



**Polar Capital Global Healthcare Growth and Income Trust plc**  
**Report and Financial Statements for the half year ended 31 March 2015**

Half year ended  
**2015**

## About Us

### Profile

The Company was incorporated on 12 May 2010. On 15 June 2010, it issued ordinary shares plus one subscription share for every five ordinary shares which were admitted to trading on the Main Market of the London Stock Exchange. The original subscription price for each ordinary share was £1 and the Net Asset Value ('NAV') per ordinary share on 15 June 2010 was 98p (after launch costs).

On 31 January 2014, 17,800,000 subscription shares were converted into ordinary shares on the exercise of the subscription rights to purchase one ordinary share at 100p per ordinary share for each subscription share.

Investors may purchase ordinary shares through their stockbroker, bank or other financial intermediary.

### Investment Objective

The Company's investment objective is to generate capital growth and income by investing in a global portfolio of healthcare stocks.

### Investment Policy

The Company seeks to achieve this objective by investing in a diversified global portfolio consisting primarily of listed equities issued by healthcare companies involved in pharmaceuticals, medical services, medical devices and biotechnology. The portfolio is diversified by geographic location and size of investee companies. The full details of the investment policy are set out in the annual report.

### Benchmark

The Benchmark is the MSCI ACWI/Healthcare Index total return in Sterling with dividends reinvested.

### Capital Structure

At 31 March 2015, the Company's share capital comprised 122,650,000 ordinary shares of 25p each of which 120,825,000 were in issue and 1,825,000 were held in treasury.

### Life

The Articles of Association require the Directors to put forward at the seventh Annual General Meeting a resolution to place the Company into liquidation. The voting on that resolution will be enhanced such that, provided any single vote is cast in favour, the resolution will be passed. The seventh AGM is expected to be held in January 2018.

### Gearing

It is not intended that the Company incur borrowings to provide long-term structural debt. However, the Company may borrow up to 15% of its NAV at the time of drawdown for tactical deployment when the Board believes that gearing will enhance returns to shareholders.

### Management

The investment manager and AIFM is Polar Capital LLP and Dr Daniel Mahony and Mr Gareth Powell have managed the portfolio since launch. The Manager is entitled to a fee at the rate of 0.85% per annum of the lower of the Company's market capitalisation and the Company's net asset value. 80% of the management fee is charged to the capital account.

The investment manager is also entitled to a performance fee paid in cash. The fee is equal to 10% of the excess return over the performance fee hurdle. The hurdle is 100p increased or decreased by reference to the return on the Benchmark plus 15p. The performance is adjusted for these purposes to take into account the dividends paid by the Company and the conversion of the subscription shares in early 2014. The fee is calculated and payable at the liquidation of the Company expected at the seventh AGM in January 2018. No performance fee is currently due and no accrual has been made.

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## Financial Highlights

For the half year ended 31 March 2015

### Performance

Net asset value per ordinary share (total return) (note 1)	19.1%
Benchmark index*	21.7%
Total return for investors since inception (based on share price – note 2)	107.3%

\*MSCI ACWI/Healthcare Index (total return in Sterling with dividends reinvested)

Financials	As at 31 March 2015	As at 30 September 2014	% Change
Net asset value per ordinary share	194.49p	164.41p	18.3%
Ordinary share price	175.50p	155.50p	12.9%
Discount	9.8%	5.4%	
Ordinary shares in issue	120,825,000	121,620,000	
Ordinary shares held in treasury	1,825,000	1,030,000	

### Expenses

Ongoing charges for the half year ended 31 March 2015 (note 3)	0.99%
(Ongoing charges for the half year ended 31 March 2014: 1.02%)	

### Dividends

Dividends paid and declared in the period:

	Pay Date	Amount	Record Date	Ex-Date	Declared date
The Company has paid the following dividend relating to the financial year ended 30 September 2014:	28 Nov 2014	0.60p	14 Nov 2014	13 Nov 2014	30 Oct 2014
The Company has paid the following dividend relating to the current financial year:	27 Feb 2015	0.60p	6 Feb 2015	5 Feb 2015	23 Jan 2015
The Company has declared the following dividend relating to the current financial year:	29 May 2015	0.60p	15 May 2015	14 May 2015	11 May 2015

All data sourced from Polar Capital LLP

Note 1 – The total return NAV performance for the period is calculated by reinvesting the dividends in the assets of the Company from the relevant pay date and adjusting for the subscription share dilution. The undiluted and diluted NAVs became the same following the subscription share conversion on 31 January 2014.

Note 2 – The total return for investors since inception is based on their initial investment of 100p per ordinary share and is calculated using the share price and adjusting for any dividends to have been reinvested on the payment date in ordinary shares at the prevailing share price and assumes that all investors have exercised their subscription rights.

Note 3 – Ongoing charges represent the total expenses of the fund, excluding finance costs, expressed as a percentage of the average daily net asset value, calculated in accordance with AIC guidance issued in May 2012.

# Chairman's Statement

## Performance

For the six months to 31 March 2015 your Company generated a Net Asset Value total return of 19.1% which was behind our benchmark, the MSCI Healthcare Index (total return in Sterling with dividends reinvested) which rose by 21.7% over the same period. Since the Company's inception in June 2010 we have achieved a NAV total return of 134.3% compared to the benchmark return of 146.7%. Our underperformance against the benchmark can be explained by our structural underweight position in biotechnology, as measured by the NASDAQ Biotech Index, that in sterling terms, has risen by 37.4% over the six month period and 324.6% since the Company's inception. The rise in our share price over the half year was only 12.9% as the discount to Net Asset Value widened from 5.4% to 9.8%.

