



USD Class I Acc | ISIN: IE00BDTYJB74

NAV per Share

USD Class I Acc US\$148.43

Fund Details

Fund Size	US\$106.0 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Launch Date	31 December 2018
Investment Manager	Polar Capital LLP
SFDR Classification ¹	Article 8

Historic Yield (%)² **4.83**
Fund Managers

David Keetley
 Fund Manager

David has managed the fund since launch, he joined Polar Capital in 2010 and has 38 years of industry experience.


Stephen McCormick
 Fund Manager

Stephen has managed the fund since launch, he joined Polar Capital in 2010 and has 38 years of industry experience.


Fund Profile
Investment Objective

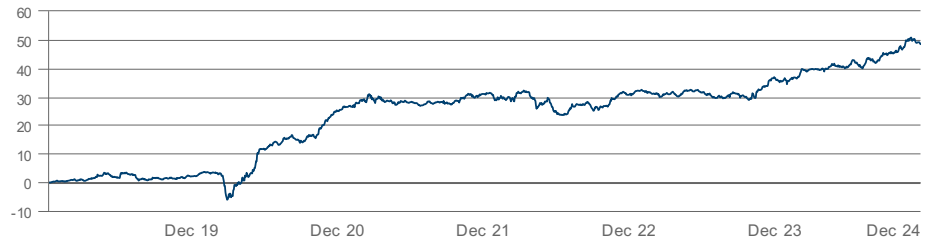
The Fund's investment objective is to generate a positive absolute return over rolling 12-month periods, in all market conditions. There is no guarantee the Fund will achieve this objective over any given period.

Key Facts

- Team of four sector specialists based in London and Connecticut
- The team has 90+ years of combined industry experience
- Portfolio consists of 50-100 positions (long + short), grouped into five categories
- Ability to hedge credit exposures and interest rates
- Absolute Return seeking fund – no benchmark constraints

Share Class Performance
Performance Since Launch (%)

■ USD Class I Acc



	Since Launch						Cum.	Ann.
	1m	3m	YTD	1yr	3yrs	5yrs		
USD Class I Acc	-1.23	2.37	8.67	8.67	13.49	45.11	48.43	6.80

Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Return
2024	-0.82	1.28	1.80	0.07	0.70	-0.39	0.68	1.44	1.26	0.40	3.24	-1.23	8.67
2023	0.88	-0.79	-0.02	-0.76	1.76	-0.72	-1.13	0.05	0.78	-1.20	3.10	2.30	4.22
2022	-1.25	0.63	0.94	-1.49	-0.69	-3.47	1.10	1.58	-1.67	1.30	2.60	0.78	0.21
2021	0.88	1.65	0.17	-0.27	-0.50	0.29	-0.67	0.51	-0.26	1.03	1.21	0.16	4.25
2020	1.31	-0.79	-6.61	5.94	3.31	6.53	1.21	2.40	-1.43	1.00	5.14	3.32	22.65
2019	0.52	0.29	-0.22	1.27	0.78	0.64	-0.73	-1.66	0.77	-0.08	0.40	0.30	2.29

Performance relates to past returns and is not a reliable indicator of future returns.

Performance for the USD Class I Acc. The class launched on 31 December 2018. Performance data is shown in USD. Source: Northern Trust International Fund Administration Services (Ireland) Ltd.

If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency.

Performance data takes account of fees paid by the Fund but does not take account of any commissions or costs you may pay to third parties when subscribing for or redeeming shares or any taxes or securities account charges that you may pay on your investment in the Fund. Such charges will reduce the performance of your investment. A 5% subscription fee can be charged at the Investment Managers discretion.

1. Refers to the EU Sustainable Finance Disclosure Regulation

 2. Historic yield is based on a NAV per share of US\$106.53 and income of US\$5.1403 per unit paid in the last 12 months, based on USD Institutional distribution units. **WARNING: Investors should note that historic yield does not measure the overall performance of a fund. It is possible for a fund to lose money overall but to have a positive historic yield. Historic yield cannot be considered as being similar to the interest rate an investor would earn on a savings account.**
Fund Ratings


Ratings are not a recommendation. Please see below for further information.

