Polar Capital Global Healthcare Trust plc

Half-Year Report for the six months ended 31 March 2022

Polar Capital Global Healthcare Trust Plc 16 Palace Street, London, SW1E 5JD
T +44 (0)20 7227 2700 **E** cosec@polarcapital.co.uk
polarcapitalglobalhealthcaretrust.co.uk

YOUR COMPANY AT A GLANCE

WHO WE ARE

The Group comprises the Company, Polar Capital Global Healthcare Trust Plc and the subsidiary, PCGH ZDP Plc. The Group was formed on 30 March 2017 as part of a reconstruction of the Company which included the change of the name on 20 June 2017 from Polar Capital Global Healthcare Growth and Income Trust plc and a revised objective from creation of income and growth, to growth. The Company was originally launched on 15 June 2010.

PURPOSE

The purpose of the Group, comprising the Company and the wholly owned subsidiary PCGH ZDP Plc, is to provide a vehicle for investors in which assets are invested across a diversified global portfolio of healthcare stocks which aim to deliver long term capital growth to shareholders. The purpose is achieved through implementation of the Investment Objective and investment policies incorporating parameters to ensure excessive risk is not undertaken.

INVESTMENT OBJECTIVE AND POLICY

The Objective of the Company is to generate capital growth by investing in a global portfolio of healthcare stocks. The Company will seek to achieve its objective by investing in a diversified global portfolio consisting primarily of listed equities. The portfolio is diversified by geography, industry sub-sector and investment size. Stock selection is central to the process, looking to identify companies where there is a disconnect between valuations and the near and medium-term growth drivers. Whilst the Company primarily focusses on leading healthcare companies with resilient, medium-term growth profiles, it also has the opportunity to invest in earlier-stage, more innovative and disruptive companies. Structural debt, in the form of Zero Dividend Preference shares with a repayment date of 19th June 2024, offers access to additional liquidity and the opportunity to enhance returns through gearing.

In terms of structure, the majority of the assets (calculated on a gross basis and referred to as the Growth Portfolio) will be invested in companies with a market capitalisation of more than US$5 billion at the time of investment, with the balance invested in companies with a market capitalisation of less than US$5 billion at the time of investment (a maximum of 20% of gross assets and referred to as the Innovation Portfolio).

MANAGEMENT

The Company is an investment trust led by an experienced Board of independent non-executive Directors with a variety of expertise in investment and healthcare matters and with experience in the regulatory and legal framework within which the Group operates. The role of the Board is to provide oversight of the Company's activities and to seek to ensure that the appropriate controls are in place to deliver the Investment Objective and to manage the risks associated with such activities.

The Investment Manager is Polar Capital LLP ("Polar Capital") and, with effect from 1 August 2019, the appointed Co-Managers are Dr James Douglas and Mr Gareth Powell supported by the wider Polar Capital Healthcare Team. Polar Capital LLP is also the Alternative Investment Fund Manager for the purposes of AIFM Regulations and is authorised and regulated by the Financial Conduct Authority.

BENCHMARK

The benchmark since launch has been the MSCI ACWI Health Care Index (total return in sterling with dividends reinvested).

LIFE

In the absence of any prior alternative proposals, the articles of association of the Company require the Directors to put forward at the first Annual General Meeting to be held after 1 March 2025 a resolution to place the Company into voluntary liquidation.

FINANCIAL HIGHLIGHTS

Performance	For the six months to 31 March 2022	For the year to 30 September 2021
Net asset value per Ordinary share (total return) (note 1)*	+5.05%	19.46%
Benchmark index MSCI ACWI/Healthcare Index (total return in £ sterling with dividends reinvested)	+5.03%	13.40%
Since restructuring on 20 June 2017		
Net asset value per Ordinary share (total return) (note 2)*	+59.97%	52.28%
Benchmark index total return	+61.15%	53.42%
Expenses*		
Ongoing charges (note 3)	0.86%	0.83%

Financials	(Unaudited) As at 31 March 2022	(Audited) As at 30 September 2021	Change
Total net assets (Group and Company)	£403,902,000	£385,728,000	4.7%
Net asset value per Ordinary share	333.06p	318.07p	4.7%
Net asset value per ZDP share	115.19p	113.50p	1.5%
Price per Ordinary share	300.00p	288.00p	4.2%
Discount per Ordinary share*	9.9%	9.5%	
Price per ZDP share	114.50p	113.50p	0.9%
Net gearing*	5.92%	6.04%	
Ordinary shares in issue (excluding those held in treasury)	121,270,000	121,270,000	-
Ordinary shares held in treasury	2,879,256	2,879,256	-
ZDP shares in issue	32,128,437	32,128,437	-

Dividends paid and declared in the period:	Pay Date	Amount per Ordinary share	Record Date	Ex-Dividend Date	Declared date
The Company has paid the following dividend relating to the financial year ended 30 September 2021:	28 February 2022	1.00p	4 February 2022	3 February 2022	16 December 2021
Dividends for the current financial year ending 30 September 2022, if declared, will be paid in August 2022 and February 2023. *All data sourced from Polar Capital LLP/HSBC.*					

Note 1 NAV total return is calculated as the change in NAV from the start of the period, assuming that dividends paid to shareholders are reinvested on the payment date in Ordinary shares at their net asset value.

Note 2 The Company's portfolio was restructured on 20 June 2017. The total return NAV performance since restructuring is calculated by reinvesting the dividends in the assets of the Group and Company from the relevant payment date.

Note 3 Ongoing charges represents the total expenses of the Company, excluding finance costs, transaction costs, tax and nonrecurring expenses expressed as a percentage of the average daily net asset value, in accordance with AIC guidance issued in May 2012. The ongoing charges figure as at 31 March 2022 is for the six month period from 30 September 2021 and is annualised for comparison with the full year's calculation as at 30 September 2021.

*See Alternative Performance Measures below.

CHAIR'S STATEMENT

On behalf of the Board, I am pleased to provide you with the Company's Half Year Report for the six months to 31 March 2022.

Only two years ago I wrote my first Chair's Statement as COVID-19 was sweeping the globe, a situation viewed by many as a once in a generation event. I certainly did not anticipate writing so soon against the backdrop of another major humanitarian crisis unfolding, in the form of the invasion of the Ukraine by Russia at the end of February. Our thoughts and good wishes go out to all those affected by these terrible events.

PERFORMANCE

Not surprisingly, the deteriorating geo-political situation layered upon increasingly negative economic factors, proved to be another challenging period for most managers, although equity markets overall remained remarkably resilient.

The net asset value per Ordinary share (total return) rose 5.05% over the period, broadly in line with the Benchmark index (+5.03%) and comfortably ahead of our AIC sector peer group. Whilst we would always aim to be further ahead of the benchmark, given the backdrop combined with some of the extreme stock price moves within the healthcare sector, this was arguably a good outcome.

The discount widened slightly through the period by 0.4% to 9.9%. We had seen a gradual narrowing of the discount earlier in the period, but in common with many investment trusts, as the Russia-Ukraine situation developed, discounts widened. The Board continues to monitor the discount.

OUTLOOK

Whilst the global geo-political situation and economic conditions are likely to remain challenging for the foreseeable future, the outlook for healthcare is very compelling. The Company's managers believe that the macro-economic environment has shifted to one that is supportive for the healthcare sector, especially for those companies that sit higher up the capitalisation and quality scale. More detail is provided in the Investment Manager's Review below.

THE BOARD

There have been no changes to the membership of the Board in the six months to 31 March 2022. The Directors' biographical details are available on the Company's website and are provided in the Annual Report. In late April 2022, the FCA published the results and revisions to the Listing Rules in relation to Diversity and Inclusion on company boards. We will be reviewing the revisions to the requirements and will advise in the next Annual Report if we feel that it is necessary or appropriate to take any action.

