Polar Capital Global Healthcare Growth and Income Trust plc

Report and Financial Statements for the half year ended 31 March 2012

About Us

Profile

The Company was incorporated on 12 May 2010. On 15 June 2010, it issued ordinary shares plus one subscription share for every five ordinary shares which were admitted to trading on the Main Market of the London Stock Exchange. The original subscription price for each ordinary share was £1 and the Net Asset Value ("NAV") per share on 15 June 2010 was 98p (after launch costs).

Investors may purchase shares through their stockbroker, bank or other financial intermediary.

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.

The full details of the investment policy are set out in the annual report.

Benchmark

The Benchmark is the MSCI ACWI/Healthcare Index total return in Sterling with dividends reinvested.

Capital Structure

At 31 March 2012, the Company had in issue 97,899,999 ordinary shares of 25p each and 17,800,000 subscription shares of 1p each.

The Company has not bought back any ordinary or subscription shares for cancellation in the half year up to 31 March 2012.

The subscription shares give the holders the right, but not the obligation, to subscribe for one ordinary share at 100p per ordinary share on 31 January 2014 after which the subscription rights will lapse.

Life

The Articles of Association require the Directors to put forward at the seventh Annual General Meeting a resolution to place the Company into liquidation. The voting on that resolution will be enhanced such that, provided any single vote is cast in favour, the resolution will be passed. The seventh AGM is expected to be held in January 2018.

Gearing

It is not intended that the Company incur borrowings to provide long-term structural debt. No borrowings have been made and no arrangements made for any banking loans. However, the Company may borrow up to 15% of its NAV at the time of drawdown for tactical deployment when the Board believes that gearing will enhance returns to shareholders.

Management

The investment manager is Polar Capital LLP and Dr Daniel Mahony and Mr Gareth Powell have managed the portfolio since launch. The Manager is entitled to a fee at the rate of 0.85% per annum of the lower of the Company's market capitalisation and the Company's net asset value. 80% of the management fee is charged to the capital account.

The investment manager is also entitled to a performance fee paid in cash. The fee is equal to 10% of the excess return over the performance fee hurdle. The hurdle is 100p increased or decreased by reference to the return on the Benchmark plus 15p. The performance is adjusted for these purposes to take into account the dividends paid by the Company. The fee is calculated and payable at the liquidation of the Company expected at the seventh AGM in January 2018.

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Financial Highlights

for the half year ended 31 March 2012

		(Unaudited) Half Year ended 31 March 2012	(Audited) Period ended 30 September 2011	% Change
Net asset value per ordinary share	Undiluted	114.93p	102.58p	12.0%
	Diluted	112.63p	102.18p	10.2%
Share Price				
Ordinary shares		117.25p	106.25p	10.4%
Subscription shares (note 1)		14.75p	12.25p	20.4%
Shares in issue				
	Ordinary	97,899,999	97,899,999	
	Subscription	17,800,000	17,800,000	

Benchmark Index	
MSCI ACWI/Healthcare Index (total return in Sterling with dividends reinvested)	13.12%
Net asset value per ordinary share (total return) (note 2)	12.98%
Total Expense Ratio for the half year ended to 31 March 2012. (Expense Ratio for the period 12 June 2010 to 30 September 2011: 1.27%)	1.09%

Dividends

	Pay date	Amount per ordinary share	Record date	Ex-date	Declared date
The Company has paid the following dividend relating to the financial year ended 30 September 2011:	30 November 2011	0.46p	04 November 2011	02 November 2011	26 October 2011
The Company has paid the following dividend relating to the current financial year:	29 February 2012	0.46p	10 February 2012	08 February 2012	26 January 2012
The Company has declared the following dividend relating to the current financial year:	31 May 2012	0.46p	18 May 2012	16 May 2012	9 May 2012

Note 1 - Subscription shares were issued free to investors on the 15 June 2010 on the basis of one subscription share for every five ordinary shares

Note 2 - The total return NAV is calculated by reinvesting the dividend in the assets of the Company from the relevant pay dates, from a starting NAV per ordinary share of 98.0p

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.

Chairman's statement

Performance

During the six months to 31 March 2012 your Company generated a total return of 13.0% which was slightly behind the benchmark which rose by 13.1% over the same period. Since inception in June 2010 we have achieved a total return of 21.9% compared to the benchmark return of 20.7%.This is broadly in line with our expectations at launch. Meanwhile our share price closed the period at 117.25p which represents a premium of 4.1% to diluted net asset value.

Dividends

As our name implies income is an important component of our total return. Dividends totalling 0.92p per share have been paid or declared in respect of the six months ended 31 March 2012 which compares with 0.80p for the corresponding period last year. Following the pattern set last year the dividends paid in February, May, and November are likely to be smaller than the dividend paid in August. The Company's policy remains to increase the dividend on an annual basis progressively but there can be no guarantee that this will be achieved.

Outlook

Our investment thesis that the imminent "patent cliff" was largely discounted in the share prices of the major pharmaceutical companies remains intact. Some companies like Pfizer, our largest holding, have produced better than expected results while others like AstraZeneca have disappointed. On balance there would however still appear to be considerable scope for a re-rating as the sector returns to growth driven by increased sales in emerging markets and successful pipeline progress. Meanwhile in the developed world the demographic profile of an ageing society should lead to increased demand for healthcare over the longer term.

