

# Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.



## Product

The Biotech Growth Trust PLC

ISIN: GB0000385517

Frostrow Capital LLP ('Frostrow') is the alternative investment fund manager of the Company. Frostrow's website is [www.frostrow.com](http://www.frostrow.com) and phone number is 0203 0084910. Frostrow is authorised and regulated by the Financial Conduct Authority. Portfolio Management has been delegated to OrbiMed Capital LLC ('Portfolio Manager'), who are registered under the Securities & Exchange Commission ('SEC').

Date of Production: 30/01/2024

## What is this product?

The Biotech Growth Trust PLC (the 'Company') is a public limited company whose shares are premium listed on the London Stock Exchange ('LSE') and is registered with HMRC as an investment trust.

The Company seeks capital appreciation through investment in the worldwide biotechnology industry. In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis. Performance is measured against the NASDAQ Biotechnology Index (sterling adjusted) (the 'Benchmark').

The Company does not have a fixed life although shareholders consider and vote on the continuation of the Company every five years (the next such vote will be held in 2025). The intended retail investors are those with a long-term (at least five years) investment horizon, the ability to bear capital losses and at least basic market knowledge and experience.

The Company can increase its exposure to investments via the use of an overdraft facility and derivatives this could potentially magnify any gains or losses made by the Company.

Shares in the Company are bought and sold on the LSE. The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. At any given time, the price you pay for a share will normally be higher than the price you could sell it.

## What are the risks and what could I get in return?

The summary risk indicator (SRI) is a guide to the level of risk of the Company compared to other products. It shows how likely it is that the Company will lose money because of movements in the markets.



The SRI assumes you hold your shares in the Company for at least five years. It rates the potential losses from future performance at a high level, and poor market conditions will impact the amount you could get back. Any return you receive depends on future market performance and is uncertain. This product does not include any protection from future market performance so you could lose some or all of your investment.

We have classified the Company as 6 out of 7, which is the second highest risk class.

The SRI only reflects the historic share price volatility of the Company's shares. It excludes other risks inherent in the Company, including those related to the collateral arrangements on the Company's borrowings, and therefore understates the risk to investors. Please refer to the Company's Annual Report at [www.biotechgt.com](http://www.biotechgt.com) which should be read to ensure a full understanding of the risks involved in investing in the Company. An investor should not make a decision to invest in the Company solely on the basis of this Key Information Document ('KID').

## Investment performance information

The Company's portfolio is exposed to fluctuations in market prices (broad market measures, individual security prices, and foreign exchange rates) in the biotechnology sector and the regions in which it invests. Broad market issues may include the effects of geopolitical events such as the war in Ukraine, or increasing tensions between the West and China, slowing global economic growth and recession. The biotechnology sector is expected to be more volatile than the wider market. It is affected by certain political and regulatory factors e.g. regulatory drug approvals and drug pricing policy. The portfolio also includes a small number of investments in emerging markets which are generally more volatile than developed markets.

The Portfolio Manager can invest up to 10% of the portfolio in unquoted assets, the valuation of which involves a degree of subjectivity. There is a risk that the proceeds received on the disposal of unquoted holdings may prove to be significantly lower than the value at which they were held in the portfolio.

The Portfolio Manager's approach is expected to lead to performance that will deviate from the benchmark, the Nasdaq Biotechnology Index (sterling adjusted). Over time, the Company aims to outperform the benchmark but it is expected that the Company's performance will be more volatile.

The Company uses leverage (through gearing) which will amplify the gains or losses of the portfolio. Please refer to the Company's Annual Report at [www.biotechgt.com](http://www.biotechgt.com) which should be read to ensure a fuller understanding of the factors that may affect future returns. An investor should not make a decision to invest in the Company solely on the basis of this Key Information Document ('KID').

