

**THIS CIRCULAR (THE “CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS A PROPOSAL RELATING TO POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt about the contents of this Circular or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or another appropriately authorised financial adviser if you are in a territory outside the United Kingdom.**

**If you have sold or otherwise transferred all your holding of shares in the Company, please send this Circular, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.**

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## **POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC**

*(incorporated and registered in England and Wales under number 08534332 and registered as an investment company under Section 833 of the Companies Act 2006)*

### **Notice of General Meeting to obtain**

### **Authority to disapply pre-emption rights in relation to re-issuances of Existing Treasury Shares**

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The Proposal described in this Circular is conditional on the passing of the Resolution at the General Meeting, as set out in the GM Notice (set out at the end of this Circular). You are encouraged to complete and return the accompanying Form of Proxy. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and in any event not later than 11.00am on Thursday, 28 January 2021.

Your attention is drawn to the section headed “Action to be taken in connection with the General Meeting” on page 4 of this Circular and the letter from the Chairman of the Company, set out on pages 2 to 5 of this Circular, which includes a recommendation from the Board that you vote in favour of the Resolution to be proposed at the General Meeting.

**PLEASE NOTE THAT, IN LIGHT OF THE ONGOING COVID-19 PANDEMIC, THE GENERAL MEETING REFERRED TO IN THIS CIRCULAR WILL BE HELD AS A CLOSED MEETING IN ACCORDANCE WITH THE CORPORATE INSOLVENCY AND GOVERNANCE ACT 2020.**

**Please refer to the ‘Letter from the Chairman’ on pages 2 to 5 of this document for information relating to the General Meeting and voting on the Proposal.**

## LETTER FROM THE CHAIRMAN

### POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC

*(incorporated and registered in England and Wales under number 08534332 and registered as an investment company under Section 833 of the Companies Act 2006)*

*Directors:*

Robert Kyprianou (*Chairman*)  
Joanne Elliott  
Katrina Hart  
Simon Cordery

*Registered Office:*

16 Palace Street  
London  
SW1E 5JD  
United Kingdom

13 January 2021

Dear Shareholders

#### **Notice of General Meeting to obtain**

#### **Authority to disapply pre-emption rights in relation to re-issuances of Existing Treasury Shares**

#### **Introduction**

At the Company's annual general meeting on 28 May 2020 (the "**2020 AGM**"), the directors were given authority, inter alia, to allot ordinary shares on a non-pre-emptive basis up to an aggregate nominal amount of £616,354, representing 12,327,076 ordinary shares (the "**Existing Authority**").

Since the 2020 AGM, the Company has re-issued ordinary shares from treasury on a regular basis to meet market demand. As of the date of this Circular, a total of 9,454,235 ordinary shares have been re-issued and the Company therefore has remaining shareholder authority under the Existing Authority to issue, or re-issue from treasury, up to 2,872,841 further ordinary shares (2.2 per cent. of issued share capital, excluding ordinary shares in treasury) on a non-pre-emptive basis. All of the ordinary shares re-issued since the 2020 AGM were issued at a premium to the prevailing net asset value of the ordinary shares (the "**NAV**"), such that the NAV per ordinary share was not diluted for existing shareholders.

The Company notes the significant increase in interest in the financial sector since November 2020, which has resulted in a sharp jump in the share prices of financial stocks globally. As a result, there has been a greater interest in the Company's ordinary shares, which have traded at or around a small premium to the NAV per ordinary share since 27 November 2020. Polar Capital LLP (the "**Investment Manager**") believes that the combination of the distribution of vaccines which will allow governments to reduce restrictions and open up economies, underpinned by continued loose fiscal and monetary policy, will result in strong global growth in 2021 which should result in continued strong performance of financial shares.