PRINCIPAL RISKS AND UNCERTAINTIES

A detailed explanation of the Company's principal risks and uncertainties, and how they are managed through mitigation and controls, can be found on pages 29 to 31 of the Annual Report for the year ended 30 September 2021. The principal risks and uncertainties are categorised into four main areas: Portfolio Management, Operational Risk, Regulatory Risk and Economic/Market Risk. The Directors consider that, overall, the principal risks and uncertainties faced by the Company for the remaining six months of the financial year have not changed from those outlined within the Annual Report. The Board continues to carefully monitor the impact of the Russian invasion of Ukraine and whilst this worsens the macroeconomic outlook, there is no direct impact to the Company's portfolio or the healthcare sector.

Further detail on the Company's performance and portfolio can be found in the Investment Managers' Report.

GOING CONCERN

As detailed in the notes to the financial statements, the Board continually monitors the financial position of the Group and Company and has undertaken additional stress-testing and analysis in determining the appropriateness of preparing the Financial Statements on a going concern basis. Having carried out the additional testing, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Group and Company. In reaching this conclusion, the Board also considered the Company's performance and its assessment of any material uncertainties and events that might cast significant doubt upon the Group and Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

In accordance with DTR 4.2.8R, there have been no new related party transactions during the six month period to 31 March 2022. There have been no changes in any related party transaction described in the last Annual Report that could have a material effect on the financial position or performance of the Group or Company in the first six months of the current financial year or to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Polar Capital Global Healthcare Trust plc confirm to the best of their knowledge that:

- The condensed set of financial statements has been prepared in accordance with IAS 34, in conformity with the requirements of the Companies Act 2006 and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 31 March 2022; and
- The Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

The half year financial report for the six-month period to 31 March 2021 has not been audited or reviewed by the Auditors. The half year financial report was approved by the Board on 9 May 2022.

On behalf of the Board

Lisa Arnold
Chair

INVESTMENT MANAGER'S REPORT

Executive summary

An unwelcome combination of economic and geo-political events has made the first half of 2022 an extremely challenging period for global equity markets. Despite being faced with a cocktail of rising inflation, hawkish central banks and war in Ukraine, the equity markets have been remarkably resilient and over the six month period to the end of March 2022. The Company returned 5.05% versus 5.03% for the benchmark (MSCI AC World Daily Total Return Net Health Care Index in sterling). More importantly, the macro environment has shifted to one that is very supportive for the healthcare sector, especially for larger and generally higher quality companies. The potential for slowing economic growth and elevated inflation, i.e. stagflation, is one that should benefit healthcare. The essential nature of its products and services provides an offset to slowing economic growth. On the inflation side, healthcare is populated with businesses that have pricing power, are vertically integrated, or have high gross and operating margins and thus can absorb the additional costs.

Reflecting on performance, strong stock selection across the market capitalisation spectrum was offset by the allocation effect of having a relative overweight position in small and mid-capitalisation stocks. More importantly, we did start to see some evidence that COVID-19 is becoming less disruptive, especially in the US, as evidenced by a sharp reduction in COVID-19 infections, a material decline in patients needing ICU treatment and some signs that staffing pressures have plateaued and could eventually ease. There may well be further COVID-19 bumps in the road, but if that general direction of travel continues, consumers will start to re-engage with healthcare systems, which could put upwards pressure on utilisation, consumption and ultimately company revenues. With relative valuations attractive and absolute valuations supportive, the outlook for the healthcare sector is highly compelling.

Performance review

Over the six month period to the end of March 2022, the healthcare sector outperformed the broader market indices as the retreat into more defensive sectors accelerated in late February following the Russian invasion of Ukraine. It is worth noting that the Company has not had, and does not have, direct investments in Russia or Ukraine but is invested in companies that either generate sales or are running clinical trials in the region. We note that the healthcare industry is also exposed to some of the supply chains pressures that have been a direct result of the conflict, with titanium and energy two good examples. The Company's performance was in line with that of its benchmark index, with further details provided below.

Performance – 30 September 2020 to 31 March 2021

From the 30th September 2021 to the end of March 2022, the Company returned 5.05% versus 5.03% for the benchmark. Over the period under review, market price moves across the healthcare sector have been quite extreme. In the 4th quarter of calendar 2021 and the 1st quarter of calendar 2022, small capitalisation healthcare, including biotech, which would be regarded as one of the more speculative sub-sectors, was heavily sold off as investors switched to more value and higher quality stocks at the expense of higher growth and smaller stocks. This clearly impacted the allocation effect for the Company given the higher exposure to small and mid-capitalisation companies than its benchmark.

	Average Weight (Fund)	Average Weight (Bench)
>$10bn	79.20	96.46
>$5bn - $10bn	15.15	2.38
<$5bn	11.12	1.16
Cash and Others	-5.47	0.00

Source: *Polar Capital as at 31 March 2022, average calculated over the reporting period*

From a geographical perspective, the Asia Pacific region (excluding Japan) was the biggest contributor, mainly due to our underweight exposure to the region. The overweight in North America and underweight in Japan were also positive, but negative stock selection meant that the overall contribution from these regions was only marginal. The other notable impact over the period was the negative contribution from Europe with stock selection being a detractor despite a good allocation effect. The impact of gearing on performance was negligible over the six months. Although we decreased the level of gearing in December 2021 and January 2022 on the back of increased concerns about the Omicron COVID-19 variant, the overall level was relatively stable during the period under review. Net gearing at the end of September 2021 was 6.0% and this was reduced slightly to 5.9% by the end of March 2022.

In terms of sub-sectors, outperformance was split between allocation and stock selection. The most positive impact came from strong stock selection in healthcare equipment and facilities, whilst managed care was a positive contributor due to the allocation effect. Negative contributors were as follows: pharmaceuticals due to the underweight exposure, and biotechnology and healthcare distributors through adverse stock selection.

Stocks that contributed positively to the relative performance over the period included Moderna, Molina Healthcare, Steris, Wuxi Biologics, and UnitedHealth Group. A lack of exposure to US biotechnology company Moderna was a positive relative contributor with the stock continuing to struggle, as the market re-assessed not only the future opportunity for COVID-19 vaccines but the broader utility of the company's mRNA platform. Managed care organisations Molina Healthcare and UnitedHealth Group delivered positive results and provided reassuring commentary around 2022 consensus earnings. Further, the stocks benefitted from the sector's overall strong performance with rising interest rates providing a tailwind. Wuxi Biologics, a Chinese-based contract development and manufacturing company, was affected by the broader growth-to-value rotation (from which Chinese companies were particularly impacted) but also by the addition of two of its subsidiaries to the US Commerce department's Unverified List, a list of companies that the Bureau of Industry Security could not verify as *bona fide*. Steris is a leading provider of infection prevention and procedural products and services, focused primarily on the critical markets of healthcare, pharmaceuticals and medical devices. The company's strong performance over the period has been driven by strong execution despite the challenging environment. Indeed, Steris upgraded its outlook for the 2022 fiscal year on stronger growth across the business coupled with higher synergies from a recent acquisition, which triggered positive revenue and earnings revisions, putting upwards pressure on the stock's share price.

Stocks that impacted relative performance negatively over the period were AbbVie, Bio-Rad Laboratories, Pfizer, Medley and Eli Lilly. US biotechnology company AbbVie, which was not held during the period, impacted relative performance, with management executing well and producing solid sets of financial results that were well received by the market. There was no significant news flow for Bio-Rad Laboratories or Medley, but the stocks were caught up in the derating experienced by highly valued, high-growth sub-sectors such as life sciences tools and services (Bio-Rad Laboratories) and healthcare technology (Medley). A lack of exposure to Pfizer and Eli Lilly hurt performance as the stocks performed well due to positive announcements (e.g. the FDA granting an emergency use authorisation to Pfizer's Paxlovid, a COVID-19 oral anti-viral) combined with investors' increased appetite for large-capitalisation, defensive stocks.

