

## Trust Fact Sheet

27 February 2015



### Trust Facts

#### Ordinary Shares

Share Price	100.75p
NAV (undiluted) per share	110.15p
Premium	-
Discount	-8.53%
Capital	173,900,000 shares of 25p

#### Subscription Shares<sup>1</sup>

Share Price	7.63p
Exercise Price	115.00p
Capital	30,600,000 shares of 1p

#### Assets & Gearing<sup>2</sup>

Total Net Assets	£191.6m
AIC Gearing Ratio	2.22%
AIC Net Cash Ratio	0.00%

**Historic Yield (%)** **3.75**

#### Dividends (p/share)

February 2015 (paid)	1.35
July 2014 (paid)	1.75
March 2014 (paid)	0.68

#### Benchmark

MSCI World Financials Index

#### Fees<sup>3</sup>

Management	0.85%
Performance	10%

#### Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information on Page 4 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.

## Company Profile

### Investment Objective

The 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 Months	6 Months	1 Year	Since Launch
■ Ordinary Share Price	7.01	1.18	4.54	-1.22	4.71
■ NAV (undiluted per Share)	3.55	2.23	6.19	11.05	16.52
■ MSCI World Financials Index	3.61	1.10	7.08	13.80	18.97

### Discrete Performance (%)

	28/11/14 27/02/15	29/11/13 28/11/14	30/11/12 29/11/13	30/11/11 30/11/12	30/11/10 30/11/11
Ordinary Share Price	1.18	-2.14	-	-	-
NAV per Share	2.23	9.86	-	-	-
MSCI World Financials Index	1.10	10.98	-	-	-

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. 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. For full details of the subscription shares and their exercise terms please refer to the Prospectus and the notes of the Company's website. Each share confers the right to subscribe for 1 Ordinary share at 115p on 31 July 2017.
2. Gearing calculations are exclusive of current year revenue.
3. The performance fee is on any outperformance over a hurdle of the index +1.25% per annum. Further details can be found in the Report and Accounts and Prospectus.

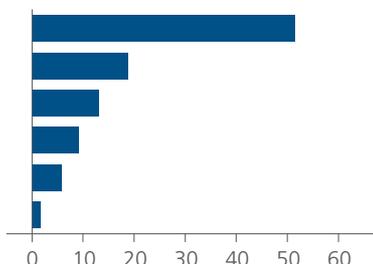
# Polar Capital Global Financials Trust plc

## Portfolio Exposure

As at 27 February 2015

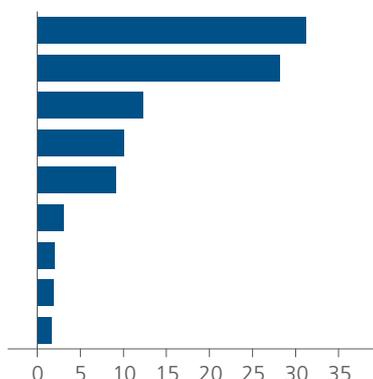
### Sector Exposure (%)

Banks	51.5
Diversified Financials	18.7
Insurance	13.1
Fixed Income	9.2
Real Estate	5.8
Cash	1.7



### Geographic Exposure (%)

Europe	31.3
North America	28.2
Asia Pac (ex-Japan)	12.4
UK	10.1
Fixed Income	9.2
Eastern Europe	3.1
Latin America	2.1
Japan	2.0
Cash	1.7



### Top 15 Holdings (%)

PNC	3.0
JPMorgan	2.9
Wells Fargo	2.8
ACE	2.6
ING Groep	2.3
Sampo	2.3
Discover Financial Services	2.3
Intesa Sanpaolo SpA	2.2
KBC Groep	2.0
Fortune Real Estate Investment	2.0
Citigroup	2.0
Barclays	2.0
Sumitomo Mitsui Financial	2.0
US Bancorp	2.0
Azimut Holding	1.9

**Total** **34.3**

**Total Number of Positions** **68**

### Market Capitalisation Exposure (%)

Large (greater than US\$ 5bn)	70.2
Medium (US\$ 0.5bn - 5bn)	26.1
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	April 2015
Trust Term	Fixed life to May 2020
Listed	London Stock Exchange

### Market Purchases

The ordinary and subscription 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

4 Matthew Parker Street, London SW1H 9NP  
[www.polarcapitalglobalfinancialtrust.co.uk](http://www.polarcapitalglobalfinancialtrust.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](http://www.shareview.co.uk)

### Codes

#### Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

#### Subscription Shares<sup>1</sup>

ISIN	GB00B9XQV370
SEDOL	B9XQV37
London Stock Exchange	PCFS

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 27 February 2015

Financials performed strongly in February outperforming the underlying equity market and, in the process, recovering some of the underperformance they suffered in January. In particular, European, US and Japanese banks were all strong during the month; the former two rising by 6.3% and 5.6%, respectively, as illustrated by the STOXX Banks Index and the KBW Banks Index. US REITs were the exception falling by 6.2% over the month. Against this background, the Trust's net asset value rose by 3.5%, marginally underperforming our benchmark index, the MSCI World Financials Index.

