POLAR CAPITAL

Polar Capital Global Financials Trust plc

29 December 2023

Trust Fact Sheet

Ordinary Shares

Share Price	149.40p
NAV per share	165.42p
Premium	-
Discount	-9.68%
Capital	307,975,241 shares of 5p*

*Excluding Ordinary shares held in treasury

Assets & Gearing [1]

Total Net Assets	£509.5m
AIC Gearing Ratio	6.74%
AIC Net Cash Ratio	n/a

Fees

Management	0.70%
Performance	10.00%
Ongoing Charges	0.87%

Historic Yield (%) [2] 3.01

Dividends (pence per share)

August 2023 (Paid)	2.45
February 2023 (Paid)	2.05
August 2022 (Paid)	2.40
February 2022 (Paid)	2.00

Fund Managers

Nick Brind
Fund Manager
Nick has co-managed the Trust since launch, he joined Polar Capital in 2010 and has 29 years of industry experience.

George Barrow
Fund Manager
George has co-managed the Trust since 2020, he joined Polar Capital in 2010 and has 16 years of industry experience.

John Yakas
Adviser
John co-managed the Trust from launch until June 2023. He has 35 years of industry experience.

ALPHA MANAGER 2020
John Yakas

Trust Profile

Investment Objective

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

Key Facts

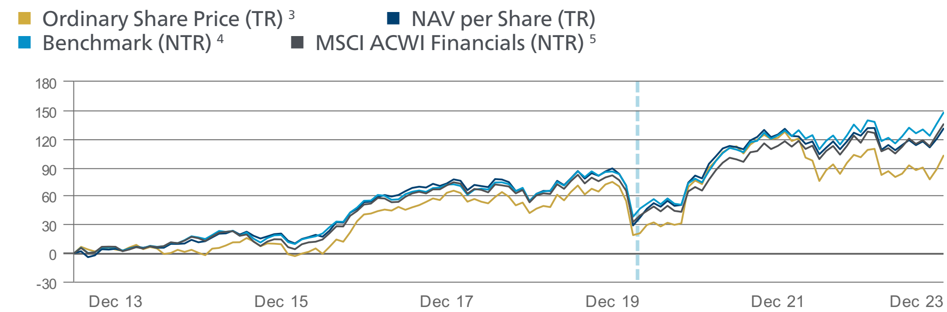
- The only UK-listed Investment Trust solely focused on financials
- Twin objectives of growing investors' dividend income and capital
- A broad, global multi-cap remit
- Large dedicated investment team with over 95 years of experience in the sector

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 (%)



	1m	3m	YTD	1yr	3yrs	Since Tender[6]	Since Launch
Ordinary Share Price (TR)	7.64	6.56	0.81	0.81	14.72	68.99	102.20
NAV per Share (TR)	4.97	6.15	3.33	3.33	27.16	76.65	130.68
Benchmark (NTR)	5.06	7.69	9.03	9.03	38.91	76.13	147.47
MSCI ACWI Financials (NTR)	5.06	7.69	9.03	9.03	38.91	76.13	135.29

Discrete Annual Performance (%)

	Financial YTD	30.12.22 29.12.23	31.12.21 30.12.22	31.12.20 31.12.21	31.12.19 31.12.20	31.12.18 31.12.19
Ordinary Share Price (TR)	7.64	0.81	-9.24	25.38	0.85	23.02
NAV per Share (TR)	4.97	3.33	-0.57	23.77	-3.98	22.07
Benchmark (NTR)	5.06	9.03	1.52	25.50	-4.05	20.21
MSCI ACWI Financials (NTR)	5.06	9.03	1.52	25.50	-6.75	18.49

Calendar Year Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ordinary Share Price (TR)	0.81	-9.24	25.38	0.85	23.02	-13.01	16.16	28.52	8.94	-3.21
NAV per Share (TR)	3.33	-0.57	23.77	-3.98	22.07	-10.59	12.85	27.23	8.22	6.49
Benchmark (NTR)	9.03	1.52	25.50	-4.05	20.21	-10.14	10.97	30.07	2.22	9.58
MSCI ACWI Financials (NTR)	9.03	1.52	25.50	-6.75	18.49	-10.42	13.34	31.94	-1.07	8.43

Performance relates to past returns and is not a reliable indicator of future returns.
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, Net of Fees in GBP terms.
The Net Asset Value (NAV) at launch 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.

