

## Fund Fact Sheet

29 January 2021

GBP Class I Dist  
ISIN: IE00B3NLDF60

### NAV per Share

GBP Class I Dist £47.24

### Fund Particulars

Fund Size	£1,564.4 million
Base Currency	US\$
Denominations	US\$ / GBP / EUR
Fund Structure	Open-ended UCITS
Domicile	Dublin, Ireland
Listing	Irish Stock Exchange
Launch Date	30 November 2007
Management	Polar Capital LLP

### Fund Managers



#### Gareth Powell

##### Co-head of healthcare

Gareth has managed the Fund since he joined Polar Capital in 2007 and has 22 years of industry experience.

## Fund Profile

### Investment Objective

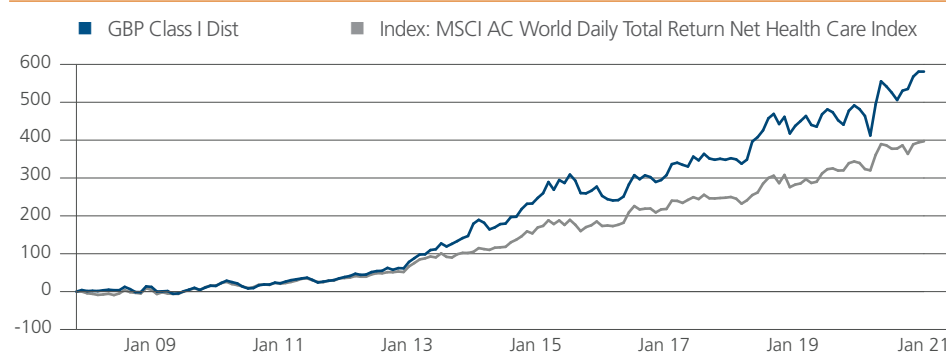
The Fund aims to preserve capital and achieve long-term growth by investing in a globally-diversified portfolio of companies within the healthcare industry.

### Key Facts

- Team of 6 sector specialists
- The team has 130+ years of combined industry experience
- Typically 40-45 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

## Share Class Performance

### Performance Since Launch (%) <sup>1</sup>



	Since Launch								
	1 month	3 month	YTD	1 year	3 years	5 years	10 years	Ann.	Cum.
GBP Class I Dist	0.00	7.22	0.00	17.05	50.59	93.05	457.73	15.67	580.97
Index	0.58	7.18	0.58	13.02	41.86	81.61	311.24	12.93	396.25

### Discrete Annual Performance (%)

12 months to	29.01.21	31.01.20	31.01.19	31.01.18	31.01.17
GBP Class I Dist	17.05	8.23	18.87	11.00	15.49
Index	13.02	14.78	9.36	9.94	16.44

Source: Northern Trust International Fund Administration Services (Ireland) Ltd, monthly percentage growth, GBP and has been calculated to account for the deduction of fees. Fund performance does not take account of any commissions or costs incurred by investors when subscribing for or redeeming shares. The GBP Class I Dist was launched on 01 April 2009. The index performance figures are sourced from Bloomberg and are in GBP terms. These figures refer to the past. Investments in funds are subject to risk. **Past performance is not a reliable indicator of future returns.** The money invested in a fund can increase and decrease in value and past performance is not a reliable indicator that you will get back the full amount invested. The performance calculation is based on GBP. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Please see the Important Information on the last page of this document for further information on the risks to your investment.

1. Performance is representative of the Institutional GBP share class which launched on 1 April 2009. Prior to this the performance figures are representative of the GBP share class which launched on 3 December 2007.

