

# Polar Capital Global Financials Trust plc

Annual Report and Financial Statements for the year ended 30 November 2024



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Polar Capital Global Financials Trust plc (the Company) is a UK investment trust launched in July 2013. The Company initially had a fixed seven-year life but in April 2020, with Shareholder approval, moved to five-yearly tender offers with no fixed end of life.

The Company has appointed Polar Capital LLP ("Polar Capital" or the "Manager") as its Investment Manager. Since its foundation in 2001, Polar Capital has grown steadily and currently has 14 autonomous investment teams managing specialist, active and capacity constrained portfolios, with a collegiate and meritocratic culture where capacity of investment strategies is managed to enhance and protect performance.



See more at:  
[polarcapitalglobalfinancialstrust.com](https://polarcapitalglobalfinancialstrust.com)

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# Your Company at a Glance

## Investment Objective

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

## Investment Policy

The Company seeks to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financial sector operating in its various subsectors. The portfolio is diversified by factors including geography, industry sub-sector and stock market capitalisation. Full details of the investment policy are set out on page 36 of the Strategic Report.

## Benchmark

In April 2020, following the reconstruction of the Company, the benchmark was changed to the MSCI ACWI Financials Net Total Return Index in recognition of the Company's level of portfolio exposure to emerging market financials equities and its limited portfolio exposure to real estate equities. Prior to this, the Company was benchmarked against the MSCI World Financials + Real Estate Net Total Return Index. See page 37 for more information.

## Life of the Company – Tender Offer/ Reconstruction

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

## Management

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

The Company has appointed Polar Capital LLP (the "Manager") as its AIFM and Investment Manager under the terms of an Investment Management Agreement ("IMA"). The IMA provides for a broad range of services including portfolio management. The portfolio is jointly managed by Nick Brind, George Barrow and Tom Dorner. Details of the fees payable to the Manager can be found on pages 37 and 92. The Management Fee is charged 80% to capital and 20% to revenue; the Performance Fee, when payable, is charged 100% to capital.

## Gearing and use of Derivatives

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

In July 2022, the Company entered into a contract with RBS, for a three-year revolving credit facility in the amount of £50m, and two three-year term loans for £15m and \$18.4m respectively. At the period end, the term loans had been fully drawn down; £40m in sterling and \$12m in US dollars had been also drawn down under the RBS revolving credit facility. As at 14 February 2025, the Company had drawn down a total of £79.1m across the term loan and RCF, equating to 5.4% net gearing.

Details of how the borrowings may be used are given in the Strategic Report on page 36.

## Capital Structure

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

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

# Financial Highlights

## Financial Highlights as at and for the year ended 30 November

### Net asset value (NAV) per ordinary share (total return)\*



### Ordinary share price (total return)\*



### Total net assets (+29%)



### NAV per ordinary share (+31.4%)



### Ordinary share price (+41.4%)



### Discount per ordinary share\*



### Net gearing\*



### Total dividend per ordinary share paid or declared for the year (+3.3%)



## 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
<b>Total (2023: 4.55p)</b>	<b>4.70p</b>				

\* Alternative Performance Measure, see pages 112 to 114 for further explanations.

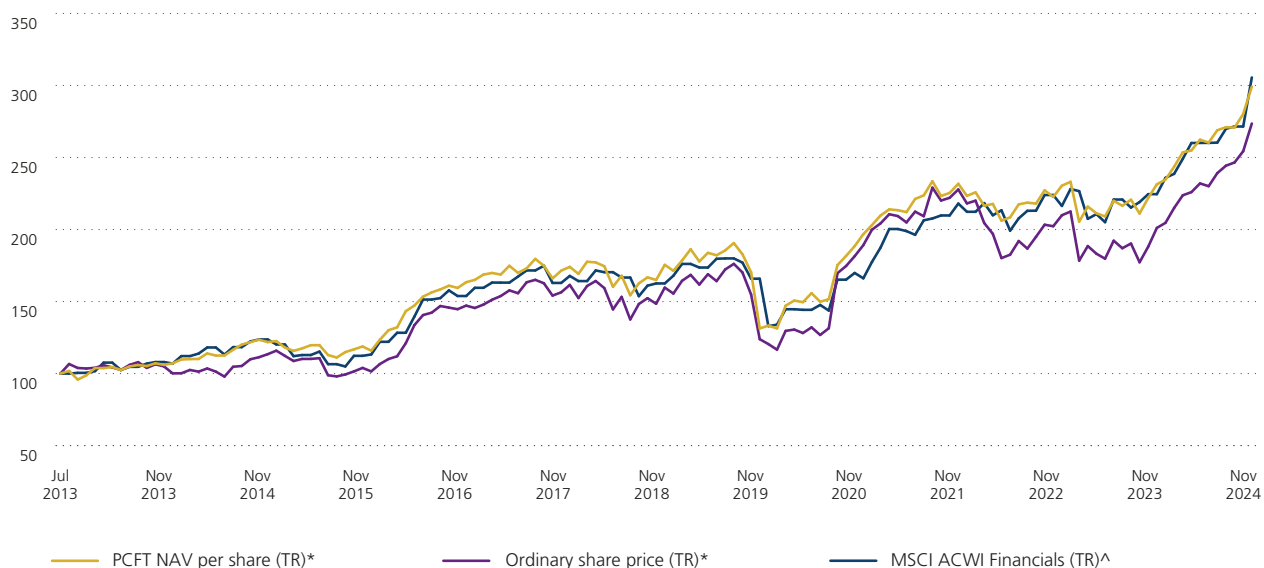
~ Refer to Note 12 on pages 94 to 95 for more details.

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

# Performance

## Performance since Inception

Rebased to 100 at 1 July 2013



## Discrete Performance (%)

For the year ended 30 November

	2013~	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
NAV per share (TR)*	3.7	9.8	5.3	22.2	16.4	-1.5	10.4	-6.5	27.9	1.9	-2.8	34.8
Ordinary share price (TR)*	5.8	-2.2	6.2	21.4	16.7	-1.7	12.4	-1.6	29.7	-7.6	-7.5	45.4
MSCI ACWI Financials (TR)^	7.6	9.8	-2.4	25.9	15.8	-0.4	8.0	-8.2	27.0	6.8	0.3	36.1

\* See page 4 note 1 and note 2 for NAV and share price total return (TR) calculation respectively.

~ Performance total return (TR) for the period was from inception date of 1 July 2013 to 30 November 2013.

^ The performance of the MSCI ACWI Financials Net Total Return Index (£) excluding Real Estate prior to August 2016 is shown for illustrative purposes only.

Source: Polar Capital

# Performance Highlights

<b>Performance (Sterling total return)</b>	<b>Note</b>	<b>For the year ended 30 November 2024 %</b>	<b>Since Inception %</b>
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

<b>Benchmark (Sterling total return)</b>	<b>4</b>	<b>For the year ended 30 November 2024 %</b>	<b>Since Inception %</b>
MSCI ACWI Financials		36.1	204.8
<b>Other Indices and peer group (Sterling total return)</b>			
MSCI World Index		26.8	285.7
FTSE All Share Index		15.8	104.3
Lipper Financial Sector	5	37.1	161.8

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

<b>Earnings per Ordinary share</b>	<b>7</b>	<b>For the year ended 30 November 2024</b>	<b>For the year ended 30 November 2023</b>
Revenue Return		5.31p	4.97p
Capital Return		48.62p	(9.84p)
<b>Total</b>		53.93p	(4.87p)

<b>Expenses*</b>		<b>For the year ended 30 November 2024</b>	<b>For the year ended 30 November 2023</b>
Ongoing charges		0.85%	0.86%
Ongoing charges including performance fee	8	0.85%	0.86%

**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 on page 94 for more details.

**Note 8** There was no performance fee provision in the current or prior year.

\* Alternative Performance Measure, see pages 112 to 114 for further explanations.

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



# Chair's Statement

**Simon Cordery**  
Chair



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 financial 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.

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 on pages 14 to 21.

## 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.

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## Chair's Statement continued

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 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.



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## 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 on page 55.

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 page 8 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 on pages 10 and 11.

## 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 on pages 118 and 119 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 on page 123.

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 [cossec@polarcapital.co.uk](mailto:cossec@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

# Board Apprentice Q&A

## Ada Okpe

Board Apprentice



Ada, you joined us as our board apprentice around 10 months ago, let's talk about your experience so far?

### Why did you decide to become a board apprentice?

After a corporate career in a range of industries from oil and gas to financial services and tech, I was looking for an opportunity to apply my experience to corporate governance and positively effect change from a position of oversight. The key thing here is being an "apprentice", I start this journey from the very beginning - the 'apprentice' label allows me to ask questions that for others may be assumed knowledge, and share experience from my world that can bring new thinking to the board community.

### You have chosen the Financials Trust – is this a particular interest of yours?

Yes, I graduated during the 2008 Financial Crisis. The impact this had on my generation was the catalyst to my interest in how global financial markets and institutions operate. I took £50 and invested it in Barclays Bank to learn about equities and understand what caused movements in its price. Since then my understanding (and my investment in Barclays) has thankfully come a long way!

### What do you think of the process so far – has it met your expectations?

The process has exceeded my expectations - from my initial interview to participating in meetings, I have come a long way in a short time. Joining a board that has been together for a while was nerve wracking but the NEDs, Company Secretary and Investment Managers have been very accommodating with me. This has had the benefit of accelerating my learning about the Trust and how it navigates market forces to deliver returns for its Shareholders.

### What potential benefits do you see from the process – for yourself / for Boards / for the industry?

The process is an alternative channel to finding new voices with different experiences in an established NED industry, enriching the community with new energy and ideas. It allows the apprentices to experience active boards with the guidance and support of the existing NEDs. This helps develop a Board Apprentice community of others doing the same thing. For myself as an apprentice, the process has allowed me to use my experience in a completely new way, while pursuing a keen interest with the ultimate goal of securing a seat on a board in future. In addition, I will have worked with some very experienced NEDs and can count them as mentors through this process and hopefully beyond.

### Do you think you will feel 'board ready' at the end of the process?

Absolutely, my ambition at the start of this apprenticeship was to experience an active Board and come out with a clear vision of how to articulate the sum of my Board and Corporate experience to make me a viable candidate for future NED opportunities. I believe I am well on track to achieve this when the process concludes.

### Is there any advice you would give to future candidates?

Having a natural interest in the Board you join is a huge advantage. Being a keen follower of financial markets and equities, this has made me curious in every session. It helps you connect global events and politics to its impact on the performance of the Trust. Ask questions and embrace the informal conversations around the meetings and go to follow up sessions. Lastly, be yourself. My own experience which is unique to me has got me here. I readily talk about it and use it to explain points I make in board meetings.





# Board of Directors



## Simon Cordery

Independent Non-Executive Chair

### Biography & Other Appointments

#### Independent Non-executive Chair

Appointed to the Board on 1 July 2019 and as Chair on 30 March 2023.

#### Skills and Experience

Simon has over 40 years' experience working within financial services of which nearly 30 years have been focused on the wealth management industry. Most recently he was Head of Investor Relations and Sales at BMO Global Asset Management, where he spent almost 25 years in senior roles, and previously he held roles with Invesco Fund Managers, Jefferies & Co, Kleinwort Benson Securities and Rea Bros Merchant Bank. Simon has considerable and detailed knowledge of the investment trust industry and remains actively involved with the AIC.

#### Committee Memberships

Chair of the Board, Nomination and Remuneration Committees. Member of the Audit and Management Engagement Committees.

#### Other Appointments

No other current appointments.

#### Rationale for supporting re-election

Simon has extensive wealth management and marketing experience and detailed knowledge of the investment trust market having previously held the position of Head of Investor Relations & Sales for BMO Global's Investment Trust business. Since assuming the role of the Chair, Simon has actively sought to engage with Shareholders to understand any concerns and leads the Board with an inclusive and engaging manner. Simon's re-election as a Chair and non-executive Director is supported by the Board and the Manager.

<b>PCFT Share Interests</b>	42,497 shares (0.01% of ISC)
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<b>Annual Remuneration</b>	£43,000
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## Cecilia McNulty

Independent Non-Executive Director and Audit Committee Chair

### Biography & Other Appointments

#### Independent Non-executive Director

Appointed to the Board on 1 November 2021, and with effect from 7 April 2022 Chair of the Audit Committee.

#### Skills and Experience

Cecilia is an experienced non-executive director with almost 30 years' investment and financial services experience. Her executive career included senior investing roles with Royal Bank of Scotland, Barclays Capital and Centaurus Capital and encompassed a broad range of asset classes including public and private debt and equity. Her non-executive roles are Senior Independent Director at Northern 2 VCT PLC, a listed investment trust investing private equity in early stage companies, NED and Chair of the Valuation Committee of RIT Capital Partners plc, an investment trust with a global mandate to invest across a range of asset classes and an INED to Eurobank Cyprus Limited. She qualified as a chartered accountant with KPMG.

#### Committee Memberships

Chair of the Audit Committee. Member of the Nomination, Remuneration and Management Engagement Committee.

#### Other Appointments

Cecilia is a non-executive director of Northern 2 Venture Capital Trust plc, RIT Capital Partners plc and Eurobank Cyprus Limited.

#### Rationale for supporting re-election

Cecilia brings to the Board her extensive experience of investing strategies. This is complemented by her current and previous NED roles, including chairing roles in Audit and Valuation Committees. As a NED of two other listed investment trusts, she is knowledgeable of the governance aspects of these vehicles and highly attuned to the need to act in the interest of investors. This experience and her qualification as a Chartered Accountant is viewed as highly relevant. Cecilia's re-election as a non-executive Director is supported by the Board and the Manager.

<b>PCFT Share Interests</b>	40,000 shares (0.01% of ISC)
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<b>Annual Remuneration</b>	£36,750 (including Audit Committee Chair supplement)
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## Susie Arnott

Independent Non-Executive Director and  
Chair of the Management Engagement Committee

### Biography & Other Appointments

#### Independent Non-executive Director

Appointed to the Board on 1 December 2022.

#### Skills and Experience

Susie started her career in fund management over 20 years ago and was primarily focused on the financial sector; including periods focused on emerging markets investments and global financial portfolios. She also spent a number of years working in impact investing, combining her experience and passion for social investment and impact measurement. In her current roles, Susie continues to focus on investment with a global impact incorporating ESG as a mainstream consideration.

#### Committee Memberships

Chair of the Management Engagement Committee and member of the Audit, Nomination and Remuneration Committees

#### Other Appointments

Susie is a director of Sableknight Limited and Lockfold Communications.

#### Rationale for supporting re-election

Susie was appointed to the Board in December 2022 and brings to the Board a wealth of investment management and ESG experience. She brings in-depth investment experience, particularly in financials to this role, while also ensuring the Board is kept abreast of the latest ESG development. Susie has been an advocate for clearer ESG reporting to both the Board and stakeholders ensuring that the quality of reporting remains at a high standard. Susie is currently Chair of the Management Engagement Committee and her re-election as a non-executive Director is supported by the Board and the Manager.

PCFT Share Interests	20,000 shares (0.01% of ISC)
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Annual Remuneration	£31,000
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## Angela Henderson

Independent Non-Executive Director

### Biography & Other Appointments

#### Independent Non-executive Director

Appointed to the Board on 1 December 2022

#### Skills and Experience

Angela has over 30 years of experience in the financial services sector having started out as a corporate and banking solicitor and then moving into roles at global investment banks. Since 2015 she has held non-executive board seats at operating and investment companies in various sectors including financial services.

#### Committee Memberships

Member of the Audit, Nomination, Remuneration and Management Engagement Committees.

#### Other Appointments

Angela is currently a NED for Macquarie Capital (Europe) Limited and Wells Fargo Securities International Limited and has various other private interests.

#### Rationale for supporting re-election

Angela was appointed to the Board on 1 December 2022 and is an experienced non-executive director with a legal and financial services background developed over her 30 year career. She has non-executive experience particularly chairing risk committees of operating companies. Since joining the Board, Angela has been a keen participant in meetings bringing a new perspective to discussions. Angela's re-election as a non-executive Director is supported by the Board and the Manager.

PCFT Share Interests	–
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Annual Remuneration	£31,000
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# Investment Managers

Polar Capital provides a team of financial specialists and the portfolio is jointly managed by Nick Brind, George Barrow and Tom Dorner, supported by other financials specialists within the team.

The Manager has investment resources which support the investment team and has experience in administering and managing other investment companies.



## Nick Brind Co-Fund Manager

### Date appointed

Nick joined Polar Capital following the acquisition of HIM Capital in September 2010.

### Skills and Experience

Nick has 30 years' investment experience across a wide range of asset classes and for the last 20 years has focused on the financials sector. His previous experience includes portfolio manager roles at New Star Asset Management where he managed the New Star Financial Opportunities Fund which concentrated on the equity and fixed-income securities of European financial companies. Previously he worked at Exeter Asset Management and Capel-Cure Myers. Nick has co-managed the Company's investments since launch in 2013.

He is also the manager of the Polar Capital Financial Credit Fund.



## George Barrow Co-Fund Manager

### Date appointed

George joined Polar Capital in September 2010 as an analyst on the Financials Team.

### Skills and Experience

George has over 15 years' experience analysing financial companies in Europe, Asia and emerging markets. Prior to joining Polar Capital, he was an analyst at HIM Capital from 2008 where he completed his Investment Management Certificate. George was appointed co-manager of the Company in December 2020. He also co-manages the Polar Capital Financial Opportunities Fund with Nick Brind.



## Tom Dorner Co-Fund Manager

### Date appointed

Tom joined Polar Capital as a Fund Manager in the Financials team in December 2023.

### Skills and Experience

Tom has over 23 years investment experience and joined from abrdn where he was a Senior Investment Director in the Developed Markets team and managed the abrdn Europe ex UK Income Equity Fund. He was responsible for analytical coverage of European financials and managed a number of other European investment funds during his nine years there. Prior to this, he was an analyst specialising in the European Insurance sector at Citi and Lehman Brothers in London.





# Manager's Report

# Investment Manager's Report



**Nick Brind**  
Co-Fund Manager



**George Barrow**  
Co-Fund Manager



**Tom Dorner**  
Co-Fund Manager

## Investment review

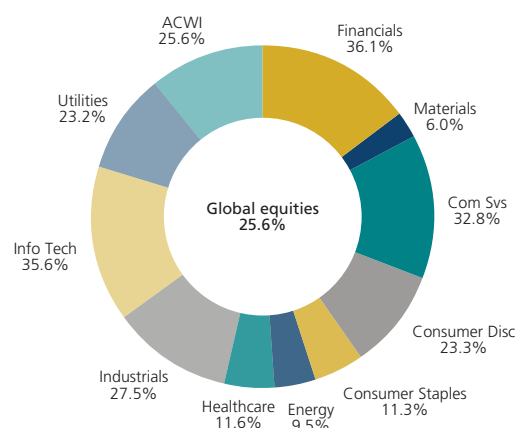
### Performance

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.

## Global equity market sector returns



Source: MSCI; size of each section is representative of the sector's size in the MSCI ACWI Index. Returns are in sterling total return with gross dividends reinvested. Past performance is not a reliable guide to future performance.

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<sup>1</sup> 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.

<sup>1</sup> 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.

## Portfolio performance

This table shows the achieved returns of the portfolio against subsector indices:

Global equity markets	Benchmark performance	Portfolio gross return	Benchmark average weight	Portfolio average weight
MSCI AWI Index	25.6%			
<b>Global Financials</b>				
MSCI ACWI Financials Index	36.1%	36.4%~		
-Diversified Financials	39.2%	40.8%	38.1%	36.4%
-Banks	36.6%	39.3%	42.5%	35.1%
-Insurance	29.1%	26.4%	19.4%	20.7%
<b>Subordinated Financials</b>				
ICE BofA Euro Subordinated Financial Index	11.6%	12.1%	0.0%	7.8%

~ Excludes fixed-income holdings

Source: Bloomberg, ICE and Polar Capital, 30 November 2024.

**Note:** The figures are in sterling total return with gross dividends reinvested. Past performance is not a reliable guide to future performance.

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.



# Investment Manager's Report continued

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.

# Investment Manager's Report continued

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.

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.

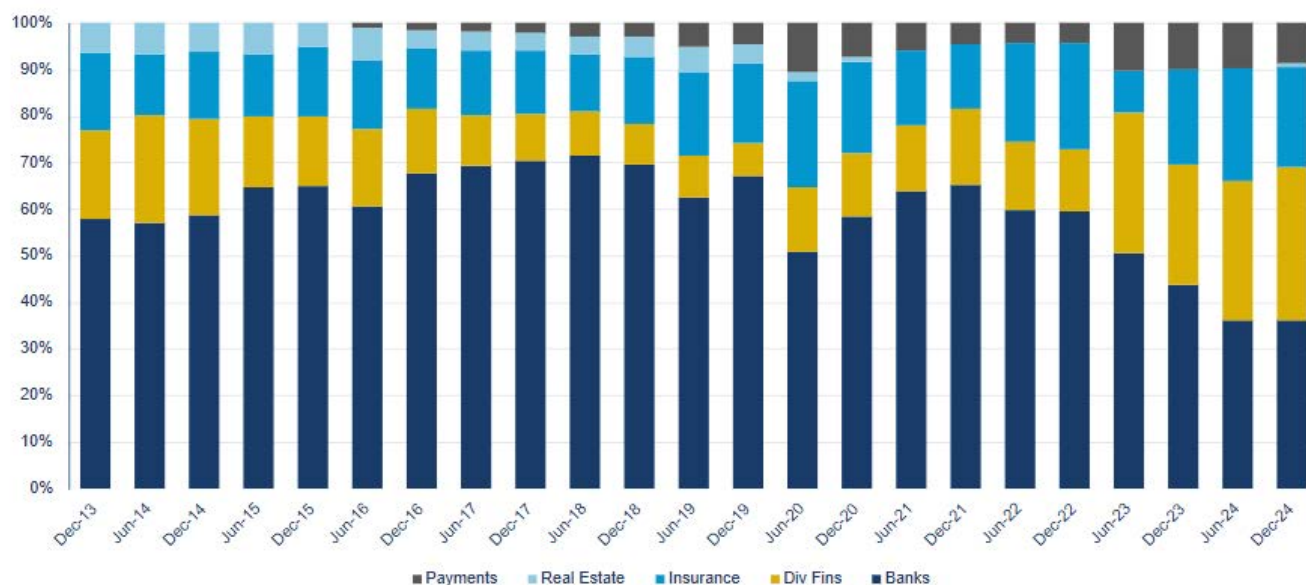
The Trust has two holdings in unquoted companies, of which the largest is Moneybox, a UK savings and wealth platform. Founded in 2015, Moneybox, has performed very well, surpassing £10bn in assets under administration and more than a million customers. Consequently, due to a secondary share sale that 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 show below the evolution of the Trust portfolio since inception:



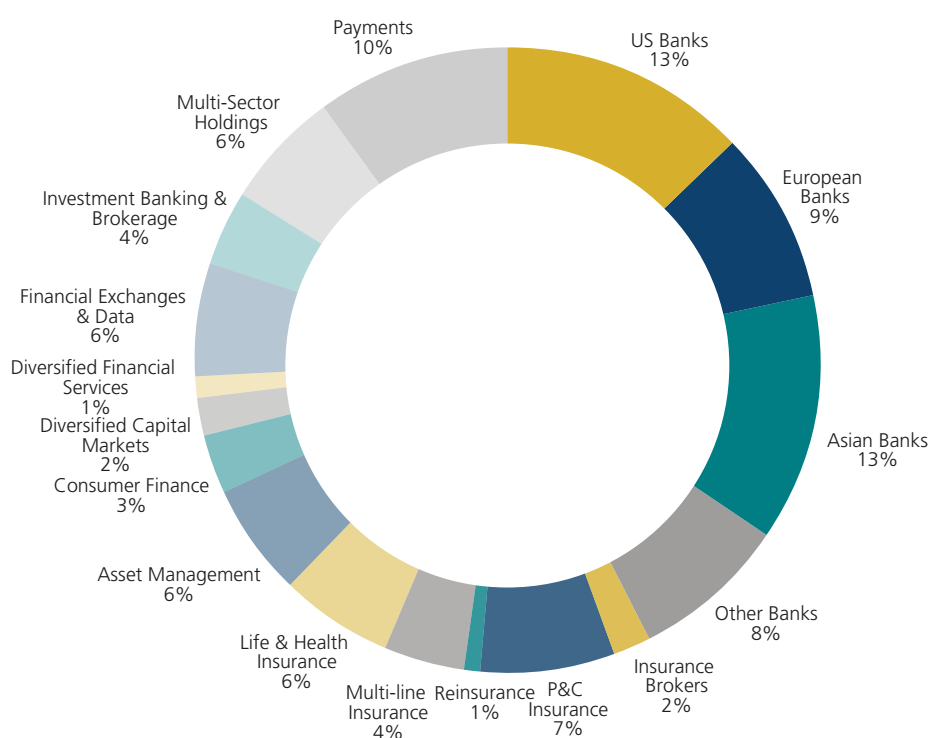
## Evolution of Trust Portfolio



Source: Polar Capital; December 2024. Note: Until May 2023 MSCI classified payments as part of the technology sector so for historical purposes they are shown as separate to the diversified financials sub-sector. Excludes fixed-income holdings.

