POLAR CAPITAL

Polar Capital Global Financials Trust plc

Trust Fact Sheet

28 June 2019

Trust Facts

Ordinary Shares

Share Price	139.50p
NAV per share	145.20p
Premium	-
Discount	-3.92%
Capital	202,775,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£294.4m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	1.12%

Historic Yield (%)[2] **2.97**

Dividends (p/share)

February 2019 (paid)	1.90
July 2018 (paid)	2.25
February 2018 (paid)	1.80
July 2017 (paid)	2.10

Benchmark [3]

MSCI World Financials + Real Estate Net Total Return Index

Fees [4,5]

Management	0.85%
Performance	10%
Ongoing Charges	0.99%

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

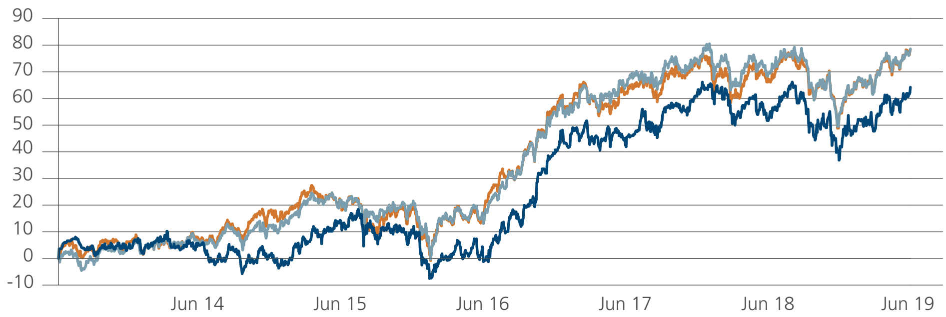
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

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]	5.68	10.71	15.60	7.85	65.38	56.53	64.23
NAV per Share (TR)	4.21	8.19	15.40	5.50	52.35	69.01	78.62
Benchmark [3]	4.32	7.67	15.41	6.94	47.84	67.15	78.28

Discrete Performance (%)

	30.11.18 28.06.19	30.11.17 30.11.18	30.11.16 30.11.17	28.11.15 30.11.16	29.11.14 28.11.15
Ordinary Share Price (TR) [6]	7.28	-1.69	16.66	21.43	6.21
NAV per Share (TR)	6.42	-1.60	16.40	22.17	5.23
Benchmark [3]	5.77	-0.12	14.20	24.47	0.88

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. 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.
4. 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.
5. Ongoing charges calculated at the latest published year end date, excluding any performance fees.
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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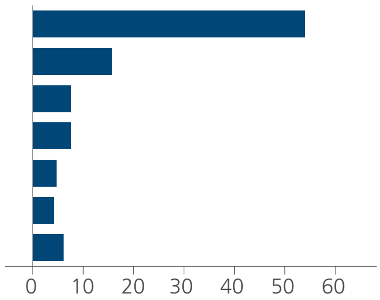
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 28 June 2019

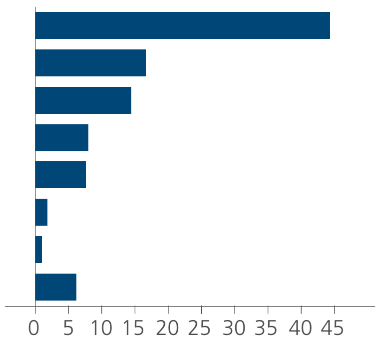
Sector Exposure (%)

Banks	53.9
Insurance	15.7
Fixed Income	7.6
Diversified Financials	7.6
Real Estate	4.7
Software & Services	4.3
Cash	6.2



Geographic Exposure (%)

North America	44.4
Europe	16.6
Asia Pacific (ex-Japan)	14.5
UK	8.0
Fixed Income	7.6
Japan	1.8
Eastern Europe	1.0
Cash	6.2



Top 15 Holdings (%)

JPMorgan	5.4
Bank of America	3.7
Mastercard	3.3
Chubb	3.1
Arch Capital	2.6
Marsh & McLennan	2.3
Toronto-Dominion	2.2
AIA Group	2.1
Citizens Financial Group	2.1
PNC	2.0
US Bancorp	2.0
Sampo	1.9
Wells Fargo	1.9
KBC Groep	1.8
Sumitomo Mitsui Financial	1.8
Total	**38.2**

Total Number of Positions **68**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	79.7
Medium (US$ 0.5bn - 5bn)	17.0
Small (less than US$ 0.5bn)	3.3

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	Late April
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 28 June 2019

Equity markets rallied in June, reversing the previous month's falls, led by the US as the Federal Reserve indicated its willingness to ease monetary policy in the face of near-term growth risks. Sentiment was also helped over the increased optimism about the relaunch of trade talks between the US and China ahead of the G20 summit in Japan. Against this background the Trust's net asset value rose by 4.2% while our benchmark index, the MSCI World Financials + Real Estate Index, rose by 4.3%, with performance held back by our fixed income securities.

