Polar Capital Global Healthcare Growth and Income Trust plc

POLAR CAPITAL

Trust Objective

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

Dividends

The Company pays four dividends a year and has a policy to increase the dividend on an annual basis progressively but there is no guarantee this will the achieved. The Company paid 3.22p per ordinary share in the year to 30 September 2012.

Monthly Returns (%)

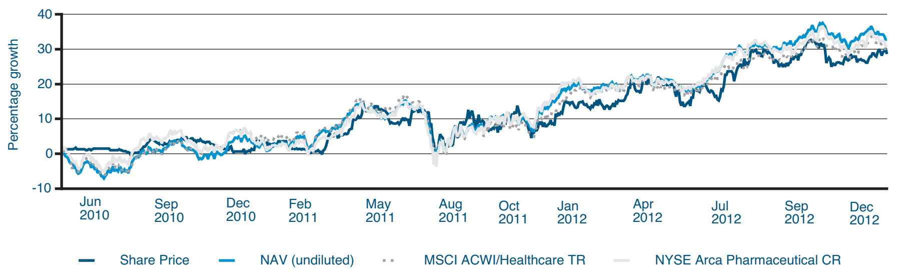
	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price	1.47	-1.41	8.87	13.53	28.65
NAV (undiluted) per Share	-1.21	-0.43	4.91	12.48	32.75
MSCI ACWI / Healthcare	-0.96	0.15	4.38	12.59	29.77
NYSE Arca Pharmaceutical	-0.90	-0.16	3.78	9.90	31.32

Discrete Annual Performance (%)

	28/09/12 31/12/12	30/09/11 28/09/12	30/09/10 30/09/11	30/09/09 30/09/10	30/09/08 30/09/09
Ordinary Share Price	-1.41	19.20	6.53	-	-
NAV (undiluted) per Share	-0.43	23.55	6.79	-	-
MSCI ACWI / Healthcare	0.15	21.45	5.65	-	-
NYSE Arca Pharmaceutical	-0.16	22.37	3.29	-	-

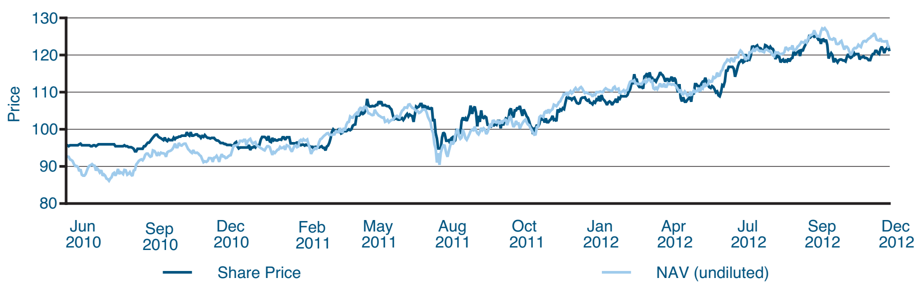
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. The Net Asset Value (NAV) as at 15 June 2010 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share.

Ordinary Share Performance Since Launch



Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. The Net Asset Value (NAV) as at 15 June 2010 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share.

Ordinary Share Price & NAV per Share Since Launch



Source: Lipper & HSBC Securities Services (UK) Limited

Sector Exposure	(%)
Pharmaceuticals	62.9
Healthcare Equipment	11.9
Specialised REITs	6.8
Healthcare Facilities	4.8
Healthcare Services	4.2
Biotechnology	3.1
Life Sciences Tools & Services	2.6
Healthcare Supplies	1.7
Healthcare Distributors	1.4
Life & Health Insurance	0.5
Multi-line Insurance	0.1

Geographic Exposure	(%)
United States	50.3
Switzerland	14.4
United Kingdom	13.6
Japan	7.7
France	5.6
Australia	2.1
Ireland	2.1
Canada	1.7
Israel	0.9
Singapore	0.6
Hong Kong	0.4
Norway	0.3
Other	0.3

31 December 2012

Fact sheet

Trust Facts

Ordinary Shares	
Share Price (p)	121.00
NAV (undiluted) per Share (p)	122.29
NAV (diluted) per Share (p)	118.93
Premium (%)	-
Discount (%)	1.05
Capital Structure	100,050,000 shares of 25p
Subscription Shares†	
Share Price (p)	18.25
Exercise Price† (p)	100.00
Capital Structure	17,800,000 shares of 1p
Total Net Assets (£m)	122
AIC Gearing Ratio (%)*	0.00
AIC Net Cash Ratio (%)*	0.02

*Gearing calcultaions are exclusive of current year Revenue/Loss

Trust Characteristics

Launch Date	15 June 2010
Co-Manager	Dan Mahony
Co-Manager	Gareth Powell
Portfolio Characteristics	80/20 (Income/Capital)
Year End	30 September
Results Announced	Mid December
Next AGM	January 2013
Trust Term	Fixed life to 7th AGM
Listed	London Stock Exchange

Benchmark

MSCI All Country World Index / Healthcare (Sterling)

Fees*

Management Fee	0.85% of Market Cap
Performance Fee**	10% over performance hurdle

* Further details can be found in the annual report. All fees are allocated 80% to capital and 20% to income.

