

# Worldwide Healthcare Trust

## Strong H126 performance amid sector recovery

Investment companies  
Global healthcare equities

**Worldwide Healthcare Trust (WWH) delivered a strong H126 (to 30 September 2025), with NAV and share price total returns of +5.0% and +10.9%, respectively, significantly outperforming the benchmark's -5.3% total return. This marks the trust's best six-month period in the past decade. Co-managers Sven Borho and Trevor Polischuk, based at global healthcare specialist OrbiMed, attribute the performance to their continued focus on innovation and long-term growth, particularly in emerging (small-cap) biotech and Chinese stocks. Since its launch in April 1995 to the end of September 2025, WWH has generated average annual NAV total returns of +13.4%, beating the benchmark's +10.9%. The recent drug pricing deal between President Trump and Pfizer has removed a long-term policy overhang that had weighed on the sector, and the managers believe that the healthcare sector is well-positioned for a catch-up, after a protracted period of underperformance.**

2 December 2025

|                        |                            |
|------------------------|----------------------------|
| <b>Price</b>           | <b>390.50p</b>             |
| <b>Market cap</b>      | <b>£1,521m</b>             |
| <b>Total assets</b>    | <b>£1,631m</b>             |
| NAV                    | 418.6p                     |
| 1 At 28 November 2025. |                            |
| Discount to NAV        | 6.8%                       |
| Current yield          | 0.6%                       |
| Shares in issue        | 389.4m                     |
| Code/ISIN              | WWH/GB00BN455J50           |
| Primary exchange       | LSE                        |
| AIC sector             | Biotechnology & Healthcare |
| Financial year end     | 31 March                   |
| 52-week high/low       | 397.0p / 265.5p            |
| NAV high/low           | 421.6p / 308.3p            |
| Net gearing            | 0.2%                       |

<sup>1</sup>Net cash at 31 October 2025.

### Fund objective

Worldwide Healthcare Trust is a specialist investment trust that invests in the global healthcare sector, with the objective of achieving a high level of capital growth. Gearing and derivative transactions are used to enhance capital returns and mitigate risk. Performance is measured against the MSCI World Health Care Index (sterling adjusted).

### Bull points

- Specialised healthcare fund diversified by subsector, geography and market cap.
- Significant long-term record of outperformance versus the benchmark.
- Managers are able to draw on the very deep resources of OrbiMed's investment team.

### Bear points

- Disappointing medium-term relative performance.
- Periodic political risk from investing in healthcare stocks.
- Modest dividend yield.

### Analysts

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Source: WWH

### Why consider WWH?

The managers' conviction in the trust's long-term strategy has been rewarded by recent events. The Trump-Pfizer deal in September 2025, followed by similar agreements with AstraZeneca, Eli Lilly and Novo Nordisk, represents a clearing event for the sector, removing a 10-year 'wall of worry' on drug pricing. The DRG (pharmaceutical) and XBI (biotech) indices both rose by 10% following the news. WWH's portfolio positioning reflects the managers' focus on innovation and growth. The trust maintains a notable 20% exposure to emerging biotech. One of the trust's largest holdings is a proprietary biotech M&A swap basket, a derivative product constructed and managed by OrbiMed comprising hand-picked companies considered likely M&A targets. The basket rose 24.9% in H126, outperforming both the XBI index (+15.9%) and the biotechnology portion of the benchmark (-2.9%). The managers also maintain a differentiated allocation to emerging markets, primarily China, which positively contributed to the H126 performance, although this was noted as a detractor in October 2025. They see multiple catalysts for continued outperformance. Innovation remains high, with advances in oncology, neurology, cardiometabolic diseases and therapies for genetic conditions. Biotech valuations continue to look attractive, with a high portion of biotechs trading at market caps below the level of cash on their balance sheets. This, combined with pharma companies facing a patent cliff of c \$300bn in branded sales this decade, creates an environment conducive to an acceleration in M&A activity.

## Performance review: WWH delivers strong H126 results

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WWH is managed by OrbiMed, a leading global healthcare specialist with c \$18bn of assets under management. It operates from offices in New York, San Francisco, London, Herzliya (in Israel), Hong Kong, Shanghai and Mumbai. OrbiMed has a team of c 145 people, of whom over 35 hold PhD or MD qualifications and c 15 are former CEOs or company founders. The trust's portfolio is diversified by industry subsector, geography and market cap.

