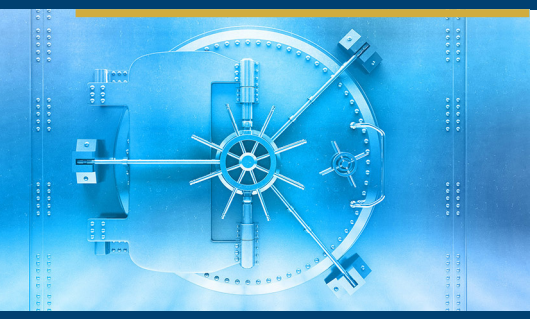
Polar Capital Global Financials Trust plc

30 April 2024



Trust Fact Sheet

Ordinary Shares

Share Price	163.80p
NAV per share	178.74p
Premium	-
Discount	-8.36%
Capital	304,690,205 shares of 5p*

*Excluding Ordinary shares held in treasury

Assets & Gearing [1]

Total Net Assets	£544.6m
AIC Gearing Ratio	3.56%
AIC Net Cash Ratio	n/a

Fees

Management	0.70%
Performance	10.00%
Ongoing Charges	0.86%

Historic Yield (%) [2] **2.78**

Dividends (pence per share)

February 2024 (Paid)	2.10
August 2023 (Paid)	2.45
February 2023 (Paid)	2.05
August 2022 (Paid)	2.40

Fund Managers

Nick Brind
Fund Manager
Nick has co-managed the Trust since launch, he joined Polar Capital in 2010 and has 30 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.

Trust Profile

Investment Objective

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

Key Facts

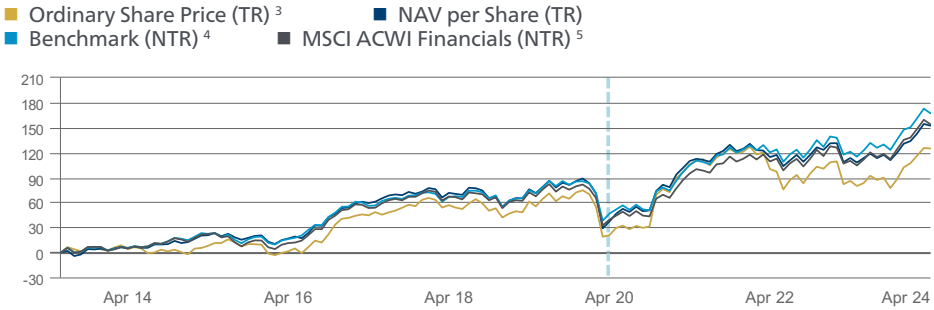
- The only UK-listed Investment Trust solely focused on financials
- Twin objectives of growing investors' dividend income and capital
- A broad, global multi-cap remit
- Large dedicated investment team with over 90 years of experience in the sector

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)	-0.24	8.55	11.16	20.86	9.21	87.86	124.78
NAV per Share (TR)	-0.81	7.93	9.40	18.22	20.24	93.25	152.36
Benchmark (NTR)	-2.07	6.71	7.95	20.86	30.32	90.14	167.15
MSCI ACWI Financials (NTR)	-2.07	6.71	7.95	20.86	30.32	90.14	154.00

Discrete Annual Performance (%)

	Financial YTD	28.04.23 30.04.24	29.04.22 28.04.23	30.04.21 29.04.22	30.04.20 30.04.21	30.04.19 30.04.20
Ordinary Share Price (TR)	19.65	20.86	-7.12	-2.71	70.29	-25.06
NAV per Share (TR)	14.83	18.22	-0.55	2.28	52.90	-21.97
Benchmark (NTR)	13.41	20.86	0.39	7.40	39.71	-16.07
MSCI ACWI Financials (NTR)	13.41	20.86	0.39	7.40	39.71	-19.04

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 30 April 2024

Top 10 Positions (%)

JPMorgan	6.7
Mastercard	5.4
Chubb	3.6
Wells Fargo	2.9
Visa	2.6
UniCredit	2.5
Goldman Sachs Group	2.3
Citigroup	2.3
Barclays	2.2
ICICI Bank	2.2
Total	**32.9**

Total Number of Positions 81

Active Share 72.74%

Market Capitalisation Exposure (%) [1]

Mega Cap (>USD$ 103.30 bn)	30.0
Large Cap (USD$ 38.07 bn - 103.30 bn)	32.1
Mid Cap (USD$ 13.84 bn - 38.07 bn)	14.3
Small Cap (USD$ 4.62 bn - 13.84 bn)	7.8
Smallest Cap (<USD $ 4.62 bn)	15.8

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

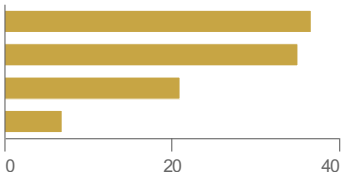
Ordinary Shares

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.

