

## Trust Fact Sheet

31 January 2017



### Trust Facts

#### Ordinary Shares

Share Price	189.38p
NAV per share	198.52p
Premium	-
Discount	-4.61%
Capital	120,475,000 shares of 25p

#### Assets & Gearing <sup>2</sup>

Total Net Assets	£239.1m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	0.07%

**Historic Yield (%)** **2.14**

### Dividends (p/share)

November 2016 (paid)	0.75
August 2016 (paid)	2.00
May 2016 (paid)	0.65
February 2016 (paid)	0.65

### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

### Fees <sup>3, 4</sup>

Management	0.85%
Performance	10% over performance hurdle

### Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information at the end of this document and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

### Discount Warning

The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

## Company Profile

### Investment Objective

The Company aims to generate capital growth and income by investing in a global portfolio of healthcare stocks.

### Investment Policy

The Company seeks to achieve this objective by investing in a diversified global portfolio consisting primarily of listed equities issued by healthcare companies involved in pharmaceuticals, medical services, medical devices and biotechnology. The portfolio is diversified by geographic location and size of investee companies.

### Dividends

The Company pays four dividends a year and has a policy to increase the dividend on an annual basis progressively but there is no guarantee this will be achieved.

### Fixed Life

The Company has a fixed life to the 7th AGM which is expected to be held in January 2018.

## Performance

### Performance Since Launch (%)



	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price (TR) <sup>1</sup>	-2.76	-5.66	-0.60	16.44	120.05
NAV per Share (TR) <sup>5</sup>	-0.76	-2.60	-3.16	13.61	148.30
Total Return for Shareholders <sup>6</sup>	-	-	-	-	132.52
MSCI ACWI / Healthcare TR	0.38	0.58	-2.34	16.43	172.23
NYSE Arca Pharmaceutical CR	-2.01	-1.50	-7.39	9.37	145.84

### Discrete Annual Performance (%)

	30/09/16 31/01/17	30/09/15 30/09/16	30/09/14 30/09/15	30/09/13 30/09/14	28/09/12 30/09/13
Ordinary Share Price (TR) <sup>1</sup>	-2.27	18.18	10.46	10.56	19.57
NAV per Share (TR) <sup>5</sup>	-3.11	20.54	8.12	19.69	23.28
MSCI ACWI / Healthcare TR	-0.24	22.80	9.63	24.76	25.38
NYSE Arca Pharmaceutical CR	-2.47	17.41	7.65	26.80	19.59

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, Net of Fees in GBP terms. Past performance is not indicative or a guarantee of future results.

- The ordinary share price has been adjusted for dividends paid in the period in GBP.
- Gearing calculations are exclusive of current year Revenue/Loss.
- All fees are allocated 80% to capital and 20% to income. Further details can be found in the Report and Accounts.
- The management fee is based on the lower of the market cap or NAV. The performance fee is subject to a cap.
- The NAV per share is adjusted to show dividends reinvested on the payment date in ordinary shares at their Net Asset Value; to remove the dilution of the exercise of the subscription rights and, to remove any effects from any issuance or repurchase of ordinary shares. This is the metric used by the company when assessing the investment manager's performance. For Full details please refer to the Annual Report.
- The Total Return for Shareholders since Inception calculation is adjusted for any dividends to have been reinvested on the payment date in ordinary shares at the prevailing share price and assumes that all investors have exercised their subscription rights.

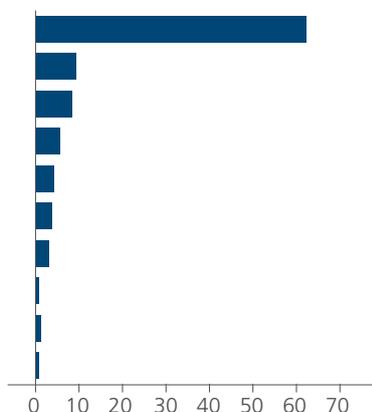
# Polar Capital Global Healthcare Growth and Income Trust plc

## Portfolio Exposure

As at 31 January 2017

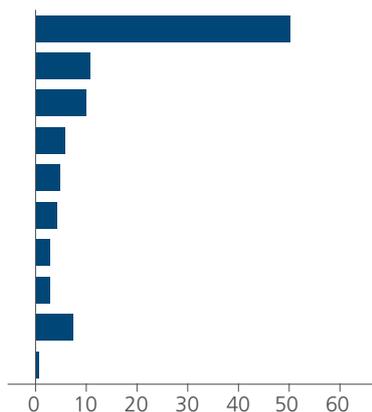
### Sector Exposure (%)

Pharmaceuticals	62.4
Healthcare Equipment	9.4
Biotechnology	8.4
Healthcare REITs	5.7
Healthcare Services	4.3
Healthcare Facilities	3.8
Managed Healthcare	3.2
Healthcare Supplies	0.8
Other	1.2
Cash	0.8



### Geographic Exposure (%)

United States	50.3
United Kingdom	10.7
Switzerland	10.0
Japan	5.9
France	4.9
Germany	4.2
Australia	2.9
Ireland	2.8
Other	7.5
Cash	0.8



### Top 10 Holdings (% of net assets)

Merck & Co	7.6
Pfizer	7.4
Johnson & Johnson	6.0
GlaxoSmithKline	5.0
Sanofi	4.9
Roche	4.7
Novartis	4.6
Astellas Pharma	3.8
Merck KGaA	3.7
Bristol Myers Squibb	3.1

**Total** 50.8

**Total Number of Positions** 67

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	80.0
Mid Cap (\$1bn - \$5bn)	9.5
Small Cap (<\$1bn)	9.8
Cash	0.8

