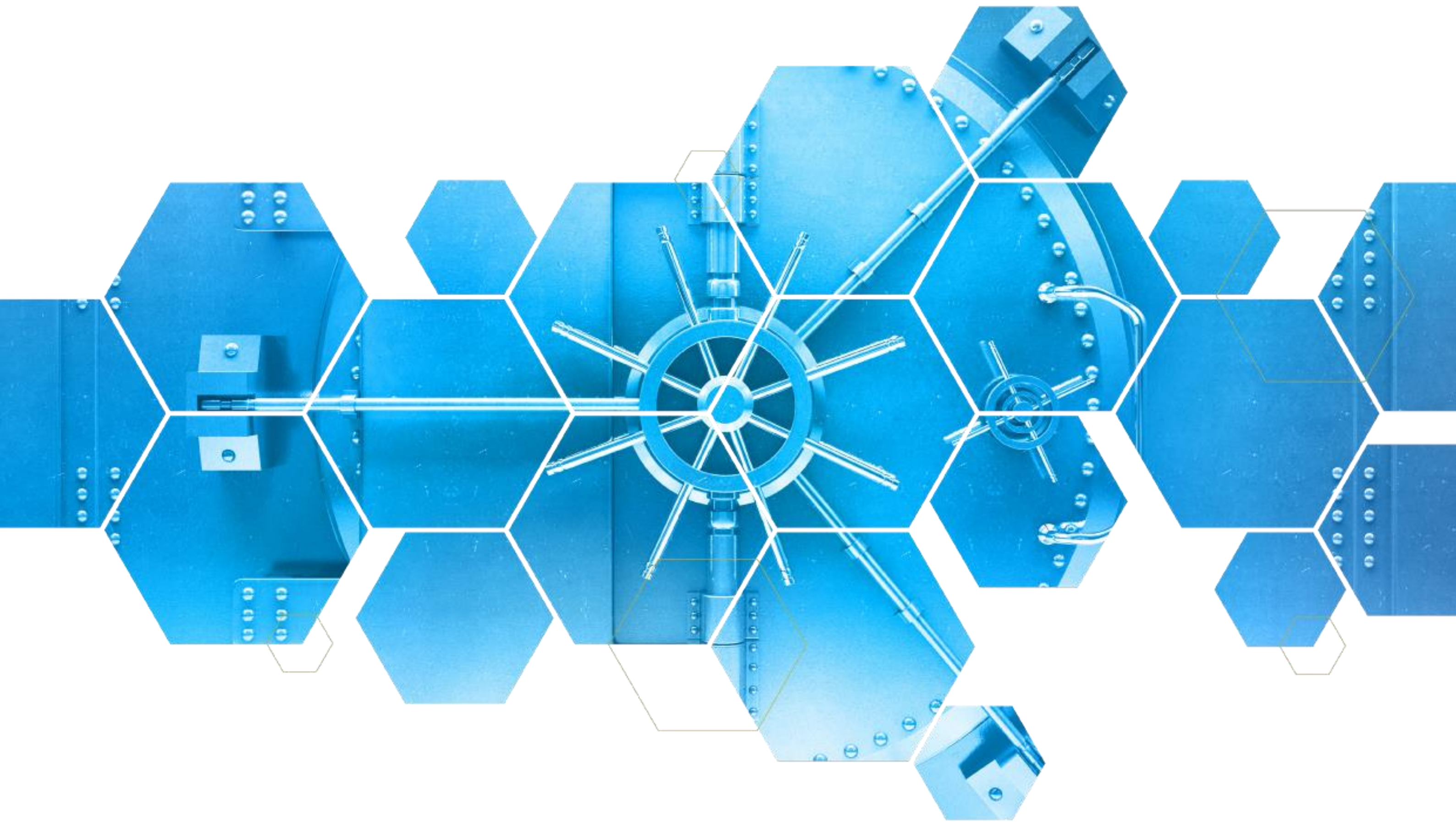
POLAR CAPITAL

Polar Capital Global Financials Trust plc

Half Year Report for the six months ended to 31 May 2024



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Company Information

History

The Company was launched in July 2013 with a fixed seven-year life. Shareholders approved changes to the Company's Articles of Association to make a tender offer to all shareholders and to extend the Company's life indefinitely at the Company's General Meeting held on 7 April 2020 ("the Reconstruction"). The new Articles of Association removed the fixed life and now require the Company to make tender offers at five-yearly intervals, with the first to commence on or before 30 June 2025.

Capital Structure

As at 31 May 2024, the Company had 331,750,000 ordinary shares of 5 pence each in issue, of which 27,202,295 shares were held in treasury (2023: 331,750,000 ordinary shares of 5 pence each in issue of which 11,675,000 were held in treasury). Following the period end, a further 225,000 ordinary shares were repurchased into treasury. Following these share repurchases, as at 1 July 2024, the total number of ordinary shares in issue was 331,750,000 and 27,427,295 shares were held in treasury.

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 subsectors. 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

In April 2020, following the reconstruction of the Company, the benchmark was changed to the MSCI ACWI Financials Net Total Return Index (in Sterling with dividends reinvested) in recognition of the Company's level of portfolio exposure to emerging market financials equities and its limited portfolio exposure to real estate equities. Prior to this, the Company was benchmarked against the MSCI World Financials + Real Estate Net Total Return Index.

Gearing and Use of Derivatives

Under the Articles of Association, the Company may utilise an overall maximum leverage limit of 20 per cent. of NAV at the time at which the relevant borrowing is taken out or increased.

In July 2022, the Company entered into a new agreement with Royal Bank of Scotland ("RBS"), for a three-year revolving credit facility ("RCF") in the amount of £50m, and two three-year term loans for £15m and USD $18.4m respectively. At the period end, the term loans had been fully drawn down; plus £30m in sterling and $12m in US dollars had also been drawn down under the RCF. As at 1 July 2024, the latest practicable date, the portfolio was 4.0% geared.

Management Fees

The Company operates as an investment trust with an independent Board and third-party investment manager.

Details of the fees payable to the Investment Manager are set out in the Annual Report. The Management Fee is charged 80% to capital and 20% to revenue; the Performance Fee, when payable, is charged 100% to capital.

Financial Highlights

Performance (Sterling total return)	**For six months ended 31 May 2024 %**	**Since Inception %**
Net asset value (NAV) per Ordinary share (1)~	18.2	162.4
Ordinary share price (2)~	23.3	131.6
Ordinary share price including subscription share value (3)~	-	136.6
Benchmark (Sterling total return) (4)		
MSCI ACWI Financials	15.9	159.5
Chain-linked benchmark	15.9	172.9
Other Indices and peer group (Sterling total return)		
MSCI World Index	13.9	225.9
FTSE All Share Index	13.6	84.8
Lipper Financial Sector (5)	14.1	131.3

Performance since the Reconstruction on 22 April 2020 (Sterling total return)	**Since Reconstruction %**
NAV per Ordinary share (6)~	101.6
Benchmark (4)	94.2

Financials	**As at 31 May 2024**	As at 31 May 2023	As at 30 November 2023	% Change Six months to 31 May 2024
Total net assets	**£563,361,000**	£484,034,000	£488,198,000	+15.4
NAV per Ordinary share	**185.0p**	151.2p	158.1p	+17.0
Ordinary share price	**168.8p**	135.2p	138.8p	+21.6
Discount per Ordinary share~	**8.8%**	10.6%	12.2%	
Net gearing~	**1.9%**	2.6%	6.5%	
Ordinary shares in issue (excluding those held in treasury)	**304,547,705**	320,075,000	308,861,687	-1.4
Ordinary shares held in treasury	**27,202,295**	11,675,000	22,888,313	+18.8

	Six months to 31 May 2024	Six months to 31 May 2023	Year to 30 November 2023
Earnings/(losses) per Ordinary share (7):			
Revenue Return	**3.23p**	3.16p	4.97p
Capital Return	**25.59p**	(16.44p)	(9.84p)
Total	**28.82p**	(13.28p)	(4.87p)

Dividends*				
First interim	**2.50p**	2.45p	2.45p	2.0
Second interim	**–**	–	2.10p	
Total	**2.50p**	2.45p	4.55p	

*The Company declares dividends in respect of a financial year in July and January for payment at the end of the following August and February. The first interim dividend for the year ending 30 November 2023 was declared on 27 June 2024 and will be paid on 30 August 2024 to shareholders on the register on 2 August 2024. The shares will go ex-dividend on 1 August 2024. The second interim dividend will be declared in December 2024 for payment in February 2025.

