

Results Presentation

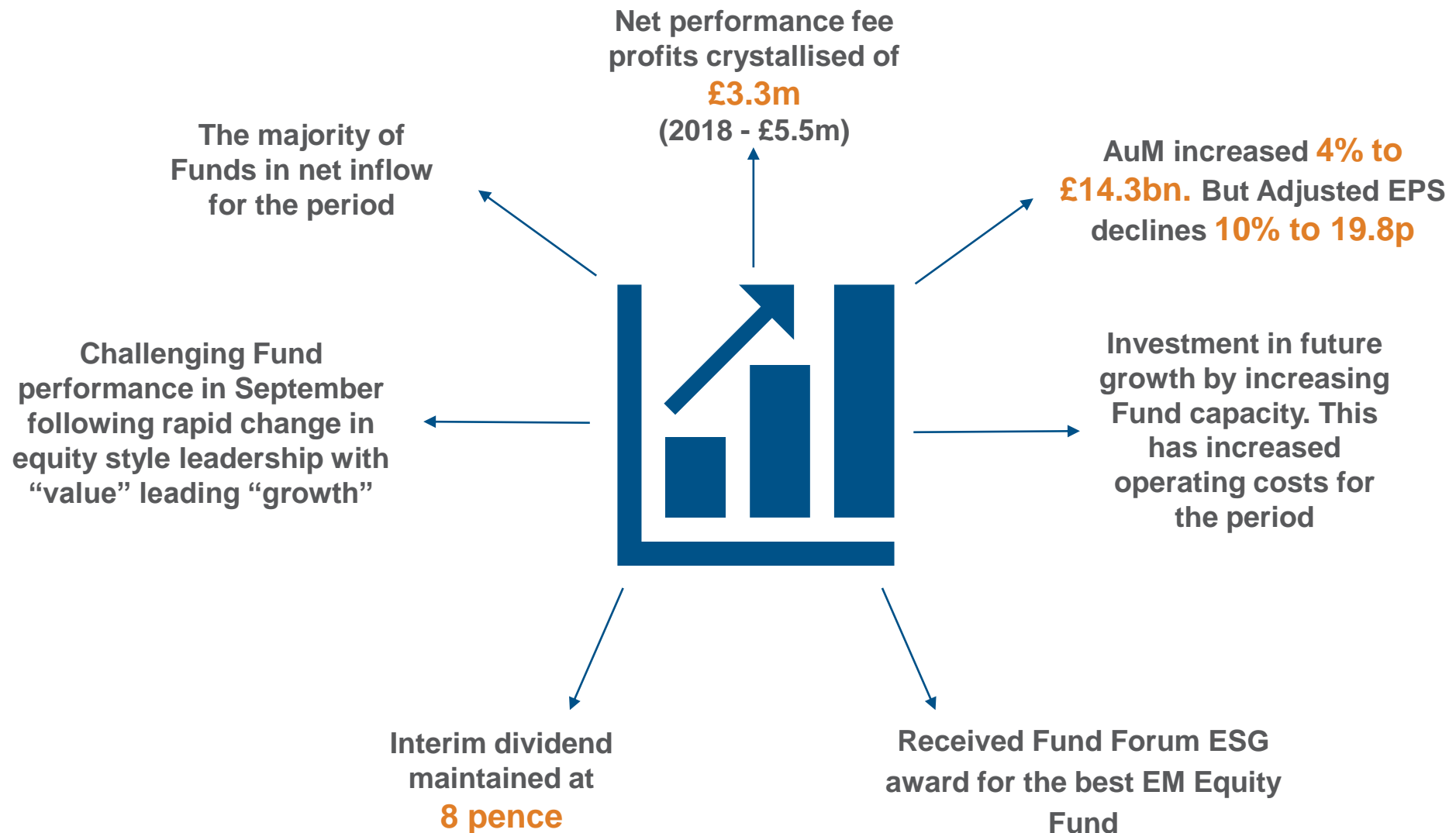
Six Months to 30 September 2019

Gavin Rochussen, Chief Executive Officer
John Mansell, Executive Director

November 2019

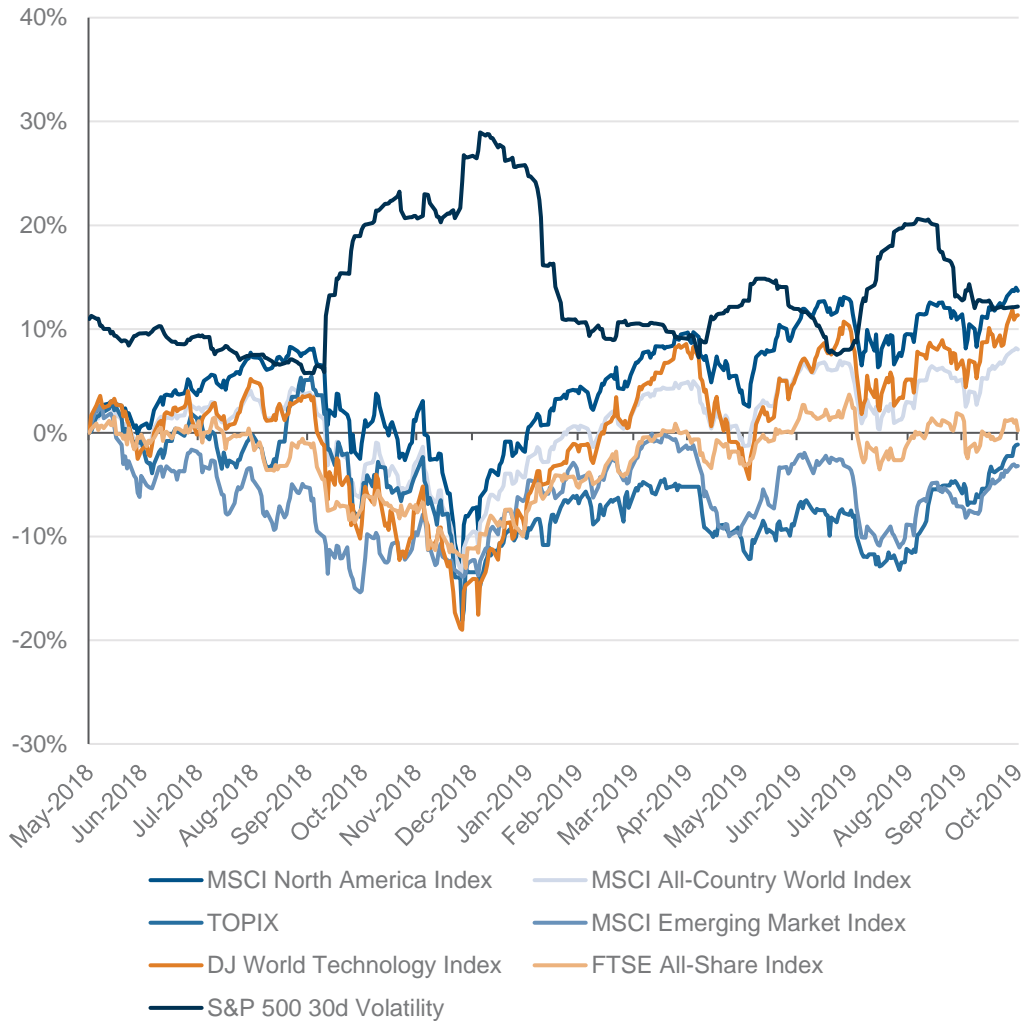


- Highlights
- Market Perspective
- Fund Performance
- Fund Flows and AuM
- Financial Review
- Strategy Update
- Summary and Outlook



Source: Polar Capital, as at 30 September 2019. Past performance is not indicative or a guarantee of future results.

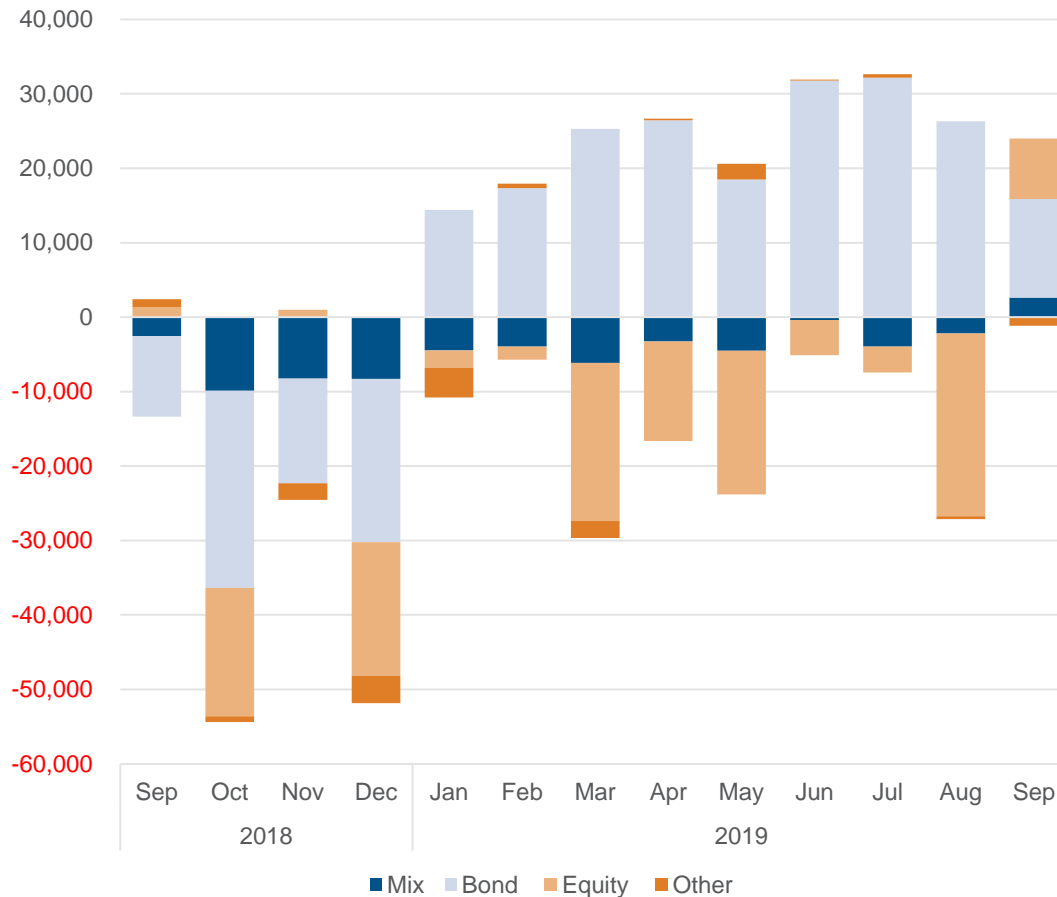
Global indices vs volatility



- Increased market volatility in September, although not the same level as Q4 2018
- All major equity indices have advanced during calendar 2019
- Q1 2019 had strongest recovery in any quarter since the financial crisis
- Continued weakening of sterling over the period has benefitted AUM and revenue as a significant proportion of portfolios are US dollar domiciled

Source: Bloomberg, as at 31 October 2019. Past performance is not indicative or a guarantee of future results.