James Robinson

Chairman
9 May 2012

Investment Managers' Report
for the half year ended 31 March 2012

For the six months to 31 March 2012, the Company delivered a total return of 13.0%, which was essentially in-line with the benchmark performance of 13.1% over the same period.

For the second half of calendar 2011, we were quite cautious on markets and positioned the portfolio defensively with a relatively high cash position. During this period the healthcare sector significantly out-performed the broader stock markets – largely due to the strong performance of pharmaceutical stocks. Given the sizeable weighting in large cap pharmaceuticals, the portfolio benefitted from this renewed interest.

At the beginning of January, we became more optimistic on the market outlook as there were signs that the U.S. economy was beginning to improve and lead economic indicators were beginning to turn. In addition, the moves by the European Central Bank, while not a "solution" to Europe's problems, seemed to have alleviated the near-term concerns in the European financial sector.

We adjusted the positioning of the portfolio to take advantage of an increase in risk appetite in the broader stock markets by increasing our weightings in the small/mid-cap companies in the growth portfolio. In addition, we started the period with a significant cash position of 6.6% and ended with the portfolio almost fully invested. As a result, we increased the beta of the portfolio but our weighting in large cap pharmaceuticals remained largely unchanged.

An increased risk appetite drove positive performance in the broader markets and so the healthcare sector was unsurprisingly a relative underperformer for the first three months of 2012. The pharmaceutical sector was the major laggard while certain sub-sectors, such as higher-risk biotechnology stocks (where we are significantly underweight versus our benchmark), had a very strong performance from January to March.

Our investment thesis for the pharmaceutical sector remains unchanged – we continue to see the potential for a re-rating as the sector returns to growth after the so-called "patent cliff". The performance of the sector over the last year is supportive of our investment thesis but we see the recovery as a multi-year process. In our view, the market has recognised the cost-cutting efforts across the sector, the solid cash flow and the potential for dividend growth. Given the recent macroeconomic turmoil, pharmaceutical stocks have provided investors with a reasonably safe haven and solid dividend yield. We believe that the next phase of performance will be driven by a dawning realisation that large pharmaceutical companies can return to growth – either from sales in emerging markets or from successful pipeline progress (or both). We think progress over the next two years will be critical for confirming a resurgence of the pharmaceutical industry.

We will continue to maintain a high weighting in the large cap pharmaceutical sector – we expect at least 60% of the portfolio to be invested in the larger drug stocks throughout the life of the Company. However, given the performance in 2011, especially in the last three weeks of the year, we were not surprised to see the drug sector consolidate some of these gains in the first quarter of 2012. Our goal is to deliver a total return in the region of 10-12% per annum throughout the life of the Company – our current expectation is that the pharmaceutical sector should deliver this level of return in 2012.

Our Income Portfolio

The overall portfolio has essentially maintained the 80:20 split between the income and growth portfolios that we described in the original prospectus. The largest weighting in the income portfolio is in pharmaceuticals, where we have built significant positions in most of the major global pharmaceutical companies. The large pharmaceutical companies continue to offer some of the best dividend yields in healthcare and we see the potential for 4-5% dividend growth across the sector.

In terms of other income generating stocks, we have diversified the portfolio with investments in a number of medical device and healthcare service names that generate a good dividend yield. We also have a series of investments in healthcare real estate investment trusts (REITs) based in the US. As expected, turnover of the income portfolio has been reasonably low, although we are always on the look-out for new income producing names.

The major contributors to portfolio performance during the reporting period were Pfizer, Merck, GlaxoSmithKline and Bristol-Myers. In the second half of 2011, the concerns over macroeconomic risks led generalist investors to look to the drug sector for defensive growth and, probably more importantly, solid dividend yield. Pfizer is the largest position in the portfolio – the stock was up 27% over the reporting period and was therefore the most significant

Investment Managers' Report continued
for the half year ended 31 March 2012

contributor to performance. Despite the company's largest selling product (cholesterol-lowering drug Lipitor) losing patent protection in November 2011, the company guided to flat to modest EPS growth in 2012 and announced a 10% increase in the dividend. In our view, Pfizer's focus on cost control and capital allocation, especially the company's willingness to divest non-core assets, has begun to be reflected in its valuation. Pfizer seems to have regained its status as the "go to" healthcare stock for generalist investors when the market environment is difficult.

While the weighting in large pharmaceutical stocks was largely unchanged, we made some changes in the underlying positions. After an impressive performance in the middle of 2011, we took some profits and significantly reduced the position in Bristol-Myers. We also reduced the positions in AstraZeneca, GlaxoSmithKline, Roche and Sanofi. We added to the positions in Merck and Novartis and opened a position in Takeda, the largest pharmaceutical company in Japan.

The best performer in the income portfolio during the period was Sabra Healthcare, a US-based REIT. Sabra has a very high exposure to the skilled nursing facility (SNF) sub-sector of healthcare facilities. The reimbursement for SNF providers was cut significantly in the summer of 2011 and this raised concerns that providers would be unable to pay their rent. As a result, shares in Sabra were down almost 35% in July 2011. However, we believed that there was scope for providers to cut costs and that the concerns regarding rent coverage were overdone; we increased our position in the name at the end of September and our investment thesis played out with the stock up 75% over the six months to 31 March.

