POLAR CAPITAL

Polar Capital Global Financials Trust plc

Trust Fact Sheet
28 August 2020

Trust Facts

Ordinary Shares

Share Price	106.25p
NAV per share	117.99p
Premium	-
Discount	-9.95%
Capital	123,095,765 shares of 5p

Assets & Gearing [1]

Total Net Assets	£148.5m
AIC Gearing Ratio	9.65%
AIC Net Cash Ratio	0.00%
Historic Yield (%)[2]	**4.14**

Dividends (p/share)

August 2020 (paid)	2.40
February 2020 (paid)	2.00
August 2019 (paid)	2.40
February 2019 (paid)	1.90

Benchmark [3]

MSCI ACWI Financials Net Total Return Index (in Sterling)

Fees [5]

Management	0.70%
Performance	10%
Ongoing Charges	1.04%

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

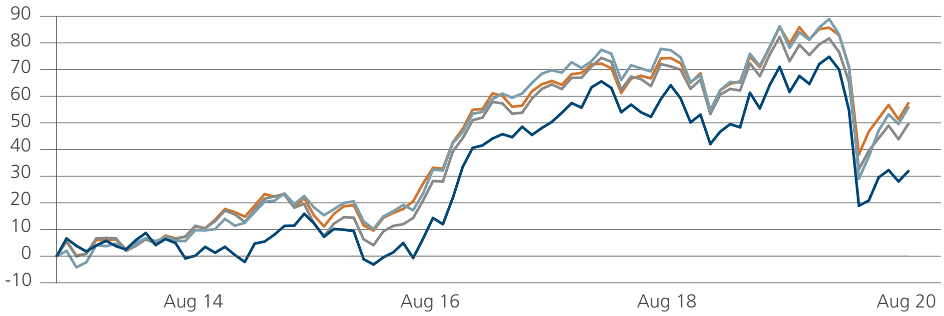
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

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 month	YTD	1 year	3 years	5 years	Since Launch
Ordinary Share Price (TR)[6]	3.01	1.80	-24.54	-18.39	-12.29	17.43	31.88
NAV per Share (TR)	4.19	5.74	-17.99	-13.02	-8.72	31.05	54.94
Benchmark[3]	4.05	3.75	-15.22	-12.43	-5.00	36.70	57.43
MSCI ACWI Financials (NTR)[4]	4.05	3.75	-17.60	-13.56	-8.97	33.56	49.68

Discrete Performance (%)

	29.11.19 28.08.20	30.11.18 29.11.19	30.11.17 30.11.18	30.11.16 30.11.17	28.11.15 30.11.16
Ordinary Share Price (TR)[6]	-23.36	12.41	-1.69	16.66	21.43
NAV per Share (TR)	-16.60	10.70	-1.60	16.40	22.17
Benchmark[3]	-14.99	9.87	-0.12	14.20	24.47
MSCI ACWI Financials (NTR)[4]	-16.59	7.96	-0.44	15.75	25.88

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 Historic Yield reflects distributions declared over the past twelve months as a percentage of the share price, as at the date of this fact sheet. It does not include any initial charge and investors may be subject to tax on their distributions.
3. The benchmark changed on 23 April 2020 to MSCI ACWI Financials Net Total Return Index (in Sterling) due to the Trust's exposure to Emerging Market financials equities and its limited exposure to real estate equities. Prior to this the Trust's benchmark was MSCI World Financials + Real Estate Net Total Return Index. Preceding 31 August 2016, the Trust's benchmark was the MSCI World Financials Index, which included Real Estate as a constituent until its removal that year. Benchmark data above illustrates linked performance of these benchmarks.
4. The performance of the MSCI ACWI Financials Net Total Return Index (excluding Real Estate, in Sterling) from the Trust's inception is used for illustrative purposes only.
5. With effect from 23 April 2020, the performance fee is calculated daily on any outperformance over the performance fee hurdle. The hurdle is the benchmark index +1.5% per annum, compounded annually. The Management fee was reduced from 0.85% to 0.70% with effect from 7 April 2020. Ongoing charges calculated at the latest published year end date, excluding any performance fees. Further details can be found in the Report and Accounts.
6. Ordinary share price (TR), calculated by reinvesting dividends at relevant ex-dividend dates, 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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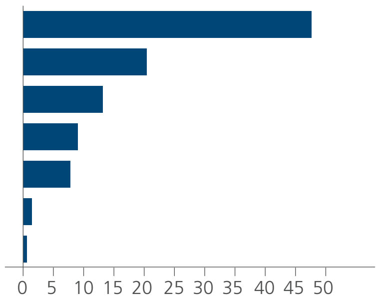
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 28 August 2020

