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Polar Capital Global Financials Tst
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POLAR CAPITAL GLOBAL FINANCIALS TRUST PLC

Legal Entity Identifier: 549300G5SWN8EP2P4U41

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 NOVEMBER 2024

PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED 30 NOVEMBER 2024

Performance (Sterling total return)	**For the year ended 30 November 2024 %**	**Since Inception %**
Net asset value (NAV) per ordinary share*(1)	34.8	199.2
Ordinary share price*(2)	45.4	173.1
Ordinary share price including subscription share value*(3)	-	174.9
Benchmark (Sterling total return) (4)		
MSCI ACWI Financials	36.1	204.8
Other Indices and peer group (Sterling total return)		
MSCI World Index	26.8	285.7
FTSE All Share Index	15.8	104.3
Lipper Financial Sector (5)	37.1	161.8

Performance since Reconstruction on 22 April 2020 (Sterling total return)	**Since Reconstruction %**
NAV per ordinary share* (6)	129.9
Benchmark (4)	128.1

Financials	**As at 30 November 2024**	**As at 30 November 2023**	% Change
Total net assets	£629,678,000	£488,198,000	+29.0
NAV per ordinary share	207.7p	158.1p	+31.4
Ordinary share price	196.2p	138.8p	+41.4
Discount per ordinary share*	(5.5%)	(12.2%)	
Net gearing*	5.1%	6.5%	

Earnings per Ordinary share (7)	**For the year ended 30 November 2024**	**For the year ended 30 November 2023**
Revenue Return	5.31p	4.97p
Capital Return	48.62p	(9.84p)
Total	53.93p	(4.87p)
Expenses*		
Ongoing Charges	0.85%	0.86%
Ongoing charges including performance fee (8)	0.85%	0.86%

Ongoing charges including performance fee (8)	0.85%	0.86%

Dividends~

The Company has paid or declared the following dividends relating to the financial year ended 30 November 2024:

Pay date	Amount per Ordinary Share	Ordinary Shares In issue	Record Date	Ex-Date	Declared Date
First interim: 30 August 2024	2.50p	304,272,705	2 August 2024	1 August 2024	27 June 2024
Second interim: 28 February 2025	2.20p	303,219,365	7 February 2025	6 February 2025	20 January 2025
Total (2023: 4.55p)	4.70p				

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 using the initial NAV of 98p and the NAV on 30 November 2024. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol 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 30 November 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 30 November 2024.

Note 4

Effective from 1 June 2024, the Board agreed to remove the chain linked benchmark which had historically been provided as a point of reference for information purposes only. The chain linked benchmark was a combination of 3 benchmarks which were in operation during the life of the Company. 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. Performance and any associated calculations that include the Benchmark, which is now 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 year under review.

Note 6

The total return NAV performance since 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 night before the tender offer was completed.

Note 7

Refer to Note 11 below for more details.

Note 8

There was no performance fee provision in the current or prior year.

** Alternative Performance Measure, see below for further explanations.*

~ Refer to Note 12 below for more details.

Data sourced by HSBC Securities Services Limited and Polar Capital LLP.

Status of Announcement

The figures and financial information contained in this announcement are extracted from the draft unaudited financial results for the year ended 30 November 2024 and do not constitute statutory accounts for that year. Once finalised, the Annual Report and Financial Statements will include the Report of the Independent Auditors which is expected to be unqualified and not expected to contain a statement under either section 498(2) or Section 498(3) of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 30 November 2023 have not yet been delivered to the Registrar of Companies.

The figures and financial information for the year ended 30 November 2023 have been extracted from the published Annual Report and Financial Statements for the year ended 30 November 2023 and do not constitute the statutory accounts for that year. The Annual Report and Financial Statements for the year ended 30 November 2023 have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or Section 498(3) of the Companies Act 2006.

The Directors' Remuneration Report and certain other helpful shareholder information have not been included in this announcement but will form part of the finalised Annual Report which will be available on the Company's website and will be sent to shareholders in February 2025.

National Storage Mechanism

A copy of the Annual Report once published will be submitted to the National Storage Mechanism ('NSM') and will then be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Neither the contents of the Company's website nor the contents of any website accessible from the hyperlinks on the Company's website (or any other website) are incorporated into or form part of this announcement.

CHAIR'S STATEMENT

Dear Shareholders,

On behalf of myself and the Board I am pleased to provide to you the Annual Report of the Company for the year to 30 November 2024.

The Company was able to take advantage of the strength of the financials markets over the period, returning a net asset value per share of 34.8%, the best annual investment performance in the Company's history. Moreover, the Company's share price discount to NAV narrowed during the financial year, ending at 5.5% compared to the prior year of 12.2%. This strong investment performance and the narrowing of the discount resulted in a total share price return for the year of 45.4%.

The investment return was marginally behind the Benchmark which rose 36.1% during the period. About 6.5% of the Company's portfolio is invested in fixed income securities which returned 12%. Excluding the fixed income portfolio the investment return would have exceeded the Benchmark which includes only equities. Longer term investment performance remains good with NAV total return measured from the Company's reconstruction in April 2020 to the year ending 30 November 2024 at 129.9% versus the Benchmark of 128.1%. The share price total return for the same period was 128.3%.

Investment Performance

Headline performance figures disguise the ebb and flow of the market: markets do not tend to progress evenly, there are many twists and turns and global events that influence investor sentiment over any period. The financial year under review in this set of report and accounts is no exception. Our managers have been active with the portfolio, adjusting by country or region and by sector as they deem appropriate. They have made some very good calls (being overweight alternative asset managers for example) which have benefitted the Trust but, as is typical of any active manager, not everything went their way.

The last few months of the period under review were particularly challenging. The knife-edge US election, more muted reductions in interest rates and the potential for slower economic growth across many regions led to a more defensive positioning of our portfolio. Being underweight large cap US banks meant we slightly underperformed as Trump was voted in for a second term as US President. Overall, the Manager navigated these bouts of volatility extremely well and delivered a good investment performance.

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As in previous years, the Manager has provided a detailed account of the team's activity and their views and outlook. I encourage Shareholders to read this to gain a fuller understanding of the investment environment in which the managers operate and how they evolved the portfolio throughout the year. The Manager's report is provided in the Annual Report.

2025 Tender Offer

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 regular tender offers to all Shareholders and to extend the Company's life indefinitely at the Company's General Meeting held on 7 April 2020. The Articles of Association require the Company to make tender offers for up to 100 per cent of the shares held by each Shareholder at five-yearly intervals, with the first to commence on or before 30 June 2025 (the "2025 Tender Offer").

Shareholders who wish to realise their investment in the Company (in whole or in part) pursuant to the 2025 Tender Offer will be offered the opportunity to tender their shares for sale at the prevailing NAV per ordinary share less costs and other appropriate adjustments. A further announcement setting out the full details, timetable of events and terms of the 2025 Tender Offer will be published in due course.

NAV Discount Management

The Company continued to pursue a substantial share buyback policy during the year which was positive for the NAV and helped support liquidity in the shares. The Company bought back a total of 5,642,322 ordinary shares, equivalent to 1.7% of the shares in issue at the start of the period, at an average discount of 8.9%. These buybacks had an accretive effect on the NAV of 0.26p per share. No ordinary shares were bought back following the year end.

The Board issues a delegated authority to the Manager and the Corporate Broker to buy shares under defined parameters. These are designed to ensure that the Company does not displace any market demand for shares but provides liquidity, if required, once market demand has been satisfied. The Board has reconfirmed its authority to the Manager to continue the policy of share repurchases under appropriate parameters to ensure liquidity for Shareholders and reduce the discount at which the Company's shares trade. The Company's share price traded in a discount range of 4.7% to 12.4%, ending at a discount of 5.5%.

Dividends

The Company currently adopts a progressive dividend policy, whereby dividends may increase on an annual basis (the Existing Policy). There is no guarantee, however, that such increases will be achieved. The aim is to pay two interim dividends each year, in February and August however these interim dividends will not necessarily be of equal amounts as dividends from the Company's underlying investments arrive irregularly throughout the financial year.

The Board continually monitors the dividend outlook from its equity holdings, interest income from cash and from fixed income securities. In August 2024 the Company paid an interim dividend of 2.50p per ordinary share. The Board has declared a further interim dividend of 2.20p per ordinary share payable to Shareholders on the register as at 7 February 2025. This will bring the total dividend paid for the financial year under review to 4.70p per ordinary share, an increase of 3.3% on the previous financial year.

Following feedback from shareholders and engagement with our advisors and the manager, the Board is mindful that many investors now seek investments that offer a regular and attractive dividend. As such, the Board is proposing the adoption of an "enhanced dividend" policy under which it will aim to pay, in the absence of unforeseen circumstances, a regular dividend equivalent to approximately 4% of the Company's NAV in a given year. It is proposed that dividends will be paid quarterly at a level of 1% of the Company's NAV, calculated on the last business day of each prior financial quarter. Under this proposal, Dividends will be paid from available revenue and topped up, if necessary, from distributable capital reserves. Further details in respect of the payment of dividends from distributable capital reserves can be found in Notes 22 and 23 in the financial statements. The ability to use other distributable capital reserves to help smooth the level of dividend payments over the longer term is a distinguishing feature of investment trusts. Any dividend distributions by the Company will result in a decrease in NAV.

Shareholders will have the opportunity to vote on the proposed dividend policy at the Annual General Meeting taking place on 10 April 2025. Should there be sufficient support, and the new dividend policy be approved, it will be effective for the financial year commencing 1 December 2025. In the absence of unforeseen circumstances and if approved, the first dividend payable on the new basis will be calculated by reference to the Company's NAV for the quarter ending 27 February 2026. It is anticipated that the dividend will be announced in mid-March 2026 and subsequently paid in April 2026. Subsequent dividends will follow a similar pattern.

Should the proposed new dividend policy not be approved by Shareholders at the AGM, the Board will maintain the Existing Policy as outlined above until a dividend policy is proposed to shareholders again at the AGM to be held in 2026.

Cancellation of Share Premium Account

The Companies Act 2006 permits the Company (subject to the approval of Shareholders and the consent of the Court) to cancel its share premium account and credit the balance to the Company's distributable reserves. The "share premium account" has accumulated over time as the result of the Company issuing shares at a premium to their nominal value. The net proceeds are apportioned to the Company's share premium account, which is a non-distributable reserve that the Company is unable to use for the purpose of making distributions to Shareholders.

By cancelling the share premium account, the Company further increases its flexibility to meet tender requests under the 2025 Tender Offer, apply such reserves for the return of capital to Shareholders and for any other general corporate purposes. The Company is seeking to cancel the entire amount of its share premium account, being £311,369,000 as at 30 November 2024, in order to benefit from this flexibility and primarily to create a surplus of distributable reserves to permit future distributions to Shareholders.

The cancellation of the share premium account requires the passing of a special resolution at the AGM and subsequent approval of the Court. Shareholder approval will be sought for a special resolution to cancel the Company's share premium account at the AGM taking place on 10 April 2025. The cancellation will not be effective until the order of the Court confirming the cancellation has been registered with the registrar of companies.

Share Capital

As at 30 November 2024, the Company had 331,750,000 ordinary shares of 5 pence each in issue, of which 28,530,635 shares (this represents 8.6% of the issued share capital) were held in treasury (2023: 331,750,000 ordinary shares of 5 pence each in issue of which 22,888,313 were held in treasury).

No ordinary shares were bought back or issued following the year end.

The Board

As referenced in my statement to Shareholders last year, the Board is aware of the FCA's Diversity and Inclusion Policy and notes that its current composition meets two of the three 'comply or explain' targets with three of the four members being female and one of the two senior positions being occupied by a female. Whilst we do not meet the recommended ethnicity requirements, the Board has put in place a succession plan based on the recommended nine-year tenure of Directors. A key objective for the Board is to have an appropriate blend of skills and diversity of experience and thought around the table. When the Board next embarks upon a director search it will set criteria that ensures candidates are sourced from a broad pool such that the Board can consider candidates with minority ethnic backgrounds. Further information on this can be found in the Corporate Governance Report in the Annual Report.

As reported in the last interim report, we have been joined by a board apprentice, Ada Okpe. The Board Apprentice program is an initiative designed to develop aspiring board members and boost diversity in boardrooms. Ada is spending around 12 months with the Board to gain experience which we hope he will be able to use in his executive career and in future director roles. See the Annual Report for an interview with Ada on his experience as a board apprentice.

There have been no other changes to the membership of the Board during the year under review. The Directors' biographical details are available on the Company's website and are provided in the Annual Report.

Cost Disclosures

The Board notes the Government's stated intention to reform UK retail disclosure rules.

The Board has engaged with the Manager to understand the potential implications to retail disclosure rules following the publication of the FCA's consultation paper on the new product information framework for Consumer Composite Investments ("CCIs") in December 2024. The final rules under the new CCI framework are expected to be published later in 2025.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 16 Palace Street at 2:00pm on Thursday, 10 April 2025. The notice of AGM has been provided to Shareholders and will be available on the Company's website. Detailed explanations of the formal business and the resolutions proposed at the AGM are contained within the Shareholder Information section in the Annual Report and in the Notice of AGM. We will upload a copy of the Manager's Investment Presentation to the in the Annual Report and in the Notice of AGM. We will upload a copy of the Manager's Investment Presentation to the Company's website ahead of the AGM and will hold only the formal business of the meeting in person. We have provided a zoom link in the Notice of AGM which will enable interested parties to view the formal business and ask questions via the on-line chat function.

The Manager will be available to answer questions and meet Shareholders present. All formal business resolutions will be voted on by a poll and we therefore encourage Shareholders to submit their votes ahead of the meeting by proxy card which is provided with the Notice of Meeting. Shareholders who hold shares via an online stockbroker or platform are encouraged to exercise their vote through their respective platforms and where possible attend the AGM proceedings. Further information can be found on the AIC's website and in the Shareholder information section in the Annual Report.

We are conscious of the importance of Shareholder engagement and encourage Shareholders to engage with the Board and the Investment Manager. As such, the Board invites Shareholders to submit questions in writing to which we will respond, as far as possible, ahead of the AGM date. Please send your questions to **cosec@polarcapital.co.uk** on or before 7 April 2025 with the subject heading **PCFT AGM**.

Outlook

We are enthusiastic about the outlook for the global financial sector; this is a large and diverse sector which has been overlooked by investors for many years and where large sections of the market still trade at very attractive valuations. We have started to see a positive change in sentiment with an improvement in fundamentals that should drive a re-rating. Interest rates are normalising; personal and corporate balance sheets are in good shape; and earnings are recovering. Whether these developments are a result of lighter touch regulation, net interest margins, insurance rates picking up or increased fee income for asset managers, all of these factors should lead to investors increasing their exposure to this exciting part of the investment universe. While we will be offering Shareholders an opportunity to tender their shares during 2025, we anticipate that most will wish to continue investing with us and retain their exposure at what may be a pivotal point in time.

