POLAR CAPITAL

Polar Capital Global Financials Trust plc

Report and Financial Statements for the half year ended 31 May 2017

Half year ended
2017

About Us

Profile
The Company was incorporated on 17 May 2013. On 1 July 2013 it issued 153,000,000 ordinary shares plus one subscription share for every five ordinary shares which were admitted to trading on the Main Market of the London Stock Exchange. The original subscription price for each ordinary share was £1 and the Net Asset Value (NAV) per share on 1 July 2013 was 98p (after launch costs).

Investors may purchase shares through their stockbroker, bank or other financial intermediary.

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

Investment Policy
The Company seeks 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. The portfolio is diversified by factors including geography, industry sub-sector and stock market capitalisation.

Full details of the investment policy are set out in the Annual Report.

Benchmark
The current Benchmark is the MSCI World Financials + Real Estate (RE) Index, total return in Sterling (with dividends reinvested). The Company's Benchmark from inception to 31 August 2016 was the MSCI World Financials Index (in sterling with dividends reinvested). On 1 September 2016, the constituents of this index changed to exclude real estate. Consequently, from this date the Company adopted a revised Benchmark with real estate added back. MSCI has provided a bespoke index of the World Financials + RE Index (in Sterling with dividends reinvested).

Capital Structure
At 31 May 2017, the Company had in issue 172,175,000 ordinary shares of 5p each and 30,600,000 subscription shares of 1p each, unchanged from the position at the year end.

The subscription shares give the holders the right but not the obligation to subscribe for one ordinary share at 115p per ordinary share on 31 July 2017 after which date the subscription rights will lapse. Reminder notices for the sole opportunity to convert the subscription shares were despatched on 16 June 2017. Please contact investor-relations@polarcapital.co.uk if you require a further copy.

Life of the Company
The Articles of Association require the Directors to put forward at the seventh Annual General Meeting a resolution to place the Company into liquidation. The voting on that resolution will be enhanced such that, provided any single vote is cast in favour, the resolution will be passed. The seventh AGM is expected to be held in April 2020, but in any event, no later than 31 May 2020.

Gearing and Use of Derivatives
In line with the Articles of Association, the Company may employ borrowing from time to time with the aim of enhancing returns, subject to a maximum of 15% of net assets at the time the relevant borrowing is taken out. During the period under review, the Company had an arrangement with ING Bank NV for bank loans of £20m to be made available, of which £17.5m had been drawn down at the period end. Since the period end, the Company has entered into a replacement arrangement with ING Bank NV for a one year revolving credit facility in the amount of £15m, and a one year term loan for £10m. The Company may invest through equities, index-linked, equity-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other interests including derivative instruments. Forward transactions, derivatives (including put and call options on individual positions and indices) and participation notes may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to generate income from the Company's position in such securities, as well as for efficient portfolio management.

Management
The Investment Manager and AIFM is Polar Capital LLP and Mr Nick Brind and Mr John Yakas have managed the portfolio since launch.

The Investment Manager is entitled to a fee at the rate of 0.85% per annum of the lower of the Company's market capitalisation and the Company's net asset value. 80% of the management fee is charged to the capital account and the remaining 20% to income.

The Investment Manager may also be entitled to a performance fee paid in cash. The fee is equal to 10% of the excess return over the performance fee hurdle. The hurdle is 100p increased or decreased by reference to the return on the Benchmark plus 1.25p per annum. The performance is adjusted for these purposes to take into account the dividends paid by the Company. The fee is calculated and payable at the liquidation of the Company. No performance fee is currently due and no accrual has been made.

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Financial Highlights
For the half year ended 31 May 2017

Performance (Sterling total return)	For six months ended 31 May 2017 %	Since Inception %
Net asset value per ordinary share (undiluted) (note 1)	9.94	61.06
Ordinary share price (note 2)	11.27	48.42
Benchmark (note 3)	5.89	56.46
Other Indices and peer group		
MSCI World	9.44	68.76
S&P 500	7.44	91.50
Eurostoxx 600	19.38	53.04
FTSE All Share	13.58	41.56
Lipper Financial Sector (note 4)	9.88	37.56

Financials

	31 May 2017	30 November 2016	% Change
Net assets per ordinary share (note 5)			
Undiluted	143.38p	132.00p	8.6%
Diluted	139.09p	129.40p	7.5%
Share price			
Ordinary	134.00p	121.80p	10.0%
Subscription (note 6)	13.75p	8.60p	59.9%
Shares in issue			
Ordinary shares	172,175,000	172,175,000	–
Subscription Shares	30,600,000	30,600,000	–

Expenses	Six months to 31 May 2017	Year to 30 November 2016	
Ongoing charges (note 7)	1.01%	1.02%	–

Dividends

The company has paid/declared the following dividends in the period:

Pay Date	Pay Date	Amount per ordinary share	Record Date	Ex-Date	Declared date
The Company has paid the following dividend relating to financial year ended 30 November 2016:	28 February 2017	1.60p	10 February 2017	9 February 2017	2 February 2017
The Company declared the following dividend relating to the current financial year:	31 August 2017	2.10p	21 July 2017	20 July 2017	11 July 2017

Note 1 The total return NAV performance for the period is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. Performance since inception has been calculated from the initial NAV of 98p to 31 May 2017. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol used by the Company's benchmark and other indices.

Note 2 The total return share price performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date. Performance since inception has been calculated using the launch price of 100p to the closing price on 31 May 2017.

Note 3 The Benchmark was the MSCI World Financials Index to 31 August 2016, and the MSCI World Financials Index + Real Estate, for the period 1 September 2016 to 31 May 2017. See 'Benchmark' on inside front cover.

Note 4 The Lipper Financial Sector comprises 62 open ended funds.

Note 5 There is a difference between the diluted and undiluted net asset values when the subscription share conversion price is lower than the NAV per share.

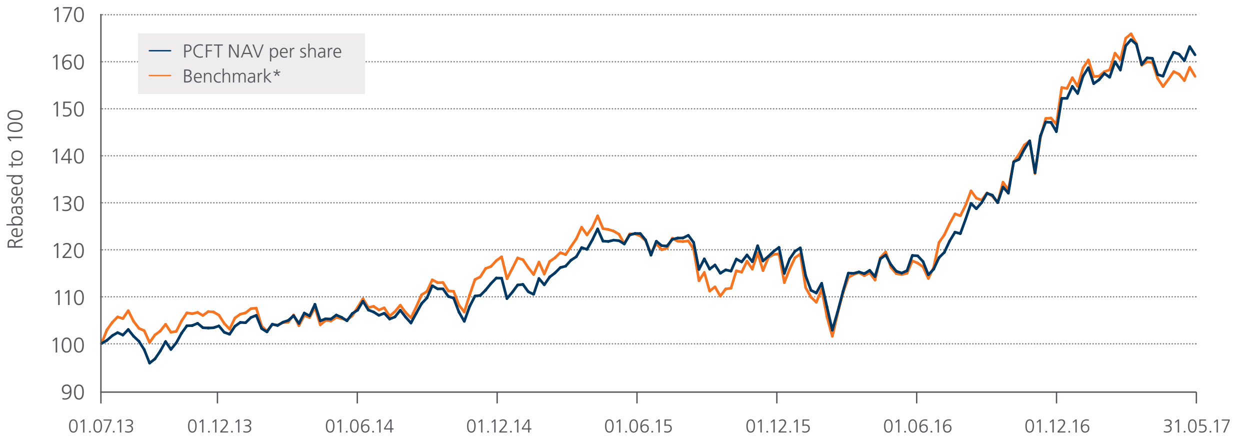
Note 6 Subscription shares were issued to investors on 1 July 2013 on the basis of one subscription share for every five ordinary shares.