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. Performance since inception has been calculated from the initial NAV of 98p and the NAV on 31 May 2024. Dividends are deemed to be reinvested on the ex-dividend date as this is the methodology used by the Company's benchmark and other indices.

Note 2 The total return share price performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date. Performance since inception has been calculated using the launch price of 100p to the closing price on 31 May 2024.

Note 3 The total return share price performance since inception includes the value of the subscription shares issued free of payment at launch on the basis of one for every five Ordinary shares and assumes such were held throughout the period from launch to the final conversion date of 31 July 2017. Performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date and uses the launch price of 100p per Ordinary share and the closing price per Ordinary share on 31 May 2024.

Note 4 Chain linked benchmark is a combination of 3 benchmarks which have been in operation over the period. From inception until 31 August 2016 the Company's benchmark was the MSCI World Financials Index Net Total Return Index, which included Real Estate as a constituent until its removal that year. From 1 September 2016 to 23 April 2020 the benchmark was the MSCI World Financials + Real Estate Net Total Return Index. From 23 April 2020, the benchmark changed to MSCI ACWI Financials Net Total Return Index due to the Company's exposure to emerging market equities and its limited exposure to real estate equities. Effective from 1 June 2024, the Board agreed to remove the chain linked benchmark which has historically been provided as a point of reference for information purposes only. Performance and any associated calculations that include the benchmark, the MSCI ACWI Financials Net Total Return Index, as a reference point, remain unchanged.

Note 5 Dynamic average of open ended funds in the Lipper Financial Sector Universe which comprised 59 open ended funds in the period under review.

Note 6 The total return NAV performance since the Reconstruction is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. The new performance fee period runs from the date of the Reconstruction. The opening NAV for the performance fee of 102.8p is the closing NAV the day before the tender offer was completed.

Note 7 Refer to Note 3 of the notes to the Financial Statements below for more details.

~See Alternative Performance Measure below.
Data sourced from HSBC Securities Services Limited, Polar Capital LLP and Lipper.

Chair's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to provide you with the Company's Half Year Report for the six months to 31 May 2024.

The share price total return for the period was 23.3% comprising an excellent investment return of 18.2% and a narrowing of the discount to NAV from 12.2% at year end to 8.8% at 31 May 2024.

The Company also outperformed its benchmarks in the six-month period to 31 May 2024. The Ordinary Share NAV total sterling return performance was 18.2% compared to 15.9% for the Company's benchmark (MSCI ACWI Financials Net Total Return Index) whilst wider equity markets rose by 13.1% over the same period. Since the Company's reconstruction on 22 April 2020 to the end of the period under review, the NAV total return was 101.6%, beating the benchmark return of 94.2%.

Despite generally strong markets, sentiment amongst investors, particularly towards the financials sector remained weak. Central banks across the world continued to keep interest rates on hold while economic news flow was dominated by inflation, ongoing geopolitical events and the prospect of interest rates finally starting to fall. Latterly the announcement of elections in the UK and Europe have perhaps pushed this event out a little further.

Performance

More detailed information on investment performance and the key themes the investment team are currently focussing on, can be found within the Financial Highlights and the Investment Manager's Report.

Share Issuance and Buybacks

Discounts across the investment trust sector have remained wide with many trading at double digit discounts. As mentioned above, the Company's discount narrowed during the period under review, ending the period at 8.8% compared to 12.2% at the end of FY23. The Board continues to be proactive in repurchasing shares and during the period under review, the Company bought back a total of 4,313,982 Ordinary shares (amounting to 1.3% of the issued share capital), all of which were placed into the treasury account.

Since the period end to 1 July 2024, the latest practicable date, the Company has bought back a further 225,000 shares at an average discount to the live NAV at the time of transaction of 8.4%. These have also been placed into treasury.

The Board

There have been no changes to the membership of the Board in the six months to 31 May 2024. The Directors' biographical details are available on the Company's website and are provided in the Annual Report.

During the period under review, we conducted a selection and interview process in collaboration with 'Board Apprentice', a not-for-profit organisation dedicated to increasing diversity on boards by widening the pool of non-executive, board-ready candidates. In April 2024, we welcomed our first board apprentice, Ada Okpe, who will attend all Board and Committee meetings as an observer. He will be mentored through the process by a Board member.

Investment Management Team

As announced in June 2024, the Board is pleased to welcome Tom Dorner as Joint Fund Manager. Tom joined Polar on 1 December 2023 and has worked closely with Nick Brind and George Barrow since joining the team. His appointment further strengthens the team managing the Company's portfolio.

Dividends

The Company's current dividend policy and aim with respect to the Ordinary Shares is to pay two interim dividends each year, in February and August. These interim dividends will not necessarily be of equal amounts. The ability to continue the Company's dividend policy is significantly driven by income receipts from our portfolio, and if these decline as a result of changes in the policies of investee companies, changes in the composition of the portfolio, regulatory intervention, or as a result of the currency exposure underlying the portfolio, this could result in a lower level of dividend being paid than intended or previously paid.

I am pleased to announce that the Board has been able to increase the Company's dividend and declared a first interim dividend for the current financial year of 2.50p per share. The first interim dividend will be paid on 30 August 2024 to shareholders on the register on 2 August 2024.

Gearing

Under the Articles of Association the Company may utilise an overall maximum leverage limit of 20 per cent. of NAV at the time at which the relevant borrowing is taken out or increased. In July 2022, the Company entered into a new agreement with Royal Bank of Scotland ("RBS"), for a three-year revolving credit facility ("RCF") in the amount of £50m, and two three-year term loans for £15m and USD $18.4m respectively. At the period end, the term loans had been fully drawn down; plus £30m in sterling and $12m in US dollars had also been drawn down under the RCF. As at 1 July 2024, the latest practicable date, the portfolio was 4.0% geared.

Outlook

Our managers retain a positive outlook for the sector and the portfolio. Economic data is broadly supportive and interest rate cuts from the main Central Banks are expected before the end of 2024. This should benefit the business of companies within our investment universe, which continue to trade at low valuations to both the wider market and the sector's history.

Simon Cordery
Chair

3 July 2024

Investment Manager's Report

Performance

The Trust delivered an excellent performance in the six months to May 2024, with its net asset value rising by 18.2% after adding back dividends. This compares to the Trust's benchmark - the MSCI All Country World Financials Index – which rose by 15.9%, due to the strong performance of banks, outperforming wider equity markets which rose 13.1%.

Financial markets were very strong over the period under review as, following the more dovish commentary by Fed Chair Jerome Powell in December 2023, they priced in the expectation of much lower interest rates in 2024. While the speed at which interest rates were expected to be cut has reduced on the back of largely stronger economic data, it was insufficient to offset the positive change in sentiment.

Credit markets were buoyant, resulting in a sharp increase in bond issuance in the period as the cost of debt fell. Equity markets were led by technology shares, notably NVIDIA but also other semiconductor stocks on the back of the continued interest in artificial intelligence (AI).

