Polar Capital Global Financials Trust plc

Trust Fact Sheet
30 May 2014

Company Profile

Investment Objective

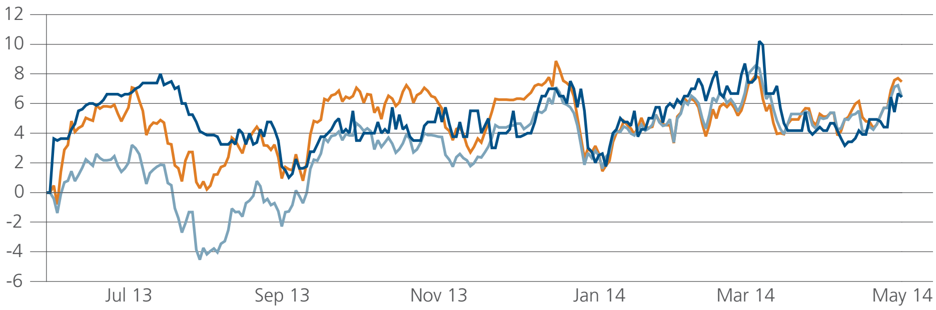
The investment objective is to generate for investors a growing dividend income together with capital appreciation.

Investment Policy

The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.

Performance

Performance Since Launch (%)



	1 Month	3 Months	6 Months	1 Year	Since Launch
Ordinary Share Price	2.17	0.40	0.64	-	6.43
NAV (undiluted per Share)	1.40	2.10	3.26	-	7.13
MSCI World Financials Index	2.45	3.02	1.57	-	7.70

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, NET total return in GBP. The Net Asset Value (NAV) as at 1 July 2013 was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share. Past performance is not indicative or a guarantee of future results.

Trust Facts

Ordinary Shares

Share Price	105.75p
NAV (undiluted) per share	104.31p
Premium	1.38%
Discount	-
Capital	177,200,000 shares of 25p

Subscription Shares[1]

Share Price	13.63p
Exercise Price	115.00p
Capital	30,600,000 shares of 1p

Assets & Gearing[2]

Total Net Assets	£184.8m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	4.70%

Dividends Declared (p/share)

March 2014	0.68

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 on Page 4 and the full Risk Warnings in the Prospectus.

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.

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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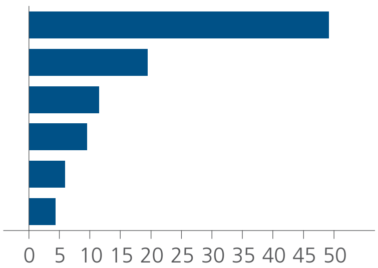
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 30 May 2014

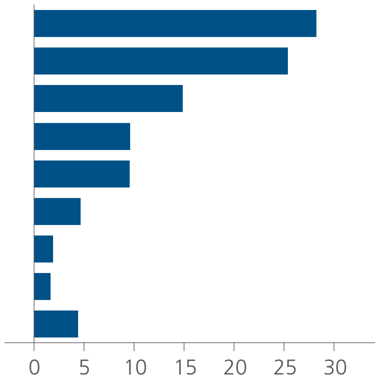
Sector Exposure (%)

Banks	49.2
Diversified Financials	19.5
Insurance	11.5
Fixed Income	9.5
Real Estate	5.9
Cash	4.4



Geographic Exposure (%)

Europe	28.2
North America	25.4
Asia Pac (ex-Japan)	14.8
UK	9.6
Fixed Income	9.5
Eastern Europe	4.6
Latin America	1.8
Japan	1.6
Cash	4.4



Top 15 Holdings (%)

PNC	2.8
JPMorgan	2.7
Wells Fargo	2.6
DNB	2.3
UBS	2.3
ACE	2.2
Jammu & Kashmir Bank	2.1
Sampo	2.1
Barclays	2.1
Société Générale	2.0
BNP Paribas	2.0
Discover Financial Services	2.0
Toronto-Dominion	2.0
Cielo	1.8
Swedbank	1.8
Total	**32.8**
Total Number of Positions	**69**

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	70.8
Medium (US$ 0.5bn - 5bn)	26.6
Small (less than US$ 0.5bn)	2.6

Investing in the Trust and Shareholder Information

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Half Year End	31 May
Results Announced	Late Jan/Feb
Next AGM	May 2015
Trust Term	Fixed life to May 2020
Listed	London Stock Exchange

Market Purchases

The ordinary and subscription shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Corporate Contacts

Registered Office and Website

4 Matthew Parker Street, London SW1H 9NP
www.polarcapitalglobalfinancialstrust.co.uk

Custodian

HSBC PLC acts as global custodian for 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 semi annual reports and as part of the interim management statement.

