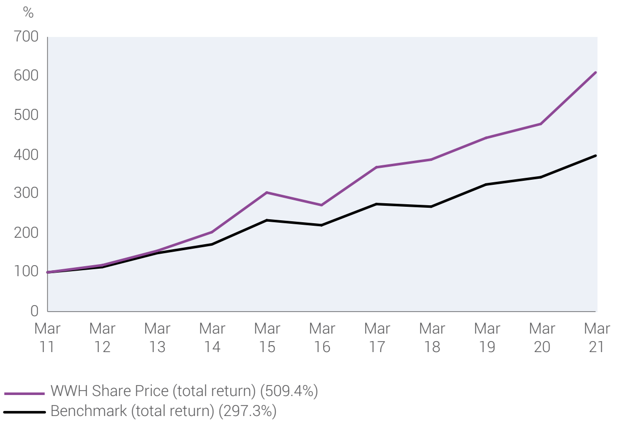
	Ordinary Shares of 25p each 31 March 2021	31 March 2020
Sir Martin Smith	11,871	11,871
– Trustee	2,725	2,725
Sarah Bates	7,200	7,200
Dr David Holbrook	1,094	1,094
Sven Borho	10,000	10,000
Humphrey van der Klugt	3,000	3,000
Doug McCutcheon	15,000	15,000
Dr Bina Rawal*	1,000	–
	51,890	**50,890**

* Dr Rawal purchased a further 810 shares in the Company on 13 April 2021.

SHARE PRICE TOTAL RETURN

The chart below 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.

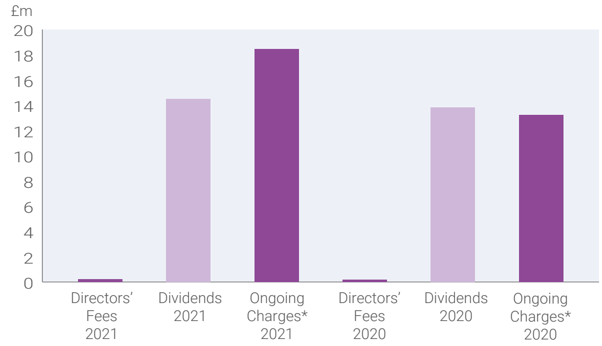
TOTAL SHAREHOLDER RETURN FOR THE TEN YEARS TO 31 MARCH 2021



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

RELATIVE COST OF DIRECTORS' REMUNERATION

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution and ongoing charges for 2020 and 2021.



* Alternative Performance Measure (see Glossary beginning on page •).

ANNUAL STATEMENT

On behalf of the Board, I confirm that the Directors' Remuneration Policy, set out on page 62 of this Annual Report, and Directors' Remuneration Report set out on page 62 to 64 summarise, as applicable, for the year to 31 March 2021:

(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

3 June 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE HEALTHCARE TRUST PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Worldwide Healthcare Trust PLC's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 March 2021; the Income Statement, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

OUR AUDIT APPROACH

OVERVIEW

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 have 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.
- We obtained an understanding of the control environment in place at the AIFM and adopted a fully substantive testing approach using reports obtained from the AIFM and service providers.

Key audit matters

- Income from investments.
- Valuation and existence of investments.
- Calculation of the performance fee.
- Consideration of impacts of COVID-19.

Materiality

- Overall materiality: £23,600,000 (2020: £15,300,000) based on approximately 1% of net assets.
- Performance materiality: £17,700,000.

THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Calculation of the performance fee is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE HEALTHCARE TRUST PLC CONTINUED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Income from investments	
Refer to page 58 (Audit Committee Report), page 80 (Principal Accounting Policies) and page 82 (Notes to the Financial Statements). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments). As the Company has a capital objective, there might be an incentive to overstate income in that category if capital is particularly underperforming. As such, we focussed this risk on the existence/occurrence of gains/losses on investments and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies' Statement of Recommended Practice (the "AIC SORP").	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to confirm that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. For unrealised gains and losses, we sample tested the valuation of the portfolio at the year-end (see below), together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. In addition, we tested a sample of dividend receipts by agreeing the dividend rates from all investments to independent third party sources. 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 all listed investments during the year. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP. We did not find any special dividends that were not treated in accordance with the AIC SORP. No material misstatements were identified from this testing.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation and existence of investments	
Refer to pages 58 (Audit Committee Report), page 79 (Accounting Policies) and page 86 (Notes to the Financial Statements). The investment portfolio at 31 March 2021 principally comprised listed equity investments and unquoted debt and equity investments which totalled £2,416,038,000. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We tested the valuation of all listed investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of all listed investments by agreeing the holdings of each investment to an independent confirmation from the Custodian and Prime Broker, J.P. Morgan Securities LLC, as at 31 March 2021. For unquoted investments we understood and evaluated the valuation methodology applied, by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV), and tested the techniques used by the Directors in determining the fair value of unquoted investments. Our testing, performed on a sample basis, included: • assessing the appropriateness of the valuation models used; • testing the inputs either through validation to appropriate third party sources, or where relevant, assessing the reasonableness of significant estimates and judgements used; and • assessing the impact of COVID-19 on the valuation of investments. We found that the Directors' valuations of unquoted investments were materially consistent with the IPEV guidelines and that the assumptions used to derive the valuations within the financial statements were reasonable based on the investee's circumstances or consistent with appropriate third party sources. No material misstatements were identified from this testing. We tested the existence of the unquoted investment portfolio by agreeing a sample of the holdings to independently obtained third party confirmations as at 31 March 2021. No variances were identified from this testing.
Calculation of the performance fee	
Refer to page 57 (Audit Committee Report), page 78 (Accounting Policies) and page 80 (Notes to the Financial Statements). The performance fee charge for the year was £31m. As at 31 March 2021, there was a performance fee accrual of £31m, all of which was recognised as a provision for potential future payments. No performance fees were paid in relation to outperformance achieved during the year.	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 material misstatements were identified by our testing.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Consideration of impacts of COVID-19	
Refer to pages 4 to 6 (Chairman's Statement), page 32 (Principal Risks and Uncertainties), pages 34 and 35 (Viability Statement) and page 47 (Going Concern Statement), which disclose the impact of the COVID-19 pandemic. From a small number of cases of an unknown virus in 2019, the COVID-19 viral infection has become a global pandemic. It has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates during the 2020, the first quarter of 2021 and to date. The coronavirus impacted global capital markets significantly in 2020 and the start of 2021. The Company's net assets were £2,381,425,000 at 31 March 2021. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic.	We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by: • Evaluating the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19. • Evaluating Director's assessment of operational impacts, considering consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements. • Assessing the impact of COVID-19 on the valuation of sampled unquoted investments. We obtained and evaluated the Directors' going concern assessment. We assessed the disclosures presented in the Annual Report in relation to COVID-19 by: • Reading the other information, including the Principal Risks and Viability Statement set out in the Strategic Report, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report. Our conclusions relating to going concern are set out in the 'Conclusions relating to going concern' section below.