Portfolio performance

The overall outperformance of the Trust's portfolio reflected a combination of factors. A large weighting in Europe was a key driver with holdings in Intermediate Capital Group, Barclays and Bank of Cyprus Holdings the largest relative contributors to performance. Conversely, holdings in BNP Paribas, Bank of America and HSBC Holdings all dragged on performance with all three sold during the period. Looking further afield, disappointing performance of holdings in India and Philippines were negative contributors.

At the sector level an overweight position in alternative asset managers was a strong contributor to performance. However, against the risk-on background for financial markets, our overweight exposure to payment companies and reinsurers dragged on performance. Our fixed-income holdings, while contributing to absolute performance of the Trust's portfolio, unsurprisingly lagged the strong performance of equity markets. Conversely our underweight position on US regional banks proved to be the right call.

	Trust Average Weight	Benchmark Average Weight	Trust Gross Return	Benchmark Gross Return
Banks	42.5%	46.3%	22.2%	20.3%
Diversified Financials	32.4%	34.3%	18.8%	12.8%
Insurance	20.7%	19.4%	13.8%	12.9%

Source: Bloomberg and Polar Capital, 31 May 2024. **Note**: The figures are in sterling total return terms.

Sub-sector performance

As highlighted above, banks were very strong, rising by 20.3%, as the reduced tail risk of an economic downturn and higher provisions for loan losses resulted in most banks performing well. European banks saw the strongest performance as the deferral of interest rate cuts resulted in further positive earnings revisions. US regional banks and Indian banks lagged their peers, the former to a large extent due to concerns around their commercial real estate exposure and the latter due to pressure on net interest margins and a tighter liquidity environment impacting profitability.

Banks' performance

North America	
US banks	28.8%
Canadian banks	11.3%
US Regional banks	5.4%
Latin America banks	-1.1%
Europe	
Eurozone banks	31.0%
UK banks	30.5%
Asia	
Japanese banks	25.0%
Australian banks	20.8%
Chinese banks	18.9%
Indian banks	9.7%

Source: Bloomberg, 31 May 2024. **Note**: The figures are in sterling total return terms.

While diversified financials rose on average by a more modest 12.8% and trailed wider equity markets, this masked a wide dispersion in performance. Alternative asset managers and investment banks saw very strong gains in share prices as they were seen as the strongest beneficiaries of a pickup in activity in debt and equity markets. Consumer finance stocks also performed well in the belief that the increase in delinquency trends would reverse. Conversely, payment companies, stock exchanges and information service companies lagged materially, reflecting their more defensive characteristics.

Global insurance stocks were similarly held back by their defensive characteristics delivering a 12.9% return as investors rotated into more economically sensitive stocks such as banks. Asian insurance companies were also very weak, reflecting worries around the Chinese economy and geopolitical risk. While there has been some concern around the strength of liability reserves, US property and casualty insurers performed well, benefiting from the twin boons of rising investment income and improved underwriting returns. Large European reinsurance companies also performed well in contrast to Lloyds of London and Bermudan reinsurers where performance was more mixed.

Investment activity

A significant driver of investment activity over the 6 months was aimed at taking advantage of the potential ramifications of the Federal Reserve signalling that interest rates had peaked. Against that background we took the opportunity to significantly add to the Trust's exposure to those companies that we believed would benefit the most from increased likelihood of a soft landing for the US economy and a better background for financial markets. Conversely, we did reduce exposure to some of the more defensive holdings in the portfolio.

Banks

At the beginning of the period, the portfolio was marginally overweight US banks against our benchmark index, and while we had a fairly cautious outlook, we felt valuations more than discounted the risks. We therefore increased our exposure, adding to holdings in US Bancorp, Citizens Financial Group and East West Bancorp. Following a sharp rally in US bank share prices, we reduced our exposure over the following months, particularly our holdings in US regional banks which were all sold, where we felt there was an increased risk of a sharp reversal due to negative headlines around the US office commercial real estate market. We saw better value in European banks where we increased exposure, notably to Unicredit, Italy's second largest bank.

Nevertheless, we remained overweight large US banks, starting a new holding in Citigroup, where we saw lower risk due to their much stronger balance sheets and beneficiaries of any watering down of proposed new regulatory capital requirements. We also purchased a new holding in Barclays. Both Citigroup and Barclays have performed very poorly over the last 10+ years due to legacy issues at both banks and suffering structurally low profitability in parts of their core businesses. While in both instances management teams have set new targets on profitability and capital return, these have not been factored into sell-side forecasts. With this low bar and valuations trading at the low end of their historical ranges it was felt there was an attractive risk reward to the upside as they would also benefit from a pick-up in activity in their investment banking businesses.

We also added to the Trust's exposure to Mexico by adding to an existing position in Grupo Financiero Banorte and starting a new holding in Gentera, a smaller bank that offers loans to lower-income customers. We saw Mexico as continuing to benefit from so-called 'friendshoring' as multinational companies looked to build more manufacturing operations there to benefit from the attractive operating environment especially with trade barriers between the US and China expected to rise further. Later in the period we trimmed our exposure due to concerns around upcoming elections in the US and Mexico. While Mexico should continue to be a net beneficiary of rising trade friction between the US and China, we were concerned that sentiment could change quickly. As a result we sold the Trust's holdings in Banorte and BBVA, a Spanish bank that owns one of Mexico's largest banks.

We started new holdings in two Korean banks. Korean banks, as with Japanese banks and southern European banks, have traded at the lowest valuations of the banking sector and below what for a long time we deemed as fair value. We had remained cautious due to an interventionist regulator and no obvious catalysts for a re-rating. However a push for corporate reform in Korea around transparency and capital return has seen much more interest from investors which has had reasonable support from across the political spectrum. In contrast, we sold the Trust's holding in HDFC Bank, an Indian private bank which had underperformed following its merger with parent HDFC Corp. While the merger offers long-term synergies, the requirement to raise deposits in a tight liquidity environment is a headwind to growth and profitability in the short to medium term.

Diversified Financials

We saw alternative asset managers as one of the biggest beneficiaries of the change in outlook for financial markets, following Fed Chair Jerome Powell's comments in December, and therefore significantly increased our exposure. Previously our largest holdings had been to Ares Management and Intermediate Capital Group as they were both focused on the private credit space where we thought the medium-term outlook was more favourable than peers which had greater exposure to private equity. With the more positive outlook for financial markets we felt private equity focused alternative asset managers would perform better.

As a result we bought holdings in EQT and Antin Infrastructure Partners before rotating into new positions in KKR & Co and Blue Owl Capital on the back of a sharp move in the share prices of the former. KKR is one of the largest alternative asset managers globally and had the added catalyst that it was a potential contender for inclusion in the S&P 500 Index which would increase demand for its shares. A new holding was also purchased in CVC Partners when it listed on the Amsterdam Stock Exchange on its third attempt, the first two attempts pulled due to market volatility caused by the Russian invasion of Ukraine and US regional banks crisis respectively.

Payment companies are large constituents of the sector, notably Visa and MasterCard, and we have long liked them for their high level of profitability, low-risk business model and the tailwinds of growth in e-commerce spending and shift from cash to cards from which they benefit. Nevertheless we did reduce our holding in Visa during the period and while many FinTech holdings have not performed as well as had been expected when they listed, we started a holding in Nu Holdings, which remains an exception. Nu is a Latin American digital bank which has gained a large market share in Brazil and is now growing very fast in Mexico with over 100m customers in total.

We also purchased a holding in Fidelity National Information Services (FIS). FIS is not a fast growing business but is best known for providing core banking software for many banks. As a result it provides critical services to the banking sector and where banks are loathe to risk changing provider. A poor decision by its previous management team to overpay in acquiring Worldpay, a payments company, led to sharp fall in FIS's share price, around 70% from its high in 2020, and an attractive entry point. We also added to our holding in Intercontinental Exchange, which is the largest exchange holding in the portfolio. Its purchase of Black Knight, a mortgage software, data and analytics company in 2022 had weighed on its share price but with interest rates expected to fall we expect to see an improvement in the outlook for the business.

