Polar Capital Global Financials Trust plc

Trust Fact Sheet
31 March 2020

Trust Facts

Ordinary Shares

Share Price	98.00p
NAV per share	101.62p
Premium	-
Discount	-3.56%
Capital	202,430,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£205.6m
AIC Gearing Ratio	4.22%
AIC Net Cash Ratio	0.00%

Historic Yield (%)[2] **4.49**

Dividends (p/share)

February 2020 (paid)	2.00
July 2019 (paid)	2.40
February 2019 (paid)	1.90
July 2018 (paid)	2.25

Benchmark [3]

MSCI World Financials + Real Estate Net Total Return Index

Fees [4,5]

Management	0.85%
Performance	10%
Ongoing Charges	0.99%

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

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

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

Company Profile

Investment Objective

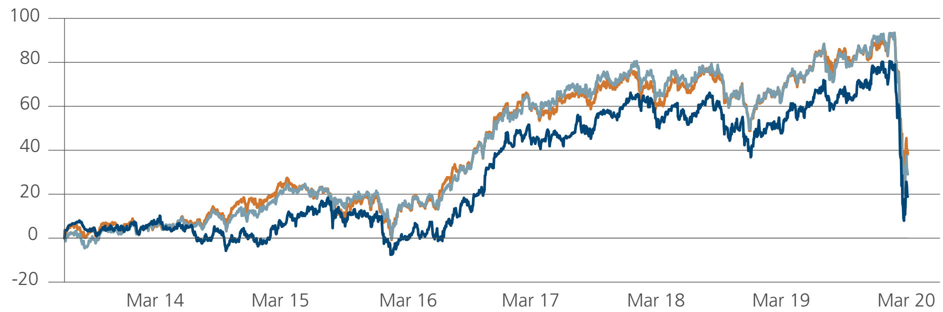
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

Investment Policy

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

Performance

Performance Since Launch (%)



	1 month	3 month	YTD	1 year	3 years	5 years	Since Launch
Ordinary Share Price (TR) [6]	-23.14	-31.95	-31.95	-19.83	-18.41	12.73	18.92
NAV per Share (TR)	-24.50	-31.70	-31.70	-21.84	-19.84	7.16	29.04
Benchmark [3]	-19.21	-25.59	-25.59	-16.55	-13.74	12.07	38.17

Discrete Performance (%)

	29.11.19 31.03.20	30.11.18 29.11.19	30.11.17 30.11.18	30.11.16 30.11.17	28.11.15 30.11.16
Ordinary Share Price (TR) [6]	-30.89	12.41	-1.69	16.66	21.43
NAV per Share (TR)	-30.55	10.70	-1.60	16.40	22.17
Benchmark [3]	-25.39	9.87	-0.12	14.20	24.47

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, Net of Fees in GBP. The Trust was launched on 1 July 2013. The Net Asset Value (NAV) as at 1 July 2013 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share. Past performance is not indicative or a guarantee of future results. The share price performance is adjusted for dividends paid out.

1. Gearing calculations are exclusive of current year revenue.
2. The Historic Yield reflects distributions declared over the past twelve months as a percentage of the share price, as at the date of this fact sheet. It does not include any initial charge and investors may be subject to tax on their distributions.
3. As of August 2016, the MSCI removed Real Estate as a constituent from the MSCI World Financials Index. Benchmark data above illustrates linked performance of the MSCI World Financials Index prior to August 2016 and MSCI World Financials + Real Estate Net Total Return Index since August 2016 to present.
4. The performance fee is on any outperformance over a hurdle of the index +1.25 pence per annum. Further details can be found in the Report and Accounts and Prospectus.
5. Ongoing charges calculated at the latest published year end date, excluding any performance fees.
6. Ordinary share price (TR), calculated by reinvesting dividends at relevant ex-dividend dates, does not take into account returns shareholders would have received from the subscription shares that they were issued with at launch. Please note that the subscription shares issued at the time of launch were subject to a single exercise date being 31 July 2017.

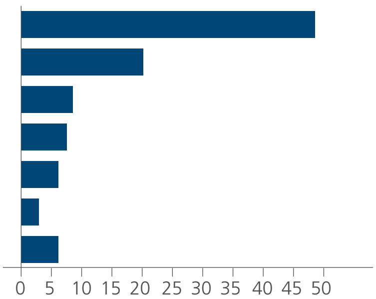
Polar Capital LLP 16 Palace Street, London, SW1E 5JD
T: +44 (0)20 7227 2721 | **E:** investor-relations@polarcapital.co.uk | **W:** www.polarcapital.co.uk

Portfolio Exposure

As at 31 March 2020

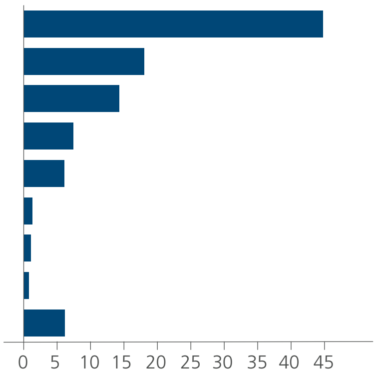
Sector Exposure (%)