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 structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed 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.

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 in aggregate 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 Company materiality – £23,600,000 (2020: £15,300,000).

How we determined it – approximately 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 use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £17,700,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,180,000 (2020: £765,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by COVID-19;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in NAV as a result of market performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDWIDE HEALTHCARE TRUST PLC CONTINUED

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Report of the Directors

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 year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Report of the Directors.

Directors' Remuneration

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

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' 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 its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 59 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with the AIFM and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant meeting minutes, including those of the Audit Committee;

- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of unquoted investments (see related key audit matter above);
- identifying and testing journal entries, in particular any material or revenue-impacting manual journal entries posted as part of the Annual Report preparation process; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; 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.

APPOINTMENT

Following the recommendation of the Audit Committee, we were appointed by the members on 14 July 2014 to audit the financial statements for the year ended 31 March 2015 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 31 March 2015 to 31 March 2021.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

3 June 2021

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Revenue £'000	Capital £'000	2021 Total £'000	Revenue £'000	Capital £'000	2020 Total £'000
Gains on investments	9	–	517,267	517,267	–	96,981	96,981
Exchange losses on currency balances		–	(6,076)	(6,076)	–	(7,077)	(7,077)
Income from investments	2	19,247	–	19,247	18,099	–	18,099
AIFM, Portfolio management and performance fees	3	(853)	(47,963)	(48,816)	(616)	(11,696)	(12,312)
Other expenses	4	(1,338)	(155)	(1,493)	(931)	–	(931)
Net return before finance charges and taxation		**17,056**	**463,073**	**480,129**	**16,552**	**78,208**	**94,760**
Finance costs	5	(20)	(379)	(399)	(93)	(1,770)	(1,863)
Net return before taxation		**17,036**	**462,694**	**479,730**	**16,459**	**76,438**	**92,897**
Taxation on net return	6	(2,712)	–	(2,712)	(2,156)	35	(2,121)
Net return after taxation		**14,324**	**462,694**	**477,018**	**14,303**	**76,473**	**90,776**
Return per share	7	**24.1p**	**777.8p**	**801.9p**	**26.9p**	**143.9p**	**170.8p**

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

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

The Company has no recognised gains and losses other than those shown above and therefore no separate Statement of Total Comprehensive Income has been presented.

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
At 1 April 2020	**13,406**	**8,221**	**418,441**	**1,079,934**	**18,296**	**1,538,298**
Net return after taxation	–	–	–	462,694	14,324	477,018
Second interim dividend paid in respect of year ended 31 March 2020	–	–	–	–	(10,512)	(10,512)
First interim dividend paid in respect of year ended 31 March 2021	–	–	–	–	(3,967)	(3,967)
New shares issued	2,672	–	377,916	–	–	380,588
At 31 March 2021	**16,078**	**8,221**	**796,357**	**1,542,628**	**18,141**	**2,381,425**

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
At 1 April 2019	**13,150**	**8,221**	**389,243**	**1,003,461**	**18,018**	**1,432,093**
Net return after taxation	–	–	–	76,473	14,303	90,776
Second interim dividend paid in respect of year ended 31 March 2019	–	–	–	–	(10,568)	(10,568)
First interim dividend paid in respect of year ended 31 March 2020	–	–	–	–	(3,457)	(3,457)
New shares issued	256	–	29,198	–	–	29,454
At 31 March 2020	**13,406**	**8,221**	**418,441**	**1,079,934**	**18,296**	**1,538,298**

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	9	2,416,038	1,681,132
Derivative – OTC swaps	9 & 10	18,864	3,452
		2,434,902	**1,684,584**
Current assets			
Debtors	11	18,172	14,630
Cash		29,595	3,810
		47,767	**18,440**
Current liabilities			
Creditors: amounts falling due within one year	12	(92,932)	(158,560)
Derivative – OTC swaps	9 & 10	(8,312)	(6,166)
		(101,244)	**(164,726)**
Net current (liabilities)/assets		**(53,477)**	**(146,286)**
Total net assets		**2,381,425**	**1,538,298**
Capital and reserves			
Share capital	13	16,078	13,406
Capital redemption reserve		8,221	8,221
Share premium account		796,357	418,441
Capital reserve	17	1,542,628	1,079,934
Revenue reserve		18,141	18,296
Total shareholders' funds		**2,381,425**	**1,538,298**
Net asset value per share	14	**3,703.0p**	**2,868.9p**

The financial statements on pages 74 to 95 were approved by the Board of Directors and authorised for issue on 3 June 2021 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)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Net cash inflow from operating activities	18	**931**	**2,115**
Purchases of investments and derivatives		(1,709,998)	(1,426,207)
Sales of investments and derivatives		1,481,508	1,218,786
Realised gain/(loss) on foreign exchange transactions		3,205	(7,982)
Net cash outflow from investing activities		**(225,285)**	**(215,403)**
Issue of shares	13	378,728	28,737
Equity dividends paid	8	(14,479)	(14,025)
Interest paid		(399)	(1,863)
Net cash inflow from financing activities		**363,850**	**12,849**
Decrease/(Increase) in net debt		**139,496**	**(200,439)**

Cash flows from operating activities include interest received of £1,265,000 (2020: £2,399,000) and dividends received of £18,907,000 (2020: £15,099,000).

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	2021 £'000	2020 £'000
Decrease/(increase) in net debt resulting from cashflows	139,496	(200,439)
(Losses)/gains on foreign currency cash and cash equivalents	(9,281)	905
Movement in net debt in the year	**130,215**	**(199,534)**
Net (debt)/cash at 1 April	(150,516)	49,018
Net debt at 31 March	**(20,301)**	**(150,516)**

Net debt includes the bank overdraft of £49,896,000 (2020: £154,326,000) (see note 12) and cash as per the balance sheet of £29,595,000 (2020: £3,810,000).