### Update from WWH's managers

Following the release of WWH's H126 results, Borho and Polischuk highlight that the Trump-Pfizer drug pricing deal (announced on 30 September 2025) represents a 'clearing event' for the biopharmaceutical industry. Under the agreement, Pfizer committed \$70bn in US manufacturing and R&D investment, agreed to the TrumpRx programme (offering cash-paying Americans discounts of up to 85% off list prices) and accepted Most Favoured Nation pricing for Medicaid patients and new products going forward. In return, Pfizer received a three-year tariff stay, with pricing impacts largely considered net neutral to positive. Similar deals followed with AstraZeneca (10 October 2025), Eli Lilly and Novo Nordisk (early November). The DRG index rose by >10% in the two days following the Pfizer announcement (a five-standard deviation shift), while the XBI index rose by >10% over the subsequent two weeks.

The managers have noted that while the six-month reporting period was generally bullish for equity markets with all-time highs recorded for the MSCI World Index and the S&P 500, healthcare stocks continued to underperform. More specifically, WWH's benchmark, the MSCI World Health Care Index, underperformed the MSCI World Index by c 20% (sterling; total return) due to headwinds faced by the sector, mainly from the Trump administration. Nevertheless, the managers believe the sector is poised for a performance catch-up given the strong fundamentals, emerging policy clarity and attractive valuations.

### H126 highlights

**Performance** – NAV and share price total returns of +5.0% and +10.9%, respectively, significantly outperformed the benchmark's -5.3% total return. This represents a 10.3pp NAV outperformance and marks the trust's best first half in 20 years and its best six-month period in the past decade. Subsector allocation was the key driver of outperformance, with positive stock selection enhancing excess returns. The main positive contributors to performance were biotechnology (+6.4%) and emerging markets (+3.7%, primarily China), while the largest detractor was medical technology (-1.7%). Within biotech, the 6.7pp outperformance versus the benchmark was split between equities (+3.9pp) and the M&A basket (+2.8pp).

**Dividends** – the board declared an unchanged 0.7p per share interim dividend. The portfolio's exposure to larger, dividend-paying companies declined during the reporting period, and the FY26 final dividend payment is expected to be lower year-on-year (in the absence of any material changes). Generally, WWH pays the minimum dividends required to satisfy investment trust rules, as the board prefers capital to be reinvested into the trust's portfolio.

**Share repurchases** – during the period, c 87.1m shares were bought back into treasury at a cost of c £273.8m, and an average discount of 7.0%. Over the course of H126, WWH's discount narrowed from 12.4% to 7.4%. Share repurchases have continued in H226.

**Board changes** – the chair, Doug McCutcheon, will retire at the conclusion of the next AGM (July 2026) and will be succeeded by William Hemmings.

### Portfolio positioning and recent changes

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Reflecting the country's dominance in the global healthcare industry, the majority of WWH's portfolio continues to be made up of US-listed stocks. The trust's largest holding is the proprietary M&A swap basket, a derivative product constructed and managed by OrbiMed, comprised of biotech companies that it believes are the likely to be acquired (a total of 60 stocks at end-September 2025, up from 20 stocks at end-September 2024). This strategy has proved successful, as since the swap basket's inception at end-April 2022, it has appreciated by 72.9% (at end-September 2025), significantly surpassing the performance of the XBI index (+26.8%).

At end-October 2025, WWH's top 10 positions made up 61.6% of the fund (Exhibit 1), which was a higher concentration versus 55.8% 12 months earlier, and 46.1% at end-October 2023. Six positions were common to both end-October 2025 and end-October 2024. At end-October 2025, there were 49 holdings in the portfolio, which had a 70.6% active

share, versus 56 and 63.2%, respectively, 12 months earlier. Active share is a measure of how a fund compares with its benchmark, with 0% being full index replication and 100% no commonality. Annualised turnover was 66.0%, notably higher than 42.1% a year before.

#### Exhibit 1: Top 10 holdings (as at 31 October 2025)

| Company                         | Region        | Sector                          | End October 2025 | End October 2024 |
|---------------------------------|---------------|---------------------------------|------------------|------------------|
| Biotech M&A target swap         | North America | Swap baskets                    | 10.5             | 9.1              |
| Eli Lilly & Co                  | North America | Pharmaceuticals                 | 9.8              | 8.8              |
| Boston Scientific               | North America | Healthcare equipment & supplies | 8.4              | 7.5              |
| AstraZeneca                     | Europe        | Pharmaceuticals                 | 6.9              | 5.4              |
| Intuitive Surgical              | North America | Healthcare equipment & supplies | 5.4              | 5.7              |
| Edwards Lifesciences            | North America | Healthcare equipment & supplies | 4.8              | N/A              |
| Jiangsu Hengrui Pharmaceuticals | China         | Pharmaceuticals                 | 4.2              | N/A              |
| Stryker                         | North America | Healthcare provider & services  | 4.1              | 3.6              |
| Argenx                          | Europe        | Biotechnology                   | 4.0              | N/A              |
| Alynium Pharmaceuticals         | North America | Biotechnology                   | 3.5              | N/A              |
| <b>Top 10</b>                   |               |                                 | <b>61.6</b>      | <b>55.8</b>      |

Source: WWH, Edison Investment Research. Note: \*N/A where not in end-October 2024 top 10.

