

## Trust Fact Sheet

31 May 2016



### Trust Facts

#### Ordinary Shares

Share Price	172.00p
NAV per share	180.75p
Premium	-
Discount	-4.84%
Capital	120,775,000 shares of 25p

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

Total Net Assets	£218.3m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	2.78%

**Historic Yield (%) 2.18**

### Dividends (p/share)

February 2016 (paid)	0.65
November 2015 (paid)	0.65
August 2015 (paid)	1.80
May 2015 (paid)	0.60

### 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 on Page 4 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>	0.38	2.77	-0.95	1.29	97.03
■ NAV per Share (TR) <sup>5</sup>	1.59	2.69	1.07	-4.68	122.24
Total Return for Shareholders <sup>6</sup>	-	-	-	-	108.18
■ MSCI ACWI / Healthcare TR	1.97	2.70	2.45	-2.12	141.20
■ NYSE Arca Pharmaceutical CR	3.07	2.77	2.14	-4.97	126.95

### Discrete Annual Performance (%)

	30/09/15 31/05/16	30/09/14 30/09/15	30/09/13 30/09/14	28/09/12 30/09/13	30/09/11 28/09/12
Ordinary Share Price (TR) <sup>1</sup>	3.42	10.46	10.56	19.57	19.20
NAV per Share (TR) <sup>5</sup>	4.54	8.12	19.69	23.28	23.58
MSCI ACWI / Healthcare TR	8.55	9.63	24.76	25.38	21.45
NYSE Arca Pharmaceutical CR	5.71	7.65	26.80	19.59	22.38

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.

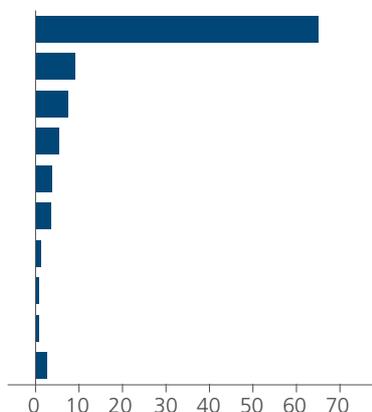
# Polar Capital Global Healthcare Growth and Income Trust plc

## Portfolio Exposure

As at 31 May 2016

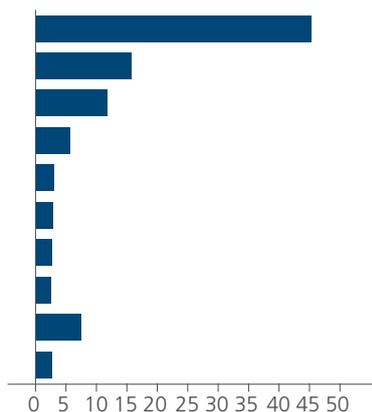
### Sector Exposure (%)

Pharmaceuticals	65.1
Healthcare Equipment	9.0
Biotechnology	7.5
Healthcare REITs	5.5
Healthcare Services	3.8
Healthcare Facilities	3.6
Healthcare Supplies	1.3
Managed Healthcare	0.8
Other	0.7
Cash	2.7



### Geographic Exposure (%)

United States	45.3
United Kingdom	15.8
Switzerland	11.8
Japan	5.7
France	3.0
Australia	2.8
Israel	2.7
Germany	2.6
Other	7.6
Cash	2.7



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

Pfizer	7.6
AstraZeneca	6.6
Merck & Co	6.6
Roche	5.8
Novartis	5.5
Johnson & Johnson	4.8
GlaxoSmithKline	4.6
Bristol Myers Squibb	3.9
Astellas Pharma	3.7
Sanofi	3.0

**Total** **52.1**

**Total Number of Positions** **71**

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	76.9
Mid Cap (\$1bn - \$5bn)	7.8
Small Cap (<\$1bn)	12.5
Cash	2.7

## 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 May 2016

The healthcare sector performed well in May led by strong performance of small-cap healthcare and biotechnology stocks. For the month, the NAV for the Trust was up 1.6% but was behind the 2.0% reported for the performance of the benchmark (Morgan Stanley Global Healthcare Index).

M&A was again an important theme in the pharmaceutical sector – Pfizer announced its intention to buy Anacor and Jazz Pharmaceuticals announced the acquisition of Celator. Both of these transactions are examples of larger companies looking to acquire already marketed products to bolster existing drug franchises.

However, the biggest M&A news was Bayer's approach to Monsanto that could result in a \$63 billion transaction. Bayer's shares fell sharply on this news, not least because it would decrease the company's exposure to healthcare and limit its ability to bolster the more profitable healthcare franchise. While we have held the shares in the past, this change in strategy makes us reluctant to buy the stock despite the significant decline in share price.

In terms of clinical news, Roche announced positive data from its Phase III GALLIUM study that is evaluating the use of Gazyva to Rituxan in the treatment of non-Hodgkin lymphoma (NHL). One of the lingering concerns over Roche is the potential launch of biosimilars that could compete with existing blockbuster drugs like Rituxan. This announcement suggests that Gazyva is superior to Rituxan and means that Roche should be able to protect the majority of its \$7 billion NHL franchise.

The other major point of interest in the month was an agreement between UnitedHealth and Medtronic, where United has chosen Medtronic as its preferred provider of insulin pumps for diabetics. We think this is an example of where a large consolidating company can take market share from competitors by providing a broader and better value proposition to its customers. As we have written previously, this is consistent with our investment thesis of focusing on (a) the consolidators or (b) the innovators – these are the companies that will decrease the cost and increase the quality of healthcare, respectively.

We made a number of changes to the portfolio in May. In the growth portfolio, we sold our positions in Dexcom and Stericycle and initiated a new position in Jazz Pharmaceuticals. We also sold our entire position in Cambian, a UK-based mental health provider that we have held since its IPO in 2014. Over the last nine months, the company has had a series of profit warnings that led us to question the financial controls at the company. However, the demand, and the need, for private provision of mental health care in the UK led us to continue to hold the stock. However, we lost faith in the management team's ability to execute following a recent debt re-financing – we hope the company can recover but the risks associated with a potential turnaround were too high and so we exited the entire position.

In the income portfolio, we significantly reduced our position in Eli Lilly, which has been one of our largest holdings of the last year or so. The change in view was driven by two concerns – an upcoming FDA panel at the end of June to evaluate Eli Lilly's diabetes drug, Jardiance, coupled with high expectations building ahead of results from a Phase III study for solanezumab, its novel treatment for Alzheimer's disease, which are expected later this year. We are still bullish on Eli Lilly's growth potential in the mid-term and are likely to revisit the name later this year. We used the proceeds of the sale to add to our positions in Bristol-Myers and Pfizer as well as opening a new position in Merck KGaA.

We continue to believe that fundamentals for healthcare remain solid and valuations are attractive but the US elections are likely to continue to be a headwind in the near term. We think this provides investors with an opportunity to increase exposure to the sector over the summer as the US political landscape should become clearer in the second-half of the year.

**Dan Mahony & Gareth Powell**

7 June 2016

### Fund Managers



**Daniel Mahony**

**Fund Manager**

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 24 years of industry experience.



**Gareth Powell**

**Fund Manager**

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 17 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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