Simon Cordery

Chair

19 February 2025

INVESTMENT MANAGER'S REPORT

Investment Review

Performance

The Trust delivered excellent returns in the year to 30 November 2024, with its net asset value rising by 34.8% after adding back dividends. Excluding the fixed income positions, the equity portfolio returned 36.4% before fees. This compares to the wider equity markets as measured by the MSCI ACWI index which rose 25.6% over the same period, but was slightly behind our equity benchmark return of 36.1%, reflecting our allocation to fixed income and our more defensive positioning in the US in the run-up to the US election.

Financials was the best performing sector of the global equity markets in the period, beating information technology into second place. Following the more dovish commentary by US Federal Reserve (the "Fed") Chair, Jerome Powell, in December 2023, markets priced in the expectation of much lower interest rates in 2024. While the speed and number of interest rate cuts has been slower and fewer than expected, it has been on the back of largely stronger economic data.

The election of Donald Trump in November with the Republicans taking control of both houses of Congress led to US equities significantly outperforming wider equity markets as the prospect of less regulation, lower taxes and concern about the impact of tariffs on countries reliant on exports to the US, led to a rotation into US equities out of non-US equities. Consequently, US financials have erased the balance of their underperformance from 2022 and 2023.

Credit markets were buoyant as investors took advantage of the more positive outlook for risk and the higher yields offered by corporate bonds relative to government bonds. Consequently, the subordinated debt[1] of banks and insurance companies returned 11.6% over the 12 months as credit spreads contracted. As the cost of issuing debt fell there was a sharp increase in bond issuance in the period as companies looked to take advantage of the better environment.

A significant driver of investment activity over the year was aimed at taking advantage of the potential ramifications of the US Federal Reserve signalling that interest rates had peaked. Against that background, we took the opportunity to significantly increase the Trust's exposure to those companies we believed would benefit the most from the increased likelihood of a soft landing for the US economy and a better background for financial markets.

The Trust was more defensively positioned than the index in the second half, with allocations to fixed income and some specific stocks which resulted in a modest underperformance overall. However, our stock selections helped us outperform the subsector indices in most cases. At the subsector level, the Trust benefited from overweight positions in, for example, alternative asset managers and US banks. However, against the risk-on background for financial markets, our overweight exposure to the more defensive payment and insurance companies and a small underweight in investment banks dragged on performance. Our fixed income holdings generated returns of 12.1% and unsurprisingly lagged the very strong performance of equity markets although outperformed the relevant credit markets.

Historical sub-sector weightings

On a geographical basis, while the US and Japan were the strongest performing regions over the year, the Trust's allocation to US insurance stocks was a relative drag on our US performance. In Asia, the relative underperformance was due to underweights in Australia and China, both of which delivered better than expected performance. We were cautious on Australia due to high valuations while on China we had no exposure when the market rallied sharply on hopes of a significant stimulus program by the Chinese government.

At the single stock level, holdings in Interactive Brokers Group a US retail broker, Rakuten Bank a Japanese bank, and Barclays were the largest single contributors to performance. The first was a beneficiary of interest rates not being cut as had been expected and a continued increase in retail trading. Rakuten benefited from the higher outlook for interest rates in Japan, while Barclays rallied from depressed levels as it benefited from higher earnings expectations in both its retail and investment banking arms.

The largest individual detractors were Sabre Insurance Group, a UK motor insurer, BFF Bank, an Italian bank, and Wells Fargo, a US bank. Sabre is one of the smallest UK motor insurers but one of the most profitable due to its focus on underwriting higher risk drivers. However, increased competition led to a fall in customers, and this weighed on its share price. A holding in BFF Bank was bought following a sharp fall in its share price on the back of an intervention from the Bank of Italy but lack of clarity on a resolution led to its shares treading water. The decision to sell Wells Fargo was a relative drag as the stock continued to perform well on the expectation that the incoming Trump administration would lift restrictions on the bank, first imposed back in 2015.

We discuss performance and investment activity by subsector below:

Diversified financials

Diversified financials is a broad category comprising alternative asset managers, consumer finance companies, stock exchanges, investment banks, retail brokers, payment companies, holding companies and information services companies. As a subsector, diversified financial stocks was the best performing category, generating portfolio returns of 40.2% against 39.2% for the index with most of its constituents benefitting from the "risk on" sentiment. Alternative asset managers, consumer finance companies, investment banks and retail brokers saw the biggest rise in share prices.
We were overweight alternative asset managers which was a strong contributor to performance. They continued to benefit from fund inflows increasing management fees, and expectations of a pick-up in M&A activity, which would increase performance fees. Also, a number of them have been added to the S&P 500 Index - KKR & Co joined in June 2024 and Apollo after the financial year end.

At the start of the year our largest holdings were Ares Management and Intermediate Capital Group as they were both focused on private credit where we felt rising interest rates and bond yields would provide a tailwind to demand. However, with the more positive outlook for financial markets, we felt private equity-focused alternative asset managers would begin to perform better.

As a result, we bought holdings in EQT and Antin Infrastructure Partners then rotated into new positions in KKR 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. A new holding was also purchased in CVC Capital Partners when it listed on the Amsterdam Stock Exchange on its third attempt. Later in the period, we sold Blue Owl Capital in favour of a holding in Blackstone which we saw as having greater upside.

We also purchased a holding in BlackRock. BlackRock is the largest asset manager in the world with over 11.5trn in assets under management. It is possibly best known for the passive iShares ETF (Exchanged Traded Funds) business it acquired from Barclays during the global financial crisis, albeit it is a very large active manager of equity and fixed income funds.

In the past year, it has made several large acquisitions, notably Global Infrastructure Partners (GIP), an infrastructure-focused asset manager, Preqin, one of the largest data businesses in the alternative asset industry, and HPS, a private credit asset manager.

Payment companies, exchanges and information services companies saw strong returns but lagged the subsector reflecting their more defensive characteristics and lower sensitivity to financial markets. Payment companies are large constituents of the sector, notably Visa and MasterCard. We have long liked them for their high level of profitability, low-risk business model and growth prospects from e-commerce spending and the shift from cash to cards. Nevertheless, we reduced our holdings in both during the period and purchased a holding in Fidelity National Information Services which is best known for providing core banking software for many banks.

Information services companies such as Moody's and S&P Global, the two largest credit rating agencies, trade on some of the highest multiples in the sector reflecting their oligopolistic characteristics and while a pickup in bond issuance was supportive for both companies, on average they lagged the sector. Holdings in both MSCI and S&P Global were sold during the year, due to these high valuations as we saw them as vulnerable to any disappointment on growth.

On exchanges, we added to our holding in Intercontinental Exchange, the largest exchange holding in the portfolio. Its 2022 purchase of Black Knight, a mortgage software, data and analytics company, had weighed on its share price but with interest rates predicted to fall we expected to see an improvement in the outlook for the business. Also a new holding was purchased in Nasdaq, which operates a number of stock exchanges in the US and Europe. Similarly, an acquisition, in this instance, of Adenza, a software company, in 2023, had been an overhang on its share price.

Consumer finance companies performed well as employment data reduced concerns around delinquencies on credit card loans while the incoming Trump administration was viewed as favourable to changes in late payment fees. Our main exposure to the subsector had been to American Express, and we added a new holding in Discover following the election, in the expectation that its acquisition by Capital One would be approved and would be very accretive.

Banks

The Trust's portfolio generated an 39.3% return from its banks' exposure compared with 36.6% for the index. Bank share prices were strong as the reduced tail risk of an economic downturn resulted in most banks performing well. US banks saw the largest gains over the period as markets anticipated an easing in capital requirements, higher fee income from a pick-up in M&A activity helping investment banking revenues and an improving outlook for net interest income, further fuelled by the election of Donald Trump.

Banks' performance by Region

North America	
US banks	66.7%
US regional banks	46.0%
Canadian banks	29.8%
Latin American banks	-12.4%
Europe	
UK banks	45.2%
Eurozone banks	23.4%
Asia	
Australian banks	51.7%
Japanese banks	41.0%
Chinese banks	32.2%
Indian banks	15.6%

Source: Bloomberg, 30 November 2024

Note: The figures are in sterling total return terms. Past performance is not a reliable guide to future performance.

At the beginning of the period, the portfolio was marginally overweight US banks against the Benchmark and, while we had a 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 and also started a new holding in Citigroup where we saw significant upside if management could hit financial targets.

Following a sharp rally, we remained overweight large US banks given their much stronger balance sheets and the likely benefit of any watering down of proposed new regulatory requirements, but reduced our holdings in US regional banks, due to concerns around the US office commercial real estate market.

We saw good opportunities in UK and European banks where rising interest rates have led to a substantial increase in profitability. UK banks performed extremely well over the year, mostly as a result of a sharp rerating in valuations, while sentiment on the subsector was supported by a relatively resilient outlook versus European peers. This reflects the outlook for relatively higher interest rates in the UK versus other European economies, and a greater contribution from interest rate hedges which offset a lot of the impact of declining interest rates on earnings.

We purchased a new holding in Barclays which has performed very poorly over the past 10+ years due to legacy issues and structurally low profitability in parts of its core businesses. With its valuation at the low end of its historical range and low expectations for management to hit targets it was felt there was an attractive risk/reward payoff with the added benefit of a pickup in activity in its investment banking businesses.

In Europe our largest holdings included Unicredit, Italy's second largest bank, Erste Group, one of Austria's largest banks and AIB Group, Ireland's second largest bank. European banks saw very strong performance in the first half of the reporting period but lagged their peers in the second half over weakness in the outlook for the Eurozone economy and worries about the impact of lower interest rates. This led us to sell our holdings in AIB Group and Banco Santander and reduce a holding in Bank of Cyprus.

Europe saw a pickup in bank M&A activity. BBVA, Spain's second largest bank, made an offer for Banco Sabadell, a smaller peer while Unicredit, took a significant stake in Commerzbank, a German bank, publicly stating its interest in acquiring it before making an offer for Banco BPM, the fourth largest Italian bank. After the financial year end Credit Agricole, one of France's largest banks, with operations in Italy, announced it was looking to increase its stake in Banco BPM.

We added to the Trust's exposure to Mexican banks in the first half, 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 look to build more manufacturing operations there to circumvent increasing trade barriers between the US and China. Later in the period, we sold 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, that sentiment could change quickly.

We started new holdings in two South Korean banks which, as with Japanese and southern European banks, have traded for some time at the lowest valuations of the banking sector and below our estimate of fair value. We had remained cautious due to an interventionist regulator and no obvious catalysts for a rerating. However, a push for corporate reform in South Korea around transparency and capital return, which has had reasonable support across the political spectrum, has resulted in more interest from investors. Following good performance, we reduced our exposure and sold our remaining holding at a profit after the period end due to the political crisis in South Korea.

Indian banks have consistently been one of the best performing banking sectors globally due to their strong profitability and good growth. However we reduced our exposure due to the outlook being less favourable around a tighter liquidity environment and a more interventionist regulator. Consequently, we sold the Trust's holding in HDFC Bank, India's largest private bank, which had underperformed following its merger with parent HDFC. While the merger offers long-term synergies, a requirement to raise deposits is a headwind to growth and profitability in the short to medium term.

Insurance

The Trust's insurance portfolio returned 26.4% compared to 29.1% for the subsector. Insurance stocks performed well, outperforming wider equity markets over the period, but were held back by their defensive characteristics in the "risk on" market environment. While there has been some concern around the strength of liability reserves and the worsening outlook for property catastrophe rates, US insurers still benefited from the twin drivers of rising investment income and improved underwriting returns.

At the beginning of the period we made some small reductions to our insurance holdings. 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 from performance over 2023.

Large European reinsurance companies performed well, but in contrast, Lloyds of London and Bermudan reinsurers saw more mixed performance. US insurers, with large car and home insurance businesses, where we have holdings in Progressive Corp and Allstate, performed well, but UK motor insurers performed poorly. UK car insurance premiums, having risen significantly in recent years to counter the rising cost of claims, fell and even though there were two bids for Direct Line Group the first from Ageas, a Belgian insurer, and then by Aviva, which looks likely to succeed, they still underperformed the wider insurance sector.

We purchased a new holding in Munich Re Group as we saw it as one of the best positioned to continue to benefit from the strong reinsurance market due to the strength of its balance sheet. We later switched the holding into Hannover Rueck, a smaller peer, and less exposed to large catastrophe events.

a smaller peer, and less exposed to large catastrophe events.

2024 was expected to see a much larger number of hurricanes in the Atlantic make landfall and with it, the risk of large losses.

During the year we added a number of holdings where there has been a regulatory intervention or a short report has been published, so-called as the research firm involved believes the shares are overvalued and should be sold or shorted. Short reports can vary from the salacious to dogged hard work. Not surprisingly, this leads to shares of the companies falling, often quite sharply. Assuming that the issues raised are overstated or of a temporary nature the publication of a short report can be an excellent opportunity to buy. Globe Life, a US life assurance company, and Steadfast Group, an Australian insurance broker, fell into this category as we believe they are two high quality businesses now trading below what we see as fair value.

Fixed-income and unquoted holdings

Our fixed income exposure reduced slightly over the period from 9.4% to 6.3%, as we took profits on a number of the positions we had bought in 2023 and prior. We still see attractive risk/reward from holding a selective mixture of senior and subordinated bonds of European financials but yields generally no longer look as compelling as they did so returns going forward will be much more modest.

The Trust has two holdings in unquoted companies, of which the largest is Moneybox, a UK savings and wealth platform. Founded in 2015, Moneybox, has performed very well, surpassing £10bn in assets under administration and more than a million customers. Consequently, due to a secondary share sale that brought in new investors, including Amundi, one of the largest European asset managers, the holding was written up to reflect the price at which shares were sold.

Outlook

We remain confident on the outlook for the financials sector. It is the second largest sector globally and highly varied across banks, insurance companies and diversified financials with companies that have significant moats to their business models.

We continue to believe the investment background has fundamentally changed from the challenges of the last decade. Interest rates are 'normalising' and there is demand for significant investment in reshoring, defence and decarbonisation. We believe the sector will be a key beneficiary of these trends and is underpinned by household and corporate balance sheets being in healthy shape.

The playbook from Trump 1.0 following the 2016 US election was a significant rally in financials but also broader equity markets which lasted around 18 months. The starting point for valuations is higher this time and much higher for wider equity markets which may temper the size of any sustained rally from Trump 2.0. There is concern that Trump will double-down on tariffs, negatively impacting non-US markets. Understandably, US equities have benefited already from being seen as more defensive versus other regional markets with significant inflows into US-focused ETFs.

