

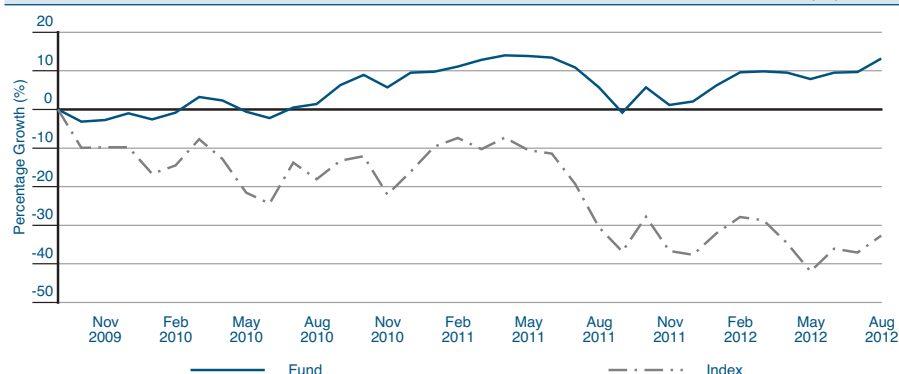
## Investment Objective

To provide an attractive level of income together with capital growth. The fund will invest primarily in the equity, debt and other securities of financial companies worldwide.

## 31 August 2012

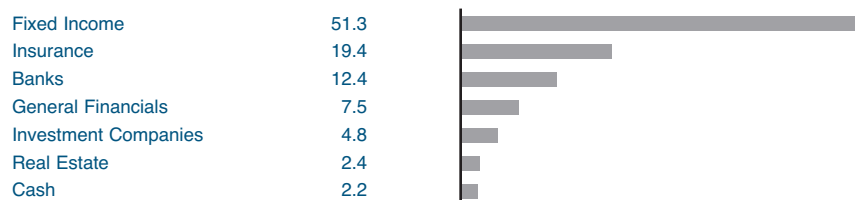
### Fact sheet

## Cumulative Performance GBP Institutional Accumulation Class - Fund and Index (%)



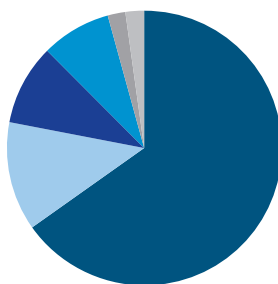
Source: Northern Trust International Fund Administration Services (Ireland) Ltd, percentage growth, GBP, net of fees

## Sector Exposure (%)



## Geographic Exposure (%)

	Equities	Fixed Income	Net
United Kingdom	19.1	46.1	65.2
United States	10.7	2.1	12.8
Europe	6.5	3.0	9.5
Asia	8.2	0.0	8.2
Global	2.1	0.0	2.1
Cash	0.0	0.0	2.2
Total	46.6	51.2	100.0



## Fund Size as at 31/08/12

GBP

46.2m

## Yield as at 31/08/12

(%)

6.0

## Dividend per Share

Q3 2011	1.50p
Q4 2011	1.50p
Q1 2012	1.30p
Q2 2012	1.50p

## NAV per Share

GBP

A1 Retail Income	95.07
A2 Retail Accumulation	111.77
B1 Institutional Income	96.65
B2 Institutional Accumulation	113.22

## Performance Summary (%)

	GBP	Index
1 Month	3.24	7.11
3 Months	4.98	16.05
Year to Date	10.90	7.98
1 Year	7.12	-3.04
Annualised Since Inception	4.41	-12.83
Cumulative Since Inception	13.22	-32.64

GBP performance refers to institutional accumulation share class

## Index

Dow Jones STOXX Financial Index (£)

## Total Number of Positions

77

Equity Positions	37
Fixed Income Positions	40

## Top 10 Equity Positions (%)

Sampo	2.3
HSBC	2.1
Arch Capital	2.0
Marsh & McLennan	1.8
Personal Group	1.8
WR Berkley	1.8
ACE	1.7
Jardine Lloyd Thompson	1.6
International Personal Finance	1.6
Frasers Centrepoint Trust	1.6
<b>Total</b>	<b>18.3</b>

## Market Capitalisation Exposure

(%)

Large (> GBP 2.5bn)	44.3
Medium (GBP 350m to 2.5bn)	32.6
Small (< GBP 350m)	23.1



Source & Copyright: CITYWIRE. Nick Brind is A rated by Citywire for his 3 year risk adjusted performance for the period 30/06/2009 - 30/06/2012.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

## Fund Manager Comments

Equity markets made progress in August. This was driven by hope that the recent comments by ECB president Mario Draghi regarding the ongoing Eurozone crisis, would be backed up by actions in the coming weeks. European banks rose by 8.4% during the month compared with US banks which rose by 2.6%, while Asian and Japanese banks fell by 3.0% and 3.3% respectively. Against this background the Fund's share price rose by 3.2% over the month, compared with our benchmark index, the STOXX Financials Index, which rose by 7.1%.

In the first week of August, Standard Chartered suffered a sharp fall in its share price, which at its extreme was around 30%, following the shock threat by the New York State Department of Financial Services (NYDFS), that it would remove its New York banking licence. In a detailed 27 page document it alleged that the bank had, 'for almost ten years, schemed with the Government of Iran and hid from regulators roughly 60,000 transactions, involving at least \$250 billion [leaving] the US financial system vulnerable to terrorists, weapon dealers, drug kingpins and corrupt regimes.'

