Polar Capital Global Financials Trust plc

Trust Fact Sheet

31 December 2020

Trust Facts

Ordinary Shares

Share Price	142.00p
NAV per share	140.40p
Premium	1.14%
Discount	-
Capital	123,900,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£175.5m
AIC Gearing Ratio	11.10%
AIC Net Cash Ratio	n/a

Historic Yield (%)[2] **3.10**

Dividends (p/share)

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

Benchmark [3]

MSCI ACWI Financials Net Total Return Index (in Sterling)

Fees [5]

Management	0.70%
Performance	10%
Ongoing Charges	1.04%

Risk Warning
Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information at the end of this document and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

Discount Warning
The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

Subscription shares will have a dilutive effect on ordinary shares when the Net Asset Value (NAV) is greater than the conversion price.

Company Profile

Investment Objective

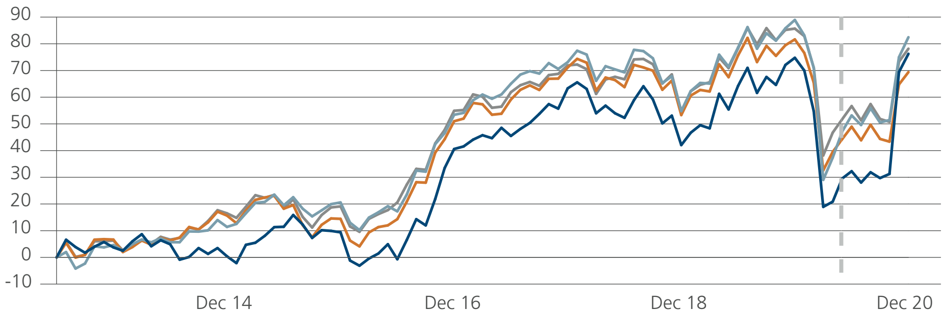
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

Investment Policy

The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.

Performance

Performance Since Launch (%)



	1 month	3 month	YTD	1 year	3 years	Since Tender[7]	Since Launch
Ordinary Share Price (TR)[6]	4.03	35.89	0.85	0.85	7.92	47.30	76.25
NAV per Share (TR)	4.28	21.22	-3.98	-3.98	4.79	38.92	81.40
Benchmark[3]	2.81	17.33	-4.05	-4.05	3.64	26.80	78.16
MSCI ACWI Financials (NTR)[4]	2.81	17.33	-6.75	-6.75	-1.02	26.80	69.39

Discrete Performance (%)

	30.11.20 31.12.20	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]	4.03	-1.54	12.41	-1.69	16.66
NAV per Share (TR)	4.28	-6.36	10.70	-1.60	16.40
Benchmark[3]	2.81	-6.43	9.87	-0.12	14.20
MSCI ACWI Financials (NTR)[4]	2.81	-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.

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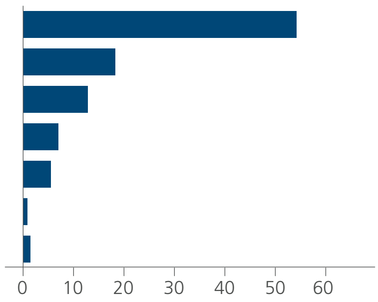
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 31 December 2020

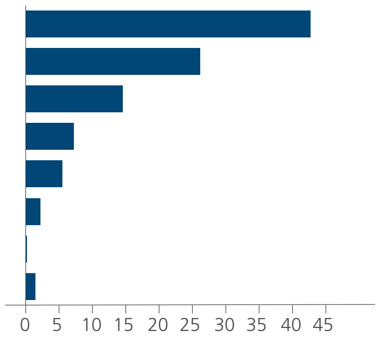
Sector Exposure (%)

Banks	54.2
Insurance	18.3
Diversified Financials	12.8
Software & Services	6.9
Fixed Income	5.5
Real Estate	0.8
Cash	1.4



Geographic Exposure (%)

North America	42.7
Asia Pacific (ex-Japan)	26.1
Europe	14.6
UK	7.2
Fixed Income	5.5
Latin America	2.2
Japan	0.2
Cash	1.4



Top 15 Holdings (%)

JPMorgan	4.9
Bank of America	3.1
HDFC Bank	2.7
Mastercard	2.7
AIA Group	2.6
Chubb	2.4
PayPal Holdings	2.3
Bank Central Asia Tbk	2.2
Housing Development Finance	2.0
PNC	2.0
Arch Capital	1.9
Citizens Financial Group	1.8
Signature Bank	1.8
Toronto-Dominion	1.8
Ping An Insurance	1.8
Total	**36.0**

Total Number of Positions 77

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	85.2
Medium (US$ 0.5bn - 5bn)	12.3
Small (less than US$ 0.5bn)	2.5

Investing in the Trust and Shareholder Information

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Half Year End	31 May
Results Announced	Late Jan/Feb
Next AGM	April-May
Trust Term	No fixed life; 5-yearly tender offers
Next Tender Offer	30 June 2025
Listed	London Stock Exchange

Market Purchases

The ordinary shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Corporate Contacts

Registered Office and Website

16 Palace Street, London SW1E 5JD
www.polarcapitalglobalfinancialstrust.co.uk

Custodian

HSBC Plc is the Depositary and provides global custody of all the company's investments

Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Codes

Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Note: Totals may not sum due to rounding.