In November 2016, US equity markets outperformed non-US equity markets by 'only' 5.9%, compared to 7.2% this time, but a year after the election US equities had given back that outperformance, albeit still rising by a very credible 24.3%. Will US equities give back the outperformance we have seen in 2024? US financials did not give back their relative performance in 2017 but the permutations this time, exacerbated by ongoing wars in Ukraine and the Middle East, and a president who has unfinished business, are bigger so will likely make 2025 a more volatile year for financial markets than 2024.

Against this background, the Fed is pushing back further on the number of interest rate cuts amid concerns that inflation is stickier than central banks' forecasts. This will require us to be pro-active in positioning the Trust's portfolio to benefit from the sector's tailwinds and to navigate the risks. Nevertheless, it is worthwhile reminding ourselves that high quality financial companies continue to compound earnings and/or book value despite the significant economic and geopolitical noise.

Over the last year we have consciously reduced the portfolio's exposure to banks. The reasons for this are two-fold: while we believe many banks have huge incumbency advantages so are well positioned looking forward, in the shorter-term we have seen more attractive opportunities in diversified financials. We have to be conscious that the share prices of banks are also prone to sharp corrections, when sentiment for outlook deteriorates.

Banks have not grown their loan books materially over recent years so it would take a significant economic downturn to generate losses that could justify the lowly current multiples that some of them trade on. Equally they are not risk-free and not immune from a downturn. As a UK banks analyst from KBW, a research firm summed it up succinctly in a recent note (and the analogy can be extrapolated to other banking markets), "In recent years UK banks have survived a fall in GDP of 10%, interest rates rising by 5% and inflation peaking at more than 11% with zero credit problems." Consequently, we continue to believe the market is not giving banks the credit they deserve for that reduction in risk.

The Trust's largest geographical exposure is to US financials which should be beneficiaries of a lighter regulatory regime and a more favourable environment for M&A. Lighter regulation has its risks but the increased regulation of the past 15 years has weighed heavily on economic activity and often increased costs for little or no economic benefit. The proposals in 2023 for a substantial increase in US bank capital requirements would have resulted in JP Morgan requiring a 25% increase in capital despite its performance during the global financial crisis and the recent rise in interest rates.

These regulations have been watered down already and are expected to see further revision.

One of our largest overweight positions has been to alternative asset managers. The successful ones have a business model where good investment performance leads to inflows into their funds which are multi-year in nature. Unlike traditional asset managers, capital entrusted to them is locked up in funds that rarely offer short-term liquidity to investors and so their assets under management offer a steady stream of income with the possibility of performance fees on top. Also, they do not suffer from competition and fee pressure from passive investments and ETFs.

Payment companies continue to offer an attractive counterbalance to the more cyclical parts of the portfolio, reflecting their much lower economic sensitivity. They do not take balance sheet risks like banks or insurance companies; the switch from cash to cards and growth in e-commerce continues to drive revenues and profits over and above what would be expected from the cyclical growth in spending.

We continue to like the insurance sector, in particular reinsurance companies, which remain the Trust's largest overweight against the Benchmark. While close to or at peak profitability, which we expect to decline, valuations imply that profitability will fall rapidly, which we think will be proved wrong. Furthermore, we like the defensive nature of the insurance businesses to market volatility. For insurance companies, 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, therefore large losses are unlikely should equity markets fall sharply.

Unsurprisingly, there has been an increase in M&A activity during 2024; we had a holding in Anima, an Italian asset manager, that was in receipt of a bid from Banco BPM. We expect the M&A trend to continue and note that even large financial companies are susceptible to bids as evidenced by Unicredit's approaches to Commerzbank and Banco BPM. The 'Danish Compromise' that allows banks to hold less capital against their insurance subsidiaries could be a catalyst for further bids in the sector. This was key to the bids by Banco BPM for Anima and BNP Paribas's acquisition of AXA Investment Managers through BNP's insurance subsidiary.

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. These have been a modest drag on relative performance to date but ultimately we believe valuations will mean revert as either strategic or private equity investors look to take advantage of this disconnect.

Finally, a key attraction of the sector overall is its value characteristics. Financial companies on average have nearly always traded on lower price-to-book ratios, lower price-to- earnings ratios and higher dividend yields than the wider equity market and consequently are the largest constituent of value indices. The discount at which the sector has traded widened materially in the lead up to the pandemic reaching its peak of around 45% in October 2020. Today the discount has reduced to just under 30%, where it was trading pre- pandemic, versus around 15% in July 2013 when the Trust was launched, albeit today profitability is higher than where it was at the end of 2019 and in 2013.

Against this background, financials have delivered a compound return of around 9.5%pa since launch in 2013 and 20.0%pa since the last tender offer in 2020. With valuations for global equity markets at the high end of historical averages and highly concentrated around a small number of US technology companies, returns from the wider market are likely to be lower going forward, all things being equal. In contrast, the lower valuations at which the financials sector trades offer some downside protection, should markets sell-off, and is also a likely beneficiary of any rotation from growth to value strategies.

Nick Brind, George Barrow and Tom Dorner
Co-Managers
Polar Capital Global Financials Team

Polar Capital Global Financials Team

19 February 2025

Note

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

Full Investment Portfolio

As at 30 November 2024

Ranking 2024	Ranking 2023	Stock	Sector	Country	Market Value £'000 2024	Market Value £'000 2023	% of total net assets 2024	% of total net assets 2023
1	(1)	JP Morgan Chase	Banks	North America	45,025	31,432	7.1%	6.4%
2	(2)	Mastercard	Financial Services	North America	28,254	27,136	4.5%	5.6%
3	(7)	Bank of America	Banks	North America	25,594	13,002	4.1%	2.7%
4	(3)	Visa	Financial Services	North America	23,130	21,140	3.7%	4.3%
5	(5)	Berkshire Hathaway	Financial Services	North America	17,466	16,764	2.8%	3.4%
6	(-)	Goldman Sachs Group	Financial Services	North America	16,785	-	2.7%	-
7	(-)	NASDAQ Group	Financial Services	North America	15,329	-	2.4%	-
8	(-)	Citigroup	Banks	North America	13,914	-	2.2%	-
9	(-)	Barclays	Banks	United Kingdom	13,689	-	2.2%	-
10	(44)	Sumitomo Mitsui Financial	Banks	Japan	13,526	4,329	2.1%	0.9%
Top 10 investments					**212,712**		**33.8%**	
11	(-)	Fidelity National Information Services	Financial Services	North America	13,458	-	2.1%	-
12	(-)	Globe Life	Insurance	North America	12,845	-	2.0%	-
13	(-)	Progressive Corp	Insurance	North America	12,744	-	2.0%	-
14	(43)	ICICI Bank	Banks	Asia (ex-Japan)	12,617	4,363	2.0%	0.9%
15	(-)	Erste Bank	Banks	Europe	12,214	-	2.0%	-
16	(-)	Axis Capital Holding	Insurance	North America	12,136	-	1.9%	-
17	(-)	BlackRock	Financial Services	North America	11,821	-	1.9%	-
18	(-)	Allstate Corp	Insurance	North America	11,677	-	1.9%	-
19	(10)	RenaissanceRe Holdings	Insurance	North America	11,508	11,237	1.8%	2.3%
20	(-)	NatWest Group	Banks	United Kingdom	11,060	-	1.8%	-
Top 20 investments					**334,792**		**53.2%**	
21	(39)	Intact Financial Corporation	Insurance	North America	10,911	4,871	1.7%	1.0%
22	(59)	IG Group	Financial Services	United Kingdom	10,876	2,940	1.7%	0.6%
23	(23)	Beazley	Insurance	United Kingdom	10,844	7,422	1.7%	1.5%
24	(32)	Ares Management Corporation	Financial Services	North America	10,828	5,932	1.7%	1.2%
25	(30)	Intermediate Capital Group	Financial Services	United Kingdom	10,786	6,676	1.7%	1.4%
26	(-)	BFF Bank	Financial Services	Europe	10,782	-	1.7%	-
27	(25)	Intercontinental Exchange	Financial Services	North America	10,766	7,271	1.7%	1.5%
28	(-)	Interactive Brokers Group	Financial Services	North America	10,714	-	1.7%	-
29	(13)	U.S. Bancorp	Banks	North America	10,618	8,845	1.7%	1.8%
30	(-)	Allfunds Group	Financial Services	Europe	10,140	-	1.7%	-
Top 30 investments					**442,057**		**70.2%**	
31	(9)	Arch Capital	Insurance	North America	9,956	11,356	1.5%	2.3%
32	(-)	Hannover Rueck	Insurance	Europe	9,261	-	1.5%	-
33	(-)	UniCredit	Banks	Europe	8,940	-	1.4%	-
34	(-)	Tryg	Insurance	Europe	8,790	-	1.4%	-
35	(-)	Deutsche Boerse	Financial Services	Europe	8,704	-	1.4%	-
36	(-)	BlackStone Group	Financial Services	North America	8,220	-	1.3%	-
37	(-)	Steadfast Group	Insurance	Asia (ex-Japan)	7,410	-	1.2%	-
38	(-)	Equitable Holdings	Financial Services	North America	7,370	-	1.2%	-
39	(19)	American Express	Financial Services	North America	7,286	7,987	1.2%	1.6%
40	(-)	Rakuten Bank	Banks	Japan	7,076	-	1.1%	-

Top 40 investments					**525,070**		**83.4%**	
41	(-)	Discover Financial Services	Financial Services	North America	6,724	-	1.1%	-
42	(-)	Regions Financial	Banks	North America	6,444	-	1.0%	-
43	(-)	KB Financial Group	Banks	Asia (ex-Japan)	6,197	-	1.0%	-
44	(-)	First Horizon National	Banks	North America	6,154	-	1.0%	-
45	(-)	Mercadolibre	Financial Services	Latin America	6,086	-	0.9%	-
46	(-)	Zions Bancorp	Banks	North America	5,859	-	0.9%	-
47	(-)	Bank of Cyprus Holdings	Banks	Europe	5,609	-	0.9%	-
48	(-)	Sabre Insurance Group	Insurance	United Kingdom	5,584	-	0.9%	-
49	(-)	Hong Leong Bank	Banks	Asia (ex-Japan)	5,539	-	0.9%	-
50	(-)	BDO Unibank	Banks	Asia (ex-Japan)	5,467	-	0.9%	-
Top 50 investments					**584,733**		**92.9%**	
51	(49)	Moneybox (unquoted)	Financial Services	United Kingdom	5,418	3,773	0.9%	0.8%
52	(-)	CVC Capital Partners	Financial Services	Europe	5,414	-	0.9%	-
53	(37)	Bank Central Asia Indonesia	Banks	Asia (ex-Japan)	5,370	4,946	0.8%	1.0%
54	(48)	Macquarie Group	Financial Services	Asia (ex-Japan)	5,202	4,125	0.8%	0.8%
55	(-)	Irish Residential Properties REIT	Equity Real Estate Investment Trusts (REITs)	Europe	4,412	-	0.7%	-
56	(-)	International Personal Finance 10.75% 2029 Bond	Fixed Income	Fixed Income	4,328	-	0.6%	-
57	(60)	Lancashire 5.625% 2041 Bond	Fixed Income	Fixed Income	3,167	2,820	0.5%	0.6%
58	(62)	Rothesay Life 4.875% Perp Bond	Fixed Income	Fixed Income	2,987	2,487	0.5%	0.5%
59	(63)	Pension Insurance 7.375% Perp Bond	Fixed Income	Fixed Income	2,696	2,480	0.4%	0.5%
60	(-)	Deutsche Beteiligungs 5.5% 2030 Convertible Bond	Fixed Income	Fixed Income	2,373	-	0.4%	-
Top 60 investments					**626,100**		**99.4%**	
61	(78)	VEF	Financial Services	Europe	2,372	1,526	0.4%	0.3%
62	(71)	Aviva 6.875% Perp Bond	Fixed Income	Fixed Income	2,203	2,008	0.4%	0.4%
63	(79)	Investec preference	Fixed Income	Fixed Income	2,181	1,391	0.3%	0.3%
64	(-)	Atom Bank 11.5% 2035 Bond	Fixed Income	Fixed Income	2,103	-	0.3%	-
65	(90)	Litigation Capital Management	Financial Services	Asia (ex-Japan)	1,898	1,049	0.3%	0.2%
66	(75)	Rothesay Life 6.875% Perp Bond	Fixed Income	Fixed Income	1,853	1,672	0.3%	0.3%
67	(74)	CaixaBank 8.25% Perp Bond	Fixed Income	Fixed Income	1,821	1,747	0.3%	0.4%
68	(72)	Riverstone Credit Opportunities	Fixed Income	Fixed Income	1,761	1,939	0.3%	0.4%
69	(80)	Rothesay Life 5% Perp Bond	Fixed Income	Fixed Income	1,624	1,386	0.3%	0.3%
70	(-)	Jackson Financial	Insurance	North America	1,572	-	0.2%	-
Top 70 Investments					**645,488**		**102.5%**	
71	(77)	Vanquis Banking Group 8.875% 2032 Bond	Fixed Income	Fixed Income	1,424	1,535	0.2%	0.3%
72	(83)	Nationwide Building Society 5.75% Perp Bond	Fixed Income	Fixed Income	1,377	1,258	0.2%	0.3%
73	(96)	Permanent TSB Group 13.25% Perp Bond	Fixed Income	Fixed Income	1,375	195	0.2%	0.0%
74	(84)	Shawbrook Group 9% 2030 Bond	Fixed Income	Fixed Income	1,313	1,246	0.2%	0.3%
75	(92)	Personal Group	Insurance	United Kingdom	1,302	566	0.2%	0.1%
76	(87)	Shawbrook Group 12.25% 2034 Bond	Fixed Income	Fixed Income	1,284	1,194	0.2%	0.2%
77	(82)	Atom Bank (unquoted)	Banks	United Kingdom	1,281	1,281	0.2%	0.3%
78	(89)	Chesnara 4.75% 2032 Bond	Fixed Income	Fixed Income	1,222	1,049	0.2%	0.2%
79	(88)	Hellenic Bank 10.25% 2033 Bond	Fixed Income	Fixed Income	1,134	1,065	0.2%	0.2%
80	(-)	Coventry Building Society 8.75% Perp	Fixed		1,029	-	0.2%	-

		Bond	Income	Fixed Income				
Top 80 Investments					**658,229**		**104.5%**	
81	(70)	VPC Specialty Lending Investments	Fixed Income	Fixed Income	1,014	2,014	0.2%	0.4%
82	(-)	National Westminster 9% Pref Share	Fixed Income	Fixed Income	700	-	0.1%	-
Total Investments					**659,943**		**104.8%**	
Other net liabilities					**(30,265)**		**(4.8%)**	
Total net assets					**629,678**		**100.0%**	

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

Portfolio Review

As at 30 November 2024

Geographical Exposure*	**Benchmark weighting as at 30 November 2024****	**30 November 2024**	**30 November 2023**
North America	58.9%	61.0%	52.2%
Europe	12.6%	14.0%	16.2%
United Kingdom	4.0%	11.3%	11.6%
Asia (ex-Japan)	15.4%	7.9%	13.3%
Fixed Income	-	6.5%	9.7%
Japan	4.5%	3.2%	1.7%
Latin America	0.9%	0.9%	1.4%
Other net liabilities	-	(4.8%)	(6.1%)
Total		**100.0%**	**100.0%**

Sector Exposure*	**Benchmark weighting as at 30 November 2024****	**30 November 2024**	**30 November 2023**
Financial services	39.5%	42.4%	31.2%
Banks	41.3%	35.3%	43.3%
Insurance	18.7%	19.9%	21.9%
Fixed Income	-	6.5%	9.7%
Equity Real Estate Investment Trusts (REITs)	-	0.7%	-
Other net liabilities	-	(4.8%)	(6.1%)
Total		**100.0%**	**100.0%**

Market Capitalisation*~	**Benchmark weighting as at 30 November 2024****	**30 November 2024**	**30 November 2023**
Mega Cap	39.7%	33.5%	37.8%
Large Cap	34.2%	24.5%	32.5%
Mid Cap	17.5%	12.8%	10.8%
Small Cap	7.5%	15.6%	7.6%
Smallest Cap	0.7%	11.9%	7.7%
Fixed Income	-	6.5%	9.7%
Other net liabilities	-	(4.8%)	(6.1%)
Total		**100.0%**	**100.0%**

* Based on the net assets as at 30 November 2024 of £629.7m (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 year 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.

