



USD Class R Dist | ISIN: IE00B3XLHR60

**NAV per Share**

USD Class R Dist US\$36.27

**Fund Details**

Fund Size	US\$1,621.4 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	31 October 2013
Investment Manager	Polar Capital LLP

**Fund Manager**

**David Pinniger**
**Lead Fund Manager**

David has managed the fund since launch. He joined Polar Capital in 2013 and has 21 years of industry experience.

CITYWIRE AA

**Fund Profile**
**Investment Objective**

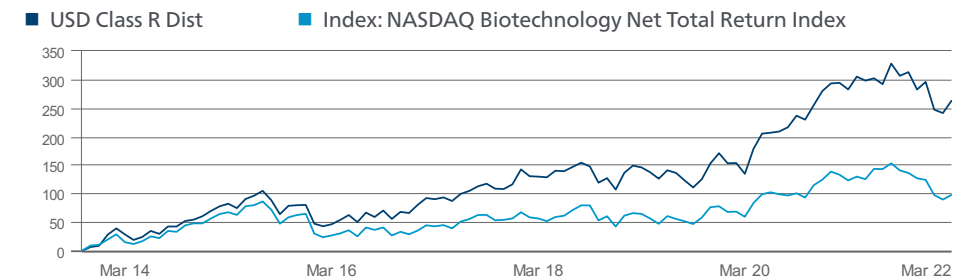
The Fund aims to preserve capital and achieve long-term capital appreciation by investing throughout the biotechnology ecosystem, across geographies and market capitalisations.


**Key Facts**

- Team of eight sector specialists
- The team has 175+ years of combined industry experience
- Typically 40-60 positions
- No benchmark or tracking error constraints
- 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 R Dist	6.30	-8.36	-8.36	-5.20	47.44	90.49	262.70	16.54
Index	4.32	-11.74	-11.74	-11.36	20.24	38.49	97.88	8.44

**Discrete Annual Performance (%)**

12 months to	31.03.22	31.03.21	31.03.20	29.03.19	29.03.18
USD Class R Dist	-5.20	62.95	-4.55	7.00	20.75
Index	-11.36	39.87	-3.02	5.08	9.61

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

Performance for the USD Class R. The class launched on 31 October 2013. 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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Source & Copyright: CITYWIRE. David Pinniger has been awarded an AA rating by Citywire for his 3 year risk-adjusted performance for the period 28/02/2019 - 28/02/2022.

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## Portfolio Exposure & Attribution

As at 31 March 2022

### Top 10 Positions (%)

Regeneron Pharmaceuticals	6.2
Vertex Pharmaceuticals	4.8
arGEN-X BV	4.5
Neurocrine Biosciences	4.2
AstraZeneca	4.1
Horizon Pharma	3.9
Seattle Genetics	3.8
Incyte Corp	3.7
Biohaven Pharmaceutical Holdings	3.7
Genmab A/S	3.4

**Total** 42.2

**Total Number of Positions** 51

**Active Share** 67.03%

### Market Capitalisation Exposure (%)

Large Cap (>US\$5bn)	61.9
Mid Cap (US\$1 - 5bn)	21.6
Small Cap (<US\$1 bn)	14.1
Cash	2.4

### Performance Attribution - 1 Month (%)

#### Top Contributors

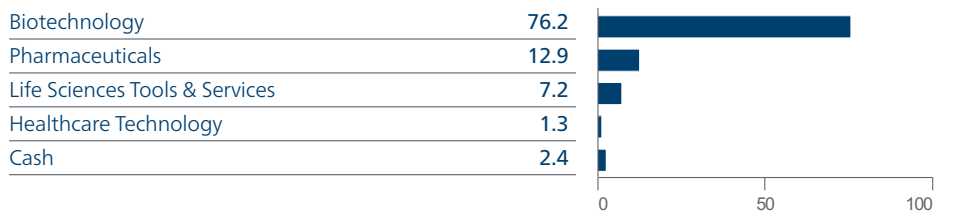
	Active Weight	Attrib. Effect
Adicet Bio Inc	1.41	0.61
Y-mAbs Therapeutics	1.63	0.39
Cerevel Therapeutics Holdings	1.57	0.39
Fulcrum Therapeutics	0.48	0.36
Gilead Sciences	-7.15	0.36

