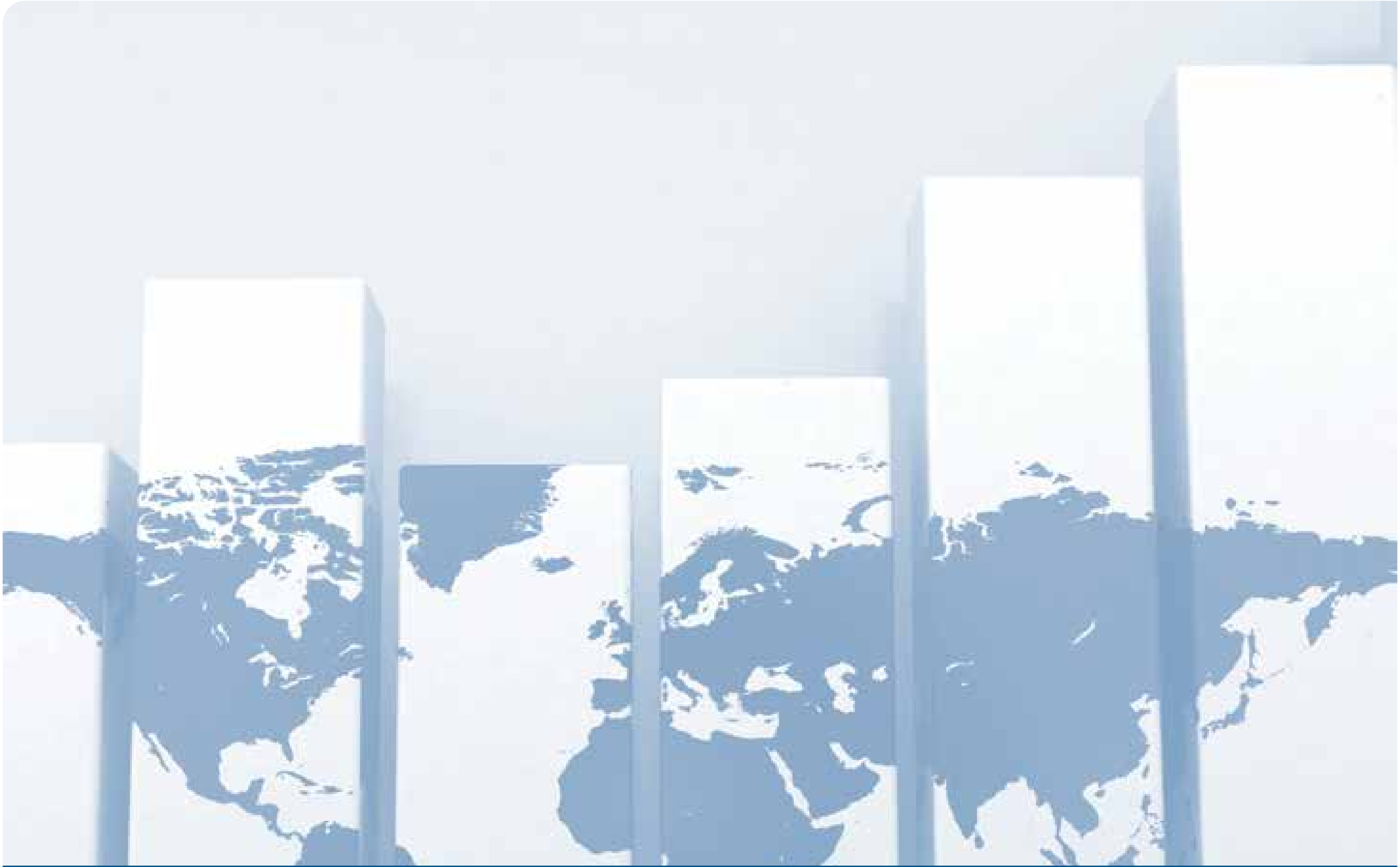
POLAR CAPITAL



Polar Capital Global Financials Trust plc

Report and Financial Statements for the half year ended 31 May 2014

Half year ended
2014

About Us

Profile

The Company was incorporated on 17 May 2013. On 1 July 2013 it issued 153,000,000 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 1 July 2013 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 for investors a growing dividend income together with capital appreciation.

Investment Policy

The Company seeks 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. The portfolio is diversified by factors including geography, industry sub-sector and stock market capitalisation.

Full details of the investment policy are set out in the Strategic Report section of the Annual Report.

Benchmark

The Benchmark is the MSCI World Financials Index total return in sterling with dividends reinvested.

Capital Structure

At 31 May 2014 the Company had in issue 177,200,000 ordinary shares of 5p each and 30,600,000 subscription shares of 1p each.