Insurance & other

At the beginning of the period we made some small reductions to our insurance holdings, effectively the reverse of adding to more cyclically sensitive stocks in the portfolio as described above. We also made a more material addition to our holding in in Munich Re at the expense of reducing exposure to Beazley and Renaissance Re Holdings as we see it as one of the best positioned to continue to benefit from the strong reinsurance market due to the strength of its balance sheet. But the most significant change was to reduce our exposure to China and Hong Kong by selling holdings in AIA Group and Prudential, both of which had been significant detractors to performance over 2023.

Our fixed-income exposure fell slightly over the period as we took profits on some of the positions we had bought in the latter half of 2022 and early part of 2023. We still see attractive returns from holding a mixture of senior and subordinated bonds of European financials but with the good absolute returns that we have generated over the last year, yields no longer looked as mispriced as they did during the volatility caused by the UK government's budget proposals and pensions funds' use of derivatives to hedge their interest rate risk. Gearing at the end of the period fell to 1.9%.

Outlook

We remain constructive on the outlook for the sector as we continue to believe the investment background looking forward has fundamentally changed with interest rates 'normalising' and the need for significant investment in reshoring, defence and decarbonisation by developed countries. We believe the sector will be a key beneficiary of these trends. It is also the biggest spender on technology and is expected as a result to be one of the biggest beneficiaries of AI in improving efficiency.

That said, this is a year when many elections have had or could have a bearing on financial markets, as we have seen in France, India and Mexico. While the rapid rise in interest rates has been a tailwind for the banking sector, it is also a risk, though it has so far had relatively little impact on the credit-worthiness of borrowers. The exception has been the office commercial real estate sector where a bigger driver has been the change in working patterns resulting in lower occupancy levels.

Nevertheless, we believe that it is unlikely that interest rates will return to the very low levels that we have seen previously. The prospect of future cuts in interest rates should ease concern on asset quality while remaining at a level that is supportive for net interest margins. Equally insurance companies have benefited from the rise in interest rates and bond yields, which has boosted investment income and therefore profitability, but are much less sensitive to short-term move in interest rates.

Against this background, it may require us to be more active than we would otherwise be in positioning the Trust's portfolio to benefit from the sector's tailwinds as well as navigate around some of the risks. In the following paragraphs we go into a little more detail about why we are overweight alternative asset managers, the insurance sector, small-cap financials and selective bank holdings where we see attractive opportunities. The list is by no means exhaustive.

Key themes

One of our largest overweight positions is to alternative asset managers. A key attraction is that unlike traditional asset managers such as BlackRock*, Fidelity* or Schroders* they do not offer daily liquidity to investors in their funds. Consequently, they are not prone to the sporadic outflows that nearly all traditional asset managers suffer from – quite the opposite, as they sit on so-called dry powder waiting to invest – nor do they suffer competition from the growth in passive investments. While historically they have relied on sovereign wealth funds, endowments and pensions funds to raise capital to invest, they have expanded their distribution into life assurers and more recently wealth management companies.

Alternative asset managers focussed on private credit and infrastructure are expected to see the biggest growth over the next few years, with Asia also seen as an area of long-term growth. They have benefited from the US regional banking crisis as a buyer of assets from banks looking to sell loans to raise capital. Traditional asset managers are also looking to expand their offering, helping to underpin valuations, with BlackRock announcing in January the acquisition of Global Infrastructure Partners, one of the largest infrastructure asset managers in the world with $100bn in AUM, for $12.6bn in cash and shares.

We continue to like the insurance sector, which is the Trust's largest overweight against its benchmark, in particular reinsurance companies but we have also increased our exposure to motor insurers. In both instances, poor underwriting returns have resulted in a sharp increase in the cost of insurance that, coupled with rising investment income as highlighted above, has resulted in a sharp improvement in profitability. While both are close to or at peak profitability, valuations imply that profitability will fall rapidly which we think will be proved wrong.

The insurance sector, along with payment companies, continues to offer an attractive counterbalance to the more cyclical parts of the portfolio, reflecting its much lower economic sensitivity as claims are largely the result of accidents and weather not the economic cycle. Furthermore, the float that insurance companies hold to pay claims is mostly invested in cash and short-term bonds so large losses are unlikely should equity markets fall sharply. In a sign of confidence, Berkshire Hathaway disclosed in May it had built a c$7bn stake in Chubb, one of our largest holdings.

Small-cap financials have materially derated over the past 10 years against their larger peers. As a result, we see a great deal of value in some of the Trust's smaller-company holdings. This is also the reason for our increased allocation to UK financials – the UK equity market itself has performed poorly relative to wider equity markets and we see good businesses fundamentally trading below where we think their fair value is. Unsurprisingly, there has been an increase in M&A activity in the UK and we expect that to continue.

Equally, the opposite of this is we have been reducing our exposure to some of the largest companies in the sector. It is notable that Warren Buffett and Jamie Dimon have both stated that buybacks are much less attractive at current valuations for shareholders of Berkshire Hathaway and JPMorgan respectively. That does not mean their shares are expensive, but equally they are no longer cheap and this highlights that equity markets as a whole, and large-cap companies in particular, are more highly rated.

Finally, while we see the banking sector as a major beneficiary of the normalisation of interest rates and other tailwinds, we have been much more selective over the past six months. For now we remain cautious on US banks, with holdings in only three of the largest four. We have no exposure to US regional banks but it is an area to which we have had significant exposure in the past and expect to again when there is either less uncertainty or valuations fall back to a level that prices in more of the shorter-term risks.

Conversely, we are overweight European banks. While they have pulled back on concern around the French election results, we see them trading at below fair value, in some cases well below. While they have been some of the biggest beneficiaries of the rise in interest rates, there has equally been concern that as the European Central Bank cuts rates this will go into reverse. However, the banks have not been idle over the past year, taking out interest rate hedges to lock in higher interest income and reducing their sensitivity to lower interest rates. Coupled with the significant increase in capital return in buybacks and dividends, we remain very positive.

* not held

Nick Brind, George Barrow and Tom Dorner
3 July 2024

We would draw shareholders attention to www.polarcapitalglobalfinancialstrust.com for monthly factsheets, regular investment commentary and portfolio updates.