Source & Copyright: CITYWIRE. David Keetley & Stephen McCormick have been awarded a Plus rating by Citywire for their 3 year risk-adjusted performance using an absolute return methodology for the period 29/11/2021 - 29/11/2024.

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Portfolio Exposure & Attribution

As at 31 December 2024

Top 5 Positions (LMV) (%)

Just Eat Takeaway 0% 08/2025	4.8
Cellnex 0.5% 07/2028	4.6
SBI Holdings 0% 07/2031	4.4
Fortuna Silver Mines 3.75% 06/2029	3.9
Galaxy Digital Holdings 2.5% 12/2029	3.3

Total **21.0**

Top 5 Net Equity Exposures (%)

Chefs' Warehouse	-1.8
Galaxy Digital Holdings	1.6
Sphere Entertainment	-1.3
Rocket Lab USA	1.1
Uber Technologies	0.9

Total Number of Positions

Long	47
Short	36

Net Equity Exposure (%)

9.5

Market Cap Underlying Stocks (%)

Large (>US\$5bn)	56.6
Medium (US\$500m to 5bn)	42.7
Small (<US\$500m)	0.7

Capital Structure (%)

Long (LMV)	118.2
Short (Equity)	-59.7
Gross	177.9

Modified Duration

1.63

Risk / Return Since Inception

Best Month (%)	6.53
Worst Month (%)	-6.61
Positive Months (%)	65.28
Volatility of Returns (%)	4.81
Sharpe Ratio	0.94
Sortino Ratio	1.47

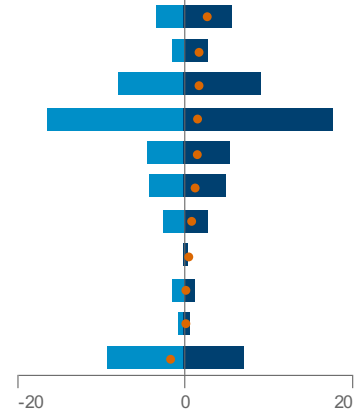
Performance Attribution - 1 Month (bp)

Long Positions	-154
Short Positions	31

Performance attribution is calculated in USD on a relative basis over the month. Attribution effect is shown gross of fees.

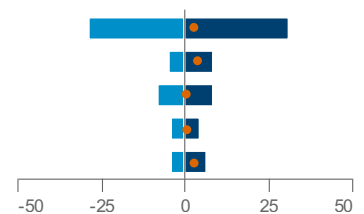
Sector Equity Exposure (%)

	Long	Short	Net
Healthcare	5.8	-3.2	2.6
Transportation	2.9	-1.2	1.6
Industrial	9.4	-7.8	1.6
IT	17.8	-16.4	1.5
Financial	5.6	-4.2	1.4
Materials	5.2	-4.0	1.2
Energy	3.1	-2.3	0.8
Equity Hedge	0.4	0.0	0.4
Real Estate	1.3	-1.2	0.1
Telecom	0.7	-0.6	0.1
Consumer Discretionary	7.3	-9.0	-1.8



Geographic Equity Exposure (%)

	Long	Short	Net
US	31.2	-28.6	2.5
Europe	8.5	-4.9	3.6
Japan	8.3	-8.1	0.3
Asia ex Japan	4.8	-4.3	0.4
Other Markets	6.6	-3.9	2.6



Note: Totals may not sum due to rounding. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF [†]	Ann. Fee	Perf. Fee ^{**}
USD I Acc	PCGARIU ID	IE00BDTYJB74	BDTYJB7	-	1.11%	1.00%	15%
Currency Hedged¹							
Curr Hdg GBP I Acc	PCGAIHG ID	IE00BDTYJD98	BDTYJD9	-	1.11%	1.00%	15%
Curr Hdg GBP I Dist	POGARIP ID	IE0009FY2ZG6	BNHSZ02	-	1.11%	1.00%	15%
Curr Hdg EUR I Acc	PCGAIHE ID	IE00BDTYJC81	BDTYJC8	-	1.11%	1.00%	15%

[†]Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet. The Ongoing Charges Figure is based upon the expenses incurred by the Fund for the previous 12 month period. The OCF incorporates the Annual Fee charged by the Fund.