The Company has not bought back any ordinary or subscription shares in the period under review.

The subscription shares give the holders the right but not the obligation to subscribe for one ordinary share at 115p per ordinary share on 31 July 2017, 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 April 2020, but in any event, no later than 31 May 2020.

Management

The Investment Manager is Polar Capital LLP and Mr Nick Brind and Mr John Yakas have managed the portfolio since launch.

The Investment 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 and the remaining 20% to income.

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 1.25p per annum. 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 which is expected to follow the seventh AGM in 2020.

Gearing and Use of Derivatives

In line with the Articles of Association, the Company may employ borrowing from time to time with the aim of enhancing returns, subject to a maximum of 15 per cent. of net assets at the time the relevant borrowing is taken out. Since the period end, the Company has made arrangements with ING Bank NA for a bank loan of £18m to be made available.

The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other interests including derivative instruments. Forward transactions, derivatives (including put and call options on individual positions and indices) and participation notes may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to generate income from the Company's position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes will be made on the same principles of risk spreading and diversification that apply to the Company's direct investments.

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Financial Highlights

For the half year ended 31 May 2014

Performance (note 1)	
Net asset value (undiluted) per ordinary share (total return)	**3.22%**
Share price per ordinary share (total return)	**0.64%**
Benchmark Index	
MSCI World Financials Index (total return in Sterling with dividends reinvested)	**1.57%**

Financials		31 May 2014	30 November 2013	% Change
Net asset value per ordinary share	Undiluted	104.25p	101.66p	2.5
Share price	Ordinary	105.75p	105.75p	–
	Subscription (note 2)	13.63p	16.75p	(18.6)
Shares in issue (note 2)	Ordinary	177,200,000	166,750,000	6.3
	Subscription	30,600,000	30,600,000	–

Expenses	31 May 2014	30 November 2013
Ongoing charges (note 3)	1.11%	1.16%

Dividends

	Amount	Declared Date	Ex-Dividend Date	Record Date	Pay Date
The Company has paid the following dividend relating to the financial period ended 30 November 2013:	0.68p	4 March 2014	12 March 2014	14 March 2014	31 March 2014
The Company has declared the following dividend relating to the current financial year:	1.75p	24 July 2014	30 July 2014	1 August 2014	22 August 2014

Note 1 – NAV total return is calculated by adding the value of the March 2014 dividend to the undiluted NAV as at 31 May 2014.

Note 2 – Subscription shares were issued free to investors on 1 July 2013 on the basis of one subscription share for every five ordinary shares.

Note 3 – Ongoing charges represent the total expenses of the Company, excluding finance costs, expressed as a percentage of the average daily net asset value, in accordance with AIC guidance issued in May 2012. The charges percentage as at 30 November 2013 covers the period from launch to 30 November 2013. The charges percentage as at 31 May 2014 covers the six month period to 31 May 2014.

Chairman's Statement

Performance

During the six months to 31 May 2014 your Company generated a Net Asset Value total return of 3.2% which was ahead of our benchmark, the MSCI World Financial Index (Total Return), which rose by 1.6% over the same period. Since the Company's inception in July 2013 we have achieved an NAV total return of 7.1%, compared to the benchmark return of 7.7%. During this six month period, our fund managers have continued to recover the performance drag against the benchmark that the Company experienced at launch, as a consequence of the launch coinciding with a major rally in global financials. The price of our ordinary shares closed the period at 105.75p, unchanged from the price at the last financial year end. As a result, the share premium has narrowed from 4.0% at the end of November 2013 to 1.4% at 31 May 2014. Meanwhile the price of the subscription shares at the end of May 2014 stood at 13.63p compared to 16.75p at the end of November 2013.

Share Capital

At the end of the period the number of ordinary shares outstanding was 177,200,000. During the period, the Company continued to see demand for its shares from existing and new shareholders and, in keeping with its policy of ensuring an orderly market for the Company's shares and managing any share premium in the interests of existing shareholders, the Board authorised the issue of 10,450,000 new shares during the period.

At the Company's AGM in May, the Board received approval from shareholders to issue up to 10% of its ordinary share capital in new shares, if necessary, during the following 12 month period. This replaced the previous authority to issue new ordinary shares granted in the Company's prospectus. This authority was used to issue 2,500,000 new ordinary shares on 21 May 2014.

The number of subscription shares remained unchanged during the period at 30,600,000.

Dividends

The Board believes that the level of the dividend should reflect the timing of the Company's earnings. The flow of earnings do not arise evenly throughout the two halves of the year, being more weighted towards the first half of the financial year. Accordingly, the Board has declared a first interim dividend of 1.75p per share, payable on 22 August 2014 to shareholders on the register on 1 August 2014.

