

## Trust Fact Sheet

### Ordinary Shares

Share Price	164.20p
NAV per share	180.15p
Premium	-
Discount	-8.85%
Capital	305,485,205 shares of 5p*

\*Excluding Ordinary shares held in treasury

### Assets & Gearing<sup>1</sup>

Total Net Assets	£550.4m
AIC Gearing Ratio	6.18%
AIC Net Cash Ratio	n/a

### Fees

Management	0.70%
Performance	10.00%
Ongoing Charges	0.87%

**Historic Yield (%)<sup>2</sup> 2.77**

### 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

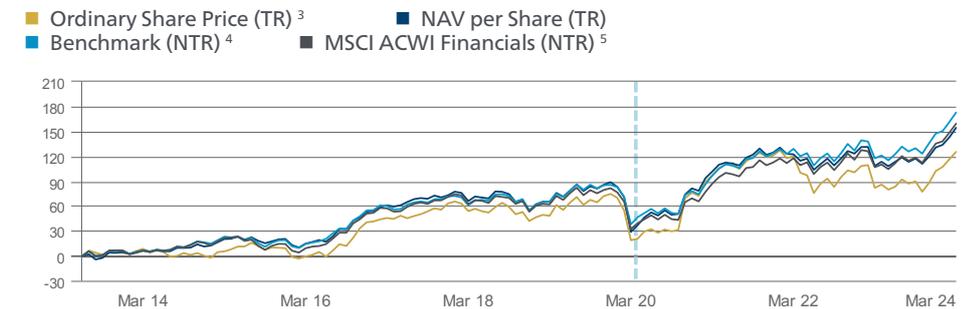
- The only UK-listed Investment Trust solely focused on financials
- Twin objectives of growing investors' dividend income and capital
- A broad, global multi-cap remit
- Large dedicated investment team with over 95 years of experience in the sector

### 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 <sup>6</sup>	Since Launch
Ordinary Share Price (TR)	4.19	11.44	11.44	23.81	14.38	88.32	125.33
NAV per Share (TR)	4.76	10.29	10.29	22.04	26.20	94.84	154.42
Benchmark (NTR)	4.42	10.24	10.24	25.38	38.70	94.16	172.80
MSCI ACWI Financials (NTR)	4.42	10.24	10.24	25.38	38.70	94.16	159.38

### Discrete Annual Performance (%)

	Financial YTD	31.03.23 28.03.24	31.03.22 31.03.23	31.03.21 31.03.22	31.03.20 31.03.21	29.03.19 31.03.20
Ordinary Share Price (TR)	19.95	23.81	-17.38	11.81	65.66	-19.83
NAV per Share (TR)	15.77	22.04	-6.28	10.33	56.24	-21.84
Benchmark (NTR)	15.81	25.38	-5.00	16.45	42.36	-16.55
MSCI ACWI Financials (NTR)	15.81	25.38	-5.00	16.45	41.05	-18.23

### 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 28 March 2024

### Top 10 Positions (%)

JPMorgan	6.7
Mastercard	5.5
Chubb	3.6
Wells Fargo	2.7
Visa	2.6
UniCredit	2.5
Citigroup	2.2
BBVA	2.2
Goldman Sachs Group	2.2
Marsh McLennan	2.2

**Total** **32.4**

**Total Number of Positions** **86**

**Active Share** **74.77%**

### Market Capitalisation Exposure (%)<sup>1</sup>

Mega Cap (>USD\$ 105.19 bn)	31.4
Large Cap (USD\$ 39.08 bn - 105.19 bn)	30.1
Mid Cap (USD\$ 14.02 bn - 39.08 bn)	16.9
Small Cap (USD\$ 4.65 bn - 14.02 bn)	7.8
Smallest Cap (<USD \$ 4.65 bn)	13.9

### 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	36.1
Financial Services	35.0
Insurance	20.5
Fixed Income	8.5

### Geographic Exposure (%)

North America	45.7
Europe	15.5
UK	13.1
Asia Pac (ex-Japan)	10.2
Fixed Income	8.5
Japan	4.1
Latin America	3.0

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.

<sup>1</sup> 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](http://www.shareview.co.uk)

### Corporate Contacts

**Registered Office and Website**  
16 Palace Street, London SW1E 5JD  
[www.polarcapitalglobalfinancialstrust.com](http://www.polarcapitalglobalfinancialstrust.com)

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

**Registrar**  
Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA  
[www.shareview.co.uk](http://www.shareview.co.uk)

## Fund Managers' Comments

### Market review

March was an excellent month for equity markets, led by Europe, as investors continued to buy into the narrative of a soft landing on the pick-up in economic data. The US equity market, while lagging, made further all-time highs, with the Japanese equity market held back by currency weakness despite the Bank of Japan raising interest rates for the first time since 2007. Against this background, financials outperformed, rising 4.4% as illustrated by our benchmark index, the MSCI All Country World Financials Index, with the Trust's net asset value rising by 4.8%.

