Polar Capital Global Healthcare Growth and Income Trust plc

POLAR CAPITAL

31 December 2010

Fact sheet

Trust Overview

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

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

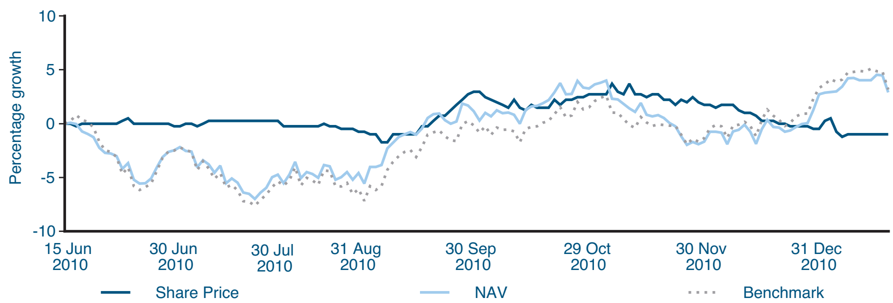
Approach: The Company will seek to achieve its objective by investing in a diversified global portfolio consisting primarily of listed equities issued by healthcare companies involved in pharmaceuticals, medical services, medical devices and biotechnology. The portfolio is expected to be diversified 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.

Dividends: The company aims to pay interim dividends totalling not less than 3p per ordinary share in the period from launch to 30 September 2011.

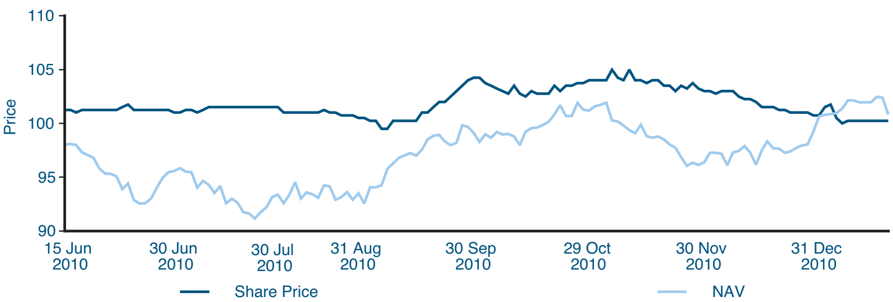
Monthly Returns (%)

	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	-1.72	-2.06	-1.09	N/A	N/A
Subscription Share Price	1.82	19.15	-20.00	N/A	N/A
NAV per Share	4.86	1.83	6.78	N/A	N/A
Benchmark	4.40	3.75	7.54	N/A	N/A

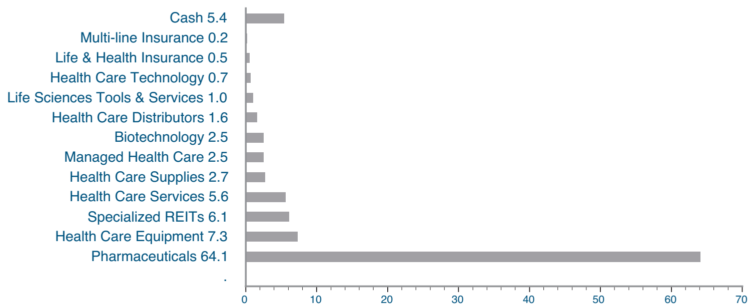
Ordinary Share Performance Since Launch

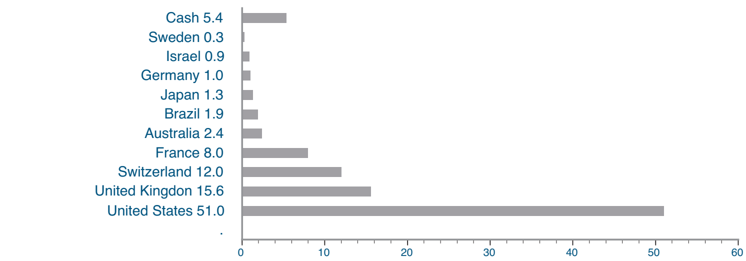


Ordinary Share Price & NAV per Share Since Launch



Sector & Geographic Exposure (%)





Trust Facts

Ordinary Shares	
Share Price (p)	100.25
NAV per Share (p)	100.83
Discount / Premium (%)	-0.58
Capital Structure	89,000,000 shares of 25p
Subscription Shares†	
Share Price (p)	14.00
Exercise Price† (p)	100.00
Capital Structure	17,800,000 shares of 1p
Total Net Assets (£m)	90
AIC Gross Gearing Ratio (%)*	100.00
AIC Net Gearing Ratio (%)*	94.00

*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)
1st Year End	30 September 2011
Results Announced	Mid December
Next AGM	January 2012
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 Prospectus. All fees are allocated 80% to capital and 20% to income.