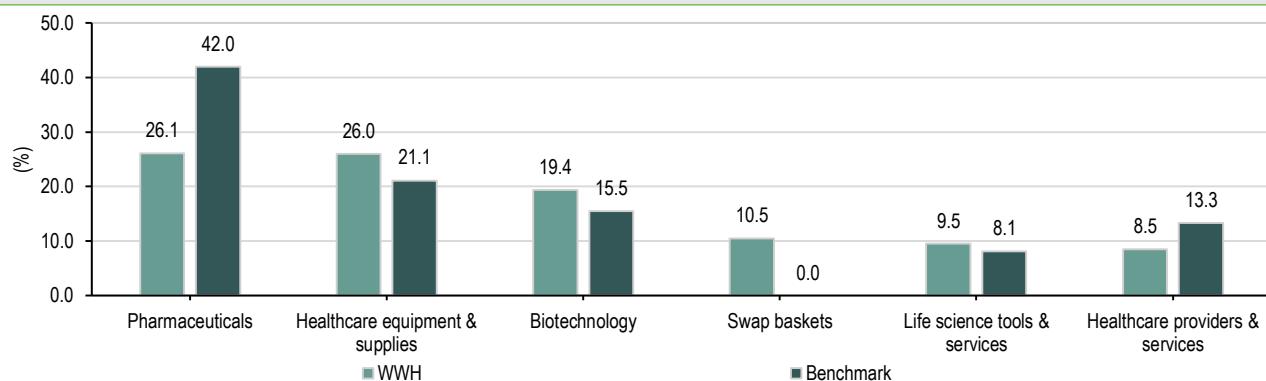
Exhibits 2 and 3 illustrate the managers' long-term strategy of favouring smaller-cap biotech stocks over larger-cap pharma stocks. This is reflected in WWH's largest active weight (pharmaceuticals), which is 15.9pp lower than the benchmark. At end-October 2025, the trust's exposure to healthcare equipment and supplies had increased year-on-year to 26.0%, from 21.7%. Conversely, the allocation to healthcare providers and services was reduced to 8.5%, from 16.2% at end-October 2024, reflecting policy concerns around managed care and hospital exposure, among other macroeconomic pressures.

#### Exhibit 2: Portfolio year-on-year subsector changes and active weights (% unless stated)

| % unless stated                 | Portfolio October 2025 | Portfolio October 2024 | Change | Benchmark October 2025 | Active weight (pp) |
|---------------------------------|------------------------|------------------------|--------|------------------------|--------------------|
| Pharmaceuticals                 | 26.1                   | 27.7                   | (1.6)  | 42.0                   | (15.9)             |
| Healthcare equipment & supplies | 26.0                   | 21.7                   | 4.3    | 21.1                   | 4.9                |
| Biotechnology                   | 19.4                   | 18.6                   | 0.8    | 15.5                   | 3.9                |
| Swap baskets                    | 10.5                   | 9.1                    | 1.4    | 0.0                    | 10.5               |
| Life science tools & services   | 9.5                    | 6.7                    | 2.8    | 8.1                    | 1.4                |
| Healthcare providers & services | 8.5                    | 16.2                   | (7.7)  | 13.3                   | (4.8)              |
|                                 | 100.0                  | 100.0                  |        | 100.0                  |                    |

Source: WWH, MSCI, Edison Investment Research

#### Exhibit 3: WWH's subsector exposure versus the benchmark (at end-October 2025)



Source: WWH, MSCI, Edison Investment Research

## Performance: Recovery signals sector inflection

WWH is the largest company in the AIC Biotechnology & Healthcare sector (Exhibit 4). Its NAV total return is above the mean of the five funds over the last decade but below average over the other periods shown. The trust's closest peers are Bellevue Healthcare and Polar Capital Global Healthcare. Compared with these two funds, WWH's NAV total return ranks second out of three funds over the last one, three and five years and second out of two funds over the last decade. The trust has the third-highest valuation in a sector where one fund is trading at a discount. WWH has the lowest ongoing charges ratio and is currently ungeared. There are four funds in the sector that pay a dividend; WWH's is the third highest as the two highest-yielding funds can pay dividends out of capital.

