

Polar Capital Global Financials Trust plc
Report and Financial Statements for the half year ended 31 May 2016

Company Registration Number: 8534332

THURSDAY



L5D5NTJU

LD2

11/08/2016

#44

COMPANIES HOUSE

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 Benchmark is the MSCI World Financials Index total return in Sterling (with dividends reinvested).

Capital Structure

At 31 May 2016, the Company had in issue 173,000,000 ordinary shares of 5p each and 30,600,000 subscription shares of 1p each.

The Company bought back 700,000 ordinary shares in the period under review. Since the period end, a further 425,000 ordinary shares have been bought back, taking the issued share capital to 172,575,000 ordinary shares.

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.

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 per cent. 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 a bank loan of £20m to be made available, of which £15m 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 £10m, and a one year term loan also 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. At the period end, the Company held a contract for difference representing 1.8% of its assets.

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.

Financial Highlights

For the half year ended 31 May 2016

Performance (total return)	
Net asset value (undiluted) per ordinary share (total return) (Note 1)	-0.59%
Share price per ordinary share (total return)	-4.51%
Benchmark Index	-0.84%
*MSCI World Financials Index (total return in Sterling with dividends reinvested)	

Financials

		31 May 2016	30 November 2015	% Change
Net assets per ordinary share	Undiluted	109.26p	111.49p	(2.0%)
Share price				
	Ordinary	97.75p	104.00p	(6.0%)
Subscription (note 3)		2.70p	5.00p	(46.0%)
Shares in issue				
	Ordinary	173,000,000	173,700,000	(0.4%)
Subscription (note 3)		30,600,000	30,600,000	—

Expenses

Ongoing charges for the half year ended 31 May 2016 (note 4)		1.05%
(Ongoing charges for the year ended 30 November 2015: 1.06%)		

Dividends

The Company paid/declared the following dividends in the period:

	Amount	Pay Date	Record Date	Ex-Date	Declared date
The Company has paid the following dividend relating to financial year ended 30 November 2015:	1.375p	29 February 2016	12 February 2016	11 February 2016	2 February 2016
The Company declared the following dividend relating to the current financial year:	1.95p	25 August 2016	5 August 2016	4 August 2016	8 July 2016

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.

Note 2 – There is no difference between the diluted and undiluted net asset values as the conversion price is higher than the NAV per share.

Note 3 – Subscription shares were issued free to investors on 1 July 2013 on the basis of one subscription share for every five ordinary shares.

Note 4 – Ongoing charges represents the total expenses of the fund, excluding finance costs, expressed as a percentage of the average daily net asset value, in accordance with AIC guidance issued in May 2012.

Data sourced by HSBC Securities Services Limited and Polar Capital LLP

Chairman's Statement

Performance

During the six months to 31 May 2016 your Company generated a fully diluted Net Asset Value total return of -0.59%. The portfolio's benchmark, the MSCI World Financials Index (Total Return with dividends reinvested), returned -0.84% over the same period. Since the Company's inception in July 2013 the Company has achieved a fully diluted NAV total return of 19.18% compared to the benchmark return of 17.71%.

During the six month period under review, your Company has faced significant headwinds in global equity markets and volatile sentiment shifts, particularly towards financial stocks. Our fund managers have navigated the portfolio carefully through this period, helped by good stock selection. The price of our ordinary shares closed the period at 97.75p, a decline of 6.0% since the end of the last financial year on November 30 2015. The Company's share price total return (at -4.51%) lagged the portfolio's net asset value performance as the share price discount widened from 6.7% to 10.5% at the end of the period. The price of the subscription shares at the end of May 2016 stood at 2.7p compared to 5p at the end of November 2015.

Share Capital

At the end of the period under review the number of ordinary shares outstanding was 173,000,000. This represents a small reduction of 700,000 shares over the six month period under review as the Company continued to purchase ordinary shares when the discount offered opportunities to enhance shareholder value. The shares were bought and cancelled at prices between 89.5p and 92.375p. Since the period end, a further 425,000 ordinary shares have been bought back and cancelled.

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 number of subscription shares remained unchanged during the period at 30,600,000.

Dividends

The Board has declared an interim dividend of 1.95p per share, payable on 25 August 2016 to shareholders on the register on 5 August 2016. This represents an increase of 5.4% over last year's interim dividend of 1.85p.

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.

Outlook

The first half of the period under review was a difficult one for financial stocks. Fears of weakening growth, falling energy prices, negative interest rates and the announcement of a referendum on Britain's membership of the EU combined to present a perfect storm for financial companies. Some stocks and some sectors were punished severely. The Manager navigated these stormy seas by focusing on stocks with better fundamentals and stronger balance sheets.