Relative Contributors (%) – 30 September 2021 – 31 March 2022

Top 10	Average Stock Weight	Active Weight	Stock Return	Stock Return vs BM	Total Attrib
Moderna	0.00	-1.02	-54.14	-59.18	1.01
Molina Healthcare	2.24	2.01	25.97	20.93	0.48
Steris	3.01	2.71	21.25	16.22	0.46
Wuxi Biologics Cayman	0.00	-0.52	-47.63	-52.67	0.40
UnitedHealth Group	6.91	1.24	33.71	28.68	0.37
Centene Corp	1.23	0.65	38.43	33.39	0.33
Envista Holdings Corp	2.34	2.34	19.36	14.32	0.32
Medtronic	0.00	-1.92	-9.32	-14.35	0.30
Essilor International SA	0.69	0.69	-1.40	-6.44	0.29
Bristol Myers Squibb	3.38	1.58	26.45	21.41	0.26

Bottom 10	Average Stock Weight	Active Weight	Stock Return	Stock Return vs BM	Total Attrib
AbbVie	0.00	-2.99	53.97	48.93	-1.24
Bio-Rad Laboratories	3.01	2.82	-22.64	-27.68	-0.89
Pfizer	0.00	-3.67	23.32	18.28	-0.61
Medley	0.78	0.78	-41.73	-46.76	-0.57
Eli Lilly & Co	0.00	-2.67	26.98	21.95	-0.55
Zealand Pharma A/S	0.74	0.74	-44.74	-49.78	-0.49
Avantor	2.41	2.16	-15.28	-20.32	-0.47
Genmab A/S	2.05	1.73	-13.91	-18.94	-0.40
Ship Healthcare	0.83	0.83	-33.95	-38.98	-0.39
Anthem	0.00	-1.38	34.99	29.96	-0.36

Source: *Polar Capital as at 31 March 2022. Past performance is not indicative or a guarantee of future results.*

Near term considerations; Stagflation

The healthcare industry is composed of a broad and diversified universe of businesses that range from pharmaceuticals and biotechnology to medical equipment, medical insurance, healthcare facilities and life sciences tools and services. This diversity, with many different business models across the market-capitalisation spectrum, is one of the reasons the sector can offer investors protection against the prospect of global stagflation. In fact, the correlation of both earnings and the share prices of healthcare stocks to various economic indicators (global GDP; the Current Activity Indicator; PMI) is one of the lowest in the market.

There are also three more fundamental reasons why the healthcare sector should be relatively attractive in a stagflationary environment. Firstly, with high inflation and low economic growth, consumers' purchasing power and confidence are greatly reduced, adversely affecting consumer demand. However, given the essential nature of many products and services provided by healthcare companies, demand for these tends to be consistent. That consistency should offer investors greater confidence in healthcare companies' ability to generate steady revenues, earnings and cash flow.

Secondly, certain pockets of healthcare offer some protection from inflationary pressures given they can pass on costs to their customers, are vertically integrated (thus offering greater control of their supply chains) or have high gross and operating margins that can absorb the additional costs. On the pricing side we would highlight healthcare supplies and contract manufacturers and on the margin side we would point to pharmaceuticals and large capitalisation biotechnology companies.

Finally, during periods of prolonged stagflation, quality companies with high cash flow generation, solid balance sheets and high returns on equity and invested capital should perform better than higher growth but less cash-generative businesses. This is because future earnings and cash flows have a lower present value when nominal interest rates are high, with investors tending to prefer businesses that can generate earnings and cash flows in the near term. We are therefore particularly constructive on larger capitalisation healthcare stocks, many of which display these characteristics. In summary, near-term macroeconomic uncertainty and the rising spectre of stagflation lead us to believe the healthcare sector is an attractive investment proposition, especially on a relative basis.

Medium term drivers; Healthcare in a COVID-endemic world

In last year's Annual Report we outlined six key investment themes, which we believe offer the potential for significant returns in the years ahead. As a reminder the themes are; Delivery disruption; Innovation; Emerging markets; Consolidation; Outsourcing; Prevention. These themes remain relevant today, but we are currently focused on two of the original investment themes plus a new theme ("Tackling the backlog") that we believe have greater near-term relevance. That view is based on the assumption that COVID-19 becomes less disruptive over the next few months and years because if so, there are positive implications for the healthcare industry that should yield some exciting investment opportunities. In order of immediacy, these are;

- Tackling the backlog
- Disrupting the delivery of healthcare
- Prevention

Tackling the backlog

COVID-19 has been incredibly disruptive for millions of people, for many different reasons, but the impact on global healthcare systems has been particularly profound. The COVID-19 pandemic has had significant repercussions for the delivery of elective care, meaning that many patients are now waiting longer for treatment than they were before the pandemic began. In order to address the ever-growing backlog healthcare systems, and their staffing policies, will need to learn to live with COVID-19, increase capacity, prioritise diagnosis and treatment and look to utilise alternative sites of delivery. If successfully delivered, then utilisation and volumes should accelerate, which is a clear positive for the top-lines of healthcare facilities, healthcare providers and medical device companies.

To try and understand the magnitude of the problem, and indeed the opportunity for the healthcare industry, a recent NHS report pointed to 6 million people on waiting lists, up from 4.4 million before the pandemic. The NHS is just one example of the challenge that healthcare systems face, but it is perfectly reasonable to assume that similar dynamics exist in other jurisdictions globally. What that statistic does not capture, however, is the number of people who have missed all-important diagnoses and could now be faced with more advanced and more problematic health challenges. Cancer is a case in point, with the NHS launching the Help Us Help You campaign to encourage people with cancer symptoms to come forward. Recent analysis by Macmillan Cancer Support has suggested that around 50,000 patients have missed a cancer diagnosis during the pandemic. Research has also shown that women being diagnosed with stage four breast cancer has increased by 48% over the last few months, which the charity say is down to COVID-19 disruption to NHS care. Tackling the backlog is a clear and immediate priority.

Source: *www.Pexels.com*

Disrupting the delivery of healthcare

The disruption of delivery is critical given there is an acute need globally to generate greater efficiencies and deliver more healthcare to more people for less money. Investment in products and services that drive efficiencies has been evident for some time, but the COVID-19 crisis has brought a greater level of focus and has accelerated momentum in certain areas. The use of out-patient facilities and Ambulatory Surgery Centres to perform surgeries that might previously have been performed in a more traditional hospital setting has really accelerated during the tail-end of the COVID-19 pandemic. Cataract surgeries, endoscopies and colonoscopies have been performed in out-patient settings/ Ambulatory Surgery Centres for some time, but there is a clear drive to conduct more and more procedures, for example orthopaedic surgery and cardiovascular intervention, in those facilities.

We would also highlight home health as an area that should see considerable growth over the medium-term as healthcare systems look to shift patient volumes to lower-cost and more convenient settings. The Centers for Medicare & Medicaid Services, a federal agency that administers the United States' major healthcare programs, has projected that home health spending will grow in the mid- to high-single-digits per annum through 2028 which should translate into healthy organic growth for providers. It is interesting to note that in March UnitedHealth Group announced its intention to acquire home-health provider, LHC Group, helping to underpin our view that home-health offers durable growth prospects. Once part of the UnitedHealth Group, management will look to improve care coordination, improve outcomes and patient experiences as well as drive better value for the healthcare system.

Source: *www.Freepik.com*

Prevention: The cornerstone of public health systems

Effective prevention should be the cornerstone of public health systems, not just vaccinations, but early and accurate diagnoses to set patients on to optimal treatment pathways. The COVID-19 crisis has offered a timely reminder not only of the value of safe and effective vaccines, but also of the need for effective diagnostics infrastructure. Early intervention coupled with effective disease management should drive better outcomes for patients and, ultimately, generate much-needed cost savings. Genetic testing to help greater understanding of underlying disease biology will only accelerate from here, as will the use of biomarkers to enhance therapeutic accuracy and reduce waste.