Fund Manager Comments

As at 31 December 2020

Equity markets rose in December on the back of positive news around the approval of coronavirus vaccines offsetting worse news around the continued rise in case numbers and hospitalisations. A reduction in political risk, with a deal agreed between the UK and EU, and the US Congress approval of a $900bn stimulus package also supported risk appetite towards the end of the month.

After the huge rally in November, financials were more muted in December, albeit they outperformed underlying equity markets, which rallied by 2.4% as illustrated by the MSCI ACWI Index. Against this background, the Trust's net asset value rose by 4.3% as compared to our benchmark index, the MSCI ACWI Financials Index, which rose by 2.8%.

The Trust benefited from its holdings in US banks which were very strong in December with holdings in EastWest Bancorp and Signature Bank, both US regional banks, two of the biggest contributors to performance. Adyen, a Dutch payments company performed equally strongly. Conversely, Hiscox, Mannappuram Finance and HDFC Bank were weak, the former probably in part over the uncertainty from the FCA's test case on business interruption claims in the UK that has yet to receive a final judgement.

Asian financials also performed well during the month, with macro trends in the region remaining relatively resilient. More recently there has been evidence of a slowdown from the sharp recovery seen earlier this year but this was to be expected and manufacturing and exports continue to grow. Exports are also growing strongly in Taiwan and South Korea, driven primarily by strength in the semiconductor and technology sectors and, we suspect, subject to trends in infection rates, these two economies will also increasingly put the impact of COVID-19 behind them.

India is also showing better economic activity indicators and, although the rate of recovery is slower, the structural rate of growth is higher than average which should provide a boost going forwards. Feedback from recent meetings with some of our Indian NBFC (Non-Banking Financial Companies) holdings has highlighted that liquidity has improved and fed through into lower borrowing costs while disbursements have normalised faster than expected as economic activity normalises along with government measures to support the construction/housing sectors.

The outcome of the UK leaving the EU will have an impact on the UK financial sector over time, not only from the failure to agree on equivalence, but also subject to the degree to which regulators here in the UK look to take advantage of the ability to diverge from the EU. For UK banks there have been few indications on the steps that the Prudential Regulatory Authority (PRA), the UK bank regulator, might take, although it is hoped that they will ease regulations for smaller banks which operate at a disadvantage to their larger peers.

They have announced their intention to reverse the decision by the European Banking Authority to allow software intangibles to be counted towards capital, in effect raising capital requirements. However, they have also announced a one-year extension for mid-tier UK banks to comply with end-state MREL requirements (ie the minimum amount of bonds that a bank has to hold that can be bailed-in on resolution); a supportive move, giving those banks in question until January 2023 to issue the necessary instruments to ensure compliance. This will indirectly help sentiment towards OSB Group which we have a holding in.

UK and European regulators also announced during the month that banks under their jurisdiction could restart paying dividends in 2021. This was quicker than expected as many had expected the decision to be put back to sometime in the second quarter. However, they have restricted banks to only paying the lower of between 15% to 25% of post-tax profits or 20bps of risk-weighted capital resulting in very low dividend payouts this year. Extraordinarily, this penalises banks with stronger balance sheets and a more prudent approach to reserving for loan losses.

Nevertheless, the US has continued to take a more pragmatic approach and announced that banks could restart buybacks in 2021, dividends already being allowed. The only restriction is that the sum of buybacks and dividends must not exceed the previous four quarters' net income. As banks took large provisions in the first two quarters of 2020, as those two quarters drop out of the rolling four quarter average over the next six months, banks will be able to significantly increase the amount of capital returned to shareholders which is positive news.

The next few months will see a playoff between the positive news on the rollout of vaccinations and worse news around hospitalisations and further lockdowns. Our base case remains that the news on vaccinations will allow governments in a few months' time to allow restrictions to relax and economies to open up. This should be very good news for the sector. The Trust has benefited from its shift towards Asia in recent months and, despite the recent recovery, valuations remain at attractive levels.

Nick Brind, John Yakas & George Barrow

7 January 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.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

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Benchmarks

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

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