Note 7 Ongoing charges represents the total expenses of the Company, excluding finance costs, expressed as a percentage of the average daily net asset value, calculated in accordance with AIC guidance issued in May 2012. The ongoing charges figure as at 31 May 2017 is for the six month period from 30 November 2016 and is annualised for comparison with the full year's calculation as at 30 November 2016.

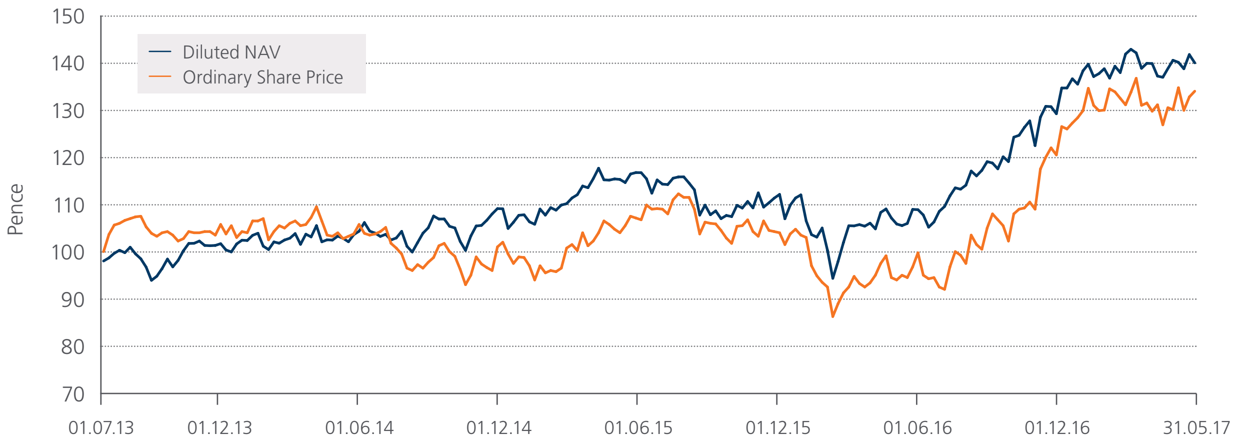
Data sourced by HSBC Securities Services Limited, Polar Capital LLP, MSCI and Lipper.

Performance – Since Launch

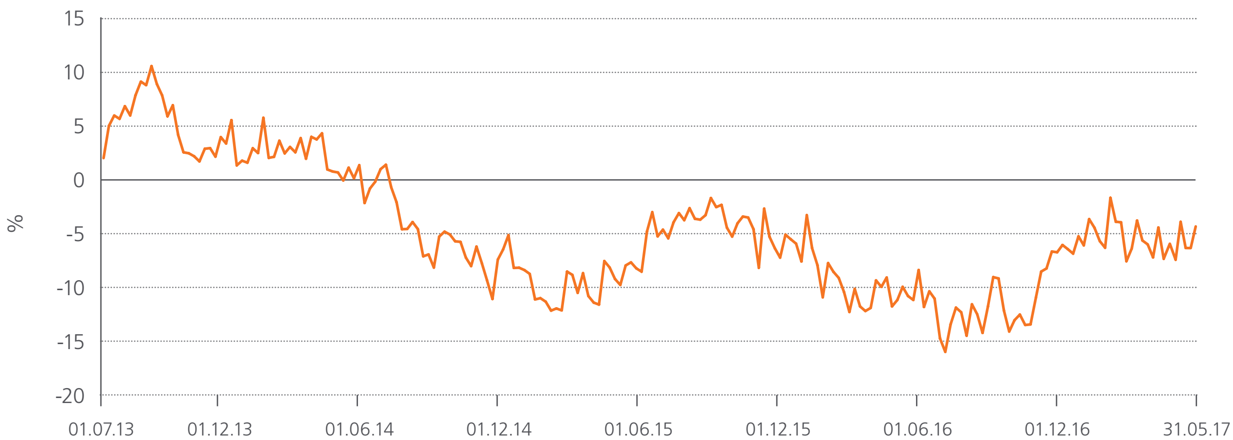
Performance



Share Price/Diluted NAV



Premium/Discount



Source: Polar Capital.

* See note 3 on page 1 for a definition of the Benchmark.

Chairman's Statement

Robert Kyprianou

In my report for the first half of the current financial year I am pleased to announce strong growth, both in absolute terms and relative to benchmark, in the Company's Net Asset Value (NAV), a narrowing in the discount in the Company's share price to its NAV, and an increase in the dividend payable to shareholders.

Performance

At launch the Company decided to employ the MSCI World Financials Index as a benchmark for the management of its portfolio and calculation of performance fees. In my statement in the 2016 Annual Report I noted that at the end of August 2016 MSCI made a significant change to the structure of the MSCI World Financials Index by removing real estate from the universe of stocks comprising the index. In response, the Board decided to adopt the revised MSCI World Financials Index plus real estate from the end of August 2016 in order to restore the benchmark universe performance analysis by the Company to its original position.

During the six months to 31 May 2017 the Company's share price traded significantly above the 115p exercise price of the subscription shares issued at the time of the Company's launch (see Share Capital below). As a result performance is reported on an undiluted and fully diluted basis. During this period, your Company generated a Net Asset Value total return of 9.9% on an undiluted basis, equivalent to 8.8% on a fully diluted basis. The portfolio's benchmark, the MSCI World Financials Index plus Real Estate (Total Return with dividends reinvested), returned 5.9% over the same period. Since the Company's inception in July 2013 the Company has achieved an undiluted NAV total return of 61.1% (57.2% on a fully diluted basis) compared to the benchmark return of 56.5%.

The Investment Manager has consistently delivered value added from its core bottom-up stock selection process. During the period under review this process led to an overweight geographical position in Europe and Asia relative to the US, and an overweight position in the banking sector. These were positive contributors to the Manager's strong performance relative to benchmark since the end of the Company's last financial year. The Manager was able to add value across the market cap spectrum.

