

## Trust Fact Sheet

30 April 2019



### Trust Facts

#### Ordinary Shares

Share Price	206.00p
NAV per share	222.13p
Premium	-
Discount	-7.26%
Capital	121,770,000 shares of 25p

#### ZDP Shares

Share Price	108.50p
NAV per share	105.67p
Premium	2.68%
Discount	-
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£302.6m
Total Net Assets	£270.5m
AIC Gearing Ratio	1.20%
AIC Net Cash Ratio	0.00%

**Historic Yield (%)** **0.97**

### Dividends (p/share)

February 2019 (paid)	1.00
July 2018 (paid)	1.00
February 2018 (paid)	1.00
May 2017 (paid)	1.65

### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

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

Management	0.85%
Performance	10% over performance hurdle
Ongoing Charges	1.08%

### 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

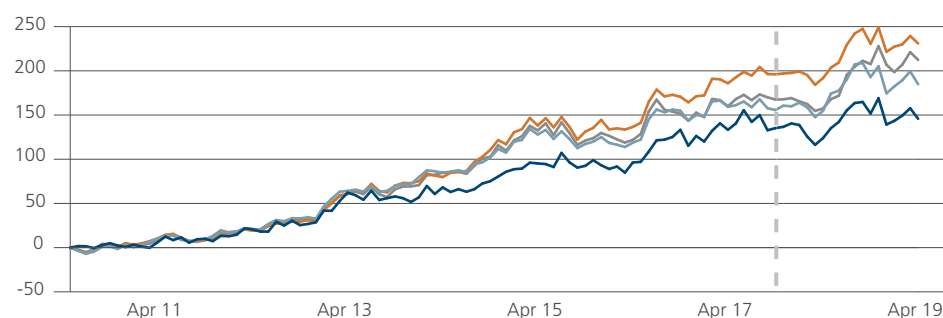
The Company will propose a special resolution for voluntary winding up at its 14th AGM expected to be held around 1 March 2025.

### 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>	-4.63	0.96	2.72	9.74	-2.11	145.75
■ NAV per Share (TR) <sup>4</sup>	-4.85	0.86	3.74	11.81	4.31	184.89
■ MSCI ACWI / Healthcare TR	-2.49	1.11	2.94	13.44	7.76	230.97
■ NYSE Arca Pharmaceutical CR	-2.74	4.60	1.76	21.31	11.29	210.07

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

	YTD	29.09.17 28.09.18	30.09.16 29.09.17	30.09.15 30.09.16	30.09.14 30.09.15
Ordinary Share Price (TR) <sup>1</sup>	-7.19	13.72	3.41	18.18	10.46
NAV per Share (TR) <sup>4</sup>	-7.78	19.83	0.60	20.54	8.12
MSCI ACWI / Healthcare TR	-4.74	17.24	8.60	22.80	9.63
NYSE Arca Pharmaceutical CR	0.33	15.30	6.35	17.41	7.65

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 fiscal year for the Company is 30 September each year.

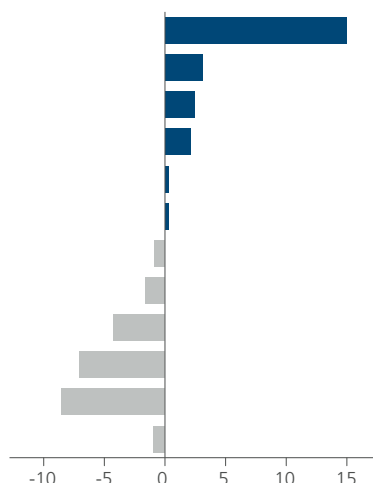
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 30 April 2019

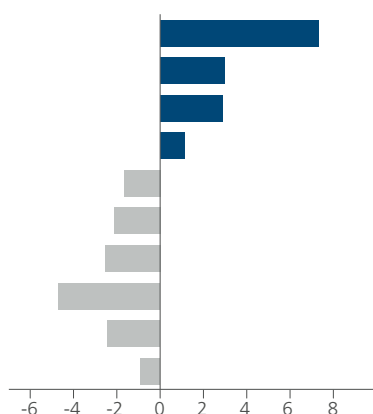
### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund (%)	Relative (%)
Healthcare Equipment	33.1	15.0
Life Sciences Tools & Services	8.8	3.1
Healthcare Facilities	3.9	2.5
Biotechnology	15.6	2.1
Healthcare Supplies	2.3	0.3
Education Services	0.3	0.3
Healthcare Technology	0.6	-0.9
Healthcare Distributors	0.0	-1.6
Healthcare Services	0.0	-4.2
Managed Healthcare	0.0	-7.0
Pharmaceuticals	36.4	-8.5
Cash	-0.9	-0.9



### Geographic Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund (%)	Relative (%)
United Kingdom	11.5	7.3
Spain	3.1	3.0
Netherlands	3.8	2.9
Denmark	3.4	1.1
Australia	0.0	-1.7
France	0.0	-2.1
Germany	0.0	-2.5
Switzerland	3.8	-4.7
Other	75.1	-2.4
Cash	-0.9	-0.9



