Polar Capital Global Healthcare Growth and Income Trust plc

POLAR CAPITAL

31 January 2011
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.

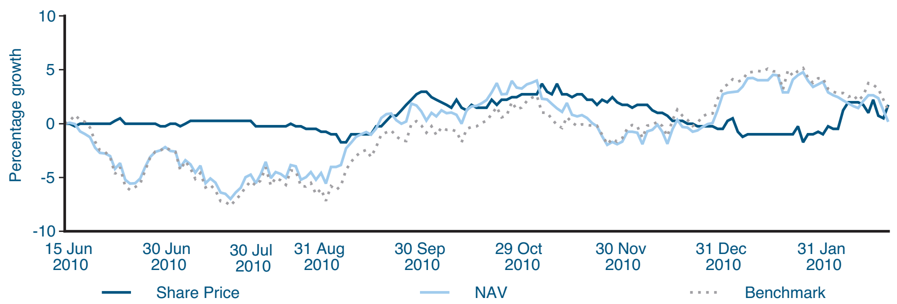
Approach: The Company will seek to achieve its objective by investing in a diversified global portfolio consisting primarily of listed equities issued by healthcare companies involved in pharmaceuticals, medical services, medical devices and biotechnology. The portfolio is expected to be diversified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

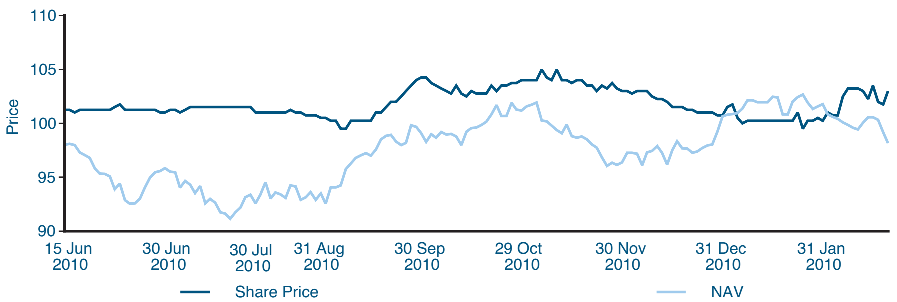
Monthly Returns (%)

	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	2.74	-1.53	1.87	N/A	N/A
Subscription Share Price	17.86	-4.17	-11.54	N/A	N/A
NAV per Share	-2.64	-0.82	8.15	N/A	N/A
Benchmark	-1.85	1.39	9.60	N/A	N/A

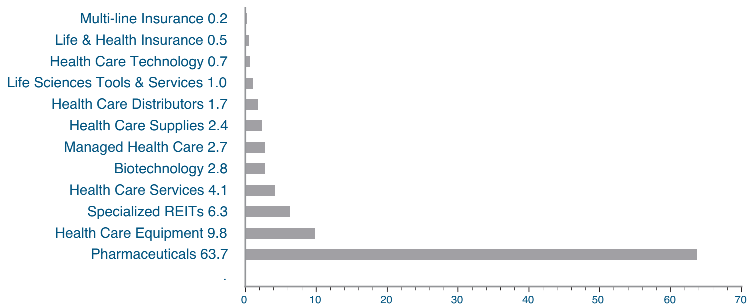
Ordinary Share Performance Since Launch

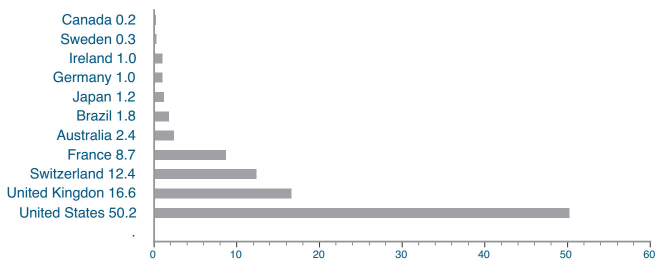


Ordinary Share Price & NAV per Share Since Launch



Sector & Geographic Exposure (%)





Trust Facts

Ordinary Shares	
Share Price (p)	103.00
NAV per Share (p)	98.17
Discount / Premium (%)	4.92
Capital Structure	89,000,000 shares of 25p
Subscription Shares†	
Share Price (p)	11.50
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 (%)*	96.00

*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 61

Top Ten Holdings

Top Ten Holdings	(%)
Pfizer	9.4
GlaxoSmithKline	8.5
Sanofi Aventis	8.3
Novartis	8.0
Bristol Myers Squibb	7.4
Eli Lilly	7.0
AstraZeneca	5.2
Merck & Co	3.7
Abbott Labs	2.3
Roche Holding	2.2
Total	**61.9**

Market Capitalisation Exposure

Market Capitalisation Exposure	(%)
Large (greater than US$ 5bn)	77.2
Medium (US$ 1bn to 5bn)	13.5
Small (less than US$ 1bn)	9.2

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

Global markets started the year in a positive fashion although geopolitical concerns began to weigh on risk appetite towards the end of the month. The Trust underperformed in January with the NAV down 2.6% compared to a return of -1.9% for the benchmark (Morgan Stanley Global Healthcare Index). The lacklustre performance of the healthcare sector was driven in large part by negative news flow from the pharmaceutical sector (see below) – the NYSE Pharmaceutical Index was down 3.8% in sterling terms in January.

