Polar Capital Global Financials Trust plc

Trust Fact Sheet

30 September 2016

Trust Facts

Ordinary Shares

Share Price	102.25p
NAV (undiluted) per share	119.01p
NAV (diluted) per share	118.41p
Premium	-
Discount	-14.08%
Capital	172,325,000 shares of 25p

Subscription Shares [1]

Share Price	3.20p
Exercise Price	115.00p
Capital	30,600,000 shares of 1p

Assets & Gearing [2]

Total Net Assets	£205.1m
AIC Gearing Ratio	7.18%
AIC Net Cash Ratio	0.00%

Historic Yield (%) 3.25

Dividends (p/share)

August 2016 (paid)	1.95
February 2016 (paid)	1.38
August 2015 (paid)	1.85
February 2015 (paid)	1.35

Benchmark

MSCI World Financials Index

Fees [3]

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 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

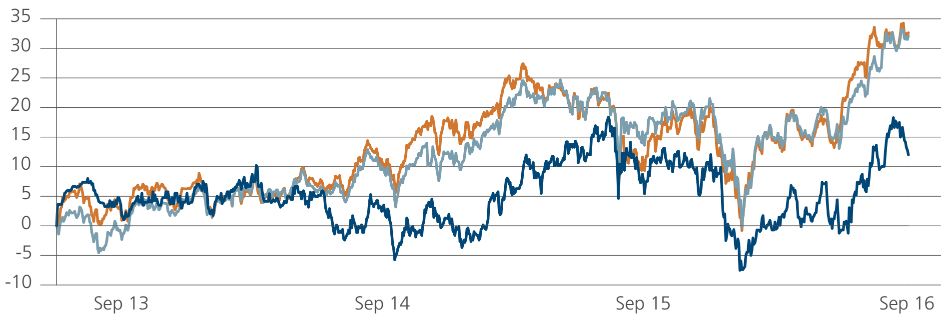
The Company seeks to generate a growing dividend income and capital appreciation by investing primarily in a global portfolio consisting of securities issued by companies within the financials sector operating in the banking, insurance, property and other sub-sectors.

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 (TR)	-2.04	12.77	12.47	4.39	11.98
NAV (undiluted per Share) (TR)	-0.31	12.68	14.97	14.52	32.11
MSCI World Financials Index TR	-0.38	10.01	15.91	19.31	32.65

Discrete Performance (%)

	30/11/15 30/09/16	28/11/14 30/11/15	29/11/13 28/11/14	01/07/13 29/11/13
Ordinary Share Price (TR)	1.88	6.22	-2.14	5.75
NAV per Share (TR)	10.14	5.23	9.86	3.75
MSCI World Financials Index TR	11.74	0.88	10.98	6.03

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. 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.

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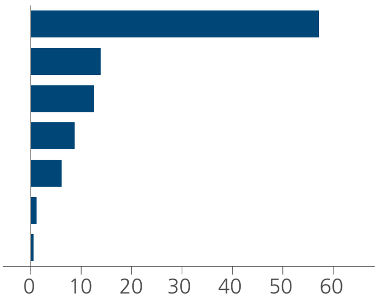
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 30 September 2016

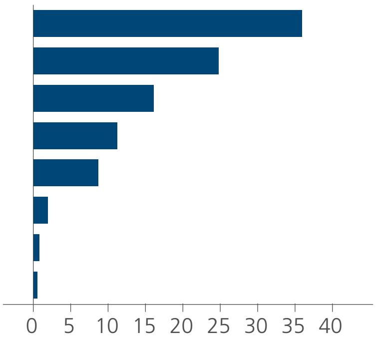
Sector Exposure (%)

Banks	57.1
Diversified Financials	13.9
Insurance	12.5
Fixed Income	8.7
Real Estate	6.1
Software & Services	1.1
Cash	0.5



Geographic Exposure (%)

North America	35.9
Europe	24.8
Asia Pac (ex-Japan)	16.1
UK	11.2
Fixed Income	8.7
Japan	2.0
Latin America	0.8
Cash	0.5



Top 15 Holdings (%)

JPMorgan	3.6
Chubb	3.1
ING Groep	3.1
Wells Fargo	2.6
Swedbank	2.5
Bank of America	2.3
Marsh & McLennan	2.1
Sampo	2.1
BNP Paribas	2.0
First Republic Bank	2.0
Fortune REIT	2.0
Citigroup	2.0
Sumitomo Mitsui Financial	2.0
KBC Groep	1.9
Toronto-Dominion	1.9
Total	**35.2**
Total Number of Positions	**75**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	71.2
Medium (US$ 0.5bn - 5bn)	24.3
Small (less than US$ 0.5bn)	4.6

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	Spring 2017
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

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

Subscription Shares [1]

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 30 September 2016

Following a strong recovery over the previous two months, financials were marginally weaker in September and as a result they underperformed underlying equity markets. US, European and Japanese banks fell 2.3%, 5.7% and 3.8% respectively in local currencies as illustrated by the KBW Banks Index, the Euro STOXX Banks Index and Topix Banks Index. Conversely, Australian banks, life assurance and non-life insurance stocks were marginally stronger over the month. Against this background, the Trust's net asset value fell by 0.3%.