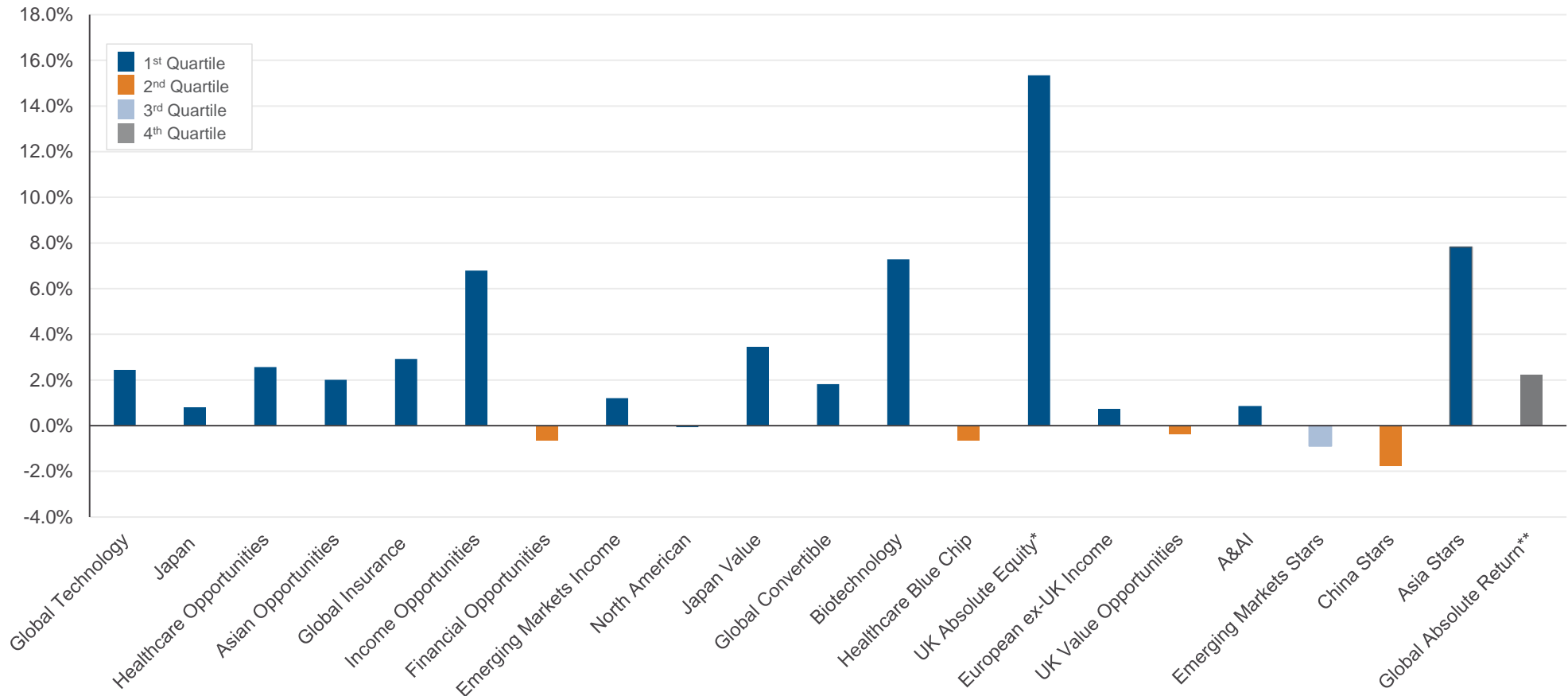
Net sales of active long-term funds across Europe



- The environment for equities remains challenging
- Fixed income is the only area of net inflows across Europe since January
- Equity fund flows have been negative since October 2018

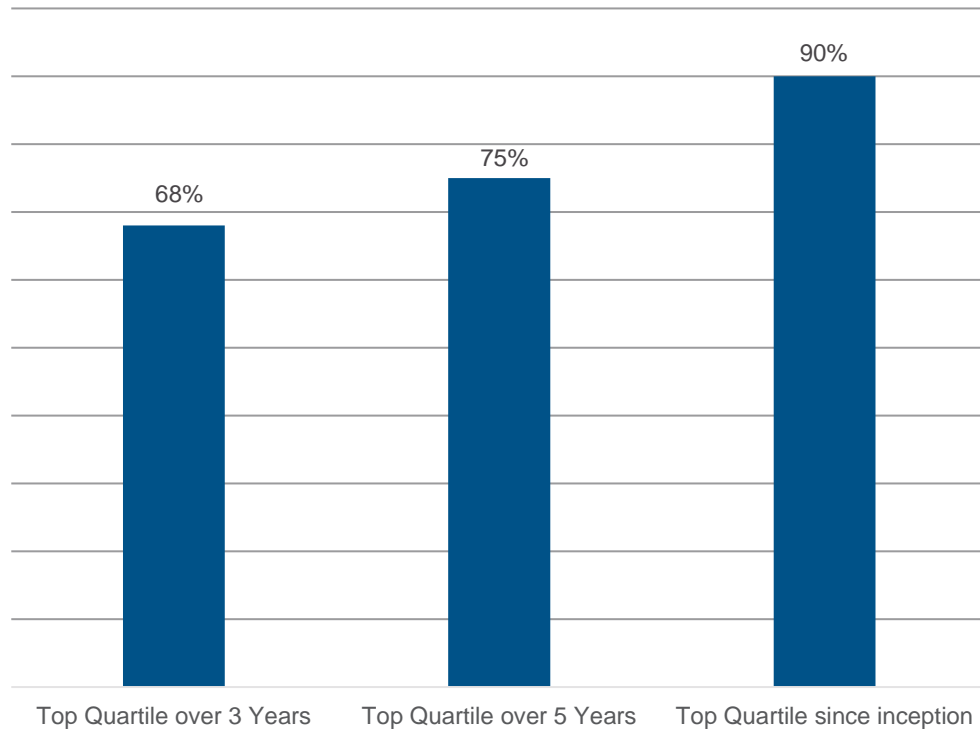
Source: Broadridge Fund File and Fund Radar, as at 30 September 2019. Data excludes funds of funds, money market funds and ETFs (unless stated).

Annualised strategy performance against benchmark (since inception)



Source: Polar Capital, 30 September 2019, Lipper quartile rankings as at 30 September 2019. Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. As a result, you should not make an investment decision on the basis of this information. Rather, you should use the Lipper ratings for informational purposes only. Certain information provided by Lipper may relate to securities that may not be offered, sold or delivered within the United States (or any State thereof) or to, or for the account or benefit of, United States persons. Lipper is not responsible for the accuracy, reliability or completeness of the information that you obtain from Lipper. In addition, Lipper will not be liable for any loss or damage resulting from information obtained from Lipper or any of its affiliates. For Lipper methodology please go to: <http://lipperalpha.financial.thomsonreuters.com/wp-content/uploads/2015/11/S026849-Method-Lipper-Leaders-Ratings-System-International.pdf> Past performance is not indicative or a guarantee of future returns. *Absolute return product, Benchmark: 3 month GBP LIBOR. ** Absolute return product, Fund does not have a benchmark. Funds ordered according to launch date.

