

## Trust Fact Sheet

30 May 2014



### Trust Facts

#### Ordinary Shares

Share Price	148.75p
NAV per share	157.37p
Premium	-
Discount	-5.48%
Capital	121,720,000 shares of 25p

#### Assets & Gearing<sup>1</sup>

Total Net Assets	£191.6m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	3.10%

**Historic Yield (%) 2.66**

### Dividends Declared (p/share)

May 2014	0.55
February 2014	0.55
November 2013	0.55
August 2013	1.80

### Benchmark

MSCI All Country World Index / Healthcare (Sterling)

### Fees<sup>2, 3</sup>

Management	0.85%
Performance	10% over performance hurdle

### Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information on Page 4 and the full Risk Warnings in the Prospectus.

### Discount Warning

The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

## Company Profile

### 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.

### 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 3.35p per ordinary share in respect of the year to 30 September 2013.

## Performance

### Performance Since Launch (%)



	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price	-3.06	-3.99	4.51	2.31	62.94
NAV per Share	0.75	-0.70	8.55	12.36	85.98
MSCI ACWI / Healthcare TR	2.72	0.48	6.69	11.94	84.69
NYSE Arca Pharmaceutical CR	0.09	1.68	9.39	13.31	85.01

### Discrete Annual Performance (%)

	30/09/13 30/05/14	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	4.45	19.57	19.20	6.53	-
NAV per Share	13.20	23.23	23.55	6.79	-
MSCI ACWI / Healthcare TR	13.69	25.38	21.45	5.65	-
NYSE Arca Pharmaceutical CR	17.68	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. Past performance is not indicative or a guarantee of future results.

- Gearing calculations are exclusive of current year Revenue/Loss.
- All fees are allocated 80% to capital and 20% to income. Further details can be found in the Report and Accounts.
- The management fee is based on the lower of the market cap or NAV. The performance fee is subject to a cap.

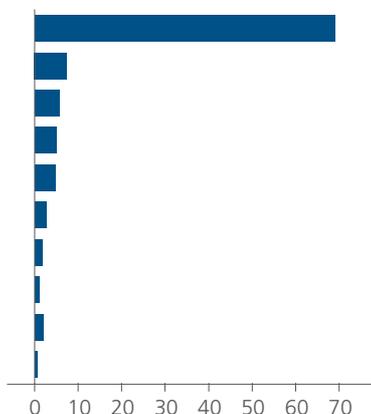
# Polar Capital Global Healthcare Growth and Income Trust plc

## Portfolio Exposure

As at 30 May 2014

### Sector Exposure (%)

Pharmaceuticals	68.9
Healthcare Equipment	7.4
Healthcare Facilities	5.7
Healthcare REITs	4.9
Biotechnology	4.8
Healthcare Services	2.8
Life Sciences Tools & Services	1.7
Healthcare Supplies	1.1
Other	2.1
Cash	0.6



### Top 10 Holdings (% of net assets)

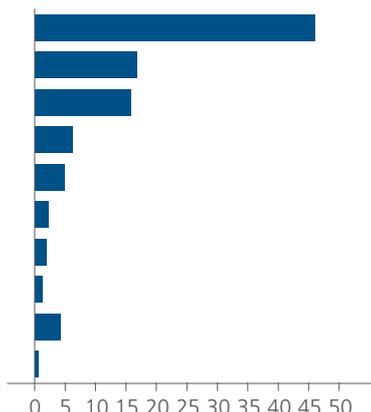
Roche	8.0
Merck & Co	7.9
Novartis	7.3
Eli Lilly & Co	6.3
AstraZeneca	6.3
Pfizer	5.4
Sanofi	4.4
GlaxoSmithKline	4.4
Abbvie	4.3
Astellas Pharma	3.4

**Total** 57.7

**Total Number of Positions** 79

### Geographic Exposure (%)

United States	46.1
United Kingdom	16.8
Switzerland	15.7
Japan	6.2
France	4.9
Australia	2.2
Canada	1.9
Ireland	1.2
Other	4.3
Cash	0.6



### Market Capitalisation Exposure (%)

Large Cap (>\$5bn)	72.4
Mid Cap (>\$1bn - \$5bn)	10.4
Small Cap (<\$1bn)	17.2

## Investing in the Trust and Shareholder Information

### Trust Characteristics

Launch Date	15 June 2010
Year End	30 September
Results Announced	Mid December
Next AGM (4th)	January 2015
Trust Term	Fixed life to 7th AGM
Listed	London Stock Exchange

### Market Purchases

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

The entire investment portfolio is published in the annual and semi annual reports and as part of the interim management statement.