Our Growth Portfolio

For the growth portfolio, we currently have 41 holdings in a range of biotechnology, device, service and pharmaceutical stocks. There is a slight bias towards larger market capitalisation names – nearly 45% of the growth book is invested in companies with a market capitalisation greater than $5 billion. The turnover in this part of the portfolio has been, and is likely to be, much higher than the income portfolio.

As noted above, our weighting in biotechnology names is low – at the end of March our weighting in biotechnology stocks for the entire portfolio was 3.0% compared to a benchmark weighting of 7.8%. While we like the high risk/reward biotechnology sector, our intention is to limit our exposure here as we intend to manage the growth portfolio reasonably cautiously. In terms of underlying stock performance, our best and worst performers for the growth portfolio were in the biotechnology sector. Both Targacept and Endocyte reported disappointing clinical data during the period with the holdings in the portfolio down 52% and 69%, respectively – these positions have now been sold. On the positive side, we benefitted from the strong rally in the biotechnology sector in January – the holdings in Clovis Oncology, Ariad and Dynavax were all up at least 60% during the reporting period.

Other notable positive contributors in the growth book have been medical device names Zoll Medical and Optos. Zoll Medical is one of the leading providers of defibrillators in the US. Its new product, the LifeVest, is the first wearable defibrillator for patients at risk of a life-threatening cardiac arrest. In the middle of March, the company announced that it had agreed to be acquired by Asahi Kasei. We had added the stock to the portfolio during December and made a 50% return on the investment. Optos is one of our favourite small UK-based medical technology companies with innovative diagnostic technology for ophthalmology. The company announced the launch of its new diagnostic system, the Daytona, in October last year. The stock was up over 70% during the reporting period as the initial feedback from customers has been very positive with the company reporting a strong order book in its March trading statement.

Within the growth book, over the last eighteen months, we have built a small diversified portfolio of investments in companies with a market capitalisation below $200 million. We view these investments as high risk/reward opportunities where we can take some liquidity risk and a longer-term investment horizon – two benefits of a closed-end fund. While we acknowledge that there may be some failures in this part of the portfolio, we would expect these to be more than offset by significant returns from any successful investments. We now have investments in ten companies that account for 3.2% of the entire portfolio.

We expect to add one or two additional companies over the coming months but do not anticipate that this part of the portfolio will comprise more than 5% of the total portfolio at the time of investment.

Moreover, given that we view each of these as a circa five-year investment, we do not expect to add to this part of the portfolio after the end of 2012 given that the Trust is expected to wind up in 2018.

Our best performer in this part of the portfolio was Synairgen. Synairgen is a small UK biotechnology company that is focused on new asthma treatments. It has developed an inhaled formulation of beta-interferon to protect asthmatic patients from respiratory viral infections (such as the common cold). The stock rallied over 75% during the reporting period in anticipation of data from an ongoing Phase II trial – the company subsequently reported a positive outcome to this study in the middle of April.

Outlook

We remain optimistic on the outlook for the healthcare sector. An improvement in the US economy should bode well for many healthcare sub-sectors as volumes may be stronger than expected – especially as companies have guided reasonably conservatively this year.

We expect some volatility over the coming months as the U.S. Presidential election race reaches a conclusion – we expect healthcare to be an important debating topic. Moreover, the Supreme Court will soon make a ruling on the constitutional aspects of President Obama's healthcare reform law. The two key issues are whether the Federal government has the power to force individuals to buy health insurance, the so-called individual mandate, and whether its plan to extend Medicaid from 100% to 133% of the poverty level was an act of coercion (since Medicaid is provided by State governments). If the Supreme Court decides that the individual mandate is unconstitutional then it must also determine whether the entire healthcare reform law should also be struck out. A ruling is expected by the end of June but the outcome is difficult to predict. Our view is that there is a good chance that the individual mandate may be ruled unconstitutional but that the rest of the law is likely to stand. Despite the volatility around the Supreme Court debate, we think the U.S. political risk is reasonably low as the Presidential election is likely to focus far more on the economy rather than on healthcare and it is unlikely we will see any major new legislation in an election year.

On a global perspective, we believe that government austerity measures have accelerated the need to address healthcare inefficiency. In our view, there is a willingness to pay a premium for new technologies that improve clinical outcomes and/or reduce the costs of healthcare. Therefore, when looking for growth in healthcare, our focus remains on companies with products and services that deliver better (or even the same) healthcare for less money.

The pharmaceutical sector is unlikely to outperform in the context of a strengthening economy and rallying stock market but the industry as a whole continues to make steady progress and we remain confident in our long-term investment thesis. More importantly, this is the peak year for patent expirations and as investors begin to look forward into 2013 the patent cliff will be behind many of the larger companies