For its first full financial year, the Board currently believes that it is on target to meet its objective of a 3.1p full year dividend. However, the Board has noted that the significant strengthening of sterling has not only constrained the portfolio's total return but has also impacted on the sterling value of its overseas income. Given the significant time remaining until the year end, no guarantee can be given that the target of 3.1p will be met.

In addition, now that the Company has been in operation for a year, the Board has reviewed the timing of receipts of cash over the year and has concluded that it is in a position to pay out income to shareholders earlier than had been anticipated in the prospectus published in June 2013. As a result, it is intended that two dividends will continue to be paid each year, with payments in February and August rather than March and September.

AIFMD

In my Chairman's Statement in March, I advised shareholders that we had agreed in principle to appoint Polar Capital LLP as the Alternative Investment Fund Manager, and HSBC as the Depository, to oversee the Company's custody and cash arrangements. As of 22 July 2014, these agreements are operational and in effect.

Outlook

After a good performance in 2013, the strength of the financials sector has cooled down this year, in keeping with equity markets generally. Although a headwind in 2013, the Company's exposure to emerging markets has been beneficial in recent months and should continue to be rewarding as opinion on emerging market equities becomes more constructive. In developed economies, a re-rating of banks has recently stalled as we wait the results of the latest asset quality review and in the face of further regulatory fines and legal penalties. Additional capital is still likely to be required for the sector as a whole, but the underlying positive actions taken by banks since the crisis first broke are being recognised in the banking sector's access to capital markets for capital replenishment. Perhaps the most notable recent example of this was the heavily oversubscribed share capital raising by Greece's Eurobank at the end of April, which saw it return into the hands of the private sector, the first of Greece's banks to do so. Our Managers continue to see significant upside in the sector overall and the Company remains well positioned to benefit from its ongoing recovery.

Robert Kyprianou
Chairman
23 July 2014

Investment Manager's Report

For the half year ended 31 May 2014

Performance

The six month period covered by this report was a very good one for financial markets although as highlighted in the Chairman's Statement, due to the strength of sterling, not quite as good as returns in local currencies. The MSCI World Index rose 4.3% reflecting the fact that most of the larger developed equity markets, with the exception of Japan which was very weak, performed well. Emerging markets were fractionally lower although, having sold off in the first couple of months, they recovered almost all the ground they had lost by the end of May. In comparison financial stocks did not perform quite as well as broader equity markets, with the MSCI World Financials Index rising 1.6% although, against this background, the Trust's net asset value outperformed our benchmark index, rising by 3.2%.

Market review

Despite emerging markets being slightly disappointing overall, two of our three best performing stocks were holdings in emerging market companies. The first, Cielo, is the largest payment processing company in Brazil, formed by a joint venture between Visa and a number of Brazilian banks in the mid-1990s, while the second was Bank Rakyat Indonesia, one of Indonesia's largest banks. Our holdings in India, Jammu & Kashmir and Bajaj Finance, also both performed well as sentiment towards the country improved sharply in the run up to and post elections in the hope that the new government would be positive for reforms and growth. Against this, as a result of the crisis in Ukraine our holding in Sberbank, Russia's largest bank, suffered a sharp fall in its share price and we have since sold the holding post a significant recovery in its share price.

Regionally, the strongest performance was from European financials, where we had some of our strongest conviction on potential upside despite the crisis in Ukraine causing some volatility. The sharp fall in European government bond yields, particularly those of the likes of Spain, Italy and Ireland helped underpin sentiment. As a result, a number of more weakly capitalised European banks, in particular in Greece, Portugal and Italy, took advantage of the better sentiment to pre-emptively raise capital ahead of the European asset quality review and stress tests that are being conducted over the course of the year. Our best performing stocks included Intesa, an Italian bank and Sampo, a Finnish insurance company, which has a large holding in Nordea, Scandinavia's largest bank.

US financials were a little disappointing. Although the share prices of the larger US Banks initially rose, they then gave up their gains as first quarter results were seen as disappointing. US regional banks, where the Trust has very little exposure, were very weak. The latter succumbed to a bout of profit taking despite having been better positioned to benefit from the US recovery and not having many of the headwinds that some of the larger US banks face. PNC, which is the 7th largest bank in the US and our largest holding in the Trust, performed well as did Wells Fargo. Citigroup, in which we have a smaller holding, did not perform well post its surprise failure to pass the Federal Reserve's annual Comprehensive Capital Assessment and Review for 'qualitative reasons'.

