

## Trust Fact Sheet

29 October 2021



### Trust Facts

#### Ordinary Shares

Share Price	295.50p
NAV per share	321.55p
Premium	-
Discount	-8.10%
Capital	121,270,000 shares of 25p

#### ZDP Shares

Share Price	114.00p
NAV per share	113.77p
Premium	0.20%
Discount	-
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£422.1m
Total Net Assets	£389.9m
AIC Gearing Ratio	5.85%
AIC Net Cash Ratio	n/a

**Historic Yield (%)** **0.68**

#### Dividends (p/share)

August 2021 (Paid)	1.00
February 2021 (Paid)	1.00
August 2020 (Paid)	1.00
February 2020 (Paid)	1.10

#### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

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

Management	0.75%
Performance	10% over performance hurdle
Ongoing Charges	1.01%

#### 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>	2.60	7.84	22.53	31.75	43.34	259.85
NAV per Share (TR) <sup>4</sup>	1.09	3.37	19.50	24.40	53.95	320.45
MSCI ACWI / Healthcare TR	1.95	2.34	13.81	21.28	56.42	380.40

### Discrete Performance (%)<sup>6</sup>

	Financial YTD	30.10.20	31.10.19	31.10.18	31.10.17	31.10.16
Ordinary Share Price (TR)	2.60	31.75	7.78	0.68	7.03	0.83
NAV (undiluted per Share)	1.09	24.40	12.54	2.48	14.57	0.34
MSCI ACWI / Healthcare TR	1.95	21.28	10.32	8.62	11.65	9.39

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 and reinvested at the ex-dividend date.
- Gearing calculations are exclusive of current year Revenue/Loss.
- 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.
- 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.
- 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 financial year for the Company is 30 September each year.

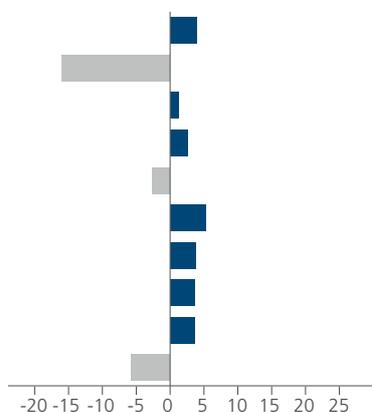
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 29 October 2021

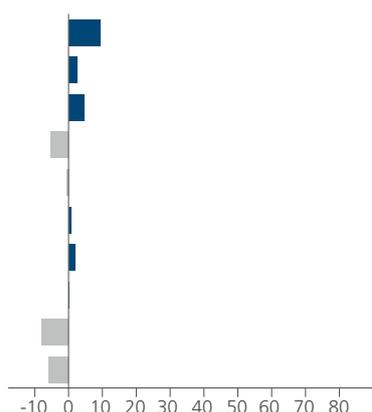
### Sector Exposure (%)

	Fund (%)	Relative (%)
Healthcare Equipment	24.5	3.9
Pharmaceuticals	20.8	-15.9
Biotechnology	14.3	1.3
Managed Healthcare	11.0	2.6
Life Sciences Tools & Services	7.6	-2.6
Healthcare Facilities	6.9	5.3
Healthcare Supplies	6.8	3.8
Healthcare Distributors	4.9	3.7
Other	9.0	3.7
Cash	-5.7	-5.7



### Geographic Exposure (%)

	Fund (%)	Relative (%)
United States	75.3	9.4
United Kingdom	6.5	2.5
France	6.4	4.6
Switzerland	2.5	-5.3
Denmark	2.5	-0.6
Australia	2.4	0.7
Belgium	2.2	2.0
Germany	2.2	0.2
Other	5.7	-7.8
Cash	-5.7	-5.7



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

Johnson & Johnson	7.4
UnitedHealth Group	7.1
Abbott Laboratories	5.2
AstraZeneca	4.5
Sanofi	3.6
Boston Scientific Corp	3.2
Bio-Rad Laboratories	3.0
Horizon Pharma	3.0
Baxter International	2.8
Cooper	2.8

**Total** **42.6**

**Total Number of Positions** **46**

### Market Capitalisation Exposure (%)

Large Cap (>\$10bn)	80.5
Mid Cap (\$5bn - \$10bn)	15.2
Small Cap (<\$5bn)	10.0
Cash	-5.7

**Active Share** **79.92%**

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 (11th)	January 2022
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.polarcapitalglobalhealthcaretrust.co.uk

#### Custodian

HSBC Plc is the Depository 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

### Codes

#### Ordinary Shares

ISIN	GB00B6832P16
SEDOL	B6832P1
London Stock Exchange	PCGH

#### ZDP Shares

ISIN	GB00BDHXP963
SEDOL	BDHXP96
London Stock Exchange	PGHZ

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 Trust plc

## Fund Manager Comments

As at 29 October 2021

Global equity markets were fairly buoyant in October, with healthcare modestly underperforming. A strong earnings season thus far, easing supply-chain concerns and greater confidence in a post-pandemic economic recovery appear to have been the primary drivers behind the performance. Looking at the healthcare subsectors in greater detail, managed care and life science tools and services were the standout, positive performers, while healthcare supplies and healthcare facilities struggled. The Company's NAV increased by 1.1% in October, which was behind the benchmark (MSCI AC World Daily TR Net Health Care Index) which was up 2.0% for the month.