Dr Daniel Mahony and Mr Gareth Powell
Polar Capital LLP
9 May 2012

Portfolio
as at 31 March 2011

	Stock	Country	Market Value £'000		% of total investments	
			31 March 2012	30 September 2011	31 March 2012	30 September 2011
1 (3)	Pfizer	United States	9,565	8,228	8.5%	8.2%
2 (1)	GlaxoSmithKline	United Kingdom	8,641	9,328	7.7%	9.3%
3 (7)	Novartis	Switzerland	8,640	5,021	7.7%	5.0%
4 (6)	Merck & Co	United States	8,405	5,353	7.5%	5.3%
5 (4)	Roche Holding	Switzerland	7,071	7,792	6.3%	7.8%
6 (5)	Eli Lilly	United States	5,040	5,479	4.5%	5.5%
7 (2)	Bristol Myers Squibb	United States	4,436	8,254	3.9%	8.2%
8 (11)	Astellas Pharma	Japan	4,396	3,184	3.9%	3.2%
9 (10)	Abbott Labs	United States	3,915	3,284	3.5%	3.3%
10 (13)	Johnson & Johnson	United States	3,303	1,635	2.9%	1.6%
Top 10 investments			63,412		56.4%	
11 (9)	AstraZeneca	United Kingdom	3,224	4,157	2.9%	4.1%
12	Takeda Pharmaceutical	Japan	2,772	–	2.5%	–
13 (8)	Sanofi	France	2,426	4,250	2.2%	4.2%
14 (12)	Consort Medical	United Kingdom	2,198	1,820	1.9%	1.8%
15 (14)	Sonic Healthcare	Australia	1,816	1,593	1.6%	1.6%
16 (19)	Allergan	United States	1,493	1,058	1.3%	1.1%
17 (22)	Health Care REIT	United States	1,375	901	1.2%	0.9%
18 (17)	Bayer	Germany	1,318	1,064	1.2%	1.1%
19 (44)	St Jude Medical	United States	1,165	372	1.0%	0.4%
20	Teva Pharmaceutical	Israel	1,128	–	1.0%	–
Top 20 investments			82,327		73.2%	
21 (15)	Baxter International	United States	1,122	1,082	1.0%	1.1%
22 (20)	UnitedHealth Group	United States	1,107	1,035	1.0%	1.0%
23 (25)	Senior Housing Property	United States	1,104	830	1.0%	0.8%
24	Hologic	United States	1,079	–	1.0%	–
25 (26)	National Health Investors	United States	1,066	677	0.9%	0.7%
26 (24)	Covidien	Ireland	1,060	877	0.9%	0.9%
27 (29)	Omega Healthcare	United States	998	613	0.9%	0.6%
28	Cardinal Health	United States	944	–	0.8%	–
29 (32)	Sabra Healthcare REIT	United States	875	520	0.8%	0.5%
30 (21)	Alexion Pharmaceuticals	United States	872	925	0.8%	0.9%
Top 30 investments			92,554		82.3%	
31 (46)	Healthcare Realty Trust REIT	United States	826	324	0.7%	0.3%
32 (36)	Optos	United Kingdom	795	447	0.7%	0.4%
33	Medical Facilities	Canada	789	–	0.7%	–
34 (31)	Cyberonics	United States	716	544	0.6%	0.5%
35	Endologix	United States	619	–	0.6%	–
36	Incyte Genomics	United States	604	–	0.5%	–
37	Jazz Pharmaceuticals	Ireland	596	–	0.5%	–
38 (38)	Extendicare Real Estate	Canada	591	431	0.5%	0.4%
39 (45)	Futura Medical	United Kingdom	564	335	0.5%	0.3%
40 (40)	Air Methods	United States	546	408	0.5%	0.4%
Top 40 investments			99,200		88.1%	

	Stock	Country	Market Value £'000		% of total investments	
			31 March 2012	30 September 2011	31 March 2012	30 September 2011
41	Insulet	United States	539	–	0.5%	–
42 (28)	Coltene Holding	Switzerland	537	617	0.5%	0.6%
43	Biomarin Pharmaceutical	United States	535	–	0.5%	–
44	Medical Properties Trust	United States	523	–	0.5%	–
45 (42)	Healthcare Services Group	United States	511	397	0.5%	0.4%
46	United Drug	Ireland	496	–	0.4%	–
47 (41)	Meridian Biosciences	United States	485	404	0.4%	0.4%
48 (39)	NIB Holdings	Australia	480	428	0.4%	0.4%
49 (52)	Hutchison China Meditech	China	467	288	0.4%	0.3%
50	Amerigroup	United States	463	–	0.4%	–
Top 50 investments			104,236		92.6%	
51 (55)	Synairgen	United Kingdom	457	241	0.4%	0.2%
52	Trius Therapeutics	United States	455	–	0.4%	–
53	Epistem Holdings	United Kingdom	454	–	0.4%	–
54 (33)	Asahi Intecc	Japan	439	480	0.4%	0.5%
55	Health Management Associates	United States	420	–	0.4%	–
56	Agilent Technologies	United States	418	–	0.4%	–
57	China Kanghui Holdings	China	417	–	0.4%	–
58 (34)	Humana	United States	405	467	0.4%	0.5%
59	Novadaq Technologies	Canada	401	–	0.4%	–
60 (48)	Emeritus	United States	387	297	0.3%	0.3%
Top 60 investments			108,489		96.5%	
61	Five Star Quality Care	United States	358	–	0.3%	–
62 (49)	AmSurg	United States	357	294	0.3%	0.3%
63	Oxford Pharmascience	United Kingdom	350	–	0.3%	–
64	Dynavax Technologies	United States	349	–	0.3%	–
65	Greenway Medical Technologies	United States	335	–	0.3%	–
66	EOS Imaging	France	298	–	0.3%	–
67 (47)	Stentys	France	270	298	0.2%	0.3%
68 (43)	Circle Holdings	United Kingdom	256	389	0.2%	0.4%
69 (35)	HCP	United States	247	450	0.2%	0.4%
70	Nobel Biocare	Switzerland	235	–	0.2%	–
Top 70 investments			111,544		99.1%	
71 (59)	Nichi-Iko Pharmaceutical	Japan	208	182	0.2%	0.2%
72 (61)	Leisureworld Senior Care	Canada	153	128	0.1%	0.1%
73 (60)	Sul America	Brazil	145	133	0.1%	0.1%
74 (62)	Oxford Biomedica	United Kingdom	57	97	0.1%	0.1%
Total equities			112,107		99.6%	
Options – (Put & Call)			(2)		–	
Total Investments			112,105		99.6%	
Other net assets (excluding options)			411		0.4%	
Net Assets			112,516		100.0%	

