Growing together, with integrity and respect

Worldwide Healthcare Trust: Fund Manager Review – July 2026

This document provides a review of Worldwide Healthcare Trust based on the information supplied, including the May 2026 factsheet, Edison research note dated June 2026, Winterflood research note dated April 2026 and notes from the Spring 2026 shareholder call.

This review is slightly different from a normal open-ended fund review because Worldwide Healthcare Trust is an investment trust. That means we need to consider not only the portfolio, team, process and performance, but also the trust structure, discount, gearing, buybacks and the implications of investing in a single sector.

Strategy Overview & Objective

Worldwide Healthcare Trust is a specialist global healthcare investment trust.

The trust seeks to achieve capital growth by investing in a diversified portfolio of global pharmaceutical, biotechnology and healthcare-related companies. It uses gearing and derivatives to enhance returns and manage risk, and its benchmark is the MSCI World Health Care Index, sterling adjusted.

The trust is managed by OrbiMed, a specialist healthcare investor, and has been managed by the same group since 1995.

The fund is not a simple healthcare tracker.

It is focused on:

- Innovation
- Biotechnology
- Pharmaceuticals
- Medical technology
- Diagnostics
- Healthcare services
- Select emerging market healthcare opportunities
- M&A opportunities in biotech

The important point is that this is a specialist healthcare portfolio, not a defensive healthcare index fund.

In simple terms:

Worldwide Healthcare Trust is trying to be a "one-stop shop" for global healthcare investing.

At a Glance

Area	Detail
Trust	Worldwide Healthcare Trust PLC
Ticker	WWH
Structure	UK-listed investment trust
AIC sector	Biotechnology & Healthcare
Launch / OrbiMed appointment	April 1995
Managers	Sven Borho and Trevor Polischuk
Investment manager	OrbiMed
Benchmark	MSCI World Health Care Index, sterling adjusted
Objective	Long-term capital growth
Number of holdings	51 as at 31 May 2026
Net assets	£1,385.3m as at 31 May 2026
Market capitalisation	£1,283.7m as at 31 May 2026
Discount to NAV	7.3% as at 31 May 2026
Ongoing charges	0.9%
Indicative yield	0.7%
Active share	69.9%
Portfolio turnover	73.1%
Net cash	4.6% as at 31 May 2026
Continuation vote	2029 AGM and every fifth AGM thereafter

The May 2026 factsheet shows a five-year NAV total return of 8.4%, share price total return of -0.7% and benchmark return of 30.9%. This clearly highlights the key issue: the long-term record remains strong, but the medium-term period has been difficult.

A Note on Investment Trusts

Worldwide Healthcare Trust is an investment trust, not an open-ended fund.

This matters.

An investment trust is a listed company. Investors buy and sell shares in the trust on the stock market. The share price is therefore driven by supply and demand, not just the value of the underlying portfolio.

This means the shares can trade:

- At a premium to net asset value
- At a discount to net asset value
- In line with net asset value

This creates an additional return driver.

The portfolio can perform well, but if the discount widens, the share price may lag the NAV. Equally, if the discount narrows, the share price can outperform the NAV.

Worldwide Healthcare Trust had a 7.3% discount to NAV as at 31 May 2026. The board has a discount control policy to buy back shares if the discount exceeds 6% on an ongoing basis, but the factsheet makes clear that the discount can remain wider than 6% for extended periods, especially when sentiment towards the trust, sector or investment trusts generally is poor.

Investment trusts can also use gearing.

This can help when markets rise, but it can magnify losses when markets fall. Worldwide Healthcare Trust's policy allows gearing of up to 20% of net assets, with additional use of derivatives and equity swaps within stated limits.

In simple terms:

An investment trust gives the manager more tools, but it also gives advisers more things to monitor.

Investment Philosophy & Edge

The investment philosophy is built around specialist healthcare knowledge.

The portfolio is described as a bottom-up “best ideas” portfolio. The investable universe is broad, ranging from early-stage businesses with pre-clinical assets through to fully integrated global pharmaceutical companies.

The managers look for:

- Under-appreciated product pipelines
- Strong management teams
- Adequate financial resources
- Innovation-led growth
- Company-specific catalysts
- Reasonable valuation
- M&A potential

This is an important distinction.

Healthcare investing is not just about buying large pharmaceutical companies.