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 (9th)	February 2020
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

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

Johnson & Johnson	8.6
Abbott Laboratories	5.6
Merck & Co	5.6
Alexion Pharmaceuticals	5.0
Pfizer	4.6
Takeda Pharmaceutical	4.4
HCA Holdings	3.9
Koninklijke Philips	3.8
Novartis	3.8
Bio-Rad Laboratories	3.4

**Total** **48.7**

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

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	88.6
Mid Cap (\$1bn - \$5bn)	1.7
Small Cap (<\$1bn)	10.5
Cash	-0.9

**Active Share** **64.39%**

### 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 April 2019

Global stock markets continued to move higher in April with healthcare a noticeable under-performer, with few sub sectors in positive territory during the period. The Company's NAV decreased by 4.9% in April which was behind the benchmark (Morgan Stanley Global Healthcare Index) which was down 2.5%.

April was a challenging month for the healthcare sector. Importantly, however, we do not believe there has been a material shift in the sector's underlying fundamentals with both positioning and sentiment key factors in driving the underperformance. With regard to positioning, the sector's defensive growth characteristics made it a popular overweight heading into YE18/early 19. However, with China easing, the Federal Reserve adopting a more dovish stance and leading indicators starting to pick up in Europe, it looks like healthcare was as a source of funds for switching in to more cyclical investments like semiconductors, financials, energy and industrials.

In parallel, and earlier than anticipated, political rhetoric surrounding healthcare reform in the US really started to gather pace during April. Politicians, including potential presidential candidates, have started to raise populist healthcare rhetoric ahead of the 2020 primaries. In particular, Democrat Bernie Sanders' Medicare for All agenda announced during the month appears to have gained a lot of attention and is being cited as a major reason for generalist investors reducing their healthcare exposure, with managed care seeing the sharpest correction. It is our view that a single-payer, government-run system in the US is highly unlikely in the near term for a number of reasons. The transition toward a single-payer system could be complicated, challenging and potentially disruptive, not least for the 160 million US citizens that have health insurance through an employer and would need to migrate on to the public platform. Cost is also a serious consideration given government spending on healthcare would increase substantially under a single-payer system. For context, in 2017 just under half the \$3.5trn in national healthcare spending came from private sources.

Within the growth portfolio, positive contributors to performance during April were Koninklijke Philips, Alexion Pharmaceuticals and Johnson & Johnson. Koninklijke Philips delivered Q'19 results that were modestly ahead of consensus expectations, with Personal Health the key driver. Management also reiterated guidance of 4-6% comparable sales growth and an adjusted EBITA margin improvement of 100bps. Alexion Pharmaceuticals continues to execute and is effectively driving the switch from its 1st generation drug, Soliris, to its 2nd generation asset, Ultomiris, both of which are indicated for the treatment of rare red blood cells disorders. Johnson & Johnson was also a positive contributor, with the market reacting favourably to the company's Q1'19 earnings release.

Negative contributors during the period were Regeneron Pharmaceuticals, PRA Health Sciences and Takeda Pharmaceutical (Takeda). Regeneron's multiple contracted sharply in April with the market appearing to focus on upcoming competition for eye disorder asset, Eylea. Regeneron also had to contend with concerns surrounding the implications of potential changes to the US pricing environment. PRA Health's performance reflected market-share concerns ahead of the company's 1Q19 results. Takeda released a revised forecast of consolidated financials for FY18 to reflect the Shire acquisition completed in late April. While the underlying Takeda business continues to show positive momentum, inventory drawdowns to move the Shire assets to be more in line with Takeda's Days on Hand did impact Shire's contribution. We believe the inventory alignment should be transient in nature.

Within the innovation portfolio, positive contributors during the month were Horizon Discovery Group and Consort Medical while Heliux Medical Technologies and Zogenix were negative contributors. Horizon's FY18 results pointed to improving financial and operational performance following a pre-close update in late January. Consort Medical continues to recover following the sell-off in late 2018, with the US approval of Mylan's generic asthma/COPD drug earlier in the year a positive. Heliux Medical and Zogenix both had regulatory set-backs in April. The US FDA declined Heliux' request to approve the company's novel device for brain injuries, citing insufficient information to discern the relative contribution of the Heliux device and physiotherapy. Similarly, Zogenix received a refuse-to-file letter from the FDA for Fintepla, filed for the treatment of seizures associated with Dravet syndrome (severe epilepsy in infants).

The April sell-off in healthcare stocks has created a very attractive entry point, particularly on a 3-5 year view. We expect the sector to remain volatile over the coming months but once the dust settles, and we get clarity on the Democratic leadership and their policies, the market can re-focus on the sector's underlying fundamentals which remain strong.

### Dan Mahony & Gareth Powell

9 May 2019

### Fund Managers



#### Daniel Mahony

##### Fund Manager

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 27 years of industry experience.



#### Gareth Powell

##### Fund Manager

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 20 years of industry experience.



#### James Douglas

##### Fund Manager

James joined Polar Capital in 2015 and has 19 years of industry experience.

# Polar Capital Global Healthcare Trust plc

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