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

(A) BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland' ('UK GAAP') and the guidelines set out in the Statement of Recommended Practice ('SORP'), issued in October 2019, 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 and derivatives at fair value. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity (including further stressing the current economic conditions caused by the coronavirus pandemic) on the Company's financial position and cash flows. Further information on the assumptions used in the stress scenarios is provided in the Audit Committee report beginning on page 57. The results of the tests showed that the Company would have sufficient cash, or the ability to liquidate a sufficient proportion of its listed holdings, to meet its liabilities as they fall due. Based on the information available to the Directors at the time of this report, including the results of the stress tests, the Company's cash balances, and the liquidity of the Company's listed investments, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to adopt the going concern basis in preparing these financial statements.

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 and derivatives 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 (i.e. developed using market data), either directly or indirectly.
- Level 3 – Inputs are unobservable (i.e. 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.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical accounting judgements and key sources of estimation uncertainty used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

1. ACCOUNTING POLICIES continued

In the course of preparing the financial statements, the only judgements that have been made in the process of applying the Company's accounting policies, are those involving the estimation of the unquoted (Level 3) investment values. The nature of estimation means that the actual outcomes could differ from those estimates, possibly significantly. The estimates relate to the investments where there is no appropriate market price i.e. the private investments. Whilst the board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed. As at 31 March 2021, there is no single key assumption used in the valuation of the unquoted investments, or other key source of estimation uncertainty, that, in the Directors' opinion has a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

Unquoted investments are all valued in line with the accounting policy set out below.

(B) INVESTMENTS

Investments are measured under FRS 102 and are measured initially, and at subsequent reporting dates, at fair value. Investments 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. Changes in fair value and gains or losses on disposal are included in the Income Statement as a capital item.

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.

Fair value is the price for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating the fair value of unquoted investments, the AIFM and Board apply valuation techniques which are appropriate in light of the nature, facts and circumstances of the investment, and use reasonable current market data and inputs combined with judgement and assumptions and apply these consistently. The following principles used in determining the valuation of unquoted investments, are consistent with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. The assumptions and estimates made in determining the fair value of each unquoted investment are considered at least each six months or sooner if there is a triggering event. An example of where a valuation would be considered out of the six-month cycle is the success or failure of a drug under development to meet an anticipated outcome of its trial, announcement of the company undergoing an initial public offering, or other performance against tangible development milestones.

The primary valuation method applied in the valuation of the unquoted investments is the probability-weighted expected return method (PWERM), which considers on a probability weighted basis the future outcomes for the investment. When using the PWERM method significant judgements are made in estimating the various inputs into the model and recognising the sensitivity of such estimates. Examples of the factors where significant judgement is made include, but are not limited to, the probability assigned to potential future outcomes; discount rates; and, the likely exit scenarios for the investor company, for example, IPO or trade sale.

Where the investment being valued was itself made recently, or there has been a third party transaction in the investment, the price of the transaction may provide a good indication of fair value. Using the Price of Recent Investment technique is not a default and at each reporting date the fair value of recent investments is estimated to assess whether changes or events subsequent to the relevant transaction would imply a material change in the investment's fair value.

When using the price of a recent transaction in the valuations the Company looks to 're-calibrate' this price at each valuation point by reviewing progress within the investment, comparing against the initial investment thesis, assessing if there are any significant events or milestones that would indicate the value of the investment value has changed materially and considering whether an alternative methodology would be more appropriate.

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 or Current Liabilities.

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. Foreign dividends are grossed up at the appropriate rate of withholding tax, with the withholding tax recognised in the taxation charge.

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 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 are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

1. ACCOUNTING POLICIES continued

(G) TAXATION

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

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Statement of Financial Position date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised when it is probable 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.

Exchange gains/losses on foreign currency balances

Any gains or losses on the translation of foreign currency balances, including the foreign currency overdraft, 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 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.

(J) 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 or share buy backs. Any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve. Distributions are only payable out of the capital reserve if capital reserves are greater than the proposed distribution and positive on the date of distribution.

(K) REVENUE RESERVE

The revenue reserve is distributable by way of dividend. Dividends are only payable out of the revenue reserve if revenue reserves are greater than the proposed dividend and positive on the date of distribution.

1. ACCOUNTING POLICIES continued

(L) DIVIDEND PAYMENTS

Dividends paid by the Company on its shares are recognised in the financial statements in the year in which they become payable and are shown in the Statement of Changes in Equity.

(M) CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are considered as a component of cash and cash equivalents as they are repayable on demand and form an integral part of the Company's cash management.

2. INCOME FROM INVESTMENTS

	2021 £'000	2020 £'000
Income from investments		
Overseas dividends	16,730	15,363
Fixed interest income	999	1,850
UK dividends	1,449	320
	19,178	**17,533**
Other income		
Derivatives	–	17
Deposit interest	24	549
Income from liquidity stocks	45	–
Total income from investments	**19,247**	**18,099**
Total income comprises:		
Dividends	18,179	15,683
Interest	1,068	2,416
	19,247	**18,099**

3. AIFM, PORTFOLIO MANAGEMENT AND PERFORMANCE FEES

	Revenue £'000	Capital £'000	2021 Total £'000	Revenue £'000	Capital £'000	2020 Total £'000
AIFM fee	152	2,892	3,044	128	2,425	2,553
Portfolio management fee	701	13,323	14,024	488	9,271	9,759
Performance fee provision	–	31,748	31,748	–	–	–
	853	**47,963**	**48,816**	**616**	**11,696**	**12,312**

Further details on the above fees are set out in the Strategic Report on pages 28 and 29 and in the Report of the Directors on page 44.

4. OTHER EXPENSES

	2021 £'000	2020 £'000
Directors' remuneration	222	195
Employer's NIC on Directors' remuneration	20	16
Auditors' remuneration for the audit of the Company's financial statements	49	41
Depositary and custody fees	177	184
Stock Exchange listing fees*	461	53
Registrar fees	48	47
Legal and professional costs	78	41
Broker fees	30	30
Other costs	253	324
	1,338	**931**
Professional fees (Capital)**	155	–
	1,493	**931**

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on page 63.