In addition, the rehabilitation of sentiment towards the financial sector since the middle of last year has supported share price performance with a further narrowing of the share price discount to NAV. As a result, the Company's ordinary share price return over the six month period was 10.0%. In turn, the performance of the Company's ordinary share price drove the subscription shares deeper 'into the money'. The price of the subscription shares at the end of May 2017 was 13.75p, a rise of 60.0% in the six months since the end of the last financial year.

Please see the Investment Manager's Report for more information on the Company's investment performance.

Share Capital

During the period under review there were no sales or buy backs of ordinary shares by the Company. Consequently the number of ordinary shares outstanding at 31 May 2017 was unchanged at 172,175,000.

The Company does not pursue a formal discount control mechanism but the Board monitors the discount and market conditions and, in consultation with the Manager, determines any appropriate action. The Board will continue to use discretion to enable the Company to buyback further shares as and when it sees fit, in the best interests of all shareholders.

The Company's ordinary share price at the end of May 2017 was 134.00p, a rise of 10.0% since the start of the current financial year. This represented a discount of 3.7% compared to the Company's fully diluted net assets per ordinary share price of 139.09p.

Subscription Shares

Subscription Shares were issued to investors on the 1 July 2013 on the basis of one subscription share for every five ordinary shares. The exercise price for conversion of the subscription shares is 115p and the exercise date is 31 July 2017. The number of subscription shares has remained unchanged over the period at 30,600,000.

Chairman's Statement continued

Dividends

The Company aims to pursue a policy of dividend growth, although there is no guarantee that this can be achieved. The Board monitors, with the Investment Manager, the prospects for dividends from its equity holdings, interest income from cash and fixed income securities, and the potential to earn additional revenue from writing options.

I am pleased to announce that strong investment performance and income generation have allowed the Board to maintain the Company's record of steadily growing dividends. The Board has declared an interim dividend of 2.1p per share, payable on 31 August 2017 to shareholders on the register on 21 July 2017. This represents an increase of 7.1% over last year's first interim dividend of 1.95p.

Outlook

Sentiment towards the financial sector has changed significantly since my last interim report a year ago. At that time I described the sector as 'unloved and unwanted' but with substantial value waiting to be realised. Since then the sector has come back onto investors' radar screens and into their portfolios. Valuation has been an important factor in the recent interest in the sector, coupled with a more supportive political backdrop following the election of President Trump and recent election results on the European continent, which suggested key countries had stepped back from European scepticism and extremism for now.

Looking forward, further encouragement for the sector is likely to come from a more supportive economic background for financials generally. Stronger growth and rising interest rates are particularly supportive for banks. Although economic prospects by region are not uniform, they generally include one or both of these supportive elements. In the US the post Trump-election growth optimism has waned recently as concerns have appeared over the implementation of the Administration's programme. However, the Federal Reserve has embarked on a cycle of Federal Funds rate increases which seems to be robust against evidence of soft inflation. One explanation for this is their concern over the impact of low short term interest rates on bank net interest margins which, if not addressed, could lead to a reluctance to lend or lending at the wrong price.

Meanwhile the growth story is moving towards regions and countries outside the US. In Continental Europe there is clear evidence of a broad-based recovery sufficient for the ECB to end its downside bias in rates, with growing talk of tapering in its bond buying programme on the near term horizon. In the UK, the Monetary Policy Committee has become more open to rate rise increases which may now be in prospect as early as 2018. 'It's the economy stupid', with the implications for rates, likely to be the supportive rallying call for financials going forward. Although there is no sign of an end to the regulatory barrage imposed on this sector, there is clear evidence that regulators and policy makers are more sensitive to the impact on financial institutions, which could soften deployment going forward.

The sector has seen significant change since the financial crisis in 2008, especially banks in the West. Reaction and responses to that crisis are largely over. However, the pressure for further change remains, the primary drivers being regulatory evolution and Fintech. Pending regulatory programmes, from MIFID II and SMR, to MREL and 4MLD, will continue to require responses and adaptations of business models across the sector including banks, brokerages, insurance companies and asset managers. Fintech promises even more profound changes, especially for the established banking sector for whom it is both a threat and an opportunity. A driver of greater operating leverage for established banks, Fintech also presents opportunities for their disintermediation by new players. These new entrants are also changing the way business is done, as the old relationship, branch-based model migrates to electronic platforms and online information gathering and record keeping.

Closer to home, the surprising election outcome following a surprising Brexit vote has created a level of political, economic and financial uncertainty in the UK not seen since – well, I don't know when! A more pragmatic approach to Brexit negotiations is likely but it is not clear what this means. There is no appetite for another election soon in the ruling Conservative Party, but in the meantime, with no real majority, the parliamentary process is severely compromised. An easing in austerity is forecast but will it be enough to offset a slowing economy? The Bank of England now looks divided on the best course for monetary policy; and what damage will be done to Britain's financial system and institutions as Europe maximises its leverage is by no means certain.

Global stock picking capabilities are essential in this changing landscape, plus the ability to look right across this broad global sector to identify quality financial companies with competitive advantages and attractive valuations. These are our Manager's core strengths.

Robert Kyprianou

11 July 2017

Investment Manager's Report

For the half year to 31 May 2017

Nick Brind & John Yakas

Performance

The six month period covered by this report was a good one for financial shares and therefore the Trust's portfolio, albeit financial shares lagged broader equity markets. The MSCI World Index rose by 9.4% over the period led by European equities, helped by a stronger Euro, whilst the US, Japan and other developed markets did not perform anywhere near as well. Financial shares as illustrated by our benchmark index, the MSCI World Financials + Real Estate Index, rose by 5.9%. Against this background the Trust's net asset value total return over the period was 9.9%.

The strong performance was broadly based, driven by a combination of overweight positions in Europe and Asia, underweight position in US and Japan as well as good stock selection. At a sector level a larger weighting in banks was helpful but conversely overweight holdings in consumer finance stocks were a drag on performance. A large underweight to real-estate investment trusts, relative to our benchmark index, did not have a large impact while our holdings in fixed-income securities were a positive contributor to performance.

Our best performing stocks included Indiabulls Housing Finance, an Indian non-bank finance company, ING Group, the largest Dutch bank, and Tisco Financial, a Thai bank focused on auto lending. Conversely, the biggest detractors to performance were Novae Group, a property & casualty insurer, Synchrony Financial and Discover Financial Services, the latter two both US credit card lending businesses.

Investment Review

Financials had a strong start to the financial year despite the 'no' vote in the Italian referendum in December, the subsequent resignation of the Italian prime minister as well as rumours that banks would see capital requirements ratcheted up even further than previously expected. European financials, having dipped in the run-up to the referendum, rallied sharply with Italian banks leading the rise.

European financials then again dipped on concern about political risk due to European elections but as this abated they continued their strong run. In particular, shares rose sharply as the tail risk of Marine Le Pen, the Front National candidate, in a run-off with the far left candidate, Jean-Luc Melenchon, was removed following the first round of presidential elections in France.

