

## Trust Objective

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

## Dividends

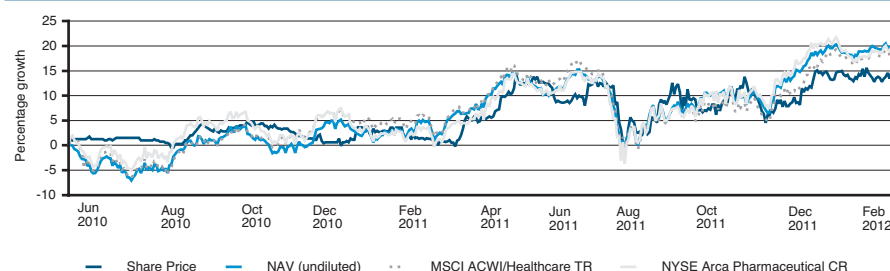
The Company pays four dividends a year and has a policy to increase the dividend on an annual basis progressively but there is no guarantee this will be achieved. The Company paid 3p per ordinary share in the period to 30 September 2011.

## Monthly Returns (%)

	1 Month	3 Months	6 Months	1 Year	Since Launch
<b>Ordinary Share Price</b>	1.45	6.71	8.48	13.24	14.57
<b>NAV (undiluted) per Share</b>	0.77	6.13	10.21	14.55	18.44
<b>MSCI ACWI / Health Care</b>	0.82	6.18	9.07	11.78	17.17
<b>NYSE Arca Pharmaceutical</b>	0.72	4.07	9.67	14.73	17.79

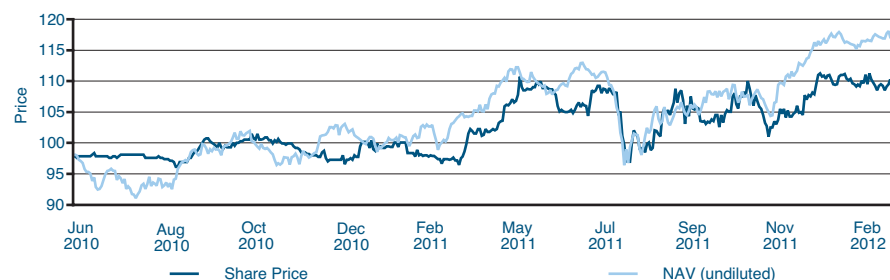
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. The Net Asset Value (NAV) as at 15 June 2010 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share.

## Ordinary Share Performance Since Launch



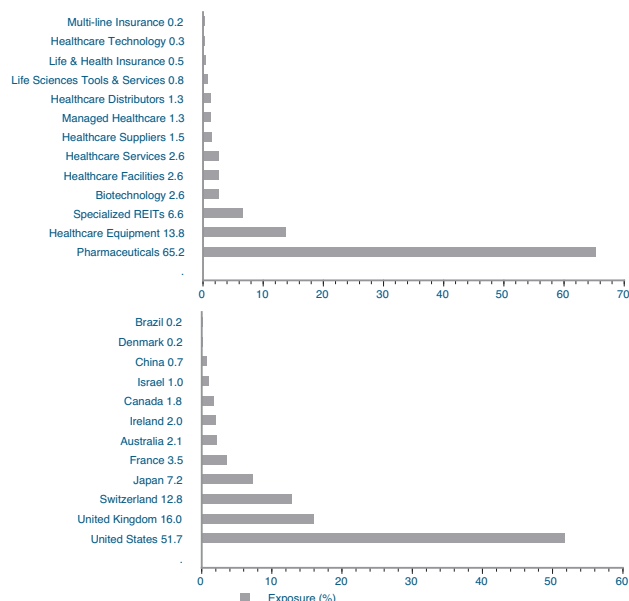
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## Ordinary Share Price & NAV per Share Since Launch