### Nationwide bid for Virgin Money

A surprise in March came in the form of UK bank consolidation, with the announcement that Nationwide Building Society, the UK's largest mutual, had agreed a £2.9bn deal to acquire Virgin Money UK (Virgin Money). We believe the Board of Virgin Money failed to explain why they were selling the bank for such a low valuation. At best, it is not a great advertisement for the medium-term outlook for the UK banking sector if a so-called challenger has thrown the towel in for a cash bid.

When Virgin Money was first acquired in 2018, by Clydesdale and Yorkshire Bank Group (CYBG), it was then effectively the remaining rump of Northern Rock, with the combined group taking the Virgin name. At the time it was described by one anonymous fund manager as "*two drunks propping each other up doth not make for good bedfellows*". Long-term shareholders would agree as even taking into account the takeover premium paid, shareholders have lost money over the six years, as well as underperforming their UK bank peers by over 40%.

### UK bank holdings

The Trust's two UK bank holdings are OSB Group, which is primarily a buy-to-let lender, and Barclays, which is a more recent purchase where we see sentiment as too negative. Bar a brief period in 2023 when we side-stepped a profit warning, we have owned OSB Group since it IPO'd in 2015 but were caught in March by lower guidance on net interest income than had been expected, which knocked the share price. Nevertheless, since IPO OSB Group has grown its book value per share by over 4x while returning 181p per share in dividends, which compares with an IPO price of 170p per share, equating to a compound annualised return to shareholders of over 12% per annum.

The flipside of that equation is that its shares have derated materially – a problem for all UK banks. Today it trades on less than 0.7x price to book which, for a business that is expected to deliver a high-teens return on equity, we see as mispriced. Why is it so much better than its larger peers? OSB Group has benefited from being incredibly efficiently run, with operations in India leading to a market-leading cost-to-income ratio while along with Paragon Bank, another buy-to-let lender, operates in a very attractive market that is much less commoditised than the wider UK mortgage market. For now, we see no reason for that to change and used the opportunity of poor communication around the outlook for 2024 earnings to increase our holding.

Barclays is a shorter-term trade. For too long it has been a value trap for shareholders and its recent travails have been well documented in Philip Augar's *The Bank that Lived a Little* that takes its journey back to 1983 and the fateful decision to buy BZW and enter investment banking. Nevertheless, sentiment has been too negative with prospective returns inching higher over the past two years but

the shares only recently starting to participate. At a strategy day management promised to return to shareholders at least £10bn but sell-side analysts have not bought into its profitability targets. Trading at around 0.5x book value per share, we do not think that matters as the bar remains painfully low, albeit for good reason.

### Ireland

Our only holding here is AIB Group which we continue to like. The Irish banking market has become very concentrated following the exit of Danske Bank, KBC Group and Ulster Bank (part of NatWest Group) leaving only three banks that could be argued are genuine competitors. Ireland was hit very hard by the excesses of the Irish banks, most notably Anglo Irish Bank, in the run up to the global financial crisis, where mortgages were offered at 100%+ loans-to-value and commercial property lending was undertaken on equally weak criteria.

As a consequence of this, all the Irish banks have to carry much more capital than their European peers as their models include the losses from their incontinent lending practices of 15+ years ago, reducing downside risk but equally offering the potential for higher capital returns in future years. As with most European banks, their funding and liquidity metrics are much stronger and over the past couple of years their profitability has improved markedly due to the rise in interest rates, reflecting the limited pressure they have had to pass them on to depositors.

Reflecting the fact that it has been one of the biggest beneficiaries of higher interest rates, the reverse is equally true if interest rates were to be cut more than expected. While the bank has been extending its interest rate hedges to lock in higher interest rates, earnings revisions have also continued to be positive, reflecting the conservatism of the management team. In the longer term, we would expect the stronger performance of the Irish economy to lead to stronger loan growth too. Against this background, the bank's shares trade at below 0.9x book value despite a double-digit return on equity forecast going forward.

**Nick Brind & George Barrow**

9 April 2024

## 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

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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.msicibarra.com](http://www.msicibarra.com).

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(the "Investment Company Act") and, as such, the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Company will be offered and sold only outside the United States to, and for the account or benefit of non-U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained in this document, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.

### 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>