Full Portfolio

2024	2023	Stock	Sector	Geographical Exposure	Market Value £'000 31 May 2024	Market Value £'000 30 November 2023	% of total net assets 31 May 2024	% of total net assets 30 November 2023
1	(1)	JP Morgan	Banks	North America	36,439	31,432	6.5%	6.4%
2	(2)	Mastercard	Financial Services	North America	27,464	27,136	4.9%	5.6%
3	(4)	Chubb	Insurance	Europe	21,928	19,891	3.9%	4.1%
4	(6)	Wells Fargo	Banks	North America	16,011	13,003	2.8%	2.7%
5	(3)	Visa	Financial Services	North America	14,663	21,140	2.6%	4.3%
6	(-)	UniCredit	Banks	Europe	14,658	-	2.6%	-
7	(-)	Barclays	Banks	United Kingdom	14,241	-	2.5%	-
8	(-)	Goldman Sachs Group	Financial Services	North America	13,000	-	2.3%	-
9	(-)	Citigroup	Banks	North America	12,777	-	2.3%	-
10	(8)	Marsh McLennan	Insurance	North America	12,749	12,308	2.3%	2.5%
Top 10 investments					183,930		32.7%	
11	(24)	Muenchener Ruecker	Insurance	Europe	11,720	7,326	2.1%	1.5%
12	(30)	Intermediate Capital Group	Financial Services	United Kingdom	11,499	6,676	2.0%	1.4%
13	(9)	Arch Capital	Insurance	North America	11,305	11,356	2.0%	2.3%
14	(43)	ICICI Bank	Banks	Asia (ex-Japan)	10,994	4,363	2.0%	0.9%
15	(5)	Berkshire Hathaway	Financial Services	North America	10,942	16,764	1.9%	3.4%
16	(-)	Interactive Brokers	Financial Services	North America	10,850	-	1.9%	-
17	(-)	Fidelity National Information Services	Financial Services	North America	10,513	-	1.9%	-
18	(11)	S&P Global	Financial Services	North America	10,446	10,214	1.9%	2.1%
19	(-)	KB Financial Group	Banks	Asia (ex-Japan)	10,070	-	1.8%	-
20	(25)	Intercontinental Exchange	Financial Services	North America	9,838	7,271	1.7%	1.5%
Top 20 investments					292,107		51.9%	
21	(-)	Shinhan Financial Group	Banks	Asia (ex-Japan)	9,835	-	1.7%	-
22	(40)	Bank of Cyprus Holdings	Banks	Europe	9,688	4,674	1.7%	1.0%
23	(39)	Intact Financial Corporation	Insurance	North America	9,500	4,871	1.7%	1.0%
24	(-)	Erste Bank	Banks	Europe	9,346	-	1.7%	-
25	(-)	Tokio Marine Holdings	Insurance	Japan	9,087	-	1.6%	-
26	(36)	Lancashire Holdings	Insurance	United Kingdom	8,980	5,007	1.6%	1.0%
27	(12)	AIB Group	Banks	Europe	8,836	9,511	1.6%	1.9%
28	(-)	Banco Santander	Banks	Europe	8,664	-	1.5%	-
29	(10)	RenaissanceRe Holdings	Insurance	North America	8,297	11,237	1.5%	2.3%
30	(-)	Man Group	Financial Services	United Kingdom	8,205	-	1.5%	-
Top 30 investments					382,545		68.0%	

31	(44)	Sumitomo Mitsui Financial	Banks	Japan	8,168	4,329	1.4%	0.9%
32	(19)	American Express	Financial Services	North America	7,908	7,987	1.4%	1.6%
33	(42)	OSB Group	Financial Services	United Kingdom	7,725	4,572	1.4%	0.9%
34	(23)	Beazley	Insurance	United Kingdom	7,539	7,422	1.3%	1.5%
35	(-)	Gentera	Financial Services	Latin America	7,391	-	1.3%	-
36	(-)	Blue Owl Capital	Financial Services	North America	7,386	-	1.3%	-
37	(32)	Ares Management Corporation	Financial Services	North America	7,371	5,932	1.3%	1.2%
38	(-)	Rakuten Bank	Banks	Japan	7,356	-	1.3%	-
39	(59)	IG Group	Financial Services	United Kingdom	7,042	2,940	1.2%	0.6%
40	(-)	KKR & Co	Financial Services	North America	6,464	-	1.1%	-
Top 40 investments					456,895		81.0%	
41	(-)	Direct Line Group	Insurance	United Kingdom	5,921	-	1.1%	-
42	(48)	Macquarie Group	Financial Services	Asia (ex-Japan)	5,673	4,125	1.0%	0.8%
43	(-)	Resona Holdings	Banks	Japan	5,657	-	1.0%	-
44	(37)	Bank Central Asia Indonesia	Banks	Asia (ex-Japan)	5,479	4,946	1.0%	1.0%
45	(-)	CVC Capital Partners	Financial Services	Europe	5,419	-	1.0%	-
46	(-)	NU Holdings	Banks	Latin America	5,317	-	0.9%	-
47	(-)	Sabre Insurance Group	Insurance	United Kingdom	5,178	-	0.9%	-
48	(49)	Moneybox (unquoted)	Financial Services	United Kingdom	5,068	3,773	0.9%	0.8%
49	(47)	The Travelers Companies	Insurance	North America	5,003	4,216	0.9%	0.9%
50	(-)	Partners Group Holdings	Financial Services	Europe	4,952	-	0.9%	-
Top 50 investments					510,562		90.6%	
51	(-)	Virtu Financial	Financial Services	North America	4,910	-	0.9%	-
52	(-)	BDO Unibank	Banks	Asia (ex-Japan)	4,098	-	0.7%	-
53	(54)	Everest Group	Insurance	North America	3,373	3,560	0.6%	0.7%
54	(56)	International Personal Finance 9.75% 2025 Bond	Fixed Income	Fixed Income	3,240	3,089	0.6%	0.6%
55	(78)	VEF	Financial Services	Europe	3,061	1,526	0.5%	0.3%
56	(60)	Lancashire 5.625% 2041 Bond	Fixed Income	Fixed Income	3,040	2,820	0.5%	0.6%
57	(-)	Progressive Corp	Insurance	North America	2,876	-	0.5%	-
58	(62)	Rothesay Life 4.875% Perp Bond	Fixed Income	Fixed Income	2,818	2,487	0.5%	0.5%
59	(63)	Pension Insurance 7.375% Perp Bond	Fixed Income	Fixed Income	2,619	2,480	0.5%	0.5%
60	(61)	IG Group 3.125% 2028 Bond	Fixed Income	Fixed Income	2,584	2,488	0.5%	0.5%
Top 60 investments					543,181		96.4%	

61	(79)	Investec preference	Fixed Income	Fixed Income	2,181	1,391	0.4%	0.3%
62	(71)	Aviva 6.875% Perp Bond	Fixed Income	Fixed Income	2,126	2,008	0.4%	0.4%
63	(72)	Riverstone Credit Opportunities	Fixed Income	Fixed Income	2,053	1,939	0.4%	0.4%
64	(74)	CaixaBank 8.25% Perp Bond	Fixed Income	Fixed Income	1,825	1,747	0.3%	0.4%
65	(75)	Rothesay Life 6.875% Perp Bond	Fixed Income	Fixed Income	1,791	1,672	0.3%	0.3%
66	(69)	Societe Generale 5.375% Perp Bond	Fixed Income	Fixed Income	1,645	2,104	0.3%	0.4%
67	(77)	Vanquis Banking Group 8.875% 2032 Bond	Fixed Income	Fixed Income	1,565	1,535	0.3%	0.3%
68	(80)	Rothesay Life 5% Perp Bond	Fixed Income	Fixed Income	1,530	1,386	0.3%	0.3%
69	(90)	Litigation Capital Management	Financial Services	Asia (ex-Japan)	1,413	1,049	0.3%	0.2%
70	(96)	Permanent TSB Group 13.25% Perp Bond	Fixed Income	Fixed Income	1,395	195	0.3%	-
Top 70 investments					560,705		99.7%	
71	(83)	Nationwide Building Society 5.75% Perp Bond	Fixed Income	Fixed Income	1,341	1,258	0.2%	0.3%
72	(70)	VPC Specialty Lending Investments	Fixed Income	Fixed Income	1,303	2,014	0.2%	0.4%
73	(84)	Shawbrook Group 9% 2030 Bond	Fixed Income	Fixed Income	1,292	1,246	0.2%	0.3%
74	(82)	Atom Bank (unquoted)	Banks	United Kingdom	1,280	1,281	0.2%	0.3%
75	(87)	Shawbrook Group 12.25% 2034 Bond	Fixed Income	Fixed Income	1,236	1,194	0.2%	0.2%
76	(89)	Chesnara 4.75% 2032 Bond	Fixed Income	Fixed Income	1,176	1,049	0.2%	0.2%
77	(88)	Hellenic Bank 10.25% 2033 Bond	Fixed Income	Fixed Income	1,123	1,065	0.2%	0.2%
78	(92)	Personal Group Holdings	Insurance	United Kingdom	1,118	566	0.2%	0.1%
79	(85)	CaixaBank 5.25% Perp Bond	Fixed Income	Fixed Income	662	1,240	0.1%	0.3%
80	(-)	National Westminister 9% Pref Share	Fixed Income	Fixed Income	405	-	0.1%	-
Total Investments					**571,641**		**101.5%**	
Other net liabilities					**(8,280)**		**(1.5%)**	
Total net assets					**563,361**		**100.0%**	

Note: Figures in brackets denote comparative rankings as at 30 November 2023.

