

Results Presentation

Six months to 30 September 2018

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November 2018

This presentation is for one-on-one use with non-US professional investors only
www.polarcapital.co.uk

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“Polar Capital is a specialist, investment led, active fund manager with a collegiate and meritocratic culture where capacity of investment strategies is managed to enhance and protect performance”.

Focused on specialist, active investment strategies



Producing performance through the investment cycles

Attracting and retaining leading industry talent



Delivering attractive returns to shareholders

Source: All opinions and estimates in this report constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital.

Continuing to deliver on our strategy

AuM growth driven by performance and net flows

Positive inflows into Technology, Healthcare, Insurance, Convertibles, UK and North America

Delivering attractive returns to shareholders

Delivering growth and increasing diversification

Average AuM
**+34% to
£13.4bn**



Core operating profit
**+81% to
£21.7m**



Adjusted Diluted EPS
**+85% to
21.9 pence**

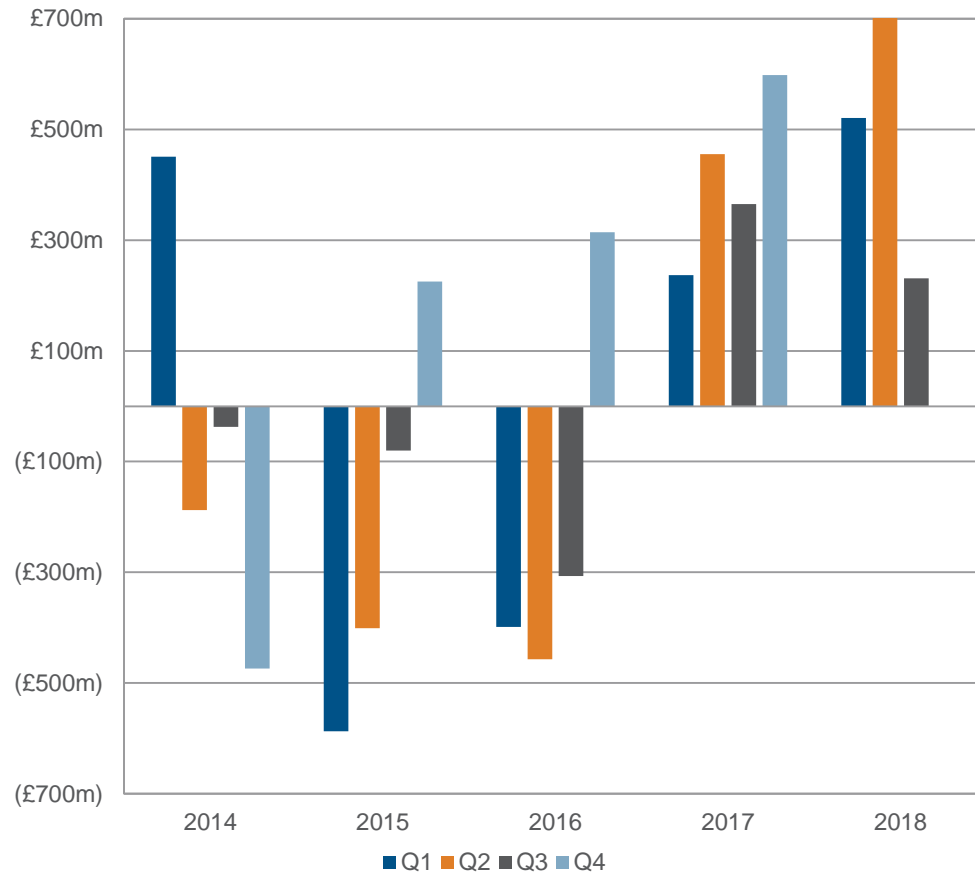


Interim Dividend
**+33% to
8.0 pence**



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

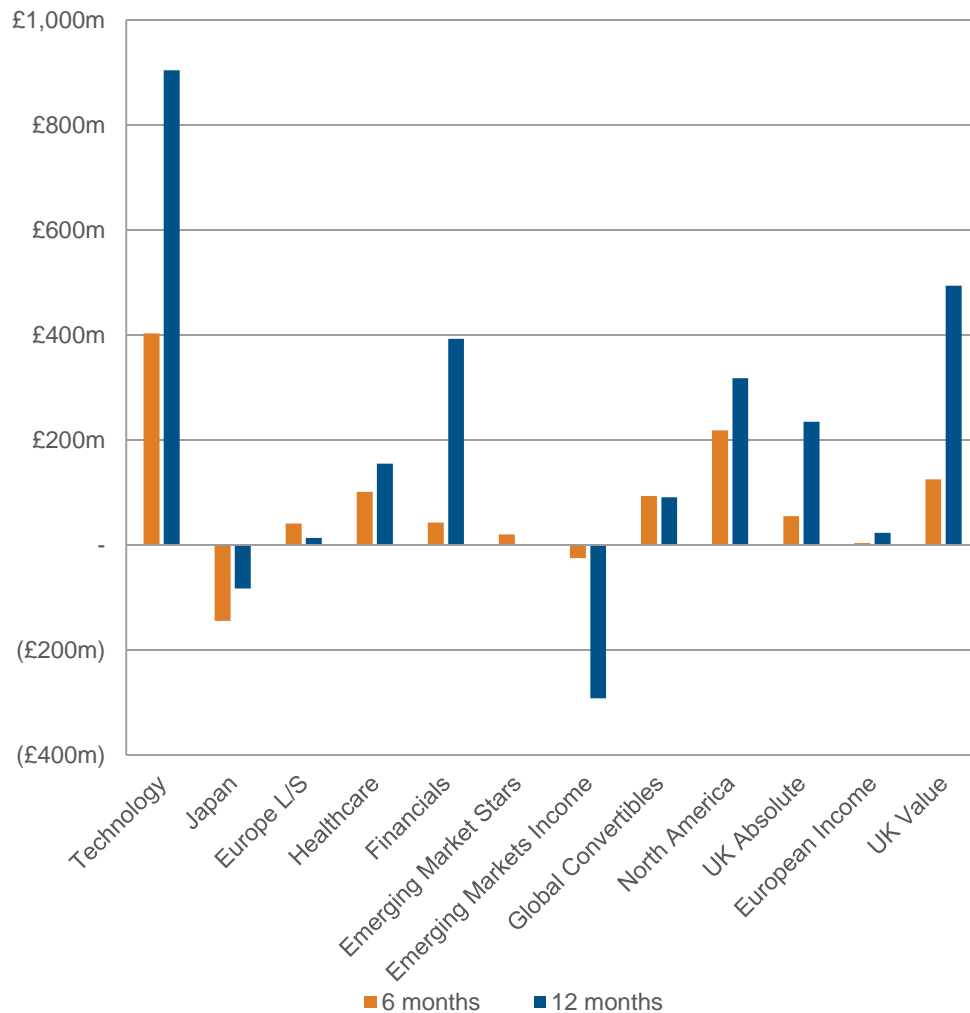
Positive for the period



- Net inflows in the six months of £0.9bn
- Eight consecutive quarters of net inflows
- Market sell-off in October and reduction in investor risk appetite will impact on industry flows
- Early subscriptions to the recently launched Emerging Market Stars strategies

Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

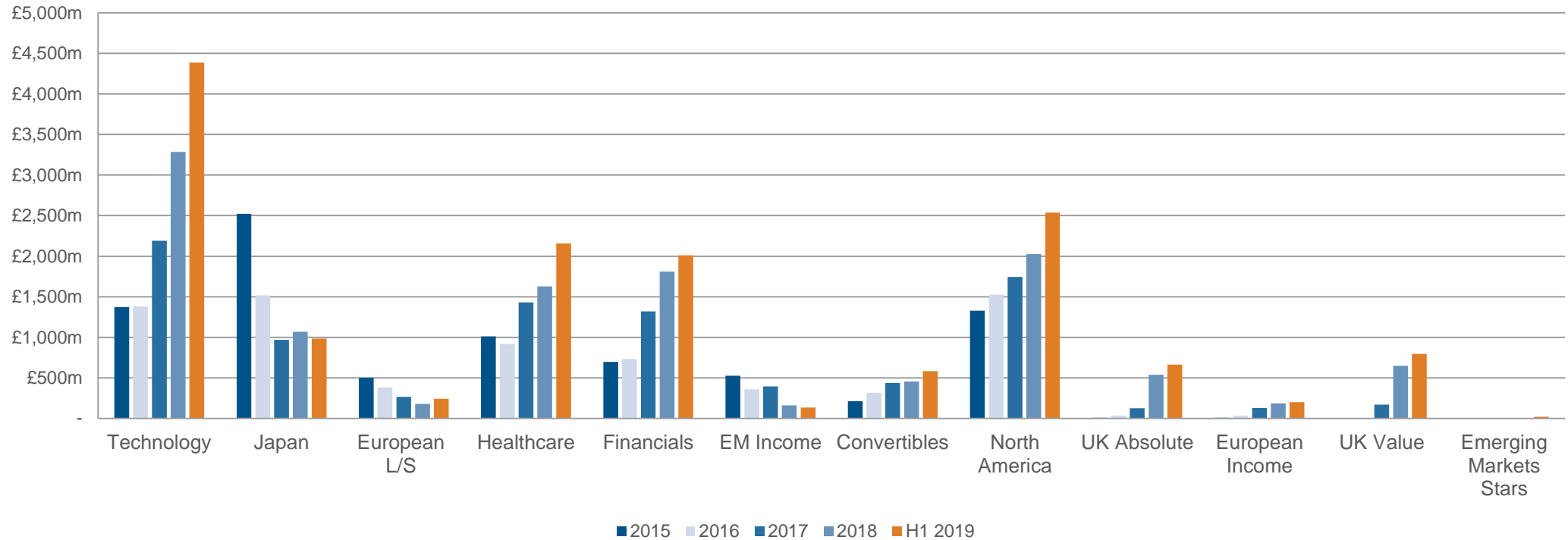
Net Flows By Strategy



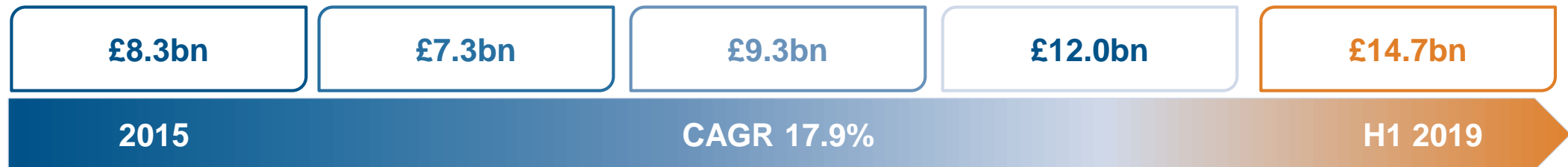
- Net inflows into 75% of the strategies
- Japan remains in net outflows and 'Value' style showing promise
- Emerging Market Income strategy net outflows in the six months significantly lower than the prior six months. Performance has improved markedly and is Q1 against Lipper peer group over twelve months

Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

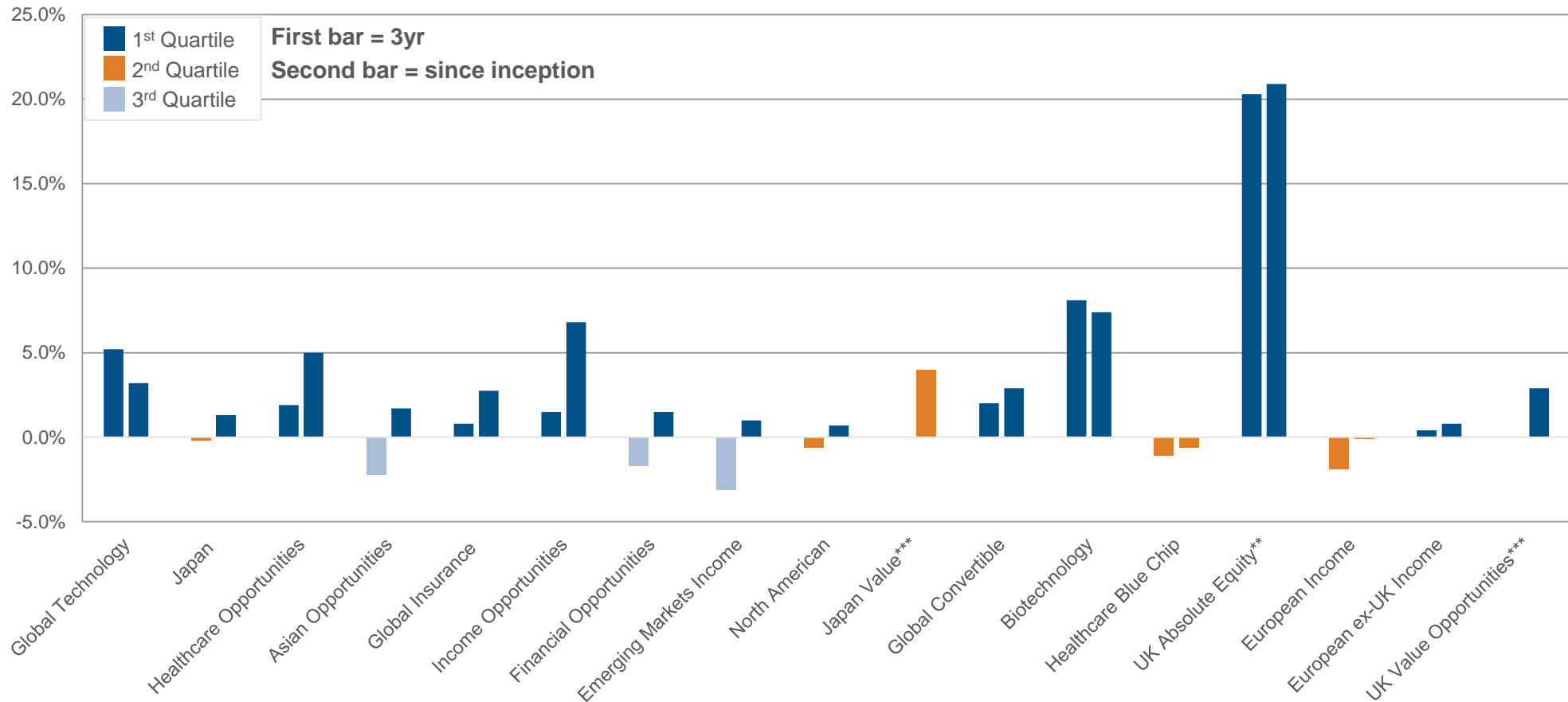
Improving balance of AuM growth across strategies



