

USD Class I Acc | ISIN: IE00BPRBXQ74

**NAV per Share**

USD Class I Acc      US\$19.70

**Fund Details**

Fund Size	US\$276.7 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	12 September 2014
Investment Manager	Polar Capital LLP
SFDR Classification	Article 8

**Fund Managers**

**James Douglas**
**Fund Manager**

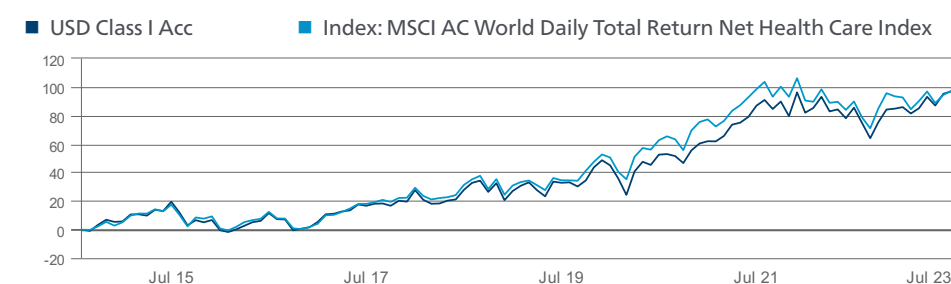
James has managed the fund since 2019, he joined Polar Capital in 2015 and has 24 years of industry experience.


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

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

**Key Facts**

- Team of eight sector specialists
- Team with 170+ years of combined industry experience
- Typically 25-40 large-cap stocks
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

**Share Class Performance**
**Performance Since Launch (%)**


	1m	3m	YTD	1yr	3yrs	5yrs	Since Launch	
USD Class I Acc	0.92	2.02	6.60	6.20	29.10	54.03	97.00	7.92
Index	1.47	0.26	1.97	3.94	21.26	50.18	97.32	7.94

**Discrete Annual Performance (%)**

12 months to	31.07.23	29.07.22	30.07.21	31.07.20	31.07.19
USD Class I Acc	6.20	-0.75	22.48	14.82	3.91
Index	3.94	-4.34	21.95	20.84	2.49

**Calendar Year Performance (%)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
USD Class I Acc	-5.81	22.32	7.87	23.20	0.84	17.70	-4.78	1.23	-	-
Index	-6.14	17.51	14.87	22.67	1.71	20.14	-6.83	6.33	-	-

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

Performance for the USD Class I Acc. The class launched on 12 September 2014. 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 to third parties 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. A 5% subscription fee can be charged at the Investment Managers discretion.

**Fund Ratings**


Ratings are not a recommendation.

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## Portfolio Exposure & Attribution

As at 31 July 2023

### Top 10 Positions (%)

Johnson & Johnson	7.6
Eli Lilly & Co	6.3
AbbVie	5.4
Elevance Health	5.3
AstraZeneca	5.2
Astellas Pharma	3.8
Intuitive Surgical	3.5
AptarGroup	3.5
EssilorLuxottica	3.4
Alcon	3.3
<b>Total</b>	<b>47.3</b>

**Total Number of Positions** 32

**Active Share** 71.62%

### Geographic Exposure (%)

United States	64.6
Japan	6.9
Switzerland	5.9
Denmark	5.2
United Kingdom	5.2
France	4.6
India	2.1
Sweden	2.0
Germany	1.3
Cash	2.1

### Market Capitalisation Exposure (%)

Large Cap (>US\$10 bn)	79.2
Mid Cap (US\$5 bn - 10 bn)	16.9
Small Cap (<US\$5 bn)	1.8
Cash	2.1

### Performance Attribution - 1 Month (%)

#### Top Contributors

	Active Weight	Attrib. Effect
Merck & Co	-3.70	0.33
Becton Dickinson	3.10	0.19
Legend Biotech Corp	2.37	0.19
AbbVie	2.20	0.19
Genmab A/S	2.12	0.16

Performance attribution is calculated in USD on a relative basis over the month. Attribution effect is shown gross of fees.

