

## SHINING A LIGHT ON THE..... International Biotechnology Trust

### AT A GLANCE

Investment Objective
The objective is to achieve long term capital growth by investing in high growth, development stage biotechnology companies that are either quoted or unquoted. The company invests in companies that are considered to be good value with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology.

<b>Fund Factsheet Link</b>	<a href="http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR04Y7C%5D2%5D0%5DFCGBR%24%24ALL">http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=FOGBR04Y7C%5D2%5D0%5DFCGBR%24%24ALL</a>
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Management	
Manager Name	Start Date
Ailsa Craig	1 <sup>st</sup> March 2021
Marek Poszepczynski	1 <sup>st</sup> March 2021

### FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2016 to 30<sup>th</sup> November 2021:

	2016	2017	2018	2019	2020	2021
<b>International Biotechnology Trust</b>	1.62%	18.27%	-2.52%	13.69%	35.64%	-8.78%
<b>NASDAQ Biotechnology TR USD</b>	-6.18%	11.10%	-3.20%	20.28%	22.52%	4.63%

Performance over 12 months, 3 years, 5 years and 10 years:

	1 year	3 years	5 years	10 years
<b>International Biotechnology Trust</b>	-7.59%	34.46%	59.50%	490.72%
<b>NASDAQ Biotechnology TR USD</b>	6.86%	37.19%	62.40%	458.69%

*You should note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
7.93	-0.09	-	85.69	83.17	50.00	0.83	0.96	Growth/Mid

Volatility Measurements	
3-Yr Std Dev (volatility)	17.57%
3-Yr Mean Return (average)	10.37%

Investment Style Details	
Giant	0.00%
Large	24.61%
Mid	41.76%
Small	21.30%
Micro	12.33%

Top 5 Holdings – 70 Equity Holdings		
Gilead Sciences Inc	Healthcare	6.51%
Neurocrine Biosciences Inc	Healthcare	6.42%
Horizon Therapeutics PLC	Healthcare	6.03%
Amgen Inc	Healthcare	5.82%
Biohaven Pharmaceutical Holding Co Ltd	Healthcare	5.67%

Top 5 Sectors	
Healthcare	100.00%

Top 5 Regions	
United States	93.18%
Asia Emerging	2.42%
Europe ex Euro	1.56%
UK	1.40%
Canada	0.75%

#### UPDATE....

This was a brief update on the trust. Ailsa and Marek took over as lead fund managers in March 2021, when Kate Bingham stepped down. Kate had been at the helm since 2001, and she stepped aside due to her work on the vaccine taskforce. This meant that the trust couldn't hold the main vaccine names like Moderna, and this has hindered performance. However the trust will pay out its dividend of 4%.

The managers draw on the resources of SV Health Investors who are scientifically and medically trained to identify opportunities. The trust invests in both globally quoted biotechnology stocks and a small proportion is allocated to unquoted investments which have long term potential.

They are active managers. They used the example of investing in smaller companies to demonstrate how active they are. Coming into the pandemic they reduced their exposure to smaller companies as they felt this would be hardest hit in a market downturn. This was the case and opened opportunities with lower prices and therefore they started to add to these positions. As the prices rose towards the end of 2020 they again sold back. As the prices became cheap, they have added back into the positions.

Smaller companies are a rich source of additional returns as this is where the innovative science and drugs come from, but the fluctuation in pricing means they must be active in their approach.

They are very excited about the opportunities moving forward and they talked about oncology and lung cancer treatments developed by the likes of Amgen and Mirati Therapeutics. The potential for making more people survive lung cancer is massive and these companies are at the forefront of this.

For investors, COVID has shown how biotechnology makes a massive difference to our lives, and the opportunities go across many different areas. This trust has been in operation for many years. It has had mixed performance and clearly, although it helped in the UK vaccine rollout, this did hinder performance.

With a new team on board who have been involved with the trust for many years, they are clearly excited about the opportunities, and to turn around recent underperformance.

In summary, it is investments like this that give investors the opportunities to invest in new science and drugs. This is a volatile strategy and there are always periods when it is out of favour. A couple of good years will significantly alter the performance profile, and this is something that investors would need to factor in. Estimating the best time to invest will always be difficult. It is also worth reflecting that the volatility of this may not suit all investors. We are happy to hold on our watchlist.

*The source of information in this note has been provided by International Biotechnology and is correct as of December 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*