Banks	48.6
Insurance	20.2
Diversified Financials	8.5
Software & Services	7.6
Fixed Income	6.1
Real Estate	2.9
Cash	6.2



Geographic Exposure (%)

North America	44.8
Asia Pacific (ex-Japan)	18.1
Europe	14.3
UK	7.4
Fixed Income	6.1
Latin America	1.3
Japan	1.0
Eastern Europe	0.8
Cash	6.2



Top 15 Holdings (%)

JPMorgan	5.7
Mastercard	4.1
Bank of America	3.6
Chubb	3.3
Arch Capital	2.9
AIA Group	2.7
Toronto-Dominion	2.7
Marsh & McLennan	2.5
PayPal Holdings	2.4
Allianz	2.3
HDFC Bank	2.1
Blackstone	2.0
E.Sun Financial	2.0
KBC Groep	1.9
PNC	1.8
Total	**42.0**

Total Number of Positions **69**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	84.9
Medium (US$ 0.5bn - 5bn)	11.4
Small (less than US$ 0.5bn)	3.7

Investing in the Trust and Shareholder Information

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Half Year End	31 May
Results Announced	Late Jan/Feb
Next AGM	Late April
Trust Term	Fixed life to May 2020
Listed	London Stock Exchange

Market Purchases

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

Corporate Contacts

Registered Office and Website

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

Custodian

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

Registrar

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

Codes

Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

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

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

Note: Totals may not sum due to rounding.

Fund Manager Comments

As at 31 March 2020

Equity markets suffered a brutal selloff in March on escalating concerns regarding the economic impact of lockdowns. A breakdown in talks between Saudi Arabia and Russia also led to the oil price falling over 50%. In a month where volatility reached record levels, financials were particularly impacted. Against this background the Trust's net asset value fell 24.5% underperforming our benchmark index, the MSCI World Financials + Real Estate Index, due to an overweight position in banks as well as poor performance of some our small-cap holdings.

US banks fell 26.1% as the economic implications of a potentially prolonged lock-down to contain the virus came into focus. In response to the crisis, the Federal Reserve cut interest rates by 150bps to 0.25%, announced unlimited quantitative easing as well as liquidity facilities to provide bridge financing during the period of disruption. The US administration also announced a $2trn stimulus package which included $377bn package for small businesses, support for the healthcare sector and direct payments to individuals.

European banks fell 33.7% with the selloff intensifying following an ECB (and subsequent Bank of England) requirement to stop dividend payments for the financial years 2019 and 2020 (until at least October). While other regulators have recommended banks limit capital return given the circumstances, the explicit ban on capital return by European regulators (irrespective of capital strength or risk profile) materially weighed on investor sentiment. Along with uncertainty on the depth of the crisis, there is now the concern that the issue of capital return has become politicised.

Emerging market banks fell 19.1% in the month although there was a wide dispersion with north Asia relatively resilient, in line with evidence that the infection rate was slowing, while south Asia, Latin America and eastern Europe saw a material selloff as concerns grew on the spread of the virus. Focusing on Asia, which includes the majority of our emerging market exposure, the impact to economies will be material over the next few months and we are already seeing sharp falls in GDP growth expectations across all markets.

Insurance stocks fell 17.1% over the month with some life assurance stocks suffering much larger falls, reflecting their leverage to credit markets. Non-life insurance stocks where we have most of our exposure were more resilient but still fell sharply on the back of concern around their exposure to business interruption claims, event cancellation and travel insurance. Although the industry's exposure to business interruption should be limited – as for business interruption policies to pay out requires physical damage to property – there are moves to contest this in court in some states in the US.

Our fixed income holdings were weaker over the month as were our BDC (business development company) holdings with the subsector falling 33.6% over the month. BDCs lend predominantly on a senior-secured basis to middle-market companies in the US. With the fall in share prices, they now price in a level of defaults that is a multiple of what has been seen historically.

Aside from the faster pace in which governments and central banks are reacting to events, a key difference with the global financial crisis (GFC) is that the crisis has not emanated from within the financial sector. In fact, banks are now viewed as part of the solution; a series of regulatory forbearance measures have been introduced in order to encourage banks to use additional capital and liquidity to support households and businesses. Measures include a modification to procyclical provision accounting (CECL and IFRS9), a change to the Supplementary Leverage Ratio (freeing up $17bn of capital for the largest US banks) while in Europe, Core Equity Tier 1 requirements have been reduced by €120bn from a reduction in countercyclical and other buffers. In the last two weeks of March alone, US banks extended more than $370bn in corporate loans, over three times what they would normally do in a whole year.