Source: Lipper & HSBC Securities Services (UK) Limited

## Sector & Geographic Exposure (%)



# 29 February 2012

## Fact sheet

### Trust Facts

Ordinary Shares	
Share Price (p)	110.25
NAV (undiluted) per Share (p)	109.87
NAV (diluted) per Share (p)	111.66
Discount / Premium (%)	-1.26
Capital Structure	97,899,999 shares of 25p

### Subscription Shares\*

Share Price (p)	13.13
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 (%)*	99.00

\*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

<b>Total Number of Holdings</b>	<b>78</b>
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### Top Ten Holdings (%)

Pfizer	8.8
GlaxoSmithKline	7.9
Merck & Co	7.7
Novartis	6.6
Eli Lilly	6.3
Roche Holding	5.5
Astellas Pharma	4.0
Bristol Myers Squibb	3.9
AstraZeneca	3.6
Abbott Labs	3.3
<b>Total</b>	<b>57.6</b>

### Market Capitalisation Exposure (%)

Large (greater than US\$ 5bn)	77.8
Medium (US\$ 1bn to 5bn)	8.5
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

February was another strong for global stock markets driven by a continuation of the themes we witnessed last month – namely improving US economic data and decreasing fear of a financial crisis in Europe. Given the increased investor appetite for risk, it was no surprise that the healthcare sector was a relative underperformer. The NAV for the Trust was up 0.8% for the month, which was in-line with the benchmark (Morgan Stanley Global Healthcare Index) that was also up 0.8%.

In terms of news flow, February was a reasonably quiet month for the pharmaceutical sector. Given that this is the peak year of the patent cliff, coupled with the political uncertainties in Europe, it is no surprise to us that 2012 guidance from most companies has been reasonably cautious. However, we still see companies returning cash to shareholders – notably, GlaxoSmithKline announced a supplemental dividend alongside its standard final dividend – and expect dividend growth across the sector to be in the region of 5% in 2012. For the broader healthcare sector, an improving US economy bodes well for the healthcare sector as healthcare utilisation should also improve – especially for those stocks that are more at the “cyclical” end of healthcare and rely on more discretionary consumer spending.

We made no major changes to the income portfolio during the month – we continue to maintain the large weighting in pharmaceutical stocks. As we noted last month, we would expect the pharmaceutical sector to be a relative underperformer in a market driven by increased risk appetite, especially given its strong relative outperformance in the second half of 2011.

We have made a few changes to the growth portfolio. We sold our position in Stryker and replaced it with Agilent Technologies; the latter is far more exposed to a cyclical recovery in healthcare, in our view. We also sold our position in Clovis Oncology, as it had reached our price target, and replaced it with a position in Incyte, a US biotechnology company that is in the early launch phase of Jakafi – a novel treatment for myelofibrosis (a serious bone marrow disorder). In addition, we participated in two Initial Public Offerings (IPOs) – one for Greenway, a US-based provider of software tools for healthcare providers, and EOS Imaging, a French medical technology company with an innovative X-ray technology.

We continue to have a positive bias for the broader stock market – despite some commentators calling for a pull-back – barring any major geopolitical incident. The US economic data, particularly the availability of credit for small and medium enterprises (SMEs), suggest that the current upturn may have greater longevity than is currently perceived. Moreover, we think that many investors have missed the recent rally and there is still cash on the side-lines waiting for a pull-back – as shown by certain data suggesting that money is moving into equities from money market and bond funds. In an improving US economy, we would expect certain healthcare sub-sectors to perform well, especially those that are more cyclical and/or have a higher beta, with large pharmaceutical names likely to lag on a relative basis. Even so, we remain confident in our thesis that the pharmaceutical sector can continue to steadily re-rate over the mid-term and will continue to position the portfolio accordingly.

Daniel Mahony

13th March 2012



29 February 2012

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 13 years' investment experience in the healthcare sector, with over 4 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, 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 7 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 12 years' investment experience in the healthcare sector, with 10 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 charter holder 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 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. 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 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.

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## 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.

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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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