EDISON

Worldwide Healthcare Trust

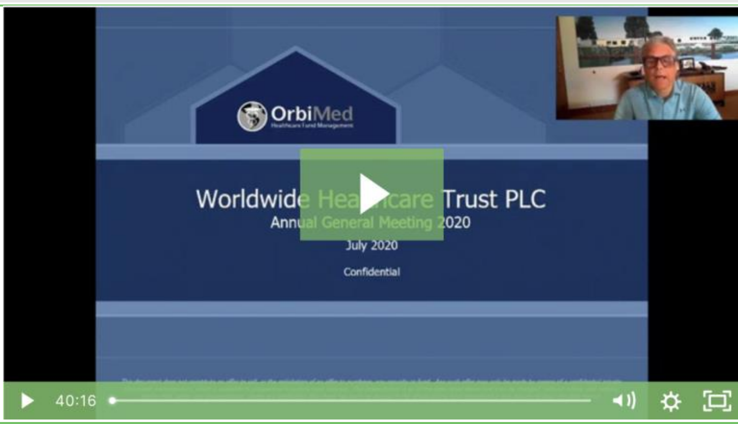
Marking 25 years with strong performance

Investment trusts
Global healthcare equities

30 July 2020

Worldwide Healthcare Trust (WWH) is celebrating its 25th anniversary. Managed by Sven Borho and Trevor Polischuk at OrbiMed, the trust has an enviable absolute and relative performance track record. The managers remain very constructive on the prospects for the global healthcare sector, suggesting that while President Trump has once again focused on the issue of US drug pricing, his 'bark is worse than his bite', and his efforts are a negotiating ploy to get the healthcare industry to the table to discuss reforms. They highlight minimal disruptions at the US Food and Drug Administration (FDA) as a result of the coronavirus, and expect an uptick in industry mergers and acquisitions (M&A) in H220 and beyond.

WWH AGM video with manager Sven Borho



Source: Worldwide Healthcare Trust

The market opportunity

Healthcare stocks have performed better than the global market over the long term and, due to a favourable industry backdrop, there is potential for this to continue. Demand is robust, innovation is at an elevated level, until very recently the political environment has been more benign and there could be an acceleration in M&A, which should be supportive for the sector's performance.

Why consider investing in WWH?

- Well-established trust offering diversified exposure to the global healthcare sector across the market cap spectrum.
- Strong absolute results – NAV and share price total returns of c 20% pa over the past decade and outperformance versus the MSCI World Health Care Index over the past one, three, five and 10 years.
- Experienced managers, able to draw on the resources of industry specialist OrbiMed's large investment team.

Regularly trading close to NAV

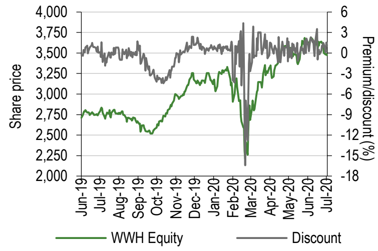
WWH's shares regularly trade close to NAV. The current 1.1% premium to cum-income NAV compares to a range of an average 0.3% premium to an average 3.8% discount over the past one, three, five and 10 years. While the trust aims to generate long-term capital growth, it also pays semi-annual dividends. Based on its current share price, WWH offers a 0.7% yield.

Price	**3,475.0p**
Market cap	**£2,013m**
AUM	**£1,990m**
NAV*	3,431.1p
Premium to NAV	1.3%
NAV**	3,437.2p
Premium to NAV	1.1%

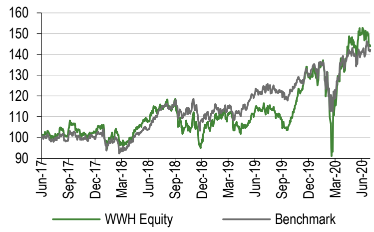
*Excluding income. **Including income. As at 28 July 2020.

Yield	0.7%
Ordinary shares in issue	57.9m
Code	WWH
Primary exchange	LSE
AIC sector	Biotechnology & healthcare
Benchmark	MSCI World Health Care

Share price/discount performance



Three-year performance vs index



52-week high/low	3,690.0p	2,210.0p
NAV* high/low	3,637.0p	2,486.6p

*Including income.

Gearing

Net cash*	2.8%

*As at 30 June 2020.

