

## Trust Fact Sheet

30 September 2020



### Trust Facts

#### Ordinary Shares

Share Price	233.00p
NAV per share	268.10p
Premium	-
Discount	-13.09%
Capital	121,270,000 shares of 25p

#### ZDP Shares

Share Price	107.50p
NAV per share	110.20p
Premium	-
Discount	-2.45%
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£357.3m
Total Net Assets	£325.1m
AIC Gearing Ratio	5.31%
AIC Net Cash Ratio	0.00%

#### Historic Yield (%)

**0.90**

#### Dividends (p/share)

August 2020 (paid)	1.00
February 2020 (paid)	1.10
August 2019 (paid)	1.00
February 2019 (paid)	1.00

#### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

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

Management	0.85%
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

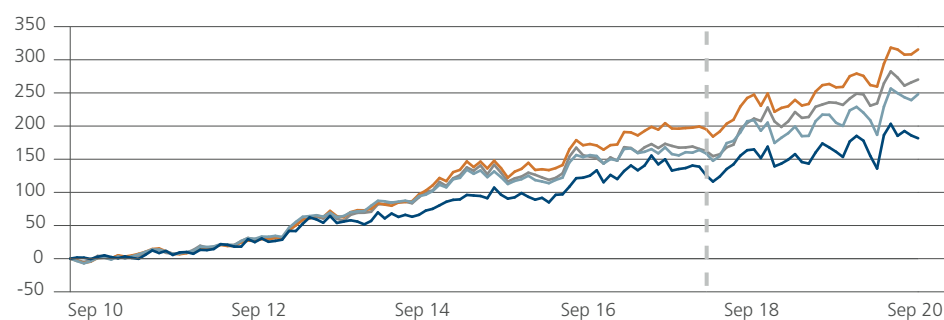
The Company will propose a special resolution for voluntary winding up at its 14th AGM expected to be held around 1 March 2025.

### 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>	-1.48	-1.29	-1.25	7.81	12.16	181.60
■ NAV per Share (TR) <sup>4</sup>	2.63	-0.44	5.81	14.14	27.48	248.15
■ MSCI ACWI / Healthcare TR	1.81	0.01	9.58	15.95	35.30	315.53
■ NYSE Arca Pharmaceutical CR	1.18	-0.80	6.07	10.47	32.18	270.75

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

	YTD	28.09.18 30.09.19	29.09.17 28.09.18	30.09.16 29.09.17	30.09.15 30.09.16
Ordinary Share Price (TR) <sup>1</sup>	7.81	-1.35	13.72	3.41	18.18
NAV per Share (TR) <sup>4</sup>	14.14	-1.26	19.83	0.60	20.54
MSCI ACWI / Healthcare TR	15.95	3.14	17.24	8.60	22.80
NYSE Arca Pharmaceutical CR	10.47	7.75	15.43	6.35	17.41

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.

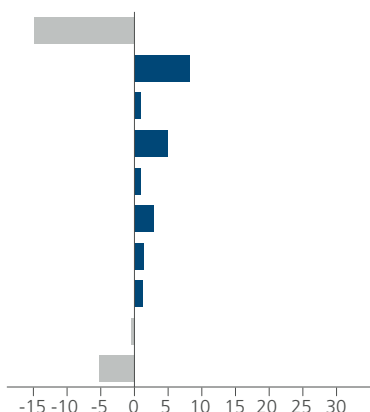
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 30 September 2020

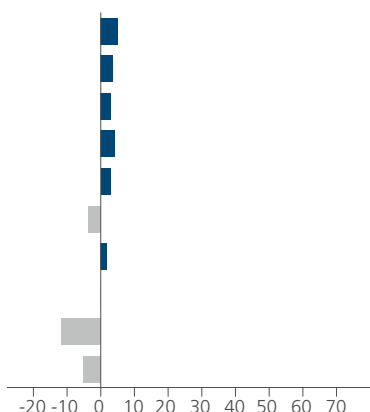
### Sector Exposure (%)

	Fund (%)	Relative (%)
Pharmaceuticals	25.1	-14.8
Biotechnology	22.5	8.3
Healthcare Equipment	21.3	1.0
Life Sciences Tools & Services	12.5	4.9
Managed Healthcare	8.2	0.9
Healthcare Distributors	4.1	2.9
Healthcare Supplies	3.8	1.4
Healthcare Technology	3.5	1.3
Other	4.2	-0.5
Cash	-5.3	-5.3



### Geographic Exposure (%)

	Fund (%)	Relative (%)
United States	67.9	5.1
Denmark	6.5	3.6
Ireland	5.5	3.1
Netherlands	5.3	4.3
Germany	5.2	2.9
Switzerland	4.8	-3.6
France	3.9	1.8
United Kingdom	3.8	-0.3
Other	2.4	-11.7
Cash	-5.3	-5.3



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

Medtronic	5.1
Amgen	4.9
Roche	4.8
Bristol Myers Squibb	4.4
Sanofi	3.9
Eli Lilly & Co	3.8
Humana	3.8
Vertex Pharmaceuticals	3.6
Avantor	3.4
Quintiles Transnational	3.4