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.

## Composition of the global financials sector



Source: MSCI, Polar Capital; December 2024

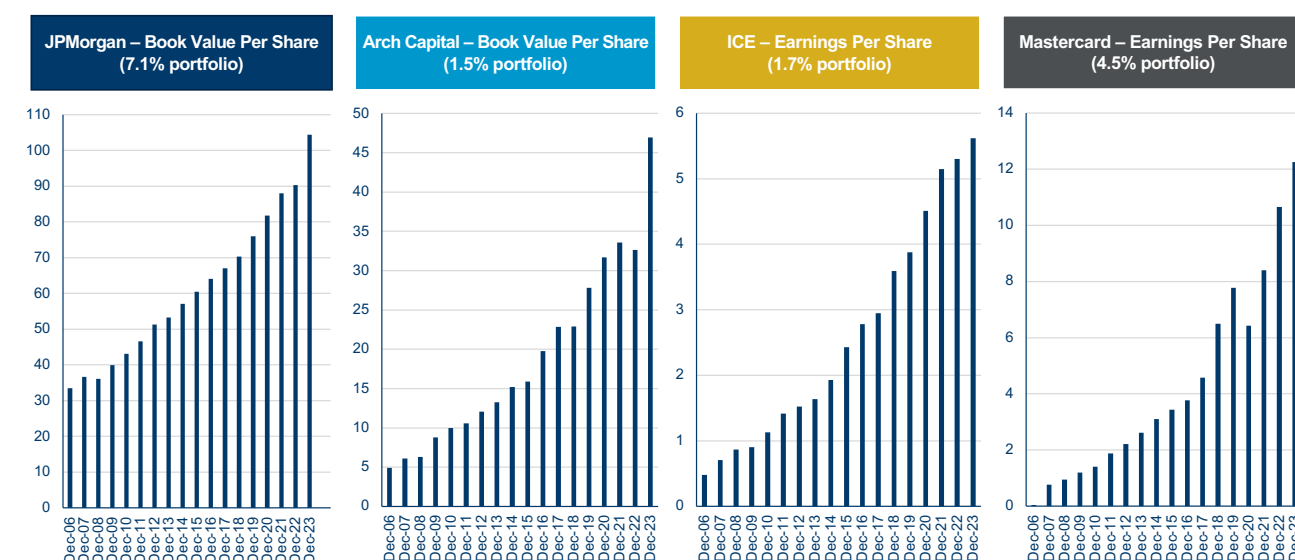
# Investment Manager's Report continued

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. The evolution of some of the Trust's largest positions are shown below.



Source: Bloomberg, Polar Capital

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 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 Dörner**

19 February 2025

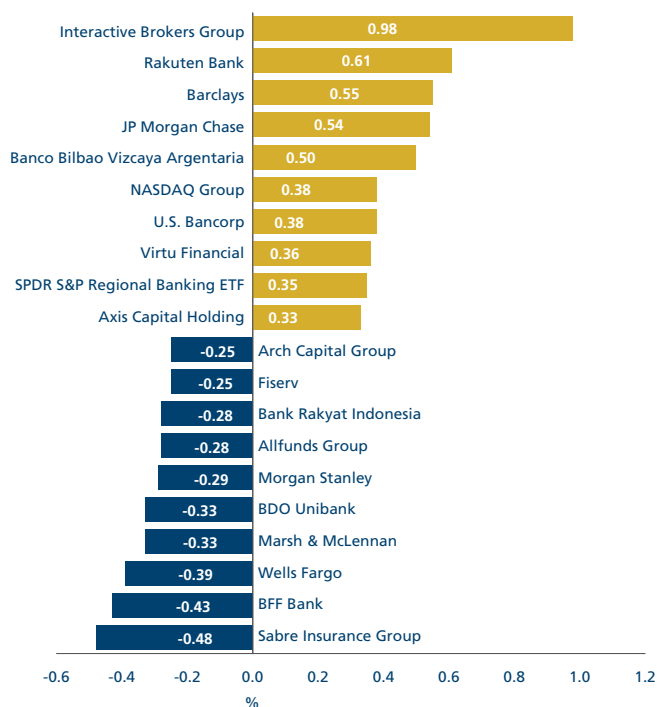


We draw  
Shareholders' attention to  
**[https://www.polarcapital  
globalfinancialstrust.com/](https://www.polarcapitalglobalfinancialstrust.com/)**  
for monthly fact sheets, regular  
investment commentary and  
portfolio updates.

# Attribution Analysis

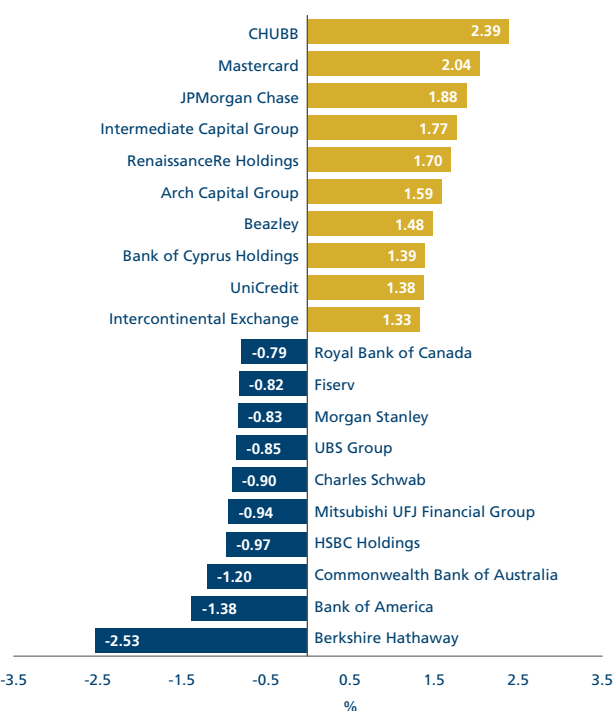
## The top ten relative contributors to, and the bottom ten relative detractors from performance versus the Benchmark

For the year ended 30 November 2024



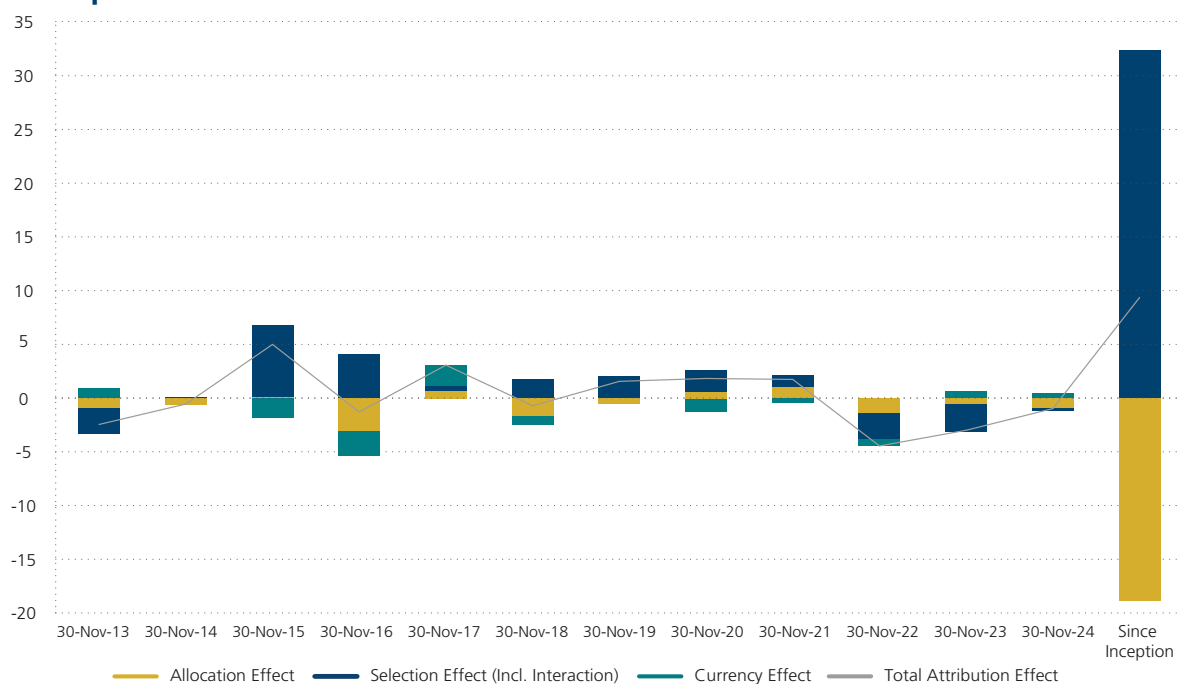
## Top Ten Overweight and Bottom Ten Underweight Positions

For the year ended 30 November 2024



**Note:** The Attribution Analysis of the relative and active positions represents the gross return of the Company's portfolio minus the benchmark return.






## Since inception to 30 November 2024



**Note:** This represents the gross return of the Company's portfolio minus the benchmark return. This reflects the attribution effect where the Company's gross return is compared to the benchmark return. Total Attribution Effect is derived from the Relative Attribution Analysis, which decomposes the Excess Return (Gross) into the Allocation Effect and stock Selection Effect (Incl. Interaction). Allocation Effect refers to the portion of the Company's overall performance attributable to the Manager's decision on taking different asset categories weights. Stock Selection Effect refers to the portion of the Company's overall performance attributable to the Manager's decision on selecting individual securities.

# Top Ten Investments

As at 30 November

Ranking		Stock	Sector	Country	Market Value £'000		% of total net assets	
2024	2023				2024	2023	2024	2023
1	(1)	<b>JP Morgan Chase &amp; Co</b>	Banks	North America	45,025	31,432	7.1%	6.4%
JP Morgan Chase is the largest bank in the US and has a presence in over 100 markets. It is the result of a combination of several banks including JP Morgan, Chase Manhattan, Bank One, Chemical Bank and Manufacturers Hanover. During the financial crisis the company also acquired Bear Stearns, one of the largest investment banks in the US and Washington Mutual, which at the time was the largest savings and loans bank in the US.								
2	(2)		Financial Services	North America	28,254	27,136	4.5%	5.6%
Mastercard is the 2nd largest payments company in the world. Its principal business is to process payments between the banks of merchants and individuals or corporations who use the Mastercard branded debit, credit and prepaid cards to make purchases. It was founded in 1966 by a number of Californian banks as a competitor to what is today Visa.								
3	(7)	<b>BANK OF AMERICA</b> 	Banks	North America	25,594	13,002	4.1%	2.7%
Bank of America is the 2nd largest bank in the US. The bank's history dates to 1904 when it was founded as the Bank of Italy to service Italian immigrants in California. It was acquired by Nations Bank in 1998 and its name changed to Bank of America. During the financial crisis the bank acquired Merrill Lynch, one of the largest investment banks in the US.								
4	(3)	<b>VISA</b>	Financial Services	North America	23,130	21,140	3.7%	4.3%
Visa is the largest payments company in the world. Visa was founded by Bank of America in 1958 when it launched BankAmericard, the first card with a revolving credit feature before licensing it to other institutions in 1966. It was renamed Visa in 1976.								
5	(5)	<b>Berkshire Hathaway</b>	Financial Services	North America	17,466	16,764	2.8%	3.4%
Berkshire Hathaway is the largest financial company globally. It owns US auto insurer GEICO and General Re, a reinsurance company and has operations in a diverse range of industries from railroads to confectionary. It also has large investments in American Express, Bank of America, the Coca-Cola company and Apple. It has been managed by Warren Buffett since 1964.								
6	(-)		Financial Services	North America	16,785	-	2.7%	-
Goldman Sachs is the second largest investment bank in the US. It offers services in investment banking (advisory for mergers and acquisitions and restructuring), securities underwriting, prime brokerage, asset management as well as wealth management and investment management								
7	(-)		Financial Services	North America	15,329	-	2.4%	-
Nasdaq is an American multinational financial services corporation that owns and operates three stock exchanges in the United States: the namesake Nasdaq stock exchange, the Philadelphia Stock Exchange, and the Boston Stock Exchange, and seven European stock exchanges. It is headquartered in New York City.								
8	(-)	<b>Citigroup</b>	Banks	North America	13,914	-	2.2%	-
Citigroup Inc is an American multinational investment bank and financial services company based in New York City. Citigroup operates with two major divisions which offer investment and corporate banking services, as well as treasury, trade solutions and securities services.								
9	(-)	 <b>BARCLAYS</b>	Banks	United Kingdom	13,689	-	2.2%	-
Barclays plc is a British multinational universal bank, headquartered in London, England. It is a diversified bank with comprehensive UK consumer, corporate and wealth and private banking franchises, a leading investment bank and a strong, specialist US consumer bank.								
10	(44)	<b>Sumitomo Mitsui Financial</b>	Banks	Japan	13,526	4,329	2.1%	0.9%
Sumitomo Mitsui Financial Group, Inc or SMBC is a major Japanese multinational financial services group. SMBC Group operates in retail, corporate, and investment banking segment worldwide. It provides financial products and services to a wide range of clients, including individuals, small and medium-sized enterprises, large corporations, financial institutions and public sector entities.								
<b>Total - 10 Largest Investments</b>					<b>212,712</b>		<b>33.8%</b>	

# Full Investment Portfolio

As at 30 November 2024

Ranking					Market Value £'000		% of total net assets	
2024	2023	Stock	Sector	Country	2024	2023	2024	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%	



Ranking		Stock	Sector	Country	Market Value £'000		% of total net assets	
2024	2023				2024	2023	2024	2023
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%	-
<b>Top 50 investments</b>					<b>584,733</b>		<b>92.9%</b>	
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)	Rothsay 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%	-
<b>Top 60 investments</b>					<b>626,100</b>		<b>99.4%</b>	
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)	Rothsay 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)	Rothsay 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%	-
<b>Top 70 investments</b>					<b>645,488</b>		<b>102.5%</b>	
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 Bond	Fixed Income	Fixed Income	1,029	-	0.2%	-
<b>Top 80 investments</b>					<b>658,229</b>		<b>104.5%</b>	

# Full Investment Portfolio continued

As at 30 November 2024

Ranking			Market Value £'000		% of total net assets	
2024	2023	Stock	Sector	Country	2024	2023
81	(70)	VPC Specialty Lending Investments	Fixed Income	Fixed Income	1,014	2,014
82	(-)	National Westminster 9% Pref Share	Fixed Income	Fixed Income	700	-
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%)
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

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%)
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

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%)
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

\* 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.



# Environmental, Social and Governance



# Corporate Responsibility for ESG

As an investment trust with a wholly non-executive, independent Board of Directors the operations of the Company are delegated to third parties, primarily the Manager. However, the ultimate responsibility to Shareholders remains with the Board. The Board recognises that this includes ESG factors and over recent years ESG (Environmental, Social and Governance principles collectively known as “ESG”) has become ever more important from an impact, risk and cost perspective across all aspects of the Company.

Despite investment trusts currently having relatively few regulatory reporting requirements, ESG is important to the Board and the Manager reports to the Board its assessment of the portfolio in ESG terms and the associated operations of Polar Capital. Whilst the Portfolio Managers integrate ESG considerations into their investment process, they are not required to have consideration of ESG factors when reviewing new, continuing or exiting investments; they are not required to take an investment decision solely on the basis of ESG factors.

The Board recognises that ESG is an evolving area, and intends to adopt emerging best practice in its analysis and reporting in line with regulatory requirements. ESG is separated into those areas on which the Board can have a direct influence, and those areas where it is reliant on others.

## ESG and Third-Party Service Providers

The Manager receives assurance on an annual basis that, where required, third party service providers comply with the requirements of the Modern Slavery Act and adhere to a zero-tolerance policy to bribery and corruption. Considering the growing requirements surrounding ESG, third party service providers have been engaged in providing copies of their ESG, Diversity and Inclusion and other related policies to the Company. The Board, via the Company Secretary and Manager will continue to monitor the practices of service providers and seek to assure itself that suitable policies and procedures are in place.

## Corporate Responsibility

The Company's core investment and administrative activities are undertaken by the Manager which seeks to limit the use of non-renewable resources and reduce waste where possible. The Manager has a corporate ESG policy, which is available in the document library of the Company's website, and wherever possible and appropriate, the parameters of such are considered and adopted by the investment team in relation to the Company's management and portfolio construction. The Manager uses a number of third-party data sources and reference points to build an ESG rating of each stock. It is recognised however that these ratings may deviate

from the ratings determined by the investment team because of direct market intelligence and contact with the companies involved.

The Board monitors the Manager's approach to ESG and considers ESG factors in the management of the Company. The Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 require companies listed on the Main Market of the London Stock Exchange to report on the greenhouse gas ('GHG') emissions for which they are responsible. The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. Consequently, it has no GHG emissions to report from its operations nor does it have responsibility for any other emissions. Information on the GHG emissions of the Manager can be found within the ESG and Sustainability area of their website [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

## Taskforce for Climate-Related Financial Disclosures (“TCFD”)

The Company notes the TCFD recommendations on climate-related financial disclosures. Whilst TCFD is currently not applicable to the Company, the Manager has produced a product level report on the Company in accordance with the FCA's rules and guidance regarding the disclosure of climate-related financial information consistent with TCFD Recommendations and Recommended Disclosures. The report can be found within the corporate information section of the Company's website: [www.polarcapitalglobalfinancialstrust.com](http://www.polarcapitalglobalfinancialstrust.com)

The Board will continue to work alongside its Investment Manager to provide more information as it becomes available. Polar Capital supports TCFD's recommendations and is in the process of applying the guidance to ensure compliance going forward.

## Diversity Policy and Gender Reporting

The Company has no employees and the Board is comprised of one male and three female independent non-executive Directors.

The Board is cognisant of the requirements of the FCA Diversity and Inclusion Policy published in April 2022 and, while the Board meets the gender requirements, being a minimum of 40% female Board members and having at least one senior female appointment, the current composition does not satisfy the ethnicity requirements. The Board has put in place a succession plan based on the recommended nine-year tenure of Directors with allowance for an extended period of up to 12 years for the role of the Chair (in line with the Chair Tenure Policy).

## Corporate Responsibility for ESG continued

The Board will continue to consider the benefits of diversity throughout any recruitment process, especially when compiling a shortlist of candidates and selecting individuals for interview in order to ensure that there is a wide group of diverse candidates. The Board has taken care to take account of this when developing job specifications and in the use of head-hunters who demonstrate an ability to widen the pool of candidates. The Board's Diversity Policy is discussed further in the Report on Corporate Governance on page 55.

### Modern Slavery Act

As an investment company, the Company does not provide goods or services in the normal course of business and does not have any customers. Accordingly, the Company does not fall within the scope of the Modern Slavery Act 2015 and therefore does not meet the criteria requiring it to produce a statement under such Act. The Company considers its supply chains to be of low risk as its suppliers are typically professional advisers.

A statement by the Manager under the Act has been published on the Managers' website at [www.polarcapital.co.uk](http://www.polarcapital.co.uk). The Company has not adopted a policy on human rights as it has no employees or operational control of its assets.

### Anti-Bribery, Corruption and Tax Evasion

The Board has adopted a zero-tolerance policy (which is available on the Company's website) to bribery, corruption and the facilitation of tax evasion in its business activities. The Board uses the principles of the policies formulated and implemented by the Investment Manager and expects the same standard of zero-tolerance to be adopted by third-party service providers. The Company has implemented a Conflicts of Interest policy to which the Directors adhere. The Company is committed to acting with integrity and in the interests of Shareholders at all times.

### Risk and Responsibility

The Board has a schedule of principal risks and uncertainties and addresses how these are mitigated on pages 40 to 44; additionally an explanation of how the directors have undertaken their duties in compliance with s172 of the Companies Act 2006 is provided on pages 45 to 48.

**Simon Cordery**

Chair

19 February 2025



# Investment Perspective

## Statement

The Company does not use a UK sustainability label pursuant to the FCA's Sustainability Disclosure Requirements and Labelling Regime. Sustainability labels help investors find products that have a specific sustainability goal. The Company does not use a sustainability label because it does not have a sustainability investment objective and does not commit to investing a minimum proportion of its assets in companies that display positive environmental and/or social characteristics.

## Investment Policy and Strategy

The Investment Manager integrates the consideration of environmental, social and governance ('ESG') factors into its investment process for the Company in three steps:

1. Exclusionary screening
2. ESG analysis
3. Engagement

Each of the three steps is described in further detail below. Please note that they are undertaken in conjunction with financial analysis carried out by the Investment Manager, the details of which are not provided in this disclosure.

## Exclusions

In accordance with applicable international treaties and laws, the Company adheres to formal exclusions on all companies that are linked to the production and/or marketing of controversial weapons (such as cluster munitions and anti-personnel mines).

In addition, prior to investment in a company, the Investment Manager screens its performance against norms-based standards using third party data. The norms-based standards considered are the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation's Conventions.

The Investment Manager assesses whether an existing or potential investee company has committed a material breach of the norms-based standards, using third party data where appropriate. If the Investment Manager concludes that there has been a material breach by a potential investee company, it will not invest in that company until such time as the breach is remedied. If the Investment Manager concludes that there has been a material breach by an existing investee company, the Investment Manager will either work with the company to remedy the breach or reduce or exit the position taking account of the best interests of investors.

The Company also seeks to exclude from investment companies which derive more than 5% of their revenues from:

- thermal coal extraction, production and generation;
- oil exploration and production;
- tobacco production and distribution;
- conventional weapons productions; and
- adult entertainment.

For the avoidance of doubt, the exclusions set out above do not apply to the Company's investments in other funds, whether closed ended or open ended, or to any cash or cash equivalent investments held by the Company.