### What could affect my return positively?

An increase in market prices (generally, or because of the good fundamental performance of the companies held in the portfolio); an increase in the level of gearing during a rising market; a reduction in the discount of the share price to the NAV per share; favourable exchange rate movements (because the majority of the Company's investments are denominated in currencies other than sterling, if sterling depreciates, this would broadly be expected to have a positive impact on returns).

### What could affect my return negatively?

A fall in market prices (generally, or because of the poor fundamental performance of the companies held in the portfolio); a reduction in the level of gearing in a falling market; an increase in the discount of the share price to the NAV per share; unfavourable exchange rate movements (because the majority of the Company's investments are denominated in currencies other than sterling, if sterling appreciates, this would broadly be expected to have a negative impact on returns).

If a shareholder decides to sell their shares under severely adverse market conditions, they may get back less than the amount initially invested.

## What happens if the Company is unable to pay out?

The Company is not required to make any payment to you in respect of your investment. If the Company was liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, if any are remaining after payment of all of its creditors.

As a shareholder you would not be able to make a claim to the Financial Services Compensation Scheme, or other compensation or guarantee scheme, in the event that the Company is unable to pay out. If you invest in the Company, you should be prepared to assume the risk that you could lose some or all of your investment.

## What are the costs?

The table shows the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the shares and how well the Company does. The amounts shown here are illustrations based on an example investment amount of £10,000 and different possible investment periods.

The person selling you or advising you about the Company may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

<b>Investment £10,000</b>			
<b>Scenarios</b>	<b>If you cash in after 1 year</b>	<b>If you cash in after 3 years</b>	<b>If you cash in at 5 years</b>
Total costs	£262	£797	£1,345
Impact on return (RIY) per year	2.55%	2.55%	2.55%

## What are the costs? (continued)

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

### This table shows the impact on return per year

One-off costs	Entry costs	N/A	There are no direct entry costs associated with the Company.
	Exit costs	N/A	There are no direct exit costs associated with the Company.
Ongoing costs	Portfolio transaction costs	0.93%	The impact of the costs of us buying and selling underlying investments for the Company.
	Other ongoing costs	1.30%	The impact of the costs that are incurred each year for running the Company and managing its investments.
Incidental costs	Performance fees	0.31%	The impact of the performance fee of 15% of outperformance of the Benchmark. This is paid if the Company has cumulatively outperformed the Benchmark, since the Company's launch, maintained the outperformance for one year, and the cumulative outperformance is higher than the cumulative outperformance on which the last performance fee was paid.
	Carried interests	N/A	The Company does not pay carried interest.

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

The Company's shares have no required minimum holding period but are designed for long-term investment; you should be prepared to stay invested for at least 5 years. This period is deemed appropriate due to the long-term investment horizon taken by the Portfolio Manager. Investors can sell their shares at any time when the LSE is open, either directly or via their advisor or distributor.

## How can I complain?

As a shareholder you do not have the right to complain to the Financial Ombudsman Service ('FOS') about the management of the Company. Complaints about the Company or the Key Information Document can be made via the Contact section of the Company's website, [www.biotechgt.com](http://www.biotechgt.com), by emailing [info@frostrow.com](mailto:info@frostrow.com) or in writing to the Company at 25 Southampton Buildings, London, WC2A 1AL.

## Other relevant information

The cost, performance and risk calculations included in this KID follow the methodology prescribed by UK legislation. This KID should be considered only in conjunction with the Annual Report, the Half Year Report and the Investor Disclosure Document which are available on the Company's website, [www.biotechgt.com](http://www.biotechgt.com), along with other information about the Company. These provide further details of the Company's principal risks, including the collateral arrangements.

The costs shown in the 'What are the costs?' section may differ from the Ongoing Charges Figure declared in the Company's Annual Report, factsheet and website as the methodology for calculation of costs mandated under the UK legislation also includes the costs of the Company's borrowings and the transaction costs of buying and selling investments in the portfolio.

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The person selling you or advising you about the Company will provide you with additional information about these.