## Share Capital

We took advantage of our higher discount to buy back a total of 795,000 shares during the period. These shares were all bought for Treasury and we now have a total of 1,825,000 shares in Treasury which are available to be sold to satisfy market demand, in line with the institutional guidelines on such matters.

## Dividends

We have paid or declared a total of 1.2p in dividends in respect of the six months ended 31 March 2015 compared to 1.1p for the corresponding period last year. Following the pattern set last year the dividends paid in February, May and November are likely to be smaller than the dividend paid in August. The Company's policy of aiming to increase the dividend on an annual basis remains unchanged but there can be no guarantee that this will be achieved.

## Life

The Articles of Association provide for the Company to be wound up at its seventh Annual General Meeting which is expected to take place in January 2018. With almost three years to go it is still early days but the Board feels it would be helpful to give shareholders some guidance at this stage. While the Board will make available a cash exit to all shareholders at that time, it is mindful of the adverse tax implications of winding-up the Company for some shareholders and therefore expects in due course to consider suitable rollover alternatives.

## Outlook

Since the Company's inception we have seen significant outperformance from the Healthcare sector with the MSCI Healthcare Index producing a total return in Sterling terms of 146.7% compared with 58.4% for the MSCI World Index. To expect this level of outperformance to continue at this pace is unrealistic but our Managers believe there are still plenty of money-making opportunities in the sector which should enable them to generate very respectable returns for shareholders over the next three years.

## James Robinson

Chairman

8 May 2015

## Investment Manager's Report

### For the half year ended 31 March 2015

For the six months to 31 March 2015, the Company delivered a total return of 19.1%, which was behind the benchmark performance of 21.7% over the same period. Performance of both the benchmark and Company benefitted from weakness in Sterling compared to the US Dollar over the six months to 31 March 2015. However given the focus on global pharmaceutical companies, the Company's portfolio has only a 46.7% weighting to the United States compared to 63% for the benchmark.

Global stock markets continued on a positive trend over the six months to 31 March 2015 – not least because of moves by central banks, especially in Japan and Europe, to expand the use of quantitative easing. The healthcare sector outperformed the broader market over this period with the biotechnology sector again being the standout sub-sector.

#### Implementation of US Healthcare Reform Has Been a Success

From a healthcare specific perspective, the second year of the implementation of healthcare reform has been a key fundamental driver during the reporting period. The President's healthcare reform plan has increased the number of people with health insurance through an expansion of Medicaid, the programme run by each State for the poor, and for those low-paid workers who do not qualify for Medicaid via the healthcare insurance exchange programme.

As of the end of March 2015, it is estimated that close to 12 million US citizens have enrolled via the healthcare exchange programmes and a further 11 million have enrolled in Medicaid programmes since the implementation of healthcare reform in 2013. The latest data from the US Department of Health and Human Services suggest that the percentage of the US population without insurance has fallen from just over 20% in 2013 to around 13% at the end of March 2015 – we would expect this to fall further over the next 12 to 18 months.

In our view, the healthcare reform has been a success and continues to have a positive impact on patient volumes and healthcare utilisation – a big positive for healthcare service providers, such as hospitals, but also creates a positive business environment for healthcare companies in general.

#### M&A Activity Looks Set to Continue

The other major trend during the reporting period was the high level of M&A activity. Importantly, this has not been just in the pharmaceutical sector but across all sub-sectors of healthcare – from medical devices to healthcare services to health insurance.

We have written previously about the beginning of disruptive change for healthcare. The drivers, being a combination of demographics – an ageing population means increased demands for healthcare provision; macroeconomics – governments need to find ways to pay for this increased demand; and technology – as it is changing the way products are discovered and developed as well as transforming healthcare management and delivery.

We think healthcare companies are pursuing consolidation as a route to improving efficiency both for themselves and for their customers. Consolidated groups can create economies of scale, broaden product portfolios, standardise products and processes, lower cost of goods, take market share and deliver cheaper solutions to their customers.

From a pharmaceutical industry perspective, we have seen management teams looking to dispose of non-core assets and acquire new product opportunities – particularly through in-licensing of clinical candidates from biotechnology companies – to help build strength and scale in their key growth areas. Over the reporting period, most of the major M&A activity has been in the specialty pharmaceutical sub-sector – an area where we have limited exposure due to these companies having low dividend yields.

M&A activity looks set to continue as companies look for ways to become well-positioned as we enter a period of structural change across the healthcare industry.

#### Portfolio Review

Since the Company's inception, we have maintained an 80:20 split between the income and growth portfolios. The large weighting towards the income portfolio reduces the volatility and lowers the overall risk of the Company's investment portfolio. As a measure of this risk, the beta of the portfolio compared to the benchmark fell modestly from 0.80 at the beginning of the reporting period to 0.75 by the end of March. This emphasis on income has resulted in a low exposure to some of the better performing sub-sectors of healthcare over the last six months, such as biotechnology and speciality pharmaceuticals.

## Investment Manager's Report continued

### For the half year ended 31 March 2015

#### Our Income Portfolio

All of the companies held in the income portfolio pay a dividend and there is a large weighting towards the major global pharmaceutical companies. Pharmaceutical stocks continue to offer some of the best dividend yields in the healthcare sector but these have fallen over the last five years as the sector has re-rated. The remainder of the income portfolio is diversified across a number of medical device and healthcare service companies in combination with a small portfolio of investments in healthcare real estate investment trusts (REITs). The turnover in the income portfolio has been low over the reporting period.