* Includes £405,000 (2020: £nil) in respect of Stock Exchange Block Listing fees required as a result of the issuance of new shares by the Company during the year.

** Professional fees in respect of acquisition of unquoted investments.

5. FINANCE COSTS

	Revenue £'000	Capital £'000	2021 Total £'000	Revenue £'000	Capital £'000	2020 Total £'000
Finance costs	20	379	399	93	1,770	1,863

6. TAXATION ON NET RETURN

(A) ANALYSIS OF CHARGE IN YEAR

	Revenue £'000	Capital £'000	2021 Total £'000	Revenue £'000	Capital £'000	2020 Total £'000
Corporation tax at 19% (2020: 19%)	–	–	–	–	–	–
Tax relief to capital	–	–	–	38	(38)	–
Overseas taxation	2,712	–	2,712	2,118	–	2,118
Capital gains tax	–	–	–	–	3	3
	2,712	**–**	**2,712**	**2,156**	**(35)**	**2,121**

6. TAXATION ON NET RETURN continued

(B) FACTORS AFFECTING THE 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 (2020: lower) than the standard rate of corporation tax of 19% (2020: 19%).

The difference is explained below.

	Revenue £'000	Capital £'000	2021 Total £'000	Revenue £'000	Capital £'000	2020 Total £'000
Net return before taxation	17,036	462,694	479,730	16,459	76,438	92,897
Corporation tax at 19% (2020: 19%)	3,237	87,912	91,149	3,127	14,523	17,650
Non-taxable gains on investments	–	(97,126)	(97,126)	–	(17,082)	(17,082)
Overseas withholding taxation	2,712	–	2,712	2,118	–	2,118
Non taxable dividends	(3,468)	–	(3,468)	(2,980)	–	(2,980)
Excess management expenses	231	9,214	9,445	(147)	2,559	2,412
Tax relief to capital	–	–	–	38	(38)	–
Capital gains tax	–	–	–	–	3	3
Total tax charge	**2,712**	**–**	**2,712**	**2,156**	**(35)**	**2,121**

(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 £33,851,000 (19% tax rate) (2020: £24,533,000 (19% 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

	2021 £'000	2020 £'000
The return per share is based on the following figures:		
Revenue return	14,324	14,303
Capital return	462,694	76,473
	477,018	**90,776**
Weighted average number of ordinary shares in issue during the year	59,487,545	53,148,027
Revenue return per ordinary share	24.1p	26.9p
Capital return per ordinary share	777.8p	143.9p
	801.9p	**170.8p**

The calculation of the total, revenue and capital return per ordinary share is carried out in accordance with IAS 33, "Earnings per Share", in accordance with the requirements of FRS 102.

8. DIVIDENDS

Under UK Company Law, 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:

	2021 £'000	2020 £'000
Second interim dividend in respect of the year ended 31 March 2020	10,512	–
First interim dividend in respect of the year ended 31 March 2021	3,967	–
Second interim dividend in respect of the year ended 31 March 2019	–	10,568
First interim dividend in respect of the year ended 31 March 2020	–	3,457
	14,479	**14,025**

In respect of the year ended 31 March 2021, a first interim dividend of 6.5p per share was paid on 11 January 2021. A final dividend of 15.5p will be payable on 13 July 2021, the associated ex dividend date will be 3 June 2021. The total dividends payable in respect of the year ended 31 March 2021 amount to 22.0p per share (2020: 25.0p per share). The aggregate cost of the final dividend, based on the number of shares in issue at 2 June 2021, will be £10,085,000. In accordance with FRS 102 dividends will be reflected in the financial statements for the year in which they become payable. 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 on the next page.

8. DIVIDENDS continued

	2021 £'000	2020 £'000
Revenue available for distribution by way of dividend for the year	14,324	14,303
First interim dividend in respect of the year ended 31 March 2020	–	(3,457)
Second interim dividend in respect of the year ended 31 March 2020	–	(10,512)
First interim dividend in respect of the year ended 31 March 2021	(3,967)	–
Final dividend in respect of the year ended 31 March 2021*	(10,085)	–
Net retained revenue	**272**	**334**

*based on 65,062,255 shares in issue as at 2 June 2021.

9. INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Quoted Investments £'000	Unquoted Investments £'000	Derivative Financial Instruments - Net £'000	Total £'000
Cost at 1 April 2020	1,482,727	32,882	–	1,515,609
Investment holdings gains/(losses) at 1 April 2020	170,974	(5,451)	(2,714)	162,809
Valuation at 1 April 2020	**1,653,701**	**27,431**	**(2,714)**	**1,678,418**
Movement in the year:				
Purchases at cost	1,603,156	112,342	–	1,715,498
Sales - proceeds	(1,464,204)	–	(20,494)	(1,484,698)
Transfer between levels*	18,936	(18,936)	–	–
Net movement in investment holding gains	463,820	19,792	33,760	517,372
Valuation at 31 March 2021	**2,275,409**	**140,629**	**10,552**	**2,426,590**
Cost at 31 March 2021	1,887,379	126,577	–	2,013,956
Investment holding gains at 31 March 2021	388,030	14,052	10,552	412,635
Valuation at 31 March 2021	**2,275,409**	**140,629**	**10,552**	**2,426,590**

* During 2021 three unquoted investments were acquired and subsequently transferred to Level 1 following their successful initial public offerings.

The Company received £1,484,698,000 (2020: £1,219,839,000) from investments and derivatives sold in the year. The book cost of these was £1,217,151,000 (2020: £1,097,747,000). These investments and derivatives have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

	2021 £'000	2020 £'000
Net movement in investment holding gains in the year	483,612	87,540
Net movement in derivative holding gains in the year	33,760	9,318
Effective interest rate amortisation	(105)	123
Gains on investments	**517,267**	**96,981**

9. INVESTMENTS AND DERIVATIVE FINANCIAL INSTRUMENTS continued

Purchase transaction costs were £2,808,000 (2020: £1,875,000). Sales transaction costs were £1,352,000 (2020: £1,138,000). These comprise mainly commission and stamp duty.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Fair value of OTC equity swaps (asset)	18,864	3,452
Fair value of OTC equity swaps (liability)	(8,312)	(6,166)
	10,552	**(2,714)**

See note 9 beginning on page 86 for movements during the year.

