

13 October 2022

Polar Capital Holdings plc
AuM Update

Polar Capital Holdings plc (“Polar Capital” or the “Group”), the specialist active asset management group, today provides a quarterly update of its unaudited statement of Assets under Management (“AuM”).

Group AuM (unaudited)

Polar Capital reports that as at 30 September 2022 its AuM were £18.8bn compared to £18.9bn at the end of the June quarter and £22.1bn at the end of March 2022. During the six-month period, AuM decreased by net redemptions of £0.8bn, outflows from previously reported fund closures of £0.5bn and a £2.0bn decrease related to market movement and fund performance.

AuM movement in six months to 30 September 2022				
	Open ended funds	Investment Trusts	Segregated mandates	Total
AuM at 1 April 2022	£16,590m	£4,378m	£1,153m	£22,121m
Net flows	£(753)m	£(62)m	£(30)m	£(845)m
Fund closures ¹	£(380)m	-	£(79)m	£(459)m
Market movement and performance	£(1,374)m	£(611)m	£(66)m	£(2,051)m
Total AuM at 30 September 2022	£14,083m	£3,705m	£978m	£18,766m

¹ Return of funds to investors on closure of the Phaeacian mutual funds and related segregated mandate in Q1.

Net performance fees (unaudited)

The table below sets out the position relating to net performance fee profits due to the Group (after the deduction of staff interests) as a product of accrued performance fees in funds managed by the Group three months before the strike point of such performance fee receipts. The majority of the Group’s performance fees crystallise in the second half of the financial year. There is no certainty that the fees will be sustained over the next quarter, as performance fees can be volatile.

Performance fees net of staff allocations	Six months to 30 Sept 21	Year to 31 Mar 22 (year-end)	Six months to 30 Sept 22
Received	-	£4.1m	-
Accrued but not yet earned in funds with year ends on or before the financial year end	£2m	n/a	£4.8m*
Total net performance fee profits	£2m	£4.1m	£4.8m*

*The figures have been reduced by £1.0m of net performance fee distributions that relate to prior accounting periods that IFRS require to be deducted from this year’s receipts.

Gavin Rochussen, Chief Executive, commented:

"There has been continued demand and inflows into the Global Insurance, Biotechnology, Healthcare Blue Chip, Smart Energy, European ex-UK Income, Emerging Market Stars, Forager and Global Absolute Return Funds, with combined net inflows of £260m across these funds in the quarter.

"A combination of the bear market sell-off, net outflows, fund closures and fund performance meant that our AuM at the end of the six-month period were £18.8bn compared to £18.9bn at the end of the previous quarter and £22.1bn at the end of March 2022. Total net outflows for the quarter were £529m.

"During the quarter, the rate of outflows from the open-ended Technology funds continued to decline, with £252m of outflows compared to £380m in the previous quarter and £630m in the first quarter of this calendar year. Outflows of £250m from the UK Value Opportunities Fund during the quarter reflected client asset allocation decisions with UK equity exposure being reduced.

"Despite the challenging back drop, we are pleased with the continuing progress in diversifying the business. The Smart funds managed by the Sustainable Thematic team have now collectively reached £150m. The Emerging Market Stars team have had success in the US with the Emerging Market Stars Mutual Fund raising its first £50m.

"The well-established Polar Capital Global Insurance fund has continued to deliver robust performance with net inflows of £257m in the six months. The team's low appetite for catastrophe risk has protected investor returns with the Fund well positioned to benefit from ongoing premium rate rises in commercial insurance and a recent acceleration in reinsurance pricing. For the calendar year to September 2022, the fund has achieved absolute positive performance of 12.2% which is 6.5% ahead of its benchmark.

"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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