Polar Capital Global Financials Trust plc

Trust Fact Sheet
29 January 2021

Trust Facts

Ordinary Shares

Share Price	137.00p
NAV per share	136.16p
Premium	0.62%
Discount	-
Capital	134,675,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£184.0m
AIC Gearing Ratio	11.19%
AIC Net Cash Ratio	n/a

Historic Yield (%)[2] **3.21**

Dividends (p/share)

February 2021 (declared)	2.00
August 2020 (paid)	2.40
February 2020 (paid)	2.00
August 2019 (paid)	2.40

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

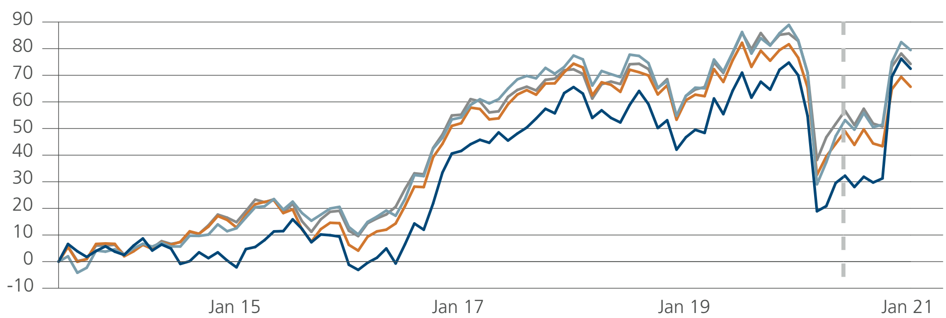
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

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	Since Tender[7]	Since Launch
Ordinary Share Price (TR)[6]	-2.15	31.39	-2.15	1.46	4.16	44.13	72.46
NAV per Share (TR)	-1.64	18.50	-1.64	-2.57	0.58	36.64	78.43
Benchmark[3]	-2.19	15.57	-2.19	-4.72	1.17	24.02	74.25
MSCI ACWI Financials (NTR)[4]	-2.19	15.57	-2.19	-6.17	-4.98	24.02	65.67

Discrete Performance (%)

	30.11.20 29.01.21	29.11.19 30.11.20	30.11.18 29.11.19	30.11.17 30.11.18	30.11.16 30.11.17
Ordinary Share Price (TR)[6]	1.79	-1.54	12.41	-1.69	16.66
NAV per Share (TR)	2.57	-6.36	10.70	-1.60	16.40
Benchmark[3]	0.56	-6.43	9.87	-0.12	14.20
MSCI ACWI Financials (NTR)[4]	0.56	-8.19	7.96	-0.44	15.75

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.
7. The Company carried out a tender offer on 22 April 2020 in response to proposals, to extend the Company's life indefinitely subject to regular tender offers, that were put to shareholders on 12 March 2020 and passed at a General Meeting on 7 April 2020. This is represented by the grey dotted line on the performance graph.

Polar Capital LLP 16 Palace Street, London, SW1E 5JD

T: +44 (0)20 7227 2721 | **E:** investor-relations@polarcapital.co.uk | **W:** www.polarcapital.co.uk

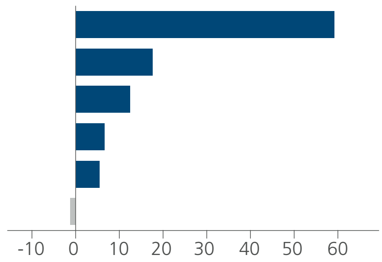
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 29 January 2021

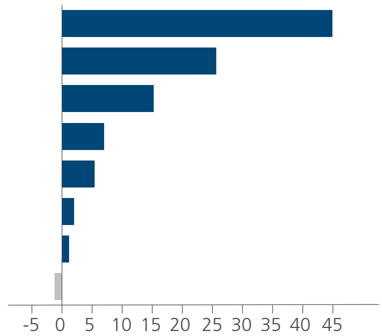
Sector Exposure (%)

Banks	59.2
Insurance	17.6
Diversified Financials	12.4
Software & Services	6.6
Fixed Income	5.4
Cash	-1.2



Geographic Exposure (%)

North America	44.9
Asia Pacific (ex-Japan)	25.6
Europe	15.2
UK	7.0
Fixed Income	5.4
Latin America	2.0
Japan	1.1
Cash	-1.2



Top 15 Holdings (%)

JPMorgan	5.3
Bank of America	3.3
HDFC Bank	2.6
AIA Group	2.5
Signature Bank	2.4
Mastercard	2.3
Chubb	2.2
Wells Fargo	2.1
Citizens Financial Group	2.1
PayPal Holdings	2.0
Bank Central Asia Tbk	2.0
Housing Development Finance	1.9
Ping An Insurance	1.9
East West Bancorp	1.8
Arch Capital	1.8
Total	**36.2**
Total Number of Positions	**79**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	85.7
Medium (US$ 0.5bn - 5bn)	11.9
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-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 29 January 2021

Equity markets were slightly lower in January as an initial rally lost momentum on the back of concern about the slower than expected distribution of vaccines in Europe, as well as around the increased risk of transmission from variations of the virus in the UK, Brazil and South Africa. Against this background, the Trust's net asset value fell by 1.6% while our benchmark index, the MSCI ACWI Financials Index, fell by 2.2%.