Real estate investment trusts (REITs), in particular those in the US where we have no exposure, recovered sharply from the sell-off they suffered in the middle of 2013. Our exposure is through a number of Singapore listed REITs and the opportunity was taken to add to our holding, at the beginning of the year, subsequent to which they have all performed well. We reduced our exposure to non-life insurance stocks, with sales of our holdings in Lancashire Holdings and Partner Re, on concern that the outlook for reinsurance rates would put pressure on some share prices in the sector.

Finally, our portfolio of debt securities performed very well. In particular, we purchased a holding in Nationwide Building Society Capital Core Deferred Shares which was issued at the end of November on a prospective yield of over 10.0%. Its price, unsurprisingly, has risen sharply, as investors have been attracted by the very high yield. We also had a holding, since sold, in a subordinated bond of F&C Asset Management, the UK asset manager, whose price jumped on the announcement of an agreed takeover by BMO Financial, one of Canada's largest banks.

Outlook

There are a number of key drivers that will likely decide the performance of financials over the next six months. Most important is the underlying performance of equity markets. Looking back at MSCI data as far as it goes, which is around 20 years, with only one exception, every year the financial sector has correlated very closely to the underlying equity market. This correlation has ranged between 88% and 98%. Although this data set is woefully brief it is probably a reasonable indicator of how financials correlate with underlying equity markets.

This should not be surprising as the sector is merely reflecting the underlying economies in which it operates or from which financial markets it generates its revenues. Furthermore, if financials in individual countries or a region performed poorly in one year or over a period of years, the equity markets in those countries or regions also tended to perform poorly so the relative impact on the sector was largely immaterial. Banking crises, until the global financial crisis, were largely focused on one country or region so were not significant enough to affect the overall performance of the sector.

The exception was during the last few months of 1999 and first few months of 2000 when, during the technology bubble, financial markets momentarily lost touch with reality. Financials initially underperformed sharply as money rushed into so called high growth 'new economy' stocks (in the technology, media and telecoms sector) at the expense of 'old economy' stocks (the rest of the equity market) and then this pattern reversed as fundamentals reasserted themselves and the sector reversed its underperformance.

During the global financial crisis, which we would describe as a once in a generational event, although the sector remained very correlated to the underlying equity market it understandably significantly underperformed. We would argue that the significant amount of capital that the sector has raised since the crisis or generated organically through retained earnings puts it on a much firmer footing and therefore a repeat is difficult to envisage. In the US, for example, one would have to go back to the 1930s to find a time when banks had more capital (defined as equity relative to total assets).

Outside of this, the outlook for growth, interest rates and the potential for increased capital return will be key drivers for the sector in the short to medium-term. Cyclical financials businesses will perform well if the underlying economies in which they operate perform well. Higher interest rates should lead to higher margins on lending, more than off-setting any increase in bad debts, resulting in higher profits. Finally, as capital continues to build then, if loan growth does not pick up materially, banks will have little choice but to increase payout ratios further, whether via dividends or buybacks. For some banks this will be material.

In the very short term, financials have lagged the rise in equity markets. It is most likely that a large part of this reflects investors' caution towards equity markets following their recent strong performance, but also specific negative news at a small number of banks. With valuations for the sector still historically low and with little credit being given for the significant improvement in banks' balance sheets, we remain very positive on the outlook.

