EDISON

The Biotech Growth Trust

Firing on all cylinders

Investment trusts
Biotech equities

10 August 2020

The Biotech Growth Trust (BIOG) is managed by Geoff Hsu, who is able to draw on the considerable resources of specialist healthcare investor OrbiMed Capital. While biotech stocks have rallied strongly following the coronavirus-led stock market sell-off earlier in 2020, the manager believes they could have further to go. He is confident that a successful COVID-19 vaccine will be developed and positive fundamentals are supportive for the biotech sector's future performance. Repositioning of BIOG's portfolio during FY20 has been accretive to the trust's returns in recent quarters; it has now outperformed its benchmark NASDAQ Biotechnology index over the past one, three, five and 10 years, and investors have also enjoyed very solid absolute total returns of more than 20% pa over the past decade.

BIOG's AGM video with manager Geoff Hsu

Source: The Biotech Growth Trust

The market opportunity

Although investors have benefited from an allocation to biotech stocks in 2020, positive industry fundamentals are supportive for further outperformance. These include a high level of industry innovation, a favourable regulatory environment, robust demand and potential for a step-up in mergers and acquisitions (M&A).

Why consider investing in The Biotech Growth Trust?

- Diversified exposure to the global biotech sector across the market cap spectrum; the fund has been repositioned to capitalise on the potential opportunities in emerging biotech companies, including at pre-IPO stage.
- Experienced manager supported by the deep resources of OrbiMed Capital's investment team; in-depth coverage of all healthcare industry subsectors.
- Absolute NAV and share price total returns of 22.5% and 23.3% pa, respectively, over the past 10 years and outperformance versus the benchmark over the past one, three, five and 10 years.

Now regularly trading close to NAV

BIOG has an active discount control programme, aiming to limit the discount to a maximum of c 6% in normal market conditions. The trust's current 3.3% share price premium to cum-income NAV compares with a 5.5% to 7.2% range of average discounts over the past one, three, five and 10 years.

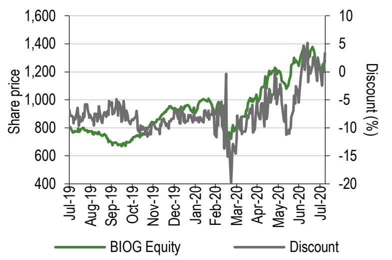
Price	**1,282p**
Market cap	**£508m**
AUM	**£517m**

NAV*	1,239.5p
Premium to NAV	3.4%
NAV**	1,240.5p
Premium to NAV	3.3%

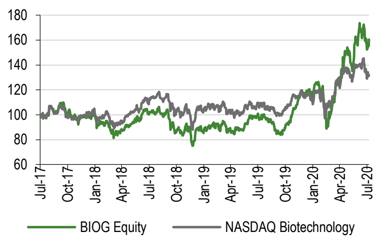
*Excluding income. **Including income. As at 6 August 2020.

Yield	0.0%
Ordinary shares in issue	39.6m
Code	BIOG
Primary exchange	LSE
AIC sector	Biotechnology & Healthcare
Benchmark	NASDAQ Biotechnology

Share price/discount performance



Three-year performance vs index



52-week high/low	1,387.0p	670.0p
NAV** high/low	1,362.9p	718.8p

**Including income.

Gearing

Gross*	9.7%
Net*	8.5%

*As at 30 June 2020.

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Edison profile page

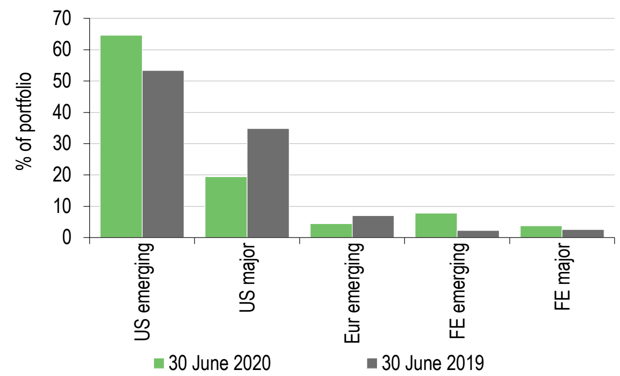
The Biotech Growth Trust is a research client of Edison Investment Research Limited