% of UCITS Funds AuM in top quartile



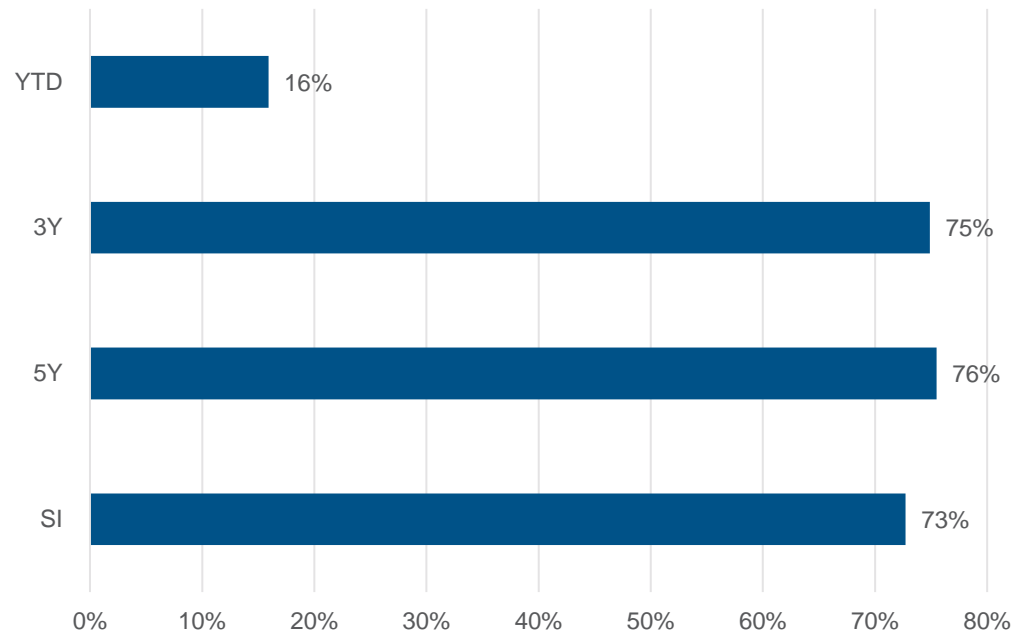
- Majority of AuM is in the first quartile against the Lipper peer group over three years
- Lipper quartile ranking is compelling over five years and since inception

Source: Polar Capital and Lipper, 30 September 2019. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Performance Against Benchmarks



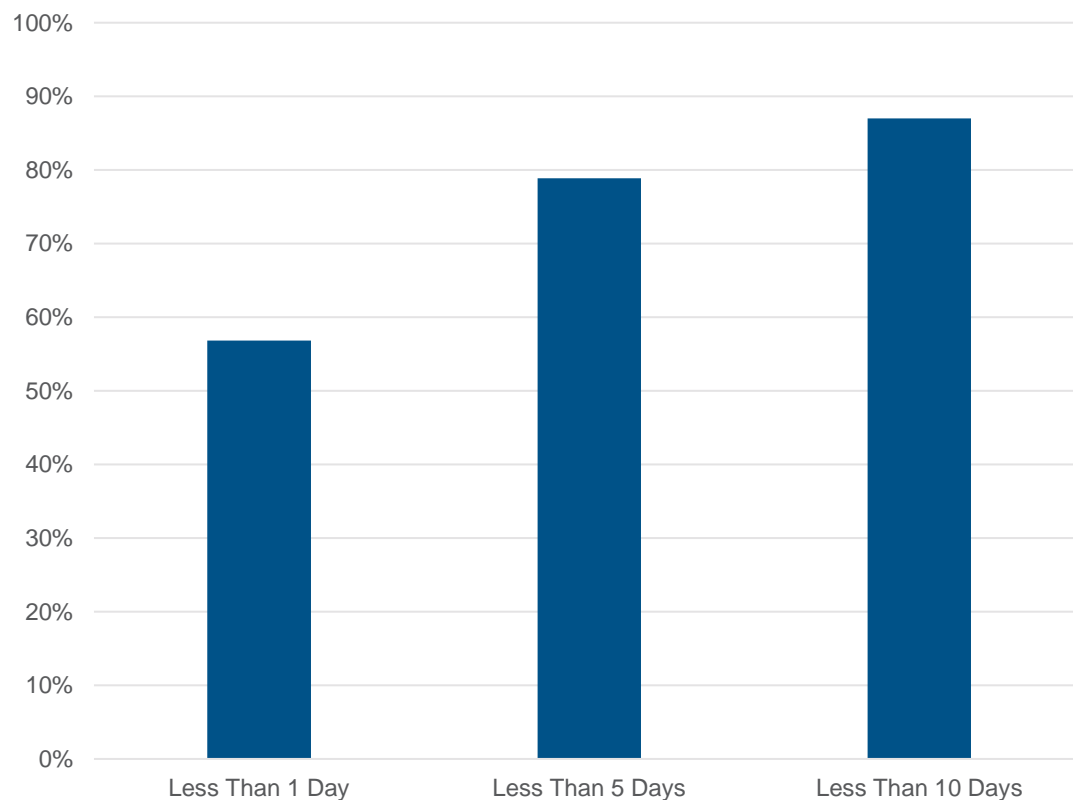
Percentage of AuM that has outperformed benchmark



- 16% of AuM outperformed benchmark in 2019 to 30 September 2019
- 61% of AuM outperformed benchmark in 2018
- 75% of AuM is ahead of benchmark over three years and 76% over five years to 30 September 2019