11. DEBTORS

	2021 £'000	2020 £'000
Amounts due from brokers	10,402	7,212
Issue of own shares awaiting settlement	2,577	717
Withholding taxation recoverable	2,295	2,869
VAT recoverable	66	48
Prepayments and accrued income	2,832	3,784
	18,172	**14,630**

12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts due to brokers	6,840	1,340
Overdraft drawn*	49,896	154,326
Performance fee provision	31,748	–
Other creditors and accruals	4,448	2,894
	92,932	**158,560**

*The Company's borrowing requirements are met through the utilisation of an overdraft facility provided by J.P. Morgan Securities LLC. The overdraft is drawn down in U.S. dollars. Interest on the drawn overdraft is charged at the United States Overnight Bank Funding Rate plus 45 basis points.

As described on page 93, J.P. Morgan Securities LLC may take investments 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.

13. SHARE CAPITAL

	Total shares in issue number
Issued and fully paid at 1 April 2020	53,619,278
New shares issued	10,690,977
At 31 March 2021	**64,310,255**

	2021 £'000	2020 £'000
Issued and fully paid:		
Ordinary Shares of 25p	16,078	13,406

During the year ended 31 March 2021 10,690,977 shares were issued raising £380,588,000. During the year ended 31 March 2020 1,024,000 shares were issued raising £29,454,000. No shares were repurchased by the Company during these years.

14. NET ASSET VALUE PER SHARE

	2021	2020
Net asset value per share	3,703.0p	2,868.9p

The net asset value per share is based on the assets attributable to equity shareholders of £2,381,425,000 (2020: £1,538,298,000) and on the number of shares in issue at the year end of 64,310,255 (2020: 53,619,278).

15. RELATED PARTIES

The following are considered to be related parties:

- Frostrow Capital LLP (under the Listing Rules only)
- 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, are disclosed on pages 28 and 29 and page 44. Sven Borho, who joined the Board on 7 June 2018, is a Managing Partner at OrbiMed. Sven Borho has waived his Director's fee of £32,282 (2020: £31,040). Details of fees paid to OrbiMed by the Company can be found in note 3 on page 82. All material related party transactions have been disclosed in notes 3 and 4 on pages 82 and 83.

Details of the remuneration of all Directors can be found on page 63. Details of the Directors' interests in the capital of the Company can be found on page 63.

Three current and two former partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's AIFM. Details of the fees paid to Frostrow Capital LLP by the Company can be found in note 3 on page 82.

16. FINANCIAL INSTRUMENTS

RISK MANAGEMENT POLICIES AND PROCEDURES

The Company's financial instruments comprise securities and other investments, derivative instruments, cash balances, loans and 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 7 and 8. 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 29 to 32 and have not changed from the previous accounting year. The AIFM, in close co-operation with the Board and the Portfolio Manager, co-ordinates the Company's risk management.

USE OF DERIVATIVES

As noted in the Strategic Report, on pages 8 and 10, equity swaps are used within the Company's portfolio.

More details on swaps can be found in the Glossary beginning on page 97.

OTC EQUITY SWAPS

The Company uses OTC equity swap positions to gain access to the Indian and Chinese markets either when it is more cost effective to gain access via swaps or to gain exposure to thematic baskets of stocks.

Details of financed swap positions* are noted in the Portfolio on page 10.

* See glossary beginning on page 97.

OFFSETTING DISCLOSURE

Swap 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 the right of set-off is not unconditional, for financial reporting purposes, the Company does not offset derivative assets and derivative liabilities.

†International Swap Dealers Association Inc.

(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 30 to 31.

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.

	2021			2020		
	Assets £'000	Liabilities £'000	Notional* exposure £'000	Assets £'000	Liabilities £'000	Notional* exposure £'000
Investments	2,416,038	–	2,416,038	1,681,132	–	1,681,132
OTC equity swaps	18,864	(8,312)	145,636	3,452	(6,166)	41,569
	2,434,902	**(8,312)**	**2,561,674**	**1,684,584**	**(6,166)**	**1,722,701**

*The notional exposure is calculated in accordance with the AIFMD requirements for calculating exposure via derivatives. See glossary beginning on page 97.

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 (2020: 25% higher or lower) while all other variables remained constant: the revenue return would have decreased/increased by £248,000 (2020: £166,000); the capital return would have increased by £540,385,000 (2020: £427,504,000)/decreased by £603,946,000 (2020: £427,504,000); and, the return on equity would have increased by £540,137,000 (2020: £427,504,000)/decreased by £603,698,000 (2020: £427,338,000). 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.

	2021			2020		
	Current assets £'000	Current liabilities £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Investments £'000
U.S. dollar	72,352	(99,943)	2,034,533	50,196	(194,080)	1,297,338
Swiss franc	1,513	–	47,411	2,104	–	79,807
Japanese yen	858	–	42,203	2,782	(259)	123,849
Hong Kong dollar	–	–	179,407	–	–	152,190
Other	489	–	17,642	724	–	25,234
	75,212	**(99,943)**	**2,321,196**	**55,806**	**(194,339)**	**1,678,418**

16. FINANCIAL INSTRUMENTS continued

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 (2020: 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.

	2021				2020			
	USD £'000	YEN £'000	CHF £'000	HKD £'000	USD £'000	YEN £'000	CHF £'000	HKD £'000
Sterling depreciates	238,003	4,785	5,436	19,934	133,082	14,041	9,101	16,910
Sterling appreciates	(194,730)	(3,915)	(4,448)	(16,310)	(108,885)	(11,488)	(7,446)	(13,835)

(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 2021, the Company held 0.4% of the portfolio in securitised debt (2020: 0.7% of the portfolio). The exposure is shown in the table below.

	2021				2020			
	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
Unquoted debt investments	3.9	2.6	6,945	4,486	4.9	2.6	4,148	6,803
Cash			–	40,858			–	20,190
Overdraft facility			–	(61,159)			–	(170,706)
Financed swap positions			–	(135,084)			–	(44,283)
			6,945	**(150,899)**			**4,148**	**(187,996)**

16. FINANCIAL INSTRUMENTS continued

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

Cash of £40.9 million (2020: £20.2 million) was held as collateral against the financed swap positions, of which £11.3 million (2020: £16.4 million) was offset against the overdraft position.

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 2021 and the net assets would increase/decrease by £1,531,000 (2020: increase/decrease by £1,880,000).