After the close of the Company's half year and just as sentiment towards the sector was recovering, the result of the UK referendum on EU membership was announced. The decision to exit from the EU clearly surprised markets and was followed by a period of significant volatility in currency and equity markets, and in bank stocks in particular. Please see the Manager's report for our Manager's early thoughts on this major event.

At the time of writing in the immediate aftermath of the referendum, the impact of market volatility on the portfolio's NAV has been modest, particularly when compared to the sharply negative share price performance of UK banks. Relative to benchmark there has been a more significant negative impact given the portfolio's underweight exposure to US financials and its overweight exposure to challenger banks in the UK.

The Company holds a global portfolio of stocks and currencies and it is difficult to be clear how this vote and the subsequent volatility will impact the value of the Company's portfolio over a longer time period. However, the Board believes that, in this environment, stock selection skills will be imperative. Performance attribution analysis over the life of the Company to-date demonstrates clearly our Manager's capabilities in this respect.

Although the political and economic uncertainty that followed the Brexit vote is unlikely to fade quickly, it is worth noting that the market volatility that is likely to continue well into the rest of the year is a reaction on this occasion to a political and not a financial crisis. Furthermore, global financials represent a highly diversified sector which can also help the Manager build a robust portfolio from a risk management perspective. The sector covers commercial banks, REITs, insurance companies, brokers, investment banks, asset managers and exchanges, offering a variety of business models and value drivers. In the largest sub-sector, banks, changes in regulation and accounting standards will maintain the momentum towards stronger balance sheets and better quality

earnings. Cost control is also a factor improving earnings capacity, supporting the growth in dividends and share buy-backs. In addition, bank stress tests indicate that the banking sectors in Europe and the US have, in general, more robust balance sheets and business models than at any time since the global financial crisis. Finally, the market reaction has, in the Manager's view, led to crisis valuations in certain sectors which offer good opportunities for the portfolio. The Managers' Report provides more detail on these and other trends.

Together, these factors give the Board confidence that the Company can deliver value for shareholders coupled with an attractive income profile.

Robert Kyprianou

8 July 2016

Investment Manager's Report
For the half year ended 31 May 2016

Performance

The six month period covered by this report was an extremely volatile one, albeit one in which financial shares ended the period only marginally lower despite a sharp sell-off in the first couple of months of 2016. As a result, the sector significantly underperformed broader equity markets. The MSCI World Index rose by 4.0% over the period with US equities performing strongly. While European and Japanese markets were very weak, sterling weakness offset most of these falls. Financial shares as illustrated by the MSCI World Financials Index fell by 0.8% and were the worst performing sector over the six months.

Against this background the Company's net asset value fell by 0.6% marginally outperforming our benchmark index. The performance of financial shares mirrored that of underlying equity markets with European and Japanese financials suffering sharp falls, the latter particularly so. Stock selection was a positive contributor to performance as were our holdings in Asia and underweight positions in Japan versus our benchmark. Conversely an overweight position in European financials and underweight in real-estate investment trusts were a drag on performance.

Investment Review

Financials had a dreadful start to the year with bank shares in particular suffering sharp falls, albeit from which many recovered. This was led by a combination of factors. Weaker economic data at the beginning of the year in the US, concern about the banking sector's exposure to the energy sector, a sell-off in AT1 securities (or contingent convertibles as they are also known) and finally negative interest rates. Worries about Italian banks' non-performing loans, smaller UK banks' buy-to-let loan exposure, the EU referendum in the UK and a sharp sell-off in the Chinese stockmarket at the beginning of the year also undermined sentiment.

Weaker economic data at the beginning of the period in the US pushed back expectations for higher interest rates and was a key driver for a sell-off in US bank shares. US banks will be big beneficiaries of higher interest rates, which will result in higher net interest margins and therefore profitability. Following the first interest rate rise in the US in December, first quarter results from the US banking sector showed the first evidence of net interest margins starting to increase for some banks after many years of declines.

Alongside the fall in the oil price at the beginning of the year, the shares of banks with higher exposure to energy sector or economies exposed to the oil sector suffered sharp falls in their share prices. For example, the share price of Cullen Frost, a well-regarded Texan bank, fell nearly 40% at its worst before recovering (the Company has no exposure to Texan banks). These falls were driven by a number of banks raising their forecasts for loan losses, in light of the fall in the oil price and the impact it would have on higher defaults.

