

## Trust Fact Sheet

28 February 2020



### Trust Facts

#### Ordinary Shares

Share Price	212.00p
NAV per share	238.74p
Premium	-
Discount	-11.20%
Capital	121,270,000 shares of 25p

#### ZDP Shares

Share Price	109.50p
NAV per share	108.30p
Premium	1.11%
Discount	-
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£321.6m
Total Net Assets	£289.5m
AIC Gearing Ratio	9.80%
AIC Net Cash Ratio	0.00%

**Historic Yield (%)** **0.99**

#### Dividends (p/share)

July 2019 (paid)	1.00
February 2019 (paid)	1.00
July 2018 (paid)	1.00
February 2018 (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

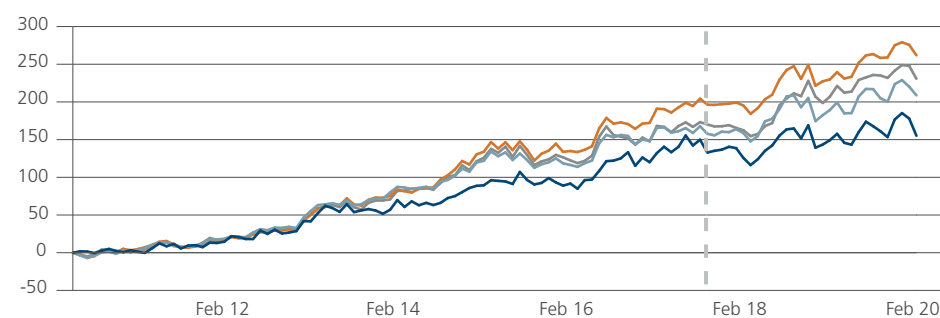
The Company will propose a special resolution for voluntary winding up at its 14th AGM expected to be held around 1 March 2025.

### 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>	-8.20	-7.81	-10.52	2.34	1.64	155.17
■ NAV per Share (TR) <sup>4</sup>	-3.58	-4.60	-6.14	6.74	13.08	208.85
■ MSCI ACWI / Healthcare TR	-3.68	-3.57	-4.58	9.69	17.82	261.84
■ NYSE Arca Pharmaceutical CR	-4.90	-3.14	-5.21	7.72	17.83	228.30

### 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>	-2.31	-1.35	13.72	3.41	18.18
NAV per Share (TR) <sup>4</sup>	1.25	-1.26	19.83	0.60	20.54
MSCI ACWI / Healthcare TR	0.97	3.14	17.24	8.60	22.80
NYSE Arca Pharmaceutical CR	-1.29	7.61	15.30	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.

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 relaunch 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 financial year for the Company is 30 September each year.

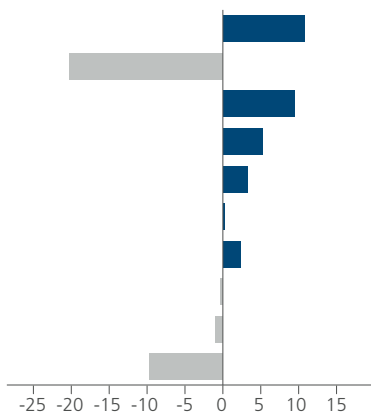
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 28 February 2020

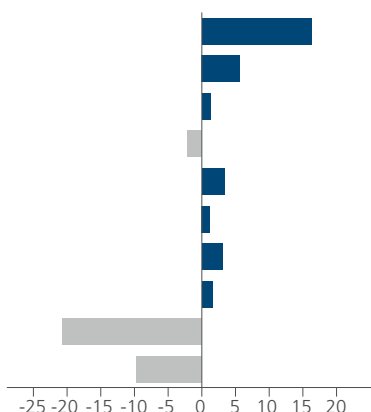
### Sector Exposure (%)

	Fund (%)	Relative (%)
Healthcare Equipment	29.6	10.7
Pharmaceuticals	23.5	-20.3
Biotechnology	23.2	9.4
Life Sciences Tools & Services	11.1	5.2
Healthcare Services	7.5	3.3
Managed Healthcare	7.4	0.2
Healthcare Facilities	3.6	2.3
Healthcare Supplies	1.6	-0.4
Other	2.2	-0.9
Cash	-9.7	-9.7



### Geographic Exposure (%)

	Fund (%)	Relative (%)
United States	79.6	16.2
Denmark	8.2	5.7
United Kingdom	5.6	1.3
Japan	4.0	-2.1
Belgium	3.7	3.4
Germany	3.7	1.2
Spain	3.2	3.0
Canada	1.7	1.6
Other	0.0	-20.7
Cash	-9.7	-9.7



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

Bristol Myers Squibb	4.9
Novo Nordisk A/S	4.6
AbbVie	4.5
Anthem	3.8
Cigna Corp	3.8
UCB	3.8
Fresenius Medical Care AG & Co	3.7
Intuitive Surgical	3.7
HCA Holdings	3.6
Stryker Corp	3.6

**Total** **40.0**

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

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	98.5
Mid Cap (\$1bn - \$5bn)	5.6
Small Cap (<\$1bn)	5.5
Cash	-9.7

**Active Share** **90.41%**

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 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 28 February 2020

As with January, February was very much a month of two halves, with the positive momentum in the first three weeks dramatically reversed towards the month end. Healthcare modestly outperformed the broader market, but only by virtue of falling by less. The Company's NAV decreased by 3.6% in February which was marginally behind the benchmark (Morgan Stanley Global Healthcare Index) which was down 3.7% for the month.

