

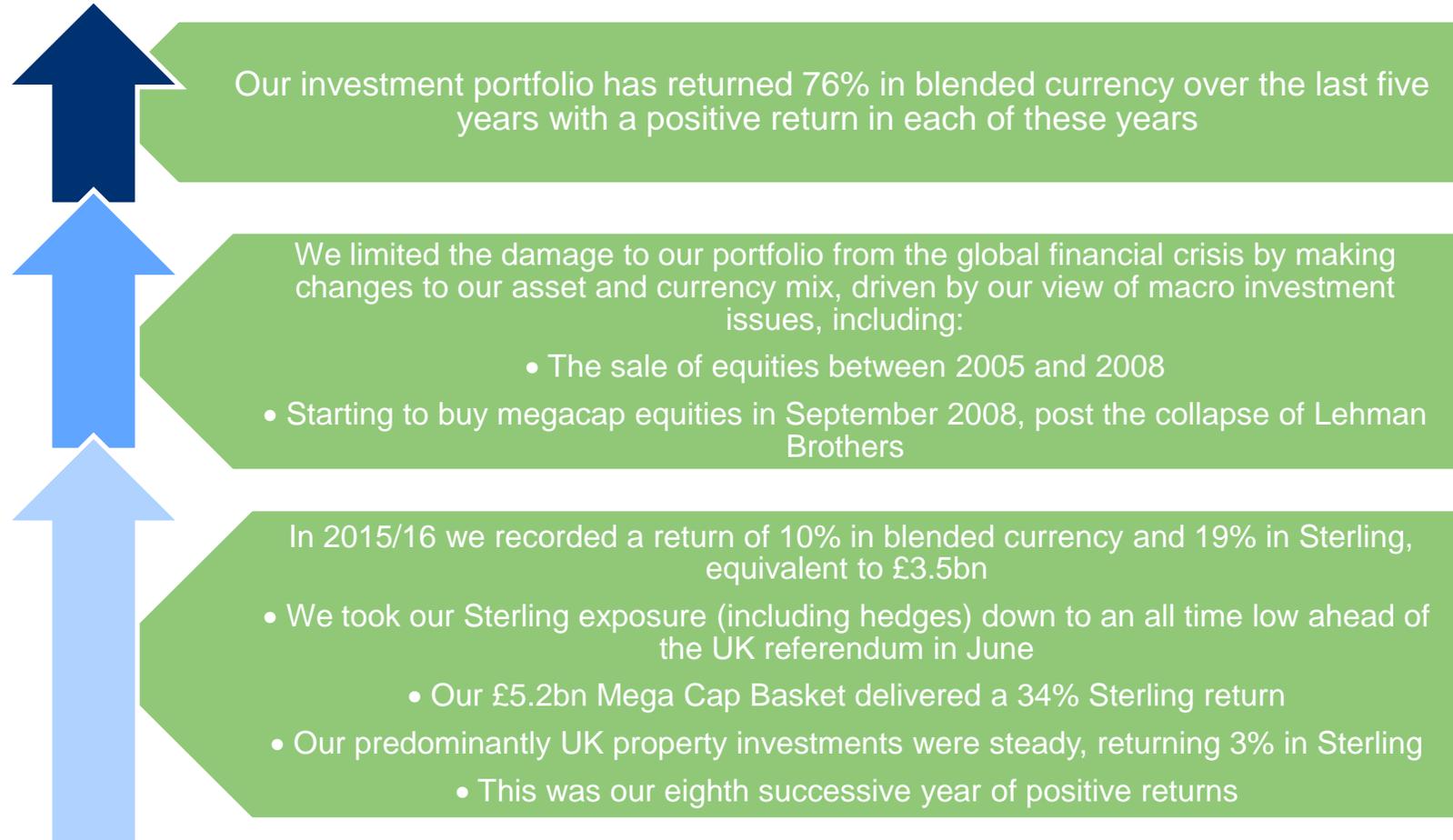


Wellcome Trust Update Presentation

14th December 2016

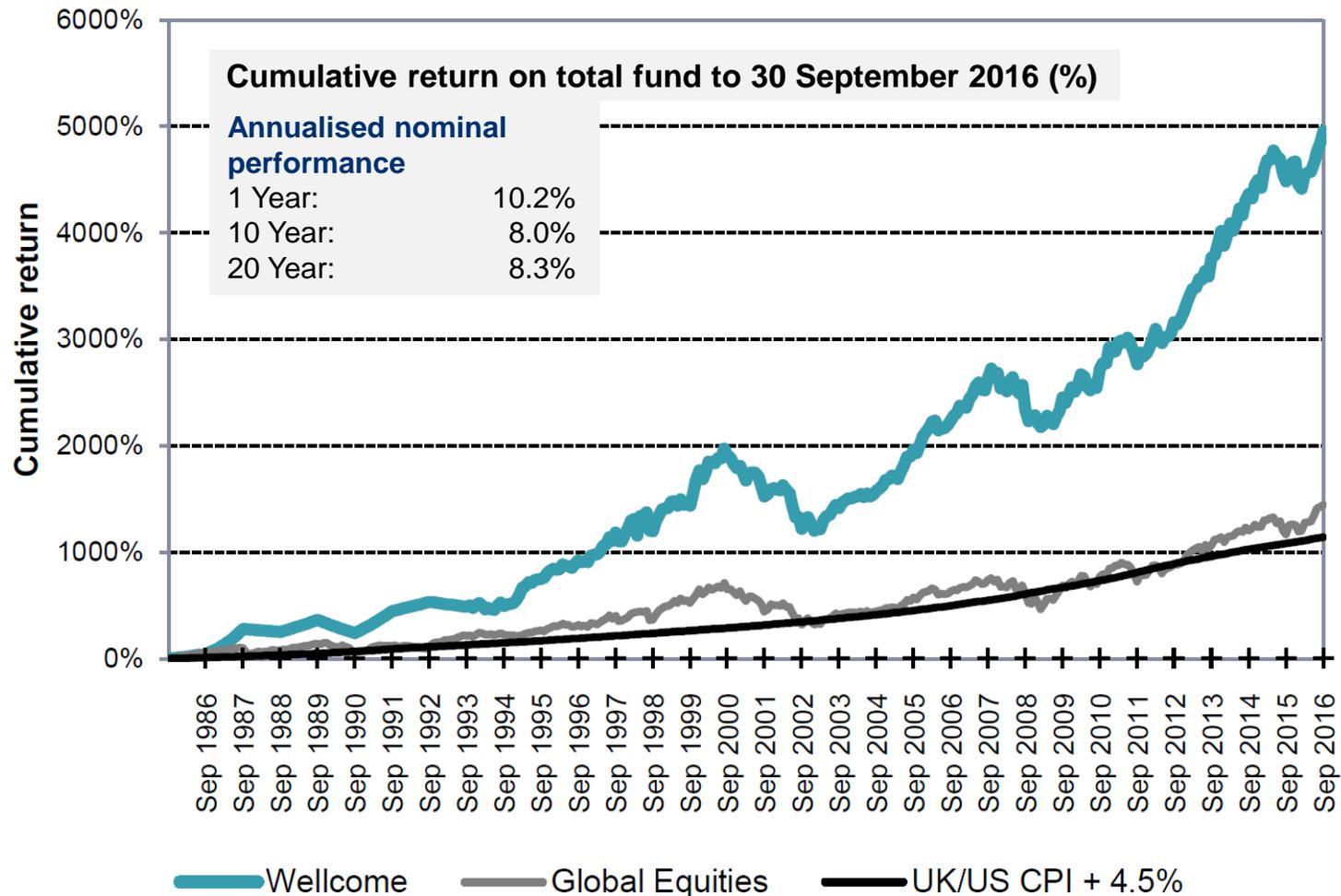
Our investment portfolio

Our portfolio continues to perform...



Note: Return calculations based on relevant currency; see Wellcome Trust Annual Report.
Source: Wellcome Trust Annual Report.

...and long term returns are impressive...

