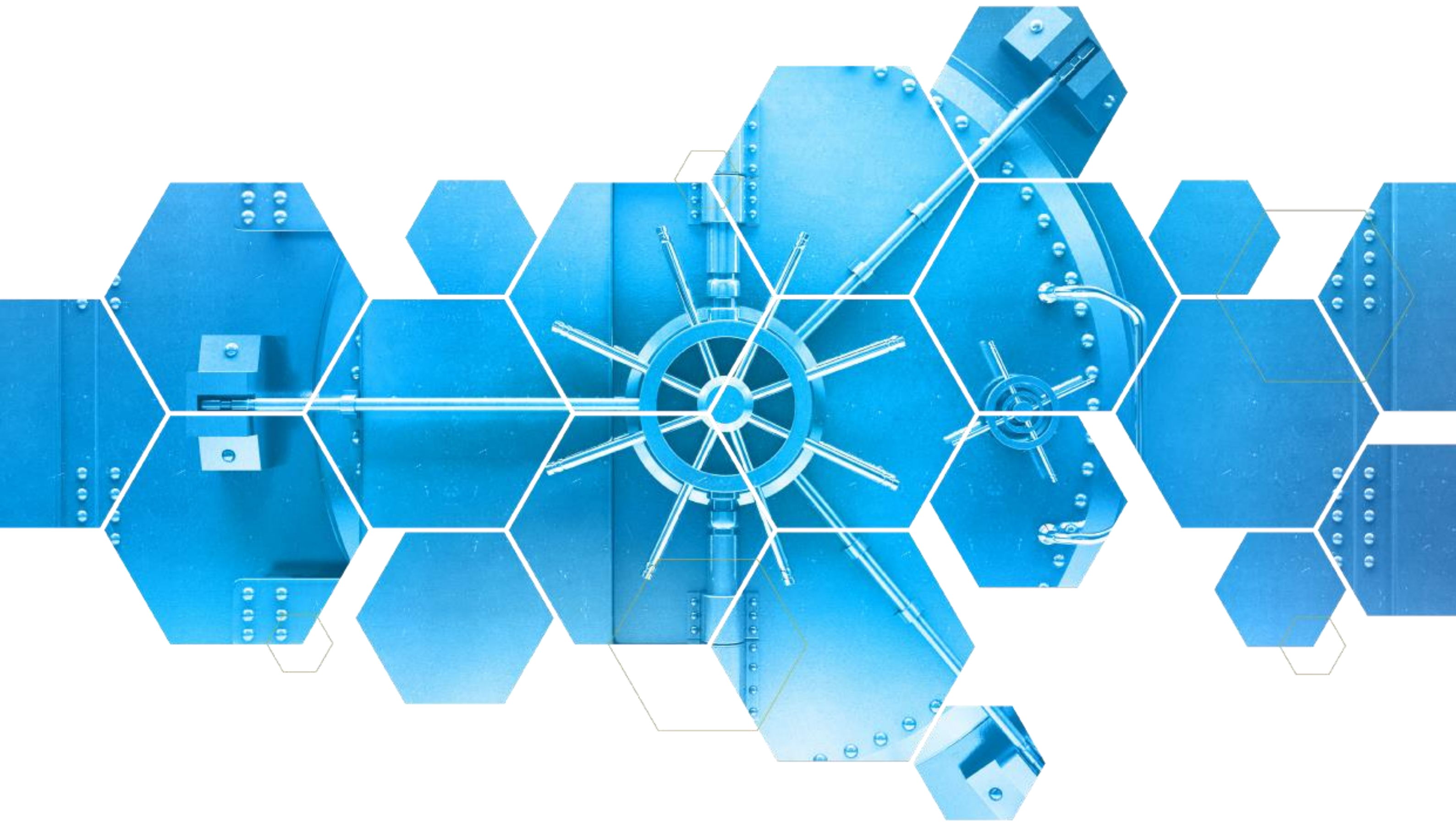
Polar Capital Global Financial Trust plc

Half Year Report for the six months ended to 31 May 2021



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Company Information

History

The Company was incorporated on 17 May 2013. On 1 July 2013 it issued 153m 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. In accordance with the Company's original prospectus, on 31 July 2017 the subscription shares matured and were exercised at 115p per subscription share. Further, in accordance with the provisions of the Articles of Association a 100% Tender Offer was made to Shareholders on 12 March 2020 ahead of the expected end of fixed life; the Tender Offer closed on 22 April 2020 and it was confirmed that 39.4% of shares were tendered. As a result of the provisions of the Tender Offer proposals, the Articles of Association were changed to remove the fixed life and replace such with five-yearly Tender Offers with the first to commence on or before 30 June 2025. In response to market demand the Company issued a Prospectus on 12 May 2021 to propose the issue of C shares, as a result of this, 122m C shares were admitted to trading on 21 June 2021.

Capital Structure

During the six months ended 31 May 2021, the Company issued 51,799,900 Ordinary shares out of treasury (31 May 2020: nil; 30 November 2020: 104,335). Subsequent to the period end and to 30 June 2021 (the latest practicable date), 6,975,000 Ordinary shares were issued out of treasury at an average price of 166p per share. Following this, the Company's issued share capital consists of 202,775,000 Ordinary shares of 5p each of which, 20,950,000 are held in treasury. In addition, the Company has in issue 122,000,000 C shares of 5p each which carry equal voting rights as the Ordinary shares. The total voting rights of the Company stands at 303,825,000 as at 30 June 2021.

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 subsectors. 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 Annual Report.

Benchmark

The Company's Benchmark was changed on 23 April 2020 to MSCI ACWI Financials Net Total Return Index (in Sterling with dividends reinvested) in recognition of the Company’s level of portfolio exposure to emerging market financials equities and its limited portfolio exposure to real estate equities. Prior to this the Company was benchmarked against the MSCI World Financials + Real Estate (RE) Index, total return in Sterling (with dividends reinvested).

Gearing and Use of Derivatives

Under the Articles of Association the Company may utilise an overall maximum leverage limit of 20 per cent. of NAV at the time at which the relevant borrowing is taken out or increased. In July 2020, the Company entered into new contracts with ING Luxembourg SA for a one-year revolving credit facility (“RCF”) of up to £22.5m and a one-year term loan of £10m. At the period end, £15m in sterling and £12.5m in US dollars had been drawn down under these facilities. Since the period end, the Company has agreed to enter into replacement arrangements with RBS, when the current facilities expire, for a one-year revolving credit facility in the amount of £40m, and a one year term loan for £20m.

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.

Management Fees

The Investment Manager is entitled to a fee at the rate of 0.70% per annum of 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 may be entitled to a performance fee equal to 10% of the excess of the performance fee hurdle and payable at the end of each five-year period, the first period being from 23 April 2020 to 30 June 2025 and at five yearly intervals thereafter. Performance fees continue to be calculated daily based on cumulative relative performance. Given strong investment performance subsequent to the restructuring in April 2020 the Manager has accrued a performance fee of [1,708,806] as at the date of this report. Any performance fee accrual can be reduced by any subsequent underperformance of the benchmark plus hurdle rate.

Financial Highlights

Performance (Sterling total return)	For six months ended 31 May 2021 %	Since Inception %
Net asset value (NAV) per Ordinary share (1)	22.2	112.0
Ordinary share price (2)	24.1	110.0
Ordinary share price including subscription share value (3)	-	114.7
Benchmark (4) MSCI ACWI Financials Net Total Return Index (in Sterling)	21.5	110.4
Other Indices and peer group (in Sterling)		
MSCI World Index	9.3	156.3
FTSE All Share Index	15.2	59.7
Lipper Financial Sector (5)	16.3	78.8

Restructuring on 22 April 2020 (Sterling total return)	Since Restructuring %
Net asset value per Ordinary share (6)	62.9
Benchmark (4)	49.8

Financials	As at 31 May 2021	As at 31 May 2020	As at 30 November 2020	% Change Six months to 31 May 2021
Total net assets	**£283,982,000**	£142,715,000	£165,743,000	+71.3
Net assets per Ordinary share	**162.4p**	115.8p	134.7p	+20.6
Ordinary share price	**167.0p**	106.8p	136.5p	+22.3
Premium/(discount) per Ordinary share	**2.8%**	-7.8%	1.3%	
Net gearing	**9.3%**	6.7%	12.7%	
Ordinary shares in issue (excluding those held in treasury)	**174,850,000**	123,270,765	123,050,100	+42.1
Ordinary shares held in treasury	**27,925,000**	79,504,235	79,724,900	-65.0

	Six months to 31 May 2021	Six months to 31 May 2020	Year to 30 November 2020	
Earnings per Ordinary share:				
Revenue Return	**2.15p**	1.57p	3.01p	
Capital Return	**25.51p**	(40.60p)	(33.01p)	
Total	**27.66p**	(39.03p)	(30.00p)	

Dividends*				
First interim	**2.40p**	2.40p	2.40p	-
Second interim	**–**	–	2.00p	-
Total	**2.40p**	2.40p	4.40p	-

* The Company declares dividends in respect of a financial year in or around July and January for payment at the end of the following August and February. The first interim dividend for the year ending 30 November 2021 was declared on 1 July 2021 and will be paid on 31 August 2021 to shareholders on the register on 6 August 2021. The shares will go ex-dividend on 5 August 2021. The second interim dividend will be declared in or around December 2021 for payment in February 2022.

