

31 December 2013

Fact sheet

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.

Monthly Returns (%)

	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price	-2.70	-2.76	-1.61	17.93	51.70
NAV (undiluted) per Share	0.28	4.57	5.16	29.42	71.80
MSCI ACWI / Healthcare	-0.12	6.43	6.21	33.24	72.90
NYSE Arca Pharmaceutical	0.10	7.69	5.48	28.93	69.30

Discrete Annual Performance (%)

	30/09/13 31/12/13	28/09/12 30/09/13	30/09/11 28/09/12	30/09/10 30/09/11	30/09/09 30/09/10
Ordinary Share Price	-2.76	19.57	19.20	6.53	-
NAV (undiluted) per Share	4.57	23.23	23.55	6.79	-
MSCI ACWI / Healthcare	6.43	25.38	21.45	5.65	-
NYSE Arca Pharmaceutical	7.69	19.53	22.38	3.28	-

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 (%)	Geographic Exposure (%)
Pharmaceuticals 68.1	United States 46.6
Healthcare Equipment 6.7	United Kingdom 18.6
Specialized REITs 5.1	Switzerland 13.3
Healthcare Facilities 4.8	Japan 7.1
Biotechnology 4.8	France 5.1
Healthcare Services 3.0	Australia 2.4
Healthcare Supplies 2.5	Canada 2.0
Healthcare Technology 1.3	Ireland 1.4
Life Sciences Tools & Services 1.3	Belgium 0.9
Healthcare Distributors 1.0	Italy 0.7
Managed Healthcare 0.7	Singapore 0.7
Other 0.4	Other 0.9
Cash 0.3	Cash 0.3

Trust Facts

Ordinary Shares

Share Price (p)	139.50
NAV (undiluted) per Share (p)	154.79
NAV (diluted) per Share (p)	146.84
Premium (%)	-
Discount (%)	9.88
Capital Structure	104,850,000 shares of 25p

Subscription Shares[†]

Share Price (p)	39.50
Exercise Price [†] (p)	100.00
Capital Structure	17,800,000 shares of 1p

Total Net Assets (£m)	162
AIC Gearing Ratio (%) [*]	0.00
AIC Net Cash Ratio (%) [*]	0.31

^{*}Gearing calculations are exclusive of current year Revenue/Loss

Historic Yield (%)

2.4

Dividends Declared

February 2013	0.50p
May 2013	0.50p
August 2013	1.80p
November 2013	0.55p

Benchmark

MSCI All Country World Index / Healthcare (Sterling)

Total Number of Holdings

76

Top Ten Holdings (%)

Novartis	7.1
Eli Lilly	6.6
AstraZeneca	6.6
Merck & Co	6.5
Roche Holding	5.7
GlaxoSmithKline	5.6
Pfizer	5.5
Sanofi	4.8
AbbVie	4.1
Astellas Pharma	3.7
Total	56.2

Market Capitalisation Exposure (%)

Large (greater than US\$ 5bn)	71.8
Medium (US\$ 1bn to 5bn)	12.6
Small (less than US\$ 1bn)	15.6

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.

Fund Manager Comments

December proved to be a reasonably quiet month given the volatility we have seen over the last 12 months. However, healthcare was a relative underperformer compared to other major stock indices. The NAV for the Trust was up 0.3% and was slightly ahead of the 0.1% decline reported for the benchmark (Morgan Stanley Global Healthcare Index).

As is customary at this time of year, we will be attending the JPMorgan healthcare conference in San Francisco. This is the largest global healthcare investor conference with 8,000 attendees at the conference itself and at least another 10,000 healthcare industry participants at meetings around the main event. The conference is usually a good barometer of investor sentiment and helps us to identify the key themes for the coming year. We think the key talking point will be President Obama's healthcare reform and what impact it may have on healthcare spending and patient volumes over the next year.

We made no changes to the income portfolio in December. For the growth portfolio, we finished exiting the position in Tandem and have continued to sell down our position in Five Star Quality Care, a US senior living company, both on the basis of valuation. We have used the proceeds to add to our positions in three small capitalisation companies, Conatus, Photocure and Circle Holdings that have been disappointing performers in 2013.