The major contributors to portfolio performance during the reporting period were Bristol-Myers, Eli Lilly, Novartis and Pfizer. The share price moves in Bristol-Myers, Eli Lilly and Novartis reflect the increased investor enthusiasm for drug pipelines and the perception that R&D productivity is improving at certain companies. All three companies made positive progress in their respective R&D pipelines during the reporting period. Pfizer's share price was a particularly strong performer over the reporting period as it became apparent that the company would not pursue an acquisition of AstraZeneca.

On a relative basis, Sanofi was the most significant underperformer compared to the large pharmaceutical peer group over the reporting period to the end of March. The stock was a particularly poor performer in the latter part of calendar 2014. The company has been facing pricing pressure in its diabetes business and had a series of disappointing earnings announcements over the course of 2014. This culminated in the board firing the CEO at the end of October.

Our biggest change in the income portfolio during the reporting period was a complete exit from our position in GlaxoSmithKline. While there is the potential for strategic change at the company, we think this is unlikely until the new chairman officially joins the company later this year. We think the stock is likely to be a relative underperformer given the lack of clinical pipeline news and the lacklustre earnings outlook over the next year.

#### Our Growth Portfolio

For the growth portfolio, at the end of March 2015 the Company had 38 holdings in a range of biotechnology, device, service and pharmaceutical stocks. There remains a slight bias towards smaller market capitalisation names – 43% of the growth portfolio is invested in companies with a market capitalisation less than \$1bn.

The most significant positive contributors in the growth portfolio were all biotechnology companies – Esperion Therapeutics, Oxford Pharmascience and Newron Pharmaceuticals. Consistent with our theme of improving R&D productivity in the pharmaceutical sector, all three had strong share price moves following the announcement of positive clinical news flow.

Esperion Therapeutics was the most significant contributor – we participated in a follow-on offering at \$20 per share in early October and the stock had reached \$92.60 by the end of March 2015. The reason for the move was the announcement of positive data on Esperion's lead drug candidate to treat high cholesterol that surpassed expectations when used in combination with another drug. Although statins are widely used, some patients can't tolerate this class of drugs or need additional help in managing their cholesterol down to targeted levels.

Oxford Pharmascience and Newron were both initially part of the portfolio of investments in companies with a market capitalisation below \$200m. Oxford Pharmascience has a drug re-formulation technology that has the potential to reduce gastric irritation caused by commonly used painkillers such as ibuprofen, naproxen and diclofenac – during the reporting period, the company announced positive data showing that its OXPzero naproxen was bioequivalent to standard naproxen. In January, Newron announced the European approval for safinamide, its novel treatment for Parkinson's disease, as well as the acceptance of its new drug approval (NDA) filing by the Food and Drug Administration (FDA).

The largest negative contributor was another small UK company, Synairgen. The company announced a major collaboration with AstraZeneca in June last year and since then has entered a period of little clinical news flow. Air Methods was also a negative contributor in the reporting period – the company reported disappointing earnings in November and we exited the stock. The stock has, however, been a great performer since we bought it in 2012 as it had been a beneficiary of healthcare reform.

## Outlook

Our outlook on the broad healthcare sector remains positive – healthcare reform is clearly driving volumes and utilisation in the United States. We currently advocate a two-pronged investment strategy for healthcare that focuses on the consolidators and the innovators – these are the companies that will decrease the cost and increase the quality of healthcare, respectively. We believe that the healthcare sector is approaching an era of major structural change and that some companies are much better positioned than others to profit from the growth driver of an ageing population.

We have begun to see more evidence supporting our view that a period of disruptive change in healthcare has begun – this is a key driver of the consolidation trend that we have seen across the healthcare sector over the last year. We recognise that disruptive change can result in major winners and major losers and so our focus is to identify those companies with services or products that provide better and/or more cost-effective care for patients.

Our original investment thesis on the pharmaceutical sector has largely played out as we had expected – the patent cliff is now behind most companies and price to earnings (P/E) multiples have expanded back to the long-term historical average for the sector. We think it is now clear that the drug industry is not destined to go out of business – the valuations in 2009/10 suggested that this was a distinct possibility. The sector is certainly not as cheap as it was five years ago, and dividend yields have fallen, but a steady flow of positive clinical data and drug approvals provide clear evidence that R&D pipelines are improving.

Investing in the pharmaceutical sector is now about identifying those companies with the best growth prospects. The challenge for us going forward is to identify those companies where the pipeline and growth prospects are underestimated by the market – stock-picking will be critical for generating performance.

Healthcare looks to be well positioned compared to many other sectors in terms of both growth prospects and current valuation. Our investment strategy for the Company remains unchanged – we expect to maintain a low risk portfolio with a high weighting in pharmaceutical stocks – with the goal of delivering an annual return in the region of 10–12% per annum through to the wind-up of the Company in January 2018.