Not surprisingly, in light of the above, our bank holdings performed very well. In Europe this was driven by a theme that we have frequently commented on, namely the expectation that we would see a sharp increase in the capital return from the sector, mostly through dividends, but quite possibly also through special dividends and buybacks in due course. Our argument has been that with banks having raised their capital ratios (or expected to have raised in relative short order) to the levels deemed sufficiently prudent by regulators, then going forward, management will have more freedom to return surplus capital to shareholders.

In this vein, in February, ING announced the resumption of dividends, which had not been forecast by the vast majority of analysts, while Intesa Sanpaolo, UBS and Komerčni all increased their dividends by more than expected (all are held in the Trust). Our positive take is not only are banks' Boards becoming increasingly confident that they have sufficient capital to substantially increase dividends, but, more importantly, that regulators have allowed them to do so. There have been concerns that regulators would ask banks to raise capital levels further, but this belief was further undermined by announcements put out by a number of banks that the European Central Bank (ECB) requires them to hold less capital than had been expected.

A number of our other equity holdings also performed well in February, including our holdings in Norwegian banks, recovering nearly all of the recent falls they have suffered, on the back of the stronger oil price. The share price of Novae, the smallest remaining listed UK property & casualty company, jumped on the back of the announcement of the acquisition of Brit, another UK-listed peer, by Fairfax Financial Holdings, a Canadian-based reinsurer. Novae's share price had been performing strongly, even prior to this announcement, post the sharp pick-up in M&A activity in the sector, with Catlin having sold itself to XL Group (a much larger competitor) at the end of last year, as well as the acquisition of Partner Re by Axis Capital.

The performance of US banks and REITs has been diametrically opposite in the last couple of months and appear to be entirely dictated by moves in the yields on US Treasuries, reflecting whether investors expect interest rates to rise more, or less, quickly than previously expected. US banks, which are beneficiaries of rising rates, fell 6.7% in January as US Treasury yields fell and rose by 5.6% in February when yields rebounded. Conversely, US REITs rose by 10.8% and fell by 6.2% respectively, reflecting the fact that higher interest rates will act as a headwind for the sector. All our REIT holdings are either Singapore or Hong Kong listed and are a mixture of operators of shopping malls and offices. In February they fell by 1.5% on average.

During the month we visited a range of Indian companies in Mumbai and Delhi. There remain pockets of asset quality pressure (notably in infrastructure, power and construction sectors), but this is largely concentrated within the state banks and the meetings reassured on the ability of the private sector banks to successfully navigate the credit cycle. Those expecting an immediate revival in private sector investment following the budget announcement are likely to be disappointed, but what is clear is that the BJP government is committed to improving the ease of doing business and are creating the policy framework for more sustainable economic growth.

The trip also included meetings with Jammu & Kashmir Bank in Srinagar, whose shares have been weak following its latest results. The bank has seen asset quality deterioration in a small number of large corporate loans outside of its state, as well as more broad-based pressure in Jammu & Kashmir following severe flooding in September last year. Whilst a turnaround in operating trends is likely to take two to three more quarters, it was clear that business had returned to normal (supporting management's guidance for higher recoveries) and the bank remains well placed to maintain its dominant position (65% loan and deposit market share) in what is a particularly profitable banking region within India.

We added to our holding in ING in February. ING is in the process of selling its remaining holdings in NN (Dutch life assurance company) and Voya (US life assurance company), both of which were listed in the last two years. ING is selling as a means of being able to meet its obligations with the European Commission (to divest some of its businesses) for receiving state assistance in the financial crisis. In due course, we expect these sales to result in further returns of capital to shareholders. We also sold our remaining holdings in Bank of Georgia and Moscow Exchange, both following bounces in their share prices. We also reduced holdings in TBC, Georgia's second-largest bank, and TSKB, a Turkish bank.

## Fund Managers



**Nick Brind**  
Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 20 years of industry experience.



**John Yakas**  
Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 26 years of industry experience.

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