The resulting election of Emmanuel Macron, the centrist candidate, and better results in regional elections for Angela Merkel, in Germany, also helped sentiment. Dutch elections also produced a positive result with the incumbent centre-right party retaining its majority. Positive macro data in the Eurozone has also helped underpin the better sentiment towards European equities and raised expectations that the European Central Bank would raise interest rates earlier than previously expected.

US financials initially continued their run of strong performance post the US election benefiting from a tick up in earnings expectations on the more positive outlook for US interest rates and economic growth. Furthermore, the new US administration's plans to cut taxes and regulation also helped sentiment. Expectations that the administration planned to increase fiscal spending, in particular via infrastructure investments, were seen as positive for the sector due to expected increase in demand for loans that would result.

Nevertheless, the rally in US financials lost momentum and the sector gave back some of its performance on the back of softer economic data and therefore the expectation for a slower rise in US interest rates. Concern about the ability of the US administration to push through its legislative agenda increased following the failure to push through healthcare reform. This raised doubts about the likelihood of passing tax reform and reducing the regulatory burden on the sector, thereby undermining sentiment.

Investment Manager's Report continued

For the half year to 31 May 2017

Asian financials were weaker post the US election on concern about the impact of the US administration's trade policies and a stronger US dollar. Following this initial weakness they went on to perform well over the last six months. Indian financials performed particularly well as results suggested that the impact from demonetisation was less onerous than originally feared and the subsequent rush of new deposits led to some margin expansion while loan growth remained strong.

The region also benefited as concerns regarding the risk from US protectionist measures reduced. A weaker US dollar, as well as an improving global economic outlook and expectations of only a gradual normalisation in US interest rates also underpinned the improvement in sentiment. Government plans in India to boost home ownership provided an added boost to Indian housing finance stocks.

Conversely Australian and Japanese financials did not perform strongly over the period. Japanese financials having been one of the biggest beneficiaries of expectations of higher interest rates post the US election, were only marginally higher over the six months, as share prices gave up gains on the weaker outlook. Australian banks, similarly having performed well, suffered from profit taking on the back of the announcement of a bank tax.

There was less investment activity during the six months relative to other periods. Nevertheless, activity included reducing holdings in Discover Financial Services and Synchrony Financial, both US credit card companies, on concerns that the recent deterioration in asset quality would continue. We also sold our holding in Shawbrook Group following the announcement of a takeover approach from its largest investor and original private equity backer. Conversely we added to holdings in Intesa Sanpaolo and Aldermore Group while a new holding was purchased in Banco Santander.

Outlook

The sector's performance remains very reliant on the outlook for economic growth and therefore interest rates. For example, the recent relative share price weakness of US banks relative to the underlying US equity market and conversely, share price strength of European banks to the underlying European equity market, reflects the more positive macro data, but also political news, emanating from Europe.

As higher interest rates equate to higher profitability for the sector, the correlation of the sector to bond yields i.e. the forecast for interest rates a few years out, is not surprisingly very high. In the US, net interest margins of banks, the difference between what they earn on loans and pay for deposits and other funding, have risen following the recent increase in US interest rates. Similarly European banks have highlighted the sensitivity of their earnings to any increase in Eurozone interest rates.

Outside of selective pockets of weakness in auto lending and credit cards in the US, asset quality remains very benign. Banks have consistently surprised by putting aside less in provisions to cover loan losses than had been expected reflecting the relatively benign economic environment. New accounting rules will, however, force banks to take higher provisions for all loans, but these are not expected to be material and will be smoothed over a number of years.

With respect to regulation, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, were meant to meet in January to announce final proposals on capital requirements for the banking sector. However the meeting was postponed on the back of US and European regulators being unable to come to an agreement.

While there remains some risk that capital requirements for the banking sector are raised by more than expected, for the most part the risk of further significant regulation in the sector has decreased. In the US, the Trump administration's appointees for heads of key regulatory bodies are seen as more market friendly and there is bi-partisan support for reducing regulatory burden for smaller and mid-sized banks. US banks are also expected to be able to return more capital to shareholders.

Australia is the latest of a long list of countries that have raised taxes on the banking sector, which includes the UK, Belgium, Germany, Poland and Sweden. On top of this a number of European countries have implemented financial transaction taxes and there is a levy on the banking sector to fund the Eurozone Single Resolution Fund. Conversely in the US, expectations are for lower taxes which, if enacted, would have a significant positive impact on the earnings and share prices of our US holdings.

There has been a sharp fall in the yields of banks' AT1 securities (bonds that can be written down or converted into equity even while a bank is still solvent) which should be very positive for the sector as they can be seen as a proxy for cost of equity. As yet equity analysts and the wider market do not appear to factor in the price at which credit markets are willing to lend to the banking sector in their analysis despite the fundamental change in how the sector is viewed by credit markets (although some of this undoubtedly reflects the chase for yield).

There are exceptions, with Banco Popular being the standout and one in which we do not have any exposure. Its shares and bonds have effectively been written down to zero following the announcement of its resolution and takeover by Santander (in which we have a holding) following months of speculation about the weakness of its balance sheet. The credit markets have shrugged this off unlike last year when there was concern about Deutsche Bank which led to a sharp correction across the sector. We see this as positive news.

Looking forward, therefore we remain very constructive on the outlook for the sector. Outside short-term volatility, if the recent more positive outlook for interest rates continues then this will be very good for the sector. Valuations remain low especially relative to underlying equity markets and while in absolute terms they are no longer as cheap as they were last year, the valuation upside from higher interest rates is underappreciated by the market irrespective of regulatory or tax reform. The potential for increased capital return adds to the attraction of the sector.

Nick Brind & John Yakas

11 July 2017

Note

We would draw shareholders attention to www.polarcapitalglobalfinancialstrust.co.uk for regular monthly portfolio updates and commentary.

*index performance figures are total return in sterling while for individual companies are in their local currency