## ESG Analysis

Typically, the Investment Manager seeks to carry out ESG analysis on companies on a pre-investment basis in accordance with the process set out below, although it may not always be practicable for the Investment Manager to do so. Where the Investment Manager has not carried out its ESG analysis on a pre-investment basis, the Investment Manager seeks to carry out its ESG analysis on a post-investment basis.

The Investment Manager uses the Financials Team ESG Framework and third-party research to assess the ESG profiles of companies. The Financials Team ESG Framework evaluates companies based on three overarching categories, 'Environmental', 'Social' and 'Governance'. The indicators assessed under each category include, but are not limited to:

### Environmental

Carbon emissions, climate-related targets and environmental disclosures.

### Social

Labour management, human capital development, privacy and data security, business ethics and sales practices.

### Governance

Board composition, tax compliance, Shareholder alignment, disclosure and remuneration.

Consideration of the factors listed above will depend on how material they are to each company and, therefore, companies may not be assessed on them all.

The Investment Manager may use primary sources, such as company filings, sustainability reports, sell-side research, news reports and governmental websites, and third party research as inputs to the Financials Team ESG Framework.

The Investment Manager acknowledges the limitation of primary sources by virtue of inconsistent global sustainability standards, lack of underlying data quality and availability, the resources of the company concerned and the lack of availability of primary sources altogether.

## Investment Perspective continued

The Investment Manager recognises that limitations of third-party assessments can include issues around data accuracy and timeliness, the use of inappropriate peer groups, lack of coverage and/or a failure to consider the full context around some ESG issues.

More significantly, third parties do not always reflect the most material ESG risks and opportunities faced by a company when considered through the Investment Manager's own knowledge and industry experience.

Where the Investment Manager deems that risks identified by the Financials Team ESG Framework and third party research and data are significant or material, the Investment Manager may engage with the company to gain a greater understanding of their ESG philosophy and practices and, where it feels it appropriate, to encourage improvement.

The Investment Manager may carry out these engagements through meetings with company management, emails to company investor relations teams or through Shareholder voting.

For the avoidance of doubt, no binding criteria is applied to the outcome of the Investment Manager's ESG assessment and no minimum standards are set for investment or engagement. The Investment Manager's ESG analysis is intended to address material and financially relevant ESG risks and not to improve the ESG performance of investments.

### Internal Oversight and Monitoring

The Investment Manager's Sustainability team, who are independent of the portfolio management team, carry out four-monthly oversight meetings during which the Company's ESG profile, including its climate risk profile and norms and controversies profile, is assessed with reference to third party data.

### Metrics

Given that third party data is used as a starting point for the Investment Manager's assessment of the Company's portfolio and any prospective holdings, the Investment Manager reports on the following third party ESG metrics:

- Company Portfolio ESG Rating
- Top 5 rated holdings
- Bottom 5 rated holdings
- Third party coverage
- Distribution of Portfolio holdings ESG ratings

Please note that investee companies may not all be covered by the third party ESG data and ratings providers used by the Investment Manager. Investee companies that are unrated will not be considered in the top 5 rated holdings and bottom 5 rated holdings metrics provided and therefore these metrics may not be fully representative of the portfolio.

The Investment Manager's reporting shall contain a year-on-year comparison (i.e. a comparison of the current reporting year against the prior reporting year) for all metrics listed except for the distribution of portfolio holdings ESG ratings. However, the Investment Manager does not commit to improving any of these metrics over time and this comparative analysis is provided for information purposes only.

Further, where the Investment Manager has engaged with companies on ESG matters over the reporting period, the Investment Manager will provide information related to those engagements including, but not limited to, engagement case studies and voting statistics.

# ESG Dashboard

## MSCI ESG Fund Rating for PCFT



CCC	B	BB	BBB	A	AA	AAA
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The MSCI ESG Rating for funds is designed to measure the resiliency of portfolios to long-term ESG risks and opportunities. The most highly rated funds consist of issuers with leading or improving management of key ESG risks. The ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). The dashboard allows the Board to review the ratings of investee companies within the portfolio and informs discussions between the Board and Manager at Board meetings. All charts provided below are in respect of the portfolio as at 30 November 2024 / 30 November 2023.

### MSCI ESG Rating

2024	Portfolio	Benchmark
<b>Weighted Average ESG Score / Quality Score</b>	<b>6.86</b>	<b>6.96</b>
Letter Rating	<b>A</b>	<b>A</b>

### Top 5 Overweights

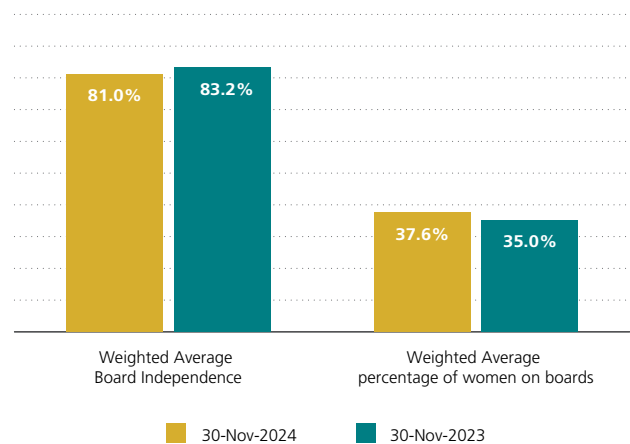
2024	Polar Rating	MSCI Rating
Nasdaq	AA	AA
Globe Life	BBB	BBB
JP Morgan	A	A
Axis Capital	AA	A
Renaissance Re	BBB	BB

### Bottom 5 Ratings

2024	Polar Rating	MSCI Rating
Bank Central Asia	BB	A
VPC Specialty Lending	BB	N.A.
Blackstone	BB	BB
ICICI Bank	BB	A
Permanent TSB	BB	N.A.

### Corporate governance

As at 30 November 2024, the weighted average percentage of independent board of directors in the portfolio's investee companies is 81.0%, and the weighted average percentage of women on boards is 37.6%.



2023	Portfolio	Benchmark
<b>Weighted Average ESG Score / Quality Score</b>	<b>6.56</b>	<b>6.62</b>
Letter Rating	<b>A</b>	<b>A</b>

### Top 5 Overweights

2023	Polar Rating	MSCI Rating
Chubb	A	BBB
Renaissance Re	BBB	BB
Mastercard	AA	AA
Arch Capital Group	A	BBB
JP Morgan	A	A

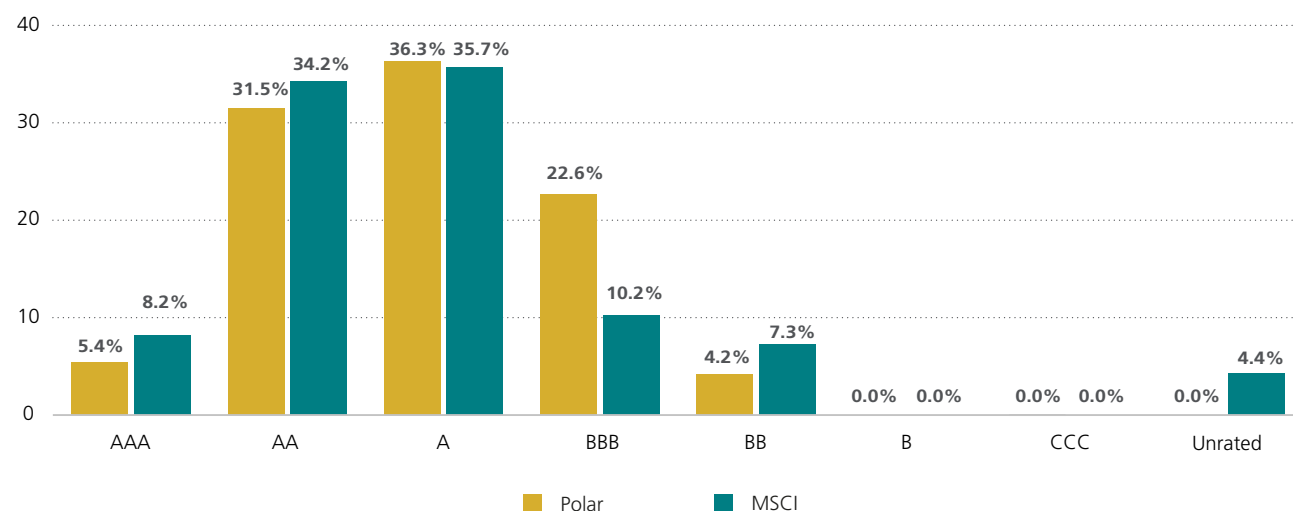
### Bottom 5 Ratings

2023	Polar Rating	MSCI Rating
Bank Rakyat Indonesia Persero	BB	A
ICICI Bank	BB	A
VPC Specialty Lending	BB	N.A.
Berkshire Hathaway	BB	BB
Axis Bank	BB	A

# ESG Dashboard continued

## Portfolio Letter Rating Distribution

36.9% of the Trust's holdings receive an MSCI ESG Rating of AAA or AA (ESG Leaders) while 0% receive an MSCI ESG Rating of B or CCC (ESG Laggards).



## Weighted Average Carbon Intensity (tCO2e / Sales)

The Trust's holdings have very low carbon intensity (scope 1 and 2 emissions), based on the weighted average carbon emissions per USD million sales.

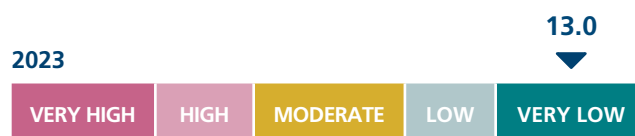


### 2024 Meeting Overview

Category	Number	Percentage
Number of votable meetings	70	
Number of meetings voted	68	97.1
Number of meetings with at least 1 vote Against, Withheld or Abstain	26	37.1

### 2024 Voting Statistics

Category	Percentage
Number of votes FOR	92.6
Number of votes AGAINST	6.6
Number of votes ABSTAIN	0.0
Number of votes WITHHELD	0.7
Number of votes on Management say on pay	0.1



### 2023 Meeting Overview

Category	Number	Percentage
Number of votable meetings	77	
Number of meetings voted	75	97.4
Number of meetings with at least 1 vote Against, Withheld or Abstain	27	35.1

### 2023 Voting Statistics

Category	Percentage
Number of votes FOR	90.7
Number of votes AGAINST	7.0
Number of votes ABSTAIN	0.3
Number of votes WITHHELD	0.4
Number of votes on Management say on pay	1.7





# Governance

A system of rules, processes and practices by which the Company is governed.



# 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 various 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 Bank plc 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

### Management Fee

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.

## Strategic Report continued

### 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 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.
	The Board also receives monthly reports on performance against both the Benchmark and a comparator group of open-ended investment funds.	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 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%.
	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 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.	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.
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 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 annual operating expenses are reviewed and any non-recurring project related expenditure is approved by the Board.	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%)*.

\*See Alternative Performance Measures

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

# Strategic Report continued

## 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 on pages 62 and 63 of the Report of the Audit Committee.

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.





## Investment Manager Performance

### Principal Business Risks and Uncertainties

Failure to achieve investment objective, investment performance below agreed benchmark objective or market/industry average.



Loss of portfolio manager or other key staff.



The ability to continue the dividend policy\* may be compromised due to poor investment selection or portfolio construction leading to lower investment income, changes in underlying companies' dividend policies, regulatory intervention, local taxes, currency exposure and other factors. This could result in a lower level of dividend being paid than intended or previously paid.



Risk of regular five yearly tenders being taken up at a level which leaves size of the Company unviable.



Increase ↓ Decrease ↔ Unchanged

### Management of Risks through Mitigation & Controls

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.

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 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. See notes 22 to 24 on pages 101 and 102.

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.

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.

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

# Strategic Report continued

## Principal Risks and Uncertainties continued

### Market, Economic and Political Risk

#### Principal Business Risks and Uncertainties

While the portfolio is diversified across several 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 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.



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 have a material impact on Shareholder returns.



#### Management of Risks through Mitigation & Controls

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 financial 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 Note 27 to the financial statements. Shareholders have sight of the entire portfolio and geographic exposure of investments.

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 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

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 and 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, UK 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.



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.



### Management of Risks through Mitigation & Controls

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 given by the Manager or professional advisers where necessary and reports are submitted to the Board for discussion and, if required, any remedial action or changes. The Board monitors new developments and changes in the regulatory environment and seeks to ensure that their impact on the Company is understood and complied with.

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.



Increase



Decrease



Unchanged

# Strategic Report continued

## Principal Risks and Uncertainties continued

### Investor Relations and Stewardship

#### Principal Business Risks and Uncertainties

Persistent excessive share price premium/discount to NAV.



Failure to communicate effectively and timeously with investors or the issuance of erroneous or misleading information.



#### Management of Risks through Mitigation & Controls

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.

Polar Capital's 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.



Increase



Decrease




Unchanged

## Section 172 Statement

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
<b>Shareholders</b> 	<p>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 engaged with and taken account of Shareholders' interests during the year.</p> <p>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.</p> <p>The Board believes that Shareholder engagement remains important and is keen that the AGM be a participative event for all. <b>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.</b> 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. <b>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's website and in the Shareholder information section on page 123.</b></p> <p>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 <a href="mailto:cossec@polarcapital.co.uk">cossec@polarcapital.co.uk</a> stating the subject matter as <b>PCFT-AGM</b>. 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.</p> <p>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.</p>



# Strategic Report continued

## Section 172 Statement continued

### Stakeholder Group

### How we engage with them

#### Shareholders continued



#### 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](http://www.shareview.co.uk). Other services are available via this website.

#### Outcomes and strategic decisions during the year

##### 2025 Tender Offer

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, 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.

#### Manager



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.

## Stakeholder Group

## How we engage with them

## Manager continued



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 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 Disclosures

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 continue the appointment of the Manager on the terms agreed within the Investment Management Agreement.

## Investee Companies



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](http://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 on pages 29 and 34.

### Outcomes and strategic decisions during the year

The Board receives information on the ratings of investee companies and uses this as a tool to inform discussions with the Manager during Board meetings.

# Strategic Report continued

## Section 172 Statement continued

### Stakeholder Group

### How we engage with them

#### 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 proxy advisor agencies to fact check their advisory reports and clarify any areas or topics contained within the report. This aims to ensure 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.

#### The 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

# Report of the Directors

## Report of the Directors

The Directors, who are listed on pages 10 and 11, present their annual report, together with their Report on Corporate Governance and the Audited Financial Statements for the year ended 30 November 2024. In addition, the attention of Shareholders is drawn to the Strategic Report Section (Chair's Statement, the Investment Manager's Report, Strategic Report, ESG and Section 172 Statements) which provide further commentary on the activities and outlook for the Company.

## Introduction and Status

The Company is incorporated in England and Wales as a public limited company and is domiciled in the United Kingdom. It is an investment company as defined in section 833 of the Companies Act 2006, operating as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended by section 42(2) of the Finance Act 2011). As an approved investment trust the close company provisions do not apply. Its ordinary shares are listed and traded on the main market of the London Stock Exchange.

As an investment trust the Company's ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to do so for the foreseeable future so that the exclusion continues to apply. The Company's ordinary shares are eligible for inclusion in a stocks and shares ISA.

## Life of the Company

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

Shareholders who wish to realise their investment in the Company (in whole or in part) 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 tender will be published in due course.

## Dividends

The Company has an income and growth mandate, and the Board is aware of the importance of income to some Shareholders as part of their total return. The Board will be cautious in balancing its objective of growing dividends

for Shareholders with sustainable earnings prospects and the availability of distributable reserves to support dividend payments. Shareholders should be aware that circumstances may arise when it is necessary to reduce the level of dividend payment or equally there may be instances when the level of dividend must be increased to comply with Sections 1158 and 1159 of the Corporation Tax Act 2010. Where this would result in paying a dividend beyond the Board's policy, a 'special dividend' may be declared and paid.

The Company currently adopts a progressive dividend policy, whereby dividends may increase on an annual basis. The aim is to, where possible, pay two interim dividends each year, in February and August however these interim dividends may not necessarily be of equal amounts. The Directors do not recommend, and the Company does not pay, a final dividend. Details of the dividends paid and declared are set out on pages 2 and 39 and in Note 12 on page 95.

As reported in the Chair's Statement, 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.

In addition to the above, the Company is also proposing the cancellation of its share premium account to increase the distributable reserves available to the Company and provide the Board with additional flexibility to return capital to Shareholders or to apply such reserves 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. The cancellation of the share premium account requires the passing of a special resolution at the AGM and subsequent approval of the High Court. The cancellation will not be effective until the order of the Court confirming the cancellation has been registered with the registrar of companies.

Shareholders will have the opportunity to vote on the proposed change to the dividend policy and the cancellation of the share premium account at the Annual General Meeting taking place on 10 April 2025. Further information is provided in the Chair's Statement on page 6 and the Shareholder Information Section on pages 118 and 119.

## Annual General Meeting ('AGM')

The Company's AGM will be held at 2:00pm on Thursday 10 April 2025. Please see pages 118 and 119 for further information on the resolutions to be proposed.

# Report of the Directors continued

## Powers to issue shares and make market purchases of ordinary shares

At the AGM held in 2024, the Board was granted by Shareholders the power to allot equity securities for cash without first offering those shares to Shareholders in accordance with their statutory pre-emption rights, up to a nominal value of £1,623,020, equivalent to 10% of the Company's issued ordinary share capital. The Board was also granted authority by Shareholders to make market purchases of up to 48,658,139 ordinary shares of the Company, equivalent to 14.99% of the issued share capital in accordance with the terms and conditions set out in the Shareholder resolution. In the financial year under review, a total of 5,642,322 shares were repurchased into Treasury.

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

These authorities will expire at the 2025 AGM and renewal of these authorities will be sought at that AGM. Details of the resolutions and the Directors' policies for the issue and purchase of shares will be set out in the separate Notice of Annual General Meeting which will be distributed to Shareholders in February 2025. New ordinary shares will only be allotted and issued at or above the prevailing net asset value per share after considering the costs of issue.

Further information on transferability and the voting rights attached to these shares can be found in the Shareholder information section on page 120.

## Major Interests in Ordinary Shares

As at the year end of 30 November 2024, the Company had received notifications from the following Shareholders in respect of their own and their clients' interests in the voting rights of the Company:

Shareholder	Type of Holding	Number of shares	% of voting rights*
Rathbones Investment Management Limited~	Indirect	45,474,334	15.0
1607 Capital Partners LLC	Indirect	33,477,685	11.0
City of London Investment Management	Direct	30,081,688	9.9
RBC Brewin Dolphin Ltd	Indirect	21,781,666	7.2
Quilter Cheviot Investment Management	Indirect	16,128,869	5.3
JM Finn & company Ltd	Direct	15,899,293	5.2
Charles Stanley	Indirect	15,306,117	5.1
Canaccord Genuity	Indirect	10,091,107	3.3

~ position following the all-share combination of Rathbones Group Plc with Investec Wealth & Investment Limited

Since the year end and up to the date of this report, the Company has been notified of the following:

Shareholder	Type of Holding	Number of shares	% of voting rights*
1607 Capital Partners LLC	Indirect	28,708,923	9.5

\* The above percentages are calculated by applying the shareholdings as notified to the issued share capital at 19 February 2025 of 303,219,365 ordinary shares being all the issued ordinary shares excluding those held in treasury where voting rights are suspended.

## UK Listing Rule 6.6

UK Listing Rule 6.6 requires the Company to include certain further information in relation to the Company which is not otherwise disclosed. The only disclosure to be made is regarding the amount of interest capitalised and can be found in Note 9 on page 93.

## Financial Instruments

The Company's financial risk management objectives and policies arising from its financial instruments and its exposure to risk are disclosed in note 27 to the Financial statements.

By order of the Board

**Jumoke Kupoluyi, ACG**

Polar Capital Secretarial Services Limited

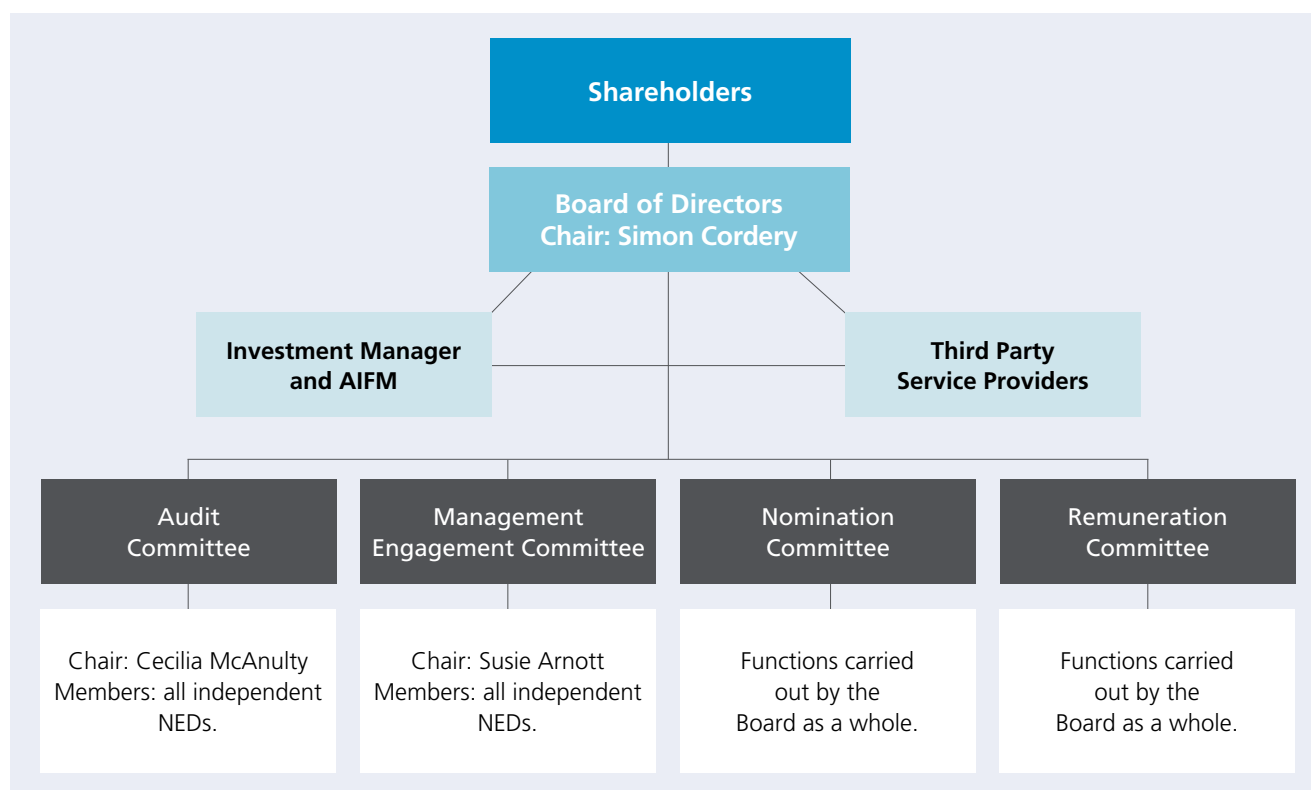
19 February 2025



# Report on Corporate Governance

## Corporate Governance Framework

The Directors are ultimately accountable to the Company and its Shareholders for the Company's affairs and are therefore responsible for the governance of the Company. The Company has no employees and relies on third parties to administer the Company. The following diagram demonstrates the governance framework within which the Company is managed.