It requires understanding:

- Clinical trial results
- Drug approvals
- Patent cliffs
- Regulation
- Reimbursement
- Product launches
- M&A
- Medical technology cycles
- Policy risk
- Scientific progress

The trust’s edge comes from OrbiMed’s specialist resource. Winterflood describes OrbiMed as the world’s largest dedicated healthcare investor, with over $20bn of AUM across public and private equity as at 31 December 2025, and a team including investment professionals with medical and scientific qualifications.

In simple terms:

The case for WWH is not just healthcare exposure.

It is specialist healthcare stock selection.

Team & Resources

The trust is managed by Sven Borho and Trevor Polischuk of OrbiMed.

This is one of the main strengths of the proposition.

OrbiMed has managed the trust since 1995. The firm has deep healthcare resources across public and private equity, with offices across the US, UK, China, India and Israel. The public equity team managing WWH is supported by a wider specialist healthcare platform.

This matters because healthcare is a complex sector.

A generalist equity manager can own healthcare companies, but understanding biotech, drug pipelines, regulatory events and clinical risk requires specialist knowledge.

The shareholder call also reinforced this point. The managers described WWH as covering the full healthcare spectrum across geographies, subsectors and market caps, with institutional expertise across pharmaceuticals, biotechnology, medical technology, tools and diagnostics and healthcare services.

The depth of resource appears a genuine advantage.

But it also creates an expectation.

If a specialist manager is being used, we should expect them to add value over time.

Investment Process

The process is active, fundamental and benchmark agnostic.

The managers do not appear to be trying to replicate the MSCI World Health Care Index. They are willing to be materially underweight and overweight different parts of the healthcare sector.

The process can be summarised as follows:

1. Broad Healthcare Universe

The team can invest across:

- Large pharmaceutical companies
- Biotechnology
- Emerging biotechnology
- Healthcare equipment
- Diagnostics
- Life sciences tools
- Healthcare services
- Selected emerging markets
- Unquoted healthcare companies
- Equity swaps and M&A baskets

2. Bottom-Up Research

The focus is on individual companies.

This includes product pipelines, clinical trial data, management quality, regulatory catalysts, financial strength and valuation.

3. Innovation Bias

The trust has a long-standing bias towards innovation and growth.

This means it can differ significantly from a more defensive healthcare index.

4. Use of the Investment Trust Structure

The trust may use gearing, derivatives, swaps and unquoted investments.

This can widen the opportunity set, but also increases complexity.

5. Active Risk Management

The portfolio changes when the managers' views change. For example, the trust increased pharmaceutical exposure after greater clarity on US drug pricing and tariff risks, while reducing medical technology exposure after concerns about elevated valuations.

In simple terms:

This is not a passive healthcare allocation.

It is active specialist management using the flexibility of an investment trust.

Portfolio Overview

As at 31 May 2026, the trust had 51 holdings and an active share of 69.9%.

The top 10 holdings were:

- Eli Lilly – 12.1%
- Biotech M&A Target Swap – 10.9%
- AstraZeneca – 7.0%
- Roche – 3.8%
- Merck – 3.8%
- Jiangsu Hengrui Pharmaceuticals – 3.3%
- Boston Scientific – 3.3%
- Novartis – 2.9%
- Edwards Lifesciences – 2.8%
- Intuitive Surgical – 2.6%

The top 10 holdings represented 52.5% of the portfolio.

This is concentrated enough to matter.

The largest position, Eli Lilly, is significant. The M&A basket is also a major holding. This means the portfolio is meaningfully exposed to two key themes:

- GLP-1 / obesity and metabolic disease
- Biotech M&A

The sector split as at 31 May 2026 was:

- Pharmaceuticals – 39.8%
- Biotechnology – 18.0%
- Healthcare equipment and supplies – 12.8%
- Biotech M&A Basket – 10.9%
- Healthcare providers and services – 9.8%
- Life science tools and services – 8.7%

The regional split was:

- North America – 67.8%
- Europe – 21.5%
- China / Hong Kong – 8.8%
- Japan – 1.6%
- India – 0.3%

The portfolio was 83.5% listed equities, 14.2% equity swaps and 2.3% unquoted investments.

This is globally diversified within healthcare.

But it is still a single-sector investment.

Key Themes

1. Biotech M&A

This is central to the current story.

The proprietary Biotech M&A Basket returned 55.9% in sterling terms and contributed 5.6 percentage points to the trust's FY26 total return. Edison notes that there were 51 biotech M&A deals during the financial year, with a total disclosed value of around $140bn.

The shareholder call also described M&A as one of the key secular themes in the sector and said the M&A basket contributed around 560 basis points to performance.

The logic is understandable.