STRATEGIC REPORT

The Strategic Report section of this Annual Report comprises the Chair's Statement, the Investment Manager's Report, including information on the portfolio, and this Strategic Report. This Report has been prepared to provide information to Shareholders on the Company's strategy and the potential for this strategy to succeed, including a fair review of the

Company's performance during the year ended 30 November 2024, the position of the Company at the year end and a description of the principal risks and uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business Model and Regulatory Arrangements

The Company's business model follows that of an externally managed investment trust providing Shareholders with access to a portfolio of mostly listed or quoted securities issued by companies in the financial sector. Its shares are listed on the main market of the London Stock Exchange.

The Company is designated an Alternative Investment Fund ('AIF') under the Alternative Investment Fund Management Directive ('AIFMD') and, as required by the Directive, has contracted with Polar Capital LLP to act as the Alternative Investment Fund Manager ('AIFM') and HSBC Bank Plc to act as the Depositary.

Both the AIFM and the Depositary have responsibilities under AIFMD for ensuring that the assets of the Company are managed in accordance with the investment policy and are held in safe custody. The Board remains responsible for setting the investment strategy and operational guidelines as well as meeting the requirements of the Financial Conduct Authority ('FCA') Listing Rules and the Companies Act 2006.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. Investor Disclosure Documents, which set out information on the Company's investment strategy and policies, gearing, risk, liquidity, administration, management, fees, conflicts of interest and other Shareholder information are available on the Company's website.

There have been no material changes to the information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange. Statements from the Depositary and the AIFM can be found on the Company's website.

Investment Objective and Policy

The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation. The Company seeks to achieve its objective by investing in a global portfolio primarily consisting of listed or quoted securities issued by companies in the financial sector operating in banking, insurance, property and other subsectors. The portfolio is diversified by geography, industry subsectors and stock market capitalisation.

The Company may have a small exposure to unlisted and unquoted companies, but in aggregate, this is not expected to exceed 10% of total assets at the time of investment. The Company will not invest more than 10% of total assets, at the time of investment, in other listed closed-ended investment companies and no single investment will account for more than 10% of the portfolio at the time of investment.

The Company may employ levels of borrowing from time to time with the aim of enhancing returns. This is currently subject to an overall maximum of 20% (increased from 15% at the time of the reconstruction in April 2020) of net assets at the time the relevant borrowing is taken out. Actual levels of borrowing may change from time to time based on the Manager's assessment of risk and reward. The Company may invest through equities, index-linked and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions, forward transactions, index options and other instruments including derivatives. Forward transactions, derivatives (including put and call options on individual positions or indices) and participation notes may be used to gain exposure to the securities of companies falling within the Company's investment policy or to seek to generate income from the Company's position in such securities, as well as for efficient portfolio management. Any use of derivatives for investment purposes is made based on the same principles of risk spreading and diversification that apply to the Company's direct investments. The Company may hedge exposure to foreign currencies if considered appropriate for efficient portfolio management.

Strategy and Investment Approach

The Manager's investment process is primarily driven by a bottom-up fundamental analysis of individual companies, with macroeconomic inputs. The Manager uses both quantitative and qualitative screens to rank companies on a risk-adjusted basis using a number of variables such as profitability, risk, growth and ESG metrics which is in addition to more detailed stock or sector-specific research. The Portfolio Managers undertake trips to the US, Europe and Asia to meet companies as well as regularly meeting companies at various conferences and at the Polar offices.

The portfolio is primarily invested in companies with a market capitalisation greater than US 5bn. There are no limits on the exposure of the investment portfolio to either small or mid-cap companies where the Managers take positions on an opportunistically basis. The Manager has discretion to invest up to 10% of the portfolio in debt securities.

The investment portfolio is invested in a variety of companies that offer both income and capital growth. This is balanced in order to meet the Company's objective of growing dividends to Shareholders over time. The Board, together with the Manager will continue to assess the likely income capability of the portfolio to determine the appropriate longer-term distribution level. Please refer to the Chair's Statement for information on the proposed changes to the Company's future Dividend Policy.

Service Providers
Polar Capital LLP has been appointed to act as the Investment Manager and AIFM as well as to provide or procure company secretarial, marketing and administrative services, including accounting and portfolio valuation which it has arranged to deliver through HSBC Securities Services ("HSS").

The Company also contracts directly, on terms agreed periodically, with several third parties for the provision of specialist services:

- HSBC Securities Services as Custodian and Depositary;
- Stifel Nicolaus Europe Limited as Corporate Broker;
- Equiniti Limited as Share Registrars;
- PricewaterhouseCoopers LLP as Independent Auditors;
- RD:IR for Investor Relations and Shareholder Analysis;
- Marten & Co as third-party research providers;
- Camarco as PR advisors;
- Perivan as Designers and Printers for shareholder communications; and
- Huguenot Limited as Website Designers and internet hosting services.

Benchmark
The Company measures the Manager's performance against the MSCI ACWI Financials Net Total Return Index ('the Benchmark'). This has been used to measure the performance of the Company since 23 April 2020. The Manager does not seek to replicate the index in constructing the Company's portfolio. The portfolio may, therefore, diverge substantially from the constituents of the Benchmark.

Although the Company evaluates its performance against the Benchmark, this is neither a target nor a determinant of investment strategy. The purpose of the Benchmark is to set out a reasonable measure of performance for Shareholders and an appropriate base which, together with an additional hurdle, forms the level above which the Manager earns a performance fee.

Investment Management Company and Management of the Portfolio
As the Company is an investment vehicle for Shareholders, the Directors have sought to ensure that the business of the Company is managed by a leading specialist investment management team and that the investment strategy is attractive to Shareholders. The Directors believe that a strong working relationship with the Manager will achieve the optimum return for Shareholders. As such, the Board and Manager operate in a supportive, co-operative and open environment.

The Investment Manager is Polar Capital LLP ("Polar Capital") which is authorised and regulated by the Financial Conduct Authority, to act as Investment Manager and AIFM of the Company with sole responsibility for the discretionary management of the Company's assets (including uninvested cash) and sole responsibility for decisions as to the purchase and sale of individual investments. The Manager also has responsibility for asset allocation within the limits of the investment policy and guidelines established and regularly reviewed by the Board, all subject to the overall control and supervision of the Board. Polar Capital provides a team of five financial specialists with the portfolio jointly managed by Nick Brind, George Barrow and Tom Dorner. The Manager has other investment resources which support the investment team and has experience in administering and managing other investment companies.

Fee Arrangements
<u>Management Fee</u>
Under the terms of the IMA, the Manager is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The Management fee is payable monthly in arrears and, with effect from 7 April 2020, is charged at a rate of 0.70% per annum of the Company's NAV. In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 80% of the management fee payable is charged to capital and the remaining 20% to revenue.

Performance Fee

The Manager may be entitled to a performance fee equal to 10% of the excess of the performance fee hurdle and payable at the end of each five-year period, the first period being from 23 April 2020 to 30 June 2025 and at five yearly intervals thereafter.

For the purpose of calculating the performance fee, the Company's NAV (adjusted to reflect dividends paid, and any performance impact caused by the issue or buyback of ordinary shares) at 30 June 2025, being the end of the relevant Performance Period, will be used. No performance fee has been paid or accrued as at 30 November 2024. Where a performance fee becomes payable it will be charged 100% to capital.

Termination Arrangements

The IMA may be terminated by either party giving 12 months' notice. The IMA may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including: (i) if an order has been made or an effective resolution passed for the liquidation of the Manager; (ii) if the Manager ceases or threatens to cease to carry on its business; (iii) where the Company is required to do so by a relevant regulatory authority; (iv) on the liquidation of the Company; or (v) subject to certain conditions, where the Manager commits a material breach of the IMA. In the event the IMA is terminated by the Company, except in the event of termination by the Company for certain specified causes, the base fee and the performance fee will be calculated pro rata for the period up to and including the date of termination.

Performance and Key Performance Objectives

The Board appraises the performance of the Company and the Manager as the key supplier of services to the Company against
key performance indicators ('KPIs'). The objectives of the KPIs comprise both specific financial and Shareholder related measures.
These KPIs have not differed from the prior year.

KPI	Control process	Outcome
The provision of investment returns to Shareholders measured by long-term NAV total return relative to the Benchmark and a comparator group.	The Board reviews at each meeting the performance of the portfolio and considers the views of the Manager and the value delivered to Shareholders through NAV growth and dividends paid. The Board also receives monthly reports on performance against both the Benchmark and a comparator group of open-ended investment funds.	The Company's NAV total return, over the year ended 30 November 2024, was 34.8%* while the Benchmark delivered 36.1% over the same period. Since inception the NAV total return was 199.2%* compared to 204.8% for the Benchmark and 161.8% for a comparator group. As at 30 November 2024 the Company ranks 9 out of a comparator group of 31 open ended funds within the Lipper Financial Sector universe since inception and 4 out of 6 within a smaller comparable group of funds regularly considered by the Board.
The achievement of a progressive dividend policy.~	Financial forecasts are reviewed to track income and Distributions.	A total of two interim dividends amounting to 4.70p (2023: 4.55p) per ordinary share have been paid or declared in respect of the financial year ended 30 November 2024. While the aim to achieve dividend growth remains there is no guarantee that this can be achieved.
Monitoring and reacting to issues created by the discount or premium of the ordinary share price to the NAV per ordinary share with the aim of reducing volatility for Shareholders.	The Board receives regular information on the composition of the share register including trading patterns and discount/premium levels of the Company's ordinary shares. The Board discusses and authorises the issue or buy back of shares when appropriate. The Board is aware of the vulnerability of a sector specialist investment trust to a change in investor sentiment towards that sector. While there is no formal policy the Board discusses the market factors giving rise to any discount or premium, the long or short-term nature of those factors and the overall benefit to Shareholders of any mitigating actions. The market liquidity is also considered when authorising the issue or buy back of	The discount of the ordinary share price to the NAV per ordinary share at the year-end was 5.5%* compared with a discount of 12.2% at the year ended 30 November 2023. The average discount for the investment trust sector at 30 November 2024 was 15.6%. During the year under review, the Company bought back 5,642,322 ordinary shares at an average discount of 8.9%. No ordinary shares were bought back following the year end. All shares bought back have been placed into treasury for reissue to the market under the appropriate conditions.

	shares when appropriate market conditions prevail. A daily NAV per share, calculated in accordance with the AIC guidelines is issued to the London Stock exchange.	
To qualify and continue to meet the requirements for Sections 1158 and 1159 of the Corporation Tax Act 2010 ('investment trust status').	The Board receives regular financial information which discloses the current and projected financial position of the Company against each of the tests set out in Sections 1158 and 1159.	The Company has been granted investment trust status annually since its launch on 1 July 2013 and is deemed to be granted such status for each subsequent year subject to the Company continuing to satisfy the conditions of Section 1158 of the Corporation Tax Act 2010 and other associated ongoing requirements. The Directors believe that the tests have been met in the financial year ended 30 November 2024 and will continue to be met.
Efficient operation of the Company with appropriate investment management resources and services from third party suppliers within a stable and risk controlled environment.	Annually the Board considers the services provided by the Manager, both investment and administrative, and reviews the provision of services from third parties including the costs of their services. The annual operating expenses are reviewed and any non-recurring project related expenditure approved by the Board.	The Board, through the Audit Committee has received and considered satisfactory the internal controls report of the Manager and other key suppliers including contingency arrangements to facilitate the ongoing operations of the Company in the event of withdrawal or failure of services. The ongoing charges for the year ended 30 November 2024 excluding the performance fee were 0.85% of net assets (2023: 0.86%)*. The ongoing charges including the performance fee payable were 0.85% (2023: 0.86%)*.

* Alternative Performance Measures, see below for further explanations.

~ Please refer to the Chair's Statement for information on the proposed changes to the Company's future Dividend Policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for the management of risks faced by the Company. Through delegation to the Audit Committee, it has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take to achieve its long-term strategic objectives.

The established risk management process the Company follows identifies and assesses various risks, their likelihood, and possible severity of impact, considering both internal and external controls and factors that could provide mitigation.
A post mitigation risk impact score is then determined for each principal risk.

The Audit Committee carries out, at least annually, a robust assessment of the principal risks and uncertainties. With the assistance of the Manager, it monitors identified risks and meets to discuss both long-term and emerging risks.

During the year the Audit Committee, in conjunction with the Board and the Manager, undertook a full review of the Company's Risk Map including the mitigating factors and controls to reduce the impact of the risks. The Committee continues to closely monitor these risks along with any other emerging risks as they develop and implements mitigating actions as necessary.

The Committee is mindful of the geopolitical political landscape, specifically the ongoing military activity in Ukraine and the Middle East. Geopolitical events such as these can have a significant impact on global financial markets, and hence on the Company's portfolio performance. Further information on how the Committee has assessed the Company's ability to operate as a going concern and the Company's longer-term viability can be found in the Report of the Audit Committee in the Annual Report.

The principal risks are detailed on the following pages along with a high-level summary of their management through mitigation over the past financial year.