As an externally managed investment trust, some provisions of the FRC UK Code of Corporate Governance (the UK Code) are not relevant, including those relating to the roles of chief executive, executive directors' remuneration, statement of gas emissions and the requirement to have an internal audit function, therefore the Board has considered the Principles and Provisions of the Association of Investment Companies Code of Corporate Governance 2019 (the AIC Code) and considers that reporting against the Principles and Provisions of the AIC Code provides more relevant information to Shareholders.

The AIC Code addresses the relevant principles set out in the Financial Report Council ('FRC') UK Code as well as additional principles and recommendations on issues that are specific to investment trust companies. The FRC has endorsed the AIC Code and confirmed that by following the AIC Code, boards of investment companies (including those structured as investment trusts) will meet their obligations under the UK Code.

The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board is aware of the recent revisions to the AIC Code to reflect the recent changes made to the UK Code and will report on any applicable changes in the Annual Report following the effective date.

## Statement of Compliance and Application of the AIC Code's Principles

The Board believes that the Company's current practices are consistent in all material respects in applying the principles and complying with the provisions of the AIC Code.

The AIC Code's principles and provisions are structured into five sections: Board leadership and purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration. The Company's application of the principles and compliance with the provisions of each section is detailed on the following pages.

# Report on Corporate Governance continued

## BOARD LEADERSHIP AND PURPOSE (Principles A-E, Provisions 1-7)

### Board Leadership and Purpose

The Company's purpose is to provide a vehicle for investment in which assets are invested across a global portfolio of listed or quoted securities issued by companies in the financial sector operating in various subsectors which generate for investors a growing dividend income\* together with capital appreciation. The purpose is achieved through the Investment Objective and Policy incorporating parameters to ensure excessive risk is not taken.

The portfolio is diversified by factors including geography, industry subsector and stock market capitalisation. As an externally managed investment trust, the culture of the Company is a consequence of the Board's composition, decisions and behaviours which are aligned with the values and behaviours of the Manager, interaction between the two and engagement with the Company's stakeholders. The Board monitors this culture, including the policies and practices it implements to maintain it.

In promoting the long-term sustainable success of the Company, the performance of the Company's portfolio is constantly reviewed in pursuit of generating value for Shareholders by achievement of the investment objective. Investment management fees are reviewed periodically, with the last change occurring in April 2020 following the reconstruction of the Company and the introduction of the current fee structure. The Investment Manager is entitled to a management fee at the rate of 0.70% (previously 0.85%) per annum based on the Company's net asset value. The Company's performance since launch in July 2013 can be found on page 3. How the Board views its engagement with stakeholders and Shareholders and how this contributes to strategic decision making is set out in the s172 statement on pages 45 to 48. Participation from all stakeholders is encouraged and the Board can be contacted through the Company Secretary. The Company's service providers are subject to periodic site visits and attend service reviews and other meetings throughout the year, ensuring effective engagement. Fulfilling the Investment Objective and monitoring the Company's performance is the primary focus of the Board's discussions.

The Board's effectiveness, including how it promotes the long-term sustainable success of the Company, is reviewed annually. The process and outcomes of the Board evaluation are detailed on page 56.

### Role, Responsibilities and Committees of the Board

The Board has delegated to the Audit and Management Engagement Committees specific remits for consideration and recommendation but the final responsibility in these areas remains with the Board. The Board has determined that, due to its size and the fact that all the Directors are non-executive and independent, the functions of the nomination committee and remuneration committee are carried out by the full Board. The Board creates ad hoc committees from time to time to enact policies or actions agreed in principle by the whole Board.

Separate reports of the work of the Audit Committee and Management Engagement Committee over the year are set out on pages 58 to 63 and page 69 respectively.

The Directors' Remuneration Report, including the processes undertaken when reviewing remuneration, can be found on pages 64 to 68.

The number of formal meetings of the Board and its Committees held during the year ended 30 November 2024 and the attendance of individual Directors are shown below:

	Board	Audit Committee	Management Engagement Committee	2024 Annual General Meeting
<b>Number of Formal Meetings</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>1</b>
Simon Cordery	8	3	2	1
Cecilia McAnulty	8	3	2	1
Susie Arnott	8	3	2	1
Angela Henderson	8	3	2	1

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

## Service Provider Performance Evaluation Process

### Investment Manager (the Manager)

The Board has contractually delegated the management of the portfolio to the Manager. It is the Manager's sole responsibility to take decisions as to the purchase and sale of individual investments subject to the Investment Management Agreement. The Manager has responsibility for asset allocation and stock selection within the limits established and regularly reviewed by the Board.

The Manager is responsible for providing or procuring accountancy services, company secretarial, marketing and administrative services including the monitoring of third-party suppliers who are directly appointed by the Company. The Manager also ensures that all Directors receive in a timely manner all relevant management, regulatory and financial information. Representatives of the Manager attend all Board meetings in a variety of capacities including investment management, accounting, compliance, risk and marketing, enabling the Directors to probe further on matters of concern or seek clarification on any issues.

The whole Board reviews the performance of the Manager in all service disciplines and, at each Board meeting, the Company's investment performance against the market and a peer group of funds with similar investment objectives is reviewed. The investment team provided by the Manager has long experience of investment in the financial sector. In addition, the Manager has other investment resources that support the investment team and have experience in managing and administering other investment companies.

The Board and Manager work in a collaborative manner and the Chair encourages open discussion and debate.

### DIVISION OF RESPONSIBILITIES (Principles F-I, Provisions 8-21)

### Chair

The Chair is responsible for the leadership of the Board and works with the Company Secretary to set the Board's meeting agendas and balance the issues presented to each meeting. Open and honest debate is encouraged at each Board meeting and the Chair keeps in touch with both the Company Secretary and other Directors between Board meetings. Simon Cordery was appointed to the Board in 2019 and appointed as Chair in March 2023. The Chair was independent on appointment and continues to meet the criteria for independence. The Board considers the competence and independence of the Directors on an annual basis.

The Board considers that in the specific circumstances of an investment company, where corporate knowledge and continuity can add value, there may be merit in appointing one of its members to the Chair. In addition, there may be situations where succession plans are disrupted such that an internal candidate with some years' existing experience is the most appropriate candidate for the Chair. In other circumstances an external candidate may be more appropriate.

As per provision 24 of the AIC Code, the Board's policy is that the maximum tenure for its Chair is up to twelve years where up to nine years have been served as a non-executive Director.

### Senior Independent Director

Due to the size and structure of the Board it is considered unnecessary to appoint a senior independent non-executive director. The Board considers that all Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns may be conveyed. As and when required, the Chair of the Audit Committee leads on specific matters such as the annual evaluation of the Chair.

### Board Responsibilities

The Board currently comprises four non-executive Directors who are all considered to be independent in character and judgement. No Director has any former or current connection with the Manager. A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. No such advice has been sought during the year.

### Company Secretary

The Directors have access to the advice and services of the Company Secretary which is provided in compliance with the IMA through Polar Capital Secretarial Services Limited. An appointed representative, Jumoke Kupoluyi, ACG, is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. The Board

# Report on Corporate Governance continued

and Manager operate in a supportive, cooperative and open environment. The Board acknowledges that PIRC's (Pensions and Investment Research Consultants Limited, an independent corporate governance and Shareholder advisory consultancy) voting guidelines recommend voting against the laying of the Annual Report at an AGM where the Manager provides company secretarial services to the Company. The Board believes that the benefits gained by utilising the services of a Company Secretary provided by the Manager significantly outweigh the potential for a conflict of interest perceived by PIRC. The Company Secretary is provided to the Company as an independent service and the appointed representative acts as an officer of the Company and not an employee of the Manager when working with the Board and the Company.

## Meetings

The Board has a schedule of regular meetings throughout the year and meets at additional times as required. During the year, Board and Committee meetings were held to deal with the ongoing stewardship of the Company and other matters, including the share buyback and issuance program, the setting and monitoring of investment strategy and performance, review of financial statements, ESG and considering any Shareholder feedback. The level of share price discount or premium to the net asset value together with policies for issuance or repurchase of ordinary shares are kept under review, along with matters affecting the industry and the evaluation of third-party service providers. The Board is responsible for considering, reviewing and implementing appropriate policies in respect of regulatory changes that impact the Company.

The Company's investment strategy was reviewed during the reconstruction undertaken in early 2020. The Board continues to consider the Company's strategy and its relevance to the market and Shareholders at each Board meeting. Through this process the Board supervises the management of the investment portfolio, the risks to which the Company is exposed and their mitigation, and the quality of services received by the Company.

## Directors' Professional Development

When new Directors are appointed, they undertake an induction program provided by the Manager. Directors are welcome to visit the Manager at any time to receive an update on any aspect of interest or a refresher on the Manager's operations both generally and those which are specific to the Company. Directors are provided regularly with key information on the Company's policies, regulatory and statutory obligations and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors may participate in professional and industry seminars and may use the Manager's online compliance training resources to ensure they maintain their knowledge.

## Conflicts of Interest

The Board has in place a policy to govern situations where a potential conflict of interest may arise, for example where a Director is also a director of a company in which the Company invests or may invest. The Company's Articles contain provisions to permit the Board to authorise acceptable conflicts or potential conflicts. Where a conflict situation arises, the conflicted Director may be excluded from any discussions, decisions or votes relating to the matter of conflict.

Each Director has provided the Company with a statement of all conflicts of interest and potential conflicts of interest, which have been approved by the Board and recorded in a register. The Conflicts Register is reviewed at every Board meeting and the Directors are reminded of their obligations for disclosure. No Director has declared receipt of any benefits from the Company other than their emoluments in their capacity as a Director of the Company.

The Board as part of its year-end review has considered the register of conflicts, any conditions imposed on such conflicts or potential conflicts and the operation of the notification and authorisation process. It concluded that the process has operated effectively since its introduction. There were no contracts subsisting during or at the end of the year in which a Director is or was interested and which is or was significant in relation to the Company's business or the Director.

The Directors' interests in the ordinary shares of the Company are set out on page 67 of the Directors' Remuneration Report.

## Capacity and Overboarding

Prior to appointment, current and planned commitments of board candidates are considered, and it is determined before interview stage whether the Board feels that the candidate has the capacity to dedicate to the Company. Once appointed, all Directors are required to seek permission and approval from the Board prior to accepting any new appointments, including a change of role. Following notification, the Board will consider the type of role, expected time commitments and the impact on the Director's ability to discharge their duties to the Company. Directors are also required to provide a list of their existing

significant external commitments and estimated time commitments for each for the Board to assess any risk of insufficient capacity or over boarding.

The Board continues to be satisfied that the external commitments of all non-executive Directors serve to enhance their skills and experience and do not affect their ability to commit sufficient time to their roles as Directors of the Company, as evidenced by their attendance records and contributions in meetings.

## COMPOSITION, SUCCESSION AND EVALUATION (Principles J-L, Provisions 22-28)

### Board Composition, Diversity and Recruitment

The Board is responsible to Shareholders for the overall management of the Company's affairs. For the year under review there were four non-executive Directors.

Each Director has different qualities and areas of expertise on which they may lead when issues arise. The Board has a policy to consider diversity and seeks to follow the diversity recommendations of the Hampton-Alexander and Parker Reviews, amongst other factors. Consideration is given to all forms of diversity to balance both the expertise on, and the structure of, the Board as a whole.

The Board notes the reporting requirements of the FCA Diversity and Inclusion Policy and has chosen to align its diversity reporting reference date with the Company's financial year end, 30 November 2024. The Board's 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. The Board is conscious that it does not meet the FCA's ethnicity recommendations; however, it believes it has followed a stringent process and appointed the appropriate candidates with the requisite skillsets required of the wider Board. The Board will continue to consider diversity at all stages of recruitment to the Board and will work to ensure the broadest range of candidates are found when recruiting new directors. In support of increasing diversity and expanding the pool of potential NED candidates of the future, the Board welcomed a board apprentice during the year under review. The board apprentice is invited to attend all Board and Committee meetings as an observer and is mentored through the process by a Board member. See page 8 for an interview with board apprentice, Ada Okpe.

As required under UKLR 16.3.29R, further details in respect of the diversity targets as at 30 November 2024 are provided in the tables below. As an externally managed investment trust, the Company has no executive directors or employees therefore columns relating to executive roles/management have been omitted from the tables. As per the AIC's Guidance, the Company considers the roles of Board Chair and Chair of the Audit Committee as senior board positions and the disclosures are made on this basis.

	Number of board members	Percentage of the board	Number of senior positions on the board (Chair and Audit Chair)
Men	1	25%	1
Women	3	75%	1

	Number of board members	Percentage of the board	Number of senior positions on the board (Chair and Audit Chair)
White British or other (including minority-white groups)	4	100%	2
Minority Ethnic	–	–	–

The Board as the Nomination Committee met in October 2024 and considered the near-term recruitment needs of the Board. Having considered a variety of factors, the Committee concluded that at the present time, the Board worked efficiently and had the requisite skill sets to lead the Company effectively.

The Board via the Nomination Committee considered the contribution and performance of each Director as part of the annual Director and Board performance evaluation. The Board believes that the Directors demonstrate a breadth of experience across the investment and financial services industry. Each Director effectively contributes to the operation of the Board and demonstrates independent views on a range of subjects. All the Directors were considered independent of the Manager and had no relationship or conflicts which were likely to affect their judgement.



# Report on Corporate Governance continued

## Succession

The Board believes that retaining Directors with sufficient experience of the Company, investment industry and financial markets is of benefit to Shareholders while recognising that regular refreshment of approach is equally of benefit and importance. Following the reconstruction of the Company, the Board formulated a succession plan which gave due regard to the recommended maximum of nine years' tenure for a non-executive director and a formal tenure policy, allowing for a reasonable extension to the nine years for the role of Chair where the Chair has been appointed from the role of the non-executive director. The refreshment of the Board was undertaken in two phases which completed in March 2023. Following the completion of this process the Board considers that its overall composition is well placed for the effective governance of the Company.

## Evaluation

The evaluation of the Board, its committees and individual Directors is carried out annually. The process involves the use of a written questionnaire to assess the balance of skills, experience, knowledge, independence and effectiveness of the Board, including how the Directors interact as a unit on the Board. The responses to the questionnaire are reviewed and discussed by the full Board and, should it be deemed necessary, additional reporting measures or operations would be put in place. The review of the Chair's performance is conducted by the Board led by the Chair of the Audit Committee. The Chair of the Board does not participate in this discussion.

In carrying out these evaluations, each Director is assessed on their relevant experience, their strengths and weaknesses in relation to the overall requirements of the Board and their commitment to the Company in terms of time by regular attendance and participation at Board meetings. The process is constructed to assess the contribution of individual Directors to the overall operation of the Board and its Committees. The Board, through the work of the Nomination Committee, has determined that each Director standing for re-election continues to offer relevant experience, effectively contributes to the operation of the Board and has demonstrated independent views on a range of subjects. The Committee is satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

## Performance and Re-election

In accordance with the Company's adopted practices, all Directors will retire and offer themselves for re-election at the AGM of the Company to be held in April 2025. Having undertaken a Board Evaluation process and discussed the areas of expertise required to run the Company, the Board has confirmed its support and rationale for each Directors' re-election. The Directors believe that they have a balance of experience, expertise and sufficient diversity and that they work well together, each director bringing multiple qualities and areas of expertise to the Board. The Board rationale for re-appointment of each Director is given on page 6 and in the letter accompanying the Notice of AGM.

## AUDIT, RISK AND INTERNAL CONTROL (Principles M-O, Provisions 29-36)

## Internal Controls

The Board has overall responsibility for the Company's system of internal control, for reviewing its effectiveness and ensuring that risk management and control processes are embedded in the Company's day-to-day operations.

The Manager has an internal control framework to provide assurance on the effectiveness of the internal controls operated on behalf of its clients. The Manager is authorised and regulated by the Financial Conduct Authority and its compliance department monitors the Company's compliance with the various rules and regulations applicable to it, including the FCA's rules, AIFMD, MiFID II and GDPR.

The Board, through the Audit Committee, has established a process for identifying, evaluating, monitoring and managing any major risks faced by the Company. This is documented using a risk map which is subject to regular review by the Audit Committee and accords with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council. The controls are embedded within the business and aim to ensure that identified risks are managed and systems are in place to report on such risks. The internal controls seek to ensure the assets of the Company are safeguarded, proper accounting records are maintained, and the financial information used by the Company and for publication is reliable. Controls covering the risks identified, including financial, operational, compliance and risk management

controls, are monitored by a series of regular reports covering investment performance, attribution analysis, reports from various third parties and from the Manager.

As the Company has no employees and its operational functions are carried out by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

Contracts with suppliers are entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

## Operation of Internal Controls

The internal controls process was active throughout the year under review and up to the date of approval of this Annual Report. However, such an internal controls system is designed to manage rather than eliminate risks of failure to achieve the Company's objective and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board will continue to monitor the system of internal controls to provide assurance that they operate as intended.

The Board, in assessing the effectiveness of the Company's internal controls has, through the Audit Committee, received formal reports on the policies and procedures in operation. These reports from the Manager include results of tests on the policies and procedures in operation during the year under review, with details of any known internal control failures. The Manager has subsequently provided confirmation that there has been no material change to the control environment up to the date of signing these Financial Statements.

The Board considers ad hoc reports from the Manager and third-party suppliers and information is supplied to the Board as required. In addition to the regular internal control's reports provided by the Manager and various third-party suppliers, when required, the Board receives assurances on the status of the business and operational functions.

The Manager has delegated the provision of accounting, portfolio valuation and trade processing to HSBC Securities Services but remains responsible to the Company for these functions and provides the Board with information on these services.

The principal risks and uncertainties to which the Company is subject are detailed in the Strategic Report. Based on the work of the Audit Committee and the reviews of the reports received by the Audit Committee on behalf of the Board, the Board has concluded that there were no material control failures during the year under review and up to the date of this report.

## REMUNERATION (Principles P-R, Provisions 37-42)

Due to the fully independent non-executive Board comprising four Directors, the Board has deemed it appropriate for the full Board to fulfil the role of the Remuneration Committee. The Board, acting as the Committee, meets at least annually and is responsible for consideration and recommendations in relation to Directors' remuneration.

The remuneration of the Directors is reviewed on an annual basis but will not necessarily lead to a change in remuneration level awarded. Industry guidance, peer investment trust companies' remuneration, the work undertaken by the Board in the prior year along with plans for the current year and the overall regulatory environment are all considered when reviewing remuneration.

Remuneration levels are set to attract candidates of high calibre to the Board. The Company's remuneration policy was approved by Shareholders at the AGM in March 2023, is detailed within the Directors' Remuneration Report on page 64 and explains how the policy is designed to support strategy and promote long-term sustainable success.

### Jumoke Kupoluyi, ACG

Polar Capital Secretarial Services Limited  
Company Secretary

19 February 2025

# Audit Committee Report

## Cecilia McAnulty

Chair of the Audit Committee



**As Chair of the Audit Committee, I am pleased to present my Report to you**

The Committee comprises all the Directors and the Board is satisfied that the Committee has sufficient recent and relevant financial experience and has competence relevant to the sector in which the Company operates for the Committee to discharge its functions effectively. The experience of the members of the Committee can be assessed from the Directors' biographies on pages 10 and 11. The Committee has written terms of reference which are available to view on the Company's website [www.polarcapitalglobalfinancialstrust.com](http://www.polarcapitalglobalfinancialstrust.com)

During the year ending 30 November 2024, the Audit Committee met three times, with a quorum of members of the Committee attending each meeting.

### Matters Considered during the Financial Year Ended 30 November 2024:

During the year the Audit Committee considered a variety of matters, including:

#### Audit Regulation

Since my last report to you, the Committee has not had to consider any new material regulations, although it continues to follow developments in the regulatory environment to ensure any new and ongoing requirements are applied appropriately to the Company. The Committee is aware of the recent revisions to the UK Code, specifically those relating to risk management, material and internal controls which are applicable to accounting periods beginning on or after 1 January 2026. The AIC has recently updated the AIC Code of Corporate Governance to reflect these changes and the Committee will report on the impact of these in the Annual Report following the effective date. In addition, the Committee continues to review the outcomes of the FRC's annual Audit Quality Reviews and discuss the findings with the Auditors.

#### Annual External Audit

- The appointment of the Auditors;
- The scope of the annual audit and agreement with the Auditors of the key areas of focus;
- The reports from the Auditors concerning their audit of the annual Financial Statements of the Company;
- The performance of the Auditors and the level of fees charged for their services;
- The independence and objectivity of the Auditors;
- The financial disclosures in the annual and interim reports to Shareholders;
- The policy and extent of any non-audit services (including fees paid) in line with the FRC guidance;
- The going concern statement, longer-term viability statement, including the impact of the 2025 Tender Offer and future tender offers to be made to Shareholders at five-yearly intervals; and
- The requirement to confirm that the Annual Report and Financial Statements when taken as a whole are fair, balanced and understandable.

#### Internal Audit

As the Company is an externally managed investment trust we continue to conclude that the need for an internal audit function is unnecessary but will keep this under review.

#### Accounting Policies and related matters

- The appropriateness of and any changes to the accounting policies of the Company including any judgements required by such policies and the reasonableness of such. During the year the Committee ensured that the accounting policies as set out on pages 85 to 110 were applied consistently throughout the year. The Committee confirmed there have been no changes to currently adopted policies and no new UK-adopted international accounting standards ("UK-adopted IAS") or amendments to UK-adopted IAS which had any significant impact on the Company's Financial Statements;

- The financial disclosures contained in the Annual Report and Half Year Report to Shareholders; and
- The going concern statement, longer-term viability statement and the requirement that the Annual Report and Financial Statements, when taken as a whole, are fair, balanced and understandable.

## Investment Matters

- The investment management process, including confirmation of the existence and ownership of investments through the review of quarterly Depositary reports and meeting with the Depositary in relation to the safeguarding of the Company's assets; and
- The valuation of unquoted investments and the provision of associated recommendations to the Board.

## Internal Controls and Risk

- The risk map covering the identification of new and emerging risks, adjustments to existing risks and the mitigation and controls in place to manage those risks; and
- Reports from the Manager and its external auditors on the effectiveness of the system of internal financial controls including the risk map.

## Dividend Policy

- The Committee considered the Company's dividend policy as approved by Shareholders at the AGM held in March 2023 and recommended to the Board that it should continue. The Board seeks to balance its objective of growing dividends for Shareholders with future earnings prospects and the availability of revenue reserves. As reported in the Chair's Statement, an "enhanced dividend" policy will be proposed for approval by Shareholders at the AGM to be held on 10 April 2025.

## Consideration of the Half Year Report and Financial Statements

- Prior to publication, the Committee considered, reviewed and confirmed the half year report and financial statements, which are not audited or reviewed by the Auditors, to ensure they were prepared on a basis consistent with the accounting policies used in the Annual Report and Financial Statements for the year ended 30 November 2023.

## Consideration of the Annual Report and Financial Statements

- The Committee performed this role through monitoring the integrity of the financial statements of the Company and the system of accounting to ensure compliance with relevant and appropriate accounting standards. The scope of the audit was agreed in advance, with a focus on areas of audit risk and the appropriate level of audit materiality.
- The Auditors reported on the results of the audit work to the Committee and highlighted any issues which the audit work had discovered, or the Committee had previously identified as significant or material in the context of the financial statements. Following a comprehensive review process the Committee presented its conclusions to the Board.