## Investing in the Trust and Shareholder Information

### Trust Characteristics

Launch Date	15 June 2010
Year End	30 September
Results Announced	Mid December
Next AGM (6th)	January 2017
Listed	London Stock Exchange

### Market Purchases

The ordinary shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

### Corporate Contacts

#### Registered Office and Website

16 Palace Street, London SW1E 5JD  
[www.polarcapitalhealthcaretrust.co.uk](http://www.polarcapitalhealthcaretrust.co.uk)

#### Custodian

HSBC Plc is the Depositary and provides global custody of all the company's investments

#### Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA  
[www.shareview.co.uk](http://www.shareview.co.uk)

### Codes

#### Ordinary Shares

ISIN	GB00B6832P16
SEDOL	B6832P1
London Stock Exchange	PCGH

The entire investment portfolio is published in the annual and semi annual reports and as part of the interim management statement.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this list. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Note: Totals may not sum due to rounding.

# Polar Capital Global Healthcare Growth and Income Trust plc

## Fund Manager Comments

As at 31 January 2017

Global stock markets started the year on a reasonably positive note with the broader healthcare sector performing in-line. For January, the NAV for the Trust decreased by 0.8%, which was behind the 0.4% increase reported for the benchmark (Morgan Stanley Global Healthcare Index). The portfolio's high exposure to large pharmaceutical stocks was a significant contributor to this relative performance – the NYSE Pharmaceutical Index was down 2.0% during the month.

President Trump's inauguration and his first series of executive orders dominated the headlines in January. The weakness in the pharmaceutical sector was in large part driven by some of the President's comments regarding drug pricing in the US – re-igniting the concerns that created a headwind for the sector in 2015/16 during the election campaign. In addition, the Republicans desire to "replace and repeal" the Affordable Care Act remains a priority. However, there seem to be few details on how this will be enacted and on what timeframe.

Towards the end of the month, a group of pharmaceutical company executives visited the White House and described the conversation with the President as constructive and conciliatory. The pharmaceutical industry has been quite vocal in highlighting the amount of margin that is extracted by the drug supply chain – noting that the reported high-single-digit gross price increases are far higher than the low single digit net price increases actually received by the drug manufacturers. We would not be surprised to see the Administration demand greater transparency on the profit taken by different parts of the drug supply chain.

While government price controls seem to be a worry for investors, we think the real structural change in healthcare is being driven by commercial insurers. Nearly every large healthcare company we have spoken to in the last month has referred to "value-based reimbursement" – a system where any drug, device or service company will be paid on the basis of clinical outcomes and quality of their product or service delivers. To this end, we continue to believe that President Trump's "answer" to replacement of the Affordable Care Act may be the government looking to the managed care sector to help create a solution to escalating healthcare costs.

Year-end earnings season has been reasonably mixed so far – lacklustre for the drug sector but quite positive across the rest of healthcare. In particular, Novo Nordisk disappointed for the third-quarter in a row and a few large pharmaceutical companies have guided to weaker than expected growth in 2017 – although this was already reflected in market expectations.

In contrast, results from large healthcare service, life sciences tools and medical device companies have been positive. This reflects the mood that we detected at the JP Morgan healthcare conference in the second week of January – investor sentiment was quite subdued but most of the larger companies seemed to be cautiously optimistic on their business prospects for 2017.

There was little new clinical data in January but a number of companies updated their clinical development plans. In particular, Bristol-Myers announced that its Opdivo/Yervoy combination therapy for front-line non-small cell lung cancer (NSCLC) would not be filed early – this caused a significant negative reaction in the shares as expectations had risen on the prospective of an early approval. AstraZeneca also gave an update on the timing of MYSTIC – its clinical trial evaluating the use of its immunotherapy agent durvalumab with or without tremelimumab in the treatment of front-line NSCLC – with data now expected in mid-year. We see this as a major catalyst for AstraZeneca shares this year and are little nervous on the risk/reward going into this event.

We made a number of changes to the portfolio during the month. In the income portfolio, we added to the positions in Bristol-Myers and Novartis while reducing the positions in AstraZeneca and AbbVie. In the growth portfolio, we sold the positions in Amedisys, Regeneron and Synairgen replacing them with new positions in Anthem, a US managed care company; Inogen, a supplier of at-home oxygen therapy devices; and Pacira, a speciality pharmaceutical company.

As we begin 2017, we believe that investor sentiment for healthcare remains very low with relative valuations getting close to the levels seen in 2008/09. The headwind continues to be the political situation in the US but we think we may be approaching some clarity on this front. We think this is a good time to be revisiting healthcare as the sector looks cheap, long-term fundamentals are strong and, most importantly, we can find companies offering decent growth at a reasonable price.

**Dan Mahony & Gareth Powell**

7 February 2017

### Fund Managers



**Daniel Mahony**  
Fund Manager

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 25 years of industry experience.



**Gareth Powell**  
Fund Manager

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 18 years of industry experience.

# Polar Capital Global Healthcare Growth and Income Trust plc

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**Benchmarks** The following benchmark index is used: MSCI All Country World Index/Healthcare. This benchmark is generally considered to be representative of the Healthcare Equity universe. This benchmark is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizable by investors. Please refer to [www.msicibarra.com](http://www.msicibarra.com) for further information on this index. Comparisons to benchmarks have limitations as benchmarks volatility and other material characteristics that may differ from the Company. Security holdings, industry weightings and asset allocation made for the Company may differ significantly from the benchmark. Accordingly, investment results and volatility of the Company may differ from those of the benchmark. The indices noted in this document are unmanaged, unavailable for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the Company may incur. The performance of the indices reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. Information regarding indices is included merely to show general trends in the periods indicated and is not intended to imply that the Fund was similar to the indices in composition or risk.

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