**Dr Daniel Mahony and Mr Gareth Powell**  
**Polar Capital LLP**

8 May 2015

# Portfolio

As at 31 March 2015

	Stock	Country	Market Value (£'000)		% of total net assets	
			31 March 2015	30 September 2014	31 March 2015	30 September 2014
1	(6) Pfizer	United States	20,110	9,120	8.6%	4.6%
2	(5) Novartis	Switzerland	18,671	10,476	7.9%	5.2%
3	(1) Merck & Co	United States	17,040	16,089	7.3%	8.0%
4	(2) Roche Holding	Switzerland	16,195	15,913	6.9%	8.0%
5	(3) Eli Lilly	United States	14,540	13,089	6.2%	6.5%
6	(4) AstraZeneca	United Kingdom	12,443	11,948	5.3%	6.0%
7	(9) Astellas Pharma	Japan	9,394	7,798	4.0%	3.9%
8	(7) AbbVie	United States	8,671	9,060	3.7%	4.5%
9	(8) Sanofi	France	8,447	8,863	3.6%	4.4%
10	(13) Bristol-Myers Squibb	United States	6,952	5,051	3.0%	2.5%
<b>Top 10 investments</b>			132,463		56.5%	
11	(11) Johnson & Johnson	United States	6,098	5,919	2.5%	3.0%
12	(14) Bayer	Germany	5,067	4,325	2.2%	2.2%
13	(15) Takeda Pharmaceutical	Japan	5,054	4,011	2.2%	2.0%
14	(16) Consort Medical	United Kingdom	4,874	3,395	2.1%	1.7%
15	(27) Oxford Pharmascience	United Kingdom	3,091	1,367	1.3%	0.7%
16	(23) Newron Pharmaceuticals	Italy	2,826	1,444	1.2%	0.7%
17	(17) Abbott Labs	United States	2,809	2,309	1.2%	1.1%
18	(22) Asahi Intecc	Japan	2,623	1,560	1.1%	0.8%
19	(18) Sonic Healthcare	Australia	2,426	2,184	1.0%	1.1%
20	(42) Cambian Group	United Kingdom	2,323	1,040	1.0%	0.5%
<b>Top 20 investments</b>			169,654		72.3%	
21	(43) HCA Holdings	United States	2,027	1,026	0.9%	0.5%
22	(25) Medtronic	Ireland	1,944	1,414	0.8%	0.7%
23	(19) Summit Therapeutics	United Kingdom	1,911	1,887	0.8%	0.9%
24	Esperion Therapeutics	United States	1,871	–	0.8%	–
25	(20) Religare Health Trust	India	1,856	1,600	0.8%	0.8%
26	(49) Endologix	United States	1,724	980	0.7%	0.5%
27	Biogen	United States	1,707	–	0.7%	–
28	(45) Acadia Healthcare	United States	1,638	1,016	0.7%	0.5%
29	(31) Zimmer	United States	1,608	1,262	0.7%	0.6%
30	(33) Medical Properties Trust	United States	1,607	1,224	0.7%	0.6%
<b>Top 30 investments</b>			187,547		79.9%	
31	(30) Hutchison China MediTech	Hong Kong	1,430	1,287	0.6%	0.6%
32	(44) Novadaq Technologies	Canada	1,420	1,018	0.6%	0.5%
33	(48) UDG Healthcare	Ireland	1,417	992	0.6%	0.5%
34	(37) Spectranetics	United States	1,405	1,147	0.6%	0.6%
35	(21) Omega Healthcare	United States	1,366	1,581	0.6%	0.8%
36	Thermo Fisher Scientific	United States	1,357	–	0.6%	–
37	(29) Quintiles Transnational	United States	1,353	1,306	0.6%	0.7%
38	(36) Health Care REIT	United States	1,303	1,154	0.6%	0.6%
39	(51) Coltene Holding	Switzerland	1,296	944	0.6%	0.5%
40	Envision Healthcare	United States	1,291	–	0.5%	–
<b>Top 40 investments</b>			201,185		85.8%	

	Stock	Country	Market Value (£'000)		% of total net assets	
			31 March 2015	30 September 2014	31 March 2015	30 September 2014
41	(65) Revance Therapeutics	United States	1,288	685	0.5%	0.3%
42	(69) AmSurg	United States	1,243	638	0.5%	0.3%
43	Cardinal Health	United States	1,216	–	0.5%	–
44	(35) Senior Housing Property Trust	United States	1,195	1,161	0.5%	0.6%
45	(32) National Health Investors	United States	1,195	1,234	0.5%	0.6%
46	(47) Brookdale Senior Living	United States	1,187	994	0.5%	0.5%
47	(39) Leisureworld Senior Care	Canada	1,182	1,110	0.5%	0.6%
48	(40) Cardio3 BioSciences	Belgium	1,159	1,102	0.5%	0.6%
49	(55) Healthcare Realty Trust REIT	United States	1,122	876	0.5%	0.4%
50	(63) Sabra Health Care REIT	United States	1,116	749	0.5%	0.4%
<b>Top 50 investments</b>			213,088		90.8%	
51	(70) Dynavax Technologies	United States	1,048	600	0.4%	0.3%
52	(76) Virtus Health	Australia	1,014	358	0.4%	0.2%
53	(57) Primary Health Care	Australia	987	827	0.4%	0.4%
54	(53) Medical Facilities	Canada	966	931	0.4%	0.5%
55	(59) NIB Holdings	Australia	944	786	0.4%	0.4%
56	(66) Healthcare Services Group	United States	830	677	0.4%	0.3%
57	(64) Futura Medical	United Kingdom	815	704	0.4%	0.4%
58	(52) Conatus Pharmaceuticals	United States	749	935	0.3%	0.5%
59	Jazz Pharmaceuticals	Ireland	727	–	0.3%	–
60	(41) Synairgen	United Kingdom	692	1,084	0.3%	0.5%
<b>Top 60 investments</b>			221,860		94.5%	
61	(60) Optos	United Kingdom	688	785	0.3%	0.4%
62	(68) Ablynx	Belgium	655	658	0.3%	0.3%
63	(72) Photocure	Norway	647	491	0.3%	0.2%
64	Straumann Holdings	Switzerland	644	–	0.3%	–
65	(62) Circle Holdings	United Kingdom	560	770	0.2%	0.4%
66	(73) Meridian Biosciences	United States	550	467	0.2%	0.2%
67	Hologic	United States	500	–	0.2%	–
68	(71) Extencare	Canada	492	561	0.2%	0.3%
69	Oxford Immunotec	United Kingdom	477	–	0.2%	–
70	(74) Epistem Holdings	United Kingdom	330	450	0.1%	0.2%
<b>Top 70 investments</b>			227,403		96.8%	
71	(56) Sigma Pharmaceuticals	Australia	255	842	0.1%	0.4%
72	(77) EOS Imaging	France	198	238	0.1%	0.1%
73	(78) Sul America	Brazil	91	115	–	0.1%
74	(67) HMS Holdings	United States	51	661	–	0.3%
<b>Total equities</b>			227,998		97.0%	
<b>Options – (Put &amp; Call)</b>			–		–	
<b>Total investments</b>			227,998		97.0%	
<b>Other net assets (excluding options)</b>			6,999		3.0%	
<b>Net assets</b>			234,997		100.0%	

