POLAR CAPITAL

Polar Capital Global Financials Trust plc

Trust Fact Sheet

30 November 2020

Trust Facts

Ordinary Shares

Share Price	136.50p
NAV per share	134.66p
Premium	1.36%
Discount	-
Capital	123,050,100 shares of 5p

Assets & Gearing [1]

Total Net Assets	£165.7m
AIC Gearing Ratio	12.69%
AIC Net Cash Ratio	n/a

Historic Yield (%)[2] **3.22**

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

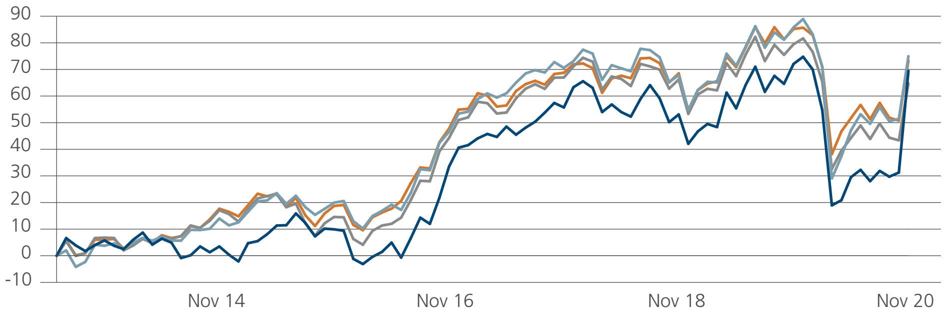
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

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	5 years	Since Launch
Ordinary Share Price (TR)[6]	29.08	28.47	-3.06	-1.54	8.81	54.13	69.43
NAV per Share (TR)	15.53	12.28	-7.92	-6.36	1.99	45.05	73.96
Benchmark[3]	14.93	10.07	-6.68	-6.43	2.69	45.96	73.28
MSCI ACWI Financials (NTR)[4]	14.93	10.07	-9.30	-8.19	-1.32	43.78	64.75

Discrete Performance (%)

	29.11.19 30.11.20	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]	-1.54	12.41	-1.69	16.66	21.43
NAV per Share (TR)	-6.36	10.70	-1.60	16.40	22.17
Benchmark[3]	-6.43	9.87	-0.12	14.20	24.47
MSCI ACWI Financials (NTR)[4]	-8.19	7.96	-0.44	15.75	25.88

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.

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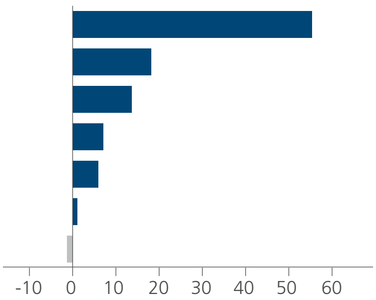
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 30 November 2020

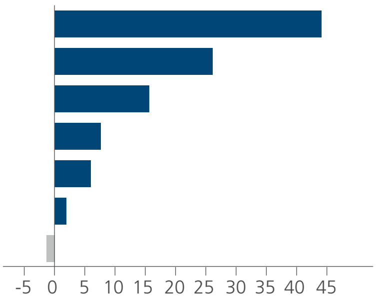
Sector Exposure (%)

Banks	55.4
Insurance	18.1
Diversified Financials	13.7
Software & Services	7.0
Fixed Income	6.0
Real Estate	1.1
Cash	-1.3



Geographic Exposure (%)

North America	44.1
Asia Pacific (ex-Japan)	26.1
Europe	15.6
UK	7.7
Fixed Income	6.0
Latin America	1.9
Cash	-1.3



Top 15 Holdings (%)

JPMorgan	4.9
Bank of America	3.0
Mastercard	3.0
HDFC Bank	2.9
Chubb	2.5
AIA Group	2.4
PayPal Holdings	2.3
Bank Central Asia Tbk	2.1
KBC Groep	2.0
PNC	2.0
Arch Capital	1.9
Toronto-Dominion	1.8
Citizens Financial Group	1.8
Housing Development Finance	1.8
Ping An Insurance	1.8
Total	**36.2**

Total Number of Positions **77**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	86.1
Medium (US$ 0.5bn - 5bn)	11.3
Small (less than US$ 0.5bn)	2.6

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 30 November 2020

Financials saw an unprecedented jump in share prices in November on the back of the positive news on the efficacy of Pfizer's coronavirus vaccine, in collaboration with BioNTech, followed up by further positive news on those being developed by others. The result of the US election, seen as decisive enough to remove the risks of months of legal wrangling over the outcome, also helped sentiment. Against this background, the Trust's net asset value rose by 15.5% versus our benchmark index, the MSCI ACWI World Financials, of 14.9%.

