



GBP Class S Acc | ISIN: IE00BJXT2D37

NAV per Share

GBP Class S Acc £10.20

Fund Details

Fund Size	£19.9 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 25 years of industry experience.

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

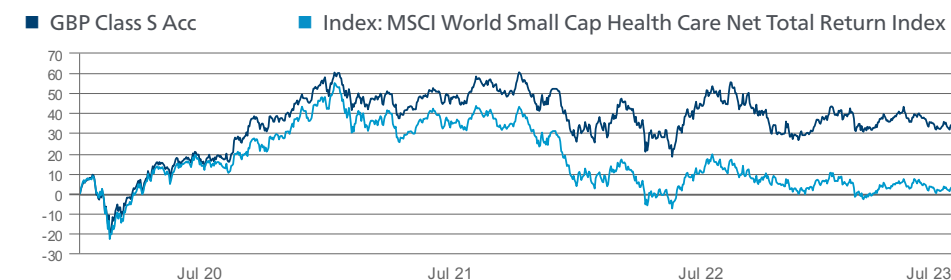
Fund Ratings



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

Share Class Performance

Performance Since Launch (%)



	1m	3m	YTD	1yr	3yrs	5yrs	Since Launch	
							Cum.	Ann.
GBP Class S Acc	-0.87	-1.07	3.13	-6.51	18.06	-	34.39	8.81
Index	-0.30	0.28	0.86	-6.61	-7.66	-	3.14	0.89

Discrete Annual Performance (%)

12 months to	31.07.23	29.07.22	30.07.21	31.07.20	31.07.19
GBP Class S Acc	-6.51	-3.11	30.32	-	-
Index	-6.61	-18.20	20.87	-	-

Calendar Year Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GBP Class S Acc	-13.78	3.99	-	-	-	-	-	-	-	-
Index	-20.19	-5.93	-	-	-	-	-	-	-	-

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

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

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Portfolio Exposure & Attribution

As at 31 July 2023

Top 10 Positions (%)

Zealand Pharma A/S	4.9
Xenon Pharmaceuticals	3.6
Lantheus Holdings	3.1
R1 RCM	3.0
Acadia Healthcare	3.0
Revance Therapeutics	3.0
Gerresheimer AG	3.0
Evolent Health	2.8
Exact Sciences Corp	2.8
QuidelOrtho Corp	2.8

Total **32.0**
Total Number of Positions **61**
Active Share **80.49%**

Geographic Exposure (%)

United States	59.1
Denmark	6.5
Germany	4.9
United Kingdom	4.9
Japan	4.5
Canada	3.6
India	3.5
France	2.2
Sweden	2.1
China	1.5
Switzerland	1.3
Spain	1.2
Ireland	1.0
Costa Rica	0.7
Cash	2.9

Market Capitalisation Exposure (%)

Large Cap (> \$10bn)	5.4
Mid Cap (>\$5bn - \$10bn)	24.4
Small Cap (>\$1bn - \$5bn)	59.0
Micro Cap (<\$1bn)	8.4
Cash	2.9

Performance Attribution - 1 Month (%)

Top Contributors

	Active Weight	Attrib. Effect
Apellis Pharmaceuticals	-0.64	0.63
Tandem Diabetes Care	0.93	0.32
Evotec AG	1.59	0.25
MoonLake	1.08	0.22
AtriCure	1.62	0.17

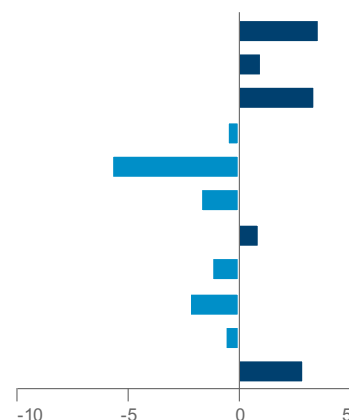
Performance attribution is calculated in USD on a relative basis over the month. Attribution effect is shown gross of fees.

Top Detractors

	Active Weight	Attrib. Effect
Bavarian Nordic A/S	1.08	-0.31
Bridgebio Pharma	-0.29	-0.21
Amvis Holdings	2.11	-0.21
Reata Pharmaceuticals	-0.36	-0.21
Revance Therapeutics	2.56	-0.20

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

	Fund	Relative
Biotechnology	33.0	3.6
Healthcare Equipment	17.4	1.0
Healthcare Facilities	9.7	3.4
Healthcare Services	8.1	-0.5
Pharmaceuticals	8.1	-5.7
Life Sciences Tools & Services	7.1	-1.7
Healthcare Technology	5.9	0.9
Healthcare Supplies	5.9	-1.2
Healthcare Distributors	1.0	-2.2
Managed Healthcare	0.8	-0.6
Cash	2.9	2.9



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	-	1.13%	1.00%	10%
USD I Acc	PHDSIUA ID	IE00BJXT2996	BJXT299	-	1.13%	1.00%	10%
GBP S Acc	PHDSSGA ID	IE00BJXT2D37	BJXT2D3	USD 5m	0.78%	0.65%	10%
USD S Acc	PHDSSUA ID	IE00BJXT2C20	BJXT2C2	USD 5m	0.78%	0.65%	10%

[†]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.

