



POLAR
CAPITAL

Results Presentation

December 2013

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Section I

- Business Review

Section II

- Financial Review



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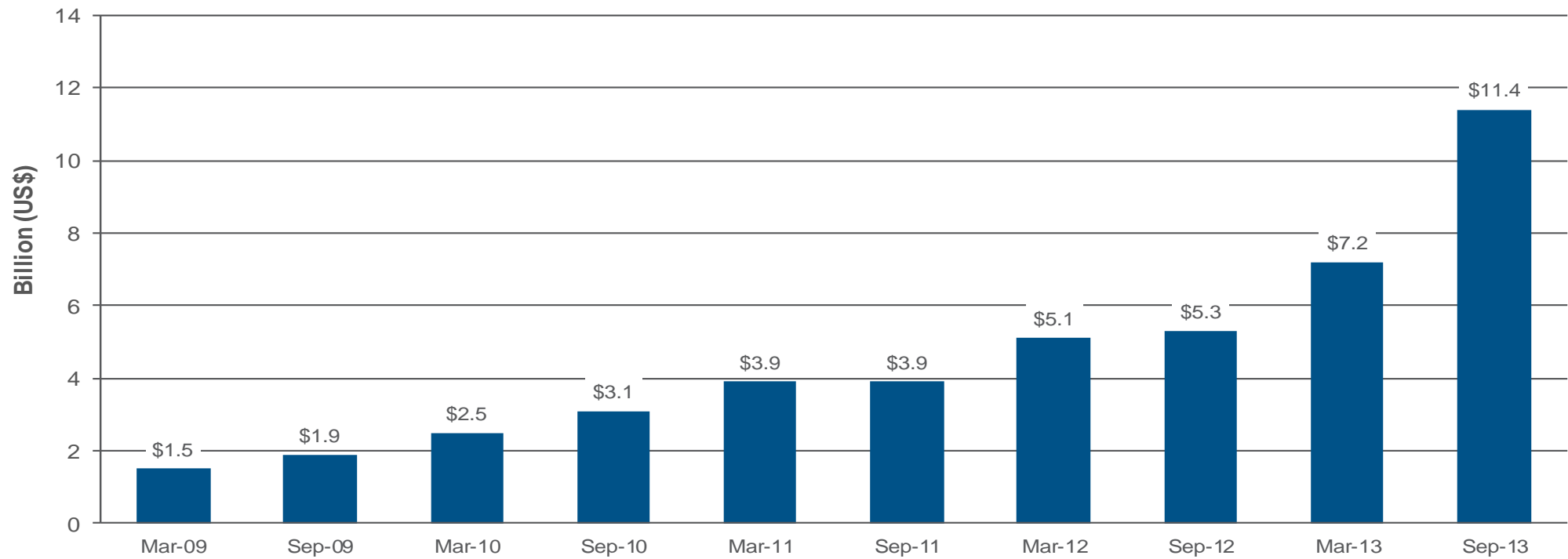
Highlights

- AUM
 - AUM at 30 September increased 58% to US\$11.41bn from US\$7.21bn at March 2013
- Profitability
 - Pre-tax (pre SBP) profits up over 100% to £10.6m (2012: £4.6m)
 - Core operating profit excluding performance fees £10.4m (2012: £4.2m)
- EPS and Dividend
 - Adjusted diluted EPS up over 100% to 8.77p (2012: 4.14p)¹
 - Initial dividend of 4p (2013: 2.0p)
- Balance Sheet
 - Strong balance sheet comprising cash and investments of £56.7m (2012: £42.8m)

Source: Polar Capital.

1: Adjustment excludes cost of share based payments and amortisation of intangibles.

Past performance is not indicative or a guarantee of future results.



Source: Polar Capital, 30 September 2013.

AUM Growth Analysis



	30 September 2012 US\$'m	30 September 2013 US\$'m	% Increase Year on Year
Japan	1,421	4,914	246%
Long Only (ex Japan)	2,864	5,327	86%
Technology	1,321	1,488	13%
Healthcare	440	794	80%
Financials	526	975	85%
GEMs	234	749	220%
North America	343	1,321	285%
Absolute Return Funds	722	841	16%
Overall	5,007	11,082	121%

Source: Polar Capital.