Analysts

Mel Jenner +44 (0)20 3077 5720
Sarah Godfrey +44 (0)20 3681 2519
investmenttrusts@edisongroup.com
Edison profile page

Worldwide Healthcare Trust is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

Worldwide Healthcare Trust's investment objective is to invest worldwide in pharmaceutical, biotechnology and related securities in the healthcare sector to achieve a high level of capital growth. Gearing and derivative transactions are used to mitigate risk and enhance capital returns.

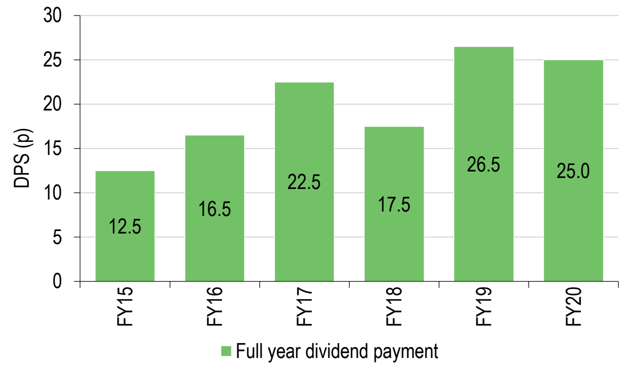
Recent developments

- 3 June 2020: Annual results to 31 March 2020. NAV TR +6.5% versus benchmark TR +5.7%, share price TR +8.0%.
- 28 May 2020: Announcement of second interim dividend of 18.5p per share (-7.5% year-on-year).
- 20 November 2019: Six-month results to 30 September 2019. NAV TR -2.7% versus benchmark TR +6.0%, share price TR -2.7%.
- 14 November 2019: Announcement of first interim dividend of 6.5p per share (unchanged year-on-year).

Forthcoming		Capital structure		Fund details	
AGM	July 2021	Ongoing charges	0.9%	Group	Frostrow Capital LLP (AIFM)
Interim results	November 2020	Net cash	2.8%	Manager	OrbiMed Advisors LLC
Year end	31 March	Annual mgmt fee	See page 8	Address	25 Southampton Buildings, London, WC2A 1AL, UK
Dividend paid	January, July	Performance fee	See page 8		
Launch date	April 1995	Trust life	Indefinite	Phone	+44 (0)20 3008 4910
Continuation vote	Five-yearly, next in 2024	Loan facilities	Up to 20% of net assets	Website	www.worldwidewh.com

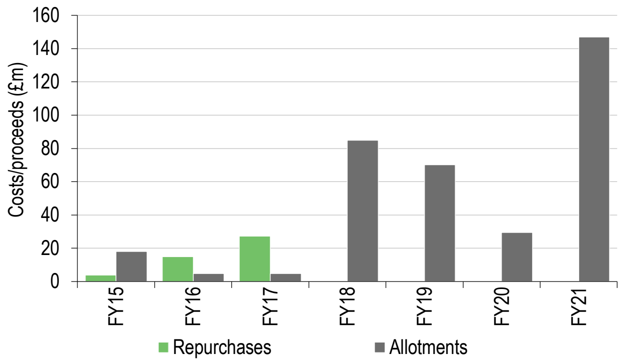
Dividend policy and history (financial years)

In line with the requirement for investment trusts to pay out 85% of their income net of expenses, two interim dividends a year are paid in January and July.

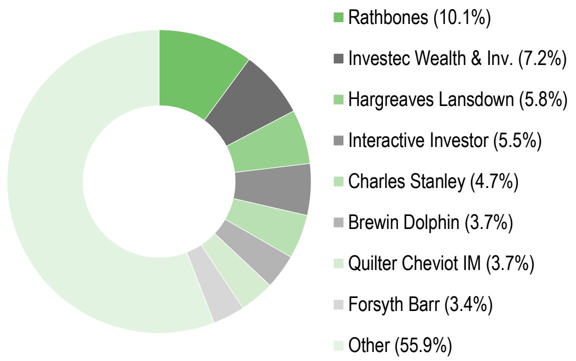


Share buyback policy and history (financial years)

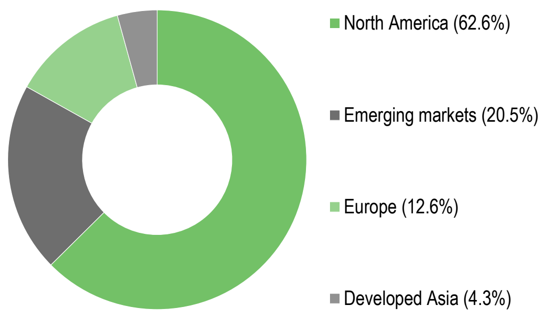
The trust has authority to purchase up to 14.99% and allot up to 10% of issued share capital.



