

#### 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 be 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	-3.19	1.04	19.86	30.49	54.20
NAV (undiluted) per Share	-1.30	0.12	23.07	29.11	63.37
MSCI ACWI / Healthcare	-1.33	2.82	25.45	30.94	62.79
NYSE Arca Pharmaceutical	-1.70	0.95	22.22	26.85	60.50

#### Discrete Annual Performance (%)

	28/09/12 28/06/13	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	18.17	19.20	6.53	-	-
NAV (undiluted) per Share	22.54	23.55	6.79	-	-
MSCI ACWI / Healthcare	25.64	21.45	5.65	-	-
NYSE Arca Pharmaceutical	22.03	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 66.9	United States 47.8
Healthcare Equipment 6.4	United Kingdom 15.6
Specialised REITs 6.4	Switzerland 12.5
Healthcare Facilities 4.9	Japan 8.0
Healthcare Services 3.9	France 4.7
Biotechnology 3.0	Australia 2.5
Healthcare Supplies 2.0	Canada 2.1
Healthcare Technology 1.3	Ireland 2.0
Healthcare Distributors 1.2	Israel 1.6
Life Sciences Tools & Services 1.1	Singapore 0.8
Managed Healthcare 1.0	Italy 0.4
Other 1.0	Other 0.9
Cash 0.9	Cash 0.9

#### Trust Facts

##### Ordinary Shares

Share Price (p)	144.00
NAV (undiluted) per Share (p)	149.47
NAV (diluted) per Share (p)	142.28
Premium (%)	-
Discount (%)	3.66
Capital Structure	104,850,000 shares of 25p

##### Subscription Shares<sup>†</sup>

Share Price (p)	36.25
Exercise Price <sup>†</sup> (p)	100.00
Capital Structure	17,800,000 shares of 1p

Total Net Assets (£m)	157
AIC Gearing Ratio (%) <sup>*</sup>	0.00
AIC Net Cash Ratio (%) <sup>*</sup>	0.90

<sup>\*</sup>Gearing calculations 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 2014
Trust Term	Fixed life to 7th AGM
Listed	London Stock Exchange

#### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

#### Fees<sup>\*</sup>

Management Fee	0.85% of Market Cap
Performance Fee <sup>**</sup>	10% over performance hurdle

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

<sup>\*\*</sup> Subject to high watermark

#### Total Number of Holdings

77

#### Top Ten Holdings (%)

Pfizer	7.1
Merck & Co	6.6
Novartis	6.3
GlaxoSmithKline	5.9
Roche Holding	5.7
Eli Lilly	5.6
AstraZeneca	5.0
Sanofi	4.3
Astellas Pharma	3.9
Johnson & Johnson	3.6
<b>Total</b>	<b>54.0</b>

#### Market Capitalisation Exposure (%)

Large (greater than US\$ 5bn)	73.3
Medium (US\$ 1bn to 5bn)	10.4
Small (less than US\$ 1bn)	16.3

Note: Totals may not sum due to rounding.

<sup>†</sup>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

The strong run in global equity markets finally came to an end in June. The major catalyst in the month was the suggestion from the US Federal Reserve that it may begin to taper quantitative easing – this resulted in a sharp sell-off in the middle of the month for most major markets. Since then, stock markets have rallied a little and we are hoping for a period of calm and quiet over the summer. Healthcare was a relative outperformer in June – the NAV for the Trust was down 1.3% and was in-line with the benchmark (Morgan Stanley Global Healthcare Index).

As we have noted previously, biotechnology has been one of the best performing healthcare sub-sectors over the last 18 months. Over the last month, we have seen the pace of initial public offerings (IPOs) for biotechnology companies pick up considerably in the United States. From a historical perspective, the biotechnology sector usually loses a bit of steam when the supply of IPOs arrives to meet investor demand. However, the sector is still being buoyed by M&A newsflow and speculation – for example, at the beginning of the month Johnson & Johnson announced that it would pay up to US\$1 billion to buy Aragon Pharmaceuticals to bolster its product pipeline in prostate cancer. More significantly, at the end of the month, Onyx Pharmaceuticals announced that it had received an unsolicited offer of US\$120 per share from Amgen, which values the company close to US\$10 billion. We continue to believe that we are at the beginning of a new wave of drug development and that the biotechnology sector is the engine of innovative drug discovery. We think the pharmaceutical companies will be the beneficiaries of this innovation either through the in-licensing of drug candidates or the acquisition of companies.

It is also worth noting that AstraZeneca made another small acquisition during the month. The company has agreed to acquire Pearl Therapeutics, which has developed a new treatment for chronic obstructive pulmonary disease (COPD), for US\$560 million with an additional US\$450 million payable on the achievement of certain milestones. We continue to expect AstraZeneca to make a number of small M&A transactions that together should convince the market that it is on track to sustainable earnings growth.

We made only a few minor adjustments to positions in portfolio in June. In the income portfolio, we participated in the initial public offering for Virtus Health. Virtus is an Australian company that provides fertility and reproductive healthcare services – often referred to as in vitro fertilisation (IVF) therapy. We think this is a business with good pricing power and solid cashflow – we expect a good dividend pay-out ratio and a growing dividend going forward. Moreover, we think there is the potential for good mid-term growth given the demographics in Australia. In the growth portfolio, we sold our position in UK biotechnology company Oxford Biomedica. This micro-cap company investment has not panned out as we had hoped – the company has experienced delays with some of its ongoing clinical trials and we suspect that it may need to raise additional capital before the outcome of these studies is known. We think that we can generate better returns by committing capital to other smaller companies in the portfolio.

In our view, the economic outlook may be beginning to improve – some of the company surveys for Europe and the US suggest that confidence may be beginning to increase. While macroeconomic policy remains a potential risk factor, we think the Federal Reserve seems to be communicating that it does not expect a rapid rise in interest rates in the near term. However, we think we have entered a period of “wait and see” – current expectations are for a stronger second half and the market is likely to tread water until we have better visibility on the outlook. From a healthcare perspective, we continue to believe that the fundamentals are strong and that our core investment thesis remains intact.

Daniel Mahony & Gareth Powell

12 July 2013

28 June 2013

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 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.

### 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 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.

## 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](http://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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In the United States the fund shall only be available to or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) who are "qualified purchasers" (as defined in the United States Investment Company Act of 1940, as amended (the "Company Act")) and "accredited investors" (as defined in Rule 501(a) under the Securities Act). The fund is not, and will not be, registered under the Securities Act or the securities laws of any of the states of the United States and interests therein may not be offered, sold or delivered directly or indirectly into the United States, or to or for the account or benefit of any US person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of such securities laws. The securities will be subject to restrictions on transferability and resale. The Fund will not be registered under the Company Act.

## Statements/Opinions/Views

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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 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 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](http://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 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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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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## Information Subject to Change

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## Forecasts

References to future returns are not promises or even estimates of actual returns Polar Capital may achieve, and should not be relied upon. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, the forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so.

## 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.