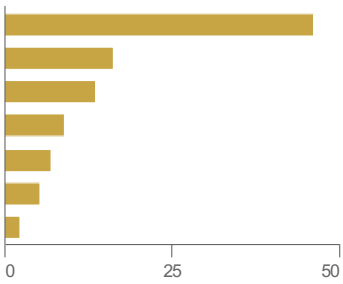
Sector Exposure (%)

Financial Services	36.7
Banks	35.2
Insurance	21.1
Fixed Income	7.0



Geographic Exposure (%)

North America	46.4
Europe	16.4
UK	13.7
Asia Pac (ex-Japan)	8.9
Fixed Income	7.0
Japan	5.2
Latin America	2.3



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.

1. Market capitalisation ranges are defined by Polar Capital and are subject to change.

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

Global equity markets were weaker in April as signs of persistent inflation and elevated geopolitical risk weighed on sentiment, with government bond yields hitting six-month highs. Despite this headwind, financials, as illustrated by our benchmark index, the MSCI All Country World Financials Index, outperformed, falling 2.1% while wider global equity markets fell 2.4%. Against this background, the Trust's net asset value fell by 0.8%. This was entirely driven by stock selection, with the strongest contributors relative to the benchmark being holdings in OSB Group, Barclays and Bank of Cyprus Holdings; the largest detractors relative to the benchmark were holdings in Banco Santander, NU Holdings and Mastercard.

Berkshire Hathaway

Berkshire Hathaway held its annual meeting just after the month end, in Omaha as usual. It was marked by the passing of Warren Buffet's partner Charlie Munger, at the age of 99 in November 2023, who joined the Board in 1978 and had been described as the architect of the company's success. With a market cap of around US$875bn, the largest stock in our benchmark and eighth largest in the S&P 500, and shareholders' equity of $572bn, by far the largest in the US, it has become a vast conglomerate employing nearly 400,000 people across insurance, railroads, utilities and energy, as well as a number of large manufacturing, service and retailing businesses. Furthermore, along with its well-known stakes in Apple, Coca-Cola, Kraft Heinz and American Express it also has large stakes in Occidental as well as a number of Japanese trading companies.

Despite its size its shares have kept pace with the S&P 500 Index over the past five years. During that period operating earnings have increased by just over 50% largely due to a 145% increase in profits at its insurance operations, from better underwriting as well as higher investment income. However, its investment portfolio has also performed well, having risen in excess of US$100bn in value. With the insurance business now representing around 42% of profits, up from 26.2% in 2018, BNSF, the railroad business, and Berkshire Hathaway Energy, the utilities and energy businesses, have gone backwards, the latter in part due to litigation around California wildfires that has cost the company dearly.

We added to our holding last year on the basis that it would be a beneficiary of the tailwinds in insurance but have since pulled back as we see a lack of catalysts for further outperformance outside a sharp correction in equity markets. With US$182bn in cash and US T-bills, the Sage of Omaha repeatedly highlighted during the event not only the difficulty in putting that amount of money to work but also a degree of caution about financial markets and why cash has continued to increase. Buffett stated: "There have been times in my life when I have been awash in so many opportunities that I could have invested every dollar by nightfall but now we have not seen anything that makes sense, that moves the needle." and "It is not like I have got a hunger strike or something like that going on. It is just that things are not attractive and there are certain ways that can change, and we will see if they do".

Banking consolidation

There was a sharp pickup in banking consolidation in April, with deals announced on both sides of the Channel. Following hot on the heels of its mutual peer, Coventry Building Society with total assets of £62bn at the end of 2023, and the UK's second largest mutual, announced a £780m cash takeover of the Co-operative Bank, which had total assets of £28bn at end of 2023. This was subsequently followed at the end of the month by BBVA announcing it had approached Banco de Sabadell (Sabadell) about a possible merger, willing to offer a 30% premium in an all-share deal. This is BBVA's second approach to Sabadell, having failed in 2020 and, while there is no certainty the deal will be completed this time, there is commercial logic to the transaction.

For context, BBVA is the second largest bank in Spain, with total assets of €802bn at the end of March 2024, and a sizeable retail and commercial banking presence across Mexico, South America and Turkey. By contrast, Sabadell is Spain's fourth largest banking group, with total assets of €236bn, and a much smaller international footprint, including a noticeable presence only in the UK through its subsidiary TSB. A merger of the two entities would create a powerful domestic franchise, with market shares of over 20% for loans and deposits against BBVA's current 13-14%, while also helping to rebalance BBVA away from emerging markets, which accounted for greater than 70% of pre-tax profits in 2023.

Outside Spain and the UK there is an expectation there will be further consolidation in Italy with Monte de Paschi, now its balance sheet has been cleaned up and it has a reasonable level of profitability, among a number of smaller Italian banks seen as susceptible to being acquired. In Germany, Commerzbank has long been seen as a takeover target, while in Greece, Eurobank has acquired a large minority stake in Hellenic Bank, the second largest bank in Cyprus. Finally, BNP Paribas acquired a 9% stake in Ageas, a Belgian insurer that only recently attempted to acquire Direct Line Group before backing off during the month, which has also raised the potential for further bancassurance deals to benefit from the so-called "Danish Compromise" that allows banks to hold lower capital against their insurance subsidiaries.

Nick Brind & George Barrow

9 May 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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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