Shareholder base (as at 30 June 2020)



Portfolio exposure by geography (as at 30 June 2020)



Top 10 holdings (as at 30 June 2020)

Company	Region	Sector	Portfolio weight %	
			30 June 2020	30 June 2019*
Alexion Pharmaceuticals	North America	Pharmaceuticals	5.0	4.9
Merck & Co	North America	Pharmaceuticals	4.7	5.2
Takeda Pharmaceutical	Developed Asia	Pharmaceuticals	4.3	8.6
Bristol-Myers Squibb	North America	Pharmaceuticals	4.2	N/A
Novartis	Europe	Pharmaceuticals	3.8	4.0
Boston Scientific	North America	Healthcare equipment	3.8	6.5
Biogen	North America	Biotechnology	3.8	N/A
Vertex Pharmaceuticals	North America	Biotechnology	3.5	2.9
Horizon Therapeutics	North America	Pharmaceuticals	3.1	N/A
Mirati Therapeutics	North America	Biotechnology	3.0	N/A
Top 10 (% of portfolio)			**39.2**	**44.2**

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

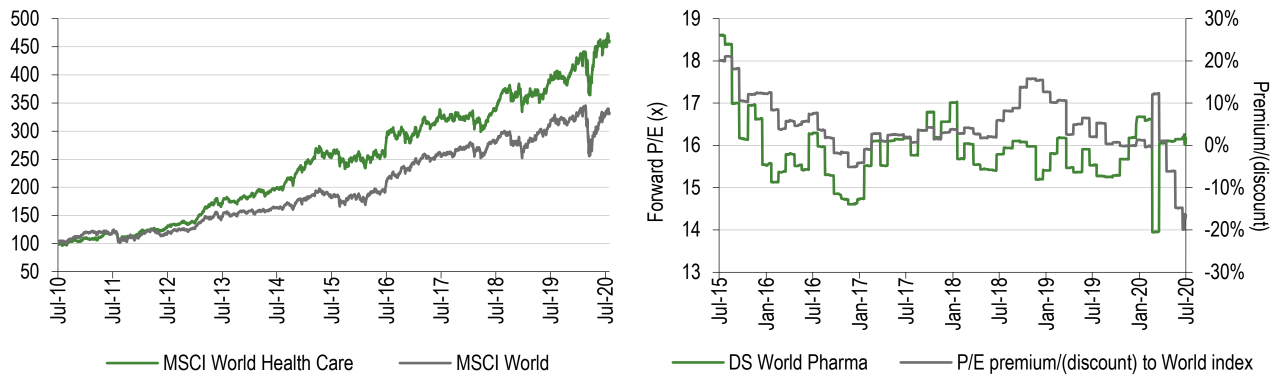
Market outlook: Favourable industry backdrop

Over the past decade, investors have been well served by investing in healthcare stocks, as they have significantly outperformed the global market (Exhibit 2, LHS). While not immune to the coronavirus-led stock market sell-off earlier this year, healthcare stocks have bounced back strongly in recent months. Industry fundamentals remain very favourable due to secular demand growth driven by an ageing global population and rising disposable income in emerging markets. There is a high level of innovation as healthcare companies are working to address unmet medical needs, the regulatory environment is supportive with a high number of drug approvals, and an acceleration in M&A could also support the relative performance of healthcare stocks. Given the healthcare industry's efforts to find treatments and cures for COVID-19, general sentiment towards the sector has shifted and become more favourable, although recently President Trump has once again focused on the issue of US drug pricing following his slide in the opinion polls due to his handling of the coronavirus crisis.