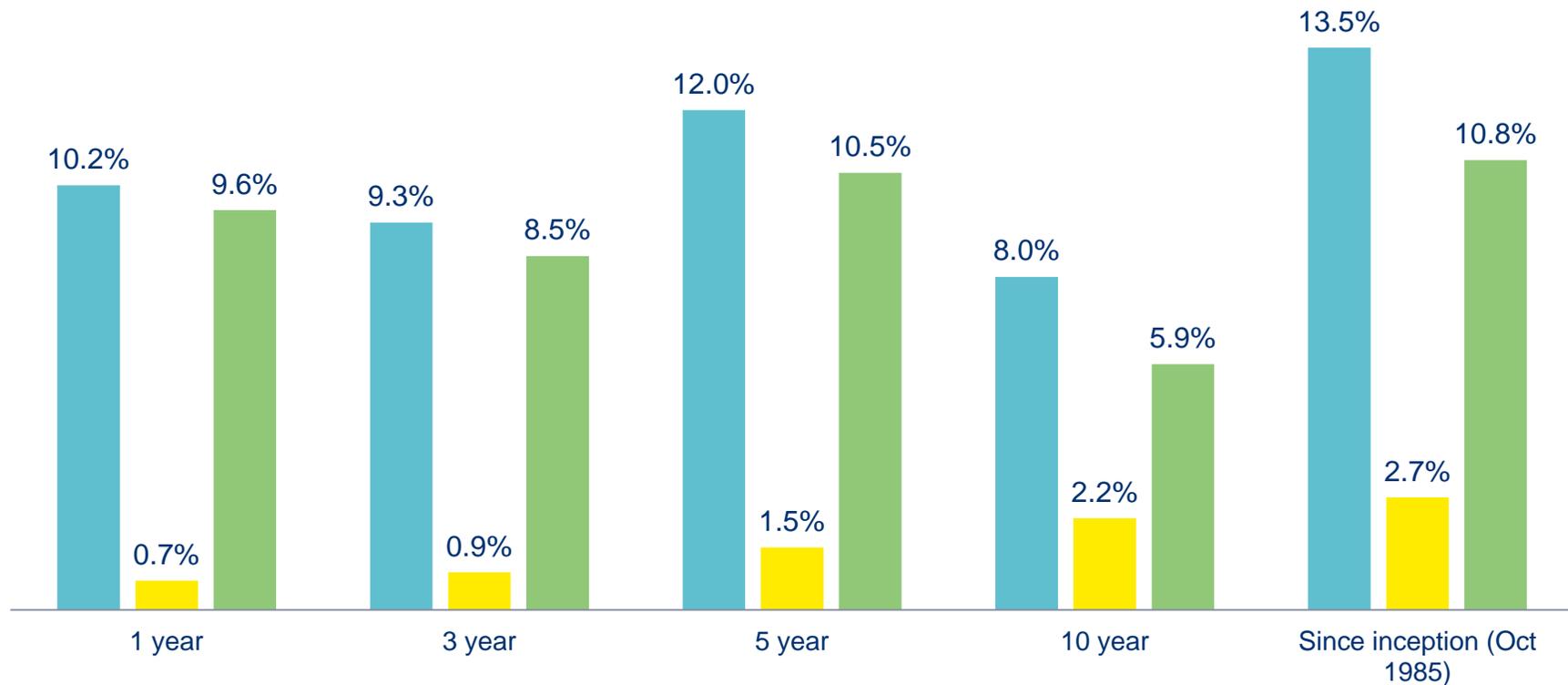


Note: Wellcome Trust performance is measured in £ until 30 September 2009 and 50% £ and 50% \$ thereafter. Inflation defined as UK CPI until 30 September 2009 and a blend of 50% UK and 50% US CPI thereafter. Source: Wellcome Trust Annual Report.

...increasing our purchasing power

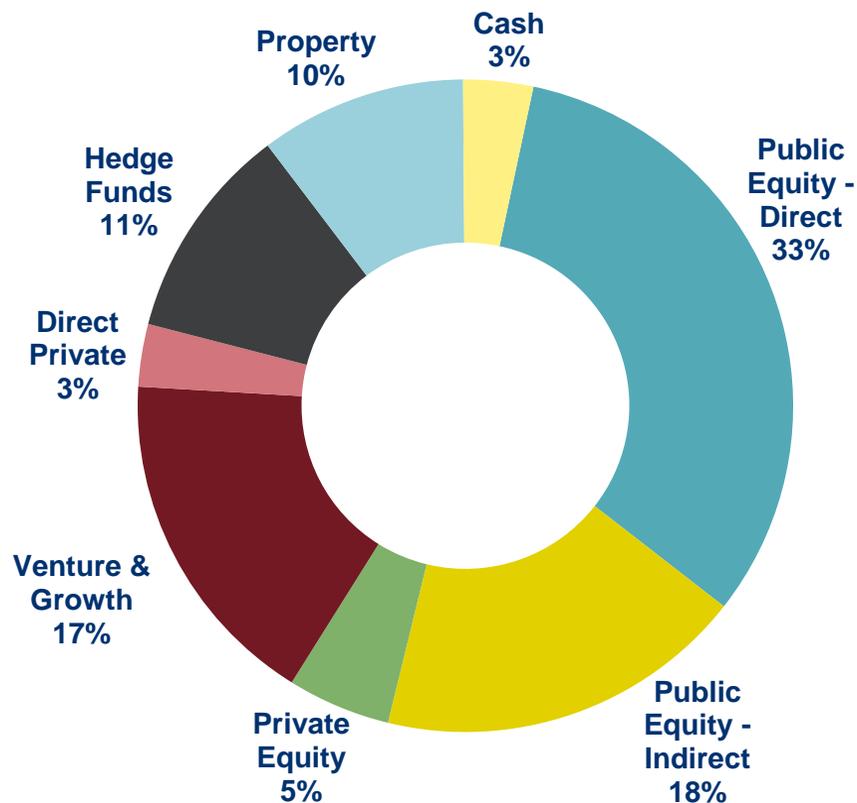
Annualised returns, as at
30 September 2016

