



EUR Class I Acc | ISIN: IE00BF0GL436

NAV per Share

EUR Class I Acc €16.17

Fund Details

Fund Size	€580.7 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	06 October 2017
Investment Manager	Polar Capital LLP

Fund Managers

Xuesong Zhao
 Fund Manager

Xuesong has managed the fund since launch, he joined Polar Capital in 2012 and has 15 years of industry experience.


Ben Rogoff
 Partner

Ben has worked on the fund since launch. He joined Polar Capital in 2003 and has 26 years of industry experience.


Nick Evans
 Partner

Nick has worked on the fund since launch. He joined Polar Capital in 2007 and has 24 years of industry experience.

Fund Profile
Investment Objective

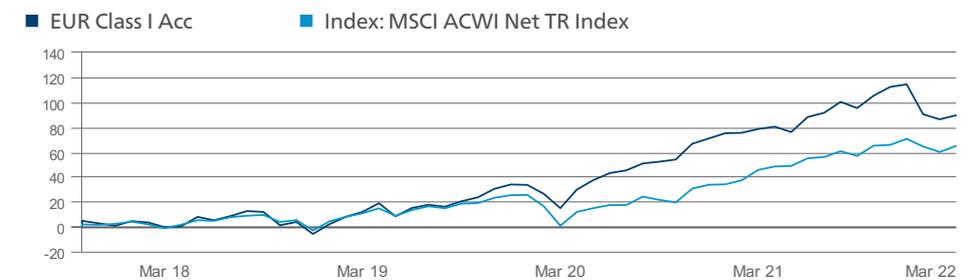
The Fund's investment objective is to achieve long term capital appreciation by primarily investing in a diversified portfolio of global equity securities which may be listed or traded on a Regulated Market.

Key Facts

- Team of nine sector specialists
- The team has 125+ years of combined industry experience
- Typically 50-80 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

Fund Ratings


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

Share Class Performance
Performance Since Launch (%)


	1m	3m	YTD	1yr	3yrs	5yrs	Cum. Since Launch	Ann. Since Launch
EUR Class I Acc	1.76	-11.59	-11.59	6.17	69.32	-	89.57	15.33
Index	3.09	-3.29	-3.29	13.25	48.53	-	65.19	11.84

Discrete Annual Performance (%)

12 months to	31.03.22	31.03.21	31.03.20	29.03.19	29.03.18
EUR Class I Acc	6.17	55.25	2.72	12.22	-
Index	13.25	44.43	-9.20	12.47	-

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 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.

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Portfolio Exposure

As at 31 March 2022

Top 10 Positions (%)

Microsoft	5.2
NVIDIA	4.7
Alphabet	4.6
Amazon	4.3
UnitedHealth Group	3.6
Schneider Electric SE	3.2
TSMC	3.0
Emerson Electric Co	2.5
eMemory Technology	2.4
Rockwell Automation	2.4

Total 35.9

Total Number of Positions 65

Active Share 84.66%

Geographic Exposure (%)

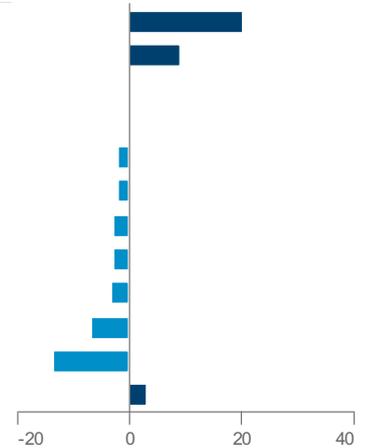
US & Canada	53.4
Europe	18.2
Japan	14.6
Asia Pac (ex-Japan)	9.8
Latin America	0.8
Cash	3.2

Market Capitalisation Exposure (%)

Mega Cap (>US\$50 bn)	67.2
Large Cap (US\$10 bn - 50 bn)	20.8
Mid Cap (US\$1 bn - 10 bn)	7.6
Small Cap (<US\$1 bn)	1.1
Cash	3.2

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

	Fund	Relative
Information Technology	42.9	20.5
Industrials	18.8	9.3
Healthcare	11.9	0.0
Communication Services	7.8	-0.4
Consumer Discretionary	9.9	-1.8
Materials	3.2	-1.8
Real Estate	0.0	-2.7
Utilities	0.0	-2.9
Energy	1.3	-3.0
Consumer Staples	0.0	-6.9
Financials	1.1	-13.5
Cash	3.2	3.2



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 [†]	Ann. Fee	Perf. Fee ^{**}
EUR I Acc	PLAIIEA ID	IE00BF0GL436	BF0GL43	-	0.91%	0.80%	10%
GBP I Acc	PLAIIGA ID	IE00BF0GL543	BF0GL54	-	0.91%	0.80%	10%
USD I Acc	PLAIIUA ID	IE00BF0GL329	BF0GL32	-	0.91%	0.80%	10%
EUR R Acc	PLAIREA ID	IE00BF0GL212	BF0GL21	-	1.41%	1.30%	10%
USD R Acc	PLAIRUA ID	IE00BF0GL105	BF0GL10	-	1.41%	1.30%	10%

[†]Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet.

^{**}Performance Fee 10% of outperformance of MSCI ACWI Net TR Index.

Fund Managers' Comments

Market review

Global equity markets fell sharply then recovered in March, the MSCI All Country World gaining 2.2% while the S&P 500 gained 3.7%, and the DJ Euro Stoxx 600 was flat (all returns are in dollar terms). This was still insufficient to prevent the largest quarterly decline in two years (S&P 500 -4.6%; NASDAQ -9%), as investors were confronted by several challenges not seen for a generation, including the highest inflation level in four decades, Russia's invasion of Ukraine (exacerbating supply-chain stress) and updating expectations for a dramatically more hawkish Federal Reserve as well as further Covid-related disruption in China, specifically Shenzhen as a major shipping hub.

The conflict in Ukraine escalated during the month, with Russia undeterred by expanded sanctions which blocked some Russian banks from the SWIFT financial system and prevented its central bank from accessing some foreign currency reserves. Russia responded to Western sanctions by proposing that friendly countries like China and Turkey pay for oil and gas in roubles, domestic currency, and bitcoin, while unfriendly countries would have to pay in roubles and/or gold. By the end of the month, the rouble had recovered its losses against the dollar since the beginning of the invasion.

Russia has undoubtedly experienced more robust Ukrainian opposition than they expected, with notable counter-offensives around Kyiv. Two rounds of ceasefire talks have finally produced an agreement to designate humanitarian corridors to safely evacuate civilians from the country, and the latest talks in Istanbul have reportedly made more significant progress with peace treaty drafts advanced enough to allow for direct consultations between Presidents Putin and Zelensky. The key issues around the sovereignty of Crimea, the Donbass and Luhansk regions remain unresolved, however, and the range of potential outcomes remains concerningly wide.

Commodity prices continued to be volatile. Brent Oil rose 10.1% during March as the US and UK blocked Russian oil imports, despite efforts to mitigate the move, including the release of strategic petroleum reserves by the US. Sharply higher oil prices are likely to have a lasting impact on the global economy even if a peace accord can be reached. In the US, rising energy prices pushed the headline CPI inflation rate to 7.9% y/y in February (0.8% m/m), a 40-year high, while the core CPI advanced accelerated to 6.4% y/y (0.5% m/m). These drove upward pressure on Treasury yields (the 10-Year US Treasury yield increased 26.5% to 2.33%) and inflation expectations.

Unfortunately, gains in the CPI appear to be broad-based, suggesting that price increases will remain persistent. CPI is now likely to climb well above 8% in March given the spike in crude oil and gasoline prices. An eventual drop in energy prices, a gradual easing of supply constraints, more favourable base effects and tighter Fed monetary policy should help reduce inflation longer term.

As expected, the Federal Open Market Committee (FOMC) raised its funds rate target range at the March meeting to 0.25-0.5%. More importantly, the median 'dot' in the Summary of Economic Projections now shows seven interest rate hikes in 2022 (up from the three projected at the December meeting), which would require at least one 50bp hike at one of the six remaining meetings this year. There was also a shift in the Fed's inflation outlook, which now sees inflation as more persistent, along with an upbeat take on growth and the potential for a soft landing. Language emphasising uncertainty around the impact of the war (consumer spending and

supply chains) and a readiness to adjust policy if risks emerge that threaten the Fed's goals were considered favourable for risk assets.

The risk of a policy error remains elevated given the Fed's hawkish pivot following Fed Chair Jerome Powell's re-nomination. The yield curve, a widely watched signal in the bond market, has been flashing warning signs. The two-year and 10-year Treasury yields have inverted (when the shorter-dated bond's yield rises above that of the longer-dated bond) for the first time since 2019, sending a warning that a recession could be on the horizon. Since 1965, this has occurred a median 20 months before a recession, according to Goldman Sachs. Although this does not mean a recession is inevitable, particularly given the Fed's actions may be distorting the bond market, the risks are clearly rising, and the recent market volatility in part reflects a softening outlook for global growth.

Economic data in the US remains mixed. The February ISM Services PMI, a leading indicator of corporate margins, fell for a third month in a row to 56.5 in February from 59.9 in January, well below market forecasts of 61 (the second largest miss since the global financial crisis). Business activity and new orders slowed down, while employment contracted, and price pressures intensified. Although the absolute level remains robust and above the long-run average, service providers "continue to be impacted by supply chain disruptions, capacity constraints, inflation, logistical challenges and labour shortages." The March ISM Manufacturing PMI fell to 57.1 in February from 58.6 in January, below market forecasts of 59, pointing to the slowest growth in factory activity since September 2021. The US manufacturing sector remains supply-constrained, although progress was made to solve the labour shortage problems at all tiers of the supply chain.

The Employment Situation report suggests the US economy added 431,000 non-farm payrolls in March, below the market forecast at 490,000, but the February estimate was revised sharply higher (by 72,000 to 750,000) benefiting from the decline in coronavirus infections and the easing of restrictions, coupled with solid consumer demand. There were no signs that the war in Ukraine or the surge in oil prices has put a hold on hiring in any parts of the economy so far.

The US unemployment rate declined to 3.6% in March from 3.8% the previous month, the lowest since February 2020. Average hourly earnings rose by +0.4% (up 5.6% y/y), although inflation continues to outpace wage growth. Encouragingly, the participation rate rose slightly to 62.4%, a two-year high (perhaps due to easing Covid fears and rising wages tempting some back into the labour market). Shorter-term US treasury yields and the dollar both gained, however, with nothing here to suggest the Fed should back off its tightening path (yet). The forward-looking University of Michigan Consumer Sentiment Index deteriorated to its lowest reading since 2011, at 59.4. Inflation has been the primary cause of rising pessimism, with an expected year-ahead inflation rate at 5.4%, the highest since November 1981. Pending home sales also fell -4.1% in February (below estimates for a modest increase), partly due to the deferred new builds coming onto the market, as well as a rapid rise in mortgage rates.

Fund performance

The Fund NAV (I USD Acc Share Class) increased 0.8% during the month, compared to its global equity benchmark, the MSCI ACWI (TR Net), which increased 2.2%, both in dollar terms.

The AI Enablers theme underperformed the market following a late month semiconductor selloff, given rising economic concerns. Companies with decent exposure to consumer technology, such as

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Micron Technology and Seagate Technology Holdings (Seagate) to name just two, experienced a sharp correction in their share price as investors had become worried about the demand outlook in the second half of the year on the back of the unprecedented energy cost increase. That said, NVIDIA performed well after an analyst day that showcased a new data centre platform and computing architecture that delivers substantial performance gains versus prior generations and competitors.

Emerging Themes was also under pressure during the month, particularly companies with decent exposure to the consumer technology market within the materials science as well as mobility and connectivity subthemes, such as TDK and MediaTek. The weakness was partially offset by strong performance in healthcare exposure with normalising trends in hospital utilisation and procedure volumes supporting the space as a whole.

The AI Applications theme outperformed the market, with particular strength in Baker Hughes and Man Group. This was a pleasing indicator of the Fund's ability to capture outperformance across many sectors and its growing diversification with broadening technology adoption, as has long been the aim of the Fund. This strength more than offset weakness in some of the internet names that was largely style led.

The Digital Transformation theme also modestly outperformed the market, with broad-based strength in the market recovery. Our small position in UiPath was the outlier, with a disappointing earnings report in which the Russia/Ukraine conflict and FX headwinds led to an ARR (annual recurring revenue) guide that missed consensus.

Finally, the Factory Automation theme saw a mixed performance with many stocks broadly in line or above the market. This balanced some weakness in European names such as Duerr and Renishaw that face margin headwinds and exposure to a Chinese market that faced Covid-induced lockdowns and disruption.

During the month, the top relative performance contributors were NVIDIA, DexCom and Epiroc, while the top relative performance detractors were Micron Technology, Advanced Micro Devices (AMD) and MediaTek.

Fund activities

We exited Covestro and used the proceeds to initiate a new position in Deere. We significantly reduced Atlas Copco and trimmed Infineon Technologies and MediaTek. We added to Kone, Epiroc and Airbnb. As a result, cash increased slightly to 3.2%.

Market outlook

The first quarter provided one of the most challenging market environments in recent years and disappointing, but by no means catastrophic, headline returns belied pain beneath the surface. The S&P 500 fell by 5% during the quarter, as positive earnings revisions (4.8%) were offset by meaningful multiple compression (-9.7%). A similar scenario was seen in Europe as the STOXX 600 fell by 9% with positive earnings revisions (5.6%) that were also more than offset by multiple compression as investors became increasingly concerned about persistent inflation, tighter financial conditions and Russia's invasion of Ukraine. Growth significantly underperformed value, with the MSCI World Growth Index falling by 9.8% during the quarter versus the MSCI World Value Index decreasing only 1.3%. Technology was the largest negative sectoral contributor to the S&P 500's return; economically sensitive areas such as semiconductors (SOX -10.5%) and more expensive and/or long-duration stocks also underperformed meaningfully.

Macroeconomic conditions continue to dominate the debate, with perceived recession risk rising across the West as inflation persists

at stubbornly high rates with continued supply-chain pressures and high energy prices. Real wage growth remains lacklustre while US mortgage rates have risen at the fastest point in history. After an initial selloff, March saw a recovery in equity markets and some reversion of growth against value, however the first few days of April have seen the selloff resume as markets digest an increasingly hawkish position from the Fed, rising recession risk and the impending arrival of quantitative tightening from central banks.

Given the rising recessionary risk, the durability of many cyclical industries has been called into question after a period of strong returns in the post-pandemic recovery. The most economically sensitive sectors, such as semiconductors and short-cycle industrials, unsurprisingly came under pressure. While on a through-cycle basis, the combination of structural tailwinds and technology adoption can reduce the amplitude of peak to trough cyclical variations in many areas. On a shorter-term view, many sectors are under pressure and exposure here is monitored closely.

There has been a disconnect between market expectations and the data received from companies, both at conferences and from the outlooks given during the final earnings reports. Companies have continued to report strong demand, order backlogs and no worsening in the global supply chain, even if easing has not yet been delivered; however, investors are looking further ahead and highlighting recessionary indicators. Heading into another earnings season, we see nervousness in the market over any potential worsening in messaging and how outlooks might be negatively revised, particularly with respect to margins, given ongoing tightness and inflation. Evaluating how much deterioration is already priced in is difficult, although we aim to reduce our risk and exposure to companies that could deliver the most negative incremental updates.

We remain convinced in the secular tailwinds for all our investable themes, with CIO surveys continuing to highlight robust enterprise spending on technology, particularly next-generation technologies including AI and automation, in the face of wage and inflationary pressures. Similarly, the rising number and breadth of case studies and partnerships we see materialising across all sectors support our view that the pace of adoption of these technologies remains structurally higher than in the pre-pandemic world, given these challenges. Should we see low growth or recessionary environments emerge, these technologies have the ability to differentiate themselves from their peers in nearly all sectors.

We remain vigilant to the possibility of regime change in future inflation expectations and to the macroeconomic backdrop, but we have the ability to invest in companies that stand to relatively outperform in such an environment. We are committed to holding a diversified portfolio of digital leaders that can deliver above-peer group earnings growth on a through-cycle basis.

Xuesong Zhao and the Technology Team

11 April 2022

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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.
- 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.
- 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 may enter into a derivative contract. The Fund's use of derivatives carries 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.
- If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.

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Further information and any associated risks can be found in the Fund's Key Investor Information Document ("KIID"), the Prospectus, the Articles of Association and the annual and semi-annual reports. These documents are available free of charge at Polar Capital Funds PLC, Georges Court, 54-62 Townsend Street, Dublin 2, via email by contacting Investor-Relations@polarcapitalfunds.com or at www.polarcapital.co.uk. The KIID is available in Danish, Dutch, English, French, German, Italian, Spanish and Swedish; the Prospectus is available in English.

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.

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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 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.

Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

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

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