Absolute and relative valuations of global pharma stocks, which are by far the largest subsector of the healthcare industry, are shown in Exhibit 2 (RHS). The Datastream World Pharma index is trading on a forward P/E multiple of 16.2x, which is modestly higher than its 15.9x five-year average. Pharma stocks are trading at a 16.5% discount to the world market, which compares with a 4.6% average premium over the past five years. However, the higher P/E multiples in the wider market may be a function of depressed corporate earnings due to the coronavirus pandemic. Given the favourable industry backdrop and a more benign political attitude to the sector, investors may continue to benefit from an allocation to healthcare stocks.

Exhibit 2: Market performance and valuation

MSCI World Health Care and MSCI World indices total returns (£) | **Absolute and relative forward P/E multiple for DS World Pharma index**



Source: Refinitiv, Edison Investment Research. Note: Valuation data as at 29 July 2020.

Fund profile: Celebrating its 25th anniversary

Launched in 1995, WWH is traded on the Main Market of the London Stock Exchange. It is managed by OrbiMed, which is one of the largest global specialist healthcare investors. The firm has 11 regional offices with a team of more than 100 investment professionals, of whom 30 hold PhD or MD qualifications and 15 are former CEOs or company founders. OrbiMed has more than $13bn of assets under management, including c $5bn in public equities. Managers Sven Borho and Trevor Polischuk invest in the global healthcare sector, aiming to achieve a high level of capital growth. WWH is subject to a series of investment guidelines and limits:

- a maximum 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 (market cap at or above $10bn), with at least 20% in smaller companies (market cap less than $10bn);

- a maximum 10% in unquoted securities at the time of acquisition;
- up to 5% of the portfolio, at the time of acquisition, may be invested in each of debt instruments, convertibles and royalty bonds issued by pharma and biotech companies; and
- a maximum of 30% of the portfolio, at the time of acquisition, may be invested in companies in each of the following subsectors: healthcare equipment and supplies, and healthcare providers and services.

The use of derivatives is permitted to enhance returns and mitigate risk, currency exposure is unhedged, and the managers may gear up to 20% of net assets; at end-June 2020, the trust had a net cash level of 2.8%. WWH's performance is benchmarked against the MSCI World Health Care Index (sterling-adjusted). Data from OrbiMed show that from the trust's inception in 1995 to 30 June 2020, its NAV total return has compounded at a rate of +16.3% pa, which is considerably ahead of the blended benchmark's total return of +12.2% pa.

The fund managers: Sven Borho and Trevor Polischuk

The manager's view: Favourable industry attributes

Polischuk explains that stock market volatility in March 2020 was severe due to the coronavirus pandemic, but WWH's managers exercised patience rather than chasing the next cure or treatment for COVID-19. However, the trust's performance has benefited from some of its holdings including CanSino Biologics, which is developing a vaccine for the virus, and Gilead Sciences, whose drug remdesivir is being used as a treatment for the disease. Polischuk says that in response to the pandemic there were more than 1,100 COVID-19 trials underway in less than three months, an uptick in diagnostic approvals at the US FDA and around 100 vaccine programmes commenced.

The manager comments that before President Trump's recent re-focus on US drug pricing there had been a 'dramatic' shift in sentiment towards the healthcare industry with reduced headwinds and increased tailwinds, partially due to the COVID-19 outbreak, and it was 'no longer considered on a par with the tobacco or big oil sectors'. The initial view on the healthcare industry was that it was 'profits over patients', but collaborative support in response to the pandemic has changed the general perception. In terms of politics, Joe Biden's success at securing the position of Democratic candidate for the November 2020 US presidential election was seen as a pivotal win for the healthcare industry. Polischuk believes that whether Trump or Biden is elected president, the status quo should be maintained, and that universal healthcare coverage (Medicare for All) is essentially a zero probability. With regard to drug price proposals, the manager suggests that whether the next president is a Republican or a Democrat, they will ultimately be unable to 'bash the healthcare industry', given its investment throughout the pandemic.

While the stock market is pricing in a V-shaped economic recovery, Polischuk considers this is unlikely. He explains that during past recessions, healthcare proved to be a defensive sector. While there has been some disruption to clinical trials as a result of the virus outbreak, the FDA has remained active. The manager believes that large healthcare companies' dividends are secure due to strong cash-flow generation, and it is 'business as usual for a lot of the industry'. M&A has traditionally been an important theme within the sector, and Polischuk says that while activity had dwindled, he expects an inflexion in the number of deals, citing anecdotal demand for emerging biotech companies. Despite the coronavirus, there has been no slowdown in FDA drug approvals in 2020 (25 in H120), which follows the most productive period ever, with 48 novel drug approvals in 2019, 59 in 2018 and 46 in 2017. The manager explains that innovation remains the driver for the healthcare industry. With so many novel platforms, such as antibody-drug conjugates, bispecific antibodies, immunotherapy and targeted therapies, he describes it 'a golden era' for indications that previously lacked treatments. Polischuk says that many of the 2019 drug approvals are 'mega-blockbuster with multi-billion-dollar annual sales potential'.

