



USD Class S Acc | ISIN: IE00BJXT2C20

NAV per Share

USD Class S Acc US\$14.33

Fund Details

Fund Size	US\$50.9 m
Base Currency	USD
Denominations	USD/GBP
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	31 January 2020
Investment Manager	Polar Capital LLP

Fund Managers

Deane Donnigan
 Fund Manager

Deane has managed the fund since launch. She joined Polar Capital in 2013 and has 37 years of industry experience.

 CITYWIRE **A**
Fund Profile
Investment Objective

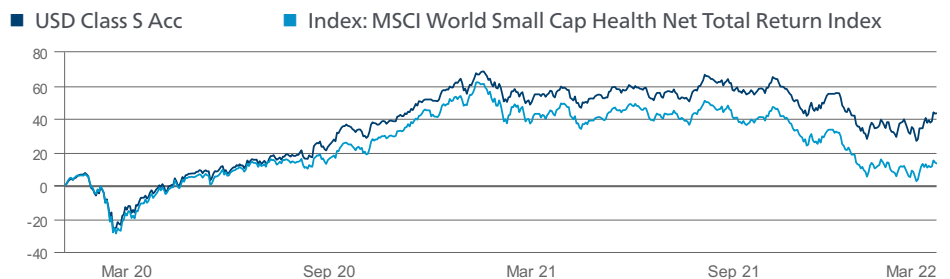
The Fund aims to achieve long-term capital growth by investing in a globally diversified portfolio of healthcare companies.

Key Facts

- Team of eight sector specialists
- Team with 175+ years of combined industry experience
- Typically 60-80 positions
- Focused on small caps from across the healthcare sector
- Fundamentally-driven analysis and stock selection

Fund Ratings


Ratings are not a recommendation. Please see below for further information.

Share Class Performance
Performance Since Launch (%)


							Since Launch	
	1m	3m	YTD	1yr	3yrs	5yrs	Cum.	Ann.
USD Class S Acc	4.07	-7.79	-7.79	-6.03	-	-	43.30	18.08
Index	1.43	-14.07	-14.07	-20.01	-	-	13.20	5.89

Discrete Annual Performance (%)

12 months to	31.03.22	31.03.21	31.03.20	29.03.19	29.03.18
USD Class S Acc	-6.03	74.09	-	-	-
Index	-20.01	67.95	-	-	-

Performance relates to past returns and is not a reliable indicator of future returns.

Performance for the USD Class S Acc. The class launched on 31 January 2020. Performance data is shown in USD. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in USD. Source: Bloomberg.

If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency.

Performance data takes account of fees paid by the fund but does not take account of any commissions or costs you may pay when subscribing for or redeeming shares or any taxes or securities account charges that you may pay on your investment in the fund. Such charges will reduce the performance of your investment.

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Portfolio Exposure & Attribution

As at 31 March 2022

Top 10 Positions (%)

Tandem Diabetes Care	3.5
ALK-Abello A/S	3.1
Globus Medical	3.0
iRhythm Technologies	3.0
R1 RCM	3.0
Biohaven Pharmaceutical Holdings	2.8
Lantheus Holdings	2.7
Acadia Healthcare	2.7
Encompass Health Corp	2.6
Exelixis	2.6

Total 29.0

Total Number of Positions 61

Active Share 75.94%

Geographic Exposure (%)

United States	74.4
Germany	3.8
Denmark	3.6
Japan	3.4
France	2.8
India	1.8
United Kingdom	1.5
Canada	1.4
China	1.2
Costa Rica	0.8
Ireland	0.7
Hungary	0.7
Cash	3.8

Market Capitalisation Exposure (%)

Large Cap (> \$10bn)	0.0
Mid Cap (>\$5bn - \$10bn)	39.0
Small Cap (>\$1bn - \$5bn)	48.8
Micro Cap (<\$1bn)	8.4
Cash	3.8

Performance Attribution - 1 Month (%)

Top Contributors

	Active Weight	Attrib. Effect
Revance Therapeutics	1.67	0.60
Adicet Bio Inc	1.26	0.57
Evolent Health	2.23	0.42
iRhythm Technologies	2.16	0.42
Acadia Healthcare	2.32	0.39