^{**}Performance Fee 15% of any returns the Fund achieves above the high water mark.

1. Currency exposures hedged to the extent it is practicable.

Fund Managers' Comments

The Fund (USD I Acc Share Class) returned -1.23% in December, taking its return since inception to 48.43%.

Market review

US markets followed a strong November with a weak December. The beginning of the month saw profit taking in 'Trump trade' beneficiaries, while interest rates marched higher on continued policy inflation concerns. The most significant macro event of the month in the US, however, was the FOMC meeting on 18 December. While it cut rates by 25bp as widely expected, the Fed issued surprisingly hawkish forward guidance. As a result, rates finished the month higher (US 10yrR +40bps to 4.6%), particularly impacting small-cap names (RTY -8.4%), though equities were generally down. We note that the Magnificent Seven outperformed (SPX -2.5%; S&P equal weight -6.4%), a sign of narrow market breadth that plagued equity markets for much of 2024. Dispersion increased (VIX +28.4%; DSPX +17%) and high yield spreads widened slightly (CDSI GEN 5YR SPRD +16bps to +311bps).

Asian equities generally outperformed in the month. In Japan (TPX +3.9%), a Bank of Japan decision to maintain rates paved the way for a risk-on end to the year. Chinese equities also advanced (HSI +3.3%) as the government made incremental steps to support the economy. However, investor confidence remains subdued. European equities had a modest month (SXXP -0.5%), with German equities a bright spot (DAX +1.4%).

In other markets, oil reversed its decline (WTI +5.5%), the US dollar continued to gain (DXY +2.6%) and bitcoin declined modestly (XBTUSD -3.8%).

Fund activity

The Fund began the month modestly delta long, with long exposures in IT and healthcare partially offset by idiosyncratic short exposures within consumer discretionary and industrials. The view was that market conditions are set up nicely for a continued growth-driven rally given the combination of a strong earnings season in the rearview mirror, anticipation of less stringent regulatory conditions, stable economic indicators, a derisked political environment in the US and technical indicators suggesting market positioning was not stretched. As the month progressed, the Fund reduced its IT overweight, particularly trimming exposures to AI high-performance computing (HPC) companies that were adversely impacted by rising interest rates, while increasing idiosyncratic exposures to companies within industrials and transportation, leading to a further reduction in net delta exposure.

The FOMC decision and Fed Chair Jerome Powell's speech mid-month was more hawkish than expected by the market, fuelling concerns of a 'higher for longer than anticipated' rate environment, an incremental negative for growth companies. Following the speech, we believe market risk appetite declined alongside end-of-year volumes.

We note there was widespread basis cheapening in the month, with some hedge funds reducing position sizes given new prime broker-related exposure limits to AI HPC/crypto-designated assets. This leaves valuations here significantly discounted to intrinsic value, presenting a market opportunity going forward. Altogether, much of the convertible universe faced performance headwinds in the month given the rate move and associated impact on the growth outlook. That said, we believe market conditions are still generally positive.

The Equity Hedged and Asymmetric investment categories detracted most from performance in December. For the Equity Hedged category, performance was largely driven by the aforementioned prime broker-driven valuation weakness. As at the start of January, we are 'making' some of these losses back but continue to monitor things carefully,

including speaking with various prime broker contacts. Performance within the Asymmetric investment category also suffered, mainly driven by the combination of higher interest rates, wider credit spreads and falling equities. Within the Put Profile investment category, performance fell short of expectations as one of our position's equity value increased beyond expectation in December. That being said, the loss within the category remained modest due to our tight risk control; something we remain highly committed to.

