

The Woodford snowball gathers pace



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Those familiar with the appalling record of healthcare investments made by the once-lauded UK financier Neil Woodford might have seen it coming, but to the general public this week's news came as a shock: Mr Woodford's flagship Equity Income Fund was being frozen after [Kent County Council reportedly tried to withdraw £250m](#) (\$320m) from it. The effects of the run on Mr Woodford are now being felt far and wide, with what looks increasingly like panic selling of traded assets that he holds stakes in – many in healthcare. The first problem is that the fund manager is under increasing pressure to cash in anything liquid, and in recent days regulatory filings have revealed him selling down stakes in [IP Group](#), [Circassia](#), [Allied Minds](#) and [E-Therapeutics](#). The second is that other investors in these entities might themselves have been keen to cut their positions before Mr Woodford's own sales drove down the stock prices. Either way, most of Mr Woodford's healthcare holdings have performed lamentably in recent months. As more selling drives down prices, in turn ratcheting up the pressure to sell even more, this situation will likely get worse before it gets better.

Performance of selected healthcare stocks held in one or more Woodford-controlled funds

	Share price change	
	1-month	6-month
E-Therapeutics	-24%	-75%
Circassia	-35%	-69%
Autolus	-33%	-54%
Verseon	NA	-54%
Theravance	-37%	-41%
Mereo Biopharma	-18%	-38%
Nucana Biomed	-22%	-33%
Alkermes	-17%	-33%
IP Group	-20%	-30%
Biogen	-2%	-29%
4D Pharma	-18%	-25%
Prothena	-17%	-24%
Arix Bioscience	-10%	-20%
Horizon Discovery Group	-24%	-18%
Agios	-9%	-10%
Northwest Biotherapeutics	-18%	-7%
Allied Minds	+19%	+6%
Evofem Biosciences	+41%	+82%
Reneuron	-17%	+375%

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