Note 1 The total return NAV performance for the period is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. Performance since inception has been calculated using the initial NAV of 98p and the NAV on 31 May 2021. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol used by the Company's benchmark and other indices.

Note 2 The total return share price performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date. Performance since inception has been calculated using the launch price of 100p and the closing price on 31 May 2021.

Note 3 The total return share price performance since inception includes the value of the subscription shares issued free of payment at launch on the basis of one for every five Ordinary shares and assumes such were held throughout the period from launch to the final conversion date of 31 July 2017. Performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date and uses the launch price of 100p per Ordinary share and the closing price per Ordinary share on 31 May 2021.

Note 4 The benchmark was changed on 23 April 2020 to MSCI ACWI Financials Net Total Return Index (in Sterling) to reflect more accurately the Company's exposure to emerging market financials equities and its limited exposure to real estate equities. Prior to this the Company's benchmark was MSCI World Financials + Real Estate Net Total Return Index. Preceding 31 August 2016, the Company's benchmark was the MSCI World Financials Index, which included Real Estate as a constituent until its removal that year. The benchmark performance above illustrates linked performance of these benchmarks.

Note 5 Dynamic average of open ended funds in the Lipper Financial Sector Universe which comprised 51 open ended funds in the period under review.

Note 6 The total return NAV performance for the year is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. The new performance fee period runs from the date of the reconstruction of the Company on 22 April 2020. The opening NAV for the performance fee of 102.8p is the closing NAV the night before the tender offer was completed.

Data sourced by HSBC Securities Services Limited, Polar Capital LLP, MSCI and Lipper.

Chairman's Statement

Dear Shareholders,

What a difference a year makes! When I reported on our half yearly results a year ago the world was gripped by a deadly global pandemic which threatened lives and livelihoods, out of which scientists and policymakers were struggling to find a route.

The sector in which the Company invests found itself badly out of favour, resulting in a depressed share price trading at a wide discount to net asset value (NAV).

A year later the escalating roll-out of a number of successful COVID-19 vaccines offers a bright light at the end of a dark tunnel. The prospect of a full economic recovery and the lifting of restrictions on our way of life are now a matter of when, not if. In turn this has improved sentiment towards the financials sector to the point that, as I write this report, the Company has closed a highly successful capital raise, more of which below.

Since writing my half year statement a year ago, and as at the time of writing:

- The Company's share price has more than doubled from its intra-day low last year;
- The Company's market capitalisation has quadrupled from its intra-day low last year;
- The number of shares issued last month as part of a successful C Chare issue is almost equivalent to the entire number of ordinary shares held in public hands one year ago; and
- The Company's shares have moved from trading at times at a double digit discount to trading at a sustained premium of 2.5% to 4.6%.

While things are progressing positively there are still uncertainties facing us. COVID-19 is ever present with new variants and mutations developing and, as new cases continue to be announced worldwide, it is important that we remain cautious and take the necessary measures to secure our path out of the pandemic. We hope you and your families remain safe and well.

Share Issuance

In February I reported to you on the recovery in demand for the Company's shares and the regular issuance into the market of the Ordinary shares held in treasury as a result of the tender offer which completed in April 2020.

In the six-month period since the year ended 30 November 2020, a total of 51,799,900 Ordinary shares were issued from treasury, at an average premium to NAV of 1.52%, raising net cash of £80,318,344 and increasing the NAV per share by 0.19 pence. The General Meeting held on 1 February 2021 gave the Board authority to reissue all the shares held in treasury without applying pre-emption rights. Since the period end to 30 June 2021, the latest practicable date, the Company has issued a further 6,975,000 shares from treasury, leaving 20,950,000 shares in treasury available to be re-issued non-pre-emptively. Such authority was in addition to the allotment authority granted at the Annual General Meeting to issue up to 16,195,000 new Ordinary shares without pre-emption rights.

As noted above, the persistent demand for shares has been such that the Board, in consultation with the Investment Manager and Corporate Broker, issued a Prospectus on 12 May 2021 for an initial C share Placing, Open Offer, Offer for Subscription and Intermediaries Offer. Despite the relatively small size of the Company and the regular issuance of shares out of treasury, we felt confident of attracting demand for potentially up to 100 million new shares.

By the close of the offer period on 16 June 2021 demand for new C shares had exceeded our expectations. Interest was seen from across the wealth and discretionary management community as well as from retail investors via platforms. The significant increase in shares in issue and the larger number of shareholders should help the liquidity of the Company's shares and improve the ongoing cost ratio.

On 21 June 2021 122 million C shares were issued at a price of £1.00 each before expenses. The opening NAV of the C shares was 98.5 pence per share. The C shares will convert to Ordinary shares in the five days immediately following the record date of the next dividend payable in August.

The Board is delighted with the uptake of the C share issue. We thank those shareholders who have enlarged their holdings in the Company, and we welcome the new shareholders who have joined us. We look forward to the period ahead with optimism and thank the Investment Manager and the Corporate Broker for their dedication and efforts in overcoming the challenges that the pandemic presented.

Performance

The period under review witnessed a significant turnaround in sentiment towards the financials sector. The Company's benchmark – the MSCI ACWI Financials Index – registered a total return of 21.5% during the six-month period, compared to a 9.3% total return performance for global equities as measured by the MSCI ACWI Index.

Our Investment Manager was able to keep pace with this strong performance, registering a 22.2% increase in the Company's NAV total return for the same period. Relative performance against the index since the tender offer closed on 22 April 2020 remains very strong, with NAV total return rising by 62.9% compared to the benchmark return of 49.8%.

The timely repositioning of the Company's portfolio towards bank stocks, combined with the application of the gearing discretion permitted within the investment policies, were the primary drivers of the positive relative performance of the Company's portfolio since last year's tender offer.

Further information on investment performance over the first six months of the financial year can be found within the Financial Highlights and the Investment Manager's Report.

Dividends

The Company has an income and growth mandate, and the Board is aware of the continued importance of income to some shareholders as part of their total return. The Company's dividend policy and aim with respect to the Ordinary shares is to pay two interim dividends each year, in February and August. These interim dividends will not necessarily be of equal amounts.

The ability to continue the Company's dividend policy may be compromised due to lower income, either as a result of changes in the policies of investee companies, changes in the composition of the portfolio, regulatory intervention, or as a result of the currency exposure underlying the portfolio, all of which could result in a lower level of dividend being paid than intended or previously paid.

The Company's income has been adversely affected by the economic impact of the pandemic and by restrictions placed by a number of regulators, in response to the COVID-19 pandemic, on the ability of some investee companies to return capital to their shareholders through dividends or buybacks. These events have adversely impacted the income received by the Company both during the financial year ended 30 November 2020 and during the six-month period under review relative to pre-pandemic levels.

For the first time since its inception, the Company made use of revenue reserves to support a maintained dividend in respect of the year ended 30 November 2020. There will again be a need to draw on revenue reserves to support upcoming dividend payments for the current financial year, and there is no guarantee of being able to maintain or grow the previous dividend levels.

For the year ending 30 November 2021, the Board has declared a first interim dividend of 2.40p per share, which is unchanged from last year, payable on 31 August 2021 to shareholders on the register as at 6 August 2021. The Board will continue to consult closely with the Investment Manager as better clarity emerges around the longer-term income prospects of the Portfolio.

Board

As reported in the last Annual Report, the succession plan to refresh the Board has commenced with the opening of a recruitment process to appoint a new Audit Committee Chair to replace Joanne Elliot as she comes to the end of her nine-year tenure on the Board in early 2022. The Board aims to have the Audit Chair elect in place by November 2021, ahead of the Company's next audit to allow for an orderly and efficient handover process with the current Audit Chair.