Asset allocation

Investment process: Disciplined, bottom-up stock selection

The managers are able to draw on the broad resources of OrbiMed's investment team. They select stocks on a bottom-up basis, aiming to generate long-term capital growth. OrbiMed has employed a Public Equity Portfolio Review process since 2009. Using this framework, the team meets regularly to discuss WWH's portfolio structure and individual holdings; this has continued during the pandemic when all staff have been working from home. Topics include clinical events, which have historically been the largest source of biotech and pharma share price volatility; regulatory events; new drug launches; doctor surveys; key opinion leader consultations and other field research. Company meetings are a very important element of the investment process.

WWH's portfolio is diversified by geography, subsector and market cap, although more than 60% of the fund is invested in US companies, reflecting the country's dominance in the global healthcare industry. Stocks are selected from an investible universe of around 1,000 companies, from early-stage preclinical businesses through to multinational biopharmaceutical firms. The managers seek companies with underappreciated product pipelines, robust balance sheets, strong management teams, and which are trading on reasonable valuations. At end-June 2020, WWH had 73 positions, the same number as a year earlier.

In FY20, the largest contribution to WWH's total returns came from its investments in emerging markets, particularly in China. Changes to the country's initial public offering (IPO) rules mean non-profitable biotech firms can now become publicly listed companies. The trust participated in many of these IPOs, including becoming a cornerstone investor, such as with CanSino Biologics. Within China, WWH also invests in blue-chip companies such as Aier Eye Hospital, Jiangsu Hengrui, and Jinxin Fertility. The managers are able to hold unlisted companies; at end-FY20, 1.0% of the portfolio was invested in pre-IPO companies (0.5% at end-FY19), while overall exposure to unquoted securities was 1.7% (1.8% at end-FY19).

Current portfolio positioning

At end-June 2020, WWH's top 10 positions made up 39.2% of the portfolio, somewhat less concentrated than 44.2% a year earlier; six positions were common to both periods. Looking at the breakdown of the fund in Exhibit 3, over the past 12 months the largest changes on a subsector basis are higher weightings to biotechnology (+11.0pp), and healthcare providers and services (+4.9pp), with lower exposures to healthcare equipment and supplies (-6.4pp) and pharmaceuticals (-5.2pp). On a regional basis, there is a higher emerging market weighting (+6.2pp), helped by the region's outperformance, with lower exposure to developed Asia (-5.7pp), which includes the sale of Japanese company Chugai Pharmaceutical.

Exhibit 3: Portfolio sector and geographic exposure (%)

Sector	End-June 2020	End-June 2019	Diff. (pp)	Region	End-June 2020	End-June 2019	Diff. (pp)
Biotechnology	39.3	28.3	11.0	North America	62.6	63.6	(1.0)
Pharmaceuticals	29.0	34.2	(5.2)	Emerging markets	20.5	14.3	6.2
Healthcare providers/services	13.3	8.4	4.9	Europe	12.6	12.1	0.5
Healthcare equip/supplies	13.1	19.5	(6.4)	Developed Asia	4.3	10.0	(5.7)
Life science tools & services	4.9	6.3	(1.4)				
Fixed & variable interest	0.4	1.1	(0.7)				
Emerging markets baskets	0.0	2.2	(2.2)				
	100.0	**100.0**			**100.0**	**100.0**	

Source: WWH, Edison Investment Research

In recent months Borho and Polischuk have been upgrading the quality of WWH's portfolio. They have increased the trust's large-cap pharma exposure due to the changing political landscape, along with a higher weighting to large-cap and emerging biotech. Exposure to healthcare providers and services was increased as the managers took advantage of severe share price weakness, especially in hospitals, during the coronavirus-led stock market sell-off. Borho and Polischuk have taken profits in life-science tools and reduced WWH's exposure to medtech, Japan and emerging markets (including CanSino Biologics). Large-cap biotech companies Gilead Sciences and Regeneron Pharmaceuticals are two more recent disposals from the portfolio; both of these companies' share prices had rallied, helped by their active COVID-19 programmes.