#### Top Detractors

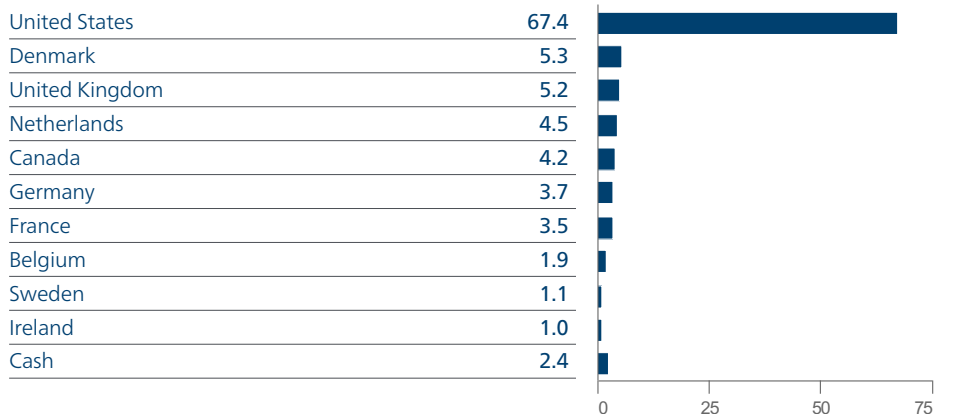
	Active Weight	Attrib. Effect
Diurnal Group	0.58	-0.73
Moderna	-5.10	-0.27
Xenon Pharmaceuticals	2.76	-0.24
NanoString Technologies	3.19	-0.22
Renalytix AI	0.51	-0.22

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

### Sector Exposure (%)



### Geographic Exposure (%)



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.

## Fund Manager's Comments

The portfolio returned 6.3% (1 US\$ Share Class) in March versus 4.3% for the Fund's benchmark, the NASDAQ Biotechnology Net TR Index (NBI), for a relative outperformance of 2.0%. The biotechnology sector outperformed the broader market, with the S&P 500 Index up 3.7% (all figures in dollar terms).

### Sector review

The month started weakly for both the biotechnology sector and the broader market, continuing the trend in place since the start of the year, however the last two weeks of March were characterised by a robust rally. While this seems to have lifted investor sentiment above the recently mounting despondency, most investors appear to be wary, concerned that the move higher could be just a temporary bear market rally driven more by quantitative strategies responding to short-term oversold technical trends and excessively bearish positioning, rather than reflecting the restart of the long-term bull market for risk assets. Certainly the Fed's projected path for interest rate increases over the balance of the year, as well as quantitative tightening, not to mention the war in Ukraine, has investors remaining cautious on risk assets for the time being. Within the biotechnology sector, clinical development and regulatory news flow continues to trend in mixed fashion, and investors continue to wait impatiently for the much-anticipated M&A activity to pick up and reinvigorate broader investor interest.

Notwithstanding the broader macroeconomic picture, we remain increasingly constructive on biotechnology, at least for those companies at more advanced stages of development that might reasonably be labelled as "quality defensive growth". Putting aside the late-March rally, we continue to see growing investor interest towards larger-cap, commercial-stage companies, particularly revenue growth-stage companies with robust new product cycles, R&D pipeline potential and M&A optionality. With investors increasingly contemplating an environment characterised by aggressive inflation but at the same time slowing economic growth – stagflation – we believe investor sentiment towards pharmaceutical and larger biotechnology companies seems to be firming particularly as, at the margin, healthcare reform legislative impasse in Washington is providing some comfort on the drug pricing environment for the coming few years.