Preventative medicine and preventative measures come in a very wide range of guises, but we feel it appropriate to focus on diagnostics and vaccines. In a post-COVID-19 world there is hope that the much-needed investment in diagnostics infrastructure will be put to good use as testing menus expand. As such, companies like Abbott Laboratories, Hologic, Roche Holdings and Siemens Healthineers should be well-positioned to capitalise. Definitive diagnosis, coupled with guided therapies, are foundational to precision medicine with the goal of driving better outcomes for patients. Safe and effective vaccines will also continue to be a critical part of the healthcare eco-system, with French pharmaceuticals giant Sanofi one of the world's leading vaccine manufacturers. Sanofi manufactures not just seasonal vaccines like influenza, but also travel and paediatric vaccines.

Source: *www.Freepik.com*

Strategy and positioning

As a reminder, the objective of the Company is to achieve long-term capital appreciation by investing in a portfolio of global healthcare companies, to include, but not limited to, pharmaceutical, biotechnology, medical device and healthcare services companies. The aim is to identify companies where there is a disconnect between valuations and intrinsic value. The Company is a high conviction (81.5% active share as at 31st March 2022), actively managed investment vehicle that gives investors exposure to the global healthcare universe. Stock-picking remains critical to the process, but it is worth noting there will be a continued focus on the key investment themes some of which appear to be accelerating in the near-term but also have medium-term durability.

The Company attempts to combine a Growth at a Reasonable Price (GARP) approach with the opportunity to invest in earlier-stage, more disruptive companies. The Growth portfolio dominates the portfolio with exposure to companies that sit further up the market capitalisation scale. This part of the portfolio consists of holdings where we see a disconnect between the current share price and intrinsic value. The positions also reflect, in part but not exclusively, the investment themes where we have the highest conviction. This part of the portfolio drives the lower volatility of the Company relative to other, more volatile areas of healthcare. The innovation portfolio provides optionality through investments in the most exciting small capitalisation stocks we can find.

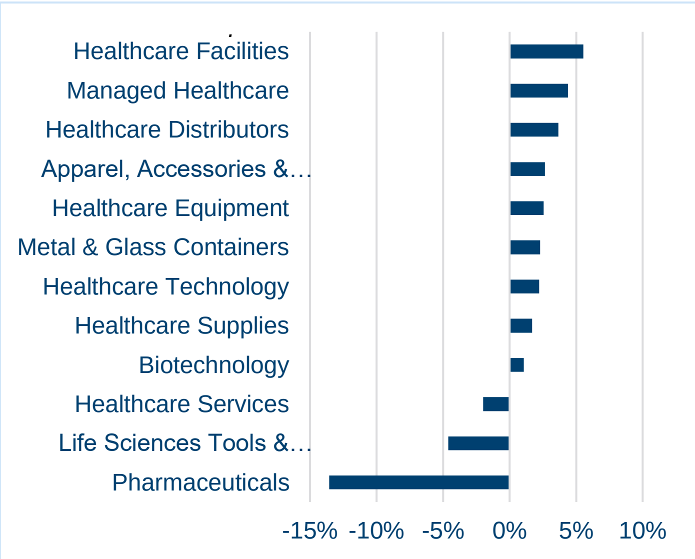
Growth Portfolio (80%-90% of NAV)	• Conviction portfolio of 25-40 positions • Large cap focus (>80% in \$10bn+; <20% in \$5-10bn) • Global exposure across diverse range of sub-sectors - not your typical portfolio staples • Significant active positions, focused on six key investment themes	Siemens Healthineers, Boston Scientific, Seagen, avantor, Baxter
Innovation Portfolio (10% - 20% of NAV)	• Unconstrained conviction portfolio of 10-25 positions • Market Cap <\$5bn • Focused on innovators and disruptors within the same key six investment themes	Medley, Zealand Pharma, Axonics, Quotient, Avadel, Intelligent Ultrasound, Ship Healthcare

Source: *Polar Capital as at 31 March 2022.*

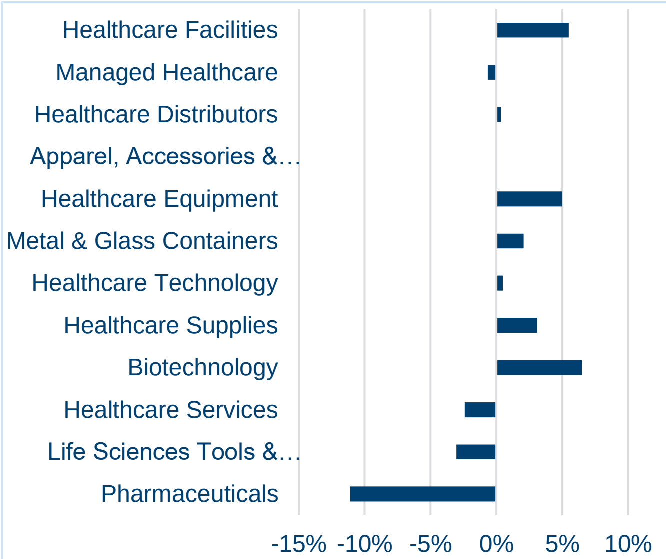
Period end positioning; Diverse but with high conviction

From a sub-sector perspective, there were a few material changes during the six month period under review to positioning in response to both macro and stock-specific drivers. Although pharmaceuticals remains the largest underweight relative to the benchmark, the exposure to this sub-sector was increased over the last quarter of the period (-11.1% as at 31 March 2022 from -13.5% at 30 September 2021) given the defensive characteristics of the sector. Starting from a modest overweight at the start of the fiscal year, biotechnology became the biggest overweight at the end of the period (6.5% as at 31 March 2022) as the large sell-off in this sector at the end of calendar 2021 offered an opportunity to buy established, large-capitalisation companies with commercialised assets and some smaller stocks with exciting pipeline potential. We reduced our overweight to the managed healthcare and distributors sub-sectors as they performed well over the period, leaving less room for upside. Finally, in line with our thesis that healthcare systems will need to step up their efforts to tackle an ever-growing large backlog of patients, we remain optimistic on the healthcare facilities, supplies and medical equipment sub-sectors.

30 September 2021



31 March 2022



Source: *Polar Capital. Note: Sector exposure refers to the extent to which the Fund is overweight or underweight in each sector compared (relative) to the index (MSCI All Country World Index/Healthcare).*

As mentioned above, we continue to be underweight in pharmaceuticals relative to the benchmark given the industry's anaemic growth profile and mature operating margins, but at a less extreme level than at the start of the financial year. The sub-sector's valuations and dividend yields offer downside protection, plus the defensive profiles of component companies should provide some safety against a more cautious macroeconomic backdrop. Further, the possibility of drug pricing pressures in the US are likely to recede, especially if the mid-term elections in November 2022 result in the Republicans gaining a majority in the House of Representatives. However, our overall underweight is predicated on our belief that we can find more opportunities in other areas of the healthcare universe.

Share prices in the biotechnology sub-sector came under significant pressure during the first four months of the reporting period due to a less favourable macroeconomic environment, with higher interest rates weighing down on stocks with high implied terminal-values and low or negative free cashflow generation. This broad correction presented some interesting opportunities, especially with companies that have commercialised assets and/or overly discounted, late-stage pipelines. More importantly, however, we believe the biotechnology sector's fundamentals remain intact; these include ever-improving understanding of human biology and the ability to take that knowledge into the clinic, and ultimately onto the market to help patients.

The managed healthcare sub-sector experienced a substantial re-rating during the period under review, aided by a supportive political environment but also rising interest rates, which allow the companies to generate a higher return on their capital. Similarly, distributors performed very well, mainly due to their resilient and stable earnings algorithms.