At the end of July we had holdings in two Tier 1 subordinated debt securities of Standard Chartered (one denominated in dollars and a smaller one in sterling). We took the opportunity to sell our sterling holding (which had fallen no more than 2% in price) and reinvested along with cash into the bank's shares. Standard Chartered had been on our watch list as a possible purchase and we took the view that the fears infecting the stock were significantly overstated and the allegations overly sensationalist.

Furthermore, with the shares momentarily languishing at only a small premium to tangible book value we believed there was limited downside as, due to the bank's unique franchise, it would become vulnerable to a bid if we were wrong in our conclusions. The share price subsequently recovered, as the perceived threat to the bank losing its banking licence was seen as highly unlikely and it then went on to settle with the NYDFS. The holding was sold later in the month for approximately a 25% profit.

A surprising trend that we have recently observed is that a number of financial companies which have tried unsuccessfully to issue bonds to institutional investors, have successfully issued retail bonds at lower yields. Of those that we are aware, Provident Financial, the unsecured consumer lender, has issued a number of retail bonds and more recently, Intermediate Capital Group has announced that it is intending to issue a retail bond paying a 6.25% yield, having failed to raise capital from institutions at over an 8.0% yield.

Beazley Group, the property & casualty insurance company, announced that it is looking at issuing a senior retail bond which is rumoured to yield around 5.5%. We have a 2.0% holding in the subordinated bonds of Beazley Group. Despite these bonds paying a coupon of 7.25% at the end of August, they were still trading at over a 10% discount to par. At a presentation to discuss its retail bond issue, the company confirmed its intention to call its bonds at par in 2016 and not surprisingly interest in them has picked up, along with the price.

During the month we added to our holding in the subordinated bonds of Brit Insurance at over a 40% discount to par. We sold our holding in a subordinated bond issued by Swiss Re and reduced a holding we had in a Zurich Insurance Group subordinated bond. We also sold our only holding in a bond issued by BNP Paribas which was trading at around par and susceptible to price weakness either if the bank does not 'call' its bonds at par in 2013 which it is not obliged to do so or if there is an escalation in the Eurozone crisis.

Our holding in Personal Group Holdings (PGH), after taking into account it going ex-dividend, rose by around 18% towards the end of the month after being tipped in the Mail on Sunday. PGH sells insurance products to blue-collar workers through the employee benefit solutions it offers to 400 or so UK companies such as 3663, Brake Bros, Home Retail Group and UK Mail.

Despite the blue-collar nature of PGH's policyholders, this did not prevent the Mail on Sunday printing a picture of two very glamorous women supposedly enjoying a discounted spa day, the excuse being that they sell them as part of the employee benefit plans they offer. The bigger attraction to investors though is the dividend yield which is over 4.5%. We have held PGH since it floated in 2000, having been attracted to its very stable and growing revenue stream.

Nick Brind

5 September 2012

## Fund Particulars

Management:	Polar Capital	Dealing	
Lead Manager:	Nick Brind	Administrator:	Northern Trust International Fund Administration Services (Ireland) Ltd
<b>Structure</b>		Tel:	+353 1 434 5007
Status:	Open-ended	Fax:	+353 1 670 1185
Domicile:	Dublin	Dealing Cut-off:	Daily (17:00 Dublin time)
Listing:	Irish Stock Exchange		
Launched:	15 October 2009		
Denomination:	GBP		
<b>Fees</b>			
Initial Fee:	up to 3.50%		
Management Fee:			
- Retail	1.25%		
- Institutional	0.75%		
Performance Fee:	10.00%		

## Codes

Share Class	Bloomberg	ISIN	SEDOL
A1 Retail Inc	HIMRA1I ID	IE00B759Y860	B759Y86
A2 Retail Acc	HIMRA2A ID	IE00B7456569	B745656
B1 Institutional Inc	HIMIB1I ID	IE00B4TCHT23	B4TCHT2
B2 Institutional Acc	HIMIB2A ID	IE00B73PVZ22	B73PVZ2

## House View

This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

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## Holdings

The top 10 positions were selected based on percentage of AUM. This portfolio data is 'as at' the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the fund. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the fund's best interest to do so. A complete list of the portfolio holdings may be made available upon request. It should not be assumed that any of the securities transactions or holdings discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

## Benchmarks

The following benchmark index is used: Dow Jones STOXX Financial Index. This benchmark is generally considered to be representative of the financial universe. This benchmark is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizable by investors. Please refer to [www.stoxx.com](http://www.stoxx.com) for further information on this index.

Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the indices reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. The information regarding the indices are included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

## Regulatory Status

Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Services Authority ("FSA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP.

Investment managers which are authorised and regulated by the FSA are expected to write to investors in funds they manage with details of any side letters they have entered into. The FSA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more favourable rights, which are material, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Administrator on (+353) 1 436 7200. The Fund is prepared to instruct the custodian of the Fund, upon request, to make available to investors portfolio custody position balance reports monthly in arrears.

## Information Subject to Change

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## Performance

Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Many factors affect fund performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment return and principal value of your investment will fluctuate, so that when your investment is sold, the amount you receive could be less than what you originally invested. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), are not guaranteed by any bank, and may lose value.

## Investment Process - Risk

No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable. Investors may lose all of their investments.

## Allocations

The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum for a description of the investment allocations as well as the risks associated therewith. Please note that the fund may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. The actual performance of the fund will depend on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the fund while minimizing its risk. The actual investments in the fund may or may not be the same or in the same proportion as those shown herein.