Total AuM progression

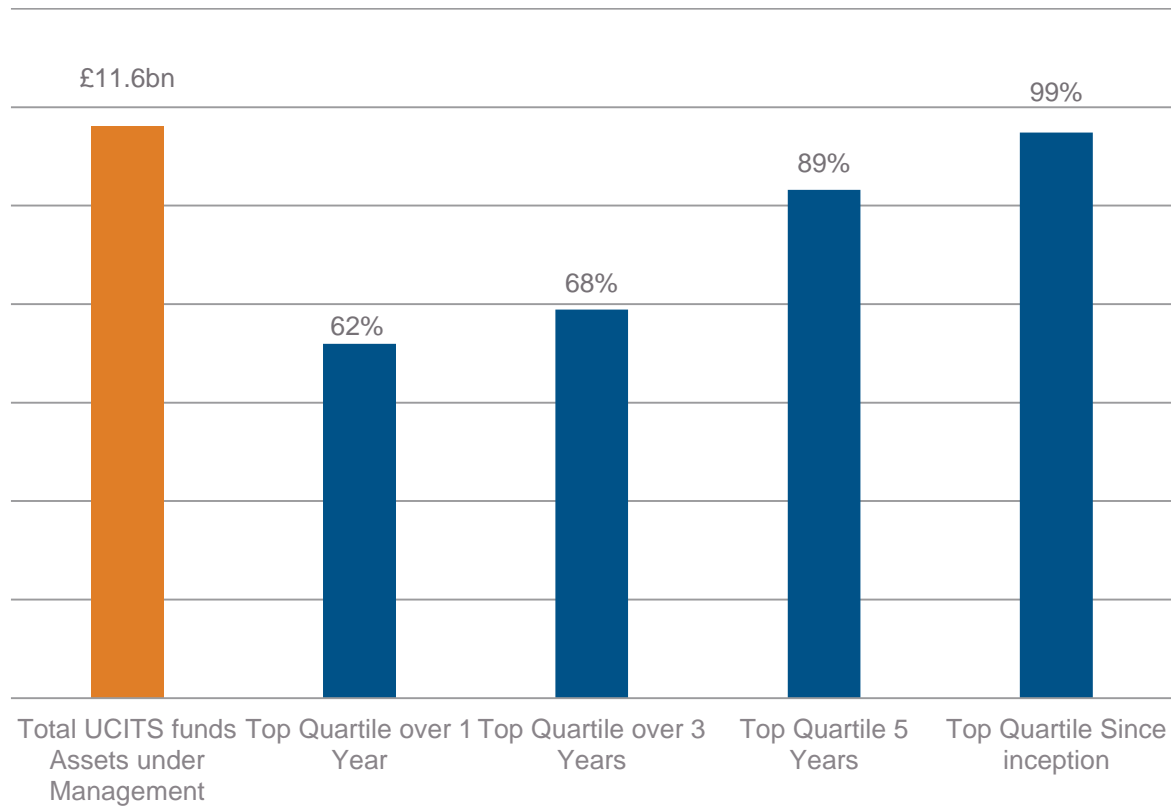


Annualised strategy performance against benchmark (3 year & SI)



Source: Polar Capital factsheet data, 30 September 2018, Lipper quartile rankings as at 30 September 2018. 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. *The Polar Capital Japan Alpha Fund was renamed the Polar Capital Japan Value Fund on 12 January 2018. **Absolute return product, Benchmark: 3 month GBP LIBOR. ***3 year data is unavailable for these funds. Funds ordered according to launch date. Please refer to page 30 for Fund inception dates.

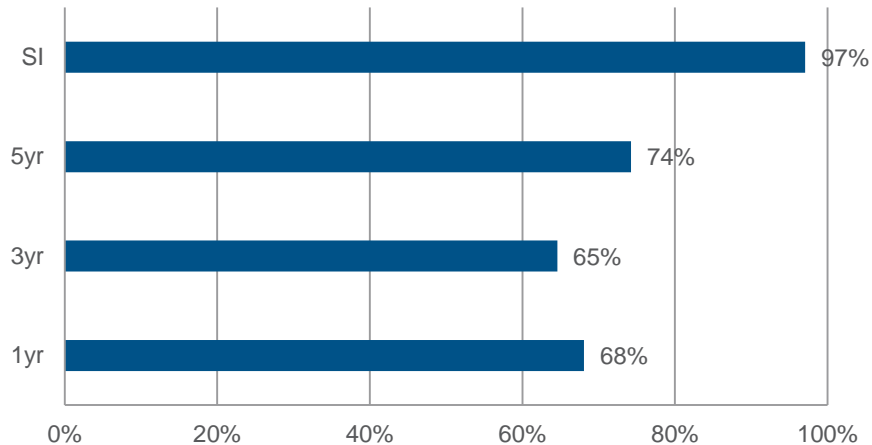
% of AuM in top quartile



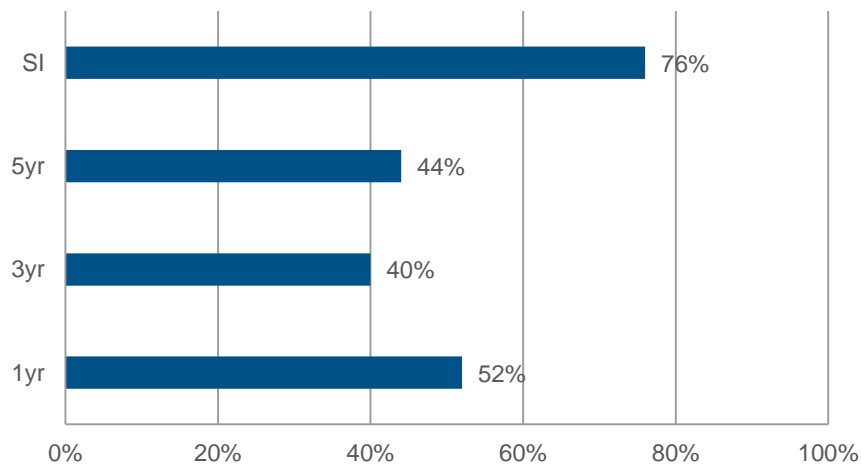
Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Performance Against Benchmarks

Percentage of AuM that has outperformed benchmark



Percentage of strategies that have outperformed benchmark



- Significant percentage of Polar AuM has outperformed benchmark over long periods
- Recent performance has improved notwithstanding more volatile markets