Our holdings in OneSavings Bank and Charter Court Financial Services Group were weaker over the month. They are in the process of merging and we believe the weakness relates to concerns around the UK economy although they are both likely recipients of a warning letter sent out by the PRA to 20 'fast growing' non-systemic banks on a number of issues. Nevertheless, we remain constructive on both and feel their share prices discount a sharp fall in profitability.

Our largest holdings, including JP Morgan and Bank of America, were the biggest drivers of positive performance during the month on the back of higher equity markets. While the lower interest rate outlook is a headwind for bank earnings this will be offset by lower loan losses. However, many investors remain on the side-lines of the sector believing any scenario is negative, with the negative impact of low interest rates on net interest margins, or the risk of higher loan losses if interest rates are not cut by as much as expected, offsetting any positive drivers.

In the US, the results of the annual stress test (DFAST) were announced at the end of the month, with all banks passing and achieving the required minimum capital levels under the Severely Adverse Scenario (10% unemployment; c8% fall in real GDP; and house price and commercial real estate prices to fall 25% and 35% respectively). The strong performance in the stress test led to a 14% increase in capital return for largest US banks versus last year as part of this year's CCAR (Comprehensive Capital Analysis and Review) process which reviews banks' capital planning processes and capital adequacy.

European banks lagged the rally in June following weaker macro data and a dovish statement from the ECB. Concerns over global growth, exacerbated by the US/China trade dispute, have been accompanied by a fall in European inflation expectations with 10-year bund yields falling to a record low of -0.3%. In response to the deteriorating outlook, the ECB raised the possibility of additional monetary stimulus to raise inflation expectations back towards the 2% target. The prospect of lower-for-longer interest rates will remain a headwind for European banking revenues and has curbed any significant recovery in the sector which continues to trade at depressed valuations.

The Trust's exposure to eurozone banks is relatively low at just over 6% and includes a holding in Banco Santander which generates c50% of its underlying profit through its emerging market operations. The Trust does have an overweight position in the Nordics (through banks and insurance companies), a region which continues to benefit from resilient macro trends, while Norwegian banks, where we own shares in DNB and SpareBank 1 SMN, continue to benefit from rising interest rates (Norges Bank raised interest rates again in June and signalled additional hikes this year).

Asian financials were relatively strong in June driven by China on hopes for a de-escalation of the trade dispute with the US. Conversely, Indian financials fell 0.2% in the month, giving back some of their gains made in the rally after Modi's re-election. Asset quality concerns also continue to weigh on certain Indian financials and during the month a delayed repayment of a non-convertible debenture by Dewan Housing led to pressure on non-banking financial companies (NBFCs) as liquidity issues resurfaced. We have reduced the Trust's exposure to India this year and our now our only holding is to HDFC Bank, one of the private sector banks.

We met with a couple of alternative asset managers during the month, Brookfield Asset Management and Tikehau Capital. Brookfield believe that institutions will raise their exposure to alternatives to 40% by 2030 from around 25% today and, if true, is a worrying trend for traditional asset managers considering the flows also going into passive funds at their expense. This view was also backed up by Tikehau who recounted a conversation they had with a Texan Pension fund that said that they would be raising their allocation to that level, giving it much more credence.

We have shied away from traditional asset managers because of these growth headwinds. We own shares in Blackstone which is the largest alternative asset manager globally. Not surprisingly, Blackstone's shares have performed strongly over the past 10 years, benefiting more recently from its announcement to change its corporate structure from a publicly traded partnership to a corporation, as the former prevented many institutions from owning its shares. We also own shares in City of London Investment Group, a traditional asset manager, with its focus on the closed-end fund market but see this as a special situation.

The sector has seen a strong recovery this year (the Trust's NAV total return is 15.4%) although it has slightly lagged underlying equity markets due to the uncertainty on the outlook for growth and interest rates. Despite the rally, bank shares have continued to derate and valuations continue to price in a materially weaker operating environment. While the recovery in the US has been the longest expansion in history, according to the National Bureau of Economic Research, it has also been far weaker than any previous recovery. This would suggest that the risks that normally build up in the banking system in an expansion have yet to do so and that therefore banks' operating performance should surprise positively through the next downturn.

Nick Brind & John Yakas

5 July 2019

Fund Managers

Nick Brind

Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 25 years of industry experience.

John Yakas

Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 31 years of industry experience.

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Benchmarks

The following benchmark index is used: MSCI World Financials + Real Estate Net Total Return Index. 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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