

Woodford Investment Management

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Woodford's reverse-Midas touch set to continue as BenevolentAI faces valuation plunge

Neil Woodford's reverse-Midas touch continues, as one of the fund manager's major unlisted investments sees its valuation sink.

Drug discovery specialist BenevolentAI, which uses artificial intelligence to help drug companies develop new medicines for hard to treat diseases, has been one of the largest investments in Woodford's funds.

READ: Woodford Equity Income fund remains frozen indefinitely
 BenevolentAI was valued at around US\$2bn (£1.6bn) when it raised US\$115m last year from US investors and Woodford Investment Management, which listed the preference shares on the Guernsey-based International Stock Exchange.

This was part of an amazing surge in value that took place as the privately owned company carried out a handful of fundraisings at well above the near-£200m valuation it had carried just four years earlier, according to FTAlphaville, which helped provide some of the fuel that lifted the valuation of Woodford's funds in recent years.

Now, the software company is looking to top up its coffers in coming months but at a valuation "far below" the US\$2bn level, the Sunday Times reported, with potential investors including Singapore's sovereign wealth fund.

This comes on the back of major drops in value for an almost uncanny number of other listed Woodford investments in recent years, including Purplebricks Group PLC (LON:PURP), Kier Group PLC (LON:KIE), Provident Financial PLC (LON:PFG), AA PLC (LON:AA.), Allied Minds PLC (LON:ALM), Newriver Reit PLC (LON:NRR) and Stobart Group Ltd (LON:STOB).

Big stake

BenevolentAI was the fourth biggest holding in the Woodford Equity Income at 5.2% when the unit trust was gated at the start of last month, with investors prevented from withdrawing funds following a rush of redemptions.

Woodford said he needed to suspend the fund in order to sell off investments to raise cash for investor redemptions and to shift the focus of the fund from illiquid investments such as BenevolentAI towards more larger, listed companies.

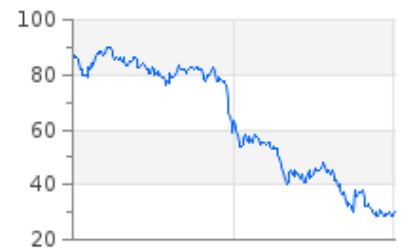
The Woodford funds first invested in BenevolentAI in 2015 and the company, which recently won a contract from FTSE 100-listed AstraZeneca, was also the biggest holding in the Woodford Patient Capital trust.

A spokesman for Benevolent AI said it was "well placed to do a further fundraising" on the back of the AstraZeneca deal and the continued commercialisation of its intellectual property.

Price: 31

Market Cap: £281.68 m

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: WPCT

Listing: LSE

52 week	High	Low
	91	28.05

Sector: Financial Services

Website: woodfordfunds.com

Company Synopsis:

Established in 2014, Woodford Investment Management is the opportunity for Neil Woodford, one of the UK's most highly-regarded fund managers, to distil his 30 years of experience and learning into a business founded on his own principles. Our business is grounded in the belief that core principles are fundamental to how we manage money and behave as a business.

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