AUM at 31 March 2012

\$5.1bn

Gross inflows Total [long 2,875 hedge 146] **\$3,021m**

Gross outflows Total [long 1,343 hedge 60] **\$(1,403)m**

Net flows **\$1,618m**

Performance and currency movements **\$507m**

AUM at 31 March 2013

\$7.2bn

Gross inflows quarter 1 [long 1,896 hedge 20] **\$1,916m**

quarter 2 [long 2,358 hedge 40] **\$2,398m**

Gross outflows quarter 1 [long 90 hedge 5] **\$(95)m**

quarter 2 [long 925 hedge 49] **\$(974)m**

Net flows **\$3,245m**

Performance and currency movements **\$955m**

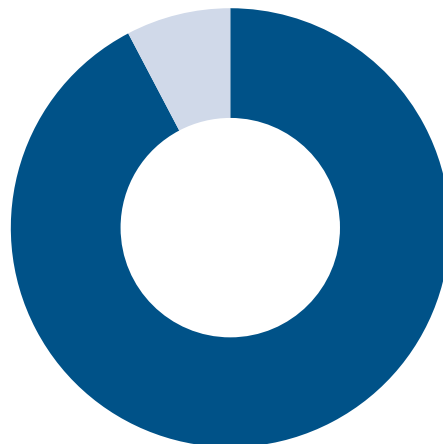
AUM at 30 September 2013

\$11.4bn

Source: Polar Capital.

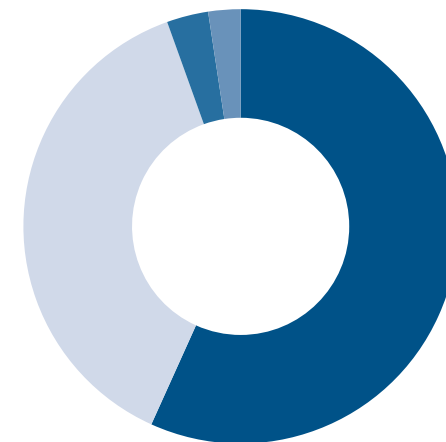
AUM split by strategy

■ Long Only	92.3%
■ Hedge Funds	7.7%



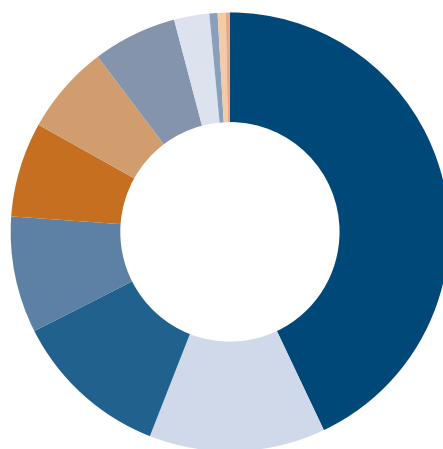
Investor mix by geography

■ UK	56.8%
■ Europe	37.8%
■ USA	3.1%
■ Other	2.3%



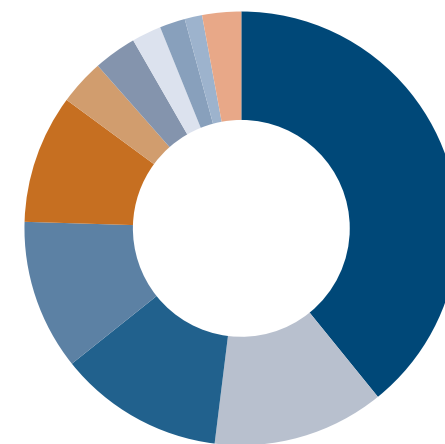
AUM split by business unit

■ Japan	43.0%
■ Technology	13.0%
■ North American	11.6%
■ Financials	8.6%
■ Healthcare	6.9%
■ Emerging Markets	6.6%
■ European	6.2%
■ UK	2.6%
■ Convertibles	0.6%
■ European Market Neutral	0.6%
■ Global	0.3%



Investor mix by holdings

■ Bank	39.1%
■ Asset Manager	12.8%
■ Polar Capital Investment Company	12.3%
■ Private Wealth Manager	11.2%
■ Fund Of Funds	9.6%
■ Consultants	3.4%
■ Platform	3.2%
■ Family Office	2.2%
■ Insurance Company	1.9%
■ Pension Fund/Foundation	1.3%
■ Other	2.9%



Source: Polar Capital, 30 September 2013. Totals may not sum due to rounding.