Portfolio
As at 31 May 2017

		Stock	Sector	Country	Market Value £'000 31 May 2017	Market Value £'000 30 November 2016	% of total net assets 31 May 2017	% of total net assets 30 November 2016
1	(1)	JP Morgan Chase	Banks	North America	10,383	10,042	4.2%	4.4%
2	(3)	ING Groep	Banks	Europe	9,216	7,757	3.7%	3.4%
3	(5)	Chubb	Insurance	Europe	7,762	7,166	3.1%	3.2%
4	(4)	Bank Of America	Banks	North America	7,468	7,276	3.0%	3.2%
5	(2)	Wells Fargo	Banks	North America	7,327	7,835	3.0%	3.4%
6	(6)	BNP Paribas	Banks	Europe	6,686	5,800	2.7%	2.6%
7	(8)	Citigroup	Banks	North America	6,218	5,418	2.5%	2.4%
8	(7)	Swedbank	Banks	Europe	5,697	5,619	2.3%	2.5%
9	(15)	KBC Groep	Banks	Europe	5,583	4,600	2.3%	2.0%
10	(10)	Marsh & McLennan	Insurance	North America	5,409	4,993	2.2%	2.2%
Top 10 investments					71,749		29.0%	
11	(13)	Sampo	Insurance	Europe	5,265	4,730	2.1%	2.1%
12	(9)	PNC Financial Services	Banks	North America	4,964	5,291	2.0%	2.3%
13	(11)	First Republic Bank	Banks	North America	4,831	4,970	2.0%	2.2%
14	(14)	Toronto-Dominion Bank	Banks	North America	4,615	4,730	1.9%	2.1%
15	(33)	Mastercard	Software & Services	North America	4,565	2,903	1.8%	1.3%
16	(16)	US Bancorp	Banks	North America	4,335	4,368	1.8%	1.9%
17	(24)	ABN Amro Group	Banks	Europe	4,068	3,512	1.6%	1.5%
18	(18)	Solar Capital	Diversified Financials	North America	4,059	4,129	1.6%	1.8%
19	(22)	Sumitomo Mitsui Financial	Banks	Japan	3,999	3,690	1.6%	1.6%
20	(19)	Commonwealth Bank of Australia	Banks	Asia (ex-Japan)	3,989	4,037	1.6%	1.8%
Top 20 investments					116,439		47.0%	
21	(23)	AXA	Insurance	Europe	3,877	3,537	1.6%	1.6%
22	(34)	Oversea-Chinese Banking	Banks	Asia (ex-Japan)	3,836	2,892	1.6%	1.3%
23	(28)	Blackstone	Diversified Financials	North America	3,832	3,099	1.6%	1.4%
24	(21)	Fortune REIT	Real Estate	Asia (ex-Japan)	3,813	3,752	1.5%	1.6%
25	(40)	Arrow Global Group	Diversified Financials	United Kingdom	3,666	2,689	1.5%	1.2%
26	(65)	Aldermore	Banks	United Kingdom	3,662	1,621	1.5%	0.7%
27	(17)	Ares Capital	Diversified Financials	North America	3,611	4,234	1.5%	1.9%
28	(30)	Societe Generale	Banks	Europe	3,573	3,028	1.4%	1.3%
29	(35)	Allianz	Insurance	Europe	3,392	2,888	1.4%	1.3%
30	(37)	BOC Hong Kong	Banks	Asia (ex-Japan)	3,320	2,842	1.3%	1.2%
Top 30 investments					153,021		61.9%	
31	(69)	Intesa Sanpaolo	Banks	Europe	3,286	1,390	1.3%	0.6%
32	(38)	Pacific Premier Bancorp	Banks	North America	3,241	2,838	1.3%	1.2%
33	(39)	Atom Bank (unquoted)	Banks	United Kingdom	3,191	2,774	1.3%	1.2%
34	(42)	Keycorp	Banks	North America	3,167	2,634	1.3%	1.2%
35	(27)	Direct Line Insurance	Insurance	United Kingdom	3,137	3,125	1.3%	1.4%
36	(45)	OneSavings Bank	Banks	United Kingdom	3,134	2,583	1.3%	1.1%
37	(43)	HDFC Bank	Banks	Asia (ex-Japan)	3,091	2,622	1.3%	1.2%
38	(75)	Indiabulls Housing Finance	Banks	Asia (ex-Japan)	3,068	886	1.2%	0.4%
39	(25)	Frasers Centrepoint Trust	Real Estate	Asia (ex-Japan)	3,051	3,364	1.2%	1.5%
40	(46)	TBC Bank	Banks	United Kingdom	3,003	2,530	1.2%	1.1%
Top 40 investments					184,390		74.6%	

		Stock	Sector	Country	Market Value £'000 31 May 2017	Market Value £'000 30 November 2016	% of total net assets 31 May 2017	% of total net assets 30 November 2016
41	(56)	Tisco Financial	Banks	Asia (ex-Japan)	2,873	2,001	1.2%	0.9%
42	(26)	Meta Financial Group	Banks	North America	2,871	3,152	1.2%	1.4%
43	(51)	VPC Specialty Lending Investments	Fixed Income	–	2,870	2,343	1.2%	1.0%
44	(29)	E Sun Financial	Banks	Asia (ex-Japan)	2,861	3,076	1.1%	1.3%
45	(31)	Skandiabanken	Banks	Europe	2,765	2,977	1.1%	1.3%
46	(47)	HSBC Holdings	Banks	Asia (ex-Japan)	2,692	2,520	1.1%	1.1%
47	(41)	East West Bancorp	Banks	North America	2,650	2,683	1.1%	1.2%
48	(57)	Lloyds Banking Group	Banks	United Kingdom	2,647	1,968	1.1%	0.9%
49	(48)	Mapletree Comercial	Real Estate	Asia (ex-Japan)	2,608	2,426	1.1%	1.1%
50	(58)	P2P Global Investments	Fixed Income	–	2,581	1,964	1.0%	0.9%
Top 50 investments					211,808		85.8%	
51	(36)	SVB Financial	Banks	North America	2,404	2,871	1.0%	1.3%
52		Banco Santander	Banks	Europe	2,399	–	1.0%	–
53	(55)	Nationwide Building Society 10.25% CCDS	Fixed Income	–	2,395	2,077	1.0%	0.9%
54	(20)	Discover Financial Services	Diversified Financials	North America	2,373	3,932	1.0%	1.7%
55	(59)	City of London Investment Group	Diversified Financials	United Kingdom	2,304	1,948	0.9%	0.8%
56	(50)	UBS Group	Banks	Europe	2,279	2,349	0.9%	1.0%
57	(49)	Yes Bank	Banks	Asia (ex-Japan)	2,230	2,375	0.9%	1.0%
58	(63)	International Personal Finance 5.75% Bond	Fixed Income	–	2,187	1,725	0.9%	0.8%
59	(52)	Pennant Park Floating Rate Capital	Diversified Financials	North America	2,183	2,215	0.9%	1.0%
60	(32)	Novae Group	Insurance	United Kingdom	2,086	2,933	0.8%	1.3%
Top 60 investments					234,648		95.1%	
61	(54)	Lloyds Bank 13% Bond	Fixed Income	–	1,863	2,087	0.8%	0.9%
62	(64)	Phoenix Life 7.25% Bond	Fixed Income	–	1,808	1,716	0.7%	0.7%
63	(53)	Main Street Capital	Diversified Financials	North America	1,776	2,184	0.7%	1.0%
64	(68)	Sparebank SMN	Banks	Europe	1,726	1,555	0.7%	0.7%
65	(66)	Cielo	Diversified Financials	Latin America	1,717	1,619	0.7%	0.7%
66	(12)	Synchrony Financial	Diversified Financials	North America	1,638	4,841	0.7%	2.1%
67	(67)	Barclays Bank 14% Bond	Fixed Income	–	1,615	1,612	0.6%	0.7%
68		Arch Capital	Insurance	North America	1,593	–	0.6%	–
69	(70)	Aldermore Group Plc 8.5% Bond	Fixed Income	–	1,411	1,355	0.6%	0.6%
70	(74)	Pension Insurance Corp 6.5% Bond	Fixed Income	–	1,071	936	0.4%	0.4%
Top 70 investments					250,866		101.6%	
71	(71)	International Personal Finance 6.125% Bond	Fixed Income	–	873	1,300	0.4%	0.6%
72	(76)	Old Mutual 8% Bond	Fixed Income	–	871	837	0.4%	0.4%
73		Rothesay Life 8% Bond	Fixed Income	–	552	–	0.2%	–
74	(62)	Banca Sistema	Banks	Europe	494	1,794	0.2%	0.8%
Total investments					253,656		102.8%	
Other net liabilities					(6,800)		(2.8%)	
Total assets					246,856		100.0%	

Note: Figures in brackets denote comparative rankings as at 30 November 2016.