**Total** **41.1**

**Total Number of Positions** **43**

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	94.1
Mid Cap (\$1bn - \$5bn)	7.1
Small Cap (<\$1bn)	4.2
Cash	-5.3

**Active Share** **79.57%**

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 (10th)	February 2021
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

### 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.

## Fund Manager Comments

As at 30 September 2020

Equity markets struggled in September, with the healthcare sector outperforming. At the start of the reporting period, optimism had reached elevated levels, possibly buoyed by the prospects of further stimulus, making the selloff understandable when no stimulus came. Looking at the healthcare subsectors, healthcare facilities and medical equipment struggled with the market, once again, focussing on the rising number of COVID-19 cases. Pharmaceuticals and biotechnology were also weak, with the upcoming US elections and concerns around drug pricing creating a near-term overhang. The Company's NAV increased 2.6% in September, ahead of the benchmark (MSCI AC World Daily TR Net Health Care Index) which was up 1.8% for the month.

Given the time of the year and where we are in the election cycle, it should probably come as no surprise that US politics appeared to dominate the headlines in September. In line with expectations, President Trump issued an Executive Order (EO) with the aim of lowering drug costs in Medicare. The most ambitious aspect of the order calls for the Secretary of Health and Human Services to implement a plan to test a payment model whereby Medicare would pay no more than the most-favoured-nation price for certain prescription drugs. Headline grabbing certainly, but it remains to be seen if progress can be made without legislative changes, plus there will need to be changes made to the regulatory environment. The EO also added to previous proposals that include importing lower-cost medications from other countries and trying to ban or restrict drug manufacturers from providing billions of dollars of rebates to the Pharmacy Benefit Managers (PBMs) and insurance industry.

September also saw the sad passing of Supreme Court Justice Ruth Bader Ginsburg, news that caused volatility in managed care and healthcare provider stocks due to the potential for a new judge to be chosen with a more conservative bias before the result of the US election. This raised fears that the Affordable Care Act (ACA) could be deemed unconstitutional in a case that the Supreme Court will hear oral arguments for and against on 10 November. While we view this as unlikely, overturning the ACA will mean as many as 23 million Americans will lose coverage – this at a time when the US is trying to deal with a COVID-19-driven healthcare crisis.

Positive relative contributors from active positions in August were aGEN-X, Medley and Horizon Pharma. aGEN-X delivered no material updates during the period, rebounding after a difficult few weeks from the mid-July peak. Horizon Pharma's performance reflects continued optimism for the launch trajectory for thyroid eye disease treatment, Tepezza. Despite the COVID-19 pandemic, Tepezza has consistently outstripped consensus expectations driving material revenue and earnings upgrades. Medley has been a significant, positive contributor and has been held since the company's IPO in December 2019. Medley runs one of Japan's largest human resource recruitment systems in the medical and healthcare field, but perhaps more interesting is the medical platform business which houses the largest telemedicine system in Japan, known as CLINICS Telemedicine. Very much in its infancy, and accelerated by COVID-19, it is our view that the demand for telemedicine services in Japan will continue for some time.

Detractors to performance from active positions in the reporting period were Syneos Health, Neurocrine Biosciences and Eli Lilly & Co (Eli Lilly). Despite a positive industry backdrop, driven by COVID-19 opportunities and a buoyant

biotech financing environment, Syneos struggled with a secondary equity offering which was a catalyst for the selloff. Neurocrine Biosciences was a drag on performance with the market appearing to be concerned about COVID-19's impact on near-term revenues, with tardive dyskinesia drug, Ingezza, the primary focus. Eli Lilly, alongside other US pharma majors, was weak, presumably as momentum around Democrat Joe Biden's presidential campaign builds. A rich vein of 2H20 newsflow could reverse the company's fortunes.

We made modest changes to the portfolio in September, adding positions in Eli Lilly and Zimmer Biomet and exiting Thermo Fisher Scientific. Alongside AstraZeneca, Eli Lilly has industry-leading revenue growth driven primarily by volume, plus it is expected to deliver a rich seam of newsflow into the year end. Zimmer Biomet appears to be priced for pretty anaemic top-line growth despite being on track to deliver mid-single-digit growth during 1Q20. Execution aside, key drivers in for a post-COVID-19 recovery are the ROSA robot and Zimmer Biomet's shoulder franchise. Thermo Fisher has delivered consistent operational excellence in 2020 but we feel the valuation now leaves little margin for error.

Our constructive stance on the healthcare sector is unwavering, but we do acknowledge the near term does carry some uncertainty. Not just the health of the President, but we have to navigate a 3Q20 earnings season where the focus will pivot from a recovery in Q30 to the outlook for Q4. Q4 should also bring Phase III data for various COVID-19 vaccines and the outcome for the presidential election in the US, an election race that Democrat Joe Biden appears to be winning. As we have said for some time, the portfolio is positioned to reflect a Biden victory and a Democratic sweep – not long to wait now.

**James Douglas & Gareth Powell**

5 October 2020

### Fund Managers



**James Douglas**  
Fund Manager

James has co-managed the Trust since 2018, he joined Polar Capital in 2015 and has 29 years of industry experience.



**Gareth Powell**  
Partner

Gareth has co-managed the Trust since launch, he joined Polar Capital in 2007 and has 22 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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