**Exhibit 4: AIC Biotechnology & Healthcare sector at 1 December 2025**

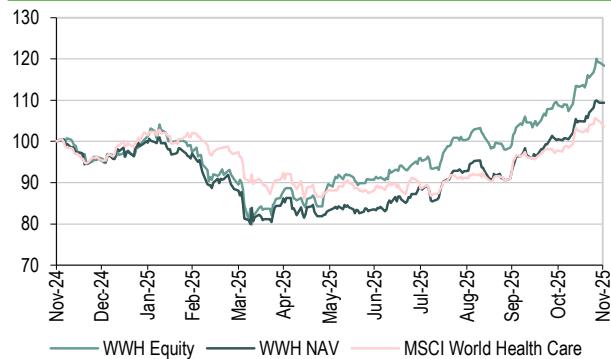
| % unless stated                 | Market cap (£m) | NAV TR 1Y | NAV TR 3Y | NAV TR 5Y | NAV TR 10Y | Prem/disc | Ongoing charge | Performance fee | Net gearing | Dividend yield |
|---------------------------------|-----------------|-----------|-----------|-----------|------------|-----------|----------------|-----------------|-------------|----------------|
| Worldwide Healthcare            | 1,520.6         | 9.3       | 21.3      | 22.1      | 128.5      | (5.9)     | 0.8            | Yes             | 100         | 0.6            |
| Bellevue Healthcare             | 127.7           | (1.6)     | 0.3       | 1.7       |            | (5.4)     | 1.0            | No              | 102         | 3.6            |
| Biotech Growth                  | 267.1           | 31.4      | 38.3      | (7.0)     | 77.7       | (6.5)     | 1.1            | Yes             | 107         | 0.0            |
| International Biotechnology     | 297.3           | 36.1      | 68.8      | 56.6      | 150.8      | (7.6)     | 1.2            | Yes             | 100         | 3.4            |
| Polar Capital Global Healthcare | 516.6           | 9.7       | 27.6      | 63.5      | 159.0      | 1.1       | 0.9            | No              | 100         | 0.6            |
| RTW Biotech Opportunities       | 479.5           | 16.9      | 48.5      | 63.5      |            | (17.9)    | 1.8            | Yes             | 100         | 0.0            |
| Syncona                         | 571.1           | (6.1)     | (17.2)    | (17.4)    | 47.5       | (44.0)    | 1.6            | No              | 100         | 0.0            |
| Average (7 funds)               | 540.0           | 13.7      | 26.8      | 26.1      | 112.7      | (12.3)    | 1.2            |                 | 101         | 1.2            |
| Rank                            | 1               | 5         | 5         | 4         | 3          | 3         | 1              |                 | 6           | 3              |

Source: Morningstar, Edison Investment Research. Note: TR, total return. Performance at 28 November 2025.

In H126, WWH's NAV and share price total returns of +5.0% and +10.9%, respectively, outperformed the benchmark's -5.3% total return. These positive results were encouraging given the volatility and decline in the healthcare sector during the period, and there was a currency headwind as sterling strengthened by 4.3% versus the US dollar (the denomination of most of the trust's investee companies). With the share price return outperforming the NAV, WWH's discount narrowed significantly from 12.4% to 7.4% during H126. The managers attribute WWH's outperformance to its long-term strategy of being overweight in the more innovative sectors of biotechnology and emerging markets, and underweight pharmaceuticals, relative to the benchmark.

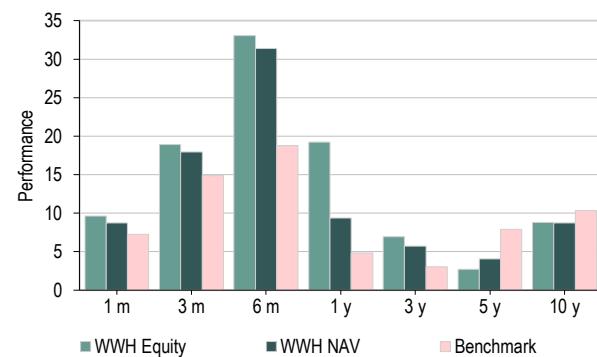
On a single security basis, the five biggest positive contributors were: Jiangsu Hengrui Pharmaceuticals (Chinese biotech); Alnylam Pharmaceuticals (US-based RNAi therapeutics); Sino Biopharmaceutical (Chinese biotech); UCB (Belgian company focused on immunology and neuroscience); and Caris Life Sciences (US-based precision medicine diagnostics). The largest detractors were: Vertex Pharmaceuticals (sold following a Phase II trial failure); Boston Scientific (although the managers remain convinced about the company's long-term growth prospects); Intuitive Surgical (due to concerns around US hospital capital spending and emerging instrument competition); Eli Lilly (oral GLP-1 obesity data disappointed); and UnitedHealth Group (sold due to Medicare reimbursement issues).