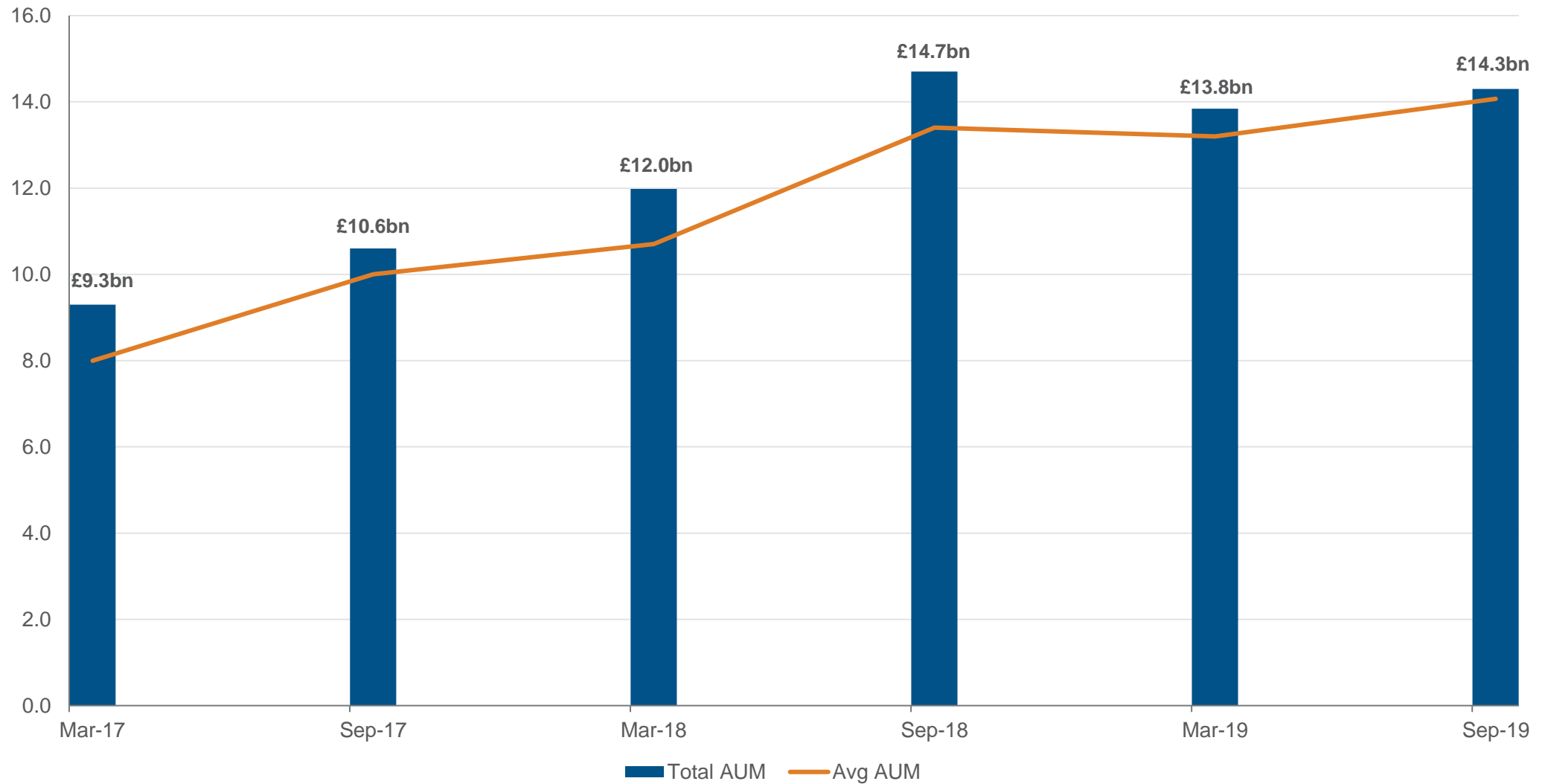
Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Total fund liquidity



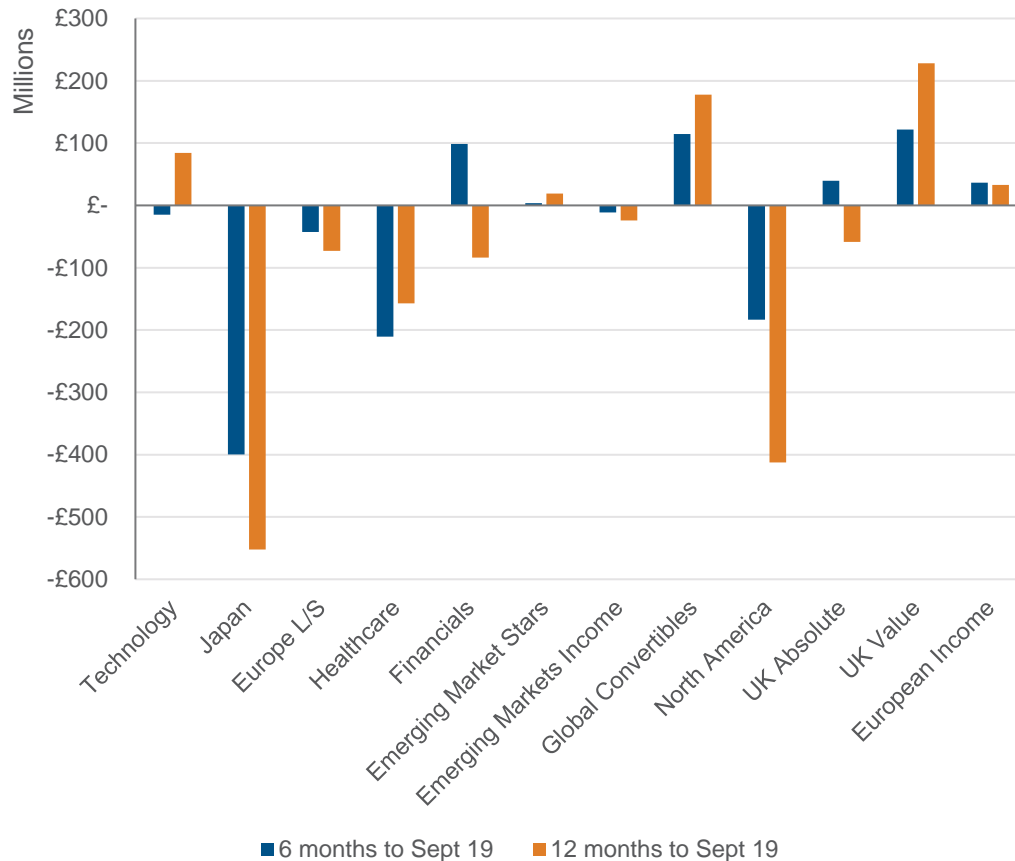
- Fund liquidity continuously monitored
- Fund capacity addresses underlying liquidity
- 50% of the least liquid Polar Capital Fund can be liquidated in 15 days
- 87% of AuM can be liquidated inside 10 days

Source: Polar Capital, 30 September 2019. Assumes 30% participation rate.



Source: Polar Capital, 30 September 2019. All figures quoted in Pounds Sterling. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Fund flows by team



- Majority of Funds had positive net inflows, in the period
- Net outflows were concentrated in Japan, North America and Healthcare
- Rate of outflows from the Japan Fund is decreasing following the merger of the Japan Fund into the Japan Value Fund

Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Financial Review

Financial Highlights



	H1 2020	H1 2019	Change
Average AuM	£14.1bn	£13.4bn	+5%
Net management fees (excluding research)	£59.1m	£57.3m	+3%
Net management fee yield	84bps	85bps	-1bp
Core operating profit	£21.3m	£21.7m	-2%
Core operating profit margin	36%	38%	-2%
Performance fee profit	£3.3m	£5.5m	-40%
Other income	£0.8m	£0.5m	+60%
Profit before tax and share based payments on preference shares	£25.4m	£27.7m	-8%
SBP on preference shares	£(0.5)m	£(0.4)m	+25%
Profit before tax	£24.9m	£27.3m	-9%
Adjusted EPS¹	19.8p	21.9p	-10%
Interim dividend per share	8.0p	8.0p	-
Cash and investments	£108.7m	£105.3m	+3%

- Average AuM provided support by weak sterling
- Net management fees after currency hedging up 3%
- Core profits down 2% as a result of investment for future growth and deferral costs related to prior periods
- First interim dividend static compared to H1 2019
- Core EPS for the half year (excluding performance fee) is 17p

Source: Polar Capital as at 30 September 2019. 1: Adjustment excludes IFRS costs of preference shares included in share based payments and includes deferred remuneration costs.