Investor Manager Performance	
Principal Business Risks and Uncertainties	**Management of Risks through Mitigation & Controls**
Failure to achieve investment objective, investment performance below agreed benchmark objective or market/ industry average.	The Board seeks to manage the impact of such risks through regular reporting and monitoring of investment performance against a comparator group of open-ended funds, the Benchmark and other agreed indicators of relative performance. In months when the Board is not scheduled to meet, it receives a monthly report containing financial information on the Company including gearing

	and cash balances. Performance and strategy are reviewed throughout the year at regular Board meetings where the Board can challenge the Manager. The Board also receives a monthly commentary from the Manager in the form of factsheets for all the specialist financial sector funds managed by Polar Capital. The Board is committed to a clear communication programme to ensure Shareholders understand the investment strategy. This is maintained using monthly factsheets which have a market commentary from the Manager as well as portfolio data, an informative website as well as annual and half year reports. The Management Engagement Committee considers the suitability of the Manager based on performance and other services provided.
Loss of portfolio manager or other key staff.	The strength and depth of investment team provides comfort that there is not over-reliance on one person with alternative portfolio managers available to act if needed. For each key business process roles, responsibilities and reporting lines are clear and unambiguous. Key personnel are incentivised by equity participation in the investment management company.
The ability to continue the dividend policy* may be compromised due to lower income because of changes in underlying companies' policies or changes in the portfolio construction, regulatory intervention, local taxes because of the currency exposure underlying the portfolio. This could result in a lower level of dividend being paid than intended or previously paid	The Board monitors the level of investment income through monthly management accounts and discussion. In the event of there being insufficient income during the financial year, the Company has built up revenue reserves on which to draw to pay dividends. Equally, in the event of the revenue reserves being fully utilised the Company may use other distributable reserves. The Board and the Manager will continue to assess the income capability of the portfolio and determine the appropriate longer-term dividend level based on how economies and businesses perform.
Risk of regular five yearly tenders being taken up at a level which leaves size of the Company unviable.	Under the Articles of Association, the Company is required to make tender offers at five-yearly intervals, with the first to commence on or before 30 June 2025. There is a risk that the size of the Company following the tender offer may not meet the minimum size condition to continue in existence. The Board, Investment Manager and Corporate Broker maintain a close relationship with Shareholders. Regular reports are provided to the Board on communications with Shareholders and feedback received is discussed at Board meetings. Ahead of the tender, further engagement will be held with Shareholders and an assessment will be undertaken to determine Shareholders likely to remain invested in the Company post tender.
Market, Economic and Political Risk	
Principal Business Risks and Uncertainties	**Management of Risks through Mitigation & Controls**
While the portfolio is diversified across a number of stock markets worldwide, the investment mandate is focused on financials and thus the portfolio is more sensitive to investor sentiment and the commercial acceptance of the sector than a general investment portfolio. The Company's portfolio is exposed to risks such as market price, credit, liquidity, foreign currency and interest rates. The portfolio is actively managed. The Manager's style focuses primarily on the investment opportunity of individual stocks and, accordingly, may not follow the makeup of the Benchmark. This may result in returns which are not in line with the Benchmark. The degree of risk which the Manager incurs in order to generate the investment returns and the effect of gearing on the portfolio by borrowed funds can magnify the portfolio returns per share positively or negatively.	The Board has set appropriate investment limits against which it monitors the position of the portfolio. They include guidelines on exposures to certain investment markets and sectors. The Board discusses with the Manager at each Board meeting its views on the sector. At each Board meeting the composition and diversification of the portfolio by geographies, sectors and capitalisations are considered along with sales and purchases of investments. Individual investments are discussed with the Manager as well as the Manager's general views on the various investment markets and the financials sector. Analytical performance data and attribution analysis is presented by the Manager. The policies for managing the risks posed by exposure to market prices, interest rates, foreign currency exchange rates, credit and liquidity are set out in the financial statements. Shareholders have sight of the entire portfolio and geographic exposure of investments.
There is significant exposure to the economic cycles of the markets in which the underlying investments conduct their business operations as well as the economic impact on investment markets where such investments are listed. The fluctuations of exchange rates can also have a material impact on Shareholder returns.	The Board regularly discusses global geopolitical issues and general economic conditions and developments. The impact on the portfolio from other geopolitical changes and the overall economic and geopolitical environment in which the Company operates is monitored through existing control systems and discussed regularly by the Board.

	Note 27 in the Annual Report describes the risks posed by changes in foreign exchange rates. The Manager can hedge foreign currency if it is thought appropriate at the time.

Operational and Regulatory Risk	
Principal Business Risks and Uncertainties	**Management of Risks through Mitigation & Controls**
There are risks from the failure of, or disruption to, operational and accounting systems and processes provided by the Manager including any subcontractors to which the Manager has delegated a task as well as directly appointed suppliers. The mis-valuation of investments or the loss of assets from the custodian or sub custodians could affect the NAV per share or lead to a loss of Shareholder value. There is taxation risk that the Company may fail to continue as an investment trust and suffer capital gains tax or fail to recover as fully as possible withholding taxes on overseas investments. The legal and regulatory risks include failure to comply with the FCA's Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules; not meeting the provisions of the Companies Act 2006 and other UK and overseas legislation affecting UK companies and not complying with accounting standards. Further risks arise from not keeping abreast of changes in legislation and regulations which have in recent years been substantial.	At each Board meeting the Board receives an administration report that provides details on general corporate matters including legislative and regulatory developments and changes. The Board conducts an annual review of suppliers and their internal control reports, which includes the disaster recovery procedures of the Manager. Regular reporting from the Depositary on the safe custody of the Company's assets and the operation of control systems related to the portfolio reconciliation is monitored. Specialist advice is sought on taxation issues as and when required. The Audit Committee has oversight of such work. Information and guidance on legal and regulatory risks is managed by using the Manager or professional advisers where necessary and the submission of reports to the Board for discussion and, if required, any remedial action or changes considered necessary. The Board monitors new developments and changes in the regulatory environment. Whilst it has no control over such changes, the Board seeks to ensure that their impact on the Company is understood and complied with.
Cyber-attack causing disruption to or failure of operational and accounting systems and processes provided by the Investment Manager creating an unexpected event and/or adverse impact on personnel or the portfolio.	The number, severity and success rate of cyber-attacks have increased considerably over recent years. Detailed controls are in place and the Board proactively seeks to keep abreast of developments through updates with representatives of the Investment Manager who undertakes meetings with relevant service providers.

Investor Relations and Stewardship	
Principal Business Risks and Uncertainties	**Management of Risks through Mitigation & Controls**
Persistent excessive share price premium/discount to NAV.	In consultation with its advisors, including the corporate broker, the Board regularly considers the level of the share price premium/discount to the NAV and the Board reviews ways to enhance Shareholder value including share issuance and buy backs.
Failure to communicate effectively and timeously with investors or the issuance of erroneous or misleading information.	Polar Capital Sales Team and the Corporate Broker provide periodic reports to the Board on communications with shareholders and feedback received. The Investment Manager also has regular interaction with clients, Shareholders and investors. This is through a combination of channels including one to one meetings, presentations at retail, professional events or at Polar's Annual Investor conference. The Board is committed to a clear communication programme to ensure Shareholders understand the investment strategy. This is maintained using monthly factsheets which have market commentary from the Investment Manager portfolio data, an informative website and annual and half year reports. Contact details and how to contact the Board are provided in regulatory announcements and the Board will be present at the AGM to speak to Shareholders.

* Please refer to the Chair's Statement for information on the proposed changes to the Company's future Dividend Policy.

SECTION 172 OF THE COMPANIES ACT 2006

The statutory duties of the Directors are listed in s171-177 of the Companies Act 2006. Under s172, Directors have a duty to promote the success of the Company for the benefit of its members (its Shareholders) as a whole and in doing so have regard to the consequences of any decision in the long term, as well as having regard to the Company's wider stakeholders amongst other considerations. The fulfilment of this duty not only helps the Company achieve its Investment Objective but ensures decisions are made in a responsible and sustainable way for Shareholders.

To ensure that the Directors are aware of, and understand, their duties, they are provided with an induction when they first join the Board, including details of all relevant regulatory and legal duties as a director and continue to receive regular and ongoing updates on relevant legislative and regulatory developments. They have continued access to the advice and services of the Company Secretary and, when deemed necessary, the Directors can seek independent professional advice. The Schedule of Matters Reserved for the Board, and the Terms of Reference of its committees, are reviewed annually and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties.

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during discussions and as part of the decision-making process. As an externally managed investment company, the Company does not have any employees or customers, however the key stakeholders and a summary of the Board's consideration and actions where possible in relation to each group of stakeholders are described in the table below.

Stakeholder Group	**How we engage with them**
Shareholders	The Directors have considered this duty when making the strategic decisions during the year that affect Shareholders, including the continued appointment of the Investment Manager and the recommendation that Shareholders vote in favour of the resolutions for the Company to continue and to renew the allotment and buy back authorities at the AGM. The Directors have also engaged with and taken account of Shareholders' interests during the year. The Company's AGM will be held at 2:00pm on Thursday 10 April 2025 at the offices of Polar Capital, 16 Palace Street, London SW1E 5JD. The Board recognises that the AGM is an important event for Shareholders and the Company and is keen to ensure that Shareholders can exercise their right to vote and participate. Any changes to these arrangements will be communicated through the Company's website and via a Regulatory Information Service announcement. The Board believes that Shareholder engagement remains important and is keen that the AGM be a participative event for all. Shareholders will have the opportunity to hear a pre-recorded presentation from the Manager, reviewing the Company's performance in the year and the outlook for 2024-2025 in advance of the AGM. The presentation will be uploaded to the Company's website ahead of the AGM. In addition, Shareholders will be able to watch the proceedings of the AGM live via Zoom Conference. Details of how to access the online link are provided in the Notice of AGM. The AGM in-person meeting will comprise the formal business and questions only. All formal business resolutions will be voted on by a poll and we therefore encourage Shareholders to submit their votes ahead of the meeting by proxy card which is provided with the Notice of Meeting. Shareholders who hold their shares via an online stockbroker or platform are encouraged to exercise their vote in advance of the meeting through their respective platforms. Further information can be found on the AIC'swebsite and in the Shareholder information section in the Annual Report. Shareholders are encouraged to send any questions (on or before 7 April 2025) ahead of the AGM to the Board via the Company Secretary at cosec@polarcapital.co.uk stating the subject matter as PCFT-AGM. The Chair of the Board and of the Committees, along with the Managers, will attend the AGM and will be available to respond to questions and concerns from Shareholders. Should any significant votes be cast against a resolution, the Board will engage with Shareholders and explain in its announcement of the results of the AGM the actions it intends to take to consult Shareholders to understand the reasons behind the votes against. Following the consultation, an update will be published no later than six months after the AGM and the Annual Report will detail the impact the Shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed. **Relations with Shareholders** The Board and the Manager consider maintaining good communications and engaging with Shareholders through meetings and presentations a key priority. The Board regularly considers the share register of the Company and receives regular reports from the Manager and the Corporate Broker on meetings attended with Shareholders and any concerns that are raised in those meetings. The Board reviews any correspondence from Shareholders and members of the Board attend Manager presentations to investors. Shareholders are kept informed by the publication of annual and half year reports, monthly fact sheets, access to commentary from the Manager via the Company's website and attendance at events at which the Manager presents. Shareholders can raise any concerns directly with the Chair or the Board without intervention of the Manager or Company Secretary. They may do this either in person at the AGM or at other events, or in writing either via the registered office of the Company or to the Chair's specific email address **Chair.PCFT@polarcapital.co.uk**. The Company, through the sales and marketing efforts of the Manager, encourages retail investment platforms to engage with underlying Shareholders in relation to Company communications and enable those Shareholders to cast their votes on Shareholder resolutions; the Company however has no responsibility over such platforms. The Board therefore encourages Shareholders invested via platforms to regularly visit the Company's website or to contact the Company directly to obtain copies of Shareholder communications. The Company has made arrangements with its registrar for Shareholders who own their shares directly rather than through a nominee or share scheme to view their account online at www.shareview.co.uk. Other services are available via this website. **Outcomes and strategic decisions during the year** **2025 Tender Offer**

<table>
<tr><td></td><td>Ahead of the Tender Offer to be made to Shareholders in 2025, Directors continue to engage with the Manager, Polar Sales and the Company's Brokers to understand Shareholder views and the proposed mechanisms and timetable for the Tender.

Buybacks
Further to Shareholder authority being granted, the Company has the facility to conduct share buy backs when, in normal market conditions, it is in the best interests of Shareholders to do so. The Company bought back a total of 5,642,322 shares during the year under review. No ordinary shares were bought back following the year end.

AGM
To enable more Shareholders the opportunity to hear the Investment Manager's AGM presentation, the Board has opted to pre-record and upload this to the website ahead of the voting deadline and in-person formal business AGM. In addition, Shareholders can watch the proceedings of the AGM live via Zoom Conference. Details of how to access the online link are provided in the Notice of AGM.</td></tr>
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<table>
<tr><td>Manager</td><td>Through the Board meeting cycle, regular updates and the work of the Management Engagement Committee in reviewing the services of the Manager annually, the Board is able to safeguard Shareholder interests by:

• Ensuring excessive risk is not undertaken in the pursuit of investment performance;
• Ensuring adherence to the Investment Policy;
• Ensuring adherence to the Investment Management Agreement and reviewing the agreed management and performance fees;
• Ensuring compliance with statutory legal requirements, regulations and other advisory guidance such as consumer duty and aspects of operational resilience; and
• Reviewing the Manager's decision making and consistency of its investment process.

Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Manager both aim to continue to deliver consistent, long-term returns in line with the Investment Objective. The culture which the Board maintains to achieve this involves encouraging open discussion with the Manager, ensuring that the interests of Shareholders and the Manager are aligned, providing constructive challenge and making Directors' experience available to support the Manager. This culture is aligned with the collegiate and meritocratic culture which Polar Capital has developed and maintains.

Outcomes and strategic decisions during the year
ESG
The Board continued to engage with the Investment Manager to oversee how ESG has been integrated into the overall house methodology as well as the bespoke financials team investment approach, engagement and decision making. The Board also receives information on how ESG affects Polar Capital as a business and the financials team.

Consumer Duty
The Board has worked with the Investment Manager to ensure the obligations of the new Consumer Duty regulations are appropriately applied to the Company. In light of the obligations, all communications including the website, fact sheets and other published documentation, have been reviewed to ensure they are appropriate for all end users. A 'value for money' assessment has also been undertaken and is made available to distributors on request for their due diligence processes.

Cost Disclosure
The Board has engaged with the Manager to understand the implications of the FCA's forbearance statement and explore any changes that could be applied to key documentation to take advantage of the exemption from PRIIPs and the cost disclosure aspects of MiFID. The Board has reviewed the changes to the Company's Key Information Document and Factsheet, both of which have been updated in line with industry guidance.