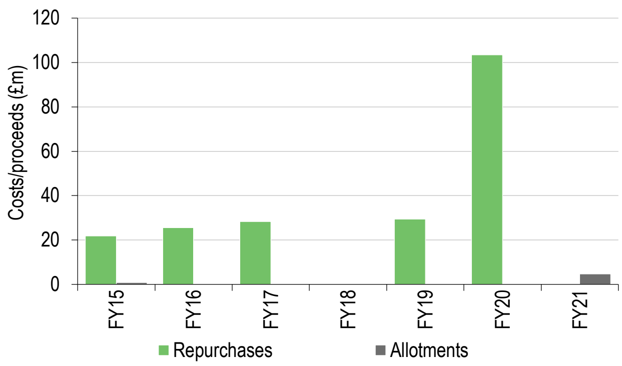
Exhibit 1: Trust at a glance

Investment objective and fund background	Recent developments
The Biotech Growth Trust seeks capital appreciation through investing in the worldwide biotechnology industry. Performance is measured against its benchmark index, the NASDAQ Biotechnology index (sterling adjusted).	■ 3 June 2020: annual results for 12 months ending 31 March 2020. NAV TR +18.5% versus benchmark TR +1.2%. Share price TR +10.9%. ■ 12 November 2019: interim results for six months ending 30 September 2019. NAV TR -5.6% versus benchmark TR -5.9%. Share price TR -4.9%. ■ 24 May 2019: annual results for 12 months ending 31 March 2019. NAV TR +5.3% versus benchmark TR +13.0%. Share price TR +4.6%.

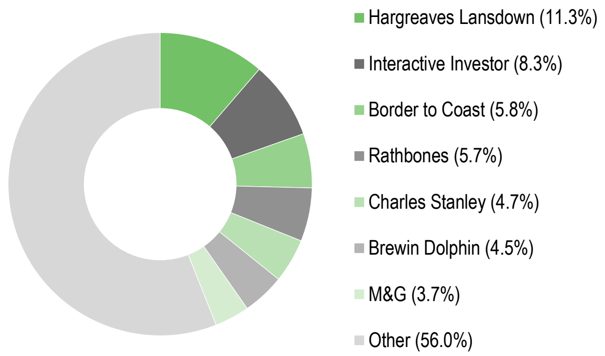
Forthcoming		Capital structure		Fund details	
AGM	July 2021	Ongoing charges	1.1% (FY20)	Group	Frostrow Capital LLP
Interim results	November 2020	Net gearing	8.5%	Manager	OrbiMed Capital
Year end	31 March	Annual mgmt fee	See page 8	Address	25 Southampton Buildings, London, WC2A 1AL
Dividend paid	N/A	Performance fee	See page 8		
Launch date	June 1997	Trust life	Indefinite (subject to vote)	Phone	+44 (0) 20 3008 4910
Continuation vote	Every five years – next 2025	Loan facilities	See page 8	Website	www.biotechgt.com

Portfolio subsector breakdown	Share buyback policy and history (financial years)
Following an adjustment to the investment objective in October 2013, BIOG is no longer required to invest the majority of assets in companies with a market capitalisation below $3bn at the time of acquisition. Note: FE is Far East.	Renewed annually, the trust has authority to purchase up to 14.99% and allot up to 10% of issued share capital. There is a discount control mechanism in place with a target level of no more than a 6% discount to NAV.

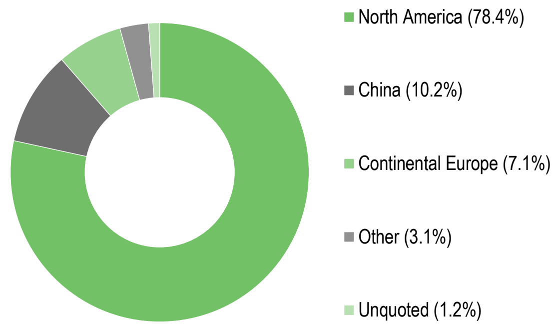




Shareholder base (as at 30 June 2020)



Portfolio exposure by geography (economic exposure as at 30 June 2020)



Top 10 holdings (as at 30 June 2020)

			Portfolio weight %	
Company	**Country**	**Sector**	**30 June 2020**	**30 June 2019***
Vertex Pharmaceuticals	US	Major biotech	4.3	9.9
Biogen	US	Major biotech	4.3	N/A
Burning Rock Biotech	China	Emerging biotech	4.3	N/A
Neurocrine Biosciences	US	Emerging biotech	3.9	6.3
Immunomedics	US	Emerging biotech	3.9	N/A
Amgen	US	Major biotech	3.1	4.1
CRISPR Therapeutics	Switzerland	Emerging biotech	3.1	N/A
Sarepta Therapeutics	US	Emerging biotech	3.1	6.6
Applied Therapeutics	US	Emerging biotech	3.1	N/A
Alexion Pharmaceuticals	US	Major biotech	3.0	5.2
Top 10 (% of portfolio)			**36.1**	**54.0**

Source: BIOG, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-June 2019 top 10.