It should not be assumed that recommendations made in 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.

Note: Totals may not sum due to rounding.

### Corporate Contacts

#### Registered Office and Website

4 Matthew Parker Street, London SW1H 9NP  
[www.polarcapitalhealthcaretrust.co.uk](http://www.polarcapitalhealthcaretrust.co.uk)

#### Custodian

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

#### Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA  
[www.shareview.co.uk](http://www.shareview.co.uk)

### Codes

#### Ordinary Shares

ISIN	GB00B6832P16
SEDOL	B6832P1
London Stock Exchange	PCGH

# Polar Capital Global Healthcare Growth and Income Trust plc

## Fund Manager Comments

As at 30 May 2014

The healthcare sector delivered a positive performance in May essentially in-line with global markets. While the month began with continued weakness in growth stocks, there was a sharp reversal of this trend in the last two weeks. In terms of healthcare sub-sectors, managed care and healthcare services significantly out-performed and the biotechnology sector had a strong recovery during May.

The NAV for the Trust was up 0.9% for the month but was significantly behind the 2.7% reported for the benchmark (Morgan Stanley Global Healthcare Index). The relative underperformance was driven by the Trust's significant exposure to pharmaceutical stocks. After a strong start to the year, the pharmaceutical sector was a significant laggard in May, with the NYSE Pharmaceutical index only marginal up for the month.

The major newsflow during the month was the decision by AstraZeneca's board not to engage in discussions with Pfizer and to reject Pfizer's offer of £55 per share. While Pfizer may return with an improved bid later in the year – the company is subject to the rules of the UK Takeover Panel – we are surprised at AstraZeneca's strong rebuff to the bid. While the company has made progress on its R&D pipeline, which we believed was significantly undervalued when we increased our holding in the company over a year ago, we believed that Pfizer's offer represented good value for shareholders. While AstraZeneca provided a bullish assessment of its top-line potential in 2023, the drug development process is fraught with uncertainty and there is scope for disappointment and setbacks over the next decade.

The major clinical meeting in May is the annual meeting of the American Society of Clinical Oncology (ASCO), which began at the end of the month. There has been a lot of excitement surrounding the development of so-called immuno-oncology drugs – novel therapeutic agents that help the immune system recognise and clear tumour cells from the body. Some estimates have suggested that this new therapeutic class could have peak sales potential of more than \$35 billion.

We believe that there is some foundation to this enthusiasm but data presented at this year's ASCO meeting supports our view on the uncertainty in drug development. Initial clinical data have been very encouraging but new data on the use of these new agents with existing drugs suggests that a lot of work will be needed to determine the safest and most efficacious clinical regimens for cancer patients. We are probably approaching a major change in the way that cancer is treated, but it is still far too early to call which companies will be the winners in this space, in our view.

We made no changes to the income portfolio during the month. In the growth portfolio, we have begun to exit our position in Cerner, the largest providers of healthcare IT software services. We have replaced this with two new positions – Carefusion and Kythera.

Carefusion is a provider of hospital supplies and services with a market-leading position in the supply of infusion pumps and the provision of pharmaceutical management systems. We expect the company to provide a bullish outlook when it provides its three-year business strategy update in August as we see the potential for significant margin expansion over this period. Kythera is a US-based speciality pharmaceutical company developing a novel formulation of Botox for the cosmetic aesthetics market. We recently visited the company and were impressed with progress made by management in both clinical development and defining the commercial opportunity for the company.

We remain optimistic on the outlook for healthcare not least because the recent flow of M&A activity looks set to continue. Moreover, while the political noise around President Obama's healthcare reform has died down, the feedback from hospital companies suggests that there has already been a significant improvement in patient volumes and utilisation in the United States this year. We think this bodes well for many healthcare sub-sectors and suggests that companies should be on track to meet or beat earnings expectations as we head into the second half of the year.

**Daniel Mahony**

11 June 2014

## Fund Managers



**Daniel Mahony**

**Fund Manager**

Daniel has managed the Trust since launch, he joined Polar Capital in 2007 and has 22 years of industry experience.



**Gareth Powell**

**Fund Manager**

Gareth has managed the Trust since launch, he joined Polar Capital in 2007 and has 15 years of industry experience.

# Polar Capital Global Healthcare Growth and Income Trust plc

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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.msicbarra.com](http://www.msicbarra.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. 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 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 fund may incur. 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 is 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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