In light of the deteriorating outlook, we have marginally shifted the mix of our US holdings towards more defensive sectors (payment companies and non-life insurance) and reduced our overall bank exposure. With balance sheets materially stronger for US banks (10.4% equity/assets in 2019 versus 6.8% in 2008) we do not expect the downturn to require capital raisings but we have shifted the mix of our bank exposure towards larger-cap banks, reflecting their more diversified loan books and revenues.

In Asia, there has also been a dramatic easing in monetary policy (large cuts in interest rates and reserve requirements are coming through and access to US dollar liquidity is improving), a considerable boost from fiscal policy and investors should not forget the benefit of falling oil prices. Broadly, Asia has a large manufacturing base and falls in oil prices are consequently a positive to cost structures and may help mitigate some of the loss in demand. The focus of government policy is on preserving jobs, helping with loans or incomes and ensuring companies survive the next few months so the recovery can be quicker.

The unprecedented nature of the crisis is causing extreme levels of volatility given the lack of visibility on the outlook leading to a wide range of possibilities on the eventual shape of a recovery. The response by governments and regulators has been also unprecedented, although Europe's fiscal response remains disjointed, but, unlike the GFC, the sector is now in a much stronger position to support economies given the levels of capital and liquidity.

Given balance sheet strength, we do not expect the downturn to require capital raisings but, in light of the deteriorating outlook, we have at the margins de-risked the portfolio, added to high quality companies that have sold off and reduced gearing. While we expect asset quality deterioration, with the market arguably pricing in a worse experience than the GFC, given the solvency of the sector is not under doubt history would suggest returns from these levels could be significant when the outlook improves.

Nick Brind & John Yakas

7 April 2020

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.

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.

Important Information

Important Information This document is provided for the sole use of the intended recipient and is not a financial promotion. It shall not and does not constitute an offer or solicitation of an offer to make an investment into any Fund or Company managed by Polar Capital. It may not be reproduced in any form without the express permission of Polar Capital. The law restricts distribution of this document in certain jurisdictions; therefore, it is the responsibility of the reader to inform themselves about and observe any such restrictions. It is the responsibility of any person/s in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Polar Capital Global Financials Trust plc is an investment company with investment trust status and as such its ordinary and subscription shares are excluded from the FCA's (Financial Conduct Authority's) restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply. Subscription shares will have a dilutive effect on ordinary shares when the net asset value (NAV) is greater than the conversion price. It is not designed to contain information material to an investor's decision to invest in Polar Capital Global Financials Trust plc, an Alternative Investment Fund under the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") managed by Polar Capital LLP the appointed Alternative Investment Manager. In relation to each member state of the EEA (each a "Member State") which has implemented the AIFMD, this document may only be distributed and shares may only be offered or placed in a Member State to the extent that (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD; or (2) this document may otherwise be lawfully distributed and the shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). As at the date of this document, the Company has not been approved, notified or registered in accordance with the AIFMD for marketing to professional investors in any member state of the EEA. However, such approval may be sought or such notification or registration may be made in the future. Therefore this document is only transmitted to an investor in an EEA Member State at such investor's own initiative. SUCH INFORMATION, INCLUDING RELEVANT RISK FACTORS, IS CONTAINED IN THE COMPANY'S OFFER DOCUMENT WHICH MUST BE READ BY ANY PROSPECTIVE INVESTOR.

Statements/Opinions/Views All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. This material does not constitute legal or accounting advice; readers should contact their legal and accounting professionals for such information. All sources are Polar Capital unless otherwise stated.

Third-party Data Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any data contained herein.

Holdings Portfolio data is "as at" the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the Company. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the Company's best interest to do so. 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. This document is not a recommendation to purchase or sell any particular security. It is designed to provide updated information to professional investors to enable them to monitor the Company.

Benchmarks

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

Regulatory Status Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 16 Palace Street, London, SW1E 5JD. FCA authorised and regulated Investment Managers are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the Investment Manager which can reasonably be expected to provide one investor with more favourable rights, which are material, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Registrar on 0800 876 6889.

Information Subject to Change The information contained herein is subject to change, without notice, at the discretion of Polar Capital and Polar Capital does not undertake to revise or update this information in any way.

Forecasts References to future returns are not promises or estimates of actual returns Polar Capital may achieve. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that have not and may not take place.

Performance/Investment Process/Risk Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Factors affecting the Company's performance may include changes in market conditions (including currency risk) and interest rates and in response to other economic, political, or financial developments. The Company's investment policy allows for it to enter into derivatives contracts. Leverage may be generated through the use of such financial instruments and investors must be aware that the use of derivatives may expose the Company to greater risks, including, but not limited to, unanticipated market developments and risks of illiquidity, and is not suitable for all investors. Those in possession of this document must read the Company's Investment Policy and Annual Report for further information on the use of derivatives. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), or guaranteed by any bank, and may lose value. No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable.

Allocations The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum or prospectus for a description of the investment allocations as well as the risks associated therewith. Please note that the Company may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. Performance of the Company is dependent on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the Fund while minimizing its risk. The actual investments in the Company may or may not be the same or in the same proportion as those shown herein.

Country Specific Disclaimers The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.