Portfolio Analysis

Geographical Exposure*	Benchmark weighting as at 31 May 2024**	31 May 2024	30 November 2023
North America	55.9%	46.2%	52.2%
Europe	15.5%	17.5%	16.2%
United Kingdom	4.2%	14.8%	11.6%
Asia (ex-Japan)	15.3%	8.5%	13.3%
Fixed Income	-	7.0%	9.7%
Japan	4.8%	5.3%	1.7%
Latin America	1.3%	2.2%	1.4%
Other net liabilities	-	(1.5%)	(6.1%)
Total		100.0%	100.0%

Sector Exposure*	Benchmark weighting as at 31 May 2024**	31 May 2024	30 November 2023
Financial Services	37.4%	37.1%	31.2%
Banks	43.1%	35.2%	43.3%
Insurance	19.5%	22.2%	21.9%
Fixed Income	-	7.0%	9.7%
Other net liabilities	-	(1.5%)	(6.1%)
Total		100.0%	100.0%

Market Capitalisation*~	Benchmark weighting as at 31 May 2024**	31 May 2024	30 November 2023
Mega Cap	40.4%	31.0%	37.8%
Large Cap	33.3%	27.9%	32.5%
Mid Cap	17.7%	13.6%	10.8%
Small Cap	8.0%	7.2%	7.6%
Smallest Cap	0.6%	14.8%	7.7%
Fixed Income	-	7.0%	9.7%
Other net liabilities	-	(1.5%)	(6.1%)
Total		100.0%	100.0%

* Based on the net assets as at 31 May 2024 of £563.4m (2023: £488.2m).

**The classifications are derived from the Benchmark as far as possible. Not all geographical areas or sectors of the Benchmark are shown, only those in which the Company had an investment at the period end.

~ With effect from January 2024, the market capitalisation bandings were changed to "dynamic" and are therefore subject to change. The dynamic market capitalisation is determined based on the percentiles of the total index market capitalisation. The mega caps correspond to the 40th percentile, large caps to the 70th percentile, mid caps to the 90th percentile, and small caps to the 99th percentile. The year ended 30 November 2023 data has been re-presented based on the dynamic market capitalisation.

CORPORATE MATTERS FOR THE SIX MONTHS TO 31 MAY 2024

PRINCIPAL RISKS AND UNCERTAINTIES

A detailed explanation of the Company's principal risks and uncertainties, and how they are managed through mitigation and controls, can be found on pages 38 to 41 of the Annual Report for the year ended 30 November 2023. These principal risks can be summarised as business risks, including meeting the investment objective of the Company, and market-related risks encompassing factors such as excessive share price discount to NAV, market volatility, stock pricing and liquidity risk, currency and interest rate risk, counterparty risk, gearing and the ability to meet the dividend policy. Other principal risks include infrastructure risks, including the performance of the operational and accounting systems and processes provided by the Investment Manager, taxation, mis-valuation and legal and regulatory risks; and external risks which focuses on the exposure to the economic cycles of the markets of the underlying investments.

The Directors consider that, overall, the principal risks and uncertainties faced by the Company for the remaining six months of the financial year have not changed from those outlined within the Annual Report.

Further detail on the Company's performance and portfolio can be found in the Investment Managers' Report.

GOING CONCERN

As detailed in the notes to the financial statements, the Board continually monitors the financial position of the Company and has undertaken stress-testing and analysis in determining the appropriateness of preparing the Financial Statements on a going concern basis. Having carried out the testing, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Company. In reaching this conclusion, the Board also considered the Company's performance and its assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

In accordance with DTR 4.2.8R, there have been no new related party transactions during the six month period to 31 May 2024. 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 or to the date of this report.

Statement of Directors' Responsibilities

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 has been prepared in accordance with the UK-adopted International Accounting Standard 34 and in conformity with the requirements of the Companies Act 2006 and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 31 May 2024; and

- The Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

The half-year financial report for the six-month period to 31 May 2024 has not been audited or reviewed by the Auditors. The half-year financial report was approved by the Board on 3 July 2024.

On behalf of the Board

Simon Cordery
Chair

STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 May 2024

	Notes	(Unaudited) Half year ended 31 May 2024			(Unaudited) Half year ended 31 May 2023			(Audited) Year ended 30 November 2023		
		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	11,557	-	11,557	11,897	-	11,897	19,143	–	19,143
Other operating income	2	608	-	608	421	-	421	916	–	916
Gains/(losses) on investments held at fair value		-	82,196	82,196	-	(50,944)	(50,944)	–	(25,777)	(25,777)
Losses on derivatives		-	(377)	(377)	-	(144)	(144)	–	(442)	(442)
Other currency (losses)/gains		-	(597)	(597)	-	244	244	–	(152)	(152)
Total income		12,165	81,222	93,387	12,318	(50,844)	(38,526)	20,059	(26,371)	(6,312)
Expenses										
Investment management fee		(369)	(1,477)	(1,846)	(362)	(1,449)	(1,811)	(704)	(2,815)	(3,519)
Other administrative expenses		(372)	(16)	(388)	(363)	(8)	(371)	(774)	(20)	(794)
Total expenses		(741)	(1,493)	(2,234)	(725)	(1,457)	(2,182)	(1,478)	(2,835)	(4,313)
Profit/(loss) before finance costs and tax		11,424	79,729	91,153	11,593	(52,301)	(40,708)	18,581	(29,206)	(10,625)
Finance costs		(392)	(1,568)	(1,960)	(307)	(1,226)	(1,533)	(722)	(2,887)	(3,609)
Profit/(loss) before tax		11,032	78,161	89,193	11,286	(53,527)	(42,241)	17,859	(32,093)	(14,234)
Tax		(1,137)	242	(895)	(1,053)	311	(742)	(1,986)	695	(1,291)
Net profit/(loss) for the period and total comprehensive income/(expense)		9,895	78,403	88,298	10,233	(53,216)	(42,983)	15,873	(31,398)	(15,525)
Earnings/(losses) per Ordinary share (pence)	3	3.23	25.59	28.82	3.16	(16.44)	(13.28)	4.97	(9.84)	(4.87)

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards.
The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.
The amounts dealt with in the Statement of Comprehensive Income are all derived from continuing activities.

STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 May 2024

	Notes	(Unaudited) Half year ended 31 May 2024						
		Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2023		16,588	251	311,369	105,117	43,507	11,366	488,198
Total comprehensive income:								
Profit for the half year ended 31 May 2024		-	-	-	-	78,403	9,895	88,298
Transactions with owners, recorded directly to equity:								
Shares bought back and held in treasury	5	-	-	-	(6,685)	-	-	(6,685)
Equity dividends paid		-	-	-	-	-	(6,450)	(6,450)
Total equity at 31 May 2024		**16,588**	**251**	**311,369**	**98,432**	**121,910**	**14,811**	**563,361**

	Notes	(Unaudited) Half year ended 31 May 2023						
		Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2022		16,588	251	311,380	128,256	74,905	9,892	541,272
Total comprehensive (expense)/income:								
(Loss)/profit for the half year ended 31 May 2023		-	-	-	-	(53,216)	10,233	(42,983)
Transactions with owners, recorded directly to equity:								
Issue costs relating to prior year share placings		-	-	(11)	-	-	-	(11)
Shares bought back and held in treasury	5	-	-	-	(7,586)	-	-	(7,586)
Equity dividends paid		-	-	-	-	-	(6,658)	(6,658)
Total equity at 31 May 2023		16,588	251	311,369	120,670	21,689	13,467	484,034

STATEMENT OF CHANGES IN EQUITY continued
For the half year ended 31 May 2024

		(Audited) Year ended 30 November 2023						
		Called up share capital £'000	**Capital redemption reserve £'000**	**Share premium reserve £'000**	**Special distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total Equity £'000**
Total equity at 1 December 2022		16,588	251	311,380	128,256	74,905	9,892	541,272
Total comprehensive (expenses)/ income:								
(Loss)/profit for the year ended 30 November 2023		-	-	-	-	(31,398)	15,873	(15,525)
Transactions with owners, recorded directly to equity:								
Issue costs relating to prior year share placings		-	-	(11)	-	-	-	(11)
Shares bought back and held in treasury		-	-	-	(23,139)	-	-	(23,139)
Equity dividends paid	5	-	-	-	-	-	(14,399)	(14,399)
Total equity at 30 November 2023		16,588	251	311,369	105,117	43,507	11,366	488,198

The notes to follow form part of these financial statements.

