



EUR Class I Acc | ISIN: IE00B55MWC15

NAV per Share

EUR Class I Acc €10.66

Fund Details

Fund Size	€2,280.7 m
Base Currency	GBP
Denominations	GBP/USD/EUR
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	16 October 1998
Investment Manager	Polar Capital LLP

Historic Yield (%)² **1.23**
Fund Managers

Nick Martin
Lead Fund Manager

Nick joined the team in 2001 and manages the fund. He joined Polar Capital in 2010 and has 23 years of industry experience.


Dominic Evans
Fund Manager

Dominic has managed the fund since 2022. He joined Polar Capital in 2012 and has 13 years of industry experience.

Fund Ratings

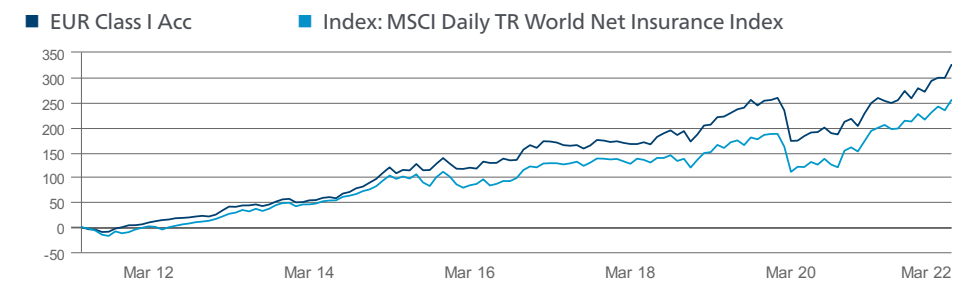

Ratings are not a recommendation.

Fund Profile
Investment Objective

The Fund aims to provide an attractive total return, irrespective of broader economic and financial market conditions, by investing in companies operating within the international insurance sector.


Key Facts

- Managed by industry professionals
- Low correlation to broader equity markets
- 20+ year track record (since launch)
- Typically own 30-35 holdings with low turnover
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

Share Class Performance
Performance Since Launch (%)¹


	1m	3m	YTD	1yr	3yrs	5yrs	10 yrs	Cum. Since Launch	Ann.
EUR Class I Acc	6.58	8.19	8.19	22.02	39.25	56.53	287.90	325.39	14.29
Index	6.18	7.57	7.57	21.06	41.70	55.40	247.74	254.88	12.39

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	22.02	27.72	-10.65	14.53	-1.85
Index	21.06	38.90	-15.73	10.24	-0.52

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

Performance for the EUR Class I Acc. The class launched on 27 May 2011. 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.

1. The Polar Capital Global Insurance Fund was launched on 27 May 2011 (the Hiscox Insurance Portfolio Fund, launched 16 October 1998, was merged into the Polar Capital Global Insurance Fund on 27 May 2011). Performance data prior to 27 May 2011 relates to the Hiscox Insurance Portfolio Fund. Whilst the investment management team and strategy are identical between the Hiscox Insurance Portfolio Fund and the Polar Capital Global Insurance Fund, please note not all terms are consistent, including fees. Please refer to the Fund Prospectus for details of the Polar Capital Global Insurance Fund. Past performance is not indicative or a guarantee of future returns. Prior to the amalgamation of both funds, the benchmark was the Datastream World Insurance Index (£). The benchmark was changed at the launch of the Polar Capital Global Insurance Fund to the MSCI Daily TR World Net Insurance Index as it is the benchmark upon which performance fees are calculated.

2. Historic yield is based on a NAV per share of €7.99 and income of €0.0982 per unit paid in the last 12 months, based on EUR 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.**

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Portfolio Exposure

As at 31 March 2022

Top 10 Positions (%)

Arch Capital	7.9
Chubb	7.7
Marsh McLennan	7.2
Markel	5.7
Alleghany	5.4
Fairfax Financial Holdings	5.0
RenaissanceRe Holdings	4.7
WR Berkley	4.7
Aon	4.3
Intact Financial Corp	4.0

Total 56.8

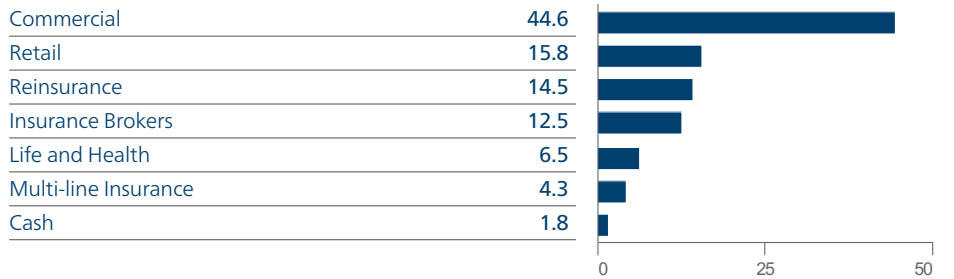
Total Number of Positions 34

Active Share 69.99%

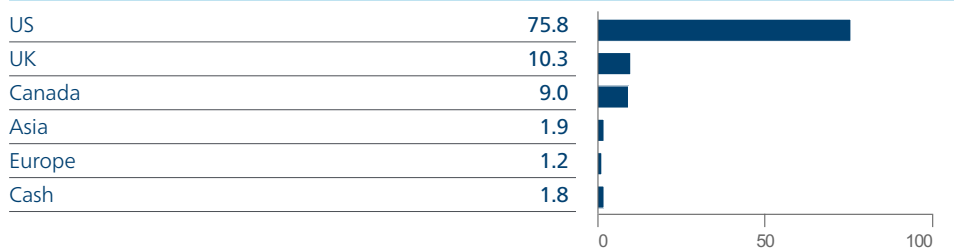
Market Capitalisation Exposure (%)