Is Our Diversification Strategy Working?



	March 2011	March 2012	March 2013	September 2013
Technology	36%	29%	17%	13%
Japan	27%	30%	33%	43%
Europe	15%	12%	10%	-
North America	-	-	-	12%
Total	78%	71%	60%	68%
Number of teams	8	10	11	11
Number of teams with assets > \$500m	3	3	7	7

Source: Polar Capital, 30 September 2013. Based on the top 3 strategies.

Strategies	AUM 30 September 2013	Capacity
Technology	\$1.5bn	\$2bn+
Japan	\$4.9bn	\$6bn+
Europe	\$0.7bn	\$1bn+
Healthcare	\$0.8bn	\$1.5bn+
Financials	\$1.0bn	\$2.5bn+
Convertibles	\$0.1bn	\$1bn+
Emerging Markets	\$0.7bn	\$2bn+
North America	\$1.3bn	\$3bn+
European Market Neutral	<\$0.1bn	\$1bn+
Global Equity	<\$0.1bn	\$5bn+
Total	\$11.1bn	\$25bn+

Source: Polar Capital. Excludes the UK Absolute Return strategy.

The original vision still holds true

Ten to twelve world class investment teams

Pre 2010	2010	2011	2012	2013	2014
Technology	Technology	Technology	Technology	Technology	Technology
Japan	Japan	Japan	Japan	Japan	Japan
Europe	Europe	Europe	Europe	Europe	Europe
Healthcare	Healthcare	Healthcare	Healthcare	Healthcare	Healthcare
	Financials	Financials	Financials	Financials	Financials
	Convertibles	Convertibles	Convertibles	Convertibles	Convertibles
	Emerging Markets	Emerging Markets	Emerging Markets	Emerging Markets	Emerging Markets
		North American	North American	North American	North American
		European M/N	European M/N	European M/N	European M/N
			Global Equity	Global Equity	Global Equity
					Team 11
					Team 12

Source: Polar Capital, 30 November 2013.

Long only

UCITS

Global Technology

Japan

Japan Alpha

Healthcare Opportunities

Biotechnology Fund (November 2013)

Asian Financials

Financial Opportunities

Financials Income

Global Insurance

Emerging Markets Growth

Emerging Markets Income

North American

Global Alpha

Investment trusts

Global Technology

Global Healthcare Growth and Income

Global Financials

Managed accounts

Japan

Emerging Markets

Hedge and absolute return

Cayman

European Market Neutral

European Forager

European Conviction

ALVA Global Convertible

UCITS

Convertible UCITS (September 2013)

European Market Neutral

Source: Polar Capital, 30 November 2013.

Lipper Figures For UCITS Strategies



31 October 2013

Strategies	3 months		6 months		1 year		3 years		5 years	
	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile	% Growth to universe position/ universe total	Quartile
Japan (Retail YEN)	46/325	1	159/322	2	97/317	2	55/298	1	11/277	1
Japan Alpha (Retail USD)	136/325	2	8/322	1	60/317	1	n/a	n/a	n/a	n/a
Healthcare Opportunities (Retail USD)	5/108	1	4/108	1	6/104	1	4/97	1	7/86	1
Emerging Markets Growth (Retail USD)	247/657	2	289/643	2	302/604	2	n/a	n/a	n/a	n/a
Emerging Markets Income (Institutional USD)	510/657	4	533/643	4	172/604	2	n/a	n/a	n/a	n/a
Asian Financial (Institutional USD)	70/83	4	79/83	4	71/81	4	48/76	3	5/74	1
Financial Opportunities (Retail USD)	38/83	2	61/83	3	55/81	3	n/a	n/a	n/a	n/a
Financials Income (Retail GBP)	107/440	1	53/439	1	7/411	1	9/337	1	n/a	n/a
Global Insurance (Retail GBP)	50/83	3	44/83	3	45/81	3	1/76	1	9/74	1
Global Technology (Retail USD)	11/48	1	9/48	1	12/47	1	27/44	3	4/39	1
North American (Retail USD)	375/748	3	347/739	2	264/718	2	n/a	n/a	n/a	n/a
Global Alpha Fund (Retail USD)	942/1257	3	519/1234	2	n/a	n/a	n/a	n/a	n/a	n/a
Global Convertibles (Institutional USD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Lipper. **Basis:** Net of fees. Currency as stated.
Past performance is not indicative or a guarantee of future results.