Gearing
With the enlarged asset base following the C share issue, the Company is taking the opportunity to increase its borrowing facilities to ensure the gearing level can be maintained across the full portfolio. It is therefore anticipated that on expiry of the current £32.5m loans on 9 July 2021, a new facility will be put in place for up to £60m in borrowings. Under the current investment policy, the Company may utilise up to 20% gearing. As at 30 June 2021, the latest practicable date, the portfolio was 7.36% geared.

Outlook

Since the announcement of successful vaccine trials last November the narrative has steadily turned towards the pace of economic recovery and, more recently, the prospect of a pop in inflation. Policy makers have adopted a 'transitory' position on the rise in inflation, indicating that highly accommodative monetary policy will continue for some time as they focus on recovery. However, there is a growing debate as to whether central banks are 'behind the curve' and risking a higher-for-longer inflation outcome.

The combination of economic recovery, rising inflation risks and heavy public debt financing needs all raise the prospect of higher interest rates, probably initially in the form of steepening yield curves as central banks anchor the very short end of the curve for the time being. This combination of growth combined with rising interest rates presents a very favourable background for bank stocks in particular. More broadly, despite its recent re-rating, the financials sector remains good value both on a relative and absolute basis. Finally, with the improved outlook for the sector, and banks in particular, beginning to be reflected in earnings forecasts, and with the perception of risks in the sector moderating significantly, the prospects for dividend growth and share buybacks will be a further positive driver for the sector.

Success in dealing with the pandemic and the path of economic recovery have deviated globally, with the US, the UK and parts of Asia leading the way. Also, the various sub-components of the financials sector have differing exposure to the growth-inflation-rising interest rate outlook. Stock selection will continue to be a key driver of relative performance. The Board remains confident that the Investment Manager has the capability to exploit the opportunities the sector offers on behalf of our enlarged shareholder community.

Robert Kyprianou
Chairman
2 July 2021

Investment Manager's Report

Performance

The six month period covered by this report was an excellent one for financials in both absolute terms and relative to wider equity markets. The news in November 2020 of the efficacy of Pfizer's coronavirus vaccine, in collaboration with BioNTech, as well as those being developed by others provided the catalyst for sentiment to turn much more positive on the sector.

As a result, a quicker rollout of vaccines than had been previously expected led to a belief that economies would open up more quickly. Coupled with continued positive economic data underpinned by governments' and central banks' fiscal and monetary stimuli, financials, and in particular bank stocks were seen as key beneficiaries of the recovery.

Furthermore, with rising inflation expectations and bond yields the sector outperformed wider equity markets with the Company's net asset value total return for the period increasing by 22.2% against our benchmark index, the MSCI ACWI Financials Index, which rose by 21.5%. In comparison global equity markets as illustrated by the MSCI ACWI Index rose by 9.3%.

Not surprisingly against this background an overweight position in bank stocks and in particular US regional banks as well as gearing were the biggest contributors to performance. Conversely the biggest drag were our holdings in the property & casualty insurance sector, payment companies and the quality tilt of the portfolio holdings which historically lag sharply rising equity markets. Currency was also a small drag on performance.

Investment Review

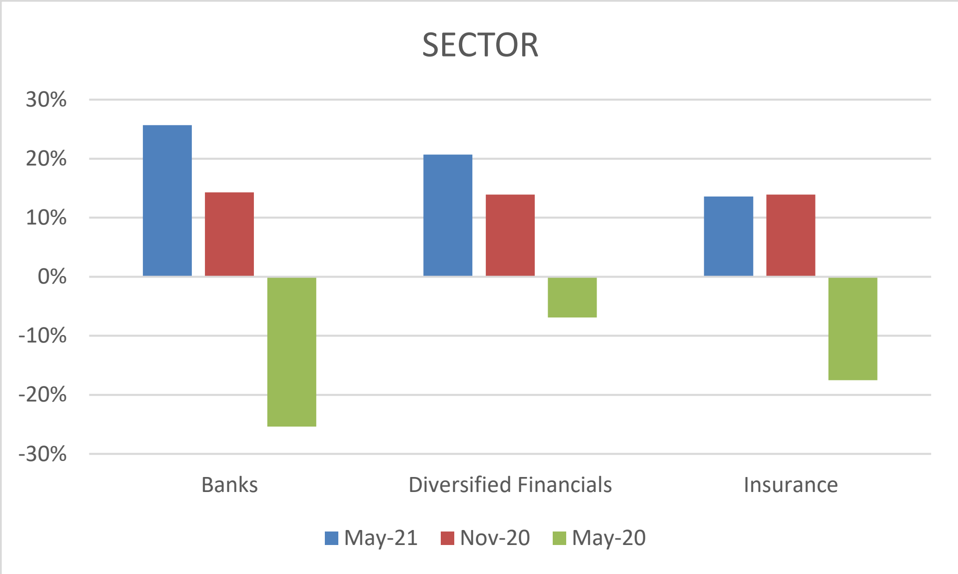
Markets

Equity markets led by the US and Europe performed strongly over the six months ended 31 May 2021, making new all-time highs in every month. Although there were some brief periods of profit taking on concerns around more transmissible variants and second waves, latterly in some emerging market countries, this was not sufficient to offset the positive sentiment generated by the success and speed with which vaccines had been developed to combat COVID-19.

A combination of lower political risk, with the UK and the EU reaching an agreement on Brexit, the election of Jo Biden leading to an expectation of further fiscal stimulus in the US, and Janet Yellen, former Governor of the Federal Reserve, being appointed as US Treasury Secretary helped underpin the positive sentiment. Pent up demand from the huge fiscal and monetary stimulus, rising commodity prices and supply side issues led to rising inflation expectations.
Government bond yields consequently rose over most of the period, with yield curves steepening as central banks continued to indicate that they would keep monetary policy loose for the foreseeable future despite concerns around inflation pressures. However, there was some softening in government bond yields on less positive economic data towards the end of the period as, despite a sharper rise in inflation data, most market participants saw the increase in inflation data as transitory.

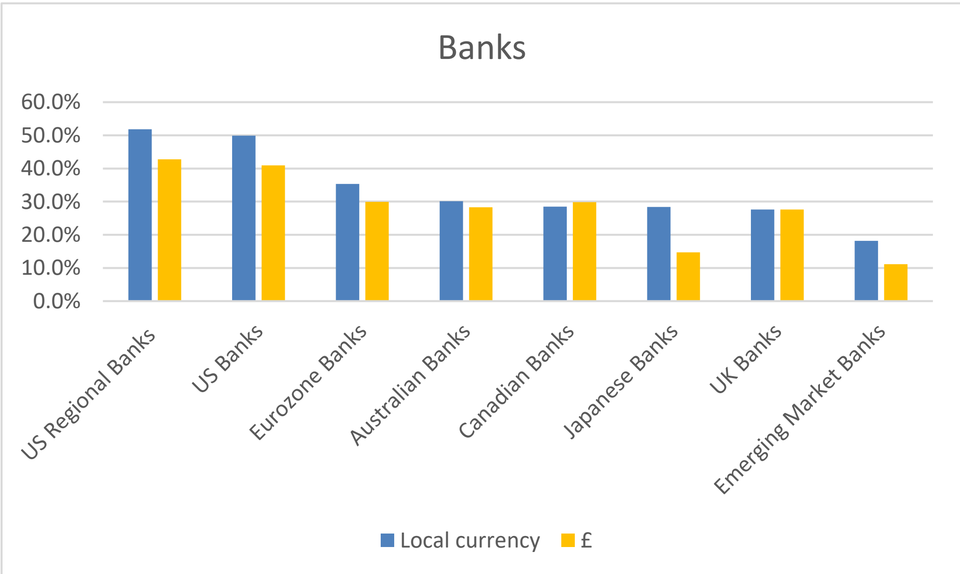
Sector

Banks led the sector over the six months on the back of strong results that significantly exceeded analyst expectations due to lower provisions for loan losses as well as continued strong investment banking and trading income. This resulted in positive earnings revisions while the increased investor interest due to the sector's sensitivity to rising bond yields against the background of rising inflation expectations also provided a strong tailwind to share prices.



Source: Bloomberg, MSCI ACWI Global Banks Index, MSCI ACWI Diversified Financials Index, MSCI ACWI Insurance Index. Total return (£) 6 months to 31 May 2021.

US banks led the rally in bank shares, followed by those in the Eurozone, reflecting the stronger economic tailwinds in the US from a faster rollout of vaccines than nearly all other major economies, more significant fiscal stimulus and sharper rise in government bond yields than most other countries. Conversely emerging market banks, having performed much more strongly over the initial stages of the pandemic and recovery, in part reflecting Asian countries' more robust handling of it from a health perspective, lagged the recent rally in bank shares.