(IV) LIQUIDITY RISK

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

MANAGEMENT OF THE RISK

Liquidity risk is not considered significant as the majority of the Company's assets are investments in quoted securities that are readily realisable within one week, in normal market conditions. There maybe circumstances where market liquidity is lower than normal. Stress tests have been performed to understand how long the portfolio would take to realise in such situations. The Board is comfortable that in such a situation the Company would be able to meet its liabilities as they fall due.

LIQUIDITY EXPOSURE AND MATURITY

Contractual maturities of the financial liability exposures as at 31 March 2021, based on the earliest date on which payment can be required, are as follows:

	2021		2020	
	3 to 12 months £'000	3 months or less £'000	3 to 12 months £'000	3 months or less £'000
Overdraft facility	–	61,159	–	170,706
Amounts due to brokers and accruals	–	6,840	–	1,340
OTC equity swaps	8,312	–	6,166	–
	8,312	**67,999**	**6,166**	**172,046**

£40.9m of cash held as collateral is offset against the overdraft facility in the Statement of Financial Position, as set out in Note 16(iii) above.

(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 Custodian and Prime Broker.

16. FINANCIAL INSTRUMENTS continued

As noted on page 31, certain of the Company's assets can be held by J.P. Morgan Securities LLC as collateral against the overdraft provided by them to the Company. As at 31 March 2021 such assets held by J.P. Morgan Securities LLC are available for rehypothecation (see Glossary beginning on page 97 for further information). As at 31 March 2021, assets with a total market value of £106.9 million (2020 £248.1 million) were available to J.P. Morgan Securities LLC to be used as collateral against the overdraft facility which equates to 140% of the overdrawn position (calculated on a settled basis).

CREDIT RISK EXPOSURE

	2021 £'000	2020 £'000
Unquoted debt investments	11,430	10,951
Derivative – OTC equity swaps	18,864	3,452
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	18,172	14,630
Cash	29,595	3,810

(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 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	2,275,409	–	140,629	2,416,038
Derivatives: OTC swaps (assets)	–	18,864	–	18,864
Derivatives: OTC swaps (liabilities)	–	(8,312)	–	(8,312)
Financial instruments measured at fair value	**2,275,409**	**10,552**	**140,629**	**2,426,590**

As at 31 March 2021, three debt, eleven equity and a deferred consideration investment (included in the portfolio on pages 9 to 11) have been classified as level 3. All level 3 positions have been valued in accordance with the accounting policy set out in Note 1(b).

During 2021 three unquoted investments were acquired and subsequently transferred to Level 1 following their successful initial public offerings.

16. FINANCIAL INSTRUMENTS continued

As of 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	1,653,701	–	27,431	1,681,132
Derivatives: OTC swaps (assets)	–	3,452	–	3,452
Derivatives: OTC swaps (liabilities)	–	(6,166)	–	(6,166)
Financial instruments measured at fair value	**1,653,701**	**(2,714)**	**27,431**	**1,678,418**

As at 31 March 2020, three debt, one equity and a deferred consideration investment have been classified as Level 3. All level 3 positions have been valued using an independent third party pricing source or using the price of a recent transaction.

(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 8.

As at 31 March 2021, the Company had a leverage percentage of 7.6% (2020: 12.0%).

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 76.

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 1 April 2020	753,902	326,032	1,079,934
Net gains on investments	267,388	249,879	517,267
Expenses charged to capital less tax relief thereon	(48,497)	–	(48,497)
Exchange loss on currency balances	(6,076)	–	(6,076)
At 31 March 2021	**966,717**	**575,911**	**1,542,628**

*Investment holding gains relate to the revaluation of investments and derivatives held at the reporting date. (See note 9 beginning on page 86 for further details).

Under the Company's Articles of Association, sums within "capital reserves – other" are also available for distribution.

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

	2021 £'000	2020 £'000
Gains before finance charges and taxation	480,129	94,760
Less: capital gain before finance charges and taxation	(463,073)	(78,208)
Revenue return before finance charges and taxation	**17,056**	**16,552**
Expenses charged to capital	(48,118)	(11,696)
Decrease/(increase) in other debtors	934	(634)
Increase in provisions, and other creditors and accruals	33,302	237
Net taxation suffered on investment income	(2,138)	(2,467)
Amortisation	(105)	123
Net cash (outflow)/inflow from operating activities	**931**	**2,115**

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

31 March	Financial Year End
June	Final Results Announced
July	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 25 Southampton Buildings, London WC2A 1AL on Thursday, 8 July 2021 from 1.00 p.m. Please refer to the Chairman's Statement on pages 4 to 6 for details of this year's arrangements.

DIVIDENDS

The Company pays one final and an interim dividend 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, Link Group, on request.

SHARE PRICES

The Company's 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

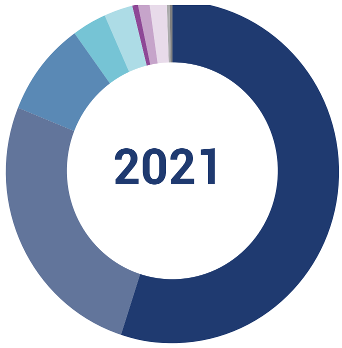
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Link Group, under the signature of the registered holder.

DAILY NET ASSET VALUE

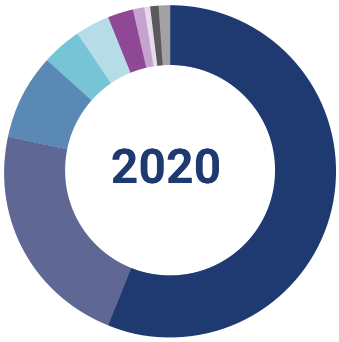
The daily net asset value of the Company's shares can be obtained on the Company's website at www.worldwidewh.com and is published daily via the London Stock Exchange.

PROFILE OF THE COMPANY'S OWNERSHIP

% of Ordinary Shares held at 31 March.



Private Wealth Managers	55.2
Shares held via investment platforms	26.0
Mutual Funds	8.8
Pensions	3.5
Insurance	2.7
Retail	0.6
Charities	1.1
Fund of Funds	1.6
Inv Trusts	0.1
Corporate	0.3
Directors	0.1



Private Wealth Managers	56.7
Shares held via investment platforms	24.6
Mutual Funds	8.0
Pensions	3.3
Insurance	2.4
Retail	1.6
Charities	1.4
Fund of Funds	1.1
Inv Trusts	0.7
Corporate	0.1
Directors	0.1

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMS')

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 a 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.