**Portfolio** continued  
As at 31 March 2015

<b>Geographical Exposure at</b>	<b>31 March 2015</b>	<b>30 September 2014</b>
United States	46.7%	46.3%
Switzerland	15.7%	13.7%
United Kingdom	12.0%	15.0%
Japan	7.3%	6.7%
France	3.7%	4.6%
Australia	2.3%	2.5%
Germany	2.2%	2.7%
Denmark	–	2.7%
Other	7.1%	5.6%
Cash	3.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Sector Exposure at</b>	<b>31 March 2015</b>	<b>30 September 2014</b>
Pharmaceuticals	66.8%	69.4%
Healthcare Equipment	8.9%	8.6%
Healthcare Facilities	6.1%	5.4%
Biotechnology	5.3%	4.9%
Specialised Healthcare REITs	3.9%	4.5%
Healthcare Services	2.3%	3.3%
Life Sciences Tools & Services	1.3%	0.9%
Healthcare Distributors	1.2%	0.9%
Healthcare Supplies	0.8%	1.1%
Life & Health Insurance	0.4%	0.4%
Healthcare Technology	–	0.3%
Other	–	0.1%
Cash	3.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Market Cap at</b>	<b>31 March 2015</b>	<b>30 September 2014</b>
Large (>US\$5bn)	75.8%	75.4%
Medium (US\$1bn – US\$5bn)	9.6%	10.2%
Small (<US\$1bn)	14.6%	14.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Statement of Directors' Responsibilities

### Risks and Uncertainties

The Directors consider that the principal risks and uncertainties faced by the Company for the remaining six months of the financial year, which could have a material impact on performance, are consistent with those outlined in the Report and Financial Statements for the year ended 30 September 2014.

These principal risks can be summarised as market volatility, stock pricing and liquidity risk, currency and interest rate risk, counterparty risk, and differing economic cycles between different markets.

The Investment Manager's report comments on the outlook for market related risks.

The Company's risk management framework is a structured process for identifying, assessing and managing the risks associated with the Company's business. The investment portfolio is diversified by geography, which mitigates risk, but is focused on the Healthcare sector and has a high proportion of investments listed on US markets or exposed to the US Dollar.

### Directors' Responsibility Statement

The Directors of Polar Capital Global Healthcare Growth and Income Trust plc, who are listed in the Company Information Section, confirm to the best of their knowledge that:

- the condensed set of financial statements have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union;
- the Interim Management Report (constituting the Investment Manager's report) includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7R; and

- in accordance with DTR 4.2.8R there have been no new related party transactions during the six month period to 31 March 2015 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period. 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 Company in the first six months of the current financial year.

The half year financial report for the six months ended 31 March 2015 has not been audited or reviewed by the auditors.

The financial report for the six months ended 31 March 2015 was approved by the Board on 8 May 2015 and the responsibility statement was signed on its behalf by J P Robinson, Chairman of the Board.

**James Robinson**

Chairman

8 May 2015

## Statement of Comprehensive Income

For the half year ended 31 March 2015

	Notes	(Unaudited)		
		Half year ended 31 March 2015		
		Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	3,019	164	3,183
Other operating income	2	149	–	149
Gains on investments held at fair value		–	36,106	36,106
Other movements on written options		–	–	–
Other currency (losses)/gains		–	(160)	(160)
<b>Total income</b>		<b>3,168</b>	<b>36,110</b>	<b>39,278</b>
<b>Expenses</b>				
Investment management fee		(169)	(676)	(845)
Other administrative expenses		(223)	–	(223)
<b>Total expenses</b>		<b>(392)</b>	<b>(676)</b>	<b>(1,068)</b>
<b>Profit before finance costs and tax</b>		<b>2,776</b>	<b>35,434</b>	<b>38,210</b>
Finance costs		–	–	–
<b>Profit before tax</b>		<b>2,776</b>	<b>35,434</b>	<b>38,210</b>
Tax		(357)	(2)	(359)
<b>Net profit for the period and total comprehensive income</b>		<b>2,419</b>	<b>35,432</b>	<b>37,851</b>
<b>Earnings per ordinary share (basic) (pence)</b>	3	<b>1.99</b>	<b>29.17</b>	<b>31.16</b>

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

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

The notes on pages 15 to 16 form part of these financial statements.