Our thesis that there is increased desire to shift patient volumes to low-cost settings like the home and Ambulatory Surgery Centres is unchanged, therefore we have remained overweight in healthcare facilities despite short-term challenges in the form of staffing shortages and wage inflation. Tenet Healthcare, the largest operator of Ambulatory Surgery Centres in the United States, was added during the period as we believe its portfolio is well geared to capitalise from this trend. Furthermore, hospitals and providers are a direct beneficiary of the post-COVID-19 "opening up" trade as patients re-enter the system to access the care that has been denied them during the height of the coronavirus crisis.

Other beneficiaries of the "opening up" trade should be healthcare equipment and supplies companies, to which we have higher exposure relative to the benchmark. Unfortunately, both sub-sectors have underperformed the benchmark during the period for two main reasons. Firstly, the COVID-19 Omicron variant continues to spread across the world, thus reducing the volumes of elective procedures and consequently the sales of medical equipment used for these operations. Secondly, a number of companies have flagged inflationary pressures and staffing shortages as challenges they will need to navigate in the coming months. Both transient in nature, we remain constructive on the sub-sectors, given their strong fundamentals and the opportunity that the patient backlog presents.

Stock-selection is a key driver

The table below displays the Company's top 10 relative overweight and underweights at the end of the reporting period, highlighting the highest conviction ideas in the portfolio. Whilst conviction is the appropriate term to use when discussing positioning versus the benchmark, it is important to stress that valuation inefficiencies can be relatively short-lived, especially amongst well-covered large capitalisation stocks. With opportunity cost also a key decision driver as we look to maximise returns, the Company's top 10 relative overweights are subject to change.

Top 10 Overweights and Top 10 Underweights relative to Benchmark

Top 10 Overweights

	Active
Steris	3.19%
Sanofi	2.98%
Bio-Rad Laboratories	2.92%
Bristol Myers Squibb	2.87%
Horizon Pharma	2.84%
Seattle Genetics	2.59%
Alcon	2.58%
Boston Scientific Corp	2.58%
SARTORIUS AG	2.55%
Zimmer Biomet Holdings	2.52%

Top 10 Underweights

	Active
Roche	-3.74%
Pfizer	-3.70%
AbbVie	-3.65%
Eli Lilly & Co	-2.97%
Thermo Fisher Scientific	-2.97%
Abbott Laboratories	-2.67%
Merck & Co	-2.64%
Novartis	-2.46%
Danaher	-2.40%
Novo Nordisk A/S	-2.40%

Source: *Polar Capital, as at 31 March 2022*

The majority of the Top 10 overweights relative to the benchmark have been in the portfolio for some time, with the exception of Sartorius, Seattle Genetics and Zimmer Biomet, all of which were added during the reporting period. Sartorius is a life sciences tools and services company that partners with the biopharmaceuticals industry via the provision of products, technologies and expertise to produce biopharmaceuticals reliably and efficiently. The stock performed strongly in 2021, with COVID-19 a material contributor, but has since de-rated alongside similar highly rated, high-growth companies. That contraction in the valuation presented an opportunity to re-engage with a high-quality business that enjoys a strong position in buoyant end-markets. Seattle Genetics is a US-based, commercial stage biotechnology company that focusses on oncology with a particular expertise in the field of antibody-drug conjugates (ADCs). ADCs are highly targeted drugs that combine monoclonal antibodies specific to surface antigens present on particular tumour cells, with highly potent anti-cancer agents linked via a chemical linker. With a rich pipeline of potential newsflow, coupled with a number of de-risked assets, we believe Seattle Genetics carries a positive risk-reward profile. Zimmer Biomet manufactures and distributes reconstructive implants, with hips and knees the primary revenue drivers. The addition of Zimmer Biomet gives the portfolio direct exposure to the "tackling the backlog" theme, with hip and knee surgeries an area that should see a near-term increase in demand.

There were few changes in the Innovation Portfolio during the reporting period, as one would expect given the long-dated nature of the investment's return profiles. We did, however, sell UK diagnostics company Renalytix and add US-based Surgery Partners to the portfolio. The decision to exit the position in Renalytix was based on a combination of a rich valuation but also concerns over the pace of the company's revenue generation. Surgery Partners is a US-based healthcare services company that focusses on the out-patient setting. The group operates more than 180 locations in 31 states, including Ambulatory Surgery Centres, surgical hospitals, and multi-specialty physician practices. The addition of Surgery Partners gives the portfolio direct exposure to the "disrupting the delivery of healthcare" theme, as more and more patient volumes switch from traditional in-patient hospital settings to alternative sites of care.

Given their size, stocks held in the Innovation portfolio have the potential to be more volatile than their larger peers held in the Growth portfolio. It is also worth noting that companies further down the market capitalisation scale tend to be less well researched, increasing the chances of valuation inefficiencies. It is that combination of volatility and valuation inefficiency that we hope will yield some interesting ideas that could offer significant potential over the long-term.

The outlook for healthcare is compelling, especially for high quality large-cap stocks

The combination of a challenging macro-economic environment and positive industry dynamics drives a compelling investment case for healthcare. On the macro side, rising inflation, slowing economic activity and dented consumer confidence all point to a scenario that enhances the appeal of a defensive sector like healthcare. Further, as we all learn to live with COVID-19, the consumption of healthcare products and services should accelerate, putting upward pressure on revenues and potentially earnings. One final observation is that the greater the uncertainty, the more attractive larger capitalisation companies become given their high operating margins and enhanced ability to absorb inflationary pressures. Importantly, many will continue to invest in future growth opportunities in concert with delivering attractive earnings.

James Douglas and Gareth Powell
Co-Managers
9 May 2022

PORTFOLIO AS AT 31 MARCH 2022

(Figures in brackets denote the comparative ranking as at 30 September 2021)

Ranking		Stock	Sector	Country	Market Value £'000		% of total net assets	
2022	2021				**31 March 2022**	30 September 2021	**31 March 2022**	30 September 2021
1	(1)	Johnson & Johnson	Pharmaceuticals	United States	33,248	29,093	8.2%	7.5%
2	(2)	UnitedHealth	Managed Healthcare	United States	30,020	24,053	7.4%	6.2%
3	(4)	Bristol Myers Squibb	Pharmaceuticals	United States	19,946	15,580	4.9%	4.0%
4	(5)	Sanofi	Pharmaceuticals	France	18,046	13,629	4.5%	3.5%
5	(8)	Steris	Healthcare Equipment	United States	14,139	10,912	3.5%	2.8%
6	(10)	Boston Scientific	Healthcare Equipment	United States	13,657	10,810	3.4%	2.8%
7	(9)	Horizon Pharma	Biotechnology	United States	12,655	10,910	3.1%	2.8%
8	(31)	Alcon	Healthcare Supplies	Switzerland	12,469	7,678	3.1%	2.0%
9	(28)	Bio-Rad Laboratories	Life Sciences Tools & Services	United States	12,437	8,439	3.1%	2.2%
10	(-)	Zimmer Biomet	Healthcare Equipment	United States	11,556	-	2.9%	-
Top 10 investments					**178,173**		**44.1%**	
11	(-)	Seagen	Biotechnology	United States	11,488	-	2.9%	-
12	(6)	Baxter International	Healthcare Equipment	United States	11,470	13,582	2.8%	3.5%
13	(3)	AstraZeneca	Pharmaceuticals	United Kingdom	11,429	19,954	2.8%	5.2%
14	(-)	Sartorius	Healthcare Equipment	Germany	10,901	-	2.7%	-
15	(27)	Avantor	Life Sciences Tools & Services	United States	10,655	8,637	2.6%	2.2%
16	(12)	Siemens Healthineers	Healthcare Equipment	Germany	10,067	10,450	2.5%	2.7%
17	(-)	Astellas Pharma	Pharmaceuticals	Japan	9,800	-	2.5%	-
18	(26)	CooperCompanies	Healthcare Supplies	United States	9,495	8,776	2.4%	2.3%
19	(22)	Cytokinetics	Biotechnology	United States	9,462	8,974	2.3%	2.3%
20	(13)	Hologic	Healthcare Equipment	United States	9,394	10,401	2.3%	2.7%
Top 20 investments					**282,334**		**69.9%**	
21	(-)	Chugai Pharmaceutical	Pharmaceuticals	Japan	9,227	-	2.3%	-
22	(17)	ArgenX	Biotechnology	Netherlands	9,199	9,703	2.3%	2.5%
23	(25)	UCB	Pharmaceuticals	Belgium	9,181	8,799	2.3%	2.3%
24	(18)	Envista	Healthcare Equipment	United States	9,067	9,619	2.2%	2.5%
25	(-)	Incyte	Biotechnology	United States	8,988	-	2.2%	-
26	(-)	Tenet Healthcare	Healthcare Facilities	United States	8,810	-	2.2%	-
27	(19)	Acadia Healthcare	Healthcare Facilities	United States	8,509	9,595	2.1%	2.5%
28	(29)	Biohaven Pharmaceutical	Biotechnology	United States	8,356	8,411	2.1%	2.2%
29	(24)	AptarGroup	Metal & Glass Containers	United States	8,305	8,852	2.1%	2.3%
30	(23)	Encompass Health	Healthcare Facilities	United States	8,279	8,893	2.0%	2.3%

