Polar Capital Global Financials Trust plc

Trust Fact Sheet
29 June 2018

Trust Facts

Ordinary Shares

Share Price	133.50p
NAV per share	141.78p
Premium	-
Discount	-5.84%
Capital	202,775,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£287.5m
AIC Gearing Ratio	2.50%
AIC Net Cash Ratio	0.00%

Historic Yield (%) **2.92**

Dividends (p/share)

February 2018 (paid)	1.80
August 2017 (paid)	2.10
February 2017 (paid)	1.60
August 2016 (paid)	1.95

Benchmark [4]

MSCI World Financials + Real Estate Net Total Return Index

Fees [2, 3]

Management	0.85%
Performance	10%
Ongoing Charges	1.02%

Risk Warning
Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information at the end of this document and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

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.

Subscription shares will have a dilutive effect on ordinary shares when the Net Asset Value (NAV) is greater than the conversion price.

Company Profile

Investment Objective

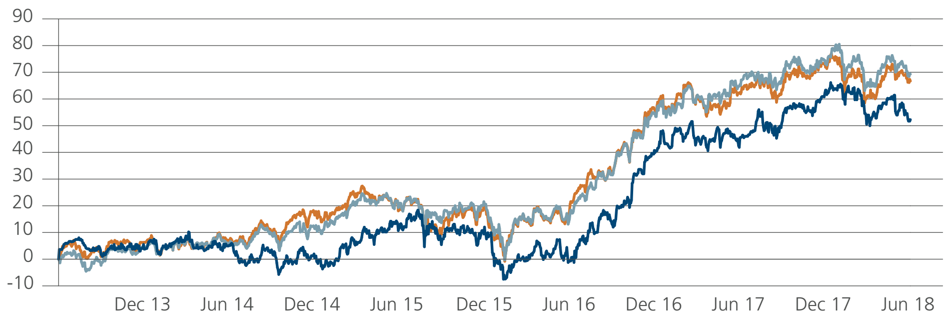
The Company seeks to generate a growing dividend income and capital appreciation by investing primarily in a global portfolio consisting of securities issued by companies within the financials sector operating in the banking, insurance, property and other sub-sectors.

Investment Policy

The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.

Performance

Performance Since Launch (%)



	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price (TR) [5]	-1.11	-1.11	-6.76	4.67	52.27
NAV (undiluted per Share) (TR)	-0.65	1.91	-2.21	2.59	69.30
Benchmark [4]	-0.56	3.39	-3.02	2.98	66.70

Discrete Performance (%)

	30/11/17 29/06/18	30/11/16 30/11/17	30/11/15 30/11/16	28/11/14 30/11/15	29/11/13 28/11/14
Ordinary Share Price (TR) [5]	-2.21	16.66	21.43	6.22	-2.14
NAV per Share (TR)	-0.75	16.40	22.17	5.23	9.86
Benchmark [4]	-1.21	14.20	24.47	0.88	10.98

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, Net of Fees in GBP. The Trust was launched on 1 July 2013. The Net Asset Value (NAV) as at 1 July 2013 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. The share price performance is adjusted for dividends paid out.

1. Gearing calculations are exclusive of current year revenue.
2. The performance fee is on any outperformance over a hurdle of the index +1.25 pence per annum. Further details can be found in the Report and Accounts and Prospectus.
3. Ongoing charges calculated at the latest published year end date, excluding any performance fees.
4. As of August 2016, the MSCI removed Real Estate as a constituent from the MSCI World Financials Index. Benchmark data above illustrates linked performance of the MSCI World Financials Index prior to August 2016 and MSCI World Financials + Real Estate Net Total Return Index since August 2016 to present.
5. Ordinary share price (TR) does not take into account returns shareholders would have received from the subscription shares that they were issued with at launch. Please note that the subscription shares issued at the time of launch were subject to a single exercise date being 31 July 2017.

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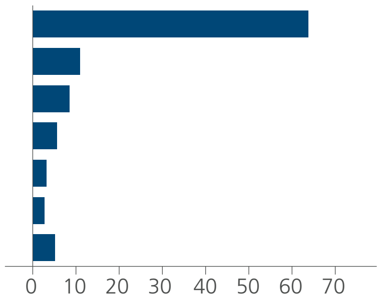
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 29 June 2018

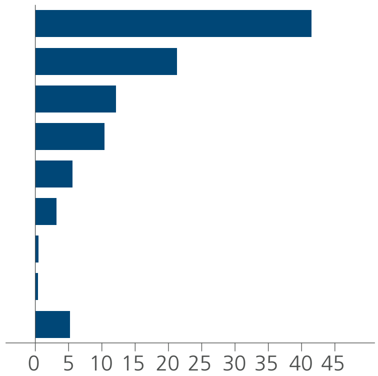
Sector Exposure (%)

Banks	63.8
Insurance	11.0
Diversified Financials	8.5
Fixed Income	5.6
Real Estate	3.2
Software & Services	2.7
Cash	5.2



Geographic Exposure (%)

North America	41.5
Europe	21.2
Asia Pac (ex-Japan)	12.1
UK	10.4
Fixed Income	5.6
Japan	3.2
Eastern Europe	0.5
Latin America	0.4
Cash	5.2