Portfolio continued
As at 31 May 2017

Geographical Exposure*	31 May 2017	30 November 2016
North America	38.9%	42.6%
Europe	27.4%	25.9%
Asia (ex-Japan)	15.1%	15.6%
United Kingdom	10.9%	11.7%
Fixed Income	8.2%	8.6%
Japan	1.6%	1.6%
Latin America	0.7%	0.7%
Other net liabilities	(2.8%)	(6.7%)
Middle East and Africa	–	–
Total	100.0%	100.0%

Sector Exposure*	31 May 2017	30 November 2016
Banks	64.8%	65.5%
Insurance	13.1%	13.1%
Diversified Financials	11.1%	13.6%
Fixed Income	8.2%	8.6%
Real Estate	3.8%	4.6%
Software & Services	1.8%	1.3%
Other net liabilities	(2.8%)	(6.7%)
Total	100.0%	100.0%

Market Cap	31 May 2017	30 November 2016
Large (>US$5bn)	77.5%	74.1%
Medium (US$0.5bn–US$5bn)	18.1%	22.0%
Small (<US$0.5bn)	4.4%	3.9%
Total	100.0%	100.0%

* Based on the net assets as at 31 May 2017 of £246.9 (30 November 2016: £227.3m).

Statement of Directors' Responsibilities
As at 31 May 2017

Risks and Uncertainties

The Directors consider that the principal risks and uncertainties faced by the Company for the remaining six months of the financial year, which could have a material impact on performance, are consistent with those outlined in the Report and Financial Statements for the year ended 30 November 2016. Following the UK's vote to leave the EU, stock markets and currency exchange rates may fluctuate widely, which may be to the advantage or the disadvantage of the Company.

These principal risks can be summarised as market volatility, stock pricing and liquidity risk, currency and interest rate risk, counterparty risk, and differing economic cycles between different markets.

The Investment Manager's Report comments on the outlook for market related risks.

The Company's risk management framework is a structured process for identifying, assessing and managing the risks associated with the Company's business. The investment portfolio is diversified by geography, which mitigates risk, but is focused on a single sector which means that the portfolio may be more sensitive to investor sentiment than a non-sector specific investment portfolio.

Directors' Responsibility Statement

The Directors of Polar Capital Global Financials Trust plc, who are listed in the Company Information section, confirm to the best of their knowledge that:

- the condensed set of financial statements have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union;
- the Interim Management Report (constituting the Investment Manager's report) includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7R; and
- in accordance with DTR 4.2.8R there have been no new related party transactions during the six month period to 31 May 2017 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period. There have been no changes in any related party transaction described in the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The half year financial report for the six months ended 31 May 2017 has not been audited or reviewed by the auditors.

The financial report for the six months ended 31 May 2017 was approved by the Board on 11 July 2017 and the responsibility statement was signed on its behalf by Robert Kyprianou, Chairman of the Board.

Robert Kyprianou
Chairman
11 July 2017

Statement of Comprehensive Income

For the half year ended 31 May 2017

		(Unaudited)			(Unaudited)			(Audited)		
		Half year ended 31 May 2017			Half year ended 31 May 2016			Year ended 30 November 2016		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	2	5,546	–	5,546	4,856	17	4,873	8,917	83	9,000
Other operating income	2	2	–	2	1	–	1	2	–	2
Gains/(losses) on investments held at fair value		–	18,214	18,214	–	(4,882)	(4,882)	–	34,761	34,761
Gains/(losses) on derivatives		–	310	310	–	(89)	(89)	–	555	555
Other currency losses		–	(27)	(27)	–	(150)	(150)	–	(619)	(619)
Total income		5,548	18,497	24,045	4,857	(5,104)	(247)	8,919	34,780	43,699
Expenses										
Investment management fee		(194)	(775)	(969)	(142)	(569)	(711)	(298)	(1,191)	(1,489)
Other administrative expenses		(264)	–	(264)	(255)	–	(255)	(483)	–	(483)
Total expenses		(458)	(775)	(1,233)	(397)	(569)	(966)	(781)	(1,191)	(1,972)
Profit/(loss) before finance costs and tax		5,090	17,722	22,812	4,460	(5,673)	(1,213)	8,138	33,589	41,727
Finance costs		(26)	(102)	(128)	(27)	(110)	(137)	(57)	(227)	(284)
Profit/(loss) before tax		5,064	17,620	22,684	4,433	(5,783)	(1,350)	8,081	33,362	41,443
Tax		(501)	140	(361)	(390)	134	(256)	(891)	283	(608)
Net Profit/(loss) for the period and total comprehensive income		4,563	17,760	22,323	4,043	(5,649)	(1,606)	7,190	33,645	40,835
Earnings per ordinary share (basic) (pence)	3	2.65	10.32	12.97	2.33	(3.26)	(0.93)	4.16	19.46	23.62
Earnings per ordinary share (diluted) (pence)	3	2.59	10.10	12.69	2.33	(3.26)	(0.93)	4.16	19.46	23.62

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The notes on pages 17 to 19 form part of these financial statements.