■ Nominal Return ■ Inflation ■ Real Return



Note: Wellcome Trust performance is measured in £ until 30 September 2009 and 50% £ and 50% \$ thereafter. Inflation defined as UK CPI until 30 September 2009 and a blend of 50% UK and 50% US CPI thereafter. Source: Wellcome Trust Annual Report.

Our portfolio is diversified by asset class...



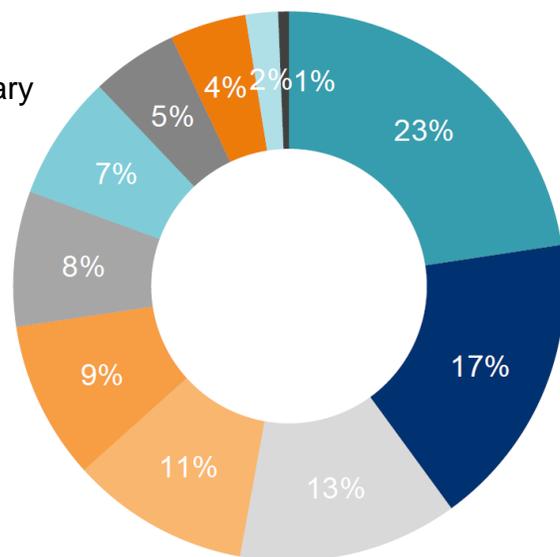
- Diversification both across and within asset classes
- In addition to cash equities, we express market views using:
 - Currency forwards
 - Equity index futures
 - Exchange traded individual equity options
 - Exchange traded commodity derivatives

Our portfolio is well positioned to manage and exploit future volatility in capital markets

Note: Excludes net overlay assets.
Source: Wellcome Trust Annual Report.

...and by sector

- Information Technology
- Financials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Energy
- Industrials
- Materials
- Real Estate
- Telecommunications
- Utilities



- Our two largest sector exposures are to information technology and financials, which in part reflects their large index weightings but also a view that their prospects remain robust, especially in the US
- Our consumer discretionary interests are broad, but have a clear tilt towards China, India and other developing markets
- Our increased investment in 2015, both in energy and mining companies and in long commodity financial instruments, has been well rewarded in 2016 as commodity prices have rebounded

While we have the flexibility to express sector views, our portfolio remains well diversified

Note: Public and private equity assets as of September 2016.
Source: Wellcome Trust Annual Report.

We are doing more things directly...



Our Mega Cap Basket contains our direct shareholdings in a diverse subset of the world's largest companies. We hold these stocks with a long term view, leading to very low turnover

...including our overlay strategy

Our overlay capital management has become increasingly integrated with our underlying portfolio management

Views are driven by fundamental economic and financial considerations, and are held for much longer than is typical in the market

We issue long-term fixed-rate debt which provides some inflation protection at the margin and creates the expectation of long-term return enhancement