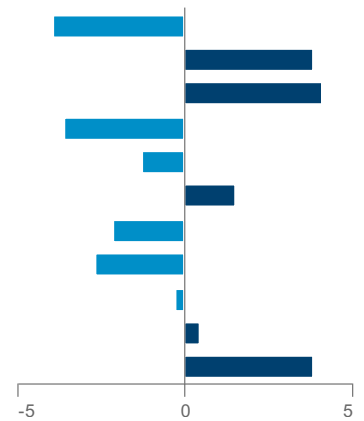
Top Detractors

	Active Weight	Attrib. Effect
Natera	1.34	-0.77
Ship Healthcare	1.88	-0.35
Zai Lab	1.06	-0.24
Cash and others	2.25	-0.22
Avadel Pharmaceuticals	0.83	-0.15

Performance attribution is calculated in USD on a relative basis over the month.

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

	Fund	Relative
Biotechnology	26.7	-3.9
Healthcare Equipment	18.5	3.9
Healthcare Facilities	10.4	4.1
Pharmaceuticals	8.7	-3.6
Healthcare Services	8.0	-1.2
Healthcare Technology	7.4	1.5
Life Sciences Tools & Services	6.8	-2.2
Healthcare Supplies	4.6	-2.7
Healthcare Distributors	3.1	-0.2
Managed Healthcare	1.8	0.5
Cash	3.8	3.8



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.

Note: Totals may not sum due to rounding. 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.

Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF [†]	Ann. Fee	Perf. Fee ^{**}
GBP I Acc	PHDSIGA ID	IE00BJXT2B13	BJXT2B1	-	1.12%	1.00%	10%
USD I Acc	PHDSIUA ID	IE00BJXT2996	BJXT299	-	1.12%	1.00%	10%
GBP S Acc	PHDSSGA ID	IE00BJXT2D37	BJXT2D3	USD 5m	0.77%	0.65%	10%
USD S Acc	PHDSSUA ID	IE00BJXT2C20	BJXT2C2	USD 5m	0.77%	0.65%	10%

[†]Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet.

^{**}Performance Fee 10% of outperformance of MSCI World Small Cap Health Net Total Return Index.

Fund Manager's Comments

March was very much 'in like a lion', as any progress made over February was quickly erased and it was hard going for investors until mid-month. The subsequent reversal from the low into the month's close was eye-catching – the Fund having been down c8% finished up over 4% so not exactly 'out like a lamb' but we are certainly not complaining. Of note, the healthcare sector, regardless of market cap, outperformed relative to its broader indices.

There continues to be no shortage of items on the macro side of the ledger to keep investors up at night. Even so, we seemed to finally reach a point of sufficiently pricing these in, at least for the shorter term, and equities were able to rally off the lows. The debate as to whether this is nothing more than a bear market rally as opposed to something more substantial for the bulls is likely to carry on a bit longer, or at least until the first quarter reports lend a clearer picture as to the growth trajectory, particularly as it relates to earnings. Meanwhile, the healthcare sector has had a pick-up in investor interest as both growth and defensive elements on offer are at a discount to the market.

Fund performance

Once again, our better performance came from micro and small-cap companies; mid-caps contributed from an allocation point of view though more muted from a selection perspective. We currently have no exposure in the largest segment of market cap (>\$10bn), having exited any applicable holdings.

From a geographical perspective, the US had by far the most significant attribution effect. On the flipside, while we have limited exposure to China currently, we did not escape the impact of a broader markdown for listed growth companies in the local markets and, in turn, those having a US depository receipt and their ability to escape the issues with the respective regulatory bodies and the political crossfire between the two. As the Chinese authorities recently and specifically addressed the points of market concern with greater clarity and, in conjunction with ADR-listed companies working to remain in good standing with US authorities, the poor performance here has begun to reverse and should continue as the odds of a China US deal have increased.

