

## Trust Fact Sheet

31 March 2016



### Trust Facts

#### Ordinary Shares

Share Price	162.00p
NAV per share	173.97p
Premium	-
Discount	-6.88%
Capital	120,775,000 shares of 25p

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

Total Net Assets	£210.1m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	1.20%

**Historic Yield (%) 2.28**

### 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's investment objective is 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>	-3.57	-4.33	-2.96	-5.73	84.87
■ NAV per Share (TR) <sup>5</sup>	-1.18	-4.99	0.60	-8.69	113.88
Total Return for Shareholders <sup>6</sup>	-	-	-	-	95.32
■ MSCI ACWI / Healthcare TR	-0.56	-4.49	5.10	-5.33	133.55
■ NYSE Arca Pharmaceutical CR	-1.63	-4.73	1.18	-7.93	117.22

### Discrete Annual Performance (%)

	30/09/15 31/03/16	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>	-2.96	10.46	10.56	19.57	19.20
NAV per Share (TR) <sup>5</sup>	0.60	8.12	19.69	23.28	23.58
MSCI ACWI / Healthcare TR	5.10	9.63	24.76	25.38	21.45
NYSE Arca Pharmaceutical CR	1.18	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.

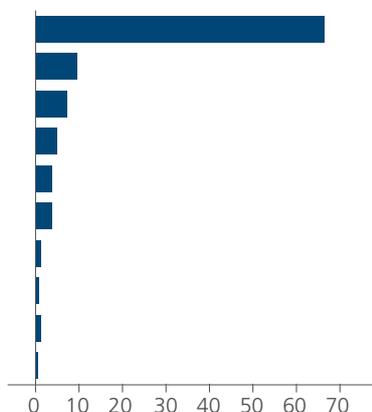
# Polar Capital Global Healthcare Growth and Income Trust plc

## Portfolio Exposure

As at 31 March 2016

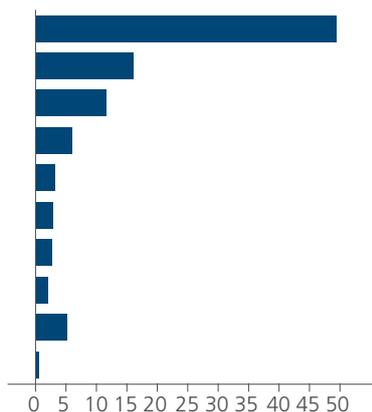
### Sector Exposure (%)

Pharmaceuticals	66.4
Healthcare Equipment	9.6
Biotechnology	7.3
Healthcare REITs	5.1
Healthcare Facilities	3.8
Healthcare Services	3.7
Healthcare Supplies	1.4
Managed Healthcare	0.9
Other	1.2
Cash	0.6



### Geographic Exposure (%)

United States	49.5
United Kingdom	16.2
Switzerland	11.6
Japan	6.0
France	3.2
Israel	2.9
Australia	2.8
Canada	2.0
Other	5.3
Cash	0.6



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

Johnson & Johnson	9.0
Eli Lilly & Co	6.8
AstraZeneca	6.7
Merck & Co	6.5
Roche	5.7
Novartis	5.3
Pfizer	4.9
GlaxoSmithKline	4.7
Astellas Pharma	3.7
Sanofi	3.2

**Total** **56.5**

**Total Number of Positions** **70**

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	79.6
Mid Cap (\$1bn - \$5bn)	7.0
Small Cap (<\$1bn)	12.8
Cash	0.6

## 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 March 2016

Global stock markets continued the turnaround that began in February and made positive progress in March ending the quarter approximately where they began at the beginning of January. Macroeconomic trends continue to drive market sentiment, in our view, and a more dovish tone from the US Federal Reserve seems to have assuaged investor concerns. The healthcare sector was again a relative underperformer during the month with the upcoming US Presidential election and drug pricing concerns continuing to weigh down on investor sentiment.

