

## Trust Fact Sheet

28 June 2019



### Trust Facts

#### Ordinary Shares

Share Price	218.00p
NAV per share	239.68p
Premium	-
Discount	-9.05%
Capital	121,770,000 shares of 25p

#### ZDP Shares

Share Price	108.00p
NAV per share	106.19p
Premium	1.70%
Discount	-
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£324.0m
Total Net Assets	£291.9m
AIC Gearing Ratio	4.50%
AIC Net Cash Ratio	0.00%

**Historic Yield (%)** **0.92**

#### Dividends (p/share)

February 2019 (paid)	1.00
July 2018 (paid)	1.00
February 2018 (paid)	1.00
May 2017 (paid)	1.65

#### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

#### Fees <sup>3</sup>

Management	0.85%
Performance	10% over performance hurdle
Ongoing Charges	1.08%

#### 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's investment objective is to generate capital growth 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 expected to be diversified by factors such as geography, industry sub-sector and investment size.

### Dividends

The Company pays two dividends a year.

### Life of Company

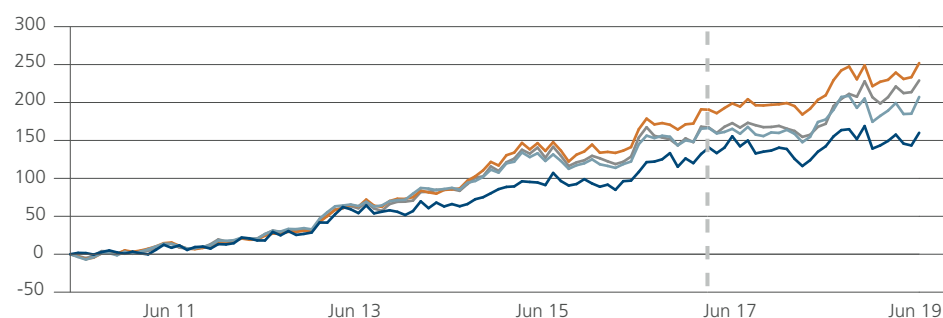
The Company will propose a special resolution for voluntary winding up at its 14th AGM expected to be held around 1 March 2025.

### Zero Dividend Preference Shares (ZDPs)

Through its wholly owned subsidiary, PCGH ZDP plc, the Company issued 32,128,437 ZDP shares, which entitles ZDP shareholders to a pre-determined redemption value of 122.99p per ZDP share on 19 June 2024.

## Performance

### Performance Since Launch (%)<sup>5</sup>



	1 month	3 month	YTD	1 year	Since 20/06/17 <sup>5</sup>	Since Launch
■ Ordinary Share Price (TR) <sup>1</sup>	6.86	0.93	8.70	7.35	3.59	160.07
■ NAV per Share (TR) <sup>4</sup>	7.73	2.67	11.93	10.68	12.55	207.39
■ MSCI ACWI / Healthcare TR	5.57	3.69	9.47	13.71	14.60	251.97
■ NYSE Arca Pharmaceutical CR	4.92	2.47	7.21	21.03	17.25	226.68

### Fiscal Year Performance (%)<sup>6</sup>

	YTD	29.09.17 28.09.18	30.09.16 29.09.17	30.09.15 30.09.16	30.09.14 30.09.15
Ordinary Share Price (TR) <sup>1</sup>	-1.78	13.72	3.41	18.18	10.46
NAV per Share (TR) <sup>4</sup>	-0.50	19.83	0.60	20.54	8.12
MSCI ACWI / Healthcare TR	1.30	17.24	8.60	22.80	9.63
NYSE Arca Pharmaceutical CR	5.70	15.30	6.35	17.41	7.65

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.

1. The ordinary share price has been adjusted for dividends paid in the period in GBP and reinvested at the ex-dividend date.

2. Gearing calculations are exclusive of current year Revenue/Loss.

3. All fees, with the exception of performance fees, are allocated 80% to capital and 20% to income. Performance fees are allocated 100% to capital. The management fee is based on the lower of the Group Market Capitalisation or Adjusted NAV (which includes all assets referable to the ZDP Shares). The performance fee hurdle is equal to the relaunched NAV multiplied by the benchmark total return plus 1.5% compounded annually. Ongoing charges are calculated at the latest published year end date, excluding any performance fees.

4. 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.

