

14 October 2021

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 2021 its AuM were £23.4bn compared to £20.9bn at the end of March 2021, an increase of 12% over the period. During the period, AuM increased by net inflows of £0.7bn and £1.8bn related to market movement and fund performance.

AuM movement in six months to 30 September 2021				
	Open ended funds	Investment Trusts	Segregated mandates	Total
AuM at 1 April 2021	£16,579m	£3,867m	£417m	£20,863m
Net subscriptions	£(42)m	£136m	£595m	£689m
Market movement and performance	£1,277m	£454m	£77m	£1,808m
Total AuM at 30 September 2021	£17,814m	£4,457m	£1,089m	£23,360m

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.

Performance fees net of staff allocations	Six months to 30 Sept 19	Six months to 30 Sept 20	Year to 31 Mar 21 (year-end)	Six months to 30 Sept 21
Received	£3.3m	£0.5m	£19.5m	-
Accrued but not yet earned in funds with year ends on or before the financial year end	£0.9m	£13.7m	n/a	£2m*
Total net performance fee profits	£4.2m	£14.2m	£19.5m	£2m*

**The figures have been reduced by £2.8m of net performance fee distributions that relate to prior accounting periods that IFRS require to be deducted from this year’s receipts.*

As is usual at the time of releasing this update, three months before the crystallisation of performance fees, we disclose the profits that could be due to Polar Capital as a function of the amount of accrued performance fees in our funds as at the end of September. There is no certainty that the fees will be sustained over the next quarter, as performance fees can be volatile. Accordingly, the performance fee of £4.8m, after adjusting back prior accounting period accruals required by IFRS, may be lower or materially higher as at 31 December 2021 when performance fees crystallise in the funds.

Gavin Rochussen, Chief Executive, commented:

“It is pleasing to report net inflows in the quarter of £156m and £689m over the six-month period across our range of fund strategies including the further funding of segregated mandates.

“A combination of net inflows, market uplift and outperformance enabled our AuM to increase by 12% over the six-month period from £20.9bn to £23.4bn.

“The Group is also pleased to announce the 30th September launch of two new funds within its UCITS umbrella; the Polar Capital Smart Energy Fund and the Polar Capital Smart Mobility Fund which form part of Polar Capital’s sustainable investment strategy. Both funds are Article 9 funds under the Sustainable Finance Disclosure Regulation (“SFDR”) and early investor interest has been strong.

“The Polar Capital sustainable strategy will invest in companies at the forefront of the global transition towards a cleaner, more efficient, and sustainable future.

“Managed by Senior Portfolio Manager Thiemo Lang, based in London, and the Polar Capital Sustainable Thematic Team, the strategy is founded on the belief that, with the world facing an urgent need to decarbonise, demand for smart energy solutions will rise exponentially. This has the potential to deliver significant opportunities over the long-term as innovative companies enable this transition to a decarbonised future.

“Prior to joining Polar Capital in September 2021, Thiemo built an impressive track record of investing in the smart energy space since 2007, significantly outperforming the average return within the sector over this time frame. This team adds a highly differentiated fund solution for our clients and is the sixteenth team within the Polar Capital stable of fully integrated highly active fundamental research and performance-driven teams.

“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.”

Thiemo Lang, Senior Portfolio Manager, Polar Capital Sustainable Thematic Team, commented:

“Economies must envision and empower an energy future that is smart, sustainable, and secure to bring CO2 emissions under control and limit the effects of global warming. We seek to invest in the innovative companies helping to enable this transition, creating a long-term investment opportunity against the backdrop of global efforts to decarbonise.”

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