# Polar Capital Funds plc - Healthcare Opportunities Fund

## Portfolio Exposure & Attribution

As at 29 January 2021

### Performance Attribution - 1 Month (%)

#### Top Contributors

Name	Active Weight	Attrib. Effect
Oxford Immunotec Global	0.34	0.33
Surgery Partners	1.10	0.29
UnitedHealth Group	-4.65	0.28
Option Care Health	1.76	0.28
Quotient	1.85	0.26

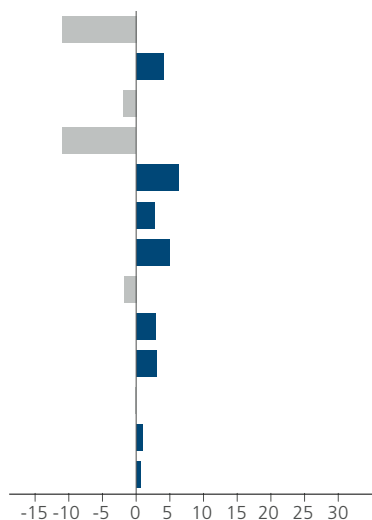
#### Top Detractors

Name	Active Weight	Attrib. Effect
Eli Lilly & Co	-2.23	-0.46
Abbott Laboratories	-2.75	-0.33
Immunovant Inc	1.78	-0.31
Essilor International SA	2.91	-0.31
Zealand Pharma A/S	2.25	-0.28

Performance attribution is calculated in US\$ on a relative basis.

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

	Fund (%)	Relative (%)
Pharmaceuticals	27.1	-11.0
Life Sciences Tools & Services	12.7	4.1
Biotechnology	12.0	-1.9
Healthcare Equipment	9.5	-10.9
Healthcare Supplies	9.0	6.4
Healthcare Services	6.6	2.8
Healthcare Distributors	6.4	5.0
Managed Healthcare	5.3	-1.8
Healthcare Facilities	4.2	2.9
Apparel, Accessories & Luxury Goods	3.0	3.0
Healthcare Technology	2.5	-0.1
Metal & Glass Containers	1.0	1.0
Cash & Cash Equivalents	0.6	0.6



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.

### Top 10 Positions (%)

Johnson & Johnson	8.2
Roche	5.4
Align Technology	3.8
AstraZeneca	3.8
Bio-Rad Laboratories	3.7
Horizon Pharma	3.7
Avantor	3.2
Humana	3.1
Essilor International SA	3.0
Catalent	3.0

**Total** 40.9

**Total Number of Positions** 46

**Active Share** 84.79%

### Market Capitalisation Exposure (%)

Large Cap (>US\$5 billion)	61.7
Mid Cap (US\$1 billion - US\$5 billion)	30.3
Small Cap (<US\$1 billion)	7.4
Cash & Cash Equivalents	0.6

### Geographic Exposure (%)

United States	70.3
Switzerland	8.3
United Kingdom	4.3
Japan	3.6
Denmark	3.6
Ireland	3.4
France	3.0
Hungary	1.9
Canada	0.9
Cash & Cash Equivalents	0.6

## Share Class Information

### Codes & Fees

Share Class	Bloomberg	ISIN	SEDOL	OCF	Annual Fee
US\$ Class R Dist	PCHCORU ID	IE00B3NLTK32	B3NLTK3	1.64%	1.50%
GBP Class R Dist	PCHCORS ID	IE00B3NM2Q33	B3NM2Q3	1.64%	1.50%
EUR Class R Dist	PCHCORE ID	IE00B3NLS543	B3NLS54	1.64%	1.50%
US\$ Class I Dist	PCHCOIU ID	IE00B3K93X10	B3K93X1	1.14%	1.00%
GBP Class I Dist	PCHCOIS ID	IE00B3NLDF60	B3NLDF6	1.14%	1.00%
EUR Class I Dist	PCHCOIE ID	IE00B3K83P04	B3K83P0	1.14%	1.00%
US\$ Class Dist*	PCHSOPPU ID	IE00B28YJN35	B28YJN3	1.64%	1.50%
GBP Class Dist*	PCHSOPPG ID	IE00B28YJP58	B28YJP5	1.64%	1.50%
EUR Class Dist*	PCHSOPPE ID	IE00B28YJQ65	B28YJQ6	1.64%	1.50%
EUR Class I Acc	PCHOIED ID	IE00BF12WY77	BF12WY7	1.14%	1.00%

**Minimum Investment: Class I Shares;** US\$1 million (or its foreign currency equivalent).

**Class R Shares;** No minimum subscription. \*These share classes are closed to new investors.

**Performance Fee** 10.00% of outperformance of MSCI AC World Daily Total Return Net Health Care Index.

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

### 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 Dublin time

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.