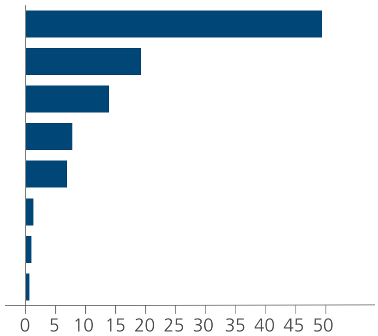
Sector Exposure (%)

Banks	47.6
Insurance	20.4
Diversified Financials	13.1
Software & Services	9.0
Fixed Income	7.8
Real Estate	1.4
Cash	0.6



Geographic Exposure (%)

North America	49.4
Asia Pacific (ex-Japan)	19.2
Europe	13.9
Fixed Income	7.8
UK	6.9
Latin America	1.3
Japan	0.9
Cash	0.6



Top 15 Holdings (%)

JPMorgan	5.1
Mastercard	4.9
Bank of America	3.6
PayPal Holdings	3.1
Chubb	2.6
Marsh & McLennan	2.5
Toronto-Dominion	2.5
HDFC Bank	2.4
AIA Group	2.2
Bank Central Asia Tbk	2.1
Arch Capital	2.0
PNC	2.0
Allianz	1.9
Berkshire Hathaway	1.9
E.Sun Financial	1.9
Total	**40.7**

Total Number of Positions 74

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	85.4
Medium (US$ 0.5bn - 5bn)	12.1
Small (less than US$ 0.5bn)	2.5

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-May
Trust Term	No fixed life; 5-yearly tender offers
Next Tender Offer	30 June 2025
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 28 August 2020

In August, equity markets continued to rally on the back of improving economic data as well as optimism that additional government stimulus and positive news on the development of vaccines would support the continued recovery in the global economy. Against this background, financials marginally lagged the rally and the Trust's net asset value rose by 4.2%, while our benchmark index, the MSCI ACWI Financials Index, rose by 4.0%.

The biggest contributors to relative performance were Mastercard, the payments company, One Savings Bank, a UK-focused buy-to-let lender and SVB Financial Group, a US bank focused on the technology sector. Conversely, holdings in Marsh & McLennan, insurance broker, Chubb, a property and casualty company, and Keppel DC REIT, a Singaporean listed REIT focused on data centres were weaker over the month.

US financials rose 3.3% in August with the banking sector performing in line while insurers, including the likes of Chubb highlighted above, lagging on concerns regarding potential catastrophe losses from an active hurricane season. Economic data pointed to a continued rebound in activity with new home sales above pre-COVID-19 levels, real consumer spending continuing to rise while the July jobs report with 1.8 million+ jobs added came ahead of expectations. However, with government support set to fade, Congressional approval for the next economic stimulus program will be key in determining the shape of the recovery.

The announcement that the Fed has shifted its monetary policy strategy towards average inflation targeting, while largely expected, represents a significant departure in central bank thinking and implies sustained loose monetary policy in the short term and a greater tolerance for inflation to overshoot its target level. It also implies that interest rates will have to rise by more than expected at some future point which has led to the yield curve steepening.