## Tax matters

- The Committee is responsible for reviewing the outstanding tax reclaims and where necessary the payment or receipt of overseas tax. In the year under review, £38,000 was received by the Company from overseas tax reclaims and there remained £1,618,000 (2023: £1,487,000) of outstanding reclaims at the year end. This increase in the tax receivable balance reflects new reclaims submitted since the last year end and continuing delays experienced in processing tax reclaims due to the pandemic when some markets suspended the processing of reclaims. In addition, some tax offices are in the course of changing their reclaim processes from paper to digital which has resulted in a hiatus in recovery of claims. As at the year ended 30 November 2024, the outstanding tax reclaims were aged between 0.1 to 6.6 years and have been filed with the relevant tax authorities. The outstanding reclaims at the year-end are within the statute of limitations and we anticipate these will be received soon. In addition, the Committee reviewed the provision for the Indian capital gains tax. The Indian capital gains tax provision represents an estimate of the amount of tax payable by the Company. This additional tax only becomes payable at the point at which the underlying investments are sold and any profit crystallised. Further details of the Indian capital gains tax can be found on pages 86 to 87 and 93.

# Audit Committee Report continued

## Significant Matters in Relation to the Financial Statements for the Year Ended 30 November 2024

In addition to the matters considered by the Committee in forming its opinions on the Going Concern and longer-term viability statements described below, and in concluding that the Annual Report is fair, balanced and understandable, the Committee also considered the following matters in relation to the financial statements:

Significant matter	How the issue was addressed
Valuation, existence and ownership of investments	The valuation is carried out in accordance with the accounting policy described in note 2(g). The Depositary has reported on its work and safe keeping of the Company's investments. The Depositary's report is provided on the Company's website.
Compliance with s1158 and s1159 of the Corporation Tax Act 2010	Consideration of compliance with the requirements of investment trust status is carried out at each Board meeting throughout the year.

There were no adverse matters brought to the Committee's attention in respect of the 2024 audit which were material or significant, or which should be brought to Shareholders' attention.

## Conclusions in Respect of the Annual Report and Financial Statements

To reach the conclusion that the Annual Report and Financial Statements when taken are fair, balanced and understandable, the Board has requested that the Committee advise on whether it considers these criteria satisfied. In so doing the Committee has considered the following:

- The ongoing comprehensive control framework over the production of the Annual Report, including the verification processes in place to deal with the factual content;
- The extensive levels of review undertaken in the production process by the Manager and the Committee;
- The internal control environment as operated by the Manager and other suppliers including any checks and balances within those systems; and
- The unqualified audit report from the Auditors confirming their work based on substantive testing on the Financial Statements.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30 November 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy, and it has reported on these findings to the Board.

## External Audit – Year Ended 30 November 2024

### Appointment of Auditors, Fees and Tenure

The Committee considers by way of meetings and reports, the appointment, remuneration and work of the Auditors. PricewaterhouseCoopers LLP (PwC or the 'Auditors') have provided audit services to the Company from its incorporation in 2013 to date and the audit partner who led our statutory audit for the year under review was Kevin Rollo. There are no contractual obligations restricting the choice of external auditor.

In accordance with current legislation, the Company is required to instigate an audit tender process at least every 10 years and will have to change its auditor after a maximum of 20 years' engagement. The Company's last audit tender was completed in December 2021 ahead of PwC's ten-year anniversary as Auditors of the Company. Following the tender process which included an assessment of several providers on a range of criteria including independence, proposed audit approach, sector experience, fee level, depth and quality of team, and the result of any FRC quality control reviews, the incumbent auditors PwC were re-appointed as the Company's Auditors. PwC have confirmed their continued independence and have expressed their willingness to be appointed, in accordance with s487 of the Companies Act 2006. A resolution proposing their re-appointment and authorising the Directors to determine their remuneration will therefore be proposed at the AGM.

As part of the year end process, the Committee considered the level of fees paid to the Auditors, bearing in mind the nature of the audit, the quality of services received and the market rate for similar services. The fees paid to PwC in respect of the audit of the annual Financial Statements



amounted to £53,500 (2023: £49,980). The fee represents a 6.6% increase on the prior year and reflects the phased increase related to additional work required by the Auditors due to new auditing standards, specifically IAS 315, inflation and the level of audit work required to perform a robust quality audit. The audit fees continue to be in line with increases experienced across the investment trust sector. The Audit Committee continues to keep fee levels under close review and insists that all fee increases are justified.

### Effectiveness of Audit Process

The Committee, on behalf of the Board, is responsible for overseeing the relationship with the external Auditors including ensuring the quality and effectiveness of the audit.

The Committee monitored and evaluated the effectiveness of the Auditors and any changes in the terms of their appointment, based on an assessment of their performance, qualification, knowledge, expertise and resources. The Auditors' independence was also considered, along with other factors such as audit planning and interpretations of accounting standards. This evaluation was carried out throughout the year by meetings held with the Auditors, by review of the audit process and by comments from the Manager and others involved in the audit process. Based on its review the Audit Committee concluded that the Auditors remained independent and continued to act in an independent manner. The Auditors are provided with an opportunity to address the Committee without the Manager present, to raise any concerns or discuss any matters relating to the audit work and the co-operation of the Manager and others in providing any information, and the quality of that information including the timeliness in responding to audit requests.

### Non-Audit Work

The Committee's policy on the provision of non-audit services by the Auditors is to ensure that there is a clear separation of audit work and non-audit work and that the cost of any non-audit work is justified and is not disproportionate to the audit fees, to the extent that the independence of the Auditors would be compromised. The Company's policy on the provision of non-audit services by the Auditors is available on the Company's website and is in line with FRC Ethical Standards (updated in March 2020). Any non-audit services are required to be pre-approved by the Audit Committee.

In the event of non-audit services being proposed, the Committee undertakes a review of the services proposed to satisfy itself that these fall within the terms of the policy and are efficient and cost-effective. In the year under review, no non-audit services were provided by the Auditors.

## Overview of Risk and Internal Controls

The Board has ultimate responsibility for the management of risk throughout the Company and has asked the Committee to assist in maintaining an effective internal control environment. The Company maintains a risk map which seeks to identify, monitor and control principal risks as well as identifying emerging risks. The Committee frequently reviews the risk map to identify the principal and emerging risks facing the business including those that might threaten the Company's business model, future performance, liquidity and reputation. Alongside this, the Committee considered the likelihood, impact, mitigating factors and controls available to reduce the impact of such risks, as described on pages 40 to 44. The risk map is monitored and updated regularly to reflect any changes to the risks and their mitigants.

The system of internal controls is monitored through the regular review of the risk map and through the review of the internal control environment. As an investment company reliant on the systems used by external suppliers, the Committee meets with the Manager and other key service providers, receives presentations from them, reviews control reports for these providers and considers the independent audit opinions thereon. This process gives comfort that key providers are fulfilling their obligations to the Company by adhering to appropriate systems of internal control within their businesses. In addition, the Manager also conducted a due diligence site visit with the Administrator and Depositary where they received thorough presentations from representatives covering the work of the Operations, Risk Administration and Accounting Teams, and the Custodian and Depositary. No matters of concern with any areas of service were raised at any of the meetings or on reviewing the internal controls reports.

The Committee has discussed with the Investment Manager policies on whistleblowing, cyber security, anti-bribery and the Modern Slavery Act and is satisfied that the Manager has controls and monitoring processes to implement its policies across the main contractors which supply goods and services to the Manager and to the Company. The Company has adopted an anti-corruption policy which refers to anti-bribery, anti-slavery and the corporate criminal offence of tax evasion. In addition to this, the Company has issued a data privacy notice in relation to the General Data Protection Regulation. All such policies can be found on the Company's website.

The Committee further considered the policy and controls used by the Manager surrounding the use of brokerage commissions generated from transactions in the Company's portfolio and the obtaining of best execution on all transactions.

There were no issues of concern arising from the reviews of the internal controls environment on which the Company relied during the year ended 30 November 2024 and up to the date of this report.

# Audit Committee Report continued

## Other Significant Issues Considered by the Audit Committee During the Year

### Geopolitical Events

During the financial year under review, the Committee continued to monitor the geopolitical landscape, specifically the US elections, the 2024 UK election and budget and the ongoing military activity in the Ukraine and the Middle East. Events such as these can have a significant impact on global financial markets, and hence on the Company's portfolio performance. The Committee continues to monitor the impact of these and emerging events.

The Committee regularly reviews the operational resilience of its various service providers in connection with the mitigation of the business risks posed by geopolitical events. The Committee is pleased to confirm that all service providers have continued to demonstrate their ability to provide services to the expected level, with no breaks in the services or significant operational failures.

### Going Concern and Longer-term Viability

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

As noted within the Chair's Statement, Shareholders 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 tender will be published in due course.

### Going Concern

At the request of the Board, the Committee has considered the ability of the Company to adopt the going concern basis for the preparation of the Financial Statements. The Committee has considered the performance of the Company, its financial position, cash flows and liquidity in addition to any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern including:

- The Company's ability to liquidate its portfolio and meet its expenses as they fall due, together with its exposure to currency and credit risk; and

- The Company's net current liabilities position in connection with the bank loans being due for repayment in July 2025;
- The impact of the tender offers at five-yearly intervals, the first of which will be made on or before June 2025; and
- The factors impacting the forthcoming year as set out in the Strategic Report section, comprising the Chair's Statement, the Investment Manager's Report and the Strategic Review.

The financial position of the Company and its cash flows and liquidity position are described in the Strategic Report and the Financial Statements. Note 27 to the Financial Statements includes the Company's policies and process for managing its capital; its financial risk management objectives; details of financial instruments and hedging activities. 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. Exposure to credit risk and liquidity risk are also disclosed.

The Committee is mindful of the uncertainties detailed above under Geopolitical Events and the longer-term impact these factors may have on the market and global economy and will continue to keep this under review. Based on the information provided to the Committee and its assessment of the financial position of the Company, the Directors have not identified conditions or events that call into question the Company's ability to continue to be a going concern. As part of this assessment, the Committee also considered the tender offer taking place on or before 30 June 2025. If the resultant size of the Company following the 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 advisors and the long term relative and absolute performance of the Company, the Board believes that there is sufficient support to indicate that the tender offer will not result in the Company failing to reach an adequate minimum size. The Committee also considered the results of the 2020 Tender at which c.39% of the Company's shares were tendered and the growth of the Company's NAV since then, from £127m to c.£630m. The Director's have assessed the severe, but plausible downside scenarios in relation to the take up of the Tender Offer and have concluded that they expect the Trust to be able to continue as a going concern. As such, the Audit Committee concluded that it remained appropriate to continue to prepare the financial statements on a going concern basis and is satisfied that the Company can meet its financial obligations for the foreseeable future.

## Longer-Term Viability

The Board has also asked the Committee to address the requirement that a longer-term viability statement be provided to Shareholders. This statement should take account of the Company's current position, and principal risks as set out on pages 40 to 44 together with the mitigating factors which are assumed to operate appropriately so that the Board may state that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

The Board has selected five years from the year end 30 November 2024 as an appropriate period of assessment. The assessment period is selected as the period post the Company's first five-yearly tender offer to be made to Shareholders in accordance with the Articles of Association.

To provide this assessment the Committee has considered the Company's financial position as described above to liquidate its portfolio and meet its expenses as they fall due:

- The portfolio comprises investments traded on major international stock exchanges. There is a spread of investments by size of company. In current market conditions 96.2% of the portfolio could be liquidated within seven trading days, and there is no expectation that the nature of the investments held within the portfolio will be materially different in future. The Company has two unquoted investments, Atom Bank and Moneybox, which at the year-end equated to 1.06% of total net assets;
- The expenses of the Company are predictable and modest in comparison with the assets of the Company and there are no capital commitments foreseen which would alter that position; and
- The Company has four non-executive Directors and no employees and consequently does not have redundancy or other employment related liabilities or responsibilities.

The Committee has also had regard to the following assumptions in considering the Company's longer-term viability:

- The tender offer to be put to Shareholders on or before 30 June 2025 and the likelihood of the Company remaining viable thereafter;
- Financials will continue to be an investable sector of the international stock markets and that investors will still wish to have an exposure to such investments;
- Closed end investment trusts will continue to be attractive to investors;
- Regulation will not increase to a level that makes the running of the Company uneconomical in comparison with other competing products;
- There will be no material or significant changes in the principal risks and uncertainties; and

- Should the performance of the Company be less than the Board deems acceptable it has appropriate powers to replace the Investment Manager.

## Stress Testing

In addition to the above, stress testing was undertaken in determining the Company's longer-term viability and the appropriateness of preparing the Financial Statements on a going concern basis. In conducting the stress tests, the Company's principal risks were grouped into three buckets according to their post mitigation scores and, where possible, material values were attached to the key risks materialising and evaluated to assess the effect of this on the Company's ability to continue as a going concern and its viability over a five-year period.

The stress tests also used a variety of falling parameters to demonstrate the impact on the Company's share price and NAV. The results of the testing demonstrated the impact on the NAV and confirmed the Company's ability to meet its liabilities as they fall due.

In light of these considerations, the Committee has recommended to the Board that a positive statement may be made on the Company's longer-term prospects to continue its operations and meet its expenses and liabilities as they fall due. In support of such recommendation the Committee considered the financial position, the cash flow forecast including expenses and the portfolio liquidity position covering the period of five years and beyond.

## Effectiveness of the Audit Committee

The services provided to the Board by the Committee are reviewed within the Annual Board Evaluation, including consideration of actions undertaken by the Committee with the Manager and Auditors to ensure an appropriate audit process is undertaken.

I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were highlighted. The Committee seeks to improve its effectiveness and follow best practice guidance from the FRC and other bodies.

### Cecilia McNulty

Chair of the Audit Committee

19 February 2025

# Directors’ Remuneration Report

## Introduction

This report is submitted in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the ‘Regulations’) and the Listing Rules of the Financial Conduct Authority in respect of the year ended 30 November 2024. It has been audited where indicated.

## Chair’s Report

The Board has determined that due to its size, and the fact that all the Directors are non-executive and independent, the functions normally carried out by a remuneration committee will be performed by the full Board.

Shareholders approved the current Directors’ Remuneration Policy by way of an ordinary resolution passed at the AGM on 30 March 2023. Such policy came into effect on 1 December 2023 and shall remain in force until 30 November 2026.

## Company’s Policy on Directors’ Remuneration effective 1 December 2023

### How policy supports strategy and promotes long-term sustainable success

### Operation

The Board consists entirely of independent non-executive Directors, who meet regularly to deal with the Company’s affairs.	Non-executive Directors have formal letters of appointment which contain the responsibilities and obligations of the Directors in relation to undertaking their role and managing conflicts of interest; their remuneration is determined by the Board within the limits set by the Articles of Association.
The intention is that fees payable reflect the time spent by them individually and collectively, be of a level appropriate to their responsibilities and be in line with market practice, sufficient to enable candidates of high calibre to be recruited and retained.	Directors are not entitled to payment for loss of office and do not receive any bonus, nor do they participate in any long-term incentive schemes or pension schemes. All fees are paid in cash, monthly in arrears, to the Director concerned or a nominated third party.
The Company’s policy in relation to fees is to offer only a fixed basic fee in line with equivalent roles within the sector with additional fees for the roles of Chair of the Company and Chair of the Audit Committee. As the Company is an investment trust and all the Directors are non-executive, it is considered inappropriate to have any long-term incentive schemes or benefits.	Rates are reviewed and benchmarked annually but the review will not necessarily result in any change to rates. Non-executive Directors are subject to annual re-election by Shareholders.
In accordance with the Company’s Articles of Association, any Director who performs, or undertakes to perform, services which the Directors consider go beyond the ordinary duties of a Director may be paid such additional remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Directors may determine.	No such additional remuneration was paid in 2024 or 2023.

As per previous AGM resolutions, Shareholders will be asked to consider a non-binding vote for the approval of the following Directors’ Remuneration Implementation Report, which reports on how the current Remuneration Policy has operated during the year ended 30 November 2024.

The result of the Shareholder votes on the Directors' Remuneration Policy and the latest Implementation Report were as follows:

	Implementation Report for the Year ended 30 November 2023	Remuneration Policy for the three years ended 30 November 2026
	Approved at the AGM on 18 April 2024	Approved at the AGM on 30 March 2023
Votes for	99.98%	99.98%
Votes against	0.02%	0.02%
Votes abstained	0.00%	0.00%

The Board considers this level of support from Shareholders a positive endorsement of both its Remuneration Policy and the policy implementation. There has been no communication from Shareholders regarding any aspect of the Directors' remuneration.

## Implementation Report

### Directors' Remuneration Paid for the Year Ended 30 November 2024

#### Fees and Expenses - Annual Fees Review

The review of Directors' fees is carried out on an annual basis and involves consideration of the time and commitment required of the Directors, including any significant increase in requirements due to regulatory or other changes. For comparative purposes the remuneration awarded to directors of similar companies and general market data is also considered. While such a review will not necessarily result in any change to the rates, the Committee believes it is important that these reviews happen annually.

The appointment of an external remuneration consultant was considered unnecessary. All Directors exercise independent judgement and discretion when considering fees.

In October 2024, the Committee carried out a review of Directors' remuneration which included a selection of peer comparisons and external reports. Consideration was also given to the need to attract and retain Directors, the rise in inflation, the upcoming tender and the increased level of input and responsibility members of the Board have in relation to enhanced regulations. As a result, the Committee decided to implement the following annual fee increases with effect from 1 December 2024:

- Chair £43,000pa to £46,000pa (7.0% increase);
- Non-executive Director £31,000pa to £32,500pa (4.8% increase); and
- Additional supplement for performing the role of Chair of the Audit Committee £5,750pa (unchanged from previous year).

Directors' fees for the year ending 30 November 2025, based on the current board membership, are expected to total £149,250 in aggregate. Article 105, of the Company's Articles of Association stipulates the aggregate amount available for Directors' Remuneration as £250,000; at the rates agreed the Board falls within the aggregate limit in the Articles.

In accordance with the Shareholder Rights Directive, the Board confirms that no variable pay awards were made to the Directors and there were no deferral periods or share based pay equivalents. The percentage change in remuneration in respect of the five financial years prior to the current year in respect of each Director role is as follows:

Financial year to:	2019	2020	2021	2022	2023	2024	2025
Simon Cordery <sup>~</sup>	–	–	–	11.3%	26.1%	15.6%	7.0%
Cecilia McAnulty <sup>^</sup>	–	–	–	24.8%	5.8%	5.0%	4.1%
Susie Arnott <sup>*</sup>	–	–	–	–	–	5.1%	4.8%
Angela Henderson <sup>*</sup>	–	–	–	–	–	5.1%	4.8%

<sup>~</sup> Appointed as Non-Executive Director on 1 July 2019 and as Chair on 31 March 2023. The Directors' fee payable in respect of the financial year ended 2019 has been grossed up to a full years' salary to provide an accurate percentage for comparison purposes.

<sup>^</sup> Appointed as Non-Executive Director on 1 November 2021 and as Audit Chair on 7 April 2022. The Directors' fee payable in respect of the financial year 2022 has been grossed up to a full years' salary to provide an accurate percentage for comparison purposes.

<sup>\*</sup> Appointed 1 December 2022.



# Directors' Remuneration Report continued

## Expenses

The Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings. In certain circumstances, under HMRC rules, travel and other out of pocket expenses reimbursed to the Directors may be considered as taxable benefits. Where expenses are classified as taxable under HMRC guidance, they are paid gross and shown in the taxable column of the Directors' remuneration table. There were no such expenses claimed by the Directors in the year under review (2023: nil). The policy for claiming such expenses was not changed during the year.

## Letters of Appointment

In accordance with recommended practice, the Directors do not have service agreements but instead each Director has received a letter setting out the terms of their appointment under which they provide their services to the Company. A Director may resign by giving one month's notice in writing to the Board at any time. The Directors are not entitled to payment for loss of office.

New Directors are appointed and elected with the expectation that they will serve for a period of at least three years. In accordance with the Articles of Association any new Director is required to stand for election at the first AGM following their appointment and, in accordance with good corporate governance practice, all Directors stand for re-election every year following their first election by Shareholders.

## Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors. The Company has, to the extent permitted by law and the Company's Articles of Association, provided each Director with a Deed of Indemnity which, subject to the provisions of the Articles of Association and s234 of the Companies Act 2006 qualifying third party indemnity provisions, indemnifies the Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their position as Directors (excluding criminal and regulatory penalties). Directors' legal costs may be funded up-front provided they reimburse the Company if the individual is convicted or, in an action brought by the Company, judgment is given against them. These provisions were in force during the year and remain in force at the date of this report.

## Remuneration (Audited)

In the year under review, the Directors' fees were paid at the following fixed annual rates: the Chair £43,000; other Directors £31,000 with the Chair of the Audit Committee receiving an extra £5,750 supplement for performing that additional role.

The fees payable in respect of each of the Directors were as follows:

	<b>Date of Appointment</b>	<b>Year ended 30 November 2024 £</b>	<b>Year ended 30 November 2023 £</b>
Simon Cordery (Chair)	1 July 2019	43,000	37,211
Cecilia McNulty (Chair of the Audit Committee)	1 November 2021	36,750	35,000
Susie Arnott	1 December 2022	31,000	29,500
Angela Henderson	1 December 2022	31,000	29,500
Robert Kyprianou (retired as Chair on 30 March 2023)	7 June 2013	–	13,509
Katrina Hart (retired on 1 December 2022)	7 June 2013	–	82
<b>Total</b>		<b>141,750</b>	<b>144,802</b>

No pension or other contributions were paid by the Company during the year to any of the Directors. Consequently, the figures shown above comprise the single total remuneration figure.

## Directors' Share Interests (Audited)

The interests of Directors in the ordinary shares of the Company on 30 November 2024 and 30 November 2023 were as follows:

	30 November 2024	30 November 2023
Simon Cordery	42,497	41,358
Cecilia McNulty	40,000	40,000
Susie Arnott	20,000	20,000
Angela Henderson	–	–
<b>Total</b>	<b>102,497</b>	<b>101,358</b>

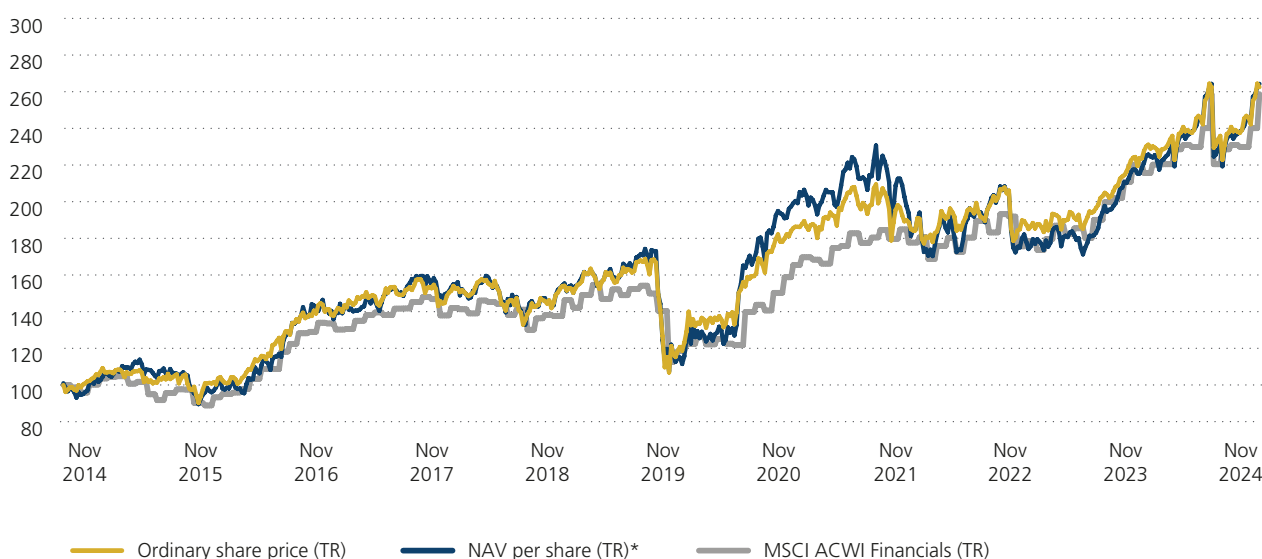
All holdings are beneficially held. There have been no changes in these interests between the end of the financial year and 19 February 2025. While it is no longer a requirement, Directors are actively encouraged to maintain a holding of ordinary shares in the Company.