The largest contributors to Fund performance in December were **Bitdeer Technologies, IAG and Pharming**.

Bitdeer Technologies is a data centre asset company with a focus on crypto mining and HPC hosting. The convertible advanced in December as the market priced in more compute capacity being allocated to HPC as well as a potential colocation deal announcement in the near term.

IAG, owner of British Airways and Iberia, is one of the largest airline groups in Europe. During the month, investors grew more positive on the market dynamics around air travel demand in 2025 as well as IAG's recently-announced capital allocation plans, including recent dividend reinstatement and the potential for substantial share buybacks in the coming years. With a price of c113%, a 20% conversion premium, more than three years to maturity and a solid and improving credit backstop, we maintained an overweight position in the convertible and benefitted as the price rose in December.

Pharming is a Dutch biopharmaceutical company which makes products to treat hereditary angioedema and APDS, both rare conditions. The shares rose in December on a combination of sell-side analyst upgrades, the announcement of positive topline data in paediatric clinical trial data of one of its drugs and an announcement of intent to purchase Abliva, a company which explores potential medicines for patients with rare mitochondrial diseases. The convertible offers an attractive profile, beginning the month priced at approximately 97% and some nine percentage points from its bond floor. With an equity sensitivity of 44%, the convertible was able to participate in the equity upside. We believe the company remains fundamentally undervalued in the context of its potential growth of existing and recently acquired drugs over the coming years and we remain invested.

The largest detractors from Fund performance in December were **MP Materials, Galaxy Digital Holdings and Applied Digital**.

MP Materials is a US-based rare-earth miner. Following a strong four-month run, its share price declined in December due to the backdrop of lower underlying NdPr prices and growing uncertainty around the potential impacts on the company of a possible US/China trade war. Amid this weakness, the convertible exhibited good asymmetry, richening as the stock fell and consequently participating less in the downside than expected.

Galaxy Digital Holdings is a crypto investment bank and asset manager. Much of the loss it incurred in December was driven by basis cheapening in the convertible bonds given the aforementioned increase in collateral requirements by some prime brokers. We believe the bonds are currently meaningfully cheap to fair value and will likely richen once the dust has settled on recent prime broker actions as well as when the company achieves a US listing, slated for mid-to-late 2025, with the latter likely to reduce stock borrowing costs and consequently 'richen' the convertible bond. That being said, we draw on our experience of similar cycles and remain respectful of the potential after-effects of forced selling by hedge funds and continue to monitor the position closely for any further deterioration in value.

Applied Digital is a data centre asset company. The equity declined in the month following a strong November as the HPC colocation deal

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said to be “99%” done at its October earnings call was not announced. Furthermore, crypto asset price depreciation and a risk-off market served as headwinds. We continue to believe in the longer-term opportunity for the company and remain invested.

Outlook

The macro backdrop seems favourable for equities as we enter 2025. However, the speed of the recent rises in stock prices could have discounted much of the good news on economic growth. Consequently high valuations may limit returns. Additionally unusually high market concentration has increased portfolio risks.

Will we see growth in the US, more stimulus in China and a recovery in Europe? Or trade wars, a rebound in US inflation and ongoing geopolitical uncertainty in Europe? Whereas many economic fundamentals are favourable, political choices in the US and Europe will shape the outlook for 2025 more than usual. Some disruption seems likely.

Against this backdrop, we will continue to focus on maintaining a portfolio with a strong credit quality and believe the Fund is well positioned to take advantage of the expected dispersion and investment opportunities in 2025.

Please note the Institutional USD Distribution Share Class goes ex its semi-annual dividend on 2 January, paying out \$2.6633.

David Keetley and Stephen McCormick

8 January 2025

Risks

- **Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund before investing.**
- **Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested as there is no guarantee in place.**
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund invests in equities, convertible and fixed income securities and prices can rise or fall due to several factors affecting global stock markets.
- The Fund uses derivatives which carry the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as failure amongst market participants. The use of derivatives will result in the Fund being leveraged (where market exposure and the potential for loss exceeds the amount the Fund has invested) and in these market conditions the effect of leverage will magnify losses. The Fund makes extensive use of derivatives.
- The Fund invests in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency. Hedged share classes may have associated costs which may impact the performance of your investment.