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 May 2014

'In 1810 the Reverend Henry Duncan, a man who believed deeply in the dignity of ordinary working people, wanted to do something of real and lasting value to help those struggling to overcome poverty, and so he did something revolutionary. He built a bank whose sole purpose was to help hardworking local people. He believed industry could be encouraged and a sense of pride and independence fostered only when a bank served the community with the peoples' interests at its heart.'

These are the first words uttered in a cartoon advert describing TSB, following its physical separation from Lloyds Banking Group (Lloyds). In this advert TSB has encapsulated the opportunity for a number of the so-called 'challenger' banks. Fairly or not, they will be seen as unscathed by the recent scandals and should find it easy to attract new customers. The Pied Piper has a new tune and it is called 'old fashioned banking'. TSB will be one of the first to list, along with One Savings Bank better known as the former Kent Reliance Building Society. At some point the other challenger banks, Williams & Glyn, Aldermore, Shawbrook and Metro Bank will also look to do the same.

One of the key attractions is that these banks should be much more profitable. The larger UK banks all have, to varying degrees, legacy businesses that are not very profitable, whether investment banking or as a result of loans underwritten at very uncompetitive margins (think lifetime tracker mortgages written on very low interest rates above Bank of England base rate in 2007). New business, however, is incredibly profitable at present. The smaller challenger banks have and will continue to be able to take advantage of this as they will be able to grow much faster.

TSB, post its listing, will still be attached by an umbilical cord to Lloyds under a service agreement until it can set up its own systems. It will also be carrying significant excess capital resulting in it not being very profitable for the first few years of its rebirth. It will also not pay a dividend until 2017. With a 6.0% market share in branches but only 1.6% and 1.3% market share in mortgages and unsecured lending (although a 4.2% share in current accounts),its network is very under-penetrated and the ability of the new management to make up for this will be critical to how well it is received and its valuation.

We have yet to decide on TSB, however, we have decided to participate in the flotation of One Savings Bank, which started trading on 5 June. Analyst forecasts are for the bank to make a return on equity in excess of 25.0% (it was 22.8% in 2013) and it is expected to grow its loan book by in excess of 20.0% over the next few years (it was 37.8% in 2013).

May was a disappointing month for performance as the net asset value of the Trust rose by only 1.4% lagging the rise in our benchmark index. This was largely down to a small number of stocks, such as Azimut and Jammu & Kashmir Bank (J&K), two of our largest holdings. We have benefited from our exposure to emerging markets in recent months and the Indian election result and recent Reserve Bank of India suggestions over the reform of the state bank sector has provided positive sentiment towards our Indian holdings. However any liberalisation is fraught with potential problems not only from an entrenched political system providing patronage through the banking system, but equally obstacles arising from state governments, unions, management and ultimately weak balance sheets.

This issue should not be forgotten in that state banks need considerable capital injections going forward and there is scant evidence of a turn in the asset quality cycle. This was brought home to us when a newspaper article highlighted that J&K was seeing a deterioration in its loan book not yet reflected in published figures. Management subsequently denied the extent of such deterioration and provided some colour on a particular loan which was likely to be restructured, but the extreme reaction in its share price highlighted how quickly sentiment can turn in India. We had reduced the holding earlier in the month but we suspect that sentiment towards the bank may take some time to recover.

After a strong rally last year, European financials have not performed as well in 2014 with Q1 results also highlighting a mixed picture. Some banks are still having to raise capital whilst others increasingly have surplus capital. For some banks funding costs are falling (helping boost margins in periphery Europe), whilst others are seeing margin compression. But what is clear across the sector is that loan growth is very weak (and in many cases loan books are continuing to shrink) and there is still regulatory risk ahead (potential fine of $10bn on BNP Paribas). Despite these headwinds, we still see significant upside and the Trust remains very much positioned for the eventual full recovery in the sector.

Nick Brind & John Yakas

11 June 2014

Fund Managers

Nick Brind

Fund Manager

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

John Yakas

Fund Manager

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

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Benchmarks The following benchmark index is used: MSCI World Financials. This benchmark is generally considered to be representative of the Financial Equity universe. This 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 http://www.msci.com/products/indices/sector/ for further information on this index. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. Investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the indices noted in this document are unmanaged, are not available 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. The information regarding the indices is included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

Regulatory Status Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP. Investment managers which are authorised and regulated by the FCA are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more favourable rights, which are material, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Administrator on 0800 3134922.

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Performance/Investment Process/Risk Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Many factors affect fund performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), are not guaranteed by any bank, and may lose value. No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable.

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