** Subject to high watermark

Total Number of Holdings 60

Top Ten Holdings

	(%)
GlaxoSmithKline	9.1
Pfizer	9.0
Novartis	8.4
Sanofi Aventis	7.8
Bristol Myers Squibb	7.7
Eli Lilly	7.0
Merck & Co	4.7
AstraZeneca	3.3
Abbott Labs	2.4
Roche Holding	2.1
Total	**61.5**

Market Capitalisation Exposure

	(%)
Large (greater than US$ 5bn)	75.4
Medium (US$ 1bn to 5bn)	10.5
Small (less than US$ 1bn)	14.1

Investors' attention is drawn to prospectus for full details.

†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

December provided a welcome (if not a surprise) relief as markets across the world rallied strongly. With risk appetite increasing, the defensive healthcare sector was a laggard but the benchmark (Morgan Stanley Global Healthcare Index) still delivered a healthy return of 4.4% for the month. The NAV for the Trust was modestly ahead of the benchmark delivering a 4.9% return for December. Consistent with an increase in risk appetite, it was notable that some of our small and mid-cap names performed very well in the month. As a result, we became a little cautious on the near-term outlook for the broader market and lightened up on some of the higher beta names in the growth portfolio in the last week of December. We also took some profits out of the healthcare REIT names for the same reason and so ended the year with a cash position just above 5%.

The major news flow events for the pharmaceutical sector in the month were related to regulatory announcements and business development rather than any new clinical data.

The Food and Drug Administration (FDA) announced a delay to the approval for AstraZeneca's blood thinner pill, Brilinta – we continue to believe that US approval for Brilinta will come in 2011 (the drug received European approval in September 2010) but the stock sold off nearly 7% on the news as expectations had been for an approval before year-end. Roche also had some bad regulatory news for its cancer drug Avastin, with the FDA removing the marketing license for the use of the drug in breast cancer and the European Medical Evaluations Agency (EMEA) restricting the use of the drug to certain types of chemotherapeutic regimens in breast cancer. While not a major surprise, following the FDA panel meeting in the summer, the stock pulled back significantly on the news. We lightened up on our Roche position as soon as the FDA announced that it would hold a press conference on Avastin – in our experience, FDA rarely (if ever) has a press conference to announce good news.

On the business development side, Novartis announced that it had reached agreement with the board of Alcon regarding its $168 per share offer for the shares of Alcon it no longer owns. This issue had been rumbling on for most of 2010 and had been something of an overhang for the stock. Alcon significantly broadens Novartis' offering in ophthalmology and is an excellent example of how some of the larger pharmaceutical companies are using their cash flow to diversify away from the branded pharmaceutical business. In other M&A news, Sanofi extended its tender offer for Genzyme – we expect this saga to roll on through 2011 but it appears that there is no white knight on the horizon for Genzyme and we believe that Sanofi will ultimately prevail in acquiring Genzyme for a reasonable price that should be accretive to earnings.

In the middle of the month, Pfizer announced an increase in its annual dividend to $0.80 for 2011. This was widely anticipated following company comments earlier in the year. Importantly, we believe that Pfizer can increase its payout ratio to 40% by 2013, which would result in an annual dividend in the region of $1.00 per share. Part of our thesis on the pharmaceutical sector is that there is scope for a number of companies to grow dividends given their significant cash flow generation. JP Morgan estimates that the US pharmaceutical companies should generate between $35-40 billion in annual cash flow before dividends and buybacks through to 2015 with the European sector set to generate a similar level of cash. This provides significant flexibility for management teams to return cash to shareholders and execute on M&A to re-build pipelines and/or diversify their businesses.

In terms of outlook, we think that 2011 may prove to be a significant year for the pharmaceutical sector. With Pfizer's best-selling drug, Lipitor, set to lose patent protection in November we will be entering the long-awaited "patent cliff". While the timing is difficult to call, we think that investors will start looking past the patent cliff at some point over next two years and begin to identify those drug companies that look set to return to growth from 2014. In this respect, we would expect emerging market sales to continue to garner investor attention this year and for all companies to begin to break out their exposure to this faster growing segment of the drug market. We should also see a reasonable amount of late-stage clinical data over the course of the year for a number of companies.

In terms of risks, we are a little cautious on 2011 guidance as we go into earnings season as the impact of the pricing discounts offered to the US government as part of healthcare reform will have a full year impact that may not be fully factored into estimates. In addition, we think that drug pricing in Europe will remain difficult for the sector although this is hardly a new phenomenon. However, we think that the companies have done a good job of managing expectations with respect to these two issues.