- High success rate over long periods, independent of region or style
- Value-oriented strategies have performed less well over three and five years but markedly better over one year

Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

Financial Review

Financial Highlights

| | H1 2019 | H1 2018 | Change |
|--|----------------|----------------|-------------|
| Average AuM | £13.4bn | £10.0bn | +34% |
| Net management fees (excluding research) | £57.3m | £41.4m | +38% |
| Net management fee yield | 85bps | 84bps | +1bps |
| Core operating profit | £21.7m | £12.0m | +81% |
| Core operating profit margin | 38% | 29% | +9% |
| Performance fee profit | £5.5m | - | - |
| Other income | £0.5m | £2.4m | -80% |
| Profit before tax and share based payments on preference shares | £27.7m | £14.4m | +92% |
| SBP on preference shares | £(0.4)m | £(2.6)m | -85% |
| Profit before tax | £27.3m | £11.8m | +131% |
| Adjusted EPS¹ | 21.9p | 11.8p | +85% |
| Dividend per share | 8.0p | 6.0p | +33% |
| Cash and investments | £105.3m | £75.7m | +39% |

Constant management fee yield

Improved profit margin

Most fees received in December

Volatility of investment programme

85% increase in EPS

33% increase in first dividend

Very strong balance sheet

Source: Polar Capital as at 30 September 2018 1: Adjustment excludes IFRS costs of preference shares included in share based payments and includes deferred remuneration costs.

Operating Costs

| | H1 2019 | H1 2018 | Change |
|---|---------------|---------------|-------------|
| Salaries, bonuses and other staff costs | £11.3m | £9.6m | +18% |
| Core distributions | £13.2m | £11.0m | +20% |
| Core cash compensation costs | £24.5m | £20.6m | +19% |
| NIC on options | £0.3m | £1.0m | -70% |
| Share-based payments | £2.8m | £4.0m | -30% |
| Other operating costs | £8.3m | £6.4m | +30% |
| Core operating costs | £35.9m | £32.0m | +12% |
| Performance fee interests | £5.7m | - | |
| Total operating costs | £41.6m | £32.0m | +30% |

Increase in headcount

Despite crystallisation of Healthcare team

MIFID II impact

Source: Polar Capital as at 30 September 2018.

Other Operating Costs

| | H1 2019 | H1 2018 |
|------------------------------|--------------|--------------|
| IT | £2.6m | £2.5m |
| Rent and rates | £1.3m | £1.3m |
| Professional fees | £0.6m | £0.6m |
| Research | £1.5m | £0.0m |
| Insurance and regulation | £0.2m | £0.2m |
| Travel and entertainment | £0.8m | £0.7m |
| Staff recruitment | £0.2m | £0.0m |
| Irrecoverable VAT | £0.6m | £0.6m |
| Sponsorship/PR/Conferences | £0.2m | £0.2m |
| Other | £0.3m | £0.3m |
| Other operation costs | £8.3m | £6.4m |

MIFID II impact

Source: Polar Capital as at 30 September 2018.

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Cash And Investments

| | H1 2019 | H1 2018 |
|-----------------------------------|----------------|---------------|
| Cash | £60.6m | £49.9m |
| Investments | | |
| UK ARF | £9.2m | £8.8m |
| Seed | | |
| International Alpha | - | £4.4m |
| European Income | £8.9m | £8.8m |
| EM Stars | £7.1m | - |
| China Stars | £7.6m | - |
| China Mercury | £3.8m | - |
| Japan Value | £7.8m | - |
| Miscellaneous | £0.3m | £0.3m |
| Total Investments | £35.5m | £13.5m |
| Total cash and investments | £105.3m | £72.2m |

Significant cash resources

Strategic seeding programme

Source: Polar Capital as at 30 September 2018.

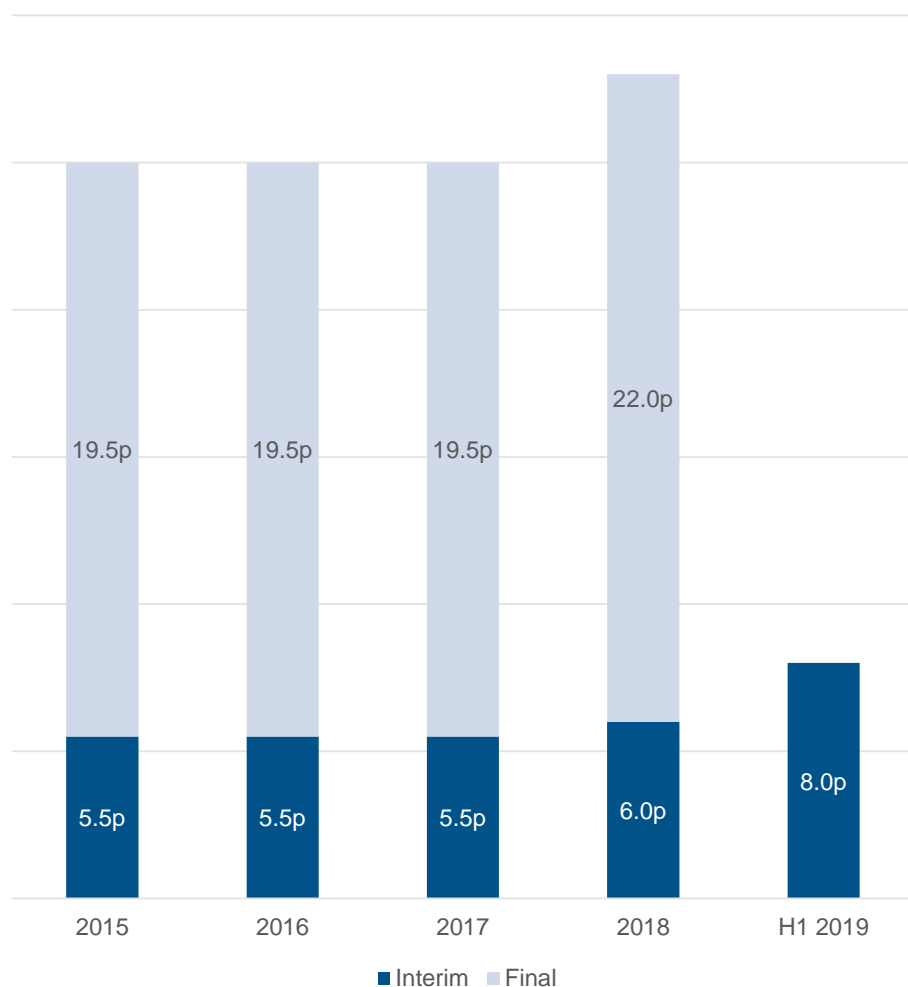
Regulatory Capital

| | H1 2019 | H2 2018 |
|---|---------------|---------------|
| Shareholder funds | £83.9m | £87.7m |
| Less: deferred tax and capital reserves | £(8.1)m | £(3.1)m |
| Tangible capital | £75.8m | £84.6m |
| Less: dividend provision | £(7.2)m | £(20.0)m |
| Qualifying capital | £68.6m | £64.6m |
| Regulatory capital | £(10.0)m | £(6.0)m |
| Material holdings requirement | £(37.4)m | £(12.3)m |
| Surplus capital* | £21.2m | £46.3m |

← Increase in seed programme

*Potential £10m additional capital requirement in 2019 prompted by IFRS 16.