Market outlook: Potential for further outperformance

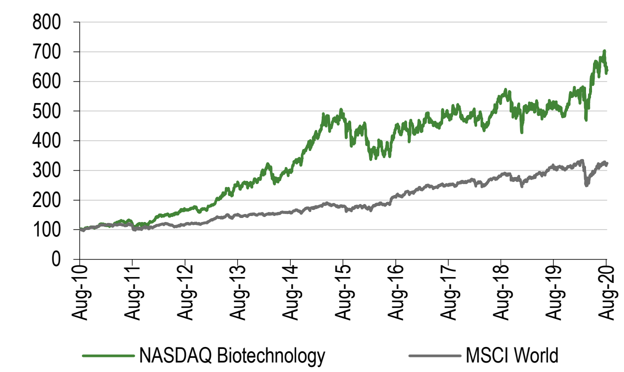
Biotech shares have bounced back particularly strongly following the coronavirus-led stock market sell-off in February and March this year, adding to their long-term outperformance versus global stocks (Exhibit 2, left-hand side). There are reasons for investors to remain optimistic about the biotech sector:

- it is relatively immune to the negative effects of COVID-19 and should benefit if an effective vaccine is found;
- volume growth is robust, helped by demographic trends;
- innovation remains strong, including a range of transformational technologies that are in the early stages of development;
- the regulatory environment remains supportive and new drug approvals are continuing at a rapid pace versus history;
- sweeping drug price changes are deemed unlikely, despite President Trump's recent swipe at the healthcare industry; and
- there is the potential for an uptick in M&A, which has historically been a positive driver for the sector's performance.

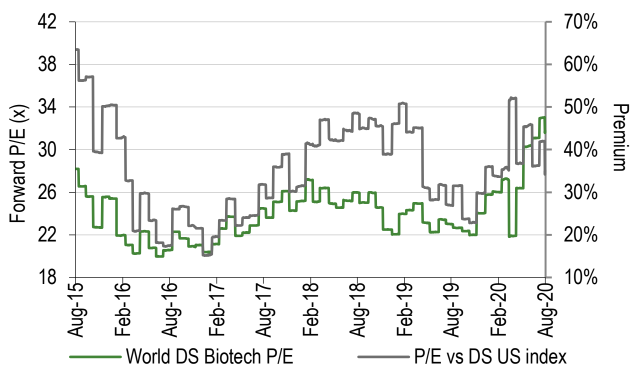
Given these favourable attributes, investors may benefit from an allocation to biotech stocks as part of a diversified portfolio. One caveat is that aggregate sector valuations look unappealing versus history (Exhibit 2, right-hand side). The DS World Biotech index is trading at a forward P/E multiple of 31.7x, which is higher than the five- and 10-year averages of 24.0x and 22.2x respectively. In relative terms, biotech stocks are trading at a 35.0% premium to the US market, compared with the 35.1% five-year and 39.6% 10-year averages.

Exhibit 2: Biotech index performance and valuation

NASDAQ Biotech and MSCI World indices (10 years, £-based)



DS World Biotech index P/E and relative to DS US index (past five years)



Source: Refinitiv, Edison Investment Research. Note: Valuation data at 3 August 2020.

Fund profile: All-cap, global biotech exposure

BIOG was launched in June 1997 and is listed on the Main Market of the London Stock Exchange. Following the departure of Richard Klemm from OrbiMed Capital in February 2020, the trust is now managed solely by Geoff Hsu. OrbiMed has more than $13bn of assets under management (c $5bn in public equities), 11 regional offices and a team of more than 100 investment professionals, of whom 30 hold PhD or MD qualifications and 15 are former CEOs or healthcare company founders. Hsu aims to generate long-term capital growth from a diversified portfolio of global biotech equities and related securities. BIOG's performance is measured against the NASDAQ Biotechnology index (sterling-adjusted), and its currency exposure is unhedged.