Management
On the recommendation of the Management Engagement Committee the Board has resolved to the continue the appointment of the Manager on the terms agreed within the Investment Management Agreement.</td></tr>
<tr><td>Investee Companies</td><td>The Board has instructed the Manager to consider the published corporate governance policies of the companies in which they invest.

The Board has also considered the Investment Manager's Stewardship Code and Proxy Voting Policy. The Voting Policy is for the Investment Manager to vote at all general meetings of companies in favour of resolutions proposed by the management where it believes that the proposals are in the interests of shareholders. However, in exceptional cases, where the Investment Manager believes that a resolution would be detrimental to the interests of shareholders or the financial performance of the Company, appropriate notification will be given and abstentions or a vote against will be lodged.

The Manager voted at 68 company meetings over the year ended 30 November 2024, with 37% of meetings having at least one vote against, withheld or abstained. The Manager reports to the Board, when requested, on the application of the Stewardship Code and Voting Policy. The Manager's Stewardship Code and Voting Policy can be found on the Manager's website in the Corporate Governance section (www.polarcapital.co.uk). Further information on how the Manager considers ESG in its engagement with investee companies can be found in the ESG Report in the Annual Report.

Outcomes and strategic decisions during the year</td></tr>
</table>

	The Board receives information on the ratings of investee companies and can use this as a tool to inform discussions with the Manager during Board meetings.
Service Providers	The Directors oversee the Company's service providers through the annual cycle of reporting and due diligence meetings or site visits undertaken by the Manager. This engagement is undertaken with the aim of having effective oversight of delegated services, seeking to improve the processes for the benefit of the Company and to understand the needs and views of the Company's service providers, as stakeholders in the Company. Further information on the Board's engagement with service providers is included in the Corporate Governance Statement and the Report of the Audit Committee. During the year under review, due diligence meetings have been undertaken by the Investment Manager and where possible, service providers have joined meetings to present their reports directly to the Board or the Audit Committee as appropriate. **Outcomes and strategic decisions during the year** The reviews of the Company's service providers have been positive and the Directors believe their continued appointment is in the best interests of Shareholders. The accounting and administration services of HSBC Securities Services (HSS) are contracted through Polar Capital and provided to the Company under the terms of the IMA. However, the Board continues to conduct due diligence service reviews in conjunction with the Company Secretary and is satisfied that the services received continue to be of a satisfactory standard.
Proxy Advisors	The support of the major institutional investors and proxy adviser agencies is important to the Directors, as the Company seeks to retain a reputation for high standards of corporate governance, which the Directors believe contributes to the long-term sustainable success of the Company. The Directors consider the recommendations of these various proxy voting agencies when contemplating decisions that will affect Shareholders and when reporting to Shareholders through the Half Year and Annual Reports. Recognising the principles of stewardship, as promoted by the UK Stewardship Code, the Board welcomes engagement with all its investors. The Board recognises that the views, questions from, and recommendations of many institutional investors and proxy adviser agencies provide a valuable feedback mechanism and play a part in highlighting evolving shareholders' expectations and concerns. **Outcomes and strategic decisions during the year** Where possible the Chair and other representatives of the Company have engaged with the stewardship teams of some larger investors to understand and address their expectations in terms of board governance, recruitment and diversity. Prior to AGMs, the Company engages with these agencies to fact check their advisory reports and clarify any areas or topics contained within the report. This ensures that whilst the proxy advisory reports provided to shareholders are objective and independent, the Company's actions and intentions are represented as clearly as possible to assist with shareholders' decision making when considering the resolutions proposed at the AGM.
AIC	The Company is a member of the AIC and has supported various lobbying activities. Representatives of the Manager sit on a variety of forums run by the AIC which aids development and understanding of new policies and procedures. The Directors may cast votes in the AIC Board Elections each year and regularly attend AIC events.

Approved by the Board on 19 February 2025.
By order of the Board

Jumoke Kupoluyi, ACG
Polar Capital Secretarial Services Limited
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with the UK-adopted International Accounting Standards (UK-adopted IAS) and applicable law. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the directors to prepare the Financial Statements in accordance with UK-adopted IAS.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether they have been prepared in accordance with UK-adopted IAS, subject to any material departures

disclosed and explained in the Financial Statements;

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and financial statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Strategic Report, confirm that, to the best of their knowledge:

- the Company's Financial Statements, which have been prepared in accordance with applicable accounting standards give a true and fair view of the assets, liabilities, financial position and profit/loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Simon Cordery

Chair

19 February 2025

Statement of Comprehensive Income

For the year ended 30 November 2024

		Year ended 30 November 2024			Year ended 30 November 2023		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	3	19,067	-	19,067	19,143	-	19,143
Other operating income	4	1,505	-	1,505	916	-	916
Gains/(losses) on investments held at fair value	5	-	156,916	156,916	-	(25,777)	(25,777)

Losses on derivatives		-	(251)	(251)	-	(442)	(442)
Other currency losses	6	-	(2,312)	(2,312)	-	(152)	(152)
Total income/(expense)		**20,572**	**154,353**	**174,925**	**20,059**	**(26,371)**	**(6,312)**
Expenses							
Investment management fee	7	(772)	(3,088)	(3,860)	(704)	(2,815)	(3,519)
Other administrative expenses	8	(798)	(46)	(844)	(774)	(20)	(794)
Total expenses		**(1,570)**	**(3,134)**	**(4,704)**	**(1,478)**	**(2,835)**	**(4,313)**
Profit/(loss) before finance costs and tax		19,002	151,219	170,221	18,581	(29,206)	(10,625)
Finance costs	9	(799)	(3,196)	(3,995)	(722)	(2,887)	(3,609)
Profit/(loss) before tax		18,203	148,023	166,226	17,859	(32,093)	(14,234)
Tax	10	(1,988)	337	(1,651)	(1,986)	695	(1,291)
Net profit/(loss) for the year and total comprehensive income/(expense)		**16,215**	**148,360**	**164,575**	**15,873**	**(31,398)**	**(15,525)**
Earnings/(losses) per ordinary share (pence)	11	**5.31**	**48.62**	**53.93**	**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.

The notes to follow form part of these financial statements.

<u>Statement of Changes in Equity</u>

For the year ended 30 November 2024

		Year ended 30 November 2024						
	Notes	**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 year ended 30 November 2024		-	-	-	-	148,360	16,215	164,575
Transactions with owners, recorded directly to equity:								
Shares bought back and held in treasury	15	-	-	-	(9,038)	-	-	(9,038)
Equity dividends paid	12	-	-	-	-	-	(14,057)	(14,057)
Total equity at 30 November 2023		**16,588**	**251**	**311,369**	**96,079**	**191,867**	**13,524**	**629,678**

		Year ended 30 November 2023						
	Notes	**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 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	15	-	-	-	(23,139)	-	-	(23,139)
Equity dividends paid	12	-	-	-	-	-	(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.

<u>**Balance Sheet**</u>

As at 30 November 2024

	Notes	30 November 2024 £'000	30 November 2023 £'000
Non-current assets			
Investments held at fair value through profit or loss	13	659,943	518,124
Current assets			
Cash and cash equivalents	14	28,178	37,262
Fair value of open derivative contracts	13	728	506
Receivables		22,873	8,419
		51,779	**46,187**
Total assets		**711,722**	**564,311**
Current liabilities			
Bank overdraft	14	-	(1)
Fair value of open derivative contracts	13	(378)	(316)
Payables		(2,335)	(6,502)
Bank loan		(78,935)	-
		(81,648)	**(6,819)**
Non-current liabilities			
Bank loan		-	(69,031)
Indian capital gains tax provision		(396)	(263)
		(396)	**(69,294)**
Net assets		**629,678**	**488,198**
Equity attributable to equity shareholders			
Called up share capital	15	16,588	16,588
Capital redemption reserve		251	251
Share premium reserve		311,369	311,369
Special distributable reserve		96,079	105,117

Capital reserves		191,867	43,507
Revenue reserve		13,524	11,366
Total equity		**629,678**	**488,198**
Net asset value per ordinary share (pence)	16	**207.66**	**158.06**

The notes to follow form part of these financial statements.

Cash Flow Statement

For the year ended 30 November 2024

	Notes	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Cash flows from operating activities			
Profit/(loss) before tax		166,226	(14,234)
Adjustment for non-cash items:			
(Profit)/losses on investments held at fair value through profit or loss		(156,916)	25,777
Losses on derivative investments		251	442
Amortisation on fixed interest securities		(141)	(186)
Adjusted profit before tax		**9,420**	**11,799**
Adjustments for:			
Purchases of investments, including transaction costs		(670,314)	(284,542)
Sales of investments, including transaction costs		667,632	311,263
Purchases of derivative financial instruments		(3,621)	(1,794)
Proceeds on disposal of derivative financial instruments		3,210	1,168
Increase in receivables		(548)	(549)
Increase in payables		167	479
(Decrease)/increase in Indian capital gain tax		(199)	114
Overseas tax deducted at source		(1,450)	(1,596)
Net cash generated from operating activities		**4,297**	**36,342**
Cash flows from financing activities			
Shares repurchased into treasury		(9,227)	(22,988)
Issue cost paid		-	(11)
Loan drawn		10,000	9,891
Exchange gains on the loan facility		(96)	(1,367)
Equity dividends paid		(14,057)	(14,399)
Net cash used in financing activities		**(13,380)**	**(28,874)**
Net (decrease)/increase in cash and cash equivalents		**(9,083)**	**7,468**
Cash and cash equivalents at the beginning of the year		**37,261**	**29,793**
Cash and cash equivalents at the end of the year	15	**28,178**	**37,261**

The notes to follow form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 November 2024

1 General Information

Polar Capital Global Financials Trust plc is a public limited company registered in England and Wales whose shares are traded on the London Stock Exchange.

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

The Board has determined that Sterling is the Company's functional currency and the presentational currency of the financial statements because it is the currency which is most relevant to the majority of the Company's Shareholders and creditors and is the currency in which the majority of the Company's operating expenses are paid. All figures are rounded to the nearest thousand pounds (£'000) except as otherwise stated.

2 **Accounting Policies**

The material principal accounting policies, which have been applied consistently for all years presented, are set out below:

(a) Basis of Preparation

The Group and Company's Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards ("UK-adopted IAS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value through profit or loss.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies (AIC) in July 2022 is consistent with the requirements of UK-adopted IAS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial position of the Company as at 30 November 2024 is shown in the balance sheet on page above. As at 30 November 2024 the Company's total assets exceeded its total liabilities by a multiple of over 8.7. The assets of the Company consist mainly of securities that are held in accordance with the Company's Investment Policy and these securities are readily realisable.

The Directors have considered a detailed assessment of the Company's ability to meet 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 addition to the assessment, the Company also considered its loan repayment obligations in July 2025 and carried out stress testing which used a variety of falling parameters to demonstrate the effects on the Company's share price and net asset value. Should the loan facilities not be renewed in July 2025, the Board is satisfied that the Company could fund the repayment and ongoing cash flow requirements through the sale of a portion of the portfolio of listed securities in all severe but plausible downside scenarios considered. 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 it to continue in operational existence for at least 12 months from the date of issuance of these Financial Statements. As part of this assessment, the Board also considered the tender offer taking place on or before 30 June 2025. If the resultant size of the Company following the 2025 tender offer does not meet a size at which its business model remains viable, the Board may consider putting forward liquidation proposals. However, based on extensive discussions with its advisors and the long term relative and absolute performance of the Company, the Board believes that there is sufficient support to indicate that the 2025 Tender Offer will not result in the Company failing to reach an adequate minimum size. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's Financial Statements.

(b) Presentation of the Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with the guidance set out by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The result presented in the revenue return column is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

(c) Income

Dividends receivable from equity shares are taken to the revenue return column of the Statement of Comprehensive Income on an ex-dividend basis.

Special dividends are recognised on an ex-dividend basis and may be considered to be either revenue or capital items. The

Special dividends are recognised on an ex-dividend basis and may be considered to be either revenue or capital items. The facts and circumstances are considered on a case-by-case basis before a conclusion on appropriate allocation is reached.

Where the Company has received dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in the revenue return column of the Statement of Comprehensive Income. Any excess in value of shares received over the amount of cash dividend foregone is recognised in the capital return column of the Statement of Comprehensive Income.

The fixed returns on debt securities and non-equity shares are recognised under the effective interest rate method.

Bank interest is accounted for on an accrual basis. Interest outstanding at the year end is calculated on a time apportionment basis using market rates of interest.

(d) Written Options

The Company may write exchange-traded options with a view to generating income. This involves writing short-dated covered call options and put options. The use of financial derivatives is governed by the Company's policies, as approved by the Board.

These options are recorded initially at fair value, based on the premium income received, and are then measured at subsequent reporting dates at fair value. Changes in the fair value of the options are recognised in the capital return for the year.

The option premiums are recognised evenly over the life of the option and shown in the revenue return, with an appropriate amount shown in the capital return to ensure the total return reflects the overall change in the fair value of the options.

Where an option is exercised, any balance of the premium is recognised immediately in the revenue return with a corresponding adjustment in the capital return based on the amount of the loss arising on exercise of the option.

(e) Expenses and Finance Costs

All expenses, including the management fee, are accounted for on an accrual basis.

Expenses are allocated wholly to the revenue column of the Statement of Comprehensive Income except as follows:

Expenses are charged to the capital column of the Statement of Comprehensive Income where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect the investment management fees have been charged to the Statement of Comprehensive Income in line with the Board's expected long-term split of returns, in the form of capital gains and income from the Company's portfolio. As a result, 20% of the investment management fees are charged to the revenue account and 80% charged to the capital account of the Statement of Comprehensive Income.

Finance costs are calculated using the effective interest rate method and are accounted for on an accruals basis and, in line with the management fee expense, are charged 20% to the revenue account and 80% to the capital account of the Statement of Comprehensive Income.

Any performance fee accrued is charged entirely to capital as the fee is based on the outperformance of the Benchmark and is expected to be attributable largely, if not wholly, to capital performance. A provision will be recognised when outperformance has been achieved in accordance with the calculations detailed in the Annual Report.

The research costs relate solely to specialist financial research and are accounted for on an accrual basis. They are allocated 20% to revenue and 80% to capital in line with the expected long-term split of revenue and capital return from the Company's investment portfolio.

(f) Tax

The tax expense represents the sum of the overseas withholding tax deducted from investment income, tax currently payable and deferred tax.

The tax currently payable is based on the taxable profits for the year ended 30 November 2024. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on UK capital gains.