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. Ordinary share price (TR) is calculated by reinvesting dividends at relevant ex-dividend dates, not taking into account returns shareholders would have received from the subscription shares issued at launch. Please note subscription shares were subject to a single exercise date being 31 July 2017.
4. Benchmark data above illustrates linked performance of the following benchmarks utilised by the Trust: Launch to 31 August 2016: MSCI World Financials Index; 1 September 2016 to 22 April 2020: MSCI World Financials + Real Estate Index; and since 23 April 2020: MSCI ACWI Financials. All indices are net total return (£).
5. The performance of the MSCI ACWI Financials Net Total Return Index (£) excluding Real Estate prior to August 2016 is shown for illustrative purposes only.
6. The tender offer carried out on 22 April 2020 following approval to extend the Company's life indefinitely is represented by the blue dotted line on the performance graph. From 23 April 2020 the performance fee is calculated on outperformance of the benchmark index +1.5% per annum, compounded annually.

Risk Warning Your capital is at risk. You may not get back the full amount you invested. Please note the Risks and 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.

Portfolio Exposure

As at 29 December 2023

Top 10 Positions (%)

JPMorgan	6.2
Mastercard	5.1
Visa	3.9
Chubb	3.6
Berkshire Hathaway	3.0
Wells Fargo	2.6
Bank of America	2.3
Marsh McLennan	2.1
HDFC Bank	2.1
BNP Paribas	2.0
Total	**33.0**

Total Number of Positions	**97**
Active Share	**67.35%**

Market Capitalisation Exposure (%)

Large (>US$ 5 bn)	87.4
Medium (US$0.5 bn - 5 bn)	10.7
Small (<US$ 0.5 bn)	2.0

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Results Announced	Late Jan/Feb
Next AGM	March-May
Trust Term	No fixed life; 5 yearly tender offers
Next Tender Offer	30 June 2025
Listed	London Stock Exchange

Benchmark

MSCI ACWI Financials Net Total Return Index (in Sterling)

Codes

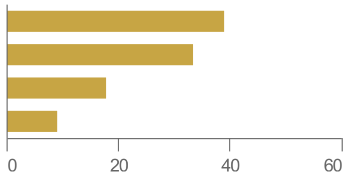
Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

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.

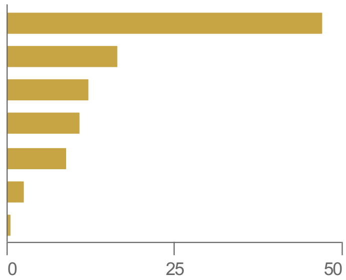
Sector Exposure (%)

Banks	39.2
Financial Services	33.6
Insurance	18.1
Fixed Income	9.1



Geographic Exposure (%)

North America	47.2
Europe	16.7
Asia Pac (ex-Japan)	12.4
UK	11.1
Fixed Income	9.1
Latin America	2.6
Japan	0.8



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.

Note: Totals may not sum due to rounding. 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.

Investing in the Trust and Shareholder Information

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.

Share Dealing Services

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

Telephone 0800 876 6889
Online www.shareview.co.uk

Corporate Contacts

Registered Office and Website
16 Palace Street, London SW1E 5JD
www.polarcapitalglobalfinancialstrust.com

Registrar
Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Custodian
HSBC Plc is the Depositary and provides global custody of all the company's investments.

Fund Managers' Comments

Market review

Following on from the "everything rally" in November, December was the second consecutive month of strong performance for financial markets. Further dovish commentary from Federal Reserve (Fed) officials, in particular Fed Chair Jerome Powell, along with favourable economic data supporting the prospect of a soft landing, saw equities extend gains generated in November. The MSCI All Country World Index (MSCI ACWI) rose by 4.1% and yields on government bonds dropped further, with the US 10-year Treasury falling to 3.9% having peaked at 5% in October.