Statement of Changes in Equity

For the half year ended 31 May 2017

	(Unaudited) Half year ended 31 May 2017						
	Called up share capital £'000	Capital Redemption Reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 December 2016	8,915	251	21,946	139,235	51,703	5,238	227,288
Total comprehensive income:							
Profit for the half year ended 31 May 2017	–	–	–	–	17,760	4,563	22,323
Transactions with owners, recorded directly to equity:							
Equity dividends paid	–	–	–	–	–	(2,755)	(2,755)
Total equity at 31 May 2017	8,915	251	21,946	139,235	69,463	7,046	246,856

	(Unaudited) Half year ended 31 May 2016						
	Called up share capital £'000	Capital Redemption Reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 December 2015	8,991	175	21,946	140,688	18,058	3,801	193,659
Total comprehensive income:							
(Loss)/profit for the half year ended 31 May 2016	–	–	–	–	(5,649)	4,043	(1,606)
Transactions with owners, recorded directly to equity:							
Shares repurchased and cancelled	(35)	35	–	(642)	–	–	(642)
Equity dividends paid	–	–	–	–	–	(2,388)	(2,388)
Total equity at 31 May 2016	8,956	210	21,946	140,046	12,409	5,456	189,023

Statement of Changes in Equity continued

For the half year ended 31 May 2017

	(Audited) Year ended 30 November 2016						
	Called up share capital £'000	Capital Redemption Reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 December 2015	8,991	175	21,946	140,688	18,058	3,801	193,659
Total comprehensive income:							
Profit for the year ended 30 November 2016	–	–	–	–	33,645	7,190	40,835
Transactions with owners, recorded directly to equity:							
Shares repurchased and cancelled	(76)	76	–	(1,453)	–	–	(1,453)
Equity dividends paid	–	–	–	–	–	(5,753)	(5,753)
Total equity at 30 November 2016	8,915	251	21,946	139,235	51,703	5,238	227,288

The notes on pages 17 to 19 form part of these financial statements.

Balance Sheet
As at 31 May 2017

	Notes	(Unaudited) 31 May 2017 £'000	(Unaudited) 31 May 2016 £'000	(Audited) 30 November 2016 £'000
Non-current assets				
Investments held at fair value through profit or loss		253,656	195,478	239,363
Current assets				
Receivables		1,212	875	3,537
Overseas tax recoverable		85	74	63
Cash and cash equivalents		9,874	8,462	5,240
		11,171	9,411	8,840
Total assets		264,827	204,889	248,203
Current liabilities				
Payables		(471)	(338)	(3,039)
Bank loan		(17,500)	(15,000)	(17,500)
Fair value of open derivative contracts		–	(528)	(376)
		(17,971)	(15,866)	(20,915)
Net assets		246,856	189,023	227,288
Equity attributable to equity shareholders				
Called up share capital		8,915	8,956	8,915
Capital redemption reserve		251	210	251
Share premium reserve		21,946	21,946	21,946
Special distributable reserve		139,235	140,046	139,235
Capital reserves		69,463	12,409	51,703
Revenue reserve		7,046	5,456	5,238
Total equity		246,856	189,023	227,288
Net asset value per ordinary share (pence)	4	143.38	109.26	132.01
Net asset value per ordinary share (diluted) (pence)	4	139.09	109.26	129.44

The notes on pages 17 to 19 form part of these financial statements.

Cash Flow Statement

For the half year ended 31 May 2017

	(Unaudited) Half year ended 31 May 2017 £'000	(Unaudited) Half year ended 31 May 2016 £'000	(Audited) Year ended 30 November 2016 £'000
Cash flows from operating activities			
Profit/(loss) before tax	22,684	(1,350)	41,443
Adjustment for non-cash items:			
(Gains)/losses on investments held at fair value through profit or loss	(18,214)	4,882	(34,761)
Scrip dividends received	–	–	(145)
Amortisation on fixed interest securities	2	(16)	(35)
Adjusted profit before tax	4,472	3,516	6,502
Adjustments for:			
Purchases of investments, including transaction costs	(21,890)	(23,482)	(50,160)
Sales of investments, including transaction costs	25,809	21,564	44,132
Decrease/(increase) in receivables	2,325	1,486	(64)
(Decrease)/increase in payables	(2,944)	(1,338)	83
Overseas tax deducted at source	(383)	(284)	(577)
Net cash generated from/(used in) operating activities	7,389	1,462	(84)
Cash flows from financing activities			
Cost of shares repurchased	–	(642)	(1,453)
Loan drawn	–	5,000	7,500
Equity dividends paid	(2,755)	(2,388)	(5,753)
Net cash (used in)/generated from financing activities	(2,755)	1,970	294
Net increase in cash and cash equivalents	4,634	3,432	210
Cash and cash equivalents at the beginning of the period	5,240	5,030	5,030
Cash and cash equivalents at the end of the period	9,874	8,462	5,240

The notes on pages 17 to 19 form part of these financial statements.

Notes to the Financial Statements
For the half year ended 31 May 2017

1 General Information

The financial statements comprise the unaudited results for Polar Capital Global Financials Trust Plc for the six month period to 31 May 2017.

The unaudited financial statements to 31 May 2017 have been prepared using the accounting policies used in the Company's financial statements to 30 November 2016. These accounting policies are based on International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB') and the International Accounting Standards Committee ('IASC'), as adopted by the European Union.

The financial information in this half year Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The financial information for the periods ended 31 May 2017 and 31 May 2016 have not been audited. The figures and financial information for the year ended 30 November 2016 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Full statutory accounts for the year ended 30 November 2016, prepared under IFRS, including the report of the auditors which was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Company's accounting policies have not varied from those described in the financial statements for the year ended 30 November 2016.

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

2 Dividends and other income

Investment income	(Unaudited) For the half year ended 31 May 2017 £'000	(Unaudited) For the half year ended 31 May 2016 £'000	(Audited) For the year ended 30 November 2016 £'000
Revenue:			
UK dividends	518	566	1,379
Overseas dividends	4,389	3,603	6,012
Scrip dividends	–	–	145
Interest on debt securities	561	557	1,108
Dividends on contracts for difference	78	130	273
Total investment income allocated to revenue	5,546	4,856	8,917
Capital:			
Special dividends allocated to capital	–	17	83
Total investment income allocated to capital	–	17	83
Other operating income			
Bank interest	2	1	2
Total other operating income	2	1	2

Notes to the Financial Statements continued

For the half year ended 31 May 2017

3 Earnings per ordinary share

	(Unaudited) For the half year ended 31 May 2017 £'000	(Unaudited) For the half year ended 31 May 2016 £'000	(Audited) For the year ended 30 November 2016 £'000
Basic earnings per share			
Net profit/(loss) for the period:			
Revenue	4,563	4,043	7,190
Capital	17,760	(5,649)	33,645
Total	22,323	(1,606)	40,835
Weighted average number of shares in issue during the period	172,175,000	173,351,913	172,916,257
Undiluted:			
Revenue	2.65p	2.33p	4.16p
Capital	10.32p	(3.26)p	19.46p
Total	12.97p	(0.93)p	23.62p
Diluted:			
Revenue	2.59p	2.33p	4.16p
Capital	10.10p	(3.26)p	19.46p
Total	12.69p	(0.93)p	23.62p

As at 31 May 2017 there was a dilutive effect on the earnings per ordinary share in respect of the conversion rights attaching to the subscription shares as the conversion price is lower than the average ordinary share price of the Company.