Based on market soundings, the Company is aware that certain investors would welcome an opportunity for larger investment, in addition to small volume issuances such as those made to date. The board of directors of the Company (the "**Board**") believes, after consultation with the Investment Manager, that investor demand for the Company's ordinary shares may exceed the Existing Authority before the Company's next annual general meeting (the "**2021 AGM**"), expected to be held in April. Accordingly, and further to the Company's announcement on 18 December 2020, the Board and the Investment Manager have been considering proposals for continuing the growth of the Company through further share issuances. The Board has consulted with leading shareholders to

assist it in establishing what it believes to be the best course of action for the Company, acting in the best interests of shareholders as a whole.

In light of these discussions, the Board is seeking authority to re-issue all of the existing ordinary shares in the Company held in treasury as at the date of this Circular to meet market demand, subject to prevailing market conditions. Any treasury shares will only be re-issued at a sufficient premium to the then prevailing NAV per ordinary share, so as to cover the costs of the relevant issuance. Consequently, the NAV per ordinary share will not be diluted for existing shareholders.

The purpose of this Circular is to explain the rationale for this proposed course of action, and to seek the shareholder approval required for the proposal to disapply the statutory pre-emption rights applicable to the re-issue of all of the Existing Treasury Shares (as defined below) (the “**Proposal**”).

This Circular sets out details of the Proposal and explains why the Board is recommending that you vote in favour of the resolution (the “**Resolution**”) to be proposed at the general meeting, which the Company will hold as a closed meeting at 11.00am on Monday, 1 February 2021 (the “**General Meeting**”). The notice of the General Meeting (the “**GM Notice**”) is set out at the end of this Circular.

### **Background to and benefits of the Proposal**

In accordance with the articles of association of the Company effective at the time, the Company gave shareholders the opportunity to tender their ordinary shares and exit the Company in April 2020, which was in line with the terms of the fixed seven-year life adopted by the Company at the time of launch. On 29 April 2020, the Company announced that it had completed a tender offer to buy back 79,159,235 ordinary shares. Since re-purchase, and save for the re-issuances under the Existing Authority, these shares have been held in treasury. The Company currently holds 70,375,000 ordinary shares in treasury (“**Existing Treasury Shares**”) (53.2 per cent. of issued share capital (excluding such treasury shares)).

Re-issuance of the remainder of the shares currently held in treasury would therefore restore the size of the Company to that which it had already attained prior to the tender offer.

The Company wishes to be able to re-issue treasury shares promptly and cost efficiently in response to market demand as and when it arises. This would not be possible if there were a requirement first to offer such shares to existing shareholders strictly pro rata to their existing holdings, since this would require the Company to make a formal pre-emptive offer and incur the costs of publishing an FCA-approved prospectus, with a resulting delay to the proposed issuance. The authority to re-issue treasury shares without first offering them to existing shareholders pro rata to their existing holdings would avoid these issues and provide the Company with greater flexibility to respond to market demand.

However, when re-issuing treasury shares by way of tap issuances or larger placings, the Board would nevertheless seek to take the holdings of existing shareholders into account when determining allocations. In addition, as noted elsewhere, any treasury shares will only be re-issued at a sufficient premium to the then prevailing NAV per ordinary share (which NAV for the avoidance of doubt will include accrued income as is usual for the Company), so as to cover the costs of the relevant issuance. Consequently, the NAV per ordinary share will not be diluted for existing shareholders.

The Board believes that the Proposal will have the following benefits for shareholders:

- it will give the Company the ability to issue ordinary shares tactically, so as to continue to support orderly trading of the Company’s ordinary shares;
- it will allow the Company to grow, thereby spreading the Company’s fixed running costs across a larger equity capital base, which should reduce the level of ongoing expenses per ordinary share; and

- a greater number of ordinary shares in issue should improve liquidity in the secondary market for the ordinary shares, making them more attractive to a wider range of investors.

In order to ensure that the Proposal serves the best interests of shareholders as a whole, the Company would be mindful of the accounting impact of larger issuances on revenue reserves, and would seek to reduce the effect where possible.

