

31 January 2012

Fact sheet

## Trust Objective

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

## 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 3p per ordinary share in the period to 30 September 2011.

## Monthly Returns (%)

	1 Month	3 Months	6 Months	1 Year	Since Launch
<b>Ordinary Share Price</b>	-0.35	2.66	1.13	9.19	12.93
<b>NAV (undiluted) per Share</b>	-0.41	6.98	6.06	16.87	17.54
<b>MSCI ACWI / Health Care</b>	0.84	7.35	4.61	12.65	16.22
<b>NYSE Arca Pharmaceutical</b>	-2.13	7.30	7.50	16.00	16.94

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



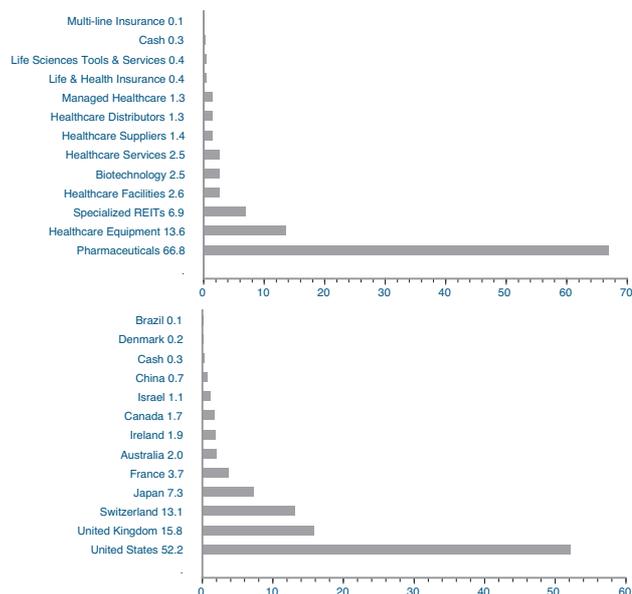
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. The Net Asset Value (NAV) as at 15 June 2010 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share.

## Ordinary Share Price & NAV per Share Since Launch



Source: Lipper & HSBC Securities Services (UK) Limited

## Sector & Geographic Exposure (%)



## Trust Facts

<b>Ordinary Shares</b>	
Share Price (p)	109.13
NAV (undiluted) per Share (p)	111.26
NAV (diluted) per Share (p)	109.53
Discount / (Premium) %	1.91
Capital Structure	97,899,999 shares of 25p

## Subscription Shares\*

Share Price (p)	14.13
Exercise Price* (p)	100.00
Capital Structure	17,800,000 shares of 1p

Total Net Assets (£m)	109
AIC Gross Gearing Ratio (%)*	100.00
AIC Net Gearing Ratio (%)*	100.00

\*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 2013
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 annual report. All fees are allocated 80% to capital and 20% to income.

\*\* Subject to high watermark

## Total Number of Holdings

76

## Top Ten Holdings

Pfizer	9.0
GlaxoSmithKline	8.0
Merck & Co	7.8
Novartis	6.9
Eli Lilly	6.5
Roche Holding	5.4
Astellas Pharma	4.1
Bristol Myers Squibb	3.9
AstraZeneca	3.5
Sanofi	3.4
<b>Total</b>	<b>58.5</b>

## Market Capitalisation Exposure

Large (greater than US\$ 5bn)	77.2
Medium (US\$ 1bn to 5bn)	9.1
Small (less than US\$ 1bn)	13.7

†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

January was a strong month for most global stock markets. As we discussed last month, it appears that the U.S. economy is improving and fears over a catastrophe in Europe appear to have subsided considerably. Following the very strong performance in December, the pharmaceutical sector underperformed the broader markets as investors began to position portfolios more aggressively – the NYSE Pharmaceutical Index was down 2.1% in January. The NAV for the Trust was down 0.4% for the month, which was behind the benchmark (Morgan Stanley Global Healthcare Index) that was up 0.8%.

We are not surprised by the performance of pharmaceutical stocks in January given the strong gains made in the second half of 2011. We continue to believe in our long-term re-rating investment thesis but acknowledge that the sector is unlikely to repeat the same level of outperformance in the first half of 2012. A number of pharmaceutical companies have already reported 2011 year-end results and the overall tone of commentary from management teams can be best described as cautious. This year is the peak year for patent expirations and so it is not too surprising that management teams seem to have given conservative guidance for the year, even though most companies continue to deliver on cost-cutting.

We also note that proposed dividend growth for both Roche and Novartis was a little lower than expectations. While we expect companies to continue to return cash to shareholders, there seems to be a greater appetite for executing M&A than we have seen for a few years. To this end, a couple of large M&A deals have been announced in the last month. Bristol-Myers made a \$2.5 billion bid to acquire Inhibitex, a loss-making U.S. biotechnology company with an early-stage Hepatitis C drug candidate – as a reminder, Gilead made a proposal to acquire Pharmasset for \$11 billion in November last year. Roche has also made a hostile \$5.7 billion offer to acquire Illumina, a leader in the field of high-throughput DNA sequencing. AstraZeneca noted on its call that it would consider acquisitions in the \$1 to a “few” billion range. We think it is unlikely that we will see any mega-mergers in the pharmaceutical space but we think large pharmaceutical companies are looking to acquire smaller companies to gain access to innovation and to supplement their pipelines.