**Exhibit 5: Price, NAV and benchmark total return performance, one year re-based**



Source: LSEG Data & Analytics, Edison Investment Research

**Exhibit 6: Price, NAV and benchmark total return performance (%)**



Source: LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year figures annualised.

WWH's strategy of favouring more innovative subsectors has been successful over the long term. However, it was detrimental to the performance of the trust relative to the benchmark between Q121 and Q222, when growth stocks (including biotech) came under pressure in a rising interest rate environment.

Looking at WWH's more recent performance, October 2025 saw further outperformance with NAV and share price total returns of +8.6% and +9.6%, respectively, versus the benchmark's +5.7% total return. While nearly all subsectors contributed positively to WWH's returns, the largest contributor (on both an absolute and relative basis) was biotechnology. Top performers included Avidity Biosciences (which was acquired by Novartis at a 46% premium), argenx (due to its strong commercial execution) and the OrbiMed M&A swap basket (the managers noted that the pace of M&A more than doubled in October with nine deals announced amounting to over \$21bn). Counter to the trust's recent half-year performance, emerging markets (notably Chinese biotech stocks) were a detractor, with some core investments (including Jiangsui Hengrui Pharmaceuticals, Akeso and Sino Biopharmaceutical) selling off due to profit taking.

Borho and Polischuk remain optimistic about the outlook for the healthcare sector. In particular, they are encouraged by the industry's efforts in working with the Trump administration, noting that long-winded negotiations are now providing positive results regarding tariff avoidance and clarity on drug pricing. With these headwinds turning into tailwinds, the managers are bullish on the healthcare sector into the end of 2025 and beyond.

#### Exhibit 7: Share price and NAV total return performance, relative to indices (%)

|  | 1 month | 3 months | 6 months | 1 year | 3 years | 5 years | 10 years |
|--|---------|----------|----------|--------|---------|---------|----------|
| Price relative to MSCI World Health Care | 2.2     | 3.5      | 12.0     | 13.7   | 11.7    | (21.9)  | (13.2)   |
| NAV relative to MSCI World Health Care   | 1.4     | 2.6      | 10.6     | 4.3    | 7.8     | (16.7)  | (13.6)   |
| Price relative to WORLD-DS Pharm & Bio   | 0.5     | 0.9      | 6.8      | 4.5    | 0.3     | (25.4)  | (8.9)    |
| NAV relative to WORLD-DS Pharm & Bio     | (0.3)   | 0.1      | 5.4      | (4.1)  | (3.2)   | (20.5)  | (9.4)    |
| Price relative to CBOE UK All Cos        | 8.9     | 12.4     | 18.4     | (0.6)  | (13.9)  | (36.3)  | 6.4      |
| NAV relative to CBOE UK All Cos          | 8.0     | 11.5     | 16.9     | (8.9)  | (16.9)  | (32.1)  | 5.9      |

Source: LSEG Data & Analytics, Edison Investment Research. Note: Data to end-November 2025. Geometric calculation.

#### Exhibit 8: NAV total return performance relative to benchmark over 10 years



Source: LSEG Data & Analytics, Edison Investment Research

#### Exhibit 9: Five-year discrete performance data

| 12 months ending | Share price | NAV   | MSCI World Healthcare | World-DS pharma & Bio | CBOE UK All Companies |
|------------------|-------------|-------|-----------------------|-----------------------|-----------------------|
| 30/11/21         | (0.8)       | (0.9) | 16.6                  | 8.9                   | 17.1                  |
| 30/11/22         | (5.7)       | 4.3   | 14.7                  | 15.5                  | 7.9                   |
| 30/11/23         | (9.9)       | (7.9) | (7.2)                 | (5.5)                 | 1.5                   |
| 30/11/24         | 13.8        | 17.2  | 12.5                  | 13.2                  | 16.7                  |
| 30/11/25         | 19.2        | 9.4   | 4.8                   | 14.0                  | 20.0                  |

Source: LSEG Data & Analytics, Edison Investment Research. Note: All % on a total return basis in pounds sterling.

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