	Notes	(Unaudited)			(Audited)		
		Half year ended 31 March 2014			Year ended 30 September 2014		
		Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	2,749	155	2,904	5,118	179	5,297
Other operating income	2	259	–	259	657	–	657
Gains on investments held at fair value		–	19,628	19,628	–	28,531	28,531
Other movements on written options		–	(1)	(1)	–	–	–
Other currency (losses)/gains		–	10	10	–	21	21
<b>Total income</b>		<b>3,008</b>	<b>19,792</b>	<b>22,800</b>	<b>5,775</b>	<b>28,731</b>	<b>34,506</b>
<b>Expenses</b>							
Investment management fee		(140)	(561)	(701)	(296)	(1,183)	(1,479)
Other administrative expenses		(223)	–	(223)	(419)	–	(419)
<b>Total expenses</b>		<b>(363)</b>	<b>(561)</b>	<b>(924)</b>	<b>(715)</b>	<b>(1,183)</b>	<b>(1,898)</b>
<b>Profit before finance costs and tax</b>		<b>2,645</b>	<b>19,231</b>	<b>21,876</b>	<b>5,060</b>	<b>27,548</b>	<b>32,608</b>
Finance costs		–	–	–	–	–	–
<b>Profit before tax</b>		<b>2,645</b>	<b>19,231</b>	<b>21,876</b>	<b>5,060</b>	<b>27,548</b>	<b>32,608</b>
Tax		(293)	(3)	(296)	(583)	26	(557)
<b>Net profit for the period and total comprehensive income</b>		<b>2,352</b>	<b>19,228</b>	<b>21,580</b>	<b>4,477</b>	<b>27,574</b>	<b>32,051</b>
<b>Earnings per ordinary share (basic) (pence)</b>	3	<b>2.13</b>	<b>17.43</b>	<b>19.56</b>	<b>3.86</b>	<b>23.76</b>	<b>27.62</b>

## Statement of Changes in Equity

For the half year ended 31 March 2015

	(Unaudited) Half year ended 31 March 2015					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Total equity at 1 October 2014</b>	30,663	28,916	63,288	74,727	2,365	199,959
<b>Total comprehensive income:</b>						
Profit for the half year ended 31 March 2015	–	–	–	35,432	2,419	37,851
<b>Transactions with owners, recorded directly to equity:</b>						
Shares bought back and held in treasury	–	–	(1,354)	–	–	(1,354)
Equity dividends paid	–	–	–	–	(1,459)	(1,459)
<b>Total equity at 31 March 2015</b>	30,663	28,916	61,934	110,159	3,325	234,997

	(Unaudited) Half year ended 31 March 2014					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Total equity at 1 October 2013</b>	26,391	15,417	64,792	47,153	1,994	155,747
<b>Total comprehensive income:</b>						
Profit for the half year ended 31 March 2014	–	–	–	19,228	2,352	21,580
<b>Transactions with owners, recorded directly to equity:</b>						
Issue of ordinary shares on exercise of subscription shares	4,272	13,499	–	–	–	17,771
Shares bought back and held in treasury	–	–	(1,358)	–	–	(1,358)
Equity dividends paid	–	–	–	–	(1,248)	(1,248)
<b>Total equity at 31 March 2014</b>	30,663	28,916	63,434	66,381	3,098	192,492

	(Audited) Year ended 30 September 2014					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Total equity at 1 October 2013</b>	26,391	15,417	64,792	47,153	1,994	155,747
<b>Total comprehensive income:</b>						
Profit for the year ended 30 September 2014	–	–	–	27,574	4,477	32,051
<b>Transactions with owners, recorded directly to equity:</b>						
Issue of ordinary shares on exercise of subscription shares	4,272	13,499	–	–	–	17,771
Shares bought back and held in treasury	–	–	(1,504)	–	–	(1,504)
Equity dividends paid	–	–	–	–	(4,106)	(4,106)
<b>Total equity at 30 September 2014</b>	30,663	28,916	63,288	74,727	2,365	199,959

The notes on pages 15 to 16 form part of these financial statements.

## Balance Sheet

As at 31 March 2015

	Notes	(Unaudited) 31 March 2015 £'000	(Unaudited) 31 March 2014 £'000	(Audited) 30 September 2014 £'000
<b>Non-current assets</b>				
Investments held at fair value		227,998	191,970	199,459
<b>Current assets</b>				
Receivables		5,066	797	846
Overseas tax recoverable		211	173	175
Cash and cash equivalents		11,607	336	13
		16,884	1,306	1,034
<b>Total assets</b>		244,882	193,276	200,493
<b>Current liabilities</b>				
Payables		(9,885)	(611)	(424)
Fair value of open derivative contracts		–	(72)	–
Bank overdraft		–	(101)	(110)
		(9,885)	(784)	(534)
<b>Net assets</b>		234,997	192,492	199,959
<b>Equity attributable to equity shareholders</b>				
Called up share capital		30,663	30,663	30,663
Share premium reserve		28,916	28,916	28,916
Special distributable reserve		61,934	63,434	63,288
Capital reserves		110,159	66,381	74,727
Revenue reserve		3,325	3,098	2,365
<b>Total equity</b>		234,997	192,492	199,959
Net asset value per ordinary share (pence)	4	194.49	158.14	164.41

The notes on pages 15 to 16 form part of these financial statements.