4 Net asset value per Ordinary share

	(Unaudited) For the half year ended 31 May 2017	(Unaudited) For the half year ended 31 May 2016	(Audited) For the year ended 30 November 2016
Undiluted:			
Net assets attributable to ordinary shareholders (£'000)	246,856	189,023	227,288
Ordinary shares in issue at end of period	172,175,000	173,000,000	172,175,000
Net asset value per ordinary share (pence)	143.38	109.26	132.01
Diluted:			
Net assets attributable to ordinary shareholders (£'000)	282,046	224,213	262,478
Ordinary shares in issue at end of period if Subscription Shares converted	202,775,000	203,600,000	202,775,000
Net asset value per ordinary share (pence)	139.09	110.12	129.44

The diluted net asset value per ordinary share has been calculated on the assumption that 30,600,000 subscription shares in issue are fully converted at 115 pence per share.

The subscription shares offer the right to subscribe for one ordinary share of the Company at 115 pence per share on 31 July 2017.

As at 31 May 2017 there is a dilutive effect on the net asset value per ordinary share in respect of the conversion rights attaching to the subscription shares as the conversion price is lower than the NAV per share of the Company.

5 Share capital

There has been no ordinary share activity during the six month period to 31 May 2017.

6 Dividends*

An interim dividend of 2.1 pence per Ordinary share will be paid on 31 August 2017 to shareholders on the register at 21 July 2017.

*Ordinary shares arising as a result of the exercise of the subscription shares on 31 July 2017 will not qualify for the aforementioned dividend.

7 Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six month period to 31 May 2017.

8 Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Company Information

Directors

Robert Kyprianou, Chairman
Joanne Elliott
Katrina Hart

Company Registration Number

8534332

(Registered in England) The Company is an investment company as defined under Section 833 of the Companies Act 2006.

Investment Manager and AIFM

Polar Capital LLP
16 Palace Street
London SW1E 5JD

Authorised and regulated by the Financial Conduct Authority.

Telephone: 020 7227 2700
www.polarcapital.co.uk

Fund Managers

Mr Nick Brind and Mr John Yakas

Secretary

Polar Capital Secretarial Services Limited
represented by Sue Allen, FCIS

Registered Office

16 Palace Street
London SW1E 5JD

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Solicitors

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2HS

Stockbrokers

Panmure Gordon & Co
1 New Change
London EC4M 9AF

Depositary, Bankers and Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Registrars

Equiniti Limited
Shareholders who have their shares registered in their own name, not through a share savings scheme or ISA, can contact the registrars with any queries on their holding. Post, telephone and Internet contact details are given below.

In correspondence you should refer to Polar Capital Global Financials Trust plc, stating clearly the registered name and address and if available, the full account number.

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder helpline 0800 3134922
(or +44 121 4157047)
www.shareview.co.uk

Identification Codes

Ordinary shares
SEDOL: B9XQT11
ISIN: GB00B9XQT119
TICKER: PCFT

Subscription Shares

SEDOL: B9XQV37
ISIN: GB00B9XV370
TICKER: PCFS

GIIN

8KP5BT.99999.SL.826

LEI

54930095SWN8EP2P4041

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

Electronic Communications

If you hold your shares in your own name you can choose to receive communications from the Company in electronic format. This method reduces costs, is environmentally friendly and, for many, is convenient too.

If you would like to take advantage of Electronic Communications please visit our registrar's website at www.shareview.co.uk and register. You will need your shareholder reference number. If you agree to the terms and conditions, in future, on the day that documents are sent to shareholders by post you will receive an e-mail providing the website address where the documents can be viewed and downloaded.

Paper copies will still be available on request.

Share Prices and Net Asset Values

The Company's undiluted Net Asset Value (NAV) is normally released to the London Stock Exchange daily, on the next working day, following the calculation date. The mid-market price of the ordinary shares is published daily in the Financial Times in the Companies and Markets section under the heading 'Investment Companies'. Share price information is also available from The London Stock Exchange Website: www.londonstockexchange.co.uk

Subscription Share Conversion

Reminder notices for the sole opportunity to convert the subscription shares were despatched on 16 June 2017.

Please contact investor-relations@polarcapital.co.uk if you require a further copy.

Portfolio Details

Portfolio information is provided to the AIC for its monthly statistical information service and published on the Company's Website.

Company Website

www.polarcapitalglobalfinancialstrust.co.uk

The Company maintains a website which provides a wide range of information on the Company, monthly factsheets issued by the Investment Manager and copies of announcements, including the annual and half year reports when issued.

Information on the Company can be obtained from various different sources including:

www.theaic.co.uk
www.ft.com/markets
www.londonstockexchange.co.uk

aic

The company is a member of the Association of Investment Companies

www.theaic.co.uk

Warnings to Shareholders

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests, and by the supply and demand for the Company's shares.

As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.

Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.

Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

Boiler Room Scams

We are aware that some shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

The Financial Conduct Authority ('FCA') estimates that share fraud costs around £200m a year through high pressure techniques that persuade investors to enter into transactions involving shares. If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0845 606 1234 or 0800 111 6768 or by visiting their website, which also has other useful information, at www.FCA.org.uk

If you receive any unsolicited investment advice:

- make sure you get the correct name of the person and organisation; and
- if the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FCA website.

Forward-looking Statements

Certain statements included in this half year Report contain forward-looking information concerning the Company's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Company operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the principal risks and uncertainties included in the Annual Report for the financial year ended 30 November 2016. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Global Financials Trust plc or any other entity, and must not be relied upon in any way in connection with any investment decision. The Company undertakes no obligation to update any forward-looking statements.

Investing

Market Purchases

The ordinary and subscription shares of Polar Capital Global Financials Trust plc are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

The Company has arranged for Shareview Dealing, a telephone and Internet share sale service offered by Equiniti to be made available.

For telephone sales call 0800 876 6889 (or +44 121 415 7047) between 8.30am and 4.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday.

For Internet sales log on to www.shareview.co.uk/dealing

There are a variety of ways to invest in the Company however this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private Client Stockbrokers

Investors with a large lump sum to invest may want to contact a private client stockbroker. They will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from the Wealth Management Association at www.thewma.co.uk

Financial Advisers

For investors looking to find a financial adviser, please visit www.unbiased.co.uk

Financial Advisers who wish to purchase shares for their clients can also do so via a growing number of platforms that offer investment trusts including Alliance Trust Savings, Ascentric, Nucleus, Raymond James, Seven IM and Transact.

For those investors who are happy to make their own investment decisions:

Online Stockbroking Services

There are a number of real time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services Alliance Trust Savings, Barclays Stockbrokers, Halifax Share Dealing, Hargreaves Lansdown, Selftrade and TD Waterhouse.

Please remember that any investment in the shares of Polar Capital Global Financials Trust plc either directly or through a savings scheme or ISA carries the risk that the value of your investment and any income from them may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back their original amount invested. Past performance is not a guide to future performance.

Polar Capital Global Financials Trust plc is allowed to borrow against its assets and this may increase losses triggered by a falling market, however the Company may increase or decrease its borrowing levels to suit market conditions.

If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Polar Capital Global Financials Trust plc is an investment trust and as such its ordinary and subscription shares are excluded from the FCA'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.

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