Large pharmaceutical companies face patent expiries and need to replenish pipelines. Smaller biotech companies may have attractive science but lack the balance sheet or commercial scale. That can create acquisition opportunities.

2. GLP-1 / Obesity

GLP-1s remain one of the largest themes in healthcare.

Edison notes that reported sales for tirzepatide and semaglutide reached around $71bn in 2025 and that the broader GLP-1 market is estimated to approach $100bn in global sales from 2026.

WWH is exposed through Eli Lilly, which was the trust's largest holding at the end of May 2026.

The shareholder call was notably positive on this theme, describing GLP-1s as having potential beyond weight loss, including cardiovascular, kidney, liver, sleep and metabolic benefits.

This is an attractive theme, but it also creates concentration and expectation risk.

If GLP-1 enthusiasm reverses, or if competitive dynamics change, the impact could be material.

3. Oncology and Diagnostics

The managers continue to see opportunities in oncology, including immuno-oncology, antibody-drug conjugates, bispecifics, targeted therapies, radiopharmaceuticals and molecular diagnostics.

This is the type of area where specialist knowledge matters.

It is also an area where returns can be volatile because trial data, approvals and reimbursement decisions can change share prices quickly.

4. China Healthcare Innovation

WWH has exposure to China / Hong Kong, which stood at 8.8% as at 31 May 2026. Winterflood notes that China exposure detracted for several years before 2025, but the managers remain interested in Chinese innovation.

This can be a differentiator.

It can also add geopolitical, sentiment and liquidity risk.

5. Policy Clarity

One of the reasons performance improved was greater clarity around US drug pricing and tariffs.

Edison notes that the 30 September 2025 agreement between the Trump administration and Pfizer was viewed by OrbiMed as removing a long-standing overhang for the sector.

This matters because healthcare is unusually sensitive to political risk.

Drug pricing, tariffs, reimbursement and FDA policy can all affect valuations.

Performance Overview

Performance needs to be viewed over three timeframes.

Short-Term Recovery

FY26 was strong.

Edison reports that WWH delivered NAV and share price total returns of 10.0% and 13.1%, respectively, compared with 1.8% for the benchmark.

The recovery was driven by biotech, the M&A basket and improving policy clarity.

The May 2026 factsheet also shows a strong one-year number, with NAV total return of 19.5%, share price return of 19.3% and benchmark return of 12.0%.

Medium-Term Weakness

The five-year numbers are weaker.

As at 31 May 2026, the trust's five-year NAV total return was 8.4%, share price total return was -0.7%, and the benchmark returned 30.9%.

This is the key challenge.

The trust has not simply had a bad month or quarter. It has had a difficult medium-term period relative to the benchmark.

Edison explains that the five-year underperformance reflects the prolonged drawdown in emerging biotech and below-index exposure to large-cap pharma.

Long-Term Record

The long-term record remains strong.

From inception in April 1995 to 31 March 2026, Edison states that WWH generated an NAV total return of 4,679.1% and share price total return of 4,084.3%, compared with 2,398.3% for the benchmark. This equates to annualised returns of 13.3% for NAV and 12.8% for the share price, versus 11.0% for the benchmark.

In simple terms:

The long-term record is strong.
The medium-term record is weak.
The recent period has improved.

That combination means the trust deserves continued review rather than automatic approval or rejection.

What Has Driven Performance?

The recent recovery has been driven by:

- Biotech recovery
- M&A activity
- Policy clarity
- Strong performance from selected pharmaceutical holdings
- Recovery in some innovation-led areas

Edison identifies AstraZeneca, CG Oncology, Exact Sciences, Avidity Biosciences and Apellis Pharmaceuticals as key positive contributors during FY26. It also notes that Exact Sciences, Avidity and Apellis were all involved in acquisitions at meaningful premiums.

The shareholder call similarly highlighted biotech and M&A as the key performance drivers, with biotechnology and the M&A basket contributing meaningfully to the year's return.

The main detractors have included:

- Boston Scientific
- UnitedHealth
- Daiichi Sankyo
- Vertex Pharmaceuticals
- Stryker

Edison notes that Boston Scientific was affected by a rotation out of highly rated medtech stocks and concerns around some products, while UnitedHealth was sold before year end after pressure from higher medical costs, Medicare reimbursement issues, a CEO resignation and a Department of Justice investigation.

This tells us something important:

The trust is not just driven by healthcare as a sector.

It is driven by specific therapeutic areas, company events and manager positioning.

A Note on Single-Sector Investing

This is one of the most important points for advisers.