#### Top Detractors

	Active Weight	Attrib. Effect
Inspire Medical Systems	2.28	-0.30
UnitedHealth Group	-6.02	-0.26
McKesson	3.04	-0.21
HCA Healthcare	2.05	-0.18
R1 RCM	2.52	-0.17

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

	Fund	Relative
Pharmaceuticals	27.4	-13.0
Biotechnology	14.4	0.3
Healthcare Equipment	12.6	-5.4
Healthcare Supplies	9.4	6.0
Healthcare Facilities	9.2	7.7
Life Sciences Tools & Services	8.3	0.7
Managed Healthcare	7.5	-1.7
Metal, Glass & Plastic Containers	3.5	3.5
Healthcare Distributors	3.0	1.1
Healthcare Services	2.7	-0.7
Healthcare Technology	0.0	-0.5
Cash	2.1	2.1



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 <sup>†</sup>	Ann. Fee	Perf. Fee <sup>††</sup>
USD I Acc	PCFIUSA ID	IE00BPRBXQ74	BPRBXQ7	-	0.96%	0.85%	10%
USD I Dist	PCFIUSD ID	IE00BPRBXP67	BPRBXP6	-	0.96%	0.85%	10%
GBP I Acc	PCFIGBA ID	IE00BPRBXV28	BPRBXV2	-	0.96%	0.85%	10%
GBP I Dist	PCFIGBD ID	IE00BPRBXT06	BPRBXT0	-	0.96%	0.85%	10%
EUR I Acc	PCFIEUA ID	IE00BPRBXS98	BPRBXS9	-	0.96%	0.85%	10%
EUR I Dist	PCFIEUD ID	IE00BPRBXR81	BPRBXR8	-	0.96%	0.85%	10%

<sup>†</sup>Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet. The Ongoing Charges Figure is based upon the expenses incurred by the Fund for the previous 12 month period. The OCF incorporates the Annual Fee charged by the Fund.

<sup>††</sup>Performance Fee 10% of outperformance of MSCI World Daily Total Return Net Health Care Index.

## Fund Manager's Comments

### Market and sector review

Global equity markets posted positive returns in July on the back of encouraging US macroeconomic data, which showed inflation cooling faster than expected, whilst GDP growth, consumer resilience and employment figures remain robust.

Similar to the previous month, the trading environment was more supportive of cyclical and more economically exposed sectors like communication services, financials and industrials. Unsurprisingly, healthcare lagged the broader market. From a subsector point of view, life sciences tools and services, biotechnology, managed care, healthcare supplies and healthcare services experienced higher returns than healthcare facilities, healthcare distributors and healthcare equipment. The Fund was up 0.9% (USD I Acc Share Class) in July, behind the benchmark (MSCI AC World Daily Net Total Return Health Care Index) which was up 1.5% (in dollar terms).

As is customary, many companies in the healthcare space started to report their second quarter results in July. The overarching trends were similar to those experienced in the first quarter of the year. Utilisation of healthcare systems remains strong, benefitting healthcare facilities and medical devices suppliers and manufacturers. A less benign funding environment for early-stage biotechnology and customer destocking remain key issues for life sciences tools and services companies.

The reaction of investors to results were disparate. Given the very high expectations for names more exposed to utilisation dynamics, strong earnings announcements and guidance raises were generally not enough to excite investors. On the other hand, most life sciences tools and services companies reported very weak second quarter results and cut their outlook for the remainder of the year, citing cautious spending among mid to large biopharmaceutical players and a weakening of their Chinese business as two additional tailwinds. Nonetheless, the subsector performed relatively well, showing that investors were keen to re-engage in this out-of-favour space. Finally, managed care companies, another area of healthcare which saw some selling pressure in the first months of the year, rebounded thanks to robust second quarter results, which showed better than expected cost trends despite the high utilisation of healthcare.