At the time guidance from banks suggested loan losses could peak at around 20% of the value of energy loans not dissimilar to previous losses in the 1980s when the oil price suffered similar falls. However, even with write-offs of this magnitude the impact for the vast majority of banks is not expected to be more than a low single-digit percentage hit to earnings since their exposure to the energy sector is very low. With the recovery in the oil price and therefore losses not expected to be as high, share prices of those banks most affected recovered.

There was a sharp sell-off in credit markets in January and February driven by weakness in the prices of AT1 securities. The catalyst for the sell-off was a shift in regulatory guidance with respect to the minimum capital a bank needed before being allowed to pay coupons on these debt instruments. This fall was exacerbated by weak liquidity in credit markets due to high yield funds and other funds that were holders of AT1 securities suffering outflows. AT1 securities of Deutsche Bank suffered the largest falls and the bank had to put out a statement to reassure investors.

The fall in AT1 securities exacerbated the sell-off in banking shares. But with the banking sector being significantly better capitalised than it was during the Eurozone crisis, let alone pre-financial crisis, and carrying significantly higher levels of liquidity the sell-off appeared irrational. During the Eurozone crisis, the banking sector took advantage of the sell-off at the time to buyback some of its debt at discounts to par resulting in very accretive transactions. Not surprisingly, Deutsche Bank took advantage of the sell-off and announced a tender offer for some of its euro and US denominated senior debt which had also fallen in price.

In Europe four of the five worst performing banks were Italian on the back of concerns over Italian non-performing loans. None of the four, namely Banco Popolare, Monte dei Paschi, UBI Banca and Unicredit which fell between 48.0% and 67.0% respectively, are held by the Company. However, we do have exposure to Intesa Sanpaolo and Banca Sistema both of which suffered not insubstantial falls in their share prices in part over concerns that they would be required to contribute to a bail-out fund for weaker banks. This concern subsequently proved well founded in respect of Intesa.

Nevertheless, during the period the biggest impact to sentiment was concern about negative interest rates and the impact it has on banks' net interest margins and therefore their profitability. The fear has been most prevalent in Japan but also Europe where a number of central banks have cut interest rates to below zero. Reflecting this, the share prices of Japanese banks were very weak, falling 26.0% over the period albeit for sterling investors this fall was much less reflecting the strength of Japanese yen over the same timeframe.

The fear that central banks may cut rates further or that low interest rates will persist for an extended period with the consequent pressure on profitability of banks has continued to undermine sentiment towards the sector even when there have been pronouncements from central bankers that they are cognisant of the negative consequences of the policy. The European Central Bank has stated that it will not cut interest rates further and has even started to provide funding at negative rates to banks to help alleviate the pressure on their net interest margins.

Against this background there was a broad sell-off in financials and not surprisingly with the volatility in financial markets, those banks with significant investment banking operations, asset managers and other similar business, suffered sharp falls in share prices. Non-life insurance and real-estate investment trusts performed much better reflecting their lower sensitivity to the volatility but also in the latter instance as they are seen as beneficiaries of lower interest rates. Reflecting this four of the five best performing shares in the portfolio were stocks from these sectors, namely Chubb, Marsh & McLennan, Fortune Real Estate Investment Trust and Frasers Centrepoint Trust.

A number of changes were made to the investment portfolio over the period. In part we took advantage of the sell-off in January and February to add to some of our holdings in smaller US and European banks. We also took the opportunity to reduce our exposure to some of the larger European bank holdings in favour of increasing exposure to US banks. As a result of a sell-off in high yield markets in December we also added to a number of our Business Development Company holdings which had also suffered sharp falls in share prices.

Outlook

While financials have rallied strongly from their February lows their performance over the six months has been disappointing, particularly so for many bank shares. Some of the underperformance is understandable reflecting the sensitivity of the sector to market volatility, concerns over weak economic data and the outlook for interest rates. Nevertheless, we believe that the underperformance has been excessive resulting in a derating of many shares that it is hard to justify.

Economic data in Europe has been improving over recent months and similarly leading indicators would suggest a reacceleration of growth in the US in the second-half of the year. If we start to see further evidence confirming these trends then the sector should perform significantly better as current valuations suggest at best a sharp slowdown in economic growth. With inflation likely to pick up as the headwind of lower commodity prices falls away over the next year then some of the concern regarding very low interest rates could dissipate.

At the time of writing, however, share prices have fallen sharply following the vote by the UK to leave the EU and the announcement that David Cameron would be stepping down as Prime Minister. Sterling has also fallen relative to other currencies. At a minimum this is likely to lead to lower growth in the UK as well as Europe in the short-term until there is more clarity on the likely broader ramifications of an exit from the EU. It will also increase concerns about the potential for further referendums in Europe which will create yet more uncertainty.