Conatus is a US-based company developing a novel compound, emricasan, for the treatment of acute on chronic liver disease – a life-threatening condition experienced by patients with liver cirrhosis. We initially bought shares in the IPO in July but the stock has been a very poor performer since then. Following two meetings with the company over the last three months, we have decided to add to our position as we believe the market is significantly underestimating the potential of emricasan – we expect the company to report new data from ongoing clinical studies over the course of 2014.

Photocure is a Norwegian biotechnology company that markets a diagnostic, called Hexvix, for bladder cancer in the United States and has two drug development programmes – one for acne and one for early-stage cervical cancer – about to enter Phase III trials. We think sales of Hexvix could be sufficient to bring the company to breakeven and expect the company to sign a partnership agreement for one or both of these programmes in the coming months. On this basis, the stock is overlooked and significantly undervalued – a partnership agreement could be a major catalyst for the stock in 2014.

Circle Holdings is a UK private hospital company that continues to make progress operationally – not least with its success in initiating a turnaround at Hinchingsbrooke Hospital, which recently reported that its Accident and Emergency department is now ranked the fourth best in the country. However, the shares have performed poorly since we bought them in the IPO in 2011, as the company has struggled to find financing for the construction of new hospitals that raised concerns that it would need to raise capital to reach breakeven. The company recently announced a financing and restructuring that we believe will address many of these concerns and we think that the shares will begin to perform if the company continues to make progress operationally.

As we look towards the upcoming year, the perceived success or failure of US healthcare reform will be critical for healthcare sector performance. The initial launch of reform in October was disappointing with website issues preventing individuals from enrolling into health insurance plans on the federal government exchanges. However, the most recent updates have been much more positive relative to expectations, and Medicaid expansion has progressed rapidly across a number of states. This bodes well for increased utilisation that we believe will translate into stronger top-line growth for many healthcare companies. Nevertheless, the current consensus remains negative towards the potential success of Obamacare. On valuation, the sector remains attractive on a number of metrics and we would highlight that significant earnings acceleration is projected across the whole sector, including large pharmaceutical companies, which should bode well for increased investor interest and continued fund flows into the sector.

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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 14 years' investment experience in the healthcare sector, with over five years as a Portfolio Manager and nine 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 seven 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 13 years' investment experience in the healthcare sector, with 11 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 charterholder 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.

David Pinniger - Fund Manager

David joined Polar Capital in August 2013 as a fund manager within the healthcare team. He has over 13 years' investment experience in the healthcare sector. Prior to joining Polar Capital, David was a portfolio manager of the International Biotechnology Trust at SV Life Sciences. He also previously spent three years working at venture capital firm Abingworth as an analyst managing biotechnology investments held across the firm's venture and specialist funds, and four years at Morgan Stanley as an analyst covering the European pharmaceuticals and biotechnology sector. He is a CFA Charterholder.

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.

Deane Donnigan - Analyst

Deane joined Polar Capital in June 2013 as an analyst for the healthcare team. She trained as a clinical pharmacist having graduated with a post baccalaureate Doctor of Pharmacy from the University of Georgia. In 1990, she accepted a position with Emory University Hospital in Atlanta, Georgia as a clinical specialist in Drug Information and Adult Internal Medicine. In 1997, Deane left the US to begin her career in fund management at Framlington in the UK, working on the healthcare unit trust there led by Antony Milford. Having started as an analyst, she spent 14 years at Framlington, eventually becoming lead portfolio manager on both the Framlington Healthcare and Biotechnology funds. She is both a US and UK citizen.

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 2014
Trust Term	Fixed life to 7th AGM
Listed	London Stock Exchange

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

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

Subscription 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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This document does not provide all information material to an investor's decision to invest in the Polar Capital Funds Plc – Healthcare Opportunities Fund or Polar Capital Global Healthcare Growth and Income Trust, including, but not limited to, risk factors. PROSPECTIVE INVESTORS SHOULD REVIEW THE FUND'S OFFER DOCUMENT, INCLUDING THE RISK FACTORS, BEFORE MAKING A DECISION TO INVEST.

The Funds have not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Funds will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.

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Holdings

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 funds. 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 Global Healthcare 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.msicibarra.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 funds. For example, investments made for the funds 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 funds may differ from those of the benchmark. Also, the indices noted in this document are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the funds 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 funds are similar to any of the indices in composition or risk.

Regulatory Status

Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP.

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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.

Investment Process - Risk

No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable. Investors may lose all of their investments.

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 or in the same proportion as those shown herein.