We made a number of changes in the growth portfolio in December. The positions in Mitsubishi Tanabe, Davita and Forest Laboratories were sold and we added Teva, the world's largest generic drug manufacturer, and McKesson, one of the large US drug distribution companies, to the portfolio. In addition, as mentioned above, we trimmed some of the higher-beta positions towards the end of the month. Some of the smaller biotechnology and medical technology names in the sector had very strong moves in December and, in our view, this is often a sign that risk appetite is over-extended and that the stocks have run a little too far.

As mentioned above, the one clear theme for 2011 is the start of the "patent cliff" – generic launches will reach a peak in 2012. We see this as a positive not only for generic drug manufacturers but also drug distributors and the pharmacy benefit managers in the United States. The other important theme, which has been an overhang for most of 2010, is healthcare utilisation in both Europe and the United States. An improvement in employment numbers in the US may portend a pick-up in GP visits and so healthcare spending. The impact of government austerity measures in Europe is harder to predict, and is country-specific, but an aging population means that the need for healthcare is unlikely to diminish. Importantly, we think the three "I"s of healthcare – inefficiency, innovation and infrastructure – will continue to be important themes going forward. Governments need to find ways of delivering better healthcare for less. Our view is that 2011 will be more of a stock-picker's market and that investment returns in the growth portfolio will depend on us identifying companies with strong fundamentals that are set to deliver good growth.

While Healthcare has been out-of-favour with generalist investors for nearly two years, there was a very high turnout at the healthcare conference we attended last month in New York. Gareth has just left for the JP Morgan healthcare conference in San Francisco – this is the largest healthcare conference of the year and is a hive of activity for companies, bankers and investors. It is a good opportunity to gauge interest and often sets the stage for which healthcare subsectors will perform well in the first half of the year.

We would like to thank all of our investors for their support in 2010 and wish you all the best of luck in 2011.

Dan Mahony and Gareth Powell, 10th January 2011

Polar Capital Healthcare Investment Management Team

Dan Mahony - Co-Manager

Dan joined Polar Capital to set up the Healthcare Investment team in 2007. He has more than 11 years' investment experience in the healthcare sector, with over 2 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, which covered the European biotechnology, medical technology and healthcare services industries. Dan was ranked second in the Institutional Investor Magazine All-Europe Research Team survey in 2003. He also previously worked in New York for ING Barings Furman Selz following the US biotechnology sector. Before working in the investment field, Dan worked as a research scientist for 7 years with the majority of his time at Schering Plough Corporation in California.

Dan acts as co-manager of the Polar Capital Healthcare Opportunities Fund alongside Gareth Powell. He has primary responsibility for medical devices, diagnostics, and healthcare services company sectors on a global basis. Dan received his PhD from Cambridge University in 1995 and a first class honours degree in biochemistry from Oxford University in 1991. Dan was involved in the recent UK government review of the biotechnology industry and is currently advising the UK Trade & Industry Department on its life sciences marketing strategy initiative.

Gareth Powell - Co-Manager

Gareth joined Polar Capital in 2007 to set up the Healthcare team. He has over 10 years' investment experience in the Healthcare sector, with 8 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. During his 3.5 year tenure as fund manager, his fund out-performed the Nasdaq Biotech Index by 17%. In 2007, he received both a "highly commended" designation from Investment Week and Framlington was rated "Best for Biotechnology" in the Extel European buy-side survey. Gareth became a CFA charterholder in 2003.

Gareth acts as co-manager of the Polar Capital Healthcare Opportunities Fund alongside Dan Mahony; this fund was launched in late 2007 and assets under management are now approaching US$80 million. Gareth has primary responsibility for the pharmaceuticals, specialty pharmaceuticals, generics, biotech and life science tools sectors in the developed markets. Gareth studied Biochemistry at Oxford University 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 the Polar Capital Healthcare team in February 2008 as a specialist analyst covering the medical technology and medical services sectors. She has nearly 4 years' investment experience in the healthcare sector that started with her time at Morgan Stanley as a healthcare analyst covering the European medical technology sector. Before joining the investment management field, she spent 5 years at Johnson & Johnson, the world leading medical devices and diagnostics group, working in both the marketing and finance departments.

Anna has responsibility for healthcare IT (e.g. software) and medical technology (e.g. heart valves, pacemakers, stents) and covers all sectors in the emerging markets. Anna holds an MBA degree from the London Business School and a degree in Theoretical and Applied Linguistics from Moscow State University.

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
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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. 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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