## Cash Flow Statement

For the half year ended 31 March 2015

	(Unaudited) Half year ended 31 March 2015 £'000	(Unaudited) Half year ended 31 March 2014 £'000	(Audited) Year ended 30 September 2014 £'000
<b>Cash flows from operating activities</b>			
Profit before tax	38,210	21,876	32,608
Adjustment for non-cash items:			
Gain on investments held at fair value through profit or loss	(36,106)	(19,628)	(28,531)
Adjusted profit before tax	2,104	2,248	4,077
Adjustments for:			
Purchases of investments, including transaction costs	(23,318)	(33,696)	(60,886)
Sales of investments, including transaction costs	36,256	15,994	44,168
Decrease/(increase) in receivables	98	4	(29)
(Decrease)/increase in payables	(228)	8	163
Overseas tax deducted at source	(395)	(332)	(595)
<b>Net cash generated from/(used) in operating activities</b>	<b>14,517</b>	<b>(15,774)</b>	<b>(13,102)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital (net of issue costs)	–	17,771	17,771
Cost of shares repurchased	(1,354)	(1,358)	(1,504)
Equity dividends paid	(1,459)	(1,248)	(4,106)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,813)</b>	<b>15,165</b>	<b>12,161</b>
Net increase/(decrease) in cash and cash equivalent	11,704	(609)	(941)
Cash and cash equivalents at the beginning of the period	(97)	844	844
<b>Cash and cash equivalents at the end of the period</b>	<b>11,607</b>	<b>235</b>	<b>(97)</b>

The notes on pages 15 to 16 form part of these financial statements.

# Notes to the Financial Statements

For the half year ended 31 March 2015

## 1 General Information

The financial statements comprise the unaudited results for Polar Capital Global Healthcare Growth & Income Trust plc for the six month period to 31 March 2015.

The unaudited financial statements to 31 March 2015 have been prepared using the accounting policies used in the Company's financial statements to 30 September 2014. These accounting policies are based on International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB') and the International Accounting Standards Committee ('IASC'), as adopted by the European Union.

The financial information in this half year 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 2015 and 31 March 2014 have not been audited. The figures and financial information for the year ended 30 September 2014 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 2014, 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 accounting policies have not varied from those described in the financial statements for the year ended 30 September 2014.

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

## 2 Dividends and Other Income

	<b>(Unaudited) For the half year ended 31 March 2015 £'000</b>	<b>(Unaudited) For the half year ended 31 March 2014 £'000</b>	<b>(Audited) For the year ended 30 September 2014 £'000</b>
<b>Investment income</b>			
Revenue:			
Franked: Listed investments			
Dividend income	460	626	1,022
Unfranked: Listed investments			
Dividend income	2,559	2,123	4,096
Total investment income allocated to revenue	3,019	2,749	5,118
Capital:			
Special dividends allocated to capital	1	–	24
Dividends from REITs allocated to capital	163	155	155
Total investment income allocated to capital	164	155	179
<b>Other operating income</b>			
Option premium income	148	258	656
Bank interest	1	1	1
Total other operating income	149	259	657

## Notes to the Financial Statements continued

### For the half year ended 31 March 2015

#### 3 Earnings Per Ordinary Share

	(Unaudited) For the half year ended 31 March 2015 £'000	(Unaudited) For the half year ended 31 March 2014 £'000	(Audited) For the year ended 30 September 2014 £'000
<b>Basic earnings per share</b>			
Net profit for the period:			
Revenue	2,419	2,352	4,477
Capital	35,432	19,228	27,574
Total	37,851	21,580	32,051
Weighted average number of shares in issue during the period			
Revenue	121,476,566	110,337,730	116,029,389
Capital	1.99p	2.13p	3.86p
Total	29.17p	17.43p	23.76p
Total	31.16p	19.56p	27.62p

As at 31 March 2015 there were no potentially dilutive shares in issue (31 March 2014 and 30 September 2014: same).

#### 4 Net Asset Value Per Ordinary Share

	(Unaudited) For the half year ended 31 March 2015 £'000	(Unaudited) For the half year ended 31 March 2014 £'000	(Audited) For the year ended 30 September 2014 £'000
<b>Undiluted:</b>			
Net assets attributable to ordinary shareholders (£'000)	234,997	192,492	199,959
Ordinary shares in issue at end of period	120,825,000	121,720,000	121,620,000
Net asset value per ordinary share (pence)	194.49	158.14	164.41

As at 31 March 2015 there were no potentially dilutive shares in issue (31 March 2014 and 30 September 2014: same).

#### 5 Share Capital

During the six month period to 31 March 2015, 795,000 ordinary shares were repurchased into treasury. The ordinary shares held in treasury have no voting rights and are not entitled to dividends.

#### 6 Dividends

The second interim dividend of 0.60 pence per ordinary share will be paid on 29 May 2015 to shareholders on the register at 15 May 2015. A first interim dividend of 0.60 pence per ordinary share was paid on 27 February 2015. In total dividends of 1.20 pence per ordinary share have been declared for the six months ended 31 March 2015.

#### 7 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 2015.

## Company Information

### Directors

J P Robinson, Chairman  
J C Aston, OBE  
A D Brampton  
A B Milford

### Company Registration Number

7251471

(Registered in England) The Company is an investment company as defined under Section 833 of the Companies Act 2006.

### Investment Manager and AIFM

#### **Polar Capital LLP**

16 Palace Street  
London SW1E 5JD

Authorised and regulated by the Financial Conduct Authority.