The trust's investment guidelines state that at the time of investment, a maximum of 15% of gross assets may be held in a single stock; up to 10% may be in unquoted securities (excluding a maximum $15m in private equity funds managed by OrbiMed and its affiliates); and swaps exposure is permitted up to 5% of gross assets. Hsu may employ gearing up to 20% of net assets; net gearing was 8.5% at end-June 2020, towards the high end of the typical range of 5% to 10%.

OrbiMed has managed BIOG since 18 May 2005, so is celebrating its 15th anniversary. From this date to end-June 2020, the trust's NAV delivered a +1,205.2% total return, which is significantly ahead of the benchmark's and the broad UK market's total returns of +832.8% and +137.3%, respectively (source: OrbiMed).

The fund manager: Geoff Hsu

The manager's view: Several reasons to remain optimistic

Hsu explains that biotech has proved to be a defensive sector during the COVID-19 outbreak, as its industry fundamentals are relatively less affected by economic shutdowns; treatments have continued to be administered and clinical delays have been modest. The manager says that demand for biotech products is robust and should accelerate once the economy is on a more even keel, while the financing environment remains very favourable. He is highly confident that one or more vaccines will prove to be effective in combating the disease. There are around 150 vaccines and more than 250 treatments for COVID-19 currently in development, while Gilead Sciences' remdesivir and generic dexamethasone have already shown efficacy. Hsu has not chased the names directly associated with tackling the pandemic, as he is unsure about their products' ultimate revenue potential, but some current/former holdings with COVID-19 exposure have contributed positively to the trust's performance, such as CanSino Biologics, Gilead Sciences and Regeneron Pharmaceuticals.

The manager comments that 'whether you are an optimist or a pessimist about the outcome of a COVID-19 vaccine, biotech is a great place to invest'. He says that the political environment has improved and with Joe Biden being selected as the Democrat presidential candidate in the US, the worst-case scenario (for the industry) of 'Medicare for All' was taken off the table. Regardless of who wins the November election, Hsu expects a continued split Congress with a Republican-led Senate and a Democrat-led House of Representatives, which will make new laws difficult to pass. Despite recent actions by President Trump aiming to decrease US drug pricing, the manager believes that other policies will be higher priority, given the need to stimulate the economy and support employment. He says that public opinion towards the healthcare industry has improved noticeably, given its response to the coronavirus pandemic; it is now viewed as 'providing significant value to society in a responsible way'. Hsu believes that even if the Democrats gain control of Congress, they will not achieve a high-enough majority to put through sweeping drug price changes.

The manager says that the US Food and Drug Administration (FDA) regulatory environment is very favourable. Former FDA commissioner Scott Gottlieb instituted policies to expedite drug approvals, lowering the time taken and costs involved in developing new drugs. These changes have continued under his successor Stephen Hahn and, despite COVID-19, the pace of new drug approvals in 2020 is similar to last year. The past three years have seen record numbers of novel drug approvals by the FDA (46 in 2017, 59 in 2018 and 48 in 2019). Hsu cites an 'unprecedented, golden era of innovation' in the biotech industry, with a 50% increase in late-stage product development across a wide range of therapeutic categories over the past five years. A series of novel technologies are beginning to come to the market, such as bispecific antibodies, cellular therapy, gene therapy, protein modulators and RNA therapies. While so far there is only a handful of marketed products, the manager expects 'dozens more to come to fruition over the next five to

10 years'. He highlights some recent new product approvals with blockbuster (greater than $1bn pa) sales potential, including Vertex Pharmaceuticals' Trikafta for the treatment of cystic fibrosis, which has consensus peak sales estimates of c $9bn. The bulk of innovation is being undertaken by emerging biotech companies, which represent around two-thirds of BIOG's portfolio.

Hsu says that M&A has been a historical driver of positive returns in the biotech industry and, while there was a slowing in activity in H120 due to COVID-19, the manager says that interest in undertaking M&A is high. Meanwhile, he notes that the number of licensing and partnering deals has continued unabated, despite people working from home. Hsu expects M&A deal flow to pick up by the end of the year, while the IPO market remains robust. The manager also highlights opportunities in China, which is now the number two global pharma market; the level of innovation is rising and the establishment of a biotech ecosystem is part of the government's 'Made in China 2025' programme. He says that BIOG is well placed to take advantage of investment opportunities in the region, given its 'on-the-ground' Chinese expertise.