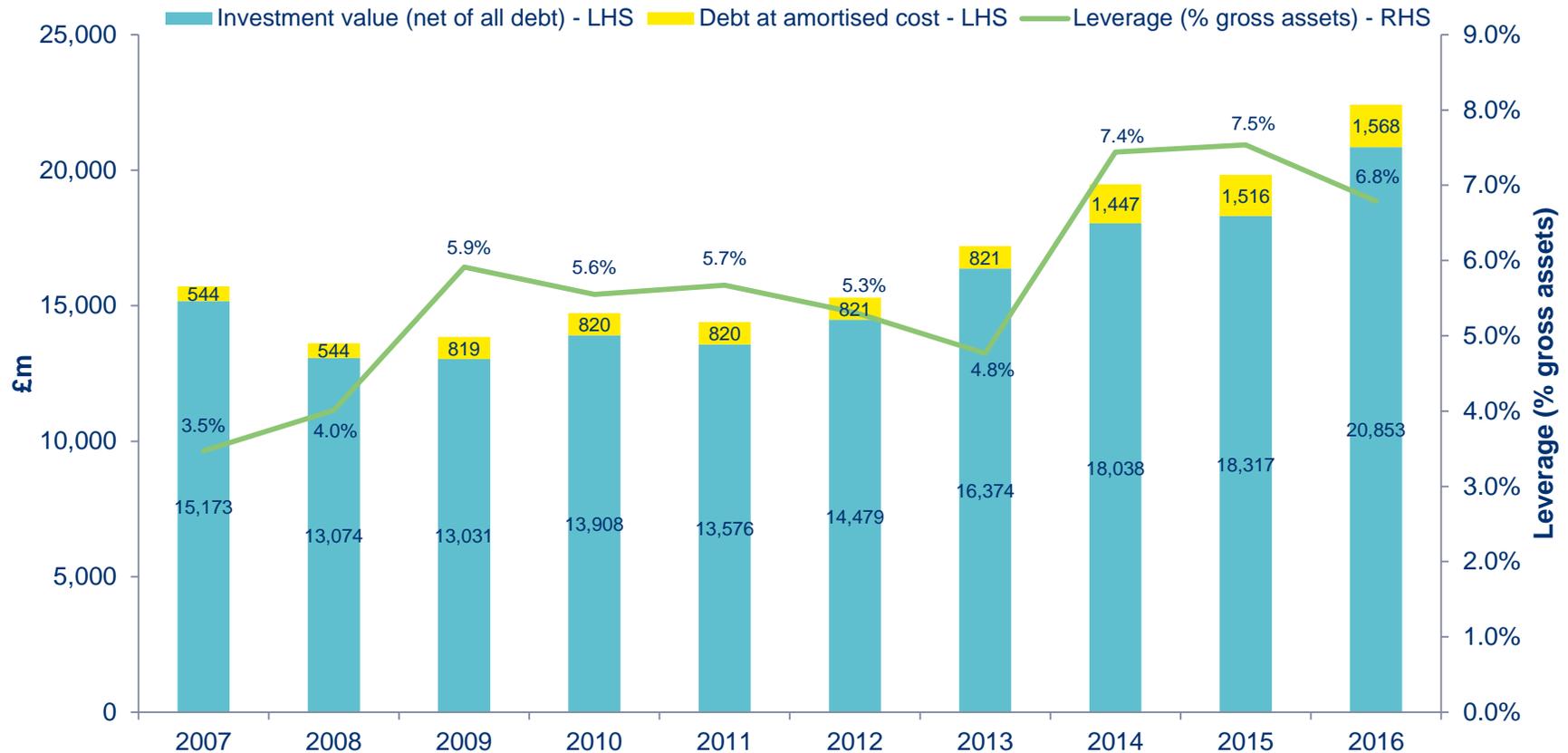
Foreign exchange management is carried out at the portfolio level, looking through to individual assets where possible

- We target a minimum 25% exposure to both Sterling and US Dollars, hence we usually have long Sterling forward positions
- In February 2016 the 25% minimum Sterling limit was removed ahead of the planned EU referendum, this decision is reviewed by the Investment Committee and Board of Governors quarterly

We use equity index options and futures to manage equity beta exposure

We use single stock options to enhance returns and add to our directly owned stocks more cheaply

Our portfolio has been resilient through the cycle



We maintain a cautious attitude to debt, with strong performance driving recent deleveraging

We maintain a conservative approach to debt

The size of our portfolio has increased materially since we issued our first bond in 2006, giving us greater scale

We have diversified our asset base over time

The crisis demonstrated our ability to weather difficult market conditions with low volatility

Our increasing focus on cash flow, coupled with the low interest rate environment, ensures that our debt servicing capacity remains high

Our debt maturities are spaced so there are no refinancing “cliffs”

Recent management changes

We recently amended our management structure, with Danny Truell (formerly CIO), Peter Pereira Gray and Nick Moakes (both formerly Managing Directors) each becoming Managing Partners

Each of these individuals now has equal responsibility and authority, which better reflects the way we have been working for some time

We also announced five internal promotions, including two new Principals (Elaina Elzinga and Catherine Fraser), both of whom originally joined the team as Analysts

This reflects a continuation of our strategy of hiring good people at junior levels and promoting them through the organisation; six of our seven Team Heads and Principals joined as Analysts

Our senior team remains strong and stable...