Performance: Solid long-term outperformance

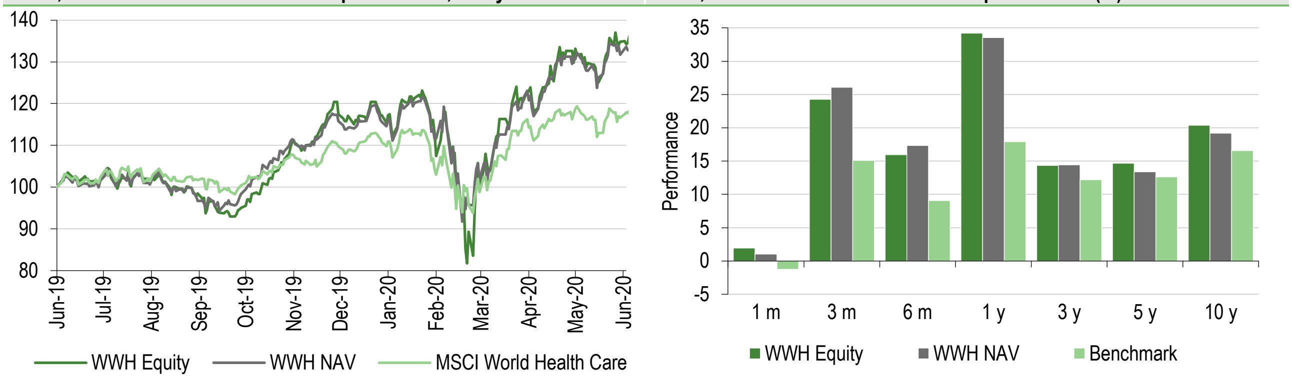
Exhibit 4: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	MSCI World Health Care (%)	DS World Pharma and Biotech (%)	CBOE UK All Companies (%)
30/06/16	(0.4)	3.7	12.8	9.4	1.7
30/06/17	33.1	20.6	13.6	10.4	18.3
30/06/18	8.0	8.0	3.7	2.5	9.5
30/06/19	3.1	3.8	15.6	12.0	0.3
30/06/20	34.2	33.6	17.9	22.2	(13.6)

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

Exhibit 5: Investment trust performance to 30 June 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. Benchmark is DS World Pharma & Biotech Index until 30 September 2010 and MSCI World Health Care Index thereafter.

During FY20 (ending 31 March), WWH's NAV and share price total returns of +6.5% and +8.0%, respectively, were ahead of the benchmark's +5.7% total return. The reporting period was essentially a year of two halves; in H120 the trust's NAV total return was -2.7% (underperforming the benchmark by 8.7pp), while in H220 it was +9.5% (outperforming by 9.5pp). During FY20, WWH was underweight large-cap pharma and biotech companies, and overweight emerging markets and emerging biotech stocks. This strategy was detrimental in H120, as investors favoured large-cap pharma stocks over emerging biotech stocks during a period of market instability. However, the mood changed in H220, particularly in Q320 (calendar Q419) as investors refocused on industry fundamentals, and emerging biotech and emerging market stocks performed particularly strongly. Holdings in medtech companies and healthcare services firms were also positive contributors, while positions in life-science tools, speciality pharma, generics and Japanese companies detracted from the trust's returns. WWH's performance was also boosted by sterling weakness and the use of gearing.

The top contributors to WWH's relative returns in FY20 were: CanSino Biologics (a Chinese company, which, among other opportunities, is developing a vaccine for COVID-19); eHealth (a US insurance broker specialising in enrolling individuals in the Medicare Advantage programme; it is the only broker that has significant online enrolment capability); and ArQule (a biotech company that received a takeover approach from Merck at a 130% premium to its pre-bid share price).

Positions detracting from performance included: Alexion Pharmaceuticals (a large-cap biotech company where investors are concerned about competition to its lead products eculizumab and ravulizumab); Takeda Pharmaceutical (its shares sold off during the coronavirus-led stock market weakness, due to the company's high level of debt incurred through its acquisition of Shire Pharmaceuticals); and Puma Biotechnology (which had a disappointing launch of its drug neratinib for breast cancer, due to adverse side effects). The trust's managers are active in addressing underperforming positions; of the top 10 detractors in FY20, eight have been exited.