Wells Fargo's share price fell 13.0% in September, and was the largest detractor to performance, following the announcement that it was being fined $185m for allowing employees to open accounts that customers didn't authorise, resulting in over 5,000 employees being fired. Whilst the nature of the scandal and poor performance of John Stumpf, CEO and Chairman of the bank, in front of a Congressional committee, has raised the prospect of further penalties and earnings estimate cuts, we do not see it as having a long-term material impact on the business.

The proposed $14bn fine on Deutsche Bank, not held in the Trust, to settle an investigation into its selling of mortgage backed securities during the financial crisis raised concerns about its capital position, as this number dwarfed the €5.5bn that the bank had set aside for fines and litigation. Whilst there are legitimate questions on Deutsche Bank's capital position which raises the prospect of a dilutive capital raise or further asset sales, of bigger concern is the bank's weak profitability and therefore capital generation.

Deutsche Bank has liquidity reserves of over €220bn which dwarfs the €65bn they held going into the financial crisis in 2007. Access to ECB funding further mitigates the risk from a liquidity shock and highlights the reduction in systemic risk following changes enforced by regulators since the financial crisis, namely the Liquidity Coverage Ratio and Net Stable Funding Ratio. As a consequence, unless financial markets deteriorate materially, in short order it should not have systemic issues.

Our two best performing holdings during the month were Arrow Global and TBC Bank. Arrow Global, which buys non-performing consumer debt portfolios, rose initially on the back of a solid set of results but also rumours that private equity firms were running their slide rule over the company due to the discount it trades to its closest peers. TBC Bank rose 12% in September following the announcement that it had acquired Bank Republic from Société Générale which will create the largest bank in Georgia. The acquisition is in line with TBC's strategy to strengthen their presence with retail affluent customers and is expected to be accretive to earnings from 2017.

We attended both the Bank of America Merrill Lynch and Keefe Bruyette Wood's European banking conferences during the month. Meetings with banks and insurers were reassuring and while the operating environment is reported as tough for banks, it is at odds with the very negative view of the sector currently, albeit we are not invested in those that are most challenged. Pessimism abounds with even the CEO of Credit Suisse stating in an interview that banks are "not really investable as a sector". We do not own Credit Suisse shares.

Meetings with a number of the UK challenger banks in recent weeks have all been reassuring and we are starting to see some earnings upgrades come through as the downturn envisaged for the UK economy has as yet come to pass. While there has been some tightening of underwriting controls in light of the uncertainty, the picture so far is of very little change in loan growth expectations or deterioration in asset quality. Nevertheless, with the Prudential Regulatory Authority having finalised its new rules on buy-to-let market, during the month, we would expect a slowdown in lending as some lenders pull back.

There was very little investment activity during the month although we purchased a new holding in Commonwealth Bank of Australia. Having visited Australia and now met the bank a number of times we are more comfortable with the risks they have taken on their balance sheet. Although, we are conscious that the shares would come under pressure should the Australian economy lose its surprising resilience. We also purchased a new holding in Meta Financial, a bank based in South Dakota while we sold our remaining holding in Azimut, an Italian asset manager, that we had previously reduced.

Financials remain the contrarian trade of choice for anyone who does not believe that interest rates will remain close to zero for many years to come. As we have highlighted before, they should be big beneficiaries if and when interest rates rise and conversely will continue to suffer significant headwinds if this does not happen, which remains the consensus view but by no means an unanimous view. An article we read recently, highlighted research from Lombard Street, an economic research house, that believes not only will rates rise in the US in 2017 by more than currently expected, but the European Central Bank will also be forced to raise rates, the latter not remotely priced into financial markets.

Nick Brind & John Yakas

6 October 2016

Fund Managers

Nick Brind

Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 22 years of industry experience.

John Yakas

Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 28 years of industry experience.

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Benchmarks The following benchmark index is used: MSCI World Financials Index. This benchmark is generally considered to be representative of the Financial Equity universe. The benchmark 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 this index. 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.

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