Nick Brind & John Yakas
Polar Capital LLP
23 July 2014

Portfolio Review

As at 31 May 2014

	Investments	Sector	Geographical Exposure	Market Value (£'000) 31 May 2014	Market Value (£'000) 30 November 2013	% of total net assets 31 May 2014	% of total net assets 30 November 2013
1	PNC Financial Services	Banks	North America	5,260	4,627	2.8%	2.7%
2	JP Morgan Chase	Banks	North America	4,886	4,978	2.6%	2.9%
3	Wells Fargo	Banks	North America	4,843	4,163	2.6%	2.5%
4	DNB	Banks	Europe	4,259	3,976	2.3%	2.3%
5	UBS	Banks	Europe	4,195	3,823	2.3%	2.3%
6	ACE	Insurance	Europe	3,987	3,608	2.2%	2.1%
7	Jammu & Kashmir	Banks	Asia (ex Japan)	3,924	3,268	2.1%	1.9%
8	Sampo	Insurance	Europe	3,911	3,421	2.1%	2.0%
9	Barclays	Banks	United Kingdom	3,827	3,869	2.1%	2.3%
10	Societe Generale	Banks	Europe	3,782	3,694	2.1%	2.2%
Top 10 investments				42,874		23.2%	
11	BNP Paribas	Banks	Europe	3,759	3,926	2.0%	2.3%
12	Discover Financial Services	Diversified Financials	North America	3,701	2,928	2.0%	1.7%
13	Toronto-Dominion Bank	Banks	North America	3,613	3,279	2.0%	1.9%
14	Cielo	Diversified Financials	Latin America	3,400	2,698	1.9%	1.6%
15	Swedbank	Banks	Europe	3,295	3,051	1.8%	1.8%
16	US Bancorp	Banks	North America	3,206	2,933	1.7%	1.7%
17	Citigroup	Banks	North America	3,119	3,554	1.7%	2.1%
18	KBC	Banks	Europe	3,105	3,055	1.7%	1.8%
19	Azimut	Diversified Financials	Europe	3,022	3,090	1.6%	1.8%
20	Frasers Centrepoint Trust	Real Estate	Asia (ex Japan)	3,005	2,543	1.6%	1.5%
Top 20 investments				76,099		41.2%	
21	Sumitomo Mitsui Financial	Banks	Japan	2,999	3,018	1.6%	1.8%
22	Blackstone	Diversified Financials	North America	2,889	2,591	1.6%	1.5%
23	Direct Line Insurance	Insurance	United Kingdom	2,849	2,524	1.5%	1.5%
24	Marsh & McLennan	Insurance	North America	2,802	2,708	1.5%	1.6%
25	HSBC	Banks	Asia (ex Japan)	2,797	2,692	1.5%	1.6%
26	Allianz	Insurance	Europe	2,754	2,790	1.5%	1.7%
27	AXA	Insurance	Europe	2,717	2,725	1.5%	1.6%
28	Credit Suisse	Banks	Europe	2,706	2,370	1.5%	1.4%
29	Intesa BCI	Banks	Europe	2,680	–	1.5%	–
30	CapitaMall REIT	Real Estate	Asia (ex Japan)	2,674	2,273	1.5%	1.3%
Top 30 investments				103,966		56.4%	
31	Fortune REIT	Real Estate	Asia (ex Japan)	2,671	2,106	1.4%	1.2%
32	Close Brothers	Diversified Financials	United Kingdom	2,617	2,556	1.4%	1.5%
33	P2P Global Investments	Diversified Financials	United Kingdom	2,548	–	1.4%	–
34	Frasers Commercial Trust	Real Estate	Asia (ex Japan)	2,532	2,115	1.4%	1.3%
35	Komercni Banka	Banks	Eastern Europe	2,407	2,465	1.3%	1.5%
36	Siam Commercial Bank	Banks	Asia (ex Japan)	2,375	2,455	1.3%	1.4%
37	First Republic Bank	Banks	North America	2,350	2,417	1.3%	1.4%
38	Novae	Insurance	United Kingdom	2,202	1,184	1.2%	0.7%
39	Sberbank of Russia	Banks	Eastern Europe	2,151	3,152	1.2%	1.9%
40	Bank Rakyat Indonesia	Banks	Asia (ex Japan)	2,083	1,521	1.1%	0.9%
Top 40 investments				127,902		69.4%	

Portfolio Review continued
As at 31 May 2014

	Investments	Sector	Geographical Exposure	Market Value (£'000) 31 May 2014	Market Value (£'000) 30 November 2013	% of total net assets 31 May 2014	% of total net assets 30 November 2013
41	Hellenic Exchanges	Diversified Financials	Europe	2,079	2,676	1.1%	1.6%
42	Oaktree Capital	Diversified Financials	North America	2,078	1,951	1.1%	1.2%
43	Solar Capital	Diversified Financials	North America	2,049	2,012	1.1%	1.2%
44	Nationwide Building Society 10.25% Bond	Fixed Income	Fixed Income	2,033	750	1.1%	0.4%
45	Main Street Capital	Diversified Financials	North America	2,026	–	1.1%	–
46	Bank of Georgia	Banks	Eastern Europe	2,014	–	1.1%	–
47	Arrow Global	Diversified Financials	United Kingdom	2,006	1,066	1.1%	0.6%
48	Lloyds Bank 13% Bond	Fixed Income	Fixed Income	2,004	1,886	1.1%	1.1%
49	Bajaj Finance	Diversified Financials	Asia (ex Japan)	1,937	1,669	1.1%	1.0%
50	Turkiye Sinai Kalkinma Bank	Banks	Eastern Europe	1,935	2,051	1.0%	1.2%
Top 50 investments				148,063		80.3%	
51	Cembra Money Bank	Diversified Financials	Europe	1,882	844	1.0%	0.5%
52	Lloyds Bank 7.875% VRN Bond	Fixed Income	Fixed Income	1,874	–	1.0%	–
53	E Sun Financial	Banks	Asia (ex Japan)	1,842	1,593	1.0%	0.9%
54	Investec Bank 9.625% VRN Bond	Fixed Income	Fixed Income	1,818	–	1.0%	–
55	Barclays Bank 14% Bond	Fixed Income	Fixed Income	1,814	1,774	1.0%	1.1%
56	New York Community Bancorp	Banks	North America	1,775	1,841	1.0%	1.1%
57	Phoenix Life 7.25% Bond	Fixed Income	Fixed Income	1,760	1,418	1.0%	0.8%
58	Cloverie PLC Zurich VRN Bond	Fixed Income	Fixed Income	1,729	1,766	0.9%	1.0%
59	Old Mutual 8% Bond	Fixed Income	Fixed Income	1,661	1,597	0.9%	0.9%
60	Security Bank	Banks	Asia (ex Japan)	1,553	1,467	0.8%	0.9%
Top 60 investments				165,771		89.9%	
61	City of London Investment Group	Diversified Financials	United Kingdom	1,553	805	0.8%	0.5%
62	Friends Life 8.25% Bond	Fixed Income	Fixed Income	1,253	–	0.7%	–
63	Sparebank SR Bank	Banks	Europe	1,178	922	0.6%	0.5%
64	Societe Generale 9.375% Bond	Fixed Income	Fixed Income	1,152	1,137	0.6%	0.7%
65	Sparebank Nord-Norge	Banks	Europe	1,007	955	0.5%	0.6%
66	BBVA	Banks	Europe	982	1,606	0.5%	1.0%
67	Sparebank SMN	Banks	Europe	895	–	0.5%	–
68	Standard Chartered	Banks	United Kingdom	134	–	0.1%	–
Total equities & bonds				173,925		94.2%	
Contract for difference				(101)		(0.1%)	
Options – (Put & Call)				(55)		–	
Total investments				173,769		94.1%	
Other net assets (excluding options)				10,954		5.9%	
Net assets				184,723		100.0%	