Against this background, for the majority of banks we look at, balance sheets have continued to strengthen and are significantly stronger than they were even a few years ago let alone pre-2007. There have also been statements by a number of regulators that they do not see a need for a substantial increase in capital requirements. Mark Carney, the Governor of the Bank of England, has gone further and reduced capital requirements in light of the uncertainty.

While the sector is very economically sensitive it should prove far more resilient than it did in the past if growth weakens, as is now expected, but share prices falls in the sector suggest something far more serious. However, with the closure of a number of commercial property funds and anecdotal stories of pulled transactions and investment, financials markets are likely to remain febrile for the foreseeable future.

Nevertheless, the performance of the Company relative to our benchmark index has been impacted by a conscious decision since launch not to hedge currency risk where it deviates from the benchmark. While over the long-term this should not have any material impact on relative performance, over the short-term it has, following the sharp fall in sterling against other major currencies albeit sterling weakness has offset some of the sharp falls in share prices.

The investment portfolio is broadly diversified across primarily US and European financial companies but also Asian financials. We have a larger exposure to sterling assets than our benchmark index in part to underpin the dividend but despite US equities representing the largest percentage of the Company's portfolio it is still much less than that represented by the MSCI World Financials Index which stands at 49.5%.

This underweight positioning has acted as a drag on performance albeit it is almost entirely down to having no exposure to US real-estate investment trusts (REITs). REITs will be carved out from the MSCI and S&P financial sector indices at the end of August and this may cause some distortion in performance in the run up to that date versus our benchmark index but we intend to continue to invest in the sector in a moderate way after that.

The Company was launched three years ago to provide a vehicle for UK investors to participate in a recovery of the financial sector and in particular diversified bank shares. The performance of the sector has been disappointing relative to global equity markets but relative to UK equities and in particular the larger UK banks it has performed significantly better as can be seen in the table below:

Performance since launch to 30th June 2016	
Net Asset Value	17.20%
FTSE Financials Index	-0.90%
HSBC Holdings	-20.40%
Standard Chartered	-55.20%
Royal Bank of Scotland	-39.10%
Lloyds Banking Group	-11.30%
Barclays	-42.80%
FTSE All-Share Index	16.90%

Source: Bloomberg total return in £s

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

Nick Brind & John Yakas

8 July 2016

Portfolio Review
As at 31 May 2016

			Sector	Geographical Exposure	Market Value		% of total net assets	
					31 May 2016	30 November 2015	31 May 2016	30 November 2015
1	(1)	JP Morgan Chase	Banks	North America	7,014	6,435	3.7%	3.3%
2	–	Chubb	Insurance	Europe	6,090	–	3.2%	–
3	(2)	Wells Fargo	Banks	North America	5,922	5,769	3.1%	3.0%
4	(3)	ING Groep Certificates	Banks	Europe	5,805	5,448	3.1%	2.8%
5	(11)	Bank Of America	Banks	North America	4,363	4,229	2.3%	2.2%
6	(28)	Swedbank	Banks	Europe	4,342	3,031	2.3%	1.6%
7	(9)	BNP Paribas	Banks	Europe	4,305	4,340	2.3%	2.2%
8	(6)	Sumitomo Mitsui Financial	Banks	Japan	4,132	4,682	2.2%	2.4%
9	(8)	Sampo	Insurance	Europe	4,095	4,402	2.2%	2.3%
10	(23)	Marsh & McLennan	Insurance	North America	4,084	3,306	2.2%	1.7%
Top 10 investments					50,152		26.6%	
11	(10)	Citigroup	Banks	North America	3,839	4,312	2.0%	2.2%
12	(21)	Fortune REIT	Real Estate	Asia (ex-Japan)	3,808	3,343	2.0%	1.7%
13	(19)	Toronto-Dominion Bank	Banks	North America	3,749	3,397	2.0%	1.8%
14	(18)	First Republic Bank	Banks	North America	3,731	3,431	2.0%	1.8%
15	(12)	PNC Financial Services	Banks	North America	3,687	4,047	1.9%	2.1%
16	(17)	Discover Financial Services	Diversified Financials	North America	3,609	3,488	1.9%	1.8%
17	(39)	Pacific Premier Bancorp	Banks	North America	3,517	2,643	1.9%	1.4%
18	(13)	Direct Line Insurance	Insurance	United Kingdom	3,373	4,047	1.8%	2.1%
19	(31)	Ares Capital*	Diversified Financials	North America	3,365	2,868	1.8%	1.5%
20	(35)	KBC	Banks	Europe	3,347	2,718	1.8%	1.4%
Top 20 investments					86,177		45.7%	
21	(15)	UBS	Banks	Europe	3,341	3,510	1.8%	1.8%
22	(26)	Oversea-Chinese Banking	Banks	Asia (ex-Japan)	3,286	3,123	1.7%	1.6%
23	(7)	OneSavings Bank	Banks	United Kingdom	3,266	4,451	1.7%	2.3%
24	(20)	AXA	Insurance	Europe	3,238	3,370	1.7%	1.7%
25	(16)	US Bancorp	Banks	North America	3,235	3,498	1.7%	1.8%
26	(30)	Solar Capital	Diversified Financials	North America	3,224	2,987	1.7%	1.5%
27	(36)	Frasers Centrepont Trust	Real Estate	Asia (ex-Japan)	3,104	2,700	1.6%	1.4%
28	(29)	Shawbrook	Banks	United Kingdom	3,088	3,025	1.6%	1.6%
29	(61)	Synchrony Financial	Diversified Financials	North America	3,002	1,545	1.6%	0.8%