Balance Sheet as at 31 May 2024

	Notes	(Unaudited) 31 May 2024 £'000	(Unaudited) 31 May 2023 £'000	(Audited) 30 November 2023 £'000
Non-current assets				
Investments held at fair value through profit or loss		**571,641**	494,040	518,124
Current assets				
Cash and cash equivalents		**58,500**	60,010	37,262
Fair value of open derivative contracts		**-**	-	506
Receivables*		**5,961**	23,043	8,419
		64,461	83,053	46,187
Total assets		**636,102**	577,093	564,311
Current liabilities				
Bank overdraft		**-**	-	(1)
Fair value of open derivative contracts		**(660)**	(182)	(316)
Payables		**(3,036)**	(23,106)	(6,502)
		(3,696)	(23,288)	(6,819)
Non-current Liabilities				
Indian capital gains tax provision		**(151)**	(226)	(263)
Bank loan		**(68,894)**	(69,545)	(69,031)
		(69,045)	(69,771)	(69,294)
Net assets		**563,361**	484,034	488,198
Equity attributable to equity shareholders				
Called up share capital		**16,588**	16,588	16,588
Capital redemption reserve		**251**	251	251
Share premium reserve		**311,369**	311,369	311,369
Special distributable reserve		**98,432**	120,670	105,117
Capital reserves		**121,910**	21,689	43,507
Revenue reserve		**14,811**	13,467	11,366
Total equity		**563,361**	484,034	488,198
Net asset value per Ordinary share (pence)	4	**184.98**	151.23	158.06

* In the prior half year report, the overseas tax recoverable was disclosed separately on the face of the balance sheet. The total receivable has been re-presented to include overseas tax recoverable.

The notes to follow form part of these financial statements.

Simon Cordery

Chair

3 July 2024

CASH FLOW STATEMENT
For the half year ended 31 May 2024

	(Unaudited) Half year ended 31 May 2024 £'000	(Unaudited) Half year ended 31 May 2023 £'000	(Audited) Year ended 30 November 2023 £'000
Cash flows from operating activities			
Profit/(loss) before tax	**89,193**	(42,241)	(14,234)
Adjustment for non-cash items:			
(Profit)/losses on investments held at fair value through profit or loss	**(82,196)**	50,944	25,777
Losses on derivative financial instruments	**377**	144	442
Amortisation on fixed interest securities	**(83)**	(99)	(186)
Adjusted profit before tax	**7,291**	8,748	11,799
Adjustments for:			
Purchases of investments, including transaction costs	**(323,258)**	(121,235)	(284,542)
Sales of investments, including transaction costs	**352,914**	149,859	311,263
Purchases of derivative financial instruments	**(1,090)**	(98)	(1,794)
Proceeds on disposal of derivative financial instruments	**262**	141	1,168
Increase in receivables	**(534)**	(1,219)	(549)
(Decrease)/increase in payables	**(14)**	109	479
Indian capital gains tax	**(203)**	128	114
Overseas tax deducted at source	**(958)**	(1,154)	(1,596)
Net cash generated from operating activities	**34,410**	35,279	36,342
Cash flows from financing activities			
Shares repurchased into treasury	**(6,584)**	(7,431)	(22,988)
Issue cost paid	**-**	(11)	(11)
Loan drawn	**-**	9,891	9,891
Exchange gains on the loan facility	**(137)**	(853)	(1,367)
Equity dividends paid	**(6,450)**	(6,658)	(14,399)
Net cash used in financing activities	**(13,171)**	(5,062)	(28,874)
Net increase in cash and cash equivalents	**21,239**	30,217	7,468
Cash and cash equivalents at the beginning of the period	**37,261**	29,793	29,793
Cash and cash equivalents at the end of the period	**58,500**	60,010	37,261

The notes to follow form part of these financial statements.

Notes to the Financial Statements for The Half Year Ended 31 May 2023

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 2024.

The unaudited financial statements to 31 May 2024 have been prepared using the accounting policies used in the Company's financial statements to 30 November 2023. These accounting policies are based on UK-adopted International Accounting Standards ("UK-adopted IAS").

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 2024 and 31 May 2023 have not been audited. The figures and financial information for the year ended 30 November 2023 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 2023, prepared under UK-adopted IAS, 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 2023.

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements. The Board continually monitors the financial position of the Company. The Directors have considered a detailed assessment of the Company's ability to meets its liabilities as they fall due. The assessment took account of the Company's current financial position, its cash flows and its liquidity position. In light of the results of these tests, the Company's cash balances, and the liquidity position, the Directors consider that the Company has adequate financial resources to enable them to continue in operational existence. Accordingly, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial results of the Company.

There were no new UK-adopted IAS or amendments to UK-adopted IAS applicable to the current period which had any significant impact on the Company's Financial Statements.

2 Dividends and Other Income

	(Unaudited) For the half year ended 31 May 2024 £'000	(Unaudited) For the half year ended 31 May 2023 £'000	(Audited) For the year ended 30 November 2023 £'000
Investment income			
Revenue:			
UK dividends	**1,283**	1,461	2,391
Overseas dividends	**8,676**	8,832	13,313
Interest on debt securities	**1,598**	1,604	3,439
Total investment income allocated to revenue	**11,557**	11,897	19,143

Included within income from investments is £677,810 (31 May 2023: £288,000 and 30 November 2023: £623,000) of special dividends classified as revenue in nature. No special dividends have been recognised in capital (31 May 2023: £nil and 30 November 2023: £nil).

Other operating income			
Bank interest	**608**	421	916
Total other operating income	**608**	421	916

3 Earnings/(losses) per Ordinary share

	(Unaudited) For the half year ended 31 May 2024 £'000	(Unaudited) For the half year ended 31 May 2023 £'000	(Audited) For the year ended 30 November 2023 £'000
Basic earnings/(losses) per share			
Net profit/(loss) for the period:			
Revenue	**9,895**	10,233	15,876
Capital	**78,403**	(53,216)	(31,398)
Total	**88,298**	(42,983)	(15,525)
Weighted average number of shares in issue during the period	**306,354,334**	323,774,103	319,065,538
Basic – Ordinary shares (pence)			
Revenue	**3.23p**	3.16p	4.97p
Capital	**25.59p**	(16.44)p	(9.84)p
Total	**28.82p**	(13.28)p	(4.87)p

As at 31 May 2024 there were no potentially dilutive shares in issues (31 May 2023 and 30 November 2023: same).

4 Net Asset Value per Ordinary Share

	(Unaudited) For the half year ended 31 May 2024	(Unaudited) For the half year ended 31 May 2023	(Audited) For the year ended 30 November 2023
Net assets attributable to Ordinary shareholders (£'000)	**563,361**	484,034	488,198
Ordinary shares in issue at end of period	**304,547,705**	320,075,000	308,861,687
Net asset value per Ordinary share (pence)	**184.98**	151.23	158.06

As at 31 May 2024 there were no potentially dilutive shares in issues (31 May 2023 and 30 November 2023: same).