Operating Costs



	H1 2020	H1 2019	Change
Salaries, bonuses and other staff costs ¹	£12.3m	£11.3m	+9%
Core distributions ¹	£13.7m	£13.2m	+4%
Core cash compensation costs	£26.0m	£24.5m	+6%
NIC on options	-	£0.3m	-100%
Share-based payments on prefs, group awards & LTIPs ²	£2.4m	£2.8m	-14%
Other operating costs	£9.9m	£8.3m	+19%
Core operating costs	£38.3m	£35.9m	+7%
Performance fee interests ³	£3.3m	£5.7m	-42%
Total operating costs	£41.6m	£41.6m	-

- Of the total increase in core operating costs of £2.4m around half relates to investment in future growth as highlighted in the 2019 Annual Report and detailed below
- Increased staff costs as a result of:
 - Additional senior distribution resource to cover Nordics and US
 - CIO appointed to provide additional oversight to support expanding teams
 - Additional costs related to Polar Europe
- Core distributions up slightly due to deferment from prior periods impacting this period but offset by partial crystallisation of North America team

Source: Polar Capital as at 30 September 2019. **1.** Including share awards under deferment plan of £0.7m (H1 2019: nil). **2.** Share-based payments on preference shares, Group share awards and LTIPs (H1 2019: £2.8m). **3.** Including share awards under deferment plan of £0.2m (H1 2019: nil).

Other Operating Costs



	H1 2020	H1 2019
IT	£3.1m	£2.6m
Rent and rates	£1.4m	£1.3m
Professional fees	£0.6m	£0.6m
Research and corporate access	£1.9m	£1.5m
Insurance and regulation	£0.2m	£0.2m
Travel and entertainment	£0.9m	£0.8m
Staff recruitment	-	£0.2m
Irrecoverable VAT	£0.8m	£0.6m
Sponsorship/PR/Conferences	£0.3m	£0.2m
Other	£0.7m	£0.3m
Other operating costs	£9.9m	£8.3m

- IT: increased Bloomberg and back office costs as a result of absorbing the full impact of four new funds launched part way through the prior year and additional costs from implementing ESG related analytics and oversight
- Research costs: FY 2020 expected to be in line with current run rate and therefore lower than prior full year costs. Costs have been more evenly distributed this year compared to prior year

Source: Polar Capital as at 30 September 2019.

Cash and Investments



	H1 2020	H1 2019
Cash	£71.6m	£60.6m
Investments		
UK ARF	-	£9.2m
Seed		
Global Absolute Return	£8.1m	-
European Income	-	£8.9m
EM Stars	£7.8m	£7.1m
China Stars	£5.0m	£7.6m
China Mercury	£3.9m	£3.8m
Asia Stars	£4.9m	-
Japan Value	£7.1m	£7.8m
Miscellaneous	£0.3m	£0.3m
Total Investments	£37.1m	£35.5m
Total cash and investments	£108.7m	£105.3m

- Cash resources up 3%
- Strategic seeding programme supporting 6 funds (2018 – 5 funds)
- Japan Value seed redeemed post half year

Source: Polar Capital as at 30 September 2019.

Regulatory Capital



	H1 2020	H1 2019
Shareholder funds	£103.6m	£83.9m
Less: deferred tax and capital reserves	£(9.6)m	£(8.1)m
Tangible capital	£94.0m	£75.8m
Less: dividend provision	£(7.4)m	£(7.2)m
Qualifying capital	£86.6m	£68.6m
Regulatory capital	£(13.2)m	£(10.0)m
Material holdings requirement	£(36.8)m	£(37.4)m
Surplus capital	£36.6m	£21.2m

- Healthy surplus capital position of £36.6m after allowing for increased seeding programme and first interim dividend
- Balance sheet strength for challenging times

Source: Polar Capital as at 30 September 2019.

Strategy and Outlook



Further Fund Diversification

- Emerging Market Stars team settled
- Adds additional ~\$7bn of capacity
- Emerging Market Stars Fund net flows since launch exceed seed capital
- Selected for a key Scandinavian platform
- Received Fund Forum ESG award for the best EM Equity Fund



Client Diversification

- Asian client base increased by 43% to \$719 million in the calendar year³
- US market is strategic priority