Source: Bloomberg. 6 months to 31 May 2021: KBW Regional Banks Index, KBW Banks Index, STOXX Europe Banks Index, S&P ASX Index, S&P TSX Banks Index, TOPIX Banks Index, FTSE All-Share Banks Index and MSCI Emerging Market Banks Index.

Diversified Financials, which include asset managers, consumer finance companies, custody banks and stock exchanges, also performed strongly although a number of stock exchanges disappointed. Asset managers were strong across the board with alternative asset managers continuing to see strong inflows and more traditional asset managers benefitting from a recovery in flows as well as asset values, leading to a rerating in many of their shares.

Insurance stocks lagged the sector materially, despite decent results and evidence of continued increase in insurance rates, with reinsurance stocks barely posting positive returns, albeit property & casualty insurance stocks performed better. This likely reflects the lower sensitivity of the sector, except for life assurance companies, to economic cycles and therefore being seen as less attractive at this point in the economic cycle as investors have shifted their financials weighting towards more cyclical stocks such as banks.

Payment companies rose over the period but lagged the rally in wider equity markets and the broader sector as they are similarly not seen as sensitive to the reopening of economies. However, some will be beneficiaries of a pick-up in travel and entertainment expenditure as restrictions are gradually relaxed. Fixed income securities of financial companies eked out some decent returns despite the headwind of rising government bond yields due to the strong fundamentals of the sector but also reflecting the continued demand for income from investors.

Investment Activity

The biggest shift in positioning over the past six months has been to reduce the Company's exposure to emerging market financials by around 10%, due in part to rising numbers of COVID-19 cases in several Asian countries and our concern that new lockdowns have yet to feed through into economic data. Consequently, holdings in China Merchants Bank, KasikornBank, Bank of the Philippine Islands and Axis Bank were all sold while other holdings were reduced.

The other key reason for this shift was that momentum in markets was shifting towards the US, Europe and other developed markets as they roll out vaccines and there was increasing confidence about the recovery in their economies. As a result, proceeds from these sales were used to increase our exposure to Europe and developed Asia as well as to reduce gearing marginally. During the period, we purchased holdings in Commonwealth Bank of Australia, Sumitomo Mitsui Financial Group, BBVA, ING Groep and Nordea.

Other investment activity included introducing a holding in London Stock Exchange Group following a disappointing trading statement while Allfunds Group, a European investment platform, was purchased on its IPO. We also changed our mix of US banks slightly following the strong performance of our US regional bank holdings, locking in some of the profit. Finally, we continued to reduce the Company's exposure to fixed income securities as the yields on offer continued to fall.

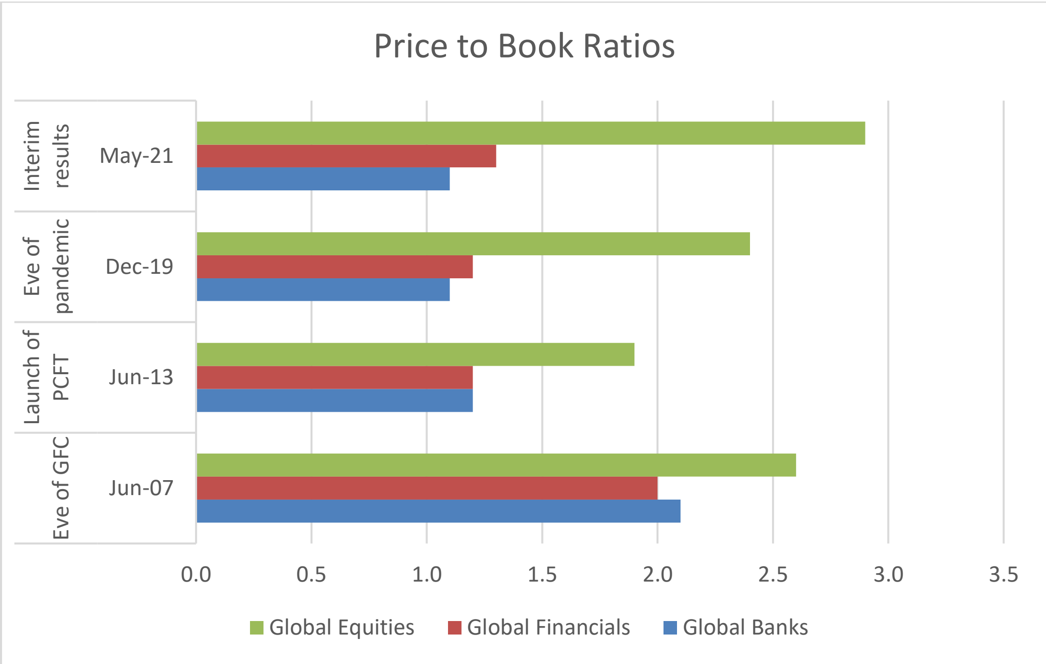
Outlook

Looking forward we remain constructive on the outlook for the sector and the Trust as we believe the tailwinds remain very positive for the foreseeable future. The sector has also shown a degree of diversification benefits from higher growth sectors such as technology which have come under pressure from rising bond yields. The next 10 years will be very unlike the last 10, although likely just as unpredictable and investor positioning arguably still does not take this into account.

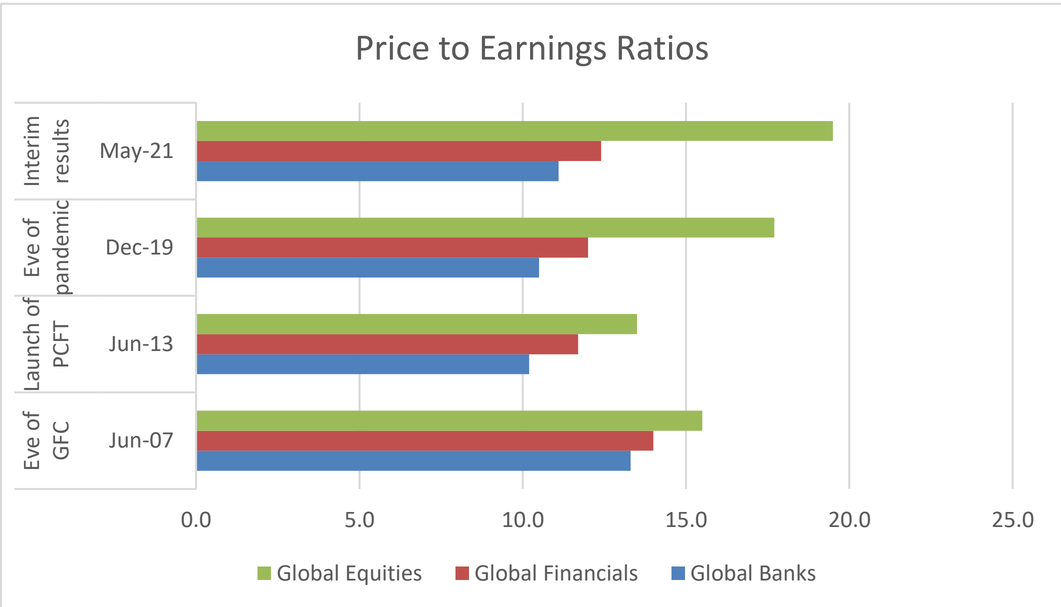
While valuations for the sector have recovered to their pre-pandemic levels, those of wider equity markets have increased further, highlighting the relative value of financial stocks at this point in the cycle.

