

11 January 2024

Polar Capital Holdings plc
AuM Update

Polar Capital Holdings plc (“Polar Capital” or the “Group”), the specialist active asset management group, today provides its regular quarterly update of its unaudited statement of its Assets under Management (“AUM”) and performance fees earned for the financial year to 31 March 2024.

Group AUM (unaudited)

Polar Capital reports that as at 31 December 2023, AuM were £19.6bn compared to £19.2bn at the end of March 2023, an increase of 2% over the period. During the nine-month period the £400m increase in AuM resulted from a £2.1bn increase relating to market movement and fund performance offset by net redemptions of £1.7bn.

AuM movement in nine months to 31 December 2023				
	Open ended funds	Investment Trusts	Segregated mandates	Total
AuM at 1 April 2023	£14,281m	£3,910m	£1,029m	£19,220m
Net flows	£(1,375)m	£(113)m	£(181)m	£(1,669)m
Fund closures ¹	£(7)m	-	£(43)m	£(50)m
Market movement and performance	£1,336m	£705m	£18m	£2,059m
Total AuM at 31 December 2023	£14,235m	£4,502m	£823m	£19,560m

¹ Return of funds to investors on closure of the Melchior European Absolute Return fund (Q1) and related segregated mandate (Q2).

Net performance fees (unaudited)

The table below sets out the position relating to net performance fee profits (after the deduction of staff interests) earned in the first nine months of the Group’s financial year.

Performance fee profit net of staff allocations	Nine months to 31 Dec 22	Year to 31 Mar 23 (year-end)	Nine months to 31 Dec 23*
Net performance fee profit	£1.9m	£1.7m	£9.6m*

*The figures to December 2023 are enhanced by what is expected to be approximately £0.6m of net deferment adjustments.

Gavin Rochussen, Chief Executive, commented:

“A strong rally in all major indices in the final calendar quarter of 2023, meant that our AuM at the end of the nine-month period were £19.6bn compared to £19.1bn at the end of the previous quarter and £19.2bn at the end of March 2023, despite net outflows over the period.

“In the quarter we benefited from continued net inflows of £45m into the Emerging Markets and Asian Stars funds and £28m into the Smart Energy Fund.

“Despite global equity markets rallying in the final quarter, the ‘risk-off’ stance by investors resulted in net outflows in the quarter of £1.1bn as clients reduced their weighting to active equities, taking profits in many cases following a strong period of performance. Net outflows for the nine months amounted to £1.7bn.

“In the quarter several clients continued to reduce their exposure to equities generally, directly impacting several Polar Capital funds including the Biotechnology Fund (£311m) and UK Value Fund (£238m) despite impressive absolute fund performance and strong performance relative to benchmark. Investors also continued to reduce weightings in our Technology funds and the European Opportunities Fund with net outflows of £136m and £230m in these strategies respectively. Overall, redemptions were concentrated in terms of number of clients, as opposed to representative of a wider trend.

“With peak interest rates in sight and declining inflation rates, investors will, we believe, begin to seek additional exposure to equities. We have a strong pipeline of client interest and have capacity to meet investor demand for our specialist active fund strategies. At the end of the quarter, we launched a Financial Credit Fund, managed by our Financials team, to further add to our offering.

“Performance fee profits, net of staff allocations, amounted to £9.6m compared to £1.7m in the prior year. While four funds earned a performance fee, most of the amount related to one fund.

“Long term performance remains strong with 81% of AuM outperforming respective benchmarks since inception.

“We remain confident that with our diverse range of differentiated, active specialist fund strategies we are well-positioned to perform for our clients and shareholders over the long term.”

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