The potential consequences of coronavirus negatively impacted equity markets towards the back end of January, and yet the markets responded positively at the beginning February. Unfortunately, that enthusiasm evaporated as the virus started to spread outside China. Further, the market started to focus on the potential, negative implications for global growth and this idea that a strong rebound in Q2 2020 might not be forthcoming. We believe the concern of an economic slowdown is particularly acute in the US, where the race for the Democratic nominee to take on President Donald Trump is gathering momentum. History dictates that the chances of a second presidential term are enhanced if the economy is buoyant, with the reverse also holding true. As such, with Bernie Sanders currently leading the Democratic nominee polls, we believe the market is starting to discount the prospect of a progressive Democratic presidency that has theoretical implications for taxes, corporate buybacks, healthcare (including Medicare for All) and M&A.

It would be remiss to reflect on February without commenting on coronavirus (COVID-19), especially given the pockets of enthusiasm that have been created for those companies that may have commercial upside from the virus. Diagnostics aside, Gilead Sciences and Moderna appear to be the most advanced when it comes to either a therapeutic option or a vaccine. Gilead announced towards the end of the reporting period that it has initiated two Phase III clinical studies to evaluate the safety and efficacy of anti-viral remdesivir in adults diagnosed with COVID-19. These studies expand on the ongoing research into remdesivir in China, which includes two clinical trials in the Hubei province, early results of which could be available in April. With regards Moderna, the company announced that it has released the first vials of coronavirus vaccine, mRNA-1273, to be used in Phase I studies.

Outside COVID-19, there were positive updates during the reporting period for Lundbeck and Biohaven, both of which received FDA approval for their migraine drugs. Lundbeck received FDA approval for its intravenous preventative migraine treatment, Vyepti, on 22 February. Biohaven then followed Lundbeck's good news with the approval of oral treatment rimegepant, for acute migraine, on 27 February. We believe both of the updates to be important derisking events for the underlying equity stories.

Positive contributors to performance during February, on a relative basis, were ACADIA Pharmaceuticals (ACADIA), AbbVie and Incyte Corp. ACADIA's performance reflects a solid end to the financial year coupled with growing excitement ahead of potential label-expansion opportunities for key psychosis asset Nuplazid. AbbVie continues to execute with recent launches in the auto-immune space appearing to outstrip consensus expectations. Much like biotech peer ACADIA, Incyte Corp also produced a strong end to the financial year.

Negative contributors to performance were Catalent, Becton Dickinson and Gilead Sciences. Catalent produced a solid end to the year but was caught up in the general market malaise. Becton Dickinson negatively surprised the market by announcing that the FDA has asked for additional regulatory filings in relation to the software updates that were being submitted for the company's Alaris pump. As a result, Becton Dickinson management reduced its financial 2020 guidance by c\$400m to reflect the constraints around near-term Alaris pump sales. Gilead Sciences performed strongly during February, driven by the heightened expectations for its anti-viral agent, remdesivir; the Fund was underweight hence the relative drag on performance.

We made just one change to the portfolio during the period, exiting our position in GlaxoSmithKline. The primary driver behind our decision was the unexpected delay to the US launch of HIV drug cabotegravir. GlaxoSmithKline received a Complete Response Letter from the FDA, citing chemistry manufacturing and controls as the reason (the positive here being that no additional studies are being requested). We are yet to receive an updated timetable for the product's launch in the US, which is disappointing given cabotegravir was a potential source of upside risk in 2020.

While we understand that the near-term risks from coronavirus to the health of infected individuals and the economy are real, we are taking a step back to focus on the operational risks to the healthcare sector. Elective surgeries in China will undoubtedly slow in the near term impacting the short-term growth profile of select medical device companies. Further, certain end markets for the life sciences and tools subsector will be impacted by the extended Lunar New Year, production inactivity and reduced exports. In both instances, however, it is rational to believe that there will be a post-coronavirus recovery as opposed to permanent losses and shifts in demand for healthcare services.

On the pharmaceuticals side, while product supply into the most affected provinces could be challenging, we believe that any exposure to raw materials from China is manageable due to dual sourcing, limited exposures and/or appropriate levels of inventory. With that in mind, we would use the current valuation stress to look at the healthcare sector in a positive light given its defensive earnings profile and relative immunity from a broader, acute economic slowdown.

**James Douglas & Gareth Powell**

4 March 2020

### Fund Managers



**James Douglas**  
Fund Manager

James has co-managed the Trust since 2018, he joined Polar Capital in 2015 and has 20 years of industry experience.



**Gareth Powell**  
Partner

Gareth has co-managed the Trust since launch, he joined Polar Capital in 2007 and has 21 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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