Healthcare is a global sector. It is diversified by subsector, geography and company size.

But it is still one sector.

That means a healthcare trust is not the same as a global equity fund.
A client might hear "healthcare" and think defensive.

That is not always the case.

Worldwide Healthcare Trust has exposure to pharmaceuticals, biotechnology, medical technology, diagnostics, China healthcare, unquoted securities, swaps and M&A baskets. These can behave very differently from a defensive large-cap healthcare index.

There are several layers of risk:

Sector Risk

Healthcare can go through long periods of underperformance relative to broader markets.
The last few years have shown this clearly, with healthcare lagging technology-led markets.

Policy Risk

US drug pricing, tariffs, FDA regulation, reimbursement and political rhetoric can all affect valuations.

Clinical Trial Risk

Biotech and pharmaceutical stocks can move sharply when trial data is released.

Patent Cliff Risk

Large pharmaceutical companies need to replace revenue as drugs lose exclusivity.

This can support M&A, but it also creates risk.

Valuation Risk

High-quality healthcare companies can become expensive.

If growth expectations fall, share prices can adjust quickly.

Innovation Risk

Not all science becomes commercial success.

Promising drugs can fail.

Currency Risk

This is a global portfolio, and UK investors are exposed to currency movements.

Concentration Risk

The top 10 holdings were 52.5% of the trust as at 31 May 2026.

In simple terms:

Healthcare can be attractive, but it should not be treated as low risk just because people need medicines.

Investment Trust Considerations

Discount

The trust traded at a 7.3% discount to NAV as at 31 May 2026.

This can be an opportunity if the discount narrows.

It can be a risk if the discount widens.

The board has a buyback policy, but this does not guarantee the discount will stay within 6%.

Gearing

The trust can use gearing up to 20% of net assets.

This may enhance returns in rising markets, but it can also increase losses.

Derivatives and Swaps

The trust can use derivatives and equity swaps. Equity swaps were 14.2% of the portfolio as at 31 May 2026.

This is not necessarily a problem, but it adds complexity.

Unquoted Investments

Unquoted securities were 2.3% as at 31 May 2026. The investment policy allows unquoted securities up to 10% of the portfolio at the time of acquisition.

This can give access to earlier-stage opportunities, but valuation and liquidity need to be monitored.

Continuation Vote

The next continuation vote is due at the 2029 AGM.

This is a useful governance feature, but also a reminder that investment trusts have a different structure from open-ended funds.

Strengths

1. Specialist Manager

OrbiMed is a recognised specialist healthcare investor with deep public and private market resources.

This is the strongest part of the proposition.

2. Long-Term Track Record

The long-term NAV record since 1995 remains strong relative to the benchmark.

3. Broad Healthcare Exposure

The trust invests across pharmaceuticals, biotechnology, medical technology, diagnostics, healthcare services and selected emerging markets.

4. Access to Innovation

The trust has exposure to areas that may be difficult to access through a generic healthcare index.

5. M&A Basket

The proprietary Biotech M&A Basket has been a meaningful contributor and gives targeted exposure to an important theme in the sector.

6. Investment Trust Flexibility

The structure allows the trust to use gearing, derivatives, swaps and unquoted investments.

7. Discount Control Policy

The board's buyback policy provides some support, although it does not remove discount risk.

8. Reasonable Ongoing Charges

The ongoing charge was 0.9% as at 31 May 2026.

Key Risks & Considerations

1. Single-Sector Risk

This is the main strategic risk.

The trust invests in healthcare. It is diversified within healthcare, but not across the full equity market.

2. Medium-Term Underperformance

The five-year performance remains behind the benchmark.

This needs to be monitored carefully.

3. Biotech Volatility

The trust's innovation and biotech exposure can be a return driver, but also increases volatility.

4. Discount Risk

The shares can trade below NAV.

A widening discount can damage client outcomes even when the underlying portfolio is stable.

5. Gearing and Derivative Risk

Gearing, derivatives and swaps can enhance returns, but also magnify losses.

6. Policy and Political Risk

Healthcare is highly exposed to regulation, drug pricing, tariffs and reimbursement.

7. Clinical Trial and Product Risk

Individual holdings can move sharply on trial data, approvals, commercial launches and safety issues.

8. Concentration Risk

The top 10 holdings represented 52.5% of the portfolio as at 31 May 2026.

9. GLP-1 Concentration

The obesity and metabolic disease theme is attractive, but expectations are high.

10. Client Understanding

Clients need to understand that this is not a simple defensive healthcare fund.