The NAV for the Trust was down 1.2% for the month compared to a 0.6% decrease for the benchmark (Morgan Stanley Global Healthcare Index). The pharmaceuticals sub-sector was a relative underperformer in the month – as shown by the NYSE Pharmaceutical index that was down 1.6% (in GBP terms) – with healthcare services and life sciences tools being the best performing sub-sectors.

March was an important month for the US Presidential process with a number of State primary elections. For the Democratic Party, Hillary Clinton has a significant lead over her major rival, Bernie Sanders, and it seems highly likely that she will be confirmed as the Democratic candidate. The race for the Republican nomination continues to be more tightly contested and it is not clear if any of the candidates will win the 1,237 delegates needed to win the nomination outright. Interestingly, healthcare has not really featured as a debating point over the last few weeks. Nevertheless, drug pricing continues to be a lingering concern for investors with the worry that this could become a political issue as we move to the final phase of the Presidential election.

With respect to drug pricing, the Centers for Medicare and Medicaid Services (CMS) announced a new programme in March that will evaluate the use of value-based drug pricing for Medicare Part B drugs – these are drugs (e.g. cancer drugs or injectable antibiotics) that are administered in a physician's office or hospital outpatient department. The major impact of this change will fall on physicians/hospitals as they currently make a 6% mark up on the actual selling price (ASP) of a drug – this creates an incentive to use expensive drugs over lower cost alternatives. This new programme replaces the 6% mark-up with a flat fee of \$16.80 and a 2.5% mark-up.

The programme will also evaluate different tools to help physicians choose the best value treatment for patients, provide the potential for companies to charge different prices for the same drug used in different diseases (based on its relative effectiveness) and an opportunity for drug manufacturers to share risk with CMS where the price paid for a drug is linked to patient outcomes.

The initial reaction to this programme from the pharmaceutical and biotechnology industry, and most market commentators, was very negative but we think it is just another step along the path towards paying for performance. As we have written previously, new digital health technologies are emerging that enable governments or insurers to evaluate the effectiveness of therapy in the "real world" and so will allow them to adjust reimbursement accordingly.

While this is not a near-term threat to the pharmaceutical industry, this is an area that is evolving rapidly. On a five-year view, we see a risk that the use of data and analytical tools to evaluate products and services will create unexpected pricing pressure for healthcare companies that have not grasped the scope of the impending structural change across the industry.

As we noted last month, we think the current investor sentiment has decoupled from the underlying fundamentals of healthcare. Compared to the broader market, the healthcare sector has a superior earnings growth profile

for 2016 but trades at a discount to the market on a price-to-earnings (P/E) basis. Moreover, on an absolute P/E basis the sector is also below its long-term (35-year) average.

Given the political headwinds and macroeconomic uncertainties, we have maintained a defensive stance over the last few months with a relatively high cash position. However, during March, valuations fell to a level that caused us to re-evaluate this positioning. Towards the end of the month, we began to put deploy the cash and shifted the positioning of the portfolio by adding to the growth portfolio – the portfolio is now back to being fully invested.

The main risk to this positioning is the political situation in the US – there is a chance that we may not get much clarity until after the election result in November. However, we see two potential catalysts that could shift the focus away from politics. The first is Q1 earnings season, where even an in-line reporting season from the healthcare sector will show its superior earnings profile. The second is the potential for M&A – especially in the small-cap area where big companies are looking to acquire innovation.

One of the metrics we use to evaluate early-stage healthcare companies, especially in biotechnology, is the ratio of enterprise value (EV) to cash. At the beginning of March, this EV/cash ratio was close to the historical lows that were seen in 1997, 2002 and 2008. We would not be surprised to see an increase in M&A activity in small-cap healthcare in the second-half of the year – on the whole, large healthcare companies are cash-rich and innovation-poor.

We made only a small change in the income portfolio, where we added to our position in Merck, but made some significant changes in the growth portfolio. In biotechnology, we have added positions in Celgene, Incyte and Medivation – all \$5 billion-plus companies. In medical technology, we added three mid-cap companies – Abiomed, Cooper Companies and Dexcom. Finally, we sold our positions in two healthcare services companies, Cardinal Health and Centene, and added a new position in Stericycle, a global leader in medical waste management.