30	(27)	Novae	Insurance	United Kingdom	2,984	3,116	1.6%	1.6%
Top 30 investments					117,945		62.4%	
31	(14)	Azimut	Diversified Financials	Europe	2,856	3,723	1.5%	1.9%
32	(25)	ABN Amro	Banks	Europe	2,849	3,158	1.5%	1.6%
33	(41)	Atom Bank (unquoted)	Banks	United Kingdom	2,774	2,454	1.5%	1.3%
34	(54)	Lloyds Banking	Banks	United Kingdom	2,746	1,918	1.5%	1.0%
35	(32)	Blackstone	Diversified Financials	North America	2,707	2,819	1.4%	1.5%
36	(22)	Intesa	Banks	Europe	2,656	3,323	1.4%	1.7%
37	(37)	Allianz	Insurance	Europe	2,541	2,671	1.4%	1.4%
38	(43)	VPC Specialty Lending Investments	Fixed Income	Fixed Income	2,529	2,387	1.3%	1.2%
39	(5)	Societe Generale	Banks	Europe	2,484	5,056	1.3%	2.6%
40	(44)	Arrow Global	Diversified Financials	United Kingdom	2,449	2,364	1.3%	1.2%
Top 40 investments					144,536		76.5%	
					Market Value		% of total net assets	
					31 May 2016	30 November 2015	31 May 2016	30 November 2015
			Sector	Geographical Exposure				
41	(33)	Banca Sistema	Banks	Europe	2,356	2,813	1.2%	1.5%
42	(42)	E Sun Financial	Banks	Asia (ex-Japan)	2,334	2,434	1.2%	1.3%
43	(38)	P2P Global Investments	Fixed Income	Fixed Income	2,294	2,650	1.2%	1.4%
44	(40)	HSBC	Banks	Asia (ex-Japan)	2,194	2,569	1.2%	1.3%
45	(56)	Mapletree Comercial	Real Estate	Asia (ex-Japan)	2,141	1,832	1.1%	0.9%
46	(51)	Nationwide Building Society 10.25% Bond	Fixed Income	Fixed Income	2,028	2,057	1.1%	1.1%
47	(62)	Skandiabanken	Banks	Europe	2,022	1,525	1.1%	0.8%
48	(50)	Lloyds Bank 13% Bond	Fixed Income	Fixed Income	2,002	2,080	1.1%	1.1%
49	(53)	Oaktree Capital	Diversified Financials	North America	1,889	1,947	1.0%	1.0%
50		BOC Hong Kong	Banks	Asia (ex-Japan)	1,843	—	1.0%	—
Top 50 investments					165,639		87.7%	
51	(57)	Komerčni Banka	Banks	Eastern Europe	1,814	1,801	1.0%	0.9%
52	(55)	City of London Investment Group	Diversified Financials	United Kingdom	1,774	1,869	0.9%	1.0%
53	(58)	Phoenix Life 7.25% Bond	Fixed Income	Fixed Income	1,721	1,784	0.9%	0.9%
54		SVB Financial	Banks	North America	1,719	—	0.9%	—
55	(60)	Frasers Commercial Trust	Real Estate	Asia (ex-Japan)	1,718	1,636	0.9%	0.8%
56	(65)	TBC Bank	Banks	Eastern Europe	1,692	1,164	0.9%	0.6%
57	(34)	Main Street Capital	Diversified Financials	North America	1,660	2,793	0.9%	1.4%
58		Pennant Park	Diversified Financials	North America	1,650	—	0.9%	—