31 October 2013

Strategies	Inception date	YTD	Annualised returns		
			3 years	5 years	Inception
European Market Neutral (EUR) ¹	4 May 2010	1.97%	n/a	n/a	-0.18%
European Market Neutral (Class I EUR) ²	8 March 2012	3.54%	n/a	n/a	-2.20%
Forager (EUR)	1 August 2003	8.31%	9.07%	11.40%	11.29%
Conviction (EUR)	1 April 2006	0.80%	5.11%	5.49%	6.24%
ALVA (USD)	1 November 2010	10.98%	8.32%	n/a	7.70%

Source: Polar Capital. **Basis:** Net of fees. Currency as stated. Past performance is not indicative or a guarantee of future results.

1. Prior to 16 April 2012, this Fund was called the Ratio European Opportunities Fund.

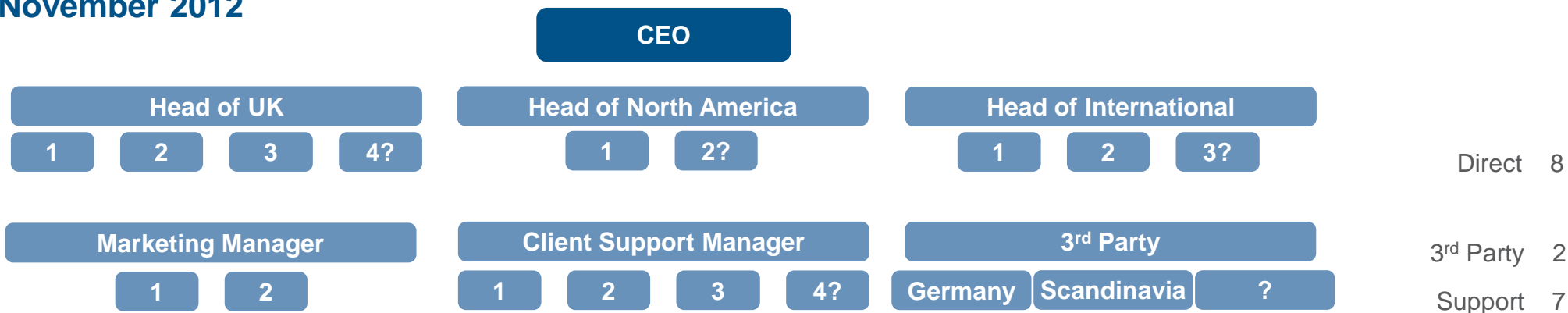
2. The European Market Neutral Fund is a sub fund of the Polar Capital Funds Plc.

Distribution

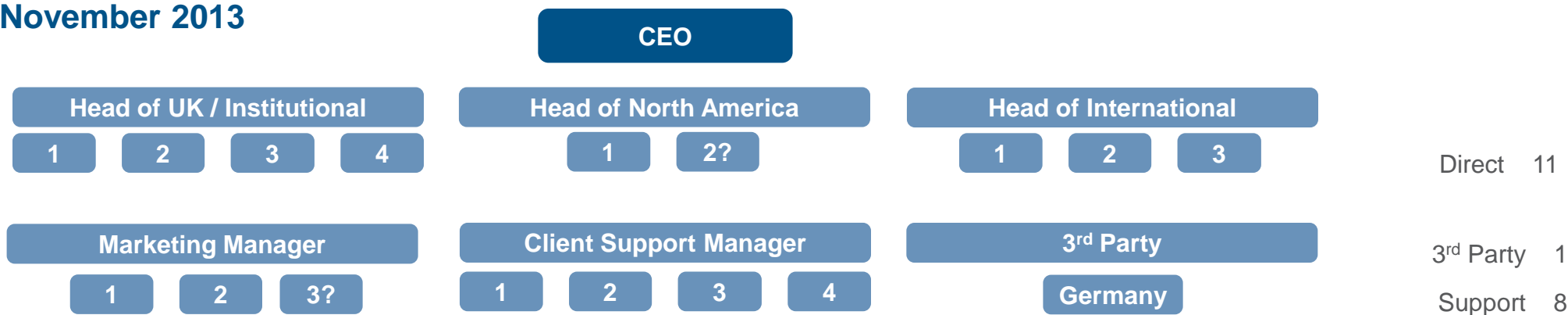
November 2009



November 2012



November 2013



Source: Polar Capital, November 2013.