Asset allocation

Investment process: Bottom-up stock selection

Hsu aims to generate long-term capital growth from a globally diversified portfolio of biotech stocks across the market cap spectrum. He is able to draw on the broad resources of OrbiMed's experienced investment team, working closely with four core biotech analysts and two specialist analysts in adjacent sectors covering speciality pharma and life science tools & diagnostics, along with two analysts covering emerging markets, who are based in Hong Kong. Given the attractive opportunity set in the industry, OrbiMed is in the process of hiring an additional two biotech associates.

Stocks are selected on a bottom-up basis following thorough in-depth fundamental research, which includes financial modelling, an assessment of research pipelines and identification of potential catalysts; company meetings are a very important element of the research process. Reasons to initiate a new position include if an early-stage company is approaching profitability, ahead of anticipated positive clinical data, or if a business is considered a potential takeover target. While the manager seeks out the best potential opportunities across the globe, the majority of the portfolio is held in US companies, reflecting its current dominance in the biotech industry, although BIOG has a notable c 10% exposure to China. The trust's holdings are regularly reviewed to ensure the original investment theses are still valid and positions are sized correctly.

Hsu notes that BIOG's portfolio turnover is relatively high as a result of its emerging biotech exposure, where stocks can be volatile around news about clinical results. A review undertaken with the trust's board showed the investment team's research efforts can generate excess returns, which could be enhanced by monetising successful positions more quickly, rather than holding on to stocks for too long, as well as exiting underperforming stocks deemed to have further downside risk. The increased portfolio turnover has borne fruit, as has the change in the structure of the portfolio (highlighted below in the current portfolio positioning section).

Current portfolio positioning

At end-June 2020, BIOG's top 10 positions made up 36.1% of the portfolio, a significantly lower concentration compared with 54.0% a year earlier; five positions were common to both periods. Exhibit 3 shows the trust's subsector breakdown. Notable changes over the 12 months to the end of June are higher emerging biotech exposures in the US (+11.3pp) and the Far East (+5.5pp), with a lower weighting to US major biotech (-15.4pp).

Exhibit 3: Portfolio subsector breakdown (%)

Sector	End-June 2020	End-June 2019	Change (pp)
US emerging biotech	64.6	53.4	11.3
US major biotech	19.4	34.8	(15.4)
Europe emerging biotech	4.4	7.0	(2.6)
Far East emerging biotech	7.8	2.3	5.5
Far East major biotech	3.8	2.5	1.2
Total	**100.0**	**100.0**	

Source: BIOG, Edison Investment Research. Note: Adjusted for gearing.

Hsu explains that during FY20, there were a number of structural shifts in the portfolio aiming to enhance BIOG's long-term performance.

- Reduced exposure to large-cap biotech and a larger weighting to emerging biotech companies (c 70–80% of the portfolio versus a historical c 40–50%). The manager says that the number of interesting emerging biotech opportunities has increased in recent years, partly due to a robust IPO market. He cites data from IQVIA that show almost three-quarters of the pharma industry's late-stage development pipeline is being undertaken by emerging biotech companies; the percentage for those products based on the novel technologies of cell therapy, gene therapy and nucleic acid-based therapy is even higher at over 90%. Given emerging biotech companies are generally smaller and higher risk, and their shares less liquid, the number of names in BIOG's portfolio has increased from 30–45 to 50–65.
- Up to 10% of the fund can be invested in unquoted companies. Hsu focuses on participating in 'crossover' funding, which is the last round of financing (around six to 12 months) before a firm's IPO, in order to maintain a degree of near-term liquidity. The manager explains that OrbiMed's venture capital stature within the healthcare industry means that BIOG has access to a broad array of attractive crossover investment opportunities that may not be available to other biotech managers.
- Increased exposure to emerging markets, particularly China. The trust has a global mandate, with offices in Shanghai and Hong Kong, and dedicated analysts conducting 'on-the-ground' due diligence on Chinese opportunities. Hsu believes the local presence is an important differentiating feature for BIOG, given corporate governance issues have plagued Chinese companies in the past. The manager believes the country has a burgeoning early-stage biotech industry based on innovation. The Chinese regulator now expedites approvals of innovative compounds, multinational pharma companies are increasingly partnering with Chinese companies on innovative assets, and recently relaxed IPO listing requirements mean pre-revenue Chinese biotech companies can access the stock market for funding.