Top 30 investments					**370,255**		**91.7%**	
31	(-)	Biovitrum	Biotechnology	Sweden	7,806	-	1.9%	-
32	(32)	Amedisys	Healthcare Services	United States	6,085	6,856	1.5%	1.8%
33	(34)	Genmab	Biotechnology	Denmark	5,642	5,712	1.4%	1.5%
34	(16)	Molina Healthcare	Managed Healthcare	United States	5,194	9,961	1.3%	2.6%
35	(35)	Uniphar	Healthcare Distributors	Ireland	4,903	5,438	1.2%	1.4%
36	(39)	LivaNova	Healthcare Equipment	United Kingdom	4,029	3,810	1.0%	1.0%
37	(-)	United Therapeutics	Biotechnology	United States	3,812	-	0.9%	-
38	(38)	Intelligent Ultrasound	Healthcare Technology	United Kingdom	3,176	3,811	0.8%	1.0%
39	(36)	Medley	Healthcare Technology	Japan	3,039	4,404	0.8%	1.1%
40	(42)	Axonics Modulation Technologies	Healthcare Equipment	United States	3,025	2,180	0.7%	0.6%
Top 40 investments					**416,966**		**103.2%**	
41	(-)	Surgery Partners	Healthcare Facilities	United States	2,650	-	0.7%	-
42	(41)	Ship Healthcare	Healthcare Distributors	Japan	2,587	2,882	0.7%	0.7%
43	(40)	Zealand Pharma	Biotechnology	Denmark	2,105	3,807	0.5%	1.0%
44	(44)	Avadel Pharmaceuticals	Pharmaceuticals	Ireland	1,717	2,018	0.4%	0.5%
45	(43)	Quotient	Healthcare Supplies	Switzerland	1,115	2,123	0.3%	0.5%
46	(46)	Verici DX	Healthcare Technology	United Kingdom	99	230	-	0.1%
Total Equities					**427,239**		**105.8%**	
Other Net Liabilities					(23,337)		(**5.8**%)	
Net Assets					**403,902**		**100.0%**	

Note - Sectors are from the GICS (Global Industry Classification Standard).

PORTFOLIO REVIEW AS AT 31 MARCH 2022

Geographical Exposure at:	**31 March 2022**	**30 September 2021**
United States	71.8%	69.0%
Japan	6.3%	1.8%
Germany	5.2%	2.7%
United Kingdom	4.6%	7.3%
France	4.5%	6.2%
Switzerland	3.4%	2.5%
Netherlands	2.3%	5.2%
Belgium	2.3%	2.3%
Denmark	1.9%	4.6%
Sweden	1.9%	-
Ireland	1.6%	1.9%
Australia	-	2.4%
Other net liabilities	(5.8%)	(5.9%)
Total	100.0%	100.0%

Sector Exposure at:	**31 March 2022**	**30 September 2021**
Pharmaceuticals	27.9%	23.0%
Healthcare Equipment	24.0%	23.4%
Biotechnology	19.6%	14.8%
Managed Healthcare	8.7%	11.8%
Healthcare Facilities	7.0%	7.2%
Healthcare Supplies	5.8%	6.3%
Life Sciences Tools & Services	5.7%	5.4%
Metal & Glass Containers	2.1%	2.3%
Healthcare Distributors	1.9%	4.9%
Healthcare Technology	1.6%	2.3%
Healthcare Services	1.5%	1.8%
Apparel, Accessories & Luxury Goods	-	2.7%
Other net liabilities	(5.8%)	(5.9%)
Total	100.0%	100.0%

Market Capitalisation breakdown at:	**31 March 2022**	**30 September 2021**
Large (>US$10bn)	79.3%	78.9%
Medium (US$5bn – US$10bn)	17.1%	14.8%
Small (<US$5bn)	9.4%	12.2%
Other net liabilities	(5.8%)	(5.9%)
	100.0%	100.0%

STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 March 2022

		(Unaudited) Half year ended 31 March 2022			(Unaudited) Half year ended 31 March 2021			(Audited) Year ended 30 September 2021		
	Notes	**Revenue return £'000**	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	**1,973**	**-**	**1,973**	1,595	-	1,595	3,685	-	3,685
Other operating income	2	**2**	**-**	**2**	-	-	-	-	-	-
Gains on investments held at fair value		**-**	**20,201**	**20,201**	-	12,287	12,287	-	64,165	64,165
Other currency losses		**-**	**(214)**	**(214)**	-	(151)	(151)	-	(144)	(144)
Total income		**1,975**	**19,987**	**21,962**	1,595	12,136	13,731	3,685	64,021	67,706
Expenses										
Investment management fee		**(291)**	**(1,162)**	**(1,453)**	(245)	(982)	(1,227)	(518)	(2,070)	(2,588)
Other administrative expenses		**(317)**	**(36)**	**(353)**	(247)	(15)	(262)	(553)	(59)	(612)
Total expenses		**(608)**	**(1,198)**	**(1,806)**	(492)	(997)	(1,489)	(1,071)	(2,129)	(3,200)
Profit before finance costs and tax		**1,367**	**18,789**	**20,156**	1,103	11,139	12,242	2,614	61,892	64,506
Finance costs		**-**	**(541)**	**(541)**	-	(526)	(526)	-	(1,064)	(1,064)
Profit before tax		**1,367**	**18,248**	**19,615**	1,103	10,613	11,716	2,614	60,828	63,442
Tax		**(228)**	**-**	**(228)**	(170)	-	(170)	(421)	-	(421)
Net profit for the period and total comprehensive income		**1,139**	**18,248**	**19,387**	933	10,613	11,546	2,193	60,828	63,021
Earnings per Ordinary share (pence)	3	**0.94**	**15.05**	**15.99**	0.77	8.75	9.52	1.81	50.16	51.97

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Group does not have any other income or expense that is not included in net profit/(loss) for the period/year. The net profit/(loss) for the period/year disclosed above represents the Group's total comprehensive Income.

There are no dilutive securities and therefore the Earnings per Share and the Diluted Earnings per Share are the same.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period/year.