Not surprisingly, investors remain sceptical about the Fed's ability to achieve its target inflation level. However, the key difference today compared to the global financial crisis (GFC) is that policymakers' response to the crisis has resulted in a jump in broad money growth, due to the direct transfers to consumers etc., raising the risk of higher inflation. While a shift to a more inflationary environment would be positive for the sector, we view provision normalisation, with banks guiding for loan losses to have peaked in the first half, as the near-term catalyst for a recovery in bank stocks.

European financials outperformed in August, supported by stronger economic data but also benefiting from dollar weakness. Despite evidence of an increase in infection rates across the region, governments have resisted re-imposing widespread lockdowns. German labour market data and business surveys came in ahead of expectations, leading the German government to forecast a smaller contraction of 5.8% in 2020 versus an earlier forecast of 6.3%.

One Savings Bank's results were better than expected with a very strong level of capital, in part reflecting that they voluntarily suspended dividends, as a result of COVID-19. There was a significant drop in borrowers on payment holidays from 28% of the loan book at the end of June to 5.8% on the release of their results. Critically, they also put through very conservative IFRS9 provisions for loan losses at 10x what they booked for loans actually in default. Despite this, they still made an underlying RoE of 18% in the first half of the year.

Asian financials rose 5.8% in August with developed Asia outperforming (Japan and Hong Kong were particularly strong) while emerging market Asian financials lagged, affected by China. Within Asian emerging markets, India was relatively strong with sentiment supported by government relief measures (including -loan restructuring rules and SME funding) which along with recent capital raises has reduced risk within the system.

Recent management feedback from HDFC Bank (a core holding in the Trust) was reassuring (non-performing loans are expected to peak below the GFC level of 2.1% compared to 1.4% currently) with confidence in the asset quality of the loan book under moratorium (98% of salaried customers are still receiving wages). Given HDFC Bank's superior underwriting track record and customer focus (86% of corporate customers rated AA and above) we remain cautious about extrapolating these comments more broadly for the sector.

The sector has seen a recovery from its March lows but remains well below its pre-COVID-19 levels with valuations reflecting a high level of macro uncertainty. With government guarantee schemes in place, we do not expect visibility on asset quality until later in the year but remain confident in the ability of our bank holdings to absorb losses given capital strength and loan loss reserve building. Given the front-loaded nature of provisioning under IFRS 9 (with many banks having guided for a peak in provisioning in H1), we believe a recovery in the sector is likely to be sharp once there is greater clarity on the economic outlook.

We added to a number of our smaller bank holdings during the month, including Webster Financial Corporation, a Connecticut-headquartered bank, Signature Bank, a commercial real estate-focused New York bank, Sparebanken Midt-Norge, a Norwegian regional bank, and One Savings Bank following its better than expected results. We reduced holdings in a number of our property and casualty insurance companies, including Arch Capital, and reduced our holding in PayPal Holdings. As a result, gearing increased to 9.6% over the month.

Nick Brind & John Yakas

8 September 2020

Fund Managers

Nick Brind

Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 26 years of industry experience.

John Yakas

Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 32 years of industry experience.

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.

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Benchmarks

The following benchmark index is used: MSCI ACWI Financials Net Total Return Index (in Sterling). This benchmark is generally considered to be representative of the Financial Equity universe. This benchmarks is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizable by investors. Please refer to www.msci.com for further information on these indices. Comparisons to benchmarks have limitations as benchmark's volatility and other material characteristics may differ from the Company. Security holdings, industry weightings and asset allocation made for the Company may differ significantly from the benchmark. Accordingly, investment results and volatility of the Fund may differ from those of the benchmark. The indices noted in this document are unmanaged, are unavailable for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the Fund may incur. The performance of the indices reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. Information regarding indices is included merely to show general trends in the periods indicated, it is not intended to imply that the Fund is similar to indices in composition or risk. The benchmark used to calculate the performance fee is provided by an administrator on the ESMA register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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