ALTERNATIVE PERFORMANCE MEASURE ('APM')

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

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 where one party (counterparty) transfers the total return of an underlying equity position to the other party (swap holder) in exchange for a payment of the principal, and interest for financed swaps, 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.

The 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. Financed swaps increase exposure by the value of the underlying equity position, with no initial outlay and no increase in the investment portfolio's value – there is therefore embedded leverage within a financed swap due to the deferral of payment to maturity.

The Company employs swaps for two purposes:

- To gain access to individual stocks in the Indian, Chinese and other emerging markets, where the Company is not locally registered to trade or is able to gain in a more cost efficient manner than holding the stocks directly; and,
- To gain exposure to thematic baskets of stocks (a Basket Swap). Basket Swaps are used to build exposure to themes, or ideas, that the Portfolio Manager believes the Company will benefit from and where holding a Basket Swap is more cost effective and operationally efficient than holding the underlying stocks or individual swaps.

GEARING*

Gearing is calculated as the overdraft drawn, less net current assets (excluding dividends), 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.

* Alternative Performance Measure

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.

	2021 £'000		2020 £'000	
	Fair Value	Exposure*	Fair Value	Exposure*
Investments	2,416,038	2,416,038	1,681,132	1,681,132
OTC equity swaps	10,552	145,636	(2,714)	41,569
	2,426,590	**2,561,674**	**1,678,418**	**1,722,701**
Shareholders' funds		2,381,425		1,538,298
Leverage %		**7.6%**		**12.0%**

* Calculated in accordance with AIFMD requirements using the Commitment Method

MSCI WORLD HEALTH CARE INDEX (THE COMPANY'S BENCHMARK)

The MSCI World Health Care Index is designed to capture the large and mid capitalisation segments across 23 developed markets countries: All securities in the index are classified as healthcare as per the Global Industry Classification Standard (GICS). Developed Markets countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland 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.

* Alternative Performance Measure

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 PER SHARE TOTAL RETURN*

The theoretical total return on shareholders' funds per share, 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.

NAV Total Return	2021 p	2020 p
Opening NAV	2,868.9	2,722.2
Increase in NAV	834.1	146.7
Closing NAV	**3,703.0**	**2,868.9**
% increase in NAV	29.1%	5.4%
Impact of reinvested dividends	0.9%	1.1%
NAV Total Return	**30.0%**	**6.5%**

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.

	2021 £'000	2020 £'000
AIFM & Portfolio Management fees (Note 3)	17,068	12,312
Other Expenses – Revenue (Note 4)	1,338	931
Total Ongoing Charges	**18,406**	**13,243**
Performance fees paid/crystallised	–	–
Total	**18,406**	**13,243**
Average net assets	2,112,164	1,497,219
Ongoing Charges	**0.9%**	**0.9%**
Ongoing Charges (including performance fees paid or crystallised during the year)	**0.9%**	**0.9%**

* Alternative Performance Measure

REHYPOTHECATION

Rehypothecation is the practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by clients.

SHARE PRICE TOTAL RETURN*

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

Share Price Total Return	2021 p	2020 p
Opening share price	2,920.0	2,730.0
Increase in share price	775.0	190.0
Closing share price	**3,695.0**	**2,920.0**
% increase in share price	26.5%	7.0%
Impact of reinvested dividends	0.9%	1.0%
Share Price Total Return	**27.4%**	**8.0%**

* Alternative Performance Measure

HOW TO INVEST

RETAIL INVESTORS ADVISED BY IFAS

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

INVESTMENT PLATFORMS

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

AJ Bell Youinvest	http://www.youinvest.co.uk/
Barclays Smart Investor	https://www.smartinvestor.barclays.co.uk/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Halifax Share Dealing	https://www.halifaxsharedealing-online.co.uk/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://www.hsbc.co.uk/investments/
iDealing	http://www.idealing.com/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
The Share Centre	https://www.share.com/

Investment scams are often sophisticated and difficult to spot

How to avoid investment scams

1. **Reject unexpected offers**
   Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
2. **Check the FCA Warning List**
   Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.
3. **Get impartial advice**
   Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report a firm or scam to the Financial Conduct Authority on **0800 111 6768** or through www.fca.org.uk/scamsmart

If you've lost money in a scam, contact Action Fraud on **0300 123 2040** or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Worldwide Healthcare Trust PLC will be held at 25 Southampton Buildings, London WC2A 1AL on Thursday, 8 July 2021 from 1.00 p.m. 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 2021
2. To approve the payment of a final dividend of 15.5p per ordinary share for the year ended 31 March 2021
3. To approve the Company's dividend policy, as set out on page 27 of the Annual Report for the year ended 31 March 2021
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-elect Mr Sven Borho as a Director of the Company
9. To re-elect Dr Bina Rawal as a Director of the Company
10. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Audit Committee to determine their remuneration
11. To approve the Directors' Remuneration Report for the year ended 31 March 2021

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions of which resolutions 13, 14, 15, 16 and 17 will be proposed as special resolutions:

AUTHORITY TO ALLOT SHARES

12. THAT in addition to any subsisting 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 £1,626,556 (being 10% of the issued share capital of the Company at 2 June 2021) and representing 6,506,225 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 2022 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

13. THAT in addition to any subsisting powers (and in addition to any power conferred on them by resolution 14 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 12 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 £1,626,556 , being 10% of the issued share capital of the Company as at 2 June 2021 and representing 6,506,225 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 14 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.

14. THAT in addition to any subsisting powers (and in addition to any power conferred on them by resolution 13 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) this power shall be limited to the sale of relevant shares having an aggregate nominal value of £1,626,556 being 10% of the issued share capital of the Company as at 2 June 2021 and representing 6,506,225 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 13 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

15. 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 shall be that number of shares which is equal to 14.99% of the issued share capital of the Company as at the date of the passing of this resolution;

    (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 2022 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

16. THAT the Directors be authorised to call general meetings (other than the Annual General Meeting of the Company) on not less than 14 clear 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.