BALANCE SHEETS

For the half year ended 31 March 2022

		Group			Company		
	Note	(Unaudited) 31 March 2022 £'000	(Unaudited) 31 March 2021 £'000	(Audited) 30 September 2021 £'000	(Unaudited) 31 March 2022 £'000	(Unaudited) 31 March 2021 £'000	(Audited) 30 September 2021 £'000
Non-current assets							
Investments held at fair value		**427,239**	344,597	408,561	**427,239**	344,597	408,561
Investment in subsidiary		**-**	-	-	**50**	50	50
Current assets							
Receivables		**2,055**	285	2,300	**2,055**	285	2,300
Overseas tax recoverable		**606**	547	572	**606**	547	572
Cash and cash equivalents		**11,450**	26,306	13,718	**11,400**	26,256	13,668
		14,111	27,138	16,590	**14,061**	27,088	16,540
Total assets		**441,350**	371,735	425,151	**441,350**	371,735	425,151
Current liabilities							
Payables		**(440)**	(339)	(2,956)	**(440)**	(339)	(2,956)
		(440)	(339)	(2,956)	**(440)**	(339)	(2,956)
Non-current liabilities							
Zero dividend preference shares		**(37,008)**	(35,930)	(36,467)	**-**	-	-
Loan from subsidiary		**-**	-	-	**(37,008)**	(35,930)	(36,467)
Total liabilities		**(37,448)**	(36,269)	(39,423)	**(37,448)**	(36,269)	(39,423)
Net assets		**403,902**	335,466	385,728	**403,902**	335,466	385,728
Equity attributable to equity shareholders							
Called up share capital		**31,037**	31,037	31,037	**31,037**	31,037	31,037
Share premium reserve		**80,685**	80,685	80,685	**80,685**	80,685	80,685
Capital redemption reserve		**6,575**	6,575	6,575	**6,575**	6,575	6,575
Special distributable reserve		**3,672**	3,672	3,672	**3,672**	3,672	3,672
Capital reserves		**280,225**	211,762	261,977	**280,225**	211,762	261,977
Revenue reserve		**1,708**	1,735	1,782	**1,708**	1,735	1,782
Total equity		**403,902**	335,466	385,728	**403,902**	335,466	385,728
Net asset value per Ordinary share (pence)	4	**333.06**	276.63	318.07	**333.06**	276.63	318.07
Net asset value per ZDP share (pence)	4	**115.19**	111.83	113.50	**-**	-	-

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in the financial statements. The parent company's profit for the half year was £19,387,000 (31 March 2021: profit of £11,546,000 and 30 September 2021: profit of £63,021,000).

STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 March 2022

	Group and Company Half year ended 31 March 2022 (Unaudited)						
	Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 October 2021	31,037	6,575	80,685	3,672	261,977	1,782	385,728
Total comprehensive income:							
Profit for the half year ended 31 March 2022	-	-	-	-	18,248	1,139	19,387
Transactions with owners, recorded directly to equity:							
Equity dividends paid	-	-	-	-	-	(1,213)	(1,213)
Total equity at 31 March 2022	**31,037**	**6,575**	**80,685**	**3,672**	**280,225**	**1,708**	**403,902**

	Group and Company Half year ended 31 March 2021 (Unaudited)						
	Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 October 2020	31,037	6,575	80,685	3,672	201,149	2,015	325,133
Total comprehensive income:							
Profit for the half year ended 31 March 2021	-	-	-	-	10,613	933	11,546
Transactions with owners, recorded directly to equity:							
Equity dividends paid	-	-	-	-	-	(1,213)	(1,213)
Total equity at 31 March 2021	**31,037**	**6,575**	**80,685**	**3,672**	**211,762**	**1,735**	**335,466**

	Group and Company Year ended 30 September 2021 (Audited)						
	Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 October 2020	**31,037**	**6,575**	**80,685**	**3,672**	**201,149**	**2,015**	**325,133**
Total comprehensive income:							
Profit for the year ended 30 September 2021	-	-	-	-	60,828	2,193	63,021
Transactions with owners, recorded directly to equity:							
Equity dividends paid	-	-	-	-	-	(2,426)	(2,426)
Total equity at 30 September 2021	**31,037**	**6,575**	**80,685**	**3,672**	**261,977**	**1,782**	**385,728**

CASH FLOW STATEMENT
For the half year ended 31 March 2022

	Group and Company		
	(Unaudited) Half year ended 31 March 2022 £'000	(Unaudited) Half year ended 31 March 2021 £'000	(Audited) Year ended 30 September 2021 £'000
Cash flows from operating activities			
Profit before finance costs and tax	**20,156**	12,242	64,506
Adjustment for non-cash items:			
Gains on investments held at fair value through profit or loss	**(20,201)**	(12,287)	(64,165)
Adjusted (loss)/profit before tax	**(45)**	(45)	341
Adjustments for:			
Purchases of investments, including transaction costs	**(245,517)**	(329,996)	(626,164)
Sales of investments, including transaction costs	**244,829**	340,486	625,115
Increase in receivables	**(130)**	(133)	(108)
(Decrease)/increase in payables	**71**	(509)	(479)
Overseas tax deducted at source	**(262)**	(128)	(404)
Net cash (used in)/generated from operating activities	**(1,054)**	9,675	(1,699)
Cash flows from financing activities			
Interest paid	**(1)**	(1)	(2)
Equity dividends paid	**(1,213)**	(1,213)	(2,426)
Net cash used in from financing activities	**(1,214)**	(1,214)	(2,428)
Net (decrease)/increase in cash and cash equivalents	**(2,268)**	8,461	(4,127)
Cash and cash equivalents at the beginning of the period	**13,718**	17,845	17,845
Cash and cash equivalents at the end of the period	**11,450**	26,306	13,718

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The consolidated financial statements comprise the unaudited results of the Company and its wholly-owned subsidiary PCGH ZDP plc (together referred to as the Group) for the six month period to 31 March 2022.

The Group and Company unaudited financial statements to 31 March 2022 have been prepared using the accounting policies used in the Group and Company's financial statements to 30 September 2021. These accounting policies are based on UK-adopted International Accounting Standards (IAS), International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB").

The financial information in this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The financial information for the periods ended 31 March 2022 and 31 March 2021 have not been audited. The figures and financial information for the year ended 30 September 2021 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Full statutory accounts for the year ended 30 September 2021, prepared under IFRS, including the report of the auditors which was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Group and Company's accounting policies have not varied from those described in the financial statements for the year ended 30 September 2021.

The Group and Company's financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements. The Board continually monitors the financial position of the Group and Company. The Directors have considered a detailed assessment of the Group and Company's ability to meets its liabilities as they fall due. The assessment took account of the Company's current financial position, its cash flows and its liquidity position. In light of the results of these tests, the Group and Company's cash balances, and the liquidity position, the Directors consider that the Group and Company have adequate financial resources to enable them to continue in operational existence. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Group and Company.

There were no new IFRSs or amendments to IFRSs applicable to the current year which had any significant impact on the Group and Company's Financial Statements.

2. DIVIDENDS AND OTHER INCOME	**(Unaudited) For the half year ended 31 March 2022 £'000**	(Unaudited) For the half year ended 31 March 2021 £'000	(Audited) For the year ended 30 September 2021 £'000
Investment income			
Revenue:			
UK Dividend income	**335**	286	430
Overseas Dividend income	**1,638**	1,309	3,255
Total investment income allocated to revenue	**1,973**	1,595	3,685
Other operating income			
Bank interest	**2**	-	-
Total other operating income	**2**	-	-

There were no dividends allocated to capital as at 31 March 2022

3. EARNING PER ORDINARY SHARE	**(Unaudited) For the half year ended 31 March 2022 £'000**	(Unaudited) For the half year ended 31 March 2021 £'000	(Audited) For the year ended 30 September 2021 £'000
Net profit for the period:			
Revenue	**1,139**	933	2,193
Capital	**18,248**	10,613	60,828
Total	**19,387**	11,546	63,021
Weighted average number of shares in issue during the period	**121,270,000**	121,270,000	121,270,000
Revenue	**0.94p**	0.77p	1.81p
Capital	**15.05p**	8.75p	50.16p
Total	**15.99p**	9.52p	51.97p

As at 31 March 2022 there were no potentially dilutive shares in issue (31 March 2021 and 30 September 2021: nil).