Valuation of the sector vs wider equity markets

Price to book ratios



Price to earnings ratios



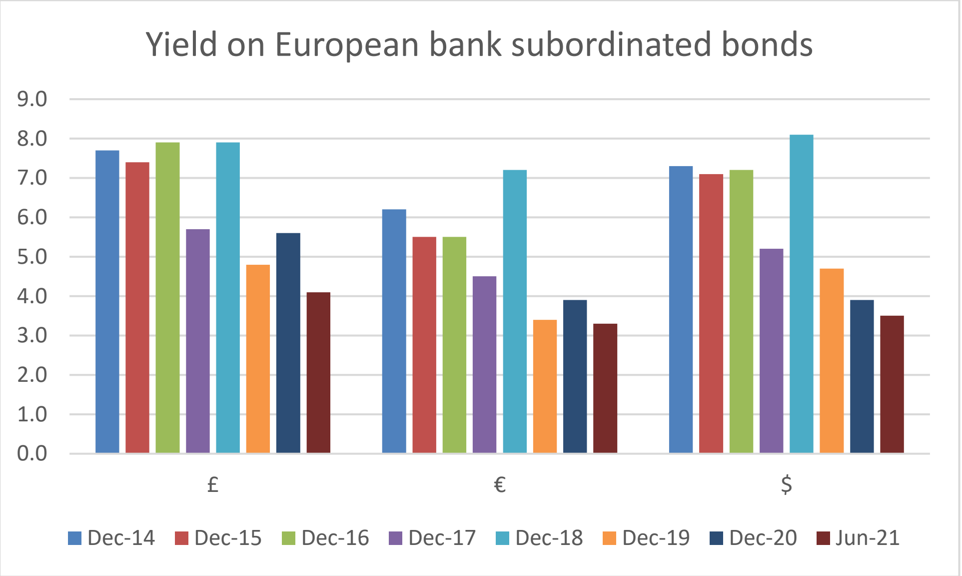
Source: Bloomberg. MSCI ACWI Banks Index, MSCI ACWI Financials Index, MSCI ACWI Index - 1 year forward estimates

M&A activity

M&A activity has picked up in recent months with three of our holdings participating in acquisitions or mergers, namely Citizen Financial's purchase of assets and branches from HSBC in the US, while Webster Financial, a Connecticut headquartered mid-sized regional bank announced a merger with Sterling Bancorp, a New York state bank, and Enterprise Financial, a much smaller regional bank based in Missouri, announced a merger with First Choice Bancorp based in California. All of these deals are accretive and as there are still thousands of banks in the US, we would expect consolidation will continue to be a theme.

Lower cost of capital

We have seen some indications that investment bank analysts are starting to consider that, as the sector is less risky today than it was previously, it deserves a lower cost of capital in their valuation models. This would justify higher share prices, all things being equal. The perception of risk can be illustrated by the fall in the yields on subordinated bonds of European banks, suggesting that credit investors are happy to be paid relatively little for the risk of owning bank bonds. This has yet to be reflected in banks' share prices.



Source: Bloomberg. European bank AT1 securities yield to worst

Capital return

In 2020 regulators in the UK and Europe suspended all dividends for banks as well as for some insurance companies. Regulators elsewhere imposed less onerous restrictions, allowing banks to continue to pay dividends, albeit buybacks were suspended. In the US, the Federal Reserve announced in December that banks could restart buybacks in January, and they have since announced that restrictions limiting the payout ratios of banks to no more than their earnings in any one year will be lifted at the end of June subject to usual stress tests.

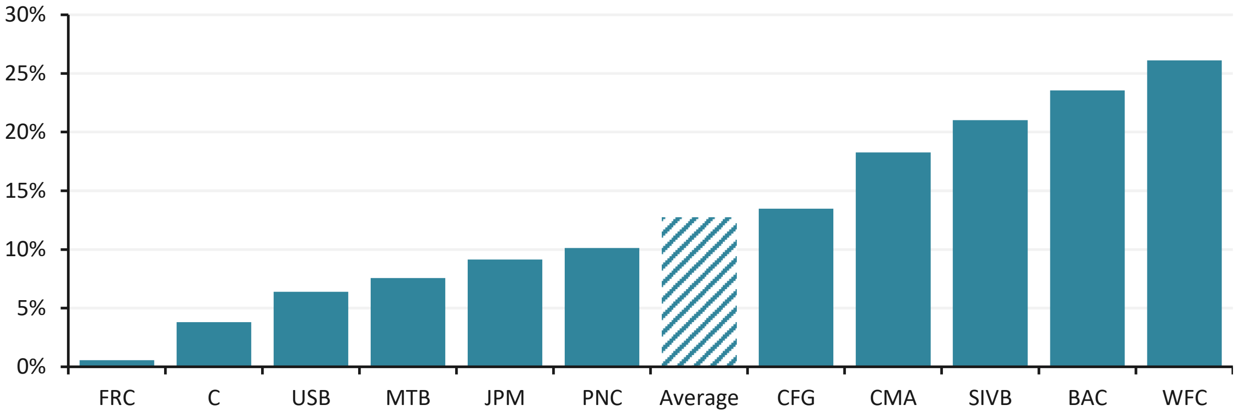
UK and European regulators have allowed dividends to restart this year but have severely restricted the amount that can be paid out. However, they are expected to announce over the coming months that all remaining restrictions will be lifted, assuming the recovery in economic activity continues as expected. Consequently, bank investors will see a sharp increase in the amount of capital returned to them through dividends and buybacks, in some cases reaching double-digit levels, which we believe will be seen very positively.

Interest rates and bond yields

Pent up demand from the huge fiscal and monetary stimulus, rising commodity prices and supply side issues have led to rising inflation expectations along with rising government bond yields and a steeper yield curve. Rising bond yields allow banks and insurance companies to reinvest maturing bonds or cash at higher levels thereby generating increased income and profitability.

For bank investors there is a bigger benefit still if this also leads to interest rate expectations increasing, whether due to rising inflation expectations or due to stronger economic growth providing room for central banks to start reducing monetary stimulus. Banks remain very sensitive to rising interest rates as can be seen in the table below, with the result that their share prices will anticipate any change in expectations.

EPS Sensitivity (100bps Rate Increase, Year 1)



Source: Barclays Research, March 2021
Footnote: EPS sensitivity applied against 2021 estimates

Can past performance be a guide to future returns?

There are many broad themes in the sector but the biggest driver over the shorter term is that if growth continues to surprise over the course of the next year as economies reopen on the back of the rollout of vaccines, then we would expect pressure on bond yields to rise further and with them interest rate expectations. Central banks are moving to a phase of thinking about rationing the punch but not yet taking away the bowl itself, albeit that day will come, while some have already indicated they are minded to increase interest rates. The portfolio is positioned to benefit from this eventuality through its high weighting in bank shares.

Furthermore, history shows that the sector outperforms at this point in the cycle. Looking back at nine different events over the last 30 years from the US recession in the early 1990s, the Asian financial crisis, to more recently the global financial crisis, the Eurozone crisis and the UK Brexit referendum, financials have outperformed by around 22.5% on average from market lows over the following 12 months. As a cyclical sector this should be no surprise – it is very sensitive to economic activity. To date the outperformance since March 2020 has been only 3.3% (as at 28 June 2021), suggesting further outperformance lies ahead if history is a good guide.

Nick Brind, John Yakas & George Barrow
2 July 2021

Note
We would draw shareholders attention to http://www.polarcapitalglobalfinancialstrust.co.uk/ for regular monthly portfolio updates and commentary. *index performance figures are total return in Sterling.

Full Portfolio

					Market Value £'000		% of total net assets	
2021	2020	Stock	Sector	Geographical Exposure	31 May 2021	30 November 2020	31 May 2021	30 November 2020
1	(1)	JP Morgan Chase	Banks	North America	16,974	9,190	6.0%	5.5%
2	(2)	Bank of America	Banks	North America	11,062	5,658	3.9%	3.4%
3	(5)	CHUBB	Insurance	Europe	7,715	4,629	2.7%	2.8%
4	(13)	Citizens Financial Group	Banks	North America	7,505	3,421	2.6%	2.1%
5	(11)	Arch Capital	Insurance	North America	7,356	3,489	2.6%	2.1%
6	(20)	BNP Paribas	Banks	Europe	7,072	2,982	2.5%	1.8%
7	(-)	ING Groep	Banks	Europe	6,598	-	2.3%	-
8	(4)	HDFC Bank	Banks	Asia (ex-Japan)	6,459	5,317	2.3%	3.2%
9	(6)	AIA Group	Insurance	Asia (ex-Japan)	6,352	4,425	2.2%	2.7%
10	(28)	Wells Fargo	Banks	North America	5,966	2,480	2.2%	1.5%
Top 10 investments					83,059		29.3%	
11	(61)	Intesa Sanpaolo	Banks	Europe	5,907	1,520	2.1%	0.9%
12	(12)	Toronto-Dominion Bank	Banks	North America	5,844	3,422	2.1%	2.1%
13	(3)	Mastercard	Software & Services	North America	5,770	5,657	2.0%	3.4%
14	(-)	Citigroup	Banks	North America	5,652	-	2.0%	-
15	(14)	Housing Development Finance	Banks	Asia (ex-Japan)	5,605	3,414	2.0%	2.1%
16	(24)	US Bancorp	Banks	North America	5,498	2,886	1.9%	1.7%
17	(25)	UBS Group	Banks	Europe	5,261	2,849	1.9%	1.7%
18	(33)	Sampo	Insurance	Europe	5,252	2,371	1.8%	1.4%
19	(16)	Blackstone	Diversified Financials	North America	5,069	3,171	1.8%	1.9%
20	(21)	OSB Group	Banks	United Kingdom	4,969	2,961	1.7%	1.8%
Top 20 investments					137,886		48.6%	
21	(-)	Sumitomo Mitsui Financial	Banks	Japan	4,885	-	1.7%	-
22	(39)	Webster Financial	Banks	North America	4,870	2,211	1.7%	1.3%
23	(-)	Commonwealth Bank of Australia	Banks	Asia (ex-Japan)	4,862	-	1.7%	-
24	(23)	American Express	Diversified Financials	North America	4,769	2,888	1.7%	1.7%
25	(-)	PacWest Bancorp	Banks	North America	4,732	-	1.6%	-
26	(34)	Allianz	Insurance	Europe	4,620	2,370	1.6%	1.4%
27	(-)	HSBC	Banks	United Kingdom	4,583	-	1.6%	-
28	(-)	Oversea-Chinese Banking	Banks	Asia (ex-Japan)	4,473	-	1.6%	-
29	(-)	Nordea Bank	Banks	Europe	4,457	-	1.6%	-
30	(8)	Bank Central Asia	Banks	Asia (ex-Japan)	4,165	3,846	1.5%	2.3%
Top 30 investments					184,302		64.9%	
31	(31)	East West Bancorp	Banks	North America	3,975	2,411	1.4%	1.5%
32	(37)	Prudential	Insurance	United Kingdom	3,961	2,274	1.4%	1.4%
33	(-)	Visa	Software & Services	North America	3,951	-	1.4%	-