59	(59)	Barclays Bank 14% Bond	Fixed Income	Fixed Income	1,647	1,717	0.9%	0.8%
60	(47)	Aldermore	Banks	United Kingdom	1,639	2,136	0.8%	1.1%
Top 60 investments					182,673		96.7%	
61	(64)	International Personal Finance 5.75% Bond	Fixed Income	Fixed Income	1,563	1,288	0.8%	0.7%
62	(63)	Indiabulls Housing Finance	Banks	Asia (ex-Japan)	1,558	1,454	0.8%	0.8%
63	(66)	Cielo	Diversified Financials	Latin America	1,392	1,142	0.7%	0.6%
64	(45)	East West Bancorp	Banks	North America	1,326	2,333	0.7%	1.2%
65	(70)	Yes Bank	Banks	Asia (ex-Japan)	1,266	919	0.7%	0.4%
66		International Personal Finance 6.125% Bond	Fixed Income	Fixed Income	1,236	–	0.7%	–
67	(68)	Sparebank SMN	Banks	Europe	1,094	1,054	0.6%	0.5%
68		Axis Bank	Banks	Asia (ex-Japan)	1,023	–	0.5%	–
69	(69)	Friends Life 8.25% Bond	Fixed Income	Fixed Income	1,019	1,033	0.5%	0.5%
70	(49)	JZ Capital Partners 6% Conv Bond	Fixed Income	Fixed Income	972	2,083	0.5%	1.1%
Top 70 investments					195,122		103.2%	
71		Pension Insurance 6.5% Bond	Fixed Income	Fixed Income	926	–	0.5%	–
72	(67)	Old Mutual 8% Bond	Fixed Income	Fixed Income	801	1,093	0.4%	0.6%
73	(72)	Investec Bank 9.625% Bond	Fixed Income	Fixed Income	474	488	0.3%	0.3%
74		Tisco Financial	Banks	Asia (ex-Japan)	454	–	0.3%	–
75	(74)	Indiabulls Housing Finance Warrants 30/01/2020	Banks	Asia (ex-Japan)	250	233	0.1%	0.1%
Total investments					198,027		104.8%	
Other net liabilities					(9,004)		(4.8%)	
Total assets					189,023		100.0%	

* The investment in Ares Capital is a combination of shares with a value of £816,000 and a contract for difference with a value of £2,549,000.

Note: Figures in brackets denote comparative rankings as at 30 November 2015.

Geographical Exposure*	Company		Benchmark	
	31 May 2016	30 November 2015	31 May 2016	30 November 2015
North America	35.6%	32.0%	53.7%	52.5%
Europe	28.4%	32.6%	16.2%	19.1%
Asia (ex-Japan)	13.1%	11.7%	13.8%	11.2%
United Kingdom	12.7%	13.2%	8.5%	8.9%

Fixed Income	10.2%	9.8%	–	–
Eastern Europe	1.9%	1.5%	–	–
Latin America	0.7%	0.6%	–	–
Japan	2.2%	2.4%	7.6%	8.1%
Middle East and Africa	–	–	0.2%	0.2%
Other net liabilities	(4.8%)	(3.8%)	–	–
Total	100.0%	100.0%	100.0%	100.0%

Sector Exposure*	Company		Benchmark	
	31 May 2016	30 November 2015	31 May 2016	30 November 2015
Banks	59.3%	61.0%	44.0%	46.0%
Diversified Financials	15.6%	14.2%	17.7%	17.6%
Insurance	14.1%	13.6%	20.8%	20.7%
Fixed Income	10.2%	9.8%	–	–
Real Estate	5.6%	5.2%	17.5%	15.7%
Other net liabilities	(4.8%)	(3.8%)	–	–
Total	100.0%	100.0%	100.0%	100.0%

Market Cap	31 May 2016	30 November 2015
Large (>US\$5bn)	68.2%	67.3%
Medium (US\$0.5bn – US\$5bn)	27.0%	28.2%
Small (<US\$0.5bn)	4.8%	4.5%
Total	100.0%	100.0%

* Based on the net assets as at 31 May 2016 of £189.0m (30 November 2015: £193.7m)

Statement of Directors' Responsibilities

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 2015. 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 2016 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 2016 has not been audited or reviewed by the auditors.

The financial report for the six months ended 31 May 2016 was approved by the Board on 8 July 2016 and the responsibility statement was signed on its behalf by Robert Kyprianou, Chairman of the Board.