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 MSCI World Health Care	3.2	8.0	6.3	13.9	5.8	9.4	39.5
NAV relative to MSCI World Health Care	2.3	9.5	7.6	13.3	6.0	3.4	26.3
Price relative to World-DS Pharm & Bio	1.5	7.1	2.2	9.8	6.5	16.9	50.1
NAV relative to World -DS Pharm & Bio	0.6	8.6	3.4	9.3	6.7	10.5	35.9
Price relative to CBOE UK All Cos	0.0	12.7	41.4	55.4	57.6	73.6	232.1
NAV relative to CBOE UK All Cos	(0.9)	14.3	43.1	54.6	57.9	64.0	200.7

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

WWH has generated solid long-term total returns, +19.2% pa in NAV terms and +20.4% pa in share price terms over the past decade. Total returns over the past 12 months have been particularly strong (NAV +33.6% and share price +34.2%) against a challenging market backdrop. In the first quarter of FY21 (ending 30 June), positive contributors to returns included speciality pharma company Horizon Therapeutics and Chinese liquid biopsy firm Burning Rock.

The trust's relative returns are illustrated above in Exhibit 6. It has outperformed all the indices highlighted across all but one period shown. Particularly notable is how well WWH has performed versus the UK market.

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

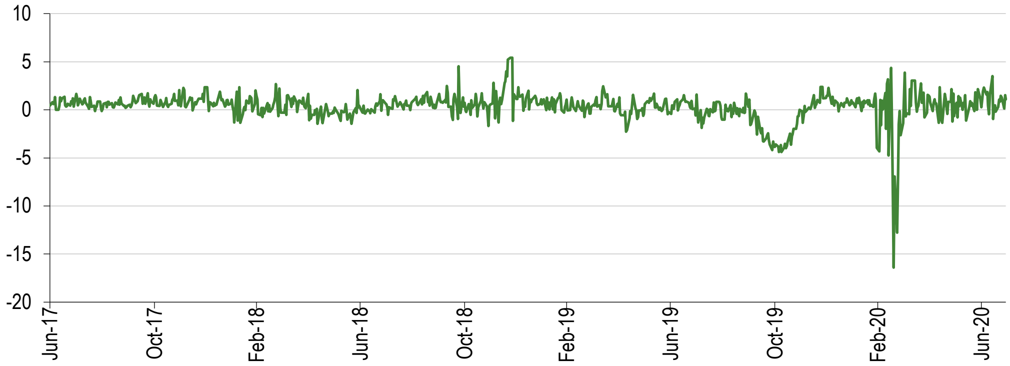
Source: Refinitiv, Edison Investment Research

Discount: Back to trading close to NAV

In keeping with many other investment trusts, WWH's valuation was very volatile during the coronavirus-led market sell-off, reaching a decade-widest discount of 16.4% on 19 March. It also traded at a discount in October and November 2019 as the trust's NAV rallied strongly and its shares failed to keep up. However, WWH's shares are now back trading close to NAV. The current 1.1% premium to cum-income NAV compares to an average 0.2% discount, 0.3% premium, 1.5% discount and 3.8% discount over the past one, three, five and 10 years, respectively.

WWH's board implemented a discount control mechanism in 2004, aiming to ensure a maximum 6% share price discount to ex-income NAV in normal market conditions. It has the authority, renewed annually, to repurchase up to 14.99% and allot up to 10% of issued share capital. In FY20, c 1.0m shares (1.9% of the share base) were issued at an average 0.8% premium to cum-income NAV, raising £29.4m. Issuance has accelerated considerably so far in FY21 (see Exhibit 1).

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



Source: Refinitiv, Edison Investment Research

Capital structure and fees

WWH is a conventional investment trust with one class of share; there are currently 57.9m ordinary shares in issue. It has an overdraft facility with JP Morgan Securities and gearing of up to 20% of NAV is permitted; at end-June 2020, the trust had a net cash level of 2.8%. WWH's NAV and share price have risen significantly in a short space of time, and the managers are wary of near-term market volatility due to investor sentiment on COVID-19, the potential of a second wave of infections and a large increase in retail investor participation in the stock market. As such, they are awaiting a better opportunity to utilise the trust's gearing facility.