Source: Polar Capital as at 30 September 2018.



- 8.0p dividend to be paid in January 2019 (2018: 6.0p)
 - Calculated according to the usual metric of 50% of the first half's core earnings
 - Percentage increase year-on-year should not be taken as any guide in respect of final dividend
- Total annual dividend
 - Total dividend will conventionally range between 55% - 85% of adjusted EPS
 - Range will provide flexibility given the inherent volatility of performance fees
- General observations
 - Balance sheet remains strong
 - New fund launches will be supported
 - Buy back of stock to ameliorate effects of LTIPs

Source: Polar Capital as at 30 September 2018. Past performance is not indicative or a guarantee of future results.

Proposition

- Initially deliver 45% interest in AMC profits + 60% performance fees
- AMC interest able to be exchanged for Polar equity
- Formula is driven by rolling relative 3 year AMC profit contribution
- Designed to be EPS accretive: more costs saved than equity issued
- Equity released in 4 tranches over three years (10%, 30%, 30%, 30%)
- Post event 50% performance fee interest plus AMC interest in incremental AMC profits

Outstanding shares

- NA, EM(I), Convertible & UK ARF franchises all have current value
- Preference shares yet to have value: Tech AI, Japan Value, HC x2, Euro (I), UK Value, EM Stars x3

Distribution and Client Servicing

- AMF approval obtained for French office
- Spanish and German branches established
- Sales presence in Paris

Fund Management

- US and European activities already in existence
- ESMA and FCA cooperation agreement expected

Support and Staffing

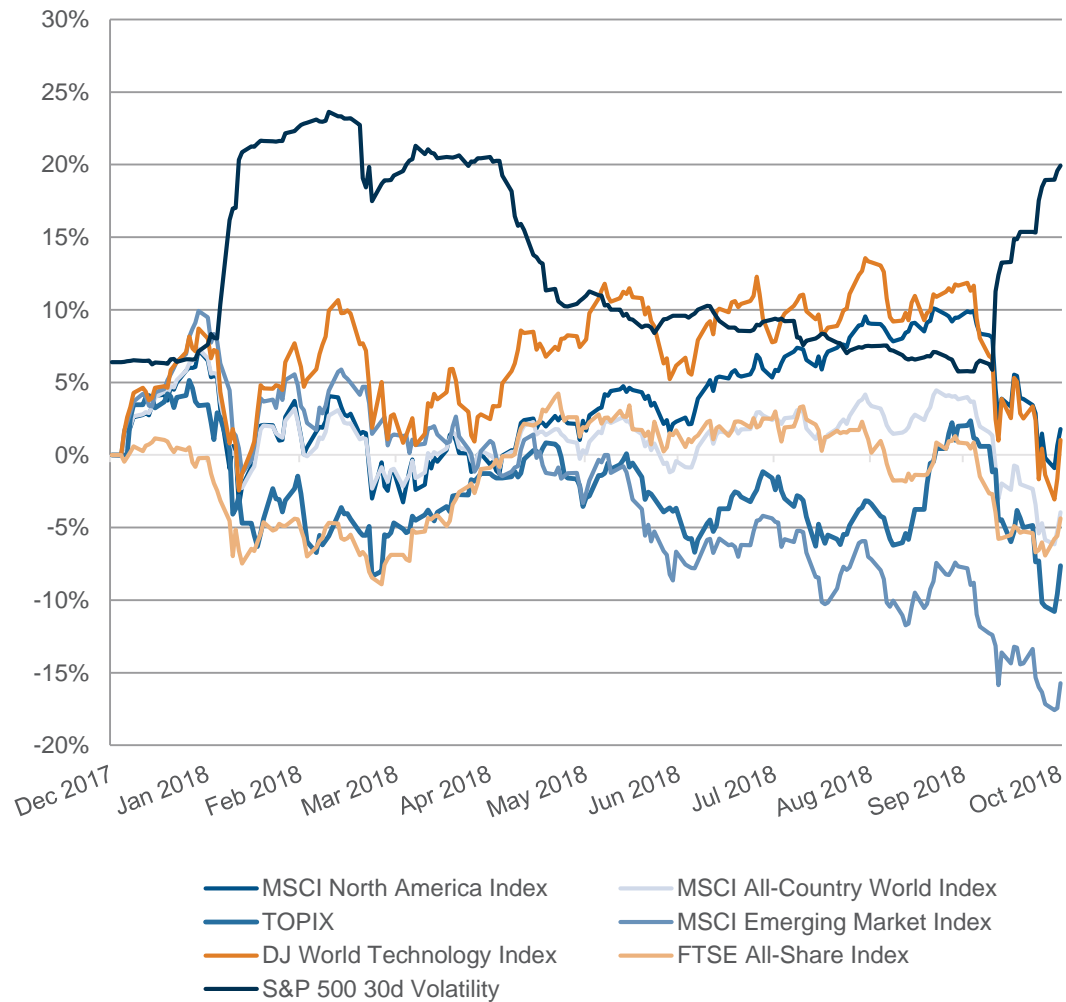
- Contingencies prepared
- Staff relocated to France, Germany & Spain
- UK based staff unaffected

- Market sell-off in October has impacted AuM
- AuM at 31 October 2018 stood at £13.6bn
- Average AuM for six months to 30 September 2018 was £13.4bn
- Performance fee accrued in funds not crystalized as at 31 October 2018 amounted to £23.3m (30 September - £32.5m)
- Market volatility and “tech” sell-off continued into November

Source: Polar Capital as at 30 September 2018.

Strategy & Outlook

Global indices vs volatility



- US equities and technology indices outperformed
- UK and Emerging Market indices underperformed
- Increased volatility in January 2018 due to monetary tightening in US
- Increased volatility during October/November with the largest equity sell-off in six years due to earnings growth concerns, European uncertainty (Brexit and Italy) and US/China trade tension
- Technology has had a recent sharp correction

Source: Bloomberg, as at 31 October 2018.