Robert Kyprianou
Chairman

8 July 2016



Statement of Comprehensive Income for the half year ended 31 May 2016

	Notes	(Unaudited)			(Unaudited)			(Audited)		
		Half year ended 31 May 2016			Half year ended 31 May 2015			Year ended 30 November 2015		
		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	4,856	17	4,873	5,067	—	5,067	8,074	—	8,074
Other operating income	2	1	—	1	1	—	1	3	—	3
(Losses)/gains on investments held at fair value		—	(4,882)	(4,882)	—	11,946	11,946	—	4,471	4,471
(Losses)/gains on derivatives		—	(89)	(89)	—	113	113	—	(16)	(16)
Other currency losses		—	(150)	(150)	—	(82)	(82)	—	(181)	(181)
Total income		4,857	(5,104)	(247)	5,068	11,977	17,045	8,077	4,274	12,351
Expenses										
Investment management fee		(142)	(569)	(711)	(151)	(603)	(754)	(310)	(1,242)	(1,552)
Other administrative expenses		(255)	—	(255)	(264)	—	(264)	(500)	(2)	(502)
Total expenses		(397)	(569)	(966)	(415)	(603)	(1,018)	(810)	(1,244)	(2,054)
Profit/(loss) before finance costs and tax		4,460	(5,673)	(1,213)	4,653	11,374	16,027	7,267	3,030	10,297
Finance costs		(27)	(110)	(137)	(22)	(85)	(107)	(46)	(183)	(229)
Profit/(loss) before tax		4,433	(5,783)	(1,350)	4,631	11,289	15,920	7,221	2,847	10,068
Tax		(390)	134	(256)	(407)	125	(282)	(673)	290	(383)
Net Profit/(loss) for the period and total comprehensive income		4,043	(5,649)	(1,606)	4,224	11,414	15,638	6,548	3,137	9,685
Earnings per ordinary share (basic) (pence)	— 3	2.33	(3.26)	(0.93)	2.43	6.56	8.99	3.77	1.81	5.58
Earnings per ordinary share (diluted) (pence)	3	2.33	(3.26)	(0.93)	2.43	6.56	8.99	3.77	1.81	5.58

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 15 to 17 form part of these financial statements.

Statement of Changes in Equity for the half year ended 31 May 2016

	(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

	(Unaudited) Half year ended 31 May 2015						
	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 2014	9,036	130	21,946	141,567	14,921	2,815	190,415
Total comprehensive income:							
Profit for the half year ended 31 May 2015	—	—	—	—	11,414	4,224	15,638
Transactions with owners, recorded directly to equity:							
Shares repurchased and cancelled	(45)	45	—	(880)	—	—	(880)
Equity dividends paid	—	—	—	—	—	(2,348)	(2,348)
Total equity at 31 May 2015	8,991	175	21,946	140,687	26,335	4,691	202,825

	(Audited) Year ended 30 November 2015						
	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 2014	9,036	130	21,946	141,567	14,921	2,815	190,415
Total comprehensive income:							
Profit for the year ended 30 November 2015	–	–	–	–	3,137	6,548	9,685
Transactions with owners, recorded directly to equity:							
Shares repurchased and cancelled	(45)	45	–	(879)	–	–	(879)
Equity dividends paid	–	–	–	–	–	(5,562)	(5,562)
Total equity at 30 November 2015	8,991	175	21,946	140,688	18,058	3,801	193,659

The notes on pages 15 to 17 form part of these financial statements.

Balance Sheet as at 31 May 2016

	Notes	(Unaudited) 31 May 2016 £'000	(Unaudited) 31 May 2015 £'000	(Audited) 30 November 2015 £'000
Non current assets				
Investments held at fair value through profit or loss		195,478	204,316	198,426
Current assets				
Receivables		875	1,189	2,361
Overseas tax recoverable		74	45	46
Cash and cash equivalents		8,462	7,839	5,030
		9,411	9,073	7,437
Total assets		204,889	213,389	205,863
Current liabilities				
Payables		(338)	(375)	(1,855)
Bank loan		(15,000)	(10,000)	(10,000)
Fair value of open derivative contracts		(528)	(189)	(349)
		(15,866)	(10,564)	(12,204)
Net assets		189,023	202,825	193,659
Equity attributable to equity shareholders				
Called up share capital		8,956	8,991	8,991
Capital redemption reserve		210	175	175
Share premium reserve		21,946	21,946	21,946
Special distributable reserve		140,046	140,687	140,688
Capital reserves		12,409	26,335	18,058
Revenue reserve		5,456	4,691	3,801
Total equity		189,023	202,825	193,659
Net asset value per ordinary share (pence)	4	109.26	116.77	111.49
Net asset value per ordinary share (diluted) (pence)	4	109.26	116.50	111.49

Robert Kyprianou

8 July 2016



The notes on pages 15 to 17 form part of these financial statements.
Company Registration Number: 8534332