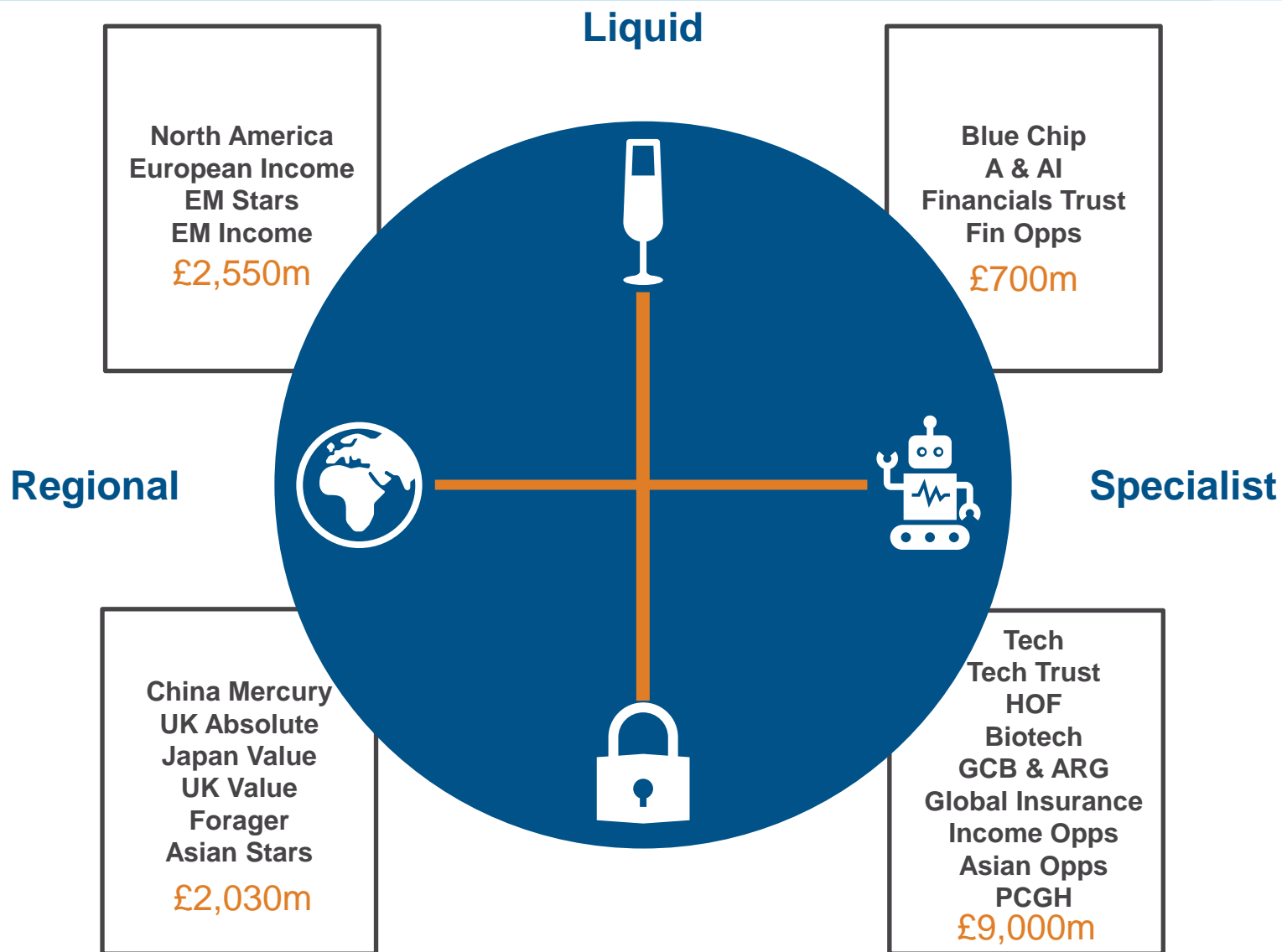


Recent Fund launches performing well

- EM Stars top quartile performance over 1 year to end of September¹
- Asia Stars top quartile since inception²

Source: 1. Lipper, as at 30 September 2019, since inception the Fund is third quartile. 2. Lipper, as at 30 September 2019. 3. Polar Capital, as at 30 September 2019. Past performance is not indicative or a guarantee of future results.

Fund Pricing Strategy



Capacity Constrained

Source: Polar Capital, as at 30 September 2019.

Summary

- Net inflows into the majority of strategies
- Continuing diversification into new markets
- Asian domiciled investors increased by 43% to \$719m in the calendar year



Outlook

- Continued focus on new team acquisitions and existing team extensions
- Quality and cultural fit are key
- Develop multiple routes to market for Polar strategies



Source: Polar Capital, as at 30 September 2019.

Thank you
Questions?

Additional Information

Current Investment Strategies



Technology

AuM: £4.9bn

Established: 2001

Typical number of positions: 50-140

Team size: 9

Years' experience: 135+

Funds managed:

- Technology Trust
- Global Technology (UCITS)
- Automation & Artificial Intelligence (UCITS)

Japan

AuM: £650m

Established: 2001

Typical number of positions: 45-55

Team size: 2

Years' experience: 25+

Funds managed:

- Japan Value (UCITS)

European Long/Short

AuM: £186m

Established: 2003

Typical number of positions: 80-120

Team size: 4

Years' experience: 55+

Funds managed:

- European Forager (Cayman Fund)

Healthcare

AuM: £1.9bn

Established: 2007

Typical number of positions: 25-60

Team size: 5

Years' experience: 120+

Funds managed:

- Global Healthcare Trust
- Healthcare Opportunities (UCITS)
- Biotechnology (UCITS)
- Healthcare Blue Chip (UCITS)

Financials

AuM: £2.2bn

Established: 2010

Typical number of positions: 35-150

Team size: 7

Years' experience: 115+

Funds managed:

- Income Opportunities (UCITS)
- Global Insurance (UCITS)
- Financial Opportunities (UCITS)
- Asian Opportunities (UCITS)
- Global Financials Trust

Emerging Markets Income

AuM: £111m

Established: 2010

Typical number of positions: 50-80

Team size: 3

Years' experience: 60+

Funds managed:

- Emerging Markets Income (UCITS)

Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding.

Current Investment Strategies



Convertibles

AuM: **£750m**

Established: **2010**

Typical number of positions: **50-80**

Team size: **5**

Years' experience: **100+**

Funds managed:

- Global Convertible (UCITS)
- Global Absolute Return Fund (UCITS)

North America

AuM: **£2.2bn**

Established: **2011**

Typical number of positions: **40-60**

Team size: **4**

Years' experience: **65+**

Funds managed:

- North American (UCITS)

UK Absolute

AuM: **£521m**

Established: **2014**

Typical number of positions: **40-100**

Team size: **3**

Years' experience: **15+**

Funds managed:

- UK Absolute Equity (UCITS)

European ex UK Income

AuM: **£239m**

Established: **2004**

Typical number of positions: **25-50**

Team size: **3**

Years' experience: **15+**

Funds managed:

- European ex UK Income (UCITS)

UK Value

AuM: **£995m**

Established: **2017**

Typical number of positions: **30-100**

Team size: **2**

Years' experience: **25+**

Funds managed:

- UK Value Opportunities (UCITS)

Emerging Markets Stars

AuM: **£42m**

Established: **2018**

Typical number of positions: **30-65**

Team size: **5**

Years' experience: **60+**

Funds managed:

- Emerging Markets Stars (UCITS)
- China Stars (UCITS)
- China Mercury (Cayman fund)
- Asia Stars (UCITS)

Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding.