**In light of the above, the Board considers that implementing the Proposal is in the best interests of the Company and the shareholders as a whole.**

**The Proposal: authority to disapply pre-emption rights in respect of Existing Treasury Shares**

As indicated above, as at the date of this Circular, the Company holds 70,375,000 Existing Treasury Shares.

The Board is now seeking authority to re-issue all of the Existing Treasury Shares, should the Company choose to do so, without being required to comply with the pre-emption rights in the Companies Act 2006.

Unless otherwise amended or substituted, this authority will continue until the end of the annual general meeting of the Company to be held in 2022.

This authority is being sought in addition to the Existing Authority obtained by the Company at the 2020 AGM to disapply pre-emption rights, under which the remaining unused authority as at the date of the Circular covers 2,872,841 new ordinary shares, and any renewed authority to issue ordinary shares on a non-pre-emptive basis which may be proposed at the 2021 AGM.

If the Company issues 73,247,841 ordinary shares under the proposed new authority and the Existing Authority combined (being the aggregate maximum number of ordinary shares that the Board will be authorised to issue, or re-issue from treasury, on a non-pre-emptive basis if the Resolution is passed), the percentage of the total voting rights of the Company held by existing shareholders who choose not to, or are unable to, participate in any such issuances will be diluted by approximately 35.6 per cent. (for the avoidance of doubt, the actual number of voting rights held by existing shareholders will remain unaffected). However, the NAV per ordinary share will not be diluted.

**General Meeting**

The Proposal is subject to shareholder approval which will be sought at the General Meeting to be held as a closed meeting at 11.00am on Monday, 1 February 2021. In accordance with the Corporate Insolvency and Governance Act 2020 (as amended from time to time), notwithstanding the requirements of the articles of association of the Company and the Companies Act 2006 (as amended from time to time), the meeting will be deemed to be a closed meeting and all votes will be cast on a poll. The GM Notice convening the General Meeting is set out at the end of this Circular and includes the full text of the Resolution.

The Resolution to be tabled at the General Meeting is being proposed as a special resolution. In order to become effective, the Resolution must be approved by a majority of not less than seventy-five per cent. of the votes cast by shareholders at the General Meeting.

**Action to be taken in connection with the General Meeting**

You will find enclosed with this Circular a form of proxy for use at the General Meeting (the “**Form of Proxy**”).

You are encouraged to complete the Form of Proxy in accordance with the instructions printed thereon and to return the Form of Proxy to the Company’s Registrar, Equiniti Limited, by post or by

hand during normal business hours to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to arrive by no later than 11.00am on Thursday, 28 January 2021.

Completion and return of the Form of Proxy will ensure your vote is counted at the meeting. As noted above, in accordance with the Corporate Insolvency and Governance Act 2020, shareholders will not be permitted to attend the General Meeting in person.

**Shareholders who are in any doubt as to the contents of this Circular or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other appropriately qualified financial adviser authorised under FSMA if they are in the United Kingdom, or another appropriately authorised financial adviser if they are in a territory outside the United Kingdom.**

#### **Recommendation**

**In the opinion of the Board, the Proposal is in the best interests of shareholders as a whole.**

**Accordingly, the Board unanimously recommends that shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the directors of the Company intend to do in respect of their own aggregate holdings of 207,645 shares, representing approximately 0.16 per cent. of the current total number of issued shares.**

Yours faithfully,

**Robert Kyprianou**

*Chairman*

# **POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC**

*(incorporated and registered in England and Wales under number 08534332 and registered as an investment company under Section 833 of the Companies Act 2006)*

## **NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a general meeting of **POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC** will be held as a closed meeting at 11.00am on Monday, 1 February 2021 to consider and, if thought fit, to pass the following resolution:

**IT IS HEREBY RESOLVED THAT**, in addition to all existing authorities:

### **SPECIAL RESOLUTION**

The Directors be and are hereby empowered pursuant to section 571 of the Companies Act to allot equity securities (within the meaning of section 560(1) of the Companies Act) as if section 561(1) of the Companies Act did not apply to any allotment of 70,375,000 Existing Treasury Shares, such authority to expire at the end of the annual general meeting of the Company to be held in 2022 (save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired).