Performance: Strong absolute and relative total returns

Exhibit 4: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	NASDAQ Biotech (%)	World-DS Pharm & Bio (%)	MSCI World (%)
31/07/16	(14.6)	(13.1)	(10.7)	9.3	17.7
31/07/17	11.8	13.5	11.6	3.4	17.6
31/07/18	0.7	1.7	10.9	10.5	13.1
31/07/19	0.0	(0.5)	(2.4)	6.9	11.6
31/07/20	51.5	40.4	19.3	14.4	0.6

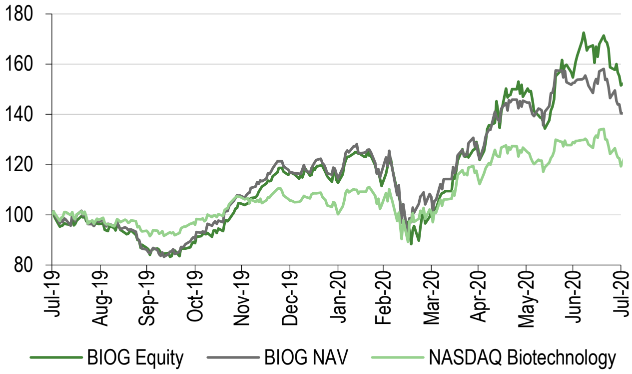
Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

In FY20 (ending 31 March), BIOG's NAV and share price total returns of +18.5% and +10.9%, respectively, were considerably ahead of the benchmark's +1.2% total return. It was a year of two halves: in H120, the trust's NAV fell by 5.6%, before rising by 24.1% in H220. Performance was helped by a strong US dollar, which rose by 4.8% versus sterling over the financial year, while gearing also contributed 1.0pp. The very strong relative performance was helped by BIOG's bias towards emerging rather than large-cap biotech stocks, positive clinical catalysts, the takeover of

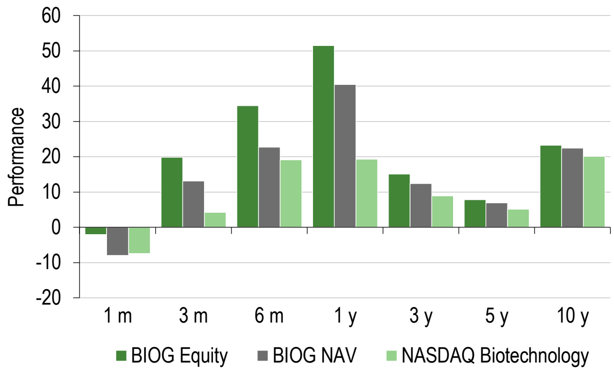
ArQule and Ra Pharmaceuticals at significant premiums, and strong performance from the trust's Chinese holdings. Positive contributors to performance included Deciphera Pharmaceuticals (developing kinase inhibitor treatments for cancer – successful Phase III results for ripretinib in gastrointestinal stromal tumours, which exceeded expectations); CanSino Biologics (a Chinese vaccine company – investor enthusiasm about its meningococcal vaccine was followed by the development of one of the leading vaccine candidates for COVID-19); and Aurinia Pharmaceuticals (successful Phase III trial results for its novel calcineurin inhibitor, voclosporin, in treating lupus nephritis). Detractors included Milestone Pharmaceuticals (disappointing results for its Phase III trial of etripamil for the treatment of paroxysmal supraventricular tachycardia); Alexion Pharmaceuticals (continued concerns about future competition to the company's lead products Soliris and Ultomiris); and Mirati Therapeutics (its shares rallied on hopes of a possible takeout, but then significantly underperformed when this did not occur).