ADOPTION OF NEW ARTICLES OF ASSOCIATION

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

By order of the Board

Frostrow Capital LLP
Company Secretary
3 June 2021

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.
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. This year, hard copy forms of proxy have not been included with this notice. Members can vote by: logging onto www.signalshares.com and following instructions; requesting a hard copy form of proxy directly from the registrars, Link Group at enquiries@linkgroup.co.uk or in the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below. 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 Link Group, PXS1, 29 Wellington Street, 10th Floor, Central Square, Leeds LS1 4DL no later than 1.00 p.m. on Tuesday, 6 July 2021.
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, 6 July 2021 (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 2 June 2021 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 65,062,255 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 2 June 2021 are 65,062,255.
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 Link Group on 0371 600 0300 or +44 371 600 0300. 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 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 Link Group, PXS1, 29 Wellington Street, 10th Floor, Central Square, Leeds LS1 4DL.

    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 above) then, subject to paragraph 4 on page 105, the proxy appointment will remain valid.

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolution 1 – To receive the Annual Report and Accounts

The Annual Report and Accounts for the year ended 31 March 2021 will be presented to the Annual General Meeting (AGM). These accounts accompany this Notice of Meeting.

Resolution 2 – To approve a Final Dividend

The rationale for the payment of a final dividend is set out in the Chairman's Statement beginning on page 4 and the Report of the Directors on page 45.

Resolution 3 – Approval of the Company's Dividend Policy

Resolution 3 seeks shareholder approval of the Company's dividend policy, which is set out on page 27.

Resolutions 4 to 9 – Re-election of Directors

Resolutions 4 to 9 deal with the re-election of each Director. Biographies of each of the Directors can be found on pages 41 to 43 of the annual report.

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

Resolution 10 – Re-appointment of Auditors and the determination of their remuneration

Resolution 10 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.

Resolutions 11 – Remuneration Report

The Directors' Remuneration Report is set out in full in the annual report on pages 62 to 64.

Resolutions 12, 13 and 14 – Issue of Shares

Ordinary Resolution 12 in the Notice of AGM will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £1,626,255 (equivalent to 6,506,225 shares, or 10% of the Company's existing issued share capital on 2 June 2021, being the nearest practicable date prior to the signing of this Report (or if changed, the number representing 10% of the issued share capital of the Company at the date at which the resolution is passed). 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 2 June 2021 (or if changed, the number representing 10% of the issued share capital of the Company at the date at which the resolution is passed), 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 12. 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 13, Resolution 14, 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 premium to the cum income net asset value per share. 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 2 June 2021 (or if changed, the number representing 10% of the issued share capital of the Company at the date at which the resolution is passed) (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 13, 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 12, 13 and 14 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.

New Shares will only be issued at a premium to the Company's cum income net asset value per share at the time of issue.

Resolution 15 – 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 15 in the Notice of AGM will renew the authority to purchase in the market a maximum of 14.99% of Ordinary Shares in issue as at the date of the passing of the resolution. 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 16 – General Meetings

Special Resolution 15 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) at 14 clear days' notice. The Board confirms that the shorter notice period would only be used where it was merited by the purpose of the meeting.

Resolution 17

Special Resolution 17 seeks shareholder approval to adopt new Articles of Association in substitution for and to the exclusion of the existing Articles of Association. Details of the changes are set out on page 111 of this Annual Report.

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 49,165 shares.

REGULATORY DISCLOSURES (UNAUDITED)

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 pages 7 and 8 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 2021	109.3%	107.6%

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 2021 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	10,552	0.4

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.	84,288
JPMorgan	U.S.A.	61,348

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 2021. 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	40,858

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	23,705
3 to 12 months	121,931

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.

COMPANY INFORMATION

Directors
Sir Martin Smith (Chairman)
Sarah Bates
Sven Borho
Dr David Holbrook (Senior Independent Director and Chairman of the Nominations Committee)
Humphrey van der Klugt, FCA (Chairman of the Audit Committee)
Doug McCutcheon (Chairman of the Management Engagement & Remuneration Committee)
Dr Bina Rawal

Company Registration Number
3023689 (Registered in England)

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

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

Independent Auditors
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Custodian and Prime Broker
J.P. Morgan Securities LLC
Suite 1, Metro Tech Roadway
Brooklyn, NY 11201
USA

Registrars
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10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL
E-mail: enquiries@linkgroup.co.uk
Telephone (in UK): 0371 664 0300†
Telephone (from overseas): + 44 371 664 0300†
Shareholder Portal: www.signalshares.com
Website: www.linkgroup.eu

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

† Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK are 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)
Global Intermediary Identification
Number (GIIN) : FIZWRN.99999.SL.826
Legal Entity Identifier (LEI) : 5493003YBCY4W1IMJU04

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

Set out below is a summary of the main differences between the current and the proposed new Articles of Association (the "New Articles"). The principal changes in the New Articles to be adopted at the Annual General Meeting to be held on Thursday, 8 July 2021 relate to:

General Meetings

The Company is proposing to amend the Articles of Association to allow for hybrid meetings and in exceptional circumstances virtual meetings. These amendments are being sought in response to challenges posed as a result of the COVID-19 pandemic, which have significantly restricted attendance of shareholders at physical general meetings and the resultant increase in use of remote working technology.

The New Articles permit the Company to hold general meetings (including annual general meetings) where shareholders are not required to attend in person but may attend and participate virtually. A meeting can be wholly virtual if attendees participate only by way of electronic means or a meeting may be "hybrid", where some attendees are based in a single physical location and others attend electronically. Certain consequential changes to facilitate this amendment have been made throughout the New Articles.

The Board is committed to ensuring that, under normal circumstances, general meetings (including annual general meetings) will incorporate a physical meeting where shareholders can meet with the Board in person.

Other Changes

Other technical changes have been made so that the Articles of Association conform to other legislation applicable to companies, as currently in force and current best practice, in particular changes have been made to provisions designed to enable the Company to comply with its obligations under various tax reporting requirements.

A copy of the current Articles and of the proposed New Articles marked up to show the proposed amendments will be available for inspection at the offices of Frostrow Capital LLP (25 Southampton Buildings London WC2A 1AL) during normal business hours and will be available for inspection at the Annual General Meeting, in each case until conclusion of the meeting. A copy will also be available on the Company's website at www.worldwidewh.com.

Perivan 260980

WORLDWIDE HEALTHCARE TRUST PLC
25 Southampton Buildings
London
WC2A 1AL

www.worldwidewh.com

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, Link Group, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the RNID) you should dial 18001 followed by the number you wish to dial.

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