# Polar Capital Funds plc - Healthcare Opportunities Fund

## Fund Managers Comments

As at 29 January 2021

The healthcare sector outperformed global markets in January with continued solid fundamentals driving outperformance. Small and mid-caps were strongest again and M&A activity started the year off at an elevated level with the Fund benefitting from a bid for Oxford Immunotec at a decent premium. Markets sold off at the end of the month, with movements more severe beneath the surface than indicated by the overall stock market indices. This was exacerbated by the retail activity highlighted in the media which caused hedge fund de-grossing in an aggressive manner.

The JPMorgan Annual Healthcare Conference occurred in January for the first time in a virtual setting. We had many updates with companies from all over the world that were generally very positive on fundamentals across the board. January also provided political clarity in the US and the focus as expected has been on efforts to fight the pandemic by the new Joe Biden administration. There have also been executive actions by the new president which have reversed some of the negative overhangs created by the previous leadership on Obamacare which should increase access to healthcare in the US, a positive for the sector. On M&A, there have been a significant number of deals announced, with Haemonetics and Steris, both companies held in the Fund, announcing acquisitions so far this year.

As highlighted, Oxford Immunotec agreed to be acquired by PerkinElmer for an approximate premium of 28%. Other positive contributors included Surgery Partners which is an ambulatory surgical centre operator which has benefitted from the shift in trend of procedures away from larger hospitals, which matches one of the major themes in the Fund today. Also, ModivCare, a non-emergency transport operator and personal care provider, outperformed as investors increasingly appreciated the merits of a recent transaction.

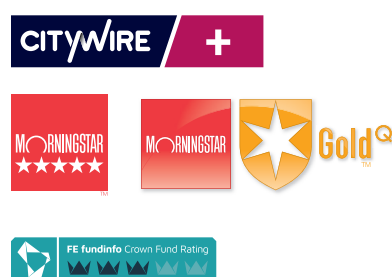
Underperformers included Immunovant, Zealand Pharma and Humana. Immunovant suffered from profit-taking and was also likely impacted by the hedge fund de-grossing that was witnessed at the end of January. Zealand Pharma suffered as it raised funds right in the middle of the market weakness which caused an outsized negative move on the stock price. Last, Humana highlighted there would be some pressure on earnings in 2021 due to reimbursement changes which would normalise during the year causing the stock to underperform.

On COVID-19, more vaccine data from Johnson & Johnson and Novavax looks very positive while concern continues to linger on new variants of the virus, particularly the one that appears to have originated in South Africa. The most encouraging take-away for us, even with the South African strain, is the dramatic impact the vaccines are having on severe disease, hospitalisation and deaths. With regards to new variants, we expect the vaccine developers to quickly develop boosters with the mRNA technology particularly advantageous on this front in terms of speed to approval. Also, development time should be a lot faster as vast phase 3 trials should not be needed.

The sentiment levels as we have previously highlighted had reached extreme levels towards the end of 2020 and into the start of the year. However, the significant volatility at the end of January created a fresh opportunity to buy stocks at more attractive levels. There are certainly areas of froth in the market, such as high growth and the most speculative areas of biotech driven in part by flows into thematic ETFs, but outside these, we believe that there are many opportunities in healthcare to invest in at attractive valuation levels and thus we remain very optimistic on the outlook for the sector.

**Gareth Powell**

3 February 2021



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# Polar Capital Funds plc - Healthcare Opportunities Fund

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