Top 15 Holdings (%)

JPMorgan	4.9
Bank of America	4.1
Wells Fargo	3.3
Mastercard	2.7
Chubb	2.6
Citigroup	2.6
ING Groep	2.5
Sumitomo Mitsui Financial	2.3
Marsh & McLennan	2.1
Toronto-Dominion	2.1
KBC Groep	2.1
BNP Paribas	2.0
PNC	1.9
Sampo	1.9
KeyCorp	1.8
Total	**38.9**

Total Number of Positions 69

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	80.2
Medium (US$ 0.5bn - 5bn)	17.4
Small (less than US$ 0.5bn)	2.4

Investing in the Trust and Shareholder Information

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Half Year End	31 May
Results Announced	Late Jan/Feb
Next AGM	April 2019
Trust Term	Fixed life to May 2020
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.

Corporate Contacts

Registered Office and Website

16 Palace Street, London SW1E 5JD
www.polarcapitalglobalfinancialstrust.co.uk

Custodian

HSBC Plc is the Depositary and provides global custody of all the company's investments

Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Codes

Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Note: Totals may not sum due to rounding.

Fund Manager Comments

As at 29 June 2018

Financials fell in June after initially rallying post the sell-off in May, as a result underperforming the underlying equity markets on the back of rising trade tensions and increased political risk. Asian markets were particularly weak following the announcement of new US tariffs on China which led to retaliatory measures and renewed protectionist rhetoric. Against this background the Trust's net asset value fell 0.7% in June with sterling weakness offsetting some of the fall.

Year-to-date financials have performed poorly. In sterling terms, excluding the financials sector, global equity markets have returned 4.4%, as illustrated by the MSCI World ex Financials Net Index. By comparison, over the same period financials have fallen 3.8%, using the MSCI World Financials Net Total Return Index, driven by falls in bank shares, an underperformance of 8.2%. The telecom sector is the only sector to have performed worse.

The last time financials underperformed to this degree was from the second half of 2015 through to the beginning of 2016 on the back of worries about weak global growth and consequently a poor outlook for interest rates. They then went on to underperform further as central banks cut interest rates further and fears abounded around the profitability of the sector until bond yields bottomed in July 2016, post the UK referendum vote on the EU.

Post these falls, as economic data picked up and expectations for the outlook for interest rates also improved sharply, the sector outperformed over the following 18 months recovering all of the previous underperformance. This outperformance was underpinned by the announcement of tax reform in the US and steps taken by the Trump administration to roll-back some of the post-financial crisis regulation that has acted as a headwind on the sector.

The recent underperformance of European financials is understandable in the context of increased political risk, particularly in Italy. This was reinforced by dovish comments from the European Central Bank with guidance for interest rates to remain on hold "at least through summer 2019". While we do not expect a material change to earnings expectations, it has pushed back expectations on rate normalisation and hit sentiment knocking share prices by more than we feel is justified.

US banks have also underperformed despite the more robust outlook for the US economy and interest rates. With capital return from the sector remaining underpinned - as evidenced by the latest CCAR (Comprehensive Capital Analysis & Review) results, for US banks, with the total payout rising by 22% year on year to $168 billion - their performance looks surprising. This is despite this year's test being the toughest to date forecasting a fall in US GDP of 7.9%, and house and commercial real estate prices falling 30% and 40% respectively by the third quarter 2019.

As the sector no longer has a capital issue, we believe its underperformance would suggest that financial markets expect slower growth as evidenced in part by lower bond yields and therefore a less benign outlook for interest rates and a less propitious background for the sector. However, while the recent underperformance of property & casualty stocks would go counter to this theory as they would normally outperform against this scenario, we still think it the most likely reason. Either economic data will justify the recent underperformance or we would expect the sector to bounce.

Money 20/20 Europe's conference in June highlighted the extent to which changes in regulation and technology are impacting the sector. The advent of Open Banking in January has passed largely under the radar for the vast majority of people. FinTech and bank collaboration is increasing while the overriding theme is that change in the industry is accelerating and offering opportunities for new entrants while the long-term winners will be those than can offer a differentiated service via a highly efficient platform.

During the month, one of our holdings, CaixaBank SA, a Spanish bank, announced the sale of an 80% stake in its real estate business to Lone Star along with €12.8 billion of foreclosed assets resulting in a substantial reduction in non-performing assets on its balance sheet. This transaction will not only lift CaixaBank SA's capital ratios but is also expected to be earnings accretive going forward. It is also another positive data point highlighting the appetite for non-performing loans at current carrying values.

While we took the opportunity to reduce a number of holdings during the month we did participate in the IPO of Amigo Holdings (Amigo). Amigo is the market leader in the UK for guarantor loans - loans that require a relative or friend to guarantee payments, normally someone with a better credit score. The onus this puts on the borrower to repay has led to very low loan losses and as a result higher profitability. We also added to holdings in Arch Capital, DNB and East West Bancorp.

Nick Brind & John Yakas

4 July 2018

Fund Managers

Nick Brind

Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 24 years of industry experience.

John Yakas

Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 30 years of industry experience.

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