Danny Truell Managing Partner



Danny Truell serves in a diverse range of roles in the investment and charitable community. He is a Managing Partner and sits on both the Executive Leadership Team and the Investment Committee.

Danny is a co-founder and Chair of the Asset/Liability Operating Committee of Pension Insurance Corporation, an insurer with assets exceeding £20 billion (\$25 billion). Danny is a World Economic Forum Global Agenda Trustee for Long Term Investing, Infrastructure and Development and has been a co-Chair of the G20/B20 Investment Group. He was, from 2012-14, Chair of the World Economic Forum's Long-Term Investment Council.

He is Chair of the charity Debate Mate and a member of the Investment Committee of the Wellington College Endowment.

Until 2005, he was a Managing Director of Goldman Sachs & Co. in its investment management division. Between 1986 and 1996, his career was focused on investment in Asia. He is a graduate of Balliol College, Oxford University.

Peter J Pereira Gray, FRICS Managing Partner



Peter Pereira Gray is a Managing Partner in the Investment Division of the Wellcome Trust and sits on both the Executive Leadership Team and the Investment Committee.

Peter is the Chairman of the farming & land management business, Farmcare Ltd, and the UK Marina, Boatyard and Boat Storage business Premier Marinas Ltd. Peter is also a Main Board Director of Vero Group, a newly formed student housing joint venture with Goldman Sachs.

Peter is a Life Member and past Chairman of the Investment Property Forum, and a past founding and advisory board member and member of the Management Board of INREV. He is a member of both the Bank of England Commercial and Residential Property Forums, and a Fellow of the Royal Institution of Chartered Surveyors. Peter is an honorary vice president of Cambridge University Land Society and a Life Fellow of the Royal Society of Arts. He is an Advisory Board member and Honorary Fellow of the Institute of Continuing Professional Development.

Nick Moakes, CFA Managing Partner



Nick Moakes is a Managing Partner in the Investment Division of the Wellcome Trust and sits on both the Executive Leadership Team and the Investment Committee.

He is directly responsible for global equity, FX and derivatives exposure as well as taking a leading role in broader investment strategy.

Nick joined the Trust in 2007 from BlackRock Investment Management where he was Head of the Asia Pacific investment team and Co-Head of Emerging Markets. He has 28 years of professional experience in Asia, and 24 years of experience in global equity markets. He graduated with a first class honours degree in Modern History and Economics from Balliol College, Oxford and is a CFA Charterholder.

Nick is Chairman of the Imperial College Endowment and is a Board Member for the Foreign & Colonial Investment Trust and the UK Investor Forum. Nick is a member of both the Marks & Spencer Sustainable Retail Advisory Board and the Finance Committee for the Royal Commission for the Exhibition of 1851.

Sarah Fromson, MBA Head of Investment Risk and Performance



Sarah Fromson is Head of Investment Risk & Performance at the Wellcome Trust and sits on the Investment Committee.

Prior to joining the Trust in 2008 she was Chief Investment Risk Officer at RBS Asset Management from 2006, after co-leading the long-only and hedge fund manager selection team at RBS (formerly Coutts) from 1996. She previously managed mutual funds at Shearson Lehman Global Asset Management and also worked at Quantec, providing portfolio management software consultancy to a range of clients. Sarah graduated from LBS with an MBA and has an MA in Natural Sciences from Cambridge University.

Our senior team is highly experienced and all sit on the Investment Committee. In addition, the Managing Partners are all on the Executive Leadership Team.

...supported by an experienced management team

Robert Coke
Head of Absolute
Return and Buyout



Robert is Head of Absolute Return and Buyout. His team covers the Trust's investments in private equity and various hedge fund strategies including credit and arbitrage. He is also involved in emerging markets and industrial sector investments across the portfolio. Robert joined the Trust in 1999 having trained in emerging markets fund management. Robert sits on the board of the Downside Fisher Youth Club.