In terms of subsector positioning and performance, our pharmaceutical selection was the standout with the only blemish being we should have allocated more. On the detractor side, the biggest insult was our healthcare distributors' selection effect as Ship Healthcare, a Japanese-based company that distributes medical equipment along with providing consultation and management services, delivered a report of weaker progress due to the difficulty in manufacturing and procurement of medical equipment as related to supply shortages. While in the shorter term this is disappointing, we view the longer-term thesis as intact and are holding fire accordingly while we conduct additional due diligence.

At a stock level, Revance Therapeutics was at the top of the performance chart this month and we would note this name was a top detractor in our report to unit holders for October 2021. This was due to a regulatory deficiency notification received on the filing for approval for their long-acting neuromodulator product daxibotulinimtoxinA. We added to our position at that time, based on our subsequent work around the issues at hand having reached the conclusion that the pullback was overdone. Happily, management have been able to address the key deficiency in their filing in short order, the amended application has been resubmitted for approval ahead of expectation and as a result they have secured

additional access to capital to further extend their cash runway into 2024.

Market view

Without doubt, it has been a challenging start to the year for smaller-company investors and while there is plenty to be mindful of, we see room for cautious optimism for smaller healthcare investors. The numerous macroeconomic pieces of the market puzzle continue to confound investors of all shapes and sizes hence the choppy conditions we have witnessed year to date. The recent 2yr/10yr yield curve inversion is the latest conundrum as smaller companies typically underperform their larger brethren during inversions. That said, relative to prior market history here this is not a given; as well as the front-end yield curve slope may be the better fit due to conditions specific to this economic cycle, it currently suggests less than a 1% probability of recession in 12 months. To be clear, the medium-term risks have risen, and we remain mindful of the risk in thinking "It's different this time" but instead look to several other signals to corroborate before turning more cautious.

On the more positive side of the equation, smaller relative to large-cap valuations have been pricing in more risk than in previous similar periods and the healthcare sector now screens attractively at a time when investor confusion abounds, offering both 'growthy' value and valuable growth. We acknowledge that currently the balance of market risk may skew more to large-cap healthcare investors though should the sector continue to outperform, smaller healthcare companies of a similar quality are likely to participate as well. Nearer term, we will be looking to the upcoming earnings results to further monitor issues relative to the ongoing economic recovery and the implication for both demand and costs for healthcare companies which should continue to improve. However, it is important to see this reflected within revisions and guidance accordingly.

In sum, smaller-cap investors are certainly not lacking in challenges but, typical for those with a longer-term horizon, there will be opportunities to invest in high quality management teams and assets at valuations not frequently on offer. We certainly want to be present and accounted for accordingly. On the flipside, we continue to look to take profits as market conditions and valuations dictate, while keeping a firm eye on core positioning as well as the ripe M&A environment.

Deane Donnigan

6 April 2022

Risks

- Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund.
- Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund may enter into a derivative contract. The Fund's use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as failure amongst market participants.
- The use of derivatives will result in the Fund being leveraged (where market exposure and the potential for loss exceeds the amount the Fund has invested) and in these market conditions the effect of leverage will magnify losses. The Fund makes extensive use of derivatives.
- If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.

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A decision may be taken at any time to terminate the marketing of the Fund in any EEA Member State in which it is currently marketed. Shareholders in the affected EEA Member State will be given notification of any decision and provided the opportunity to redeem their interests in the Fund, free of any charges or deductions, for at least 30 working days from the date of the notification.

Further information and any associated risks can be found in the Fund's Key Investor Information Document ("KIID"), the Prospectus, the Articles of Association and the annual and semi-annual reports. These documents are available free of charge at Polar Capital Funds PLC, Georges Court, 54-62 Townsend Street, Dublin 2, via email by contacting Investor-Relations@polarcapitalfunds.com or at www.polarcapital.co.uk. The KIID is available in Danish, Dutch, English, French, German, Italian, Spanish and Swedish; the Prospectus is available in English.

A summary of investor rights associated with investment in the Fund is available online at the above website, or by contacting the above email address.

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Benchmark The Fund is actively managed and uses the MSCI World Small Cap Health Net Total Return Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found www.msclub.com. The benchmark is provided by an administrator on the European Securities and Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

Telephone	+(353) 1 434 5007
Fax	+(353) 1 542 2889
Dealing	Daily
Cut-off	15:00 Irish time

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