We feel the transition from a pandemic to endemic phase for COVID-19's evolution and epidemiology will drive a normalisation of prescription drug trends. Especially for companies selling medicines for chronic illnesses, as well as those attempting to garner physician and patient attention early in their product launch cycles, this could create a robust environment for a beat-and-raise dynamic to be established versus investor expectations. In turn, this could be a positive for commercial-stage bio-pharma stories in the context of a macroeconomic environment characterised by inflation but perhaps also moderating growth.

### Outlook

Meanwhile, at the earlier end of the biotechnology company spectrum, we continue to be wary. While the share price performance of many recent IPOs as well as concept technology stories has been truly terrible over the past 12 months, we continue to be sceptical that this segment of the sector can sustain anything more than just a temporary recovery. Apart from the issue of the tightening macro environment, which is sucking a great deal of the oxygen from the room for risk assets, our main issue is more structural. We feel the record-breaking IPO and equity issuance for the sector over the past couple of years has stretched specialist capital very thin across a

large number of early-stage unprofitable companies. Many of these appear to be attempts by specialist cross-over investors to game the recent appetite of the public markets for innovation and disruptive technologies, injecting significant capital into brand new corporate entities and flipping them public almost instantly. Many of these companies appear to be undifferentiated or are otherwise so early in their development that it is extremely hard to discern whether they have the credentials to create real medical breakthroughs with truly sustainable competitive advantage. For us, this stretching of risk-tolerant capital across early-stage companies in an intensely crowded and competitive environment is a bigger, stickier, pernicious issue for the sector that is likely to keep downward pressure on the share prices of earlier-stage companies in the near term, particularly given many of these companies will need to refinance over the next 12-24 months. With this in mind, we feel it is appropriate that the Fund's portfolio remains positioned more towards commercial-stage quality growth stories.

David Pinniger, CFA

4 April 2022

## Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF <sup>†</sup>	Ann. Fee	Perf. Fee <sup>**</sup>
USD R Dist	POLBTRU ID	IE00B3XLHR60	B3XLHR6	-	1.62%	1.50%	10%
GBP R Dist	POLBTRS ID	IE00B3XDCF51	B3XDCF5	-	1.62%	1.50%	10%
EUR R Dist	POLBTRE ID	IE00B3VXGD32	B3VXGD3	-	1.62%	1.50%	10%
USD I Dist	POLBTIU ID	IE00B42Z4531	B42Z453	USD 1m	1.12%	1.00%	10%
GBP I Dist	POLBTIS ID	IE00B42P0H75	B42P0H7	USD 1m	1.12%	1.00%	10%
GBP I Dist Hdg	PCPBIHG ID	IE00BFX4HX56	BFX4HX5	-	1.12%	1.00%	10%
EUR I Dist	POLBTIE ID	IE00B3WVVRB16	B3WVVRB1	USD 1m	1.12%	1.00%	10%

<sup>†</sup>Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet.

<sup>\*\*</sup>Performance Fee 10% of outperformance of NASDAQ Biotechnology Net TR Index.

## 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.

## 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

## Important Information

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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 NASDAQ Biotechnology 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 <https://indexes.nasdaqomx.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.

- 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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**Spain** The Fund is registered in Spain with the Comisión Nacional del Mercado de Valores ("CNMV") under registration number 771.

**Switzerland** The principal fund documents (the prospectus, KIIDs, memorandum and articles of association, annual report and semi-annual report) of the Fund may be obtained free of charge from the Swiss Representative. The Fund is domiciled in Ireland. The Swiss representative and paying agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

**Austria / Denmark (professional only) / Finland / Germany / Ireland / Italy (professional only) / Luxembourg / Norway / Spain / Sweden and the United Kingdom** The Fund is registered for sale to all investors in these countries. Investors should make themselves aware of the relevant financial, legal and tax implications if they choose to invest.