Portfolio continued
as at 31 March 2011

Geographical Exposure as at	31 March 2012 %	30 September 2011 %
United States	51.6	48.7
United Kingdom	15.1	16.6
Switzerland	14.6	13.4
Japan	6.9	3.9
France	2.7	4.5
Australia	2.0	2.0
Ireland	1.9	0.9
Canada	1.7	0.5
Germany	1.2	1.9
Israel	1.0	0.2
China	0.8	0.3
Brazil	0.1	0.1
Denmark	–	0.2
Sweden	–	0.2
Cash	0.4	6.6
Total	100.0%	100.0%

Sector Exposure as at	31 March 2012 %	30 September 2011 %
Pharmaceuticals	65.4	65.9
Healthcare Equipment	13.2	10.5
Specialised REITs	6.8	4.6
Biotechnology	3.0	4.2
Healthcare Services	2.6	3.4
Healthcare Facilities	2.4	1.1
Managed Healthcare	1.8	1.6
Healthcare Suppliers	1.5	1.0
Healthcare Distributors	1.3	0.6
Life Sciences Tools & Services	0.8	–
Life & Health Insurance	0.4	0.4
Healthcare Technology	0.3	–
Multi-line Insurance	0.1	0.1
Cash	0.4	6.6
Total	100.0%	100.0%

Market Capitalisation of investments as at	31 March 2012 %	30 September 2011 %
Large (greater than 5$bn)	77.9	84.0
Medium (1$bn – 5$bn)	8.3	5.5
Small (less than 1$bn)	13.8	10.5
Total	100.0%	100.0%

Statement of Directors' Responsibilities

Risks and Uncertainties

The Directors consider that the principal risks and uncertainties faced by the group for the remaining six months of the financial year, which could have a material impact on performance, are consistent with those outlined in the Report and Financial Statements for the period ended 30 September 2011.

These principal risks can be summarised as market volatility, stock pricing and liquidity risk, currency and interest rate risk, counterparty risk, and differing economic cycles between different markets.

The investment manager's report comments on the outlook for market related risks.

The Company's risk management framework that is a structured process for identifying, assessing and managing the risks associated with the Company's business. The investment portfolio is diversified by geography, which mitigates risk, but is focused on the Healthcare sector and has a high proportion of investments listed on US markets or exposed to the US Dollar.

Directors' Responsibility Statement

The Directors of Polar Capital Global Healthcare Growth and Income Trust plc, who are listed in the Company Information Section, confirm to the best of their knowledge that:

- the condensed set of financial statements have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union;
- the Interim Management Report (constituting the Investment Manager's report) includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7R;
- in accordance with DTR 4.2.8R there have been no new related party transactions during the six month period to 31 March 2012 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period. There have been no changes in any related party transaction described in the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The half year financial report for the six months ended 31 March 2012 has not been audited or reviewed by the auditors.

The financial report for the six months ended 31 March 2012 was approved by the Board on 8 May 2012 and the responsibility statement was signed on its behalf by J P Robinson, Chairman of the Board.

James Robinson

Chairman
9 May 2012

Consolidated Statement of Comprehensive Income

for the half year ended 31 March 2012

		(Unaudited) Half year ended 31 March 2012			(Unaudited) Period ended 31 March 2011			(Audited) Period ended 30 September 2011		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	2,316	149	2,465	2,714	265	2,979	4,512	281	4,793
Other operating income	2	310	–	310	382	–	382	747	–	747
Gains on investments held at fair value		–	11,128	11,128	–	3,964	3,964	–	3,636	3,636
Other movements on written options		–	78	78	–	(5)	(5)	–	(89)	(89)
Other currency losses		–	(121)	(121)	–	(515)	(515)	–	(610)	(610)
Total income		2,626	11,234	13,860	3,096	3,709	6,805	5,259	3,218	8,477
Expenses										
Investment management fee		(92)	(363)	(455)	(119)	(474)	(593)	(204)	(814)	(1,018)
Other administrative expenses		(139)	–	(139)	(344)	–	(344)	(510)	–	(510)
Total expenses		(231)	(363)	(594)	(463)	(474)	(937)	(714)	(814)	(1,528)
Profit before finance costs and tax		2,395	10,871	13,266	2,633	3,235	5,868	4,545	2,404	6,949
Finance costs		–	–	–	–	–	–	–	(1)	(1)
Profit before tax		2,395	10,871	13,266	2,633	3,235	5,868	4,545	2,403	6,948
Tax		(261)	(3)	(264)	(304)	(5)	(309)	(549)	46	(503)
Net profit for the period and total comprehensive income		2,134	10,868	13,002	2,329	3,230	5,559	3,996	2,449	6,445
Earnings per ordinary share (basic) (pence)	3	2.18	11.10	13.28	2.61	3.62	6.23	4.37	2.68	7.05
Earnings per ordinary share (diluted) (pence)	3	2.15	10.95	13.10	2.60	3.60	6.20	4.34	2.66	7.00

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

The net profit for the period of the Company was £13,002,000 (31 March 2011: £5,559,000 and 30 September 2011: £6,445,000).

