

Dear Investor

The Polar Capital Financials Income Fund, a sub-fund of the Polar Capital Financials Funds PLC, has been granted Reporting Fund Status by the United Kingdom HM Revenue & Customs (“HMRC”). HMRC rules require a report to be made available to investors for each reporting period.

This report is made in accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009 and is intended for relevant participants of the below detailed funds during the reporting period ended 31 December 2010. 'Relevant participants' are defined in the Regulations as those investors who are resident in the United Kingdom or are Reporting Funds at any time during the reporting period.

The Report is included with this letter.

Yours sincerely

A handwritten signature in cursive script that reads "Marguerita Foley".

Marguerita Foley
Transfer Agency
BNP Paribas Fund Services Dublin Limited
As Administrator to the Polar Capital Financials Fund PLC

Polar Capital Financial Funds p.l.c.

UK Reporting Funds Regime: Annual Report to Relevant Participants

This report is made in accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009 and is intended for relevant participants of the below identified funds during the reporting period ended 31 December 2010. Relevant participants are defined in the Regulations as those investors who are resident in the United Kingdom or are Reporting Funds at any time during the reporting period.

Participant information:

	Polar Capital Financials Income Fund		
	Year ended 31 December 2010	Year ended 31 December 2010	Year ended 31 December 2010
Name of fund:			
Reporting Period:	Year ended 31 December 2010	Year ended 31 December 2010	Year ended 31 December 2010
Share Class:	GBP Share Class A1	GBP Share Class B1	GBP Share Class B2
ISIN Code:	IE00B4VM7Q70	IE00B4TK4H31	IE00B4QPW51
Reporting data expressed in:	GBP	GBP	GBP
Reportable income per unit of interest for the Reporting Period:	0.0635	0.0414	0.0127
Amount distributed per unit of interest in respect of the reporting period:	April 30, 2010 - 0.0125 ; July 30, 2010 - 0.015 ; October 29, 2010 - 0.015 ; January 31, 2011 - 0.015	April 30, 2010 - 0.0125 ; July 30, 2010 - 0.015 ; October 29, 2010 - 0.015 ; January 31, 2011 - 0.015	Nil
Date of distributions to participants:	April 30 2010, July 30 2010, 2010, January 31 2011	April 30 2010, July 30 2010, 2010, January 31 2011	October 29
Excess reported income per unit of interest over the amount actually distributed to participants in the reporting period:	0.0060	Nil	0.0127
Fund distribution date:	30 June, 2011	30 June, 2011	30 June, 2011
Does the fund remain a Reporting Fund at the date of issue of this advice?	Yes	Yes	Yes