34	(46)	Intact Financial Corporation	Insurance	North America	3,880	2,070	1.4%	1.3%
35	(22)	Signature Bank	Banks	North America	3,819	2,922	1.3%	1.8%
36	(-)	M&T Bank	Banks	North America	3,701	-	1.3%	-
37	(17)	SVB Financial	Banks	North America	3,618	3,152	1.3%	1.9%
38	(-)	BBVA	Banks	Europe	3,587	-	1.3%	-
39	(38)	Chailease	Diversified Financials	Asia (ex-Japan)	3,413	2,270	1.2%	1.4%
40	(15)	Ping An Insurance	Insurance	Asia (ex-Japan)	3,372	3,406	1.2%	2.1%
Top 40 investments					221,579		78.1%	
41	(-)	Bank of NT Butterfield & Son	Banks	North America	3,249	-	1.2%	-
42	(54)	Grupo Financiero Banorte	Banks	Latin America	3,173	1,758	1.1%	1.1%
43	(10)	PNC Financial Services	Banks	North America	3,165	3,717	1.1%	2.3%
44	(35)	Tisco Financial	Banks	Asia (ex-Japan)	3,145	2,300	1.1%	1.4%
45	(18)	Hong Kong Exchange	Diversified Financials	Asia (ex-Japan)	3,127	3,148	1.1%	1.9%
46	(40)	Enterprise Financial Services	Banks	North America	3,033	2,209	1.1%	1.3%
47	(-)	S&P Global	Diversified Financials	North America	2,930	-	1.0%	-
48	(32)	First Republic Bank	Banks	North America	2,919	2,392	1.0%	1.4%
49	(64)	Alibaba	Software & Services	Asia (ex-Japan)	2,901	1,371	1.0%	0.8%
50	(53)	Itaú Unibanco	Banks	Latin America	2,884	1,769	1.0%	1.1%
Top 50 investments					252,105		88.8%	
51	(56)	Direct Line Insurance	Insurance	United Kingdom	2,869	1,688	1.0%	1.0%
52	(-)	Sberbank of Russia	Banks	Eastern Europe	2,739	-	1.0%	-
53	(-)	London Stock Exchange	Diversified Financials	United Kingdom	2,738	-	1.0%	-
54	(65)	Banca Generali	Diversified Financials	Europe	2,738	1,174	1.0%	0.7%
55	(36)	E. Sun Financial	Banks	Asia (ex-Japan)	2,724	2,283	0.9%	1.4%
56	(-)	Comerica	Banks	North America	2,687	-	0.9%	-
57	(7)	PayPal	Software & Services	North America	2,675	4,205	0.9%	2.5%
58	(-)	Beazley	Insurance	Europe	2,602	-	0.9%	-
59	(72)	Finecobank	Banks	Europe	2,541	726	0.9%	0.4%
60	(50)	Manappuram Finance	Diversified Financials	Asia (ex-Japan)	2,531	1,946	0.9%	1.2%
Top 60 investments					278,949		98.2%	
61	(62)	Lancashire	Insurance	United Kingdom	2,448	1,490	0.9%	0.9%
62	(-)	Bank for Foreign Trade of Vietnam	Banks	Asia (ex-Japan)	2,404	-	0.9%	-
63	(45)	VPC Specialty Lending Investments	Fixed Income	Fixed Income	2,374	2,103	0.8%	1.3%
64	(57)	Sparebank 1 SMN	Banks	Europe	2,260	1,667	0.8%	1.0%
65	(-)	TCS Group	Banks	United Kingdom	2,129	-	0.7%	-
66	(-)	Allfunds	Diversified Financials	United Kingdom	2,125	-	0.7%	-

67	(52)	SLR Investment	Diversified Financials	North America	2,007	1,841	0.7%	1.1%
68	(44)	Atom Bank (unquoted)	Banks	United Kingdom	1,921	2,120	0.7%	1.3%
69	(55)	Ares Capital	Diversified Financials	North America	1,887	1,728	0.7%	1.0%
70	(63)	City of London Investment Group	Diversified Financials	United Kingdom	1,869	1,486	0.7%	0.9%
Top 70 investments					300,373		105.8%	
71	(-)	Pensionbee	Diversified Financials	United Kingdom	1,789	-	0.6%	-
72	(60)	Nationwide Building Society 10.25% CCDS	Fixed Income	Fixed Income	1,389	1,542	0.5%	0.9%
73	(59)	International Personal Finance 9.75% Bond	Fixed Income	Fixed Income	1,358	1,546	0.5%	0.9%
74	(-)	Chrysalis Investments	Diversified Financials	United Kingdom	1,188	-	0.4%	-
75	(75)	Stichting AK Rabobank 6.5% Bond	Fixed Income	Fixed Income	1,151	596	0.4%	0.4%
76	(70)	International Personal Finance 7.75% Bond	Fixed Income	Fixed Income	1,015	940	0.4%	0.6%
77	(69)	Aldermore Group 8.5% Bond	Fixed Income	Fixed Income	979	979	0.3%	0.6%
78	(-)	Funding Circle	Diversified Financials	United Kingdom	913	-	0.3%	-
79	(71)	Riverstone Credit Opportunities	Fixed Income	Fixed Income	883	781	0.3%	0.5%
80	(77)	Jupiter 8.875% Bond	Fixed Income	Fixed Income	514	486	0.2%	0.3%
Total investments					311,552		109.7%	
Other net liabilities					(27,570)		(9.7%)	
Total net assets					283,982		100.0%	

Note: Figures in brackets denote comparative rankings as at 30 November 2020.

Portfolio Analysis

Geographical Exposure*	Benchmark weighting as at 31 May 2021**	31 May 2021	30 November 2020
North America	50.8%	48.8%	49.3%
Europe	21.6%	21.4%	17.3%
Asia (ex-Japan)	18.8%	19.6%	29.4%
United Kingdom	6.1%	11.7%	8.6%
Fixed Income	-	3.4%	6.6%
Latin America	1.6%	2.1%	2.2%
Japan	3.8%	1.7%	-
Eastern Europe	-	1.0%	-
Other net liabilities	-	(9.7%)	(13.4%)
Total		100.0%	100.0%

Sector Exposure*	Benchmark weighting as at 31 May 2021**	31 May 2021	30 November 2020
Banks	49.5%	69.5%	62.1%
Insurance	21.3%	17.7%	20.4%
Diversified Financials	29.2%	13.8%	15.2%
Software & Services	-	5.3%	7.8%
Fixed Income	-	3.4%	6.6%
Real Estate	-	-	1.3%
Other net liabilities	-	(9.7%)	(13.4%)
Total		100.0%	100.0%

Market Cap*	Benchmark weighting as at 31 May 2021**	31 May 2021	30 November 2020
Large (>US$5bn)	99.16%	96.4%	97.6%
Medium (US$0.5bn – US$5bn)	0.84%	11.9%	12.8%
Small (<US$0.5bn)	-	1.4%	3.0%
Other net liabilities	-	(9.7%)	(13.4%)
Total		100.0%	100.0%

* Based on the net assets as at 31 May 2021 of £284.0m (30 November 2020: £165.7m).