## Performance

The Regulations require a performance comparison line graph to be included in the Directors' Remuneration Report showing the total Shareholder return for each of the financial years in the relevant period. Each subsequent annual graph is required to increase by one year until the maximum relevant period of ten years is reached; thereafter the relevant period will continue to be ten years. The Company was incorporated on 17 May 2013 and commenced trading on 1 July 2013, the performance comparison is therefore shown for the period of 10 years from 1 December 2014 to 30 November 2024.

### Total return per ordinary share

Rebased to 100



\* For information purposes.

The chart above, in accordance with legislation, shows the total return per ordinary share, and does not consider the value ordinary Shareholders would have received from the subscription shares they were given at launch and were able to sell or exercise on the single conversion date of 31 July 2017.

## Directors' Remuneration Report continued

The Company's Benchmark for the period to 31 August 2016 was the MSCI World Financials Index. On 1 September 2016 the constituents of the MSCI World Financials Index changed to exclude real estate. MSCI therefore provided a revised index, the MSCI World Financials + Real Estate Net Total Return Index which was adopted for all periods from 1 September 2016 until the General Meeting of the Company held on 7 April 2020 at which time a new index was adopted following the reconstruction of the Company on 23 April 2020, being the MSCI ACWI Financials Net Total Return Index.

### Relative Importance of Spend on Pay

Under the Regulations (Schedule 8, Part 3 (20)), the Directors' Remuneration Report must show a comparison of all remuneration paid to employees\* to all distributions (including dividends and share buy backs) paid to Shareholders for the current year, preceding year and the difference between those years. This is to assist the Directors in understanding the relative importance of spend on pay.

\*The Company does not have any employees therefore for the purposes of comparison the remuneration paid to the non-executive Directors is included.

	2024 £'000	2023 £'000	Change	
			£'000	%
Directors' total remuneration	142	145	(3)	(2%)
Dividends paid or declared in respect of the financial year*	14,278	14,191	87	1%
Profit/(loss) on ordinary activities after tax	164,575	(15,525)	180,100	1160%
Ordinary shares repurchased into treasury	9,038	23,139	(14,101)	(61%)

\*The total dividends paid or declared is based on the number of shares in issue on the ex-dividend date. The first interim dividend for the year ended 30 November 2024, was paid on 30 August 2024 on 304,272,705 shares (2023: 315,955,329 shares), the second interim dividend for the year ended 30 November 2024 will be paid on 28 February 2025 on 303,219,365 shares (2023: 307,160,405 shares). No payments were made in the period to any past Directors (2023: £nil).

**Simon Cordery**

Chair

19 February 2025

# Report of the Management Engagement Committee



## Susie Arnott

Chair of the Management Engagement Committee

The Management Engagement Committee (“the Committee”) is chaired by Susie Arnott and comprises all the Directors, all of whom are independent and non-executive.

The Committee has written terms of reference, which are available to view on the Company’s website, [www.polarcapitalglobalfinancialtrust.com](http://www.polarcapitalglobalfinancialtrust.com). The terms of reference clearly define the Committee’s responsibilities and duties.

The Committee meets twice a year and at such other times as may be necessary and is responsible for:

- Monitoring and reviewing the performance of the Investment Manager along with the Company’s other service providers;
- Keeping under review the terms of the Investment Management Agreement (“IMA”) and the Manager’s appointment as AIFM, prior to making its recommendation to the Board on whether the retention of the Investment Manager is in the interests of Shareholders; and
- Reviewing the Manager’s investment process. This includes ensuring environmental social and governance principles (collectively known as “ESG”) are integrated by Polar Capital into this process so that the Manager and the Company are effective in meeting their social and regulatory requirements.

## Performance Evaluation Process

### Investment Manager

During the year, the Management Engagement Committee carried out the detailed review of the Investment Manager’s services and considered its continued appointment for the next financial year ending 30 November 2025.

In addition, the Committee reviewed the current fee arrangements with the Manager taking into consideration the performance of the Manager in managing the assets of the Company, the provision of operational and administrative services and the performance of the Company in both absolute and relative terms against the Benchmark and peers since launch and post the Reconstruction. No change to the fee arrangements was proposed for the year under review or the year ahead.

The Committee has reviewed in detail the performance of the Investment Manager in managing the portfolio over the longer-term, as well as assessing the impact of recent changes within the team. The Board believes this has further strengthened investment processes and the depth of knowledge. The review considered the quality of the other services provided by the Manager and the resources available to provide such services.

The Committee considered the quality of support from the sales, marketing and administrative functions of the Manager, including Shareholder communications. Following the review, the Committee concluded that it is in the best interests of Shareholders that the appointment of Polar Capital LLP as Investment Manager is continued.

## ESG

The Board and Committee regularly monitor the Investment Manager’s approach to ESG including its methodology and integration into the investment process. On a quarterly basis, the Board reviews the Company’s ESG Dashboard which includes both metrics regarding the Company’s MSCI ESG fund score as well as bespoke ratings derived from detailed in-house analysis. Engagement and specific action have become increasingly meaningful areas and the Manager’s methodology incorporates these interactions with investee companies into its process, through engagement reports, trading position adjustments and sector or stock specific exclusions.

During the year under review, the Committee considered the developments in ESG, specifically the reporting requirements in respect of TCFD as well as the UK Sustainability Disclosure Requirements (SDR), both of which would impact the Company’s disclosure requirements. The Committee has scoped the implications of the regulations alongside the Manager to ensure the Company complies with the relevant regulatory requirements going forward.

As noted earlier in the Annual Report, the Manager is required to have consideration of ESG factors when reviewing new, continuing or exiting investments but is not required to take an investment decision solely on the basis of ESG factors. Further information on how the Investment Manager considers ESG in its engagement with investee companies can be found in the ESG report on pages 29 to 34.

# Report of the Management Engagement Committee continued

## Other Suppliers

The Board monitors directly or through the Investment Manager the performance of its other key service providers and whether they continue to provide both appropriate services and value for money.

- The Company has directly appointed HSBC Bank Plc as Administrator, Custodian and Depositary and Stifel Nicolaus as Corporate Broker. The Depositary reports quarterly and makes an annual presentation to the Board. The Corporate Broker provides reports to the Board periodically and joins the Board on request to discuss markets and other issues.
- The Registrar, Equiniti Limited, is directly appointed by the Company and the performance of its duties is monitored by the Company Secretary.
- Other suppliers such as printers, website designers and PR agents are monitored by the Company Secretary and each supplier reports to the Board as and when deemed necessary.

## Committee Evaluation

The activities of the Management Engagement Committee were considered as part of the annual Board evaluation process. This year, an internal evaluation was completed and the findings of the evaluation processes were satisfactory with no matters of concern or requirements for change needed.

### **Susie Arnott**

Chair of the Management Engagement Committee

19 February 2025



# 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 Company's 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 Financial Statements, which have been prepared in accordance with the applicable set of 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

# Independent Auditors' Report to the members of Polar Capital Global Financials Trust plc

## Report on the audit of the financial statements

### Opinion

In our opinion, Polar Capital Global Financials Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements for the year ended 30 November 2024 (the "Annual Report"), which comprise: the Balance Sheet as at 30 November 2024; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

## Our audit approach

### Overview

#### Audit scope

- The Company is an Investment Trust Company and engages Polar Capital LLP (the “Manager”) to manage its assets. The Company also engages the Manager to manage its day to day operations.
- We conducted our audit of the financial statements using information from HSBC Securities Services (the “Administrator”) to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.

#### Key audit matters

- Valuation and existence of investments
- Income from investments

#### Materiality

- Overall materiality: £6,296,000 (2023: £4,881,000) based on approximately 1% of net assets.
- Performance materiality: £4,772,000 (2023: £3,660,000).

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of investments</b></p> <p>Refer to Note 2 Accounting Policies (g) Investments Held at Fair Value Through Profit or Loss and Note 13 Investments Held at Fair Value Through Profit or Loss.</p> <p>The investment portfolio (£660m) at the year-end comprised of primarily listed investments (£653m) with two unlisted investments (£7m).</p> <p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Balance Sheet.</p>	<p>We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources.</p> <p>We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources.</p> <p>For unlisted investments, we assessed the appropriateness of the valuation methodology applied by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV), and tested the techniques used in determining the fair value of unlisted investments.</p>

# Independent Auditors' Report continued

Key audit matter	How our audit addressed the key audit matter
<p>We also focussed on the accounting policy for the valuation of investments held at fair value through profit or loss as incorrect application could indicate a misstatement in the valuation of investments.</p>	<p>For each unlisted investment we performed procedures to assess whether significant estimates and judgements made were supportable. Where applicable per investment we:</p> <ul style="list-style-type: none"> <li>• Reviewed the most recent valuation committee meeting minutes where the valuations of the unlisted investments were discussed;</li> <li>• Confirmed the value of the investments to the price of recent investments or offer prices, taking into consideration the relevant facts and circumstances around these transactions;</li> <li>• Sought publicly available third-party information that would support or challenge management's valuation; and</li> <li>• Checked the mathematical accuracy of the valuation calculation.</li> </ul> <p>We tested the existence of the entire investment portfolio, including unlisted investments, by agreeing investment holdings to an independent confirmation obtained from the custodian, HSBC Bank plc.</p> <p>We assessed the accounting policy for investments held at fair value through profit or loss for compliance with accounting standards and performed testing to check that investments are accounted for in accordance with the stated accounting policy.</p> <p>We did not identify any material matters to report.</p>
<p><b>Income from investments</b></p> <p>Refer to the Note 2 Accounting Policies (c) Income, (g) Investments Held at Fair Value Through Profit or Loss, Note 3 Investment Income and Note 5 Gains/(losses) on Investments Held at Fair Value.</p> <p>We focused on the accuracy, occurrence and completeness both of net capital gains on investments and of dividend income recognition.</p> <p>ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments).</p>	<p>We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP, and that income from investments has been accounted for in accordance with the stated accounting policy.</p> <p>We tested the accuracy of 100% of the dividend receipts by agreeing the dividend rates from investments to independent third-party data.</p> <p>We tested occurrence by testing 100% of dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements.</p> <p>To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for dividends during the year.</p> <p>We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions.</p>

Key audit matter	How our audit addressed the key audit matter
We also focused on the accounting policy for investment income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	<p>The gains and losses on investments held at fair value comprise realised and unrealised gains and losses.</p> <p>For unrealised gains and losses, we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments.</p> <p>For realised gains and losses, we tested a sample of disposals by agreeing the proceeds to bank statements and we reperformed the calculation of a sample of realised gains and losses.</p> <p>We did not identify any material misstatements as a result of our testing.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records. We obtained our audit evidence from substantive tests. However, as per our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control-reports issued by the Manager and the Administrator and the work conducted by the independent service auditor in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

### The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall Company materiality</b>	£6,296,000 (2023: £4,881,000).
<b>How we determined it</b>	approximately 1% of net assets
<b>Rationale for benchmark applied</b>	We believe that net assets is the primary measure used by the Shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark for investment trust audits.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £4,772,000 (2023: £3,660,000) for the Company financial statements.



# Independent Auditors' Report continued

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £314,800 (2023: £244,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers;
- assessing the premium/discount at which the Company's share price trades compared to the net asset value per share;
- assessing the implication of significant reductions in net assets as a result of market performance on the ongoing ability of the Company to operate;
- regarding the scheduled tender offer: we considered the stability and composition of the share register, results of the take up by Shareholders at the previous tender offer, the performance of the Company since the last tender offer, held discussions with the Company Secretary and the Corporate Broker and Sales teams and reviewed the appropriateness of annual report disclosures by the Directors; and
- considering the revolving credit facility repayment falling within the going concern period and the feasibility of the Company's refinancing plans or its ability to repay the facility.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained

in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 30 November 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

### **Directors' Remuneration**

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

## **Corporate governance statement**

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

# Independent Auditors' Report continued

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the requirements of the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with the Manager and Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud where applicable;
- reviewing relevant committee meeting minutes, including those of the Board and Audit Committee;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- identifying and testing manual journal entries posted by the Administrator during the preparation of the financial statements;

- challenging assumptions in the significant accounting estimates, in relation to the valuation of unlisted investments (see related key audit matter above); and
- incorporating unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 17 May 2013 to audit the financial statements for the year ended 30 November 2013 and subsequent financial periods. The period of total uninterrupted engagement is 12 years, covering the years ended 30 November 2013 to 30 November 2024.

### Kevin Rollo (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

19 February 2025



# Financial Statements and Notes



# Statement of Comprehensive Income

For the year ended 30 November 2024

	Notes	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
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)
<b>Total income/(expense)</b>		<b>20,572</b>	<b>154,353</b>	<b>174,925</b>	20,059	(26,371)	(6,312)
<b>Expenses</b>							
Investment management fee	7	(772)	(3,088)	(3,860)	(704)	(2,815)	(3,519)
Other administrative expenses	8	(798)	(46)	(844)	(774)	(20)	(794)
<b>Total expenses</b>		<b>(1,570)</b>	<b>(3,134)</b>	<b>(4,704)</b>	(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)
<b>Profit/(loss) before tax</b>		<b>18,203</b>	<b>148,023</b>	<b>166,226</b>	17,859	(32,093)	(14,234)
Tax	10	(1,988)	337	(1,651)	(1,986)	695	(1,291)
<b>Net profit/(loss) for the year and total comprehensive income/(expense)</b>		<b>16,215</b>	<b>148,360</b>	<b>164,575</b>	15,873	(31,398)	(15,525)
<b>Earnings/(losses) per ordinary share (pence)</b>	11	<b>5.31</b>	<b>48.62</b>	<b>53.93</b>	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 on pages 85 to 110 form part of these Financial Statements.

# Statement of Changes in Equity

For the year ended 30 November 2024

	Notes	Year ended 30 November 2024						
		Called up share capital £'000	Capital redemption reserve £'000	Share premium reserve £'000	Special distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total Equity £'000
Total equity at 1 December 2023		16,588	251	311,369	105,117	43,507	11,366	488,198
Total comprehensive income:								
Profit for the 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	22	–	–	–	(9,038)	–	–	(9,038)
Equity dividends paid	12	–	–	–	–	–	(14,057)	(14,057)
Total equity at 30 November 2024		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
<b>Total equity at 1 December 2022</b>		<b>16,588</b>	<b>251</b>	<b>311,380</b>	<b>128,256</b>	<b>74,905</b>	<b>9,892</b>	<b>541,272</b>
<b>Total comprehensive (expense)/income:</b>								
(Loss)/profit for the year ended 30 November 2023		–	–	–	–	(31,398)	15,873	(15,525)
<b>Transactions with owners, recorded directly to equity:</b>								
Issue costs relating to prior year share placings	21	–	–	(11)	–	–	–	(11)
Shares bought back and held in treasury	22	–	–	–	(23,139)	–	–	(23,139)
Equity dividends paid	12	–	–	–	–	–	(14,399)	(14,399)
<b>Total equity at 30 November 2023</b>		<b>16,588</b>	<b>251</b>	<b>311,369</b>	<b>105,117</b>	<b>43,507</b>	<b>11,366</b>	<b>488,198</b>

The notes on pages 85 to 110 form part of these Financial Statements.

# Balance Sheet

As at 30 November 2024

	Notes	30 November 2024 £'000	30 November 2023 £'000
<b>Non-current assets</b>			
Investments held at fair value through profit or loss	13	659,943	518,124
<b>Current assets</b>			
Cash and cash equivalents	15	28,178	37,262
Fair value of open derivative contracts	13	728	506
Receivables	14	22,873	8,419
		<b>51,779</b>	<b>46,187</b>
<b>Total assets</b>		<b>711,722</b>	<b>564,311</b>
<b>Current liabilities</b>			
Bank overdraft	15	–	(1)
Fair value of open derivative contracts	13	(378)	(316)
Payables	16	(2,335)	(6,502)
Bank loan	17	(78,935)	–
		<b>(81,648)</b>	<b>(6,819)</b>
<b>Non-current liabilities</b>			
Bank loan	17	–	(69,031)
Indian capital gains tax provision	18	(396)	(263)
		<b>(396)</b>	<b>(69,294)</b>
<b>Net assets</b>		<b>629,678</b>	<b>488,198</b>
<b>Equity attributable to equity Shareholders</b>			
Called up share capital	19	16,588	16,588
Capital redemption reserve	20	251	251
Share premium reserve	21	311,369	311,369
Special distributable reserve	22	96,079	105,117
Capital reserves	23	191,867	43,507
Revenue reserve	24	13,524	11,366
<b>Total equity</b>		<b>629,678</b>	<b>488,198</b>
Net asset value per ordinary share (pence)	25	207.66	158.06

The Financial Statements on pages 81 to 110, including the associated notes, were approved and authorised for issue by the Board of Directors on 19 February 2025 and signed on its behalf by:

**Simon Cordery**  
Chair

The notes on pages 85 to 110 form part of these Financial Statements.

Registered number: 8534332

# Cash Flow Statement

For the year ended 30 November 2024

	Notes	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
<b>Cash flows from operating activities</b>			
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		<b>9,420</b>	<b>11,799</b>
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)
<b>Net cash generated from operating activities</b>		<b>4,297</b>	<b>36,342</b>
<b>Cash flows from financing activities</b>			
Shares repurchased into treasury		(9,227)	(22,988)
Issue cost paid		–	(11)
Loan drawn	17	10,000	9,891
Exchange gains on the loan facility		(96)	(1,367)
Equity dividends paid	12	(14,057)	(14,399)
<b>Net cash used in financing activities</b>		<b>(13,380)</b>	<b>(28,874)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,083)</b>	<b>7,468</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>37,261</b>	<b>29,793</b>
<b>Cash and cash equivalents at the end of the year</b>	15	<b>28,178</b>	<b>37,261</b>

The notes on pages 85 to 110 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 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 83. 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, as set out on page 36 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 facts and circumstances are considered on a case-by-case basis before a conclusion on appropriate allocation is reached.



# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 2. Accounting Policies continued

### (c) Income continued

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 on page 38.

The research costs relate solely to specialist financial research and are accounted for on an accruals 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 detailed on page 97.

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.

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 2. Accounting Policies continued

### (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.

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 2. Accounting Policies continued

### (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
<b>Revenue:</b>		
UK dividends	2,933	2,391
Overseas dividends	13,182	13,313
Interest on debt securities	2,952	3,439
<b>Total Investment Income</b>	<b>19,067</b>	<b>19,143</b>

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 30 November 2024 £'000	Year ended 30 November 2023 £'000
Bank interest	1,505	916
<b>Total other operating income</b>	<b>1,505</b>	<b>916</b>

### 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)
<b>Gains/(losses) based on carrying value at previous balance sheet date</b>	<b>47,363</b>	<b>(27,645)</b>
Valuation gains on investments held during the year	109,553	1,868
	<b>156,916</b>	<b>(25,777)</b>

### 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
	<b>(2,312)</b>	<b>(152)</b>

# Notes to the Financial Statements continued

For the year ended 30 November 2024

## 7. Investment Management 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
<b>Investment management fee payable to Polar Capital LLP</b>	<b>3,860</b>	<b>3,519</b>

Management fees are allocated 20% to revenue and 80% to capital. Details of the investment management fees are set out in the Strategic Report on page 37.

## 8. Other Administrative Expenses (including VAT where appropriate)

	Year ended 30 November 2024 £'000	Year ended 30 November 2023 £'000
Directors' fees <sup>1</sup>	142	145
Directors' NIC	15	15
Auditors' remuneration - for audit of the Financial Statements <sup>2</sup>	54	50
Depositary fee <sup>3</sup>	37	34
HSBC administration fee <sup>3</sup>	206	205
Registrar fee	38	39
Custody and other bank charges <sup>4</sup>	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 <sup>5</sup>	16	16
Marketing expenses <sup>6</sup>	72	72
Research costs - allocated to revenue <sup>7</sup>	11	5
Shareholder communications	22	17
Other expenses	8	3
<b>Total other administrative expenses allocated to revenue</b>	<b>798</b>	<b>774</b>
Research costs - allocated to capital <sup>7</sup>	46	20
<b>Total other administrative expenses</b>	<b>844</b>	<b>794</b>

1 Full disclosure is given in the Directors' Remuneration Report on page 66.

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 for the year ended 30 November 2024 was 0.85% (2023: 0.86%). See Alternative Performance Measures on pages 112 to 114.

## 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
	<b>799</b>	<b>3,196</b>	<b>3,995</b>	<b>722</b>	<b>2,887</b>	<b>3,609</b>

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)
<b>Total tax charge/(credit) for the year (see note 10b)</b>	<b>1,988</b>	<b>(337)</b>	<b>1,651</b>	<b>1,986</b>	<b>(695)</b>	<b>1,291</b>

### 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
<b>Profit/(loss) before tax</b>	<b>18,203</b>	<b>148,023</b>	<b>166,226</b>	<b>17,859</b>	<b>(32,093)</b>	<b>(14,234)</b>
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)
<b>Total tax charge/(credit) for the year (see note 10a)</b>	<b>1,988</b>	<b>(337)</b>	<b>1,651</b>	<b>1,986</b>	<b>(695)</b>	<b>1,291</b>

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 10. Tax continued

### 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.

## 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 ordinary shares 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
			<b>14,057</b>

The revenue available for distribution by way of dividend for the year is £16,215,000 (2023: £15,873,000).

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
			<b>14,278</b>

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
			<b>14,191</b>

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
<b>Opening fair value</b>	<b>518,124</b>	<b>572,748</b>
<b>Analysis of transactions made during the year</b>		
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
<b>Closing fair value</b>	<b>659,943</b>	<b>518,124</b>
Closing book cost	529,953	476,645
Closing investment holding gains	129,990	41,479
<b>Closing fair value</b>	<b>659,943</b>	<b>518,124</b>

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.

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 13. Investments Held at Fair Value Through Profit or Loss continued

### (a) Investments held at fair value through profit or loss continued

The following transactions 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
	<b>1,485</b>	<b>719</b>

### (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)
<b>Valuation at 30 November</b>	<b>350</b>	<b>(288)</b>

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)
<b>Valuation at 30 November</b>	<b>–</b>	<b>478</b>

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	–
	<b>728</b>	<b>506</b>
CME British Pound December 2023 Futures	–	(231)
CME British Pound/Japanese Yen December 2024 Futures	(378)	(85)
	<b>(378)</b>	<b>(316)</b>
<b>Total</b>	<b>350</b>	<b>190</b>



**(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) on page 87.

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

	As at 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
<b>Total</b>	<b>653,594</b>	<b>–</b>	<b>6,699</b>	<b>660,293</b>

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

	As at 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
<b>Total</b>	<b>512,782</b>	<b>478</b>	<b>5,054</b>	<b>518,314</b>

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
<b>Closing balance</b>	<b>6,699</b>	<b>5,054</b>

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) on page 87.