Exhibit 5: Investment trust performance to 31 July 2020

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



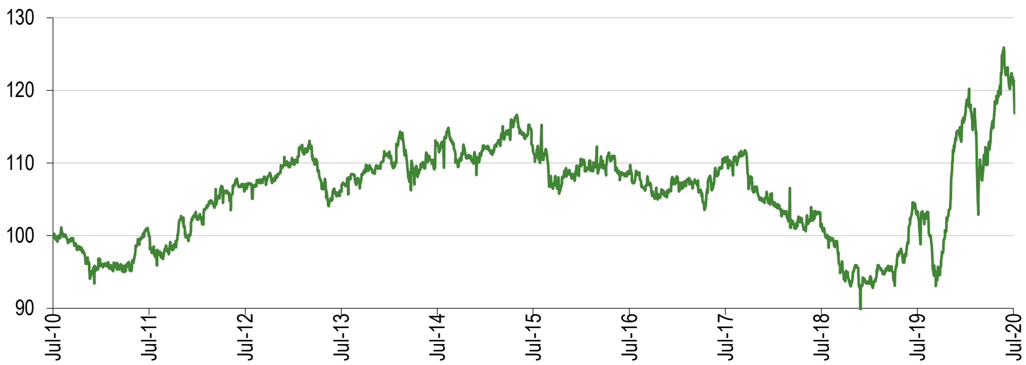
Source: Refinitiv, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to NASDAQ Biotechnology	5.8	15.0	12.9	26.9	18.1	13.2	29.8
NAV relative to NASDAQ Biotechnology	(0.5)	8.5	3.0	17.7	10.0	8.9	21.4
Price relative to World-DS Pharm & Bio	2.6	18.2	24.1	32.5	12.9	(4.6)	94.5
NAV relative to World-DS Pharm & Bio	(3.6)	11.5	13.2	22.8	5.1	(8.3)	81.9
Price relative to MSCI World	(0.8)	10.5	34.3	50.6	20.2	(17.1)	157.1
NAV relative to MSCI World	(6.7)	4.2	22.6	39.6	11.9	(20.3)	140.5
Price relative to CBOE UK All Companies	1.7	18.6	64.4	85.8	69.5	35.2	369.2
NAV relative to CBOE UK All Companies	(4.4)	11.9	50.0	72.3	57.8	30.0	339.0

Source: Refinitiv, Edison Investment Research. Note: Data to end-July 2020. Geometric calculation.

Exhibit 7: NAV total return performance relative to benchmark over 10 years



Source: Refinitiv, Edison Investment Research

BIOG has delivered very strong absolute total returns over the past decade (Exhibit 5, RHS) – NAV +22.5% pa and share price +23.3% pa, which are ahead of the benchmark's +20.1% pa. Investors have enjoyed particularly high returns over the past 12 months (NAV +40.4% and share price +51.5% versus the benchmark +19.3%), which includes pullbacks over the past month.

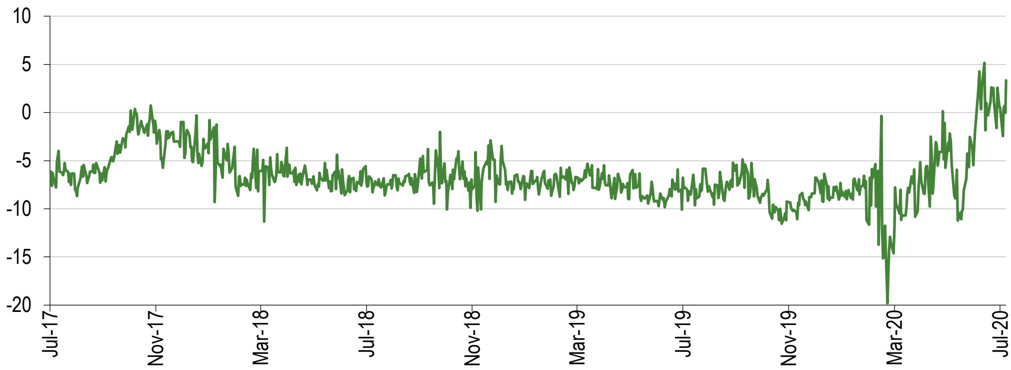
The trust's relative returns are shown in Exhibit 6; it has outperformed its benchmark over almost all periods shown, in both NAV and share price terms. Outperformance versus the broad UK market is particularly notable over the near-, medium- and long term.

Discount: Coronavirus-induced volatility

Renewed annually, BIOG has authority to purchase up to 14.99% and allot up to 10% of issued share capital. Due to the high levels of stock market volatility in March 2020 as a result of the coronavirus pandemic, BIOG's board decided that it would be in shareholders' best interests to suspend buybacks, although it remains committed to limiting the discount to a maximum of c 6% in normal market conditions. During FY20, 12.8m shares (24.6% of the share base) were repurchased. So far in FY21, there have been no further buybacks, but a modest number of shares have been issued at a premium to NAV (Exhibit 1).