All income is attributable to the equity holders of Polar Capital Healthcare Growth & Income Trust plc. There are no minority interests.

The Group does not have any Other Comprehensive Income and hence the net profit, as disclose above, is the same as the Group's total Comprehensive Income.

The notes on pages 14 to 17 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 March 2012

	(Unaudited) Half year ended 31 March 2012					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Group						
Total equity at 30 September 2011	24,653	7,365	64,792	2,449	1,165	100,424
Total comprehensive income:						
Profit for the period to 31 March 2012	–	–	–	10,868	2,134	13,002
Transactions with owners, recorded directly to equity:						
Share issue costs	–	(10)	–	–	–	(10)
Equity dividends paid	–	–	–	–	(900)	(900)
Total equity at 31 March 2012	24,653	7,355	64,792	13,317	2,399	112,516

	(Unaudited) Period ended 31 March 2011					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Group						
Total equity at 12 May 2010	–	–	–	–	–	–
Total comprehensive income:						
Profit for the period to 31 March 2011	–	–	–	3,230	2,329	5,559
Transactions with owners, recorded directly to equity:						
Issue of 91,000,000 ordinary shares	22,750	66,560	–	–	–	89,310
Issue of 17,800,00 subscription shares	178	(178)	–	–	–	–
Transfer of Share Premium to Special Distributable Reserve		(64,792)	64,792	–	–	–
Equity dividends paid	–	–	–	–	(712)	(712)
Total equity at 31 March 2011	22,928	1,590	64,792	3,230	1,617	94,157

	(Audited) Period ended 30 September 2011					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Group						
Total equity at 12 May 2010	–	–	–	–	–	–
Total comprehensive income:						
Profit for the period to 30 September 2011	–	–	–	2,449	3,996	6,445
Transactions with owners, recorded directly to equity:						
Issue of 97,899,999 ordinary shares	24,475	74,133	–	–	–	98,608
Issue of 17,800,00 subscription shares	178	(178)	–	–	–	–
Share issue costs	–	(1,798)	–	–	–	(1,798)
Transfer of Share Premium to Special Distributable Reserve		(64,792)	64,792	–	–	–
Equity dividends paid	–	–	–	–	(2,831)	(2,831)
Total equity at 30 September 2011	24,653	7,365	64,792	2,449	1,165	100,424

The notes on pages 14 to 17 form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2012

	Notes	(Unaudited) 31 March 2012 £'000	(Unaudited) 31 March 2011 £'000	(Audited) 30 September 2011 £'000
Non current assets				
Investments held at fair value		112,107	91,347	93,903
Current assets				
Other receivables		1,791	762	455
Cash and cash equivalents		4,070	2,903	6,839
		5,861	3,665	7,294
Total assets		117,968	95,012	101,197
Current liabilities				
Other payables		(5,450)	(803)	(638)
Fair value of open derivative contracts		(2)	(52)	(135)
		(5,452)	(855)	(773)
Net assets		112,516	94,157	100,424
Equity attributable to equity shareholders				
Called up share capital		24,653	22,928	24,653
Share premium reserve		7,355	1,590	7,365
Special distributable reserve		64,792	64,792	64,792
Capital reserves		13,317	3,230	2,449
Revenue reserve		2,399	1,617	1,165
Total equity		112,516	94,157	100,424
Net asset value per ordinary share (pence)	4	114.93	103.47	102.58
Net asset value per ordinary share (diluted) (pence)	4	112.63	102.90	102.18

The notes on pages 14 to 17 form part of these financial statements.

Consolidated Cash Flow Statement

For the half year ended 31 March 2012

	(Unaudited) Half year ended 31 March 2012 £'000	(Unaudited) Period ended 31 March 2011 £'000	(Audited) Period ended 30 September 2011 £'000
Cash flows from operating activities			
Profit before finance costs and tax	13,266	5,868	6,949
Adjustment for non-cash items:			
Gain on investments held at fair value through profit or loss	(11,128)	(3,964)	(3,636)
Adjusted profit before finance costs and tax	2,138	1,904	3,313
Adjustments for:			
Purchases of investments, including transaction costs	(32,239)	(118,614)	(144,999)
Sales of investments, including transaction costs	29,034	31,455	54,971
Increase in receivables	(617)	(417)	(319)
Increase in payables	84	412	534
Overseas tax deducted at source	(259)	(435)	(639)
Net cash used in operating activities	(1,859)	(85,695)	(87,139)
Cash flows from financing activities			
Issue of share capital (net of issue costs)	(10)	89,310	96,810
Equity dividends paid	(900)	(712)	(2,831)
Finance costs paid	–	–	(1)
Net cash (used in)/from financing activities	(910)	88,598	93,978
Net (decrease)/increase in cash and cash equivalents	(2,769)	2,903	6,839
Cash and cash equivalents at the beginning of the period	6,839	–	–
Cash and cash equivalents at the end of the period	4,070	2,903	6,839

The notes on pages 14 to 17 form part of these financial statements.