Not surprisingly banks led the rally in the financial sector with US and European banks rising 14% and 30.2% respectively. KBC Groep, a Belgian bank, and Signature Bank, a New York-focused lender, were the largest relative contributors to performance. Our holdings in payment companies were not a significant drag on performance, despite the rotation in equity markets, with holdings in Arch Capital, a US speciality-focused insurer, and First Republic Bank, a Californian bank, lagging the rally.

While there was initial disappointment that the US election is not expected to deliver a significant fiscal stimulus from a 'blue wave', the combination of a victory by Democrat Joe Biden and the likely continued control of the Senate by the Republicans was later taken positively by the market. The expected appointment of Janet Yellen as the Treasury Secretary also reduces the risk of a significant tightening in regulation for the financial sector as Elizabeth Warren, a regulatory hawk, had been a potential candidate.

PNC Financial Services, the seventh largest bank in the US by market capitalisation, announced the acquisition of BBVA's US business during the month. It is expected to achieve cost synergies in excess of $900m (35% of BBVA US's estimated 2022 cost base). We see a pickup in M&A as a very positive sign that management are more confident around the outlook and, critically, asset quality as well as the potential for earnings accretion. M&A activity in Europe has also picked up (Caixabank and Bankia, Intesa San Paolo and UBI, Credit Agricole and Creval) supported by regulatory clarification around capital.

A number of south and south-east Asian markets were particularly strong (reversing the earlier trend which had seen north Asia outperform) in November. Encouragingly, the macro data in Asia has remained reasonable although some markets have seen a slowdown as various restrictions are implemented and then eased, although on the whole they have dealt with COVID-19 much better than the US and Europe.

Exports continue to be stronger in north Asia, helped by their bias to technology, and inflation remains very much under control in most countries allowing for interest rate cuts. We expect further cuts in rates in south-east Asia as deflationary pressures remain strong. There is some evidence of a potential recovery in domestic consumption such as the improvement in retail sales in Hong Kong or the rise in overseas workers' remittance flows in the Philippines, but it remains early days to say spending is recovering strongly.

Having lagged earlier in the year, European financials outperformed in November as investors looked through rising infection levels in the region. The blanket ban on dividends has been a major overhang on European banks and consequently the improved sentiment on the economic outlook has raised hopes the ban could be lifted further earlier than expected, supporting bank stocks. While we do not expect the ECB to lift restrictions all at once, recent events have made it harder for the regulator to justify their intervention across the sector irrespective of balance sheet strength.

Looking forward, the jump in share prices across the sector naturally leads to the question of whether investors have missed the opportunity to rotate back into financial shares. While further COVID-19-induced volatility cannot be ruled out over coming months, which would lead to a correction in equity markets and the sector, if investors buy into the recovery going into the second half of 2021, driven by the continued loose fiscal and monetary policy as well as pent-up demand from 2020, we expect the sector to outperform.

We believe banks have provided sufficient loan loss reserves to cover a further deterioration in economic activity, if lockdowns continue to be imposed in the first half of 2021, but equally could already look too conservative if growth does not disappoint in 2021. Vaccines understandably increase the ability for governments to pivot and allow economies to open up more quickly. In this scenario, analyst expectations for earnings would be too low. Any rise in bond yields or change in interest rate expectations to reflect a stronger recovery would exacerbate the shortfall.

Without doubt the biggest driver will be the unravelling of the steep discount to which the sector has been trading relative to the market. According to research by Michael Samonov, of Two Centuries Investments, highlighted in an article in the *Financial Times*, the performance of value investing since its recent underperformance started in 2006, was, in October, the worst since at least 1826 – the year Thomas Jefferson, the third President of the US, died. The recent pickup in M&A activity highlights the perceived value in the sector.

The financial sector, which is the largest component of value indices, will be one of the biggest beneficiaries. Even with the rally in November, the financials sector has still underperformed global equity markets by close to 20% this year. It is therefore not surprising that the rotation out of those growth sectors, that have been beneficiaries of lockdowns etc, back into those sectors that were hit hardest has been so sharp. This trend could at a minimum last for months but mostly likely much longer.

Nick Brind, John Yakas & George Barrow

8 December 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.

George Barrow

Fund Manager

George has managed the Fund since 2020, he joined Polar Capital in 2010 and has 12 years of industry experience.

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Benchmarks

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

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