Growth and diversification

FY13 – FY18

- Diversification of AuM by geography and strategy
- Focus on building a balanced business
- Addition of three new and growing strategies (UK Absolute Return, European Income and UK Value)
- Termination of sub scale funds
- Transition to new leadership

Today and Looking Ahead

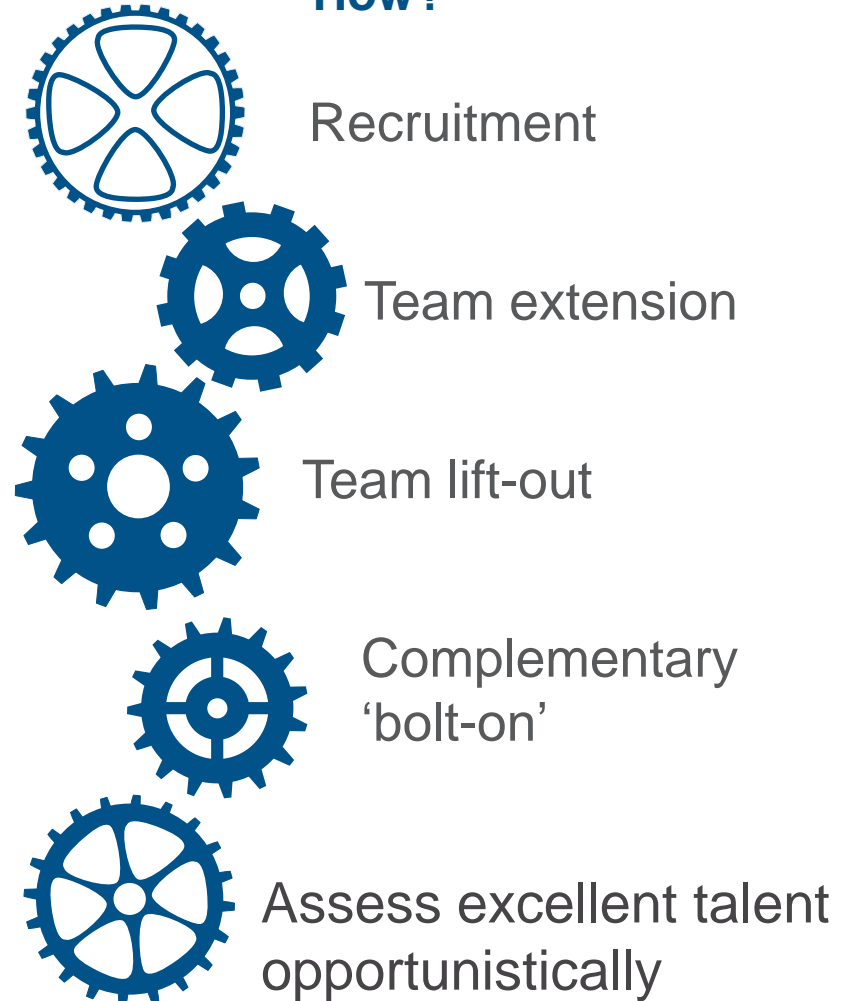
- Increased exposure to Emerging Markets with the recent launch of Emerging Markets Stars Funds
- Add complementary Global / International equities capabilities
- Selectively extend existing teams to provide additional capacity
- Developing the institutional channel
- Look at the US market

Continue to add complementary strategies and capacity

Areas of focus:

- **Add complementary Global/International equities capability that will appeal to institutional investors**
 - This could include sub-sets of the above such as EAFE benchmarked funds, International ACWI ex US benchmarked funds, Global Income, Global Growth, Global Value, SMID, SC
- **Continue to develop the Global Emerging Markets equities capability**
 - Emerging Markets Stars Funds launched in 2018
- **Selectively extend existing teams to provide additional capacity (A&AI)**

How?



Diversification of distribution by channel and geography

Areas of focus:

- **Building the institutional channel**
 - This will follow, or progress in tandem with, the addition of ‘institutional’ type investment strategies
- **Increase US client exposure over time**
- **Increase distribution capability in Europe**
 - Appointed Head of Nordic Region



**Active speciality strategies
are well suited to more
volatile markets**



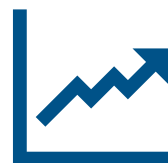
**Continued focus on
balancing the earnings
contribution**



**More to be achieved on
diversification**



**Continue to be very selective
with pipeline of prospective
teams**



**Fund performance generally
holding up despite
challenging markets**

Thank you
Questions?

Additional Information

Current Investment Strategies



Technology

AuM: £4.4bn

Established: 2001

Typical number of positions: 50-140

Team size: 7

Years' experience: 115+

Funds managed:

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

Japan

AuM: £983m

Established: 2001

Typical number of positions: 45-100

Team size: 5

Years' experience: 85+

Funds managed:

- Japan (UCITS)
- Japan Value (UCITS)

European Long/Short

AuM: £242m

Established: 2003

Typical number of positions: 80-120

Team size: 4

Years' experience: 55+

Funds managed:

- European Forager (Cayman Fund)

Healthcare

AuM: £2.2bn

Established: 2007

Typical number of positions: 25-60

Team size: 6

Years' experience: 120+

Funds managed:

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

Financials

AuM: £2.0bn

Established: 2010

Typical number of positions: 35-150

Team size: 8

Years' experience: 160+

Funds managed:

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

Emerging Markets Income

AuM: £133m

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 2018. Totals may not sum due to rounding.

Current Investment Strategies



Convertibles

AuM: £583m

Established: 2010

Funds managed:

Typical number of positions: 50-80

- Global Convertible (UCITS)

Team size: 5

Years' experience: 100+

North America

AuM: £2.5bn

Established: 2011

Funds managed:

Typical number of positions: 40-60

- North American (UCITS)

Team size: 4

Years' experience: 60+

UK Absolute

AuM: £665m

Established: 2014

Funds managed:

Typical number of positions: 40-100

- UK Absolute Equity (UCITS)

Team size: 4

Years' experience: 15+

European Income

AuM: £199m

Established: 2004

Funds managed:

Typical number of positions: 25-50

- European Income (UCITS)
- European ex UK Income (UCITS)

Team size: 3

Years' experience: 15+

UK Value

AuM: £796m

Established: 2017

Funds managed:

Typical number of positions: 30-100

- UK Value Opportunities (UCITS)

Team size: 2

Years' experience: 25+

Emerging Markets Stars

AuM: £19m

Established: 2018

Funds managed:

Typical number of positions: 30-65

- Emerging Markets Stars (UCITS)
- China Stars (UCITS)
- China Mercury (Cayman fund)
- Asia Stars (expected to launch in 2019)

Team size: 5

Years' experience: 55+

Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding.