Geographical Exposure at	31 May 2014	30 November 2013
Europe	28.3%	25.9%
North America	24.0%	25.9%
Asia (ex-Japan)	14.8%	15.2%
United Kingdom	9.6%	8.6%
Fixed Income	9.3%	8.4%
Eastern Europe	4.6%	7.8%
Latin America	1.9%	2.3%
Japan	1.6%	1.8%
Other net assets	5.9%	4.1%
Total	100.0%	100.0%

Sector Exposure at	31 May 2014	30 November 2013
Banks	49.2%	50.7%
Diversified Financials	18.2%	17.3%
Insurance	11.5%	14.2%
Fixed Income	9.3%	8.4%
Real Estate	5.9%	5.3%
Other net assets	5.9%	4.1%
Total	100.0%	100.0%

Market Cap at	31 May 2014	30 November 2013
Large (>US$5bn)	70.8%	72.1%
Medium (US$0.5bn – US$5bn)	26.6%	26.8%
Small (<US$0.5bn)	2.6%	1.1%
Total	100.0%	100.0%

Statement of Directors' Responsibilities

Risks and Uncertainties

The Directors consider that the principal risks and uncertainties faced by the Company 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 November 2013.

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 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 a single sector which means that the portfolio may be more sensitive to investor sentiment than a non-sector specific investment portfolio.

Directors' Responsibility Statement

The Directors of Polar Capital Global Financials 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 May 2014 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 May 2014 has not been audited or reviewed by the auditors.

The financial report for the six months ended 31 May 2014 was approved by the Board on 23 July 2014 and the responsibility statement was signed on its behalf by Robert Kyprianou, Chairman of the Board.

Robert Kyprianou
Chairman
23 July 2014

Statement of Comprehensive Income

For the half year ended 31 May 2014

		(Unaudited)			(Audited)		
		Half year ended 31 May 2014			Period ended 30 November 2013		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	4,057	–	4,057	1,820	–	1,820
Other operating income	2	253	–	253	22	–	22
Gains on investments held at fair value		–	2,744	2,744	–	4,860	4,860
Losses on derivatives		–	(153)	(153)	–	–	–
Other movements on written options		–	(42)	(42)	–	(16)	(16)
Other currency gains/(losses)		–	2	2	–	(666)	(666)
Total income		4,310	2,551	6,861	1,842	4,178	6,020
Expenses							
Investment management fee		(150)	(598)	(748)	(111)	(444)	(555)
Other administrative expenses		(233)	–	(233)	(206)	–	(206)
Total expenses		(383)	(598)	(981)	(317)	(444)	(761)
Profit before finance costs and tax		3,927	1,953	5,880	1,525	3,734	5,259
Finance costs		–	–	–	–	–	–
Profit before tax		3,927	1,953	5,880	1,525	3,734	5,259
Tax		(411)	135	(276)	(191)	85	(106)
Net profit for the period and total comprehensive income		3,516	2,088	5,604	1,334	3,819	5,153
Earnings per ordinary share (basic) (pence)	3	2.04	1.21	3.25	0.85	2.43	3.28
Earnings per ordinary share (diluted) (pence)	3	2.04	1.21	3.25	0.85	2.43	3.28

The total column of this statement represents the Company's 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.