### Market activity

In a modestly positive, but perhaps unsurprising development, congressional Democrats and the White House announced a drug pricing agreement to be included in President Biden's reconciliation bill that appears to have excluded the most draconian measures. Presumably with not enough votes to get across the line, the absence of a far-reaching drug pricing provision in the package will likely be seen as a disappointment for many in the Democratic party, especially the progressives, but could offer near-term relief for the bio-pharmaceuticals industry. According to a White House Statement, key plan elements are (1) Medicare Part D benefit redesign to cap out of pocket costs for beneficiaries at \$2,000; (2) inflationary price caps by imposing a tax penalty on drug price increases with inflation encompassing both government and commercial plans; and (3) allowing limited drug price negotiation by HHS (the US Department of Health and Human Services) for the 10 highest spend drugs in Medicare Parts B&D, rising to 20 over time, that are past nine years post-approval for small molecules (12 for biologics) from 2025.

On a more constructive note, the package did include provisions to expand part of Medicare, Medicaid and the Affordable Care Act (ACA). Under the expansion, Medicare would offer hearing benefits and tax credits will be provided for up to four million uninsured Americans in states that have not expanded Medicaid under the ACA. Biden also plans to reduce premiums for nine million people who are covered through the ACA marketplace by an average of \$600 per person. For example, a family of four earning \$80,000 per year would save nearly \$3,000 per year, or \$246 per month, on health insurance premiums. Experts predict that more than three million people who would otherwise be uninsured will gain health insurance, a clear positive for the healthcare insurance industry.

October was a very busy month for financial reporting, with the healthcare sector performing reasonably well despite some headwinds. The greater-than-expected surge with the COVID-19 Delta variant impacted several sectors, especially the medical device sector, during August and the first half of September. Thankfully, the impact of the virus started to recede through the second half of September and into October, offering comfort that the worst of the Delta variant could be behind us. Inflation and supply-chain challenges have also been a factor through the earnings season, with some companies and subsectors better equipped than others to either absorb those costs or pass them on to customers. Staffing challenges, both in terms of recruiting and retaining employees, as well as wage inflation have also proven to be a factor with the facilities and providers most affected. COVID-19 has had a dramatic impact on the global healthcare workforce, creating pressure points we hope will start to dissipate as we move into a post-pandemic environment.

### Fund activity

Positive contributors during the reporting period were Steris, Moderna and UnitedHealth Group. Infection prevention specialist Steris enjoyed a positive re-rating during the period but delivered little by way of news flow. The positive contribution from US biotechnology company Moderna reflects a lack of ownership during the period with some of the excitement around the company's mRNA platform starting to wane. Managed care organisation

UnitedHealth Group produced a strong set of 3Q21 financial results and, more importantly, gave encouraging commentary around the earnings potential of the business in 2022.

Negative contributors in June were Encompass Health, Alnylam Pharmaceuticals and Merck & Co. Encompass Health's weak share-price performance during October reflects the elongation of the timetable for a key catalyst, that of spinning out its home health and hospice business. On the 3Q21 earnings, the management team announced they are targeting a transaction (carve-out IPO, spin-off or split-off) some time in the first half of 2022, which represents a delay relative to consensus expectations. The correction in Alnylam Pharmaceutical's valuation is a result of the surprising news that CEO John Maraganore is to step down at year-end 2021 after 19 years with the company. Merck & Co, a stock where we have no exposure, had a very strong month driven by a strong set of 3Q21 financial results and some positive results for an oral anti-viral medication called molnupiravir. In a Phase III trial, molnupiravir reduced the risk of hospitalisation or death by approximately 50% compared to a placebo for patients with mild or moderate COVID-19. The Merck & Co management team then suggested molnupiravir could bring in \$5bn-\$7bn in sales through the end of next year, assuming it gains US authorisation in December.

In terms of portfolio changes, we added Abbott Laboratories and Zimmer Holdings. Abbott Laboratories, a high-quality, healthcare equipment company, has the dual benefit of being exposed to the COVID-19 testing market and also has exciting growth drivers in the areas of diabetes, stroke prevention and cardiovascular intervention. Also, equipment company Zimmer Holdings is highly geared to a recovery in the elective procedure market, with leading positions in the fields of hip and knee replacements. As the impacts of the Delta variant subside, there is a school of thought that the market will see not just a recovery in elective procedures, but some catch-up from the backlog of patents that has accumulated during the acute phases of the pandemic. The positions in Abbott Laboratories and Zimmer Holdings were funded from exits in hearing aid manufacturer GN Store Nord and healthcare equipment manufacturer Koninklijke Philips.

August to September was challenging, with individuals, healthcare workers and businesses all trying to manage through the dramatic impact of the COVID-19 Delta variant. Thankfully, it does feel the worst is now behind us, and we can start to think about life in a post-pandemic world. With regards the equity markets, we remain constructive on the outlook for healthcare, especially for established, large-cap companies at the higher end of the quality scale. That conviction will grow further if we start to see evidence that the market is moving through the mid-phase of the economic cycle.

### James Douglas & Gareth Powell

4 November 2021

### Fund Managers



#### James Douglas

##### Fund Manager

James has co-managed the Trust since 2018, he joined Polar Capital in 2015 and has 22 years of industry experience.



#### Gareth Powell

##### Head of Healthcare

Gareth has co-managed the Trust since launch, he joined Polar Capital in 2007 and has 23 years of industry experience.

*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.*

# Polar Capital Global Healthcare Trust plc

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