BIOG's current 3.3% share price premium to cum-income NAV compares with a wide valuation range of a 5.2% premium to a 19.8% discount over the past 12 months. Over the past one, three, five and 10 years, the trust has traded at average discounts of 7.2%, 6.6%, 6.5% and 5.5%, respectively.

Exhibit 8: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

BIOG is a conventional investment trust with one class of share; there are currently 39.6m ordinary shares in issue. Gearing is employed up 20% of NAV via a loan facility with JP Morgan Securities, priced at 45bp above the US Federal Funds rate. At the end of June 2020, the trust's net gearing was 8.5%.

OrbiMed is paid an annual management fee of 0.65% of BIOG's NAV and Frostrow Capital (the trust's alternative investment fund manager, which provides company management, secretarial, administrative and marketing services) receives an annual fee of 0.3% of the trust's market cap, plus a fixed fee of £60k pa. A performance fee is payable – 16.5% of outperformance versus the benchmark (15.0pp and 1.5pp to OrbiMed and Frostrow, respectively); none was paid in FY20, despite the trust's outperformance. A performance fee is only payable to the extent that the cumulative outperformance since the commencement of the arrangement on 30 June 2005 gives rise to a total fee greater than the total of all performance fees paid to date. For FY20, BIOG's ongoing charges were 1.1%, which was in line with the prior three financial years. The trust is subject to a continuation vote every five years; the next is due at the July 2025 AGM. Just 0.01% of shareholders voted against the proposal at the recent 2020 AGM.

Dividend policy and record

BIOG's investment objective is to generate long-term capital growth rather than income and a large proportion of the fund is invested in early-stage companies that invest for further growth rather than returning cash to shareholders. In FY20, the trust's revenue return was a modest 1.0p per share, which was in line with FY19. No dividend has been paid since 2001 (0.2p per share).

Peer group comparison

Exhibit 9 shows the six well-established funds in the AIC Biotechnology & Healthcare sector, along with two Switzerland-listed funds, BB Biotech and HBM Healthcare Investments. BIOG's NAV total return ranks first over the past 12 months by a considerable margin, and is also first out of six funds over the past decade, while its three- and five-year records are below the mean. At the date shown in the table, the trust was one of seven funds trading at a premium; it has one of the lowest ongoing charges (second only to its stablemate Worldwide Healthcare Trust), the highest level of gearing and does not pay a dividend.

Exhibit 9: Biotech and healthcare investment companies, as at 7 August 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Biotech Growth Trust	507.9	46.8	44.9	48.4	665.5	2.6	1.1	Yes	109	0.0
BB Biotech	3,190.5	30.7	29.3	39.4	644.2	1.0	1.3	No	103	5.0
BB Healthcare	757.6	28.5	58.6			0.9	1.2	No	100	3.0
HBM Healthcare Investments	1,664.5	20.6	88.4	154.5	478.1	21.2	1.2	No	100	2.6
International Biotechnology Trust	290.6	21.9	32.7	38.4	453.7	0.1	1.3	Yes	106	3.3
Polar Capital Global Healthcare	292.3	11.3	32.4	49.3	247.6	(10.6)	1.1	Yes	104	0.9
Syncona	1,701.3	(7.6)	38.2	56.4		37.6	1.8	No	100	0.0
Worldwide Healthcare Trust	2,022.0	25.6	42.7	71.9	450.4	0.9	0.9	Yes	100	0.7
Average	**1,303.3**	**22.2**	**45.9**	**65.5**	**489.9**	**6.7**	**1.2**		**103**	**1.9**
Trust rank in sector (eight funds)	**6**	**1**	**3**	**5**	**1**	**3**	**7**		**1**	**7=**

Source: Morningstar, Edison Investment Research. Note: *Sterling performance to 6 August 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

There are six directors on BIOG's board, five of whom are independent of the manager. Chairman Andrew Joy was appointed as a director in March 2012 and assumed his current role in July 2016. The other directors and their years of appointment are: Professor Dame Kay Davies (2012), Steven Bates and the Rt Hon Lord Willetts (both 2015), Julia Le Blan (2016), and Geoff Hsu (2018). As Hsu is a partner at OrbiMed, he is considered to be a non-independent director.

EDISON

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