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.

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 13. Investments Held at Fair Value Through Profit or Loss continued

### (e) Unquoted Investments

The value of the unquoted investments as at 30 November 2024 was £6,699,000 (2023: £5,054,000) 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
	<b>6,699</b>	<b>5,054</b>

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) on page 97 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
	<b>22,873</b>	<b>8,419</b>

## 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
<b>Cash and Cash Equivalents</b>	<b>28,178</b>	<b>37,262</b>
Bank overdraft	–	(1)
	<b>28,178</b>	<b>37,261</b>

## 16. Payables

	30 November 2024 £'000	30 November 2023 £'000
Securities purchased awaiting settlement	376	4,521
Repurchase of treasury shares awaiting settlement	–	189
Accruals	1,959	1,792
	<b>2,335</b>	<b>6,502</b>

## 17. Bank Loans

### i) Bank loans

	30 November 2024 £'000	30 November 2023 £'000
The Company has the following unsecured term loans:		
£15m at 3.921% repayable 8 July 2025	15,000	15,000
US\$18.4m at 4.208% repayable 8 July 2025	14,493	14,551
	<b>29,493</b>	<b>29,551</b>
The Company made the following drawdowns from the RBS revolving credit facility of £50m as at year ended 30 November 2024 (2023: RBS revolving credit facility of £50m):		
£20m repayable 8 July 2025	20,000	20,000
£5m repayable 8 July 2025	5,000	5,000
US\$6m repayable 8 July 2025	4,721	4,740
US\$6m repayable 8 July 2025	4,721	4,740
£5m repayable 8 July 2025	5,000	5,000
£10m repayable 8 July 2025	10,000	–
	<b>78,935</b>	<b>69,031</b>

During the year, the Company had a further draw down of £10m from the three-year £50m revolving credit facility, all expiring on 8 July 2025. As at 30 November 2024, the Company had drawn down £40m and US\$12m (£9.4m) respectively from the revolving credit facility, effectively fully drawn.

The term loans of £15m and USD\$18.4m (£14.5m) held at the year end is due for settlement within 1 year and is stated at its fair value, which equates to amortised cost.

Both the term loan and credit facility are unsecured but subject to certain covenants and restrictions, all of which have been complied with during the year. The main covenants relating to the term loan and credit facility are:

- (i) Consolidated Gross Borrowing not to exceed 30% of the Adjusted Portfolio Value at any time.
- (ii) The number of Eligible Investments shall not be less than 50 at any time.
- (iii) The Adjusted Portfolio Value shall at all times be equal to or more than £240,000,000.

# Notes to the Financial Statements continued

For the year ended 30 November 2024

## 17. Bank Loans continued

### ii) Reconciliation of bank loans

	30 November 2024 £'000	30 November 2023 £'000
Bank loans held as at 1 December 2023	69,031	60,507
RCF drawn under RBS facility due to expire in July 2025	10,000	9,891
Effect of changes in foreign exchange rates on Term loan and RCF	(96)	(1,367)
<b>Bank loans held as at 30 November 2024</b>	<b>78,935</b>	<b>69,031</b>

The movement in the liability arising from the bank loans due to changes in foreign exchange rates is a non-cash movement and is included in the Statement of Comprehensive Income within 'Other currency losses'.

## 18. Non-current Liabilities

	30 November 2024 £'000	30 November 2023 £'000
Indian capital gains tax provision	396	263
Bank loan	–	69,031
	<b>396</b>	<b>69,294</b>

## 19. Called Up Share Capital

	30 November 2024 £'000	30 November 2023 £'000
<b>Allotted, Called up and Fully paid:</b>		
<b>Ordinary shares of 5p each:</b>		
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)
<b>Allotted, Called up and Fully paid: 303,219,365* (2023: 308,861,687) ordinary shares of 5p</b>	<b>15,161</b>	<b>15,443</b>
28,530,635 (2023: 22,888,313) ordinary shares held in treasury	1,427	1,145
<b>At 30 November 2024</b>	<b>16,588</b>	<b>16,588</b>

\* 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.

## 20. Capital Redemption Reserve

	30 November 2024 £'000	30 November 2023 £'000
At 1 December 2023	251	251
<b>At 30 November 2024</b>	<b>251</b>	<b>251</b>

The capital redemption reserve represents the nominal value of shares repurchased and cancelled.

This reserve is not distributable.

## 21. Share Premium Reserve

	30 November 2024 £'000	30 November 2023 £'000
At 1 December 2023	311,369	311,380
Issue cost	–	(11)
<b>At 30 November 2024</b>	<b>311,369</b>	<b>311,369</b>

The prior year cost of £11,000 relates to a VAT adjustment in respect to share issue costs following the submission of the Company's VAT return.

The share premium arises from excess of consideration received on the issue of the shares over the nominal value.

This reserve is not distributable.

## 22. Special Distributable Reserve

	30 November 2024 £'000	30 November 2023 £'000
At 1 December 2023	105,117	128,256
Repurchase of 5,642,322 (2023: 16,532,313) ordinary shares into treasury	(9,038)	(23,139)
<b>At 30 November 2024</b>	<b>96,079</b>	<b>105,117</b>

The special distributable reserve was created following approval from the Court, received on 4 September 2013, to cancel the share premium account from initial share offering.

Surpluses to the credit of the special distributable reserve can be used to purchase the Company's own shares. In addition, the Company may use this reserve for the payment of dividends.

## 23. Capital Reserves

	30 November 2024 £'000	30 November 2023 £'000
At 1 December 2023	43,507	74,905
Net gains/(losses) on disposal of investments	47,363	(27,645)
Valuation gains on investments held during the year	109,553	1,868
Net losses on derivative contracts	(251)	(442)
Exchange losses on currency balances	(2,408)	(1,519)
Exchange gains on the loan facility	96	1,367
Investment management fee charged to capital	(3,088)	(2,815)
Research costs charged to capital	(46)	(20)
Finance costs charged to capital	(3,196)	(2,887)
Indian capital gains tax	(332)	2
Tax relief due from revenue	669	693
<b>At 30 November 2024</b>	<b>191,867</b>	<b>43,507</b>

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 23. Capital Reserves continued

The balance on the capital reserve represents a profit of £131,070,000 (2023: profit of £42,095,000) on investments held and a gain of £60,797,000 (2023: gain of £1,412,000) on investments sold.

The balance on investments held comprises holding gains on investments (which may become realised) and other amounts, which are unrealised. An analysis has not been made between the amounts that are realised (and may be distributed or used to repurchase the Company's shares) and those that are unrealised.

The balance on investments sold are realised distributable capital reserves which may be used to repurchase the Company's shares or be distributed as dividends subject to meeting the definition of qualifying consideration as noted in Note 2(o).

## 24. Revenue Reserve

	30 November 2024 £'000	30 November 2023 £'000
At 1 December 2023	11,366	9,892
Revenue profit	16,215	15,873
Interim dividends paid	(14,057)	(14,399)
<b>At 30 November 2024</b>	<b>13,524</b>	<b>11,366</b>

The revenue reserve may be distributed or used to repurchase the Company's shares (subject to being a positive balance).

## 25. 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).

## 26. 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 on page 38 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 on pages 64 to 68. 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.



## 27. Derivatives and Other Financial Instruments

### Risk management policies and procedures for the Company

The Company invests in equities, debt securities and other financial instruments for the long-term to further the investment objective set out on page 36.

This exposes the Company to a range of financial risks that could impact on the assets or performance of the Company.

The main risks arising from the Company's pursuit of its investment objective are market risk, liquidity risk and credit risk and the Directors' approach to the management of them is set out below.

The Company's exposure to financial instruments can comprise:

- Equity and non-equity shares and fixed interest securities which may be held in the investment portfolio in accordance with the investment objective.
- Borrowings, the main purpose of which is to enhance returns.
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations.
- Derivative transactions which the Company enters into may include equity or index options, contracts for difference, index futures contracts and forward foreign exchange contracts. The purpose of these is to manage the market price risks and foreign exchange risks arising from the Company's investment activities.

The overall management of the risks is determined by the Board and its approach to each risk identified is set out below. The Board and the Manager co-ordinate the risk management and the Manager assesses the exposure to market risk when making each investment decision.

### (a) Market Risk

Market risk comprises three types of risk: market price risk (see note 27(a)(i)), currency risk (see note 27(a)(ii)), and interest rate risk (see note 27(a)(iii)). Further details are included in the Strategic Report on page 42.

### (i) Market Price Risk

The Company is an investment company and as such its performance is dependent on its valuation of its investments. Consequently, market price risk is the most significant risk that the Company faces.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

A detailed breakdown of the investment portfolio is given on pages 24 to 26. Investments are valued in accordance with the accounting policies as stated in note 2(g).

At the year end, the Company's portfolio included index futures contracts to the value of £350,000 (2023: loss of £288,000) and purchased call options to the value of £nil (2023: £478,000).

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 27. Derivatives and Other Financial Instruments continued

### (a) Market Risk continued

#### (i) Market Price Risk continued

##### *Management of the risk*

In order to manage this risk it is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a particular financial sub-sector. The allocation of assets to international markets, together with stock selection covering small, medium and large companies, and the use of options, are additional factors which act to reduce price risk. The Investment Manager actively monitors market prices and reports to the Board, which meets regularly in order to consider investment strategy.

##### *Market price risks exposure*

The Company's exposure to changes in market prices at 30 November on its investments was as follows:

	30 November 2024 £'000	30 November 2023 £'000
Investments held at fair value through profit or loss	659,943	518,124
Derivative financial instruments held at fair value through profit or loss	350	190
	<b>660,293</b>	<b>518,314</b>

##### *Market price risk sensitivity*

The following table illustrates the sensitivity of the return after taxation for the year and the value of Shareholders' funds to an increase or decrease of 15% (2023: 15%) in the fair values of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions and historic trends. The sensitivity analysis is based on the Company's investments at each balance sheet date, adjusting for a change in management fee, with all other variables held constant.

	30 November 2024		30 November 2023	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Statement of Comprehensive Income - profit after tax				
Revenue return	(139)	139	(109)	109
Capital return	98,489	(98,489)	77,312	(77,312)
<b>Change to the profit after tax for the year</b>	<b>98,350</b>	<b>(98,350)</b>	<b>77,203</b>	<b>(77,203)</b>
Change to equity attributable to Shareholders	98,350	(98,350)	77,203	(77,203)

#### (ii) Currency Risk

The Company's total return and net assets can be significantly affected by currency translation movements as the majority of the Company's assets and revenue are denominated in currencies other than Sterling.

##### *Management of the risk*

The Manager mitigates risks through an international spread of investments.

Derivative contracts may be used to hedge against the exposure to currency risk at the Manager's discretion.

**Foreign currency exposure**

The table below (as continued) with non-monetary items on page 106, shows, by currency, the split of the Company's monetary assets, liabilities and investments that are priced in currencies other than Sterling.

	30 November 2024 £'000	30 November 2023 £'000
<b>Monetary Assets:</b>		
<b>Cash and short term receivables</b>		
US dollars	30,218	15,217
Korean won	8,357	–
Australian dollars	7,431	7,471
Japanese yen	6,975	4,551
Canadian dollars	6,549	6,622
Euros	4,388	2,412
Vietnam dong	483	507
Indian rupee	150	152
Swiss francs	124	93
Taiwan dollars	100	104
Norwegian krona	27	28
Indonesian rupiah	23	–
Danish krone	13	–
<b>Monetary Liabilities:</b>		
<b>Other payables</b>		
US dollar	(15,279)	(20,671)
Korean won	(8,357)	–
Japanese yen	(8,239)	(4,875)
Indian rupee	(396)	(3,122)
Euros	(749)	(705)
Hong Kong dollars	–	(1)
<b>Foreign currency exposure on net monetary items</b>	<b>31,818</b>	<b>7,783</b>

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 27. Derivatives and Other Financial Instruments continued

### (a) Market Risk continued

#### (ii) Currency Risk continued

	30 November 2024 £'000	30 November 2023 £'000
<b>Non-Monetary Items:</b>		
<b>Investments held at fair value through profit or loss that are equities</b>		
US dollars	388,204	269,074
Euros	86,505	54,991
Japanese yen	20,602	8,021
Indian rupee	12,617	25,900
Australian dollars	12,611	4,125
Canadian dollars	10,910	17,271
Danish krone	8,790	–
Korean won	6,197	–
Malaysian ringgit	5,539	–
Philippine pesos	5,467	–
Indonesian rupiah	5,370	13,376
Swedish krona	2,372	9,660
Hong Kong dollars	–	8,177
Mexican peso	–	7,100
Thai baht	–	5,174
Singapore dollars	–	4,254
<b>Total net foreign currency exposure</b>	<b>597,002</b>	<b>434,906</b>

#### Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at the balance sheet date and assumes a 20% (2023: 20%) appreciation or depreciation in Sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If Sterling had weakened by 20% (2023: 20%) this would have had the following effect:

	30 November 2024 £'000	30 November 2023 £'000
Statement of Comprehensive Income - profit after tax		
Revenue return	2,668	3,015
Capital return	4,269	(470)
<b>Change to the profit after tax for the year</b>	<b>6,937</b>	<b>2,545</b>
<b>Change to equity attributable to Shareholders</b>	<b>6,937</b>	<b>2,545</b>

Conversely if Sterling had strengthened by 20% (2023: 20%) this would have had the following effect:

	30 November 2024 £'000	30 November 2023 £'000
Statement of Comprehensive Income - profit after tax		
Revenue return	(2,668)	(3,015)
Capital return	(4,269)	470
<b>Change to the profit after tax for the year</b>	<b>(6,937)</b>	<b>(2,545)</b>
<b>Change to equity attributable to Shareholders</b>	<b>(6,937)</b>	<b>(2,545)</b>

In the opinion of the Directors, while these are regarded as reasonable estimates, neither of the above sensitivity analysis are representative of the year as a whole since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

### (iii) Interest Rate Risk

The Company will be affected by interest rate changes as it holds interest-bearing financial assets. Interest rate changes will also have an impact on the valuation of investments, although this forms part of price risk, which is considered separately above.

#### Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Derivative contracts may be used to hedge against the exposure to currency risk at the Manager's discretion.

#### Interest rate exposure

The exposure, at 30 November 2024, of financial assets and liabilities to interest rate risk is shown by reference to:

- Floating interest rates (i.e. giving cash flow interest rate risk) - when the rate is due to be re-set; and
- Fixed interest rates (i.e. giving fair value interest rate risk) - when the financial instrument is due for repayment.

	30 November 2024		
	Within one year £'000	More than one year £'000	Total £'000
<b>Exposure to floating interest rates:</b>			
Cash and cash equivalents	28,178	–	28,178
Bank loans	(49,442)	–	(49,442)
Non-current asset investments held at fair value through profit or loss	–	33,046	33,046
<b>Exposure to fixed interest rates:</b>			
Non-current asset investments held at fair value through profit or loss	–	7,923	7,923
Bank loans	(29,493)	–	(29,493)
<b>Total exposure to interest rates</b>	<b>(50,757)</b>	<b>40,969</b>	<b>(9,788)</b>

# Notes to the Financial Statements continued

For the year ended 30 November 2024

## 27. Derivatives and Other Financial Instruments continued

### (a) Market Risk continued

#### (iii) Interest Rate Risk continued

	30 November 2023		
	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:			
Cash and cash equivalents	37,262	–	37,262
Bank overdraft	(1)	–	(1)
Bank loans	–	(39,480)	(39,480)
Non-current asset investments held at fair value through profit or loss	–	40,788	40,788
Exposure to fixed interest rates:			
Non-current asset investments held at fair value through profit or loss	–	6,995	6,995
Bank loans	–	(29,551)	(29,551)
Total exposure to interest rates	37,261	(21,248)	16,013

The weighted average interest rate for the fixed rate financial assets was 6.1% (2023: 10.4%) and the effective period for which the rate was fixed was 5.5 years (2023: 4.5years).

During the year, the Company maintained its £15m and USD\$18.4m (£14.5m) term loan with The Royal Bank of Scotland International Ltd, on which interest is payable at fixed rates of 3.921% and 4.208% respectively. The loan will expire on 8 July 2025. Details of the amounts drawn on the loan are given in Note 17.

The Company also maintained its three-year revolving credit facility for the amount of £50 million with The Royal Bank of Scotland International Ltd. Interest is payable at the Compounded Reference Rate based on the secured overnight financing rate (SOFR) as quoted in the market for the relevant currency and period, plus a margin of 1.30%, plus mandatory costs, which are the lender's costs of complying with certain regulatory requirements of the Bank of England. At the year end, the Company had drawn down £40m and US\$12m (£9.4m) respectively from the revolving credit facility.

The above amounts are not necessarily representative of the exposure to interest rates in the year ahead, as the level of cash and investment in fixed interest securities varies during the year according to the performance of the stock market, events within the wider economy and the Manager's decisions on the best use of cash or borrowings over the year.

#### Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 150 basis points (2023: 150 basis points) in interest rates regarding the Company's monetary financial assets, which are subject to interest rate risk. This level of change is considered to be reasonably possible based on observation of current market conditions.

The sensitivity analysis is based on the Company's monetary financial instruments held at each balance sheet date, with all other variables held constant.

	30 November 2024		30 November 2023	
	Increase in rate £'000	Decrease in rate £'000	Increase in rate £'000	Decrease in rate £'000
Effect on revenue return	274	(274)	440	(440)
Effect on capital return	(593)	593	(474)	474
<b>Effect on net profit and on equity attributable to Shareholders</b>	<b>(319)</b>	<b>319</b>	<b>(34)</b>	<b>34</b>

In the opinion of the Directors, the above sensitivity analysis may not be representative of the year as a whole, since the level of exposure may change.



**(b) Liquidity Risk**

Liquidity risk is the possibility of failure of the Company to realise sufficient assets to meet its financial liabilities.

**Management of the risk**

The Company's assets mainly comprise readily realisable securities which may be sold to meet funding requirements as necessary.

**Liquidity risk exposure**

At 30 November the financial liabilities comprised of:

	30 November 2024 £'000	30 November 2023 £'000
<b>3 months or less:</b>		
Balances due to brokers	376	4,710
Accruals	1,959	1,792
Bank overdraft	–	1
Fair value of open derivative contracts	378	316
<b>3 to 12 months:</b>		
Bank loan	78,935	–
<b>More than 12 months:</b>		
Indian capital gains tax provision	396	263
Bank loan	–	69,031
	<b>82,044</b>	<b>76,113</b>

**(c) Credit Risk**

Credit risk is the exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposal of investments or to repay deposits.

**Management of the risk**

The Company manages credit risk by using brokers from a database of approved brokers and by dealing through Polar Capital. All cash balances are held with approved counterparties.

HSBC Bank plc is the custodian of the Company's assets. The Company's assets are segregated from HSBC's own trading assets and are therefore protected in the event that HSBC were to cease trading.

These arrangements were in place throughout the current and prior year.

**Credit risk exposure**

The maximum exposure to credit risk at 30 November 2024 was £50,094,000 (2023: £44,631,000) comprising:

	30 November 2024 £'000	30 November 2023 £'000
Balances due from brokers	18,708	4,933
Fair value of open derivative contracts	728	506
Accrued Income	2,480	1,930
Cash and cash equivalents	28,178	37,262
	<b>50,094</b>	<b>44,631</b>

All of the above financial assets are current, their fair values are considered to be the same as the values shown and the likelihood of a material credit default is considered low. All deposits were placed with banks that had ratings of A or higher.

# Notes to the Financial Statements continued

**For the year ended 30 November 2024**

## 27. Derivatives and Other Financial Instruments continued

### (d) Gearing Risk

The Company's policy is to increase its exposure to markets through the judicious use of borrowings. When borrowings are invested, the impact is to magnify the impact on Shareholder's funds of changes, both positive and negative, in the value of the portfolio.

### *Management of the risk*

The Company uses short-term loans to manage gearing risk, details of which can be found in note 17.

### *Gearing risk exposure*

The loans are valued at amortised cost, using the effective interest rate method in the Financial Statements.

### (e) Capital Management Policies and Procedures

The Company's capital, or equity, is represented by its net assets which amounted to £629,678,000 as at 30 November 2024 (2023: £488,198,000), which are managed to achieve the Company's investment objective set out on page 36.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis.

This review includes:

- (i) the need to issue or buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- (ii) the determination of dividend payments; and
- (iii) the planned level of gearing through the Company's fixed and variable rate revolving credit facility.

The Company is subject to externally imposed capital requirements through the Companies Act with respect to its status as a public company. In addition, in order to pay dividends out of profits available for distribution by way of dividend, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

## 28. Capital Commitments, Contingent Assets and Liabilities

### Capital Commitments

The Company has no commitments to further investment in any investee companies (2023: £nil).

## 29. 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.



# Shareholder Information

# 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 30 November 2024	Year ended 30 November 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
<b>NAV total return for the year</b>	(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
<b>NAV total return since inception</b>	(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
<b>NAV total return since reconstruction</b>	(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
<b>Share price total return for the year</b>	(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
<b>Share price total return since inception</b>	(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
<b>Share price total return including subscription share value since inception</b>	(d / a)-1	174.9%	91.8%

## Alternative Performance Measures (APMs) continued

### (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	138.8p
Closing NAV per share	b	207.7p	158.1p
<b>Discount per ordinary share</b>	$(a / b) - 1$	-5.5%	-12.2%

### 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 30 November 2024	Year ended 30 November 2023
Investment Management Fee (Note 7 on page 92)		£3,860,000	£3,519,000
Other Administrative Expenses (Note 8 on page 92)		£844,000	£794,000
	a	<b>£4,704,000</b>	<b>£4,313,000</b>
Average daily net assets value	b	£552,193,000	£502,339,000
<b>Ongoing Charges excluding performance fee</b>	$a / b$	0.85%	0.86%
Performance fee (Note 7 on page 92)	c	-	-
	$d = a + c$	<b>£4,704,000</b>	<b>£4,313,000</b>
<b>Ongoing charges including performance fee</b>	$d / b$	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
<b>Net gearing</b>	$(c - d) / a - 1$	<b>5.1%</b>	6.5%



# Glossary of Terms

<b>AAF Report</b>	A report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales. Utilised within the review of internal controls.
<b>Administrator</b>	The Company's Administrator is HSBC Securities Services (HSS) who is contracted through Polar Capital LLP to provide accounting and administrative services under the terms of the Investment Management Agreement ("IMA").
<b>AGM</b>	Annual General Meeting – a meeting required to be held in accordance with the Companies Act 2006, within six months of the Company's financial year end. <b>The Annual General Meeting will be held at 2:00pm on Thursday 10 April 2025 at the office of the manager, Polar Capital, 16 Palace Street, London, SW1E 5JD.</b>
<b>AIC</b>	Association of Investment Companies, the industry body for closed ended investment companies.
<b>AIF</b>	Alternative Investment Fund – the Company is an investment trust which is a collective investment undertaking which raises capital from a number of investors (in the case of the Company, by selling shares in the open market on the London Stock Exchange) with a view to investing the capital in accordance with the investment policy (see page 36).
<b>AIFM</b>	Alternative Investment Fund Manager, a body appointed in accordance with the AIFMD (see below). Polar Capital LLP is the appointed AIFM to the Company.
<b>AIFMD</b>	Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013. The Directive requires that, while the Board of Directors of an Investment Trust remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations, all alternative investment funds ('AIFs') in the UK and European Union, must appoint a Depositary and an Alternative Investment Fund Manager ('AIFM').
<b>Benchmark</b>	The Benchmark is the MSCI ACWI Financials Net Total Return Index (in Sterling with dividends reinvested).
<b>Board of Directors</b>	All companies must have a board of directors. The directors are the decision-makers working on behalf of the Shareholders who are the owners of the company. They are responsible for representing the interests of Shareholders and ensuring that the Company operates in a manner that aligns with its mission, objectives and values.
<b>Closed-ended Investment Company</b>	An Investment Company whose shares are traded in the open market, e.g., on the London Stock Exchange.
<b>Custodian</b>	HSBC Bank plc is the Custodian of the Company's assets. The Custodian is a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.
<b>Depositary</b>	The Company's Depositary is HSBC Bank plc. Under AIFMD (see above) rules the Company must appoint a Depositary whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. The Depositary's oversight duties will include but are not limited to share buybacks, dividend payments and adherence to investment limits.