Lipper figures for long and alternative UCITS – as at 30 September 2018

| | AuM £m | 1 Year Percentile | 3 Years Percentile | 5 Years Percentile | Since Inception |
|---|-----------------|-------------------|--------------------|--------------------|--------------------|
| Japan (I JPY) | 784 | 73 | 32 | 58 | 8* 19/10/2001 |
| Japan Value (S JPY) | 19 | 53 | 23 | 56 | 34 31/10/2012 |
| Healthcare Opportunities (I USD) | 1,374 | 10 | 24 | 15 | 5* 3/12/2007 |
| Healthcare Blue Chip (I USD) | 61 | 34 | 35 | N/A | 27 11/9/2014 |
| Emerging Markets Income (I USD) | 133 | 11 | 64 | 64 | 9 21/1/2011 |
| Asian Opportunities (USD) | 33 | 87 | 70 | 12 | 16 5/12/1996*** |
| Financial Opportunities (I USD) | 40 | 47 | 61 | 37 | 25 3/5/2011 |
| Income Opportunities (I GBP) | 307 | 55 | 19 | 4 | 4 15/10/2009 |
| Global Insurance (I GBP) | 1,340 | 12 | 18 | 6 | 2 31/05/2011 |
| Global Technology (I USD) | 2,280 | 17 | 3 | 3 | 13* 19/10/2001 |
| North American (I USD) | 2,259 | 67 | 35 | 23 | 3 15/11/2011 |
| Global Convertible (I EUR Portfolio Hedged) | 583 | 4 | 13** | 6** | 5** 2/9/2013 |
| Biotechnology (I USD) | 393 | 15 | 10 | N/A | 4 1/11/2013 |
| UK Absolute Equity (I GBP) | 665 | 2 | 2 | N/A | 2 29/9/2014 |
| European Income (I EUR) | 10 | 33 | 49 | N/A | 30 31/10/2014 |
| European ex-UK Income (I EUR) | 189 | 9 | 7 | N/A | 10 30/06/2015 |
| UK Value Opportunities (I GBP) | 796 | 50 | N/A | N/A | 19 31/01/2017 |
| A&AI (R USD) | 275 | N/A | N/A | N/A | 15 6/10/2017 |
| Emerging Markets Stars (R USD) | 7 | N/A | N/A | N/A | 96 29/6/18 |
| %AuM in top quartile (excl hedge funds, managed accounts & trusts) | £11,547m | 62% | 68% | 89% | 99% |

Source: Lipper, 30 September 2018. Totals may not sum due to rounding. * Retail Share Class ** I GBP Acc Representative Share Class. Past performance is not indicative or a guarantee of future results.

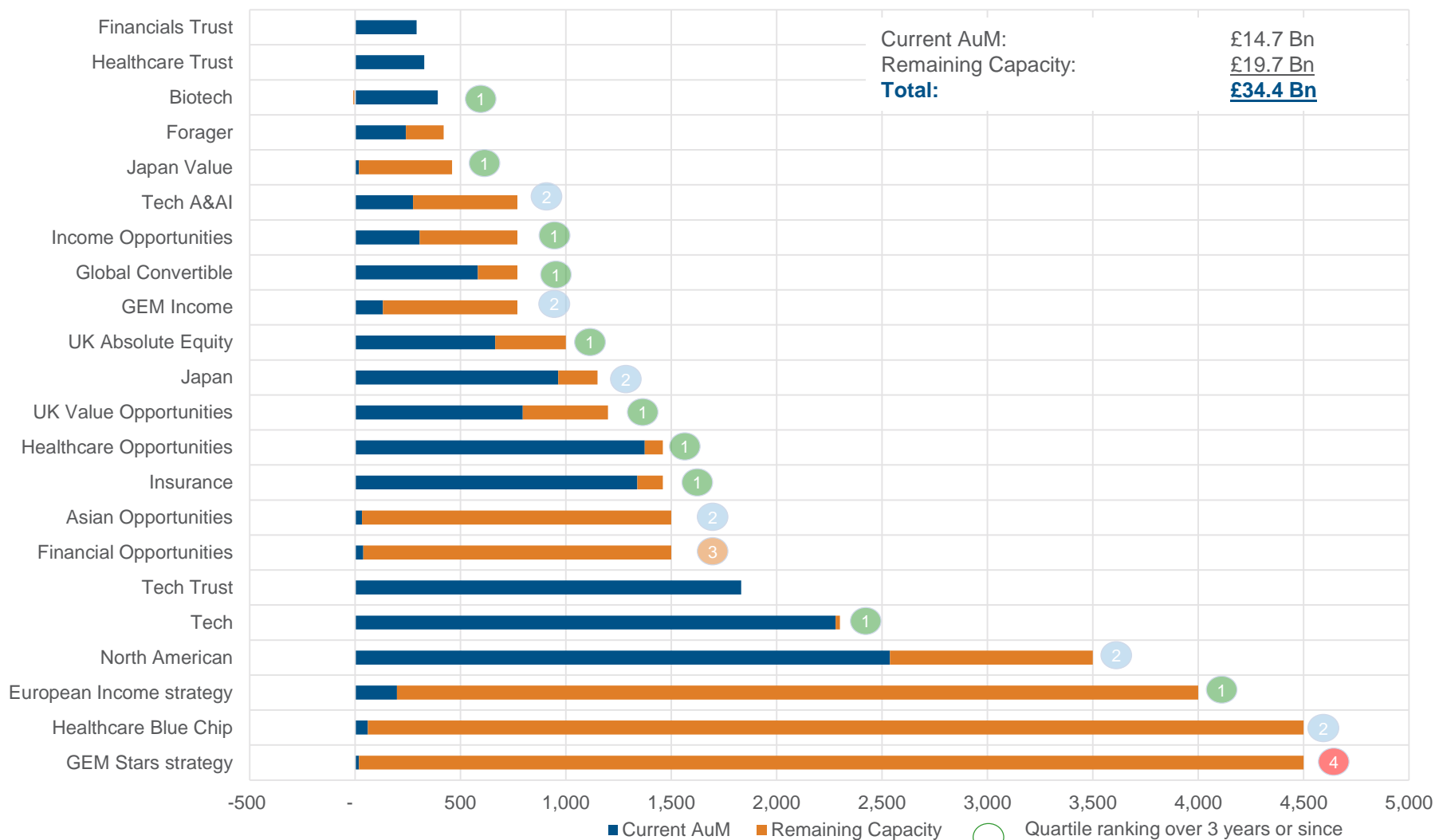
*** Prior to 15 September 2010 the Fund was managed by HIM Capital, to see the since inception date please refer to the Important Information on p37.

As at 30 September 2018

| Strategies | Inception date | YTD | Annualised returns | | |
|--|-------------------|--------|--------------------|---------|-----------|
| | | | 3 years | 5 years | Inception |
| Europe Long/Short (AX EUR) | 1 August 2003 | 4.64% | 2.24% | 3.20% | 8.42% |
| UK Absolute Equity (GBP I) | 29 September 2014 | 11.81% | 22.12% | N/A | 23.40% |
| Global Convertible (I EUR Portfolio Hedged) | 31 December 2015 | 6.13% | N/A | N/A | 4.42% |

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

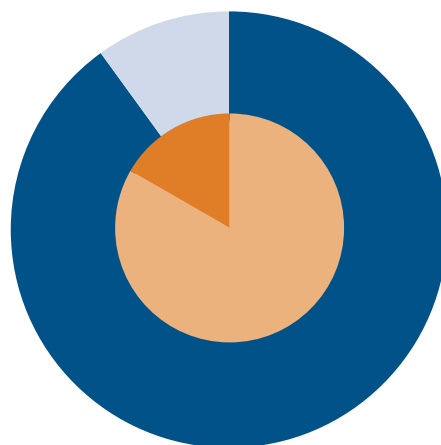
Current estimated capacity (beta adjusted)



Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. Quartile data is as at 31 October 2018.