Notes to the Financial Statements

For the half year ended 31 March 2012

1 General Information

The consolidated financial statements comprise the unaudited results for Polar Capital Global Healthcare Growth & Income Trust Plc and its subsidiary, Polar Capital Global Healthcare Finance Limited, for the six month period to 31 March 2012. The unaudited financial statements to 31 March 2012 have been prepared using the accounting policies used in the Group's financial statements to 30 September 2011. These accounting policies are based on International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Accounting Standards Committee ("IASC"), as adopted by the European Union.

The financial information in this Half Year Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the periods ended 31 March 2012 and 31 March 2011 has not been audited. The figures and financial information for the period ended 30 September 2011 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Full statutory accounts for the period ended 30 September 2011, prepared under IFRS, including the report of the auditors, which was unqualified, did not draw attention to any matters by way of emphasis and which did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The comparative periods to 31 March and 30 September 2011 are for the period from incorporation on 12 May 2010. Figures covering a comparable six month period to 31 March 2011 have not been provided as it is considered impracticable to do so.

The Group's accounting policies have not varied from those described in the financial statements for the period ended 30 September 2011.

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

2 Dividends and Other Income

	(Unaudited) For the half year ended 31 March 2012 £'000	(Unaudited) For the period ended 31 March 2011 £'000	(Audited) For the period ended 30 September 2011 £'000
Investment income			
Revenue:			
Franked: Listed investments			
Dividend income	1,862	595	958
Unfranked: Listed investments			
Dividend income	454	2,119	3,554
Total investment income	2,316	2,714	4,512
Capital:			
Special dividends allocated to capital	31	209	225
Dividends from REITs allocated to capital	118	56	56
Special dividends allocated to capital	149	265	281
Other operating income			
Option premium income	309	380	744
Bank interest	1	2	3
Total other operating income	310	382	747

Notes to the Financial Statements continued

For the half year ended 31 March 2012

3 Earnings per Ordinary Share

	(Unaudited) For the half year ended 31 March 2012 £'000	(Unaudited) For the period ended 31 March 2011 £'000	(Audited) For the period ended 30 September 2011 £'000
Basic earnings per share			
Net profit for the period:			
Revenue	2,134	2,329	3,996
Capital	10,868	3,230	2,449
Total	13,002	5,559	6,445
Weighted average number of shares in issue during the period	97,899,999	89,311,419	91,406,144
Revenue	2.18p	2.61p	4.37p
Capital	11.10p	3.62p	2.68p
Total	13.28p	6.23p	7.05p

	(Unaudited) For the half year ended 31 March 2012 £'000	(Unaudited) For the period ended 31 March 2011 £'000	(Audited) For the period ended 30 September 2011 £'000
Diluted earnings per share			
Net profit for the period:			
Revenue	2,134	2,329	3,996
Capital	10,868	3,230	2,449
Total	13,002	5,559	6,445
Diluted number of shares in issue during the period	99,280,849	89,612,402	92,029,651
Revenue	2.15p	2.60p	4.34p
Capital	10.95p	3.60p	2.66p
Total	13.10p	6.20p	7.00p

The calculation of the diluted total, revenue and capital returns per ordinary share are carried out in accordance with IAS 33"Earnings per Share". For the purposes of calculating diluted returns per ordinary share, the number of ordinary shares is the weighted average used in the basic calculation plus the number of ordinary shares deemed to be issued for no consideration on exercise of all subscription shares by reference to the average share price of the ordinary shares during the year.

4 Net Asset Value per Ordinary Share

	(Unaudited) As at 31 March 2012 £'000	(Unaudited) As at 31 March 2011 £'000	(Audited) As at 30 September 2011 £'000
Undiluted:			
Net assets attributable to ordinary shareholders (£'000)	112,516	94,157	100,424
Ordinary shares in issue at end of period	97,899,999	91,000,000	97,899,999
Net asset value per ordinary share (pence)	114.93	103.47	102.58
Diluted:			
Net assets attributable to ordinary shareholders (£'000)	130,316	111,957	118,224
Ordinary shares in issue at end of period if subscription shares converted	115,699,999	108,800,000	115,699,999
Net asset value per ordinary share (pence)	112.63	102.90	102.18

The diluted net asset value per ordinary share has been calculated on the assumption that 17,800,000 subscription shares in issue were converted at 100 pence per share, resulting in a total number of shares in issue of 115,699,999 (31 March 2011: 108,800,00 and 30 September 2011: 115,699,999).

5 Dividends

The second interim dividend of 0.46 pence per Ordinary share will be paid on 31 May 2012 to shareholders on the register at 18 May 2012. A first interim dividend of 0.46 pence per Ordinary Share was paid on 29 February 2012. In total, dividends of 0.92 pence per share have been paid or declared for the six months ended 31 March 2012.

6 Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Group during the six month period to 31 March 2012.

Company Information

Directors

J P Robinson, Chairman
J C Aston, OBE
A B Milford
A D Brampton

Company Registration Number

7251471
(Registered in England)
The Company is an investment company as defined under Section 833 of the Companies Act 2006.

