Polar Capital Global Financials Trust plc

Trust Fact Sheet

30 September 2019

Trust Facts

Ordinary Shares

Share Price	140.00p
NAV per share	146.99p
Premium	-
Discount	-4.76%
Capital	202,775,000 shares of 5p

Assets & Gearing [1]

Total Net Assets	£298.1m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	0.48%

Historic Yield (%)[2] **3.07**

Dividends (p/share)

July 2019 (paid)	2.40
February 2019 (paid)	1.90
July 2018 (paid)	2.25
February 2018 (paid)	1.80

Benchmark [3]

MSCI World Financials + Real Estate Net Total Return Index

Fees [4,5]

Management	0.85%
Performance	10%
Ongoing Charges	0.99%

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

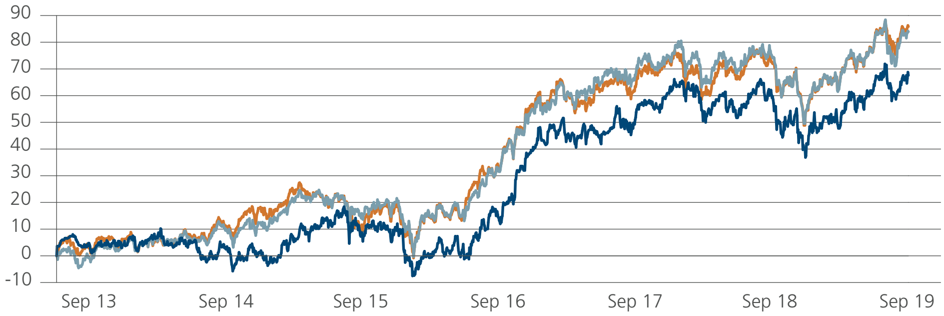
The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

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 month	YTD	1 year	3 years	5 years	Since Launch
Ordinary Share Price (TR) [6]	3.70	2.04	17.96	5.29	49.65	61.94	67.59
NAV per Share (TR)	3.25	2.98	18.84	5.36	39.23	67.73	83.94
Benchmark [3]	3.38	4.25	20.32	7.84	39.95	68.25	85.86

Discrete Performance (%)

	30.11.18 30.09.19	30.11.17 30.11.18	30.11.16 30.11.17	28.11.15 30.11.16	29.11.14 28.11.15
Ordinary Share Price (TR) [6]	9.47	-1.69	16.66	21.43	6.21
NAV per Share (TR)	9.59	-1.60	16.40	22.17	5.23
Benchmark [3]	10.27	-0.12	14.20	24.47	0.88

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. Gearing calculations are exclusive of current year revenue.
2. The Historic Yield reflects distributions declared over the past twelve months as a percentage of the share price, as at the date of this fact sheet. It does not include any initial charge and investors may be subject to tax on their distributions.
3. As of August 2016, the MSCI removed Real Estate as a constituent from the MSCI World Financials Index. Benchmark data above illustrates linked performance of the MSCI World Financials Index prior to August 2016 and MSCI World Financials + Real Estate Net Total Return Index since August 2016 to present.
4. The performance fee is on any outperformance over a hurdle of the index +1.25 pence per annum. Further details can be found in the Report and Accounts and Prospectus.
5. Ongoing charges calculated at the latest published year end date, excluding any performance fees.
6. Ordinary share price (TR), calculated by reinvesting dividends at relevant ex-dividend dates, does not take into account returns shareholders would have received from the subscription shares that they were issued with at launch. Please note that the subscription shares issued at the time of launch were subject to a single exercise date being 31 July 2017.

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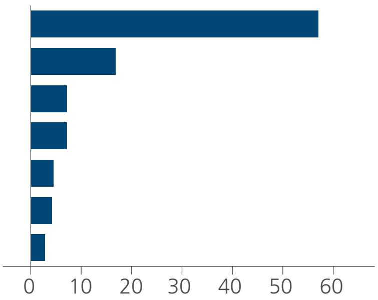
Polar Capital Global Financials Trust plc

Portfolio Exposure

As at 30 September 2019

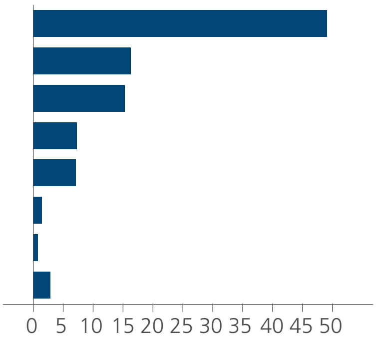
Sector Exposure (%)

Banks	57.1
Insurance	16.9
Fixed Income	7.2
Diversified Financials	7.2
Software & Services	4.5
Real Estate	4.2
Cash	2.9



Geographic Exposure (%)

North America	49.1
Europe	16.3
Asia Pacific (ex-Japan)	15.3
Fixed Income	7.2
UK	7.1
Japan	1.4
Eastern Europe	0.8
Cash	2.9



Top 15 Holdings (%)

JPMorgan	6.0
Bank of America	4.0
Chubb	3.6
Mastercard	3.5
Arch Capital	3.3
Citizens Financial Group	2.6
Wells Fargo	2.5
Toronto-Dominion	2.4
Marsh & McLennan	2.4
US Bancorp	2.3
PNC	2.3
AIA Group	2.2
Citigroup	2.1
HDFC Bank	2.0
KBC Groep	1.9
Total	**43.1**