The notes on pages 13 to 14 form part of these financial statements.

Statement of Changes in Equity

For the half year ended 31 May 2014

	(Unaudited) Half year ended 31 May 2014					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 December 2013	8,644	11,630	144,094	3,819	1,334	169,521
Total comprehensive income:						
Profit for the half year ended 31 May 2014	–	–	–	2,088	3,516	5,604
Transactions with owners, recorded directly to equity:						
Issue of ordinary shares	522	10,264	–	–	–	10,786
Equity dividends paid	–	–	–	–	(1,188)	(1,188)
Total equity at 31 May 2014	9,166	21,894	144,094	5,907	3,662	184,723

	(Audited) Period ended 30 November 2013					
	Called up share capital £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 17 May 2013	–	–	–	–	–	–
Total comprehensive income:						
Profit for the period ended 30 November 2013	–	–	–	3,819	1,334	5,153
Transactions with owners, recorded directly to equity:						
Issue of ordinary shares	8,338	156,030	–	–	–	164,368
Issue of subscription shares	306	(306)	–	–	–	–
Transfer of Share Premium to Special Distributable Reserve	–	(144,094)	144,094	–	–	–
Total equity at 30 November 2013	8,644	11,630	144,094	3,819	1,334	169,521

The notes on pages 13 to 14 form part of these financial statements.

Balance Sheet
As at 31 May 2014

	Notes	(Unaudited) 31 May 2014 £'000	(Audited) 30 November 2013 £'000
Non current assets			
Investments held at fair value through profit or loss		173,925	162,677
Current assets			
Receivables		1,109	3,031
Cash and cash equivalents		11,269	5,459
		12,378	8,490
Total assets		186,303	171,167
Current liabilities			
Payables		(1,424)	(1,619)
Fair value of open derivative contracts		(156)	(27)
		(1,580)	(1,646)
Net assets		184,723	169,521
Equity attributable to equity shareholders			
Called up share capital		9,166	8,644
Share premium reserve		21,894	11,630
Special distributable reserve		144,094	144,094
Capital reserves		5,907	3,819
Revenue reserve		3,662	1,334
Total equity		184,723	169,521
Net asset value per ordinary share (pence)	4	104.25	101.66
Net asset value per ordinary share (diluted) (pence)	4	104.25	101.66

The notes on pages 13 to 14 form part of these financial statements.

Cash Flow Statement
For the half year ended 31 May 2014

	(Unaudited) Half year ended 31 May 2014 £'000	(Audited) Period ended 30 November 2013 £'000
Cash flows from operating activities		
Profit before tax	5,880	5,259
Adjustment for non-cash items:		
Gain on investments held at fair value through profit or loss	(2,744)	(4,860)
Scrip dividends received	–	(16)
Amortisation on fixed interest securities	15	5
Adjusted profit before tax	3,151	388
Adjustments for:		
Purchases of investments, including transaction costs	(25,494)	(169,262)
Sales of investments, including transaction costs	18,172	11,382
Increase in receivables	(145)	(964)
(Decrease)/increase in payables	(270)	668
Overseas tax deducted at source	(217)	(106)
Net cash used in operating activities	(4,803)	(157,894)
Cash flows from financing activities		
Proceeds from issue of share capital (net of issue costs)	11,801	163,353
Equity dividends paid	(1,188)	–
Net cash generated from financing activities	10,613	163,353
Net increase in cash and cash equivalents	5,810	5,459
Cash and cash equivalents at the beginning of the period	5,459	–
Cash and cash equivalents at the end of the period	11,269	5,459

The notes on pages 13 to 14 form part of these financial statements.

Notes to the Financial Statements
For the half year ended 31 May 2014

1 General Information

The financial statements comprise the unaudited results for Polar Capital Global Financials Trust Plc for the six month period to 31 May 2014. The unaudited financial statements to 31 May 2014 have been prepared using the accounting policies used in the Company's financial statements to 30 November 2013. 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 period ended 31 May 2014 has not been audited. The figures and financial information for the period ended 30 November 2013 are an extract from the latest published accounts and do not constitute statutory accounts for that period. Full statutory accounts for the period ended 30 November 2013, prepared under IFRS, including the report of the auditors which was unqualified, did not draw attention to any matters by way of emphasis, did not contain a statement under section 498 of the Companies Act 2006, and have been delivered to the Registrar of Companies.

The Company's accounting policies have not varied from those described in the financial statements for the period ended 30 November 2013.