4. NET ASSET VALUE PER SHARE	**(Unaudited) For the half year ended 31 March 2022**	(Unaudited) For the half year ended 31 March 2021	(Audited) For the year ended 30 September 2021
(i) Ordinary shares			
Net assets attributable to Ordinary shareholders (£'000)	**403,902**	335,466	385,728
Ordinary shares in issue at end of period (excluding those held in treasury)	**121,270,000**	121,270,000	121,270,000
Net asset value per Ordinary share (pence)	**333.06**	276.63	318.07

As at 31 March 2022 there were no potentially dilutive shares in issue (31 March 2021 and 30 September 2021: nil).

(ii) ZDP shares			
Calculated entitlement of ZDP shareholders (£'000)	**37,008**	35,930	36,467
ZDP shares in issue at the end of the year	**32,128,437**	32,128,437	32,128,437
Net asset value per ZDP share (pence)	**115.19**	111.83	113.50

5. DIVIDENDS

Dividends for the current financial year ending 30 September 2022, if declared, will be paid in August 2022 and February 2023.

6. RELATED PARTY TRANSACTIONS

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six month period to 31 March 2022.

7. POST BALANCE SHEET EVENTS

There are no significant events that have occurred after the end of the reporting period to the date of this report which require disclosure.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

In assessing the performance of the Company, the Investment Manager and the Directors use the following APMs which are not defined in accounting standards or law but are considered to be known industry metrics:

Net Asset Value (NAV) and NAV per share

The NAV is the value attributed to the underlying assets of the Company less the liabilities, presented either on a per share or total basis.

The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. See Note 4 above for detailed calculations. The NAV per Ordinary share is published daily.

NAV Total Return (APM)

The NAV total return shows how the net asset value has performed over a period of time taking into account both capital returns and dividends paid to shareholders. NAV total return is calculated as the change in NAV from the start of the period, assuming that dividends paid to shareholders are reinvested on the payment date in Ordinary shares at their net asset value.

		Year ended 31 March 2022	Year ended 30 September 2021
Opening NAV per share	**a**	**318.07**	268.11p
Closing NAV per share	**b**	**333.06p**	318.07p
Dividend reinvestment factor	**c**	**1.003247**	1.006997
Adjusted closing NAV per share	**d=b*c**	**334.14p**	320.30p
NAV total return for the year	**(d/a)-1**	**5.05%**	19.46%

NAV Total Return Since Restructuring (APM)

The NAV total return shows how the net asset value has performed over a period of time taking into account both capital returns and dividends paid to shareholders. NAV total return is calculated as the change in NAV from the start of the period, assuming that dividends paid to shareholders are reinvested on the payment date in Ordinary shares at their net asset value.

		Year ended 31 March 2022	Year ended 30 September 2021
NAV per share at reconstruction	**a**	**215.85p**	215.85p
Closing NAV per share	**b**	**333.06p**	318.07p
Dividend reinvestment factor	**c**	**1.036736**	1.033409
Adjusted closing NAV per share	**d=b*c**	**345.30p**	328.70p
NAV total return since reconstruction	**(d/a)-1**	**59.97%**	52.28%

(Discount)/Premium (APM)

A description of the difference between the share price and the net asset value per share usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the NAV per share the result is a premium. If the share price is lower than the NAV per share, the shares are trading at a discount.

		Year ended 31 March 2022	Year ended 30 September 2021
Closing share price	**a**	**300.00p**	288.00p
Closing NAV per share	**b**	**333.06p**	318.07p
Discount per Ordinary share	**(a/b)-1**	**9.93%**	9.45%

Ongoing Charges (APM)

Ongoing charges are calculated in accordance with AIC guidance by taking the Company's annual ongoing charges, excluding performance fees and exceptional items, if any, and expressing them as a percentage of the average daily net asset value of the Company over the year.

Ongoing charges include all regular operating expenses of the Company. Transaction costs, interest payments, tax and nonrecurring expenses are excluded from the calculation as are the costs incurred in relation to share issues and share buybacks.

Where a performance fee is paid or is payable, a second ongoing charge is provided, calculated on the same basis as the above but incorporating the amount of performance fee due or paid.

The ongoing charges figure as at 31 March 2022 is for the six month period from 30 September 2021 and is annualised for comparison with the full year's calculation as at 30 September 2021.

		Year ended 31 March 2022	Year ended 30 September 2021
Investment Management fee		**£1,453,000**	£2,588,000
Other Administrative Expenses		**£353,000**	£612,000
	a	**£1,806,000**	£3,200,000
Average daily net assets value	**b**	**£422,791,000**	£384,905,000
Ongoing Charges excluding performance fee	**(a/182*365)/b**	**0.86%**	0.83%
Performance fee	**c**	**-**	-
	d=a+c	**£1,806,000**	£3,200,000
Ongoing charges including performance fee	**(d/182*365)/b**	**0.86%**	0.83%

Net Gearing (APM)

Gearing is calculated in line with AIC guidelines and represents net gearing, i.e. total assets less cash and cash equivalents divided by net assets. The total assets are calculated by adding back the structural gearing which is the ZDP value. Cash and cash equivalents are cash and purchases and sales for future settlement outstanding at the year end.

		Year ended 31 March 2022	Year ended 30 September 2021
Net assets	**a**	**£403,902,000**	£385,728,000
ZDP loan value	**b**	**£37,008,000**	£36,467,000
Total assets	**c=(a+b)**	**£440,910,000**	£422,195,000
Cash and cash equivalents (including amounts awaiting settlement)	**d**	**£13,115,000**	£13,171,000
Net gearing	**(c-d)/a**	**5.92%**	6.04%

DIRECTORS AND CONTACTS

Directors (all independent Non-executive)
Lisa Arnold (Chair)
Neal Ransome (Audit Committee Chair)
Andrew Fleming
Jeremy Whitley

Portfolio Co-Managers
Dr. James Douglas
Mr. Gareth Powell

Company Secretary
Polar Capital Secretarial Services Limited
represented by Tracey Lago, FCG

Investment Manager and AIFM
Polar Capital LLP
Authorised and regulated by the Financial Services Authority

Corporate Broker
Panmure Gordon & Co
One New Change London EC4M 9AF

Registered Office and address for contacting the Directors
16 Palace Street, London, SW1E 5JD

Depositary, Bankers and Custodian
HSBC Bank Plc, 8 Canada Square, London E14 5HQ

Registered Number
Incorporated in England and Wales with company number 7251471 and registered as an investment company under section 833 of the Companies Act 2006

FORWARD LOOKING STATEMENTS
Certain statements included in this half-year financial report incorporating the interim management report contain forward-looking information concerning the Company's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Company operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the principal risks and uncertainties included in the Strategic Report section on pages 29 to 31 of the Annual Report for the year ended 30 September 2021. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Global Healthcare Trust plc or any other entity and must not be relied upon in any way in connection with any investment decision. The Company undertakes no obligation to update any forward-looking statements.

HALF YEAR REPORT
The Company has opted not to post half year reports to shareholders. Copies of this Report will be available from the Company Secretary at the Registered Office, 16 Palace Street, London SW1E 5JD and from the Company's website at www.polarcapitalglobalhealthcaretrust.co.uk

National Storage Mechanism
A copy of the Half Year Report has been submitted to the National Storage Mechanism ('NSM') https://data.fca.org.uk/#/nsm/nationalstoragemechanism

FINANCIAL CALENDAR

The key dates in the Company's financial year are as follows:

30 September	Financial year-end
31 March	Half-year end
End of August	First Interim Dividend
End of February	Second Interim Dividend
Mid-Late May	Announcement of half-year results
Mid December	Announcement of year-end results
Late January	Annual General Meeting