AUM split by strategy

| | |
|---------------------|-------|
| ■ Long only | 90.0% |
| ■ Alternative | 10.0% |
| ■ Investment Trusts | 16.7% |
| ■ Open Ended Funds | 83.4% |



AUM split by business unit

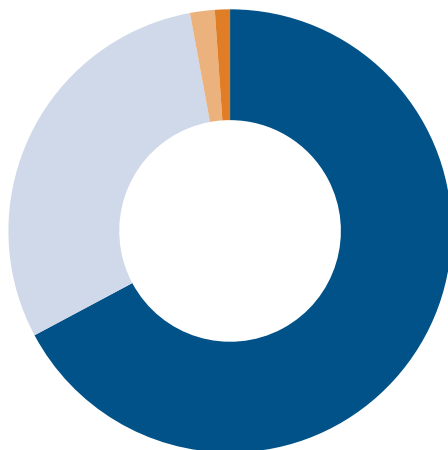
| | |
|---------------------------------------|------|
| ■ Technology | 29.8 |
| ■ North American | 17.3 |
| ■ Healthcare | 14.7 |
| ■ Financials | 13.7 |
| ■ Japan | 6.7 |
| ■ UK Value | 5.4 |
| ■ UK Absolute Return | 4.5 |
| ■ Convertibles | 4.0 |
| ■ European (long/short) | 1.6 |
| ■ European Income | 1.4 |
| ■ Emerging Markets Income | 0.9 |
| ■ Emerging Market & Asia ¹ | 0.1 |



Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. 1. The China Stars Fund launched on 31 August 2018.

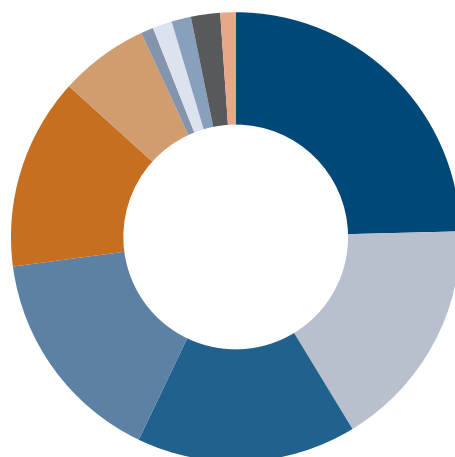
Investor mix by geography

| | |
|----------|-------|
| ■ UK | 67.2% |
| ■ Europe | 29.9% |
| ■ Other | 1.8% |
| ■ USA | 1.1% |



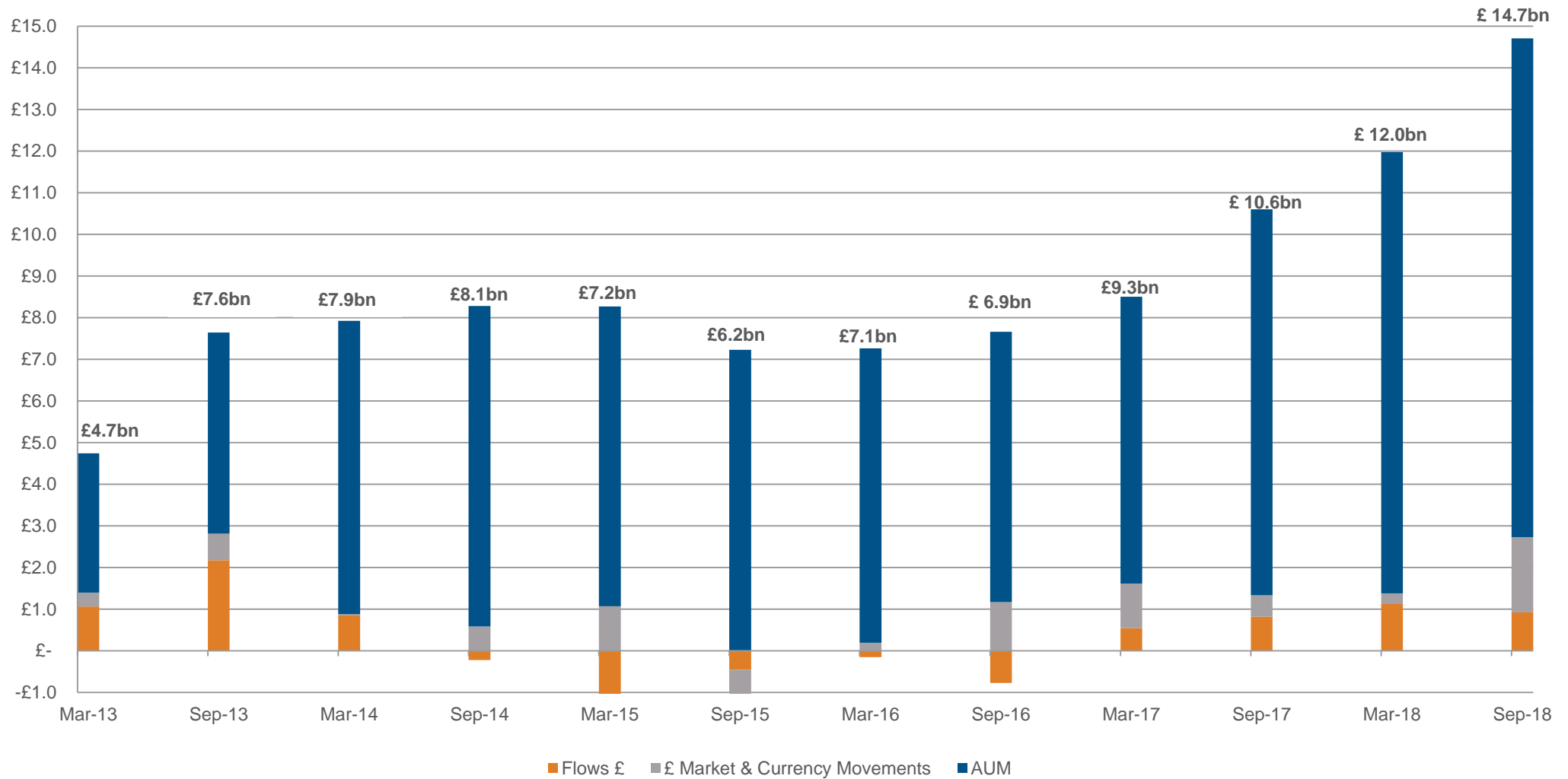
Investor mix by holdings

| | |
|---------------------------|-------|
| ■ Bank | 24.6% |
| ■ Polar Investment Trusts | 16.7% |
| ■ Private Wealth Manager | 15.8% |
| ■ Asset Manager | 15.8% |
| ■ Platform | 13.8% |
| ■ Fund Of Funds | 6.4% |
| ■ Pension Fund/Foundation | 0.9% |
| ■ Other | 1.4% |
| ■ Consultants | 1.4% |
| ■ Family Office | 2.1% |
| ■ Insurance Company | 1.1% |



Source: Polar Capital, 30 September 2018. Totals may not sum due to rounding. 1. The China Stars Fund launched on 31 August 2018.

AuM profile over five years



Source: Polar Capital, 30 September 2018. All figures quoted in Pounds Sterling. Totals may not sum due to rounding. Past performance is not indicative or a guarantee of future results.

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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.

Asian Opportunities

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.