5 Share Capital

During the six months ended 31 May 2024, there were 4,313,982 ordinary shares repurchased into treasury (31 May 2023: 5,319,000; 30 November 2023: 16,532,313) for a total consideration of £6,685,000 (31 May 2023: £7,586,000; 30 November 2023: £23,139,000). Following this, the company's issued share capital consists of 304,547,705 ordinary shares and an additional 27,202,295 ordinary shares held in treasury.

6 Dividends

The first interim dividend for the year ending 30 November 2024 was declared on 27 June 2024 and will be paid on 30 August 2024; it is anticipated that the second interim dividend for the year ending 30 November 2024 will be declared on or around December 2024 and will be paid on 28 February 2025.

7 Related Party Transactions

There have been no related party transactions that have materially affected the financial positions or the performance of the Company during the six month period to 31 May 2024.

8 Post Balance Sheet Events

After the period end, a further 225,000 ordinary shares were repurchased into treasury. Following these shares repurchases, the total number of ordinary shares in issue was 331,750,000 and 27,427,295 shares were held in treasury as at 1 July 2024.

There are no other significant events that have occurred after the end of the reporting period to the date of this report which require disclosure.

ALTERNATIVE PERFORMANCE MEASURES (APM'S)

In assessing the performance of the Company, the Manager and the Directors use the following APMs which are not defined in accounting standards or law but are considered to be known industry metrics:

NAV Total Return

The NAV total return shows how the net asset value per share has performed over a period of time taking into account both capital returns and dividends paid to shareholders. The NAV total return performance for the period is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date.

		For the half year ended 31 May 2024	Year ended 30 November 2023
Opening NAV per share	**a**	**158.1p**	166.3p
Closing NAV per share	**b**	**185.0p**	158.1p
Dividend reinvestment factor	**c**	**1.010131**	1.022930
Adjusted closing NAV per share	**d=b*c**	**186.9p**	161.7p
NAV total return for the period	**(d/a)-1**	**18.2%**	-2.8%

NAV Total Return Since Inception

NAV total return since inception is calculated as the change in NAV from the initial NAV of 98p, assuming that dividends paid to shareholders are reinvested on the ex-dividend date in ordinary shares at their net asset value.

		For the half year ended 31 May 2024	Year ended 30 November 2023
NAV per share at inception	**a**	**98.0p**	98.0p
Closing NAV per share	**b**	**185.0p**	158.1p
Dividend reinvestment factor	**c**	**1.390051**	1.361991
Adjusted closing NAV per share	**d=b*c**	**257.2p**	215.3p
NAV total return since inception	**(d/a)-1**	**162.4%**	119.7%

NAV Total Return Since Reconstruction

NAV total return since reconstruction is calculated as the change in NAV from the NAV of 102.8p, which was the closing NAV the day before the tender offer on 22 April 2020, assuming that dividends paid to shareholders are reinvested on the ex-dividend date in ordinary shares at their net asset value.

		For the half year ended 31 May 2024	Year ended 30 November 2023
Rebased NAV per share at reconstruction	**a**	**102.8p**	102.8p
Closing NAV per share	**b**	**185.0p**	158.1p
Dividend reinvestment factor	**c**	**1.120249**	1.097861
Adjusted closing NAV per share	**d=b*c**	**207.2p**	173.6p
NAV total return since reconstruction	**(d/a)-1**	**101.6%**	68.8%

Share Price Total Return

Share price total return shows how the share price has performed over a period of time. It assumes that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex-dividend.

		For the half year ended 31 May 2024	Year ended 30 November 2023
Opening share price	**a**	**138.8p**	154.6p
Closing share price	**b**	168.8p	138.8p
Dividend reinvestment factor	**c**	1.013897	1.030408
Adjusted closing share price	**d=b*c**	171.1p	143.0p
Share price total return for the period	**(d/a)-1**	23.3%	-7.5%

Share Price Total Return Since Inception

Share price total return since inception is calculated as the change in share price from the launch price of 100p, assuming that dividends paid to shareholders are reinvested on the ex-dividend date.

		For the half year ended 31 May 2024	Year ended 30 November 2023
Share price at inception	**a**	**100.0p**	100.0p
Closing share price	**b**	**168.8p**	138.8p
Dividend reinvestment factor	**c**	**1.372038**	1.353458
Adjusted closing share price	**d=b*c**	**231.6p**	187.9p
Share price total return since inception	**(d/a)-1**	**131.6%**	87.9%

Share Price Total Return Including Subscription Share Value

The share price total return including subscription share value performance since inception includes the value of the subscription shares issued free of payment at launch on the basis of one-for-five ordinary shares and assumes such were held throughout the period from launch to the conversion date of 31 July 2017. Performance is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date and uses the launch price of 100p per ordinary share.

		For the half year ended 31 May 2024	Year ended 30 November 2023
Share price at inception	**a**	**100.0p**	100.0p
Closing share price	**b**	**168.8p**	138.8p
Dividend reinvestment factor	**c**	**1.401659**	1.381556
Adjusted closing share price	**d=b*c**	**236.6p**	191.8p
Share price total return including subscription share value since inception	**(d/a)-1**	**136.6%**	91.8%

Premium/(Discount)

A description of the difference between the share price and the net asset value per share usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the NAV per share the result is a premium. If the share price is lower than the NAV per share, the shares are trading at a discount.

		31 May 2024	30 November 2023
Closing share price	**a**	**168.8p**	138.8p
Closing NAV per share	**b**	**185.0p**	158.1p
Discount per ordinary share	**(a / b)-1**	**-8.8%**	-12.2%

Net Gearing

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets less cash and cash equivalents divided by net assets. The total assets are calculated by adding back the bank loan. Cash and cash equivalents are cash and purchases and sales for future settlement outstanding at the period end.

		31 May 2024	30 November 2023
Net assets	**a**	**£563,361,000**	£488,198,000
Bank loan	**b**	**£68,894,000**	£69,031,000
Total assets	**c = (a+b)**	**£632,255,000**	£557,229,000
Cash and cash equivalents (including amounts awaiting settlement and overdrafts)	**d**	**£57,971,000**	£37,484,000
Net gearing	**(c-d)/a-1**	**1.9%**	6.5%

DIRECTORS AND CONTACTS

Directors (all independent Non-executive)
Simon Cordery, Chair
Cecilia McAnulty, Audit Chair
Susie Arnott
Angela Henderson

Company Secretary
Polar Capital Secretarial Services Limited
represented by Jumoke Kupoluyi, ACG

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Portfolio Co-Managers
Mr Nick Brind
Mr George Barrow
Mr Tom Dorner

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside, London, EC2V 6ET

Depositary, Bankers and Custodian
HSBC Bank Plc, 8 Canada Square, London E14 5HQ

Registered Number
Incorporated in England and Wales with company number 8534332 and registered as an investment company under section 833 of the Companies Act 2006

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 2023. 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.

HALF YEAR REPORT
The Company has opted not to post half year reports to shareholders. Copies of this Report will be available from the Company Secretary at the Registered Office, 16 Palace Street, London SW1E 5JD and from the Company's website at www.polarcapitalglobalfinancialstrust.co.uk

National Storage Mechanism
A copy of the Half Year Report has been submitted to the National Storage Mechanism ('NSM') https://data.fca.org.uk/#/nsm/nationalstoragemechanism

FINANCIAL CALENDAR

The key dates in the Company's financial year are as follows:

30 November	Financial year-end
31 May	Half-year end
End of February	First Interim Dividend
End of August	Second Interim Dividend
Early July	Announcement of half-year results
Late Jan/Feb	Announcement of year-end results
March-May	Annual General Meeting