**Classifications derived from the Benchmark Index as far as possible. Not all geographical areas or sectors of the Benchmark are shown, only those in which the Company had an investment at the period end.

CORPORATE MATTERS
FOR THE SIX MONTHS TO 31 MAY 2021

PRINCIPAL RISKS AND UNCERTAINTIES

A detailed explanation of the Company's principal risks and uncertainties, and how they are managed through mitigation and controls, can be found on pages 31 to 34 of the Annual Report for the year ended 30 November 2020. These were also reviewed and included on pages 11 to 26 of the Prospectus issued on 12 May 2021. These principal risks can be summarised as business risks, including meeting the investment objective of the Company, and market-related risks encompassing factors such as excessive share price discount to NAV, market volatility, stock pricing and liquidity risk, currency and interest rate risk, counterparty risk, gearing and the ability to meet the dividend policy. Other principal risks include infrastructure risks, including the performance of the operational and accounting systems and processes provided by the Investment Manager, taxation, mis-valuation and legal and regulatory risks; and external risks which focuses on the exposure to the economic cycles of the markets of the underlying investments.

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, remain consistent with those outlined in the Annual Report for the year ended 30 November 2020. The Board continues to consider and monitor the risks and uncertainties relating to COVID-19 and the impact on the Company which has been reflected in the Company's risk register. Further detail on the Company's performance and portfolio can be found in the Investment Managers' Review.

GOING CONCERN

In consideration of the going concern position, the Board refers to the longer-term viability statement as published within the Annual Report and Financial Statements for the year ended 30 November 2020. As detailed in the notes to the financial statements, the Board continually monitors the financial position of the Company and, in connection with COVID-19, has undertaken additional stress-testing and analysis which used a variety of falling parameters to demonstrate the effects on the Company's share price and net asset value. In light of the results of these tests on the Company's cash balances and liquidity position, the Directors consider that the Company has adequate financial resources to enable it to continue in operational existence. Having carried out the additional testing, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Company. The Directors have not identified any material uncertainties or events that might cast significant doubt upon the Company's ability to continue as a going concern. Further, on 17 June 2021, the Company announced the issue of 122m C shares of £1 each into the market following a successful fund raise in connection with the Prospectus issued on 12 May 2021, see Chairman's Statement for further information.

RELATED PARTY TRANSACTIONS

In accordance with DTR 4.2.8R there have been no new related party transactions during the six-month period to 31 May 2021 and therefore nothing to report of any material effect by such transactions on the financial position or performance of the Company during that period. There have therefore 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 or to the date of this report.

Statement of Directors' Responsibilities

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 has been prepared in accordance with IAS34, in conformity with the requirements of the Companies Act 2006 and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 31 May 2021; and
- The Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

The half-year financial report for the six-month period to 31 May 2021 has not been audited or reviewed by the Auditors. The half-year financial report was approved by the Board on 30 June.

On behalf of the Board

Robert Kyprianou
Chairman

STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 May 2021

	Notes	(Unaudited) Half year ended 31 May 2021			(Unaudited) Half year ended 31 May 2020			(Audited) Year ended 30 November 2020		
		Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	**4,046**	**-**	**4,046**	3,866	-	3,866	6,297	–	6,297
Other operating income	2	**-**	**-**	**-**	7	-	7	7	–	7
Gains/(losses) on investments held at fair value		**-**	**38,359**	**38,359**	-	(73,406)	(73,406)	-	(47,908)	(47,908)
Other currency gains/(losses)		**-**	**479**	**479**	-	(600)	(600)	–	(506)	(506)
Total income		**4,046**	**38,838**	**42,884**	3,873	(74,006)	(70,133)	6,304	(48,414)	(42,110)
Expenses										
Investment management fee		**(155)**	**(621)**	**(776)**	(194)	(777)	(971)	(299)	(1,195)	(1,494)
Performance fee		**-**	**(415)**	**(415)**	-	(573)	(573)	-	(1,269)	(1,269)
Other administrative expenses		**(414)**	**(8)**	**(422)**	(345)	(13)	(358)	(629)	(11)	(640)
Total expenses		**(569)**	**(1,044)**	**(1,613)**	(539)	(1,363)	(1,902)	(928)	(2,475)	(3,403)
Profit/(loss) before finance costs and tax		**3,477**	**37,794**	**41,271**	3,334	(75,369)	(72,035)	5,376	(50,889)	(45,513)
Finance costs		**(33)**	**(131)**	**(164)**	(38)	(153)	(191)	(61)	(241)	(302)
Profit/(loss) before tax		**3,444**	**37,663**	**41,107**	3,296	(75,522)	(72,226)	5,315	(51,130)	(45,815)
Tax		**(286)**	**(206)**	**(492)**	(387)	96	(291)	(661)	147	(514)
Net profit/(loss) for the period and total comprehensive income/(expense)		**3,158**	**37,457**	**40,615**	2,909	(75,426)	(72,517)	4,654	(50,983)	(46,329)
Earnings/(losses) per Ordinary share (pence)	3	**2.15**	**25.51**	**27.66**	1.57	(40.60)	(39.03)	3.01	(33.01)	(30.00)

The total return column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The amounts dealt with in the Statement of Comprehensive Income are all derived from continuing activities.

The notes to follow form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 May 2021

	Notes	(Unaudited) Half year ended 31 May 2021						
		Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2020		10,139	251	55,890	57,111	35,469	6,883	165,743
Total comprehensive income:								
Profit for the half year ended 31 May 2021		–	–	–	–	37,457	3,158	40,615
Transactions with owners, recorded directly to equity:								
Issue of shares out of treasury	5	–	–	27,486	52,832	–	–	80,318
Equity dividends paid		–	–	–	–	–	(2,694)	(2,694)
Total equity at 31 May 2021		**10,139**	**251**	**83,376**	**109,943**	**72,926**	**7,347**	**283,982**

	(Unaudited) Half year ended 31 May 2020						
	Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2019	10,139	251	55,854	139,235	86,452	9,239	301,170
Total comprehensive (expense)/income:							
(Loss)/profit for the half year ended 31 May 2020	–	–	–	–	(75,426)	2,909	(72,517)
Transactions with owners, recorded directly to equity:							
Shares bought back to treasury pursuant to tender offer (including costs)	–	–	–	(81,573)	–	–	(81,573)
Shares bought back and held in treasury	–	–	–	(310)	–	–	(310)
Equity dividends paid	–	–	–	–	–	(4,055)	(4,055)
Total equity at 31 May 2020	10,139	251	55,854	57,352	11,026	8,093	142,715

Statement of Changes in Equity continued

		(Audited) Year ended 30 November 2020						
		Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2019		10,139	251	55,854	139,235	86,452	9,239	301,170
Total comprehensive (expense)/income:								
(Loss)profit for the year ended 30 November 2020		–	–	–	–	(50,983)	4,654	(46,329)
Transactions with owners, recorded directly to equity:								
Issue of shares out of treasury	5	–	–	36	106	–	–	142
Shares bought back to treasury pursuant to tender offer (including costs)		–	–	–	(81,568)	–	–	(81,568)
Shares bought back and held in treasury		–	–	–	(662)	–	–	(662)
Equity dividends paid		–	–	–	–	–	(7,010)	(7,010)
Total equity at 30 November 2020		10,139	251	55,890	57,111	35,469	6,883	165,743

The notes to follow form part of these financial statements.

Balance Sheet as at 31 May 2021

	Notes	(Unaudited) 31 May 2021 £'000	(Unaudited) 31 May 2020 £'000	(Audited) 30 November 2020 £'000
Non-current assets				
Investments held at fair value through profit or loss		**311,552**	152,736	188,011
Current assets				
Receivables		**1,193**	632	416
Overseas tax recoverable		**378**	275	273
Cash and cash equivalents		**3,155**	8,207	140
		4,726	9,114	829
Total assets		**316,278**	161,850	188,840
Current liabilities				
Payables		**(3,562)**	(1,516)	(2,814)
Bank overdraft		**(1,843)**	(119)	(383)
Bank loan		**(26,891)**	(17,500)	(19,900)
		(32,296)	(19,135)	(23,097)
Net assets		**283,982**	142,715	165,743
Equity attributable to equity shareholders				
Called up share capital		**10,139**	10,139	10,139
Capital redemption reserve		**251**	251	251
Share premium reserve		**83,376**	55,854	55,890
Special distributable reserve		**109,943**	57,352	57,111
Capital reserves		**72,926**	11,026	35,469
Revenue reserve		**7,347**	8,093	6,883
Total equity		**283,982**	142,715	165,743
Net asset value per ordinary share (pence)	4	**162.41**	115.77	134.70

The notes to follow form part of these financial statements.