Against this background, financials outperformed, rising by 5.1% as illustrated by the Trust's benchmark index, the MSCI ACWI Financials Index, led by US banks and consumer finance stocks seen as the biggest beneficiaries of the change in outlook. The Trust's net asset value rose by 5%, with performance benefiting from an overweight in US bank holdings but held back by a larger overweight position in insurance stocks, notably reinsurers, that fell over the month as investors rotated into more cyclically exposed stocks within the sector.

Fund review

The Fund's best performers in terms of relative contribution included OSB Group and call options on the SPDR S&P Regional Banking ETFwhich we bought in November. Having sold our holding in OSB Group earlier in the year, we bought back our holding in November as we felt the share price had overreacted to a disappointing trading statement. Its shares have since recovered sharply following a reassuring trading update that reconfirmed earnings guidance and noted stable asset quality. It has also benefited from the recent downward shift in interest rate expectations which had dampened sentiment towards the stock due to concern that buy-to-let landlords would come under increasing pressure due to rising interest costs when remortgaging.

The worst contributors in the month in terms of relative performance were Arch Capital and RenaissanceRe Holdings. Following strong relative performance in the preceding months, both were affected by the market rotation in December and the shift out of more defensive stocks. In contrast to last year, which saw a material increase in reinsurance rates, more muted expectations on January renewal pricing have dampened enthusiasm, while the recent fall in bond yields will likely put pressure on investment income. Nevertheless, we continue to have a constructive view as valuations have dropped to very attractive levels which we feel more than discounts a modest risk to earnings.

North American financials rose 5.7% over the month, benefiting from the downward shift in interest rate expectations. Two weeks after Powell noted it would be premature to speculate on when monetary policy might ease, a more dovish tone at the subsequent FOMC meeting surprised financial markets with the Fed's dot plot revised lower and now indicating three interest rate cuts expected in 2024. The shift in tone follows a continued moderation in core inflation in November, the lowest reading since January 2021. As highlighted above, US banks were very strong, with those sitting on the largest unrealised losses in their securities book benefiting the most.

Emerging market financials also benefited from the change in interest rate outlook, expectations for easing liquidity conditions and a weaker US dollar. The divergence in performance within emerging markets seen during the year continued with strong gains in Latin America and South and South-east Asian markets (India and Indonesia outperformed) alongside underperformance in China where growth concerns and unresolved issues within the real estate market remain an overhang. The Fund is marginally overweight Latin America via a holding in Grupo Financiero Banorte and we added to our exposure through a new position in Gentera, the largest microfinance company in the region.

European financials underperformed in the month, affected by the insurance sector, although have still outperformed for the year as a whole supported by strong gains in both the banking and diversified financials subsectors. Following earnings upgrades for European banks on the back of higher interest rates, we expect the shift in monetary policy outlook to drive a change in leadership and have adjusted the Trust's positioning towards some of the less interest rate-sensitive banks in Europe, for example adding to holdings in BNP Paribas and ING Groep.

Within diversified financials, alternative asset managers saw strong gains in December and we used the opportunity to increase our exposure. European alternative asset managers for the most part have lagged their US peers in 2023, which performed much better than expected despite concerns around weaker fundraising activity and concerns on marks taken on legacy assets. Recent feedback from our meetings with managements points to an improved outlook for fundraising and deal activity supported by the shift in interest rate expectations.

Outlook

While the rally in the sector over the past couple of months has lifted valuations from the extremely low levels they were trading at over the summer, they still remain inexpensive, trading at a 11.2x price-to-earnings (P/E) ratio for 2024 estimates. However, relative to wider equity markets(i.e., the MSCI ACWI trades on 16.8x P/E forward ratio), financials still trade in their lowest quintile of cheapness, at around a 33% discount, since the global financial crisis despite the inclusion of payments companies in May 2023.

However, banks are still in the cheapest decile on a P/E basis relative to wider equity markets, albeit on 8.7x 2024 estimates they are not as cheap as they were in absolute terms, having recovered from a low of 7.1x in March 2023 after the failure of Silicon Valley Bank, First Republic and Signature Bank and the forced sale of Credit Suisse to UBS. However, on a price-to-book (P/B) basis, they are much closer to their average at around 1.0x book value, lower than justified by the improvement in profitability but reflecting the fact that equity markets are assuming it is unsustainable. Unsurprisingly, diversified financials trade on higher multiples, in line with wider equity markets.