Lipper figures for long and alternative UCITS – as at 30 September 2019



	AuM £m	1 Year Percentile	3 Years Percentile	5 Years Percentile	Since Inception
Japan (I JPY)	326	89	26	69	10* 19/10/2001
Japan Value (S JPY)	14	16	9	25	23 31/10/2012
Healthcare Opportunities (I USD)	1,154	69	15	19	25** 3/12/2007
Healthcare Blue Chip (I USD)	69	30	28	30	29 11/9/2014
Emerging Markets Income (I USD)	111	29	38	59	10 21/1/2011
Asian Opportunities (A USD)	22	6	48	16	2 5/12/1996***
Financial Opportunities (I USD Inc)	15	60	61	54	31 3/5/2011
Income Opportunities (I GBP)	241	68	4	7	4 15/10/2009
Global Insurance (I GBP)	1,599	7	17	4	19*** 31/05/2011
Global Technology (I USD)	2,556	38	7	3	12** 19/10/2001
North American (I USD)	1,929	73	48	32	23 15/11/2011
Global Convertible (I EUR Portfolio Hedged)	720	91	28	9****	5**** 2/9/2013
Biotechnology (I USD)	368	25	10	7	4 1/11/2013
UK Absolute Equity (I GBP)	521	98	3	2	2 29/9/2014
European ex-UK Income (I EUR)	239	10	5	N/A	2 30/06/2015
UK Value Opportunities (I GBP)	995	72	N/A	N/A	40 31/01/2017
A&AI (I USD)	326	30	N/A	N/A	18 6/10/2017
Emerging Markets Stars (R USD)	26	14	N/A	N/A	59 29/6/18
China Stars (R USD)	5	22	N/A	N/A	26 31/08/2018
Asian Stars (I USD)	5	N/A	N/A	N/A	21 31/12/2018
Global Absolute Return (I USD)	30	N/A	N/A	N/A	40 31/12/2018
%AuM in top quartile (excl hedge funds, managed accounts & trusts)	£11,271m	20%	68%	75%	90%

Source: Lipper, 30 September 2019. Totals may not sum due to rounding. * JPY Share Class ** USD Share Class *** B GBP Acc Share Class **** I USD Acc Share Class Past performance is not indicative or a guarantee of future results.

Alternative Strategies



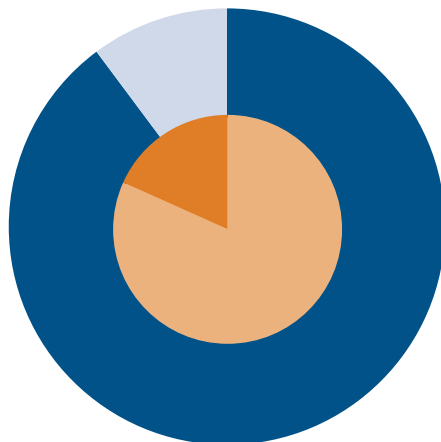
As at 30 September 2019

Strategies	Inception date	YTD	Annualised returns		
			3 years	5 years	Inception
Europe Long/Short (AX EUR)	1 August 2003	3.88%	4.73%	0.75%	7.92%
UK Absolute Equity (GBP I)	29 September 2014	-0.58%	12.38%	15.36	15.35%
Global Convertible (I EUR Portfolio Hedged)	31 December 2015	3.93%	2.76%	N/A	2.17%

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

AuM split by strategy

■ Long only	89.8%
■ Alternative	10.2%
■ Investment Trusts	18.3%
■ Open Ended Funds	81.7%



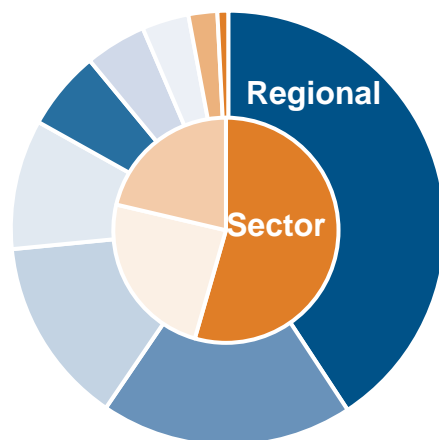
AuM split by business unit

Regional strategies

■ North American	15.2%
■ UK Value	7.0%
■ Convertibles	5.2%
■ UK Absolute Return	3.6%
■ Japan	2.2%
■ European Income	1.7%
■ European (long/short)	1.3%
■ Emerging Markets Income	0.8%
■ Emerging Market Stars	0.3%

Sector strategies

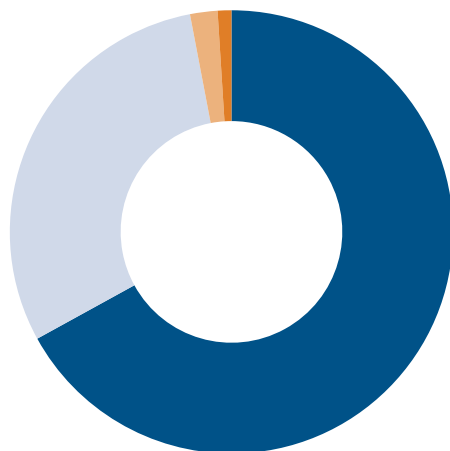
■ Technology	34.2%
■ Financials	15.2%
■ Healthcare	13.4%



Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding.

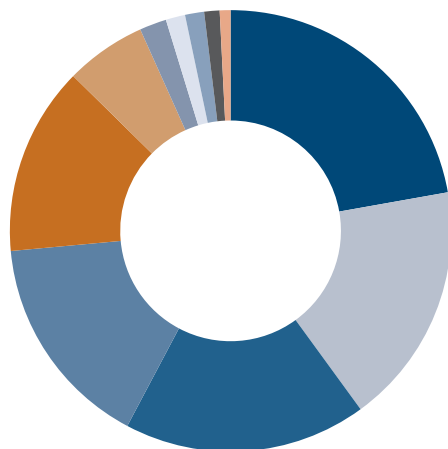
Investor mix by geography

■ UK	67%
■ Europe	30%
■ Other	2%
■ USA	1%



Investor mix by holdings

■ Bank	22%
■ Polar Investment Trusts	18%
■ Private Wealth Manager	18%
■ Platform	16%
■ Asset Manager	14%
■ Fund Of Funds	6%
■ Family Office	2%
■ Other	1%
■ Consultants	1%
■ Insurance Company	1%
■ Pension Fund/Foundation	1%



Source: Polar Capital, 30 September 2019. Totals may not sum due to rounding.

Important Information



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House View

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Prior to 15 September 2010 the Funds were managed by HIM Capital. Whilst the investment management team and strategy for the funds are substantially similar to the funds managed at HIM Capital, please note not all terms are consistent, including fees. Please refer to the fund offering memorandum for a full explanation of the strategy for each Fund. The Polar Capital Asian Financials Fund was launched on 5 December 1996 (the Hiscox Far East Financial Fund, launched December 1996, was merged into the Polar Capital Asian Financials Fund on 1 July 2011). On 29 December 2016 the Polar Capital Asian Financials Fund was renamed the Polar Capital Asian Opportunities Fund. Investors can review the Fund's prospectus for further information. The benchmark changed to the MSCI Asia Pacific ex Japan on 29 December 2016 to reflect this change.