It is an actively managed, specialist, single-sector investment trust.

Peer and Portfolio Context

Within the AIC Biotechnology & Healthcare sector, Edison notes that WWH remains the largest fund by market capitalisation and had one of the sector's tighter discounts. However, it ranked fifth out of seven funds over one, three and five years, and fourth over 10 years.

This is useful context.

WWH is not the strongest recent performer in the peer group.

However, it is one of the most established and liquid options, with a long track record and broad healthcare exposure.

Compared with a passive healthcare ETF, WWH offers:

- Specialist active management
- Biotech and innovation exposure
- M&A basket exposure
- Emerging market healthcare exposure
- Gearing and investment trust flexibility
- Discount / premium risk
- Higher complexity

Compared with broader global equity exposure, WWH offers:

- Focused healthcare exposure
- Thematic growth
- Lower exposure to technology-led market concentration
- But higher sector-specific risk

In simple terms:

WWH is a specialist satellite, not a core equity replacement.

Role in a Diversified Portfolio

The trust could have a role as:

Specialist Healthcare Satellite

For portfolios where the investment committee wants direct exposure to global healthcare innovation.

Complement to Global Equity

The trust may provide exposure to themes not fully captured in broad global equity funds.

Long-Term Growth Allocation

The trust is most suitable for clients with long time horizons and tolerance for volatility.

Alternative to Passive Healthcare

It may be suitable where the committee believes specialist active management can add value in healthcare.

It is less suitable as:

- A core global equity holding
- A cautious-risk allocation
- A short-term trade
- An income strategy
- A replacement for broad diversified equity exposure
- A low-volatility defensive healthcare holding

This is a capital growth strategy.

It should be sized accordingly.

Key Monitoring Points

The trust should be monitored against the following:

1. Relative Performance

Is recent outperformance continuing, or was FY26 a short-term recovery?

2. Five-Year Record

Is the five-year performance gap versus the benchmark narrowing?

3. Biotech M&A

Is the M&A basket continuing to add value?

4. GLP-1 Exposure

Is Eli Lilly and wider GLP-1 exposure still appropriately sized?

5. Discount

Is the discount under control, and is the board continuing buybacks where appropriate?

6. Gearing

Is gearing being used sensibly?

7. Derivatives and Swaps

Is the level of swaps and derivative exposure appropriate?

8. China Exposure

Is China healthcare exposure adding value, or increasing geopolitical risk?

9. Manager Stability

Are Sven Borho, Trevor Polischuk and OrbiMed still central to the process?

10. Portfolio Fit

Does the client portfolio need a dedicated healthcare allocation, and is the size appropriate?

Money Wise UK View

Worldwide Healthcare Trust is a credible and well-established specialist healthcare investment trust.

There is a lot to like.

The trust has:

- A long track record
- A specialist manager in OrbiMed
- Broad healthcare exposure
- Access to innovation
- Strong recent recovery
- A differentiated M&A basket
- Investment trust flexibility
- A clear role as a specialist satellite

However, this is not a simple holding.

The risks are equally clear:

- Single-sector exposure
- Medium-term underperformance
- Discount risk
- Gearing and derivatives
- Biotech volatility
- Clinical trial risk
- Policy and political risk
- Concentration in major themes such as GLP-1s and biotech M&A

The key question for an investment committee is not whether healthcare is an attractive long-term theme.

It is.

The better question is:

Do we want a dedicated healthcare allocation, and do we want that exposure through an actively managed investment trust?

If the answer is yes, WWH deserves serious consideration.

The long-term record, OrbiMed resource and breadth of healthcare exposure are attractive. The recent return to form is encouraging. The discount may provide an additional opportunity if sentiment improves.

But the five-year underperformance cannot be ignored.

This should not be bought simply because healthcare has lagged or because the long-term theme is easy to understand.

A balanced conclusion:

- Strong long-term specialist proposition
- Recent performance recovery encouraging
- Medium-term performance still needs scrutiny
- Best used as a satellite allocation
- Requires clear client explanation
- Needs ongoing monitoring of discount, gearing, biotech exposure and sector risk

In simple terms:

Worldwide Healthcare Trust is a high-quality specialist trust, but not a low-risk healthcare fund.

It may have a place in a diversified portfolio, but only where the adviser is comfortable with single-sector exposure, investment trust structure and the additional volatility that comes with innovation-led healthcare investing.

Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested. Investment trusts can trade at a discount or premium to their underlying net asset value. Gearing, derivatives, swaps and unquoted investments can increase risk as well as potential return.

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