In many ways, January exemplified the issues most generalist investors have with the pharmaceutical sector. With nearly all pharmaceutical companies facing generic competition, the near-term earnings outlook provided so far at year-end results seems pretty uninspiring – not least because there is a pricing headwind in the U.S this year given the discounts the sector has given to the government as part of the healthcare reform package. In addition, in the last 4 weeks there has been disappointing pipeline news flow for two key drug candidates.

The major clinical announcement in January came from Merck. The company reported that a clinical study in acute coronary syndrome for its drug candidate vorapaxar had been ended prematurely on advice from the trial's drug safety and monitoring board. At this point it is unclear what the issue is, although it is fair to surmise that there is some kind of safety issue. Vorapaxar was a major pipeline drug candidate for Merck and initial Phase III data were expected to be an important catalyst for the stock in 2H11. The other disappointment came from Sanofi with the announcement that its breast cancer drug candidate BSI-201 failed to meet the primary endpoint in a Phase III trial. While the agent showed some promising efficacy in a sub-set of patients, the 4% decline in the stock suggests that the market has written off any chance of this agent reaching the market.

The other major piece of negative news came for GSK when the company announced a £2.2 billion legal provision largely related to its diabetes drug Avandia. This was the second write down related to Avandia in 2010 – GSK has settled a number of legal actions over claims that the drug increases the risk of heart attacks and other cardiovascular side effects. We think that the company has been conservative and is trying to draw a line under the episode but this latest move highlights the litigation risk drug companies face – especially in the US.

On a more positive note, AstraZeneca announced the re-filing of the Brilinta new drug application with FDA in the middle of the month. Given the rapid turnaround, we see an outside chance that the FDA could classify this as a class 1 submission, which would mean a potential approval in 2 months – consensus expectations are for an approval in 2H11. We added to the AstraZeneca position ahead of year-end results given the low expectations for 2011 – an earlier than expected approval of Brilinta could be a significant catalyst for the shares.

Outside of pharmaceuticals, the major negative for the month came from Healthcare Locums – a stock we added to the portfolio in October. The company announced that the CEO and CFO had been suspended pending an investigation into "serious accounting irregularities". The stock has been suspended from trading while this investigation is ongoing but we marked the stock down to 50p a share from 112.5p per share on the day of the announcement to reflect what we expect to be a sharp negative reaction when trading resumes. Following a meeting with the Chairman of the company, we expect a more detailed statement in the coming weeks. Our current view is that there is still considerable value in this business but that it may take some time for credibility to be restored.

We have made a number of changes to the portfolio over the course of January. We sold the position in US biotechnology company Incyte – we had been reducing it throughout December – and replaced it with positions in Vertex, a US-based biotechnology company with a new Hepatitis C drug set for launch this year, and Oxford Biomedica. Oxford Biomedica is a small UK-based company with an interesting gene therapy technology –we expect data from programmes in Parkinson's disease and wet age-related macular degeneration (the leading cause of blindness in the over 65s) in the second half of this year. We continue to have a modest biotechnology sector weighting in the portfolio – currently 2.5% versus 8.7% for the benchmark – and do not expect this to change in the near future. We also sold our positions in Emergency Medical Services, as the stock had appreciated significantly following rumours of an approach from private equity, and Teva, as we are concerned that the market has underestimated the risk of a generic Copaxone (its multiple sclerosis drug) being approved in the first quarter. In terms of other additions, we have added positions in three medical technology names – Covidien, a diversified medical supplies company; Sonova, a hearing aid company; and Varian, the global leader in equipment for radiation oncology.

January has been a difficult month for large cap pharmaceutical stocks, the news flow and market reaction epitomises many of the issues and in some ways supports the bear case. As we highlighted last month, we are now in the midst of the "patent cliff" and it is not surprising that there is still a high level of cynicism that pharmaceutical companies can return to growth. However, we remain convinced that there is light at the end of the tunnel and that it should start getting brighter towards the end of this year with increased visibility on the earnings outlook. We continue to believe that emerging markets are the key driver – for example, AstraZeneca reported $5 billion in emerging market sales in 2010 (16% yr-on-yr growth) with over $1 billion in sales in China alone that is expected to double by 2014. Therefore, with near-term sentiment clearly very low, we think we may be approaching the nadir for the pharmaceutical sector and that the sector's solid cash flow profile coupled with the emerging market growth opportunities are preparing the ground for a sector re-rating.

Dan Mahony & Gareth Powell, 1st February 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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Holdings

The top 10 positions were selected based on percentage of AUM. This portfolio data is ìas atî 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 fundís 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. 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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