Large Cap (>\$20bn)	44.3
Mid Cap (\$5bn - \$20bn)	37.7
Small Cap (<\$5bn)	18.0

Sector Exposure (%)



Geographic Exposure by Listing (%)



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 R Acc	PCFIRUA ID	IE00B5164B09	B5164B0	-	1.35%	1.25%	10%
USD R Dist	PCFIRUD ID	IE00B4X9QT28	B4X9QT2	-	1.35%	1.25%	10%
GBP R Acc	PCFIRGA ID	IE00B4X2MP98	B4X2MP9	-	1.35%	1.25%	10%
GBP R Dist	PCFIRGD ID	IE00B51X0H96	B51X0H9	-	1.35%	1.25%	10%
EUR R Acc	PCFIREA ID	IE00B52VLZ70	B52VLZ7	-	1.35%	1.25%	10%
EUR R Dist	PCFIREA ID	IE00B547TM68	B547TM6	-	1.35%	1.25%	10%
USD I Acc	PCFIUA ID	IE00B4Y53217	B4Y5321	USD 1m	0.85%	0.75%	10%
USD I Dist	PCFIUD ID	IE00B503VV16	B503VV1	USD 1m	0.85%	0.75%	10%
GBP I Acc	PCFIIGA ID	IE00B5339C57	B5339C5	USD 1m	0.85%	0.75%	10%
GBP I Dist	PCFIIGD ID	IE00B530JS22	B530JS2	USD 1m	0.85%	0.75%	10%
EUR I Acc	PCFIEA ID	IE00B55MWC15	B55MWC1	USD 1m	0.85%	0.75%	10%
EUR I Dist	PCFIED ID	IE00B4V4LB63	B4V4LB6	USD 1m	0.85%	0.75%	10%
USD I Acc Hdg	PCGIIHU ID	IE00BD3BW042	BD3BW04	USD 1m	0.85%	0.75%	10%
EUR I Acc Hdg	PCGIIHE ID	IE00BD3BW158	BD3BW15	USD 1m	0.85%	0.75%	10%
GBP RA Dist*	SNGIHPI ID	IE00B5NH4W20	B5NH4W2	-	1.35%	1.25%	N/A
GBP RB Acc*	SNGIHPA ID	IE00B63V4760	B63V476	-	1.35%	1.25%	N/A
GBP I Dist (E)*	HISIPEI ID	IE00B4XZ9Q84	B4XZ9Q8	USD 1m	0.85%	0.75%	N/A
GBP I Acc (F)*	HISIPFA ID	IE00B61MW553	B61MW55	USD 1m	0.85%	0.75%	N/A

*These share classes are closed to new investors.

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

^{††}Performance Fee 10% of outperformance of MSCI Daily Net TR World Insurance Index.

Fund Managers' Comments

Fund performance

In March, the GBP R Class (Acc) shares of the Fund returned 7.5% versus 7.2% for the MSCI World Insurance Index benchmark, 4.7% for the MSCI World (both net total return GBP), 1.3% for the FTSE All Share and 5.7% for the S&P 500 (both total return GBP).

Year to date, GBP R Class (Acc) shares of the Fund returned 8.8% versus 8.3% for the MSCI World Insurance Index benchmark, -2.3% for the MSCI World (both net total return GBP), 0.5% for the FTSE All Share and -1.7% for the S&P 500 (both total return GBP).

March was a strong month for the Fund, building on a good start to 2022. The non-life insurance sector is a relative haven in more volatile times given the defensive characteristics of the industry. The sector is also being increasingly recognised as a lower risk way for investors to play rising inflation and bond yields. The Fund also benefited from a notable M&A transaction that added c1.2% to monthly performance.

CEO views

In Warren Buffett's letter to Berkshire Hathaway shareholders published in February 2022 he noted that "we find little that excites us" in discussing his options on putting his ever-growing cash pile to work. A month or so later, Berkshire announced the \$11.6bn all cash acquisition of Alleghany at a c25% premium to the pre-announcement stock price. Alleghany has been a long-term top 10 holding for the Fund and was a c4.6% position pre-announcement. Alleghany is a (re)insurance holding company that owns reinsurer TransRe, specialty insurers RSUI and CapSpecialty and a small portfolio of non-insurance related businesses, most notably toy company Jazwares. We think it is noteworthy that this is the first Berkshire acquisition of any significant size in (re)insurance for many years which speaks both to the current valuation opportunities in the sector and the strong near and long-term fundamental outlook. Over the decades, Warren Buffett has regularly highlighted the value of "float" inherent in insurance loss reserves. This value increases in a rising bond yield environment a fact Buffett understands more than most.

