Schroders

Key Information Document

Purpose

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

International Biotechnology Trust plc

ISIN: (GB0004559349)

This product is listed on the London Stock Exchange, and governed by its Board of Directors. The Board has appointed Schroder Unit Trusts Limited as its investment manager, and to prepare this Key Information Document. Schroder Unit Trusts Limited is a member of the Schroders Group and is authorised and regulated by the Financial Conduct Authority (FCA). For more information on this product, please refer to www.schroders.co.uk/IBT or call 0800 182 2399. This PRIIP is authorised in United Kingdom.

This document was published on 02/10/2023.

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This is a closed-end investment trust.

Investment Objective and Policy

Investment Objective: The Company's investment objective is to achieve long-term capital growth by investing in biotechnology and other life sciences companies.

Investment Policy: The Company will seek to achieve its objective by investing in a diversified portfolio of companies which may be quoted or unquoted and whose shares are considered to have good growth prospects, with suitably experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology. Investments may also be made in related sectors such as medical devices and healthcare services. While the Company's portfolio is held as one pool of assets, for operational purposes there is a quoted portfolio and an unquoted portfolio. The portfolio is diversified by geography, industry sub-sector and investment size with no single investment in a company normally accounting for more than 15% of the portfolio at the time of investment.

The portfolio is split between large, mid and small-capitalisation companies, primarily quoted on stock exchanges in North America, where the most established and commercial biotechnology and other life sciences companies operating in related sectors are based, though investments may also be made in Europe, Asia and Australia. Investments may also be made into unquoted companies and into funds not quoted on a stock exchange, including venture capital funds. This may include funds managed by the Fund Manager and/or members of its group. The primary purpose of investment in unquoted funds will be to gain exposure to unquoted companies.

The Company may invest through equities, index-linked securities and debt securities, cash deposits, money market instruments and foreign currency exchange transactions.
The Company may borrow from time to time to exploit specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments.
The Company observes the following investment restrictions:
• The Company will invest primarily in biotechnology and other life science companies that are either quoted or unquoted.
• The Company will normally invest no more than 15% in aggregate, of the value of its gross assets in any one individual company at the time of acquisition.
• The great majority of the Company's assets will be invested in the quoted biotechnology sector with a global mandate across the entire spectrum of quoted companies. The weighting of investment in unquoted companies will vary according to the attractiveness of the opportunities identified.
• Gearing is restricted to 30% of NAV.
• The Company may invest no more than 15% in aggregate, of the value of its gross assets in other closed-ended investment companies quoted on the London Stock Exchange or any other stock exchanges.

Benchmark: The Company aims to achieve growth in excess of the NASDAQ Biotechnology Index (NBI) in sterling over the longer term.

Distribution Policy: The Company's dividend policy is to issue dividends equal to 4% of NAV as at the end of each preceding financial year, paid in two equal instalments in January and August each year.

Intended retail investor

This investment is intended for retail investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment.

Recommendation: Investors should seek professional advice or satisfy themselves that they have an understanding of the strategies and techniques employed by the investment manager prior to making an investment.

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

Risk indicator

1	2	3	4	**5**	6	7

Lower risk ⟵⟶ Higher risk

! The risk indicator assumes you keep the product for 5 years. The risk is considered to be higher if the holding period is shorter.

You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 5 out of 7, which is a medium-high risk class.

The Company is in this category because it can take medium to high risks in search of higher rewards.

Investment in the biotechnology sector carries particular risks such as limited product range, extensive regulation, uncertainty with respect to regulatory approvals, unenforceability of intellectual property rights, product liability and research and development spend the results of which may not be capable of commercial exploitation.

You can find more information about the other risks in the prospectus at: **www.schroders.co.uk/IBT**.

Investment performance information

The Company's portfolio is exposed to changes in economic conditions (including, for example, interest rates and rates of inflation), industry conditions, competition, changes in law, political and diplomatic events and trends, tax laws, accounting practices and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects. Recent pertinent events are the war in Ukraine and the potential for change in US drug pricing policies.

The Company's portfolio comprises, and will continue to comprise, investments in biotechnology companies and unquoted venture funds of life science companies. Investing in the biotechnology and life sciences sector carries particular risks which may affect returns to investors in the Company especially as this sector tends to be more volatile that the wider market.

The Company utilises leverage, from time to time, by borrowing funds to take advantage of specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments. It is important to note that these may magnify losses or gains for the Company.