5. The Company was restructured on 20 June 2017; represented by the grey dotted line on the performance graph.

1-5. For further detail please refer to the Annual Report.

6. The end of the fiscal year for the Company is 30 September each year.

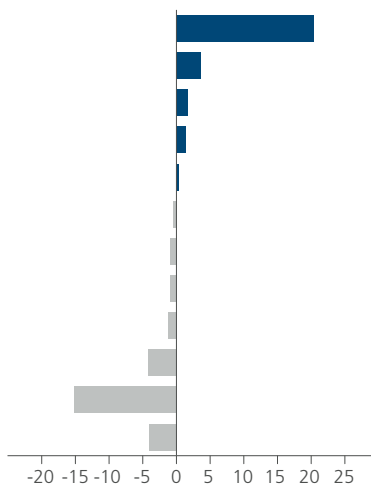
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 28 June 2019

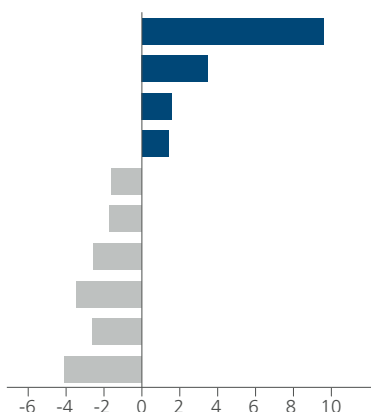
### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund (%)	Relative (%)
Healthcare Equipment	39.4	20.4
Life Sciences Tools & Services	9.6	3.6
Biotechnology	15.0	1.6
Healthcare Supplies	3.3	1.4
Education Services	0.3	0.3
Healthcare Services	3.5	-0.5
Healthcare Facilities	0.5	-1.0
Healthcare Technology	0.5	-1.0
Healthcare Distributors	0.3	-1.3
Managed Healthcare	2.9	-4.3
Pharmaceuticals	28.7	-15.2
Cash	-4.1	-4.1



### Geographic Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund (%)	Relative (%)
United Kingdom	13.8	9.6
Spain	3.7	3.5
Netherlands	2.5	1.6
Denmark	3.6	1.4
France	0.5	-1.6
Australia	0.0	-1.7
Germany	0.0	-2.5
Switzerland	5.5	-3.5
Other	74.6	-2.6
Cash	-4.1	-4.1



The column headed "Fund (%)" refers to the percentage of the Fund's net assets invested in each sector. The column headed "Relative (%)" refers to the extent to which the Fund is overweight or underweight in each sector compared (relative) to the index.

## Investing in the Trust and Shareholder Information

### Trust Characteristics

Launch Date	15 June 2010
Year End	30 September
Results Announced	Mid December
Next AGM (9th)	February 2020
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

#### 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

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

Pfizer	5.8
Merck & Co	5.7
Roche	5.5
Abbott Laboratories	4.5
Alexion Pharmaceuticals	4.0
Takeda Pharmaceutical	4.0
Medtronic	3.9
Becton Dickinson	3.7
Grifols SA	3.7
Baxter International Inc	3.6

**Total** **44.4**

**Total Number of Positions** **50**

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	91.4
Mid Cap (\$1bn - \$5bn)	2.3
Small Cap (<\$1bn)	10.4
Cash	-4.1

**Active Share** **72.80%**

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.

## Fund Manager Comments

As at 28 June 2019

After a challenging month, global markets rebounded in June with healthcare a modest outperformer. Within healthcare, positive momentum was pretty broad-based with life sciences and tools and medical devices leading the way. The Company's NAV increased by 7.7% in June, which was ahead of the benchmark (MSCI World Daily Total Return Net Health Care Index) which was up 5.6% for the month.

With earnings season yet to start, strength in the broader markets can likely be attributed to optimism around some sort of trade agreement between the US and China heading in to the G-20 in Osaka, coupled with expectations that the Fed is adopting a more dovish stance on interest rates. Focusing on healthcare, June was a month rich in newsflow and company updates. M&A took centre-stage but we also had several company updates that proved to be material.