Important Information

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A decision may be taken at any time to terminate the marketing of the Fund in any EEA Member State in which it is currently marketed. Shareholders in the affected EEA Member State will be given notification of any decision and provided the opportunity to redeem their interests in the Fund, free of any charges or deductions, for at least 30 working days from the date of the notification.

Investment in the Fund is an investment in the shares of the Fund and not in the underlying investments of the Fund. Further information about fund characteristics and any associated risks can be found in the Fund's Key Investor Document or Key Investor Information Document ("KID" or "KIID"), the Prospectus (and relevant Fund Supplement), the Articles of Association and the Annual and Semi-Annual Reports. Please refer to these documents before making any final investment decisions. These documents are available free of charge at Polar Capital Funds plc, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland, via email by contacting Investor-Relations@polarcapitalfunds.com or at www.polarcapital.co.uk. The KID is available in the languages of all EEA member states in which the Fund is registered for sale; the Prospectus, Annual and Semi-Annual Reports and KIID are available in English.

The Fund promotes, among other characteristics, environmental or social characteristics and is classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (SFDR). For more information, please see the Prospectus and relevant Fund Supplement.

ESG and sustainability characteristics are further detailed on the investment manager's website: (<https://www.polarcapital.co.uk/ESG-and-Sustainability/Responsible-Investing/>).

A summary of investor rights associated with investment in the Fund is available online at the above website, or by contacting the above email address. This document is provided and approved by both Polar Capital LLP and Polar Capital (Europe) SAS.

Polar Capital LLP is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, and the Securities and Exchange Commission ("SEC") in the United States. Polar Capital LLP's registered address is 16 Palace Street, London, SW1E 5JD, United Kingdom.

Polar Capital (Europe) SAS is authorised and regulated by the Autorité des marchés financiers (AMF) in France. Polar Capital (Europe) SAS's registered address is 18 Rue de Londres, Paris 75009, France.

Polar Capital LLP is a registered Investment Advisor with the SEC. Polar Capital LLP is the investment manager and promoter of Polar Capital Funds plc – an open-ended investment company with variable capital and with segregated liability between its sub-funds – incorporated in Ireland, authorised by the Central Bank of Ireland and recognised by the FCA. Bridge Fund Management Limited acts as management company and is regulated by the Central Bank of Ireland. Registered Address: Percy Exchange, 8/34 Percy Place, Dublin 4, Ireland.

Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

Telephone	+(353) 1 434 5007
Fax	+(353) 1 542 2889
Dealing	Daily
Cut-off	15:00 Irish time

- There may be times where the issuer or guarantor of a fixed income (or convertible) security cannot meet its payment obligations or has their credit rating downgraded, resulting in potential losses for the Fund.
- The Fund invests in emerging markets where there is a greater risk of volatility due to political and economic uncertainties, restrictions on foreign investment, currency repatriation and currency fluctuations. Developing markets are typically less liquid which may result in large price movements to the Fund.

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Spain The Fund is registered in Spain with the Comisión Nacional del Mercado de Valores ("CNMV") under registration number 771.

Switzerland The principal Fund documents (the Prospectus, Fund Supplement, KIDs, Memorandum and Articles of Association, Annual Report and Semi-Annual Report) of the Fund may be obtained free of charge from the Swiss Representative. The Fund is domiciled in Ireland. The Swiss representative FundRock Switzerland SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, 17 quai de l'Île, 1204 Geneva, Switzerland.

Austria / France / Germany / Gibraltar / Ireland / Italy / Luxembourg / Portugal / Spain / Switzerland and the United Kingdom The Fund is registered for sale to all investors in these countries. Investors should make themselves aware of the relevant financial, legal and tax implications if they choose to invest.