Goals

- To be a leading global investment management boutique
- To be a strong dependable partner to our clients offering them a range of interesting and differentiated investment products
- To maintain a robust operational infrastructure
- To maintain high levels of client service and support
- To maintain a strong balance sheet
- To maintain high levels of corporate governance and transparency

Strategy for further growth

- Attract further inflows into existing products
- Launch new products with current teams
- Attract more top quality managers
- Consider opportunistic corporate activity
- Continue to invest further in client servicing and support

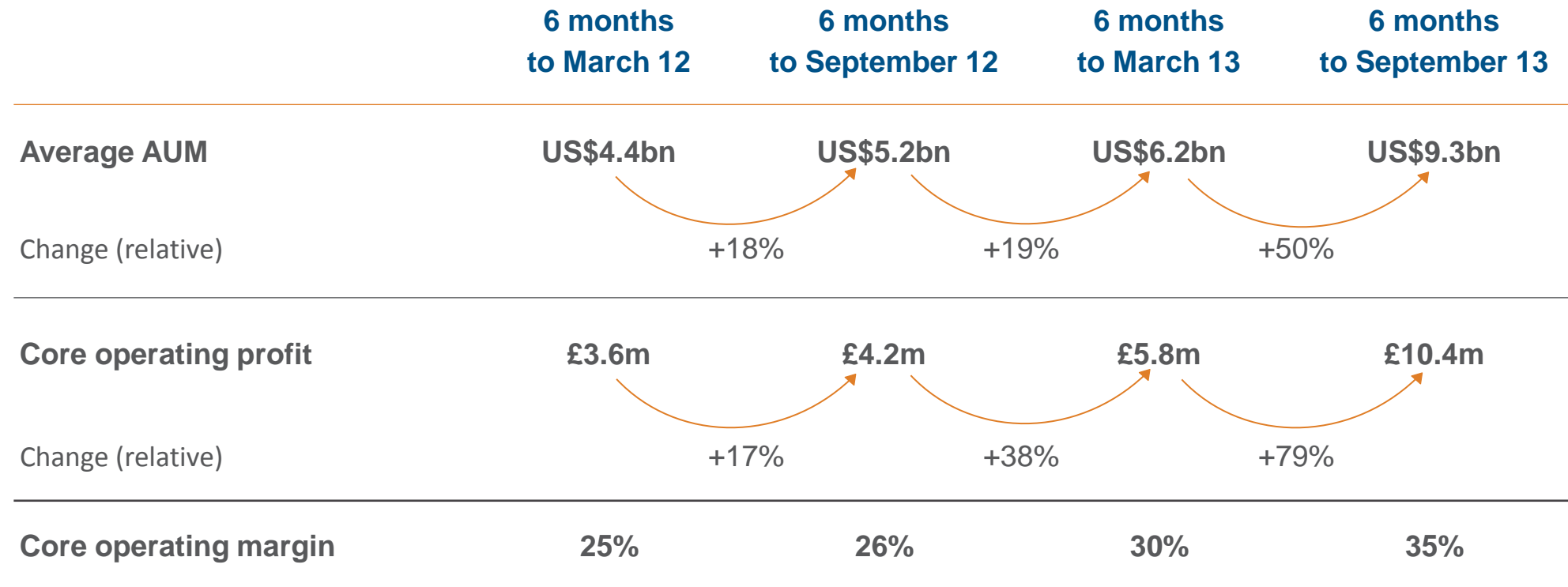
Source: Polar Capital.

Profitability – by period

	6 months to September 12	6 months to March 13	Year to March 13	6 months to September 13
Average AUM	US\$5.2bn	US\$6.2bn	US\$5.7bn	US\$9.3bn
Core operating profit	£4.2m	£5.8m	£10.0m	£10.4m
Performance fee profit	-	£5.5m	£5.5m	-
Interest and similar income	£0.4m	£0.9m	£1.3m	£0.2m
PBT pre S.B.P. & Pre Goodwill	£4.6m	£12.2m	£16.8m	£10.6m

Source: Polar Capital.