## Glossary of Terms continued

<b>Derivative</b>	A contract between two or more parties, the value of which fluctuates in accordance with the value of an underlying security. Examples of derivatives are Put and Call Options, Swap contracts, Futures and Contracts for Difference. A derivative can be an asset or a liability and is a form of gearing because it can increase the economic exposure for Shareholders.
<b>Discount/premium</b>	See Alternative Performance Measure (APM) on page 114.
<b>Earnings per Share ("EPS")</b>	A company's profitability expressed on a per share basis and calculated by dividing the company's annual earnings after tax by the weighted average number of shares in issue.
<b>ESEF</b>	European Single Electronic Format (ESEF) is the requirement whereby reports are prepared and filed in XHTML format. The requirement applied with effect from 1 January 2021 to all issuers in UK (or EU) regulated markets. In addition, for issuers preparing consolidated annual accounts in accordance with IFRS, the XHTML file requires tagging under the IFRS taxonomy.
<b>ESG</b>	Stands for Environmental, Social and Governance Principles. It's a way for investors to evaluate companies based on how they impact the environment and society.
<b>FCA</b>	The Financial Conduct Authority regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.
<b>IFRS</b>	International Financial Reporting Standards (IFRS) are accounting standards which are developed by the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The IASB sets IFRS Accounting Standards and the ISSB sets IFRS Sustainability Disclosure Standards.
<b>Investment Company</b>	Section 833 of the Companies Act 2006. An Investment Company is defined as a company which invests its funds in shares, land or other assets with the aim of spreading investment risk.
<b>Investment Manager/Manager</b>	Polar Capital LLP is the Investment Manager which has delegated responsibility for the creation of the portfolio of investments subject to various parameters set by the Board of Directors. The responsibilities of the Investment Manager and the fees payable are set out in the Directors' Report.
<b>Investment Trust taxation status</b>	Section 1158 of the Corporation Tax Act 2010. UK Corporation Tax law allows an Investment Company (referred to in Tax law as an Investment Trust) to be exempted from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to Section 833 above but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors' Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.
<b>MiFID II</b>	Markets in Financial Instruments Directive, applicable from 3 January 2018.
<b>Market capitalisation</b>	Also sometimes referred to as 'market cap', this is a measure which describes the size of a Company or an Investment Trust. It is calculated by multiplying the number of shares in issue by the price of the shares.

<b>Net Asset Value (NAV)</b>	The NAV is the value attributed to the underlying assets of the Company less the liabilities, presented either on a per share or total basis. The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'Shareholders funds'. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The NAV per ordinary share is published daily.
<b>Non-executive Director</b>	The Company is managed by a Board whose members are all independent non-executive Directors. The Company does not have any executive Directors. Remuneration of the Non-executive Directors is set out in the Directors' Remuneration Report while the duties of the Board and the various Committees are set out in the Corporate Governance Statement.
<b>Ongoing Charges Ratio</b>	Ongoing Charges are the total operating expenses of the Company excluding any performance fee and the Ongoing Charges Ratio is an expression of those expenses as a percentage of the average daily net asset value of the Company during the year. See Alternative Performance Measure (APM) on page 114.
<b>PRIIPS</b>	The Packaged Retail and Insurance-based Investment Products regulations which came into force on 1 January 2018 in the UK and EU. The regulations require generic pre-sale disclosure of investment 'product' costs, risks and certain other matters.
<b>PwC</b>	The Company's Auditors are PricewaterhouseCoopers LLP, represented by Kevin Rollo, Partner.
<b>Shareholder</b>	A Shareholder is a person, group, or legal entity that owns at least one share in the Company. Owning shares provides each Shareholder with rights and obligations regarding the direction of the company.
<b>SORP</b>	The Statement of Recommended Practice (SORP) for investment trusts is issued by the AIC and it provides recommendations on financial reporting that supplement official accounting standards. (See Note 2(a) on page 85).
<b>Treasury shares</b>	Treasury shares are the Company's own shares that have been bought back from Shareholders and not cancelled but held in Treasury. Such shares may be reissued into the market at a premium to NAV. Treasury shares do not attract the right to receive dividends or have any other voting rights.
<b>UK-adopted IAS</b>	The international accounting standards adopted by the UK Endorsement Board after delegation of adoption powers. These include International Accounting Standards (IAS), IFRS and related interpretations, subsequent amendments to those standards and related interpretations, issued or adopted by the IASB.

# Corporate Information – AGM

## 2025 Annual General Meeting (“AGM”)

The Company’s AGM will be held at 2:00pm on Thursday 10 April 2025 at 16 Palace Street, London, SW1E 5JD.

We will once again provide a recording of the Investment Managers’ presentation on the Company’s website ahead of the AGM as we are aware that many Shareholders are particularly interested in the Company’s portfolio and its performance. We estimate that the Managers’ presentation will be uploaded to the website on or before 28 March 2025 to give Shareholders time to consider the content ahead of the deadline to submit their proxy votes on the formal business. Given that the AGM will only cover formal business, **please note that there will be no live presentation from the Manager.**

Shareholders will have the option to ask questions at the meeting but are also encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at [cossec@polarcapital.co.uk](mailto:cossec@polarcapital.co.uk) stating the subject matter as **PCFT-AGM**. We will endeavour to answer relevant questions at the meeting or on the Company’s website as appropriate. For ease of reference and understanding a brief explanation of the resolutions is set out below.

Further information including the full text of the resolutions to be proposed at the AGM and an explanation of each resolution is contained in the Notice of AGM which has been posted to Shareholders and is available on the Company’s website.

**Resolution 1** relates to the statutory requirement of every company to lay before Shareholders the Annual Report and Financial Statements, i.e. this document. The Annual Report has been prepared and approved by the Board of Directors and audited by the externally appointed auditors. The document will be filed at Companies House once published to Shareholders. The Annual Report sets out the Company’s business strategy, governance structure and procedures as well as the financial statements for the financial year under review.

**Resolutions 2**, in compliance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013 (the ‘Regulations’), The Companies (Directors’ Remuneration Policy and Directors’ Remuneration Report) Regulations 2019 and the Listing Rules of the Financial Conduct Authority, the Company is required on a three-yearly basis to provide Shareholders with the opportunity to vote on the Company’s Directors’ Remuneration Policy.

In addition to this, on an annual basis, Shareholders are presented with the Directors’ Remuneration Implementation Report which looks back at the year under review and advises how the Remuneration Policy was applied. Shareholders last voted on the Remuneration Policy at the AGM in 2023 and the policy came into effect from 1 December 2023, the current policy will remain in force until 30 November 2026 (unless amended earlier). **Resolution 2** therefore, is the annual advisory vote of Shareholders on the Remuneration Implementation Report. The Directors’ Remuneration Report is presented on pages 64 to 68.

**Resolutions 3 to 6** relate to the annual re-election of directors. In line with good corporate governance the tenure policy of directors is nine years, with the exception of the Board’s Chair tenure policy which allows the Chair to remain in role for up to twelve years in certain circumstances. It is recommended that directors stand for re-election on an annual basis in order to give Shareholders the opportunity to vote on each Director. Having undergone a Board Evaluation process, as described on page 56, the Directors have provided a rationale for their support for the reappointment of each director on pages 10 and 11 and within the Notice of AGM.

**Resolutions 7 and 8** relate to the statutory appointment or reappointment of the Company’s external auditors and the Directors’ authority to determine their remuneration. Further information is provided in the Audit Committee Report on pages 60 and 61.

**Resolution 9** relates to the proposed adoption of an “enhanced dividend” policy under which the Company 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 are paid quarterly at a level of 1% of the Company’s NAV per quarter calculated on the last business day of each prior financial quarter. Please refer to the Chair’s Statement on page 6 for further details.

**Resolutions 10 to 12** relate to potential changes in the share capital. **Resolution 10** authorises the Directors to allot (i.e. sell) ordinary shares, whether these be newly created shares or shares held in the Company’s treasury account which have been previously bought back in the market. Once allotted the shares are listed on the London Stock Exchange and have the same rights as any other ordinary shares of the Company. **Resolution 11** is proposed in connection with 10 and allows the Directors to allot the shares without pre-emption rights. Under the Companies Act, all Shareholders have the right of pre-emption which means that the Company must offer existing Shareholders an opportunity to buy the company’s shares before they are offered to third parties; being a listed company with many Shareholders, the Directors ask to disapply the pre-emption rights

which means they are able to offer and allot the shares to specific Shareholders or in specific ways to the market, noting that such allotments would be at a premium to the net asset value (NAV) per share and therefore accretive (i.e. positive) to overall Shareholder value. While all Shareholders can trade the ordinary shares of the Company on the open market there are times when a Shareholder would like to acquire greater amounts of shares than are available in the market and might approach the Company through the corporate broker to obtain shares. In a similar but opposite scenario, **resolution 12** provides the Directors' the ability to buy back (i.e. purchase) shares of the Company in the market. Depending on the market environment, and various other factors, the shares of the Company may trade at a discount to NAV. When this is the case the Company may step in and buy back shares in an effort to reduce the discount. Each of these authorities require Shareholder approval and are regular resolutions proposed to each AGM. Each authority remains in place for 12 months or until the limits have been reached.

**Resolution 13** relates to the reduction of the Company's share premium account. In order to provide the Board with additional flexibility to pay dividends or for any other general corporate purposes, the Company is seeking to cancel the share premium account. The Company has built up a substantial share premium account of approximately £311,369,000 as a result of 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 Company is unable to utilise for the purpose of making distributions to Shareholders unless approved by Shareholders and the Court.

The Board proposes, subject to Shareholder and Court approval, to cancel the amount standing to credit of the Company's share premium account. The resulting credit arising in the Company's books of account will then be credited to a new distributable reserve, subject to any terms and conditions required by the Court in granting the order confirming the Share Premium Reduction.

The Company intends that an application will be made to the Court to approve the Share Premium Reduction as soon as is reasonably practicable after AGM, provided that Resolution 13 is approved by Shareholders.

**Resolution 14** seeks Shareholder approval for the Company to hold General Meetings (other than the AGM) on at least 14 clear days' notice. Changes made to the Companies Act 2006 ("the Act") by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 clear days' unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (AGM's will continue to be held on 21 clear days' notice). The Company will only use this shorter notice period where it is merited by the purpose of the meeting. This authority shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2026, or, if earlier, on the expiry 15 months from the date of the passing of this resolution.

# Corporate Information – Other

## History and Structure

The Company was incorporated on 17 May 2013 with a fixed seven-year life. On 1 July 2013, it issued 153,000,000 ordinary shares plus one subscription share for every five ordinary shares which were admitted to trading on the Main Market of the London Stock Exchange. In accordance with the Company's original prospectus, on 31 July 2017, the subscription Shareholders had the opportunity to exercise their rights to subscribe for one ordinary share per subscription share at a price of 115p per ordinary share, following which all subscription rights lapsed and the subscription shares were cancelled. As a result of the subscription exercise the Company issued 30,600,000 new ordinary shares.

In substitution of the fixed seven-year life, Shareholders approved changes to the Company's Articles of Association to extend the Company's life indefinitely, subject to further regular tender offers at the Company's Annual General Meeting held on 7 April 2020. The Articles of Association require the Board to make tender offers at five-yearly intervals, with the first to commence on or before 30 June 2025. The Company continues to operate as an investment trust with an independent Board and third party investment manager.

## Share Capital, Voting Rights and Transferability

The Company's share capital is divided into ordinary shares of 5p each. At the year end, there were 331,750,000 ordinary shares in issue (2023: 331,750,000 ordinary shares), of which 28,530,635 (2023: 22,888,313) were non-voting shares held in treasury by the Company. In the year under review the Company bought back of a total of 5,642,322 shares were issued (2023: 16,532,313). No ordinary shares were bought back or issued following the year end.

Ordinary shares carry voting rights which are exercised on a show of hands at a meeting, where each Shareholder has one vote, or on a poll, where each share has one vote. Ordinary shares held in treasury carry no voting rights. Arrangements for the casting of proxy votes are provided when a Notice of Meeting is issued.

Any shares in the Company may be held in uncertificated form and, subject to the Articles, title to uncertificated shares may be transferred by means of a relevant system. Further information can be found in the Articles of Association available on the Company's website [www.polarcapitalglobalfinancialstrust.com](http://www.polarcapitalglobalfinancialstrust.com)

The Company is not aware of arrangements to restrict the votes or transferability of its shares.

The Company is registered under the United States' FATCA legislation and its Global Intermediary Identification Number (GIIN) is 8KP5BT.99999.SL.826. The Company's Legal Entity Identifier (LEI) code is 549300G5SWN8EP2P4U41.

## Subscription Shares Tax Implications

The base 'cost' for UK tax purposes of the subscription shares is a proportion of the issue price paid for the ordinary shares to which the subscription shares were attached. The apportionment is made by reference to the respective market values of the ordinary shares and subscription shares at the close of business on 1 July 2013, the day the ordinary and subscription shares were admitted to trading. The market value for UK tax purposes of the Company's ordinary shares and subscription shares on such date were as follows:

Ordinary Shares 103.625p	Subscription Shares 11.75p
--------------------------	----------------------------

If you have exercised the subscription rights attaching to your subscription shares, the resulting ordinary shares are treated for UK tax purposes as the 'same' asset as the subscription shares in respect of which the subscription rights are exercised. The base 'cost' for UK tax purposes of the resulting ordinary shares will be the base cost attributed to the exercised subscription shares, increased by the amount of subscription monies paid.

## Capital Gains Tax

Information on Capital Gains Tax ('CGT') is available on the HM Revenue & Customs website [www.gov.uk/capital-gains-tax](http://www.gov.uk/capital-gains-tax).

When shares are disposed of a capital gain may result if the disposal proceeds exceed the sum of the base cost of the shares sold and any other allowable deductions such as share dealing costs. The exercise of subscription shares into ordinary shares should not have given rise to a capital gain, however a capital gain may arise on the eventual disposal of those shares.

The calculations required to compute capital gains may be complex and depend on personal circumstances. Shareholders are



advised to consult their personal financial advisor for further information regarding a possible tax liability in respect of their shareholdings.

The Company was launched on 1 July 2013 with the issue of ordinary shares at 100 pence per share with subscription shares attached (on a one-for-five basis).

## Company Website

[www.polarcapitalglobalfinancialstrust.com](http://www.polarcapitalglobalfinancialstrust.com)

The Investment Manager maintains a website on behalf of the Company which provides a wide range of information on the Company, monthly factsheets issued by the Investment Manager and copies of announcements, including the annual and half year reports when issued.

Information on the Company can also be obtained from various different sources including:

- [www.theaic.co.uk](http://www.theaic.co.uk)
- [www.ft.com/markets](http://www.ft.com/markets)
- [www.londonstockexchange.com](http://www.londonstockexchange.com)

## Statement by the Depositary

The statement of the Depositary's responsibilities in respect of the Company and its report to Shareholders for the year ended 30 November 2024 are available on the Company's website. The Depositary, having carried out such procedures as it considered necessary, was satisfied that in all material respects the Company was managed in accordance with the applicable FCA rules and AIFMD.

## Statement by the AIFM

The statement by the AIFM in respect of matters to be disclosed to investors for the year ended 30 November 2024 is available on the Company's website.

## Share Prices and Net Asset Value

The Company's Net Asset Value (NAV) is normally released daily, on the next working day, following the calculation date, to the London Stock Exchange. The mid-market price of the ordinary shares is published daily in the Financial Times in the Companies and Markets section under the heading 'Investment Companies'. Share price information is also available from The London Stock Exchange website: [www.londonstockexchange.com](http://www.londonstockexchange.com)

## Electronic Communications

If you hold your shares in your own name you can choose to receive communications from the Company in electronic format. This method reduces cost, is environmentally friendly and, for many, is convenient.

If you would like to take advantage of Electronic Communications, please visit our registrar's website at [www.shareview.co.uk](http://www.shareview.co.uk). You will need your Shareholder Reference Number. If you agree to the terms and conditions, in future, on the day that documents are sent to Shareholders by post you will receive an e-mail providing the website address where the documents can be viewed and downloaded. Paper copies will still be available on request.

## Nominee Shareholders

Where notification has been provided in advance the Company will arrange for copies of Shareholder communications to be provided to the operators of nominee accounts. Nominee service providers are encouraged to advise investors that they may attend general meetings when invited by the Chair.

## Corporate Information – Other continued

### Disability Act

Copies of this Annual Report and Financial Statements or other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

### Investing

The ordinary shares of the Company are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Polar Capital Global Financials Trust plc is an investment trust and as such its ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply.

There are a variety of ways to invest in the Company. However, this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

### Investing Risks

Investors should be aware of the following risks when considering investing in the shares of Polar Capital Global Financials Trust plc:

Past performance is not a guide to future performance.

Please remember that any investment in the shares of Polar Capital Global Financials Trust plc either directly or through a savings scheme or ISA carries the risk that the value of your investment and any income from them may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back their original amount invested.

As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares. Where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested. Although the Company's Financial Statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling. To the extent that it does so, asset values may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.

Polar Capital Global Financials Trust plc is allowed to borrow against its assets and this may increase losses triggered by a falling market. The Company may increase or decrease its borrowing levels to suit market conditions. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

If you are investing through a savings plan, ISA or other investment arrangement it is important that you read the key features documents and understand the risks associated with investing in the shares of the Company. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Tax rates and reliefs change from time to time and may affect the value of your investment.

### For those investors who would like advice:

**Private Client Stockbrokers** – generally for investors with a large lump sum to invest, a private client stockbroker will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from The Personal Investment Management & Financial Advice Association (PIMFA) at [www.pimfa.co.uk](http://www.pimfa.co.uk)

**Financial Advisers** – carry out the share transactions for their clients, they can do this directly but also via a growing number of platforms that offer investment trusts including AJ Bell, Interactive Investor, Nucleus, Raymond James, Seven IM and Transact. For investors looking to find a financial adviser, please visit [www.unbiased.co.uk](http://www.unbiased.co.uk)

## For those investors who are happy to make their own investment decisions:

**Online Stockbroking Services** – There are a number of real time execution only stockbroker services or platforms which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services include AJ Bell, Interactive Investor, Barclays Stockbrokers, Halifax Share Dealing and Hargreaves Lansdown.

As an investment company Shareholder, you have the right to vote at the Company's AGM and on other important decisions facing the Company. If you hold your investment company shares on a platform, we encourage you to exercise your vote through your respective platform and where possible attend the AGM proceedings.

For example, Interactive Investor allow you to vote your shares at no extra cost through your account and new customers are automatically signed up to the voting and information service, which enables you to receive Shareholder materials and vote on decisions directly affecting your UK registered shareholdings.

Please visit the AIC's pages below for further information:

<https://www.theaic.co.uk/how-to-attend-an-AGM>

<https://www.theaic.co.uk/how-to-vote-your-shares>

## Share Dealing Services

The Company has also made arrangements with its share registrars, Equiniti Limited, for investors to buy and sell shares through the Shareview.co.uk service.

For telephone sales call 0345 603 7037 between 8.00am and 5.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday. For Internet sales log on to [www.shareview.co.uk/](http://www.shareview.co.uk/) dealing

## Forward-Looking Statements

Certain statements included in this Annual Report and Financial Statements 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 within this Annual Report.

No part of this Annual Report 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.

The Company undertakes no obligation to update any forward-looking statements.

## Corporate Information – Other continued

### Boiler Room Scams

Shareholders of Polar Capital Global Financials Trust plc may receive unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK Shareholders, offering to sell them what often turn out to be worthless or high risk shares in U.S. or UK investments or offering to act on the Shareholder’s behalf on the payment of a retainer or similar in a spurious corporate event. These operations are commonly known as ‘boiler rooms’. These ‘brokers’ can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0800 111 6768 or by visiting their website, which also has other useful information, at [www.fca.org.uk](http://www.fca.org.uk)

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- If the calls persist, hang up

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. More detailed information on this or similar activity can be found on the FCA website.

#### How to avoid investment and pension scams

- 1 Reject unexpected offers**  
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you’ve been offered an investment out of the blue, chances are it’s a high risk investment or a scam.
- 2 Check the FCA Warning List**  
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
- 3 Get impartial advice**  
Get impartial advice before investing – don’t use an adviser from the firm that contacted you.

#### If you’re suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the [link](#) below.

If you’ve lost money in a scam, contact Action Fraud on 0300 123 2040 or [www.actionfraud.police.uk](http://www.actionfraud.police.uk)



**Be ScamSmart and visit**  
**[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)**

# Contact Information

## Company Registration Number

**8534332 (Registered in England)**

The Company is an investment company as defined under Section 833 of the Companies Act 2006.

## Directors

Simon Cordery, Chair  
Cecilia McAnulty  
Susie Arnott  
Angela Henderson

## Registered Office and Contact Address for Directors

16 Palace Street  
London  
SW1E 5JD

## Investment Manager and AIFM

**Polar Capital LLP**

16 Palace Street  
London  
SW1E 5JD

Authorised and regulated by the Financial Conduct Authority.

Telephone: 020 7227 2700  
Website: [www.polarcapital.co.uk](http://www.polarcapital.co.uk)

## Co-Fund Managers

Mr Nick Brind  
Mr George Barrow  
Mr Tom Dörner

## Company Secretary

**Polar Capital Secretarial Services Limited**

Represented by Jumoke Kupoluyi, ACG

## Administrators, Bankers, Depositary and Custodian

**HSBC Bank Plc**

8 Canada Square  
London  
E14 5HQ

## Independent Auditors

**PricewaterhouseCoopers LLP**

7 More London Riverside  
London  
SE1 2RT

## Solicitors

**Herbert Smith Freehills LLP**

Exchange House  
Primrose Street  
London  
EC2A 2HS

## Stockbrokers

**Stifel Nicolaus Europe Limited**

150 Cheapside  
London  
EC2V 6ET

## Identification Codes

**Ordinary shares**

SEDOL: B9XQT11  
ISIN: GB00B9XQT119  
TICKER: PCFT  
GIIN: 8KP5BT.99999.SL.826  
LEI: 549300G5SWN8EP2P4U41

## Registrar

Shareholders who have their shares registered in their own name, not through a share savings scheme or ISA, can contact the registrars with any queries on their holding. Post, telephone and Internet contact details are given below.

In correspondence you should refer to Polar Capital Global Financials Trust plc, stating clearly the registered name and address and, if available, the full account number.

**Equiniti Limited**

Highdown House  
Yeoman Way  
Worthing  
West Sussex  
BN99 3HH

Shareholder helpline: +44 (0)800 313 4922

Shareholder website:  
[www.shareview.co.uk](http://www.shareview.co.uk)

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