Robert Kyprianou

Chairman
2 July 2021

CASH FLOW STATEMENT
For the half year ended 31 May 2021

	(Unaudited) Half year ended 31 May 2021 £'000	(Unaudited) Half year ended 31 May 2020 £'000	(Audited) Year ended 30 November 2020 £'000
Cash flows from operating activities			
Profit/(loss) before tax	**41,107**	(72,226)	(45,815)
Adjustment for non-cash items:			
(Gains)/losses on investments held at fair value through profit or loss	**(38,359)**	73,406	47,908
Scrip dividends received	**-**	-	(92)
Amortisation on fixed interest securities	**(2)**	(70)	(122)
Adjusted profit before tax	**2,746**	1,110	1,879
Adjustments for:			
Purchases of investments, including transaction costs	**(162,165)**	(67,295)	(111,398)
Sales of investments, including transaction costs	**77,104**	152,540	187,901
(Increase)/decrease in receivables	**(586)**	340	533
Increase in payables	**629**	781	1,353
Overseas tax deducted at source	**(597)**	(250)	(471)
Net cash (used in)/generated from operating activities	**(82,869)**	87,226	79,797
Cash flows from financing activities			
Proceeds from issue of shares out of treasury	**80,127**	-	-
Shares repurchased from tender offer into treasury (including costs)	**-**	(81,573)	(81,568)
Shares repurchased into treasury	**-**	(310)	(662)
Loan repaid	**-**	(5,000)	(7,500)
Loan drawn	**6,991**	12,500	17,400
Equity dividends paid	**(2,694)**	(4,055)	(7,010)
Net cash generated from (used in) financing activities	**84,424**	(78,438)	(79,340)
Net increase in cash and cash equivalents	**1,555**	8,788	457
Cash and cash equivalents at the beginning of the period	**(243)**	(700)	(700)
Cash and cash equivalents at the end of the period	**1,312**	8,088	(243)

The notes to follow form part of these financial statements.

Notes to the Financial Statements For The Half Year Ended 31 May 2021

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 2021.

The unaudited financial statements to 31 May 2021 have been prepared using the accounting policies used in the Company's financial statements to 30 November 2020. 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"), in conformity with the requirements of the Companies Act 2006.

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 periods ended 31 May 2021 and 31 May 2020 have not been audited. The figures and financial information for the year ended 30 November 2020 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Full statutory accounts for the year ended 30 November 2020, prepared under IFRS, including the report of the auditors which was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006, 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 year ended 30 November 2020. The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements. The Board continually monitors the financial position of the Company. The Directors have considered a detailed assessment of the Company's ability to meets its liabilities as they fall due. The assessment took account of the Company's current financial position, its cash flows and its liquidity position. In light of the results of these tests, the Company's cash balances, and the liquidity position, the Directors consider that the Company has adequate financial resources to enable them to continue in operational existence. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Company. See Corporate Matters section above for further details.

2 Dividends and Other Income

	(Unaudited) For the half year ended 31 May 2021 £'000	(Unaudited) For the half year ended 31 May 2020 £'000	(Audited) For the year ended 30 November 2020 £'000
Investment income			
Revenue:			
UK dividends	**584**	358	717
Overseas dividends	**3,224**	3,080	4,775
Scrip dividends	**-**	-	92
Interest on debt securities	**238**	428	713
Total investment income allocated to revenue	**4,046**	3,866	6,297
Other operating income			
Bank interest	**-**	7	7
Total other operating income	**-**	7	7

3 Earnings/(losses) per Ordinary share

	(Unaudited) For the half year ended 31 May 2021 £'000	(Unaudited) For the half year ended 31 May 2020 £'000	(Audited) For the year ended 30 November 2020 £'000
Basic earnings/(losses) per share			
Net profit/(loss) for the period:			
Revenue	**3,158**	2,909	4,654
Capital	**37,457**	(75,426)	(50,983)
Total	**40,615**	(72,517)	(46,329)
Weighted average number of shares in issue during the period	**146,860,441**	185,764,936	154,433,083
Basic – Ordinary shares (pence)			
Revenue	**2.15p**	1.57p	3.01p
Capital	**25.51p**	(40.60p)	(33.01p)
Total	**27.66p**	(39.03p)	(30.00p)

As at 31 May 2021 there were no potentially dilutive shares in issues (31 May 2020 and 30 November 2020: same).

4 Net Asset Value per Ordinary Share

	(Unaudited) For the half year ended 31 May 2021	(Unaudited) For the half year ended 31 May 2020	(Audited) For the year ended 30 November 2020
Net assets attributable to Ordinary shareholders (£'000)	**283,982**	142,715	165,743
Ordinary shares in issue at end of period	**174,850,000**	123,270,765	123,050,100
Net asset value per ordinary share (pence)	**162.41**	115.77	134.70

As at 31 May 2021 there were no potentially dilutive shares in issues (31 May 2020 and 30 November 2020: same).

5 Share Capital

During the six months ended 31 May 2021, the Company issued 51,799,900 Ordinary shares out of treasury (31 May 2020: nil; 30 November 2020: 104,335) for a total consideration of £80,318,000 (31 May 2020: nil; 30 November 2020: £142,000). Subsequent to the period end and to 30 June 2021 (the latest practicable date), 6,975,000 Ordinary shares were issued out of treasury at an average price of 166p per share. Following this, the Company's issued share capital consists of 202,775,000 Ordinary shares of 5p each of which, 20,950,000 are held in treasury. In addition, the Company has in issue 122,000,000 C shares of 5p each which carry equal voting rights as the Ordinary shares. The total voting rights of the Company stands at 303,825,000 as at 30 June 2021.

6 Dividends

The first interim dividend for the year ending 30 November 2021 was declared on 1 July 2021 and will be paid on 31 August 2021; it is anticipated that the second interim dividend for the year ending 30 November 2021 will be declared in or around December 2021 and will be paid on 28 February 2022.

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 2021.

8 Post Balance Sheet Events

Subsequent to the half year end and to 30 June 2021 (the latest practicable date), a further 6,975,000 Ordinary shares have been issued out of treasury.

The Company issued a Prospectus on 12 May 2021 for an initial C share Placing, Open Offer, Offer for Subscription and Intermediaries Offer and the offer period closed on 16 June 2021. The Company issued 122,000,000 C shares at a price of £1.00 each including expenses. The C shares will convert into Ordinary shares based on their respective Net Asset Values in the five days immediately following the record date of the next dividend payable in August 2021.

Following these share issues, the issued capital of the Company as at 30 June 2021 attaching to both the Ordinary and C Shares is 324,775,000 of which 20,950,000 Ordinary shares are held in treasury and attach no voting rights.

There are no other significant events that have occurred after the end of the reporting period to the date of this report which require disclosure.

DIRECTORS AND CONTACTS

Directors (all independent Non-executive)
Robert Kyprianou, Chairman
Simon Cordery
Joanne Elliott
Katrina Hart

Company Secretary
Polar Capital Secretarial Services Limited
represented by Tracey Lago, FCG

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16 Palace Street, London SW1E 5JD

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Investment Manager and AIFM
Polar Capital LLP
Authorised and regulated by the Financial Services Authority

Portfolio Co-Managers
Mr Nick Brind
Mr John Yakas
Mr George Barrow

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside, London, EC2V 6ET

Depositary, Bankers and Custodian
HSBC Bank Plc, 8 Canada Square, London E14 5HQ

Registered Number
Incorporated in England and Wales with company number 8534332 and registered as an investment company under section 833 of the Companies Act 2006

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 be 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 year ended 30 November 2020. 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.

HALF YEAR REPORT
The Company has opted not to post half year reports to shareholders. Copies of this Report will be available from the Company Secretary at the Registered Office, 16 Palace Street, London SW1E 5JD and from the Company's website at www.polarcapitalglobalfinancialstrust.co.uk

National Storage Mechanism
A copy of the Half Year Report has been submitted to the National Storage Mechanism ('NSM') https://data.fca.org.uk/#/nsm/nationalstoragemechanism

FINANCIAL CALENDAR

The key dates in the Company's financial year are as follows:

30 November	Financial year-end
31 May	Half-year end
End of February	First Interim Dividend
End of August	Second Interim Dividend
Mid-July	Announcement of half-year results
Late Jan/Feb	Announcement of year-end results
March-May	Annual General Meeting