The results of the Senate run-off in Georgia giving the Democrats effective control of the Senate and House of Representatives raised expectations of additional stimulus leading to a jump in bond yields and inflation expectations. The steeper yield curve also provided support to bank stocks (prior to the broader market correction later in the month) with asset sensitive SMID-cap banks particularly strong, in particular Signature Bank and East West Bancorp

Conversely, our weakest performers were our holdings in Adyen, Mastercard and Arch Capital. Non-life insurance stocks were surprisingly weak in January despite fourth-quarter results for the most part being strong, with only a small number of exceptions, highlighting the improving pricing environment. As a result, we believe the weaker performance can be explained by investors rotating out of defensive sectors into more cyclical parts of the market.

US bank fourth quarter results came in better than expected largely due to the much lower loan loss provisions than expected, reflecting the resilience of the US economy albeit due to the huge fiscal and monetary stimulus in place to offset the impact of the pandemic. There was also a further fall in loans under deferral and trading revenues came in stronger than expected.

Not surprisingly loan balances have continued to decline, reflecting weak demand for credit and we would not expect it to pick up until the latter half of the year albeit a number of our SMID-cap banks continue to report extremely high levels of loan growth, including First Republic Bank, Signature Bank and SVB Financial Group. Positively, there are also signs of net interest margins plateauing supported by a reduction in excess liquidity and improving customer spreads.

Asian financials continued their outperformance in January driven by relative strength in both developed and emerging markets reflecting macro trends which continue to point towards an earlier and stronger recovery than in other regions. Looking back at the regional macro trends over the past month, what is striking is the strong recovery in exports with China, South Korea, Taiwan, Indonesia, Malaysia and Vietnam all showing double-digit rates of growth.

A key driver is IT and semiconductor exports (helping Taiwan in particular) but even south-east Asian markets, not driven by such exports, showed positive trends. Thailand's exports showed the first positive figure in eight months, with the only laggard in the region being the Philippines. The strong trade picture helped to offset what remains a depressed domestic consumption picture in many economies in the region, but this is expected to recover as the year progresses.

The announcement of India's budget was well received by markets and has provided support for our Indian holdings (our largest emerging market exposure) in early February. The budget included looser than expected fiscal deficit targets with a focus on infrastructure investment and privatisation. While we invest in the private sector banks in India, the announcement of a capital infusion into the state banks along with the creation of a 'bad bank' is positive for the financial sector overall given the drag on underlying economic growth from a weak state banking sector.

European financials were affected by concerns surrounding a resurgence in infection rates, renewed economic restrictions and a delayed rollout of the vaccine by the EU. With growth expectations for 2021 downgraded and relatively tight dividend restrictions limiting the capital return potential in the short term, European financials underperformed in the month. UBS's share price bucked the trend with strong fourth quarter results due to strong net new money inflows, improved wealth management efficiency and resilient asset quality.

Over the past 30 years financials have without fail outperformed underlying equity markets from market lows whether it was the early 1990's recession, the UK exiting the ERM, the Asian financial crisis and collapse of Long-Term Capital Management (LTCM), the TMT bubble, the global financial crisis, the eurozone crisis and the UK referendum. In the first year following the date markets hit a low the outperformance is fairly consistent and continues into the second year, albeit the dispersion of returns increases.

The only time the sector gave up some of its outperformance, was following the recovery in equity markets from the collapse of LTCM in October 1998 as the TMT bubble began to inflate through 1999. If we take the market low as 23 March last year, then financials underperformed to the end of January by 6.9%. Even if we take the performance from the day Pfizer announced the results of its vaccine trials, resulting in a sharp rotation back into financials, the sector has only outperformed by 6.5%.

This compares to historic outperformance of 19.3%, 22.5% and 25.6% over six months, one year and two years from the market lows listed above. This would suggest that if history is repeated, the sector offers much more relative upside. Logically, as it is a beneficiary of economies opening up, it makes sense that it should be outperforming. There have been no capital issues in the sector and with its earnings forecast to rise sharply as loan and insurance losses normalise over the next couple of years, we remain very positive on the outlook.

Nick Brind, John Yakas & George Barrow

8 February 2021

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.

George Barrow

Fund Manager

George has managed the Fund since 2020, he joined Polar Capital in 2010 and has 13 years of industry experience.

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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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