Telephone: 020 7227 2700  
[www.polarcapital.co.uk](http://www.polarcapital.co.uk)

### Fund Managers

**Dr Daniel Mahony and Mr Gareth Powell**

### Secretary

**Polar Capital Secretarial Services Limited**

Represented by N P Taylor FCIS

### Registered Office

16 Palace Street,  
London SW1E 5JD

### Independent Auditors

**PricewaterhouseCoopers LLP**

Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Solicitors

**Herbert Smith Freehills LLP**

Exchange House  
Primrose Street  
London EC2A 2EG

### Stockbrokers

**Panmure Gordon & Co**

1 New Change  
London EC4M 9AF

### Depository, Bankers and Custodian

**HSBC Bank Plc**

8 Canada Square  
London E14 5HQ

### Registrars

**Equiniti Limited**

Shareholders who have their shares registered in their own name, not through a share savings scheme or ISA, can contact the registrars with any queries on their holding. Post, telephone and Internet contact details are given below.

In correspondence you should refer to Polar Capital Global Healthcare Growth and Income Trust plc, stating clearly the registered name and address and if available, the full account number.

Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

**Shareholder helpline 0800 3134922  
(or +44 121 4157047)**

[www.shareview.co.uk](http://www.shareview.co.uk)

### Identification Codes

**Ordinary shares**

SEDOL: B6832P1  
ISIN: GB00B6832P16  
TICKER: PCGH

### Electronic Communications

If you hold your shares in your own name you can choose to receive communications from the Company in electronic format. This method reduces costs, is environmentally friendly and, for many, is convenient too.

If you would like to take advantage of Electronic Communications please visit our registrar's website at [www.shareview.co.uk](http://www.shareview.co.uk) and register. You will need your shareholder reference number. If you agree to the terms and conditions, in future, on the day that documents are sent to shareholders by post you will receive an e-mail providing the website address where the documents can be viewed and downloaded. Paper copies will still be available on request.

## Company Information continued

### Share Prices and Net Asset Values

The Company's undiluted Net Asset Value (NAV) is normally released to the London Stock Exchange daily, on the next working day, following the calculation date. The mid-market price of the ordinary shares is published daily in the Financial Times in the Companies and Markets section under the heading 'Investment Companies'. Share price information is also available from The London Stock Exchange Website: [www.londonstockexchange.co.uk](http://www.londonstockexchange.co.uk)

### Portfolio Details

Portfolio information is provided to the AIC for its monthly statistical information service and published on the Company's Website.

### Company Website

[www.polarcapitalhealthcaretrust.co.uk](http://www.polarcapitalhealthcaretrust.co.uk)

The Company maintains a website which provides a wide range of information on the Company, monthly factsheets issued by the Investment Manager and copies of announcements, including the annual and half year reports when issued.

Information on the Company can be obtained from various different sources including:

[www.theaic.co.uk](http://www.theaic.co.uk)

[www.ft.com/markets](http://www.ft.com/markets)

[www.londonstockexchange.co.uk](http://www.londonstockexchange.co.uk)

aic

The company is a member of the Association of Investment Companies

[www.theaic.co.uk](http://www.theaic.co.uk)



## **Warnings to Shareholders**

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests, and by the supply and demand for the Company's shares.

As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.

Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.

Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

## **Boiler Room Scams**

We are aware that some shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

The Financial Conduct Authority ('FCA') estimates that share fraud costs around £200m a year through high pressure techniques that persuade investors to enter into transactions involving shares. If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0845 606 1234 or 0800 111 6768 or by visiting their website, which also has other useful information, at [www.FCA.org.uk](http://www.FCA.org.uk)

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FCA website.

## **Forward-looking Statements**

Certain statements included in this half year 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 be 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 Annual Report for the financial year ended 30 September 2014. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Global Healthcare Growth and Income 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.

## Company Information continued

### Investing

#### **Market Purchases**

The ordinary shares of Polar Capital Global Healthcare Growth and Income Trust plc are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

#### **Share Dealing Services**

The Company has arranged for Shareview Dealing, a telephone and Internet share sale service offered by Equiniti to be made available.

For telephone sales call 0800 876 6889 (or +44 121 415 7047) between 8.30am and 4.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday.

For Internet sales log on to [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing)

There are a variety of ways to invest in the Company however this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

#### **Private Client Stockbrokers**

Investors with a large lump sum to invest may want to contact a private client stockbroker. They will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from the Wealth Management Association at [www.thewma.co.uk](http://www.thewma.co.uk)

#### **Financial Advisers**

For investors looking to find a financial adviser, please visit [www.unbiased.co.uk](http://www.unbiased.co.uk)

Financial Advisers who wish to purchase shares for their clients can also do so via a growing number of platforms that offer investment trusts including Alliance Trust Savings, Ascentric, Nucleus, Raymond James, Seven IM and Transact.

#### **For those investors who are happy to make their own investment decisions:**

##### **Online Stockbroking Services**

There are a number of real time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services Alliance Trust Savings, Barclays Stockbrokers, Halifax Share Dealing, Hargreaves Lansdown, Selftrade and TD Waterhouse.

Please remember that any investment in the shares of Polar Capital Global Healthcare Growth and Income Trust either directly or through a savings scheme or ISA carries the risk that the value of your investment and any income from them may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back their original amount invested. Past performance is not a guide to future performance.

Polar Capital Global Healthcare Growth and Income Trust is allowed to borrow against its assets and this may increase losses triggered by a falling market, however the Company may increase or decrease its borrowing levels to suit market conditions.

If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Polar Capital Global Healthcare Growth and Income Trust plc is an investment trust and as such its ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply.