Starting with M&A, Pfizer announced the proposed acquisition of Array BioPharma for total enterprise value of \$11.4bn. Array's portfolio includes the approved combined use of BRAFTOVI and MEKTOVI for the treatment of specific mutations in the melanoma setting. Towards the end of the reporting period, AbbVie and Allergan also announced that the companies have entered into a definitive transaction agreement under which AbbVie will acquire Allergan for an equity value of approximately \$63bn. The rationale for the deal centres around scale, profitability and the diversification of AbbVie's revenue base whereas the share price reaction reflects concerns around Allergan's strategic fit.

It is also worth highlighting the update from Bristol-Myers Squibb. The company announced that it plans to divest oral psoriasis drug, Otezla, to address concerns raised by the Federal Trade Commission (FTC). We believe the FTC's concerns relate to the fact that Bristol has a product entering Phase III trials that could ultimately compete in the same field as Otezla – an update that offers food for thought when assessing the healthcare M&A landscape.

The month of June also witnessed several Investor Days, include Merck & Co's first Investor Day for around five years that highlighted key growth drivers out to 2023. In short, the update gave us comfort that Merck is building long-term sustainability, not just in its oncology division but also within vaccines. IQVIA also hosted an Investor Day, surprising the market on the upside not just with the anticipated acceleration of growth in the near term, but with the robustness of the outlook out to 2022. IQVIA is guiding to a 7-10% revenue CAGR, 2019-2022. Factoring in cost savings, the company believes it can grow adjusted EBITDA by 8-11% over the same period.

Positive contributors to performance during June were Grifols and IQVIA Holdings. Grifols hosted an investor meeting that offered not just comfort on the top-line trajectory, but also tailwinds that could deliver operating leverage. As mentioned above, IQVIA Holdings' Investor Day was well received, with the company's medium-term top and bottom-line guidance outstripping consensus expectations. With such positive momentum in the sector, the biggest detractors from relative performance in the period were stocks not held in the portfolio. Johnson & Johnson, for many a healthcare bellwether, performed strongly in June while a lack of exposure to Allergan was also a drag on performance following the AbbVie announcement.

In the Innovation portfolio, Renalytix had another strong month as the company continues to make progress, successfully passing a key manufacturing milestone for the production material used to measure blood-based biomarkers in its proprietary KidneyIntelX test. Consort Medical announced preliminary FY19 results that were initially well received by the market, but quickly gave back the gains.

We made a number of changes to the portfolio in the month. We exited our positions in Novartis, HCA Holdings and Humana. Novartis has been the best performing large-cap pharmaceutical company year-to-date and is starting to carry high expectations, not just for new product launches but also for the pipeline. We believe HCA remains a best-in-class asset, but our concern centres more around the regulatory environment and the implications of pricing transparency. The decision to exit Humana reflects concerns with consensus expectations for 2020 earnings.

We recycled the proceeds in to DexCom Inc, NovoNordisk, Anthem, DENTSPLY SIRONA and Catalent. Both DexCom Inc and Novo Nordisk came out of the recent ADA (American Association of Diabetes) conference with positive momentum. ADA underpinned Novo Nordisk's best-in-class diabetes drugs while the conference also highlighted the innovation and market potential that is evident in the medical device sector, with Dexcom in a strong position. The decision to buy Anthem reflects our view that political rhetoric has depressed multiples, presenting an opportunity to invest in an area that we believe is unlikely to be disintermediated anytime soon. With DENTSPLY SIRONA, we believe they have a potentially disruptive technology for intra-oral scanning while recent acquisitions have changed the growth outlook and profile for Catalent, exposing the business to fast-growing end markets (biologics and gene therapies) that are not reflected in the company's valuation.

With regard to the Innovation portfolio, we exited our position in Hansa Medical and added positions in Teladoc (telehealth services) and Eidos Therapeutics (rare diseases).

We continue to believe that the current valuation pressure we are witnessing in the healthcare sector offers an interesting opportunity to engage in a defensive growth sector that is innovating, adapting to a rapidly changing environment and generating attractive returns. Political rhetoric will continue to inject sentiment swing into the market, but we believe the sound fundamentals will ultimately prevail.

**Dan Mahony & Gareth Powell**

2 July 2019

### Fund Managers



**Daniel Mahony**

**Fund Manager**

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 27 years of industry experience.



**Gareth Powell**

**Fund Manager**

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 20 years of industry experience.



**James Douglas**

**Fund Manager**

James joined Polar Capital in 2015 and has 20 years of industry experience.

# Polar Capital Global Healthcare Trust plc

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