Margin analysis – 6 month periods



Source: Polar Capital.

Costs

	6 months to September 12	6 months to March 13	Year to March 13	6 months to September 13	Comments
Salaries and bonuses	£6.3m	£7.2m	£13.5m	£7.9m	Increase in staff numbers
Core distributions	£2.1m	£2.7m	£4.8m	£6.9m	Increase in core profits
Core compensation costs	£8.4m	£9.9m	£18.3m	£14.8m	
Other operating costs	£3.6m	£3.4m	£7.0m	£4.1m	See next page
Core operating costs	£12.0m	£13.3m	£25.3m	£18.9m	
Performance fee interests	-	£7.9m	£7.9m	-	Performance fees in 2 nd half
Total operating costs	£12.0m	£21.2m	£33.2m	£18.9m	

Source: Polar Capital.

Other operating costs

	6 months to September 12	6 months to March 13	Year to March 13	6 months to September 13
IT	£1.3m	£1.2m	£2.5m	£1.5m
Rent and rates	£0.6m	£0.6m	£1.2m	£0.7m
Professional fees	£0.3m	£0.4m	£0.7m	£0.4m
Insurance	£0.2m	£0.2m	£0.4m	£0.2m
Travel and entertainment	£0.4m	£0.5m	£0.9m	£0.5m
Other	£0.8m	£0.5m	£1.3m	£0.8m
Other operating costs	£3.6m	£3.4m	£7.0m	£4.1m

Source: Polar Capital.

Dividend

- First dividend payable January 2014 4.0p (2013: 2.0p)
 - Relative increase in first dividend provides no guidance in respect of second dividend
 - Second dividend payable in August 2014
- Dividend reflects:
 - Improved profitability of the company
 - Health and strength of the company's balance sheet
 - Quiet optimism regarding the company's prospects
- Policy
 - Distribution of majority of earnings; additional cash not needed
 - Full NOT progressive dividend

Source: Polar Capital.
Past performance is not indicative or a guarantee of future results.

Cash and investments

	March 2013 £m	September 2013 £m
Cash	£30.9m	£22.3m
Available for sale investments		
Hedge fund seed	£16.4m	£13.7m
Long only seed	£14.8m	£ 20.7m
	£31.2m	£34.4m
Total cash and investments	£62.1m	£56.7m

Source: Polar Capital.

Shareholder analysis at 30 September 2013

	Holding	Percentage		
Directors, founders and staff	27.0m	32%		
Caledonia	8.0m	10%		
XL	7.0m	8%		
EBT	1.7m	2%		
Blackrock	8.2m	10%		
Artemis	3.8m	5%		
Liontrust	2.9m	3%		
Others	24.5m	30%		
Total shares in issue	83.1m	100%		
			Free Float = 48%	
			At Share Price of	
			£5.00	£6.00
Dilutive effect of share appreciation rights	8.3m		9.2m	10.1m
Conventional options	1.3m		1.3m	1.3m
Issuance satisfied by EBT	-1.7m		-1.7m	-1.7m
Net dilutive effect of options	7.9m		8.8m	9.7m
Vesting of crystallisations	3.7m		3.7m	3.7m
Diluted share capital	94.7m		95.6m	96.5m

Source: Polar Capital.

Well positioned in challenging times

Funds and performance

- Expanded and differentiated product offering
- Good performance across a wide range of funds

Fund capacity

- Significant potential for further growth
- Total current capacity in the funds of > US\$25 billion of which at the end of September 2013 only US\$11.4billion currently utilised

Distribution

- Invested heavily in distribution over recent years
- Achieving good asset flows across a breadth of products

Operations

- High quality, robust and institutional style operational platform
- Meeting the challenge of increased due diligence by clients

Financials

- Increasing profitability and improving margins
- Strong cash position provides comfort and flexibility

New teams

- Successful integration in 2010 of Financials, Convertibles and Emerging Market teams, in 2011 of the North American and European Market Neutral teams and in 2012 of the Global Equity team.

Source: Polar Capital.

House View

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