Investment Manager

Polar Capital LLP
4 Matthew Parker Street, London SW1H 9NP

Authorised and regulated by the Financial Services Authority.

Telephone: 020 7227 2700
www.polarcapital.co.uk

Fund Managers

Dr Daniel Mahony and Mr Gareth Powell

Secretary

Polar Capital Secretarial Services Limited represented by N P Taylor.

Registered Office

4 Matthew Parker Street
London SW1H 9NP

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
Erskine House
68 - 73 Queen Street
Edinburgh EH2 4 NH

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Stockbrokers

Matrix Corporate Capital
One Vine Street
London W1J 0AH

Bankers and Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Share holder helpline 0800 3134922 (or +44 121 4157047)

Identification Codes

Ordinary shares
SEDOL: B6832P1
ISIN: GB00B6832P16
TICKER: PCGH

Subscription shares
SEDOL: B68VXC9
ISIN: GB00B68VXC96
TICKER: PCGS

Share Prices and Net Asset Value

The Company's Net Asset Value (NAV) is normally released daily, on the next working day, following the calculation date, to the London Stock Exchange. The mid-market price of the ordinary shares is published daily in the Financial Times in the Companies and Markets section under the heading 'Investment Companies'. Share price information is also available from The London Stock Exchange Website:

www.londonstockexchange.co.uk

Portfolio Details

Portfolio information is provided to the AIC for its monthly statistical information service

Company Website

www.polarcapitalhealthcaretrust.co.uk

The Company maintains a website which provides a wide range of information on the Company, monthly factsheets issued by the investment manager and copies of announcements, including the annual and half year reports when issued.

(www.theaic.co.uk).

aic

The company is a member of the Association of Investment Companies

Warnings to Shareholders

Past performance is no guarantee of future performance.

The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests, and by the supply and demand for the Company's shares.

As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.

Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.

Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

Boiler Room Scams

Over the last year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml. Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk

Forward-looking Statements

Certain statements included in this Interim Report contain forward-looking information concerning the Company's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Company operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the principal risks and uncertainties included in the Annual Report for the financial period ended 30 September 2011 and the prospectus published by the Company on 30 January 2012. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Global Healthcare Growth and Income Trust plc or any other entity, and must not be relied upon in any way in connection with any investment decision. The Company undertakes no obligation to update any forward-looking statements.

Company Information continued

Investing

Market Purchases

The ordinary and subscription shares of Polar Capital Global Healthcare Growth and Income Trust plc are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

The Company has arranged for Shareview Dealing, a telephone and Internet share sale service offered by Equiniti to be made available.

For telephone sales call 0800 876 6889 (or +44 121 415 7047) between 8.30am and 4.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday.

For Internet sales log on to www.shareview.co.uk/dealing

Savings Scheme & ISA

UK residents can invest through the Alliance Trust. They provide and administer a range of self-select investment plans, including tax-advantaged ISAs and SIPPs (self-invested personal pensions) and also Investment Plans and First Steps, an investment plan for children.

For more information, please contact Alliance Trust on 08000 326 323, or visit www.alliancetrust.co.uk

Please remember that any investment in the shares of Polar Capital Global Healthcare Growth and Income Trust either directly or through a savings scheme or ISA carries the risk that the value of your investment and any income from them may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back their original amount invested. Past performance is not a guide to future performance.

Polar Capital Global Healthcare Growth and Income Trust is allowed to borrow against its assets and this may increase losses triggered by a falling market, however the Company may increase or decrease its borrowing levels to suit market conditions.

If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Subscription Shares

Polar Capital Global Healthcare Growth and Income Trust plc issued subscription shares on 15 June 2010 on the basis of one subscription share for every five ordinary shares subscribed. The subscription shares were admitted to trading on the London Stock Exchange on 15 June 2010.

Subscription shares offer the right to subscribe for ordinary shares of the Company at 100p per ordinary share on 31 January 2014. It is intended that a reminder letter will be sent to holders of subscription shares along with the Annual Report for the year ending 30 September 2013.

Subscription shares acquired other than pursuant to the placing are qualifying investments for the stocks and shares component of an ISA, and should be eligible for inclusion in a UK SIPP.

Subscription Shares Tax Implications

The base 'cost' for UK tax purposes of the subscription shares will be a proportion of the issue price paid for the ordinary shares to which the subscription shares were attached. The apportionment is made by reference to the respective market values of the ordinary shares and subscription shares at the close of business on 15 June 2010, the day the ordinary and subscription shares were admitted to trading. The market value for UK tax purposes of the Company's ordinary shares and subscription shares on such date were as follows:

Ordinary Shares 101.0p

Subscription Shares 14.875p

If you exercise the subscription rights attaching to your subscription shares, the resulting ordinary shares will be treated for UK tax purposes as the 'same' asset as the subscription shares in respect of which the subscription rights are exercised. The base 'cost' for UK tax purposes of the resulting ordinary shares will be the base cost attributed to the exercised subscription shares, increased by the amount of subscription monies paid.

Please note this is a summary of some of the information contained in the Prospectus issued by the Company on 26 May 2010 (the "Prospectus") in connection with the Placing and Offer for Subscription of ordinary shares and subscription shares and should be read as such. Full details of the subscription shares, their issue and conversion are set out in the Prospectus and reference should be made to that document for a complete and full understanding of the matters terms of the subscription shares.

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