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Tax Act 1961. The Indian capital gains tax provision represents an estimate of the amount of tax payable by the Company. Tax amounts payable may differ from this provision depending on when the Company disposes of its investments. The current provision for Indian capital gains tax is calculated based on the long term (securities held more than one year) or short term (securities held less than one year) nature of the investments and the applicable tax rate at the year end. With effect from 23 July 2024, the short-term tax rate is 20% (previously 15%) and the long-term tax rate is 12.5% (previously 10%). The estimated tax charge is subject to regular review including a consideration of the likely period of ownership, tax rates and market valuation movements. The provision at the year end is recognised in the Balance Sheet and the year-on-year movement in the provision is recognised in the Statement of Comprehensive Income.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or when the asset is realised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(g) Investments Held at Fair Value Through Profit or Loss

When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date and are initially measured at fair value.

On initial recognition the Company has designated all of its investments as held at fair value through profit or loss as defined by UK-adopted IAS. All investments are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Written and purchased options are valued at fair value using quoted bid prices.

Index futures are valued at the difference between exchange settlement prices and inception prices.

All investments, classified as fair value through profit or loss, are further categorised into the fair value hierarchy in the Annual Report.

Changes in fair value of all investments and derivatives held at fair value are recognised in the capital return column of the Statement of Comprehensive Income. Gains or losses on derivative financial instruments are treated as capital or revenue depending on the motive and circumstances of the transaction. Where positions are undertaken to protect or enhance capital, the returns are capital and where they are generating or protecting revenue, the returns are revenue.

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using various valuation techniques, in accordance with the International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines - Edition December 2022. These may include using reference to recent arm's length market transactions between knowledgeable, willing parties, if available, reference to recent rounds of re-financing undertaken by investee companies involving knowledgeable parties, reference to the current fair value of another instrument that is substantially the same or a relevant comparable.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost. Receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value (amortised cost) as reduced by appropriate allowances for estimated irrecoverable amounts.

(i) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, maturity of three months or less, highly liquid investments that are readily convertible to known amounts of cash.

(j) Dividends Payable

Interim dividends payable to Shareholders are recognised in the financial statements in the period in which they are paid.

(k) Payables

Payables are not interest-bearing and are initially valued at fair value and subsequently stated at their nominal value (amortised cost).

(l) Bank Loans

Interest-bearing bank loans are initially recognised at cost, being the proceeds received net of direct issue costs, and subsequently at amortised cost. The amounts falling due for repayment within one year are included under current liabilities and more than one year under non-current liabilities in the Balance Sheet.

(m) Foreign Currency Translation

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of each transaction. Monetary assets, monetary liabilities and equity investments in foreign currencies at the balance sheet date are translated into Sterling at the rates of exchange ruling on that date.

Realised profits or losses on exchange, together with differences arising on the translation of foreign currency assets or liabilities, are taken to the capital return column of the Statement of Comprehensive Income.

Foreign exchange gains and losses arising on investments held at fair value are included within changes in fair value.

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity, as a deduction, net of tax, from the proceeds.

(o) Capital Reserves

Capital reserve arising on investments sold includes:

- gains/losses on disposal of investments;
- exchange differences on currency balances; and
- other capital charges and credits charged to this account in accordance with the accounting policies above.

Capital reserve arising on investments held includes:

- increases and decreases in the valuation of investments held at the balance sheet date.

All of the above are accounted for in the Statement of Comprehensive Income.

When making a distribution to Shareholders, the Directors determine the profits available for distribution by reference to the 'Guidance on realised and distributable profits under the Companies Act 2006' issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The availability of distributable reserves in the Company is dependent on those dividends meeting the definition of qualifying consideration within the guidance and on the available cash resources of the Company and other accessible sources of funds. The distributable reserves are therefore subject to any future restrictions or limitations at the time such distribution is made.

(p) Repurchase of Ordinary Shares (including those held in treasury)

Where applicable, the costs of repurchasing Ordinary Shares including related stamp duty and transaction costs are taken directly to equity and reported through the Statement of Changes in Equity as a charge on the special distributable reserve. Share repurchase transactions are accounted for on a trade date basis.

The nominal value of ordinary share capital repurchased and cancelled is transferred out of called up share capital and into the capital redemption reserve.

Where shares are repurchased and held in treasury, the transfer to capital redemption reserve is made if and when such shares are subsequently cancelled.

Where the shares held in treasury are reissued, the amount of the sales proceed up to the repurchased cost of those shares is transferred back into special distributable reserve, the excess of the sales proceeds over the repurchased cost is transferred to share premium.

(q) Share Issue Costs

Where applicable, costs incurred directly in relation to the issue of new shares together with additional share listing costs have been deducted from the share premium reserve.

(r) Segmental Reporting

Under IFRS 8 Operating Segments, operating segments are considered to be the components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker has been identified as the Investment Manager (with oversight from the Board).

The Directors are of the opinion that the Company has only one operating segment and as such no distinct segmental reporting is required.

(s) Key Estimates and Judgements

The preparation of financial statements in conformity with UK-adopted IAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The key judgements and sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities and expenses in future periods are as follows:

Valuation of Level 3 Investments
Investments valued using valuation techniques include unlisted financial investments, which by their nature, do not have an externally quoted price based on regular trades.

The valuation techniques used may include the techniques described in note 2(g). When determining the inputs into the valuation techniques used, priority is given to publicly available prices from independent sources when available, but overall the source of pricing is chosen with the objective of arriving at a fair value measurement that reflects the price at which an orderly transaction would take place between market participants at the balance sheet date.

(t) New and revised accounting Standards

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

i) The following new or amended standards became effective for the current annual reporting period and the adoption of the standards and interpretations have not had a material impact on the Financial Statements of the Company.

Standards & Interpretations		Effective for periods commencing on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Requirement amended to disclose material accounting policies instead of significant accounting policies and provided guidance in making materiality judgements to accounting policy disclosure.	1 January 2023
Definition of Accounting Estimates (amendments to IAS 8)	Introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policy.	1 January 2023
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and disclosure requirements for affected entities to help users of the Financial Statements to better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.	1 January 2023

ii) At the date of authorisation of the Company's Financial Statements, the following relevant standards that potentially impact the Company are in issue but are not yet effective and have not been applied in the Financial Statements:

Standards & Interpretations		Effective for periods commencing on or after
Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with Covenants - Deferral of Effective Date Amendment (published 15 July 2020) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (publicised 23 January 2020)	The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current and the disclosure requirement in the Financial Statements for the risk that non-current liabilities with covenant could become repayable within twelve months.	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.	1 January 2024

The Directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the financial statements of the Company in future periods.

3 Investment Income

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Revenue:		
UK dividends	2,933	2,391
Overseas dividends	13,182	13,313
Interest on debt securities	2,952	3,439
Total investment income	**19,067**	**19,143**

Included within income from investments is £1,460,000 (2023: £623,000) of special dividends classified as revenue in nature in accordance with note 2 (c). No special dividends have been recognised in capital (2023: nil).

4 Other Operating Income

Year ended Year ended

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Bank interest	1,505	916
Total other operating income	**1,505**	**916**

5 Gains/(losses) on Investments Held at Fair Value

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Net gains/(losses) on disposal of investments at historic cost	68,405	(1,274)
Less fair value adjustments in earlier years	(21,042)	(26,371)
Gains/(losses) based on carrying value at previous balance sheet date	**47,363**	**(27,645)**
Valuation gains on investments held during the year	109,553	1,868
	156,916	**(25,777)**

6 Other Currency Losses

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Exchange losses on currency balances	(2,408)	(1,519)
Exchange gains on the loan facility	96	1,367
	(2,312)	**(152)**

7 Investment Management and Performance Fee

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Management fee		
- charged to revenue	772	704
- charged to capital	3,088	2,815
Investment management fee payable to Polar Capital LLP	**3,860**	**3,519**

Management fees are allocated 20% to revenue and 80% to capital. Details of the investment management and performance fees are set out in the Strategic Report in the Annual Report.

8 Other Administrative Expenses (including VAT where appropriate)

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Directors' fees[1]	142	145
Directors' NIC	15	15
Auditors' remuneration - for audit of the Financial Statements[2]	54	50
Depositary fee[3]	37	34
HSBC administration fee[3]	206	205
Registrar fee	38	39
Custody and other bank charges[4]	77	87
UKLA and LSE listing fees	57	49
Legal & professional fees	3	(3)
AIC fees	21	21
Directors' and officers' liability insurance	19	19
Corporate broker's fee[5]	16	16

Marketing expenses[6]	72	72
Research costs - allocated to revenue[7]	11	5
Shareholder communications	22	17
Other expenses	8	3
Total other administrative expenses allocated to revenue	**798**	**774**
Research costs - allocated to capital[7]	46	20
Total other administrative expenses	**844**	**794**

1 Full disclosure is given in the Directors' Remuneration Report within the Annual Report.

2 The base audit fee for the statutory audit in the current year was £53,500 (2023: £49,480).

3 Fees are determined on the pre-approved rate card with HSBC.

4 Fee is based on the value of the assets and geographical activity and determined on the pre-approved rate card with HSBC.

5 Corporate Broker fee is reduced by the commission received on the share buybacks during the year.

6 Includes bespoke marketing budget of £50,000 (2023: £50,000).

7 Research costs (which applied from 3 January 2018) payable by the Company relate solely to specialist financial research. The budget for the year is 75,000 (2023: 40,000).

Ongoing charges represents the total expenses of the Company, excluding finance costs and tax, expressed as a percentage of the average daily net asset value, in accordance with AIC guidance issued in July 2022.

The ongoing charges ratio excluding performance fee for the year ended 30 November 2024 was 0.85% (2023: 0.86%). See Alternative Performance Measures below.

9 Finance Costs

	Year ended 30 November 2024			Year ended 30 November 2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Interest on loans and overdrafts	781	3,123	3,904	699	2,795	3,494
Loan arrangement fees	18	73	91	23	92	115
	799	**3,196**	**3,995**	**722**	**2,887**	**3,609**

Finance costs are allocated 20% to revenue and 80% to capital.

10 Tax

a) Analysis of tax charge/(credit) for the year:

	Year ended 30 November 2024			Year ended 30 November 2023		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	**Revenue return £'000**	**Capital return £'000**	**Total return £'000**
Overseas tax	1,319	-	1,319	1,438	-	1,438
Tax relief in capital	669	(669)	-	693	(693)	-
Withholding tax recovered	-	-	-	(145)	-	(145)
Indian capital gains tax	-	332	332	-	(2)	(2)
Total tax charge/(credit) for the year (see note 10b)	**1,988**	**(337)**	**1,651**	**1,986**	**(695)**	**1,291**

b) Factors affecting tax charge/(credit) for the year:

The charge/(credit) for the year can be reconciled to the profit/(loss) before tax per the Statement of Comprehensive Income as follows:

	Year ended 30 November 2024			Year ended 30 November 2023		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	**Revenue return £'000**	**Capital return £'000**	**Total return £'000**
Profit/(loss) before tax	**17,859**	**(32,093)**	**(14,234)**	**15,773**	**(9,220)**	**6,553**
Tax at the UK corporation tax rate of 25% (2023: effective tax rate of 23%)	4,551	37,006	41,557	4,108	(7,381)	(3,273)
Tax effect of non-taxable dividends	(3,871)	-	(3,871)	(3,382)	-	(3,382)
Capital (gains)/losses that are not taxable	-	(38,589)	(38,589)	-	6,065	6,065
Overseas tax suffered	1,319	-	1,319	1,438	-	1,438
Indian capital gains tax	-	332	332	-	(2)	(2)

Unrelieved current period expenses and deficits	-	914	914	-	623	623
Withholding tax recovered	-	-	-	(145)	-	(145)
Tax relief on overseas tax suffered	(11)	-	(11)	(33)	-	(33)
Total tax charge/(credit)for the year (see note 10a)	**1,988**	**(337)**	**1,651**	**1,986**	**(695)**	**1,291**

c) Factors that may affect future tax charges:

The Company has an unrecognised deferred tax asset of £3,524,000 (2023: £2,618,000). The deferred tax asset is based on the current corporation tax rate of 25% (2023: 25%).

It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and deficits and therefore no deferred tax asset has been recognised.

Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to obtain approval of such status in the foreseeable future, the Company has not provided UK tax on any capital gains arising on the revaluation or disposal of investments held by the Company.

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Tax Act 1961. A tax provision on Indian capital gains is calculated based on the long term (securities held more than one year) or short term (securities held less than one year) nature of the investments and the applicable tax rate at the year end. The current rates from 23 July 2024 of short-term tax rates are 20% (previously 15%) and the long term tax rates are 12.5% (previously 10%) respectively. At the year ended 30 November 2024, the Company has a deferred tax liability of £396,000 (2023: £263,000) on capital gains which may arise if Indian investments are sold.

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11 Earnings/(Losses) Per Ordinary Share

	Year ended 30 November 2024			Year ended 30 November 2023		
	Revenue return	**Capital return**	**Total return**	**Revenue return**	**Capital return**	**Total return**
The calculation of basic earnings/(losses) per share is based on the following data:						
Net profit/(loss) for the year (£'000)	16,215	148,360	164,575	15,873	(31,398)	(15,525)
Weighted average number of ordinary shares in issue during the year						
in issue during the year	305,146,436	305,146,436	305,146,436	319,065,538	319,065,538	319,065,538
Basic - ordinary shares (pence)	**5.31**	**48.62**	**53.93**	**4.97**	**(9.84)**	**(4.87)**

As at 30 November 2024 there were no potentially dilutive shares in issue (2023: nil).

12 Amounts Recognised as Distributions to Ordinary Shareholders in the Year

Dividends paid in the year ended 30 November 2024

Payment date	**No. of shares**	**Amount per share**	**Year ended 30 November 2024 £'000**
29 February 2024	307,160,405	2.10p	6,450
30 August 2024	304,272,705	2.50p	7,607
			14,057

The revenue available for distribution by way of dividend for the year is £16,215,000 (2023: £15,837,000).

The total dividends payable in respect of the financial year ended 30 November 2024, which is the basis on which the requirements of section 1158 Corporation Tax Act 2010 are considered, are set out below:

Payment date	**No. of shares**	**Amount per share**	**Year ended 30 November 2024 £'000**

30 August 2024	304,272,705	2.50p	7,607
28 February 2025	303,219,365	2.20p	6,671
			14,278

The total dividends payable in respect of the financial year ended 30 November 2023, which is the basis on which the requirements of section 1158 Corporation Tax Act 2010 are considered, are set out below:

Payment date	No. of shares	Amount per share	Year ended 30 November 2023 £'000
31 August 2023	315,955,329	2.45p	7,741
29 February 2024	307,160,405	2.10p	6,450
			14,191

All dividends are paid as interim dividends, and all have been charged to revenue, where necessary utilising the revenue reserve and in exceptional circumstances utilising the special distributable reserve.