Healthcare has been a significant underperformer for the last six months but we think this disregards the underlying fundamentals. In our view, the concerns over drug pricing and healthcare reform are merely a part of a broader structural change that we are seeing across the healthcare industry. In this context, we are looking to invest in the best-positioned companies while continuing to manage the risk of the portfolio as the broader stock markets are likely to remain volatile for the foreseeable future.

**Dan Mahony & Gareth Powell**

6 April 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

## Important Information

**Important Information** This document is provided for the sole use of the intended recipient and is not a financial promotion. It shall not and does not constitute an offer or solicitation of an offer to make an investment into any fund or Company managed by Polar Capital. It may not be reproduced in any form without the express permission of Polar Capital and is not intended for private investors. This document is only made available to professional clients and eligible counterparties. The law restricts distribution of this document in certain jurisdictions; therefore, it is the responsibility of the reader to inform themselves about and observe any such restrictions. It is the responsibility of any person/s in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Polar Capital Global Healthcare Growth and Income Trust plc is an investment company with investment trust status and as such its ordinary shares are excluded from the FCA's (Financial Conduct Authority's) restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply. It is not designed to contain information material to an investor's decision to invest in Polar Capital Global Healthcare Growth and Income Trust plc, an Alternative Investment Fund under the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") managed by Polar Capital LLP the appointed Alternative Investment Manager. In relation to each member state of the EEA (each a "Member State") which has implemented the AIFMD, this document may only be distributed and shares may only be offered or placed in a Member State to the extent that (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD; or (2) this document may otherwise be lawfully distributed and the shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). As at the date of this document, the Fund has not been approved, notified or registered in accordance with the AIFMD for marketing to professional investors in any member state of the EEA. However, such approval may be sought or such notification or registration may be made in the future. Therefore this document is only transmitted to an investor in an EEA Member State at such investor's own initiative. SUCH INFORMATION, INCLUDING RELEVANT RISK FACTORS, IS CONTAINED IN THE COMPANY'S OFFER DOCUMENT WHICH MUST BE READ BY ANY PROSPECTIVE INVESTOR.

**Statements/Opinions/Views** All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. This material does not constitute legal or accounting advice; readers should contact their legal and accounting professionals for such information. All sources are Polar Capital unless otherwise stated.

**Third-party Data** Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any data contained herein.

**Holdings** Portfolio data is "as at" the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the Company. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the Company's best interest to do so. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request. This document is not a recommendation to purchase or sell any particular security. It is designed to provide updated information to professional investors to enable them to monitor the Company.

**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.

**Regulatory Status** Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 16 Palace Street, London, SW1E 5JD. FCA authorised and regulated investment managers are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more materially favourable rights, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Registrar on 0800 876 6889. The Fund is prepared to instruct the custodian of the Fund, upon request, to make available to investors portfolio custody position balance reports monthly in arrears.

**Information Subject to Change** The information contained herein is subject to change, without notice, at the discretion of Polar Capital and Polar Capital does not undertake to revise or update this information in any way.

**Forecasts** References to future returns are not promises or estimates of actual returns Polar Capital may achieve. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that have not and may not take place.

**Performance/Investment Process/Risk** Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Factors affecting the Company's performance may include changes in market conditions (including currency risk) and interest rates and in response to other economic, political, or financial developments. The Company's investment policy allows for it to enter into derivatives contracts. Leverage may be generated through the use of such financial instruments and investors must be aware that the use of derivatives may expose the Company to greater risks, including, but not limited to, unanticipated market developments and risks of illiquidity, and is not suitable for all investors. Those in possession of this document must read the Company's Investment Policy and Annual Report for further information on the use of derivatives. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), or guaranteed by any bank, and may lose value. No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable.

**Allocations** The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum or prospectus for a description of the investment allocations as well as the risks associated therewith. Please note that the Company may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. Performance of the Company is dependent on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the Fund while minimizing its risk. The actual investments in the Company may or may not be the same or in the same proportion as those shown herein.

**Country Specific Disclaimers** The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.