Despite the awful events in the Middle East, the continuing war in Ukraine and ongoing tensions between the US and China, financial markets surprised positively in 2023, led by the 'Magnificent Seven'. Understandably, financials lagged in part due to idiosyncratic issues back in March. Sentiment towards banks has been weak since early 2022 when rising inflation and interest rates led to worries about the outlook for growth and the impact on the sector from higher losses. Two years on, we would expect that uncertainty to be resolved with the balance of probabilities suggesting a softer slowdown which would be very positive for the sector, albeit not without volatility in the meantime.

Nick Brind & George Barrow

8 January 2024

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.

Risks

- Investors' capital is at risk and there is no guarantee the Company will achieve its objective.
- Past performance is not a reliable guide to future performance.
- The value of investments may go down as well as up.
- Investors might get back less than they originally invested.
- The value of an investment's assets may be affected by a variety of uncertainties such as (but not limited to): (i) international political developments; (ii) market sentiment; and (iii) economic conditions.
- The shares of the Company may trade at a discount or a premium to Net Asset Value.
- The Company may use derivatives which carry the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions.
- The Company invests in assets denominated in currencies other than the Company's base currency and changes in exchange rates may have a negative impact on the value of the Company's investments.
- The Company invests in a concentrated number of companies based in one sector. This focused strategy can lead to significant losses. The Company may be less diversified than other investment companies.
- The Company may invest in emerging markets where there is a greater risk of volatility than developed economies, for example due to political and economic uncertainties and restrictions on foreign investment. Emerging markets are typically less liquid than developed economies which may result in large price movements to the Company.

Glossary

Active Share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its benchmark. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the benchmark. An active share of 100 indicates no overlap with the benchmark and an active share of zero indicates a portfolio that tracks the benchmark.

Alpha is the excess return on an investment in the Company compared to the benchmark and can be used as a measure of performance, where the benchmark is considered to represent the market's movement as a whole.

Derivates are instruments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

Discount is where the share price of an investment company is lower than the net asset value per share.

Discrete Performance is the percentage performance of an investment over specific, defined time periods.

Emerging markets are countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

Gearing is all external borrowings of the Company and any subsidiaries.

Management Fee is the entitlement of the Investment Manager to an annual management fee. Please see the Explanation of Fee Arrangements available on the Company's website for further information, found at: https://www.polarcapitalglobalfinancialstrust.com/Key-Information/#/Overview

"NAV" or **"Net Asset Value"** has the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Company's accounting policies, applicable accounting standards and the Company's constitution.

Ongoing Charges are the measure of what it costs to invest in the Company, including the Management Fee and other operating costs.

Premium is where the share price of an investment company is higher than the net asset value per share.

For a complete glossary of investment terms, please refer to the Trust's website: https://www.polarcapitalglobalfinancialstrust.com/Glossary/

Important Information

Not an offer to buy or sell This document is not an offer to buy or sell or a solicitation of an offer to buy or sell any security, and under no circumstances is it to be construed as a prospectus or an advertisement. This document does not constitute, and may not be used for the purposes of, an offer of the securities of, or any interests in, the Company by any person in any jurisdiction in which such offer or invitation is not authorised.

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No reliance No reliance should be placed upon the contents of this document by any person for any purposes whatsoever. None of the Company, the Investment Manager or any of their respective affiliates accepts any responsibility for providing any investor with access to additional information, for revising or for correcting any inaccuracy in this document.

Performance and Holdings All data is as at the document date unless indicated otherwise. Company holdings and performance are likely to have changed since the report date. Company information is provided by the Investment Manager.

Benchmark The Company is actively managed and uses the MSCI ACWI Financials Net TR Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Company invests. The performance of the Company is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found www.mscibarra.com.

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Further Information about the Company Investment in the Company is an investment in the shares of the Company and not in the underlying investments of the Company. Further information about the Company and any risks can be found in the Company's Key Information Document, the Annual Report and Financial Statements and the Investor Disclosure Document which are available on the Company's website, found at: https://www.polarcapitalglobalfinancialstrust.com