Save where the context requires otherwise, capitalised terms used in this notice shall have the same meanings given to them in the shareholder circular published by the Company dated 13 January 2021 (of which this notice forms part).

**By order of the Board**  
**T Lago, FCG**  
For and on behalf of  
Polar Capital Secretarial Services Limited  
*Company Secretary*

*Registered Office:*  
16 Palace Street  
London  
SW1E 5JD  
United Kingdom

Dated: 13 January 2021

## Notes to the GM Notice

**The ‘Notes to the GM Notice’ are subject to the provisions of the Corporate Insolvency and Governance Act 2020 and, to the extent that the ‘Notes to the GM Notice’ are inconsistent with such provisions, as applied in the GM Notice (other than the ‘Notes to the GM Notice’), such provisions shall apply instead of the ‘Notes to the GM Notice’. Please refer to the ‘Letter from the Chairman’ for information relating to the General Meeting and voting on the Proposal.**

The Resolution is proposed as a special resolution. For a special resolution to be passed, a majority of no less than seventy-five per cent. of the votes cast by shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

1. The Company specifies that only those shareholders entered on the register of members of the Company as at 6:30p.m. on 28 January 2021 will be entitled to vote at the General Meeting in respect of the number of shares registered in their name at that time and such shareholders shall be entitled on a poll to one vote for each share held. The register of members of the Company at that time is also used for the purposes of calculating how many votes a holder of each share may cast. Changes to entries on the register after 6:30p.m. on 28 January 2021 will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
2. A shareholder ordinarily entitled to attend and vote at the General Meeting may appoint one or more proxies (who need not be a member of the Company) to exercise all or any of his or her rights to attend, speak and vote at the General Meeting. This meeting is being held as a closed meeting and you are therefore recommended to complete and submit your proxy appointing the Chairman of the Meeting. If a shareholder wishes to terminate the authority of a person(s) to act as their proxy, they must notify Equiniti Limited in writing at the address provided below in note 5 no later than 48 hours before the General Meeting. On a poll, every shareholder who is present by proxy shall have one vote for every share held by him or her.
3. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her General Meeting. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to every other matter which is put before the General Meeting.
4. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Therefore, as this meeting is being held as a closed meeting at which only the necessary quorum will be present to conduct the business, it is recommended that you appoint the Chairman of the Meeting as your proxy to represent you.
5. A form of proxy is enclosed which should be completed in accordance with the instructions. To be valid, the Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarised certified copy of such authority) must be deposited with the Company’s Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA no later than 11:00a.m. on 28 January 2021. Completion of the Form of Proxy will not ordinarily preclude a member from attending and voting in person however as the meeting is being held as a closed meeting there will be no admittance. A shareholder may only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised.
6. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual which can be viewed at [www.euroclear.co.uk](http://www.euroclear.co.uk). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a ‘CREST Proxy Instruction’) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID number RA19) by not later than 48 hours before the time appointed for the holding of the General Meeting (i.e. by 11:00a.m. on 28 January 2021). For this purpose, the time of receipt will be taken to be the time (as determined

by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9. As at 13 January 2021, the Company's issued ordinary share capital consists of 202,775,000 shares, of which 70,375,000 shares are held in treasury. Each issued share excluding those held in treasury carries the right to one vote at the General Meeting of the Company and therefore the total voting rights in the Company are 132,400,000.
10. Any shareholder, proxy or joint shareholder has the right to ask questions. Due to the fact that the General Meeting will be held as a closed meeting, questions may be submitted in advance of the meeting to [cosec@polarcapital.co.uk](mailto:cosec@polarcapital.co.uk) with the subject matter 'PCFT-GM', any questions received will be responded to by email.
11. The GM is called on 14-days' notice in accordance with the Companies Act 2006. A copy of the notice of the General Meeting, including these explanatory notes, is available to download from the Company's website: <https://www.polarcapitalglobalfinancialtrust.com/>.