13 Investments Held at Fair Value Through Profit or Loss

a) Investments held at fair value through profit or loss

	30 November 2024 £'000	30 November 2023 £'000
Opening book cost	476,645	506,766
Opening investment holding gains	41,479	65,982
Opening fair value	**518,124**	**572,748**
Analysis of transactions made during the year		
Purchases at cost	666,169	286,636
Sales proceeds received	(681,407)	(315,669)
Gains/(losses) on investments held at fair value	156,916	(25,777)
Amortisation on fixed interest securities	141	186
Closing fair value	**659,943**	**518,124**
Closing book cost	529,953	476,645
Closing investment holding gains	129,990	41,479
Closing fair value	**659,943**	**518,124**

The Company received £681,407,000 (2023: £315,669,000) from disposal of investments in the year. The book cost of these investments when they were purchased were £613,002,000 (2023: £316,943,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The following transaction costs, including stamp duty and broker commissions, were incurred during the year:

	30 November 2024 £'000	30 November 2023 £'000
On acquisitions	924	473
On disposals	561	246
	1,485	**719**

b) Changes in Derivative Financial Instruments

(i) Futures	30 November 2024 £'000	30 November 2023 £'000
Valuation at 1 December	(288)	6
Additions at cost	1,816	683
Proceeds of disposal	(984)	(386)
Losses on disposal	(832)	(297)
Valuation gains/ (losses)	638	(294)
Valuation at 30 November	**350**	**(288)**

The Company invested in currency and index futures during the year for the purposes of efficient portfolio management. As at 30 November 2024, the Company held a short position of 80 CME British pound/ Japanese Yen December 2024 contracts and a short position of 250 CME Euro December 2024 contracts with a market value gain of £350,000. (2023: Long position of 80 CME Japanese Yen December 2023 contracts, a short position of 250 CME British Pound December 2023 contracts and a short position of 20 CME British Pound/Japanese Yen December 2023 contracts with a market value loss of £288,000).

(ii) Options	30 November 2024 £'000	30 November 2023 £'000
Valuation at 1 December	478	-
Additions at cost	1,805	1,111
Proceeds of disposal	(2,226)	(782)
(Losses)/gains on disposal	(201)	293
Valuation gains/ (losses)	144	(144)
Valuation at 30 November	**-**	**478**

The Company invested in purchased call and put options during the year for the purposes of efficient portfolio management. As at 30 November 2024, the company had sold out of all options. (2023: £478,000 - SPDR S&P Regional Banking ETF call option).

(c) Fair Value of Open Derivative Contracts	30 November 2024 £'000	30 November 2023 £'000
CME Japanese Yen December 2023 Futures	-	28
SPDR S&P Regional Banking ETF Call Options	-	478
CME Euro December 2024 Futures	728	-
	728	**506**
CME British Pound December 2023 Futures	-	(231)
CME British Pound/Japanese Yen December 2024 Futures	(378)	(85)
	(378)	**(316)**
Total	**350**	**190**

(d) Fair value hierarchy

The Company's financial instruments within the scope of IFRS 7 that are held at fair value comprise its investment portfolio and derivative financial instruments.

They are categorised into a hierarchy consisting of the following three levels:

Level 1 - valued using quoted prices in active markets for identical assets or liabilities.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.
Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to 'the fair value measurement of the relevant asset'.

Details of the valuation techniques used by the Company are given in note 2(g).

The following tables set out the fair value measurements using the IFRS 7 hierarchy at 30 November 2024 and 2023:

	30 November 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity Investments and derivative financial instruments	612,625	-	6,699	619,324
Interest bearing securities	40,969	-	-	40,969

Total	**653,594**	**-**	**6,699**	**660,293**

The Level 3 investment relates to the shares in Atom Bank and Moneybox.

	30 November 2023			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity Investments and derivative financial instruments	464,999	478	5,054	470,531
Interest bearing securities	47,783	-	-	47,783
Total	**512,782**	**478**	**5,054**	**518,314**

The Level 2 investment relates to the SPDR S&P Regional Banking ETF Call Options.

The Level 3 investment relates to the shares in Atom Bank and Moneybox.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

Level 3 investments at fair value through profit or loss	**30 November 2024 £'000**	**30 November 2023 £'000**
Opening balance	5,054	4,551
Total gains included in the Statement of Comprehensive Income - on assets held at the year end.	1,645	503
Closing balance	**6,699**	**5,054**

Level 3 Investments are recognised at fair value through profit or loss on a recurring basis.

Level 3 investments are valued in accordance with the accounting policy in Note 2(g) above.

A +/- 10% change in the price used to value the investment in the level 3 investments at the year end would result in a +/- £670,000 (2023: £505,000) impact on the gains or losses on investments held at fair value in the Statement of Comprehensive Income.

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e) Unquoted investments

The value of the unquoted investments as at 30 November 2024 was £6,699,000 (2023: £5,04,000) and the portfolio comprised the following holdings:

	30 November 2024 £'000	**30 November 2023 £'000**
Atom Bank	1,281	1,281
Moneybox	5,418	3,773
	6,699	**5,054**

Atom Bank is a UK digital bank founded in 2014 and based in Durham. It currently offers fixed rate and instant access savings products, business banking loans and retail mortgages.

At 31 March 2024 (Atom Bank's financial year end), Atom Bank announced that it had made a pre-tax profit of £6,700,000 (2023: losses £10,097,000) and had net assets attributable to Shareholders of £402,400,000 (2023: £283,134,000).

The valuation of Atom Bank was reviewed by the Investment Manager and the Board during both the half year and full year financial results process. The valuation of Atom Bank at the year end is supported by the secondary transaction announced by the company in November 2024. To factor in any uncertainty surrounding the current price, if the fair value of the investment at the reporting date has been stressed by +/- 10% (2023: +/- 10%) the fair value would increase/decrease by £128,000 (2023:£128,000).

Moneybox is an on-line UK savings and wealth platform and provides mobile applications which enable customers to make regular savings into tax efficient products, such as ISAs, or a personal pension, as well as various savings accounts.

At 31 May 2024 (Moneybox's financial year end), Moneybox announced that it had made pre-tax profit of £26,542,000 (2023:losses £4,141,000) and had net assets attributable to Shareholders of £87,173,000 (2023: £62,569,000).

The valuation of Moneybox was reviewed by the Investment Manager and the Board during both the half year and full year financial results process. During the year, the valuation of Moneybox was increased following the announcement of the company's completion of a secondary share sale bringing in new investors. The valuation for the current year has been calculated using the price of this recent arms length transaction. To factor in any uncertainty surrounding the current price, if the fair value of the investment at the reporting date has been stressed by +/- 10% the fair value would increase/decrease by £542,000.

In the prior year the valuation of Moneybox was calculated by calculating the average enterprise value to sales ratio of a peer group of listed companies and then applying a discount to reflect the smaller size and narrower focus of Moneybox. This was cross checked using a discounted cash flow analysis. An increase/decrease in the discount used of 5% would decrease/increase the fair value by £290,000 and an increase/decrease of the multiple of sales of the peer group used of 0.5x would increase/decrease the fair value by £295,000.

See Note 13(d) for further details

14 Receivables

	30 November 2024 £'000	**30 November 2023 £'000**
Securities sold awaiting settlement	18,708	4,933
Dividends and interest receivable	2,480	1,930
VAT recoverable	32	36
Overseas tax recoverable	1,618	1,487
Prepayments	35	33
	22,873	**8,419**

15 Cash and Cash Equivalents

	30 November 2024 £'000	**30 November 2023 £'000**
Cash at bank	26,436	36,406
Cash held at derivative clearing houses	1,742	856
Cash and Cash Equivalents	**28,178**	**37,262**
Bank overdraft	-	(1)
	28,178	**37,261**

16 Called Up Share Capital

	30 November 2024 £'000	**November 2023** £'000
Allotted, Called up and Fully paid:		
Ordinary shares of 5p each:		
Opening balance of 308,861,687* (2023: 325,394,000)	15,443	16,270
Repurchase of 5,642,322 (2023: 16,532,313) ordinary shares into treasury	(282)	(827)
Allotted, Called up and Fully paid: 303,219,365 (2023: 308,861,687) ordinary shares of 5p	**15,161**	**15,443**
28,530,635 (2023: 22,888,313) ordinary shares held in treasury	1,427	1,145
At 30 November 2024	**16,588**	**16,588**

*Excluding shares held in Treasury

During the year, there were 5,642,322 ordinary shares repurchased into treasury (2023: 16,532,313) for a total consideration
£9,038,000 (2023: £23,139,000). No ordinary shares were issued during the year (2023: nil).

The ordinary shares held in treasury have no voting rights and are not entitled to dividends.

16. Net Asset Value Per Ordinary Share

	30 November 2024	30 November 2023
Net assets attributable to ordinary Shareholders (£'000)	629,678	488,198
Ordinary shares in issue at end of year (excluding shares held in treasury)	303,219,365	308,861,687
Net asset value per ordinary share (pence)	**207.66**	**158.06**

As at 30 November 2024, there were no potentially dilutive shares in issue (2023: nil).

17. Transactions with the Investment Manager and Related Party Transactions

a) Transactions with the manager

Under the terms of an agreement dated 11 June 2013 the Company has appointed Polar Capital LLP ("Polar Capital") to provide investment management, accounting, secretarial and administrative services. Details of the fee arrangement for these services are given in the Strategic Report. The total fees, paid under this agreement to Polar Capital in respect of the year ended 30 November 2024 were £3,860,000 (2023: £3,519,000) of which £350,000 (2023: £278,000) was outstanding at the year end.

A performance fee based on cumulative relative performance since 23 April 2020, amounting to £nil (2023: £nil) has been accrued at the year end. Any accrued performance fee is payable at the end of each five-year tender period, the next being in 2025. See Strategic Report in the Annual Report for more details.

In addition, the total research costs in respect of the year from 1 December 2023 to the year ended 30 November 2024 were £57,000 (2023: £25,000) of which £19,000 (2023: £8,000) was outstanding.

b) Related party transactions

The Company has no employees and therefore no key management personnel other than the Directors. The Company paid £142,000 (2023: £145,000) to the Directors of which £35,000 (2023: £23,000) was outstanding at the year end. The Remuneration Report is set out in the Annual Report. When dividends are paid by the Company these are received by the Directors who own shares at the same rates and terms as by all other Shareholders.

18. Post Balance Sheet Events

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

Alternative Performance Measures (APMs)

In assessing the performance of the Company, the Investment 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.

	Year ended	Year ended 30 November

		30 November 2024	2023
Opening NAV per share	a	158.1p	166.3p
Closing NAV per share	b	207.7p	158.1p
Dividend reinvestment factor	c	1.025875	1.022930
Adjusted closing NAV per share	d = b*c	213.1p	161.7p
NAV total return for the year	(d / a)-1	34.8%	-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.

		Year ended 30 November 2024	Year ended 30 November 2023
NAV per share at inception	a	98.0p	98.0p
Closing NAV per share	b	207.7p	158.1p
Dividend reinvestment factor	c	1.411532	1.361991
Adjusted closing NAV per share	d = b*c	293.2p	215.3p
NAV total return since inception	(d / a)-1	199.2%	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.

		Year ended 30 November 2024	Year ended 30 November 2023
Rebased NAV per share at reconstruction	a	102.8p	102.8p
Closing NAV per share	b	207.7p	158.1p
Dividend reinvestment factor	c	1.137893	1.097861
Adjusted closing NAV per share	d = b*c	236.3p	173.6p
NAV total return since reconstruction	(d / a)-1	**129.9%**	**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.

		Year ended 30 November 2024	Year ended 30 November 2023
Opening share price	a	138.8p	154.6p
Closing share price	b	196.2p	138.8p
Dividend reinvestment factor	c	1.028511	1.030408
Adjusted closing share price	d = b*c	201.8p	143.0p
Share price total return for the year	(d / a)-1	**45.4%**	**-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.

		Year ended 30 November 2024	Year ended 30 November 2023
Share price at inception	a	100.0p	100.0p
Closing share price	b	196.2p	138.8p
Dividend reinvestment factor	c	1.391998	1.353458
Adjusted closing share price	d = b*c	273.1p	187.9p
Share price total return since inception	(d / a)-1	**173.1%**	**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.

		Year ended 30 November 2024	Year ended 30 November 2023
Share price at inception	a	100.0p	100.0p
Closing share price	b	196.2p	138.8p
Dividend reinvestment factor	c	1.401121	1.381556
Adjusted closing share price	d = b*c	274.9p	191.8p
Share price total return including subscription share value since inception	(d / a)-1	**174.9%**	**91.8%**

(Discount)/Premium

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.

		30 November 2024	30 November 2023
Closing share price	a	196.2p	154.6p
Closing NAV per share	b	207.7p	166.3p
Discount per ordinary share	(a / b)-1	**-5.5%**	**-7.0%**

Ongoing Charges

Ongoing charges are calculated in accordance with AIC guidance by taking the Company's annual ongoing charges, excluding performance fees and exceptional items, if any, and expressing them as a percentage of the average daily net asset value of the Company over the year.

Ongoing charges include all regular operating expenses of the Company. Transaction costs, interest payments, tax and non-recurring expenses are excluded from the calculation as are the costs incurred in relation to share issues and share buybacks.

Where a performance fee is paid or is payable, a second ongoing charge is provided, calculated on the same basis as the above but incorporating the movement in the performance fee provision.

Year ended

		Year ended 30 November 2024	Year ended 30 November 2023
Investment Management Fee (Note 7 above)		£3,860,000	£3,519,000
Other Administrative Expenses (Note 8 above)		£844,000	£794,000
	a	**£4,704,000**	**£4,313,000**
Average daily net assets value	b	£552,193,000	£502,339,000
Ongoing Charges excluding performance fee	a / b	**0.85%**	**0.86%**
Performance fee (Note 7 above)	c	-	-
	d = a+c	**£4,704,000**	**£4,313,000**
Ongoing charges including performance fee	d / b	**0.85%**	**0.86%**

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 year end.

		30 November 2024	30 November 2023
Net assets	a	£629,678,000	£488,198,000
Bank loan	b	£78,935,000	£69,031,000
Total assets	c = (a+b)	£708,613,000	£557,229,000
Cash and cash equivalents (including amounts awaiting settlement)	d	£46,510,000	£37,484,000
Net gearing	(c-d)/a-1	**5.1%**	**6.5%**

AGM

The Annual Report and separate Notice of Annual General Meeting will be posted to Shareholders in February 2025 and will be available from the Company Secretary at the Company's Registered Office, (16 Palace Street London SW1E 5JD) and on the Company's website. The AGM will be held at the Company's Registered Office at 2:00pm on Thursday 10 April 2025.

Forward Looking Statements

Certain statements included above 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 have been 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 Strategic Report Section of the Annual Report and Financial Statements.

No part of these preliminary 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. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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[1] The most junior debt security in a financial company's capital structure. It ranks ahead of equity but behind senior debt and depositors of a bank or policyholders of an insurance company.

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