

## Trust Fact Sheet

29 March 2018



### Trust Facts

#### Ordinary Shares

Share Price	183.00p
NAV per share	194.82p
Premium	-
Discount	-6.07%
Capital	122,470,000 shares of 25p

#### ZDP Shares

Share Price	105.00p
NAV per share	102.33p
Premium	2.61%
Discount	-
Capital	32,128,437 shares of 1p

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

Total Gross Assets	£270.7m
Total Net Assets	£238.6m
AIC Gearing Ratio	1.82%
AIC Net Cash Ratio	0.00%

**Historic Yield (%) 1.45**

#### Dividends (p/share)

February 2018 (paid)	1.00
May 2017 (paid)	1.65
February 2017 (paid)	0.75
November 2016 (paid)	0.75

#### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

#### Fees <sup>3, 4, 5, 6</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

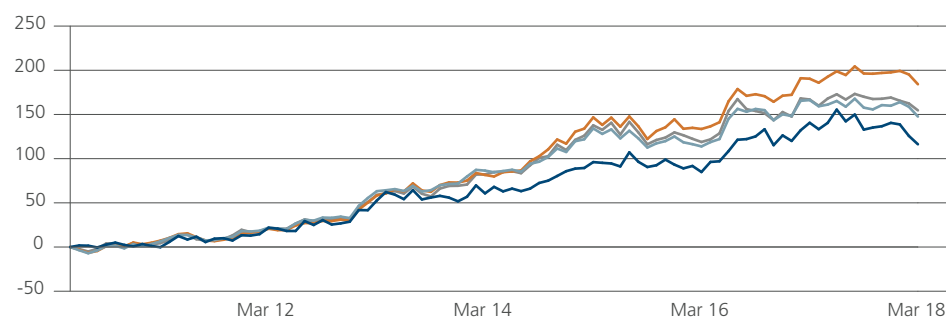
The Company will propose a special resolution for voluntary winding up at its 14th AGM expected to be held around 1 March 2025.

### 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 (%)



	1 Month	3 Months	6 Months	1 Year	Since Launch
■ Ordinary Share Price (TR) <sup>1</sup>	-4.19	-10.07	-7.12	-10.11	116.26
■ NAV per Share (TR) <sup>7</sup>	-4.27	-4.71	-3.91	-6.99	147.72
■ MSCI ACWI / Healthcare TR	-3.76	-4.52	-4.11	-2.16	184.17
■ NYSE Arca Pharmaceutical CR	-2.99	-5.39	-5.70	-4.60	152.76

### Discrete Performance (%)

	29/09/17 29/03/18	30/09/16 29/09/17	30/09/15 30/09/16	30/09/14 30/09/15	30/09/13 30/09/14
Ordinary Share Price (TR) <sup>1</sup>	-7.12	3.41	18.18	10.46	10.56
NAV per Share (TR) <sup>7</sup>	-3.91	0.60	20.54	8.12	19.69
MSCI ACWI / Healthcare TR	-4.11	8.60	22.80	9.63	24.76
NYSE Arca Pharmaceutical CR	-5.70	6.34	17.41	7.65	26.80

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, 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.
  - 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.
- 1-7. For further detail please refer to the Annual Report.

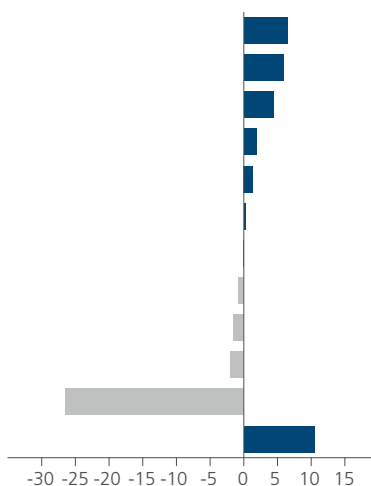
# Polar Capital Global Healthcare Trust plc

## Portfolio Exposure

As at 29 March 2018

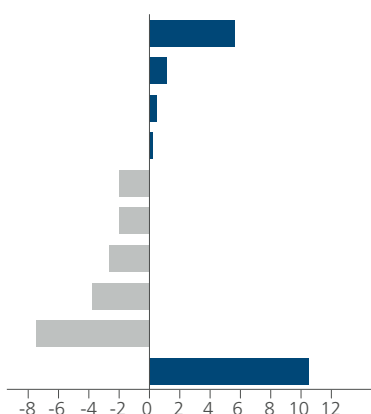
### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund (%)	Relative (%)
Life Sciences Tools & Services	11.1	6.5
Healthcare Equipment	21.5	5.9
Managed Healthcare	13.1	4.4
Healthcare Facilities	3.3	1.9
Healthcare Services	4.4	1.4
Education Services	0.3	0.3
Healthcare Technology	0.8	0.1
Healthcare Supplies	1.3	-0.9
Biotechnology	15.1	-1.5
Healthcare Distributors	0.0	-2.0
Pharmaceuticals	18.5	-26.5
Cash	10.5	10.5



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

	Fund (%)	Relative (%)
United Kingdom	9.9	5.6
Sweden	1.2	1.2
Italy	0.6	0.5
Norway	0.2	0.2
United States	60.8	-2.0
Switzerland	5.9	-2.0
France	0.0	-2.7
Ireland	0.0	-3.8
Other	10.9	-7.5
Cash	10.5	10.5



The column headed "Fund (%)" refers to the percentage of the Fund's 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 (8th)	February 2019
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)

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

Novartis	5.5
UnitedHealth Group	4.3
Abbott Laboratories	3.9
Danaher	3.9
Becton Dickinson	3.6
Fresenius Medical Care AG & Co	3.5
Vertex Pharmaceuticals	3.5
HCA Holdings	3.3
AstraZeneca	3.2
Humana Inc	3.2

**Total** **37.9**

**Total Number of Positions** **50**

### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	75.3
Mid Cap (\$1bn - \$5bn)	4.3
Small Cap (<\$1bn)	9.9
Cash	10.5

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 29 March 2018

Much like February, March was another volatile month for investors with optimism earlier in the month quickly evaporating. The Company's NAV was down 4.3% in March and underperformed the benchmark (MSCI All Country World Index / Healthcare TR), which was down 3.8% for the month. The relative performance was driven by weakness in some of the pharmaceutical and biotechnology stocks in the portfolio.