** Subject to high watermark

Total Number of Holdings	77

Top Ten Holdings	(%)
Pfizer	8.5
Novartis	7.9
Merck & Co	7.2
GlaxoSmithKline	6.7
Roche Holding	5.6
Sanofi	5.2
Abbott Labs Com	4.6
Astellas Pharma	3.8
Eli Lilly	3.7
Bristol Myers Squibb	3.4
Total	**56.6**

Market Capitalisation Exposure	(%)
Large (greater than US$ 5bn)	74.2
Medium (US$ 1bn to 5bn)	11.3
Small (less than US$ 1bn)	14.5

Note: Totals may not sum due to rounding.

†Subscription shares - each share confers the right to subscribe for 1 Ordinary share at 100p on 31st January 2014.

It should not be assumed that recommendations made in the future will be profitable or will equal performance of the securities in this list. A list of all recommendations made within the immediately preceding 12 months is available upon request.

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Fund Manager Comments

US politics dominated stock market sentiment in December as negotiations on a solution to the fiscal cliff continued until the last day of the year. Healthcare underperformed the broader market during the month. The NAV for the Trust was down 1.2% for December and lagged the benchmark (Morgan Stanley Global Healthcare Index) which was down 1.0% for the month.

The major detractor to performance during the month was the large position we have in Merck. The company reported disappointing data from a major clinical trial, called HPS2-THIRIVE, which was studying the use of its drug Tredaptive to reduce serious cardiovascular events in high-risk patients. While we thought that investor expectations were low going into this event, the stock was down over 5% during the month on the back of this news. The stock could be volatile in the first quarter as we expect the company to give conservative financial guidance, 2013 is Merck's 'patent cliff' year following the patent expiration of Singulair in 2012, and the company will report data from another large clinical study in acute coronary syndrome patients, called IMPROVE-IT, at the end of March. However, in the mid term, we see upside potential from two new drug candidates that will be filed this year, one for osteoporosis and one for insomnia, which could help turn Merck back into an earnings growth story in 2014. In many ways, Merck exemplifies our thesis on the pharmaceutical industry. We think pipelines are improving and that many pharmaceuticals companies have the potential to return to growth following their major patent expirations.

The initial market reaction to the fiscal cliff deal has been extremely positive as the worst case scenario – that no deal would be struck – has now been eliminated. From a healthcare perspective, temporary removal of sequestration is a modest positive but certain sub-sectors, such as dialysis providers, were specifically targeted in the fiscal cliff deal. The next big political discussion in the US will be the debate on the debt ceiling later in the first quarter. It is clear that the Republicans want to reduce government spending and that may have an impact on some healthcare companies. However, we think the big positive from the last few weeks is that there does seem to be scope for discussion between the two political parties and there is a willingness to come to an agreement on these issues. This is in stark contrast to the situation in 2011 when the bipartisan 'super' committee was unable to reach any sort of agreement and led to the sequestration issue.

While we have some concerns on the long-term impact on healthcare from the political discussions in the coming months, we think investors will soon begin to focus on the impact of President Obama's healthcare reform in 2014. The major implication of healthcare reform will be a decrease in the number of uninsured Americans – we estimate that over half of the 40-45 million people who currently have no health insurance will have some level of insurance coverage by the end of 2014. Therefore, we expect a big increase in patient volume in 2014 that should be positive for most healthcare companies, particularly for hospitals and other healthcare service providers.

We always start the year by attending the JP Morgan healthcare conference in San Francisco – the biggest global healthcare investor conference with roughly 8,000 attendees expected this year. This conference is generally a good barometer of investor sentiment and helps us to identify the key themes for the coming year. We expect US healthcare reform to be a key point of discussion, but it will also be important to gauge the enthusiasm for biotechnology, following its very strong performance last year, and whether there is much investor appetite for healthcare companies in emerging markets such as China and Brazil.

The only change to the income portfolio in December was a reduction in our holding in Teva following the company's strategy day. We had expected the company to announce an increase in its dividend payout ratio to bring it in-line with other major pharmaceutical companies. However, while the company did announce a major cost reduction initiative there was no change to the company's policy on returning cash to shareholders. We made a number of changes in the growth portfolio as we expect US healthcare reform to be an important theme in the first half of 2013. We sold our positions in Allergan, Edwards and Wellcare. We have added two hospital stocks, HCA and Universal Health Services; a physician staffing company, TeamHealth; and a distributor, McKesson. In addition, we bought a position in Agilent, after it reset expectations for 2013 during its November year-end earnings call, and sold our position in Alexion and replaced it with Biomarin.