### Fund review and activity

The top three contributors were Merck, Becton Dickinson, and Legend Biotech. Not holding US pharmaceutical company **Merck** was a positive. Although there was no specific negative news during the month, the stock perhaps saw some profit taking given its full valuation and concerns around its product portfolio, which is heavily reliant on two main drugs, posing a risk to future revenues unless new pipeline assets are successful.

**Becton Dickinson** performed well, with the main driver being the FDA's approval of their infusion pump Alaris. The product should be accretive to the growth rate of the company and, with competitors still out of the market, could accelerate market share gain in this segment. Finally, **Legend Biotech** benefitted from partner Johnson & Johnson reporting encouraging sales for their bone marrow cancer drug Carvykti.

Negative contributors were Inspire Medical Systems, UnitedHealth Group, and McKesson. **Inspire Medical Systems** was caught by investors' nervousness around the possibility that GLP-1s, a new class of weight-loss drugs, could impact the funnel of new patients with obstructive sleep apnoea, a condition which is often associated with obesity. As alluded to above, **UnitedHealth Group**, like other

managed care organisations, had a strong relative month after reporting solid quarterly results, both in terms of revenue resilience and more favourable cost trends. There was no incremental news on **McKesson**, with the weakness perhaps attributable to rotation out of the distributor sector into areas of the market that had underperformed year to date such as managed care and life sciences tools and services.

There were no new positions added or complete exits in the month, with trading activity confined within the existing holdings.

### Outlook

Notwithstanding the subdued performance for the year so far, our stance remains extremely constructive on the healthcare sector as an investment opportunity given its strong fundamentals, its high level of innovation, the continuous need for its products and services, and the scope for further consolidation.

James Douglas

3 August 2023

*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.*

## 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 before investing.
- 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 as there is no guarantee in place.
- 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 invests in the shares of companies, and share prices can rise or fall due to several factors affecting global stock markets.
- The Fund uses derivatives which carry the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as failure amongst market participants.
- The Fund invests in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency. Hedged share classes may have associated costs which may impact the performance of your investment.

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Investment in the Fund is an investment in the shares of the Fund and not in the underlying investments of the Fund. Further information about fund characteristics and any associated risks can be found in the Fund's Key Investor Document or Key Investor Information Document ("KID" or "KIID"), the Prospectus (and relevant Fund Supplement), the Articles of Association and the Annual and Semi-Annual Reports. Please refer to these documents before making any final investment decisions. These documents are available free of charge at Polar Capital Funds plc, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland, via email by contacting [Investor-Relations@polarcapitalfunds.com](mailto:Investor-Relations@polarcapitalfunds.com) or at [www.polarcapital.co.uk](http://www.polarcapital.co.uk). The KID is available in the languages of all EEA member states in which the Fund is registered for sale; the Prospectus, Annual and Semi-Annual Reports and KIID are available in English.

The Fund promotes, among other characteristics, environmental or social characteristics and is classified as an Article 8 fund under the EU's

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ESG and sustainability characteristics are further detailed on the investment manager's website: (<https://www.polarcapital.co.uk/ESG-and-Sustainability/Responsible-Investing/>).

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. This document is provided and approved by both Polar Capital LLP and Polar Capital (Europe) SAS.

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**Benchmark** The Fund is actively managed and uses the MSCI AC World Daily Total Return Net Health Care 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

## Administrator Details

Northern Trust International Fund  
Administration Services (Ireland) Ltd

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

- The Fund invests in a relatively concentrated number of companies and industries based in one sector. This focused strategy can produce high gains but can also lead to significant losses. The Fund may be less diversified than other investment funds.

carefully consider these differences when making comparisons. Further information about the benchmark can be found [www.msicbarra.com](http://www.msicbarra.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.

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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, KID/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

## Important Information (contd.)

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