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 May 2014 £'000	(Audited) For the period ended 30 November 2013 £'000
Investment income		
Revenue:		
UK dividends	560	227
Overseas dividends	2,807	1,144
Scrip dividends	–	16
Interest on debt securities	632	433
Revenue on contracts for difference	58	–
Total investment income	4,057	1,820
Other operating income		
Option premium income	251	20
Bank interest	2	2
Total other operating income	253	22

3 Earnings per ordinary share

	(Unaudited) For the half year ended 31 May 2014 £'000	(Audited) For the period ended 30 November 2013 £'000
Basic earnings per share		
Net profit for the period:		
Revenue	3,516	1,334
Capital	2,088	3,819
Total	5,604	5,153
Weighted average number of shares in issue during the period	172,129,121	157,239,869
Revenue	2.04p	0.85p
Capital	1.21p	2.43p
Total	3.25p	3.28p

As at 31 May 2014 there was no dilutive effect on the earnings per ordinary share in respect of the conversion rights attaching to the subscription shares as the conversion price is higher than the ordinary share price of the Company.

4 Net asset value per ordinary share

	(Unaudited) For the half year ended 31 May 2014 £'000	(Audited) For the period ended 30 November 2013 £'000
Undiluted:		
Net assets attributable to ordinary shareholders (£'000)	184,723	169,521
Ordinary shares in issue at end of period	177,200,000	166,750,000
Net asset value per ordinary share (pence)	104.25	101.66

There is no dilutive effect on the net asset value per ordinary share in respect of the conversion rights attaching to the subscription shares as the conversion price is higher than the NAV per share of the Company at the period end.

5 Share capital

During the six month period to 31 May 2014 10,450,000 ordinary shares were issued for a net consideration of £10,786,000.

6 Dividends

The first interim dividend of 1.75 pence per ordinary share will be paid on 22 August 2014 to shareholders on the register at 1 August 2014. An interim dividend of 0.68 pence per ordinary share was paid on 31 March 2014 in respect of the period ended 30 November 2013.

7 Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six month period to 31 May 2014.

Company Information

Directors
Robert Kyprianou, Chairman
Joanne Elliott
Katrina Hart

Company Registration Number
8534332
(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 Conduct Authority.

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

Fund Managers
Mr Nick Brind and Mr John Yakas

Secretary
Polar Capital Secretarial Services Limited
represented by Sue Allen.

Registered Office
4 Matthew Parker Street
London SW1H 9NP

Chartered Accountants and Statutory Auditors
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Erskine House
68–73 Queen Street
Edinburgh EH2 4NH

Solicitors
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Exchange House
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London EC2A 2EG

Stockbrokers
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EC4M 9AF

Bankers and Custodian
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Share holder helpline 0800 3134922
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www.shareview.co.uk

Identification Codes
Ordinary shares
SEDOL: B9XQT11
ISIN: GB00B9XQT119
TICKER: PCFS

Global Intermediary Identification Number
8KP5BT.99999.SL.826

Share Prices and Net Asset Values
The Company's undiluted Net Asset Value (NAV) is normally released to the London Stock Exchange daily, on the next working day, following the calculation date. 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 and published on the Company's Website.

Company Website
www.polarcapitalglobalfinancialstrust.com
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.

aic

The company is a member of the Association of Investment Companies

www.theaic.co.uk

Company Information continued

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

We are aware that some 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.

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.

The Financial Conduct Authority ("FCA") estimates that share fraud costs around £200m a year through high-pressure techniques that persuade investors to enter into transactions involving shares. If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0845 606 1234 or 0800 111 6768 or by visiting their website, which also has other useful information, at www.FCA.org.uk

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- 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. 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 FCA website.

Forward-looking Statements

Certain statements included in this half year 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 November 2013 and the prospectus published by the Company on 11 June 2013. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Global Financials 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.

Investing

Market Purchases

The ordinary and subscription shares of Polar Capital Global Financials 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 a range of product providers which offer and administer a range of self-select investment plans, tax-advantaged ISAs and SIPPs (self-invested personal pensions).

Please remember that any investment in the shares of Polar Capital Global Financials Trust plc 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 Financials Trust plc is allowed to borrow against its assets and this may increase losses triggered by a falling market. 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 Financials Trust plc issued subscription shares on 1 July 2013 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 1 July 2013.

Subscription shares offer the right to subscribe for ordinary shares of the Company at 115p per ordinary share on 31 July 2017.

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.

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 1 July 2013, 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 103.625p

Subscription shares 11.75p

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 11 June 2013 (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 terms of the subscription shares.

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ACCRUE FULTON
www.accruefulton.com

POLAR CAPITAL