At this time of year, as the annual results season comes to an end, we get the opportunity to read the insights of the CEOs of the companies we invest in and others we respect through their annual letters to shareholders. We do our housekeeping by reviewing their financial scorecard, assessing management compensation and incentives while at the same time watching for any strategic updates. In addition, we are also looking for clues that our companies are trying to 'look around corners' and think more holistically beyond the insurance industry. During 2021, reinsurance company RenaissanceRe adopted a Purpose Statement and with it provided one of the most succinct descriptions of the societal importance of the insurance industry:

"For RenaissanceRe, our purpose is to "protect communities and enable prosperity." Much is resident in this brief statement. At the most basic level, we provide protection against fortuitous losses, most notably from natural catastrophes, by assuming the largest and most difficult to insure risks in society. Shifting a risk from the vulnerable to the resilient has broad, macroeconomic benefits, as well as potentially facilitating the internalization of harmful negative externalities in those responsible for creating them. When catastrophic events occur, we provide the capital so insurers can pay claims to homeowners and other stakeholders to rebuild their houses and restore their communities. In addition, our products

provide robust signals concerning risky behavior, which encourage safety and promote mitigation."

Outlook

With the ink barely dry on 2021 year end reporting, the 1Q22 results begin later this month. We are expecting underwriting results to remain strong as the significant insurance prices rises of the past few years continue to earn into reported results. Top-line growth should comfortably average well into the double digits, much more for some of our companies. Underwriting margins should continue to rise despite natural catastrophe losses in the quarter. These included the storms in Europe and Australia as well a Japanese earthquake. We will also see some underwriting losses from the sad events in Ukraine. We expect aviation losses to be the largest component and the area of greatest uncertainty. Industry commentators recently reported that c\$10bn of planes in Russia have been seized by the state. The extent of insurance coverage and therefore losses depends on whether these actions are interpreted as theft or asset confiscation relating to an act of war. This is something that will take time to resolve, possibly in the courts. We continue to view potential underwriting losses from the Ukraine crisis as very manageable from a portfolio perspective and ultimately expect the loss for the industry to be equivalent to a small/mid-sized US hurricane. As we discussed in last month's fact sheet commentary, we expect losses will be concentrated in Lloyd's/London market (re)insurers given their outsized share of marine and aviation risks. These classes of business are a small part of the portfolio. Lloyd's have said they expect their market loss to be in the "low single-digit billions" which supports our view of the magnitude of the overall industry loss.

Despite our companies having defensive investment portfolios (and low investment leverage versus other financials) they will have been impacted in 1Q22 and we expect to see marked-to-market investment losses. The most significant driver of this is the rise in short-term bond yields, with the US two-year Treasury bond yield rising from 0.73% to 2.33% over the quarter. Rising corporate bond spreads will have less impact (the ICE BofAML AA index yield moved from 2% to 3.2% in the quarter). Overall, we estimate an after-tax loss of 2% on invested assets which, given leverage of 2.5x to shareholders' equity, reduces book values by 5%, all else equal. We expect strong after-tax underwriting profits to add 2% to book values resulting in 3% decline overall. Our best estimate of attribution for the c9% rise in the Fund in 1Q22 is therefore -3% book value growth offset by a 10% rise in price to book multiples and a 2% benefit from a strengthening dollar versus sterling.

Conclusion

The good news is that the 1Q22 decline in book values from short-term investment losses will quickly be recovered by higher investment income from the rise in bond yields. The investment portfolio composition for our companies is transparent, particularly in the US and it is not surprising to us financial markets have quickly looked through these losses and started to discount higher profitability. Our revised prospective 12-month book value growth assumption of 12%+ made in February 2022 is now looking conservative given materially higher investment income. We will wait until after the 1Q22 reporting season to re-evaluate this. For context, using the US two-year Treasury yield as a conservative proxy for Fund holding investment returns, the rise in yields in 1Q22 is worth c320bps (after tax) on future prospective book value growth, all else equal.

The earnings power of our companies has not been this strong for many years. We continue to believe the Fund offers a cash-on-cash

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return of c8-9% (defined as expected book value growth divided by price to book multiple) with the rise in valuations seen during 1Q22 being offset by the material increase in the earnings power of our companies. The defensive non-life insurance sector continues to offer many attractions in these volatile markets and if Fund performance only tracks our expected book value growth, we are confident of delivering strong returns for the foreseeable future.

Finally, I want to offer my congratulations to my colleague of nine years, Dominic Evans, who I am delighted to announce has been promoted to Fund Manager with effect from 1 April 2022. I will remain as Lead Fund Manager supported by Dom as before and there are no plans to add to the team. We do not foresee any changes to our proven investment process, or the way in which we work closely together. We hope to continue compounding strong results for our investors for many years to come.

Nick Martin

5 April 2022

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.

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.

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 Daily TR World Net Insurance 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 www.msclub.com. 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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Switzerland The principal fund documents (the prospectus, 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.

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