In reverse chronological order, March witnessed a number of interesting strategic updates. Starting with Takeda Pharmaceuticals (Takeda), the Japanese pharmaceutical company confirmed that it is considering making an approach to Shire regarding a possible offer for the company. Takeda believes that a potential transaction presents an opportunity to advance its stated Vision 2025 and create a truly global, value-based Japanese biopharmaceutical leader. In accordance with Rule 2.6(a) of the UK City Code on Takeovers, Takeda has until 17:00 GMT London time on the 25 April 2018 to make its intentions clear.

Sticking with the UK pharmaceutical sector, March also saw GlaxoSmithKline (GSK) reach an agreement with Novartis to acquire full ownership of the Consumer Healthcare Business. The update, which was well-received by the market, followed quickly on the heels of the announcement earlier in the month that GSK had withdrawn from the process relating to Pfizer's Consumer Healthcare business. On the GSK side, the Novartis milestone allows for full capture of the value of the Consumer business and is accretive to 2018 earnings and beyond. On the Novartis side, the US\$13bn proceeds from what was considered to be a non-core asset, strengthens the company's ability to invest in core businesses.

Last, but not least, US managed care organisation Cigna, and pharmacy benefit manager, Express Scripts, announced a definitive agreement in which Cigna will acquire Express Scripts for US\$67bn. Synergies aside, key drivers behind the transaction appear to be those of greater consumer choice, reduced complexity and improved delivery of healthcare. Vertical integration within US Healthcare services continues to be a theme in 2018, as the US system tackles the not insignificant challenge of trying to deliver more healthcare, to more US citizens in a more efficient manner.

In terms of clinical data, the most notable (and surprising) update in the month came out of Pfizer. Pfizer announced positive Phase III data from an asset called Tafamidis in patients with a rare disorder known as transthyretin cardiomyopathy (in essence, the heart muscles become enlarged and rigid leading to heart failure). Whilst a clear positive for Pfizer, the update raised cause for concern for the commercial profile of one of Anlylam's key assets, Patisiran. Whilst we continue to believe in the validity and utility of Anlylam's RNAi technology, we do recognise that the Pfizer update does raise some question-marks over the value of the company's lead asset.

The primary contributors during the month were Centene Corp (Centene), AstraZeneca and Varian Medical Systems Inc (Varian). With Centene we believe the market took comfort on the company's ability to close an acquisition announced back in September 2017. AstraZeneca was a positive contributor as the market gains confidence in commercial potential of the Oncology assets plus the potential upside from a raft of clinical newsflow expected throughout 2018. Last, but not least, Varian's contribution was driven by improving confidence in the health of the Radiation Oncology end-markets.

Detractors in the period were Takeda, Bio-Rad Laboratories and Exelixis. Takeda made two surprising announcements with the first being the resignation of CFO, James Kehoe, and the second being confirmation that Takeda is considering making an approach to Shire regarding a possible offer for the company. Bio-Rad Laboratories pulled back from its post Q4 2017 highs, not in reaction to the underlying fundamentals which we believe are sound, but as a result of delays to filing its Annual Report on Form 10-K. Finally, Exelixis underperformed in March as concerns around competition for lead oncology asset, Cabometyx, heightened.

We made a few changes to the portfolio over the course of March. Within the growth portfolio, we added NovoNordisk A/S (NovoNordisk) to the portfolio given we believe medium-term consensus expectations for the company's diabetes franchise are more achievable now. Plus NovoNordisk has a rich pipeline of newsflow in 2018 including updates on the company's novel, oral diabetes drug Semaglutide. We have exited our position in Bayer reflecting poor visibility on the timing of the potential closing of the Monsanto acquisition and we also exited Johnson & Johnson following underwhelming guidance at FY 2017. Aetna, under a bid situation, was also sold from the portfolio.

On the Innovation side, we made several changes during the month. We added positions in UK-based Diurnal Group, a company that specialises in hormone-based therapies for rare disorders, and also added respiratory-focussed Verona Pharma to the portfolio. On the other side, we exited our positions in both Achaogen and Nektar Therapeutics, with the latter having been a strong performer since the turn of the year.

The restructuring of the portfolio did raise a relatively large amount of cash, a conscious decision driven by a desire to reduce beta in the face of on-going short-term market volatility, primarily driven by rising US/China "Trade Wars" tensions. If and when these fears start to allay, healthcare, with its low relative and reasonable absolute valuation, may prove to be an attractive option and we remain constructive. We continue to see growth opportunities within life sciences tools, medical technology and managed care whilst continuing to adopt a more cautious stance on the pharmaceuticals and biotechnology sub-sectors.

**Dan Mahony & Gareth Powell**

10 April 2018

### Fund Managers



**Daniel Mahony**  
Fund Manager

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 26 years of industry experience.



**Gareth Powell**  
Fund Manager

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 19 years of industry experience.

# Polar Capital Global Healthcare Trust plc

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