OrbiMed is paid a base management fee of 0.65% of NAV and is eligible for a 15% performance fee for outperformance versus the benchmark (on incremental outperformance since launch, if it has been maintained for a 12-month period). Frostrow Capital is WWH's alternative investment fund manager and is paid a tiered fee: 0.3% of the trust's market cap up to £150m, 0.2% on £150m to £500m, 0.15% on £500m to £1bn, 0.125% on £1bn to £1.5bn, and 0.075% over £1.5bn, along with a £57,500 pa fixed fee. In FY20, WWH's ongoing charge was 0.9%, which was in line with FY19; there were no performance fees (in FY19 the ongoing charge including the performance fee element was 1.1%).

Dividend policy and record

WWH pays semi-annual dividends in January and July. The FY20 total dividend of 25.0p per share (c 1.1x covered) was 5.7% lower year-on-year. Despite sterling weakness, net revenue return for the period decreased by a modest 1.3%, partly due to a lower exposure to higher-yielding stocks. At the end of FY20, WWH had revenue reserves of £18.3m, which after allowing for the first interim dividend payment of c £3.5m, is equivalent to more than 1x the total FY20 payment. Based on its current share price, WWH offers a 0.7% dividend yield.

Peer group comparison

WWH is a member of the AIC Biotechnology and Healthcare sector. In Exhibit 9, we highlight its five well-established peers and two Switzerland-listed funds, BB Biotech and HBM Healthcare Investments, to enable a broader comparison. WWH's NAV total returns are above average over the past 12 months (ranking third out of eight funds) and five years (ranking second out of seven), while lagging over the past three years and past decade. On the date shown, the trust was one of seven funds trading at a premium to NAV. WWH's ongoing charge is the lowest in the selected peer group, although a performance fee may be payable. The trust is currently ungeared and its dividend yield is 1.3pp below the mean, although it should be noted that the four peers with the highest yields pay dividends out of capital.

Exhibit 9: Selected peer group as at 29 July 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Worldwide Healthcare Trust	2,013.4	25.6	41.5	72.5	462.8	1.1	0.9	Yes	100	0.7
BB Biotech	3,210.4	17.6	17.2	22.5	636.7	13.0	1.3	No	109	5.0
BB Healthcare Trust	760.6	23.4	53.4			1.6	1.2	No	100	3.1
Biotech Growth Trust	496.4	48.0	44.3	43.6	690.5	2.1	1.1	Yes	109	0.0
HBM Healthcare Investments	1,522.8	27.3	95.6	151.6	498.7	5.6	1.2	No	100	2.9
International Biotechnology Trust	287.5	21.8	31.5	36.2	458.0	1.4	1.3	Yes	106	3.4
Polar Capital Global Healthcare	297.1	11.1	33.4	52.0	252.2	(10.1)	1.1	Yes	104	0.9
Syncona	1,658.1	(7.6)	36.3	59.7		34.1	1.8	No	100	0.0
Average (eight funds)	**1,280.8**	**20.9**	**44.1**	**62.6**	**499.8**	**6.1**	**1.2**		**103**	**2.0**
WWH rank in peer group	**2**	**3**	**4**	**2**	**4**	**7**	**8**		**5=**	**6**

Source: Morningstar, Edison Investment Research. Note: *Performance data to 28 July 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

The board

There are seven directors on WWH's board, six of whom are independent of the manager. Chairman Sir Martin Smith joined the board in 2007 and assumed his current role in 2008. The other six directors and their years of appointment are: Dr David Holbrook (2007); Doug McCutcheon (2012); Sarah Bates (2013); Humphrey van der Klugt (2016); Sven Borho (2018); and Dr Bina Rawal (2019). Borho is considered a non-independent director, as he is a founder and managing partner of OrbiMed, and one of WWH's lead managers. Holbrook has announced his intention to retire at the July 2021 AGM, while Smith will stand down at the following year's AGM, at which stage McCutcheon will extend his term and assume the role of chairman.

General disclaimer and copyright

This report has been commissioned by Worldwide Healthcare Trust and prepared and issued by Edison, in consideration of a fee payable by Worldwide Healthcare Trust. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1,185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia