



EUR Class I Acc | ISIN: IE00BF0GL436

**NAV per Share**

EUR Class I Acc €20.66

**Fund Details**

Fund Size	€808.8 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Launch Date	06 October 2017
Investment Manager	Polar Capital LLP
SFDR Classification <sup>1</sup>	Article 8

**Fund Managers**

**Xuesong Zhao**

Partner

Xuesong has worked on the fund since launch, he joined Polar Capital in 2012 and has 17 years of industry experience.


**Ben Rogoff**

Partner

Ben has worked on the fund since launch, he joined Polar Capital in 2003 and has 29 years of industry experience.


**Nick Evans**

Partner

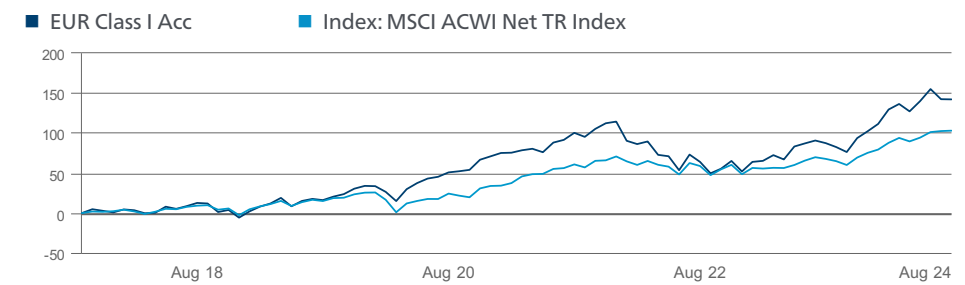
Nick has worked on the fund since launch, he joined Polar Capital in 2007 and has 27 years of industry experience.

**Fund Profile**
**Investment Objective**

The Fund's investment objective is to achieve long term capital appreciation by primarily investing in a diversified portfolio of global equity securities which may be listed or traded on a Regulated Market.

**Key Facts**

- Team of 11 sector specialists
- The team has 140+ years of combined industry experience
- Typically 50-80 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

**Share Class Performance**
**Performance Since Launch (%)**


	Since Launch						Cum.	Ann.
	1m	3m	YTD	1yr	3yrs	5yrs		
EUR Class I Acc	-0.10	0.93	19.70	29.21	20.89	108.48	142.20	13.67
Index	0.24	4.49	15.81	21.05	26.22	76.53	103.06	10.80

**Discrete Annual Performance (%)**

12 months to	30.08.24	31.08.23	31.08.22	31.08.21	28.08.20
EUR Class I Acc	29.21	14.30	-18.14	32.79	29.87
Index	21.05	5.60	-1.26	29.37	8.11

**Calendar Year Performance (%)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EUR Class I Acc	33.08	-29.09	25.45	27.56	42.16	-6.51	-	-	-	-
Index	18.01	-13.00	27.57	6.66	28.95	-4.87	-	-	-	-

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

Performance for the EUR Class I. The class launched on 6 October 2017. Performance data is shown in EUR. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in EUR. Source: Bloomberg.

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

**Fund Ratings**


Ratings are not a recommendation.

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## Portfolio Exposure

As at 30 August 2024

### Top 10 Positions (%)

NVIDIA	6.3
Microsoft	4.1
Wal-Mart Stores	3.2
RELX	2.9
Meta Platforms (Facebook)	2.9
Amazon	2.8
Eaton Corp	2.4
Spotify Technology SA	2.3
TSMC	2.3
Wolters Kluwer	2.3
<b>Total</b>	<b>31.4</b>

**Total Number of Positions** 64

**Active Share** 80.31%

### Geographic Exposure (%)

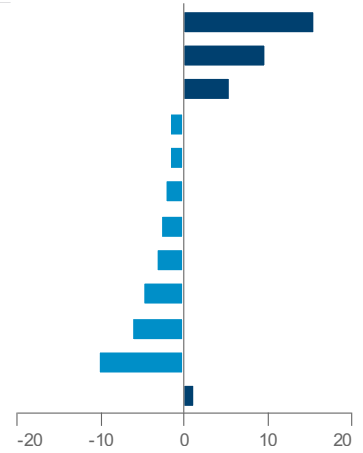
US & Canada	49.9
Europe	28.0
Japan	11.3
Asia Pac (ex-Japan)	8.9
Middle East & Africa	0.5
Cash	1.3

### Market Capitalisation Exposure (%)

Mega Cap (>US\$50 bn)	58.2
Large Cap (US\$10 bn - 50 bn)	28.3
Mid Cap (US\$1 bn - 10 bn)	11.0
Small Cap (<US\$1 bn)	1.2
Cash	1.3

### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund	Relative
Information Technology	40.3	15.6
Industrials	20.5	9.9
Communication Services	13.1	5.6
Materials	2.5	-1.5
Consumer Staples	4.8	-1.6
Real Estate	0.0	-2.2
Utilities	0.0	-2.7
Energy	0.9	-3.3
Consumer Discretionary	5.3	-4.9
Health Care	5.2	-6.2
Financials	6.2	-10.0
Cash	1.3	1.3



The column headed "Fund" refers to the percentage of the Fund's assets invested in each sector. The column headed "Relative" refers to the extent to which the Fund is overweight or underweight in each sector compared (relative) to the index.

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 <sup>†</sup>	Ann. Fee	Perf. Fee <sup>**</sup>
EUR I Acc	PLAIIEA ID	IE00BF0GL436	BF0GL43	-	0.90%	0.80%	10%
GBP I Acc	PLAIIIGA ID	IE00BF0GL543	BF0GL54	-	0.90%	0.80%	10%
USD I Acc	PLAIIUA ID	IE00BF0GL329	BF0GL32	-	0.90%	0.80%	10%
EUR R Acc	PLAIREA ID	IE00BF0GL212	BF0GL21	-	1.40%	1.30%	10%
USD R Acc	PLAIRUA ID	IE00BF0GL105	BF0GL10	-	1.40%	1.30%	10%

<sup>†</sup>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.

<sup>\*\*</sup>Performance Fee 10% of outperformance of MSCI ACWI Net TR Index.

## Fund Managers' Comments

### Market review

Global equity markets ended August in positive territory, the MSCI All Country World Net Total Return Index returning +2.5%, while the S&P 500 and DJ Euro Stoxx 600 indices returned +2.4% and +3.8% respectively (all returns in dollar terms).

Solid headline index returns belied unusual market volatility early in the month, following weak US labour market data and significant yen strength after the Bank of Japan (BoJ) hiked its policy rate by 0.25% and announced plans to halve its purchases of Japanese government bonds. This prompted a sharp unwind of the yen 'carry trade' (where investors borrow 'cheaply' in yen to buy other assets/currencies). Markets rebounded rapidly; however, benign US macroeconomic data suggested further economic stability rather than a sharp slowdown, while a more dovish BoJ stance helped contain yen strength.

The early August volatility followed the Bureau of Labor Statistics report that the US economy added only 114,000 jobs in July, below forecasts of 179,000. In addition, the US Consumer Price Index (CPI) annual inflation rate moderated to +2.9% year on year (y/y) in July (below forecasts of +3%), down from +3% y/y in June, and the weakest monthly reading since March 2021. The combination of a softening labour market and tempering inflation trends solidified expectations for a September interest rate cut.

The minutes of the Fed's late July policy meeting showed broad agreement between committee members that "it would likely be appropriate to ease policy at the next meeting" in September, and came ahead of softer employment and inflation data in August. Towards month end, Fed Chair Jerome Powell delivered a speech at Jackson Hole that signalled that US interest rate cuts were imminent. Although "the economy continues to grow at a solid pace", Powell noted the Fed does not "seek or welcome further labour market cooling" which explained why "the time has come for [monetary] policy to adjust".

### Fund performance

The Fund's NAV (I USD Acc Share Class) increased 2.2% during the month, compared to its global equity benchmark, the MSCI All Country World Net Total Return Index, which increased 2.5%, both in dollar terms.

Walmart delivered impressive results, with core retail performance above expectations and the newer, digital and AI-led revenues posting very strong growth. E-commerce revenue grew 22%, marketplace and advertising revenues each grew above 30% and Walmart+ membership revenue was more than 10% higher. With margins significantly above core retail, these 'alternative' revenue streams continue to drive outsized and underappreciated profit growth.

NVIDIA once again exceeded market expectations as the core data centre GPU business grew a remarkable +154% y/y. CEO Jensen Huang eased investor concerns around possible delays to its next-generation Blackwell chip, with the company expecting "several billion dollars of Blackwell revenue" towards the end of the year, while also seeing increased demand for existing Hopper GPUs in the interim. In addition, NVIDIA raised its expectation of revenue from sovereign AI customers to low-double digit billions, up from high-single digit billions, as sovereign nations make strategic investments to control their own destinies in AI.

Micron Technology underperformed over the month after trimming its outlook for volume growth in the coming quarter. While high bandwidth memory demand remains very strong, as this plays into AI-related computing, this was not enough to outweigh continued softness in industrial and consumer electronic demand. We are also seeing some inventory build at customers, impacting pricing. This also

impacted Disco during the month, with these issues in the memory sector raising concerns over the sustainability of spend.

Axon Enterprise performed well after reporting results, delivering +35% revenue growth and raising its full-year outlook. Its Draft One AI tools continue to drive excellent demand with the company noting "in the three months since launch, Draft One has generated over \$100m of pipeline", and envisages continued acceleration in bookings growth.

Over the month, the top relative performance contributors were Walmart, Advantest and eMemory Technology. The largest relative performance detractors were Micron Technology, Disco, and nVent Electric.

### Fund activity

During the month we initiated new positions in Oxford Nanopore Technologies and Ecolab. We exited Unimicron Technology, Cognex, iRhythm Technologies and Tokyo Electron. Cash at month end stood at 1.3%.

### Outlook

After a very volatile start to the month, in which Japanese equities delivered the largest single-day fall since the 1987 crash and the VIX (a measure of market volatility) recorded a top five single-day move, markets recovered as macroeconomic data came in largely in line with expectations. The inflation picture continues to improve which has changed the balance of risks for many central banks, including the Federal Reserve. Its primary focus has shifted from managing the risk of higher/sticky inflation to supporting economic growth and the labour market, which has prompted many to shift into rate-cutting mode. We expect the speed and size of cuts to be determined by incoming macroeconomic data, as signs of more acute labour market weakness are met with steeper cuts. Historically, rate-cutting cycles have been supportive of positive equity market returns, provided a recession is avoided, although we are cognisant given typical volatility into US elections and geopolitical risk appears elevated (Middle East/Ukraine). NVIDIA's results were widely anticipated as a barometer for AI demand, both from a fundamental, corporate perspective and from a market appetite perspective. In our view, results came in line with most expectations and reaffirmed that growth remains incredibly strong, with NVIDIA's core data centre GPU business growing +154% y/y. More importantly, forward-looking indicators of demand also remain robust with purchase commitments growing +39% quarter-on-quarter. This demand is driven partly by sovereign AI customers, with run rate expectations raised to "low-double digits billions" this year, but also most crucially by wider corporate demand. While the market might show volatility in the short term, we believe underlying trends remain very healthy, a view for which we had a number of supporting data points this month.

Walmart highlighted how it has used AI to "create or improve over 850 million pieces of data and the catalogue". Even more strikingly, "without the use of generative AI, this work would have required nearly 100 times the current headcount to complete in the same amount of time". Accenture\* has used Meta's Llama 3.1 model family to build custom models for ESG reporting that it expects to improve productivity by 70% and quality by 20-30%, compared with the company's existing way of generating Accenture's annual ESG report. Axon Enterprise has received feedback suggesting its new Draft One product alone creates value that offsets the current cost of the full product suite.

Elon Musk's xAI launched its Colossus AI training system for the Grok family of models, consisting of 100k NVIDIA H100 GPU chips and

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bringing the system online in 122 days. Despite the achievement, the system is already being touted for a major upgrade of capacity with a doubling of the chip count, half of which will be NVIDIA's upgraded H200 chips, highlighting the continued need for compute power progression to advance the leading edge of AI.

While some may approach current advancements with caution, we are confident that the rapidly expanding array of AI solutions is already demonstrating significant value. While it is too soon to draw definitive conclusions about the overall productivity benefits that could accrue from the widespread adoption of AI, the impressive productivity enhancements and profit-generating capabilities we are witnessing strongly support the current enthusiasm surrounding AI. We believe these early successes are just the beginning, paving the way for an accelerated timeline of AI adoption across industries.

It is vital to take an active approach to investing in these early stages, as there will be disparities in the timeline of AI value creation. While some organisations, like JP Morgan\*, are navigating the complexities of integrating AI with existing legacy infrastructure, AI can also act as a catalyst for further modernisation and digital transformation over the longer term. Recursion\*, one of the leading AI drug discovery companies, delivered mixed clinical data in what was an important readout for the industry as a whole. The ability to recognise and independently navigate the challenges sectors will face through AI adoption reinforces our belief in the power of an active investment approach.

While the path of innovation is rarely without obstacles, we remain optimistic about the transformative potential of AI. The latest data continues to reinforce our confident outlook on the immense value that AI development and deployment will bring to various sectors. As we approach a busy conference season this month, we will be exploring dynamics around corporate demand, investment trends and innovative use cases with companies. These upcoming discussions will undoubtedly shed light on the exciting future that lies ahead and we look forward to sharing these findings with clients.

\* not held

**Xuesong Zhao and the Technology Team**

5 September 2024

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## 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 the shares of companies, and share 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 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.

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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.

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**Benchmark** The Fund is actively managed and uses the MSCI ACWI Net TR Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found <https://www.msci.com/acwi>. The benchmark is provided by an administrator on the European Securities and

## Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

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

- 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.

Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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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, KID/KIIDs, 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 and paying agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

## Important Information (contd.)

**Austria / Belgium / Denmark (professional only) / Finland / France / Germany / Gibraltar / Ireland / Italy / Liechtenstein / Luxembourg / Netherlands / Norway / Portugal / Spain / Sweden / 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.

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the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to [global.morningstar.com/managerdisclosures/](http://global.morningstar.com/managerdisclosures/).

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