Geoffrey Love
Head of Venture Capital &
Equity Long/Short Investments



Geoff is Head of Venture Capital and Equity Long/Short. Geoff has been at Wellcome since 1998, and is responsible for the Trust's investments in Equity Long/Short Hedge Funds and Venture Capital Funds, as well as a number of direct stakes in private and public companies.

Lisha Patel, CFA
Head of Direct Private
Investments



Lisha is Head of Direct Private Investments, having joined the Wellcome in 2006. The Direct Private portfolio backs a range of companies from technology and ecommerce businesses to energy and financial services firms. Lisha also covers public and private investments in the resources sector across the portfolio and has a keen interest in faster growing markets. Prior to Wellcome, she worked at Lazard in the corporate finance practice. Lisha read Economics & Management at the University of Oxford.

Elaina Elzinga, CFA
Principal, Absolute
Return and Buyout



Elaina joined Wellcome in 2010, and since then has been predominately focused on developing the portfolio's private equity and hedge fund relationships. She has a particular interest in natural resources and oversees the portfolio's public and private exposure to this sector, which spans direct and indirect holdings in mining, energy and agriculture. Prior to Wellcome Elaina worked at Goldman Sachs in investment banking and asset management. Elaina read History at Cambridge University.

Catherine Fraser
Principal, Public Markets



Catherine focuses on the overlay of the investment portfolio, managing the currency overlay and the Equity options overlay. She also manages the team responsible for all direct public market execution. Catherine read Chemistry at Trinity College, Oxford and worked at Lehman Brothers prior to joining Wellcome in 2008.

Ollie Hawkins
Principal, Public Markets



Oliver joined the Trust in 2014 to manage the commodities basket. He began his career as a consultant at Bain & Company, before leaving to help found Partners Capital, an investment advisory firm. After Partners Capital, Oliver worked at Rubicon Asset Management, supporting the launch of their commodities business. Following Rubicon, he established Hawker Capital, a commodities investment firm where he was a Founding Partner and CIO of commodity investment. Oliver read Chemistry at Oxford.

Fabian Thehos, CFA
Principal, Public Markets



Fabian is a Principal in the Public Markets team, which oversees the Trust's equity portfolio as well as FX and derivative overlays. He joined Wellcome in 2006 and has worked across multiple asset classes including long/short equity hedge funds, venture capital funds and direct private investments. Prior to joining the Trust, Fabian worked at Societe Generale in Paris. He holds an MA in finance and economics from the University of Mannheim, Germany, and an MBA from ESSEC Business School, Paris.

Our Investment team is stable and experienced, with significant collective corporate memory

We are supported by robust governance

Baroness Manningham-Buller was appointed Chair of the Board of Governors in October 2015, succeeding Sir William Castell

Our Board of Governors comprises a mix of individuals with a wide variety of backgrounds including investment, scientific and corporate

- This breadth of skills and experience enables effective decision making and supports appropriate delegation across all of our activities

Our Investment Committee provides advice and strategic input on the management of our investment portfolio

- The Committee is comprised of both internal and external members, the majority of whom have distinguished careers in the financial services industry
- Mike Moritz (Managing Partner at Sequoia Capital) and Stefan Dunatov (CIO of Coal Pension Trustees Limited) joined the Committee in March 2016

We maintain an Investment Policy, which describes return expectations and the relationship between risk, return and charitable spend, in addition to:

- The roles and responsibilities of the Board of Governors and Investment Committee in overseeing the investment portfolio
- The authorities delegated to the Managing Partners

The Investment Policy is regularly reviewed by the Investment Committee and authorised by the Board of Governors, including with respect to asset allocation

Conclusion



- Our portfolio continues to make steady gains and net performance stands at record levels, despite a difficult market backdrop



- Our experienced Investment Executive and Investment Committee remain stable



- The quality of the assets we own is high



- Those assets continue to contribute towards a cash flow profile that is strong and growing stronger



- We continue to maintain our financial discipline and our outstanding debt remains low

Spending policy

Our charitable spending policy

Our Focus

- Maintaining the real purchasing power of our charitable funding over time
- Ensuring our long term financial position is secure and our spending levels are sustainable, including preserving the value of the investment base

- We plan on a 5 year basis to commit 4.7% of the three-year weighted average of investment asset values. This plan is used to create an annual budget which is monitored against unexpected economic or market events
- Our Board of Governors regularly monitors our future spending plans
- We aim to commit up to £5 billion funding for charitable activity over the next 5 years, although the amount will depend on our investment performance