Total Number of Positions 65

Market Capitalisation Exposure (%)

Large (greater than US$ 5bn)	83.7
Medium (US$ 0.5bn - 5bn)	12.9
Small (less than US$ 0.5bn)	3.5

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	Late April
Trust Term	Fixed life to May 2020
Listed	London Stock Exchange

Market Purchases

The ordinary 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

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 2019

Equity markets reversed the previous month's fall with the US almost touching a new high. Financials outperformed over the month on the back of the partial recovery in bond yields and a sharp rotation out of growth stocks into value stocks, with banks being the biggest beneficiary. The brief style rotation reversed the risk-off trading in August, highlighting the crowded positioning in growth stocks which have consistently outperformed value stocks over the past decade.

Against this background, the Trust's net asset value rose 3.2% while our benchmark index, the MSCI World Financials + REIT Index, rose by 3.4%. As highlighted above, our US and European bank stocks were particularly strong over the month, with our holdings in Bank of America, KBC Groep and JP Morgan the biggest positive contributors to performance. Conversely, the biggest drag on performance was our holdings in Mastercard and Visa while our fixed income holdings, not surprisingly, also lagged the rally in equity markets.

The rally in US financials in September was closely correlated to the pick-up in bond yields (10-year bond yield up 17bps) with the yield curve steepening slightly from an inverted position to a small positive (2-10 spread up 5bps). The rotation was supported by an easing in geopolitical concerns, with the US and China agreeing to resume trade talks while statements by both sides suggested they were looking to de-escalate the ongoing economic conflict (although it remains unclear what concrete steps have been taken towards securing a trade agreement).

Economic data remained mixed with uncertainty related to trade developments weighing on manufacturing while the Citigroup Economic Surprise Index rose to its highest point since April 2018, supported by home sales and jobless claims. The outlook will, therefore, depend on the extent to which global headwinds weigh on the more resilient trends in the labour market and services sector. However, with banking sector valuations already discounting a materially weaker environment (provisioning would have to rise 2.2-4x consensus 2019 estimates to reach fair value on our US large-cap bank stocks) we increased our banking exposure.

US repo (short-term funding) markets suffered a spike in cost towards the end of the month. As far as we can tell, this is largely driven by the unintended consequence of liquidity requirements put in place post the financial crisis, something we highlighted last year. As banks now are required to hold a higher amount of high quality, short-dated securities – in other words government bonds, cash and deposits – at central banks then the ability of the Federal Reserve to shrink its balance sheet from here is vastly reduced, with consequences that as yet are not well understood.

European banks were similarly strong over the month, helped by increased expectations that a no-deal Brexit could be avoided and an ECB policy meeting that partially mitigated the impact from deeper negative rates through the introduction of deposit tiering. The prospect of lower-for-longer rates is a headwind to European banks but the ECB clearly signaled the limits of monetary policy (the heads of the German, Austrian, Dutch and French central banks all voiced opposition to the ECB's decision for additional loosening) while calling for fiscal stimulus to provide greater support (with the Dutch government announcing tax cuts and additional investment in the month).

Bank of America Merrill Lynch held their annual financials conference in September for European financial companies. It is one of the largest if not the largest conference for the sector. Attendance appeared to be down on previous years although to what extent that is a consequence of MiFID II with institutions now having to pay to attend is hard to know. Sentiment remains negative and all the CEOs we saw expressed their frustration with the ECB's policy of negative interest rates. One analyst suggested that the ECB be sent a book on the US savings and loans crisis to understand the risks of its negative interest rate policy.

In September, Deutsche Bank analysts published a research note titled *The History and Future of Debt* highlighting the biggest risk to bondholders is the likelihood of higher debt to facilitate fiscal spending resulting in higher inflation, higher nominal GDP, higher yields and larger central bank balance sheets as they buy further government bonds to keep yields down. Mario Draghi, the outgoing President of the ECB, has pushed for increased fiscal spending for some time as have others including the Financial Times. Logically, all things being equal this should lead to higher interest rates which would be very beneficial for the sector.

We reduced holdings in Mapletree Commercial Trust and Frasers Centrepoint Trust, both Singapore REITs, a holding in OCBC, a Singaporean bank; and Tisco Financial Group, a Thai consumer-focused bank. Conversely, as highlighted above, we took the opportunity to add to a number of our US bank holdings following the weakness in their share prices. These included JP Morgan, Bank of America, PNC Financial Services and Citizens Financial Group. We also added to holdings in AIA Group, HDFC Bank and Bank of the Philippine Islands.

Nick Brind & John Yakas

7 October 2019

Fund Managers

Nick Brind

Fund Manager

Nick has managed the Trust since launch, he joined Polar Capital in 2010 and has 25 years of industry experience.

John Yakas

Fund Manager

John has managed the Trust since launch, he joined Polar Capital in 2010 and has 31 years of industry experience.

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Benchmarks

The following benchmark index is used: MSCI World Financials + Real Estate Net Total Return Index. This benchmark is generally considered to be representative of the Financial Equity universe. This benchmarks 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 these indices. 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. The benchmark used to calculate the performance fee is provided by an administrator on the ESMA register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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