

## Trust Fact Sheet

30 November 2016



### Trust Facts

#### Ordinary Shares

Share Price	185.25p
NAV per share	194.72p
Premium	-
Discount	-4.86%
Capital	120,475,000 shares of 25p

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

Total Net Assets	£234.6m
AIC Gearing Ratio	0.43%
AIC Net Cash Ratio	0.00%

**Historic Yield (%) 2.19**

### 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>	-7.72	-3.09	9.25	8.21	115.25
NAV per Share (TR) <sup>5</sup>	-4.46	-3.78	9.59	10.76	143.55
Total Return for Shareholders <sup>6</sup>	-	-	-	-	127.46
MSCI ACWI / Healthcare TR	-2.33	-2.48	9.60	12.29	164.36
NYSE Arca Pharmaceutical CR	-3.13	-4.87	6.53	8.81	141.77

### Discrete Annual Performance (%)

	30/09/16 30/11/16	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>	-4.39	18.18	10.46	10.56	19.57
NAV per Share (TR) <sup>5</sup>	-4.96	20.54	8.12	19.69	23.28
MSCI ACWI / Healthcare TR	-3.12	22.80	9.63	24.76	25.38
NYSE Arca Pharmaceutical CR	-4.09	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.

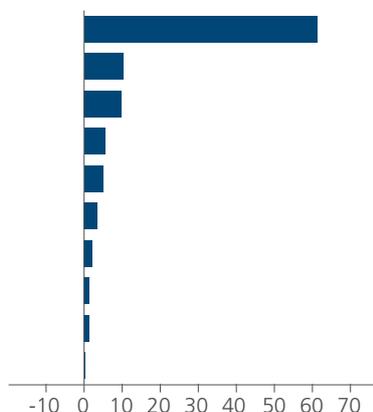
# Polar Capital Global Healthcare Growth and Income Trust plc

## Portfolio Exposure

As at 30 November 2016

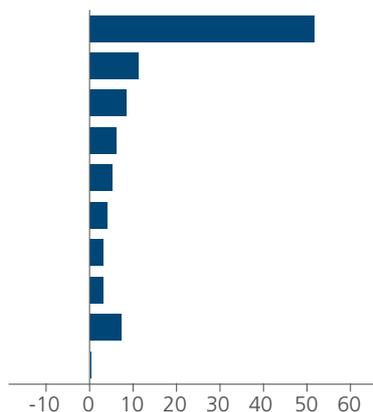
### Sector Exposure (%)

Pharmaceuticals	61.2
Healthcare Equipment	10.2
Biotechnology	9.9
Healthcare REITs	5.5
Healthcare Services	4.9
Healthcare Facilities	3.5
Managed Healthcare	2.1
Healthcare Supplies	1.3
Other	1.3
Cash	-0.1



### Geographic Exposure (%)

United States	51.7
United Kingdom	11.2
Switzerland	8.5
Japan	6.1
France	5.1
Germany	4.0
Israel	3.2
Australia	3.0
Other	7.2
Cash	-0.1



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

Merck & Co	7.7
Pfizer	7.7
Johnson & Johnson	6.1
Sanofi	5.1
GlaxoSmithKline	4.9
Roche	4.6
Astellas Pharma	4.0
Merck KGaA	3.4
Novartis	3.4
Teva Pharmaceutical Industries	3.2

**Total** **50.1**

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

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	80.9
Mid Cap (\$1bn - \$5bn)	8.5
Small Cap (<\$1bn)	10.6
Cash	-0.1

## 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 30 November 2016

Healthcare underperformed global stock markets in November although certain sub-sectors, such as biotechnology, were very strong following the result of the US election. Larger healthcare companies, especially European pharmaceuticals companies, significantly lagged the market as investors responded to the election of President-elect Trump by looking for more cyclical stocks.

For the month, the NAV for the Trust declined by 4.5%, which was behind the 2.3% decline reported for the benchmark (Morgan Stanley Global Healthcare Index). The high exposure to European pharmaceutical stocks was the main reason for this relative performance.

The result of the US election was the major focus during the month with the Republican Party making a "clean sweep". With Republicans controlling both the White House and the US Congress it seems highly unlikely that we will see governmental control of drug pricing – the negative headwinds on this front that have lingered all year dispersed very quickly and were reflected in the sharp rise in many biotechnology stocks.

However, President-elect Trump seems keen to "repeal and replace" the Affordable Care Act, or Obamacare, and the details of what he proposes to do may create some uncertainty over the coming months – especially for healthcare services companies. There may be opportunities for some companies, however, particularly if there is an increased role for commercial health insurers in government programmes such as Medicare.

In general, the Republicans are in favour of innovation and the private sector – we expect a pro-business agenda to unfold when President-elect Trump takes control. The Republicans may look to reduce corporation tax and also allow the repatriation of foreign earnings. In addition, the 21st Century Cures Act may be passed into law and this should lead to increased funding for the National Institutes of Health (NIH) budget, a smoother approval process for drugs and devices, and the use of patient data to drive digital health solutions.

Moreover, we would not be surprised to see a pick-up in M&A over the next few months – large companies have a lot of cash and a pro-business administration may be a catalyst for further consolidation and for large companies to buy innovation. To this end, shares in Actelion were up over 30% in the month as the company was rumoured as an M&A target for Johnson & Johnson – the approach was confirmed by Actelion late in the month.

The most important clinical news flow in the month was the negative result from the Phase III trial for Eli Lilly's Alzheimer's disease drug candidate, solanezumab. The results of this trial had been highly anticipated and investor expectations were very high. As a result, the stock sold off on the announcement. We had been a little more circumspect on the outcome of this trial and had sold the majority of our position in the stock in May. With this potential catalyst out of the way, we may look to revisit the stock in the next few weeks.

We made some changes to the growth portfolio during the month. We sold our position in Endologix following the company's announcement that the US launch of Nellix, its device for abdominal aortic aneurysm, would be delayed. We added three new positions – two large biotechnology companies Alexion and Regeneron, and HHCA, the largest hospital operator in the US.

We expect the negative investor sentiment, which has been a headwind for the sector for most of this year, to dissipate over the coming weeks. However, it is important to stress that we do not think that it will be plain sailing for healthcare going forward.

The potential for a "repeal and replace" of Obamacare will be a headwind for some healthcare service companies, although there may be some winners depending on what changes are implemented. Moreover, we believe that the ongoing structural transformation of healthcare creates both risks and opportunities.

We expect a continued move towards value-based reimbursement from both the commercial insurance industry and governments around the world. Healthcare companies need to adapt to this change and recognise that over the long-term they need to be part of a solution to the cost-effectiveness conundrum. Innovation is critical to maintaining pricing, margins and also driving greater efficiency throughout the system.

For healthcare investors, this means a greater dispersion of returns and the need to focus on stock picking. The sector is not expensive and we can find growth at a reasonable price. However, investing in the pharmaceutical sector has become more difficult and it is important to own the right companies.

**Dan Mahony & Gareth Powell**

7 December 2016

### 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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