Cash Flow Statement for the half year ended 31 May 2016

	(Unaudited) Half year ended 31 May 2016 £'000	(Unaudited) Half year ended 31 May 2015 £'000	(Audited) Year ended 30 November 2015 £'000
Cash flows from operating activities			
(Loss)/Profit before tax	(1,350)	15,920	10,068
Adjustment for non-cash items:			
Losses/(gains) on investments held at fair value through profit or loss	4,882	(11,946)	(4,471)
Scrip dividends received	—	—	(99)
Amortisation on fixed interest securities	(16)	19	43
Adjusted profit before tax	3,516	3,993	5,541
Adjustments for:			
Purchases of investments, including transaction costs	(23,482)	(20,131)	(49,351)
Sales of investments, including transaction costs	21,564	24,179	51,910
Decrease/(increase) in receivables	1,486	(315)	35
(Decrease)/increase in payables	(1,338)	(71)	105
Overseas tax deducted at source	(284)	(290)	(471)
Net cash generated in operating activities	1,462	7,365	7,769
Cash flows from financing activities			
Cost of shares repurchased	(642)	(880)	(879)
Loan drawn	5,000	—	—
Equity dividends paid	(2,388)	(2,348)	(5,562)
Net cash generated/(used) from financing activities	1,970	(3,228)	(6,441)
Net increase in cash and cash equivalents	3,432	4,137	1,328
Cash and cash equivalents at the beginning of the period	5,030	3,702	3,702
Cash and cash equivalents at the end of the period	8,462	7,839	5,030

The notes on pages 15 to 17 form part of these financial statements.

Notes to the Financial Statements for the half year ended 31 May 2016

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 2016.

The unaudited financial statements to 31 May 2016 have been prepared using the accounting policies used in the Company's financial statements to 30 November 2015. 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 2016 and 31 May 2015 has not been audited. The figures and financial information for the year ended 30 November 2015 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 2015, 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 2015.

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

	(Unaudited) For the half year ended 31 May 2016 £'000	(Unaudited) For the half year ended 31 May 2015 £'000	(Audited) For the period ended 30 November 2015 £'000
Investment income			
Revenue:			
UK dividends	566	628	1,388
Overseas dividends	3,603	3,711	5,224
Scrip dividends	—	—	99
Interest on debt securities	557	594	1,106
Dividends on contracts for difference	130	134	257
Total investment income allocated to revenue	4,856	5,067	8,074
Capital:			
Special dividends allocated to capital	17	—	—
Total investment income allocated to capital	17	—	—
Other operating income			
Bank interest	1	1	3
Total other operating income	1	1	3

3 Earnings per ordinary share

	(Unaudited) For the half year ended 31 May 2016 £'000	(Unaudited) For the half year ended 31 May 2015 £'000	(Audited) For the period ended 30 November 2015 £'000
Basic earnings per share			
Net profit/(loss) for the period:			
Revenue	4,043	4,224	6,548
Capital	(5,649)	11,414	3,137
Total	(1,606)	15,638	9,685
Weighted average number of shares in issue during the period	173,351,913	174,062,912	173,880,959
Revenue	2.33p	2.43p	3.77p
Capital	(3.26)p	6.56p	1.81p
Total	(0.93)p	8.99p	5.58p

As at 31 May 2016 there was no dilutive effect on the earnings per ordinary share in respect of the conversion rights attaching to the subscription shares as the conversion price was higher than the ordinary share price of the Company.

4 Net asset value per Ordinary share

	(Unaudited) For the half year ended 31 May 2016 £'000	(Unaudited) For the half year ended 31 May 2015 £'000	(Audited) For the period ended 30 November 2015 £'000
Undiluted:			
Net assets attributable to ordinary shareholders (£'000)	189,023	202,825	193,659
Ordinary shares in issue at end of period	173,000,000	173,700,000	173,700,000
Net asset value per ordinary share (pence)	109.26	116.77	111.49
Diluted:			
Net assets attributable to ordinary shareholders (£'000)	224,213	238,015	228,849
Ordinary shares in issue at end of period if subscription shares converted	203,600,000	204,300,000	204,300,000
Net asset value per ordinary share (pence)	110.12	116.50	112.02

As at 31 May 2016 there was no 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 was higher than the NAV per share of the Company.

5 Share capital

During the six month period to 31 May 2016 700,000 ordinary shares were repurchased at a cost of £642,000.

6 Dividends

An interim dividend of 1.95 pence per Ordinary share will be paid on 25 August 2016 to shareholders on the register at 5 August 2016.

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 2016.

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

Depository, 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

Share holder 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

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

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.polarcapitalglobalfinancialtrust.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

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 2015. 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.