

14 January 2021

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 calendar year to 31 December 2020.

Group AUM (unaudited)

Polar Capital reports that as at 31 December 2020 its AuM were £18.9bn compared to £12.2bn at the end of March 2020, an increase of 55% over the period. During the period, AuM increased by £6.7bn which comprised net subscriptions of £1,462m, inflows from the acquisition of the Phaeacian team of £431m, offset by outflows from a previously reported fund closure of £301m and an increase of £5,237m related to market movement and fund performance.

AuM movement in nine months to 31 December 2020	Long-only funds	Alternative funds	Total
AuM at 1 April 2020	£11,078m	£1,083m	£12,161m
Net subscriptions/(redemptions)	£1,485m	£(23)m	£1,462m
Acquisition of the Phaeacian team	£431m	-	£431m
Closure of UK Absolute Equity Fund	-	£(301)m	£(301)m
Market movement and performance	£5,034m	£203m	£5,237m
Total AuM at 31 December 2020	£18,028m	£962m	£18,990m

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 19	Year to 31 Mar 20 (year-end)	Nine months to 31 Dec 20*
Net performance fee profit	£8.8m	£8.8m	£19.3m*

**The figures to December 2020 are enhanced by what is expected to be circa £1.0m of net deferment.*

Gavin Rochussen, Chief Executive, commented:

“AuM increased by 15% over the quarter to 31 December and by 55% from £12.2bn on 1 April 2020 to £18.9bn, an increase of £6.7bn which was made up of net inflows of £1.4bn, an increase of £431m due to the arrival of the Phaeacian team, a reduction due to a fund closure of £301m, and market movement and fund performance added £5.2bn.

“We are pleased to report another quarter of net inflows. Net inflows from 18 of our funds amounted to £556m in the quarter which brings total net inflows, from continuing funds, in the nine months of the current financial year to £1.4bn.

“While net inflows have been particularly strong into our Technology and Healthcare funds, we have also had net subscriptions in the quarter into the Global Insurance Fund of £234m, £100m into our Emerging Markets Stars Fund and £90m into our UK Value Opportunities Fund as risk appetite for UK companies increased.

“The pipeline for flows into our Emerging Markets Stars range of funds, which have sustainability at the core of their processes, is strong as the funds approach their three-year track records at Polar Capital.

“The International Value franchise within Phaeacian Partners announced in October, has made a good start within Polar outperforming benchmark over the calendar year by 8% and receiving early inflows into the US Mutual Fund.

“It is pleasing that following the successful restructuring of the Polar Capital Global Financials Trust last year, performance has been compelling, the Trust has been trading at a premium and issuing shares. This follows a marked improvement in investor appetite for equities in the Financials sector.

“Fund performance has been strong across the majority of our funds with 81% of our AuM performing ahead of benchmark over the calendar year and 83% of our AuM is ranked in the first quartile against peers over three years in the Lipper universe.

“Performance fee profits net of staff allocations amounted to £19.3m compared to £8.8m in the prior year. Given the strong performance across most of our funds, 15 funds earned performance fees and seven individual funds contributed the majority of the net performance fee profits.

“In December, we announced the acquisition of Dalton Strategic Partnership LLP which, once regulatory approval has been received, will contribute to our ‘growth with diversification strategy’ by adding, amongst a number of funds, a top performing European equities team as well as increased distribution capability into Continental Europe.

“We remain confident that with our diverse range of funds and focus on performance in our actively managed complementary funds we are positioned to continue to perform well for our clients and will continue to generate net inflows. The net inflow momentum of the last quarter has continued into the first two weeks of January.”

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