The Company's Investment Policy will mean that performance will likely deviate from the benchmark, the Nasdaq Biotechnology Index (sterling adjusted). The Company aims to outperform the benchmark, which may not always be the case, and there is the potential for increased volatility. The Company's Annual Report as well as the other information including the investment disclosure documents and other documents are made available to potential investors at www.ibtplc.com.

Investment in the Company will not be suitable for all investors and this document should not be relied upon to make an investment decision; any such investment decision should be made only on the basis of the fund scheme documents and appropriate professional advice.

What could affect my return positively?

The conditions that are likely to enable the Company to generate positive returns would be a positive outlook for the global economy, lower interest rates and political stability. Returns could be impacted positively by the inclusion of biotechnology entities in the Company's portfolio which perform well, either due to an increase in value of the general market or alternatively because of good fundamental performance or positive company news, and this could be enhanced by the effect of gearing. Such conditions could therefore lead to an investment profit in the product.

What could affect my return negatively?

The conditions that are likely to lead to losses or low returns would be deterioration in the outlook for the global economy, higher interest rates and negative geopolitical events. Returns could be impacted negatively by the inclusion of biotechnology entities in the Company's portfolio which perform poorly, either due to a decrease in value of the general market or alternatively because of poor fundamental performance or negative company news, and this could be exacerbated by the effect of gearing. Such conditions could therefore lead to an investment loss in the product.

The Company does not have a maturity date. In difficult market conditions investors may receive less than that initially invested upon a sale of Company shares. Under severe market conditions, for example a significant fall in value of the biotechnology entities in the Company's portfolio, investors may receive considerably less than the amount that was invested upon a sale of Company shares and, in an extreme situation, may lose all their money invested in the Company.

What happens if International Biotechnology Trust plc is unable to pay out?

You may sell your shares at any time on the London Stock Exchange using your broker. Your shares are sold to another buyer in the market without recourse to the Company. If the Company goes into liquidation the investments will be sold and you will receive your pro rata share of the proceeds after settlement of any liabilities which may be less than the amount you invested. As a shareholder of the Company you would not be able to make a claim for compensation to the Financial Services Compensation Scheme in the event the Company is unable to pay out.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest GBP 10,000.00. The figures are estimates and may change in the future.

Investment £10,000.00			
Scenarios	**If you cash in after 1 year**	**If you cash in after 3 years**	**If you cash in at 5 years**
Total costs	**£147.90**	**£420.55**	**£665.02**
Impact on return (RIY) per year	**1.45%**	**1.45%**	**1.45%**

The person selling or advising you about this product 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.

Composition of costs

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;
- the meaning of the different cost categories.

Cost Composition

This table shows the impact on return per year			
One-off costs	**Entry costs**	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs when exiting your investment.
Ongoing costs	**Portfolio transaction costs**	0.06%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.35%	The impact of the costs that we take each year for managing your investments.
Incidental costs	**Performance fees**	0.12%	- Performance Fee is 10% of the relative outperformance of the Quoted portfolio* against the Reference Index (benchmark) plus a 0.5% hurdle. - Maximum performance fee in any one year of 1.25% of average net assets, subject to various exclusions and limits. Please refer to the annual report and financial statements for full details. *The aggregated cost estimation above includes the average over the last 3 years.
	Carried interests	0.00%	No carried interest is applied.

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

In order to seek to minimise the effect of shorter term cyclical fluctuations in the market, the recommended minimum holding period for the Company's shares is at least 5 years. Shares in the Company may be bought and sold at any time on the London Stock Exchange using your broker.

How can I complain?

Should you wish to complain about your investment in the Company or any aspect of the service provided to you by Schroders, please write to the Board c/o the Company Secretary at 1 London Wall Place, London EC2Y 5AU, or send an email to: investorservices@schroders.com.

If you have a complaint about financial advice you have received in relation to the Company, or the service you have received when placing transactions in the Company through a third party, please direct your complaint to your adviser or third party accordingly.

Other relevant information

Depending on how you buy the fund you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

You can get further information about the Company, details of the Company's share price and copies of the Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements from **www.schroders.co.uk/IBT**. A paper copy of these documents is available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market, details on "How to invest", as well as on remuneration policy.

Tax Legislation: The Company is subject to UK tax legislation which may have an impact on your personal tax position.

This Key Information Document is updated at least every 12 months, unless there are any ad hoc changes.

The cost and risk calculations included in this Key Information Document follow the methodology prescribed by the rules of the FCA.