As we begin 2013, we see no reason to change our positive stance on the stock market. We think the economy in the US is in pretty good shape, especially as the US housing data continue to improve, and this should have a positive impact on global stock markets. We do remain concerned that inflation will rear its head at some point in the future but it does not seem to be a problem at the moment. From a healthcare perspective, an improving economy bodes well for more cyclical stocks in healthcare – especially life science tools and companies exposed to discretionary healthcare spending.

We think this will be another solid year for the pharmaceutical sector – especially if drug pipelines continue to improve. The patent cliff is now in the rear view mirror for most of the major companies and the focus is now on the growth potential of the sector over the next three to five years. In this respect, we expect to see greater dispersion of returns within the sector as some companies appear to be better positioned than others in this respect. In broader healthcare, the focus remains on finding companies that can help cut the costs of healthcare – this is one of the key economic issues for governments given the aging population. Companies that have solutions to this problem are set to grow irrespective of government austerity measures, in our opinion. In summary, our investment thesis and approach for the Trust remains unchanged, we continue to find healthcare companies that we think are undervalued as investors continue to underestimate the growth opportunities for both large and small companies in the sector.

Daniel Mahony

7 January 2013

31 December 2012

Fact sheet

Polar Capital Healthcare Investment Management Team

Dan Mahony - Co-Manager

Daniel joined Polar Capital to set up the healthcare team in 2007. He has more than 13 years' investment experience in the healthcare sector, with over 4 years as a Portfolio Manager and 9 years as a sell-side analyst. Prior to joining Polar Capital, he was head of the European healthcare research team at Morgan Stanley, covering the European biotechnology, medical technology and healthcare services sectors. He also previously worked in New York for ING Barings Furman Selz following the US biotechnology sector. Before working in the investment field, Daniel worked as a research scientist for 7 years with the majority of his time at Schering Plough Corporation in California. Daniel received his PhD from Cambridge University in 1995 and a first class honours degree in biochemistry from Oxford University in 1991.

Gareth Powell - Co-Manager

Gareth joined Polar Capital in 2007 to set up the healthcare team. He has over 12 years' investment experience in the healthcare sector, with 10 years as a portfolio manager. He joined Framlington in 1999 becoming a portfolio manager on the Framlington health fund. In 2002, he helped launch and then run the Framlington biotech fund. Gareth became a CFA charter holder in 2003. Gareth studied biochemistry at Oxford from 1995 to 1999 and during that time worked at Astellas, the Sir William Dunn School of Pathology, the Wolfson Institute for Biomedical Research and the Oxford Business School.

Anna Sizova - Analyst

Anna joined Polar Capital in February 2008 as an analyst for the healthcare team. She has over 5 year's investment experience in the healthcare sector that started with her time at Morgan Stanley as a healthcare analyst covering the European medical technology sector. Prior to working in investment, she spent 5 years at Johnson & Johnson, working in both the marketing and finance departments. Anna holds an MBA degree from the London Business School and a degree in Theoretical and Applied Linguistics from Moscow State University.

Trust Overview

Investment Rationale

The Managers believe there are significant growth opportunities which apply not only to pharmaceutical companies but across the whole healthcare sector.

Approach

The Company will seek to achieve its 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 expected to be diversified by the geographic location and size of the constituent companies and achieve growth by focusing on three themes: inefficiency reduction, innovation and infrastructure. For operational purposes the Manager will maintain an income portfolio and a growth portfolio, with the initial allocation expected to be in the order of 80:20.

How to Invest

Market Purchases

The ordinary and subscription shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Registered Office

4 Matthew Parker Street, London SW1H 9NP

Custodian

HSBC PLC acts as global custodian for all the company's investments.

Registrar

Equiniti
The Causeway, Worthing, West Sussex BN99 6DA
www.shareview.co.uk

Codes

Ordinary Shares

ISIN	GB00B6832P16
SEDOL	B6832P1
Ticker	PCGH

Subcription Shares

ISIN	GB00B68VXC96
SEDOL	B68VXC9
Ticker	PCGS

House View

This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

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Holdings

The top 10 positions were selected based on percentage of AUM. This portfolio data is "as at" the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the fund. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the fund's best interest to do so. A complete list of the portfolio holdings may be made available upon request. It should not be assumed that any of the securities transactions or holdings discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

Benchmarks

The following benchmark index is used: MSCI All Country World Index/Healthcare. These benchmarks are generally considered to be representative of the Healthcare equity universe and of the global emerging market universe. These benchmarks are broad-based indices which are used for comparative/illustrative purposes only and have been selected as they are well known and are easily recognizable by investors. Please refer to www.mscibarra.com for further information on these indices. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the indices reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. The information regarding the indices are included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

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Performance

Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Many factors affect fund performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment return and principal value of your investment will fluctuate, so that when your investment is sold, the amount you receive could be less than what you originally invested. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), are not guaranteed by any bank, and may lose value.

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Allocations

The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum for a description of the investment allocations as well as the risks associated therewith. Please note that the fund may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. The actual performance of the fund will depend on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the fund while minimizing its risk. The actual investments in the fund may or may not be the same.