Given some of the M&A activity, it is not surprising to note that Biotechnology was the strongest sub-sector in healthcare in the month. In our view, this was fuelled not only by increased expectations of M&A but also by a greater risk appetite in the broader market. The other sub-sectors that performed well were Medical Devices and Life Sciences Tools and Equipment. We believe the former was triggered by an expectation that healthcare utilisation should improve if the US economy is recovering and unemployment begins to fall – we saw a similar expectation at the beginning of last year, although this proved to be a false dawn. The Life Sciences Tools sector was one of the worst performing sectors in 2011 and again these stocks tend to perform well when the economy begins to improve – not least because many of these companies sell analytical tools used in industrial settings as well as in life science research. We have some exposure to these sub-sectors in the growth portfolio but given the large weighting in large pharmaceutical stocks, the portfolio is underweight most of these sub-sectors compared to the benchmark.

We have made some modest changes to the income portfolio during the month – we added to our positions in Novartis, Takeda, United Drug and

Extendicare while lightening up on Roche and AstraZeneca. In addition, we added one new name in the healthcare REIT space, Medical Properties Trust, as well as adding to our positions in Senior Housing Property, Omega Healthcare, National Health and Healthcare Realty. The weighting of healthcare REITs has increased from 4.6% at the end of 2011 to 6.3% at the end of January.

We have made a number of changes in the growth portfolio given our near-term view on the markets. We have sold our positions in Fresenius Medical Care, AmerisourceBergen, Cerner, Nuvasive, Ariad and Endo pharmaceuticals – these stocks had either approached our price targets or seemed unlikely to outperform on a six month view. We replaced these positions with Hologic, Health Management Associates, Stryker and Nobel Biocare – companies that have more exposure to improving healthcare utilisation. In addition, we opened a position in China Kangui, a Chinese company specialising in trauma and orthopaedic products, and Trius Therapeutics, a U.S. biotechnology company developing novel antibiotics.

We believe that U.S. economic data may continue to surprise on the upside and so we would expect markets to continue their upward trend. As the market moves into a “risk on” phase, we would expect certain parts of healthcare, especially biotechnology and small-cap, to outperform the larger pharmaceutical names. Nevertheless, this is the “trough year” with respect to patent expirations and we think the pharmaceutical sector will continue its steady re-rating trajectory over the course of the year and beyond.

Daniel Mahony

7th February 2012

31 January 2012

Fact sheet

## 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 13 years' investment experience in the healthcare sector. Prior to joining Polar Capital, he was head of the European healthcare research team at Morgan Stanley. 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 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 Investment Unit. He has 12 years investment experience in the Healthcare sector, with 8 years as a Portfolio Manager. 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 the Polar Capital Healthcare team in February 2008 as a specialist analyst covering the medical technology and medical services sectors. She has more than 5 years' investment experience in the healthcare sector.

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 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.

## 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.

## Important Information

This document is being issued by Polar Capital LLP and is for private circulation only. The information and opinions contained in this document are for background purposes only, do not purport to be full or complete and do not constitute investment advice. No reliance may be placed for any purpose on the information and opinions contained in this document or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this document by Polar Capital LLP or any of its members or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions.

This information is not intended to provide, and should not be relied upon, for accounting, legal, tax advice or investment recommendations. You should consult your tax, legal, accounting or other professional advisors about the issues discussed herein. The descriptions contained herein are summaries and are not intended to be complete and neither Polar Capital LLP nor any of its affiliates undertakes any obligation to update or correct any errors or inaccuracies in any of the information presented herein. The information in these materials and any other information discussed is subject to change. This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase any investment nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore.

The distribution of these materials in certain jurisdictions may be restricted by law and persons into whose possession these materials come should inform themselves about and observe any relevant restrictions. In particular, these materials are not for publication or distribution, directly or indirectly, in, into or from the United States of America, Australia, Canada, or Japan. Any failure to comply with the above restrictions may constitute a violation of such securities laws. This document is and may be communicated only to (and is directed only at) persons to whom such communication may lawfully be made.

The fund described herein has 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 that Act. In addition, the offer and sale of the shares mentioned herein 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 presentation the shares of the fund 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 public offer of the shares is being made in the United States and the information contained herein does not constitute an offering of securities for sale in the United States, Australia, Canada or Japan. 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.

This document does not provide all information material to an investor's decision to invest in the Polar Capital Healthcare Opportunities Fund, including, but not limited to, risk factors. For more information, please refer to the fund's offer document and read it carefully before you invest.

## Disclaimers

These materials and any offer mentioned herein if subsequently made are only addressed to and directed at persons in member states of the European Economic Area who are 'qualified investors' within the meaning of Article (2)(1)(e) of the Prospectus Directive (Directive 2003/71/EC). This document is for distribution in the United Kingdom only to persons who are authorised or exempt persons within the meaning of the Financial Services and Markets Act 2000 or to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (all such persons together being referred to as, "relevant persons"). This document is directed only at relevant persons. Other persons should not act or rely on this document or any of its contents. Any investment or investment activity to which this presentation relates will be available only to (i) in the United Kingdom, relevant persons and (ii) in any member state of the EEA other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons. Solicitations resulting from this presentation will only be responded to if the person concerned is, (i) in the United Kingdom, a relevant person, and (ii) in any member state of the EEA other than the United Kingdom, a Qualified Investor.

## 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.

Return targets are targets only and are based over the long-term on the performance projections of the investment strategy and market conditions at the time of modelling and are therefore subject to change. There is no guarantee that any target return can be achieved. Investors should not place any reliance on such target return in deciding whether to invest in any fund established by Polar Capital LLP.

## Third-party Data

Some information contained herein has been obtained from other third party sources and has not been independently verified by Polar Capital. Polar Capital makes no representations as to the accuracy or the completeness of any of the information herein. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data.

## Holdings

The top 10 positions were selected based on percentage of AUM. 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 indices are used: MSCI All Country World Index/Healthcare and NYSE Arca Pharmaceutical Index. 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) and [www.nyse.com](http://www.nyse.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.

## Regulatory Status

This document is issued in the UK by Polar Capital. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP

## 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.