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

Fund Manager's Comments

Market and sector backdrop

July was akin to treading water for small cap healthcare investors, with lots of back and forth while gaining little traction. The healthcare sector lagged broader market indices across the board, irrespective of size, as economic data continued to support a case for avoiding recession in the near term.

As suspected, US central banking policy paused further interest rate rises for this month as inflation metrics continued to moderate and labour costs offered some signs of ongoing cooling, without an accompanying spike in unemployment. This quickly led to the reprise of 'goldilocks' growth market chatter (not too hot or too cold) and other optimistic talking points around a softer economic landing should growth eventually slow.

The continued broadening of market participation, from what had been confined mostly to the seven technology generals into other sectors of the market, including down the market-cap scale for smaller company outperformance is an important piece in the market outlook puzzle. Even so, we are disappointed in both the Fund and sector's performance during July. The Fund (USD I Acc Share Class) came in c.50 basis points (bp) behind the benchmark's (MSCI World Small Cap Healthcare Net Total Return) c.90 bp return (in dollar terms).

Though some rotation away from healthcare is to be expected with improved investor sentiment, we would note the late summer months are a slower time for the healthcare sector and take heart in the long-awaited participation and year-to-date outperformance of small-cap companies, where investor positioning is mostly absent.

Fund performance and activity

The Fund performed best at the extreme ends of the market-cap scale, in both large and micro-cap, with our selection in small and mid-size companies letting us down. As over c.90% percent of the portfolio is held in small and mid-cap companies there is not much more to add on regional performance and currency effect was neutral.

During the month, the top subsector contributors to the Fund were our overweight in healthcare equipment and supplies and our underweight in life sciences tools. In contrast, both healthcare technology and pharmaceuticals detracted from performance, with stock selection weighing on the former and allocation adding further injury to stock selection in the latter. Specifically to pharmaceuticals, we were not present for the Biogen acquisition bid for benchmark member **Reata Pharmaceuticals**, and our position in **Revance Therapeutics** weighed further on our pharmaceuticals subsector performance.

On a more positive note, biotechnology companies **Apellis Pharmaceuticals** and **MoonLake Immunotherapeutics** were among the top outperformers, the former as we had little-to-no exposure versus the benchmark over the month and the latter due to positive clinical results along with M&A speculation.

Apellis Pharmaceuticals recently launched their product in Geographic Atrophy, a progressive form of chronic eye disease that leads to blindness. Unexpected side effects since launch have emerged, mostly on the first dose of intraocular injections relative to what was experienced in the regulatory trials. Investors are acting first before weighing up the evidence to date and ongoing investigations will take time. Meanwhile a competitor, IVERIC Bio (a prior holding in the portfolio which was acquired by Astellas Pharmaceuticals), is

waiting in the wings at the regulator, resulting in a complex product launch scenario.

Outlook

We are moving through 2Q23 earnings season and while our larger companies are nearing the finish line, smaller companies are just entering the thick of it. So far, smaller companies are a bit behind on positive revisions relative to their larger peers, though we reserve judgement until all results (and certainly for the healthcare sector) are in.

In healthcare company reports to date, regardless of market-cap, focus has remained intensely on the quality of earnings beat relative to valuation, in conjunction with topical themes. In particular, utilisation for healthcare providers and related equipment and supplies, but also any cost implications for managed care companies as post pandemic demand returns to a more normal pace.

For the most part, life sciences tools and services companies continue to see guidance downgrades though investors are keen to call the end of negative revisions. This produces a very mixed picture on healthcare subsector rotation, which likely contributed to the sense of flatness over July. Our bigger take is that the market at large is working through a parsing-out process, relative to broader thematic or factor rotations seen over the last several years. If correct, stock selection should continue to reassert, which should be taken as good news after a long absence of any consistency.

We are doing our best not to buy into any macroeconomic chatter saying 'its different this time' while also remaining open to history as a guide (but not a prescriptive one). We started the year optimistic for smaller company investors and that has worked in our favour so far, though we are mindful not to get too far ahead of ourselves. Despite the progress year-to-date, small-cap valuations relative to large-cap remain at a discount, offering some additional comfort in conjunction with several investment opportunities unique to smaller healthcare investors.

Deane Donnigan

3 August 2023

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.
- The Fund invests in emerging markets where there is a greater risk of volatility due to political and economic uncertainties, restrictions on foreign investment, currency repatriation and currency fluctuations.

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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 or at 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.

This Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Fund does not fall within the scope of Regulation (EU)

2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Fund do not consider the EU criteria for environmentally sustainable economic activities.

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 World Small Cap Health Care 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

Administrator Details

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Administration Services (Ireland) Ltd

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

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- 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.msibarra.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

Important Information (contd.)

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.

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